Single Rulebook Q&A

Question ID	2023_6692
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Leverage ratio
Article	430
Paragraph	1
Subparagraph	a
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2021/451 – ITS on supervisory reporting of institutions
Article/Paragraph	15
Date of submission	13/01/2023
Published as Final Q&A	22/09/2023
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	C43.00 (LR4) – Reporting of RWA for positions in CIUs
Question	What value for RWA shall institutions report for positions in CIU considering that the look-through approach shall not be used for Leverage Ratio purposes?
Background on the question	In template C43.00 institutions must report LR Exposure values and corresponding RWEA. The template does not have a row for positions in CIU so that CIU are to be included in row 0290 "Other exposures". In Q&A 635 EBA clarified that Art. 429b CRR neither allows nor requires a look through approach in order to determine the leverage ratio exposure value. However the Q&A does not refer to the use of the look-through approach for the purpose of RWA calculation for leverage ration purposes. Considering this, it is unclear what method shall be used to calculate RWA for columns 0030 and 0040 of template C43.00 for positions in CIU. Therefore we seek for clarification on what method for RWA calculation shall be used in order to determine the RWA for positions in CIU for the purpose of reporting columns 0030 and 0040 of template C43.00.
Final answer	Template C 43.00 provides an alternative breakdown of the leverage ratio exposure measure components. Regarding the *other non-trading book*

	exposures columns c0010 and c0020 include leverage ratio exposure values, while columns c0030 and c0040 include the related risk-weighted exposure values. Row r0290 of template C 43.00 includes "*other exposures*". According to the instructions of Annex 11 of Regulation (EU) 2021/451 for {C 43.00, r0290; c0030} and {C 43.00, r0290; c0040} shall include "*The risk-weighted exposure value of assets categorised in the exposures classes listed in paragraphs (k), (m), (n), (o), (p) and (q) of Article 112 CRR.*" and "*The risk-weighted exposure value of assets categorised in the exposures classes listed in points (e), (f) and (g) of Article 147(2) CRR.*" respectively. That is, CIU investments are considered in those line items that explicitly refer to RWEA. The reported values shall be based on the approach used in the risk-based framework.
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2023_6692