Single Resolution Board

Additional Guidance – 2019 ex-ante data reporting form

October 2018

2019 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 2019 *ex-ante* contributions to the Single Resolution Fund, by providing:

- Key messages and functionalities by main building blocks in the Data Reporting Form
- Illustrations, especially for specific topics
- Main differences, with the 2018 data reporting form
  - Introduction of a new risk indicator: the share of interbank loans and deposits in the EU;
  - Move to the reporting of LEI;
  - Ancillary wording improvements and updates related to FINREP/COREP references.

NOTE: Definitions and guidance included in the Data Reporting Form prevail to the information provided in the slides.

2019 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 Data Reporting Form identifies small institutions that qualify for the lump sum approach, mortgage institutions and special investment firms. These institutions provide only a limited amount of data unless they are considered risky (according to the article 10.8 of the Delegated Regulation 2015/63) or opt for an 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).

- Tab 5 provides definitions and guidance for each data point to be reported

- Tab 6 automatically consolidates all data reported by the institution with:
  - Automatic completeness checks (relevant to the institution);
  - Automatic consistency checks (relevant to the institution).

- Shows intermediary steps (automatically generated fields):

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

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2019 Data Reporting Form

Overview of the building blocks in the Data Reporting Form

Share of interbank loans and deposits indicator introduced

Small (non-risky) institutions

Medium and large institution

Tab 1

Identification

Tab 2

Base

Total Liabilities

Own Funds

Covered deposits

Derivatives

Tab 3

Deductions

CCPs & CSDs

Investment firms

Promotional loans

IPS & Intragroup

Tab 4

Risk Adjustment

Risk Exposure

Additional indicators

- Identifies the institution and its characteristics

- Collects data for the basic annual contribution
- Determines if the institution qualifies for a simplified calculation method
- 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

2019 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	As advised by the National Resolution Authority

	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	Generic/Functional mailbox
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
- ✓ LEI code should be filled in with 20 alphanumeric characters
- ✓ Data privacy statement is available on SRB website

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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 (only if it is in the course of 2018)	→ Institution should approach the NRA. Institution will have to pay a partial contribution for full months supervised in 2018
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 which are available before 31 December 2018

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
- ✓ A central body must report at consolidate level

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2019 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	**Quarterly average of the reference year**. The reference year has to refer to the reporting year of the institution (e.g. 30-jun-16 to 30-jun-17)

	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?**	*(Prefilled with 'No')* 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
- ✓ If in institution qualifies as for lump sum calculation (2B2='Yes') it must opt or not for an alternative calculation (2B3 <> 'Not applicable')

- ✓ If the value of '**2B2**' is '**Yes**' and the institution is qualified for lump-sum annual contribution, then it has to fill '**2B3**' if it opts for the alternative calculation according Art.10.7 of DR 2015/63.
- ✓ In case the institution does not opt for an alternative calculation '**2B3**' is already pre-filled with '**No**', and 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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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

<u> DATA FREQUENCY</u>: According to the DR, the leverage ratio methodology should be applied on "the yearly average amount, calculated on a quarterly basis, of the liabilities arising from derivatives contracts". 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.*

2019 Data Reporting Form

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

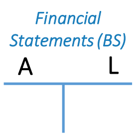
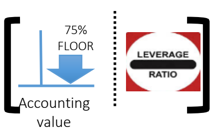
C. Adjustment of liabilities arising from derivative contracts (excluding credit derivatives)

Additional illustrations

Derivative adjustments intend 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

	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 market value*, replacing this negative value with the equivalent absolute amount.	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 2C4 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 on "the yearly average amount, calculated on a quarterly basis, of the liabilities arising from derivatives contracts". 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.*

2019 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 Liabilities: Derivatives fair value = 22 Assets total: 100 — Liabilities total: 100	Assets — Liabilities Liabilities: Derivatives fair values = 11 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 ➔ 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) OR 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

2019 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 total liabilities after derivative adjustments, 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 derivative liabilities in Section C of 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.11 or special investment firm as in point (2) of Article 4(1) of the CRR

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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')
- ✓ The value of derivatives related to a specific deduction e.g. a CCP ('3A1') should not be greater than the total value of derivatives ('2C1')
- ✓ The accounting value of qualifying liabilities arising from derivatives('3A6') should not be greater than the total amount of liabilities ('3A5')

__ DATA FREQUENCY__: According to the DR, the leverage ratio methodology should be applied on "the yearly average amount, calculated on a quarterly basis, of the liabilities arising from derivatives contracts". 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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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		3B5
▪ Of which: arising from derivatives: accounting value	--	DR 2015/63 - Art. 3(23), 5(1)(d)	3B6
▪ Arising from derivatives related to CSD activities: leverage value	--		3B1
Automatic calculations in the reporting form:			
. Deductible amount of qualifying liabilities related to CSD activities	25		3B8

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

Deduction of CSD liabilities with derivatives – Illustration

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

Entity

Assets	Liabilities (Accounting values)	LEVERAGE RATIO
	Total accounting value of derivatives = 55	= 50
	Qualifying liabilities related to custody = 25	
	Of which derivatives = 10	= 5
Total Assets = 100	Total Liabilities = 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	10		3B6
▪ Total derivatives: leverage value	50		2C1
▪ Derivatives related to CSD activities: leverage value	5		3B1
▪ Derivative floor factor **(2C5/2C1)**	55/50 = 1,1		3B3
Automatic calculations in the reporting form:			
• Adjusted value of qualifying liabilities related to CSD activities arising from derivatives	5 x 1,1=5,5		3B4
• Deductible amount of qualifying liabilities related to CSD activities	25 – 10 + 5,5 = 20,5		3B8

2019 Data Reporting Form

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

	E. Deductible amount of qualifying liabilities related to IPS	*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):* (3E8 + 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

2018 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, 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, the liability value prevails over the asset value.*

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 non-derivative deductions:			
• Intragroup liabilities that meet all the conditions in Article 5(1)(a) of the DR:		DR 2015/63 - 5(1)(a), 5(2)	
○ Total accounting value	30		3F5
• Intragroup assets that meet all the conditions in Article 5(1)(a) of the DR:			
○ 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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Tab 3: **Deductions** *(example for sections E – F)*

Deduction of 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 assets with A (accounting value) = 10	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 B = 80/2 = 40
↪ Total deductible intragroup assets for group entity A = 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

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Tab 4: **Risk adjustment**

The Delegated Regulation 2015/63 sets out the risk indicators and how they should be treated in the calculation of ex-ante contributions.

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

Risk Pillars and Indicators for 2019 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

New risk indicator for 2019 data collection

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Tab 4: **Risk adjustment**

Article 8.2-3 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**) may 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** may be reported at the lowest sub-consolidated level. If the latter does not apply, at consolidated level • Always the **same reporting level** (sub-consolidated or consolidated) must be applied in **sections A.iii, A.iv and D.i**
Yes, for LCR	• Liquidity indicators (LCR in 4B6 in **section B.ii**) shall be reported at the lowest sub-consolidated level. If the latter does not apply, at consolidated level. • The score obtained should be attributed to each entity which is part of the (sub)group.
Yes, for interbank loans and deposits	• Interbank loans and deposits (4C6 and 4C7 in section C) may be reported at the lowest sub-consolidated level. If the latter does not apply, at consolidated level.

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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	LEI code of the parent	
4A6	LEI code of the institutions which are part of the (sub-)consolidation	
4A7	Leverage ratio, at the reporting level selected in Field ID 4A2	EU COREP, Annex X, Template n.47, code c 47.00, column 010, row 340 (transitional definition)

	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	LEI code of the parent	
4A13	LEI code of the institutions which are part of the (sub-)consolidation	
4A14	CET1 capital, at the reporting level selected in Field ID 4A9	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 in Field ID 4A9	EU COREP, Annex I, Template n. 2, code c 02.00, ID 1, row 010
4A16	CET1 ratio, at the reporting level selected in Field ID 4A9	*(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 in Field ID 4A9	→ 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 in Field ID 4A9	*(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 reported as a number with four decimals
- ✓ Level of reporting ('4A2') and ('4A9') should be consistent with the grant of a waiver ('4A1')
- ✓ If field '4A9' is 'individual', then total assets in field '4A17' must be equal to total liabilities in field '2A1'

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Tab 4: **Risk adjustment** (Section B. 'Stability and variety of sources of funding' pillar)

	B.ii) Liquidity Coverage Ratio (LCR)	*Explanation*
4B1	Has the competent authority granted a waiver from the application of the LCR risk indicator to the institution at individual level?	→ If 'No', the reporting level of the LCR indicator should be individual ('4B2')
4B2	Reporting level of the LCR risk indicator	
4B3	Name of the parent	
4B4	LEI code of the parent	
4B5	LEI code of the institutions which are part of the (sub-)consolidation	
4B6	LCR, at the reporting level selected in Field ID 4B2	EU COREP, Annex XXII, Template n.76, code c 76.00, ID 3 column 010, row 30

New section

	C. 'Importance of an institution to the stability of the financial system or economy' pillar	*Explanation*
4C1	Has the competent authority granted a waiver from the reporting requirement to the institution at individual level?	→ If 'No', the reporting level of the risk indicator should be individual ('4C2')
4C2	Reporting level of the risk indicator	
4C3	Name of the parent	
4C4	LEI code of the parent	
4C5	LEI code of the institutions which are part of the (sub-)consolidation	
4C6	Total amount of interbank loans at the reporting level selected in Field ID 4C2	EU COREP, Annex III/IV, Template n.4.1, code F04.01, column 010, row 150+160; Annex III/IV, Template n.4.2, code F04.02, column 010, row 150+160; Annex III/IV, Template n.4.3, code F04.03, column 030, row 150+160; Annex III/IV, Template n.4.4, code F04.04, column 060, row 100+110+240+250; Annex III/IV, Template n.4.5, code F04.05, column 010, row 150+160; Annex III/IV, Template n.4.6, code F04.06, column 010, row 150+160; EU COREP; Annex III/IV, Template n.4.7 code F04.07, column 010, row 150+160; Annex III/IV, Template n.4.8, code F04.08, column 010, row 150+160; Annex III/IV, Template n.4.9, code F04.09, column 050, row 100+110; Annex III/IV, Template n.4.10, code F04.01, column 010, row 150+160
4C7	Total amount of interbank deposits at the reporting level selected in Field ID 4C2	EU COREP, Annex III/IV, Template n.8.1, code F08.01, column 010+020+030+034+035, row 160+210
4C8	Total of reported interbank loans and deposits at the reporting level selected in Field ID 4C2 (automatic - not to fill in)	*(Automatically filled) 4C6+4C7*

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

- ✓ All fields must be filled
- ✓ Level of reporting ('4B2') should be consistent with the grant of a waiver ('4B1')
- ✓ When the reporting level of interbank loans and deposits is not individual ('4C2'), then the LEI code of the parent ('4C4') should be filled in with 20 alphanumeric characters
- ✓ If field '4C2' is 'Individual', then total amount of interbank deposits ('4C6') must be less than total liabilities of institution ('2A1')

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Tab 4: **Risk adjustment**

	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 in Field ID 4A9	EU COREP, Annex I, Template n. 2, code c 02.00, ID a) SA: 1.3.1.1+1.3.1.2 OR b) IM: 1.3.2 (exclusion of Foreign Exchange & Commodities to perform), Row a) SA540+550 OR b)IM 580 (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 in Field ID 4A9	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 in Field ID 4A9	EU COREP, Annex X, Template n. 47, code c 47.00, column 010, row 060 + 070 + 080 + 090 + 100 + 110 + 120 + 130 +140
4D10	Of which: derivatives cleared through a central counterparty (CCP), at the reporting level selected in Field ID 4A9	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: 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; 2. The institution is part of a group that is still within the restructuring or winding down or liquidation period; 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	LEI 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')

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THANK YOU