AUTORITÉ DES MARCHÉS FINANCIERS

GENERAL INSTRUCTIONS

Net cumulative cash flow reporting (NCCF)

March 2016

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GENERAL INSTRUCTIONS

The guidance contained in this document allows financial institutions to submit their statement of account in respect of their cumulative net cash flow. Thus, the Autorité des marchés financiers (the “AMF”) expects that all financial institutions produce NCCF uncut and on a monthly basis.

The form must be filed and sent to the AMF within 14 days of the end of each month and must include contact information (name, phone number and email address) of the person to contact for additional information if necessary.

The NCCF return is to be completed using the methodologies and calculations described in chapter 5 of the AMF’s *Liquidity Adequacy Guideline*[1] (the “Guideline”). Specific instructions for each required data item can be found below as well as in the Annex 2 of the worksheet of the NCCF return (Excel). The purpose of these instructions is to ease completion of the NCCF return by referencing its components to the applicable paragraphs of the Guideline.

The NCCF return must be completed on a consolidated basis in Canadian dollar (CAD). The AMF regulated entities governed by the Guideline are collectively referred to herein as “institutions” or “financial institutions”.[2] [3]

In addition, the NCCF is to be reported in CAD basis and on an individual major foreign currency basis, which is defined as U.S. dollar (USD), Euro (EUR) and British pound sterling (GBP) as well as any other currency determined to be necessary by the AMF.

These informations will have to be sent directly to the AMF via the secure file transfer system (STF).

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1 Autorité des marchés financiers. *Liquidity Adequacy Guideline*, January 2015.

2 The terms "institutions" and "financial institutions" are designated by “financial institutions’ in Excel file *Net cumulative cash flows (NCCF)* return as well as in the examples presented in Annex 1 of the present document.

3 These expressions are defines on page v of the Guideline.

SECTION 1. GENERAL

1.1 Introduction

These instructions have been drafted as a supplement to Chapter 5 of the AMF's Guideline, which sets out definitions, haircuts, run-off rates and reporting requirements which are referenced in these instructions.

The NCCF template sets out to incorporate a financial institution's cash flows for assets, liabilities, securities and collateral movements. Should, for example, a financial institution business model not include certain aspects captured by the NCCF, the financial institution should simply leave blank lines that are not applicable.

1.2 Reporting format

Financial institutions must fill a template split in two sections. The template format requires:

a) **Cash inflows** (including Eligible Unencumbered Liquid Assets or EULA) – Allocation of all eligible cash inflows from assets to the appropriate maturity buckets. Cash and security flow eligibility and treatments are discussed in Section 2 for cash inflows. Reporting of securities includes on-balance sheet securities and off-balance sheet collateral pledged/received.[4]

b) **Cash outflows** – Allocation of all eligible cash outflows from liabilities to the appropriate maturity buckets. Cash and security flow eligibility and treatments are discussed in Section 3 for cash outflows. Reporting of securities include on-balance sheet securities and off-balance sheet collateral pledged/received.[5]

Maturity buckets used in the template include:

Weeks				**Months**											
1	**2**	**3**	**4***	**2****	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**> 12**

* Cash flows related to days 29, 30 and 31 of the first month should be reported in the week 4 bucket. For deposits, apply the equivalent monthly run-off rate assigned to week 4 cash flows.[6]

** Cash flows related to the remaining days of week 5 should be reported in the Month 2 bucket. For deposits, apply the monthly run-off rate assigned to Month 2 flows.

4 Guideline, chapter 5, par. 11 to 33.

5 Guideline, chapter 5, par. 34 to 59.

6 Guideline, chapter 5, par. 35 and Annex 1 of the present document.

1.3 General instructions

Cash flows associated with assets and liabilities that have a contractual maturity should be considered based on their residual contractual maturity or earliest option date,[7] unless instructed otherwise.

Outflows associated with liabilities that have no specific maturity, such as demand deposits, will be calculated in accordance with the Guideline and allocated to the maturity buckets noted in Section 1.2 of the present document.

Reporting of balances is required to supplement cash flow information. Reconciliation to balance sheet balances is not required and should be done on a best-efforts basis. However, discrepancies with the balance sheet balances should be within reason and explainable.

Contractual cash flows are reported for existing assets and liabilities as at reporting date. The NCCF surplus and survival horizon should be calculated with logic embedded in the NCCF template.

NCCP compares cumulative cash inflows from maturing assets and unencumbered liquid assets against cumulative cash outflows as given by the following equation.[8]

$$\textbf{NCCF (Weeks)} = \sum \textbf{(Inflows – Outflows), Cumulative}$$

If reporting requirements cannot be met due to system limitations, reporting financial institutions are to discuss with the AMF bilaterally remediating action plans and alternative interim reporting solutions.

1.4 Major foreign currencies

The NCCF is to be reported of CAD equivalent for each major foreign currency, defined as USD, EUR, and GBP, as well as other currencies determined to be eligible by the AMF[9].

For major foreign currency balance sheet and combined balance sheet, cash flow information should be summarized from individual foreign currency and in CAD balance sheets. They should not include any forms of adjustment.

1.5 Securities haircut table

To report the large number of security types in a consistent and comparable manner across currencies and jurisdictions, security types (including those qualified as EULA)

7 Guideline, chapter 5, pages 21, 23, and 36.

8 Guideline, chapter 5, par. 7.

9 Financials institutions subject to this additional requirement will be notify

have been harmonized into broader security types based on their nature and credit rating.

Securities qualified as EULA under each currency have been assigned haircuts, which approximate haircuts prescribed by the corresponding central banks for each security type. Security types that are not qualified as EULA in a jurisdiction receive no liquidity value and are assigned 100% haircut in week 1; full liquidity value will be attributed upon maturity of the security.

Securities cash flows are determined based on market value of securities after application of the appropriate haircut as prescribed in the Securities Haircut Table.

The central bank eligible securities and haircuts have been streamlined into the Securities Haircut Table in the following aspects:

Credit rating steps – Security types are based on the following credit rating step methodology:

Credit rating bucket	Credit rating
High rated	AA-/Aa3 to AAA/Aaa
Medium rated	A-/A3 to A+/A1
Low or not rated	D to BBB+/Baa1 or not rated

This is based on Basel Committee for Banking Supervision standardized approach to credit risk[10] and is consistent with the liquidity coverage ratio (LCR), high quality liquid asset (HQLA) leveling scheme.[11]

Haircuts –To ease reporting efforts and ensure consistency, a single haircut rate has been selected from the range of haircuts assigned by central banks for each type of security and each major foreign currency in the Securities Haircut Table. Other currencies determined to be eligible by the AMF are to be haircut using the CAD haircuts.

[10] Basel Committee on Banking Supervision. *Basel II: International Convergence of Capital Measurement and Capital Standards*: A revised Framework, June 2006, par. 53.

[11] Guideline, chapter 2.

SECTION 2. CASH INFLOWS

2.1 Inflows overview

Cash inflows from assets which do not meet the criteria defined for EULA may be recorded at the time of maturity provided they meet the criteria defined in the Guideline[12].

All cash inflows should be recorded as positive amounts and should only be reported for assets, unless the AMF has approved specific exceptions allowing cash inflows to be reported from liabilities.

The asset types for which inflows need to be reported are listed in the template. Granularity of reporting for inflows is consistent across balance sheets (for each currency).

2.2 Inflows maturities

Unless instructed otherwise, inflows should always be allocated to maturity buckets corresponding with their contractual maturity or earliest option date.[13] Exceptions noted in chapter 5 of the Guideline include:

- Cash resources (deposits with central banks and other financial institutions) should be reported as inflows in the first week.[14]
- EULA should be reported as inflows in the first week after the appropriate haircut prescribed by the Securities Haircut Table.[15]
- Common equity holdings, which receive inflows in accordance with treatments presented in the Guideline.[16]
- Loans with no specific maturity, which may only report inflows associated with minimum payments that are contractually due. These minimum payments are assumed to occur at the latest possible time band within that period.[17]
- Bankers' acceptances reported as an asset (customers' liability under acceptances) should be reported as inflows at the latest contractual maturity date of the underlying facility.[18]
- Balances related to on-balance sheet assets which are not mentioned in chapter 5 of the Guideline are to be reported in the NCCF as **OTHER ASSETS,** but no cash inflow value is attributed to them.[19]

[12] Guideline, chapter 5, par. 18 and 21 to 23.
[13] Guideline, chapter 5, par. 21 and 23.
[14] Guideline, chapter 5, par. 22.
[15] Guideline, chapter 5, par. 12.
[16] Guideline, chapter 5, par. 25 to 26.
[17] Guideline, chapter 5, par. 28.
[18] Guideline, chapter 5, par. 24.
[19] Guideline, chapter 5, par. 33.

2.3 Cash resources

Report cash currently held by the institution that are immediately available to meet obligations on line **CASH RESOURCES – COINS AND BANK NOTES**. They are treated as cash inflows in the first time bucket (i.e. week one).

Deposits with central banks

Report cash deposits placed at central banks to meet reserve requirements which cannot be drawn down in times of stress on line **CASH RESOURCES – DEPOSITS WITH CENTRAL BANKS – DEPOSITS WITH CENTRAL BANKS – MANDATORY** and inflows when they become unencumbered. They are treated as cash inflows in the time bucket when they become unencumbered.

Report cash deposits placed at central banks which can be drawn down in times of stress on line **CASH RESOURCES – DEPOSITS WITH CENTRAL BANKS – DEPOSITS WITH CENTRAL BANKS – UNENCUMBERED**. They are treated as cash inflows in the first time bucket (i.e. week one).

Deposits with financial institutions[20]

Report demand deposits at financial institutions that can be drawn upon demand under **CASH RESOURCES – DEPOSITS WITH FIS – DEMAND DEPOSITS AT FIS**. They are treated as cash inflows in the first time bucket (i.e. week one).

Term deposits of financial institutions that cannot be drawn until term maturity must be reported under **CASH RESOURCES – DEPOSITS WITH FIS – TERM DEPOSITS AT FIS** and inflows in the earliest contractual maturity time buckets. They are treated as cash inflows in the earliest contractual maturity time buckets.

For cash deposits with financial institutions that are encumbered and pledged as collateral, refer to Sections 2.8 “Derivative Related Assets” and 3.10 “Derivative Related Liabilities” below.

2.4 Securities

The NCCF aims to support the financials institutions in the evaluation of their ability to withstand a period of stress. One of the assumptions is that financial institutions will be able to generate funding by selling off certain securities in the secondary market at a discounted price. The discounted price is simulated through the haircuts on the market value of various securities.

For all securities, report balance (at market value, excluding accrued interest) and inflows (at contractual amounts) in the contractual maturity time buckets.

[20] Guideline, chapter 5, par. 22.

For securities qualified as EULA, balances are treated as cash inflows in the first time bucket (i.e. week one) after the appropriate haircut as prescribed in the Securities Haircut Table.[21] Upon maturity of EULA, the haircut amount of the maturing inflow would be recognized in the contractual maturity time bucket (Annex 1).

For securities not eligible as EULA, contractual inflows are recognized under the appropriate time bucket based on contractual maturity.[22]

Fungibility of USD securities as CAD EULA

USD liquid assets can be reported in the Canadian dollar balance sheet provided they meet the criteria of Canadian EULA, i.e. eligible at the Bank of Canada.[23]

To report fungible in USD securities in CAD balance sheet, report balances (at market value, excluding accrued interest) and inflows (at contractual amounts) in the corresponding categories after appropriate Canadian haircuts. Report the amount in USD securities reported in the CAD balance sheet in **COMMENTS** column for each category of securities transferred.

Pooled investment vehicles

Look-through for units in pooled investment vehicles (e.g. exchange-traded funds) held by financial institutions (i.e. decomposing to the underlying securities) is generally not allowed. One exception to the no-look-through rule is for total return swaps (TRS), where assets linked to TRS exposures will be given the same treatment as in LCR.[24]

For units in pooled investment vehicles, report the balance at market value only under **SECURITIES – EQUITIES – OTHER EQUITIES**. Given the varying degree of ability to liquidate positions and the dependence of a liquid market (even though some of these units may be exchange-traded), no liquidity value will be attributed.

Exchange – Trades notes (ETNs)

No liquidity value will be attributed until the maturity of these securities. Report balance (at market value) and inflows (at contractual amounts) in the contractual maturity time buckets under **SECURITIES – CORPORATE BONDS AND PAPER – FI ISSUED CORPORATE BONDS AND PAPER (LOW RATED OR UNLISTED) – FI ISSUED UNSECURED BONDS AND PAPER (LOW RATED OR UNLISTED)**.

Common equity shares

21 Guideline, chapter 5, par. 12 to 17, 19 to 20.

22 Guideline, chapter 5, par. 23.

23 Guideline, chapter 5, par. 15.

24 Guideline, chapter 5, par. 13 and chapter 2, par. 54(c).

For common equity shares held by the financial institution or equity instruments of category 1A, eligible non-financial equities are shares that meet the criteria[25] and the operational requirements.[26] Report the balance at market value under **SECURITIES – EQUITIES – ELIGIBLE NON-FINANCIAL COMMON EQUITY SHARES**. An inflow is recognized for 50% of the balance in week 4.[27]

Eligible financial institution common equity shares or equity instruments of category 1A are shares that meet the operational requirements in the Guideline.[28] Report the balance at market value under **SECURITIES – EQUITIES – ELIGIBLE FINANCIAL COMMON EQUITY SHARES**. Inflows are recognized according to the following schedule: 12.5% in month 2, 25% in month 3, and 12.5% in month 4.[29]

For all other equities or equity instruments of category 1A, report the balance at market value only under **SECURITIES – EQUITIES – OTHER EQUITIES**. No liquidity value will be attributed.

Own securities held by financial institutions

For own securities held by the financial institution (e.g. banker's acceptances, commercial paper, etc.), report balance and inflows in the contractual maturity time buckets **SECURITIES – SECURITIES BANK'S OWN – NOT ELIMINATED**. Contractual inflows are recognized under the appropriate time bucket based on contractual maturity.

2.5 Loans - Mortgages

Inflows from mortgages should be reported under the appropriate time bucket based on contractual maturity.[30]

Mortgages (securitized and unsecuritised) are to be reported at appropriate values. Book value is acceptable only when the assumptions adopted reflect current market conditions.

Interest inflows

Financial institutions may either report blended mortgage amortization and interest payment inflows or suppress reporting of interest payment and report mortgage amortization payment inflows only, on the **PAYMENTS** line under the appropriate type of mortgage. Financial institutions are to specify the alternative adopted in the **COMMENTS** column of the appropriate rows.

25 Guideline, chapter 2, par. 54(c).

26 Guideline, chapter 2, section 2.2.1.2.

27 Guideline, chapter 5, par. 25 and Annex 1, Example 2.

28 Guideline, chapter 2, section 2.2.1.2

29 Guideline, chapter 5, par. 26 and Annex 1, Example 3.

30 Guideline, chapter 5, par. 21

Balance at maturity

Financial institutions should report separately mortgage balance at maturity inflows and periodic amortization payment inflows on lines **BALANCE AT MATURITY** and **PAYMENTS,** respectively, under the appropriate type of mortgage.

Securitised mortgages

For mortgages securitised and unsold, report balances at maturity and periodic amortization payments of the appropriate mortgage types under **LOANS – RESIDENTIAL/COMMERCIAL MORTGAGES – SECURITISED RESIDENTIAL/COMMERCIAL MORTGAGES – EULA SECURITISED RES/COML MORT (BALANCE AT MATURITY/PAYMENTS).**

Balances at maturity and the balance of periodic amortization payments of mortgage securitized and unsold are treated as cash inflows in the first time bucket (i.e. week one) after the appropriate haircut (i.e. "the mortgage backed securities (MBS) – agency MBS – Agency MBS (High rated) haircut").

For mortgages securitised but unsold for an extended period of time, reporting of any structural declines in loan value under unfavourable market conditions may be requested by the AMF.

For mortgages securitised and used to back Canada housing Trust (CHT) swaps, report both "balance at maturity" and "periodic amortization payments" in the appropriate mortgage types under **LOANS – RESIDENTIAL/COMMERCIAL MORTGAGES – SECURITISED RESIDENTIAL/COMMERCIAL MORTGAGES – ENCUMBERED SECURITISED RES/COML MORT (BALANCE AT MATURITY)** in time buckets corresponding to the CHT swaps contractual maturity.

No cash inflow value will be received until maturity of CHT swaps. Balance at maturity inflows would be recognized as cash inflows in the contractual maturity time buckets.

For mortgages securitised and encumbered, the corresponding liability is not assumed to roll over.[31]

For mortgages securitised and sold to third parties, report balance at maturity and periodic amortization payments in the appropriate mortgage types under **LOANS – RESIDENTIAL/COMMERCIAL MORTGAGES – SECURITISED RESIDENTIAL/COMMERCIAL MORTGAGES – ENCUMBERED SECURITISED RES/COML MORT (BALANCE AT MATURITY/PAYMENTS)**.

Periodic amortization payments and payments of balance at maturity are recognized inflows in payment time buckets.

For mortgages securitised and encumbered, the corresponding liability is not assumed to roll over.[32]

[31] Guideline, chapter 5, par. 35.

For Mortgage-Backed Securities purchased from third parties, report balance and periodic amortization payments of the appropriate mortgage type under **SECURITIES – MORTGAGE-BACKED SECURITIES (MBS)**.

The balance is treated as a cash inflow in the first time bucket (i.e. week one) after the appropriate haircut as prescribed in the Securities Haircut Table. For MBS that do not qualify as EULA (i.e. 100% haircut), periodic amortization payments are recognized in each time bucket.

Unsecuritised mortgages

For unsecuritised mortgages, report balance at maturity and periodic amortization payments in the appropriate mortgage types under **LOANS – RESIDENTIAL/COMMERCIAL MORTGAGES – RESIDENTIAL/COMMERCIAL MORTGAGE INS/NOT INS (BALANCE AT MATURITY/PAYMENTS)**.

If the payment related to balance at maturity cannot be separated from the total mortgage payment, financial institutions should discuss action plans to address this limitation with the AMF on a bilateral basis. In the interim, financial institutions are to estimate the split on a best-effort basis and report each under the appropriate lines. Financial institutions are to clearly specify this alternative adopted in the **COMMENTS** column of each affected line.

No cash inflow value would be received for inflows from balances at maturity, as mortgages are assumed to roll over, and only contractual inflows (including interest and amortization payments) are recognized as inflows (under **PAYMENTS** lines of each mortgage type).[33]

Monthly inflows are assumed to continue at the same level as all mortgages were to be rolled over. Financial institutions have the choice to recognize inflows weekly in month 1 and in month 2-12 with either of the following alternatives:

1) Contractual periodic amortization payments for each period; or

2) Assuming monthly amortization payments will continue at the same level as amortization payment for the first month, i.e. inflows from payments for the first month will be recognized as inflows in each of the month 2-12 time buckets.

Financial institutions are to specify in the **COMMENTS** column of the appropriate rows: **CONTRACTUAL** if alternative 1 from above is adopted, and **MONTH 1** if alternative 2 from above is adopted.

[32] Guideline, chapter 5, par. 35.

[33] Guideline, chapter 5, par. 21.

2.6 Loans – Other than mortgages

Inflows from loans must be reported under the appropriate time bucket based on contractual maturity.[34]

Loan interest inflows

Financial institutions have the choice to report blended loan amortization and interest payment inflows or suppress reporting of interest payment and report loan amortization payment inflows only under the appropriate type of loan. Financial institutions are to specify the alternative adopted in the **COMMENTS** column of the appropriate rows

Fixed maturity loans

For loans with fixed maturities, report balance and maturing payments in the appropriate loan types under **LOANS – PERSONAL/BUSINESS AND GOVERNMENT LOANS – PERSONAL/BUS AND GOV LOANS – FIXED MATURITY**.

Maturing payments are recognized as inflows in the contractual maturity time buckets.

Open maturity loans[35]

For loans with no specific maturity, report balance and contractual minimum payments in each period, depending on the loan type, under:

1) **LOANS – PERSONAL/BUSINESS AND GOVERNMENT LOANS – "PERSONAL/BUS AND GOV LOANS – OPEN MATURITY (WITH MINIMUM PAYMENTS)**;

or

2) **LOANS – CALL LOANS – CALL LOANS (WITH MINIMUM PAYMENT)**;

or

3) **LOANS – OTHER LOANS – CREDIT CARDS.**

Minimum payments are recognized as inflows in the payment time buckets.

For open maturity loans that have no contractual minimum payments, depending on the loan type, report balances only under:

1) **LOANS – PERSONAL/BUSINESS AND GOVERNMENT LOANS – PERSONAL/BUS AND GOV LOANS – OPEN MATURITY (WITH NO MINIMUM PAYMENTS)**;

or

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34 Guideline, chapter 5, par. 21.

35 Guideline, chapter 5, par. 28.

2) **LOANS – CALL LOANS – CALL LOANS (WITH NO MINIMUM PAYMENT)**.

No liquidity value will be attributed.

Swapped intrabank loans[36]

Swapped intrabank loans are swaps within the same financial institution related to funding in one currency for lending/investing in another currency (e.g. Northbound/Southbound transactions). Report balance and maturing inflows in each period under “Loans – Other Loans – Swapped Intrabank Loans”.

Inflows are reported at gross swapped loan value where payments from different subsidiaries/entities are not to be netted against each other.

Intrabank inflows and outflows with the same subsidiary/entity can be netted provided they occur in the same time bucket.

Affiliated entity loans

Affiliated entity loans have the same characteristics as **PERSONAL/BUSINESS AND GOVERNMENT LOANS**, with the exception that they are made to a related entity (for example, to a subsidiary). For loans provided to an affiliated entity, report balance and contractual inflows in each period under **OTHER LOANS – LOANS TO AFFILIATES**.

Customer’s liability under acceptance[37]

When the reporting financial institution’s guarantee for a customer under a banker’s acceptance (BA) is drawn on, the drawn part becomes the loan asset under **CUSTOMER’S LIABILITY UNDER ACCEPTANCE**. Balance and inflows at the latest contractual maturity dates of the underlying facility must be reported under **LOANS – OTHER LOANS – CUSTOMER’S LIABILITY UNDER ACCEPTANCE**. Inflows are recognized in the latest contractual maturity time buckets of the underlying facility.

Similar liquidity treatment is to be applied for all products drawn under multiple products arrangements.

2.7 Reverse repurchase agreements and security financing transactions

Reverse repurchase agreements (reverse repos) and security financing transactions are treated similarly under the NCCF.[38]

For reverse repos and securities financing cash legs, report balance and maturing inflows in each period (both at loan value) under **REVERSE REPO (R.REPO) AND SECURITIES BORROWED (SB)**. Inflows are recognized in the contractual maturity time buckets.

36 Guideline, chapter 5, par. 29.

37 Guideline, chapter 5, par. 24.

38 Guideline, chapter 5, par. 17, 30 and 31

For securities (other than common equity shares) received as collateral for reverse repos and security financing transactions, report balance and outflows upon contractual maturity of the related reverse repo/security financing transaction (both at market value of rehypothecatable collateral) in the **COLLATERAL – REVERSE REPO (R.REPO) COLLATERAL IN** Section. Collateral balances are treated as cash inflows in the first time bucket (i.e. week one) after the appropriate haircut as prescribed in the Securities Haircut Table. Collateral outflows are recognized in the contractual maturity buckets after the appropriate haircut.

For common equity shares or equity instruments of category 1A received as collateral, report balance and outflows upon contractual maturity of the related reverse repo/security financing transaction (both at market value of rehypothecatable collateral) in the **COLLATERAL – REVERSE REPO (R.REPO) COLLATERAL IN** section. For equity collateral received, inflows are recognized in line with treatments described in Section 2.4 "Securities – Common Equity Shares". Where equity collateral is returned after the time buckets specified in Section 2.4, the cumulative inflow (from week 1 up to the time period when the collateral is returned) is recognized in the period. For equity collateral returned, outflows are limited to the amount recognized as inflows.[39]

2.8 Derivative-related assets (DRA)

Netting

Unless specified otherwise, derivative cash flows may be reported on a net basis by counterparty, only where a valid master netting agreement exists.[40]

Foreign exchange derivatives

For all foreign exchange (FX) related derivative assets (e.g. FX forward, cross currency swap), report the balance only at market value under **OTHER ASSETS – DERIVATIVE RELATED ASSETS (DRA) – FX AND CROSS CURRENCY SWAP ASSETS**.

In USD balance sheet only, report contractual cash flows (at nominal value) across all currencies in each period under **OTHER ASSETS – DERIVATIVE RELATED ASSETS (DRA) – FX AND CROSS CURRENCY SWAP ASSETS**.

In all balance sheets other than USD, no liquidity value will be attributed. In USD balance sheet, the sum of net contractual cash flow over all periods is recognized as a cash inflow in the first time bucket (i.e. week 1).

In USD balance sheet, contractual cash flows (at nominal value) related to FX derivatives are to be reported in **FX DERIVATIVE** section in their contractual maturity buckets for each

[39] Annex 1, Example 13.

[40] Guideline, chapter 5, par. 32.

currency affected separately. They are for information purposes only and would not affect net NCCF position of the financial institution.[41]

Option-related cash flows

Institutions should calculate, in accordance with their existing valuation methodologies, expected contractual cash flows related to options. Options should be assumed to be exercised when they are in-the-money to the option buyer as at reporting date. Report the balance at market value and expected contractual cash inflows in each period under **OTHER ASSETS – DERIVATIVE RELATED ASSETS (DRA) – OTHER DRA**. Expected contractual inflows are recognized in each time bucket.

All other DRA

Balance at market value and contractual inflows at nominal value must be reported in each period.[42] Inflows are recognized in contractual maturity time buckets.[43]

Collateral

Where securities have been received as collateral for DRAs, report balance and outflows upon contractual maturity of the related DRA (both at market value of rehypothecatable collateral) in the **COLLATERAL – PLEDGING AND ENCUMBRANCES – DERIVATIVE AND CLEARING (D/C)** section. Collateral balances are treated as cash inflows in the first time bucket (i.e. week one) after the appropriate haircut as prescribed in the Securities Haircut Table. Collateral outflows are recognized in the contractual maturity buckets after the appropriate haircut.

Where DRAs are collateralized with cash, report balance of net cash collateral received and outflows when the related DRA is settled under **OTHER LIABILITIES – CASH COLLATERAL RECEIVED**. The balance is recognized as an inflow in the first time bucket (i.e. week 1) and outflows are recognized in time buckets when related DRA's are settled.[44]

If collateral (cash or security) outflows cannot be matched with the related DRA maturity, financial institutions should discuss action plans to address this limitation with the AMF on a bilateral basis, and in the interim report collateral outflows in the >365 bucket after the appropriate haircut. The alternative adopted should be clearly specified in the **COMMENTS** column of each affected DRA line. The methodology adopted by the reporting financial institution for DRA and DRL should be consistent.[45]

[41] Annex 1, Example 14.

[42] Guideline, chapter 5, par. 32.

[43] Annex 1, Examples 9 and 10.

[44] Annex 1, Examples 9 and 10.

[45] Annex 1, Examples 9A and 10A.

2.9 Collateral swaps

Where collateral swaps meet the conditions set out in the Guideline,[46] for securities received as collateral, report balance and outflows upon contractual maturity of collateral swaps (both at market value of rehypothecatable collateral) in **COLLATERAL – REVERSE REPO (R.REPO) COLLATERAL IN**. Collateral balances are treated as cash inflows in the first time bucket (i.e. week one) after the appropriate haircut as prescribed in the Securities Haircut Table. Collateral outflows are recognized in the contractual maturity buckets after the appropriate haircut.

2.10 Other assets

Commodities

Report balances for precious metals, precious metal loans and other commodities under **COMMODITIES.** No liquidity value will be attributed.

Other assets

For all other assets not mentioned in the Guideline, chapter 5, report balances under **OTHER ASSETS**. No liquidity value will be attributed.[47]

46 Guideline, chapter 5, par. 18.

47 Guideline, chapter 5, par. 33.

SECTION 3. CASH OUTFLOWS

3.1 Outflow overview

Outflow treatments for liabilities differ depending on whether the liability has a contractual maturity or whether the liability has no specific maturity (non-defined or open maturity). Detailed definitions and treatments are described in the Guideline.[48]

Cash outflows should be recorded as negative amounts. Outflows should only be recorded for liabilities, unless exceptionally approved by the AMF (to record outflows from assets).

Liabilities for which outflows need to be reported are listed in the template. Granularity of reporting for outflows is consistent across balance sheets (for each currency).

3.2 Outflow maturities

Unless instructed otherwise, liabilities with contractual maturities are not assumed to roll over and cash outflows should be allocated to maturity buckets corresponding with their contractual maturity or earliest option date. Exceptions noted in the Guideline, chapter 5, include:

- Certain retail/small business customer and wholesale deposits are allowed to roll over at prescribed rates. Refer to "Deposit" sections below (Section 3.3 to 3.6) for more details.
- Bank-sponsored acceptances are allowed to roll over at prescribed rates.[49]
- Securities sold short and funding guarantees to subsidiaries and branches should all be assumed to have immediate cash outflows (i.e. first maturity bucket) of principal.[50]
- Credit and Liquidity facilities to extend funds at a future date which should be reported in the appropriate rows but will not be included as cash outflows for calculating NCCF.[51]
- Balances related to on-balance sheet liabilities which are not mentioned in Chapter 4 of the Guideline are to be reported in the NCCF as **OTHER LIABILITIES**, but no cash outflow value is attributed to them.[52]

3.3 Deposits

Outflows from deposits and funding liabilities should be reported under the appropriate time bucket based on contractual maturity or specified run-off schedules on a declining

48 Guideline, chapter 5, par. 34 to 59.

49 Guideline, chapter 5, par. 41.

50 Guideline, chapter 5, par. 40.

51 Guideline, chapter 5, par. 59.

52 Guideline, chapter 5, par. 58.

balance basis (unless instructed otherwise).[53] Run-off rates are summarized in the Guideline.[54]

Deposit interest outflows

Financial institutions have the choice to report blended deposit repayment and interest payment outflows or suppress reporting of interest payment outflows. Financial institutions are to clearly specify the alternative adopted in the **COMMENTS** column of each affected line.

3.4 Deposits – Retail and small business

Retail and small business deposits are assumed to renew with a portion of the remaining deposit balance to be run off every time a renewal is assumed to take place. Any run off occurring in the first four weeks should be based on an equivalent monthly run-off rate obtained by multiplying the weekly run-off rate by a factor of four.[55]

Small business is defined as business customer deposits that are $5 million or less on an individual account basis.[56]

Deposit insurance

- Type 1 insured – defined as deposit insurance that meets criteria set out in the Guideline.[57]

- Type 2 insured – defined as deposit insurance that does not meet criteria set out in the Guideline.[58]

Demand deposits

Demand deposits are assumed to be renewed weekly for the first month and monthly from months 2 to 12 with a portion of the remaining balance to be run off based on rates of the appropriate deposit type.[59] Report balance only for each type of demand deposit. Outflows are recognized based on the run off rates in the “Table 1”.[60]

[53] Guideline, chapter 5, par. 34.
[54] Guideline, chapter 5, par. 57.
[55] Guideline, chapter 5, par. 34 and 35.
[56] Guideline, chapter 5, par. 4.
[57] Guideline, chapter 2, par. 78 and chapter 5, par. 45.
[58] Guideline, chapter 2, par. 78 and chapter 5, par. 45.
[59] Guideline, chapter 5, par. 43.
[60] Guideline, chapter 5 and Annex 1, Example 4.

Cashable term deposits

Cashable term products in which the customer has an option for early redemption should be treated as a demand deposit at the first customer option date.[61]

Report balance and maturing repayments in each period. Outflows are recognized for maturing payments in the current period as well as in all prior periods, based on the demand deposit run off rates with the same deposit characteristics in the "Table 1".[62]

Term deposits

Round the original terms of retail and small business term deposits to original term buckets of 30 days, 60 days, 90 days, 180 days, 1 year, and more than 1 year. If the original term is less than 30 days, round to the 30-day term bucket; if the original term of a term deposit falls on the mid-point between original term buckets, assign it to the lower bucket.

Group and report balance and maturing payments of term deposits with the same characteristics and rounded original term in the appropriate line.

Term deposits are assumed to renew at the same tenor as the rounded original term of the deposits. Outflows are recognized for maturing payments in the current period, as well as all renewal periods, based on run off rates in the "Table 1".[63]

Structured notes

Structured notes are debt products with embedded derivatives that alter the risk and return profiles of the securities.

For retail and small business structured notes where the customer has an option to call, report balance at market value and outflows at nominal amounts in the time bucket corresponding to the earliest call date, under line **DEPOSITS – RETAIL AND SMALL BUSINESS STRUCTURED NOTES – RSB STRUCTURED NOTES CUST CALL**. Outflows are recognized in the earliest call option time buckets.

For all other retail and small business structured notes, report balance at market value and outflows at nominal amounts in the contractual maturity time bucket under **DEPOSITS – RETAIL AND SMALL BUSINESS STRUCTURED NOTES – RSB STRUCTURED NOTES NO CUST CALL**.

3.5 Deposits – Wholesale

Wholesale deposits, other than unsecured term deposits, are assumed to renew with a portion of the remaining deposit balance to be run off every time a renewal is to take

[61] Guideline, chapter 5, par. 36.

[62] Guideline, chapter 5 and Annex 1, Example 5.

[63] Guideline, chapter 5, par. 34 and 35 and Annex 1, Examples 6 and 7.

place. Any run off occurring in the first four weeks should be based on an equivalent monthly run-off rate, obtained by multiplying the weekly run-off rate by a factor of four.[64]

Approved jurisdiction

Approved jurisdiction – defined as jurisdiction that adopts run-off factor of 3% on stable deposits that have type 1 deposit insurance.[65]

Other jurisdiction (outside of approved jurisdiction) – defined as jurisdiction that doesn't adopt run-off factor of 3% on stable deposits, irrespective of whether the jurisdiction's deposit insurance scheme is categorized as type 1 or type 2.[66]

For deposit insurance types, refer to Section 3.4 “Deposits – Retail and Small Business” above.

Demand deposits

Demand deposits are assumed to be renewed weekly for the first month and monthly from months 2 to 12 with a portion of the remaining balance to be run off based on rates of the appropriate deposit type.[67] Report balance only for each type of demand deposit. Outflows are recognized based on the run off rates in “Table 1” of the Guideline, chapter 5.

Commercial and corporate operational term deposits (with less than 30 days original term)

Commercial and corporate operational term deposits with original term of 30 days or less are assumed to renew every 30 days at the same rate as commercial and corporate operational demand deposits. Outflows are recognized for maturing payments in the current period, as well as all renewal periods, based on the commercial and corporate operational demand deposit run off rates in “Table 1” of the Guideline, chapter 5.

All other term deposits

All other wholesale term deposits are not assumed to be renewed. Report balance and maturing outflows in each period. Outflows are recognized in the contractual maturity time buckets.

[64] Guideline, chapter 5, par. 34 and 35.

[65] Guideline, chapter 2, par. 78 and chapter 5, par. 53.

[66] Guideline, chapter 2, par. 78 and chapter 5, par. 53.

[67] Guideline, chapter 5, par. 52 to 56.

3.6 Deposits – Other

Customers' banker's acceptances (BAs) issued

For BAs that the financial institution has guaranteed for its customers, report balance and contractual payments in each period under **DEPOSITS – OTHER DEPOSITS/GUARANTEES – CUSTOMERS' BAS ISSUED**.

Group and report BAs in the appropriate line corresponding to their original terms **1-/2-/3-MONTH BA ISSUED**. For BAs with original terms shorter than one month, group and report them in the **1-MONTH BA ISSUED**.

Customers' BAs are assumed to renew at the same tenor as the original term of the deposits. Outflows are recognized for maturing payments in the current period, as well as all renewal periods, based on a run off rate of 75%.[68]

Swapped intrabank deposits

Swapped intrabank deposits are swaps within the same financial institution related to funding in one currency for lending/investing in another currency (e.g. Northbound/Southbound transactions). They are to be reported in **DEPOSITS – OTHER DEPOSITS – SWAPPED INTRABANK DEPOSITS**.

Outflows are reported at gross swapped deposit value where payments to different subsidiaries/entities are not to be netted against each other.

Intrabank inflows and outflows with the same subsidiary/entity can be netted provided they occur in the same time bucket.

Affiliated entity deposits

Affiliated entity deposits have the same characteristics as **WHOLESALE TERM DEPOSITS**, with the exception that they are received from a related entity (for example, from a subsidiary). For deposits received from an affiliated entity, report balance and contractual outflows in each period under **OTHER DEPOSITS/GUARANTEES – DEPOSITS FROM AFFILIATES**.

3.7 Wholesale issuances

Liabilities related to wholesale issuances are not assumed to roll over unless otherwise specified and cash outflows should be allocated to maturity buckets corresponding with their contractual maturity or earliest option date.

[68] Guideline, chapter 5, par. 41 and Annex 1, Example 8.

Banker's acceptances (BAs)

Report balances at market value and maturing payments at nominal amounts of BAs issued by the reporting financial institution in its own name under **WHOLESALE ISSUANCE – WHOLESALE UNSECURED DEBT ISSUANCE – BANKER'S ACCEPTANCES (BAS)**. Outflows are recognized in contractual maturity time buckets.[69]

Wholesale / Commercial structures notes

For wholesale/commercial structured notes, where the customer has an option to call, report balance at market value and outflows at nominal amounts in the time bucket corresponding to the earliest call date, under line **DEPOSITS – WHOLESALE ISSUANCE – WHOLESALE UNSECURED DEBT ISSUANCE – OTHER UNSECURED DEBT ISSUANCE – WHOLESALE/COMMERCIAL STRUCTURED NOTES**. Outflows are recognized in the earliest call option time buckets.

For all other wholesale/commercial structured notes, report balance at market value and outflows at nominal amounts in the contractual maturity time bucket under the same line. Outflows are recognized in the contractual maturity time buckets.

Other financial institutions – Owned securitizations

Report balance and outflows from other financial institutions own securitizations where funding arranged through structured investment vehicles may not be able to be refinanced during liquidity crises. Outflows are recognized in contractual maturity time buckets.[70]

Other secured and unsecured wholesale issuance

For all other secured and unsecured wholesale issuances not discussed above, report balances and maturing outflows in each period. Outflows are recognized in the contractual maturity time buckets.[71]

3.8 Repurchase agreements and security financing transactions

Repurchase agreements (repos) and security financing transactions are treated similarly.[72]

For repos and securities financing cash legs, report balance and maturing outflows in each period (both at loan value) under **REPO AND SECURITIES LENT (SL)**. Outflows are recognized in the contractual maturity time buckets.

For securities (other than common equity shares) pledged as collateral for repos and security financing transactions, report balance and inflows upon contractual maturity of

69 Guideline, chapter 5, par. 41.

70 Guideline, chapter 5, par. 37.

71 Guideline, chapter 5, par. 37.

72 Guideline, chapter 5, par. 39 and 58

the related repo/security financing transaction (both at market value of collateral) in the **COLLATERAL – REPO COLLATERAL OUT** section. Collateral balances are treated as cash outflows in the first time bucket (i.e. week one) after the appropriate haircut as prescribed in the Securities Haircut Table. Collateral inflows are recognized in the contractual maturity buckets after the appropriate haircut.

For common equity shares pledged as collateral, report balance and inflows upon contractual maturity of the related repo/security financing transaction (both at market value of collateral) in the **COLLATERAL – REPO COLLATERAL OUT** section.

For equity or equity instruments of category 1A collateral returned by the counterparty, inflows are recognized in line with treatments described in Section 2.4 "Securities – Common Equity Shares". Where equity collateral is returned after the time buckets specified in Section 2.4, the cumulative inflow (from week 1 up to the time period when the collateral is returned) is recognized in the period.[73]

3.9 Securities sold short

For existing liabilities related to securities sold short, report balance at market value under **SECURITIES SOLD SHORT** with no haircuts applied to the nominal amounts to be paid back. The balance is recognized as an outflow in the first time bucket (i.e. week 1).[74]

For reverse repo/security financing transactions related to short sales, report under the appropriate reverse repo/security financing lines.

Where cash margin is posted for short sales, report balance only of cash margin posted under **OTHER ASSETS – CASH COLLATERAL PLEDGED – CASH COLLATERAL PLEDGED FOR SHORT SALES**. No liquidity value will be attributed.[75]

3.10 Derivative related liabilities (DRL)

Foreign exchange derivatives

For all foreign exchange (FX) related derivative liabilities (e.g. FX forward, cross currency swap), report the balance only at market value under **OTHER LIABILITIES – DERIVATIVE RELATED LIABILITIES (DRL) – FX AND CROSS CURRENCY SWAP LIABILITIES**.

In the USD balance sheet only, report net contractual cash flows (at nominal value) across all currencies in each period under **OTHER LIABILITIES – DERIVATIVE RELATED LIABILITIES (DRL) – FX AND CROSS CURRENCY SWAP LIABILITIES**.

In all balance sheets other than USD, no liquidity value will be attributed. In the USD balance sheet, the sum of net contractual cash flow over all periods is recognized as a cash outflow in the first time bucket (i.e. week 1).

73 Annex 1, Example 12.

74 Guideline, chapter 5, par. 40.

75 Annex 1, Example 11.

In the USD balance sheet, cash flows related to FX derivatives are to be reported in **FX DERIVATIVE** section for each currency affected separately. They are for information purposes only and would not affect net NCCF position of the financial institution.

Option – Related cash flows

Institutions should calculate, in accordance with their existing valuation methodologies, expected contractual cash flows related to options. Options should be assumed to be exercised when they are in-the-money to the option buyer as at reporting date.[76] Report the balance at market value and expected contractual cash outflows in each period under **OTHER LIABILITIES – DERIVATIVE RELATED LIABILITIES (DRL) – OTHER DRL**. Expected contractual outflows are recognized in each time bucket.

All other DRL

Report balance at market value and contractual outflows at nominal value in each period.[77] Outflows are recognized in contractual maturity time buckets.

Unless specified otherwise, derivative cash flows may be reported on a net basis by counterparty, only where a valid master netting agreement exists.[78]

Collateral

Where securities have been pledged as collateral for DRLs, report balance and inflows upon contractual maturity of the related DRL (both at market value of collateral) in the **COLLATERAL – PLEDGING AND ENCUMBRANCES – DERIVATIVE AND CLEARING (D/C)** section. Collateral balances are treated as cash outflows in the first time bucket (i.e. week one) after the appropriate haircut as prescribed in the Securities Haircut Table. Collateral inflows are recognized in the contractual maturity buckets after the appropriate haircut.

Where DRLs are collateralized with cash, report balance of net cash collateral pledged and inflows when cash margins becomes unencumbered under **OTHER ASSETS – CASH COLLATERAL PLEDGED**. The balance is recognized as an outflow in the first time bucket (i.e. week 1) and inflows are recognized in time buckets when cash margins become unencumbered.

If collateral (cash or security) inflows cannot be matched with the related DRL maturity, financial institutions should discuss action plans to address this limitation with the AMF on a bilateral basis and in the interim report collateral inflows in the >365 bucket after the appropriate haircut. Financial institutions are to clearly specify the alternative adopted in the **COMMENTS** column of each affected DRL line. The methodology adopted by the reporting financial institution for DRA and DRL should be consistent.

[76] Guideline, chapter, par. 42.

[77] Guideline, chapter 5, par. 42.

[78] Guideline, chapter 5, par. 42.

3.11 Collateral swaps

Where collateral swaps meet the conditions set out in the Guideline,[79] for securities pledged as collateral, report balance and inflows upon contractual maturity of collateral swaps (both at market value of collateral) in the **COLLATERAL – REPO COLLATERAL OUT** section. Collateral balances are treated as cash outflows in the first time bucket (i.e. week 1) after the appropriate haircut as prescribed in the Securities Haircut Table. Collateral inflows are recognized in the contractual maturity buckets after the appropriate haircut.

3.12 Other liabilities

Commodities short

Report balances for precious metal sold short, precious metal deposits and other commodities under **COMMODITIES SHORT**. No liquidity value will be attributed.

Other liabilities

For all other liabilities not mentioned in the Guideline, chapter 5, report balances under **OTHER LIABILITIES**. No liquidity value will be attributed.[80]

3.13 Off-balance sheet commitments

Funding guarantee to subsidiaries

For funding guarantees to subsidiaries, report balance at total nominal amount under **OFF BALANCE SHEET COMMITMENTS – FUNDING GUARANTEE TO SUBS**. The balance is recognized as an outflow in the first time bucket (i.e. week 1).[81]

Credit facilities

Report balances of credit facilities that are irrevocable (committed) or conditionally revocable (uncommitted) under **CREDIT FACILITIES** section. This is for information purpose and has no impact on the NCCF surplus or survival horizon. This section is reported for information purposes and has no impact on the NCCF surplus or survival horizon.[82]

Liquidity facilities

Report balances of liquidity facilities that are irrevocable (committed) or conditionally revocable (uncommitted) under **LIQUIDITY FACILITIES – UNDRAWN/DRAWN** section. This section is reported for information purposes and has no impact on the NCCF surplus or survival horizon.[83]

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[79] Guideline, chapter 5, par. 18.

[80] Guideline, chapter 5, par. 58.

[81] Guideline, chapter 5, par. 40.

[82] Guideline, chapter 5, par. 59.

[83] Guideline, chapter 5, par. 59.

Liquidity facilities are considered drawn when external funding backed by the liquidity facilities has been raised by parties receiving the liquidity facilities.

SECTION 4. SUBSIDIARY NCCF OVERVIEW

4.1 Subsidiary NCCF overview

Reporting of a subsidiary's NCCF is required if the sum total of all subsidiary balance sheets is 5% of consolidated notional assets, or as required by AMF.[84] The AMF will notify an institution and its subsidiaries bilaterally shoud this requirement apply.

[84] Guideline, chapter 5, par. 10.

SECTION 5. FILING

5.1 Filing

The NCCF should be reported to the AMF monthly, with the operational capacity to increase the frequency to weekly or even daily in stressed situations at the AMF's discretion. The time lag in reporting should not surpass 14 calendar days.

Institutions should notify immediately if their NCCF has fallen, or is expected to fall, below the acceptable range communicated by the AMF to their institution.

ANNEX 1. REPORTING EXAMPLES

Rates used for all examples:

- State, Provincial & Agency Government Securities (High rated) (1.5% haircut in week 1, 1.5% at maturity);
- Equity financial institutions (12.5% / 25% / 12.5% month 2/3/4);
- Equity Non-financial institution (50% week 4);
- Retail and small businesses **(**RSB) Type 1 insured, stable demand/cashable term/term deposits (0.75% week 1-4 or 3% equivalent month 1;1% month 2-12);
- 3-month Customers' BA issued (75% at maturity and each renewal period thereafter).

Examples 1 to 8

Assets		Balance	Weeks				Months											
			1	2	3	4	2	3	4	5	6	7	8	9	10	11	12	> 12
1	State, Provincial & Agency Government securities (High rated) (Provincial bond maturing in month 7)	1 000.0	985.0									15.0						
2	Eligible non-financial common equity shares	1 000.0				500.0												500.0
3	Eligible financial common equity shares	1 000.0					125.0	250.0	125.0									500.0
4	RSB Type 1 insured, stable demand deposits	(1 000.0)	(7.5)	(7.4)	(7.4)	(7.3)	(9.7)	(9.6)	(9.5)	(9.4)	(9.3)	(9.2)	(9.1)	(9.0)	(9.0)	(8.9)	(8.8)	(868.8)
5	RSB Type 1 insured, stable, cashable term deposit (First customer option date in week 3)	(1 000.0)			(7.5)	(7.4)	(9.9)	(9.8)	(9.7)	(9.6)	(9.5)	(9.4)	(9.3)	(9.2)	(9.1)	(9.0)	(8.9)	(882.0)
6	RSB Type 1 insured, stable, fixed term (60 day) deposit (maturing in week 2)	(1 000.0)		(30.0)				(9.7)		(9.6)		(9.5)		(9.4)		(9.3)		(922.5)
7	RSB Type 1 insured, stable, fixed term (1 year) deposit (maturing in week 4)	(1 000.0)				(30.0)												(970.0)
8	3 month BA issued (maturing in week 3)	(1 000.0)			(750.0)				(187.5)			(46.9)			(11.7)			(3.9)

Example 9 – DRA with cash collateral

DRA position marked to market at $100 as at reporting date, maturing in week 3

Assets	Balance	Weeks				
		1	**2**	**3**	**…**	**> 1 year**
Demand deposits at other FIs	100.0	100.0				
Other DRA	100.0			100.0		
Liabilities						
Cash collateral received for exchange-trades derivatives	(100.0)			(100.0)		
Total shareholder’s equity	(100.0)					

Example 9A – DRA with cash collateral[85]

DRA position marked to market at $100 as at reporting date, maturing in week 3; alternative

Assets	Balance	Weeks					Comments
		1	2	3	…	> 1 year	
Demand deposits at other FIs	100.0	100.0					
Other DRA	100.0			100.0			Alternative
Liabilities							
Cash collateral received for exchange-traded derivatives	(100.0)					(100.0)	
Total shareholders' equity (P&L)	(100.0)						

85 Alternative, refer to section 2.8.

Example 10 - DRA with security collateral

DRA position marked to market at $100 as at reporting date, maturing in week 3

Assets	Balance	Weeks				
		1	2	3	…	> 1 year
Other DRA	100.0			100.0		
Total shareholders' equity	(100.0)					
Collateral – Pledging and encumbrances – Derivative and Clearing (D/C)						
State, Provincial & Agency Government Securities (High rated)	100.0	98.5		(98.5)		

Example 10A - DRA with security collateral (alternative, refer to Section 2.8)

DRA position marked to market at $100 as at reporting date, maturing in week 3 DRA position marked to market at $100 as at reporting date, maturing in week 3; alternative

Assets	Balande	Weeks					Comments
		1	2	3	…	> 1 year	
Other DRA	100.0			100.0			Alternative
Total Shareholder's equity	(100.0)						
Collateral - Pledging and Encumbrances - Derivative and Clearing (D/C)							
State, Provincial & Agency Government Securities (High rated)	100.0	98.5				(98.5)	

Example 11 – Short sale

Short sale for $100 cash, marked to market at $120 as at reporting date

	Balance	Weeks				
		1	2	3	…	> 1 year
Assets						
Demand Deposits at other financial institutionss	80.0	80.0				
Cash collateral pledged for OTC derivatives and short sales	20.0					
Liabilities						
Securities Sold Short	(120.0)	(120.0)				
Total shareholders' equity[86]	20.0					

86 Credit/debt balances in "Total Shareholder's Equity" represent net gains/losses.

Example 12 - Term repo

Term repo position maturing in week 2

	Balance	Weeks				
		1	2	3	…	> 1 year
Assets						
Demand Deposits at other financial institutions	100.0	100.0				
Liabilities						
Repo and Securities Lent (SL)	(100.0)		(100.0)			
Collateral - Repo Collateral Out						
State. Provincial & Agency Government Securities (High rated)	(100.0)	(98.5)	98.5			

Example 13 - Term reverse repo

Term reverse repo position maturing in week 2

Assets	Balance	Weeks				
		1	**2**	**3**	**…**	**> 1 year**
Demand Deposits at other financial institutions	(100.0)	(100.0)				
Reverse Repo (R.Repo) and Securities Borrowed (SB)	100.0		100.0			
Collateral - Reverse Repo (R.Repo) Collateral In						
State, Provincial & Agency Government Securities (High rated)	100.0	98.5		(98.5)		

Example 14 - FX derivative

FX forward swapping USD to $100 CAD in week 3, marked to market at a gain of $10 as at reporting date

CAD Balance Sheet	Balance	Weeks				
		1	2	3	…	> 1 year
Assets						
FX and Cross Currency Swap Assets	10.0					
Total Shareholders' Equity (P&L)	(10.0)					

USD Balance Sheet	Balance	Weeks				
		1	2	3	…	> 1 year
Assets						
FX and Cross Currency Swap Assets	10.0	100.0				
Liabilities						
FX and Cross Currency Swap Liabilities		(90.0)				
Total Shareholders' Equity[87]	(10.0)					

87 Credit/debt balances in "Total Shareholder's Equity" represent net gains/losses.