FSRA
Financial Services Regulatory Authority of Ontario

Ontario

ARSF
Autorité ontarienne de réglementation des services financiers

www.fsrao.ca

Sector Outlook Report 4Q-2023

Ontario Credit Unions and Caisses Populaires

25 Sheppard Avenue West,
Suite 100
Toronto, ON
M2N 6S6

Telephone: 416 250 7250
Toll free: 1 800 668 0128

25, avenue Sheppard Ouest
Bureau 100
Toronto (Ontario)
M2N 6S6

Téléphone: 416 250 7250
Sans frais: 1 800 668 0128

FSRA Financial Services Regulatory Authority of Ontario | Ontario | ARSF Autorité ontarienne de réglementation des services financiers

Notes

The Sector Outlook is published on a quarterly basis and provides analysis and commentary about the economy and most recent financial results reported by credit unions and caisses populaires in the Ontario sector.

Throughout this document, unless specifically indicated otherwise, references to credit unions means both credit unions and caisses populaires.

Disclaimer

The information presented in this report has been prepared using unaudited financial filings submitted by credit unions to FSRA as of October 21st, 2023 and as such accuracy and completeness cannot be guaranteed. Income Statement results are based on aggregate year-to-date annualized information for each credit union.

Electronic publication

The Sector Outlook is available in PDF format (readable using Adobe Acrobat Reader) and can be downloaded from the Publications section on the Credit Unions and Caisses Populaires page on FSRA's website at www.fsrao.ca.

Contact us

www.fsrao.ca/contact-us

Ce document est également disponible en français.

FSRA
Financial Services Regulatory Authority of Ontario

ARSF
Autorité ontarienne de réglementation des services financiers

Contents

Financial highlights

	Sector		
	4Q-2023	3Q-2023	4Q-2022
Income Statement (% average assets)			
Net Interest Income	1.48[3]	1.54	1.87
Loan Costs	0.03[3]	0.02	0.01
Other Income	0.37[1]	0.36	0.40
Non-Interest Expense	1.65[3]	1.64	1.67
Taxes	0.03[1]	0.04	0.19
Net Income	0.14[3]	0.20	0.41
Balance Sheet ($ billions; as at quarter end)			
Assets	96.3[1]	94.4	90.8
Loans	84.2[1]	83.2	79.1
Deposits	74.4[1]	73.1	70.2
Members' Equity & Capital	6.88[1]	6.66	6.55
Capital Ratios (%)			
Leverage	6.83[1]	6.76	6.89
Risk Weighted	13.58[1]	13.28	13.57
Key Measures and Ratios (% except as noted)			
Return on Regulatory Capital	2.02[3]	2.76	5.68
Liquidity Ratio	11.9[1]	10.6	11.0
Efficiency Ratio (before dividends/rebates)	86.0[3]	84.0	70.8
Efficiency Ratio	90.9[3]	87.5	73.9
Mortgage Loan Delinquency>30 days	0.56[3]	0.43	0.30
Commercial Loan Delinquency>30 days	1.11[3]	0.82	0.50
Total Loan Delinquency>30 days	0.72[3]	0.55	0.35
Total Loan Delinquency>90 days	0.31[3]	0.24	0.14
Asset Growth (from last quarter)	2.05[1]	1.56	1.71
Loan Growth (from last quarter)	1.25[3]	2.38	1.82
Deposit Growth (from last quarter)	1.85[1]	1.77	-0.08
Credit Unions (number)	57[2]	58	60
Membership (thousands)	1,779[1]	1,766	1,757
Average Assets ($ millions, per credit union)	1,690[1]	1,628	1,514

Better[1] | Neutral[2] | Worse[3] | Not Meaningful[4]

Trends are current quarter to last quarter

FSRA Financial Services Regulatory Authority of Ontario | Ontario | ARSF Autorité ontarienne de réglementation des services financiers

Sector key financial trends

Table #1 - Selected growth trends

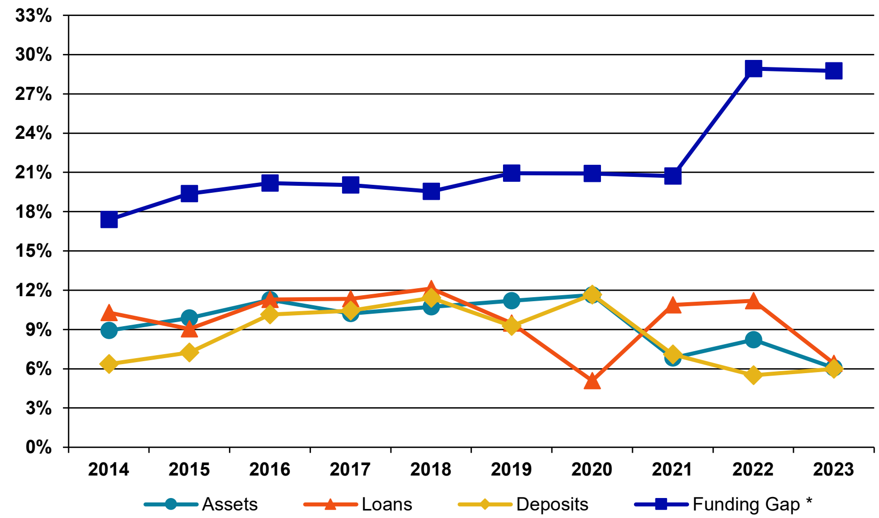


Table #2 -Selected performance trends

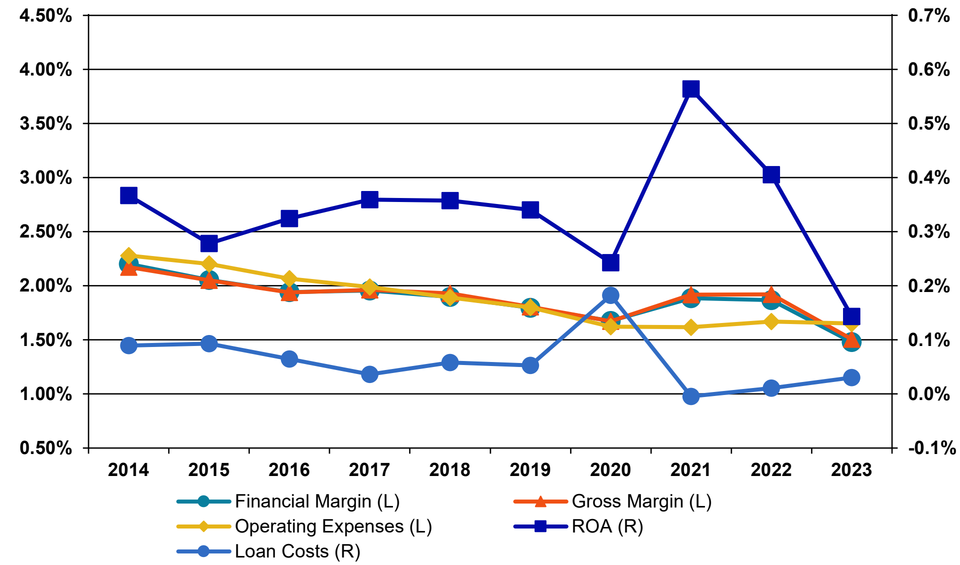


Table #3 - Efficiency ratio and return on assets

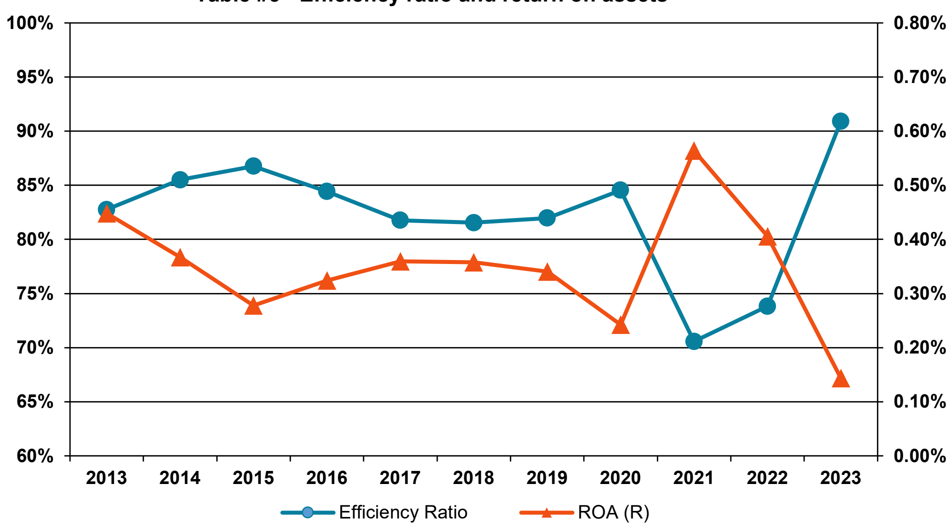
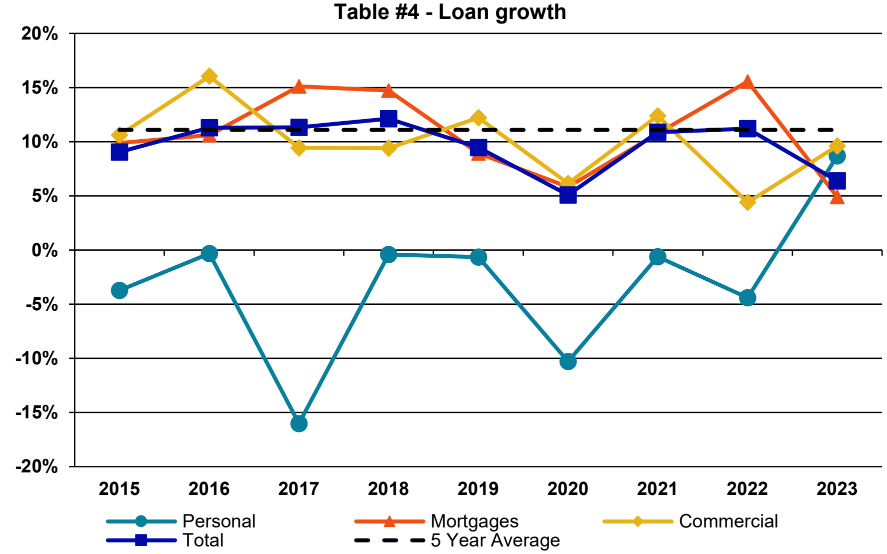


Table #4 - Loan growth



Sector key financial trends (continued)

Table #5 - Loan delinquencies - greater than 30 days

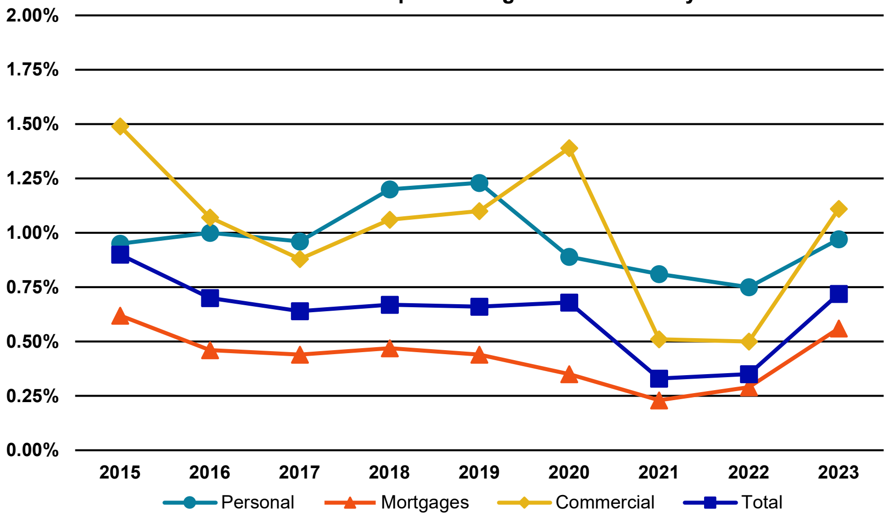


Table #6 - Loan yields

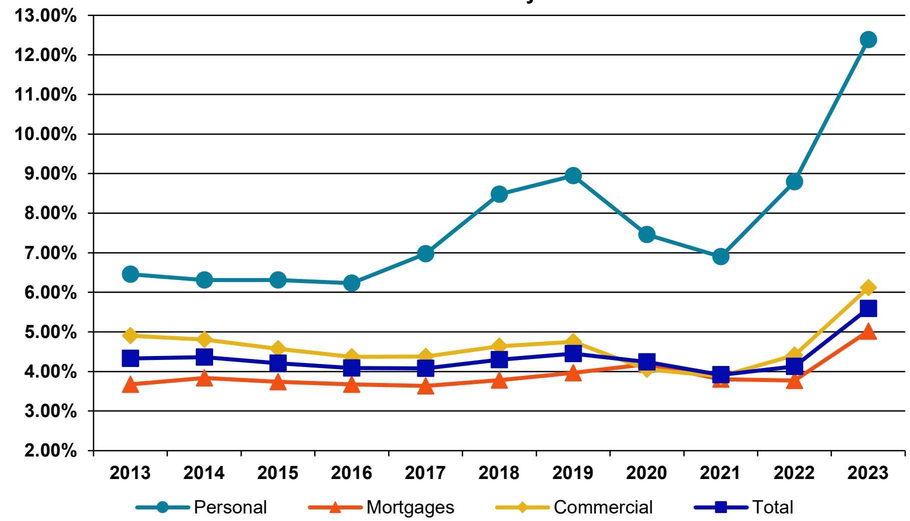


Table #7 - Deposit growth

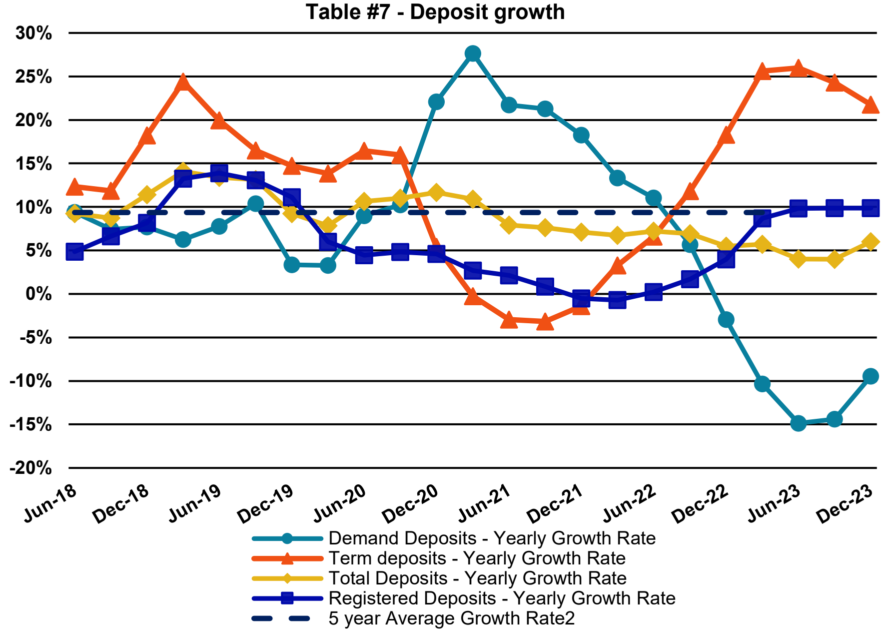
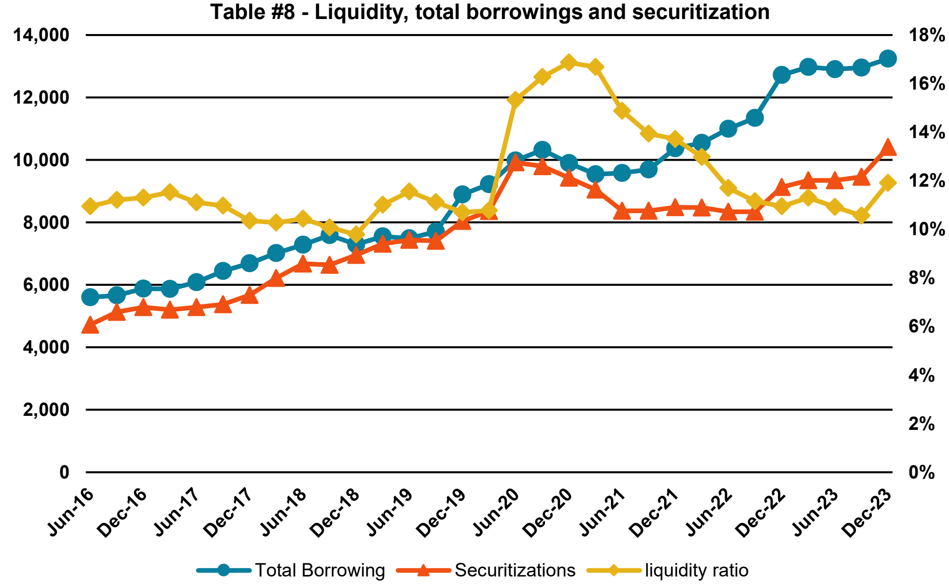


Table #8 - Liquidity, total borrowings and securitization



FSRA observations 4Q-2023

- The sector included 57 institutions in 4Q-2023, 1 less from last quarter and 3 less than in the year earlier quarter.

- Profitability in 4Q-2023 was 14 bps, 26 bps below last year. Higher loan interest and lower income taxes were more than offset by higher interest expenses and borrowing costs. Profitability dropped 6 bps from last quarter. Both the unprecedented pace of rate hikes and elevated interest rate levels squeezed margins. The deterioration of financial margin is expected to continue at a slower pace in 2024.

- Over 30-day delinquency on residential mortgages (which at $54.1 billion represent 56.1% of sector assets) was 56 bps, up 26 bps year over year and 13 bps from last quarter. 30-day delinquency on commercial loans (which at $25.0 billion represent 25.9% of sector assets) was 111 bps, up 61 bps year over year and 29 bps from last quarter. Total loan delinquency was 72 bps, up 37 bps year over year and 17 bps quarter over quarter. We expect the credit risk will continue to rise in 2024 as overall interest rates are still elevated and it takes time for the impact of rate hikes to fully reflect (on household's ability to payback loan).

- At 4Q-2023 end, sector assets totaled $96.3 billion, reflecting a year over year increase of $5.5 billion (up 6.1%). Residential mortgage loans grew $2.5 billion (up 4.9%) but recent growth is below historical rates as prices and volumes weakened and mortgage rate increased rapidly from levels earlier in the 12-month period; commercial loans grew $2.1 billion (up 9.6%) and cash/investments increased $0.5 billion (up 4.9%). Recent trend indicates an increase in mortgage growth as borrowers anticipate mortgage rate to drop and property price to rebound.

- Liquidity ratio was at 11.9% at 4Q-2023 end and was 96 bps above the year earlier period at 11.0%.

- Year over year growth in retained earnings (3.4%) lagged growth in total assets (6.1%). Other Tier one & Tier 2 capital including investment shares (up $164 million or 5.9% year over year) represents a significant source of capital ($2.9 billion or 42.7% of capital in 4Q-2023, compared to 42.3% in 4Q-2022).

Economic overview

Bank of Canada

In its January 24th meeting, the Bank of Canada held its target for the overnight rate at 5%, with the Bank Rate at 5¼% and the deposit rate at 5%. The Bank said it was continuing its policy of quantitative tightening and in its release said the following.

“Global economic growth continues to slow, with inflation easing gradually across most economies. While growth in the United States has been stronger than expected, it is anticipated to slow in 2024, with weakening consumer spending and business investment. In the euro area, the economy looks to be in a mild contraction. In China, low consumer confidence and policy uncertainty will likely restrain activity. Meanwhile, oil prices are about $10 per barrel lower than was assumed in the October Monetary Policy Report (MPR). Financial conditions have eased, largely reversing the tightening that occurred last autumn.”

“The Bank now forecasts global GDP growth of 2½% in 2024 and 2¾% in 2025, following 2023’s 3% pace. With softer growth this year, inflation rates in most advanced economies are expected to come down slowly, reaching central bank targets in 2025.”

“In Canada, the economy has stalled since the middle of 2023 and growth will likely remain close to zero through the first quarter of 2024. Consumers have pulled back their spending in response to higher prices and interest rates, and business investment has contracted. With weak growth, supply has caught up with demand and the economy now looks to be operating in modest excess supply. Labor market conditions have eased, with job vacancies returning to near pre-pandemic levels and new jobs being created at a slower rate than population growth. However, wages are still rising around 4% to 5%.”

“Economic growth is expected to strengthen gradually around the middle of 2024. In the second half of 2024, household spending will likely pick up and exports and business investment should get a boost from recovering foreign demand. Spending by governments contributes materially to growth through the year. Overall, the Bank forecasts GDP growth of 0.8% in 2024 and 2.4% in 2025, roughly unchanged from its October projection.”

“CPI inflation ended the year at 3.4%. Shelter costs remain the biggest contributor to above-target inflation. The Bank expects inflation to remain close to 3% during the first half of this year before gradually easing, returning to the 2% target in 2025. While the slowdown in demand is reducing price pressures in a broader number of CPI components and corporate pricing behaviour continues to normalize, core measures of inflation are not showing sustained declines.”

“Given the outlook, Governing Council decided to hold the policy rate at 5% and to continue to normalize the Bank’s balance sheet. The Council is still concerned about risks to the outlook for inflation, particularly the persistence in underlying inflation. Governing Council wants to see further and sustained easing in core inflation and continues to focus on the balance between demand and supply in the economy, inflation expectations, wage growth, and corporate pricing behaviour. The Bank remains resolute in its commitment to restoring price stability for Canadians.”

The next scheduled date for announcing the overnight rate target is March 6, 2024.

As inflation moderates, the nominal treasury yield is expected to drop accordingly which will lead to a lower loan yield and funding cost. However, average loan yield and funding cost of credit union sector in Ontario are expected to continue to climb slowly in 2024 as a significant portion of sector’s maturing portfolio and fundings is still being repriced to higher rates. As a result, financial margins will remain under pressure in 2024. As the economy growth stalls in Canada, credit risks remain a key risk area followed by capital and liquidity risks.

Household debt

Statistics Canada reported on Dec 13th, 2023 that the amount Canadians owe relative to their income fell in the third quarter of the year as growth in household disposable income outpaced that of credit market debt.

On a seasonally adjusted basis, household credit market debt as a proportion of household disposable income fell to 181.6% in the third quarter from 181.9% in the second quarter, as household disposable income (+1.0%) grew slightly faster than credit market debt (+0.8%). However, the household debt service ratio, measured as total obligated payments of principal and interest on credit market debt as a proportion of household disposable income, rose to 15.2% in the third quarter, increasing from 15.1% in the second quarter as debt payments expanded at a faster rate than household disposable income.

We expect the delinquency and impairment in Ontario credit union sector to continue as a key risk area in 2024 as households in Ontario are experiencing higher debt payments without a matching growth in income.

Housing markets

On Feb 6th, 2024, Toronto Region Real Estate Board (TRREB) reported that home sales were up in January 2024 in comparison to January 2023. This annual increase came as some homebuyers started to benefit from lower borrowing costs associated with fixed-rate mortgage products. New listings were also up year-over-year but by a lesser annual rate compared to sales. The resulting tighter market conditions when compared to the same period a year earlier, potentially points toward renewed price growth as we move into the spring market.

There were 4,223 sales reported through TRREB's MLS® System in January 2024 – an increase of more than one-third compared to January 2023. The number of new listings was also up year-over-year but by a lesser annual rate of approximately six percent. Stronger sales growth relative to listings suggests buyers experienced tighter market conditions compared to a year ago.

In its report, TRREB made the following observations.

"Once the Bank of Canada actually starts cutting its policy rate, likely in the second half of 2024, expect home sales to pick up even further. There will be more competition between buyers in 2024 as demand picks up and the supply of listings remains constrained. The end result will be upward pressure on selling prices over the next two years."

The market condition in GTA can be extrapolated to the rest of the markets within Ontario, which are driven by similar forces such as the expectation of lower mortgage rate and higher demand from population growth. We have not seen the mortgage growth in Ontario credit union sector yet. Once mortgage demand starts to grow, it will stretch credit unions' liquidity and capital level thinner particularly when the sector's organic capital growth is below historical level while the funding cost is at historically high level.

Sector consolidation

There were 57 institutions by the end of 4Q-2023, a decrease of three from the year earlier and one from previous quarter. Average assets per institution were $1.7 billion (up $176 million or 11.6% year over year) reflecting organic growth and consolidations.

Profitability

4Q-2023 vs 4Q-2022

As shown in Tables 2 and 3, the return on average assets in 4Q-2023 was 14 bps, down 26 bps from 41 bps in the year earlier quarter. Higher loan interest (up 93 bps to 4.1%) and lower taxes (down 16 bps to 3 bps) were more than offset by increased interest expense on deposits (up 112 bps to 2.3%) and borrowings (up 22 bps to 55 bps).

Seven of 57 institutions had negative returns on assets. FSRA closely monitors those that are unprofitable, identifies core challenges and works with credit unions to develop strategies to restore profitability.

4Q-2023 vs 3Q-2023

Sector profitability dropped 6 bps from last quarter reflecting increases in loan interest of 8 bps (from 4.0%) together with a 3-bp drop in investment income (from 40 bps), mostly offset by increased interest expense on deposits of 9 bps (from 2.2%).

3Q-2023 Ontario Sector vs 3Q-2023 Canadian Sector*

Ontario sector profitability of 20 bps was 9 bps below the Canadian sector's of 29 bps.

***As reported by Canadian Credit Union Association, including Ontario sector**

Capital

4Q-2023 vs 4Q-2022

Sector capital increased to $6.9 billion (up $326 million or 5.0%) from the year-earlier quarter and was comprised of:

- retained earnings of $3.9 billion (up $128.2 million or 3.4%)
- investment and patronage shares of $2.9 billion (up $164.2 million or 5.9%)
- membership shares of $55.3 million (up $138 thousand or 0.3%)

As a percent of risk-weighted assets, sector capital was 13.6%, which remains flat from the year-earlier quarter. Leverage was 6.8%, up 6 bps from the year-earlier quarter.

4Q-2023 vs 3Q-2023

Sector capital increased by $221.1 million (3.3% from $6.6 billion) from last quarter as retained earnings, and membership shares were largely unchanged, Investment shares and other Tier One or Tier two capital were up 152.2 million or 5.5%.

Compared to the previous quarter, sector capital as a percent of risk-weighted assets was up 30 bps (from 13.3%); leverage was also up 7 bps (from 6.8%).

Liquidity (including securitization)

4Q-2023 vs 4Q-2022

As shown in Tables 7 and 8, sector deposits increased by $4.2 billion (up 6.0% to $74.4 billion); securitizations increased by $1.3 billion (up 14.0% to $10.4 billion); and borrowings was down by $0.8 billion (down 21.2% to $2.8 billion). Total liability saw a net increase of $5.2 billion (up 6.1% to $89.4 billion) from the year earlier. Liquid assets increased $0.5 billion (down 4.9% to $10.6 billion) resulting in an increase in liquidity to 11.9% (up 90 bps from 11.0 % in 4Q-2022).

In 4Q-2023, 24 institutions with total assets of $89.7 billion (or 93.1% of sector assets) participated in securitization programs.

4Q-2023 vs 3Q-2023

Sector deposits increased by $1.4 billion (up 1.9% from $74.4 billion), securitizations increased by $1.0 billion (up 10% to $10.4 billion), while borrowings fell $666 million (down 19% to $2.8 billion) from last quarter. Liquid assets increased by $1.0 billion (up 10.4% from $10.6 billion) resulting in an increase of 134 bps in liquidity (from 10.6%).

Efficiency ratio (before dividends/interest rebates)

4Q-2023 vs 4Q-2022

As shown in Table 3, the sector efficiency ratio deteriorated to 86.0% (increasing 15.2 percentage points from 70.8%) from the year earlier quarter.

4Q-2023 vs 3Q-2023

Compared to last quarter, sector efficiency deteriorated by 2.0 percentage points to 85.9%.

3Q-2023 Ontario Sector vs. 3Q-2023 Canadian Sector

Non-interest expense as a percent of average assets for the Ontario sector (1.7%) was 10 bps lower than the Canadian sector (1.8%). However, Ontario sector efficiency ratio (86%) was 6 percentage points worse than the Canadian sector (80%).

Credit quality (delinquency greater than 30 days)

4Q-2023 vs 4Q-2022

As shown in Table 5, total loan delinquency increased to 72 bps (up 37 bps from 35 bps) compared to the year earlier quarter. Residential mortgage loan delinquency increased to 56 bps (up 26 bps from 30 bps) and commercial loan delinquency increased to 111 bps (up 61 bps from 50 bps).

4Q-2023 vs 3Q-2023

Compared to last quarter, total loan delinquency increased by 17 bps (from 55 bps) reflecting increased delinquency in residential mortgage loans of 13 bps (from 43 bps) and commercial loans of 29 bps (from 82 bps).

Growth

4Q-2023 vs 4Q-2022

Total sector assets increased to $96.3 billion (up $5.5 billion or 6.1%) compared to the year earlier quarter. This reflects increases in residential mortgage loans to $54.1 billion (up $2.5 billion or 4.9%) and commercial loans to $25.0 billion (up $2.2 billion or 9.6%), cash/investments of $10.6 billion (up $0.5 billion or 4.9%).

4Q-2023 vs 3Q-2023

Total sector assets increased by $1.9 billion (2.0% from $94.4 billion) from last quarter reflecting increases in residential mortgage loans of $448 million (0.8% from $53.6 billion), commercial loans of $484 million (2.0% from $24.5 billion), and cash/investments of $1.0 billion (up 10.4% from $9.7 billion).

3Q-2023 Ontario Sector vs 3Q-2023 Canadian Sector

Ontario sector growth in total assets (5.7%) exceeded the Canadian sector's growth (4.7%) reflecting higher growth in residential mortgage loans of 6.2% (compared to 4.8% from Canadian Sector) offset by lower growth in commercial loans of 9% (compared to 6.8%) and agricultural loans of 4.8% (compared to 3.8%).

FSRA Financial Services Regulatory Authority of Ontario | Ontario | ARSF Autorité ontarienne de réglementation des services financiers

Sector income statements

% of average assets (except as noted)

	Ontario Sector			Canadian Sector[1]
	4Q-2023	3Q-2023	4Q-2022	3Q-2023
Interest and Investment Income				
Loan Interest	4.07%	3.99%	3.15%	3.75%
Investment Income	0.37%	0.40%	0.36%	0.55%
Total Interest and Investment Income	4.44%	4.40%	3.51%	4.30%
Interest and Dividend Expense				
Interest Expense on Deposits	2.30%	2.21%	1.18%	2.23%
Rebates/Dividends on Share Capital	0.07%	0.05%	0.08%	0.00%
Dividends on Investment/Other Capital	0.03%	0.02%	0.02%	0.06%
Other Interest Expense	0.55%	0.54%	0.33%	0.23%
Total	0.67%	0.64%	0.46%	0.29%
Total Interest & Dividend Expense	2.96%	2.86%	1.64%	2.52%
Net Interest & Investment Income	1.48%	1.54%	1.87%	1.83%
Loan Costs	0.03%	0.02%	0.01%	0.05%
Net Interest & Investment Income after Loan Costs	1.45%	1.52%	1.86%	1.78%
Other (non-interest) Income	0.37%	0.36%	0.40%	0.45%
Net Interest, Investment & Other Income	1.82%	1.88%	2.26%	2.25%
Non-Interest Expenses				
Salaries & Benefits	0.92%	0.92%	0.92%	1.03%
Occupancy	0.13%	0.13%	0.13%	0.13%
Computer, Office & Other Equipment	0.18%	0.18%	0.19%	
Advertising & Communications	0.07%	0.07%	0.07%	0.14%
Member Security	0.08%	0.08%	0.08%	0.33%
Administration	0.20%	0.19%	0.20%	0.17%
Other	0.08%	0.08%	0.08%	
Total Non-Interest Expenses	1.65%	1.64%	1.67%	1.80%
Net Income/(Loss) Before Taxes	0.17%	0.24%	0.59%	0.42%
Taxes	0.03%	0.04%	0.19%	0.07%
Net Income/(Loss)	0.14%	0.20%	0.41%	0.29%
Average Assets (Billions)	$94	$93	$87	$300

[1]Summary results as reported by Canadian Credit Union Association, including Ontario Sector

*Totals may not agree due to rounding

Sector balance sheets

As at $millions

	Sector		
	4Q-2023	3Q-2023	4Q-2022
Assets			
Cash and Investments	10,660	9,653	10,166
Personal Loans	2,114	2,077	1,945
Residential Mortgage Loans	54,088	53,639	51,556
Commercial Loans	24,988	24,503	22,796
Institutional Loans	158	154	164
Unincorporated Association Loans	47	46	48
Agricultural Loans	2,812	2,744	2,636
Total Loans	84,206	83,163	79,146
Total Loan Allowances	209	199	202
Capital (Fixed) Assets	680	669	638
Intangible and Other Assets	994	1,114	1,077
Total Assets	96,332	94,400	90,825
Liabilities			
Demand Deposits	27,234	27,148	30,080
Term Deposits	31,770	30,675	26,095
Registered Deposits	15,417	15,244	14,034
Total Deposits	74,421	73,067	70,208
Borrowings	2,834	3,501	3,596
Securitizations	10,408	9,458	9,129
Other Liabilities	1,791	1,717	1,341
Total Liabilities	89,454	87,742	84,273
Members' Equity & Capital			
Membership Shares	55	56	55
Retained Earnings	3,933	3,933	3,805
Other Tier 1 & 2 Capital	2,934	2,781	2,769
AOCI	(43)	(113)	(77)
Total Members' Equity & Capital	6,878	6,657	6,552
Total Liabilities, Members' Equity & Capital	96,332	94,400	90,825

* Totals may not agree due to rounding

Sector balance sheets

		Sector % Increase/(Decrease) from	
	4Q-2023 $millions	3Q-2023	4Q-2022
Assets			
Cash and Investments	10,660	10.4%	4.9%
Personal Loans	2,114	1.8%	8.7%
Residential Mortgage Loans	54,088	0.8%	4.9%
Commercial Loans	24,988	2.0%	9.6%
Institutional Loans	158	2.6%	-3.7%
Unincorporated Association Loans	47	1.3%	-2.9%
Agricultural Loans	2,812	2.5%	6.7%
Total Loans	84,206	1.3%	6.4%
Total Loan Allowances	209	5.2%	3.9%
Capital (Fixed) Assets	680	1.7%	6.7%
Intangible and Other Assets	994	-10.7%	-7.7%
Total Assets	96,332	2.0%	6.1%
Liabilities			
Demand Deposits	27,234	0.3%	-9.5%
Term Deposits	31,770	3.6%	21.7%
Registered Deposits	15,417	1.1%	9.9%
Total Deposits	74,421	1.9%	6.0%
Borrowings	2,834	-19.0%	-21.2%
Securitizations	10,408	10.0%	14.0%
Other Liabilities	1,791	4.3%	33.6%
Total Liabilities	89,454	2.0%	6.1%
Members' Equity & Capital			
Membership Shares	55	-1.4%	0.3%
Retained Earnings	3,933	0.0%	3.4%
Other Tier 1 & 2 Capital	2,934	5.5%	5.9%
Accumulated Other Comprehensive Income	(43)	-61.7%	-43.8%
Total Members' Equity & Capital	6,878	3.3%	5.0%
Total Liabilities, Members' Equity & Capital	96,332	2.0%	6.1%

* Totals may not agree due to rounding

Sector balance sheets

As a percentage of total assets

	Sector			Canadian Sector[1]
	4Q-2023	3Q-2023	4Q-2022	3Q-2023
Assets				
Cash and Investments	11.1%	10.2%	11.2%	14.10%
Personal Loans	2.2%	2.2%	2.1%	3.6%
Residential Mortgage Loans	56.1%	56.8%	56.8%	50.1%
Commercial Loans	25.9%	26.0%	25.1%	25.5%
Institutional Loans	0.2%	0.2%	0.2%	0.9%
Unincorporated Association Loans	0.0%	0.0%	0.1%	0.0%
Agricultural Loans	2.9%	2.9%	2.9%	3.7%
Total Loans	87.4%	88.1%	87.1%	83.8%
Total Loan Allowances	0.2%	0.2%	0.2%	-0.3%
Capital (Fixed) Assets	0.7%	0.7%	0.7%	0.8%
Intangible and Other Assets	1.0%	1.2%	1.2%	1.5%
Total Assets	100.0%	100.0%	100.0%	100.0%
Liabilities				
Demand Deposits	28.3%	28.8%	33.1%	37.1%
Term Deposits	33.0%	32.5%	28.7%	32.6%
Registered Deposits	16.0%	16.1%	15.5%	14.5%
Total Deposits	77.3%	77.4%	77.3%	84.4%
Borrowings	2.9%	3.7%	4.0%	5.7%
Securitizations	10.8%	10.0%	10.1%	
Other Liabilities	1.9%	1.8%	1.5%	2.7%
Total Liabilities	92.9%	92.9%	92.8%	92.8%
Members' Equity & Capital				
Membership Shares	0.1%	0.1%	0.1%	0.5%
Retained Earnings	4.1%	4.2%	4.2%	5.8%
Other Tier 1 & 2 Capital	3.0%	2.9%	3.0%	1.1%
AOCI	0.0%	-0.1%	-0.1%	-0.1%
Total Members' Equity & Capital	7.1%	7.1%	7.2%	7.3%
Total Liabilities, Members' Equity & Capital	100.0%	100.0%	100.0%	100.0%