

EBA/ITS/2020/05

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Final report

Draft implementing technical standards

on supervisory reporting requirements for institutions under
Regulation (EU) No 575/2013

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1. Executive summary

Regulation (EU) No 575/2013 (the Capital Requirements Regulation – CRR) mandates the European Banking Authority (EBA), in Article 430(7), to develop uniform reporting requirements. These reporting requirements are included in the proposed implementing technical standards (ITS). These standards cover information on institutions' compliance with the prudential requirements set out in the CRR and related technical standards as well as additional financial information required by supervisors to perform their supervisory tasks. Therefore, the ITS on supervisory reporting need to be updated whenever prudential or supervisory requirements change.

New regulatory requirements

In 2019, there were two amendments to the CRR affecting supervisory reporting:

- Amending Regulation (EU) 2019/876 (Capital Requirements Regulation II – CRR2) implements a number of key measures in the EU for institutions, covering many different topics such as liquidity, leverage and large exposures.
- Amending Regulation (EU) 2019/630 (the Backstop Regulation) sets out uniform minimum levels of coverage to ensure that institutions have sufficient loss coverage for future non-performing exposures (NPEs).

In order to be in line with those amendments, a number of reporting modules had to be revised.

Integration of disclosures

There are commonalities between the information that institutions have to report to their supervisors and the regulatory information that they have to make public in the interest of investors and external stakeholders. Therefore, consistency and integration between these two frameworks should be targeted to the extent possible. To ensure consistency, an exercise to integrate supervisory reporting and disclosures was carried out during the review of reporting and disclosure requirements.

New implementing technical standards on supervisory reporting

This report proposes new ITS on supervisory reporting that will cover all supervisory reporting requirements for institutions under the CRR. These ITS will replace Commission Implementing Regulation (EU) No 680/2014.

Next steps

The draft ITS will be submitted to the Commission for endorsement before being published in the *Official Journal of the European Union*. The EBA will also develop the data point model (DPM), XBRL taxonomy and validation rules based on the final draft ITS. The first reference date for the

application of these technical standards is expected to be 30 June 2021. The expected implementation period for the proposed changes is 1 year.

2. Background and rationale

1. The EBA reporting framework is uniform and directly applicable, ensuring a level playing field for institutions and comparability of data. The EBA reporting framework has evolved over the years since the first reporting framework was published in 2013. The EBA has reviewed the content to ensure its continued relevance but has also continued to develop the technical package and carried out version management to facilitate the implementation of and support for reporting processes.
2. The Single Rulebook for banking in Europe aims to provide a single set of harmonised prudential rules for financial institutions throughout the EU, helping to create a level playing field and providing a high level of protection to depositors, investors and consumers. These draft ITS reflect the Single Rulebook at the reporting level. These draft ITS form part of the Single Rulebook and become directly applicable in all Member States once adopted by the European Commission and published in the *Official Journal of the European Union*.
3. Regulation (EU) No 575/2013 (the CRR) mandates the EBA, in Article 430(7), to develop uniform reporting requirements. These reporting requirements are included in the proposed ITS. These standards cover information on institutions' compliance with the prudential requirements set out in the CRR and related technical standards as well as additional financial information required by supervisors to perform their supervisory tasks. Therefore, the ITS on supervisory reporting need to be updated whenever the underlying legal requirements change or it is necessary to improve the supervisors' ability to monitor and assess institutions.

2.1 New banking regulatory package

4. On 7 June 2019, the legislation adopting the banking package was published in the Official Journal; it came into force on 28 June 2019. The package amends rules on capital requirements to reinforce the capital and liquidity positions of institutions, under Directive (EU) 2019/878 amending Directive 2013/36/EU (Capital Requirements Directive V – CRD V)¹ and Regulation (EU) 2019/876 amending Regulation (EU) No 575/2013 (CRR2).²
5. CRR2 includes a number of key measures, such as amendments regarding the leverage ratio, the new net stable funding requirement, a new market risk framework introduced in the form of a reporting requirement and a new total loss-absorbing capacity (TLAC) requirement. In addition to these changes to the substance of the prudential framework, the reporting and disclosure requirements themselves have been subject to amendments.
6. The package also aims to enhance proportionality, as the rules are more growth-friendly and better adapted to the size, risk and systemic importance of institutions. Proportionality is also reflected in the EBA proposals for reporting requirements. Proportionality and other means of addressing reporting costs will also be discussed in the context of the cost of compliance study on reporting

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0878&from=EN>

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0876&from=EN>

and the feasibility study on integrated reporting that CRR2 mandates the EBA to submit to the Commission.

2.2 Regulation on minimum coverage of non-performing exposures

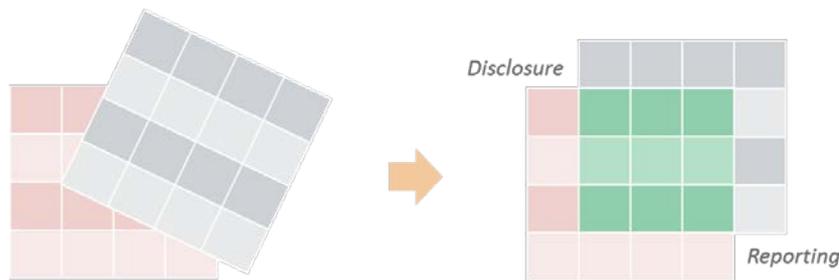
7. In July 2017, the European Council published its conclusions on an action plan to tackle NPEs in Europe. In its action plan, the European Council requests that the European Commission consider introducing a prudential backstop addressing potential under-provisioning of NPEs. The backstop would apply to newly originated exposures in the form of compulsory prudential deductions from institutions' own funds.
8. Following this request, Regulation (EU) 2019/630 amending Regulation (EU) No 575/2013 (the Backstop Regulation)³ came into force in April 2019. It introduced a Pillar 1 measure that directly applies to all institutions subject to the CRR. In particular, the Backstop Regulation sets out uniform minimum levels of coverage to ensure that institutions have sufficient loss coverage for newly originated exposures that turn non-performing.

2.3 Integration of Pillar 3 disclosure requirements into supervisory reporting

9. The commonalities between the information that institutions have to report to their supervisors and the regulatory information that they have to make public in the interest of investors and external stakeholders drove the EBA Board of Supervisors' strategic decision that consistency and integration between these two frameworks should be targeted to the extent possible. To ensure consistency, an exercise to integrate supervisory reporting and disclosures was carried out during the review of reporting and disclosure requirements.
10. The information included in the reporting framework is the basis on which supervisors and resolution authorities form a clear picture of the situation of an institution in terms of business model/profitability, solvency/risk profile, liquidity, relevance for the financial system and resolvability. Similarly, the information disclosed by institutions is the basis on which market participants understand and assess institutions' situations in order to exercise market discipline. Information relevant for market participants is also relevant to help supervisors in their tasks, hence the importance of striving for congruence.
11. Increasing the degree of consistency between reporting and disclosure requirements, including by standardising formats and definitions, should also facilitate compliance with both sets of requirements for institutions, as they will use the same data to fulfil their reporting and disclosure obligations. Furthermore, the integration of disclosures and supervisory reporting will improve the quality of the disclosed information, since supervisory reporting is subject to scrutiny by the supervisor. The mapping of reporting data to disclosures will then improve the disclosure data, thus helping all market participants to take more informed decisions.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0630&from=IT>

Integration of supervisory reporting and disclosures



12. The abovementioned integration of supervisory reporting and disclosures will be carried out through these ITS on supervisory reporting and the draft ITS on institutions' public disclosures. The EBA is also publishing a mapping between the disclosures and the reporting templates to demonstrate how the frameworks have been integrated.

2.4 Proportionality in reporting requirements

13. Proportionality has been implemented in the supervisory reporting framework with the aim of striking a better balance between reducing the costs of reporting (implementation and ongoing costs) for institutions and ensuring the quality and effectiveness of supervision. This has been achieved using various approaches.

14. Many elements of proportionality in supervisory reporting are implicit, as they are driven by **the regulatory regime**, by **prudential approaches** or by the **business model** of an institution. For example, the scope of the data to be submitted depends on factors such as whether internal models for the calculation of own funds requirements are used or if institutions have issued covered bonds or securitisations.

15. The supervisory reporting framework also incorporates different, tailored reporting frequencies and includes **size- and risk-specific criteria and thresholds** that trigger certain reporting requirements (e.g. for reporting on sovereign exposures, large exposures, geographical breakdowns, details of NPEs), in order to take into account the nature, complexity and riskiness of institutions' activities.

16. CRR2 introduces definitions of '**small and non-complex institutions**' and '**large institutions**' for enhanced proportionality. The EBA has reviewed all the criteria and thresholds on size and complexity used in the reporting framework with the aim of streamlining them, referring to the CRR definitions for small and non-complex institutions and large institutions where suitable. These CRR categories are used across the reporting framework to exempt, for example, small and non-complex institutions from some reporting requirements or, in the case of large institutions, to trigger additional reporting requirements.

17. New proportionality measures in the proposed new ITS include, among others:

- The design and the content of the new common reporting (COREP) templates on the prudential backstop reflect the minimum level of information necessary for the calculation of minimum loss

coverage and Common Equity Tier 1 (CET1) deductions for NPEs and for the monitoring of institutions' compliance with the CRR requirements.

- Some of the newly implemented internal ratings-based (IRB) approach and counterparty credit risk (CCR) templates are required only for those institutions that are subject to an equivalent disclosure requirement with the same disclosure frequency and at the same consolidated level.
- There are now simplified net stable funding ratio (NSFR) templates for small and non-complex institutions, following the CRR2 requirements. These templates include only about 30% of the data points requested in the full versions of the templates.
- Information on the top 20 counterparties with the highest CCR exposures has to be reported by institutions applying the simplified standardised approach for CCR (simplified SA-CCR) or the OEM on a semi-annual basis.
- Supplementary data items for the purposes of identifying global systemically important institutions (G-SIIs) and assigning G-SII buffer rates in accordance with an EU-specific methodology will be reported only at the highest level of consolidation in the EU by groups with a total exposure measure of more than EUR 125 billion where at least one group entity or branch operates inside the Banking Union.

2.5 Reporting changes topic by topic

2.5.1 Own funds

18. The amendments to the reporting on own funds and to the capital adequacy templates are driven by the changes to the own funds framework introduced by CRR2 and the integration of own funds reporting and own funds disclosure.

19. The CRR2-related changes include, among others, new items reflecting the additional deductions to be made from own funds, such as the deduction for insufficient coverage for NPEs, and items covering the effects of both the final and transitional provisions on the revised eligibility criteria (C 01.00, C 05.01). At a later stage, the reporting requirements may be reviewed to reflect policies still to be developed by the EBA, such as the regulatory technical standards (RTS) on the application of deductions of prudently valued software assets on the basis of Article 36(4) of the CRR.

20. In the context of the integration with disclosure, a limited number of breakdowns and memorandum items, such as information on the surplus or deficit of CET1 considering a combination of Pillar 1 and Pillar 2 requirements, have been added to templates C 01.00 to C 04.00.

21. Furthermore, templates C 04.00 and C 05.01 have been streamlined by eliminating the information on the Basel I floor and the transitional provisions that have already expired.

2.5.2 Non-performing exposure backstop

22. In accordance with the Backstop Regulation, the EBA has developed a set of three templates for the calculation of minimum loss coverage requirements and CET1 deductions (the NPE LC templates) under its COREP framework. In addition, the definitions of 'non-performing exposure'

and 'forbearance' have been removed from the financial reporting (FINREP) instructions, given that they are now included in the CRR.

23. The objectives of the new COREP templates are for institutions to report transparently the minimum coverage requirements for NPEs, as introduced by CRR and for supervisors to monitor the risk profiles of institutions in relation to NPEs and capital requirements.

24. Template C 35.01 – the calculation of deductions for NPEs (NPE LC1): the template presents the high-level calculation of:

- a) minimum coverage requirements for secured and unsecured parts of NPEs;
- b) total minimum coverage requirements for NPEs;
- c) total provisions and adjustments or deductions (uncapped), which include specific credit risk adjustments, additional valuation adjustments, other own funds reductions, IRB shortfall, difference between the purchase price and the amount owned by the debtor, and partial amounts written off;
- d) total provisions and adjustments or deductions (capped), which are capped to the level of the total minimum coverage requirement for NPEs;
- e) the applicable amount of insufficient coverage.

25. In the template, the columns indicate time buckets defined as years passed since exposures were classified as non-performing. Each time bucket corresponds to a specific coverage factor.

26. In the accompanying documents, Section 4.1.1, there is a box that presents the formulae and the steps for the calculation of the minimum coverage requirement and the applicable amount of insufficient coverage.

27. Template C 35.02 – minimum coverage requirements and exposure values of NPEs excluding forbore exposures that fall under Article 47c(6) CRR (NPE LC2): the template presents the high-level calculation of total minimum coverage requirements for NPEs, excluding forbore exposures that fall under Article 47c(6) CRR.

28. The template requires institutions to report for each time bucket minimum coverage requirements for unsecured and secured parts of NPEs given the exposure value and the factors specified in Article 47c(2) CRR.

29. The template makes a distinction between types of security and indicates the factors in accordance with Article 47c(2) CRR.

30. Template C 35.03 – minimum coverage requirements and exposure values of non-performing forbore exposures that fall under Article 47c(6) CRR (NPE LC3): the template presents the high-level calculation of total minimum coverage requirements for non-performing forbore exposures within the scope of Article 47c(6) CRR.

31. The template requires institutions to report for each time bucket minimum coverage requirements for unsecured and secured parts of non-performing forborne exposures given the exposure value and the factors specified in Article 47c(2) and (6) CRR.

2.5.3 Credit risk

Alignment with the CRR

32. One of the key ideas behind CRR2 is to make it easier for institutions to lend to small and medium-sized enterprises (SMEs) and fund infrastructure projects to support investment. To that end, CRR2 introduces provisions to reduce the own funds requirements for exposures to infrastructure projects and to extend the scope of the exposures subject to the existing reduction in own funds requirements for SMEs. This has accordingly been reflected in supervisory reporting to capture the reduction in the risk-weighted exposure amount (RWEA) related to exposures to infrastructure projects, both in the standardised approach (SA) and the IRB templates.

33. CRR2 amends the collective investment undertaking (CIU) framework to bring it into line with the revised capital requirements for institutions' equity investments in funds issued by the Basel Committee on Banking Supervision (BCBS) (published in December 2013). In CRR2, there are five new articles on the CIU framework regarding items associated with high risk (which under CRR2 excludes CIUs). The revised provisions introduce new calculation methods for the capital requirements for this specific type of exposures in both the look-through approach and the mandate-based approach, and they also introduce a new approach, the fall-back approach (risk weight of 1 250%). Moreover, a combination of these approaches can be used, subject to the fulfilment of conditions for the application of each of the approaches. The revised SA templates enable the analysis of this new framework and provide more detail on the different approaches used. Additional rows on the three possible approaches (the look-through, mandate-based and fall-back approaches) have been added to C 07.00 and C 09.01.

Alignment with disclosures

34. The commitment to fully align disclosure requirements with supervisory reporting means that all information disclosed by institutions is to be conveyed by supervisory reporting as well. The new templates will result in greater comparability of institutions, both for supervisors and for the general public. These templates are:

- a) C 08.03, which includes all the relevant parameters used for the calculation of credit risk capital requirements under IRB models;
- b) C 08.04, which presents a flow statement explaining changes in credit risk risk-weighted assets (RWAs) determined under the IRB approach to credit risk;
- c) C 08.05 and C 08.05b, which provide information on the results of backtesting of probability of default (PD) for the models reported;
- d) C 08.06, which includes all the relevant parameters used for the calculation of credit risk capital requirements under the slotting criteria for specialised lending;

e)C 08.07, which provides an overview of the percentage of exposure value subject to SA or IRB approaches for each relevant exposure class.

35. These templates on supervisory reporting will be accompanied by validation rules, DPMs and taxonomies, like any other reporting template. Therefore, they will result in a better understanding of what exactly are the data being disclosed. Moreover, these reporting templates will be subject to data quality checks by the supervisors, which will also improve the disclosure data, thus allowing the general users of the information to take more informed decisions.

36. In order to minimise reporting costs for institutions, it is proposed that the new templates be aligned with disclosures in terms of the scope of institutions that have to report them, their consolidation level and frequency. Therefore, only institutions that are subject to the relevant disclosure requirements have to fill in the new templates, with the same frequency with which they must disclose the corresponding information. As a result, all the proposed new templates will have reduced frequencies, with some minor exceptions. No new information has to be collected or calculated by institutions when implementing these new reporting templates.

Further amendments

37. In February 2016, the EBA set out a **roadmap for the implementation of the regulatory review of the IRB approach**,⁴ with three main areas outlined to repair and restore trust in IRB models:

- a review of the regulatory framework;
- ensuring supervisory consistency, including through EBA benchmarking exercises;
- increased transparency, based on standardised disclosure templates and improved reporting.

Following the publication of several EBA products that have resulted from the IRB roadmap, some changes and additional information are deemed to be critical for supervisory reporting. Changes in reporting aligning with the new IRB-related regulatory products will be implemented in a later reporting framework.

38. Following the completion of the Basel III reforms, a new comprehensive revision of the CRR (CRR3) is expected, which will affect the whole credit risk framework substantially. Upon the publication of this regulatory package, further changes will be needed to supervisory reporting.

2.5.4 Counterparty credit risk

39. CRR2 revised the CCR framework following the Basel III reforms,⁵ replacing the standardised method and the mark-to-market method with the SA-CCR. The SA-CCR is more risk sensitive but may prove to be too complex and costly to implement for smaller institutions. For this reason, CRR2 also includes a simplified version of the SA-CCR (the 'simplified SA-CCR') and an updated version of the OEM as alternative approaches for institutions that meet predefined eligibility criteria.

40. In addition, the information collected using the current COREP templates C 07.00 and C 08.01, on credit and CCR and free deliveries, has been deemed inadequate for supervisory and analysis purposes. This was mentioned in the EBA's response to the European Commission's call for advice

⁴ <https://eba.europa.eu/documents/10180/1360107/EBA+Report+on+the+regulatory+review+of+the+IRB+Approach.pdf>

⁵ The BCBS SA-CCR standards are available at <https://www.bis.org/publ/bcbs279.htm>

on SA-CCR and own funds requirements for market risk (November 2016), which recommended (i) one or more CCR COREP templates giving an overview of the CCR of institutions; and (ii) COREP cells/templates providing details on the computation of the different proportionality thresholds included in the legislation. Therefore, to address the updates included in CRR2 and the lack of information in the ITS, additional information has been added.

41. In order to allow supervisors to collect relevant information on derivatives for all institutions with CCR exposures and to monitor whether institutions meet the predefined eligibility criteria for applying the more simplified standard methods/approaches, template C 34.01 has been included in the ITS.
42. The current information on CCR data included in COREP does not provide either an overview of the CCR of the institutions or specific information on the methodology used to compute the exposure value, that is, on the CCR approach. To fill these data gaps, information broken down by risk category in the case of the standardised approaches and by instrument in the case of the internal model method (IMM) has been introduced (C 34.02 to C 34.05), providing relevant information on the calculation of the CCR exposure value and its link to the RWEA. Templates collecting information on the composition of collateral (C 34.08) and the breakdown of credit derivative exposures (C 34.09) and exposures to central counterparties (C 34.10) have also been added. This new information will provide supervisors with deeper insights into the risks potentially faced by the institutions in relation to the composition of their derivatives/securities financing transactions (SFTs) portfolios and the composition of the collateral received.
43. Moreover, information on the top 20 counterparties with higher CCR exposure has also been incorporated (C 34.06). This will allow supervisors to gain an overview of with which entities the most relevant CCR exposures of the reporting institution reside. The new template collects information on the concentration of CCR and the countries where the counterparties are established. It makes it possible to analyse if the counterparties are connected clients and thus likely to expose the institution to a single higher risk. For the sake of proportionality, the ITS require this template only on a semi-annual basis for those institutions applying the simplified SA or the OEM, while those applying the standardised approach or the IMM have to report quarterly.
44. Finally, the instructions in the current COREP templates have been updated to align them with CRR2.

Alignment with disclosures

45. The commitment to fully align disclosure requirements with supervisory reporting means that all information disclosed by institutions is to be conveyed by supervisory reporting as well. Some of the new templates focus on ensuring greater comparability of institutions both for supervisors and for the general public. These templates are C 34.07, which includes all the relevant parameters used for the calculation of CCR capital requirements under IRB models, and C 34.11, which presents a flow statement explaining changes in CCR RWEA determined under the IMM for CCR.
46. These templates will be accompanied by validation rules, DPMs and taxonomies, like any other reporting template. Therefore, they will result in a better understanding of what exactly are the data being disclosed. Moreover, these reporting templates will be subject to data quality checks by

the supervisors, which will also improve the disclosure data, thus allowing the general users of the information to take more informed decisions.

47. In order to minimise the reporting costs for institutions, it is proposed that these two new templates be aligned with disclosures in terms of the scope of institutions that have to report them, their consolidation level and frequency. Therefore, only institutions that are subject to these disclosure requirements have to fill in these templates, with the same frequency with which they must disclose the corresponding information.

2.5.5 Leverage ratio

48. The main development in relation to the leverage ratio is the implementation by CRR2 of a 3% leverage ratio requirement for institutions in the EU, applicable from June 2021. At the same time, there have been several changes to the definition of the leverage ratio compared with that used in the leverage ratio delegated act of October 2014. These changes mostly reflect the changes to the leverage ratio definition resulting from the Basel III reforms. Furthermore, there are a number of EU specificities, often leading to exemptions of certain exposures from the leverage ratio calculation. As a consequence, the leverage ratio calculation has been adjusted to a significant extent, which has resulted in detailed specifications that need to be reflected in reporting and provisions that may need a period of further monitoring. The main changes are described in the paragraphs below.

49. Article 429a(1)(d), (1)(e), and (2) of CRR2 provides for exemptions of certain categories of exposures related to public development credit institutions and promotional loans. The definition of 'public development credit institution' is rather broad, and to avoid misinterpretation specific reporting on the type of institution appears to be necessary. A similarly broad scope can be observed regarding potential issuers of promotional loans and the ultimate beneficiaries of public sector investments/promotional loans. Monitoring by the EBA and supervisors is important to understand the grounds for exempting exposures. For this purpose, the following information has been introduced:

- Template C 44.00 collects information on whether the credit institution is a public development credit institution or has a public development unit and information on the guarantees provided to these credit institutions/units.
- Template C 47.00 (LRCalc): as the exemption can apply either to exposures on public sector investments or to promotional loans of various varieties, a corresponding breakdown is requested.
- Template C 40.00 has been updated to include a counterparty breakdown requiring the on-balance-sheet and off-balance-sheet values associated with public sector investments and promotional loans. It collects information on all exposures to public sector investments and promotional loans regardless of their treatment under the leverage ratio.

50. The updates to the standardised approaches for the CCR framework introduced by CRR2 have been reflected also in the leverage exposure value, specifically by replacing in template C 47.00 the mark-to-market method for derivatives with the SA-CCR and the simplified SA-CCR.

51. The treatment of regular-way purchases or sales awaiting settlement is now specifically clarified in CRR2. As the transactions have a different balance-sheet value in institutions implementing trade date accounting (i.e. temporary recognition of both cash and the asset) from institutions implementing settlement date accounting (i.e. no recognition of the transaction until the settlement date), separate rows have been added to reporting template C 47.00. For trade date accounting, this means a reverse out of accounting offsetting and for settlement date accounting a full recognition of the off-balance-sheet item, after which the prudential offset between cash receivables and cash payables may be applied.
52. The treatment of cash pooling arrangements is new in CRR2: under certain circumstances, positive and negative balances of clients within a cash pool can be presented as net. For the physical variant of cash pooling, a net presentation would require that credit and debit balances be settled into a single account on a daily basis in accordance with Article 429b(2) of the CRR. For notional cash pooling, the conditions (listed in Article 429b(3) of the CRR) focus on aspects such as legal enforceability. Exposures to cash pooling arrangements, and the effects of net presentation, have been included in template C 47.00.
53. CRR2 also imposes, in Article 92(1a), a G-SII add-on for the leverage ratio, which is defined as half of the percentage add-on in the RWA-based ratio. The templates have been updated to include this information as of the moment when the G-SII buffer is applicable.
54. Further amendments to template C 47.00 (LRCalc) following changes in CRR2 are as follows:
- a) **exempted exposures to central banks** and the associated adjusted leverage ratio requirement, which reflects that the 3% minimum would increase as a result of the use of the exposure exemption;
 - b) **various further exemptions/exclusions** new in CRR2, including netted pre-financing or intermediate loans, exposures to institutional protection schemes (IPs), guaranteed parts of exposures arising from export credits, excess collateral deposited at triparty agents, securitised exposures representing significant risk transfer, central securities depository (CSD)-related services of CSDs or designated institutions;
 - c) the inclusion of **general provisions** (or 'general credit risk adjustments' in CRR2) as an item that can be deducted from on-balance-sheet items or off-balance-sheet items.
55. An additional change reflected in template C 47.00 (LRCalc) is the inclusion of Pillar 2 requirements and guidance in accordance with Article 104a and Article 104b of CRD V, which address risks of excessive leverage. To reflect that the capital add-on requirements/guidance may be of a different quality from those for Tier 1, the new rows include a breakdown by CET1 and Tier 1.
56. Finally, Article 430(2) of the CRR mandates the EBA to specify reporting requirements for large institutions on specific leverage ratio components based on averages over the reporting period, in order to enable supervisors to monitor leverage ratio volatility. For this purpose, the following should be taken into account: (a) how susceptible a component is to significant temporary reductions in transaction volumes that could result in an underrepresentation of the risk of excessive leverage at the reporting reference date and (b) developments and findings at international level.

57. In the context of point (b), the BCBS, in June 2019, published a statement indicating that for SFT exposures a calculation, and subsequent disclosure, of daily averages would be necessary.⁶ Therefore, the leverage ratio templates have been updated (new templates C 48.01 and C 48.02) to request large institutions to report based on averages over the reporting period only for those components required by the BCBS to be disclosed in this manner, namely SFTs. The daily values used by the institutions to calculate those averages are also to be reported.
58. In addition, in cooperation with the BCBS, the EBA will assess whether other components of the leverage ratio may also be susceptible to significant intra-quarter volatility. Assessing the significance of each component and how crucial it is to have additional reporting (consideration (a)) will require a solid analysis and assessment. Therefore, in the future, other components will also be considered for inclusion in an averaging requirement if warranted.
59. Furthermore, the EBA considers it necessary to clarify regarding template C 43.00 – which is a template that is already implemented and which provides a breakdown of RWEA and leverage ratio exposure (LRE) according to exposure type – how to report the breakdown of the RWEA and LRE. For this purpose, the instructions have been revised indicating that the RWEA should be categorised according to counterparty, after taking into account any substitution effects associated with credit risk mitigation (CRM), while for LRE the categorisation should be done without taking into account any substitution effects, considering that CRM does not apply to LRE.

2.5.6 Large exposures

60. CRR2 introduces some changes to the large exposure framework. The calculation of large exposure limits is based on a higher quality of capital ('eligible capital' has been replaced with 'Tier 1 capital'). The requirement to report exposures of a value greater than or equal to EUR 300 million but less than 10% of the institution's Tier 1 capital on a consolidated basis has been included in large exposures reporting. A new limit on large exposures between G-SIIs (15% of an institution's Tier 1 capital rather than the generic 25%) has been included in template C 26.00 by adding a new row where institutions shall report the amount, of the applicable limit counterparties which are institutions or a groups which comes to be identified as G-SIIs or as non-EU G-SIIs. According to CRR2, the substitution approach is now mandatory and the instructions on large exposures have been amended to reflect this change.
61. The requirement to report maturity buckets for the institution's 10 largest exposures on a consolidated basis to institutions and to unregulated financial sector entities has been removed. With the aim of reducing reporting costs for institutions, templates C 30.00 and C 31.00 have been removed.
62. The templates on identification of the counterparty (C 27.00), exposures in the non-trading and trading books (C 28.00) and details of exposures to individual clients within groups of connected clients (C 29.00) have been revised to reflect the guidance provided in some reporting Q&As.
63. CRR2 mandates the EBA to develop several sets of RTS and guidelines on large exposures as well as the ITS on supervisory reporting. The development of these RTS may entail some further changes to supervisory reporting.

⁶ <https://www.bis.org/press/p190626.htm>

2.5.7 Net stable funding ratio

64. Under CRR2, institutions will need to comply with a 100% NSFR requirement starting from June 2021. This requirement is new and, therefore, the current reporting requirements do not convey the necessary information to allow institutions to make this calculation. The proposal made here is to replace the previous supervisory reporting on stable funding, which existed mainly for calibration purposes, with completely new templates that will enable compliance monitoring in relation to this new requirement.
65. The proposed new Annexes XII and XIII replace for credit institutions Part V of Annexes XII and XIII on stable funding: items requiring stable funding and items providing stable funding. These two templates (C 60.00 and C 61.00) mainly existed for the purposes of calibrating stable funding requirements.
66. Two different sets of templates and instructions have been included: one for the standard NSFR and one for the simplified NSFR, in line with CRR2. Two templates have been included in each case; one on available stable funding (ASF) items and another on required stable funding (RSF) items. In addition, a common summary template has been included for the standard and the simplified versions.
67. The RSF and ASF templates capture the necessary elements for the calculation and supervisory assessment of required and available stable funding. The summary template (C 84.00) is intended to capture the main aggregate items forming the ASF and RSF and the value of the NSFR itself, which is not captured elsewhere. The main ASF and RSF aggregate items provide an overview of the main components that contribute to the NSFR and, since the items in the summary template are roughly the same as those reported in the ASF and RSF templates, these templates are intended to ensure reporting efficiency. The summary template is the same for the standard and simplified versions of the NSFR in order to allow a comparative analysis across all institutions.

Fully-fledged templates

68. In line with CRR2, in general all institutions are to report the fully-fledged NSFR templates (C 80.00 and C 81.00). The information that is requested in template C 80.00 refers to the RSF (the denominator of the NSFR) and C 81.00 refers to the ASF (the numerator of NSFR). Therefore, the templates enable supervisors to analyse the main components of the numerator and denominator of the NSFR and investigate what are the main contributors to the ratio. Both of these templates include the items that may be subject to different factors and those items are also aggregated to provide an overview of the main components so that the templates can be more easily interpreted.
69. The columns in both templates are split into three main blocks:
- a) Amount: this should be, in general, the accounting value, except for derivatives contracts.
 - b) Standard factor: this is the factor that should be applied in line with the CRR2 provisions. These columns are provided for information only and are not meant to be filled in by institutions.
 - c) Applicable factor: this may include, but is not limited to, firm-specific and national discretions.

70. Each of these blocks is split into three maturity buckets for the underlying instrument: residual maturity of less than 6 months or without stated maturity; residual maturity of at least 6 months but less than 1 year; and residual maturity of 1 year or more. In addition, the RSF templates include an additional high-quality liquid assets (HQLA) column, since the factors applied to HQLA items do not depend on the residual maturity of the instrument but, if it is encumbered, on the maturity of the encumbrance.

71. The items presented in rows capture the necessary elements for the calculation and supervisory assessment of the required and available stable funding, in line with CRR2. They are split into the main aggregate components that affect the calculation of the ASF or RSF.

Simplified templates

72. In line with CRR2, institutions that are considered small and non-complex may seek authorisation from the competent authority to apply the simplified NSFR and accordingly report simplified templates (C 82.00 and C 83.00) instead of the fully-fledged ones described above. These templates strike an appropriate balance for the simplified requirements, since they collect information on the main components that contribute to the simplified NSFR and that may be subject to different factors.

73. The main differences between the simplified templates and the fully-fledged ones are as follows:

- a) There are two maturity buckets rather than three (residual maturity of less than 1 year or without stated maturity, and residual maturity of 1 year or more). This applies to the amount, standard factor and applicable factor blocks.
- b) The breakdown of the rows' main aggregate components is less detailed.
- c) The standard factors are different, since they are in line with the CRR2 provisions for the simplified NSFR requirements.

2.5.8 Other amendments

FINREP

74. The amendments to FINREP other than the review of the instructions on the definitions of 'non-performing exposure' and 'forbearance' in the context of the NPE backstop are driven by (i) accounting issues (e.g. the presentation of purchased and originated credit-impaired (POCI) financial assets outside the IFRS 9 impairment stages); (ii) issues raised by the industry through the EBA's Q&A tool (e.g. the inclusion of cash balances and other demand deposits in loss allowance movements) and (iii) the need for integration with the Pillar 3 framework. In particular, in templates F 04.03.1, F 04.04.1, F 07.01, F 09.01.1, F 12.01 and F 18.00, the presentation of POCI assets has been changed by including ad hoc columns (or ad hoc rows in the case of F 12.01) for assets that are not in the impairment stages. This presentation is more in line with the specific measurement criteria for POCI set out by IFRS 9.

Asset encumbrance

75. Minor amendments to the asset encumbrance module have been introduced to ensure full alignment with the Pillar 3 framework and Q&As.

Losses from immovable property

76. Reporting on losses from immovable property (IP losses) has been amended with regard to frequency (from semi-annual to annual), as mandated by Article 430a of CRR2. A further review of the underlying methodology for reporting IP losses will be undertaken in the future.

Harmonising the use of Legal Entity Identifier codes in supervisory reporting

77. In the EBA supervisory reporting, different entity identifier solutions were used. Some amendments have been made to harmonise the use of Legal Entity Identifier (LEI) codes in supervisory reporting and harmonise practices that make it possible to identify unequivocally the same entity across different reporting templates.

78. Promoting the use of LEI codes will reduce redundancy in the data, enable data processing, aggregation and calculation, and ensure the comparability of data from different sources and times, thus improving data quality.

Supplementary information for the purposes of identifying G-SIIs and assigning G-SII buffer rates

79. The EU undertakes an annual exercise to identify G-SIIs and to assign G-SII buffer rates on the basis of internationally agreed standards, such as the framework established by the Financial Stability Board, as well as the standards developed by the BCBS. In this context, CRD V introduces an explicit mandate for the EBA to develop an EU-specific assessment methodology that treats the Banking Union as one single jurisdiction.

80. While the granular and comprehensive data set for the application of the full and detailed G-SII assessment and buffer assignment methodology is collected annually and outside the EBA reporting framework, a very small set of supplementary data items, consisting of the final indicators and four items related to the EU-specific methodology, is included in these final draft ITS (template G 01.00 of Annex XXVI).

81. The introduction of the high-level items measuring institutions' systemic importance is of paramount relevance to underpin the EU-specific methodology for allocating institutions identified as globally systemically important to appropriate capital buffer rates. Article 131 of CRD V offers institutions domiciled in the jurisdictions of the Banking Union the significant opportunity to recognise the advanced stage of the European integration process as a means of gaining access to lower capital buffer requirements, depending on the degree of each institutions' systemic importance and of cross-border activity within jurisdictions included in the Banking Union. Additional, cross-cutting benefits of the inclusion of these items are the expected easier compilation of the information, increased level of harmonisation and improved data quality for institutions already monitoring these important metrics. Moreover, the inclusion of these data requirements is a key contribution to fostering the worldwide recognition of the Banking Union, the achievement of which is an objective of the established European Commission for the period 2019–2024.

82. The inclusion of the high-level items in the established EBA reporting framework will help to fully exploit the benefits of that framework for data analysis and accuracy. This will strengthen the credibility of institutions' data to the benefit of the EU as a whole, its banking system and

institutions across its jurisdictions. Although material for the EU at an internal level, these benefits build on the decisive role of the EU in contributing to the form and content of international standards such as the G-SII framework and the 'too big to fail' agenda.

83. Only very large institutions with a leverage ratio exposure measure of EUR 125 billion or more (at the highest level of consolidation in the EU) are expected to report the supplementary data items. The reporting requirement is proportionate, considering that less than 1% of the entire population of institutions in the EU will be subject to it. In addition, the vast majority of these very large institutions has been compiling and actively monitoring these items for several years, and therefore neither the extent nor the requested frequency of reporting of these data items is expected to entail significant additional reporting costs. The ITS also provide for extended submission deadlines for this particular data set.

Maintenance and minor updates to the ITS

84. The completion of technical standards by the EBA, as well as answers to questions raised through the Single Rulebook Q&A mechanism, have contributed to a more complete and seamless application of the Single Rulebook. This has led in turn to more precise or otherwise changed reporting instructions and definitions.

85. Experiences of using the reported data for supervision, as well as issues with data quality and feedback from institutions compiling data, have led to a review of some of the requirements. In addition, further changes to the reporting requirements were triggered by the identification, during preparation for the application of the reporting requirements, of typos, erroneous references and formatting inconsistencies.

86. Minor amendments were incorporated into the final draft ITS after consultation to address the maintenance needs described above.

Formatting: four-digit codes for rows and columns

87. In response to comments from banking associations about avoidable complications arising from the parallel existence of templates with three- and four-digit row and column codes, the EBA decided to move to four digits by changing the codes (i.e. by adding a leading zero to three-digit column numbers) of all templates included in the same module simultaneously. This change in approach has, among other effects, a significant impact on the validation rules.

88. Templates on COREP own funds and own funds requirements (Annex I), FINREP (Annexes III and IV), the leverage ratio (Annex X) and the liquidity coverage ratio (LCR) (Annex XXIV) have been adjusted in these amending ITS, that is, in version 3.0 of the reporting framework. Updates to the remaining modules including templates with three digits (i.e. large exposures, additional liquidity monitoring metrics, asset encumbrance and funding plans) will follow at a later stage.

2.6 Changes to the reporting framework and implementation timelines

89. The EBA is issuing new reporting requirements through framework releases, with an annual framework release and releases by module to accommodate different development and application timelines, which often are determined by the underlying regulations.

90. This major framework release is v3.0, reflecting changes and new reporting requirements resulting from CRR2, CRD V and Bank Recovery and Resolution Directive II (BRRD2).

91. The planned deliverables implementing the changes driven by the banking package are:

- new ITS on supervisory reporting to replace Commission Implementing Regulation (EU) No 680/2014 for consistency and legal certainty reasons, proposed in this report (v3.0);
- new ITS on reporting and disclosures on the minimum requirement for own funds and eligible liabilities (MREL) and TLAC (v3.0);
- new ITS on reporting on the new market risk requirements (EBA/ITS/2020/01, v3.1).

Timeline for v3.0 framework release to fulfil CRR2 and BRRD2 reporting mandates



3. Draft implementing technical standards

COMMISSION IMPLEMENTING REGULATION (EU) .../...

of XXX

laying down implementing technical standards with regard to supervisory reporting of institutions in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, and repealing Commission Implementing Regulation (EU) No 680/2014

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012,⁷ and in particular the first subparagraph of Article 415(3), the first subparagraph of Article 415(3a), the first subparagraph of Article 430(7) and the second subparagraph of Article 430(9) thereof,

Whereas:

- (1) Without prejudice to the competent authorities' powers under point (j) of Article 104(1) of Directive 2013/36/EU of the European Parliament and of the Council⁸ and with a view to increasing efficiency and reducing the administrative burden, a coherent reporting framework should be established on the basis of a harmonised set of standards. Commission Implementing Regulation (EU) No 680/2014⁹ specifies, on the basis of Article 430 of Regulation (EU) No 575/2013, the modalities according to which institutions are required to report information relevant to their compliance with Regulation (EU) No 575/2013. Commission

⁷ OJ L 176, 27.6.2013, p. 1.

⁸ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

⁹ Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 (OJ L 191, 28.6.2014, p. 1).



Implementing Regulation (EU) No 680/2014 has been amended several times¹⁰ as new prudential elements have been introduced into or further developed or amended in Regulation (EU) No 575/2013.

- (2) Regulation (EU) 2019/876 of the European Parliament and of the Council¹¹ (CRR2) amended significantly Regulation (EU) No 575/2013 in a number of aspects, such as the leverage ratio, the net stable funding requirement, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements. These developments call for a revision of the reporting framework as set out in Commission Implementing Regulation (EU) No 680/2014. It is therefore necessary to update the set of templates for the collection of information for supervisory reporting purposes accordingly to reflect those rules.
- (3) Regulation (EU) 2019/876, amending Regulation (EU) No 575/2013, introduced a Tier 1 capital leverage ratio requirement calibrated at 3%. At the same time and in order to avoid the 3% requirement constraining certain business models, lines of business, and activities and services disproportionately, Regulation (EU) 2019/876 provides for a range of adjustments to the calculation of leverage ratio exposure. Regulation (EU) 2019/876 also implemented a leverage ratio buffer requirement for institutions identified as global systemically important institutions (G-SIIs) in accordance with Directive 2013/36/EU, and also reflecting the international standards of the Basel Committee on Banking Supervision. Therefore, leverage ratio reporting has been updated to reflect the new requirements and adjustments in the exposure calculation to the level of detail necessary for supervisory review.
- (4) Regulation (EU) 2019/876, amending Regulation (EU) No 575/2013, introduced new net stable funding ratio (NSFR) reporting requirements, including simplified requirements. In view of the amendments, a new set of reporting templates and instructions has been developed.
- (5) Regulation (EU) 2019/876, amending Regulation (EU) No 575/2013, updated the credit risk framework by introducing a new supporting factor to be applied to infrastructure projects' exposures and by reviewing the approaches to calculating risk-weighted exposure amounts for collective investment undertakings. To reflect these changes and to provide additional information on credit risk in line with the disclosures framework, new templates and instructions have been added and the current instructions have been updated.
- (6) Regulation (EU) 2019/876, amending Regulation (EU) No 575/2013, updated the counterparty credit risk framework by replacing the standardised approaches with a more risk sensitive standardised approach for counterparty credit risk (SA-CCR). A simplified version (the simplified SA-CCR) has also been introduced to be applied by institutions that meet predefined eligibility criteria. The original exposure method remains available for institutions meeting predefined criteria, although it has been

¹⁰ For more detailed analysis of the revisions, see the EBA website (<https://eba.europa.eu/risk-analysis-and-data/reporting-frameworks>).

¹¹ Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 7.6.2019, p. 1–225).



revised to address some shortcomings. To reflect these changes and to provide additional information on counterparty credit risk, new templates and instructions have been added and the current instructions have been updated.

- (7) Regulation (EU) 2019/876, amending Regulation (EU) No 575/2013, introduced changes in the reporting requirements for large exposures by replacing the references to ‘eligible capital’ in the calculation of large exposures with ‘Tier 1 capital’. Furthermore, another threshold for reporting of large exposures on a consolidated basis has been introduced. The requirement to report the expected run-off of the exposures expressed as the amount maturing within monthly maturity buckets up to 1 year, quarterly maturity buckets up to 3 years and annually thereafter has been repealed. Therefore, large exposures reporting has been updated to take into consideration these changes.
- (8) Regulation (EU) 2019/630 of the European Parliament and of the Council,¹² amending Regulation (EU) No 575/2013, introduced a prudential backstop for non-performing exposures (NPEs) imposing a deduction from institutions’ own funds where NPEs are not sufficiently covered by provisions or other adjustments, following a predefined calendar to build up a full coverage over time. This requirement applies to exposures originated on or after 26 April 2019 as well as to exposures originated before 26 April 2019, when the latter are modified after that date in a way that increases their exposure value. The measure of this prudential backstop is based on the definitions of ‘non-performing exposure’ and ‘forbearance’ laid down in Commission Implementing Regulation (EU) No 680/2014. As a consequence, it is necessary to review the reporting definitions of ‘non-performing exposure’ and ‘forbearance’ in order to define those terms with reference to the amended Regulation (EU) No 575/2013 to ensure that single definitions of ‘non-performing exposure’ and ‘forbearance’ for both reporting and prudential backstop purposes exist. New templates are also necessary for the collection of information for the backstop calculation.
- (9) Regulation (EU) 2019/2033 of the European Parliament and of the Council,¹³ deletes with effect from 26 June 2026 Chapter 1 of Title I of Part Three, Section 2 (Articles 95 to 98), of Regulation (EU) No 575/2013. For this reason, provisions on reporting for groups that consist only of investment firms subject to Article 95 and 96 of Regulation (EU) No 575/2013 on an individual basis or a consolidated basis stipulated by this Regulation will cease to apply on 26 June 2026.
- (10) To ensure legal certainty and consistency and in line with the principle of better regulation while having regard to the extensive amendments necessary to reflect the new changes in the prudential framework, it is necessary to fully repeal Commission Implementing Regulation (EU) No 680/2014 and replace it with this Regulation.
- (11) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.

¹² Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures (OJ L 111, 25.4.2019, p. 4).

¹³ Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (OJ L 314, 5.12.2019, p. 1).

- (12) The EBA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits, and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council¹⁴ in relation to the standards.

HAS ADOPTED THIS REGULATION:

CHAPTER 1

SUBJECT MATTER AND SCOPE

Article 1

SUBJECT MATTER AND SCOPE

This Regulation lays down uniform reporting formats and templates, instructions on and a methodology for how to use those templates, the frequency and dates of reporting, the definitions and the IT solutions for the reporting of institutions to their competent authorities pursuant to paragraphs 3 and 3a of Article 415 of Regulation (EU) No 575/2013, paragraphs 1 to 4 of Article 430 of Regulation (EU) No 575/2013, and paragraphs 7 and 9 of Article 430 of Regulation (EU) No 575/2013.

CHAPTER 2

REPORTING REFERENCE AND REMITTANCE DATES AND REPORTING THRESHOLDS

Article 2

REPORTING REFERENCE DATES

1. Institutions shall submit information to competent authorities as this information stands on the following reporting reference dates:

¹⁴ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

- (a) monthly reporting – on the last day of each month;
 - (b) quarterly reporting – 31 March, 30 June, 30 September and 31 December;
 - (c) semi-annual reporting – 30 June and 31 December;
 - (d) annual reporting – 31 December.
2. Information submitted pursuant to the templates set out in Annex III and Annex IV, in accordance with the instructions in Annex V and referring to a certain period, shall be reported cumulatively from the first day of the accounting year to the reference date.
3. Where institutions are permitted by national laws to report their financial information based on their accounting year-end, which deviates from the calendar year, reporting reference dates may be adjusted accordingly, so that reporting of financial information and of information for the purposes of identifying G-SIIs and assigning G-SII buffer rates is done every 3, 6 or 12 months from their accounting year-end, respectively.

Article 3

REPORTING REMITTANCE DATES

1. Institutions shall submit information to competent authorities by close of business on the following remittance dates:
 - (a) monthly reporting – 15th calendar day after the reporting reference date;
 - (b) quarterly reporting – 12 May, 11 August, 11 November and 11 February;
 - (c) semi-annual reporting – 11 August and 11 February;
 - (d) annual reporting – 11 February.
2. If the remittance day is a public holiday in the Member State of the competent authority to which the report is to be provided, or a Saturday or a Sunday, data shall be submitted on the following working day.
3. Where institutions report their financial information or the information for the purposes of identifying G-SIIs and assigning G-SII buffer rates using adjusted reporting reference dates based on their accounting year-end as set out in paragraph 3 of Article 2, the remittance dates may also be adjusted accordingly so that the same remittance period from the adjusted reporting reference date is maintained.
4. Institutions may submit unaudited figures. Where audited figures deviate from submitted unaudited figures, the revised, audited figures shall be submitted without undue delay. Unaudited figures are figures that have not received an external auditor's opinion whereas audited figures are figures audited by an external auditor expressing an audit opinion.
5. Other corrections to the submitted reports shall also be submitted to the competent authorities without undue delay.

Article 4

REPORTING THRESHOLDS — ENTRY AND EXIT CRITERIA

1. Institutions that meet or cease to meet the conditions set out in Article 4(1) points (145) or (146) of Regulation (EU) No 575/2013 shall commence or cease, respectively, reporting information as small and non-complex or as large institutions, on the first reporting reference date after these conditions have been met or have ceased to be met.
2. Institutions shall commence reporting information subject to the thresholds set out in this Regulation on the next reporting reference date after these thresholds have been exceeded on two consecutive reporting reference dates. Institutions may stop reporting information subject to the thresholds set out in this Regulation on the next reporting reference date provided that they have fallen below the relevant thresholds on three consecutive reporting reference dates.

CHAPTER 3

FORMAT AND FREQUENCY OF REPORTING ON OWN FUNDS, OWN FUNDS REQUIREMENTS

Article 5

INDIVIDUAL BASIS – QUARTERLY REPORTING

1. In order to report information on own funds and on own funds requirements in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on an individual basis, institutions shall submit information as set out in the following paragraphs with a quarterly frequency. Institutions shall submit information in accordance with paragraphs 2 to 15 of this Article.
2. Information relating to own funds and own funds requirements shall be submitted as specified in templates 1 to 5 of Annex I, in accordance with the instructions in point 1 of Part II of Annex II.
3. Information on credit risk and counterparty credit risk exposures treated under the standardised approach shall be submitted as specified in template 7 of Annex I, in accordance with the instructions in point 3.2 of Part II of Annex II.
4. Information on credit risk and counterparty credit risk exposures treated under the internal ratings-based approach shall be submitted as specified in templates 8.1 and 8.2 of Annex I, in accordance with the instructions in point 3.3 of Part II of Annex II.
5. Information on the geographical distribution of exposures by country, as well as

aggregated at a total level, shall be submitted as specified in template 9 of Annex I, in accordance with the instructions in point 3.4 of Part II of Annex II. Information specified in templates 9.1 and 9.2, and in particular information on the geographical distribution of exposures by country, shall be submitted where non-domestic original exposures in all non-domestic countries in all exposure classes, as reported in row 0850 of template 4 of Annex I, are equal to or higher than 10% of total domestic and non-domestic original exposures as reported in row 0860 of template 4 of Annex I. Exposures shall be deemed to be domestic where they are exposures to counterparties located in the Member State where the institution is established. The entry and exit criteria of Article 4 shall apply.

6. Information on counterparty credit risk shall be submitted as specified in templates 34.01 to 34.05 and 34.08 to 34.10 of Annex I, in accordance with the instructions in point 3.9 of Part II of Annex II.

7. Information in template 34.06 of Annex I on counterparty credit risk shall be submitted by institutions applying the standardised approach or the internal model method for the calculation of counterparty credit risk exposures following Sections 3 and 6 of Chapter 6 of Title II of Part Three of Regulation (EU) No 575/2013. The information shall be submitted in accordance with the instructions in point 3.9.7 of Part II of Annex II.

8. Information on equity exposures treated under the internal ratings-based approach shall be submitted as specified in template 10 of Annex I, in accordance with the instructions in point 3.5 of Part II of Annex II;

9. Information on settlement risk shall be submitted as specified in template 11 of Annex I, in accordance with the instructions in point 3.6 of Part II of Annex II.

10. Information on securitisation exposures shall be submitted as specified in template 13.01 of Annex I, in accordance with the instructions in point 3.7 of Part II of Annex II.

11. Information on own funds requirements and losses relating to operational risk shall be submitted as specified in template 16 of Annex I, in accordance with the instructions in point 4.1 of Part II of Annex II;

12. Information on own funds requirements relating to market risk shall be submitted as specified in templates 18 to 24 of Annex I, in accordance with the instructions in points 5.1 to 5.7 of Part II of Annex II.

13. Information on own funds requirements relating to credit valuation adjustment risk shall be submitted as specified in template 25 of Annex I, in accordance with the instructions in point 5.8 of Part II of Annex II;

14. Information on prudent valuation shall be submitted as specified in template 32 of Annex I in accordance with the instructions in point 6 of Part II, of Annex II as follows:

- (a) all institutions shall submit the information specified in template 32.1 of Annex I in accordance with the instructions in point 6 of Part II of Annex II;
- (b) institutions that apply the core approach pursuant to Commission Delegated Regulation (EU) 2016/101¹⁵ shall also report the information specified in template 32.2 of Annex I in accordance with the instructions in point 6 of Part II of Annex II;

¹⁵ Commission Delegated Regulation (EU) 2016/101 of 26 October 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for prudent valuation under Article 105(14) (OJ L 21, 28.1.2016, p. 54.).

- (c) institutions that apply the core approach pursuant to Commission Delegated Regulation (EU) 2016/101 and which exceed the threshold referred to in Article 4(1) of that Regulation shall also report the information specified in templates 32.3 and 32.4 of Annex I in accordance with the instructions in point 6 of Part II of Annex II.

The entry and exit criteria of Article 4 shall not apply.

15. Information on the prudential backstop for NPEs shall be submitted as specified in templates 35.01 to 35.03 of Annex I, in accordance with the instructions in point 8 of Part II of Annex II.

Article 6

INDIVIDUAL BASIS – SEMI-ANNUAL REPORTING

1. In order to report information on own funds and on own funds requirements in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on an individual basis, institutions shall submit information as set out in the following paragraphs with a semi-annual frequency.

Institutions shall submit information in accordance with paragraphs 2 and 3, point (a) of paragraph 4, and paragraph 5.

Large institutions shall also submit information in accordance with points (b) to (f) of paragraph 4.

2. Information on all securitisation exposures shall be reported as specified in templates 14 and 14.01 of Annex I, in accordance with the instructions in point 3.8 of Part II of Annex II;

Institutions shall be exempted from submitting those securitisation details where they are part of a group in the same country in which they are subject to own funds requirements;

3. Information on sovereign exposures shall be submitted in the following manner:

- (a) Institutions shall submit the information specified in template 33 in accordance with the instructions in Part II point 7 of Annex II where the aggregate carrying amount of financial assets from the counterparty sector ‘General governments’ is equal to or higher than 1% of the sum of total carrying amount for ‘Debt securities’ and ‘Loans and advances’. To calculate the relevant values, institutions shall follow the instructions in Annex III or Annex IV, as applicable for template 4;
- (b) Institutions that meet the criterion referred to in point (a) and where the value reported for domestic exposures of non-derivative financial assets as defined in row 0010, column 0010 of template 33 is less than 90% of the value reported for domestic and non-domestic exposures for the same data point shall submit the information specified in template 33, in accordance with the instructions in point 7 of Part II of Annex II but with a full country breakdown;
- (c) Institutions that meet the criterion referred to in point (a) but do not meet the criterion referred in point (b) shall submit the information specified in template 33, in accordance with the instructions in point 7 of Part II of Annex II but with exposures aggregated at (i) a total level and (ii) a domestic level.

The entry and exit criteria of Article 4(2) shall apply.

4. Information on material losses regarding operational risk shall be reported in the following manner:
- (a) institutions that calculate own funds requirements relating to operational risk in accordance with Chapter 4 of Title III of Part Three of Regulation (EU) No 575/2013 shall report this information as specified in template 17.01 and 17.02 of Annex I, in accordance with the instructions in point 4.2 of Part II of Annex II;
 - (b) large institutions that calculate own funds requirements relating to operational risk in accordance with Chapter 3 of Title III of Part Three of Regulation (EU) No 575/2013 shall report this information as specified in templates 17.01 and 17.02 of Annex I, in accordance with the instructions in point 4.2 of Part II of Annex II;
 - (c) institutions other than large institutions that calculate own funds requirements relating to operational risk in accordance with Chapter 3 of Title III of Part Three of Regulation (EU) No 575/2013 shall report the information specified in points (i) and (ii) in accordance with the instructions in point 4.2 of Part II of Annex II:
 - i. The information specified for column 0080 of template 17.01 of Annex I for the following rows:
 - 1. number of events (new events) (row 0910);
 - 2. gross loss amount (new events) (row 0920);
 - 3. number of events subject to loss adjustments (row 0930)
 - 4. loss adjustments relating to previous reporting periods (row 0940)
 - 5. maximum single loss (row 0950);
 - 6. sum of the five largest losses (row 0960);
 - 7. total direct loss recovery (except insurance and other risk transfer mechanisms) (row 0970)
 - 8. total recoveries from insurance and other risk transfer mechanisms (row 0980)
 - ii. The information specified in template 17.02 of Annex I.
 - (d) the institutions referred to in point (c) may report the complete set of information specified in templates 17.01 and 17.02 of Annex I, in accordance with the instructions in point 4.2 of Part II of Annex II;
 - (e) Large institutions that calculate own funds requirements relating to operational risk in accordance with Chapter 2 of Title III of Part Three of Regulation (EU) No 575/2013 shall report the information specified in templates 17.01 and 17.02 of Annex I, in accordance with the instructions in point 4.2 of Part II of Annex II;
 - (f) Institutions other than large institutions that calculate own funds requirements relating to operational risk in accordance with Chapter 2 of Title III of Part Three of Regulation (EU) No 575/2013 may report the information referred to in templates 17.01 and 17.02 of Annex I, in accordance with the instructions in point 4.2 of Part II of Annex II;

The entry and exit criteria of Article 4(2) shall apply.

5. The information in template 34.06 of Annex I on counterparty credit risk shall be submitted by institutions applying the simplified standardised approach or the original exposure method for the calculation of counterparty credit risk exposures following Sections 4 and 5 of Chapter 6 of Title II of Part Three of Regulation (EU) No 575/2013. The information shall be submitted in accordance with the instructions in point 3.9.7 of Part II of Annex II.

Article 7

REPORTING ON A CONSOLIDATED BASIS

In order to report information on own funds and own funds requirements in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on a consolidated basis, institutions shall submit:

- (a) the information specified in Articles 5 and 6 on a consolidated basis with the frequency specified therein;
- (b) the information specified in template 6 of Annex I, in accordance with the instructions provided in point 2 of Part II of Annex II regarding entities included in the scope of consolidation, with a semi-annual frequency.

Article 8

ADDITIONAL REPORTING REQUIREMENTS ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

1. The information specified in templates 8.3, 8.4, 8.5, 8.5b, 8.6, 8.7 and 34.11 of Annex I on credit risk and counterparty credit risk shall be submitted solely by institutions subject to an equivalent disclosure requirement, with the same disclosure frequency and at the same consolidated level, in accordance with the instructions in points 3.3 and 3.9.12 of Part II of Annex II.

2. The information specified in template 34.07 of Annex I on counterparty credit risk shall be submitted solely by institutions subject to the disclosure of template EU CCR4 under Commission Implementing Regulation (EU) [ITS on disclosure [based on Article 434a CRR – please include the reference at the time of the publication], with the same disclosure frequency and at the same consolidated level, in accordance with the instructions in point 3.9.8 of Part II of Annex II.

Article 9

REPORTING FOR INVESTMENT FIRMS SUBJECT TO ARTICLES 95 AND 96 OF REGULATION (EU) NO 575/2013 ON AN INDIVIDUAL BASIS

1. Investment firms that make use of the transitional provisions of Article 57(3) of Regulation (EU) 2019/2033 shall submit information as set out in the following paragraphs.
2. In order to report information on own funds and on own funds requirements in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on an individual basis, with the exception of information on the leverage ratio, investment firms making use of Article 57(3) of Regulation (EU) 2019/2033 with reference to Article 95 of Regulation (EU) No 575/2013 shall submit the information specified in templates 1 to 5 of Annex I, in accordance with the instructions in point 1 of Part II of Annex II, with a quarterly frequency.
3. In order to report information on own funds and own funds requirements in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on an individual basis, investment firms making use of Article 57(3) of Regulation (EU) 2019/2033 with reference to Article 96 of Regulation (EU) No 575/2013 shall submit the information specified in points (1) to (5) and points (8) to (13) of Article 5 of this Regulation and point (2) of Article 6 of this Regulation with the frequency specified therein.

Article 10

REPORTING FOR GROUPS THAT CONSIST ONLY OF INVESTMENT FIRMS SUBJECT TO ARTICLES 95 AND 96 OF REGULATION (EU) NO 575/2013 ON A CONSOLIDATED BASIS

1. Investment firms that make use of the transitional provisions of Article 57(3) of Regulation (EU) 2019/2033 shall submit information as set out in the following paragraphs.
2. In order to report information on own funds and on own funds requirements in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on a consolidated basis, with the exception of information on the leverage ratio, investment firms of groups that consist only of investment firms making use of Article 57(3) of Regulation (EU) 2019/2033 with reference to Article 95 of Regulation (EU) No 575/2013 shall submit the following information on a consolidated basis:
 - (a) the information on own funds and own funds requirements specified in templates 1 to 5 of Annex I, in accordance with the instructions in point 1 of Part II of Annex II, with a quarterly frequency;
 - (b) the information on own funds and own funds requirements regarding entities included in the scope of consolidation specified in template 6 of Annex I, in

accordance with the instructions in point 2 of Part II of Annex II, with a semi-annual frequency.

3. In order to report information on own funds and on own funds requirements in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on a consolidated basis, investment firms of groups that consist only of investment firms subject to both Article 95 and Article 96 or groups that consist only of investment firms making use of Article 57(3) of Regulation (EU) 2019/2033 with reference to Article 96 of Regulation (EU) No 575/2013 shall submit the following information on a consolidated basis:

- (a) the information specified in points (1) to (5) and points (8) to (13) of Article 5 of this Regulation and point (2) of Article 6 of this Regulation with the frequency specified therein;
- (b) the information regarding entities included in the scope of consolidation specified in template 6 of Annex I, in accordance with the instructions in point 2 of Part II of Annex II, with a semi-annual frequency.

CHAPTER 4

FORMAT AND FREQUENCY OF REPORTING ON FINANCIAL INFORMATION

Article 11

REPORTING ON A CONSOLIDATED BASIS FOR INSTITUTIONS APPLYING REGULATION (EC) NO 1606/2002

1. In order to report financial information on a consolidated basis in accordance with Article 430(3) or (4) of Regulation (EU) No 575/2013, institutions shall submit the information specified in Annex III on a consolidated basis, in accordance with the instructions in Annex V.
2. The information referred to in paragraph 1 shall be submitted in accordance with the following specifications:
 - (a) the information specified in Part 1 of Annex III with a quarterly frequency;
 - (b) the information specified in Part 3 of Annex III with a semi-annual frequency;
 - (c) the information specified in Part 4 of Annex III, with the exception of the information specified in template 47, with an annual frequency;
 - (d) the information specified in template 20 in Part 2 of Annex III with a quarterly frequency where the institution exceeds the threshold specified in the second sentence of paragraph 5 of Article 5. The entry and exit criteria referred to in Article 4(2) shall apply;

- (e) the information specified in template 21 in Part 2 of Annex III with a quarterly frequency where tangible assets subject to operating leases are equal to or higher than 10% of total tangible assets as reported in template 1.1 in Part 1 of Annex III. The entry and exit criteria referred to in Article 4(2) shall apply;
- (f) the information specified in template 22 in Part 2 of Annex III with a quarterly frequency where net fee and commission income is equal to or higher than 10% of the sum of net fee and commission income and net interest income as reported in template 2 in Part 1 of Annex III. The entry and exit criteria referred to in Article 4(2) shall apply;
- (g) the information specified in templates 23, 24, 25 and 26 in Part 2 of Annex III with a quarterly frequency where both of the following conditions are fulfilled:
 - i. the institution is not a small and non-complex institution;
 - ii. the ratio between the institution's gross carrying amount of non-performing loans and advances and the total gross carrying amount of loans and advances falling under the category of NPEs as set out in Section 17 of Part 2 of Annex V to this Regulation is equal to or higher than 5%. For the purpose of this point, the ratio shall not include loans and advances classified as held for sale, cash balances at central banks and other demand deposits in either the denominator or the numerator.

The entry and exit criteria referred to in Article 4(2) shall apply.

- (h) the information specified in template 47 in Part 4 of Annex III with an annual frequency where both of the conditions set out in points (i) and (ii) of point (g) of this paragraph are fulfilled. The entry and exit criteria referred to in Article 4(2) shall apply.

Article 12

CONSOLIDATED REPORTING FOR INSTITUTIONS APPLYING NATIONAL ACCOUNTING FRAMEWORKS

1. Where a competent authority has extended the reporting requirements on financial information to institutions established in a Member State in accordance with Article 430(9) of Regulation (EU) No 575/2013, institutions shall submit the information specified in Annex IV on a consolidated basis, in accordance with the instructions in Annex V.
2. The information referred to in paragraph 1 shall be submitted in accordance with the following specifications:
 - (a) the information specified in Part 1 of Annex IV with a quarterly frequency;
 - (b) the information specified in Part 3 of Annex IV with a semi-annual frequency;
 - (c) the information specified in Part 4 of Annex IV, with the exception of the information specified in template 47, with an annual frequency;

- (d) the information specified in template 20 in Part 2 of Annex IV with a quarterly frequency where the institution exceeds the threshold specified in the second sentence of paragraph 5 of Article 5. The entry and exit criteria referred to in Article 4(2) shall apply;
- (e) the information specified in template 21 in Part 2 of Annex IV with a quarterly frequency where tangible assets subject to operating leases are equal to or higher than 10% of total tangible assets as reported in template 1.1 in Part 1 of Annex IV. The entry and exit criteria referred to in Article 4(2) shall apply;
- (f) the information specified in template 22 in Part 2 of Annex IV with a quarterly frequency where net fee and commission income is equal to or higher than 10% of the sum of net fee and commission income and net interest income as reported in template 2 in Part 1 of Annex IV. The entry and exit criteria referred to in Article 4(2) shall apply;
- (g) the information specified in templates 23, 24, 25 and 26 in Part 2 of Annex IV with a quarterly frequency where both of the following conditions are fulfilled:
 - i. the institution is not a small and non-complex;
 - ii. the institution's ratio as specified in point (g)(ii) of Article 11(2) is equal to or higher than 5%.

The entry and exit criteria referred to in Article 4(2) shall apply.

- (h) the information specified in template 47 in Part 4 of Annex IV with an annual frequency where both of the conditions set out in points (i) and (ii) of point (g) of this paragraph are fulfilled. The entry and exit criteria referred to in Article 4(2) shall apply.

CHAPTER 5

FORMAT AND FREQUENCY OF SPECIFIC REPORTING OBLIGATIONS ON LOSSES STEMMING FROM LENDING COLLATERALISED BY IMMOVABLE PROPERTY IN ACCORDANCE WITH ARTICLE 430a(1) OF REGULATION (EU) No 575/2013

Article 13

1. Institutions shall submit the information specified in Annex VI, in accordance with the instructions in Annex VII, on a consolidated basis with an annual frequency.
2. Institutions shall submit the information specified in Annex VI, in accordance with the instructions in Annex VII, on an individual basis with an annual frequency.
3. Branches in another Member State shall also submit to the competent authority of the host Member State the information specified in Annex VI related to that branch, in

accordance with the instructions in Annex VII, with an annual frequency.

CHAPTER 6

FORMAT AND FREQUENCY OF REPORTING ON LARGE EXPOSURES ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

Article 14

1. In order to report information on large exposures to clients and groups of connected clients in accordance with Article 394 of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit the information specified in Annex VIII, in accordance with the instructions in Annex IX, with a quarterly frequency.
2. In order to report information on the 20 largest exposures to clients or groups of connected clients in accordance with Article 394(1) of Regulation (EU) No 575/2013 on a consolidated basis, institutions subject to Chapter 3 of Title II of Part Three of Regulation (EU) No 575/2013 shall submit the information specified in Annex VIII, in accordance with the instructions in Annex IX, with a quarterly frequency.
3. In order to report information on exposures of a value greater than or equal to EUR 300 million but less than 10% of the institution's Tier 1 capital in accordance with Article 394(1) of Regulation (EU) No 575/2013 on a consolidated basis, institutions shall submit the information specified in Annex VIII, in accordance with the instructions in Annex IX, with a quarterly frequency.
4. In order to report information on the 10 largest exposures to institutions on a consolidated basis, and on the 10 largest exposures to shadow banking entities that carry out banking activities outside the regulated framework on a consolidated basis, in accordance with Article 394(2) of Regulation (EU) No 575/2013, institutions shall submit the information specified in Annex VIII, in accordance with the instructions in Annex IX, with a quarterly frequency.

CHAPTER 7

FORMAT AND FREQUENCY OF REPORTING ON THE LEVERAGE RATIO ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

Article 15

1. In order to report information on the leverage ratio in accordance with point (a) of Article 430(1) of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit the information specified in Annex X, in accordance with the instructions in Annex XI, with a quarterly frequency. Template 48.00 of Annex X shall be submitted by large institutions only.
2. The information specified in cell {r0410;c0010} of template 40.00 of Annex X shall be reported only by:
 - (a) large institutions that either are G-SIIs or have issued securities that are admitted to trading on a regulated market with a semi-annual frequency;
 - (b) large institutions other than G-SIIs that are not listed institutions with an annual frequency;
 - (c) institutions other than large institutions and small and non-complex institutions that have issued securities that are admitted to trading on a regulated market with an annual frequency.
3. Institutions shall calculate the leverage ratio at the reporting reference date in accordance with Article 429 of Regulation (EU) No 575/2013.
4. Institutions shall report the information referred to in paragraph 13 of Part II of Annex XI if one of the following conditions is met:
 - (a) the derivatives share referred to in paragraph 5 of Part II of Annex XI is more than 1.5%;
 - (b) the derivatives share referred to in paragraph 5 of Part II of Annex XI exceeds 2.0%.

The entry and exit criteria of Article 4(2) shall apply, except in relation to point (b), in which case institutions shall start reporting information from the next reporting reference date where they have exceeded the threshold on one reporting reference date.

5. Institutions for which the total notional value of derivatives as defined in paragraph 8 of Part II of Annex XI exceeds EUR 10 billion shall report the information referred to in paragraph 13 of Part II of Annex XI even if their derivatives share does not fulfil the conditions set out in paragraph 3.

The entry criteria of Article 4(2) shall not apply. Institutions shall start reporting information from the next reporting reference date where they have exceeded the threshold on one reporting reference date.

6. Institutions are required to report the information referred to in paragraph 14 of Part II of Annex XI where one of the following conditions is met:
 - (a) the credit derivatives volume referred to in paragraph 9 of Part II of Annex XI is more than EUR 300 million;
 - (b) the credit derivatives volume referred to in paragraph 9 of Part II of Annex XI exceeds EUR 500 million.

The entry and exit criteria of Article 4(2) shall apply, except in relation to point (b), in which case institutions shall start reporting information from the next reporting reference date where they have exceeded the threshold on one reporting reference date.

CHAPTER 8

FORMAT AND FREQUENCY OF REPORTING ON LIQUIDITY AND ON STABLE FUNDING ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

Article 16

REPORTING ON LIQUIDITY COVERAGE REQUIREMENT

1. In order to report information on the liquidity coverage requirement in accordance with point (d) of Article 430(1) of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit the information specified in Annex XXIV, in accordance with the instructions in Annex XXV, with a monthly frequency;
2. The information set out in Annex XXIV shall take into account the information submitted for the reference date and the information on the cash-flows of the institution over the following 30 calendar days.

Article 17

REPORTING ON STABLE FUNDING

In order to report information on stable funding in accordance with point (d) of Article 430(1) of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit the information specified in Annex XII, in accordance with the instructions in Annex XIII, with a quarterly frequency as follows:

- (a) small and non-complex institutions that have chosen to calculate their NSFR using the methodology set out in Chapters 6 and 7 of Title IV of Part Six of Regulation (EU) No 575/2013, with the prior permission of their competent authority in accordance with Article 428ai of Regulation (EU) No 575/2013, shall submit templates 82 and 83 of Annex XII, in accordance with the instructions in Annex XIII;
- (b) all other institutions shall submit templates 80 and 81 of Annex XII, in accordance with the instructions in Annex XIII;
- (c) all institutions shall submit template 84 of Annex XII, in accordance with the instructions in Annex XIII.

CHAPTER 9

FORMAT AND FREQUENCY OF REPORTING ON ADDITIONAL LIQUIDITY MONITORING METRICS ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

Article 18

1. In order to report information on additional liquidity monitoring metrics in accordance with point (d) of Article 430(1) of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit all of the following information with a monthly frequency:
 - (a) the information specified in Annex XVIII in accordance with the instructions in Annex XIX;
 - (b) the information specified in Annex XX in accordance with the instructions in Annex XXI;
 - (c) the information specified in Annex XXII in accordance with the instructions in Annex XXIII.
2. By way of derogation from paragraph 1, an institution that meets all the conditions set out in point (145) of Article 4(1) of Regulation (EU) No 575/2013 may report the information on additional liquidity monitoring metrics with a quarterly frequency.

CHAPTER 10

FORMAT AND FREQUENCY OF REPORTING ON ASSET ENCUMBRANCE ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

Article 19

1. In order to report information on asset encumbrance in accordance with point (g) of Article 430(1) of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit the information specified in Annex XVI to this Regulation, in accordance with the instructions set out in Annex XVII to this Regulation.
2. The information referred to in paragraph 1 shall be submitted in accordance with the following specifications:
 - (a) the information specified in Parts A, B and D of Annex XVI with a quarterly frequency;

- (b) the information specified in Part C of Annex XVI with an annual frequency;
 - (c) the information specified in Part E of Annex XVI with a semi-annual frequency.
3. Institutions shall not be required to report the information in Parts B, C and E of Annex XVI where both of the following conditions are met:
- (a) the institution is not considered a large institution;
 - (b) the asset encumbrance level of the institution, as calculated in accordance with paragraph 9 of point 1.6 of Annex XVII, is below 15%.

The entry and exit criteria of Article 4(2) shall apply.

4. Institutions shall be required to report the information specified in Part D of Annex XVI only where they issue bonds referred to in the first subparagraph of Article 52(4) of Directive 2009/65/EC of the European Parliament and of the Council.¹⁶

The entry and exit criteria of Article 4(2) shall apply.

CHAPTER 11

FORMAT AND FREQUENCY OF SUPPLEMENTARY REPORTING FOR THE PURPOSES OF IDENTIFYING G-SIIs AND ASSIGNING G-SII BUFFER RATES

Article 20

1. In order to report supplementary information for the purposes of identifying G-SIIs and assigning G-SII buffer rates under Article 131 of Directive 2013/36/EU, EU parent institutions, EU parent financial holdings and EU mixed financial holdings shall submit the information specified in Annex XXVI, in accordance with the instructions in Annex XXVII, on a consolidated basis with a quarterly frequency.
2. EU parent institutions, EU parent financial holdings and EU mixed financial holdings shall submit the information specified in paragraph 1 only where both of the following conditions are met:
 - (a) the total exposure measure of the group is equal to or exceeds EUR 125 billion;
 - (b) the EU parent or any of its subsidiaries or any branch operated by the parent or by a subsidiary is located in a participating Member State as referred to in Article 4 of Regulation (EU) No 806/2014 of the European Parliament and of the Council.¹⁷
3. By derogation from point (b) of Article 3(1) of this Regulation, the information specified in paragraph 1 shall be submitted by close of business on the following

¹⁶ Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).

¹⁷ Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).

remittance dates: 1 July, 1 October, 2 January and 1 April.

4. By derogation from Article 4 of this Regulation, the following shall apply with regard to the threshold specified in point (a) of paragraph 2:

- (a) the EU parent institution, EU parent financial holding or EU mixed financial holding shall immediately start reporting the information in accordance with this Article where its leverage ratio exposure measure exceeds the specified threshold as of the end of the accounting year, and shall report this information at least for the end of that accounting year and the subsequent three quarterly reference dates;
- (b) the EU parent institution, EU parent financial holding or EU mixed financial holding shall immediately stop reporting the information in accordance with this Article where its leverage ratio exposure measure falls below the specified threshold as of the end of their accounting year.

CHAPTER 12

DATA PRECISION AND INFORMATION ACCOMPANYING SUBMISSIONS

Article 21

1. Institutions shall submit the information referred to in this Regulation in the data exchange formats and representations specified by the competent authorities and respecting the data point definition of the data point model referred to in Annex XIV and the validation formulae referred to in Annex XV as well as the following specifications:

- (a) information that is not required or not applicable shall not be included in a data submission;
- (b) numerical values shall be submitted as facts in accordance with the following specifications:
 - i. data points with the data type 'Monetary' shall be reported using a minimum precision equivalent to thousands of units;
 - ii. data points with the data type 'Percentage' shall be expressed as per unit with a minimum precision equivalent to four decimal places;
 - iii. data points with the data type 'Integer' shall be reported using no decimal places and a precision equivalent to units.
- (c) Institutions and insurance undertakings shall be identified solely by their Legal Entity Identifier (LEI). Legal entities and counterparties other than institutions and insurance undertakings shall be identified by their LEI where available.

2. The data submitted by the institutions shall be accompanied by the following information:

- (a) reporting reference date and reference period;
- (b) reporting currency;

- (c) accounting standard;
- (d) identifier of the reporting institution (LEI);
- (e) scope of consolidation.

CHAPTER 13

FINAL PROVISIONS

Article 22

1. Commission Implementing Regulation (EU) No 680/2014 is repealed with effect from 28 June 2021.
2. References to the repealed Regulation shall be construed as references to this Regulation.

Article 23

Entry into force and date of application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. It shall apply from 28 June 2021.
3. Notwithstanding paragraph 2, reporting on the leverage ratio buffer requirement for institutions identified as G-SIIs using template C 47.00 of Annex X shall apply from[to be included by OJ EU].
4. Articles 9 and 10 shall cease to apply on 26 June 2026.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the
Commission
The President*

*On behalf of the
President [Position]*

LIST OF ANNEXES

Annex I: Solvency

Annex II: Solvency

Annex III: FINREP

Annex IV: FINREP

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Annex VI: IP losses

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Annex XX: AMM – concentration of counterbalancing capacity)

Annex XXI: AMM – concentration of counterbalancing capacity)

Annex XXII: AMM – maturity ladder

Annex XXIII: AMM – maturity ladder



Annex XXIV: LCR

Annex XXV: LCR

Annex XXVI: G-SII data

Annex XVII: G-SII data

4. Accompanying documents

4.1 Additional clarifying examples

4.1.1 Non-performing exposure backstop

The box below presents the formulae and the steps for the calculation of minimum coverage requirement and the applicable amount of insufficient coverage.

I. Calculations at exposure level

$EV_i^{Unsecured}$ = exposure value of the unsecured part of exposure i

$EV_i^{Secured}$ = exposure value of the secured part of exposure i

$f_v^{Secured}$ = coverage requirement factor for secured exposures in bucket v

$f_v^{Unsecured}$ = coverage requirement factor for unsecured exposures in bucket v

v_i = time interval for classification as NPE for exposure i

$v_i \in V\{\leq 1 \text{ year}' | ' > 1 \text{ year}; \leq 2 \text{ years}' | ' > 2 \text{ years}; \leq 3 \text{ years}' | \dots | ' > 9 \text{ years}'\}$

Step 1: Institutions shall calculate the minimum coverage requirement (MCE) exposure by exposure, and separately for secured and unsecured parts of NPEs.

For each bucket $v \in V$:

I_v are all the exposures of that bucket

Minimum coverage requirement for $EV_i^{Unsecured}$ = $MCE_i^{Unsecured}$
 = $(EV_i^{Unsecured} \times f_{v_i}^{Unsecured})$

Minimum coverage requirement for $EV_i^{Secured}$ = $MCE_i^{Secured}$ = $(EV_i^{Secured} \times f_{v_i}^{Secured})$

Minimum coverage requirement for EV_i = MCE_i = $MCE_i^{Unsecured} + MCE_i^{Secured}$

Step 2: Institutions shall calculate total provisions and adjustments or deductions (uncapped, i.e. not limited to the amount of minimum coverage requirements) corresponding to individual exposures¹⁸ by summing the items specified in template C 35.01 and point (b) of Article 47c of the CRR. For partially secured exposures, the total provisions and adjustments or deductions shall be allocated first to the unsecured part of the NPE and then to the secured part of the same NPE.

¹⁸ For IRB shortfall calculated at portfolio level, the total amount of deduction shall be allocated to each exposure using the method set out in Article 47c(1)(b)(iv) of the CRR. If other deductions are calculated not at exposure level but at portfolio level, the total calculated deduction should be allocated to each exposure weighted by the exposure value.

Provisions and adjustments or deductions (uncapped) for $EV_i^{Unsecured} = C_i^{Unsecured}$
 $= (\text{Specific credit risk adjustments}_i^{Unsecured}$
 $+ \text{Additional valuation adjustments}_i^{Unsecured} + \text{Other own funds reductions}_i^{Unsecured}$
 $+ \text{IRB shortfall}_i^{Unsecured} + \text{Discount at purchase}_i^{Unsecured}$
 $+ \text{Partial write - offs}_i^{Unsecured})$

Provisions and adjustments or deductions (uncapped) for $EV_i^{Secured} = C_i^{Secured}$
 $= (\text{Specific credit risk adjustments}_i^{Secured} + \text{Additional valuation adjustments}_i^{Secured}$
 $+ \text{Other own funds reductions}_i^{Secured} + \text{IRB shortfall}_i^{Secured}$
 $+ \text{Discount at purchase}_i^{Secured} + \text{Partial write - offs}_i^{Secured})$

Step 3: Institutions shall calculate the total provisions and adjustments or deductions limited to the minimum coverage requirements (i.e. total provisions and adjustments or deductions, (capped)). The calculations shall be at the exposure level. This allows the aggregation of coverage gaps without taking into account the excess of coverage that institutions may have on individual exposures.

Provisions and adjustments or deductions (capped) for EV_i
 $= CC_i = \min(C_i, MCE_i)$

II. Reporting at aggregate level

Institutions shall report the appropriate aggregates of the calculations at exposure level as described previously.

Step 4: Institutions shall calculate the **total minimum coverage requirement** as follows:

$$\text{Total minimum coverage requirement}_v = \sum_i^{I_v} MCE_i^{Unsecured} + \sum_i^{I_v} MCE_i^{Secured}$$

For each time interval v , institutions shall report the total minimum coverage requirement for the unsecured part of NPEs (aggregate level) in row 0030, and shall report the total minimum coverage requirement for the secured part of NPEs (aggregate level) in row 0040.

Institutions shall report the total minimum coverage requirement (including both unsecured and secured parts of NPEs) in row 0020, for each time interval v .

Step 5: Institutions shall calculate **total provisions and adjustments or deductions (uncapped)** as follows:

$$\text{Total provisions and adjustment or deductions (uncapped)}_v$$

$$= \sum_i^{I_v} C_i^{Unsecured} + \sum_i^{I_v} C_i^{Secured}$$

For each time interval v , this total amount shall be reported in row 0090 and the sum of the individual components of C_i shall be reported in rows 0100 to 0150.

Step 6: Institutions shall calculate **total provisions and adjustments or deductions (capped)** as follows:

$$\text{Total provisions and adjustment or deductions (capped)}_v = \sum_i^{I_v} CC_i$$

Institutions shall report the total provisions and adjustments or deductions (capped) in row 0080, for each time interval v .

Step 7: Institutions shall calculate the applicable amount of insufficient coverage, defined as the difference between the total minimum coverage requirement (row 0020) and the total provisions and adjustments or deductions (capped) (row 0080) under each time bucket.

The applicable amount of insufficient coverage should be equal to or greater than zero.

$$\begin{aligned} & (\text{Total minimum coverage requirement})_v \\ & - (\text{Total provisions and adjustments or deductions (capped)})_v \\ & = (\text{Applicable amount of insufficient coverage})_v \geq 0 \end{aligned}$$

Institutions shall report the applicable amount of insufficient coverage in row 0010, for each time interval v .

Step 8: Institutions shall sum the applicable amount of insufficient coverage across all time intervals to calculate and report the applicable deductions from CET1.

$$\sum_v^V (\text{Applicable amount of insufficient coverage})_v = \text{Deductions}^{CET1}$$

Institutions shall report this final applicable amount of deductions in row 0010, column 0110, of template C 35.01.

4.1.2 Net stable funding ratio

The following examples are included for illustrative purposes only and follow the letter of the instructions as part of the ITS which clearly indicate their substantiation.

Example 1 – reporting derivatives by currency subject to separate reporting

Euro and US dollars are assumed to be currencies subject to separate reporting.

Netting set 1 (settlement in EUR)		Netting set 2 (settlement in USD)		Netting set 3 (settlement in USD)	
Receivable	Payable	Receivable	Payable	Receivable	Payable
100	80	50	30	10	20
50	90	10	20	10	5

Proposed treatment:

Net value: $100 + 50 - 80 - 90 = -20$, to be reported in the separate EUR return	Net value: $50 + 10 - 30 - 20 = 10$, to be reported in the separate USD return	Net value: $10 + 10 - 20 - 5 = -5$, to be reported in the separate USD return
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Under the proposed new ITS:

An amount of -20 would be reported in the separate euro return as a liability.

An amount of 5 ($10 - 5$) would be reported in the separate US dollars return as an asset.

An amount of -15 ($5 - 20$) would be reported as a liability in the all currencies return.

Example 2 – netting securities financing transactions with a single counterparty

The reformulated approach will apply netting by collateral type. This approach allows netting only of those repos and reverse repos that are collateralised by the same type of collateral:

- repos with Level 1 collateral would be netted with reverse repos with Level 1 collateral; and separately
- repos with non-Level 1 collateral would be netted with reverse repos with non-Level 1 collateral.

Consider the following cases:

1. Both the transactions secured by Level 1 assets and the transactions secured by non-Level 1 assets have a net asset position

SFTs with the same inter-bank counterparty

Level 1 (excl. covered bonds) reverse repo

Non-Level 1 reverse repo

Non-Level 1 repo

Net reverse repo Level 1

Net reverse repo non-Level 1

Residual maturity < 6 months		
Amount	Factor	RSF/ASF
500	0% RSF factor	
80	5% RSF factor	
70		
500	0% RSF factor	0
10	5% RSF factor	0.5

TOTAL RSF = 0.5

In this case, the relevant RSF factors according to Article 428r(1)(g) and 428s(1)(b) are separately applied to the corresponding net asset position.

2. Transactions secured by Level 1 assets have a net asset position while transactions secured by non-Level 1 assets have a (lower) net liability position

SFTs with the same inter-bank counterparty

Level 1 (excl. covered bonds) reverse repo

Non-Level 1 reverse repo

Non-Level 1 repo

Net reverse repo Level 1

Net repo non-Level 1

Residual maturity < 6 months		
Amount	Factor	RSF/ASF
500	0% RSF factor	
80	5% RSF factor	
200	0% ASF factor	
500	0% RSF factor	0
120	0% ASF factor	0

TOTAL RSF = 0

Under this approach, the net positions of Level 1 and non-

Level 1 assets are treated separately and are not offset.

3. Transactions secured by Level 1 assets have a net liability position while transactions secured by non-Level 1 assets have a (higher) net asset position

SFTs with the same inter-bank counterparty

Level 1 (excl. covered bonds) repo

Non-Level 1 reverse repo

Non-Level 1 repo

Net repo Level 1

Net reverse repo non-Level 1

Residual maturity < 6 months		
Amount	Factor	RSF/ASF
50	0% ASF factor	
150	5% RSF factor	
70	0% ASF factor	
50	0% ASF factor	0
80	5% RSF factor	4

TOTAL RSF = 4

In this case, the net repo Level 1 and net reverse repo non-Level 1 are not offset and are subject to separate ASF and RSF factors.

4. Netting SFTs with a single counterparty, where some of the collateral posted is not identified as it stems from a pool/basket

		Residual maturity < 6 months		
		Amount	Factor	RSF/ASF
SFTs with the same inter-bank counterparty				
Repo by an amount of 75 (pool composed of Level 1 excl. covered bonds, by an amount of 100, and non-Level 1, by an amount of 300)		75	0% ASF	
Level 1 excl. covered bonds repo		50	0% ASF	
Non-Level 1 reverse repo		100	5% RSF	
RSF/ASF calculation on net positions:				
	Level 1 repo	50	0% ASF	0 ASF
	Non-Level 1 net reverse repo	25	5% RSF	1.25 RSF
				TOTAL RSF = 1.25

In this case, on the one hand the bank conducts a repo against a basket of collateral. Here, similarly to in the LCR ITS (paragraph 10 of the outflows instructions) the less liquid assets are the first ones that are determined to have been pledged, i.e. non-Level 1 assets by 75 are considered to have been posted in the repo. On the other hand, the bank does a specific reverse repo with identified non-Level 1 assets. It also does a repo with identified Level 1 assets, excluding covered bonds.

Once all the collateral posted and received has been identified or determined, the net amount of the SFTs with the same type of collateral underlying is calculated: (1) Level 1 repo by 50 subject to a 0% ASF factor and (2) non-Level 1 net reverse repos by 25: 100 (reverse repo) – 75 (repo) = 25.

Under this approach, the Level 1 repo and non-Level 1 net reverse repos are not offset and the RSF is 1.25.

4.2 Net stable funding ratio calculation tool

An Excel calculation tool following the format of the new NSFR templates for institutions accompanies this document for illustrative purposes only.

This Excel file is exclusively intended to be a clarifying example of the practical application of the NSFR instructions and the templates included in the draft ITS; it has no legal value, does not form part of the ITS, does not discharge institutions from their obligation to report every item as required in the ITS and does not exempt them from their responsibility when reporting. This tool is provided only for information and in no case may the reporting be substantiated by it. This calculation tool is provided as part of the consultation process and will not be part of the final ITS to be submitted to the European Commission. The results of the calculations will be included in the validation rules to be developed along with the DPM and taxonomy.

4.3 Cost–benefit analysis/impact assessment

‘Article 16(2) of the EBA Regulation provides that the EBA should carry out an analysis of ‘the potential related costs and benefits’ of any guidelines it develops. This analysis should provide an overview of the findings regarding the problem to be dealt with, the solutions proposed and the potential impact of these options. ‘This analysis presents the impact assessment of the main policy options included in the draft supervisory reporting templates and instructions for framework v3.0 following changes introduced by CRR2 and the new Backstop Regulation. The impact assessment is high level and qualitative in nature.

A. Problem identification and background

Several regulatory changes have taken place globally and at European level over recent years. CRR2 establishes several new prudential requirements, including changes relating to credit risk, market risk, Pillar 3, counterparty credit risk, the leverage ratio, large exposures and the NSFR. In addition, another amendment to the CRR was adopted in April 2019, on minimum loss coverage for NPEs.¹⁹ The new legislation requires institutions to set aside funds to cover losses on new loans that turn non-performing.

While some of the new requirements are linked directly to reporting, many other changes do not explicitly refer to reporting in the Level 1 texts. Nevertheless, they still necessitate amendments to the existing reporting framework: changes in definitions or new prudential requirements mean that the reporting templates used to date will be outdated once CRR2 comes into force in 2021, as they will not reflect the latest regulatory requirements or definitions.

Reflecting CRR2 and the new Backstop Regulation in the EBA’s reporting framework involves changes to several templates. This impact assessment discusses all these changes as part of one assessment: all the template amendments – while in some cases they are of different natures and scopes – have been performed in the same context and for the same reason.

B. Policy objectives

The reporting templates and instructions aim to align the European reporting framework with changes in CRR2 and the new regulation on minimum loss coverage for NPE. Alignment is crucial in order to ensure that institutions’ reporting follows the latest prudential requirements and to safeguard consistency in reporting, enabling accurate and uniform measurement and reporting by all institutions across the EU.

¹⁹ [Regulation of the European Parliament and of the Council amending Regulation \(EU\) No 575/2013 as regards minimum loss coverage for non-performing exposures.](#)

C. Options considered, assessment of the options and preferred options

Section C presents the main policy options discussed and the decisions made in amending the templates and instructions. Advantages and disadvantages, as well as the potential costs and benefits of the policy options and the preferred options selected as a result of this analysis, are discussed.

Reflecting CRR2 and the new Backstop Regulation in the EBA's reporting templates involves changes to several different templates. As discussed above, these changes are all discussed here in one impact assessment; however, the assessment will reflect the different forms of template changes involved. Options are categorised into two groups. One is made up of overarching options and policy choices that apply to all templates (or many templates), and another group consists of more specific changes related to individual templates and topics. The discussion below of the policy options considered during the drafting process is structured in accordance with this categorisation.

Option Category 1: Overarching policy options

Alignment with Pillar 3

Option 1a: Integrate supervisory reporting and disclosure requirements

Option 1b: Do not integrate supervisory reporting and disclosure requirements

There are commonalities between the information that institutions have to report to their supervisors and the regulatory information that they have to make public in the interest of investors and external stakeholders. The information included in the reporting framework is the basis on which supervisors and resolution authorities form a clear picture of an institution's situation in terms of business model/profitability, solvency/risk profile, liquidity, relevance for the financial system and resolvability. Similarly, the information disclosed by institutions is the basis on which market participants understand and assess institutions' situations in order to exercise market discipline. Information relevant for market participants is also relevant for supervisors in their regular tasks, highlighting the importance of striving for alignment.

Increasing the degree of consistency between reporting and disclosure requirements, including by standardising formats and definitions, should also facilitate the compliance with both sets of requirements for institutions, as they will use the same data to fulfil their reporting and disclosure obligations. Furthermore, the integration of disclosures and supervisory reporting will improve the quality of the disclosed information, since supervisory reports are subject to supplementary scrutiny by the supervisor. This will benefit all market participants, enabling them to take more informed decisions. Therefore, **Option 1a has been chosen as the preferred option.**

Option Category 2: Template-specific options (by topic)

TOPIC: NPE BACKSTOP (2.5.2)

NPE backstop – NPE breakdown in FINREP (F 39.00)

Option 2a: In addition to the newly introduced COREP template C 35.01 on the calculation of the NPE backstop, introduce a new template on the vintage of exposures classified as non-performing in FINREP

Option 2b: Do not introduce a new template on the vintage of NPEs in FINREP

The introduction of the NPE backstop calculation in the legislation requires the introduction of a new set of prudential templates. This is reflected in the new COREP templates C 35.01, C 35.02 and C 35.03, which contain all the information needed for the calculation of the NPE loss coverage and capital requirements within the framework of CRR Pillar 1 measures. These new templates are of a purely prudential nature.

The reporting of NPEs using the same time buckets provided in the new COREP templates is also important from an accounting point of view, to allow supervisors to monitor institutions' NPE coverage strategies more effectively and capture their risk profiles more accurately. Introducing a new template on the breakdown by time passed since the exposures have been classified as non-performing also into FINREP was therefore assessed as the preferred option in the consultation paper on the ITS. However, during the public consultation the feedback received was that the additional reporting costs would far outweigh the added value of the additional template. Specifically, some of the issues raised were that the new template would entail significant changes to current systems owing to the granularity of the information required and that having the information in both COREP and FINREP templates might cause confusion, since the presentation of the information would be similar, but it would not be directly comparable and therefore reported values might be complicated to reconcile. Therefore, **Option 2b is the option chosen after the public consultation** and no additional template has been added to FINREP.

Additional changes to FINREP templates

Option 3a: Introduce additional changes to FINREP templates (FINREP v3.0)

Option 3b: Keep FINREP changes to the NPE-related changes

Changes to the COREP templates in the form of new templates on the NPE backstop have been proposed as a result of Regulation (EU) 2019/630 amending Regulation (EU) No 575/2013, which sets out uniform minimum levels of coverage to ensure that institutions have sufficient loss coverage for future NPEs. The EBA acts on mandates from Level 1 texts (Article 430(7) of the CRR), but also always strives to work towards improving the functioning and safety of the European banking system. This objective is not met only through acting on specific mandates from the European Commission but also through dialogue and interaction with the industry and competent authorities. The latter, in particular through the EBA's Q&A tool, can provide valuable information

identifying shortcomings in existing regulation or technical standards. In the specific context of the consultation paper in question, experiences and exchanges in recent years have identified room for improvement and increased clarity in certain existing FINREP reporting templates. Amending reporting templates always incurs some (initial) costs to institutions and competent authorities alike. Changes and the timing of these amendments are therefore always duly reflected on and discussed. Introducing changes to the FINREP framework to make reporting more efficient for institutions and competent authorities, and to improve reporting consistency across institutions and reporting alignment with legislation, is considered to make sense at this stage. FINREP instructions covering the definitions of ‘non-performing exposure’ and ‘forbearance’ are being revisited in any case in the context of the NPE backstop. Carrying out the additional FINREP changes now means that institutions can implement the changes all at once, which should reduce the additional costs incurred. Therefore, **Option 3a has been chosen as the preferred option.**

TOPIC: CREDIT RISK (2.5.3)

IRB – inclusion of a supervisory master scale

Option 4a: Create a new template, C 08.03, that includes a supervisory master scale

Option 4b: Request the information that would be collected using new template C 08.03 (breakdown by PD ranges) in template C 08.02

In the context of the EBA’s new mandates on developing an extensive disclosure framework under CRR2, it is important to ensure that the reporting frameworks are aligned as far as possible, to safeguard consistency and efficiency and minimise reporting and disclosure costs for institutions.

Inter alia, a new disclosure requirement on IRB information, to be broken down by predefined PD ranges/supervisory master scales, has been introduced following the Basel III reforms on IRB disclosures. Some of this information is already included in template C 08.02, where IRB exposure classes are broken down by obligor grade. It could be argued that information on PD ranges could be derived from template C 08.02 by aggregating the obligor grades representing a specific PD range.

However, about 20% of institutions use continuous PDs²⁰ and therefore it is not always possible to determine the PD range that an obligor grade falls into from template C 08.02. Therefore, and for the sake of comparability between institutions, it has been decided that **Option 4a is the preferred option: introducing a new template, C 08.03, containing a supervisory master scale with PD ranges.**

IRB – inclusion of changes resulting from the IRB roadmap

Option 5a: Include changes stemming from the IRB roadmap in the reporting framework v3.0

Option 5b: Include changes stemming from the IRB roadmap in a later reporting framework

²⁰ See [EBA Report on IRB modelling practices](#).



In February 2016, the EBA set out a roadmap on the implementation of the regulatory review of the IRB approach.²¹ The three main areas outlined to repair and restore trust in IRB models were: (i) a review of the regulatory framework; (ii) ensuring supervisory consistency, including through EBA benchmarking exercises; and (iii) increased transparency, based on standardised disclosure templates and improved reporting.

Following the publication of several EBA products that have resulted from the IRB roadmap, some changes and additional information are deemed to be critical for supervisory reporting. Since IRB reporting has been subject to several changes already as part of the development of reporting framework v3.0 following CRR2 and the decision to align disclosure and reporting requirements, it can be argued that this is a good opportunity to integrate the changes ensuing from the IRB roadmap.

While this early integration could potentially reduce costs for institutions in terms of the changes usually required when implementing reporting framework updates, several EBA products are being developed as a result of the roadmap, and may substantially affect reporting (e.g. in relation to CRM). Therefore, **Option 5b has been chosen as the preferred option and changes resulting from the EBA's IRB roadmap will be implemented in a later reporting framework.** This will ensure that the changes are final when they are implemented and minimise the need for future changes.

TOPIC: CREDIT RISK (2.5.3) AND CCR (2.5.4)

IRB and CCR – scope of reporting institutions

Option 6a: Request the completion of the new IRB and CCR reporting templates arising from the alignment with disclosure templates only of those institutions to which disclosure requirements apply

Option 6b: Request the completion of the new IRB and CCR reporting templates arising from the alignment with disclosure templates of all institutions

Articles 433a and 433c of CRR2 require large institutions or other institutions that are listed to disclose certain information on CCR and IRB. Integrating disclosure requirements into reporting requirements could be achieved in two ways. The EBA could ask all institutions to report this information on CCR and IRB (not only those referred to in Articles 433a and 433c). In the case of IRB would mean only medium to large institutions, since they are the only ones applying the IRB approach. In the case of CCR, this would mean all institutions with CCR, irrespective of their size, which could provide useful information, since COREP does not provide much information about this risk type.

The other option would be to align the reporting obligations for those templates, which supervisors might not consider relevant for all institutions, exactly with the CRR2 disclosure obligations in terms of the scope of institutions to report/discard, in terms of their consolidation level and also in terms of frequency. Thus, only institutions that were subject to the relevant disclosure requirements

²¹ <https://eba.europa.eu/-/eba-sets-out-roadmap-for-the-implementation-of-the-regulatory-review-of-internal-models>

would have to send the same template or similar templates to supervisors, with the same frequency.

In order to ensure reporting efficiency for medium-sized and small and non-complex institutions, **Option 6a has been chosen as the preferred option.** In line with the disclosure templates, only large institutions or other institutions that are listed will be subject to the aligned reporting templates.

TOPIC: CCR (2.5.4)

CCR – request additional information or maintain the status quo

Option 7a: Maintain the status quo, updating the instructions to reflect the changes introduced by CRR2

Option 7b: Request additional information

Currently, all information on CCR is included in the credit risk templates, C 07.00 and C 08.01. The information collected using the current COREP templates has been deemed insufficient and inadequate for supervisory and analysis purposes. The EBA's response to the European Commission's call for advice on SA-CCR and own funds requirements for market risk (November 2016) recommended introducing additional information on CCR. In particular, specific information on the methodology used to compute the CCR exposure value or on the composition of collateral is deemed relevant to provide supervisors with deeper insights into the risks potentially faced by the institutions.

Therefore, the option to maintain the status quo is considered suboptimal. **Option 7b has been selected as the preferred option.** Additional information on CCR is needed to ensure as comprehensive a supervisory assessment as possible.

CCR – granularity of the additional information on the different CCR approaches/methods

Option 8a: Add only a summary template for the different CCR approaches/methods

Option 8b: Add individual templates for the different approaches/methods and for detailed information on collateral and credit derivatives exposures

During the discussions on and design of the templates it was concluded that information on the various CCR approaches and additional information was needed, with a substantial degree of granularity. It is crucial for competent authorities in their supervisory functions to be able to understand an institution's risk profile as well as possible.

Additional information by risk categories, in the case of the standardised approaches, and by instrument and margined and unmargined business, in the case of IMM, is therefore highly relevant. The requested additional information can provide supervisors with deeper insights into the risks potentially faced, informed by the composition of the derivatives/SFTs portfolio of the

institution and on the composition of the collateral received. For instance, a portfolio that shows exposure concentrated in a specific risk category should be closely monitored, in order to ensure that the potential future exposure is adequately measured. Another example is that an institution may have a large amount of the same type of collateral and the risk of an impact in its quality.

The option of including only a summary template on the various CCR approaches is therefore considered suboptimal. Instead, **Option 8b has been selected as the preferred option.**

TOPIC: LEVERAGE RATIO (2.5.5)

Leverage ratio – monitoring leverage ratio volatility

Option 9a: Request reporting of all the leverage components potentially susceptible to intra-quarter volatility based on averages over the reporting period

Option 9b: Request reporting based on averages over the reporting period only for those components for which the BCBS requires daily averages to be disclosed (reporting using day-end values) and complement this with further analysis that could lead to revisions in the future

Pursuant to Article 430(7) of CRR2, the EBA is required to submit a revised reporting framework on the leverage ratio within 1 year from the publication of CRR2 in the Official Journal. Specifically, Article 430(2) of CRR2 mandates the EBA to create reporting requirements for leverage ratio components in order to enable the monitoring of leverage ratio volatility. Importantly, in the design of this reporting framework, the EBA is to (i) specify which components of the leverage ratio must be reported and (ii) decide whether this is to be done using day-end or month-end values. Considerations should take into account (a) how susceptible a component is to significant temporary reductions in transaction volumes that could result in an underrepresentation of the risk of excessive leverage at the reporting reference date and (b) developments and findings at international level.

In the context of point (b), the BCBS, in June 2019, published a statement indicating that for SFT exposures (but not derivatives or central bank exposures), averaging and disclosure would be necessary.²² Disclosure of other items has been decided against by the BCBS because of concerns related to confidentiality (central bank emergency liquidity) and the ability of smaller institutions to collect averages.

Discussions are ongoing on the components for which average values should be reported at European level. Assessing the significance of each component and how crucial it is to have additional reporting (point (a)), in addition to monitoring of institutions under Pillar 2, will require a solid analysis and assessment. Therefore, **Option 9a, including all components in the reporting framework, has been rejected for the time being, but may be revisited at a later stage.**

For now, only information on the same components required for disclosure by Basel are included in the reporting framework, in particular mean SFT exposure values and mean adjustments for SFT

²² <https://www.bis.org/press/p190626.htm>



sales accounting transactions in a new template, C 48.01. In terms of additional cost for institutions, this means that daily calculations need to be made by large institutions of SFT exposure values. Pursuant to Article 430(2) of CRR2, the daily values used for the calculation of the means are also included in a new template, C 48.02. The consultation paper included questions on the additional costs for large institutions, in order to assess the feasibility of including additional components of the leverage ratio based on averages over the reporting period. **Option 9b has been chosen as the preferred option for the time being.**

Leverage – templates C 41.00 and C 42.00²³

Option 10a: Keep templates C 41.00 and C 42.00

Option 10b: Delete templates C 41.00 and C 42.00

With the aim of minimising the number of times that reporting templates are revised and thus minimising changes for institutions and related costs (see also the discussion on Options 7a and b), as part of the revision of the leverage ratio templates to reflect the new CRR2 requirements, those templates not affected by the new legislation were also reviewed to ensure that reported and collected information remains accurate and relevant.

Notably, as part of this assessment, templates C 41.00 and C 42.00 were found to contain information collected solely for the purpose of past monitoring reports: C 41.00 includes the distribution of exposures across risk-weight buckets, collected mostly for the purpose of monitoring uprisking/downrisking as part of the 2016 EBA report on the leverage ratio requirements under Article 511 of the CRR,²⁴ and C 42.00 contains data on the **alternative definition of capital information**, which served the purpose of calculating the impact of the choice of a CET1 or total capital numerator, also as part of the 2016 EBA leverage ratio report.

Given that this report has been completed, it has been decided that the information collected using the two templates is not needed for the calculation of the leverage ratio and that they contain components that are no longer important for supervisory monitoring purposes. As a result, **Option 10b has been chosen as the preferred option**, substantially reducing reporting costs for institutions.

Leverage – level of detail on exempted public development credit institution and promotional loan exposures

Option 11a: Include one additional row on the exemptions related to public development credit institution and promotional loan exposures (in line with exemptions on other items) in template C 47.00

²³ Template C 41.00 corresponds to 'On- and off-balance sheet items – additional breakdown of exposures' (LR2), and template C 42.00 to 'Alternative definition of capital' (LR3).

²⁴ [https://eba.europa.eu/documents/10180/1360107/EBA-Op-2016-13+\(Leverage+ratio+report\).pdf](https://eba.europa.eu/documents/10180/1360107/EBA-Op-2016-13+(Leverage+ratio+report).pdf)



Option 11b: Include more detail on the exemptions related to public development credit institution and promotional loan exposures in template C 47.00

CRR2 has introduced a Tier 1 capital leverage ratio requirement calibrated at 3%. At the same time, and in order to avoid the 3% requirement constraining certain business/activities disproportionately, CRR2 provides for some adjustments to the calculation of LRE. In general, one row has been included in the template to collect the information on each type of exemption or deduction.

Some of the exemptions applicable to the calculation of the leverage ratio apply to public development bank exposures and exposures to promotional loans. The definitions are new and the variation in terms of types of exemptions is significant. In particular, the definition of ‘public development credit institution’ is rather broad and subject to misinterpretation or arbitrage by institutions. A similarly broad scope can be observed regarding potential issuers of promotional loans and the ultimate beneficiaries of public sector investments/promotional loans. As a result, implementation of these exemptions is complex. Close monitoring of how institutions apply these exemptions is crucial in order to understand the grounds for exemptions, avoid misinterpretation or arbitrage, and thus ensure a level playing field in terms of how exemptions are applied by European institutions.

As a result, it has been decided that more granular information is required in reporting on and for monitoring of exemptions on exposures to public development credit institutions and promotional loans. Accordingly, **Option 11b has been chosen as the preferred option.**

Specifically, more granular information in the form of additional rows is requested in template C 47.00, including on how a promotional loan is granted (directly, indirectly, via a public development credit institution or not) and its potential pass-through nature. This is deemed necessary to ensure appropriate monitoring of the exemptions’ application. In addition, reflecting the need to understand who the ultimate counterparties of public sector investments and promotional loans are, a request for information on counterparties has been included in template C 40.00. Finally, a question on whether the credit institution is a public development credit institution or has a public development unit, and on the guarantees received, has also been added to template C 44.00.

To ensure proportionality, Option 11b aims to achieve an intermediate level of granularity and therefore the template does not include reporting requirements on all aspects, such as on the fulfilment of all the conditions to be met by a public development credit institution in accordance with Article 429a(2) of the CRR.

TOPIC: LARGE EXPOSURES (2.5.6)

Large exposures – inclusion of changes to the large exposures regime due to amendments in CRR2

Option 12a: Implement the (technical) changes explicitly included in CRR2 in the reporting templates and introduce further changes once the policy work has progressed

Option 12b: Implement all the changes resulting from CRR2 only once the policy development has been completed

Following the changes to the large exposures regime in Part Four of CRR2, a number of technical changes to the reporting framework are necessary. Some of the changes under CRR2 entail technical changes that will change not the structure of the templates but the definitions, and will require amendments to the instructions (these include changes such as replacing ‘eligible capital’ with ‘Tier 1 capital’ in Article 395(1) in the definition of the 25% large exposure limit). Other CRR2 mandates request a methodological review, requiring additional policy work in the future, and CRR2 also mandates the EBA to develop RTS to further develop the large exposures regime.

While the aim is to always minimise the number of revisions to any reporting template, it has been decided that Option 12b, to wait until all changes can be implemented, is not a feasible option: the current reporting templates on large exposures reflect certain technical issues incorrectly and therefore the reported data would not be in line with CRR2. Consequently, it has been decided that two rounds of revisions are preferable to having outdated templates and irrelevant reported information. As a result, **Option 12a has been selected as the preferred option**: reporting framework v3.0 will include those technical changes that can be directly derived from the new CRR2 without further policy work, while the rest of the changes will be implemented once the various CRR mandates are developed through RTS.

Large exposures – templates C 30.00 and C 31.00 on maturity buckets

Option 13a: Keep templates C 30.00 and C 31.00

Option 13b: Delete templates C 30.00 and C 31.00

The requirement to report maturity buckets has been repealed from the CRR. While this information could still be collected by the EBA, in order to reduce reporting costs for institutions, **Option 13b has been chosen as the preferred option** and it has been decided to delete templates C 30.00 and C 31.00 and the instructions on them, in line with the changes in CRR2.

TOPIC: NSFR (2.5.7)

NSFR – new column on HQLA for the required stable funding templates

Option 14a: Do not introduce a new column and keep the templates as per the quantitative impact study

Option 14b: Introduce a new HQLA column with no maturity differentiation

RSF reporting is split into reporting on liquid and non-liquid assets as per Basel’s proposed disclosure templates. Furthermore, the Basel template proposes splitting assets into four maturity buckets: no maturity (applying to assets such as capital with perpetual maturity or physical traded commodities), less than 6 months, 6 months to 1 year and more than 1 year.



There is no differentiation by maturity bucket for the factor to be applied for the calculation of RSF for HQLA instruments. All HQLA instruments will be treated the same in the calculation of RSF. Therefore, there is no rationale for further differentiating this asset class by maturity bucket, either for the calculation or for monitoring or reporting. Therefore, the draft templates propose the introduction of an additional column, 'HQLA', that is not to be split into maturity buckets.

This additional column should bring a tremendous increase in reporting efficiency for institutions: in total, around 200 data points no longer need to be reported as a result of the additional HQLA column in the full RSF template.

The general reporting requirements forthcoming for institutions as part of new and revised regulations and the continued calls for more transparency are likely to result in increased reporting costs in the years to come. Since the additional breakdown of HQLA into maturities is not directly relevant for the NSFR calculation or its disclosure, increasing reporting efficiency and making the templates as effective and user friendly as possible has been identified as the most efficient way forward and **Option 14b has been selected as the preferred option.**

NSFR – breakdown by counterparty of non-financial customers (except central banks) in the ASF templates

Option 15a: Do not introduce a breakdown by counterparty

Option 15b: Introduce a breakdown by counterparty

As for RSF, there are different treatments for different counterparties for ASF, according to ASF factors (0–100%). Liabilities to 'other non-financial customers (except central banks)', listed in rows 2.3.1 to 2.3.6 in template C 81.00, are all subject to the same ASF factor (50%).

Nevertheless, every counterparty included in rows 2.3.1 to 2.3.6 is listed separately in Article 428I of CRR2. More importantly, in the context of ASF, the type of counterparty is important, since it can provide information about the reliability of the funding source and therefore represents relevant and helpful information for supervisors.

For these reasons, **Option 15b has been chosen as the preferred option** and the ASF templates contain a breakdown of non-financial counterparties other than central banks, detailed in line with Article 428I of CRR2.

The importance of the counterparty type is also, inter alia, reflected in different ASF factors for other types of counterparties. In particular, the different characteristics of retail and corporate deposits are well understood. Retail deposits are known as one of the most stable sources of funding for institutions, with various degrees of stability,²⁵ including in a downturn. They are listed as a separate category in the ASF template (ASF from retail deposits – rows 2.2 to 2.2.0.3). The

²⁵ [EBA guidelines \(2013\)](#) establish three types of retail deposit buckets to which different outflow rates apply: Guidelines on retail deposits subject to different outflows for purposes of liquidity reporting under Regulation (EU) No 575/2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation – CRR).

standard ASF factors for stable retail deposits of 95%, 95% and 100% for the three different maturity buckets (< 6months, 6 months to 1 year and > 1year), respectively, versus the 50%, 50% and 100% for ‘other corporate non-financial liabilities’ demonstrate the perceived difference in stability of the two deposit types. Other counterparty types (e.g. financial), have even lower ASF factors (e.g. 0%).

TOPIC: OTHER AMENDMENTS (2.5.8)

FINREP –POCI assets

Option 16a: Align FINREP templates F 04.03.1, F 04.04.1, F 07.01, F 09.01.1, F 12.01 and F 18.00 with the IFRS 9 requirements in the context of POCI assets

Option 16b: Do not align FINREP templates F 04.03.1, F 04.04.1, F 07.01, F 09.01.1, F 12.01 and F 18.00 with the IFRS 9 requirements in the context of POCI assets

IFRS 9 has introduced an expected credit loss (ECL) framework for the recognition of impairment. Under this framework, specific rules have also been established for the calculation of ECL for POCI assets.

The current versions of FINREP templates F 04.03.1, F 04.04.1, F 07.01, F 09.01.1, F 12.01 and F 18.00 include POCI assets’ gross carrying amounts and accumulated impairments as part of exposures classified in the impairment stages 2 or 3, as applicable. Given the specific measurement rules applying to the ECL calculation for POCI assets, this presentation is not consistent with the IFRS 9 accounting rules: to reflect the specific measurement rules applying to POCI assets, they should be reported separately from exposures classified in impairment stages 2 or 3, as applicable. It has therefore been decided that **Option 16a is the preferred option**, and FINREP templates F 04.03.1, F 04.04.1, F 07.01, F 12.01 and F 18.00 have been aligned with IFRS 9 requirements. Separate columns (and separate rows in F 12.01) are included in the templates, showing gross carrying amounts and accumulated impairments for POCI assets outside the impairment stages.²⁶ This means that more granular data have to be reported by institutions; however, the additional columns are considered crucial to fully reflect the IFRS 9 requirements in the reporting templates. In addition, institutions should have the more granular information readily available, since they are required for their internal ECL calculations.

FINREP – allowances for performing exposures more than 30 days past due

Option 17a: Add a new column on allowances for performing exposures more than 30 days past due to F 18.00

Option 17b: Do not add an additional column on allowances for performing exposures more than 30 days past due to F 18.00

²⁶ This will also have implications for the corresponding disclosure templates.

Under the IFRS 9 requirements, assets move from stage 1 to stage 2 when there is a significant increase in credit risk. Usually, this occurs before there is any evidence of impairment or before a default occurs. Moving assets from stage 1 to stage 2 (and as a result recognising lifetime ECLs), should be based on forward-looking information as well as on past due information. If no forward-looking information is available, a rebuttable presumption is in place that assets should be moved from stage 1 to stage 2 (i.e. credit risk has increased significantly) no later than when contractual payments are more than 30 days past due. This presumption can be rebutted if there is evidence that, despite the past due status, there is no significant increase in credit risk. The movement from stage 1 to stage 2 implies the passage from the recognition of 12-month ECLs to the recognition of full lifetime ECLs in the financial statements. For this reason, it is important for supervisors to monitor how institutions are following these IFRS 9 requirements.

Under the current reporting framework, v2.9, the information on allowances for performing exposures past due for more than 30 days is reported only by significant institutions. Since all institutions follow IFRS 9, this implies that supervisors lack some information that would be useful in the context of monitoring IFRS 9 post-implementation initiatives. Therefore, it has been decided that an additional column, reflecting impairments more than 30 days past due, should be added, and **Option 17a has been identified as the preferred option.**

FINREP – Financial guarantees received

Option 18a: Include information on financial guarantees received in the form of credit derivatives on non-performing loans and advances in template F 13.01

Option 18b: Include information on financial guarantees received in the form of credit derivatives on non-performing loans and advances in template F 18.00

Given the EBA's new mandates on developing an extensive disclosure framework under CRR2, it is important to ensure that the reporting frameworks are aligned as far as possible to ensure consistency and efficiency and minimise reporting and disclosure costs for institutions. Following new disclosure requirements on information on financial guarantees received in the form of credit derivatives on non-performing loans and advances, **Option 18a has been chosen as the preferred option:** including an additional sub-column under the last column, 'Financial guarantees received', and a new sub-row on non-performing loans and advances to template F 13.01. The alternative of including the information in template F 18.00 is considered suboptimal, as it would increase the complexity of that template too substantially. F 18.00 includes a lot more granular information on asset classes and therefore would require substantially more information to be reported when further breaking down the financial guarantees received.

D. Conclusion

The amendments to the reporting templates discussed above are necessary in order to enable institutions to comply with the forthcoming CRR2 and the new Backstop Regulation and for competent authorities to monitor the new and amended requirements.



The templates are intended to establish and maintain a uniform reporting system on the new regulatory requirements, while at the same time accommodating as much simplicity and as few changes for institutions as possible. The templates therefore should achieve the goal of maximum consistency in monitoring, reporting and transparency with as little extra effort and cost as possible for institutions.

4.4 Feedback on the public consultation

The EBA publicly consulted on the draft proposal contained in this paper.

The consultation period lasted for 3 months and ended on 16 January 2020. Eighteen responses were received, of which fifteen were published on the EBA website.

This section presents a summary of the feedback arising from the consultation, the analysis and discussion triggered by these comments, and the actions taken to address them if deemed necessary.

Changes to the final draft ITS have been incorporated as a result of the responses received during the public consultation.

Summary of key issues and the EBA's response

There were 18 responses received from banks, banking associations and other stakeholders. In general, the respondents considered that the templates and instructions were clear and that the package fulfils the purpose of and the requirements set out in the underlying regulation. The integration between supervisory reporting and disclosures that was carried out during the review of reporting and disclosure requirements was also well received and considered to improve consistency between these two frameworks.

Regarding **proportionality**, respondents in general appreciate and agree that proportionality has been taken into account in this reporting framework, especially for small and non-complex institutions. There were some requests for a modest delay in the implementation **timeline** to deal with the different requests, to take into account IT challenges for institutions when introducing the changes and also because of the upcoming CRR3. However, most of these timelines are set out in the CRR/the Backstop Regulation.

Respondents expressed concerns about introducing template F 39.00 regarding the **NPE backstop** into FINREP, since the additional reporting costs would outweigh the benefits of the information. Specifically, the new template would entail significant changes to their current systems because of the granularity of information required. In addition, respondents noted that having similar but not directly comparable information in the COREP and FINREP frameworks might create confusion, as the values reported would not be easily reconcilable. In the light of these concerns, the proposed template F 39.00 was deleted.



On the **credit risk SA**, some respondents raised concerns regarding the reporting of deductions in C 07.00. These concerns were addressed and the rows were removed. In addition, reservations were raised regarding the added column on 'Additional value adjustments and other own funds reductions'; however, this will enable the reconstruction of all the parts that make up the exposure value under the SA, in line with provisions in Article 111. Respondents raised some specific questions and requested clarification regarding the **credit risk IRB approach**, which are addressed in the feedback table below. These questions mainly focused on the reporting of the margin of conservatism and the delay in application of the related guidelines. In the light of these concerns, the related columns were deleted.

Some of the feedback received on **CCR** focused on proportionality, while other feedback was of a more technical nature. Regarding proportionality, in the particular case of the template on the top 20 counterparties to whom an institution has the highest CCR exposures, proportionality has been added by requesting entities applying the simplified SA-CCR and the OEM to calculate the CCR exposures to report only on a semi-annual basis. Regarding the comments received on **misalignment with the CCR disclosure requirements**, it should be noted that supervisors have a need for additional information, and therefore in many cases more data is requested to be reported with a higher frequency by more institutions than those that disclose CCR information.

Regarding the **leverage ratio**, the exemptions from the leverage exposure measure for promotional loans based on paragraph (d) of Article 429a(1) of the CRR drew attention and, in order to address the comments and to allow the reporting of all promotional loans regardless of whether they can be exempted or not, template C 40.00 has been updated. The burden of reporting the daily values used for the **calculation of the SFT average**, requested to monitor the leverage ratio volatility, was also mentioned by several respondents. However, Article 430(2) of the CRR clearly specifies that the data used for calculating the averages needs to be reported and therefore the daily values are required. Finally, some concerns have been raised regarding the detailed reporting on **regular-way purchases or sales and cash pooling**. Nevertheless, the data requested is needed by supervisors to understand banks' exposures to these transactions and assess the correct calculation of the exposures in accordance with the CRR rules. Therefore, the information is still required, although several clarifications have been added in the instructions following other comments received.

On **large exposures**, some requests for clarification were received with regard to further changes to the large exposures reporting templates and instructions based on future policy changes and whether they will be published in time to implement those changes in the reporting framework. In principle, no such changes are expected, although the large exposures framework could change as a result of Q&As or minor amendments needed in the future.

Regarding **NSFR**, two main topics of the feedback have been addressed: **netting of derivatives for reporting in a separate currency** and **netting of SFTs with a counterparty**. In the former case, further clarification is provided on the definition of settlement currency in a netting set and on cases of multi-currency settlement, among other aspects. In the latter case, clarification with additional illustrative examples has been provided on cases of baskets of collateral exchanged and on where the collateral received in a reverse repo is reused. Some questions have been received



on the NSFR itself as a prudential requirement for a better understanding of some **CRR provisions**, with respondents in some cases asking how specific transactions should be treated. Clarifications have been provided in the feedback table to the extent possible and the EBA is ready to monitor the application of the NSFR in order to ensure a proper harmonised implementation that will not trigger an unlevel playing field.

Respondents were generally supportive of the separate presentation of **POCI assets** outside the impairment stages of IFRS 9. In addition, a separate presentation of POCI off-balance-sheet exposures was requested. To address this comment, a separate presentation of these exposures in templates F 09.00, F 12.01 and F 18.00 was added. Regarding the reporting of **direct transfer between stage 1 and stage 3** in template F 12.02, all respondents believed that the costs of this information would outweigh the benefits, as it would require tracking all the passages between stages during the reporting period. In the light of these concerns, this information was dropped from F 12.02.



Summary of responses to the consultation and the EBA's analysis

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
General comments			
Implementation timeline	<p>Some respondents explained that, given the other activities on the regulatory agenda that also require rapid implementation and given the number of changes to a broad range of templates, the implementation period is not sufficient; they suggested a modest delay in implementation until reporting in 2022, as they believed that this would result in more robust and fully tested reporting.</p> <p>In addition, one respondent mentioned that the changes to the reporting framework should not be made at the same time.</p>	<p>All the new requirements were introduced in CRR2, either directly to reporting or via disclosures (which are fully aligned with reporting in terms of scope, frequency and data to be reported). These changes in CRR2 all need to be in place by June 2021 and this is established in the Level 1 text.</p>	No amendments.
Proportionality	<p>Respondents in general appreciate and support the incorporation of proportionality measures into the reporting requirements and urge finalisation of the standards to include measures designed to reduce the regulatory burden for small and non-complex institutions.</p> <p>In addition, it was argued that further amendments to templates significantly affected by CRR3 should be omitted, especially if their implementation would be complex and burdensome, particularly regarding the credit risk SA COREP templates.</p>	<p>Proportionality has been reflected in the EBA's proposals for reporting requirements. The ITS propose only the minimum changes to those topics that will be impacted by CRR3</p>	No amendments.
IT challenges	<p>One respondent mentioned that, in order to prepare the supervisory reporting templates, institutions rely on standardised software solutions. Generally, those software solutions are based on data for a single reporting date, which means that the data of several reporting date is</p>	<p>The EBA acknowledges the IT effort required to implement the reporting requirements. The reporting framework v3.0 has been amended to implement only the minimum necessary changes to reduce this impact.</p>	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	processed reporting date after reporting date. The integration of data relating to a multitude of working days, such as the reporting of daily values or the integration of more than one month end, is very challenging. Therefore, the respondent would welcome it if these requirements could be limited to the minimum necessary.		
Small and non-complex institutions	One respondent claimed that in Chapter 4, Article 11(2)(g), on FINREP, the condition set out under point (i) – that ‘the institution is not a small and non-complex institution’ – does not match the applicable hierarchy of the scope of reporting under FINREP. This wording would adversely affect institutions that do not meet the conditions set out in Article 4(1)(145) but report simplified FINREP information. Therefore, the respondent suggested replacing it with the following condition: ‘(i) the institution is not a less significant institution’.	The condition set out in Chapter 4/Article 11(2)(g) is consistent with the CRR. ‘Simplified FINREP’ falls outside the EBA’s remit.	No amendments.
Validation rules	The inclusion of internal cross-validations within and between templates would be useful.	The EBA provides the technical package accompanying the ITS, which will include validation rules that support banks and competent authorities in reviewing their data quality. The EBA validation rules consist of consistency checks applied between templates in the same module.	No amendments.
Responses to questions in Consultation Paper EBA/CP/2019/10			
Own funds			
Question 1. Are the instructions and templates clear to the respondents?			
Question 2. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
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Question 3. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?			
<p>Technical comments on the changes to template C 01.00</p>	<p>a) Three respondents sought clarification on the content of rows 0335 and 0365 of template C 01.00, dedicated to the accounting revaluation of subsidiaries' goodwill and other intangible assets, and its basis in the CRR.</p> <p>b) Three respondents asked for confirmation that only minimum shortfall commitments not treated under the look-through approach/not risk-weighted at 1 250% should be reported in row 0514 of template C 01.00.</p> <p>c) Three respondents asked for further clarification on the taxes to be reported in row 0515 of template C 01.00.</p>	<p>a) Point (c) of Article 37 of the CRR clarifies that the amount of intangible assets to be deducted in accordance with point (b) of Article 36(1) of the CRR should be reduced by the amount of the accounting revaluation of the subsidiaries' intangible assets derived from the consolidation of subsidiaries attributable to persons other than the undertakings included in the consolidation pursuant to Chapter 2 of Title II of Part 2 of the CRR. Rows 0335 and 0365 capture this reduction, broken down into goodwill and other intangible assets.</p> <p>b) In accordance with point (n) of Article 36(1) of the CRR, the deduction from own funds covers the shortfall of the current market value of the units or shares in CIUs underlying the minimum value commitment compared with the present value of the minimum value commitment, where this shortfall has not been recognised as a reduction in CET1 already otherwise and where the minimum value commitment is a minimum value commitment as referred to in Article 132c(2) of the CRR.</p> <p>c) In accordance with point (l) of Article 36(1) of the CRR, any tax charge relating to CET1 items foreseeable at the moment of the CET1 calculation has to be deducted from CET1, unless the amount of the CET1 items themselves was suitably adjusted to recognise the reduction</p>	<p>No amendments.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>d) One respondent sought further guidance on the calculations in relation to the excess of deductions from eligible liabilities over eligible liabilities, reported in row 0955 of template C 01.00.</p> <p>e) One respondent asked for clarification on the treatment of prudently valued software assets in accordance with point (b) of Article 36(1) of the CRR; the RTS specifying that treatment are currently under development.</p>	<p>arising from tax charges. In some cases, the ITS explicitly requires the items to be presented net of foreseeable tax charges (see, for example, instructions on row 0180 accumulated other comprehensive income; row 0200, other reserves; and row 0270, cash flow hedge reserve, in template C 01.00). For foreseeable tax charges on other CET1 items (if any), the institution can choose to present the CET1 item in question net of this charge or report the tax charge in row 0515.</p> <p>d) The amount reported in row 0955 represents the difference between the available eligible liabilities of the institution as determined in accordance with Section 1 of Chapter 5a of Title I of Part Two of the CRR and the deductions laid down in Section 2 of that same chapter, if that difference is positive. This item is relevant only for entities subject to the obligation to comply with the requirement of Article 92a of the CRR (G-SIIs subject to the TLAC requirements).</p> <p>e) Software assets that are eligible for exemption in accordance with the to-be-developed RTS will have to be reported in a memorandum item in template C 04.00, row 0900. Software assets not being exempted will have to keep being deducted and reported in C 01.00, row 0340 (other intangible assets).</p>	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Technical comments on template C 03.00	Two respondents asked for further information on the new item 'Surplus (+)/deficit (-) of CET1 considering the requirements of Article 92 of the CRR and Article 104a of the CRD' of row 0220 of C 03.00. One sought confirmation that the surplus/deficit is to be calculated as the difference between the total CET1 capital available and the sum of (a) 4.5% to 8% of the RWEA (Article 92 of the CRR) and (b) Pillar 2 requirements (Article 104a of the CRD).	The new item 'Surplus (+)/deficit (-) of CET1 capital considering the requirements of Article 92 of the CRR and Article 104a of the CRD' facilitates an assessment of the CET1 capital available to meet requirements other than Pillar 1 requirements (Article 92 of the CRR) and Pillar 2 requirements (Article 104a of the CRD), such as the combined buffer requirement or Pillar 2 guidance. The approach to the calculation described by the respondent is correct.	No amendments.
Template C 05.02 in the light of the expiration of the transitional provisions	One respondent suggested discontinuing the obligation to report template C 05.02, arguing that the transitional provisions reflected in this template will expire by 31 December 2021.	As stated in Annex II, the templates on transitional provisions will remain in place until the transitional provisions are no longer applicable. As the transitional provisions in question expire only by the end of 2021, template C 05.02 has been retained.	No amendments.
NPE backstop			
Question 4. The definitions of 'non-performing exposure' and 'forbearance' are now included in the CRR. So FINREP instructions on templates 18 and 19 have been reviewed, wherever appropriate, to refer to the CRR. The review of the instructions takes into account that the basis for reporting in FINREP is accounting values and consistency across FINREP templates has to be maintained. In addition, the requirement for information on NPEs and forbearance in FINREP is relevant for supervisory purposes other than monitoring the prudential backstop calculation.			
Definition of non-performing and forborne exposures	All the respondents agreed with the review of the definitions of 'non-performing exposure' and 'forbearance'.	N.A.	No amendments.
Question 5. Template F 39 requests information on the stock of NPEs and related loss allowances/provisions broken down by the same time buckets introduced in Article 47c of the CRR and used in the new NPE LC templates for COREP. These data allow supervisors to monitor institutions' NPE coverage strategies more			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
effectively and capture their risk profiles more accurately. They complement, from an accounting perspective, the information provided in COREP on the prudential backstop calculation. What benefits and challenges with regard to the compilation and reporting of this information do you envisage?			
F 39	<p>All the respondents except one raised challenges relating to this new template, since it would require significant changes in their current systems as a result of the granularity of the information required. However, one respondent recognised the value of the template in monitoring the stock of NPEs and the related loss coverage from an accounting perspective. In addition, some respondents highlighted that the NPE backstop is a prudential measure and therefore the information should be included only in the COREP framework. Having the information in both COREP and FINREP frameworks might create confusion, as the values reported are not easily reconcilable. Furthermore, two respondents asked for some clarification on the values to be reported in the template and their relationship with the values reported in the new backstop COREP templates.</p>	Template F 39.00 was deleted.	Template F 39.00 has been deleted.
Question 6. Are the instructions and templates C 35.01 to C 35.03 clear to the respondents?			
C 35.01 to C 35.03	<p>Four respondents considered that the instructions and templates C 35.01 to C 35.03 are clear.</p> <p>However, two respondents asked for clarifications on the following aspects:</p> <ul style="list-style-type: none"> • the scope of application of the new templates and the relationship between NPEs and ‘defaulted’ exposures reported in templates C 07.00 and C 08.03; • where to report the accumulated negative changes in fair value due to credit risk of NPEs measured at fair value; 	<p>Annex II, Section 8.1, ‘General remarks’, paragraph 165, specifies the scope of application of the NPE LC templates. Specifically:</p> <ul style="list-style-type: none"> - C 35.01 covers all NPEs, forborne and not forborne. The secured and unsecured parts of NPEs are defined in Article 47c(1) of the CRR; - C 35.02 covers all NPEs (forborne and not forborne) that do not fall under the provisions of Article 47c(6) of the CRR; 	<p>In relation to NPEs purchased by an institution, Annex II, Section 8.2.1, has been amended.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<ul style="list-style-type: none"> • which approach (debtor versus transaction) to use to calculate ‘the period since classification as non-performing’; • the origination date of classification as non-performing for purchased NPEs. 	<p>- C 35.03 covers forborne NPEs that fall under the provisions of Article 47c(6) of the CRR. These exposures should be reported also after the period in which the coverage factors are kept stable, provided that they are still non-performing.</p> <p>NPEs are defined in Article 47a(3) of the CRR and they include defaulted exposures. However, the definition of NPE used for backstop purposes is not identical to the definition of default in Article 178 of the CRR used for own fund requirements. The 180 days past due threshold defined in Article 178 of the CRR does not apply for backstop purposes, whereas the 20% threshold defined in Article 47a(3) of the CRR (‘pulling effect’) is mandatory for identifying NPEs but not for defaulted exposures.</p> <p>The accumulated negative changes in fair value due to credit risk of NPEs measured at fair value is a concept defined in Annex V (FINREP) of the ITS. In template C 35.01, under ‘total provisions and adjustments or deductions’, the items listed in Article 47c(b) of the CRR should be reported.</p> <p>Annex II, Section 8.2.1, specifies that: ‘time passed since exposures classified as non-performing’ means the time in years passed, as of the reference date, since the exposure was classified as non-performing. Therefore, the ‘period since classification as non-performing’ is calculated at individual transaction level, consistently with the calculation of the minimum coverage requirement under Article 47c(1) of the CRR.</p>	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		<p>For NPEs purchased by an institution, recital 8 of Regulation (EU) 2019/630 clarifies that the date on which the purchased exposure was originally classified as non-performing should be considered and not the date of its purchase. The instructions in Annex II, Section 8.2.1, have been amended to clarify this point.</p>	
	<p>In addition, one respondent pointed out that there are a number of unclear provisions related to the CRR and the expectations of the European Central Bank (ECB). Those concern: (i) the calculation of ‘the period since classification as non-performing’ if a new credit facility is granted to an already defaulted debtor; (ii) the calculation of the ‘contribution of the EL amount for the NPE to total expected loss amounts for defaulted or non-defaulted exposures’ and the allocation method to be used for other portfolio deductions; and (iii) the effects of the prudential backstop on own funds calculations for SA banks and IRB banks.</p>	<p>CRR provisions and the ECB’s provisions are outside the EBA’s remit. However, for the calculation of ‘the period since classification as non-performing’ if a new credit facility is granted to an already defaulted debtor, the EBA notes that, in accordance with Article 47a(6) of the CRR and recital 7 of Regulation (EU) 2019/630, a forbearance measure granted to an NPE should not discontinue the classification of that exposure as non-performing unless all the discontinuation criteria listed in Article 47a(6) of the CRR are fulfilled. For the allocation of the IRB shortfall, Article 47c(1)(b)(iv) of the CRR specifies a method to be used to allocate proportionally the total amount of IRB shortfall to each exposure that has generated it on a granular level.</p>	<p>No amendments.</p>
	<p>With regard to template C 35.01, two respondents also asked that rows 160 and 170 be deleted on the grounds that the allocation of total provisions and adjustments or deductions (uncapped) between unsecured and secured parts of NPEs may raise technical challenges arising from changes in the value of collateral, write-downs and partial write-offs over time. One respondent also asked if the</p>	<p>In template C 35.01, rows 160 and 170 related to the allocation of total provisions and adjustments or deductions (uncapped) between unsecured and secured parts of NPEs were deleted.</p> <p>Regarding the definition of ‘accounting value’, Article 47a(2) of the CRR states that the ‘exposure value’ of a debt instrument means its accounting</p>	<p>In template C 35.01, rows 160 and 170 related to the allocation of total provisions and adjustments or deductions (uncapped)</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	definition of 'accounting value' corresponds to the carrying amount.	value measured without taking into account any provisions and adjustments or deductions. In other words, the 'exposure value' of a debt instrument is the carrying amount to which total provisions and adjustments or deductions have been added back.	between unsecured and secured parts of NPEs have been deleted.
Question 7. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Consistency with the Backstop Regulation	<p>Four respondents said that they did not identify any discrepancy with the underlying regulation.</p> <p>One respondent believed that the instructions should allow for a compensation between IRB excess and shortfall at portfolio level when calculating the total deduction amount related to insufficient coverage for NPEs, consistently with the determination of deductions pursuant to Article 36(1)(d) of the CRR.</p> <p>Two respondents noted an inconsistency between the allocation method for provisions, adjustments and deductions set out in footnote 16 on page 43 of the consultation paper and the provisions of Article 47c(1)(b)(iv) of the CRR concerning IRB shortfall.</p>	<p>According to Article 47c(1) of the CRR and Annex II, Section 8.1., paragraph 167, the deductions for NPEs, including the calculation of minimum coverage requirements and total provisions and adjustments or deductions, should be calculated at individual exposure level ('transaction-based') and not at debtor or portfolio level.</p> <p>The allocation method for IRB shortfall is set out in Article 47c(1)(b)(iv) of the CRR. Therefore, footnote 16 of page 43 of the consultation paper refers to other provisions and adjustments or deductions determined at portfolio level.</p>	In the final report, the corresponding footnote 16 on page 43 of the consultation paper has been amended.
Question 8. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?			
Purpose of the underlying regulation	Four respondents agreed that the amended ITS fit the purpose of the underlying regulation, but two of them pointed out that the inclusion into FINREP frameworks is not relevant.	<p>Template F 39.00 was deleted.</p> <p>Templates C 35.02 and C 35.03 were retained, as the information requested forms the basis for the calculation of the minimum coverage requirement.</p>	Template F 39.00 has been deleted.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Two respondents asked for two templates, C 35.02 and C 35.03, that they considered too complex to be deleted, and they suggested adding two line items (for provisioning factors and exposure values for forborne NPEs) to template C 35.01. One respondent asked if those templates had to be filled in by institutions that do not make use of the relief for forborne exposures.	Template C 35.03 is to be reported when the institution has non-performing forborne exposures that fall under Article 47c(6) of the CRR.	
Credit risk			
Question 9. Do respondents consider that the proposed new supervisory reporting templates reflect correctly disclosure requirements, in particular the new templates that will introduce considerable change? Given that the integration aims to increase consistency, including by standardising formats and definitions, do respondents agree that this objective will be achieved?			
	Four respondents responded positively to these questions, taking into account the points raised below.	N.A.	No amendments.
Reporting of margin of conservatism	Five respondents requested that the introduction of margin of conservatism reporting be reconsidered. The main arguments are: <ul style="list-style-type: none"> the postponement of the publication of the related EBA guidelines; the perception that these data are not appropriate as part of a regulatory approach and not representative of how the risks are monitored by the banks; the need to redesign risk models and the risk that this will lead to delays; 	Given the postponement of the publication of the related EBA guidelines, where this concept will be introduced, these columns will be removed from templates C 08.05 and C 08.05b.	The columns related to the margin of conservatism (0020 to 0040) have been removed from templates C 08.05 and C 08.05b.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<ul style="list-style-type: none"> the need for a clearer definition. 		
Proposed changes to C 08.05/C 08.05b	Two respondents suggested introducing changes to simplify templates C 08.05/C 08.05b because of the significant effort required to collect the data and its low readability.	Consistency and integration between the disclosures and reporting frameworks are key, since the information that is relevant for market participants is also relevant to help supervisors in their tasks; hence the importance of striving for congruency. Please also refer to the point immediately above.	No amendments.
Obligors with short-term and terminated contracts	One respondent argued that the definition of 'of which: short-term and terminated contracts' in template C 08.05/C 08.05b is inconsistent with the disclosure requirement in Article 452(h).	Given the postponement of the publication of the related EBA guidelines, where this concept will be introduced, this column will be removed from templates C 08.05 and C 08.05b.	The column 'of which: short-term and terminated contracts' has been removed from templates C 08.05 and C 08.05b.
Reporting of guarantees under the slotting approach	One respondent argued that neither template C 08.01 nor template C 08.06 provides data points for reporting additional guarantees for specialised lending exposures.	This specific point will be soon clarified via Q&A.	No amendments.
Frequency of reporting of C 08.06 and C 08.07	One respondent suggested aligning frequencies between COREP templates and Pillar 3 templates. They argued that there were discrepancies related to reporting frequencies between templates C 08.06 and C 08.07 and CR6A and CR10 Pillar 3 templates. The former are to be filled in on a semi-annual basis and the latter on an annual basis.	Templates C 08.06 and C 08.07 are to be reported with the same frequency as the equivalent disclosure templates. Nevertheless, for the sake of clarity, a new ITS article will be introduced to simplify these new requirements.	ITS Article 8 has been added.
Relevance of C 08.07	Four respondents asked for clarifications regarding the application of this template in terms of supervisory needs	This information cannot be computed in C 07 and C 08 since the basis for C 08.07 is the leverage exposure measure (not credit risk exposure).	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	and any legal references that would shed some light on this matter.	This template is required to be disclosed by some institutions under CRR2, specifically point (b) of Article 452.	
Question 10. Are the instructions and templates clear to the respondents?			
	Two respondents agreed that the instructions and templates were clear, taking into account the points raised below.	-	-
Reporting of deductions in C 07.00	Four respondents requested clarifications on and clear examples of how to report new rows 330 and 340 on deductions in C 07.00.	These points were further assessed and removed due to complexity and potential reporting burden.	Columns 330 and 340 have been removed from C 07.00.
CIUs under the IRB approach	Two respondents argued that the application of the look-through approach or the mandate-based approach for CIUs may lead to underlying assets that are assigned both to the SA and to the IRB approach. Regarding the breakdown of CIU exposures by approaches in template C 07.00, rows 281 to 283, it was requested that the EBA confirm if these rows should contain the underlying exposures assigned to the SA only and that underlying exposures assigned to the IRB approach are not to be reported in this template.	This understanding is correct.	No amendments.
Labelling of templates	Two respondents identified inconsistencies in the labelling of templates C 08.03 to C 08.07. These templates are labelled 'Credit and counterparty credit risks and free deliveries'. However, the instructions for these templates explicitly require the exclusion of CCR.	This is correct. The labels for these templates will be amended accordingly.	The labels of templates C 08.03 to C 08.07 have been amended to 'Credit risk and free deliveries'



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Pre-credit derivatives risk weighted exposure amount	One respondent requested clarifications on the new memorandum item 'Pre-credit derivatives risk-weighted exposure amount' in C 08.01 and C 08.02. The respondent asked if the RWEA reported in this column should be after the application of supporting factors. The respondent also asked if column 310 should be greyed out for row 016.	This is correct, column 310 should be after both supporting factors (the SME and the infrastructure projects supporting factors). The instructions will be further clarified and row 016 will be greyed out for this column.	Instructions for column 310 have been further clarified and row 016 has been greyed out for that column.
Other funded credit protection	One respondent asked if it is expected that 'Cash on deposit' and 'Life insurance policies' items that comply with the criteria in Article 212 of the CRR should be reported in these columns. Guidance was required on whether this would also include 'Instruments held by third party' subject to Article 200(c) of the CRR. Finally, it was requested that the EBA clarify if columns 171 to 173 are 'of which' items under column 170.	In column 173 in templates C 08.01 and C 08.02 institutions should exclude those exposures where, pursuant to Article 232(4) of the CRR, institutions treat instruments repurchased on request that are eligible under Article 200(c) of the CRR as a guarantee by the issuing institution. This will be clarified in the instructions. Yes, columns 171 to 173 are the full breakdown of column 170.	Instructions for column 173 have been further clarified.
Row 'Other' in C 08.04	One respondent questioned the technical possibility of reporting what is requested in the row for 'Other' in C 08.04. The instructions currently state: 'Institutions could add additional rows between rows 0070 and 0080 to report other material drivers of RWA movements over the reporting period.' The respondent asks if it is possible to add rows and how this would work with respect to the XBRL mappings.	This is correct; currently, it is not possible to add additional rows to templates that are not open. This part of the instructions will be removed.	Instructions for row 0080 of C 08.04 have been amended.
Qualifying revolving retail exposures (QRRE) for obligors with short-	One respondent asked for detailed instructions on the definition of column 0060, 'Of which: with short-term and terminated contracts', of template C 08.05/C 08.05b. The	Given the postponement of the publication of the related EBA guidelines, where this concept will be	The column related to obligors with short-term and terminated



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
term and terminated contracts	respondent also asked if all revolving products from the QRRE exposure class were to be reported in this column.	introduced, this column will be removed from templates C 08.05 and C 08.05b.	contracts (0060) has been removed from templates C 08.05 and C 08.05b.
PD in C 08.05/C 08.05b	One respondent requested confirmation of whether or not the PD reported in C 08.05/C 08.05b should be that attributed at the beginning of the period.	Yes, that understanding is correct. The instructions will be further clarified to reflect this.	Instructions for column 0010 were further clarified.
Scope of C 08.07	One respondent asked the EBA to confirm that the scope of this template is not to cover all credit risk exposures (i.e. SA and IRB) but instead to cover only all IRB exposures, those IRB exposures for which institutions have permission to use the SA approach and those SA exposures that are subject to roll-out. Another respondent argued that there are exposures under the SA that would not be reported in any of the columns 0020 to 0040 and that the total would therefore not sum up to 100% of the total exposures reported in column 0010.	Yes, this understanding is correct. This template is intended to cover only IRB exposures.	No amendments.
Frequency of infrastructure projects supporting factor reporting	One respondent asked for guidance regarding the reporting frequency of the infrastructure projects supporting factor exposures included in the credit risk templates. Only exposures that meet the requirement set out in Article 501a of the CRR are to be reported and the frequency of reporting these exposures is every 6 months, as set out in Article 501a(3) of the CRR.	Article 430(7) of the CRR mandates the EBA to develop draft ITS to specify the uniform reporting formats and templates, the instructions and methodology on how to use those templates, the frequency and dates of reporting, the definitions and the IT solutions for this reporting. Despite the fact that the specification of the reporting obligation in the ITS under Article 501a(3) of the CRR is not required under Article 430 of the CRR, institutions should be seen to be discharging that obligation by the submission of the rows and columns	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		on the infrastructure projects supporting factor of templates C 07.00, C 08.01, C 08.02, C 09.01 and C 09.02.	
Reporting of non-domestic exposures in C 09.01 and C 09.02	Two respondents asked if an institution can voluntarily report information on the geographical distribution of exposures also for non-domestic original exposures in all non-domestic countries in all exposure classes that are below the 10% threshold.	Institutions are obliged to report the geographical breakdown only when they breach the threshold specified in Article 5 of the ITS.	No amendments.
Question 11. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
	One respondent did not find any discrepancies.	N.A.	No amendments.
Use of LRE in C 08.07	Three respondents asked for clarifications on why the LRE is used in C 08.07 instead of credit risk exposure.	Cross-reference to leverage ratio is necessary. Otherwise the output of the last two columns would be biased since both exposure values would be calculated by different methods. A column should be added only for IRB exposures in order to reflect the exposure value in accordance with Article 166 of the CRR. But the total exposure value that includes both exposures under the IRB approach and CR-SA should be reported applying an exposure measure common to both types of exposures, like the leverage ratio exposure measure.	No amendments.
Question 12. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?			
	Four respondents responded positively, taking into account the points raised below.	N.A.	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Timeline	<p>Three respondents considered that the implementation time was too short and that it would have been more efficient to ensure that all changes in this respect were included at the same time and/or to have waited for CRR3.</p>	<p>All the new requirements were introduced in CRR2, either directly to reporting or via disclosures (which are fully aligned with reporting in terms of scope, frequency and data to be reported). These changes in CRR2 all need to be in place by June 2021 and this is established in the Level 1 text.</p> <p>Having said that, all changes implemented in this framework were made taking CRR3 into account. Therefore, the changes relating to the credit risk SA were kept to a minimum.</p>	No amendments.
Reporting of additional value adjustments (AVAs) in C 09.01	<p>Four respondents argued against the introduction of the new column 'Additional value adjustments and other own funds reductions' to C 09.01. The main reasons are the following:</p> <ul style="list-style-type: none"> - The scope of this template is both receivables in amortised cost and fair value (AVAs are only fair value). - The geographical breakdown is very burdensome, as AVAs are not computed at the level of single contracts. - The recent introduction of PruVal templates has already introduced a greater burden in this area. 	<p>This concept has already been introduced by the CRR in Article 111 and it was not yet properly captured in reporting. By introducing it to C 09.01, we should gain a full overview of the value adjustments and provisions in the credit risk SA.</p>	No amendments.
Counterparty credit risk			
<p>Question 13. Template C 34.08 contains information on the collateral used in derivatives and SFTs at fair value. It is relevant to understand, on the one hand, the parts of the collateral that are segregated and unsegregated and, on the other hand, whether it is initial margin, variation margin or SFT security. Therefore, the</p>			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
<p>unsegregated collateral has been broken down into initial margin (IM), variation margin (VM) and SFT security. However, the segregated collateral has not been broken down, as it is considered that all segregated collateral is IM. Do respondents agree that segregated collateral is only IM (i.e. VM and STF security are only unsegregated collateral)?</p>			
	<p>Two respondents indicated that it was possible that VM could also be segregated collateral.</p> <p>Three respondents indicated that the breakdown of segregated and unsegregated collateral into VM and IM would be very burdensome.</p>	<p>Following the feedback received, template C 34.08 and the corresponding instructions have been updated to include the breakdown of the segregated collateral IM and VM.</p> <p>The information on the IM and VM components of both segregated and unsegregated collateral is deemed relevant for supervisors, in particular the share of figures (VM versus IM) over time.</p>	<p>Template C 34.08 and the instructions have been updated to split segregated collateral into IM and VM.</p>
<p>Question 14. Template C 34.06 provides information on the 20 counterparties with the highest CCR exposure, including central counterparties. The template should be provided by all institutions with CCR with a quarterly frequency.</p> <p>Question 14.1 If further proportionality were to be introduced for this template, would a threshold be an appropriate way? If yes, which thresholds would respondents recommend to distinguish between institutions that should report on a quarterly basis and those that should report less frequently? Should it be based on the size of the reporting institution, the size of the derivative business, the total amount of CCR exposure or something else?</p> <p>Question 14.2 Would a semi-annual frequency for small and non-complex institutions be adequate to capture the volatility of these exposures?</p>			
	<p>A couple of respondents indicated that the threshold should take into account the size of the CCR exposure, for instance in relation to overall credit risk exposure. This would help to ensure that the reporting burden was not excessive for those institutions with immaterial CCR.</p> <p>Another respondent indicated that a threshold for small and non-complex institutions would be appreciated and reflect the proportionality principle.</p>	<p>Following the replies received, the EBA acknowledges that some proportionality can be applied to this template. In this regard, the threshold from Article 273a(1) will be applied to distinguish which institutions should report with what frequency, to ensure consistency with the proportionality treatment for CCR envisaged in CRR2. That is, institutions applying SA-CCR or IMM to calculate their CCR exposure should report template C 34.06 on a quarterly basis, while institutions applying the</p>	<p>The instructions and main body of the ITS have been updated.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>Finally, another respondent suggested including a threshold in accordance with Article 273a of CRR2.</p> <p>In general, respondents agreed that a semi-annual frequency would be OK for small and non-complex institutions.</p>	<p>simplified SA-CCR or the OEM should report this template only on a semi-annual basis.</p>	
<p>Question 15. Do respondents consider that the supervisory reporting templates reflect correctly disclosure requirements, in particular the new templates that will introduce considerable change? Given that the integration aims to increase consistency, including by standardising formats and definitions, do respondents agree that this objective will be achieved?</p>			
	<p>One respondent indicated that the templates for supervisory reporting and disclosure are more harmonised but that full harmonisation had not been achieved. From an implementation perspective, it would help if the templates relevant for both reports were 100% harmonised.</p> <p>Another respondent indicated that the supervisory reporting templates introduced a number of new CCR-specific schedules, which is a significant change compared with the current reporting requirements. Overall, the respondent thought the new CCR templates were logical and that the data points requested seemed reasonable.</p> <p>Three respondents noted that subsidiaries of a group seem to need to report sub-consolidated templates whereas these entities are not required to provide this information under Pillar 3, as mentioned in Article 13 of the CRR. The respondents encouraged the EBA to align the COREP templates to be submitted by these sub-consolidated entities with the Pillar 3 requirements.</p>	<p>The CRR is rather prescriptive on the information to be disclosed as well as the entities who have to disclose it. It is not so prescriptive for reporting where the needs of supervisors have to be taken into account. Therefore, there are more reporting templates than those to be disclosed. In addition, some of the reporting templates collect additional information not required in the corresponding disclosure ones, as this information is relevant from a supervisory perspective.</p> <p>Another difference is that, owing to supervisory needs, most of the reporting templates need to be completed by all institutions and not only by those disclosing the information.</p> <p>Specific schedules were included to add proportionality and to align with disclosure frequencies. Therefore, those templates that are not required for every institution can be reported with a lower frequency and by a reduced number of entities. To simplify the reading of the different schedules and</p>	<p>A new Article 8 has been included in the main body of the ITS.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		clarify the alignment, a new Article 8 has been included in the main body of the ITS. This change also addresses the comments from the respondents on sub-consolidated data for those templates for which they are not required by supervisors.	
<p>Question 16. Are the instructions and templates clear to the respondents?</p> <p>Question 17. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?</p> <p>Question 18. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?</p>			
C 34.01, size of the derivative business	<p>Some respondents indicated that this template was very complex to implement; therefore, they suggested that either it be removed or it be reported only by those institutions that are required to prove compliance with the predefined CRR thresholds in order to be able to use one of the simplified methods for CCR exposure calculation.</p> <p>Furthermore, template C 34.01 requests data as of the last day of month 1, month 2 and month 3 of the reporting quarter. Two respondents suggested that for the first reporting date (June 2021), the data reported should be limited only to month 3, i.e. 30 June 2021.</p> <p>Finally, one respondent indicated that, although they were aware that the EBA is applying Article 273a(3) in the literal sense in template C 34.01, the criteria of short or long position in a derivative cannot always be reasonably applied in practice. According to this respondent, non-trading book institutions using the OEM do not split individual transactions into short and long positions when they calculate exposure at default. These institutions would have</p>	<p>As this template provides important information on the overall size of the derivative business, which is relevant for all institutions and not available in other reports, the EBA considers the template relevant for all institutions with CCR business.</p> <p>The EBA takes note of the comment on the first reporting date and has updated the instructions accordingly to indicate that for the first reporting period the data to be reported are limited to those for 30 June 2021.</p> <p>Regarding the comment on the split into short and long positions, the breakdown is requested to provide supervisors with more granular information regarding the size of the institution’s derivative business.</p>	The instructions have been updated.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	to make a corresponding split just to provide this evidence, which would lead to a disproportionately high reporting effort that would contradict the principle of proportionality.		
Current market value (CMV), Variation margin (VM and net independent collateral amount (NICA) (several templates)	Several respondents indicated that it was unclear how to report the CMV in template C 34.03, as the CMV is defined for a netting set and C 34.03 has to be filled in at hedging set level. They also indicated that how margin/collateral amounts should be aggregated in various templates was not clear.	In order to tackle the specific issues raised by the respondents, the instructions have been updated to clarify the expectations with respect to the aggregation of the different values. Furthermore, all relevant templates have been adapted such that the CMV and collateral columns are now broken down into two columns each. For the CMV, the separation is based on positive and negative values. Regarding the collateral, that received is separated from posted collateral.	Instructions and templates have been updated.
Exposure value pre-CRM for SA-CCR (C 34.02)	One respondent indicated that the purpose of reporting exposure values pre-CRM in the context of the SA-CCR was unclear. The respondent would like confirmation of how the relevant exposure values should be calculated.	The pre-CRM information is specifically required by the CRR for disclosure purposes and also requested now for supervisory purposes. The exposure pre-CRM should be treated as if there were no margin agreement and no other collateral to mitigate risks.	The instructions have been clarified.
Criteria for distinguishing between investment grade and non-investment grade collateral (C 34.08)	Two respondents indicated that the criteria for distinguishing between investment grade and non-investment grade with respect to corporate bonds appearing as margin collateral or as security in SFTs in template C 34.08 were not sufficiently clear. In particular, guidance was requested when no external rating is available.	The EBA acknowledges the comment received. Taking into account that template C 34.08 has been further expanded to reflect the segregation of collateral (see question 13 above), the differentiation between investment grade and non-investment grade has been eliminated.	Template C 34.08 has been updated.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Other comments	<p>One respondent indicated that derivatives in the banking book and/or transactions with counterparties within an IPS structure should not be included in template C 34.06.</p> <p>One respondent requested additional guidance as to which exposure measure should be used for the ranking of the top 20 counterparties in template C 34.06.</p> <p>One respondent requested that the frequency for breakdowns and details (C 34.5, C 34.6, C 34.7, and C 34.8) should be increased only in a second phase in order to allow banks to fully automate these reporting details.</p>	<p>Regarding the first comment, it is noted that there is CCR irrespective of whether the derivatives are in the trading book or the banking book; therefore, transactions assigned to either of the books should be considered in completing template C 34.06.</p> <p>In addition, intra-group exposures or other exposures that give rise to CCR but for which the institution assigns a risk weight of zero for the own funds requirements calculation, in accordance with Article 113(6) and 113(7) of the CRR, should still be considered when determining the list of the top 20 counterparties. The instructions have been updated to specifically mention this.</p> <p>Regarding the second comment, the ranking should be done using the CCR exposure values, as reported in column 0120 of template C 34.06, of all netting sets with the relevant counterparties. The instructions have been updated.</p> <p>Regarding the comment on the reporting frequency for details, template C 34.05 provides general information on exposure values calculated using the IMM and is therefore deemed to be as relevant as C 34.03 and C 34.04, which contain information on exposure values treated under the standardised approaches. Template C 34.07 is requested only of entities that need to disclose the same information with the same frequency; therefore, reducing the frequency of reporting will not help, as banks will have to prepare the information for disclosure anyway. The EBA acknowledges the need to automate templates</p>	The instructions have been updated.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		C 34.06 and C 34.08 but is not clear how reducing frequency of reporting at the beginning will help. Even if those templates were semi-annual, being the first reporting date in June 2021, they would need to be ready by then. In addition, although the new reporting for CCR contains many templates, not all of them need to be sent by the institutions, as it depends on the approach they use for calculating the CCR exposures.	
Leverage ratio			
Question 19. Article 429a(1)(d) and (e) of the CRR states: ‘1.By way of derogation from Article 429(4), an institution may exclude any of the following exposures from its total exposure measure’.			
Question 19.1 Are the illustrative structures presented in Section 5.1.2 of the consultation paper complete? If not, could respondents provide detailed information on other structures in which a credit institution might have exposures exempted in accordance with Article 429a(1)(d) or (e) of the CRR?			
Question 19.2 Do the proposed amendments provide for adequate reporting on exposures of credit institutions that are involved in these structures?			
Scope of the exemptions	Two respondents indicated that promotional loans from public development credit institutions to private persons and non-public sector entities should be considered also as beneficiaries eligible for Article 429a(1)(d) exemption. Another respondent indicated that promotional loans can be off-balance-sheet commitments in the form of undrawn loans. The respondent understands that they should be exempted from the leverage ratio calculation.	Template C 40.00 has been updated to allow the reporting of all promotional loans regardless of whether they can be exempted or not. In the updated breakdown non-public counterparties and undrawn promotional loans can now be reported.	Template C 40.00 has been updated.
Passing-through promotional loans	One respondent indicated that passing-through promotional loans are also exempted when the bank is a	The EBA acknowledges that passing-through promotional loans held by public development credit institutions can be exempted on the basis of	The corresponding instructions in template C 47.00



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	public development credit institution and should be reported.	Article 429a(1)(d) of the CRR. Therefore, in template C 47.00 (LRCalc) it has been clarified that they are to be included in the corresponding rows for exposures arising from promotional loans granted by a public development credit institution (from 262 to 264). In addition, a separate row has been added to C 40.00 so that passing-through promotional loans are not confounded with promotional loans not passed through.	have been clarified and template C 40.00 now includes a specific row.
Other	<p>One respondent indicated that there might be multiple bases on which a credit institution could qualify as a public development credit institution. This might be both in terms of the guarantor and in terms of the type of guarantee.</p> <p>One respondent pointed out that there might be several reasons why a promotional loan could be deducted in the exposure calculation (C 47.00), such as on the basis that it is a qualifying exposure within an IPS and a promotional loan.</p> <p>One respondent indicated that the information on promotional loans affects only a small percentage of institutions with a certain business model, and that therefore those requirements should be excluded from the overall reporting templates and instead a separate template should be introduced.</p> <p>A respondent requested clarification on if, for the purposes of C 40 and the exclusions within rows 270 to 340, claims towards a certain counterparty are expected to be categorised by the original obligor or after taking into account substitution effects due to CRM.</p>	<p>Following this comment on the multiple bases on which a credit institution might qualify as a public development credit institution, the EBA has updated C 44.00 to make it possible to select multiple guarantors and multiple guarantees.</p> <p>The instructions for C 47.00 now clarify that the same amount can be deducted only once.</p> <p>Information on promotional loans needs to be provided in template C 47.00 so that the calculation of the leverage ratio is complete for those institutions affected. Credit institutions that are not affected should not report anything in the corresponding rows, as is the case for other reporting.</p> <p>Regarding clarification on how to categorise claims towards a certain counterparty in template C 40.00, the CRR should be followed. Further clarification/interpretation goes beyond the scope of this consultation.</p>	<p>Template C 44.00 and the instructions for C 47.00 have been updated.</p>



Comments

Summary of responses received

EBA analysis

Amendments to the proposals

Question 20. Regarding the proposals to include averaging for some components of the leverage ratio in accordance with Article 430(2) and (7) of the CRR, in developing the standards the EBA will take into account the how susceptible a component is to significant temporary reductions in transaction volumes that could result in an underrepresentation of the risk of excessive leverage at the reporting reference date. What leverage ratio components do respondents consider most and least susceptible to temporary reductions in transaction volumes?

	<p>In general, respondents agree that SFTs are the component of the leverage ratio most susceptible to significant temporary changes. However, they consider that reporting daily exposures is excessive, and that it would lead to operational complexity and costs. Some proposed reporting instead the maximum exposure amount within the reporting quarter or using an average based on month-end values.</p> <p>A couple of respondents suggested that the daily values for SFTs for the reporting period should be ‘aligned with Pillar 3 on an annual basis’.</p> <p>One respondent supported the EBA’s proposed approach to performing an analysis on the susceptibility of the components to arbitrage, in order to asses which other components should be consider for average reporting. The analysis should include the impact that the components have on the functioning of capital markets.</p> <p>It was also mentioned that the European Securities and Markets Authority (ESMA) has developed new reporting requirements as a result of the Securities Financing Transactions Regulation (SFTR) and some overlap may occur. It was proposed that the EBA and ESMA share the required information.</p>	<p>In order to enable supervisors to monitor leverage ratio volatility, Article 430(2) of the CRR mandates the EBA to create reporting requirements for large institutions on specific leverage ratio components based on averages over the reporting period. For this purpose, the EBA should also take into account developments at international level. The BCBS, in June 2019, published a statement indicating that for SFT exposures a calculation and disclosure based on daily average values is necessary. The EBA agrees, and has updated the reporting requirements to include the average SFTs for the reporting period based on daily values.</p> <p>Article 430(2) of the CRR also specifies that the data used to calculate the averages must be reported, and therefore that the daily values used for the calculation of the average should be provided. As the reported period is quarterly, the daily values should be reported on a quarterly basis.</p> <p>The EBA will perform an analysis on the susceptibility of the components to arbitrage, and is awaiting the results of an EU-level quantitative impact study, as well as a broader analysis performed in Basel to inform the design of potential additional data points.</p>	<p>No amendments.</p>
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Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		Regarding the SFTR reporting, the figures to be provided to ESMA differ from those needed to calculate LRE.	
<p>Question 21. Regarding clarification of the reporting in template C 43.00 in relation to whether or not the breakdown of the RWAs should take into account potential substitution effects due to CRM, i.e. whether or not to perform the exposure type categorisation of RWEA by original obligor or guarantor, and bearing in mind that in any case the RWEA reported in C 43.00 is after the RWEA-reducing effect of CRM, the respondents are requested to provide the information below, considering the importance of consistency as well as reporting costs.</p> <p>Question 21.1 Would respondents agree to aligning the information reported by reporting the RWEA in this template without taking into account potential substitution effects due to CRM?</p> <p>Question 21.2 Do respondents have strong reasons based on costs for preferring instead to report both values, RWAs as well as LRE, after substitution effects? What are the reasons?</p>			
	<p>Most of the respondents did not favour the reporting of the counterparty breakdown pre-substitution effects for RWEA. Some respondents referred to the reporting burden and the fact that this is not required anywhere else in COREP or for any other process of the bank. The main reason given for the reporting burden is operational, as reporting RWEA figures before substitution would require additional background processes, leading to increased complexity and costs. There was no clear information from respondents on whether it would be burdensome or not to break down LRE by obligor after substitution, in accordance with the alternative option in question 21.2. Nonetheless, a few respondents indicated that they would favour this alternative option.</p>	<p>On the basis of the feedback received, the EBA acknowledges that requiring the categorisation of RWEA before substitution effects may be comparatively burdensome and may not be absolutely essential for the fulfilment of the objectives of C 43.00. Equally, the EBA acknowledges, based on the feedback, that the categorisation of LRE after hypothetical substitution effects would be unduly complex, particularly since the amounts of LRE are calculated without taking into account the effects of CRM.</p>	<p>The instructions have been revised.</p>
<p>Question 22. Are the instructions and templates clear to the respondents?</p> <p>Question 23. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?</p>			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 24. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?			
Total assets	Row 380 of template C 40.00 requires the reporting of total assets following the same scope used in the published financial statements. One respondent requested the alignment of the frequency of reporting of these data in the reporting and disclosure frameworks.	The frequency of reporting for total assets in template C 40.00 is indicated in the instructions (paragraph 23 of Annex XI to the ITS). The instructions have been clarified to make clear the alignment with disclosures.	The instructions have been clarified.
Daily values for the calculation of the mean	One responded requested clarification on the values to be used for templates C 48.01, 'Leverage ratio volatility: mean value for the reporting period', and C 48.02, 'Leverage ratio volatility: daily values for the reporting period'.	Following Article 430 of the CRR, the values used for the calculation of the average (reported in template C 48.01) should be reported. Therefore, the values reported in C 48.02 should be all those used for the calculation of the average. As in the Basel requirements, the average should be calculated based on the values for each day of the reporting quarter.	The instructions have been updated.
Daily values for the calculation of the mean – first reporting date	Two respondents indicated that for the first reference date (June 2021), as the daily values should be reported for the whole quarter, this implies that the daily process must be in place by 1 April 2021. In order to reduce the burden and to give institutions enough time to implement the process, they suggested shortening the daily reporting period for the first report on daily values to 1 month (June 2021).	The process for calculating the daily values is needed from 1 April 2021 for the calculation of the mean that needs to be reported. The CRR requires the daily values used for the calculation to be reported.	No amendments.
Regular-way purchases or sales and cash pooling	Some respondents indicated that, while in some cases these topics have a minor impact on the calculation of LRE, reporting them would lead to disproportionate operational complexity and costs.	Supervisors need this information to understand banks' exposure to these transactions and the correct calculation of the exposure in accordance with the CRR rules.	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Regular-way purchases	A few respondents suggested refining the naming of the rows, to reflect the fact that some of them can logically apply only to purchases or sales, not both.	The EBA acknowledges that the naming of the rows can be improved.	The naming of the rows and instructions has been adjusted.
Cash pooling	In the particular case of cash pooling, one respondent indicated, specifically on physical cash pooling, that 'in the case of CPAs [continuous payment authorities] with daily settlement ... settlement is not normally performed at the end of the business day, but continuously over the course of the day. Simulated gross netting would have to be implemented in the account management system in which the CPAs are normally recorded so that the reporting system is fed with the corresponding outcome data.'	The EBA acknowledges that a gross-up of exposures has less relevance for balances extinguished regarding which an institution meets point (b) of Article 429b(2).	A specific exception has been added to the instructions in row 196.
Derivatives	One respondent indicated that the level of granularity was too high and that, compared with the previous calculation for derivatives, the calculation in the SA-CCR is more extensive and more complex.	The changes introduced in leverage ratio reporting related to derivatives have been made to reflect the introduction of the SA-CCR and simplified SA-CCR by CRR2. The SA-CCR generally departs from the calculation for RWA purposes by not allowing all kinds of collateral as variation margin and not allowing initial margin in the calculation of either replacement cost or potential future exposure. The calculation steps need to be specific and, for example, include the special treatment for qualifying central counterparty client-cleared derivatives, leading to specific adjustments to replacement cost and potential future	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		exposure, which need to be calculated separately in any case.	
Templates C 40.00 and C 43.00	One respondent suggested deleting templates C 40.00 and C 43.00, as they were introduced for reporting data necessary to produce the report in accordance with Article 511 of the CRR, a report already submitted by the EBA. They understand that the data are no longer require for supervisory purposes.	The data provided in templates C 40.00 and C 43.00 continues to be relevant for supervisory purposes. Therefore, unlike templates C 41.00 and C 42.00, they need to be retained.	No amendments.
IPS exposures	One respondent indicated that the instructions for IPS exposures that are exempted in accordance with Article 429a(1)(c) of the CRR should be further clarified. However, he did not indicate in what way the instructions were unclear.	The instructions provide guidance by referring to the corresponding article of the CRR. Further clarification/interpretation goes beyond the scope of this consultation.	No amendments.
Large exposures			
Question 25. Are the instructions and templates clear to the respondents?			
Question 26. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Question 27. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?			
Shadow banking definition	One comment was received requesting clarification on which definition should be taken into account for reporting purposes, since the reporting ITS will be mandatory as of June 2021, while, according to the EBA risk reduction package roadmaps published on 21 November 2019, the mandate under Article 394(4) on the development of RTS on the criteria of CRR2 will be fulfilled by December 2021.	According to Article 394(4) of the CRR, the EBA must submit draft regulatory technical standards to specify the criteria for the identification of shadow banking entities. Until the RTS are applicable, institutions should continue to report using the definition of ‘unregulated financial sector entities’ in the EBA	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		Guidelines on limits on exposures to shadow banking entities which carry out banking activities outside a regulated framework under Article 395(2) of Regulation (EU) No 575/2013.	
CRM techniques and substitution approach	Some respondents replied that the instructions and templates are in general clear but that some clarification on this particular matter appeared to be necessary.	The issue is being analysed further, and the instructions and templates will remain unchanged until further clarification is provided.	No amendments.
Indirect exposures	One respondent indicated that the reference in columns 120 to 170 to Article 403(3) of the CRR might be misinterpreted without further clarification.	The EBA has reviewed the instructions and agrees with the comment. It is a reference to specialised triparty business, in which case the limit, in accordance with point (b) of Article 403(3) of the CRR, could be reported instead of the amount in accordance with point (a) of Article 403(3) of the CRR.	Clarification of instructions for columns 120 to 170
Scope and level of reporting	One respondent mentioned that the new threshold proposed of EUR 300 million (specified in paragraph 1.6, 'Scope and level of the large exposure reporting') would cause a very significant increase in the reporting burden, due to the number of groups of connected counterparties that might have to be included in reports.	The EUR 300 million threshold is specified in the CRR in Article 394(1); the last subparagraph sets out the scope of the reporting requirements, and the exposures must be reported at least on a consolidated basis.	No amendments.
NSFR			
<p>Question 28. Paragraph 4 of Article 428d of CRR2 states: 'all derivative contracts referred to in points (a) to (e) of paragraph 2 of Annex II that involve a full exchange of principal amounts on the same date shall be calculated on a net basis across currencies, including for the purpose of reporting in a currency that is subject to a separate reporting in accordance with Article 415(2), even where those transactions are not included in the same netting set that fulfils the requirements set out in Article 429c(1)'. Reporting by currency subject to separate reporting is required to be done on a net basis across different netting sets. This might include a situation involving derivatives with various counterparties and with different settlement currencies. There is a need to provide further instructions on which specific currency subject to separate reporting should capture the net value in these cases. The implication is that CRR2 requires consistency between ASF and RSF in terms</p>			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
<p>of the currency subject to separate reporting, on which specific requirements can be set by competent authorities. It is proposed that institutions look at each netting set and calculate the fair value for each of them in its settlement currency. For all netting sets with matching settlement currencies a net amount should be calculated in accordance with Article 428k(3) and 428ag(3) and reported in the relevant currency subject to separate reporting. Do respondents agree with this proposal? Would respondents consider it more appropriate to look at all payables and receivables related to derivatives and calculate a net amount?</p>			
Settlement currency	<p>One respondent asked if a correct understanding of the instructions would be that only FX derivatives with a settlement currency equal to the relevant significant currency should be included, and that all FX derivatives with different settlement currencies should be exempted in their entirety from separate reporting in significant currencies.</p> <p>Another respondent asked for clarification on what the settlement currency is in the context of derivatives transactions where, upon settlement, counterparties will exchange two currencies (e.g. a euro and US dollar interest rate swap). They proposed considering the settlement currency to be the currency that the net position is in. In the same vein, one respondent asked how reporting in a separate currency should be done in the case of derivatives without a settlement currency.</p> <p>One respondent asked for clarification on what is meant by 'netting set'.</p> <p>One respondent asked which should be considered the settlement currency if it is possible to settle in multiple currencies.</p> <p>One respondent asked how those cases in which the derivatives' currencies in a netting set are different from the settlement currency should be treated.</p>	<p>Settlement currency should be understood as the currency in which the settlement of a netting set has been agreed. 'Netting set' refers to the group of receivables and payables stemming from derivatives transactions with a counterparty irrespective of whether they are denominated in a different currency from the settlement currency.</p> <p>Article 428d(4) of the CRR requires netting across currencies including for the purpose of reporting in a currency that is subject to separate reporting.</p> <p>In the case of a netting set where there are various derivatives transactions, for example two interest rate swaps with the same counterparty, that are to be settled in different currencies, the currency that the net position is in should be considered the settlement currency.</p> <p>In the case of multicurrency optionality, and similarly to the approach to the LCR where a flow has multicurrency optionality, the credit institution should make an assessment of the currency in which the settlement is likely to occur and report only in that separate currency.</p>	<p>Clarification is provided in paragraph 7 of the general instructions.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		Only FX derivatives with a settlement currency equal to the relevant significant currency should be included in separate reporting.	
Full exchange of principal on the same date	<p>Three respondents asked if netting derivatives across currencies is allowed only where there is a full exchange of principal amounts on the same date.</p> <p>It was argued that, for example, in the case of two interest rate swaps, one in euro and the other in US dollars, with the same counterparty, with a netting agreement and an opposite mark-to-market effect, if that restriction applies, the RSF and ASF from the loans and funding in the relevant currencies would not be compensated for in the separate reports by currency by the hedging instrument, since the impact of the hedge is mark-to-market without taking the notional amounts exchanged into account.</p> <p>It was requested that it be possible to take the notional amounts of FX derivatives with exchange of notional amounts into account in the NSFR in significant currencies.</p> <p>One respondent asked if two deals, where their full exchange dates are not the same, can be netted for the purpose of separate currency reporting on the basis that Article 428d(4) allows netting across currencies even outside netting sets.</p>	<p>Paragraph 4 of Article 428d of the CRR establishes that receivables and liabilities on derivatives can be netted across currencies and counterparties only if they ‘involve a full exchange of principal amounts on the same date’.</p> <p>Therefore, the netting of derivatives in different currencies is allowed only for those that involve a full exchange of principal amounts on the same date and not only an exchange of notional amounts.</p>	No amendments.
Other general aspects	One respondent argued that the proposed netting by currency did not necessarily correlate to the long-term funding requirement by currency per derivative netting set and asked for further clarification on the methodology.	The long-term funding needs by currency should be derived from the amount that needs to be settled in each currency. This is achieved by looking at the amounts that will need to be settled for each netting set in the same currency.	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>As regards the example provided in the consultation paper, on netting FX derivatives with principal exchange on derivatives netting, one respondent asks:</p> <ul style="list-style-type: none"> - Does each netting set correspond to an individual counterparty (i.e. Netting Set 1 is Counterparty A, Netting Set 2 is Counterparty B or Counterparty A but with US dollar flows, and Netting Set 3 is Counterparty C)? - Can the EBA confirm that –15 as the ‘all currencies’ return refers to the consolidated return? <p>One respondent asked, if variation margin posted should be deducted from the negative fair value of the netting set and the posted variation margin is denominated in currencies different from the settlement currency, the same results for the purpose of reporting in a separate currency would be expected.</p> <p>One respondent, while agreeing with the approach proposed, asked for clarification on what is meant by ‘currencies’ when Article 428d of CRR2 refers to ‘net basis across currencies’.</p> <p>This respondent also pointed out that another approach would be to align with the LCR Delegated Regulation.</p>	<p>Each netting set in the example provided in the consultation paper corresponds to an individual counterparty (i.e. Netting Set 1 is Counterparty A, Netting Set 2 is Counterparty B and Netting Set 3 is Counterparty C).</p> <p>We confirm that in the example in the consultation paper –15 as the ‘all currencies’ return is the consolidated return.</p> <p>Collateral posted or received as variation margin in derivatives transactions should be treated as envisaged in paragraph 2 of Article 428ah of the CRR.</p> <p>The EBA understands that ‘on a net basis across currencies’ in paragraph 4 of Article 428d of the CRR refers to netting of all positions irrespective of the currency denomination when it comes to an ‘all currencies’ or consolidated return. In the case of a currency that is subject to separate reporting, ‘on a net basis across currencies’ should apply across the positions denominated in different currencies but that are settled in the same currency subject to separate reporting.</p> <p>The approach envisaged in the LCR Delegated Regulation is different from that envisaged in the CRR for the NSFR. The LCR Delegated Regulation, for the calculation of derivatives inflows or outflow, allows for netting positions by counterparty, as in Article 21(1) of the LCR Delegated Regulation, and not across counterparties, as in Article 428d(2) of the CRR on the NSFR. Furthermore, in the case of the LCR, in relation to reporting in a separate currency, in</p>	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		accordance with Article 415(2) of Regulation (EU) No 575/2013, credit institutions are to report outflows or inflows on derivatives that occur only in the relevant significant currency. Netting by counterparty may be applied only to flows in that currency.	
Question 29. Do respondents consider that the NSFR calculation tool appropriately illustrates the use of the different templates for information purposes?			
Granularity: securities maturities and encumbrance periods	Two respondents suggested including in the NSFR calculation tool details of the contractual maturities of securities and of the split between unencumbered securities and loans and securities and loans encumbered for less than 6 months, although the RSF factor is constant in all those cases. In their view, this would provide a better representation of the liquidity profile of the bank.	The NSFR calculation tool replicates the format and content of the NSFR reporting templates, where these details were not included, since the templates aim to find a balance between the information that is necessary to calculate, monitor and assess the NSFR as defined in the CRR and a reasonable reporting burden.	No amendments.
Implementation period	One respondent argued that because the NSFR calculation tool deviates from the current COREP templates on stable funding (i.e. C 60.00 and C 61.00) they would need more time to quantify NSFR based on the proposed template and to assess whether or not the NSFR calculation tool works as intended.	C 60.00 and C 61.00 on items requiring and providing stable funding are not templates targeting the calculation of the NSFR as defined in the CRR. In fact, they will no longer be reported once the new NSFR reporting templates are in place. The NSFR calculation tool replicates and refers to the proposed new NSFR templates (C 80.00, C 81.00, C 82.00, C 83.00 and C 84.00), in line with the NSFR as defined in Title IV of Part Six of the CRR. The NSFR will apply in the EU from June 2021, as established in Article 3(2) of Regulation (EU) 2019/876 amending Regulation (EU) No 575/2013, which implements the NSFR in the EU.	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Product totals	One respondent noted that templates C 80.00 and C 81.00 do not automatically display totals/product totals which are reflected in template C 84.00.	This is correct. Column 0010 in C 84.00 is not derived directly from C 80.00 and C 81.00. However, items in the fully-fledged templates have different breakdowns in terms of maturities from those that are used in the simplified templates. Therefore, this is the only way we have to see comparable amounts across the different templates.	No amendments.
Question 30. Are the instructions and templates clear to the respondents?			
Off-balance-sheet items	One respondent noted that no details were provided in the ITS on the RSF factors for off-balance-sheet products that the national competent authorities can use discretion when applying.	Article 428p(10) of the CRR does not specify any RSF factors for off-balance-sheet products that are left to the discretion of the competent authorities. The EBA will monitor the implementation of this article and will intervene in due course if necessary for harmonisation purposes.	No amendments.
Off-balance-sheet items	<p>One respondent noted that further guidance from the EBA on what constitutes non-performance for off-balance-sheet exposures and how these should be included in the NSFR is necessary.</p> <p>The same respondent and one other did not agree with applying a 100% RSF factor to non-performing off-balance-sheet exposures, as in row 1080 of C 80.00, since in their view this is not explicitly mentioned in CRR2 and not mentioned in Basel III. They add that the CRR refers to non-performing on-balance-sheet exposures. They also argued that it does not seem consistent to apply a 100% RSF factor to non-performing off-balance-sheet exposures when a 5% factor applies to performing on-balance-sheet items.</p>	<p>Article 428ah(1)(b) of the CRR refers to ‘non-performing exposures’ to which a 100% RSF factor applies. It does not specify that it applies to on-balance-sheet exposures only. Therefore, all NPEs, on-balance-sheet and off balance-sheet, are included. The instructions on row 1080 on non-performing off-balance-sheet items explain that this article applies here.</p> <p>The EBA will monitor the implementation of the definition of non-performing off-balance-sheet exposures and will intervene in due course if necessary for harmonisation purposes.</p>	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Initial margin	One respondent asked for clarification on which HQLA splits need to be applied to initial margin and central counterparty default fund lines.	Rows 950 and 960 capture RSF on initial margin posted and on contributions to central counterparty default funds. They refer to Article 428ag(a) and (b), which indicates that all assets posted for these purposes are included and treated in the same way, without any split.	No amendments.
Initial margin	One respondent asked for clarification on the treatment of the termed initial margin payable. This respondent proposed using applicable liability ASF weights for each counterparty and residual maturity (e.g. 50% for financial customers with a residual maturity of > 6mths to 1 year).	The CRR envisages the treatment of initial margin from an asset perspective only and refers to the initial margin posted. Derivatives liabilities (netting sets of derivatives contracts with a negative fair value) trigger a 5% RSF factor and a 0% ASF factor, as per Article 428s(2) of the CRR.	No amendments.
Netting SFTs with a single counterparty	One respondent considered that the approach followed in paragraph 8 of the instructions, and illustrated in example 2 of the consultation paper on netting SFTs with a single counterparty, contradicts the CRR by netting Level 1 reverse repos with the rest of HQLA transactions and risks having unintended consequences, including a punitive NSFR RSF weight. In their view, the approach and the example do not reflect the asset quality mix (predominantly Level 1), are misaligned with netting logic applied elsewhere in liquidity reporting, produce an RSF greater than if no netting had been applied and discourage firms from reversing in higher quality assets if there are lower quality repos within the same netting set. They suggested as an alternative approach to example 2 that the level 2A liability should be allocated to the lower quality	The EBA has reformulated the approach. Please refer to example 2 in the section 'Additional clarifying examples' on the NSFR.	Paragraph 8 of the general instructions has been redrafted.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>collateral first (i.e. the level 2B asset). This treatment would be consistent with other liquidity reporting guidance, specifically that provided for collateral swaps in the LCR ITS on first pairing the lowest quality assets and the Basel III guidance on securities pledged in collateral pools in order of increasing liquidity value for the LCR.</p> <p>Net assets that have subsequently been encumbered as part of a separate repo trade would be subject to equivalent RSF weights where appropriate.</p> <p>In their view, implementation may vary depending on the firm’s operational capabilities and as a result it should be possible to implement an alternative pro-rata asset netting approach.</p> <p>The same respondent, as regards question 31 of the consultation paper, notes that, for the purposes of netting SFTs, the proposed approach should consider that securities are often managed as a pool, which means that there is no one-to-one matching of transactions.</p>		
<p>Netting SFTs with a single counterparty</p>	<p>One respondent asked, in the context of example 2 provided in the consultation paper on netting SFTs with a single counterparty, whether or not, if a reverse repo were encumbered, the higher RSF factor for encumbered assets would apply.</p>	<p>Article 428p(5) of the CRR establishes that ‘Where an institution reuses or repledges an asset that was borrowed, including in securities financing transactions, and that asset is accounted for off-balance-sheet, the transaction in relation to which that asset has been borrowed shall be treated as encumbered, provided that the transaction cannot mature without the institution returning the asset borrowed.’</p> <p>Therefore, the residual maturity of encumbrance of an encumbered reverse repo should be considered as</p>	<p>No amendments.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals																								
		<p>the settlement date of the reverse repo for the purpose of netting SFTs under Article 429b(4). The following example is provided:</p>																									
		<p>(SFTs with the same inter-bank counterparty)</p> <table border="1" data-bbox="1525 520 1942 884"> <thead> <tr> <th colspan="3">Residual maturity < 6 months</th> </tr> <tr> <th>Amount</th> <th>Factor</th> <th>RSF/ASF</th> </tr> </thead> <tbody> <tr> <td>100</td> <td>50% RSF</td> <td></td> </tr> <tr> <td>70</td> <td>5% RSF</td> <td></td> </tr> <tr> <td>80</td> <td>0% ASF</td> <td></td> </tr> <tr> <td colspan="3">RSF/ASF calculation on net positions:</td> </tr> <tr> <td>Non-Level 1 net repo</td> <td>10</td> <td>0% ASF</td> </tr> <tr> <td></td> <td></td> <td>0 ASF</td> </tr> </tbody> </table> <p>Non-Level 1 reverse repo <i>encumbered for 9 months</i> Non-Level 1 reverse repo Non-Level 1 repo</p> <p>RSF/ASF calculation on net positions: Non-Level 1 net repo</p> <p>The less than 6 months non-Level 1 reverse repo, encumbered for 9 months, is not included in the less than 6 months netting set since it has a residual maturity of encumbrance, and therefore settlement date, of more than 6 months. Therefore, the condition in Article 428e of the CRR requiring the same settlement date for netting SFTs is not met.</p> <p>These reverse repos would generally trigger 50% RSF. However, if the bank holding these encumbered reverse repos also had repos with the same settlement date and collateral type, the assets from non-Level 1 reverse repo encumbered for 9 months would be netted with the liabilities from the repo in the between 6 and 12 months bucket.</p>	Residual maturity < 6 months			Amount	Factor	RSF/ASF	100	50% RSF		70	5% RSF		80	0% ASF		RSF/ASF calculation on net positions:			Non-Level 1 net repo	10	0% ASF			0 ASF	
Residual maturity < 6 months																											
Amount	Factor	RSF/ASF																									
100	50% RSF																										
70	5% RSF																										
80	0% ASF																										
RSF/ASF calculation on net positions:																											
Non-Level 1 net repo	10	0% ASF																									
		0 ASF																									
	<p>One respondent asked how netting of open-position repos/reverse repos should be undertaken, i.e. whether</p>	<p>This issue will be dealt with by Q&A 2019_4777, under development, the question having been raised in the context of the leverage ratio. The answer will apply</p>	<p>No amendments.</p>																								



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	these should be considered to have the same residual maturity or not.	here also, in the context of Articles 428e and 429b(4) of the CRR.	
Reverse repos	<p>One respondent asked where banks should report in C 80.00 assets borrowed in a reverse repo where the assets are not accounted for on balance sheet but the bank has the beneficial ownership of them. The respondent noted that the reverse repo is reported in the relevant row for RSF on loans and asked if there could be a double-counting issue.</p> <p>Another respondent asked for clarification on how paragraphs 2 and 3 of Article 428p on beneficial ownership should be applied as regards SFTs when calculating the amount of RSF</p>	<p>Following paragraph 10 of the instructions on specific remarks on RSF, based on Article 428p(2) of the CRR, the assets borrowed in a reverse repo where the bank has the beneficial ownership need to be reported in the appropriate category for those assets.</p> <p>On the other hand, the instructions, following the CRR (Articles 428r, 428s, 428ad and 428ah), envisage the reverse repo being reported within the relevant category for RSF from loans.</p> <p>The RSF might indeed apply to the same items/transactions twice, to the cash loan and to the collateral received. Therefore, the EBA will clarify in the instructions that, following Article 428c(3), the higher RSF will apply in each case between that on the cash loan and that on the collateral received.</p>	Clarification is provided in paragraph 10 of the instructions.
Liquid assets	One respondent asked why the instructions require securities to be reported as HQLA regardless of if they comply with Article 8 of the LCR Delegated Regulation. They also asked for clarification on why this is not the case in asset encumbrance reporting, where both Article 7 and 8 need to be complied with to report in HQLA columns.	<p>The instructions on NSFR reporting follow the CRR, in which Article 428r to 428ae refer to RSF factors applicable to the various categories of liquid assets in the liquidity coverage ratio 'regardless of whether they comply with the operational requirements'.</p> <p>The reporting on asset encumbrance does not refer to liquid assets. Disclosures on asset encumbrance follow the criteria for liquid assets for the liquidity coverage ratio, for which they need to meet the operational requirements set out in Article 8 of the LCR Delegated Regulation.</p>	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		<p>The different definitions of a liquid asset, as regards compliance with operational requirements, for the LCR and for the NSFR result from the conceptual differences between those prudential requirements. The LCR needs to ensure a minimum amount of assets that can be liquidated in a rapid manner within a very short period of time (30 days) under stress. The operational requirements aim to ensure that assets have this degree of liquidity. The NSFR relates to a longer period of time during which assets could be liquidated, without the need to meet those operational requirements.</p>	
Liquid assets	<p>One respondent suggested that, for reporting consistency, the vocabulary should be aligned with the LCR Delegated Regulation, adding that 'HQLA' is Basel wording.</p>	<p>The EBA agrees that the language should be reviewed to follow the wording of EU legal texts.</p>	<p>References to HQLA in the instructions have been replaced with 'liquid assets', abbreviated as 'HQLA', thus keeping the acronym valid. No change is needed in the templates.</p>
Capital instruments	<p>One respondent mentioned that there are two additional types of deductions from capital instruments in the CA1 solvency rows (524, 529, 744, 748, 974 and 978) that are not addressed by the ITS on the NSFR or in CRR2. As they are not explicitly mentioned in the CRR, should it be assumed that these deductions should be applied to the capital amounts reported under the NSFR, or should they be treated in the same way as all the other deductions?</p>	<p>Since this is not explicitly mentioned in the CRR, and the ITS on reporting target the implementation of the NSFR treatment as envisaged in the CRR, the EBA is of the view that this is a policy-related question that might be dealt with via a Q&A, either to interpret the Level 1 text or to clarify it.</p>	<p>No amendments.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Central banks	One respondent suggested a breakdown of cash and central bank reserves and asked if this item should include transactions with central banks where banks have received, for example, government securities against cash and if banks should report these as encumbered if the assets had subsequently been lent out.	The EBA suggested reporting cash and central bank reserves together in row 030 of C 80.00 because their RSF factor is calibrated at the same rate and they do not trigger conceptual differences from the perspective of NSFR analysis. Reverse repos with central banks should be reported under item 1.1, RSF from central bank assets. Article 428p(5) of the CRR applies to SFTs where the bank reuses the asset borrowed.	No amendments.
Retained covered bonds	Two respondents asked about the NSFR treatment of retained covered bonds where the bank issues them and then buys them back, from both a liabilities (ASF) and an assets (RSF) perspective. They asked if a netting approach could apply here without any impact on the NSFR. They also asked if the underlying loans should be considered encumbered or unencumbered.	The EBA is of the view that this question goes beyond reporting. This is a policy-related question clarification on which might be sought via a Q&A. If necessary, it could be clarified in the forthcoming EBA report on the implementation of the liquidity regulation.	No amendments.
Currency	One respondent asked for clarification on which should be the currency in which the items should be reported for all items being reported and for separate reporting.	Paragraph 2 of the general instructions explains that, following Article 415(1) of the CRR, in the case of all items returns, they should be reported in the reporting currency. It also explains that, in the case of separate reporting, Article 415(2) should be applied, meaning that items should be reported in the currency of denomination.	No amendments.
Legal reference	One respondent generally found the templates and instructions clear but proposed including a field giving the relevant legal reference in every row of the templates.	The legal references are included in the instructions, which are linked to each row or column of the templates.	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Another respondent, as regards question 31 of the consultation paper, made the same proposal.		
Standard factors and applicable factors	One respondent asked for clarification of what the intention is behind the reporting of standard factors and applicable factors. The same respondent, as regards question 31 of the consultation paper, noted that the applicable factor section was not clear and assumed that the intention was to identify differences between firm weights and standard weights.	Standard factors are provided for illustrative purposes only and correspond to general default factors in the CRR. Applicable factors may reflect firm-specific discretion or competent authorities' discretion. The relevant parts of the template should be filled in by institutions for the calculation of the required or available amount of stable funding. Applicable factors are reported under the responsibility of the relevant institution for each individual case.	No amendments.
Grey cells	One respondent noted that some grey and blank cells should be reviewed in templates C 80.00 and C 81.00, for example they suggested that, in C 80.00, row 760 (1.4.5.0.1) and row 810 (1.4.6.0.1), columns M' to O and columns I to K, should be greyed out.	The EBA agrees with this and these cells will be greyed out. These cells are not necessary for the calculation of the NSFR and are there to enable mapping to disclosure templates.	Cells in C 80.00 rows 760 and 810, and columns M to O will be greyed out.
Other	One respondent asked for clarification on rows (e.g. item 1.1.1.1) with a residual maturity of less than 6 months but where the columns require up to > 1 year assets.	The row refers to the maturity of the encumbrance and the column to the maturity of the instrument. In this specific case, it would be possible for an exposure to a central bank to have been encumbered for less than 6 months but to have a maturity of more than 1 year.	No amendments.
Question 31. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Coins and banknotes	Two respondents noted that the item 'Coins and banknotes' is missing (it is included in current template C 60.00). They asked if these assets should be included in C 80.00, row 0040, column 0010 (respectively C 82.00, row 0030, column 0010).	Coins and banknotes should be reported in C 80.00, row 0030, column 0010 (respectively C 82.00, row 0030, column 0010).	No amendments.
Credit unions, personal investment companies and deposit brokers	One respondent asked why C 80.00 did not contain a dedicated row for assets with credit unions, personal investment companies and deposit brokers, as C 81.00 contains row 0210, 'Liabilities provided by credit unions, personal investment companies and deposit brokers'.	The EBA understands that granularity on the composition of the funding provided by non-financial customers provides an important input for assessing funding sources, the ASF and NSFR values generally properly. On the asset side, the granularity of C 80.00 is great enough, with the various items subject to different factors. It is considered that the added value that a breakdown of RSF factors on specific transactions with non-financial customers would create might not compensate for proportionality challenges and increased reporting burden.	No amendments.
Overdrafts and rollovers	One respondent noted that the CRR is not clear on the NSFR treatment of assets that do not have a maturity date, such as overdrafts and rollovers that can be unilaterally cancelled by the bank. They consider that it would be very punitive if institutions needed to assume that such assets would fall into the longest maturity bucket.	Article 428p(10) of the CRR does not specify any RSF factors for off-balance-sheet products that are left to the discretion of the competent authorities. The EBA will monitor the implementation of this article and will intervene in due course if necessary for harmonisation purposes.	No amendments.
Interdependent assets and liabilities	One respondent noted that the wording in the templates and instructions regarding interdependent assets and liabilities is not reflecting entirely the wording in Article 428f CRR.	The instructions and templates will be amended to replicate the wording as it is in Article 428f CRR, across all templates.	The instructions and templates were amended accordingly.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Assets encumbered in a cover pool	One respondent would welcome clarification on determining the encumbrance period for assets in the cover pool. There is also a lack of clarity about how the assets in the cover pool are allocated to the non-mandatory over-collateralisation.	The EBA is of the view that this question goes beyond reporting. This is a policy-related question clarification on which might be sought via a Q&A. If necessary, it could be clarified in the forthcoming EBA report on the implementation of the liquidity regulation. The EBA will monitor the implementation of this article and will intervene in due course if necessary for harmonisation purposes.	No amendments.
Derivatives	One respondent asked about the intention of the asymmetrical treatment of 'NSFR derivative assets' and 'ASF from net derivatives liabilities', the first having a 100% weight and the latter a 0% weight, as shown in row 940 of C 80.00 and in row 320 of C 81.00.	This is established in paragraph 4 of Article 428k of the CRR, on the 0% ASF factor on net derivatives liabilities, and in paragraph 2 of Article 428a of the CRR, on the 100% RSF factor on derivatives assets.	No amendments.
Derivatives	One respondent asked about the intention behind adding a 5% RSF factor to 'required stable funding for derivative liabilities' in C 80.00, row 930.	Article 428s(2) of the CRR requires that a 5% RSF factor be applied 'to the absolute fair value of those netting sets of derivative contracts, gross of any collateral posted, where those netting sets have a negative fair value'. This is clearly stated in the instructions on row 930 of C 80.00.	No amendments.
Derivatives	One respondent asked for clarification on whether all derivatives must be included in the NSFR (regardless of whether or not they are recognised in accounting).	Article 428d states that institutions must calculate the amount of RSF for derivative contracts referred to in Chapters 3 and 4 of Title IV in Part Six of the CRR.	No amendments.
Equities	One respondent asked about row 580 in C 80.00. They noted that an 85% RSF factor is indicated as a standard factor only for those items maturing in 1 year or more than 1 year. As regards equities included in this item, they proposed some clarification that equities should be included in the longest	Article 428ag(e) and (f) of the CRR, which refers to an 85% RSF factor, explicitly mentions unencumbered securities with a residual maturity of 1 year or more that are not eligible as liquid assets and	Clarification is provided in the instructions on row 570: 'Exchange traded equities shall



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	maturity band. Alternatively, a separate reporting row could be created for equities.	<p>unencumbered exchange-traded equities that are not eligible as Level 2B assets.</p> <p>Article 428d(g) envisages a 50% RSF factor on any other assets with a residual maturity of less than 1 year, unless otherwise specified in Article 428r to 428ac. Since there is no provision referring to non-HQLA securities with a residual maturity of less than 1 year, Article 428d(g) applies.</p> <p>A clarification that exchange-traded equities should be reported in the 1 year or more than 1 year time bucket will be included.</p>	be reported in the one or more than one year time bucket'.
Initial margin	One respondent asked about the reasons for having the three time buckets by maturity in row 0950 on initial margin posted, in the form of non-liquid assets, where the same RSF factor, 85%, applies.	This is simply for consistency purposes in the template, where RSF related to non-liquid assets is split by maturity into the three NSFR time buckets.	No amendments.
Initial margin	One respondent asked for clarification on whether there is a stable funding requirement on initial margin posted on behalf of clients or whether the requirement applies only to initial margin posted in the institution's own name. They argued that Basel makes the differentiation and does not set a stable funding requirement for initial margin posted on behalf of clients.	<p>The CRR does not comment on this. Article 428ay(a) envisages a default 85% RSF factor on any assets and off-balance-sheet items, including cash, posted as initial margin for derivative contracts.</p> <p>This reading does not exclude any initial margin posted.</p> <p>Paragraph 30.31 of the Basel consolidated framework allows national discretion to exempt initial margin posted on behalf of a customer, under certain circumstances, from stable funding requirements. The CRR does not apply this discretion.</p>	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Facilities	<p>One respondent asked if it would be correct to assume that only irrevocable (and under certain conditions possibly also revocable) facilities are to be reported in row 1060 with a factor of 5%, whereas revocable facilities are not to be reported, at least in the first instance, as long as country-specific factors are not implemented. They noted the reference in the CRR to ‘committed facilities within the meaning of the LCR’, which distinguishes between irrevocable and revocable facilities, and noted the desirability of consistency with the BCBS rules and the Basel III monitoring instructions.</p>	<p>The instructions on row 1060, in line with Article 428s(c) of the CRR, refer to a 5% RSF on committed credit and liquidity facilities pursuant to the LCR Delegated Regulation.</p> <p>The instructions on row 1090 refer to off-balance-sheet exposures for which the competent authority has determined RSF factors in accordance with Article 428p(10) of the CRR. Uncommitted facilities should be reported here.</p> <p>Article 31 of the LCR Delegated Regulation refers to committed credit and liquidity facilities and Article 23 of the LCR Delegated Regulation to uncommitted facilities. For these purposes ‘committed’ means non-cancellable or conditionally cancellable.</p>	No amendments.
Operational deposits	<p>One respondent noted the absence of a dedicated row for operational deposits received from central banks and asked if central bank deposits are excluded from operational deposits.</p>	<p>Article 428am(a) of the CRR envisages a 50% ASF on deposits received that fulfil the criteria for operational deposits set out in the LCR Delegated Regulation. Article 27 of the LCR Delegated Regulation establishes the conditions for a deposit to qualify as an operational deposit.</p> <p>A deposit from a central bank does not qualify per se as an operational deposit, and also operational deposits are not expected to stem mainly from central banks. For these reasons, the EBA did not find it necessary to include a dedicated row for operational deposits from central banks.</p>	No amendments.
Repos	<p>One respondent argued that secured liabilities from retail customers and small businesses (unless they can be treated</p>	<p>Article 411(2) of the CRR defines ‘retail deposit’ as ‘a liability to a natural person or to an SME, where the</p>	Clarification is provided in the



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>as retail deposits under Article 428i) are subject to a 0% ASF factor under Article 428k(3)(d) and noted that they are not referred to in any other provision. The respondent asked if, to apply the correct factors, row 310, 'ASF from liabilities provided where the counterparty cannot be determined', or row 430, 'Other liabilities', would generally be suitable, noting that the latter would be a better fit in terms of substance.</p>	<p>SME would qualify for the retail exposure class under the standardised or IRB approaches for credit risk, or a liability to a company which is eligible for the treatment set out in Article 153(4), and where the aggregate deposits by that SME or company on a group basis do not exceed EUR 1 million'.</p> <p>This provision does not include whether the liability is secured or unsecured in the definition of 'retail deposit'.</p> <p>Therefore, secured liabilities from retail customers, either natural persons or SMEs, under the conditions cited in Article 411(2), should be treated as retail deposits. They should be reported in row 0070 of C 81.00 and are subject to a 90% or 95% ASF factor, if the residual maturity is less than 1 year, pursuant to Articles 428m and 428n of the CRR, or to a 100% ASF factor if the residual maturity is 1 year or more, pursuant to Article 428o(e).</p>	<p>instructions on row 0070 of the ASF template C 81.00 and row 030 of the simplified ASF template C 83.00.</p>
Capital instruments	<p>One respondent considered that there was a discrepancy regarding the ASF factor for capital instruments (ex-CET1) maturing between 6 months and 1 year. Article 428l(d) of CRR2 stipulates an ASF factor of 50% for 'any other liabilities with a residual maturity of a minimum of six months but less than one year not referred to in Articles 428m, 428n and 428o'. In the respondent's opinion, this includes liabilities from maturing capital instruments (6 months to 1 year) because they are not referred to in the named articles. Departing from the CRR, C 81.00, rows 0040 to 0060, column 0050, stipulates an ASF factor of 0%.</p>	<p>Article 428o(b), (c) and (d) refers explicitly to Additional Tier 1 items as well as Tier 2 items and other capital instruments with a residual maturity of 1 year or more. A 100% ASF factor applies to them. They do not include those capital items and instruments with a residual maturity below 1 year.</p> <p>Article 428k(3)(d) envisages a 0% factor specifically for any capital items or instruments not referred to in Article 428o, i.e. those below 1 year.</p>	<p>No amendments.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		<p>Article 428l(d) does not apply here because it does not refer to capital items or instruments but to liabilities, which is the case specifically in Article 428k(3)(d).</p> <p>The instructions on C 81.00, rows 0040 to 0060, column 0050, follow Articles 428o(b), (c) and (d) and 428k(3)(d) of the CRR.</p>	
Potential typo	One respondent suggested that in paragraph 4 of Part I (the general instructions), Article 428ah(2) of CRR2 was intended, and not Article 428h(2) of CRR2.	Yes, this is correct. It was a typo and has been corrected. The reference to Article 428h(2) has been replaced with a reference to Article 428ah(2).	A typo – the wrong legal reference – has been corrected in paragraph 4 of the general instructions.
Accounting value	One respondent asked for further instructions and definitions in relation to the term ‘accounting value’. Furthermore, a statement that the accounting value must be used throughout the ITS would enhance data quality, comparability and consistency across the reports.	<p>Paragraph 6 of the instructions state clearly that ‘For reporting purposes, in the columns referred as “Amount” the accounting value shall always be reported, except for the cases of derivative contracts, for which institutions shall refer to the fair value as specified in Article 428d(2) of CRR.’</p> <p>This is in line with Article 428c(2) of the CRR, which states that ‘For the purpose of calculating their net stable funding ratio, institutions shall apply the appropriate stable funding factors set out in Chapters 3 and 4 to the accounting value of their assets, liabilities and off-balance-sheet items, unless otherwise specified in this Title.’</p> <p>The general definition of ‘accounting value’ applies.</p>	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Potential typo	One respondent noted that references in the instructions to Articles 428k(3) and 428ag(3) were incorrect in the context of netting sets with matching settlement currencies. Rather, the former reference should be to Article 428k(4) and the latter to Article 428ah(2).	Paragraph 7 of the instructions state correctly 'For all netting sets with matching settlement currencies a net amount shall be calculated in accordance with Article 428k(4) and 428ah(2), and reported in the relevant currency subject to separate reporting.'	No amendments.
Potential typo	One respondent noted discrepancies between the proposed templates and underlying rules as regards the HQLA split by LCR haircut percentage, which includes haircuts that do not exist in the LCR.	The CRR and the instructions and templates generally apply LCR haircuts as RSF factors on liquid assets.	No amendments.
Question 32. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?			
Granularity	One respondent noted that, while the removal of tenor splits for HQLA reduces the line items on the RSF side, this decrease in reporting granularity has been offset by additional reporting requirements relating to LCR haircut percentages.	The templates aim to ensure that the calibration of the NSFR is captured. Liquid asset portfolios generally require banks to hold ASF depending on the haircut that they are subject to. This breakdown seems necessary for appropriate monitoring of the NSFR.	No amendments.
FINREP			
<p>Question 33. Under Appendix A (IFRS 9), purchased or originated financial assets (POCI) correspond to purchased or originated financial assets that are credit-impaired on initial recognition. IFRS 9 sets out specific rules on measuring the ECL for POCI assets, outside the general approach to impairment by stage. To make the presentation of POCI assets more consistent with their measurement criteria, in templates F 04.03.1, F 04.04.1, F 07.01, F 12.01 and F 18.00 POCI assets are included in separate columns outside the impairment stages. In template F 18, POCI are also split into non-performing and performing, to take into account any cases where, after initial recognition, POCI assets no longer meet the definition of 'credit-impaired' under Appendix A (IFRS 9).</p>			
Question 33.1. Do respondents agree with the separate presentation of POCI assets outside the IFRS 9 impairment stages?			
Question 33.2. Are the criteria for distinguishing between 'non-performing' and 'performing' POCI assets clear? What challenges with regard to the practical application of these criteria do you envisage?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Presentation of POCI assets	Five respondents agreed with having a separate presentation of POCI financial assets outside the IFRS 9 impairment stages. Two of them noted, however, that there are technical challenges arising from the overlap between the implementation processes for DPM v2.9 and DPM v3.0 and that they would have preferred this change to have been integrated into DPM v2.9. In addition, one respondent asked for a separate presentation of POCI off-balance-sheet items in template F 12.01 or, alternatively, clarification on where to report such items.	In order to ensure consistency across FINREP templates, a separate presentation of POCI off-balance-sheet items has been included also in templates F 09.00, F 12.01 and F 18.00.	<p>In template F 12.01, a new row has been added for movements in allowances for POCI off-balance-sheet exposures.</p> <p>In template F 09.00, two columns have been added for nominal amounts and provisions for POCI off-balance-sheet exposures.</p> <p>In template F 18.00, the columns for POCI financial assets have been broadened to include off-balance-sheet exposures as well.</p>
Distinction between non-performing and non-performing POCI assets and relationship with stage 3 and defaulted exposures	Regarding the criteria for distinguishing between ‘non-performing’ and ‘performing’ POCI financial assets, three respondents considered them clear. Another three respondents asked for clarification on if these criteria are the same as those used to identify other performing and non-performing exposures, and one asked also for	<p>The criteria for distinguishing between performing and non-performing POCI exposures are the same as those used to identify other performing and non-performing exposures. The instructions have been amended to clarify this point.</p> <p>Regarding the relationship of defaulted exposures, Stage 3 exposures and POCI financial assets, defaulted</p>	Annex V, Part 2, paragraph 215, has been amended to clarify the treatment of POCI assets.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>clarification on the relationship of defaulted exposures, stage 3 exposures and POCI financial assets.</p>	<p>exposures may not be equal to the sum of all stage 3 and POCI exposures for various reasons. In particular, as specified in the EBA Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013, all stage 3 exposures should generally be treated as defaulted, but there are a few exceptions from that rule and these include:</p> <ul style="list-style-type: none"> - exposures for which a 180 days past due criterion is used, instead of 90 days, on the basis of the discretion provided for in Article 178(1)(b) of the CRR; - the application of the materiality threshold in accordance with Article 178(2)(d) of the CRR where it is not used for the purpose of classification of exposures as stage 3; - technical past due situations; - exposures to central governments, local authorities and public sector entities that are under specific treatment as described in the EBA Guidelines. <p>In addition, POCI exposures could be reclassified as performing after initial recognition if they meet the exit criteria for the non-performing category pursuant to Article 47a(4) or (6) of the CRR.</p>	
<p>Question 34. The information on cash balances at central banks and other demand deposits has been included in template F 12.01. Although the amount of impairment for cash balances at central banks and other demand deposits should not be relevant in general, these assets are subject to impairment like the other financial assets included in the accounting portfolios of ‘financial assets at cost or amortised cost’ and ‘financial assets through equity subject to impairment or at fair value through other comprehensive income’. The inclusion of these data is also consistent with the data reported in templates F 18 and F 19.</p> <p>Question 34.1. What challenges with regard to reporting of this information do respondents envisage?</p>			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 34.2. Do you see any inconsistencies between these data and the data collected in other FINREP templates?			
Cash balances at central banks and other demand deposits	<p>Two respondents did not see any specific challenges in reporting this information in template F 12.01. Two respondents pointed out some technical challenges arising from the overlap between the implementation processes for DPM v2.9 and DPM v3.0 and stated that they would have preferred this change to have been integrated into DPM v2.9. Another respondent envisaged challenges in sourcing the information and minor changes to reporting systems.</p> <p>One respondent acknowledged that the inclusion of this information in F 12.01 would increase consistency with the information included in other templates (in particular F 18 and F 19) but highlighted a possible technical difficulty in capturing the related credit loss allowance movements given the potentially short contractual maturity of such exposures (e.g. with respect to overnight deposits with central banks and other credit institutions). In addition, this could lead to an overstatement of the data reported in the columns 'Increases due to origination' and 'Decreases due to derecognition'; therefore, the respondent suggested reporting only the net difference between the reporting period's opening and closing related credit loss allowance balances in either of these two columns.</p>	<p>In reporting the information in the columns 'Increases due to origination and acquisition' and 'Decreases due to derecognition', the instructions in Annex V, Part 2, paragraphs 159 and 160, should be followed. In accordance with them, the amount of changes in allowances – and not in the underlying exposures – due to origination/acquisition and total derecognition of financial assets, respectively, should be reported in those columns.</p>	No amendments.
Consistency with other FINREP templates	<p>Regarding consistency with the data collected in other FINREP templates, three respondents noted that the consistency checks between templates F 18.00 and F 12.01 should be reviewed. One respondent did not identify any inconsistencies, while two respondents noted some</p>	<p>In Annex V, the FINREP instructions were improved to clarify how to report 'cash balances at central banks and other demand deposits' across the templates.</p>	Instructions have been clarified.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>inconsistencies in templates F 12.02 and F 04.03.1 and template F 04.04.1, where ‘cash balances at central banks and other demand deposits’ are not reported. Another respondent asked for clarification on the relationship between the amounts reported in template F 12.01 and those reported in rows 30 and 40 of template F 01.01.</p>	<p>Specifically, the instructions were improved to clarify the following points:</p> <ul style="list-style-type: none"> - ‘Demand deposits at credit institutions and at central banks’ are ‘loans and advances’ in accordance with the BSI Regulation. - Although ‘demand deposits at credit institutions and at central banks’ are ‘loans and advances’, they should be reported outside the accounting portfolios, in the row ‘cash, cash balances at central banks and other demand deposits’ of F 01.01. - Templates F 04.03.1, F 04.04.1, F 07.00, F 12.02, F 13.01, F 23, F 24, F 26 and F 47 do not include ‘cash balances at central banks and other demand deposits’. - In template F 16.01, interest income on cash balances at central banks and other demand deposits should be reported in ‘other assets’, consistently with the answer to Q&A 2018_4009. - For the purpose of template F 5.00, paragraph 84 of Part 2 of Annex V states that cash balances at central banks and other demand deposits should be reported in ‘loans on demand’. - For the purpose of template F 20.04, paragraph 273 of Part 2 of Annex V specifies that cash balances at central banks and other demand deposits are to be reported together with accounting portfolios subject to impairment. 	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		Regarding the relationship between the amounts reported in template F 12.01 and those reported in rows 30 and 40 of template F 01.01, in template F 12.01, the value of the allowances are reported whereas in template F 01.01 the carrying amount of cash balances is reported	
<p>Question 35. In template F 12.02, additional columns have been added to report direct transfers between stage 1 and stage 3, without considering any intermediate passage through stage 2. This information is useful in the context of monitoring IFRS 9 post-implementation initiatives and supervisory activities. What challenges with regard to reporting of this information do respondents envisage?</p>			
Direct transfers between stage 1 and stage 3	All the respondents questioned the relevance of the information and they believed that the reporting costs would outweigh the benefits. The reporting of this information would require the tracking of all passages between stages during the reporting period and this would contradict the current instructions on F 12.02 and other flow templates in FINREP (i.e. in respect of multiple reclassifications from non-performing to performing exposures), which ask institutions to report information by comparing the status of the exposure at the opening of the financial year or on initial recognition and at the reference date. Furthermore, the amounts involved are considered not material and the transfers are infrequent. It was also asked that the EBA clarify the terms 'direct transfer' and 'without intermediate passage'. In addition, one respondent noted that different frequencies (e.g. monthly versus daily) in the impairment assessment process for reporting entities might lead to different results in terms of direct and indirect transfers between stage 3 and stage 1.	The columns on direct transfers between stage 1 and stage 3 in template F 12.02 have been deleted.	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
<p>Question 36. In template F 18.00, a requirement for information on loss allowances for exposures more than 30 days past due has been added. This information is already reported in template F 23.04 by institutions that fulfil both of the conditions referred to in points (i) and (ii) of Article 9(2)(h) of the current ITS on reporting. Since this information is relevant for monitoring IFRS 9 post-implementation initiatives and supervisory activities, it has been included in template F 18.00 for all institutions, although this may result in some overlap with F 23.04. What challenges with regard to reporting of this information do respondents envisage?</p>			
Loss allowances for exposures more than 30 days past due	Four respondents did not identify any challenges in reporting this information. On the other hand, three respondents questioned the relevance of this information as the 30 days past due criterion is a rebuttable presumption for moving to stage 2. One respondent also asked for an exemption on reporting this information for nGAAP users.	The information on loss allowances for exposures more than 30 days past due was retained as it is useful for monitoring the levels of provisions in relation to the significant increase in credit risk (SICR) assessment. Banks should not wait until the 30 days past due threshold is reached to move exposures to stage 2 when an SICR has occurred. The information should be reported by nGAAP users.	No amendments.
<p>Other amendments</p>			
<p>Question 37. Are the instructions and templates clear to the respondents?</p>			
Technical comment on C 33.00	Two respondents asked for clarification on if they could voluntarily report all information on sovereign exposures, irrespective of being below or above the thresholds mentioned in Article 6(3) of the ITS.	Institutions are under an obligation to report information on their sovereign exposures, either the total and domestic exposures or the full breakdown by country, only when they breach the relevant thresholds specified in Article 6(3) of the ITS.	No amendments.
Asset encumbrance	Two respondents commented that further integration with disclosures was needed.	The EBA agrees with the comment and has amended labels referring to 'ABS' to refer to 'securitisations'. An additional row has been included to align AE-SOU reporting templates with disclosure templates.	Amendments to templates and instructions.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Asset encumbrance and integration between reporting and disclosures	One respondent mentioned that the integration has improved consistency but noted an inconsistency. Pillar 3 requirements are to be disclosed using median values (averages), whereas quarter-end values are used for supervisory reporting.	The median value is not calculated based on daily, weekly or monthly observations; rather, it is the median of the data reported in FINREP. The disclosure is annual, while the supervisory reporting is quarterly. Institutions can take the four data points reported during the year and calculate the median of those values.	No amendments.
NACE codes in F 06.01	One respondent argued that in template F 06.01 (Breakdown of loans and advances other than held for trading to non-financial corporations by NACE codes) the NACE sectors O (Public administration and defence, compulsory social security) and K (Financial and insurance activities) might contradict the definition of ‘non-financial corporations’ as set out in paragraph 42(e) of Part 1 of Annex V to the ITS.	<p>As specified in paragraph 90 of Part 2 of Annex V to the ITS, template F 06.01 is to include the gross carrying amount of loans and advances to non-financial corporations broken down by sector of economic activities using codes from the NACE Regulation on the basis of the principal activity of the counterparty.</p> <p>‘Non-financial corporations’ are those defined in paragraph 42(e) of Part 1 of Annex V to the ITS.</p> <p>Therefore, following the abovementioned instructions, the NACE sectors O (Public administration and defence, compulsory social security) and K (Financial and insurance activities) should be reported on as a non-financial corporation may engage in activities classified in these NACE sectors. For example, some holding companies carry out financial activities but are classified as ‘non-financial corporations’ in accordance with the ECB’s BSI Regulation (see also paragraph 92 of Part 2 of Annex V to the ITS).</p>	No amendments.
Question 38. Do respondents agree with the proposal to harmonise templates and instructions with regard to the reporting of the information on LEI codes?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
LEI codes	Some respondents asked for clarification on how to report LEI codes.	<p>The EBA is seeking further harmonisation in the use and reporting of LEI codes across templates and instructions. The column 'Code' should contain the LEI code when it is available. When no LEI code is available, institutions should provide a non-LEI code in that column. Any national code may be reported in a separate column, 'National code'.</p> <p>When an LEI code and a national code are available, institutions should provide both codes, putting the LEI code in the 'Code' column and filling in the 'National code' column.</p>	Clarification of instructions for the columns 'Code' and 'Type of code'.
Question 39. The integration between disclosure and reporting aims to increase consistency, including by standardising formats and definitions. Do respondents agree that this objective is achieved?			
Integration between disclosures and reporting	<p>Many respondents strongly supported the objective of increased consistency and integration between supervisory reporting and disclosures and agreed that the proposals contributed to achieving this objective.</p> <p>Other commenters noted that the integration with the disclosure requirements should be limited to those reporting templates that already exist and are due to be amended under CRR2, rather than introducing additional templates going beyond the new CRR2 requirements at the same time.</p>	The EBA promotes the integration of supervisory reporting and disclosures to ensure coherence between the two sets of requirements and to help institutions, analysts and investors to analyse data arising from both sets of requirements by standardising formats and definitions.	No amendments.