

July 6, 2020

Ref. No.: 0618

**To: Chief Financial Officers, BC Credit Unions**

**RE: 2020 Scoring Range Update to the Risk-Based Premium Assessment Methodology**

The purpose of this letter is to notify British Columbia (BC) credit unions of a change to the scoring range for one of the metrics the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) uses to determine the Risk-Based Premiums for the 2020 assessment.

The scoring range for Net Operating Income (as a percentage of Total Assets) has been reduced from a maximum of .6 points to .55 points (see details in Table 1 below). The change has been made as a result of the annual review of credit union system financial data used to determine the scoring ranges applied within the Risk-Based Premium Assessment. The scoring ranges for all other metrics remain unchanged.

Table 1: Update to the Methodology Scoring Range for the 2020 Assessment Year						
Earnings Metric	2020 Assessment Year			2019 Assessment Year		
	Scoring Range		Max Pts.	Scoring Range		Max Pts.
	Zero Pts.	Max Pts.		Zero Pts.	Max Pts.	
Net Operating Income (% of Total Assets)	0.25	0.55	5	0.25	0.60	5

The change to lower the Net Operating Income scoring range better reflects the current market environment and challenges faced by the credit union system. With this reduction, credit unions have increased opportunity to obtain maximum points towards their base assessment score and lower the assessment applied.

If you have any questions, please contact Stanley Chang, Director, CUDIC Operations at [stanley.chang@bcfsa.ca](mailto:stanley.chang@bcfsa.ca).

Regards,



Frank Chong  
Vice President and Deputy Superintendent, Regulation

pc: CEOs/GMs, BC Credit Unions