

ANNEX XXVII

REPORTING INSTRUCTIONS FOR THE PURPOSE OF IDENTIFYING AND AS-SIGNING G-SII BUFFER RATES

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PART I: GENERAL INSTRUCTIONS

1. Structure and conventions

1.1. Structure

1. This framework consists of one template capturing information on indicators of global systemic importance and particular items needed for the application of the EU's methodology for identifying globally systemically important institutions (G-SIIs) and assigning corresponding G-SII buffer rates.

1.2. Numbering convention

2. The document follows the labelling convention set in points 3 to 5, when referring to the columns, rows and cells of the templates. Those numerical codes are extensively used in the validation rules.

3. The following general notation is followed in the instructions: {Template; Row; Column}.

4. In the case of references inside a template, in which only data points of that template are used, notations do not refer to a template: {Row; Column}. In the case of templates with only one column, only rows are referred to {Template; Row}.

5. An asterisk sign is used to express that the reference captures the rows or columns specified before.

1.3. Sign convention

6. Any amount that increases the value of the indicator, the assets, liabilities or exposures shall be reported as a positive figure. Any amount that reduces the value of the indicator, the assets, liabilities or exposures shall be reported as a negative figure. Where there is a negative sign (-) preceding the label of an item, no positive figure is expected to be reported for that item.

PART II: TEMPLATE RELATED INSTRUCTIONS

1. General remarks

8. The template is divided into two sections. The upper section on G-SII indicators includes the indicators for identifying globally systemically important institutions as defined in the methodology developed by the Basel Committee on Banking Supervision. The lower section contains a number of items needed to calculate the relevant indicators in accordance with the methodology defined on the basis of Article 131(18) of Directive 2013/36/EU¹.

9. Where relevant, the information provided in this template shall be consistent with the information provided to relevant authorities for the purposes of the collection of the indicator values by relevant authorities as set out in Article 3(2) of Commission Delegated Regulation (EU) No 1222/2014².

2. Instructions concerning specific positions

Row	Legal references and instructions
0010 – 0130	<p><u>G-SII indicators</u></p> <p>The definition of the indicators shall be the same as the definition applied for the purposes of determining the information listed in the Annex to Commission Delegated Regulation (EU) No 1222/2014.</p> <p>In case of changes to the methodology, the same methodology applicable for determining the indicators values as of the end of the financial year ('year-end methodology') shall be used for the purposes of reporting information as of the end of the first, second and third quarter of that same financial year. Where the template of Annex XXVI is subject to amendments in the course of the financial year in question, the year-end methodology shall be applied from the first applicable reference dates after the entry into force of the amending Regulation.</p> <p>Indicators that are flow measures shall be reported on a cumulative basis since the beginning of the calendar or financial year, as applicable.</p>
0010	<u>Total exposures, including insurance subsidiaries</u>
0020	<u>Intra-financial system assets, including insurance subsidiaries</u>
0030	<u>Intra-financial system liabilities, including insurance subsidiaries</u>

¹ 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).

² Commission Delegated Regulation (EU) No 1222/2014 of 8 October 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards for the specification of the methodology for the identification of global systemically important institutions and for the definition of subcategories of global systemically important institutions (OJ L 330, 15.11.2014, p. 27–36)

0040	<u>Securities outstanding, including securities issued by insurance subsidiaries</u>
0050	<u>Payments activity</u>
0060	<u>Assets under custody</u>
0070	<u>Underwriting activity</u>
0081	<u>Trading volume – fixed income</u>
0085	<u>Trading volume – equities and other securities</u>
0090	<u>Notional amount of OTC derivatives, including insurance subsidiaries</u>
0100	<u>Trading and AFS securities</u>
0110	<u>Level 3 assets, including insurance subsidiaries</u>
0120	<u>Cross-jurisdictional claims</u>
0130	<u>Cross-jurisdictional liabilities</u>
0140 – 0160	<p><u>Items considering the European Banking Union as a single jurisdiction</u></p> <p>For the purposes of determining the items specified below and in the absence of specifications in the instructions below, the definitions and concepts applied shall be aligned, to the extent possible, with the definitions and concepts defined in the Guidelines for reporting the BIS international banking statistics.</p> <p>By derogation from that, the reporting entities' activities across participating Member States as referred to in Article 4 of Regulation (EU) No 806/2014 of the European Parliament and of the Council³ shall be excluded, i.e. the Participating Member States shall be considered as one single jurisdiction.</p>
0140	<p><u>Total foreign claims on an ultimate risk basis</u></p> <p>Total foreign claims shall be the sum of cross-border claims and local claims of foreign affiliates in local or foreign currency. Claims from positions in derivative contracts shall be excluded. 'Claims', 'cross-border claims', 'local claims of foreign affiliates in foreign and local currency' shall have the same meaning as defined in the Guidelines for reporting the BIS international banking statistics.</p> <p>'On an ultimate risk basis' shall mean that, for the purposes of determining whether a claim is a cross-border or local claim, the position is allocated to a third party that has contracted to assume the debts or obligations of the primary counterparty if that party fails to perform, where such a third party exists. This allocation shall be made in accordance with the provisions on risk transfers provided in the Guidelines for reporting the BIS international banking statistics.</p>
0150	<u>Foreign derivatives claims on an ultimate risk basis</u>

³ 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).

	<p>The positive fair value of all derivative claims that are cross-border claims, or local claims of foreign affiliates in local or foreign currency.</p> <p>Derivatives include forwards, swaps, and options related to foreign exchange, interest rate, equity, commodity, and credit instruments. This includes purchased credit derivatives that hedge or offset credit protection sold or are held for trading purposes.</p> <p>In case of such purchased credit derivatives, the value shall not be capped at the value of the immediate claim it was purchased to guarantee.</p> <p>The positive fair values of derivative contracts may be offset against negative fair values only if the positions were executed with the same counterparty under a legally enforceable netting agreement. Only netting sets with a positive value shall be included in this item.</p> <p>The derivative claims shall be reported gross of any cash collateral.</p> <p>For the purposes of reporting information on an ultimate risk basis, the following shall apply:</p> <ul style="list-style-type: none"> a) When the final risk lies with the counterparty, a derivative is considered foreign if the counterparty is not in the reporting entities' home jurisdiction. b) When the final risk lies with the guarantor, a derivative is considered foreign if the guarantor is not in the reporting entities' home jurisdiction.
0160	<p><u>Foreign liabilities on an immediate risk basis, including derivatives</u></p> <p>Foreign liabilities, including derivatives, shall be the sum of foreign liabilities and foreign liabilities arising from derivatives. Securities liabilities that are tradable financial assets issued by the reporting institution shall be excluded from this item.</p> <p>The definition of derivatives shall be the same as applied for row 0150.</p> <p>The negative fair values of derivative contracts may be offset against positive fair values only if the positions were executed with the same counterparty under a legally enforceable netting agreement. Derivatives liabilities shall be reported gross of any collateral (cash and non-cash).</p> <p>'On an immediate risk basis' shall mean that, for the purposes of determining whether a claim is a cross-border or local claim, the position is allocated to the direct counterparty of the contract.</p>