

## Template for the Engagements to Perform Agreed Upon Procedures Regarding Financial Information

### Procedures on 1: General activities

- (1) **Obtain the SRF 2017 Ex-ante Contributions Reporting Form** (hereafter 2017 Reporting Form) submitted by the institution to the resolution authority in accordance with Article 14 of the Commission Delegated Regulation (EU) 2015/63.
- (2) **Obtain documentation on the procedures** used to extract the data and used to perform controls for ensuring that the reported data are in accordance with the instructions in the 2017 Reporting Form and other technical guidance provided by the Single Resolution Board or National Resolution Authority.
- (3) **Obtain written confirmation** from the management that the procedures described in the documentation have been implemented and executed.

### Procedures on 2: Covered deposits (data field "2A3") in case it was not provided and verified by the Deposit Guarantee Scheme

- (1) **Obtain written confirmation from the management of the institution** that the legal framework used in identifying deposits for field "2A3" in 2017 Reporting Form is in line with the definition of 'covered deposits' as defined in Article 3(10) of the Commission Delegated Regulation (EU) 2015/63 (i.e. "*covered deposits' means the deposits referred to in Article 6(1) of Directive 2014/49/EU, excluding temporary high balances as defined in Article 6(2) of that Directive.*")
- (2) **Obtain the reconciliation**<sup>1</sup> of total covered deposits amount to the underlying documents and the field "2A3" in the 2017 Reporting Form. **Recalculate**<sup>2</sup> the total amount in field "2A3" in the 2017 Reporting Form. In case of multiple underlying documents, recalculate the total amount in field "2A3" in the 2017 Reporting Form from totals on each of the underlying documents.

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<sup>1</sup> Thereafter means to compare figures in the underlying documents with figures in the 2017 Reporting Form.

<sup>2</sup> Thereafter means to re-perform the addition of figures in case an institution has performed a summation.

### Procedures on 3: Derivative adjustments

- (1) **Obtain written confirmation from the management of the institution** that the legal framework used in identifying derivatives for the 2017 Reporting Form, in general, and particularly for fields "2C1", "2C2" and "2C3" is in line with the definition of 'derivatives' as defined in Article 3(22) of the Commission Delegated Regulation (EU) 2015/63 (i.e. "*derivatives* mean derivatives according to Annex II of Regulation (EU) 575/2013" therefore excluding credit derivatives).
- (2) **Obtain the reconciliation** of the total amount of accounting value of liabilities arising from all derivative contracts (excluding credit derivatives) held on- and off-balance sheet to the underlying documents and fields "2C2" and "2C3" in the 2017 Reporting Form. **Recalculate** the total amount in fields "2C2" and "2C3" in the 2017 Reporting Form. In case of multiple underlying documents, recalculate the total amount in fields "2C2" and "2C3" in the 2017 Reporting Form from the totals on each of the underlying documents.
- (3) **With regard to the value in field "2C1" of the 2017 Reporting Form:**
  - (3.1) **Obtain written confirmation from the management of the institution** that when identifying the netting agreements in order to report field "2C1" in 2017 Reporting form, the institution considered only those agreement that have been recognised by competent authorities in accordance with Article 295 CRR (Regulation (EU) No 575/2013) at the reference dates;
  - (3.2) **Obtain written confirmation from the management of the institution** that all liabilities arising from derivative contracts (excluding credit derivatives) in field "2C1" of the 2017 Reporting Form were valued in accordance with the leverage ratio methodology in accordance with Article 429a of Commission Delegated Regulation (EU) 2015/62 at the reference dates; and
  - (3.3) **Obtain the reconciliation** of the total amount of liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the leverage ratio methodology to the underlying documents and field "2C1" in the 2017 Reporting Form. **Recalculate** the total amount in field "2C1" in the 2017 Reporting Form. In case of multiple underlying documents, recalculate the total amount in fields "2C1" in the 2017 Reporting Form from the totals on each of the underlying documents.

**Procedures on 4: Promotional loans deduction** (only if an institution applied for the deduction of promotional loans in "Section D" of Deductions tab in the 2017 Reporting Form)

**(1) Only in case an institution qualifies for promotional bank status:**

- (1.1) Obtain documentation on the basis of which the management of the institution has confirmed** that the undertaking or entity was set up by a Member State, central or regional government; and
- (1.2) Obtain documentation on the basis of which the management of the institution has confirmed** that the central or regional government referred to in (1.1) has an obligation to protect the economic basis of the undertaking or entity and maintain its viability throughout its lifetime, or directly or indirectly guarantees at least 90% of the original funding of the undertaking or entity.

**(2) Only in case an institution qualifies for intermediary institution status:**

- (2.1) Obtain written confirmation from the management of the institution** that the liabilities that arise from promotional loans reported in field "3D5" of the 2017 Reporting Form are not provided as credit to the final customer.
- (3) Obtain written confirmation from the management of the institution** that the following rule has been documented and implemented when reporting field "3D5" of the 2017 Reporting Form: in accordance with Article 5(1)(f) of the Commission Delegated Regulation (EU) 2015/63, 1 EUR of liability in field "3D5" is matched with 1 EUR of promotional loans.
- (4) Obtain written confirmation from the management of the institution** that loans reported in field "3D5" of 2017 Reporting Form fulfil the following conditions:
  - i. granted on a non-competitive basis;
  - ii. granted on a not for profit basis; and
  - iii. promote the public policy objectives of the central or regional government referred to in (1.1).
- (5) Obtain the reconciliation** of the total amount of total accounting value of qualifying liabilities that arise from promotion loans to the underlying documents and the field "3D5" in the 2017 Reporting Form. **Recalculate** the total amount in field "3D5" in the 2017 Reporting Form. In case of multiple underlying documents, recalculate the total amount in fields "3D5" in the 2017 Reporting Form from the totals on each of the underlying documents.



**Procedures on 5: IPS deduction** (only if an institution applied for deduction of the IPS in "Section E" of Deductions tab in the 2017 Reporting Form)

**(1) Identification of the scope of application of IPS deductions:**

- (1.1) **Obtain the list of entities** that comply with the conditions specified in Article 5(1)(b) of Commission Delegated Regulation (EU) 2015/63 on the relevant reference date; and
- (1.2) **Obtain written confirmation from the management of the institution** that only those institutions identified in (1.1) have been considered for IPS deduction.

**(2) Deduction of eligible IPS liabilities and assets:**

- (2.1) **Obtain a list of IPS liabilities and assets** included in fields "3E5" and "3E9" of the 2017 Reporting Form as of the reference date and **compare** it with the list obtained in the procedure (1);
- (2.2) **Obtain written confirmation from the management of the institution** that the counterparty or appropriate reporting line (e.g. the IPS) has been informed about the liabilities and assets in (2.1);
- (2.3) **Obtain the reconciliation** of the total accounting value of qualifying IPS liabilities to the underlying documents and the field "3E5" in the 2017 Reporting Form. **Recalculate** the total amount in field "3E5" in the 2017 Reporting Form. In case of multiple underlying documents, recalculate the total amount in fields "3E5" in the 2017 Reporting Form from the totals on each of the underlying documents;
- (2.4) **Obtain the reconciliation** of the total accounting value of qualifying IPS assets held by the qualifying IPS member to the underlying documents and the field "3E9" in the 2017 Reporting Form. **Recalculate** the total amount in field "3E9" in the 2017 Reporting Form; and
- (2.5) **Obtain written confirmation from the management of the institution** that the following rule has been documented and implemented when filling field "3E10":
  - i. Verification at which value it is booked as a liability by the group counterpart. In case of mismatch, the value booked by the group counterpart as a liability prevails;
  - ii. *When applicable*, application of the leverage ratio methodology and verification whether it matches the leverage value after floor calculated by the group counterpart. In case of mismatch, the value calculated by the group counterpart as a liability prevails.

**Procedures on 6: Intragroup deduction** (only if an institution applied for the intragroup deduction in "Section F" of Deductions tab in the 2017 Reporting Form)

**(1) Identification of the scope of application of intragroup deductions:**

- (1.1) **Obtain the list of entities that according to the assessment by the management of the institution** comply with the condition specified in Article 5(1)(a)(iii) of Commission Delegated Regulation (EU) 2015/63 on the relevant reference date;
- (1.2) **Obtain the list of entities** that have been identified in (1.1) and comply with the conditions specified in Article 5(1)(a)(i) & (ii) of Commission Delegated Regulation (EU) 2015/63 on the relevant reference date considering that an institution which is part of the same group and is established in an EEA-EFTA country cannot be included in the list until the Bank Recovery and Resolution Directive 2014/59/EU has been incorporated into the EEA Agreement; and
- (1.3) **Obtain written confirmation from the management of the institution** that only those institutions identified in (1.2) have been considered for intragroup deduction.

**(2) Deduction of eligible intragroup liabilities and assets:**

- (2.1) **Obtain the list of intragroup liabilities and assets** included in fields "3F5" and "3F9" of the 2017 Reporting Form by counterparty and **compare** that the 5 counterparties with the highest total liabilities and assets are contained in the list obtained in the procedure (1.2);
- (2.2) **Obtain written confirmation from the management of the institution** that the counterparty or appropriate reporting line (e.g. parent company) has been informed about the liabilities and assets in (2.1);
- (2.3) **Obtain the reconciliation** of the total accounting value of qualifying intragroup liabilities to the underlying documents and the field "3F5" in the 2017 Reporting Form. **Recalculate** the total amount in field "3F5" in the 2017 Reporting Form. In case of multiple underlying documents, recalculate the total amount in fields "3F5" in the 2017 Reporting Form from the totals on each of the underlying documents;
- (2.4) **Obtain the reconciliation** of the total accounting value of qualifying intragroup assets to the underlying documents and the field "3F9" in the 2017 Reporting Form. **Recalculate** the total amount in field "3F9" in the 2017 Reporting Form;

(2.5) **Obtain written confirmation from the management of the institution** that the following rule has been documented and implemented when filling field “3F10”:

- i. Verification at which value it is booked as a liability by the group counterpart. In case of mismatch, the value booked by the group counterpart as a liability prevails; and
- ii. *When applicable*, application of the leverage ratio methodology and verification whether it matches the leverage value after floor calculated by the group counterpart. In case of mismatch, the value calculated by the group counterpart as a liability prevails.

## **ANNEX I – Report of Factual Findings**

The report of factual findings should contain, at least, the following:

- i. Title;
- ii. Addressee (ordinarily the client who engaged the auditor to perform the agreed-upon procedures);
- iii. Identification of specific financial or non-financial information to which the agreed-upon procedures have been applied (in this case reference to the 2017 Data Reporting Form);
- iv. A statement that the procedures performed were those agreed upon with the recipient and provided by the NRAs;
- v. A statement that the engagement was performed in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements, or with relevant national standards or practices;
- vi. When relevant a statement that the auditor is not independent of the entity;
- vii. Identification of the purpose for which the agreed-upon procedures were performed;
- viii. A listing of the specific procedures performed in line with the procedures provided by the NRAs;
- ix. A description of the auditor's factual findings including sufficient details of errors and exceptions found;
- x. Statement that the procedures performed do not constitute either an audit or a review and, as such, no assurance is expressed;
- xi. A statement that had the auditor performed additional procedures, an audit or a review, other matters might have come to light that would have been reported;
- xii. A statement that the report is restricted to those parties that have agreed to the procedures to be performed;
- xiii. A statement (when applicable) that the report relates only to the elements, accounts, items or financial and non-financial information specified and that it does not extend to the entity's financial statements taken as a whole;
- xiv. Date of the report;
- xv. Auditor's address; and
- xvi. Auditor's signature.