ANNEX 24 – Instructions regarding disclosure of the use of the credit risk standardised approach (excluding counterparty credit risk and securitisation positions)

1. Instruments subject to Part Three, Title II, Chapter 6 of the CRR (exposures to CCR), as well as instruments to which the requirements in Part Three, Title II, Chapter 5 (securitisation exposures) apply, are not covered by the templates for which instructions are provided in this Annex.

**Table EU CRD – Qualitative disclosure requirements related to standardised model.** Flexible format

1. Institutions shall apply the instructions provided below in this Annex in order to complete table EU CRD as presented in Annex 23, in application of Article 444 (a) to (d) of Regulation (EU) No 575/2013 (CRR).

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| **Row****reference** | **Legal reference and instructions** |
| **Explanation** |

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| (a) | Article 444 (a)  | Institutions shall disclose the names of the nominated external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used and the reasons for any changes in those nominations over the disclosure period.  |
| (b) | Article 444 (b)  | Institutions shall indicate the exposure classes, specified in Article 112 of the CRR, for which institutions calculate the risk-weighted exposure amounts in accordance with Part Three, Title II, Chapter 2 of the CRR using the credit assessment of the nominated ECAI or ECA.  |
| (c ) | Article 444 (c)  | When an issuer or an issue credit assessment is used to determine the risk weight to be assigned to an exposure not included in the trading book in accordance with Part Three, Title II, Chapter 2, Article 139 of CRR, the institutions shall describe the process used. |
| (d) | Article 444 (d) | Institutions shall indicate, for each of the exposure classes specified in Article 112 of CRR, the alphanumerical scale of each nominated ECAI/ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Part Three, Title II, Chapter 2 of CRR, except where the institution complies with the standard association published by the EBA  |

**Template EU CR4 – Credit risk exposure and CRM effects.** Fixed format

1. Institutions calculating the risk-weighted exposure amounts for credit risk in accordance with Part Three, Title II, Chapter 2 of the CRR shall apply the instructions provided below in this Annex in order to complete template EU CR4 as presented in Annex 23, by exposure class, in application of Article 453 (h) and (i) of the CRR.

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| **Column reference** | **Legal references and instructions** |
| **Explanation** |
| a | Exposures before CCF and before CRM – On-balance-sheet exposures: Institutions shall disclose the on-balance-sheet exposure under the regulatory scope of consolidation in accordance with Article 111 of CRR, net of specific credit risk adjustments (as defined in the Commission Delegated Regulation (EU) No 183/2014) additional value adjustments, other own funds reductions and write-offs (as defined in the applicable accounting framework), but before (i) the application of credit conversion factors as specified in the same Article and (ii) the application of CRM techniques specified in Part Three, Title II, Chapter 4 of the CRR,. Exposure values for leases are subject to Article 134(7) of the same regulation.  |
| b | Exposures before CCF and before CRM – Off-balance-sheet exposures: Institutions shall disclose the off-balance-sheet exposure value under the regulatory scope of consolidation, net of specific credit risk adjustments as defined in the Commission Delegated Regulation (EU) No 183/2014 additional value adjustments and other own funds reductions but before the application of credit conversion factors in accordance with Article 111 in the CRR and before the effect of CRM techniques (in application of Part Three, Title II, Chapter 4 of the same regulation). |
| c | Exposures post CCF and post CRM – On-balance-sheet amount: Institutions shall disclose the amount of the on-balance-sheet exposure under the regulatory scope of consolidation (in accordance with Article 111 of CRR), net of specific credit risk adjustments as defined in the Commission Delegated Regulation (EU) No 183/2014, additional value adjustments, other own funds reductions and write-offs as defined in the applicable accounting framework, after the application of all credit risk mitigants and credit conversion factors. This is the amount to which the risk weights (according to Article 113 and Part Three, Title II, Chapter 2, Section 1 of the CRR) are applied. It is a net credit equivalent amount, after having applied CRM techniques and CCF. |
| d | Exposures post CCF and post CRM – Off-balance-sheet amount: Institutions shall disclose the amount of the off-balance-sheet exposure after taking into account specific credit risk adjustments as defined in the Commission Delegated Regulation (EU) No 183/2014, additional value adjustments and other own funds reductions, after the application of all credit risk mitigants and credit conversion factors. This is the amount to which the risk weights (according to Article 113 and Part Three, Title II, Chapter 2, Section 1 of the CRR) are applied. It is a net credit equivalent amount, after having applied CRM techniques and CCF. |
| e | RWEAsThe risk-weighted exposure amounts (RWEAs) calculated according to Part Three, Title II, Chapter 2, Section 1 of CRR. |
| f | RWEA density (Column e/Columns(c+d))The ratio shall be calculated by dividing the RWEAs of the respective exposure class (column e) by the amount of the respective exposures after taking into account all credit risk mitigants and credit conversion factors (sum of columns c and d). |

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| **Row number** | **Legal references and instructions** |
| **Explanation** |
| 1 - 16 | Exposure classes as defined in accordance with Article 112 of CRR.Exposures assigned to exposure class ‘items representing securitization provisions’ according to Article 112 m) CRR are not included. |
| 16 | “Other items” exposure class refers to:- assets subject to a specific risk weight set out in Article 134 of CRR;- assets not deducted in application of Article 39 (tax overpayments, tax loss carrybacks and deferred tax assets that do not rely on future profitability), Article 41 (defined benefit pension fund assets), Article 46 (non-significant investments in CET1 of financial sector entities), Article 48 (deferred tax assets and direct, indirect and synthetic investments in CET1 instruments of financial sector entities up to the defined threshold), Article 49 and Article 471 (participations in insurance entities whether or not insurance entities are supervised under the conglomerate directive), Article 60 and Article 475 (non-significant and significant direct, indirect and synthetic investments in CET1, additional tier 1 (AT1) and Tier 2 (T2) instruments issued by financial sector entities), Article 70 (insignificant and significant direct, indirect and synthetic holdings of T2 (T2) issued by a financial sector entity) when not allocated to other exposure classes, and to qualifying holdings outside the financial sector when they are not 1 250% risk-weighted (in application of Article 36(k) in Part Two, Title I, Chapter 1 of CRR). |

**Template EU CR5 – Standardised approach**. Fixed format

1. Institutions shall apply the instructions provided below in this Annex in order to complete template EU CR5 as presented in Annex 23, in application of Article 444 (e) of CRR.

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| **Column reference** | **Legal references and instructions** |
| **Explanation** |
| a - p | Risk weight: Institutions shall disclose the information on the allocation of risk weights within the respective exposure class according to Part three, Title II, Chapter 2, Section 2 of CRR.The deducted exposures are exposures for which is required to be deducted from own funds in accordance with Part Two of CRR (value deducted from own funds). |
| q | Total: Total amount of on-balance-sheet and off-balance-sheet exposures under the regulatory scope of consolidation in accordance with Article 111 of CRR, net of specific credit risk adjustments (as defined in the Commission Delegated Regulation (EU) No 183/2014), additional value adjustments, other own funds reductions and write-offs (as defined in the applicable accounting framework), after (i) the application of conversion factors as specified in the same Article and (ii) the application of CRM techniques specified in Part Three, Title II, Chapter 4 of CRR. |
| r | Of which unrated:Exposures for which a credit assessment by a nominated ECAI is not available and that are applied specific risk weights depending on their exposure class, as specified in Article 113 to Article 134 of CRR. |

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| **Row number** | **Legal references and instructions** |
| **Explanation** |
| 1 - 16 | Exposure classes in accordance with Article 112 of CRR.Exposures assigned to exposure class ‘items representing securitization provisions’ according to Article 112 m) CRR are not included. |
| 16 | “Other items” exposure class refers to:- assets subject to a specific risk weight set out in Article 134 in Part Three, Title II, Chapter 4 of CRR;- assets not deducted in application of Article 39 (tax overpayments, tax loss carrybacks and deferred tax assets that do not rely on future profitability), Article 41 (defined benefit pension fund assets), Article 46 and Article 469 (non-significant investments in CET1 of financial sector entities), Article 49 and Article 471 (participations in insurance entities whether or not insurance entities are supervised under the conglomerate directive), Article 60 and Article 475 (non-significant and significant direct, indirect and synthetic investments in additional tier 1 (AT1) of financial sector entities), Article 70 and Article 477 (insignificant and significant direct, indirect and synthetic holdings of T2 from a financial sector entity) when not allocated to other exposure classes, and to qualifying holdings outside the financial sector when they are not 1 250% risk-weighted (in application of Article 36(k) in Part Two, Title I, Chapter 1 of CRR). |