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## Question ID: 2019\_4550

### Status

Final Q&A

### Legal act

Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 - CRR2

### Topic

Supervisory reporting

### Article

415

### Paragraph

3

### Subparagraph

b

### COM Delegated or Implementing Acts/RTS/ITS/GLs

Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)

### Article/Paragraph

Annex XX and Annex XXI

### Date of submission

14/02/2019 08:45

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### Name of institution / submitter

European Central Bank

### Country of incorporation / residence

Germany

## Type of submitter

Competent authority

## Subject matter

Reporting of template C71.00 by significant currency

## Question

How is template C71.00 (concentration of counterbalancing capacity by counterparty) to be completed in the context of the reporting by significant currency (as referred to in Article 415(2) of Regulation (EU) No 575/2013 (CRR))? Specifically, are exposures in a significant currency going to rise in the ranking when being reported by significant currency (given that items denominated in a different currency will be disregarded in the separate currency reporting)?

## Background on the question

Assuming that a credit institution reports the following concentration in counterbalancing capacity in the overall reporting referred to in Article 415(1) CRR (i.e., including all currencies) and it is assumed that USD and GBP qualify as significant currencies for the institution. Counterparty Amount Currency 1 100 EUR 2 90 USD 3 83 EUR 4 81 EUR 5 79 EUR 6 77 EUR 7 75 EUR 8 71 EUR 9 65 EUR 10 62 EUR 11 60 USD 12 58 EUR 13 55 GBP The question is how to report the items referred to in ranks 2, 11 and 13 in the context of the supervisory reporting by significant currency (i.e., USD and GBP). The instructions to the ITS on Supervisory Reporting leave some room for interpretation by specifying that for "calculating the concentrations for the purpose of reporting template C71.00 by significant currency, institutions shall use the concentrations in all currencies", which could theoretically be read as if exposures that do not qualify for the top 10 in the overall reporting (including all currencies) may also not qualify for the top 10 in the context of the reporting by significant currency. However, this may neither be in line with the prudential intent nor consistent with the way of how similar templates such as C67.00 (concentration in funding) are to be reported (see Q&A 2015\_2033).

## EBA answer

According to Annex XX (template) and Annex XXI (instructions) of Regulation (EU) No 680/2014 institutions shall report their concentration of counterbalancing capacity by issuer/counterparty as one of the additional liquidity monitoring metrics (ALMM). In template C71.00, institutions shall report both, the ten most important issuers / counterparties and all other items used as counterbalancing capacity.

When completing the template by significant currency in accordance with Article 415(2) CRR, the top 10 counterparties in each individual significant currency shall be reported, i.e., the top 10 ranking can thus differ across currencies. According to the example, a separate reporting of significant currency for USD and GBP has to be provided as follows:

USD: Reporting of the top 10 counterparties in USD. Counterparty 2 would have to be reported as the top 1 counterparty; counterparty 11 would have to be "upgraded" to top 2 counterparty from a sole USD perspective;

GBP: reporting of the top 10 counterparties in GBP. Counterparty 13 would have to be "upgraded" to top 1 counterparty from a sole GBP perspective.

## Link

[EBA website link](#)

