

EBA FINAL draft Implementing Technical Standards

on Disclosure for Own Funds by institutions under Articles 437(2) and 492(5) of Regulation (EU) 575/2013 (Capital Requirements Regulation – CRR).



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Table of contents

1.	Executive Summary	3
2.	Background and rationale	4
3.	EBA FINAL draft Implementing Technical Standards on Disclosure for Own Funds by institutions	8
4.	Accompanying documents	40
4.1	Cost- Benefit Analysis / Impact Assessment	40
4.2	Views of the Banking Stakeholder Group (BSG)	43
4.3	Feedback on the public consultation and on the opinion of the BSG	44

1. Executive summary

The CRR/CRD IV texts (the so-called Capital Requirements Regulation, henceforth CRR, and the so-called Capital Requirements Directive, henceforth CRD) set out prudential requirements for own funds applicable as of 1 January 2014.

In a number of articles, the CRR contains specific mandates for the EBA to develop draft Implementing Technical Standards (ITS), one set of which is related to own funds disclosures.

Main features of the ITS

The draft ITS contained in this document are based on Articles 437(2) and 492(5) of the CRR and require institutions to complete three sets of templates: a general own funds disclosure template, a transitional disclosure template (which will be withdrawn at the end of the transition period for regulatory adjustments) and a template describing the main features of an institution's capital instruments.

The general own funds disclosure template is designed to reflect the capital position of institutions and is to be completed in accordance with relevant articles of the CRR.

The transitional disclosure template is required only for the transition period for the regulatory adjustments, after which it will be replaced by the general own funds template. The transitional disclosure template has been designed to be consistent with the Basel Committee on Banking Supervision (BCBS) 'disclosure template during the transition phase'.

Institutions are also required to complete a capital instruments' features template, which reflects the level of details to be disclosed with regard to the features of an institution's capital instruments.

Finally, institutions are required to provide, in their financial statements, a reconciliation of their own funds elements to their regulatory own funds. This approach is consistent with the BCBS 'reconciliation requirements'.

2. Background and rationale

Draft ITS on disclosure for own funds by institutions

The so-called Omnibus Directive¹ amended the directives that are collectively known as the Capital Requirements Directive (CRD)² in a number of ways, one of which was by establishing areas where the EBA is mandated to develop draft technical standards (TS).

On 26 June 2013, revised CRD texts were published, aiming at applying the internationally agreed standards within the context of the Basel Committee for Banking Supervision (known as the 'Basel III framework') in the EU. These texts have recast the contents of the CRD into a revised CRD and a new Capital Requirements Regulation (CRR) – which are together colloquially referred to as the CRR/CRD IV.

The EBA has developed these draft ITS in accordance with the mandate contained in Articles 437(2) and 492(5) of the CRR.

Background and regulatory approach followed in the draft ITS

In December 2011, the BCBS published a consultative document entitled 'Definition of capital – disclosure requirements', aimed at addressing the lessons from the financial crisis and, in particular, criticisms that the lack of clarity on the quality of capital contributed to uncertainty during the financial crisis.

The CRR provisions related to own funds 'translate' the BCBS proposals into EU law. The draft ITS submitted hereby by the EBA derive directly from the CRR, which will be applicable as of 1 January 2014. These ITS have to be submitted to the European Commission (EC) within one month from the entry into force of the CRR.

Establishing appropriate disclosure requirements is meant to increase transparency regarding the regulatory capital of European institutions. These disclosure requirements are a complement to the strengthening of the quality and quantity of capital. The use of uniform templates will facilitate cross-jurisdictional comparisons. Furthermore, when developing the draft ITS, the EBA very closely followed the approach adopted by the BCBS in order to facilitate international comparisons, while making appropriate references to the European regulatory framework. The EBA has reviewed the final ITS in order to take into account, as far as necessary, international developments in the field of disclosure for own funds.

The requirements contained in the draft ITS are directed at institutions. Institutions are required to complete three sets of templates: a general own funds disclosure template, a transitional disclosure template (which will be withdrawn at the end of the transition period for regulatory adjustments) and a template describing the main features of an institution's capital instruments. The requirements set out

1 Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 98/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the European Supervisory Authority (European Banking Authority), the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority).

2 Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions and Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions.

in these ITS, once adopted, will be a specification of the disclosure requirements on own funds laid down in Part Eight Article 437 of the CRR.

The general own funds disclosure template is designed to reflect the capital position of institutions and is to be completed in accordance with relevant articles of the CRR. For clarity, annexes to this template provide further instructions for completing the template. This template has been designed to be consistent with the BCBS 'Post 1 January 2018 disclosure template', in terms of both content and numbering of the lines of the template. The own funds disclosure template will have to be completed by institutions from 1 January 2018 onwards.

During the period from 1 January 2014 to 31 December 2017, which covers the phasing in of the regulatory adjustments (deductions and filters), institutions are required to disclose specific information related to components of capital, filters and deductions. The transition period adds complexity in the understanding of the composition of capital during this period because of the adjustments to be made in accordance with the national transposition measures of Directive 2006/48/EC.

As a consequence, and in accordance with Article 492 of the CRR, institutions will have to complete a transitional disclosure template, which is meant to reflect the transitional provisions implemented by the institutions and which are not covered by the general own funds disclosure template, especially for deductions and filters. This template is a temporary substitute for the general own funds disclosure template and will be replaced by the general own funds disclosure template once the transition period for the regulatory adjustments is over. This template has been designed to be consistent with the BCBS 'disclosure template during the transition phase'. For clarity, annexes to this template provide further instructions for completing the template.

Institutions are also required to complete a capital instruments' features template, which reflects the level of detail to be disclosed with regard to the features of an institution's capital instruments. For clarity, annexes to these templates provide further instructions to help with the completion of the template. This template has been designed to be consistent with the BCBS 'main features template', in terms of both content and numbering of the lines of the template. The capital instruments' features template is expected to have to be disclosed by institutions from 1 January 2014 onwards.

The final versions of the templates have taken into account the final CRR provisions, in terms of both content of the rows and addition/deletion of some rows.

In addition, institutions are required to provide a reconciliation of their own funds elements in their financial statements to their regulatory own funds. This approach is consistent with the BCBS 'reconciliation requirements'. This reconciliation methodology is expected to have to be applied by institutions from 1 January 2014 onwards.

The accounting and regulatory scopes are different, which often explains much of the difference between the elements used in the published financial statements and the elements used in the calculation of own funds. A key element in any reconciliation involves disclosing how the balance sheet in the financial statements changes when the regulatory scope is applied.

The balance sheet reconciliation addresses the disparity between the data used for the calculation of own funds and the data used in institutions' financial statements.

The financial statements subject to disclosure requirements are, for some institutions, extensive and complex. Therefore, a three-step approach, consistent with the one developed by the BCBS, is necessary in order to reconcile the numbers used for the calculation of regulatory capital and the numbers used in the published financial statements.

In addition, the CRR provides, in relation to the frequency of disclosures in general, i.e. not only for own funds purposes, in Article 433, the following:

*'Article 433
Frequency of disclosure*

Institutions shall publish the disclosures required by this Part at least on an annual basis.

Annual disclosures shall be published in conjunction with the date of publication of the financial statements.

Institutions shall assess the need to publish some or all disclosures more frequently than annually in the light of the relevant characteristics of their business such as scale of operations, range of activities, presence in different countries, involvement in different financial sectors, and participation in international financial markets and payment, settlement and clearing systems. That assessment shall pay particular attention to the possible need for more frequent disclosure of items of information laid down in Article 437, and points (c) to (f) of Article 438, and information on risk exposure and other items prone to rapid change.

EBA shall, in accordance with Article 16 of Regulation (EU) No 1093/2010, issue guidelines by 31 December 2014 on institutions assessing more frequent disclosures of Titles II and III.'

In relation to the scope of application of disclosure requirements and their implementation on a consolidated basis, it is relevant to recall that the text of the CRR also provides, in Article 13, the following:

*'Article 13
Application of disclosure requirements on a consolidated basis*

1. *EU parent institutions shall comply with the obligations laid down in Part Eight on the basis of their consolidated situation.*

Significant subsidiaries of EU parent institutions and those subsidiaries which are of material significance for their local market shall disclose the information specified in Articles 437, 438, 440, 442, 450, 451 and 453, on an individual or sub-consolidated basis.

2. *Institutions controlled by an EU parent financial holding company or EU parent mixed financial holding company shall comply with the obligations laid down in Part Eight on the basis of the consolidated situation of that financial holding company or mixed financial holding company.*

Significant subsidiaries of EU parent financial holding companies or EU parent mixed holding companies and those subsidiaries which are of material significance for their local market shall disclose the information specified in Articles 437, 438, 440, 442, 450, 451 and 453 on an individual or sub-consolidated basis.

3. *Paragraphs 1 and 2 shall not apply in full or in part to EU parent institutions, institutions controlled by an EU parent financial holding company or EU parent mixed financial holding company, to the extent that they are included within equivalent disclosures provided on a consolidated basis by a parent undertaking established in a third country.*

4. *Where Article 10 is applied, the central body referred to in that Article shall comply with the requirements of Part Eight on the basis of the consolidated situation of the central body. Article 18(1)*

shall apply to the central body and the affiliated institutions shall be treated as the subsidiaries of the central body.'

In addition, in relation to specific publication requirements, Article 106 of the CRD provides the following:

*'Article 106
Specific publication requirements*

1. *Member States shall empower the competent authorities to require institutions:*
 - (a) *to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more than once per year, and to set deadlines for publication;*
 - (b) *to use specific media and locations for publications other than the financial statements.*
2. *Member States shall empower competent authorities to require parent undertakings to publish annually, either in full or by way of references to equivalent information, a description of their legal structure and governance and organisational structure of the group of institutions in accordance with Article 14(3), Article 74(1) and Article 109(2).'*

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3. EBA FINAL draft Implementing Technical Standards on Disclosure for Own Funds by institutions under Articles 437(2) and 492(5) of Regulation (EU) 575/2013 (Capital Requirements Regulation – CRR)



EUROPEAN COMMISSION

Brussels, **XXX**
[...](2012) **XXX** draft

COMMISSION IMPLEMENTING REGULATION (EU) No .../..

of **XXX**

[...]

laying down implementing technical standards with regard to disclosure of Own Funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council

COMMISSION IMPLEMENTING REGULATION (EU) No .../2013

of XX month 2013

laying down implementing technical standards with regard to disclosure of Own Funds requirements for institutions, according to Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms

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 648/2012³, and in particular Articles 437(2) third subparagraph and 492(5) third subparagraph thereof,

Whereas:

- (1) Given that the objective of disclosure requirements is to help improve transparency in the area of regulatory capital, for comparison purposes, the rules defined for disclosure of European institutions should be consistent with the international framework (reflected in the ‘Composition of Capital disclosure requirements’ of the Basel Committee for Banking Supervision –BCBS) adapted to take into account the European regulatory framework and its specificities.
- (2) In line with the above, such disclosure templates should include an own funds disclosure template, aiming at reflecting the detailed capital position of institutions; and a capital instruments’ features template, aiming at reflecting the level of detail required to be disclosed with regard to the features of an institution’s capital instruments.
- (3) The scope of consolidation for accounting purposes and for regulatory purposes differ among them, and this results in differences between the information used in the calculation of own funds and the information used in the published financial statements, in particular for own funds items. In order to address the disparity between the data used for the calculation of own funds and the data used in institutions’ financial statements, it is necessary to also disclose how elements in the financial statements that are used to calculate own funds change when the regulatory scope of consolidation is applied. Therefore a balance sheet reconciliation methodology

³ OJ L 176, 27.6.2013, p. 1.

providing information on the reconciliation between balance sheet items used to calculate own funds and regulatory own funds should also be included in this Regulation. For this purpose, a regulatory scope balance sheet, covering only own funds items, should be used.

- (4) The financial statements of some institutions subject to these disclosure requirements are extensive and complex. Therefore a three step approach is necessary in order to assist institutions in establishing their balance sheet reconciliation.
- (5) The provisions in this Regulation are closely linked, since they deal with disclosure of own funds items. To ensure coherence between those provisions, which should enter into force at the same time, and to facilitate a comprehensive view and compact access to them by persons subject to those obligations, it is desirable to include all the implementing technical standards required by Regulation (EU) No 575/2013 in relation to disclosure of own funds in a single Regulation.
- (6) This Regulation is based on the draft implementing technical standards submitted by the European Supervisory Authority (European Banking Authority) to the European Commission.
- (7) The European Supervisory Authority (European Banking Authority) 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,

HAS ADOPTED THIS REGULATION:

TITLE I

Subject matter and definitions

Article 1

Subject matter

This Regulation specifies uniform templates for disclosure under points (a), (b), (d) and (e) of paragraph 1 of Article 437 and of paragraph 3 of Article 492 of Regulation (EU) No 575/2013.

Article 2

Definitions

For the purposes of this Regulation, the following definition shall apply:

- (1) ‘regulatory scope balance sheet’ means a balance sheet which is drawn up according to the rules on prudential consolidation pursuant to Chapter 2, Title II, Part One of Regulation (EU) No 575/2013 and which is limited to own funds items.

TITLE II

Own funds disclosure templates

Article 3

Full reconciliation of own funds items to audited financial statements

In order to meet the requirements for disclosure of a full reconciliation of own funds items to audited financial statements, as described in point (a) of Article 437(1) of Regulation (EU) No 575/2013, institutions shall apply the methodology described in Annex I and shall publish the balance sheet reconciliation information resulting from the application of this methodology.

Article 4

Description of the main features of Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments issued by institutions

In order to meet the requirements for disclosure of the main features of Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments issued by institutions, as described in point (b) of Article 437 (1) of Regulation (EU) No 575/2013, institutions shall complete and publish the capital instruments’ main features template provided in Annex II, according to the instructions of Annex III.

Article 5

Disclosure of nature and amounts of specific items on own funds

In order to meet the requirements for disclosure of the specific items on own funds described in points (d) and (e) of Article 437 (1) of Regulation (EU) No 575/2013,

institutions shall complete and publish the general own funds disclosure template provided in Annex IV, according to the instructions of Annex V .

Article 6

Disclosure of nature and amounts of specific items on own funds during the transitional period

In order to meet the requirements for disclosure of the additional items on own funds during the period from the date of application of Regulation (EU) No 575/2013 to 31 December 2017, as provided for in Article 492(3) of Regulation (EU) No 575/2013, institutions shall complete and publish the transitional own funds disclosure template provided in Annex VI, according to the instructions of Annex VII.

TITLE III

Final provision

Article 7

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 31 March, 2014. Article 5 shall apply from January 1, 2018.

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

Done at Brussels,

For the Commission
The President

[or]
On behalf of the President
[Position]

ANNEX I- Balance Sheet Reconciliation Methodology

1. Institutions shall apply the methodology described in this Annex in order to provide information on the reconciliation between balance sheet items used to calculate own funds and regulatory own funds. Own funds items in the audited financial statements shall include all items that are components of or are deducted from regulatory own funds, including equity, liabilities such as debt, or other balance sheet lines that affect regulatory own funds such as intangible assets, goodwill, deferred tax assets.
2. Institutions shall use as a starting point the relevant balance sheet items used to calculate own funds as in their published financial statements. Financial statements shall be considered audited financial statements when reconciliation is carried out against the year-end financial statements.
3. Where institutions meet the obligations laid down in Part Eight of Regulation (EU) No 575/2013 on a consolidated or sub-consolidated basis and where the scope of consolidation or the method for consolidation used in the balance sheet in the financial statements are different from the scope of consolidation and method for consolidation required pursuant to Part One, Title II, Chapter 2 of Regulation (EU) No 575/2013, institutions shall also disclose the regulatory scope balance sheet. The regulatory scope balance sheet shall be at least as detailed as the balance sheet in the financial statements for own funds items, and its items shall be displayed side by side with a clear mapping with the own funds items of the balance sheet in the financial statements. Institutions shall provide qualitative and quantitative information on the differences in own funds items due to the scope and method for consolidation between the two balance sheets.
4. Secondly, institutions shall expand the own funds items of the regulatory scope balance sheet such that all of the components required by the transitional disclosure template or in the own funds disclosure template appear separately. Institutions shall only expand elements of the balance sheet up to the level of granularity that is necessary for deriving the components required by the transitional disclosure template or the own funds disclosure template.
5. Thirdly, institutions shall establish a mapping between the elements resulting from the expanding of the regulatory scope balance sheet as described in paragraph 4 with the elements included in the transitional disclosure template or in the own funds disclosure template.
6. Where institutions comply with the obligations laid down in Part Eight of Regulation (EU) No 575/2013 on a consolidated or sub-consolidated basis but the scope of consolidation and the method for consolidation used for the balance sheet in the financial statements are identical to the scope of consolidation and the method for consolidation defined pursuant to Part One, Title II, Chapter 2 of Regulation (EU) No 575/2013, and institutions clearly state the absence of differences between the respective scopes and methods for consolidation, only paragraphs 4 and 5 shall apply on the basis of the balance sheet in the financial statements.

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7. Where institutions meet the obligations laid down in Part Eight of Regulation (EU) No 575/2013 on an individual basis, paragraph 3 of this Annex shall not apply and paragraphs 4 and 5 shall instead apply on the basis of the balance sheet in the financial statements.

 8. The balance sheet reconciliation information on own funds items resulting from the application of the methodology described in this Annex may be provided in an unaudited format.

ANNEX II- Capital instruments' main features template

Capital instruments main features template (1)		
1	Issuer	
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
	<i>Regulatory treatment</i>	
4	Transitional CRR rules	
5	Post-transitional CRR rules	
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	
9	Nominal amount of instrument	
9a	Issue price	
9b	Redemption price	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	
21	Existence of step up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down features	
31	If write-down, write-down trigger(s)	
32	If write-down, full or partial	
33	If write-down, permanent or temporary	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	

36	Non-compliant transitioned features	
37	If yes, specify non-compliant features	
(1) Insert 'N/A' if the question is not applicable		

ANNEX III- Instructions for completing the capital instruments main features template

1. Institutions shall apply the instructions provided in this Annex in order to complete the capital main features template as presented in Annex II.
2. Institutions shall complete this template for the following categories: Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments.
3. The templates shall comprise columns with the features of the different instruments. In cases where capital instruments of a same category have identical features, institutions may complete only one column disclosing these identical features and identify the issuances to which the identical features refer.

Instructions for completing the capital instruments main features template	
1	Identifies issuer legal entity. <i>Free text</i>
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement). <i>Free text</i>
3	Specifies the governing law(s) of the instrument. <i>Free text</i>
4	Specifies transitional regulatory capital treatment contained in Regulation (EU) No 575/2013. The original classification of the instrument is the point of reference independently of possible reclassification in lower tiers of capital. <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible] [N/A]</i> <i>Free text – specify if a fraction of the issuance has been reclassified in lower tiers of capital.</i>
5	Specifies regulatory capital treatment under rules contained in Regulation (EU) No 575/2013 without taking into account the transitional treatment. <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible]</i>
6	Specifies the level(s) within the group at which the instrument is included in the capital. <i>Select from menu: [Solo] [(Sub-)Consolidated] [Solo and (Sub-)Consolidated]</i>
7	Specifies instrument type, varying by jurisdiction. <i>Select from menu: menu options to be provided to institutions by each jurisdiction – legal references of Regulation (EU) No 575/2013 articles for each type of instrument to be inserted</i> <i>For CET1 instruments, CET1 as published in the EBA list (art. 26(3)).</i>
8	Specifies the amount recognised in regulatory capital (total amount of the instrument recognised in regulatory capital before transitional provisions for the relevant level of the disclosure - currency used for

	<p>the reporting obligations).</p> <p><i>Free text – specify in particular if some parts of the instruments are in different tiers of the regulatory capital and if the amount recognised in regulatory capital is different from the amount issued.</i></p>
9	<p>Nominal amount of instrument (in currency of issuance and currency used for the reporting obligations).</p> <p><i>Free text</i></p>
9a	<p>Issue price of instrument.</p> <p><i>Free text</i></p>
9b	<p>Redemption price of instrument.</p> <p><i>Free text</i></p>
10	<p>Specifies accounting classification.</p> <p><i>Select from menu: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary]</i></p>
11	<p>Specifies date of issuance.</p> <p><i>Free text</i></p>
12	<p>Specifies whether dated or perpetual.</p> <p><i>Select from menu: [Perpetual] [Dated]</i></p>
13	<p>For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument put 'no maturity'.</p> <p><i>Free text</i></p>
14	<p>Specifies whether there is an issuer call option (all types of call options).</p> <p><i>Select from menu: [Yes] [No]</i></p>
15	<p>For instrument with issuer call option, specifies first date of call if the instrument has a call option on a specific date (day, month and year) and, in addition, specifies whether the instrument has a tax and/or regulatory event call. Also specifies the redemption price. Helps to assess permanence.</p> <p><i>Free text</i></p>
16	<p>Specifies the existence and frequency of subsequent call dates, if applicable. Helps to assess permanence.</p> <p><i>Free text</i></p>
17	<p>Specifies whether the coupon/dividend is: either fixed over the life of the instrument, or floating over the life of the instrument, or currently fixed but will move to a floating rate in the future, or currently floating but will move to a fixed rate in the future.</p> <p><i>Select from menu: [Fixed], [Floating] [Fixed to floating], [Floating to fixed]</i></p>
18	<p>Specifies the coupon rate of the instrument and any related index that the coupon/dividend rate</p>

	<p>references.</p> <p><i>Free text</i></p>
19	<p>Specifies whether the non-payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (i.e. whether there is a dividend stopper).</p> <p><i>Select from menu: [yes], [no]</i></p>
20a	<p>Specifies whether the issuer has full discretion, partial discretion or no discretion over whether a coupon/dividend is paid. If the institution has full discretion to cancel coupon/dividend payments under all circumstances it must select ‘fully discretionary’ (including when there is a dividend stopper that does not have the effect of preventing the institution from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (e.g. capital below a certain threshold), the institution must select ‘partially discretionary’. If the institution is unable to cancel the payment outside of insolvency the institution must select ‘mandatory’.</p> <p><i>Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory]</i></p> <p><i>Free text (specify the reasons for discretion, existence of dividend pushers, dividend stoppers, ACSM)</i></p>
20b	<p>Specifies whether the issuer has full discretion, partial discretion or no discretion over the amount of the coupon/dividend.</p> <p><i>Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory]</i></p>
21	<p>Specifies whether there is a step-up or other incentive to redeem.</p> <p><i>Select from menu: [Yes] [No]</i></p>
22	<p>Specifies whether dividends / coupons are cumulative or noncumulative.</p> <p><i>Select from menu: [Noncumulative] [Cumulative] [ACSM]</i></p>
23	<p>Specifies whether instrument is convertible or not.</p> <p><i>Select from menu: [Convertible] [Nonconvertible]</i></p>
24	<p>Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach).</p> <p><i>Free text</i></p>
25	<p>Specifies whether the instrument will always convert fully, may convert fully or partially, or will always convert partially.</p> <p><i>Select from menu: [Always Fully] [Fully or Partially] [Always partially]</i></p>
26	<p>Specifies rate of conversion into the more loss absorbent instrument.</p> <p><i>Free text</i></p>

27	<p>For convertible instruments, specifies whether conversion is mandatory or optional.</p> <p><i>Select from menu: [Mandatory] [Optional] [NA] and [at the option of the holders] [at the option of the issuer] [at the option of both the holders and the issuer]</i></p>
28	<p>For convertible instruments, specifies instrument type convertible into. Helps to assess loss absorbency.</p> <p><i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other]</i></p>
29	<p>If convertible, specify issuer of instrument it converts into.</p> <p><i>Free text</i></p>
30	<p>Specifies whether there is a write down feature.</p> <p><i>Select from menu: [Yes] [No]</i></p>
31	<p>Specifies the triggers at which write-down occurs, including point of non-viability. Where one or more authorities have the ability to trigger write-down, the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach)</p> <p><i>Free text</i></p>
32	<p>Specifies whether the instrument will always be written down fully, may be written down partially, or will always be written down partially. Helps assess the level of loss absorbency at write-down.</p> <p><i>Select from menu: [Always Fully] [Fully or Partially] [Always partially]]</i></p>
33	<p>For write down instrument, specifies whether write down is permanent or temporary.</p> <p><i>Select from menu: [Permanent] [Temporary] [NA]</i></p>
34	<p>Describes the write-up mechanism.</p> <p><i>Free text</i></p>
35	<p>Specifies instrument to which it is most immediately subordinate. Where applicable, banks should specify the column numbers of the instruments in the completed main features template to which the instrument is most immediately subordinate.</p> <p><i>Free text</i></p>
36	<p>Specifies whether there are non-compliant features.</p> <p><i>Select from menu: [Yes] [No]</i></p>
37	<p>If there are non-compliant features, asks institution to specify which ones.</p> <p><i>Free text</i></p>

ANNEX IV- Own funds disclosure template

Own funds disclosure template			Regulation (EU) No 575/2013 Article Reference
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts		26 (1), 27, 28, 29
	of which: Instrument type 1		EBA list 26 (3)
	of which: Instrument type 2		EBA list 26 (3)
	of which: Instrument type 3		EBA list 26 (3)
2	Retained earnings		26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)		26 (1)
3a	Funds for general banking risk		26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)
5	Minority interests (amount allowed in consolidated CET1)		84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend		26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments		Sum of rows 1 to 5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		34, 105
8	Intangible assets (net of related tax liability) (negative amount)		36 (1) (b), 37
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38,
11	Fair value reserves related to gains or losses on cash flow hedges		33(1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)		32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33(1) (b)
15	Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20	Empty set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		36 (1) (k)
20b	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91
20c	of which: securitisation positions (negative amount)		36 (1) (k) (ii), 243 (1) (b), 244 (1) (b),

			258
20d	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 15% threshold (negative amount)		48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36 (1) (i), 48 (1) (b)
24	Empty set in the EU		
25	of which: deferred tax assets arising from temporary differences		36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)		36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)		Sum of rows 7 to 20a, 21, 22 and 25a to 27
29	Common Equity Tier 1 (CET1) capital		Row 6 minus row 28
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		51, 52
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments		Sum of rows 30, 33 and 34
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		56 (d), 59, 79
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		Sum of rows 37 to 42
44	Additional Tier 1 (AT1) capital		Row 36 minus row 43
45	Tier 1 capital (T1 = CET1 + AT1)		Sum of row 29 and row 44
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts		62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)

50	Credit risk adjustments		62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments		
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63 (b) (i), 66 (a), 67
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66 (b), 68
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		66 (c), 69, 70, 79
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66 (d), 69, 79
56	Empty set in the EU		
57	Total regulatory adjustments to Tier 2 (T2) capital		Sum of rows 52 to 56
58	Tier 2 (T2) capital		Row 51 minus row 57
59	Total capital (TC = T1 + T2)		Sum of row 45 and row 58
60	Total risk weighted assets		
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)		92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)		92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)		92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)		CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement		
66	of which: countercyclical buffer requirement		
67	of which: systemic risk buffer requirement		
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		CRD 128
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (h), 46, 45 56 (c), 59, 60 66 (c), 69, 70

73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (i), 45, 48
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)		36 (1) (c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	<ul style="list-style-type: none"> Current cap on CET1 instruments subject to phase out arrangements 		484 (3), 486 (2) & (5)
81	<ul style="list-style-type: none"> Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) 		484 (3), 486 (2) & (5)
82	<ul style="list-style-type: none"> Current cap on AT1 instruments subject to phase out arrangements 		484 (4), 486 (3) & (5)
83	<ul style="list-style-type: none"> Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) 		484 (4), 486 (3) & (5)
84	<ul style="list-style-type: none"> Current cap on T2 instruments subject to phase out arrangements 		484 (5), 486 (4) & (5)
85	<ul style="list-style-type: none"> Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) 		484 (5), 486 (4) & (5)

ANNEX V- Instructions for completing the own funds disclosure template

1. Institutions shall apply the instructions provided in this Annex in order to complete the own funds disclosure template as presented in Annex IV.
2. For the purposes of the own funds disclosure template, regulatory adjustments comprise deductions from own funds and prudential filters.

Instructions for completing the own funds disclosure template	
Row number	Explanation
1	Capital instruments and the related share premium accounts in accordance with Articles 26 (1), 27, 28, 29 of Regulation (EU) No 575/2013 and the EBA list as referred to in Article 26 (3) of the same regulation.
2	Retained earnings prior to all regulatory adjustments in accordance with Article 26 (1) (c) of Regulation (EU) No 575/2013 (prior to the inclusion of any interim net profits or losses).
3	Amount of accumulated other comprehensive income and other reserves in accordance with Article 26 (1) (d) and (e) of Regulation (EU) No 575/2013.
3a	Amount of funds for general banking risk in accordance with Article 26 (1) (f) of Regulation (EU) No 575/2013.
4	Amount of qualifying items referred to in Article 484 (3) of Regulation (EU) No 575/2013 and the related share premium accounts subject to phase out from CET1 as described in Article 486 (2) of Regulation (EU) No 575/2013.
5	Minority interests (amount allowed in consolidated CET1) as per Article 84 of Regulation (EU) No 575/2013.
5a	Independently reviewed interim profits net of any foreseeable charge or dividend as per Article 26 (2) of Regulation (EU) No 575/2013.
6	Sum of rows 1 to 5a.
7	Additional value adjustments in accordance with Article 34 and 105 of Regulation (EU) No 575/2013 (negative amount).
8	Intangible assets (net of related tax liability) in accordance with Articles 36 (1) (b) and 37 of Regulation (EU) No 575/2013.

9	[An Empty Set under Regulation (EU) No 575/2013].
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) in accordance with Articles 36 (1) (c) and 38 of Regulation (EU) No 575/2013 (negative amount).
11	Fair value reserves related to gains or losses on cash flow hedges in accordance with Article 33 (a) of Regulation (EU) No 575/2013.
12	Negative amounts resulting from the calculation of expected loss amounts in accordance with Articles 36 (1) (d) and 40 of Regulation (EU) No 575/2013.
13	Any increase in equity that results from securitised assets in accordance with Article 32 (1) of Regulation (EU) No 575/2013 (negative amount).
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing in accordance with Article 33 (b) of Regulation (EU) No 575/2013.
15	Defined-benefit pension fund assets in accordance with Articles 36 (1) (e) and 41 of Regulation (EU) No 575/2013 (negative amount).
16	Direct and indirect holdings by an institution of own CET1 instruments as described in Articles 36 (1) (f) and 42 of Regulation (EU) No 575/2013 (negative amount).
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution as described in Articles 36 (1) (g) and 44 of Regulation (EU) No 575/2013 (negative amount).
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) as described in Articles 36 (1) (h), 43, 45, 46 and 49 (2) (3) of Regulation (EU) No 575/2013 (negative amount).
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) as described in Articles 36 (1) (i), 43, 45, 47, 48 (1) (b), and 49 (1) to (3) of Regulation (EU) No 575/2013 (negative amount).
20	[An Empty Set under Regulation (EU) No 575/2013]
20a	Exposure amount which qualifies for a RW of 1250%, where the institution opts for the deduction alternative, as described in Article 36 (1) (k) of Regulation (EU) No 575/2013.
20b	Of the amount reported in 20a, the amount relating to qualifying holdings outside the financial sector in accordance with Articles 36 (1) (k) and 89 to 86 of Regulation (EU) No 575/2013 (negative amount).
20c	Of the amount reported in 20a, the amount relating to securitisation positions, in accordance with Articles 36 (1) (k) (ii), 243 (1) (b), 244 (1) (b) and 258 of Regulation

	(EU) No 575/2013 (negative amount).
20d	Of the amount reported in 20a, the amount relating to free deliveries in accordance with Articles 36 (1) (k) (ii) and 379(3) of Regulation (EU) No 575/2013 (negative amount).
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) as described in Articles 36 (1) (c), 38 and 48 (1) (a) of Regulation (EU) No 575/2013 (negative amount).
22	Amount exceeding the 15% threshold in accordance with Article 48 (1) of Regulation (EU) No 575/2013 (negative amount).
23	Of the amount reported in 22, the amount of direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities as described in Articles 36 (1) (i) and 48 (1) (b) of Regulation (EU) No 575/2013.
24	[An Empty Set under Regulation (EU) No 575/2013].
25	Of the amount reported in 22 the amount of deferred tax assets arising from temporary differences as described in Articles 36 (1) (c), 38 and 48 (1) (a) of Regulation (EU) No 575/2013.
25a	Losses for the financial year in accordance with Article 36 (1) (a) of Regulation (EU) No 575/2013 (negative amount).
25b	Amount of foreseeable tax charges relating to CET1 items foreseeable at the moment of their calculation, except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be applied to cover risks or losses, in accordance with Article 36 (1) (l) of Regulation (EU) No 575/2013 (negative amount).
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution as described in Article 36 (1) (j) of Regulation (EU) No 575/2013 (negative amount).
28	Total regulatory adjustments to CET1, to be calculated as the sum of rows 7 to 20a, 21, 22 and 25a to 27.
29	Common Equity Tier 1 (CET1) capital, to be calculated as row 6 minus row 28.
30	Capital instruments and the related share premium accounts as per Articles 51 and 52 of Regulation (EU) No 575/2013.
31	The amount in row 30 classified as equity under applicable accounting standards.
32	The amount in row 30 classified as liabilities under applicable accounting standards.
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486 (3) of Regulation (EU) No 575/2013
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties as

	described in Articles 85 and 86 of Regulation (EU) No 575/2013.
35	The amount reported in row 34 that relates to the instruments issued by subsidiaries subject to phase out as described in Article 486 (3) of Regulation (EU) No 575/2013.
36	The sum of rows 30, 33 and 34.
37	Direct and indirect holdings by an institution of own AT1 instruments as described in Articles 52 (1) (b), 56 (a) and 57 of Regulation (EU) No 575/2013 (negative amount).
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution as described in Articles 56 (b) and 58 of Regulation (EU) No 575/2013 (negative amount).
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) as described in Articles 56 (c), 60 and 59 of Regulation (EU) No 575/2013 (negative amount).
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) as described in Articles 56 (d) and 59 of Regulation (EU) No 575/2013 (negative amount).
41	[An Empty Set under Regulation (EU) No 575/2013.
42	Qualifying T2 deductions that exceed the T2 capital of the institution as described in Articles 56 (e) of Regulation (EU) No 575/2013 (negative amount).
43	The sum of rows 37 to 42.
44	Additional Tier 1 (AT1) capital, to be calculated as row 36 minus row 43.
45	Tier 1 capital, to be calculated as row 29 plus row 44.
46	Capital instruments and the related share premium accounts as described in Articles 62 and 63 of Regulation (EU) No 575/2013.
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) of Regulation (EU) No 575/2013.
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties as described in Articles 87 and 88 of Regulation (EU) No 575/2013.
49	Of the amount reported in 48, the amount relating to instruments issued by subsidiaries subject to phase out, as described in Article 486 (4) of Regulation (EU) No 575/2013.
50	Credit risk adjustments in accordance with Articles 62 (c) and (d) of Regulation (EU) No 575/2013.

51	The sum of rows 46 to 48 and row 50.
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans as described in Articles 63 (b) (i), 66 (a) and 67 of Regulation (EU) No 575/2013.
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution as described in Article 66 (b) and 68 of Regulation (EU) No 575/2013 (negative amount).
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) as described in Articles 66 (c), 69 and 70 of Regulation (EU) No 575/2013 (negative amount).
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) as described in Articles 66 (d) and 69 of Regulation (EU) No 575/2013 (negative amount).
56	[An Empty Set under Regulation (EU) No 575/2013]
57	The sum of rows 52 to 56.
58	Tier 2 (T2) capital, to be calculated as row 51 minus row 57.
59	Total capital, to be calculated as row 45 plus row 58.
60	Total risk weighted assets of the reporting group.
61	Common Equity Tier 1 (as a percentage of risk exposure amount), to be calculated as row 29 divided by row 60 (expressed as a percentage) in accordance with Article 92 (2) (a) of Regulation (EU) No 575/2013.
62	Tier 1 (as a percentage of risk exposure amount), to be calculated as row 45 divided by row 60 (expressed as a percentage) in accordance with Article 92 (2) (b) of Regulation (EU) No 575/2013.
63	Total capital (as a percentage of risk exposure amount), to be calculated as row 59 divided by row 60 (expressed as a percentage) in accordance with Article 92 (2) (c) of Regulation (EU) No 575/2013.
64	Institution-specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) of Regulation (EU) No 575/2013 plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer requirement, plus systemically important institution buffer expressed as a percentage of risk exposure amount). To be calculated as 4.5% plus 2.5% plus the countercyclical buffer requirement calculated in accordance with Articles 128, 129 and 130 of Directive 2013/36/EU, plus the systemic buffer requirement (where applicable) calculated in accordance with Article 133 of Directive 2013/36/EU, plus the systemically important institution buffer (G-SII or O-SII buffer) calculated in accordance with Article 131 of Directive 2013/36/EU. This row will show the CET1 ratio below which the institution will become subject to constraints on distributions.

65	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the capital conservation buffer), i.e. banks will report 2.5% here.
66	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the countercyclical buffer requirement.
67	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the systemic risk buffer requirement.
67a	The amount in row 64 (expressed as a percentage of risk weighed assets) that relates to the G-SII or O-SII buffer requirement.
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount). To be calculated as the CET1 capital of the institution, less any Common Equity Tier 1 items used to meet the institution's Tier 1 and Total capital requirements.
69	[non relevant in EU regulation]
71	[non relevant in EU regulation]
71	[non relevant in EU regulation]
72	Direct and indirect holdings of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) in accordance with Articles 36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 70 and 69 of Regulation (EU) No 575/2013 .
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions) in accordance with Articles 36 (1) (i), 45 and 48 of Regulation (EU) No 575/2013.
74	[An Empty Set under Regulation (EU) No 575/2013]
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) in accordance with Articles 36 (1) (c), 38 and 48 of Regulation (EU) No 575/2013.
76	Credit Risk Adjustments included in T2 in respect of exposures subject to standardised approach in accordance with Article 62 of Regulation (EU) No 575/2013.
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach in accordance with Article 62 of Regulation (EU) No 575/2013.
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach in accordance with Article 62 of Regulation (EU) No 575/2013.

79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach in accordance with Article 62 of Regulation (EU) No 575/2013.
80	Current cap on CET1 instruments subject to phase out arrangements in accordance with Articles 484 (3), 486 (2) and (5) of Regulation (EU) No 575/2013.
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (3), 486 (2) and (5) of Regulation (EU) No 575/2013.
82	Current cap on AT1 instruments subject to phase out arrangements in accordance with Articles 484 (4), 486 (3) and (5) of Regulation (EU) No 575/2013.
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (4), 486 (3) and (5) of Regulation (EU) No 575/2013.
84	Current cap on T2 instruments subject to phase out arrangements in accordance with Articles 484 (5), 486 (4) and (5) of Regulation (EU) No 575/2013.
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (5), 486 (4) and (5) of Regulation (EU) No 575/2013.

ANNEX VI – Transitional own funds disclosure template

Transitional Own Funds Disclosure template

Common Equity Tier 1 capital: instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE- REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
1	Capital instruments and the related share premium accounts		26 (1), 27, 28, 29, EBA list 26 (3)	
	of which: Instrument type 1		EBA list 26 (3)	
	of which: Instrument type 2		EBA list 26 (3)	
	of which: Instrument type 3		EBA list 26 (3)	
2	Retained earnings		26 (1) (c)	
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)		26 (1)	
3a	Funds for general banking risk		26 (1) (f)	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)	
	Public sector capital injections grandfathered until 1 January 2018		483 (2)	
5	Minority Interests (amount allowed in consolidated CET1)		84, 479, 480	
5a	Independently reviewed interim profits net of any foreseeable charge or dividend		26 (2)	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments			
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)		34, 105	
8	Intangible assets (net of related tax liability) (negative amount)		36 (1) (b), 37, 472 (4)	
9	Empty Set in the EU			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 472 (5)	
11	Fair value reserves related to gains or losses on cash flow hedges		33 (a)	
12	Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159, 472 (6)	
13	Any increase in equity that results from securitised assets (negative amount)		32 (1)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33 (b)	
15	Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41, 472 (7)	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42, 472 (8)	
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44, 472 (9)	
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	
20	Empty Set in the EU			
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		36 (1) (k)	
20b	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91	
20c	of which: securitisation positions (negative amount)		36 (1) (k) (ii) 243 (1) (b) 244 (1) (b)	

			258
20d	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
22	Amount exceeding the 15% threshold (negative amount)		48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36 (1) (i), 48 (1) (b), 470, 472 (11)
24	Empty Set in the EU		
25	of which: deferred tax assets arising from temporary differences		36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
25a	Losses for the current financial year (negative amount)		36 (1) (a), 472 (3)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment		
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		
	Of which: ... filter for unrealised loss 1		467
	Of which: ... filter for unrealised loss 2		467
	Of which: ... filter for unrealised gain 1		468
	Of which: ... filter for unrealised gain 2		468
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR		481
	Of which: ...		481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36 (1) (j)
28	Total regulatory adjustments to Common equity Tier 1 (CET1)		
29	Common Equity Tier 1 (CET1) capital		
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		51, 52
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)
	Public sector capital injections grandfathered until 1 January 2018		483 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments		
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)		52 (1) (b), 56 (a), 57, 475 (2)
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56 (b), 58, 475 (3)
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		56 (c), 59, 60, 79, 475 (4)
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)		56 (d), 59, 79, 475 (4)
41	Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		477, 477 (3), 477 (4) (a)

	Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc		
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR		467, 468, 481
	Of which: ... possible filter for unrealised losses		467
	Of which: ... possible filter for unrealised gains		468
	Of which: ...		481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)		
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts		62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)
	Public sector capital injections grandfathered until 1 January 2018		483 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)
50	Credit risk adjustments		62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments		
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63 (b) (i), 66 (a), 67, 477 (2)
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66 (b), 68, 477 (3)
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		66 (c), 69, 70, 79, 477 (4)
54a	Of which new holdings not subject to transitional arrangements		
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66 (d), 69, 79, 477 (4)
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		475, 475 (2) (a), 475 (3), 475 (4) (a)
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc		
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR		467, 468, 481
	Of which: ... possible filter for unrealised losses		467
	Of which: ... possible filter for unrealised gains		468
	Of which: ...		481
57	Total regulatory adjustments to Tier 2 (T2) capital		
58	Tier 2 (T2) capital		
59	Total capital (TC = T1 + T2)		
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013(i.e. CRR residual amounts)		

	Of which: ...items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)		472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)
	Of which: ...items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)		475, 475 (2) (b), 475 (2) (c), 475 (4) (b)
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)		477, 477 (2) (b), 477 (2) (c), 477 (4) (b)
60	Total risk weighted assets		
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)		92 (2) (a), 465
62	Tier 1 (as a percentage of risk exposure amount)		92 (2) (b), 465
63	Total capital (as a percentage of risk exposure amount)		92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)		CRD 128, 129, 130
65	of which: capital conservation buffer requirement		
66	of which: countercyclical buffer requirement		
67	of which: systemic risk buffer requirement		
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		CRD 131
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		CRD 128
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4) 66 (c), 69, 70, 477 (4)
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (i), 45, 48, 470, 472 (11)
74	Empty Set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)		36 (1) (c), 38, 48, 470, 472 (5)
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		484 (3), 486 (2) & (5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		484 (3), 486 (2) & (5)
82	Current cap on AT1 instruments subject to phase out arrangements		484 (4), 486 (3) & (5)

83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		484 (4), 486 (3) & (5)
84	Current cap on T2 instruments subject to phase out arrangements		484 (5), 486 (4) & (5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484 (5), 486 (4) & (5)

ANNEX VII- Instructions for completing the transitional own funds disclosure template

1. Institutions shall apply the instructions provided in this Annex in order to complete the transitional own funds disclosure template as presented in Annex VI.
2. Institutions shall disclose column (A) of the template called ‘Disclosure date’ the amount related to the item labelled in the corresponding row for which column (B) ‘CRR article reference’ mentions the applicable regulatory provisions (where ‘CRR’ refers to Regulation (EU) No 575/2013). The amounts disclosed in column (A) shall reflect the regulatory capital position of the institutions at the disclosure date during the transitional period and shall be net of the regulatory adjustments that have been phased-in up to the disclosure date.
3. Institutions shall disclose in the visible cells of column (C) ‘Amounts to be subject to pre-CRR treatment or CRR prescribed residual amount’ the amount related to the item labelled in the corresponding row for which column (B) ‘CRR article reference’ mentions the applicable regulatory provisions (where ‘CRR’ refers to Regulation (EU) No 575/2013). The amounts disclosed shall reflect the residual amount of the regulatory adjustment i) that, under the national transposition measures, will continue to be applied to a part of the regulatory capital other than the part to which the adjustment shall be made once the transitional period is over, or ii) that is not otherwise deducted at the point of the disclosure date.
4. By way of exception from paragraph 2, for rows 26a, 26b, 41a to 41c, 56a to 56c, 59a and all rows to these deriving from them, institutions shall disclose in column (A) the residual amount of the regulatory adjustments referred to in paragraph 3 respectively included in the calculation of the Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital and Total capital.
5. With regard to unrealised losses and gains measured at fair value referred to in Articles 467 and 468 of Regulation (EU) No 575/2013, institutions shall disclose the amount excluded from Common Equity Tier 1 capital pursuant to Article 467 and 468 in column (A) under the row 26a. Institutions shall include additional rows relating to this row in order to specify the nature of assets or liabilities, like equity or debt instruments, for which the unrealised losses or gains are excluded from Common Equity Tier 1 capital.
6. With regard to deductions from Common Equity Tier 1 capital referred to in Article 469 of Regulation (EU) No 575/2013, institutions shall disclose the amounts to be deducted in column (A) and the residual amounts in column (C) under the rows related to the deductions items. The residual amounts to be deducted pursuant to Article 472 of Regulation (EU) No 575/2013 shall also be disclosed under row 41a (and below) for the amount to be deducted from Additional Tier 1 capital and under row 56a for the amount to be deducted from Tier 2 capital. Institutions shall include additional rows relating to rows 41a and 56a in order to specify the relevant items subject to this treatment.

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7. With regard to deductions from Additional Tier 1 capital referred to in Article 474 of Regulation (EU) No 575/2013, institutions shall disclose the amounts to be deducted in column (A) and the residual amounts in column (C) under the rows related to the deductions items. The residual amounts to be deducted pursuant to Article 475 of Regulation (EU) No 575/2013 shall also be disclosed under row 56b for the amount to be deducted from Tier 2 capital. Institutions shall include additional rows relating to row 56b in order to specify the relevant items subject to this treatment.
 8. With regard to deductions from Tier 2 capital referred to in Article 476 of Regulation (EU) No 575/2013, institutions shall disclose the amounts to be deducted in column (A) and the residual amounts in column (C) under the rows related to the deductions items. The residual amounts to be deducted pursuant to Article 477 of Regulation (EU) No 575/2013 shall also be disclosed under row 41c for the amount to be deducted from Additional Tier 1 capital. Institutions shall include additional rows relating to row 41c in order to specify the relevant items subject to this treatment.
 9. With regard to minority interests, institutions shall disclose in column (A) under row 5 the sum of minority interests that qualify as Common Equity Tier 1 capital pursuant to Part Two Title II of Regulation (EU) No 575/2013 and minority interests that would qualify as consolidated reserves as referred to in Articles 479 and 480 of Regulation (EU) No 575/2013. Institutions shall also disclose in column (C) under row 5 the minority interests that would qualify as consolidated reserves as referred to in Articles 479 and 480 of Regulation (EU) No 575/2013.
 10. With regard to filters and deductions referred to in Article 481 of Regulation (EU) No 575/2013, institutions shall disclose in column (A) the amount of the adjustments to be included in or deducted from Common Equity Tier 1 capital, Tier 1 capital and Tier 2 capital under rows 26b, 41c and 56c respectively. Institutions shall include additional rows relating to rows 26b, 41c and 56c in order to specify the relevant items subject to this treatment.
 11. Residual amounts relating to deductions from Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital that are risk weighted pursuant to Articles 470, 472, 475 and 477 of Regulation (EU) No 575/2013 shall be disclosed in column (A) under row 59a. The disclosed amount shall be the risk weighted amount.

4. Accompanying documents

4.1 Cost–benefit analysis/impact assessment

4.1.1 Introduction

1. In accordance with Article 15(1) of the EBA regulation (Regulation (EU) No 1093/2010 of the European Parliament and of the Council), any draft ITS developed by the EBA – when submitted to the EC for adoption – shall be accompanied by an impact assessment (IA) annex which analyses ‘the potential related costs and benefits’. Such annex shall provide the reader with an overview of the findings as regards the problem identification, the options identified to remove the problem and their potential impacts.
2. This note outlines the IA on the methodology proposed for fulfilling the disclosure requirements presented in Article 437 of Regulation (EU) No 575/2013.

4.1.2 Scope and nature of the problem

Issues identified by the European Commission (EC) regarding own funds disclosure

3. The disclosure requirements under the CRD III framework, in particular Articles 145 to 149, allow for some discretion in the way institutions disclose their capital positions. As a result, it may not be straightforward for market participants to obtain a clear idea of the quality of the capital held by institutions and to compare institutions. This lack of clarity reduces the impact of market discipline.
4. In order to increase transparency regarding the regulatory capital of European institutions, to facilitate cross-jurisdictional comparisons and to complement the strengthening of the quality and quantity of capital, the EC proposed that credit institutions use a common template to report their capital position and regulatory adjustment to achieve consistency in the information disclosed and its format. Because all institutions will be required to use the same method and to report in the same way, this requirement will also help to achieve the objective of maximum harmonisation and a single rule book⁴, identified in the impact assessment accompanying the CRR.

Objectives of the ITS

5. The ITS specify the format of the templates that credit institutions should use and which information they should report. The requirements proposed in these RTS aim to achieve the following two objectives:
 - (1) To provide a reporting format that is as uniform as possible, in order to allow meaningful comparisons between entities.
 - (2) To provide sufficient granularity in reporting the definition of capital so that users of the information have enough elements to assess the quality of capital held by the reporting institutions.

4.1.3 Baseline

⁴ See the impact assessment accompanying the CRR:

http://ec.europa.eu/internal_market/bank/docs/regcapital/CRD4_reform/IA_regulation_en.pdf

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6. The own funds disclosure requirements currently applicable to institutions derive from the CRD III framework, in particular Articles 145 to 149, as transposed by each Member State.

4.1.4 Technical options considered

7. The reporting templates and requirements proposed in these ITS were closely adapted from the proposals made by the BCBS⁵. For this reason, very few technical options were available for discussion in this implementing standard.
8. The reporting templates proposed by the BCBS have been adapted to fit the requirements of the CRR as follows:
- ▶ **Capital instruments main features template.** This template provides a description of the main features of regulatory capital instruments that have been issued by an institution. Each separate regulatory capital instrument should be listed and its specific features should be described.
 - ▶ **Own fund disclosure template.** Section 1 will be the permanent common regulatory capital template that will be applicable from 1 January, 2018, when full compliance with CRR capital requirements becomes mandatory. The template has been adjusted to match the requirements and definitions of the CRR.
 - ▶ **Transitional template.** This template is adapted from the own funds disclosure template and should be used beginning with the first financial statements issued after the date of application of the ITS, until full implementation of the CRR. Institutions should disclose each regulatory adjustment (whether a phasing in of one requirement or a phasing out of a previous prudential adjustment) taken during the transition period, in a way that captures existing national treatments for the regulatory adjustments.
9. In the case of both the transitional and own funds disclosure templates, all regulatory capital elements should be reconciled to an institution's published financial statements in a manner consistent with other institutions.

4.1.5 Impact of the proposals

Benefits

10. The templates proposed in these ITS will provide investors and market analysts with a richer set of information regarding the nature of the adjustments made to own funds in financial reporting. This additional information should enable them to make a better assessment of the own funds of institutions, thereby increasing market discipline.

Costs

11. The main costs for institutions will be related to setting up processes in order to be able to produce the required disclosure templates. The costs will be driven by the complexity of the capital structure of the credit institutions. The assumption is thus that, for smaller institutions, which have

⁵ Basel Committee on Banking Supervision (BCBS)– [Composition of capital disclosure requirements](#) – June 2012.

fewer resources but also simpler capital structures, the production of the disclosure will be comparatively less difficult than for more complex institutions.

Table 1 – Summary of the costs and benefits of the proposals.

	Costs	Benefits
<i>Institutions</i>	Compliance costs to produce the new templates	The higher degree of transparency on own funds may increase the confidence of the market in the institution
<i>Markets and Investors</i>		The templates will help markets and investors to compare institutions and capital instruments and to assess the quality of the capital held by institutions, increasing market confidence and financial stability

4.2 Views of the Banking Stakeholder Group (BSG)

The BSG welcomed the EBA's intention to provide uniform templates for disclosure of own funds items and also expressed appreciation that the EBA-designed templates that are as close as possible to those proposed by the BCBS, taking the view that, once adopted, this will ensure comparability and consistency at the international level.

Further, the BSG suggested that the EBA consider whether this level of granularity and detail is justified by the market's needs. In the BSG's view, the market's appetite for such detailed and complex information is far from demonstrated. The BSG also cautioned that the readability of the information may be limited, with an associated risk of misinterpretation.

The BSG noted that, after the publication of the consultation paper on these ITS, the BCBS released its final rules on capital disclosure, which probably explains certain misalignments that need to be corrected. To this end, the implementation date, extended to 30 June 2013 in the final BCBS guidance, should be set by the ITS at one year after the actual enforcement date of the CRD/CRR IV package.

Regarding the main features template, the BSG emphasised that it will be able to comment only once the Level 1 text is adopted and when all the RTS on own funds are finalised.

With regard to the balance sheet reconciliation methodology, the BSG stated that, in its view, the proposed full reconciliation goes beyond Article 437 of the CRR. The BSG doubted that a reconciliation of the whole balance sheet is of use to the public. It nevertheless considered that a reconciliation of elements of own funds at a relevant level of granularity is useful.

Finally, concerning the transitional templates, the BSG emphasised that the level of detail makes the phase-in arrangements useless and expressed the view that there is no need to go beyond the Pillar 3 requirements.

4.3 Feedback on the public consultation and on the opinion of the BSG

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

The consultation period lasted eight weeks and ended on 31 July 2012. Nineteen responses were received, of which sixteen were published on the EBA website. The BSG also provided an opinion on the draft ITS.

This paper presents a summary of the key points and other comments arising from the consultation, the analysis and discussion triggered by these comments and the actions taken to address them, where deemed necessary.

In many cases several industry bodies made similar comments or the same body repeated its comments in the response to different questions. In such cases, the comments, and EBA analysis, are included in the section of this paper that the EBA considers the most appropriate.

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

Summary of key issues and the EBA's response

General comments

Respondents generally welcomed the opportunity to comment on the EBA's proposal and largely supported it because they believed that it will contribute significantly to enhancing users' understanding of the capital composition of banks, will allow greater comparability across banks, will ensure a similar level of transparency across institutions and will enhance market discipline. Respondents also appreciated that the EBA-designed templates are as close as possible to those proposed by the BCBS as this will aid comparability and consistency at the international level.

However, a majority of respondents expressed concerns about the level of granularity of the information required and insisted on the application of the proportionality principle. They also sought clarity on the links with other frameworks such as Pillar 3 requirements and the common regulatory reporting framework (COREP) and commented on the individual templates. The responses to the consultation and comments on the articles of the draft ITS are divided into several categories, as follows: general framework, implementation, link with other frameworks and specific comments on the templates.

General framework

A majority of the respondents urged the EBA to reconsider whether the level of granularity and detail is justified by the market's needs. The consultation paper recommended significantly greater disclosure requirements than those currently in place. In the respondents' views, the details to be disclosed go beyond the objective of public disclosure and are comparable to a supervisory disclosure. The additional quantitative information requested does not seem to be associated with a corresponding increase in market participants' knowledge. Rather, the requested details and the complexity of information that it is proposed should be published would make it difficult even for well-informed market participants to come to a reasonable estimate of the capital position of an institution.

Several respondents also raised some doubts about whether the proposal would actually achieve the intended increase in transparency and comparability, owing to the enduring differences between jurisdictions in areas such as accounting standards, calculation of risk-weighted assets and other areas of national divergence.

Moreover, respondents argued that the EBA approach would result in small EU credit institutions being required to make disclosures on the same extensive scale as the internationally active banks, for which the BCBS templates were intended, and asked for the application of the proportionality principle.

The EBA response

The EBA proposal is in line with the guidance proposed by the BCBS. Although, in order to adapt appropriately the templates defined by the BCBS, the EBA was careful to take into account the differences between the CRR/CRD and the Basel frameworks, it is important to ensure consistency and comparability. The EBA's room for manoeuvre is limited.

Work on the consistency of risk-weighted assets, in particular, is in progress in Basel and at the level of the EBA.

Regarding the proportional application of the ITS by smaller banks, the assumption is that it would be easier for smaller banks, with simpler balance sheet structures and a moderate number of issuances, to meet the disclosure requirements.

Implementation

A majority of the respondents noted that the final BCBS rules, published shortly after the EBA consultation paper on the ITS, set an implementation date of 30 June 2013. Given the uncertainty around the timing of adoption of the CRD IV/CRR package, it was generally recommended that the implementation date of the ITS be set at one year following the actual enforcement date of the CRD IV/CRR.

Various respondents considered that the frequency of reporting, remittance periods and reference dates have to be clarified. Some respondents assumed that the minimum frequency required will be annual (in relation to the financial statements).

Several respondents asked for clarification on disclosure regarding significant subsidiaries of an EU parent institution or an EU parent financial holding company. Some of them considered that disclosure requirements for significant subsidiaries (on an individual or sub-consolidated basis) should be confined to the minimum necessary.

The EBA response

The frequency of reporting is defined by the Level 1 text and does not fall within the EBA mandate for these ITS. Nevertheless, the appropriateness of the effective frequency of disclosure will be an aspect that the EBA will look at when performing its regular work on transparency and disclosure.

The disclosure requirements for significant subsidiaries are defined by the Level 1 text. In addition, the determination of the significant feature of a subsidiary is the responsibility of competent authorities.

Links with other frameworks

Several respondents noted that the information to be disclosed under the disclosure templates and the information to be reported under the COREP templates, although very similar, will be reported differently. Respondents thus advocated a greater level of alignment between the two frameworks and underlined the adjustments needed to IT systems.

Some respondents argued that the balance sheet structure of the financial reporting framework (FINREP) should be used as the basis for the required reconciliation from 2013 onwards.

A few respondents noted, in particular, that the proposed capital disclosure templates duplicate to a large extent disclosures which are currently already required under Pillar 3 (e.g. scope of consolidation, differences in the accounting scope of consolidation) and asked for further clarification on the links between the two frameworks.

The EBA response

From the EBA's point of view, alignment between COREP templates and disclosure templates is sufficiently ensured. The disclosure templates include references to the appropriate articles of the CRR, whose references have been made consistent with the references inserted in the different rows of the COREP tables.

The use of the FINREP framework cannot be imposed for public financial statements, and FINREP is applicable only on a consolidated basis. Institutions are not prevented from using FINREP as a basis for the reconciliation methodology if they wish to, as long as all requirements relating to the reconciliation methodology are met.

In accordance with Part Eight Article 437(2) of the CRR, these templates are not additional disclosure requirements but are designed only to specify uniform presentation for some of the own funds disclosures requirements laid out in Article 437(1). As Part Eight implements Pillar 3 requirements in the EU, these templates have to be used to satisfy Pillar 3 disclosures requirements related to own funds. Where relevant, for instance when templates are provided in a document other than the Pillar 3 report or separately from other own funds disclosures in the Pillar 3 report, or even when other non-own funds disclosure requirements are partly fulfilled with information disclosed in the own funds template, unambiguous and clear cross-references should be provided.

Specific comments on the templates

Transitional disclosure template

Several respondents expressed concerns that the transitional disclosure template could mislead the markets and cause them to assume that there would be perfect comparability of the figures between different jurisdictions and institutions.

Moreover, a majority of respondents insisted that the direct comparison of the final provisions and transitional provisions is in practice equivalent to a disclosure of a fully implemented own funds regime. Markets would calculate the fully loaded Basel III/CRR capital ratios and adjust their expectations accordingly, thus endangering the original intention of the transitional period, which is to offer banks more time to build up additional capital through the allocation of reserves or new issuances.

One respondent made the point that the EBA does not have a legal mandate to impose disclosure templates during the transition phase.

The EBA response

The proposed approach is in line with the BCBS approach. In any case, market participants will strive to calculate the fully loaded figures and will, in particular, use the reconciliation methodology to identify items from the balance sheet which are not recognised in regulatory own funds.

The final text of the CRR has provided the EBA with a mandate to draft ITS to specify uniform templates during the transitional period.

Capital instruments' main features template

Some respondents proposed that only instruments above a specified materiality threshold should need to be disclosed. Others argued that they do not see the necessity to fill in the main features template for own funds components which are held by government institutions and authorities, as these items are not traded on the market.

Some of the respondents did not see the added value from the additional requirement to complete the template for common shares or preferred shares. However, others considered this information valuable.

One respondent proposed the creation of a separate template for non-joint stock companies, as the features inherent to Common Equity Tier 1 (CET1) instruments of non-joint stock companies are not adequately covered by the proposed template.

The EBA response

Transparency for all capital instruments included in regulatory own funds has to be ensured, including for publicly subscribed instruments which may contain specific features. In the absence of an EU definition of common shares, full transparency on CET1 instruments is needed. Transparency is, without doubt, needed for preferred shares.

The templates cannot be adapted to all specific structures or institutions. Institutions are expected to complete the templates and rows based on their relevance to their own structure/specificities.

Balance sheet reconciliation

Most of the respondents stated that the template goes beyond the mandate of the EBA. The respondents argued that, according to Article 437 of the CRR, only a reconciliation of own funds is required, rather than a reconciliation of the whole balance sheet.

Several respondents expressed a preference for high-level requirements. Some of them argued that such granular data are not requested by market participants and that this information could lead to confusion among market participants and institutions. Therefore, several respondents referred to the principles of proportionality and materiality, and proposed that only significant differences between the balance sheet data and regulatory data should be reconciled.

A few respondents pointed out that the accounting standards used for the published financial statements and for regulatory purposes differ. Therefore, the balance sheet reconciliation method is overly burdensome.

The EBA response

The draft ITS have been clarified regarding the reconciliation methodology, which is required only for own funds items.

Standardised templates will ensure harmonisation of practices in terms of disclosure of own funds. The reconciliation process is an important step in ensuring transparency in the calculation of regulatory own funds. In order to provide the whole picture, disclosure cannot be limited to differences between the balance sheet data and regulatory data.

Where accounting standards applied to published financial statements differ from those applied for regulatory purposes, the need for reconciliation is even more pressing.

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

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Responses to questions in EBA/CP/2012/04			
<p>For consistency and clarity, the answers to the consultation have been grouped into several categories: general framework, implementation, links with other frameworks and specific comments on the templates. Articles of the CRR are generally referenced as 'Article xx of the CRR' whereas articles of the draft RTS are generally cited simply as 'Article xx'. Finally, the articles referred to this feedback statement are articles of the CRR and of the draft RTS as presented in the original consultation paper of the EBA, to facilitate comparison.</p>			
<p>1. General framework (and response to Q01)</p>			
	<p>Respondents welcomed the opportunity to comment on the EBA's proposal and generally supported it because they believe that it will contribute significantly to enhancing users' understanding of the capital composition of banks. In addition, a majority supported the proposal for the use of common templates as they believe that this will greatly enhance market understanding, allow greater comparability across banks, ensure a similar level of transparency across institutions and enhance market discipline. Respondents also appreciated that the EBA-designed templates are very similar to those proposed by the BCBS, as this will ensure comparability and consistency at the international level.</p>		
<p>Level of granularity</p>	<p>Various respondents recommended that the EBA reconsider whether the level of granularity and detail is justified by the market's needs. The consultation paper recommended significantly more disclosure requirements than currently in place.</p>	<p>The EBA proposal is in line with the guidance proposed by the BCBS. Although, in order to adapt appropriately the templates defined by the BCBS, the EBA was careful to take into account the differences between the CRR/CRD and the Basel frameworks, it is important to</p>	

	<p>One respondent considered that the transitional and post-2018 templates require the disclosure in detail of sensitive information, especially regarding deductions, which may affect the pricing of strategic transactions that institutions should usually keep confidential. They do not believe that this level of granularity of complex information is relevant for the markets and, in fact, is likely to cause confusion.</p> <p>Some respondents said that some of these new requirements are justified by the additional rules imposed by the CRD–CRR legislative package. However, the requirement for disclosure of some details goes beyond the objective of the public disclosure and is comparable to a supervisory disclosure. The additional quantitative information requested does not seem to be associated with a corresponding increase in market participants' knowledge. Rather, the requested details and complexity of information that it is proposed will be published makes it difficult even for well-informed market participants to come to a reasonable estimate of the capital position of an institution.</p> <p>One respondent believed that the focus should be on quality rather than quantity. Ultimately, the most important information that investors and other stakeholders will rely on is the amounts of the various levels of regulatory capital (post deductions) held by banks, relative to their risk-weighted exposures.</p> <p>One respondent strongly supported the proposal for the use of common templates, believing that this will greatly enhance market understanding and allow greater comparability across banks. The same respondent suggested that the template approach is necessary because any deviation would undermine the rationale for mandating templates (which, as he understands it, is to enhance comparability and reduce complexity). Therefore, this respondent believes that the scope for</p>	<p>ensure consistency and comparability. The EBA's room for manoeuvre is limited. Furthermore, the Level 1 text has implemented, in identical terms, the Basel agreement on disclosure, with the exception of issues related to frequency.</p> <p>Since the templates will be part of an ITS, which will be equivalent to a regulation once adopted, they will be mandatory in their entirety as they stand, once the regulation enters into force. The templates are already quite comprehensive. Disclosing more information will be left to the discretion of the institutions. Providing uniform templates means that there is no possibility for institutions to disclose less information than required by the templates (where they are subject to the remittance</p>	
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	<p>preparers to amend the templates should be limited or even eliminated. At the same time, in order to avoid the risk of a mechanical tick-box approach, the proposals should include an overarching requirement to provide additional disclosures where necessary.</p> <p>In contrast, one respondent argued that the ITS should clarify that additional disclosure will be needed in exceptional circumstances only.</p> <p>Finally, one respondent argued that such a detailed disclosure will penalise the capital planning of institutions.</p>	<p>of these templates), but also no obligation to disclose more information than required by the templates.</p>	
Principle of proportionality	<p>According to comments received, the ITS makes clear in various places that the EBA has closely followed the BCBS approach and templates. Although this may maintain consistency and comparability in the case of large and internationally active banks, one result is that small EU credit institutions are required to make the same extensive scale of disclosures where, in the context of their own business and stakeholder profile, this is not necessary.</p> <p>Although one respondent recognised that the EBA has limited or no discretion to solve this issue in view of the Basel guidance, other respondents urged for the application of the principle of proportionality.</p>	<p>The scope of application is defined by the Level 1 text.</p> <p>The assumption is that it will be easier for smaller institutions, with simpler balance sheet structures and a moderate number of issuances, to meet the requirements related to the reconciliation methodology and the main features/general own funds templates.</p>	
RWA calculation and accounting rules	<p>Several respondents expressed doubts about whether the proposal would actually achieve the intended increase in transparency and comparability, owing to the enduring differences between jurisdictions in areas such as accounting standards, calculation of risk-weighted assets and other areas of national divergence.</p> <p>More specifically, one respondent encouraged regulators to address pending issues such as consistency in the calculations of risk-weighted assets</p>	<p>Work on the consistency of risk-weighted assets, in particular, is in progress in Basel and at the level of the EBA, which actively participates in the work.</p>	

	<p>(RWA), accounting rules and other areas of national divergence and to promote equivalent disclosure regarding risk calculations and risk profile.</p> <p>Other respondents expressed some doubts about whether the published figures will serve the intended purpose in view of the widely differing accounting standards across jurisdictions.</p> <p>One respondent assumed that the application of disclosure requirements shall relate only to the consolidated basis.</p>	<p>Disclosure requirements have to be met according to provisions of the Level 1 text. Article 12 of the CRR [Article 13 of the final CRR] lays down provisions for the application of disclosure requirements on a consolidated basis. Article 5(3) of the CRR [Article 6(2) of the final CRR] requires institutions which are neither a subsidiary nor a parent undertaking or are not included in a consolidation to comply with the obligations of Part Eight of the CRR (transparency and disclosure) on an individual basis. Article 9 of the CRR [Article 10 of the final CRR] lays down specific provisions for credit institutions affiliated to a central body. Where the same institution is subject to different levels of application (solo and consolidated basis), disclosure requirements may be fulfilled on a consolidated basis only.</p>	
<p>Process</p>	<p>Various respondents pointed out that the legislative proposals (CRR/CRD) have been amended in the meantime and that the ITS have to be adapted accordingly.</p> <p>Three respondents had questions about the coordination of the timelines of the EBA and BCBS work on the templates. One of them noted that the EBA took the initiative of consulting stakeholders only after the Basel Committee launched its consultation and had taken a decision. This respondent was of the view that the EBA should have launched its consultation whilst the Basel Committee was still in the process of preparing its decision. This would have allowed the representatives</p>	<p>The draft ITS have been finalised on the basis of the final CRR text.</p> <p>The EBA launched its consultation as soon as possible considering the huge number of standards to be delivered in a short time frame to the EC. Although the original date of 1 January 2013 has been postponed, the EBA has decided to publish the draft ITS for consultation as soon as possible. The EU Member States that are members of the Basel Committee can also liaise with the institutions in their jurisdictions when negotiating the texts. They also liaise among themselves. The EU</p>	

	<p>from EU Member States to take into account the views of EU stakeholders when negotiating with their peers on what the Basel Committee was going to propose.</p> <p>This respondent argued that the absence of invitation to comment on the templates themselves means that the consultation process was already far progressed.</p> <p>Another respondent wondered if there was a particular reason why the EBA did not launch its consultation paper earlier, taking into account that the BCBS had in the meantime published its final disclosure rules, resulting in an apparent misalignment between the EBA's consultation paper and the BCBS's final rules.</p>	<p>Commission and the EBA also participate as observers in the Basel Committee forum.</p> <p>Q03 in the consultation paper clearly called for comments on the templates and the rows.</p> <p>When the EBA consultation paper was released, only the consultative document was available from the Basel Committee. As indicated at the time of publication of the EBA consultation paper, 'when finalising these ITS, the EBA will also take into account, as far as necessary, the international developments in the field of disclosure on own funds and in particular the final guidance to be published by the BCBS'.</p>	
Level 1 issues	<p>Several respondents considered that the CRR, as proposed by the EC, does not provide the EBA with a legal mandate to prepare technical standards to impose disclosures requiring an accounting/prudential reconciliation of the whole balance sheet.</p> <p>One of them made the same point regarding the template which institutions are required to use when disclosing their capital situation during the transition phase.</p> <p>Another respondent pointed out that the definition of capital ratios at national level not fully aligned with Basel III should be avoided. It is a source of confusion among market participants and institutions. This respondent strongly supported using a comparable capital ratio both internationally and across Europe.</p>	<p>See point 4.4 below: reconciliation covers only own funds items.</p> <p>See changes in the Level 1 text. The transition phase is now covered in terms of uniform templates.</p> <p>This is a Level 1 text issue.</p>	
Others	<p>One respondent asserted that, if members of a group or network under consolidated supervision or members of an institutional protection scheme must disclose own funds information on an individual basis, there should be the opportunity to explain that a particular institution is</p>	<p>No objection. Institutions are free to add explanatory comments to the templates if they deem this to be necessary.</p>	

	part of such a scheme, and to indicate whether or not that institution is recognised for regulatory purposes.		
2. Implementation (frequency and means of disclosure, timeline for submission, implementation date etc.)			
Implementation date	Some respondents noted that the final BCBS rules set an implementation date of 30 June 2013 – approximately 12 months after the publication of the final rules. Given the uncertainty around the timing of adoption of CRD IV/CRR, it was recommended that the implementation date in the ITS be set at one year following the actual enforcement date of CRD IV/CRR (1 January 2014).	The date of application is foreseen to be aligned with the date of application of the ITS on COREP reporting (see below).	
Frequency of reporting and on-going updates	<p>Various respondents considered that the frequency of reporting was not clear enough. Some respondents assumed that the minimum frequency required would be annual (in relation to financial statements), with the obligation to make more frequent disclosure if the firm identifies significant changes between reporting dates.</p> <p>Whilst the Basel rules stipulate a need for on-going updates of the disclosed information for the main features template, if and when changes affecting the eligible capital instruments occur, one respondent considered that the draft ITS does not make it clear to what extent this will become necessary.</p>	<p>The frequency of reporting is defined by the Level 1 text and does not fall within the EBA mandate. As indicated when publishing the consultation paper, in relation to the frequency of disclosures in general, i.e. not only for own funds purposes, Article 420 of the CRR [Article 433 of the final CRR] states:</p> <p><i>'Institutions shall publish the disclosures required by this Part at least on an annual basis.</i></p> <p><i>Annual disclosures shall be published in conjunction with the date of publication of the financial statements. Institutions shall assess the need to publish some or all disclosures more frequently than annually in the light of the relevant characteristics of their business such as scale of operations, range of activities, presence in different countries, involvement in different financial sectors, and participation in international financial markets and payment, settlement and clearing systems. That assessment shall pay particular attention to the possible need for more frequent disclosure of items of</i></p>	

		<p><i>information laid down in Article 437, and points (c) to (f) of Article 438, and information on risk exposure and other items prone to rapid change.</i></p> <p><i>EBA shall, in accordance with Article 16 of Regulation (EU) No 1093/2010, issue guidelines by 31 December 2014 on institutions assessing more frequent disclosures of Titles II and III.'</i></p> <p>In addition, in relation to specific publication requirements, Article 106(1)(a) of the CRD states in particular that:</p> <p><i>'Member States shall empower the competent authorities to require institutions:</i></p> <p><i>(a) to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more than once per year, and to set deadlines for publication.'</i></p> <p>As the templates are specified in the disclosure requirements of Part Eight and, moreover, are directly linked to these requirements through Article 424.2 of the CRR [Article 437 of the final CRR] (the templates are not additional disclosures requirements and have to be used to comply with Part Eight of the CRR disclosures requirements on own funds), they are subject to the same general provisions as other disclosures requirements, including as regards their frequency and their publication date (Article 420 of the CRR [Article 433 of the final CRR] and Articles 100 and 101 of the CRD [Articles 105 and 106 of the final CRD]). Additionally, the appropriateness of the effective frequency of disclosure is an aspect that the EBA has been looking at when performing its regular work on transparency and disclosure.</p>	
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Submission timelines	Some respondents considered that the submission timelines (remittance periods) are not clear enough.	This is linked to the frequency of disclosure issue and does not fall within the EBA mandate.	
First reference date	A few respondents required clarification regarding the first reference/application date.	The first remittance date is foreseen to be in line with the first COREP remittance date. Articles 3, 4 and 6 of the draft ITS are proposed to be applicable from 31 March 2014. The first remittance date will depend on the requirements applicable to the institution in terms of frequency of disclosure.	
Significant subsidiaries	<p>Several respondents asked for clarification on disclosure requirements regarding significant subsidiaries of an EU parent institution or an EU parent financial holding company.</p> <p>Some of them considered that disclosure requirements for significant subsidiaries (on an individual or sub-consolidated basis) should be confined to a necessary minimum or limited to the parent bank only.</p> <p>On the basis of previous regulatory definitions of 'significant', the outcome is likely to be a significant increase in regulatory burden. Various respondents understood that users may require information on subsidiaries, which International Financial Reporting Standard (IFRS) 12, Disclosure of Interests in Other Entities, and International Accounting Standard (IAS) 1, Presentation of Financial Statements, have sought to address. However, in order to minimise confusion amongst users and to make the reporting burden on firms proportionate, they recommend that reporting by subsidiaries should be required only in exceptional circumstances.</p> <p>One respondent asked for clarification regarding the requirements for solo-consolidation and significant subsidiaries.</p>	<p>As indicated when publishing the consultation paper, in relation to the scope of application of disclosure requirements and their implementation on a consolidated basis, the CRR provides, in Article 13, the following:</p> <ol style="list-style-type: none"> 1. EU parent institutions shall comply with the obligations laid down in Part Eight on the basis of their consolidated situation. <p>Significant subsidiaries of EU parent institutions and those subsidiaries which are of material significance for their local market shall disclose the information specified in Articles 437, 438, 440, 442, 450, 451 and 453 of the CRR, on an individual or sub-consolidated basis.</p> <ol style="list-style-type: none"> 2. Institutions controlled by an EU parent financial holding company or EU parent mixed financial holding company shall comply with the obligations laid down in Part Eight on the basis of the consolidated situation of that financial holding company or mixed financial holding company. <p>Significant subsidiaries of EU parent financial holding companies or EU parent mixed holding companies and those subsidiaries which are of material significance for their local market shall disclose the information specified in Articles 437, 438, 440, 442, 450, 451 and 453 of the</p>	

		<p>CRR on an individual or sub-consolidated basis.</p> <p>3. Paragraphs 1 and 2 shall not apply in full or in part to EU parent institutions, institutions controlled by an EU parent financial holding company or EU parent mixed financial holding company, to the extent that they are included within equivalent disclosures provided on a consolidated basis by a parent undertaking established in a third country.</p> <p>4. Where Article 10 of the CRR is applied, the central body referred to in that article shall comply with the requirements of Part Eight on the basis of the consolidated situation of the central body. Article 18(1) of the CRR shall apply to the central body and the affiliated institutions shall be treated as the subsidiaries of the central body.</p>	
Reporting currency	One respondent pointed out that the reporting currency is not defined but is assumed to be the functional currency of the institution, in order to facilitate reconciliation with the published balance sheet.	Agreed.	
3. Links with other frameworks (links with Basel III, COREP, Pillar 3 etc.)			
COREP	<p>According to several comments, the information being asked for by the own funds disclosure templates and COREP templates is very similar, yet will be reported very differently. The difference in the reporting requirements between the two could be significant enough to make it very difficult for firms to reconcile the two reporting requirements in their systems. In effect, firms will not only be asked to report the same thing twice, but they will also be asked to report it differently.</p> <p>Considering that the own funds disclosures and COREP templates ask for similar information, it is reasonable for the industry to expect a greater level of alignment</p>	<p>The same information will be reported differently because the two systems serve different purposes (see below).</p> <p>Alignment is satisfactorily ensured. The disclosure templates include references to the appropriate articles of the CRR. These references have been made</p>	

	<p>between the two in order to increase efficiency. Commentators strongly recommended that the EBA ensure alignment between the templates.</p> <p>Some respondents argued that the most cost-efficient approach to the disclosure of own funds would be by way of simple aggregation of the information contained in the COREP templates. This process should be based on a mapping of the COREP templates to the disclosure templates on own funds. This mapping method could be described in the annexes of the ITS.</p> <p>One respondent indicated that some tables of the ITS duplicate tables stipulated in COREP report CP 50.</p> <p>One respondent asked for clarification whether the disclosure tables will constitute a part of regulatory reporting (COREP, FINREP) and what (if any) relations the disclosure tables will have to the COREP reporting CP 50.</p> <p>One respondent argued that it should be clear whether the own funds disclosure template will replace COREP tables from 1 January 2018. The respondent was of the opinion that only one of the tables should be kept from that time on.</p>	<p>consistent with the references inserted in the different rows of the COREP tables.</p> <p>COREP templates and disclosure templates do not serve the same objectives and are not aimed at the same users (supervisors in one case, external stakeholders in the other). COREP templates are more granular since supervisors were established to obtain more detailed information. A mapping table may be published at a later stage.</p> <p>It is logical that some areas give the same type of information while other areas are different.</p> <p>No, the two frameworks are separate despite the links between the two.</p> <p>No, the disclosure templates will not replace COREP tables.</p>	
FINREP	<p>Three respondents remarked that FINREP is not explicitly mentioned in the context of reconciliation.</p>	<p>The use of the FINREP framework cannot be imposed for public financial statements and FINREP is applicable only on a consolidated basis. Institutions are not prevented from using FINREP as a basis for the reconciliation methodology if they wish so, as long as all requirements applicable to the reconciliation methodology (as detailed in Annex I of the ITS) are met.</p>	
Pillar 3	<p>Four respondents expressed concerns about the links between the proposed framework and the Pillar 3 requirements. One of them noted that the proposed capital disclosure templates duplicate to a large extent disclosures which are currently already required under</p>	<p>In accordance with Part Eight, Article 424(2) of the CRR [Article 437(2) of the final CRR], the templates set out in these ITS are designed to specify uniform templates for some of the disclosure requirements on own funds laid out in Article 424(1) of the CRR [Article 437(1) of the</p>	

	<p>Pillar 3 requirements (e.g. scope of consolidation, differences in the accounting scope of consolidation). This respondent sought confirmation that institutions will be authorised to make reference to the capital disclosure templates to satisfy the corresponding Pillar 3 requirements.</p>	<p>final CRR]. As Part Eight implements the Pillar 3 requirements in the EU legislation, the templates have to be used to fulfil the requirements related to own funds. Where applicable, for instance if the templates are disclosed in another document or in a part of the Pillar 3 report other than the part relating to other own funds disclosures, or if information other than own funds Pillar 3 information is disclosed within the templates, there should be clear and unambiguous cross-references, as specified in Article 421 of the CRR [Article 434 of the final CRR].</p>	
4. Comments on the individual disclosure templates			
4.1. General own funds disclosure template			
	<p>Two respondents mentioned that the final Basel rules prohibit departure from the templates. The respondents argued that the EBA should render this mandatory in the proposed ITS.</p> <p>Some respondents were concerned that disclosing sensitive information in great detail, as required in the general own funds disclosure template, may affect the pricing of strategic transactions.</p>	<p>See above. Since the ITS will be a legal instrument in the form of an EU Regulation, by definition no departure from the templates will be allowed.</p> <p>The EBA is not clear regarding the type of sensitive information that is hereby referred to. In any case, the names of counterparties do not have to be disclosed.</p>	
4.2. Transitional disclosure template			
	<p>A majority of the respondents argued that the transitional disclosure template could mislead the markets and cause them to assume that there is perfect comparability of the figures between different jurisdictions and institutions. All but one respondent cited the discretion foreseen in the CRR, which allows implementation to</p>	<p>Since the CRR allows implementation to proceed at different paces in different countries, the transitional disclosure template will enable the EBA to evaluate where each institution stands and there will be a consistency in the disclosure of information. Competent authorities will be required to disclose their national</p>	

	<p>proceed at different paces in different countries, as one reason for this lack of comparability.</p> <p>Several respondents insisted that the direct comparison of final provisions and transitional provisions is in practice equivalent to a disclosure of a fully implemented own funds regime. Markets might simulate the fully loaded figures and reach a random conclusion on whether the institution might – or might not – be Basel III/CRR compliant at the 2018 horizon, thus endangering the original intention of the transitional period. Respondents warned against unintended impacts on capital markets and lending to the economy.</p> <p>One respondent proposed that a better solution to ensure comparability would be to show in an additional column not the amounts ‘subject to pre-Basel III treatment’, but the amounts that in each jurisdiction are subject to Basel III treatment above the minimum established at each time by the phase-in arrangement.</p> <p>One respondent argued that institutions which do not implement transitional provisions should be free to use the general own funds disclosure template before 1 January 2018.</p>	<p>choice.</p> <p>The proposed approach is line with the Basel approach. In any case, market participants will strive to calculate the fully loaded figures and will, in particular, use the reconciliation methodology to identify items from the balance sheet which are not recognised in regulatory own funds.</p> <p>The templates shall be based on applicable provisions in the Member States. Competent authorities shall determine the pace of implementation of transitional provisions, which will be applied consistently to all institutions in the same Member State independently of the specific situation of institutions. Institutions may wish to disclose, in addition, the fully loaded figures.</p>	
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4.3. Capital instruments’ main features template (and answer to Q03)			
<p>Question 03</p> <p>Are the instructions provided in the template on the main features of capital instruments,</p>	<p>Regarding the main features template, some respondents mentioned that the instructions are clear whereas others considered that the instructions are not clear enough.</p> <p>One respondent stated that he generally supported the proposal to complete a ‘main features template’ to</p>	<p>Consistency will be ensured in the EU, as well as broad alignment with the Basel guidance.</p>	

<p>in the general own funds disclosure template and in the transitional disclosure template sufficiently clear? Should the instructions for some rows be clarified? Which ones in particular? Are some rows missing?</p>	<p>include summary disclosures for each capital instrument issued. The respondent remarked that he would like to see this standardised template adopted on a consistent basis to facilitate international comparison and keep the preparation of the summary manageable.</p> <p>One respondent mentioned that the requirement for each issuer to publish details of each capital instrument separately, even where their characteristics are identical, represents a huge amount of information.</p> <p>A few respondents proposed grouping together instruments with largely similar features, not just identical features, in order to reduce the number of capital classes to be disclosed. Discretion should be left to banks if they wish to summarise the capital agreements on the basis of material elements.</p> <p>Another respondent remarked that the features of a capital instrument usually do not change regularly and therefore proposed that the relevant template be disclosed together with the annual report.</p> <p>One respondent asked for more clarity on the frequency of reporting and whether the aim is to retain a historic record of the capital instruments at points in time or just a continually updated record, as this will have implications for their web and data storage requirement.</p>	<p>Annex III indicates that, where issuances have identical features, only one column can be disclosed, meaning that these issuances can be grouped together, provided that all issuances grouped are clearly identified. Institutions may publish aggregated data in addition to the individual templates. The flexibility allowed under Annex III is only for instruments with identical features. There would be no harmonised interpretation of what 'similar' means.</p> <p>The disclosure requirements for own funds will follow the applicable frequency as defined by the Level 1 text and as implemented by competent authorities. It is the EBA view that, where the features of a capital instrument do not change regularly, there is only a marginal additional cost to disclosing the same information. A reference to previous publications would not be satisfactory.</p> <p>This relates partly to the frequency of disclosure. The EBA has no mandate with respect to these areas but, as templates have to be used to comply with disclosure requirements laid down in Part Eight of the CRR, the general disclosure provisions in EU law apply (Article 420 of the CRR [Article 433 of the final CRR] and Articles 100 and 101 of the CRD [Articles 105 and 106 of the final CRD]).</p> <p>The CRR is silent on the matter of the conservation of documents, but Basel provides that all templates relating to prior reporting periods should remain publicly available for a suitable retention period determined by the relevant national authority. Institutions are therefore encouraged to ensure that their Pillar 3 reports or any document containing Pillar 3 information remain</p>	
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	<p>Some respondents proposed disclosing only instruments which are above a materiality threshold (e.g. percentage of own funds). One respondent argued that the main features template should be comprehensively applied only for new capital instruments issuances after the implementation date of the disclosure requirements.</p> <p>One respondent stated that the excessive disclosure requirements for own funds instruments constrain the flexibility of the management to manage the own funds of the institution. Others remarked that the template might lead to misinterpretation of the instruments, especially if market participants no longer refer to the prospectus itself.</p> <p>Two respondents said that they did not see the necessity to fill in the main features template for own funds components held by government institutions and authorities, as these items are not traded on the market.</p> <p>Some respondents said that they did not see the added value arising from full disclosure for common shares or even preferential shares. However, one respondent considered this information valuable.</p> <p>One respondent proposed to create a separate template for non-joint stock companies as the features inherent to CET1 instruments of non-joint stock companies cannot be adequately covered by the template proposed in the technical standard.</p>	<p>available in compliance with the applicable national conservation provisions, so that users can compare disclosures over a reasonable number of years.</p> <p>The EBA disagrees. Transparency for all capital instruments included in regulatory own funds has to be ensured.</p> <p>The EBA does not envisage such a risk.</p> <p>Transparency for all instruments has to be ensured, including for publicly subscribed instruments, which may have specific features.</p> <p>Given that there is no EU definition of common shares and there is no specific reference to common shares in the CRR, a disclosure of these instruments is needed to compensate and ensure transparency in accordance with the Basel rules on CET1 capital. Transparency is, without doubt, needed for preferred shares.</p> <p>Not all rows can be/are adapted to all types of structures. Institutions will have to fill in the rows based on their relevance to their own structure/specificities.</p>	
4.4 Balance sheet reconciliation (and answer to Q02)			

<p>Question 02</p> <p>Are the provisions provided for the balance sheet reconciliation methodology sufficiently clear?</p>	<p>Several respondents argued that such granular data are not requested by market participants and that this level of information could lead to confusion.</p> <p>Most of the respondents stated that the template goes beyond the mandate of the EBA. The respondents argued that, according to Article 424 of the CRR [Article 437 of the final CRR], only a reconciliation of own funds and not a reconciliation of the whole balance sheet is required. Some of them also argued that it would be overly burdensome to do a reconciliation for the whole balance sheet and that the benefit is disproportionate to the costs.</p> <p>Two respondents pointed out that the accounting standards applied for the published financial statements and for regulatory purposes differ. Therefore, the balance sheet reconciliation method is very complex to apply and disproportionate to the added value.</p> <p>Several respondents expressed preference for high-level requirements rather than a standardised template.</p> <p>Some comments referred to the principle of proportionality and materiality and proposed to reconcile items only where differences between the balance sheet and regulatory figures are significant.</p> <p>Some respondents stated that they would prefer to align the balance sheet reconciliation to COREP/FINREP templates, as this would reduce the operational burden.</p> <p>One respondent asked if the balance sheet has to be audited to apply the reconciliation methodology and disclose the information. Another respondent asked if the balance sheet reconciliation also has to be carried out in the case of interim audits.</p>	<p>Reconciliation applies only to own funds items and not to the whole balance sheet. It was not the intention of the EBA to cover the whole balance sheet and this is clearly stated in the Level 1 text. Article 3 of the ITS also refers to 'reconciliation of own funds items'. The whole balance sheet is only the starting point for the reconciliation.</p> <p>In cases where accounting standards applied to published financial statements differ from those applied for regulatory purposes, a reconciliation is even more important to ensure comprehension of the calculation of the regulatory own funds.</p> <p>A standardised template ensures harmonisation of practices.</p> <p>The EBA disagrees. Reconciliation is an important step in ensuring transparency in the calculation of regulatory own funds.</p> <p>The balance sheet reconciliation has to be made against accounting data and not against prudential data. For FINREP, see part 3 above (links with other frameworks).</p> <p>Article 424 of the CRR [Article 437 of the final CRR] refers to the balance sheet 'in the <u>audited</u> financial statements'. Supervisory authorities may require or credit institutions may choose to publish Pillar 3 disclosures more frequently than annually (Article 420 of the CRR [Article 433 of the final CRR] and Articles 100 and 101 of the CRD [Articles 105 and 106 of the final</p>	<p>The ITS have been clarified further.</p>
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		CRD)), although audited financial statements may not be available for each Pillar 3 publication in such cases. Reconciliation against the audited financial statements is required once a year.	
4.5 Detailed comments on the templates rows			
Capital instruments' main features template			
Row 6 (Instrument type) (types to be specified by each jurisdiction)	One respondent indicated that further specification for the classification by instrument type is missing. The respondent argued that this is necessary to be in line with the EBA list of Article 24(4) of the CRR [Article 16(3) of the final CRR].	Appropriate reference to the EBA list is made in row 7 of the instructions for completing the template.	
Rows 16a, 16b (Coupons/ dividends)	One respondent indicated that the predetermined menu as it is proposed in the ITS is not sufficiently granular to assess all the relevant conditions and listed the following features: <ul style="list-style-type: none"> - lock/back or dividend pusher periods - clauses that link deferability or cancelability to payments made on one or more <i>pari passu</i> instruments - clauses that require coupons to be paid if the issuer has sufficient distributable reserves or meets minimum regulatory capital requirements - clauses that require non-payment if the issuer reports a loss in a particular accounting period 	It is not the intention (and it would not be possible) to provide an exhaustive list of all terms and conditions in the templates. The full terms and conditions are disclosed separately.	
Rows 26-30 (write-down features)	One respondent argues that lines 26 to 30 are dependent on the outcome of the Crisis Management Directive (definition of point of non-viability), which is currently under discussion. Therefore, he argues, it is premature to include this information until the crisis	Information required on rows 26 to 30 is not only dependent on the outcome of the Crisis Management Directive but refers more generally to the loss absorption mechanism and the activation of the different triggers.	

	management directive is agreed on and implemented.		
Missing rows	<p>One respondent asked if the following rows present in the final version of the BCBS main features document will also be added in the EBA version:</p> <p>3 - Governing law(s) of the instrument 8 - Amount recognised in regulatory capital 9 - Par value of instrument 17 - Fixed or floating dividend/coupon 18 - Coupon rate and any related index 19 - Existence of a dividend stopper</p>	These rows have been added, in line with the final Basel templates.	The main features template has been amended
Further explanations needed	<p>One respondent proposed that the entire instructions for completing the main features template be revised and expanded and that samples for illustration purposes be added, and provided some examples:</p> <p>Row 3: In order to specify transitional CRR regulatory capital treatment, we would recommend adding appropriate references to CRR.</p> <p>Row 4: Same applies to the post-transitional CRR rules. We would appreciate appropriate references to CRR.</p> <p>Row 5: We need further explanation regarding the menu, as the level 'solo & consolidated' does not seem clear to us. What are the triggers and when is a capital instrument available on a solo and consolidated level?</p> <p>Row 10: For whom is this information necessary and relevant and what has to be filled if, for example, the number of common shares has been increased twice</p>	<p>It is not possible to include examples or illustrations in EU legislative texts according to EU legislative drafting rules.</p> <p>The references inserted, in particular in the general own funds template/transitional template, are deemed sufficient.</p> <p>This refers to the level of application of the requirements and depends on which entity of the group has issued the instrument as well as on the contractual clauses of the issuances.</p> <p>This row is, in the general case, not applicable for CET1 instruments.</p>	

	after the first issuance?		
General own funds disclosure template			
Row 1	Two respondents argued that the reference to instrument types 1–3 in row 1 of the general and the transitional disclosure template is not clear and that those rows go beyond the level of detail of the Basel templates.	This is due to the absence of a reference to ordinary shares in the CRR, in contrast to the Basel rules. Each type of CET1 instrument will need to be detailed and its features disclosed under the main features template.	
Empty rows in EU	One respondent would rather delete all the rows that are not applicable in order to create a clear and compact picture for the interested reader.	Inserting these rows introduces consistency of numbering with the Basel templates. As only a few rows are concerned, the global picture is changed relatively little.	