

Question ID	2013_584
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Leverage ratio
Article	430
Paragraph	2
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
Article/Paragraph	Annex XI - reporting on leverage
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Disclose name of institution / entity	Yes
Name of institution / submitter	Bank of Slovenia
Country of incorporation / residence	Slovenia
Type of submitter	Competent authority
Subject matter	Reporting of assets that are deducted from own funds but included in the exposure measure in LR calc (template 45.01) in the LR4 (template 43.00)
Question	Where in the LR 4 (template 43.00) should the institution report assets, included in the exposure measure in the LR calc (template 45.01), which are deducted from own funds?
Background on the question	<p>According to the formula on page 25 of the Final draft ITS on supervisory reporting requirements (Annex XI - Instructions on leverage) an institution shall uphold the following:</p> $\{LRCalc;010;3\} + \{LRCalc;020;3\} + \{LRCalc;030;3\} + \{LRCalc;040;3\} + \{LRCalc;050;3\} + \{LRCalc;060;3\} + \{LRCalc;070;3\} + \{LRCalc;080;3\} + \{LRCalc;090;3\} + \{LRCalc;100;3\} =$ $\{LR4;010;1\} + \{LR4;040;1\} + \{LR4;050;1\} + \{LR4;060;1\} + \{LR4;070;1\} + \{LR4;080;1\} + \{LR4;080;2\} + \{LR4;090;1\} + \{LR4;090;2\} + \{LR4;140;1\} + \{LR4;140;2\} + \{LR4;180;1\} + \{LR4;180;2\} + \{LR4;190;1\} + \{LR4;190;2\} + \{LR4;210;1\} +$

	<p>{LR4;210;2}+{LR4;230;1}+{LR4;230;2}+{LR4;280;1}+{LR4;280;2}+{LR4;290;1}+{LR4;290;2}] which means that the the exposure measure (SFT, derivatives and other assets) from the template LR calc BEFORE the subtraction of "regulatory adjustments" should equal the total exposure measure in the template LR4 (alternative breakdown of the leverage ratio exposure measure components). That means that all assets (including those that are deducted from own funds) would have to be considered in the template LR4. We are interested where in the template LR4 should these assets, which are deducted from own funds, be reported? Looking at the breakdown of the template LR4 the only plausible item class for the inclusion of the assets that are deducted from capital seems to be "other exposures" in the row {290}. However the instruction for the row {290,1} - SA "other exposures" defines the contents of this row as: "the leverage ratio exposure amount of assets categorised in the exposure classes listed in Article 112(k),(m), (n), (o), (p) and (q). But even point (q) "other items" (Article 134 of the CRR) does not include for example "intangibles". Additionally: As we understand the Article 113 in connection with the Article 112 of the CRR is the categorisation of items deducted from own fund in the exposure classes not required.</p>
Final answer	<p>To ensure consistency of the different tables in the leverage ratio reporting requirements, assets that are deducted from own funds but cannot be categorised otherwise should be included in the row {290} of the C 43.00 template (LR4) even if such a categorisation is not required for determining risk-based own funds requirements.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_584</p>

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