Single Resolution Board

# Additional Guidance – 2017 ex-ante data reporting form

October 2016

# 2017 Data Reporting Form

The following slides complement **the definitions and guidance included in the Ex-ante Contributions Reporting Form (hereafter Data Reporting Form)** developed for 2017 *ex-ante* contributions to the Single Resolution Fund, by providing:

- Key messages and functionalities by main building blocks in the Data Reporting Form; and
- Illustrations, especially for specific topics

NOTE: Definitions and guidance included in the reporting form prevail to the information provided in the slides.

# 2017 Data Reporting Form

## Overview of the key functionalities in the Data Reporting Form

- The Read me tab provides general instructions for completing the Data Reporting Form

- The reporting form identifies small institutions that can qualify for the lump sum approach, mortgage institutions and special investment firms. These institutions have to provide limited amount of data (unless it is risky or opts out for alternative calculation)

| STOP here, no more information is needed from the institution |
| --- |
| If the value of '2B2' is 'Yes' then no more information is needed from the institution (the resolution authority after assessment of the risk profile could ask for additional information). However, if the institution selects 'Yes' in 2B3, it must fill in the rest of the tab 2 and the tab 3 (Deductions, when applicable). |

- In tab 5, it provides definitions and guidance for each data to be reported

- It automatically consolidates in the tab 6 all the data reported by the institution with:
  - Automatic completeness checks;
  - Automatic consistency checks.

- Shows intermediary steps (automatically generated fields):

| | |
| --- | --- |
| Field filled in by the institution | Field automatically generated in the reporting form |



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# 2017 Data Reporting Form

## Overview of the building blocks in the Data Reporting Form

**Small (non-risky) institutions** | **Medium and large institution**

| Tab 1 | Tab 2 | Tab 3 | Tab 4 |
|---|---|---|---|
| **Identification** | **Base**<br>Total Liabilities<br>Own Funds<br>Covered deposits<br><br>**Derivatives** | **Deductions**<br>CCPs & CSDs<br>Investment firms<br>Promotional loans<br>IPS & Intragroup | **Risk Adjustment**<br>Risk Exposure<br>Additional indicators |
| • Identifies the institution and its characteristics | • Collects data for the basic annual contribution<br>• Determines if the institution qualifies for a simplified calculation method<br>• Collects data to adjust derivatives (except credit derivatives), when applicable | • Collects data for the deduction of qualifying items from the basic annual contribution, where applicable | • Collects data regarding the risk profile of the institution in order to apply the risk adjustment |



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# 2017 Data Reporting Form

## Tab 1: **General information**

| | A. Identification of an institution | *Explanation* |
|---|---|---|
| 1A1 | Name of the institution | Full registration name of the institution |
| 1A2 | Address of the institution | |
| 1A3 | Postal code of the institution | |
| 1A4 | City of the institution | |
| 1A5 | Country of registration of the institution | ISO code |
| 1A6 | RIAD MFI code of the institution (for credit institutions only) or SRB identifier (where a RIAD MFI code is not available) | SRB identifier (for investment firms that do not have RIAD MFI code): national identifier code with 2 letter country ISO code in front. |
| 1A7 | LEI code of the institution | Legal Entity Identifier |
| 1A8 | National identifier code of the institution | |

| | B. Contact person for this reporting form | *Explanation* |
|---|---|---|
| 1B1 | First name of the contact person | |
| 1B2 | Family name of the contact person | |
| 1B3 | Email address of the contact person | |
| 1B4 | Alternative e-mail address | |
| 1B5 | Phone number | International format (+XX AAAA BBBBBB) |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ The first two letters of the RIAD MFI code / SRB identifier must match the two-letter ISO code of the country of registration
- ✓ Format should be respected



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# 2017 Data Reporting Form

## Tab 1: **General information**

| | **C. Identification of possible specificities for the calculation of the individual annual contribution** | *Explanation* |
|---|---|---|
| 1C1 | If the institution is a **credit institution** | → Potential deduction of covered deposits |
| 1C2 | If the institution is a **central body** | → All the data to be reported on a consolidated basis |
| 1C3/ 1C4 | If the institution is a member of a qualifying **'Institutional Protection Scheme' (IPS)** | → Potential deduction of qualifying IPS liabilities |
| 1C5 | If the institution is a **central counterparty (CCP)** | → Potential deduction of qualifying clearing liabilities |
| 1C6 | If the institution is a **central securities depository (CSD)** | → Potential deduction of qualifying CSD liabilities |
| 1C7 | If the institution is an **investment firm** | → Potential deduction of qualifying liabilities that arise by virtue of holding client assets or client money |
| 1C8 | If the institution is an **investment firm authorized to carry out only limited services and activities** | → Qualification for a specific calculation method |
| 1C9 | If the institution operates **promotional loans** | → Potential deduction of qualifying liabilities related to promotional loans |
| 1C10 | If the institution is a **mortgage credit institution** financed by covered bonds | → Qualification for a specific calculation method |

| | **D. Newly supervised institutions and mergers** | *Explanation* |
|---|---|---|
| 1D1 | Start date of supervision<br>(only if it is in the course of 2016) | → Institution should approach the NRA. Institution will have to pay a partial contribution for full months supervised in 2016 |
| 1D2 | If the institution merged with another institution after the reference date (see 1E1) | → Institution should approach the NRA |

| | **E. Reference date for the reporting form** | *Explanation* |
|---|---|---|
| 1E1 | Reference date for the present reporting form | → Balance sheet date of the latest approved annual financial statements before 31 December 2016 |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ A credit institution ('1C1') cannot be an investment firm ('1C7') at the same time and vice versa
- ✓ Cross checks between characteristics in 1C3-1C4 / 1C9 and deductions in tab 3
- ✓ Format should be respected



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# 2017 Data Reporting Form

## Tab 2: **Basic annual contributions (BAC)**

| | A. BAC before adjustment of liabilities arising from derivative contracts (excluding credit derivatives) | *Explanation* |
|---|---|---|
| 2A1 | Total liabilities | Total balance sheet (sum of liabilities and equity items) at the reference date and as reported in the annual financial statements of the institution |
| 2A2 | Own funds | Sum of Tier 1 and Tier 2 capital (EU COREP, Annex I, Template n.1, code c 01.00, row 010) |
| 2A3 | Covered deposits | Covered deposits as of 31 December 2014 |

| | B. Simplified calculation methods | *Explanation* |
|---|---|---|
| 2B2 | Does the institution qualify for the simplified lump-sum annual contribution for **small institutions**? | *(Automatically filled)* If total assets (i.e. equals total liabilities = 2A1) < €1bn and BAC (i.e. 2A1 -2A2 – 2A3) ≤ €300m, **then institution qualifies for simplified lump-sum methodology** |
| 2B3 | Does the institution opt for the calculation of an alternative individual annual contribution amount **and provide the necessary information?** | If 2B2 is 'Yes', then an institution could opt to provide all the information required in the tabs 2 & 3 so that an **alternative contribution** is calculated in accordance with Article 5 of DR 2015/63. This contribution amount will be compared to the lump-sum so that the **lower amount is applied**. |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ Total Liabilities ('2A1') - Own Funds ('2A2') - Covered Deposits ('2A3') must be greater than 0
- ✓ Format should be respected

- ✓ If the value of '**2B2**' is '**Yes**' and institution qualified for lump-sum annual contribution, then no more information is needed from the institution (the resolution authority after assessment of the risk profile could ask for additional information).
- ✓ However, if the institution selects '**Yes**' in '**2B3**', it must fill in the rest of the tab 2 (derivative adjustment) and the tab 3 (deductions).



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# 2017 Data Reporting Form

## Tab 2: **Basic annual contributions (BAC)**

| | **C. Adjustment of liabilities arising from derivative contracts (excluding credit derivatives)** | *Explanation* |
|---|---|---|
| 2C1 | Liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology | (1) Identification of the recognised **netting agreements** (except cross-product netting) under the CRR 575/2013 and (2) application of the **leverage ratio methodology** *(netting recognised in (1) can be applied)* to derivatives with negative replacement costs or market values*. |
| 2C2 | Accounting value of liabilities arising from all derivative contracts (excluding credit derivatives) booked on-balance sheet, when applicable | Identification of the "liabilities arising from derivatives" (excluding credit derivatives) in the total liabilities reported in the annual financial statements |
| 2C3 | Accounting value of liabilities arising from all derivative contracts (excluding credit derivatives) held off-balance sheet, when applicable | The fair value of derivatives held off-balance-sheet must be calculated by applying the IFRS 13 standard as applicable, or an equivalent under national accounting standards. Positive fair values amounts must be disregarded. Negative fair values, which represent liabilities arising from derivatives held off-balance sheet, must be summed then converted into one absolute amount. |
| 2C4 | Total accounting value of liabilities arising from all derivative contracts (excluding credit derivatives) | *(Automatically filled)* Calculated by summing 2C2 + 2C3 |
| 2C5 | Liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology after floor | *(Automatically filled)* Calculated by taking maximum value: 2C1 or 75% (i.e. floor) of 2C4 (i.e. 2C2 + 2C3) |
| 2C6 | Total liabilities after adjustment of liabilities arising from all derivative contracts (excluding credit derivatives) | *(Automatically filled)* Calculated by taking total liabilities (2A1) - reported on-balance sheet derivatives (2C2) + derivatives under leverage methodology after floor (2C5) |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ Derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology ('2C1') is very likely to be >0 if total accounting value of liabilities arising from all derivative contracts (excluding credit derivatives) ('2C4') is >0
- ✓ Format should be respected

*__* DATA FREQUENCY__: According to the DR, the leverage ratio methodology should be applied as "the yearly average amount, calculated on a quarterly basis". If this same value is only available for one or some quarters of the reference year, the yearly average of these quarters must be reported.*



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# 2017 Data Reporting Form

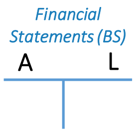
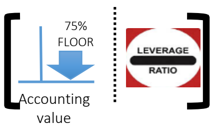
## Tab 2: **Basic annual contributions (BAC)**

**C. Adjustment of liabilities arising from derivative contracts (excluding credit derivatives)** *Additional illustrations*

**Derivative adjustment** intends to ensure a harmonised treatment of derivatives in the determination of the basic annual contribution allowing for the comparability of their valuation between institutions and for a level playing field across the Union.

**Credit derivative** contracts are not adjusted.

In order to adjust derivative liabilities in total liabilities, the following **5 steps** should be performed

| | Step | Description | Field |
|---|---|---|---|
|   | 1 | Identification of the **"liabilities arising from derivatives"** -excluding credit derivatives- in the total liabilities reported in the annual financial statements | 2C2 |
|   | 2 | Identification of the recognised **netting agreements** (except cross-product netting) under the CRR 575/2013 | |
|   | 3 | **Application of the leverage ratio** methodology (netting recognised in step 2 can be applied) to derivatives with negative replacement costs or market values*. | 2C1 |
|   | 4 | **Application of the floor;** calculation of the floor amount (75% of accounting measure -fair value- for derivative liabilities held on- and off-balance sheet; accounting netting can be applied); the floor amount replaces the amount calculated in step 3 if it is higher. | 2C3<br>2C4<br>2C5 |
| | 5 | **Adjustment of total liabilities:** Total Liabilities - Reported on-balance sheet derivatives (step 1) + Derivatives under leverage methodology after floor (steps 2 to 4) | 2C6 |

*__* DATA FREQUENCY__: According to the DR, the leverage ratio methodology should be applied as "the yearly average amount, calculated on a quarterly basis". If this same value is only available for one or some quarters of the reference year, the yearly average of these quarters must be reported.*



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# 2017 Data Reporting Form

## Tab 2: **Basic annual contributions (BAC)**

**C. Adjustment of liabilities arising from derivative contracts (excluding credit derivatives)** *Additional illustrations*

| Data needed from the institution: | Legal ref. | Field ID | Example A: All derivatives are booked on-balance sheet | Example B: Some derivatives are booked on-balance sheet, others are held off-balance sheet |
|---|---|---|---|---|
| | DR 2015/63 - Art. 3(22) | 2A1 | 100 | 89 |
| | DR 2015/63 - Art. 3(22), 5(3) | 2C2 | Assets / Liabilities<br>Liabilities: Derivative fair values = 22<br>Assets total: 100 / Liabilities total: 100 | Assets / Liabilities<br>Liabilities: Derivative fair values = 11<br>Assets total: 89 / Liabilities total: 89 |
| | DR 2015/63 - Art. 3(22), 5(3) | 2C3 | 0 (zero) | Negative fair values of derivatives held off-balance sheet = -11 ➔<br>Absolute amount = 11 |
| | DR 2015/63 - Art. 3(22), 5(3); CRR 575/2013 – Art. 274, 275, 295; DR 2015/62 – Art. 429a | 2C1 | 22 + (Sum of Notional*% for all derivatives with negative current replacement cost) = 80 (CRR Art. 274)<br>OR<br>Sum of Notional*% for all derivatives with negative current replacement cost = 80 (CRR Art. 275) | |
| **Automatic calculations in the reporting form:** | DR 2015/63 - Art. 3(22), 5(3), 5(4) | 2C4 | 75% * 22 = 16.5 | |
| | | 2C5 | Max ( 80 ; 16.5) = 80 | |
| | | 2C6 | 100 – 22 + 80 = 158 | 89 – 11 + 80 = 158 |



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# 2017 Data Reporting Form

## Tab 3: **Deductions**

The Delegated Regulation 2015/63 allows **deductions under strict conditions.**

**A single transaction can only be deducted ONCE from the total liabilities after derivatives adjustment, even if it matches several of the deduction categories below.**

The **deduction of qualifying derivative liabilities** in Tab 3 should take into account the adjustment made to all the derivative liabilities in the Section C of the tab 2.

| Section | Category | Conditions |
|---|---|---|
| A | Qualifying liabilities related to **clearing activities** | Only for CCPs and if conditions in Art. 5(1)(c) are met |
| B | Qualifying liabilities related to **CSD activities** | Only for CSDs and if conditions in Art. 5(1)(d) are met |
| C | Qualifying liabilities that arise by virtue of **holding client assets or client money** | Only for investment firms and if conditions in Art. 5(1)(e) are met |
| D | Qualifying liabilities that arise from **promotional loans** | Only for institutions operating promotional loans and if conditions in Art. 5(1)(f) are met |
| E | Qualifying **IPS liabilities** (and assets) | Only for qualifying IPS members and if conditions in Art. 5(1)(b) & 5(2) are met |
| F | Qualifying **intragroup liabilities** (and assets) | Only for qualifying group entities and if conditions in Art. 5(1)(a) & 5(2) are met |
| G | **Simplified calculation method** *(automatically filled)* | Signals that you need to STOP, if you are a mortgage institutions as in Art. or special investment firm as in Art. |



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# 2017 Data Reporting Form

## Tab 3: **Deductions** *(example for sections A – D)*

| | **A. Deductible amount of qualifying liabilities related to clearing activities** | *Explanation* |
|---|---|---|
| 2C1 | Liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology | *(Automatically filled)* Repeated from tab 2 |
| 3A1 | **Of which:** qualifying liabilities arising from derivatives related to clearing activities | Qualifying liabilities related to clearing activities means liabilities related to clearing activities as defined in Article 2(3) of the Regulation (EU) No 648/2012, including those arising from any measures the central counterparty takes to meet margin requirements, to set up a default fund and to maintain sufficient pre-funded financial resources to cover potential losses as part of the default waterfall in accordance with the Regulation (EU) No 648/2012, as well as to invest its financial resources in accordance with Article 47 of the Regulation (EU) No 648/2012. |
| 3A2 | Of which: liabilities arising from derivatives not related to clearing activities | *(Automatically filled)* 2C1 – 3A1 |
| 3A3 | Derivative floor factor | *(Automatically filled)* 2C5 (i.e. liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology after floor) / 2C1 |
| 3A4 | Adjusted value of qualifying liabilities related to clearing activities arising from derivatives | *(Automatically filled)* 3A1 * 3A3 (=2C5/2C1) → It allows to apply the floor taken into account on the total liabilities arising from derivatives (in the Section C of the tab '2. Basic annual contribution') on the qualifying liabilities arising from derivatives related to clearing activities, so that the deducted derivative amount is consistent with the total derivative amount in total liabilities. |
| 3A5 | Total accounting value of qualifying liabilities related to clearing activities | On-balance sheet accounting value of qualifying liabilities related to clearing activities reported in the annual financial statements |
| 3A6 | **Of which:** arising from derivatives | Of which arising from derivatives |
| 3A7 | Of which: not arising from derivatives | *(Automatically filled)* 3A5 – 3A6 |
| 3A8 | Total deductible amount of qualifying liabilities related to clearing activities | *(Automatically filled)* 3A7 + 3A4 → It allows to take into account the adjustments made on the qualifying liabilities arising from derivatives in the total qualifying liabilities related to clearing activities. |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ Cross checks between characteristics in tab 1 and deductions, e.g. a credit institution that is not a CCP ('1C5') cannot deduct liabilities related to clearing activities ('3A8')
- ✓ Format should be respected

*__* DATA FREQUENCY__: According to the DR, the leverage ratio methodology should be applied as "the yearly average amount, calculated on a quarterly basis". If this same value is only available for one or some quarters of the reference year, the yearly average of these quarters must be reported.*

# 2017 Data Reporting Form

## Tab 3: **Deductions** *(example for sections A – D)*

### Deduction of non-derivative CSD liabilities – Illustration

*The CSD liabilities below meet all the conditions in **Article 5(1)(d)** of the DR 2015/63*

| Entity | |
|---|---|
| Assets | Liabilities (Accounting values) |
| | Qualifying liabilities related to custody (non-derivatives)= 25 |
| Total Assets = 100 | |

| Data needed from the entity for CSD deductions: | Values in this example | Legal ref. | Field ID |
|---|---|---|---|
| Qualifying liabilities related to CSD activities that meet all the conditions in Article 5(1)(d) of the DR: | | | |
| ▪ Total accounting value | 25 | DR 2015/63 - Art. 3(23), 5(1)(d) | 3B5 |
| ▪ Of which: arising from derivatives: accounting value | -- | | 3B6 |
| ▪ Arising from derivatives related to CDS activities: leverage value | -- | | 3B1 |
| **Automatic calculations in the reporting form:** | | | |
| . Deductible amount of qualifying liabilities related to CSD activities | 25 | | 3B8 |

# 2017 Data Reporting Form

## Tab 3: **Deductions** *(example for sections E – F)*

| | **E. Deductible amount of qualifying liabilities related to clearing activities** | *Explanation* |
|---|---|---|
| 2C1 | Liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology | *(Automatically filled)* Repeated from tab 2 |
| 3E1 | **Of which:** qualifying IPS liabilities arising from derivatives that arise from a qualifying IPS member | 'qualifying IPS liabilities' means liabilities created by a 'qualifying IPS member' through an agreement entered into with another institution which is member of the same IPS |
| 3E2 | Of which: non qualifying IPS liabilities arising from derivatives | *(Automatically filled):* 2C1 – 3E1 |
| 3E3 | Derivative floor factor | *(Automatically filled):* 2C5 (i.e. liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology after floor) / 2C1 |
| 3E4 | Adjusted value of qualifying IPS liabilities arising from derivatives that arise from a qualifying IPS member | *(Automatically filled):* 3E1 * 3E3 (=2C5/2C1) → It allows to apply the floor taken into account on the total liabilities arising from derivatives (in the Section C of the tab '2. Basic annual contribution') on the qualifying IPS liabilities, so that the deducted derivative amount is consistent with the total derivative amount in total liabilities |
| 3E5 | Total accounting value of qualifying IPS liabilities | On-balance sheet accounting value of qualifying IPS liabilities reported in the annual financial statements |
| 3E6 | **Of which:** arising from derivatives | Of which arising from derivatives |
| 3E7 | Of which: not arising from derivatives | *(Automatically filled):* 3E5 – 3E6 |
| 3E8 | Adjusted value of total qualifying IPS liabilities | *(Automatically filled):* 3E7 + 3E4 → It allows to take into account the adjustments made on the qualifying liabilities arising from derivatives in the total qualifying IPS liabilities |
| 3E9 | Total accounting value of qualifying IPS assets held by the qualifying IPS member | 'qualifying IPS assets' means assets created by a 'qualifying IPS member' through an agreement entered into with another institution which is member of the same IPS. |
| 3E10 | Adjusted value of total qualifying IPS assets | An institution can only deduct a qualifying IPS asset amount as it is valued by the IPS member counterpart (as a liability) taking into account the derivative adjustment and the 'derivative floor factor' of the same IPS member counterpart |
| 3E11 | Total deductible amount of assets and liabilities arising from qualifying IPS liabilities | *(Automatically filled):* 3E4 + 3E10 / 2 → It allows qualifying IPS liabilities to be evenly deducted from the amount of total liabilities of the IPS members. |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ Format should be respected



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# 2017 Data Reporting Form

## Tab 3: **Deductions** *(example for sections E – F)*

### Deduction of <u>non-derivative</u> intragroup liabilities – Illustration

*The intragroup transactions below between group entities A and B meet all the conditions in **Article 5(1)(a)** of the DR 2015/63. In the example below, there is a perfect match between the accounting value of intragroup transactions booked by A and B in their respective financial statements. In case of mismatch, <u>the liability value prevails over the asset value</u>.*

| Group entity B | |
|---|---|
| **Assets** | **Liabilities** |
| Intragroup non-derivative assets with A (accounting value) = 30 | Intragroup non-derivative liabilities with A (accounting value) = 25 |

Total Intragroup liabilities = 25
↪ Total deductible intragroup liabilities for group entity A = 25/2 = 12.5
↪ Total deductible intragroup assets for group entity B = 25/2 = 12.5

| Group entity A | |
|---|---|
| **Assets** | **Liabilities** |
| Intragroup non-derivative assets with B (accounting value) = 25 | Intragroup non-derivative liabilities with B (accounting value) = 30 |

Total Intragroup liabilities = 30
↪ Total deductible intragroup liabilities for group entity A = 30/2 = 15
↪ Total deductible intragroup assets for group entity B = 30/2 = 15

*Deductible amounts for A & B come from their respective qualifying liabilities.*

*An even deduction is applied (50% of qualifying liabilities for A, same for B)*

| | Values in this example | Legal ref. | Field ID |
|---|---|---|---|
| **Data needed from the group entity A for its intragroup <u>non-derivative</u> deductions:** | | | |
| • <u>Intragroup liabilities</u> that meet all the conditions in Article 5(1)(a) of the DR: | | | |
| ○ Total accounting value | 30 | | 3F5 |
| • <u>Intragroup assets</u> that meet all the conditions in Article 5(1)(a) of the DR: | | DR 2015/63 - 5(1)(a), 5(2) | |
| ○ Total accounting value booked by group entity A | 25 | | 3F9 |
| ○ Adjusted value taking into account the values and derivative adjustment made by group entity B | 25 | | 3F10 |
| **Automatic calculation in the reporting form:** | | | |
| • Deductible amount of assets and liabilities arising from qualifying intragroup liabilities for A | 30/2 + 25/2 = 27.5 | | 3F11 |



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# 2017 Data Reporting Form

## Tab 3: **Deductions** *(example for sections E – F)*

### Deduction of non-derivative intragroup liabilities – Illustration

*The intragroup transactions below between group entities A and B meet all the conditions in **Article 5(1)(a)** of the DR 2015/63. In the example below, all the intragroup transactions between A and B are derivatives.*

**Group entity B**

| Assets | Liabilities | |
|---|---|---|
| | Intragroup derivative liabilities with A (accounting value) = 22 → | Intragroup derivative liabilities with A (leverage value) = 80 |

LEVERAGE RATIO

Total Intragroup liabilities = 80
↪ Total deductible intragroup liabilities for group entity A = 80/2 = 40
↪ Total deductible intragroup assets for group entity B = 80/2 = 40

**Group entity A**

| Assets | Liabilities | |
|---|---|---|
| Intragroup derivative assets with B (accounting value) = 22 | Intragroup derivative liabilities with B (accounting value) = 10 → | Intragroup derivative liabilities with B (leverage value) = 30 |

LEVERAGE RATIO

Total Intragroup liabilities = 30
↪ Total deductible intragroup liabilities for group entity A = 30/2 = 15
↪ Total deductible intragroup assets for group entity B = 30/2 = 15

*Deductible amounts for A & B come from their respective qualifying liabilities taking into account the derivative adjustment.*

*An even deduction is applied (50% of qualifying liabilities for A, same for B)*

| Data needed from the group entity A for its intragroup derivative deductions: | Values in this example | Legal ref. | Field ID |
|---|---|---|---|
| • Intragroup liabilities that meet all the conditions in Article 5(1)(a) of the DR: | | | |
| o Total accounting value | 10 | | 3F5 |
| Of which: arising from derivatives: accounting value | 10 | | 3F6 |
| o Arising from derivatives: leverage value | 30 | DR 2015/63 - Art. 3(22), 5(1)(a), 5(2) | 3F1 |
| • Intragroup assets that meet all the conditions in Article 5(1)(a) of the DR: | | | |
| o Total accounting value booked by group entity A | 22 | CRR 575/2013 – Art. 274, 275, 295 | 3F9 |
| o Adjusted value taking into account the values and derivative adjustment made by group entity B | 80 | | 3F10 |
| **Automatic calculations in the reporting form:** | | DR 2015/62 – Art. 429a | |
| • Deductible amount of assets and liabilities arising from qualifying intragroup liabilities for A | 80/2 + 30/2 = 55 | | 3F11 |

# 2017 Data Reporting Form

## Tab 3: **Deductions**

| | G. Simplified calculation methods | *Explanation* |
|---|---|---|
| 1C8 | If the institution an investment firm authorised to carry out only limited services and activities | → *(Automatically filled)* If an institution is an investment firm as defined in point (2) of Article 4(1) of the CRR, then it is authorized to carry out only limited services and activities, and is not subject or may be exempted from certain capital and liquidity requirements. Therefore this institution qualifies for a **simplified calculation method**. |
| 1C10 | If the institution a mortgage credit institution financed by covered bonds | → *(Automatically filled)* If an institution is a mortgage institution as referred to in Article 45(3) of the BRRD, then it qualifies for a **simplified calculation method**. |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ Only an investment firm ('1C7') can be an investment firm with limited services ('1C8')

- ✓ If the value of '**1C2**' is '**No**' (i.e. it is not a small institution) and the institution is an **investment firm authorised to carry out only limited services and activities** (i.e. '1C8' is 'Yes') or a **mortgage credit institution financed by covered bonds** (i.e. '1C10' is 'Yes') then it qualifies for a simplified calculation method and no more information is needed from the institution.



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# 2017 Data Reporting Form

## Tab 4: **Risk adjustment**

The Delegated Regulation 2015/63 allows dictates that the risk indicators should be skipped… **deductions under <u>strict conditions.</u>**

Tab 4 Collects data regarding the risk profile in order to apply the risk adjustment

Risk Pillars and Indicators for 2016 ex-ante contributions:

| | Risk Pillar | Risk Indicators |
|---|---|---|
| I | Risk Exposure | ~~MREL~~ |
| | | Leverage Ratio |
| | | Common Equity Tier 1 Capital Ratio |
| | | Total Risk Exposure divided by Total Assets |
| II | ~~Stability and variety of sources of funding~~ | ~~Net Stable Funding Ratio;~~ |
| | | ~~LCR~~ |
| III | ~~Importance of an institution to the stability of the financial system or economy;~~ | ~~Share of interbank loans and deposits in the European Union~~ |
| IV | Additional risk indicators determined by the SRB | Trading activities, off-balance sheet exposures, derivatives, ~~complexity and resolvability;~~ |
| | | Membership in an Institutional Protection Scheme |
| | | Extent of previous extraordinary public financial support |

# 2017 Data Reporting Form

## Tab 4: **Risk adjustment**

Article 8.3 of the DR 2015/63 foresees the situation where a waiver was granted to the institution under the CRR rules. This waiver shall be granted by the competent authority in circumstances defined in Regulation (EU) No 575/2013 (CRR).

| Has the competent authority granted a waiver to the institution from the application of CRR requirements on an individual basis?* | | Consequences |
|---|---|---|
| No | ➡ | • Information in tab 4 to be reported at individual legal entity level |
| Yes, for the leverage ratio | ➡ | • Leverage ratio risk indicator (4A7 field in **section A.ii**) to be reported at the lowest sub-consolidated level. If the latter does not apply, at consolidated level. |
| Yes, for own funds requirements | ➡ | • Risk indicators in **sections A.iii, A.iv and D.i** to be reported at the lowest sub-consolidated level. If the latter does not apply, at consolidated level<br>• Always the **same reporting level** (sub-consolidated or consolidated) must be applied in **sections A.iii, A.iv and D.i** |

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## Tab 4: **Risk adjustment** (Section A. 'Risk exposure' pillar)

| | **A.ii) Leverage ratio** | *Explanation* |
|---|---|---|
| 4A1 | Has the competent authority granted a waiver from the application of the Leverage ratio risk indicator to the institution at individual level? | → If 'No', the reporting level of the Leverage ratio risk indicator should be individual ('4A2') |
| 4A2 | Reporting level of the Leverage ratio risk indicator | |
| 4A3 | Name of the parent | |
| 4A4 | RIAD MFI code of the parent | |
| 4A6 | Identifier code of the institutions which are part of the (sub-)consolidation | |
| 4A7 | Leverage ratio, **at the reporting level selected above** | EU COREP, Annex X, Template n. 45, code c 45.00, column 040, row 190 |

| | **A.iii) Common Equity Tier 1 Capital Ratio (CET1 ratio)** | *Explanation* |
|---|---|---|
| 4A8 | Has the competent authority granted a waiver from the application of the CET1 ratio risk indicator to the institution at individual level? | → If 'No', the reporting level of the CET1 ratio risk indicator should be individual ('4A9') |
| 4A9 | Reporting level of the CET1 ratio risk indicator | |
| 4A10 | Name of the parent | |
| 4A11 | RIAD MFI code of the parent | |
| 4A13 | Identifier code of the institutions which are part of the (sub-)consolidation | |
| 4A14 | CET1 capital, **at the reporting level selected above** | EU COREP, Annex I, Template n. 1, code c 01.00, ID 1.1.1, row 020 |
| 4A15 | Total Risk Exposure, **at the reporting level selected above** | EU COREP, Annex I, Template n. 2, code c 02.00, ID 1, row 010 |
| 4A16 | CET1 ratio, **at the reporting level selected above** | *(Automatically filled)* **4A14 / 4A15** → It should be equal to EU COREP, Annex I, Template n. 3, code c 03.00, ID 1, row 010 |

| | **A.iv) Total Risk Exposure divided by Total Assets (TRE/TA)** | *Explanation* |
|---|---|---|
| 4A17 | Total assets, **at the reporting level selected above** | → If the reporting level in 4A9 is 'Individual', the value for 4A17 must equal the value for 2A1 (total liabilities equals total assets equals total balance sheet) |
| 4A18 | TRE/TA, **at the reporting level selected above** | *(Automatically filled)* **4A15 / 4A17** |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ Format should be respected, e.g. leverage ratio ('4A7') should be a value [0;1]



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# 2017 Data Reporting Form

## Tab 4: **Risk adjustment** (Section A. 'Risk exposure' pillar)

| | **D. 'Additional risk indicators to be determined by the resolution authority' pillar** | *Explanation* |
|---|---|---|
| 4D1 | Risk exposure amount for market risk on traded debt instruments and equity, **at the reporting level selected above** | EU COREP, Annex I, Template n. 2, code c 02.00, ID a) SA: 1.3.1.1+1.3.1.2; b) IM: 1.3.2 (exclusion of Foreign Exchange & Commodities to perform) |
| 4D2 | a) Divided by Total Risk Exposure | **4D1 / 4A15** |
| 4D3 | b) Divided by CET1 Capital | **4D1 / 4A14** |
| 4D4 | c) Divided by Total Assets | **4D1 / 4A17** |
| 4D5 | Total off-balance sheet nominal amount, **at the reporting level selected above** | EU COREP, Annex X, Template n. 40, code c 40.00, column 070, rows 100 + 140 + 150 + 160 |
| 4D6 | a) Divided by Total Risk Exposure | **4D5 / 4A15** |
| 4D7 | b) Divided by CET1 Capital | **4D5 / 4A14** |
| 4D8 | c) Divided by Total Assets | **4D5 / 4A17** |
| 4D9 | Total derivative exposure**, at the reporting level selected above** | EU COREP, Annex X, Template n. 45, code c 45.00, columns 010 + 020 + 030, row 030 + 040 + 050 |
| 4D10 | **Of which:** derivatives cleared through a central counterparty (CCP), **at the reporting level selected above** | Of which derivatives cleared through a CCP |
| 4D11 | a) Divided by Total Risk Exposure | **(4D9-4D10*50%) / 4A15** |
| 4D12 | b) Divided by CET1 Capital | **(4D9-4D10*50%) / 4A14** |
| 4D13 | c) Divided by Total Assets | **(4D9-4D10*50%) / 4A17** |
| 1C3 | Is the institution member of an 'Institutional Protection Scheme' (IPS)? | *(Automatically filled)* Repeated from tab 1 |
| 1C4 | Has the competent authority granted the permission referred to in Article 113(7) of the CRR? | *(Automatically filled)* Repeated from tab 1 |
| 4D14 | Name of the IPS | |
| 4D17 | Does the institution meet the three conditions specified for this field (see definitions & guidance) at the reference date? | Conditions for 'Yes' in this field:<br>1. The institution is part of a group that has been put under restructuring after receiving any State or equivalent funds such as from a resolution financing arrangement;<br>2. The institution is part of a group that is still within the restructuring or winding down or liquidation period;<br>3. The institution is part of a group that is not in the last 2 years of implementation of the restructuring plan. |
| 4D18 | Name of the EU parent | |
| 4D19 | RIAD MFI code of the EU parent | |

Some **validation Rules** (tab 6) linked to these fields:

- ✓ All fields must be filled
- ✓ Total derivatives exposure ('4D9') must be equal to or greater than derivatives cleared through a CCP ('4D10')
- ✓ Format should be respected



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THANK YOU