BANCO CENTRAL DO BRASIL

CIRCULAR BCB 3,869 OF DECEMBER 19, 2017

Establishes the methodology for calculating the Net Stable Funding Ratio (NSFR), the public disclosure requirements pertaining to the NSFR and amends Circular BCB 3,749, of March 5, 2015.

The Board of Governors of the Central Band of Brazil, in a session held on December 19, 2017, based on arts. 10, item IX, and 11, item VII, of Law 4,595, of December 31, 1964, and on art. 5 of Resolution CMN 4,616, of November 30, 2017, and on art. 8 of Resolution CMN 4,401, of February 27, 2015, and based on the provisions established in Resolution CMN 4,557, of February 23, 2017,

R E S O L V E S:

CHAPTER I
PURPOSE AND SCOPE OF APPLICATION

Art. 1. This Circular establishes the methodology for calculating the Net Stable Funding Ratio (NSFR), the public disclosure requirements pertaining to the NSFR, in accordance with Resolution CMN 4,616, of November 30, 2017, and amends Circular BCB 3,749, of March 5, 2015.

Sole paragraph. The NSFR corresponds to the ratio between the amount of available stable funding (ASF) to the amount of required stable funding (RSF), calculated in accordance with the provisions established in Chapters II, III, IV and V of this Circular.

CHAPTER II
AVAILABLE STABLE FUNDING (ASF)

Section I
General Provisions

Art. 2. The amount of available stable funding (ASF) must be equal to the sum of the weighted amounts consisting of the carrying value of the institution´s capital and liabilities multiplied by their corresponding ASF factors.

Paragraph 1. In order to calculate the amount of ASF, the carrying values mentioned in the **heading** must be determined using the COSIF accounting standards, excluding any regulatory deductions and prudential adjustments, except those mentioned in Resolution CMN 4,277, of October 31, 2013, subject to the provisions set forth in art. 4, sole paragraph, of this Circular.

Paragraph 2. The carrying values mentioned in the **heading** must be net of their respective provisions.

Paragraph 3. The carrying values pertaining to derivative liabilities must follow the provisions set forth in articles 23 to 26.

Art. 3. The ASF factor applied to the elements mentioned in art. 2 must be determined based on each element´s effective residual maturity.

Paragraph 1. The effective maturity must be determined based on the smallest contractual maturity and must take into account the following adjustments:

I - automatic options, explicit or embedded, that are not exercisable at the institution´s discretion;

II - reputational factors that may limit the institution´s ability to exercise or not exercise options that allow the extension or reduction of the element´s effective residual maturity; or

III - market expectations that the elements mentioned in the **heading** would be redeemed before their contractual maturity, according to existing optionality;

Paragraph 2. The residual maturity referred to in the heading corresponds to the period between the NSFR calculation date and the effective maturity date, in accordance with paragraph 1 of this article.

Paragraph 3. With respect to contractual periodic payments, the carrying value of the elements referred to in the **heading** must be allocated proportionally to each maturity date, taking into account the provisions set forth in paragraph 1, and the cash flows generated must be grouped according to their residual maturities as follows:

a) less than 6 (six) months;

b) greater than or equal to 6 (six) months and less than one (1) year; or

c) greater than or equal to 1 (one) year.

Paragraph 4. Revoked by Circular 3,905 of June 21, 2018.

Paragraph 5. For the following liabilities, and provided that well documented, consistent and verifiable criteria are adopted, the institutions may adopt the following treatment;

I - with respect to deferred tax liabilities, use the closest settlement date to determine the effective residual maturity;

II - with respect to liability instruments subject to contractual perpetuity clauses and not eligible as regulatory capital according to Resolution CMN 4,192, of March 1, 2013, consider the residual maturity of 1 (one) year or greater, provided that the liability instrument do not fall under the provisions established in paragraph 1;

III - with respect to judicial deposits, utilize the residual maturity of 1 (one) year or greater for, at the maximum, 97% (ninety-seven percent) of their carrying value.

Paragraph 6. The percentage mentioned in paragraph 5, item III, may be altered by the Central Bank of Brazil if it considers that the institution´s documentation or the criteria it employs are not capable of demonstrating the stability of 97% of the judicial deposits it holds.

Section II
ASF factors

Art. 4. A 100% (one hundred percent) ASF factor must be assigned to:

I - the amount of regulatory capital, gross of the regulatory capital deductions established in art. 5 of Resolution CMN 4,192 of 2013; and

II - the carrying value of the liabilities with an effective residual maturity of 1 (one) year or greater.

Sole paragraph. The calculation referred to in the **heading**, item I, must not consider the instruments that were eligible to regulatory capital before Resolution CMN 4,192, of 2013, came into force.

Art. 5. The following ASF factors must be assigned to non-maturity retail deposits, including those with open maturity contractual clauses, or with an effective residual maturity of less than 1 (one) year:

I - 95% (ninety-five percent) to stable deposits as defined in arts. 11, 12 and 13, paragraph 8, of Circular BCB 3,749, of March 5, 2015; and

II - 90% (ninety percent) to less stable deposits, as defined in art. 12, paragraph 2, of Circular BCB 3,749, of 2015.

Art. 6. A 50% (fifty percent) ASF factor must be assigned to the following liabilities:

I - secured or unsecured wholesale funding with a residual maturity of less than 1 (one year) as defined in arts. 14 and 20 of Circular BCB 3,749, of 2015, arising from:

a) non-financial corporate customers;

b) central governments;

c) multilateral organizations and multilateral development banks (MDEs), as listed in art. 19, item V, of Circular BCB 3,644, of March 4, 2013; and

d) public sector entities (PSEs), as defined in art. 6, paragraph 8, of Circular BCB 3,749, of 2015.

II - operational deposits, as defined in art. 15 of Circular BCB 3,749, of 2015;

III - deposits in affiliated credit unions, as defined in art. 17 of Circular BCB 3,749, of 2015;

IV - other funding, secured or unsecured, with an effective residual maturity between 6 (six) months to less than 1 (one) year, arising from:

a) central banks; and

b) financial institutions, security brokerage companies, security distribution companies, consortium managers, insurance and reinsurance companies, clearing houses that act as central counterparties, and the fiduciary and beneficiary entities mentioned in art. 26, paragraph 5, of Circular BCB 3,749, of 2015.

V - other liabilities with an effective residual maturity between 6 (six) months and less than one (1) year.

Art. 7. The following liabilities and equity must receive a 0% (zero percent) ASF factor:

I - secured and unsecured funding with an effective residual maturity of less than 6 (six) months, arising from the entities mentioned in art. 6, item IV, subitems “a” and “b.”

II - transactions in which the institution acts solely as an intermediary and does not assume any rights or obligations, not even contingent ones;

III - “trade date” payables arising from the purchases of financial instruments, foreign currencies and commodities; and

IV - non-maturity liabilities, including those with open maturity contractual clauses, which are not subject to any specific treatment established in this Circular;

V - liabilities associated to resources received as a result of margin deposits in derivatives transactions;

VI - elements without a specific ASF factor attributed to them.

Paragraph 1. In order to receive an ASF factor of 0% (zero percent), the transactions referred to in the **heading**, item II, must satisfy the following conditions:

I - interdependency between the funding and the respective asset;

II - compatibility between the asset and the funding cash flows;

III - the funding´s maturity and principal amount must be equal to that of the asset;

IV - the funding counterparty must be distinct of the asset counterparty; and

V - there must be no contractual or non-contractual responsibilities related to a third-party default.

Paragraph 2. The amount to be transferred to retailers or to the issuers of postpaid payment instruments, mentioned in art. 23, item I, subitem “f” of Circular BCB 3,749, of 2015 must be included among the transactions referred to in the **heading**, item II.

Paragraph 3. Liabilities related to derivatives, foreign exchange transactions linked to trade finance-related obligations, borrowing and onlending must not be included among the transactions referred to in the **heading**, item III.

CHAPTER III
REQUIRED STABLE FUNDING (RSF)

Section I
General Provisions

Art. 8. The amount of required stable funding (RSF) must be equal to the sum of the weighted amounts consisting of the carrying value of the institution´s assets and off-balance sheet (OBS) exposures multiplied by their respective RSF factors.

Paragraph 1. In order to calculate the amount of RSF, the assets´ carrying values must be determined based on the COSIF accounting standards and, in addition:

I - if not already reflected in the accounting records, the minimum requirements related to the pricing of financial instruments, established in Resolution CMN 4,277, of 2013, must be considered;

II - the limits used to define High Quality Liquid Assets (HQLA), established in art. 7 of Circular BCB 3,749, of 2015, must not be considered; and

III - all other regulatory deductions or adjustments must not be considered.

Paragraph 2. The carrying values mentioned in the **heading** must be net of their respective provisions.

Paragraph 3. The carrying value of the derivative assets registered in the institution´s balance sheet must follow the provisions set forth in arts. 23 to 26.

Art. 9. In order to calculate the amount of RSF, the following OBS exposures must be considered:

I - endorsements, guarantees, letters of credit or any other commitment to honor a third party´s financial obligations;

II - contingent non-contractual obligations;

III - irrevocable, conditionally revocable and unconditionally revocable credit and liquidity facilities; and

IV - future disbursements.

Sole paragraph. For the purposes of the provisions set forth in the **heading**, the following definitions apply:

I - liquidity facilities are the contractual obligation to provide funds to clients so that they are able to honor their obligations maturing within the next twelve months, until the conclusion of new funding transactions;

II - credit facilities are the contractual obligations to provide funds for customers at a future date with the possibility of drawing the funds at any time during the duration of the contract, as long as they are not considered liquidity facilities;

III - future disbursements are disbursements, relative to operations already hired, including credit transactions, that have not been transferred to customers yet, irrespective of the existence of preconditions that must be fulfilled by the borrower; and

IV - noncontractual contingent obligations are potential financial disbursements to individuals or entities in order to fulfill noncontractual expectations they may have and thus mitigate the institution´s reputational risk.

Art. 10. The RSF factors assigned to the elements referred to in art. 8 must be determined based on each element´s effective residual maturity.

Paragraph 1. The effective maturity must be determined based on the largest contractual maturity and take into account the following adjustments:

I - automatic options, explicit or embedded, that may not be exercised by the institution at its own discretion;

II - reputational factors that may limit the institution´s ability to exercise or not exercise options that allow the extension or reduction of the element´s effective residual maturity; or

III - market expectations that the effective residual maturity of the elements mentioned in the **heading** would be extended, according to existing optionality.

Paragraph 2. The residual maturity referred to in the **heading** corresponds to the period between the NSFR calculation date and the element´s effective maturity date, in accordance with paragraph 1 of this article.

Paragraph 3. With respect to contractual periodic payments, the carrying value of the elements referred to in the **heading** must be allocated proportionally to each maturity date, taking into account the provisions set forth in paragraph 1, and the cash flows generated must be grouped according to their residual maturities as follows:

a) less than 6 (six) months;

b) greater than or equal to 6 (six) months and less than one (1) year; or

c) greater than or equal to 1 (one) year.

Paragraph 4. In order to define the RSF factor, the effective residual maturity of non-maturity assets, including those with open maturity contractual clauses, must be of 1 (one) year or greater.

Paragraph 5. As an alternative to the provisions set forth in paragraph 4 and provided that well documented, consistent and verifiable criteria are adopted, the effective residual maturity of non-maturity reverse repo and securities lending transactions, including those with open maturity contractual clauses, may be set to less than 1 (one) year according to their expected settlement date.

Section II
RSF factors assigned to assets

Subsection I
General Provisions

Art. 11. A 0% (zero percent) RSF factor must be assigned to:

I - coins and banknotes held in any currency;

II - excess reserves held at central banks;

III - required reserves held at the Central Bank of Brazil;

IV - all claims on central banks with effective residual maturities of less than six months;

V - transactions in which the institution acts solely as an intermediary and does not assume any rights or obligations, not even contingent ones;

VI - "trade date" receivables arising from the sales of financial instruments, foreign currencies and commodities; and

VII - deposits arising from legal demands linked to specific provisions registered among the institution´s liabilities.

Paragraph 1. In order to receive an ASF factor of 0% (zero percent), the transactions referred to in the **heading**, item V, must satisfy the following conditions:

I - interdependency between the funding and the respective asset;

II - compatibility between the asset and the funding cash flows;

III - the funding´s maturity and principal amount must equal to that of the asset;

IV - the funding counterparty must be distinct of the asset counterparty; and

V - there must be no contractual or non-contractual responsibilities related to a third-party default.

Paragraph 2. Receivables from postpaid payment instruments, with the exception of credit and credit-like transactions between the institution and its customers, must be included among the transactions referred to in the **heading**, item V.

Paragraph 3. Receivables arising from derivatives, trade finance-related foreign exchange transactions, loans and onlending transactions are not included among the transactions referred to in the **heading**, item VI.

Paragraph 4. With respect to the provisions established in the **heading**, item VII, the portion of the deposits that exceed their respective provisions, registered as liabilities, must not be considered.

Art. 12. A 5% (five percent) RSF factor must be assigned to the assets that qualify as Level 1 HQLA, as defined in art. 6 of Circular BCB 3,749 of 2015, except the assets listed in arts. 11 and 13 of this Circular.

Art. 13. A 10% (ten percent) RSF factor must be assigned to secured loans to the institutions mentioned in art. 6, item IV, subitem "b", as long as the following conditions are satisfied:

I - the transaction´s effective residual maturity is less than 6 (six) months;

II - the loan is secured against level 1 HQLA, as defined in arts. 4 and 6 of Circular BCB 3,749, of 2015; and

III - the collateral held by the institution is unencumbered, allowing it to be sold outright, used in a repo transaction or rehypothecated for the life of the loan.

Paragraph 1. Secured transactions are those backed by collateral to withstand credit risk in the event of bankruptcy, insolvency, extrajudicial liquidation or declaration of a special regime.

Paragraph 2. As long as the conditions listed in the **heading** are met, the transactions mentioned in this article also include reverse repos.

Paragraph 3. The provisions set forth in the **heading** apply solely to the portion of the transaction that is effectively backed by collateral, while for the transaction´s unsecured portion the provisions set forth in art. 14, item 2, must be applied.

Paragraph 4. If it is not possible to draw the distinction between the secured and unsecured part of a transaction, the provisions set forth in art. 14, item 2, apply.

Art. 14. A 15% (fifteen percent) RSF factor must be assigned to the following assets:

I - Level 2A HQLA, as defined in arts. 4 and 8 of Circular BCB 3,749, of 2015; and

II - other transactions with the institutions mentioned in art. 6, item IV, subitem b, with an effective residual maturity of less than 6 (six) months.

Art. 15. A 50% (fifty percent) RSF factor must be assigned to the following assets:

I - Level 2B HQLA, as defined in arts. 4 and 9 of Circular BCB 3,749 of 2015;

II - transactions with the institutions mentioned in art. 6, item IV, subitems “a” and “b” with an effective residual maturity of 6 (six) months or more and less than 1 (one) year;

III - deposits held for operational purposes at the institutions mentioned in art. 6, item IV, subitem “b”

IV - all other non-HQLA not included in the above categories that have an effective residual maturity of less than 1 (one) year, including loans to non-financial corporate clients, sovereigns, multilateral organizations and Multilateral Development Entities (MDEs), Public Sector Entities (PSEs), and retail customers.

Art. 16. A 65% (sixty-five percent) RSF factor must be assigned to the following assets:

I - residential mortgages referred to in art. 22 of Circular BCB 3,644, of 2013 with an effective residual maturity of 1 (one) year or more; and

II - all the other loans not included in the above categories, excluding loans to the institutions mentioned in art. 6, item IV, subitem “b” with an effective residual maturity of one year or more and that would qualify for a 35% or lower risk weight according to Circular BCB 3,644, of 2013.

Art. 17. An 85% (eighty-five percent) RSF factor must be assigned to the following assets:

I - cash, securities or other assets posted as initial margin for derivative contracts, except those eligible for the RSF factor established in art. 18;

II - cash or other assets provided to contribute to default funds of clearing and settlement houses or service providers which act as central counterparty.

III - other loans with an effective residual maturity of one year or more, except the loans mentioned in art. 16 and those granted to the institutions mentioned in art. 6, item IV, subitem “b”;

IV - securities that do not qualify as HQLA with an effective residual maturity of one year or more and;

V - exchange-traded equities that do not qualify as HQLA; and

VI - physically traded commodities, including gold.

Sole paragraph. For the purposes of this Circular, initial margin corresponds to financial collaterals posted to protect the institutions and counterparties from the future exposure associated to the market value of derivative instruments held until termination or replacement of the position in case of default of one or more counterparties.

Art. 18. A 100% (one hundred percent) RSF factor must be assigned to the following assets:

I - assets in which principal or interest payments are more than 90 days past due;

II - loans to the financial institutions mentioned in art. 6, item IV, subitem “b” with an effective residual maturity of one year or more;

III - non-exchange-traded equities;

IV - fixed assets;

V - items deducted from regulatory capital, as defined in art. 5 of Resolution CMN 4,192, of 2013; and

VI - all other assets not subject to specific treatment.

Sole paragraph. The assets referred to in the **heading**, item I, includes non-performing loans and securities.

Subsection II
Encumbered Assets

Art. 19. For the purposes of calculating the NSFR, encumbered assets are those subject to legal, regulatory, statutory, contractual or any other restriction hindering the institution´s ability to freely negotiate them.

Art. 20. In order to calculate the amount of RSF, the following treatment must be applied to encumbered assets:

I - encumbered assets with less than 6 (six) months remaining in the encumbrance period must be treated as if they were unencumbered.

II - The following RSF factors must be assigned to the assets with a remaining encumbrance period greater than or equal to six months and less than one year:

a) 50% (fifty percent), if the asset mentioned in the **heading** is eligible, when unencumbered, for the treatment established in arts. 11 to 15;

b) 65% (sixty-five percent), if the asset mentioned in the **heading** is eligible, when unencumbered, for the treatment established in art. 16;

c) 85% (eighty-five percent), if the asset mentioned in the **heading** is eligible, when unencumbered, for the treatment established in art. 17, items III to VI; and

d) 100% (one hundred percent), if the asset mentioned in the **heading** is eligible, when unencumbered, for the treatment established in art. 18.

III - All assets that are encumbered for a period of one year or more must be assigned a 100% (one hundred percent) RSF factor.

Sole paragraph. The provisions established in the **heading** must be applied to all encumbered assets regardless of their effective residual maturity.

Section III
RSF factors assigned to off-balance sheet exposures

Art. 21. The following RSF factors must be assigned to off-balance sheet (OBS) exposures:

I - 1% (one percent), for the unused portion of the OBS exposures referred to in art. 9, item I;

II - 1% (one percent), for the contingent non-contractual obligations referred to in art. 9, item II;

III - 2% (two percent), for the undrawn portion of the unconditionally revocable credit and liquidity facilities referred to in art. 9, item III;

IV - 5% (five percent), for the undrawn portion of the irrevocable and conditionally revocable credit and liquidity facilities referred to in art. 9, item III; and

V - 10% (ten percent), for the future disbursements referred to in art. 9, item IV.

Sole paragraph. The methodology employed by the institution in determining the carrying value of the liabilities referred to in item II must be based on well-documented, consistent and verifiable criteria.

CHAPTER IV
OPTIONAL TREATMENT FOR REPO AND SECURITIES LENDING TRANSACTIONS

Art. 22. Repo and securities lending transactions may be measured net as long as all the conditions set out in art. 18, paragraph 3, items I, II and III of Circular BCB 3,748 of February 27, 2015 are met.

Paragraph 1. The net measurement referred to in the **heading** corresponds to the sum of the resale values to be settled, in the case of reverse repos, and the value of the securities borrowed in the transaction, net of the sum of the repurchase values to be settled, in the case of repos, and the value of the securities lent in the transaction, considering that:

I - if greater than or equal to zero, the net value must receive one of the RSF factors established in arts. 11 to 18, in accordance with the nature of the counterparty and the effective residual maturity of the transaction; and

II - if negative, the net value must receive one of the ASF factors established in arts. 4 to 7, in accordance with the nature of the counterparty and the effective residual maturity of the transaction.

Paragraph 2. The balance sheet items eligible for the treatment referred to in the **heading** must not be treated separately when calculating the amounts of RSF and ASF.

CHAPTER V
DERIVATIVES

Art. 23. Derivative exposures should be valued based on the replacement costs of the underlying contracts.

Paragraph 1. For derivative exposures covered by a bilateral netting contract, the institution may use the net replacement cost.

Paragraph 2. The net replacement cost referred to in paragraph 1 consists of the sum of the replacement costs, calculated per counterparty, for the derivative instruments subject to the same clearing and settlement contract.

Paragraph 3. Only the bilateral clearing and settlement contracts designed to mitigate credit risk, as defined in Circular BCB 3,809 of August 25, 2016, are eligible for the treatment established in paragraph 1.

Art. 24. With respect to the provisions set forth in art. 23:

I - it is optional the deduction of collateral received in connection with derivative contracts in the form of cash variation margin, if the replacement cost is greater than or equal to zero; and

II - it must be deducted any collateral posted in the form of variation margin in connection with derivative contracts, if the replacement cost is less than zero.

Paragraph 1. For the purposes of the optional treatment referred to in the **heading**, item I, the following conditions must all be met:

I - the variation margin must:

a) be calculated and made available daily, subject to the minimum limits for transferring funds, based on the replacement cost of the underlying derivative;

b) be equal to the replacement cost of the underlying derivative;

c) be subject to the same clearing and settlement contract as of the underlying derivative;

II - the funds received must:

a) be immediately available to their beneficiary; and

b) be denominated in the same currency in which the underlying derivative is settled.

Paragraph 2. The collateral posted in the form of variation margin, referred to in item II, must not be considered in the amount of RSF.

Paragraph 3. In case it is not possible to distinguish the collateral posted in the form of variation margin from the collateral posted in the form of initial margin, the provisions established in art. 17, item I, must be observed.

Paragraph 4. The provisions set forth in this article do not apply to the funds and collateral that have already been used to reduce the replacement cost of derivative transactions.

Paragraph 5. For the purposes of this Circular, variation margin corresponds to financial collaterals posted to protect the institutions and counterparties from the current exposure associated to the market value of derivative instruments.

Art. 25. The summation of the replacement costs of derivative transactions, referred to in arts. 23 and 24, must consider the following:

I - if the sum of the replacement costs is greater than or equal to zero, it must be multiplied by a 100% (one hundred) RSF factor to determine the amount of RSF; and

II - if the sum of the replacement costs is less than zero, it must be multiplied by a 0% (zero percent) ASF factor to determine the amount of ASF; and

Art. 26. With respect to the sum of the replacement costs of derivative transactions which are less than zero, a 100% (one hundred percent) RSF factor must be assigned to 5% of that value, gross of the deductions established in art. 24, item II, to determine the amount of RSF.

CHAPTER VI
NSFR DISCLOSURE REQUIREMENTS

Art. 27. The institutions must report the information related to their NSFR following the format established in the Annex I of this Circular.

Sole paragraph. Qualitative information that enhance the comprehension of the institution´s NSFR**,** including the composition and the evolution of its ASF and its RSF, must also be disclosed.

Art. 28. The qualitative and quantitative information referred to in art. 27 must be reported on a quarterly basis relative to the following reference dates: March 31, June 30, September 30, and December 31 of each year.

Sole paragraph. The information must be updated within a maximum of sixty days following the March 31, June 30, and September 30, reference dates and within a maximum of ninety days following the December, 31 reference date.

Art. 29. The information referred to in art. 27 must be made available in a single place, of easy and public access, in a specific section of the institution's website.

Sole paragraph. The information referred to in the **heading** must be made available in conjunction with the information related to the LCR, regulated by Circular 3,749 of 2015.

Art. 30. The information referred to in art. 27 must be available for, at least, the previous five years.

Sole paragraph. The disclosure of information relative to reference dates prior to October 1, 2018 is not mandatory.

CHAPTER VII
INFORMATION REPORTING

Art. 31. A report detailing the calculation of the NSFR, following specific requirements, must be submitted to the Central Bank of Brazil.

Sole paragraph. The information used to calculate the NSFR must be readily available to the Central Bank of Brazil for, at least, a twelve-month period.

Art. 32. The Chief Risk Officer (CRO) appointed by the institution, in accordance with Resolution CMN 4,557, of 2017, is responsible for the information required by this Circular.

CHAPTER VIII
FINAL PROVISIONS

Art. 33. Articles 11 and 12 of Circular BCB 3,749, of March 5, 2015, hereby enter into force with the following wording:

"Art. 11. For the purposes of this Circular, retail funding is defined as the amount of deposits held at a financial institution in which the counterparty is:

I - a natural person; or

II - a private legal entity which meets the following requirements:

a) is managed by the institution as a retail client;

b) the sum of the institution's current exposures to the entity and the sum of the funding provided from the entity to the institution, calculated separately, including debits and credits arising from derivative transactions, is less than R$3,000,000.00 (three million reais); and

c) has yearly gross revenue not exceeding the limit established in art. 24, paragraph 1, item I, of Circular 3,644 of 2013.

Paragraph 1. The net exposure resulting from derivatives operations must be considered for the calculation referred to in item II, subitem "b".

Paragraph 3. For the purposes of the heading, a counterparty is a natural person or a private legal entity or connected counterparties which pose credit or liquidity risk towards the institution, including by means of control, according to the criteria established in article 22, paragraph 2, of Resolution 4,557, of 2017.

Paragraph 4. For the purposes of the LCR, retail funding includes demand and term deposits.

Paragraph 5. For the purpose of the heading, funding equivalent to deposits can be considered as retail funding if:

I - they represent funds directly raised from the institution's clients, without resorting to capital markets; and

II - they are redeemable directly at the institution at the value of issuance, at least.

"Art. 12. ....

....

II - in the case that the counterparty is a private legal entity as referred to in item II of art. 11:

...."

Art. 34. The Annex of Circular BCB 3,749, of 2015, comes into force with the wording stated in Annex II of this Circular.

Art. 35. This Circular comes into force:

I - on October 1, 2018, with respect to arts. 1 to 32; and

II - on January 1, 2018, with respect to arts. 33, 34 and 36.

Art. 36. Paragraph 6 of art. 11 of Circular BCB 3,749, of 2015, is hereby revoked.

Otávio Damaso Ribeiro
Deputy Governor for Regulation

ANNEX I

The Net Stable Funding Ratio (NSFR) disclosure template						
		Value per effective residual maturity (BRL thousands)				**Weighted amount (BRL thousands)**
		Non-maturity	Less than six months	Greater than or equal to six months and less than one year	Greater than or equal to one year	
Line	**Available Stable Funding (ASF)**					
1	Capital:					
2	*Regulatory capital, gross of regulatory deductions*					
3	*Other financial instruments not included in line 2*					
4	Retail Funding, of which:					
5	*Stable funding*					
6	*Less stable funding*					

7	Wholesale Funding, of which:					
8	*Operational deposits and affiliated credit unions deposits*					
9	*Other wholesale funding*					
10	Transactions in which the institution acts solely an intermediary and does not assume any rights or obligations, not even contingent ones					
11	Other liabilities, of which:					
12	*Derivatives with a replacement cost of less than zero*					
13	*Other liabilities and equity not included in the previous lines*					
14	**Available Stable Funding (ASF)**					
Line	**Required Stable Funding (RSF)**					
15	High-quality Liquid Assets (HQLA)					
16	Operational deposits held at other financial institutions					
17	Securities and transactions with financial institutions, non-financial institutions and central banks, of which:					
18	*Transactions with financial institutions secured by Level 1 HQLA*					

19	*Transactions with financial institutions secured by Level 2A or Level 2B HQLA or unsecured transactions with financial institutions*					
20	*Loans to retail and wholesale clients, sovereigns and transactions with central banks, of which:*					
21	*The risk weight factors mentioned in Circular BCB 3,644, of 2013, are 35% (thirty-five percent) or lower*					
22	*Residential mortgages, of which:*					
23	*Those referred to in art. 22 of Circular BCB 3.644, of 2013*					
24	*Securities ineligible for the stock of HQLA, including exchange-traded stocks*					
25	Transactions in which the institution acts solely as an intermediary and does not assume any rights or obligations, not even contingent ones					
26	Other assets, of which:					
27	*Physically traded commodities, including gold*					
28	*Assets posted as initial margin for derivative contracts and assets provided to contribute to the default funds of clearing and settlement service providers* which					

	act as central counterparty.					
29	*Derivative assets with a replacement cost greater than or equal to zero.*					
30	*Derivative liabilities with a replacement cost of less than zero, gross of the deductions of any collateral posted in the form of variation margin*					
31	*Other assets not included in the previous lines*					
32	Off-balance sheet exposures					
33	**Required Stable Funding (RSF)**					
34	**NSFR (%)**					

Instructions to fill out the "The Net Stable Funding Ratio (NSFR) disclosure template"

Line	Instructions
1	Sum of lines 2 and 3
2	In accordance with art. 4, item I and sole paragraph
3	In accordance with art. 4, item II; art. 6, item V; and art. 7, item VI
4	Sum of lines 5 and 6
5	In accordance with art. 4, item II and art. 5, item I
6	In accordance with art. 4, item II and art. 5, item II
7	Sum of lines 8 and 9
8	In accordance with art. 6, items II and III
9	In accordance with art. 4, item II; art. 6, items I, IV, V; and art. 7, item I
10	In accordance with art. 7, item II
11	Sum of lines 12 and 13

12	In accordance with art. 23; art. 24, item II; and art. 25, item II
13	In accordance with art. 7, items III, IV, V, VI; and art. 3, paragraph 5
14	Sum of lines 1, 4, 7, 10 and 11
15	In accordance with art. 8, paragraph 1, item II; art. 11, items I, II e III; art. 12; art. 14, item I; art. 15, item I; art. 17, item I; art. 20, items II and III
16	In accordance with art. 15, item III
17	Sum of lines 18, 19, 20, 22 and 24
18	In accordance with art. 13; art. 15, item II; and art. 18, item II
19	In accordance with art. 14, item II; art. 15, item II; and art. 18, item II
20	In accordance with art. 11, item IV; art. 15, item IV; art. 16, item II; and art. 17, item III; art. 20, item III
21	In accordance with art. 11, item IV; art. 15, item IV; art. 16, item II; and art. 20, item III
22	In accordance with art. 15, item IV; art. 16, item I; art. 17, item III; and art. 20, item III
23	In accordance with art. 15, item IV; art. 16, item I; and art. 20, item III
24	In accordance with art. 15, item IV; art. 17, items IV and V; and art. 20, item III
25	In accordance with art. 11, item V
26	Sum of lines 27 to 31
27	In accordance with art. 17, item VI
28	In accordance with art. 17, items I and II
29	In accordance with art. 23; art. 24, item I; and art. 25, item I
30	In accordance with art. 26
31	In accordance with art. 11, items VI and VII; and art. 18, items I, III, IV, V and VI
32	In accordance with art. 21
33	Sum of lines 15, 16, 17, 25, 26 and 32
34	Ratio between lines 14 to 33