

Question ID	2014_839
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Leverage ratio
Article	429b, 429f
Paragraph	(1)(a), 1
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	Not applicable
Date of submission	11/02/2014
Published as Final Q&A	22/08/2014
Disclose name of institution / entity	No
Type of submitter	Investment firm
Subject matter	Underwriting Commitments
Question	Can underwriting commitments as described under Article 345 of the CRR be included in the Exposure measure of the Leverage ratio?
Background on the question	Computation of the exposure measure for the Leverage Ratio as described in Article 429 of the CRR
Final answer	Articles 429b(1)(a) and 429f(1) 429(5)(a) and (10) of Regulation (EU) No 575/2013 (CRR) provide that the exposure value of assets and off-balance sheet items for the purposes of the calculation of the leverage ratio shall be calculated in accordance with Article 111(1) of the CRR. Article 345 of the CRR which, for purposes of calculating own funds requirements for market risk, allows institutions to reduce the net positions of equity or debt instruments by deducting the underwriting positions subscribed or sub-underwritten by third parties on the basis of formal agreements, is not referred to in Article 429 or in Article 111(1) of the CRR. Article 429(7)(a) 429(5)(b) of the CRR does not recognise any effects of physical or financial collateral, guarantees or purchased credit risk mitigation that reduce the exposure value of assets.

	Therefore the underwriting positions which are subscribed or sub-underwritten by third parties on the basis of formal agreements referred to in Article 345 of the CRR should not be deducted from underwriting commitments in the calculation of the leverage ratio exposure measure.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_839

European Banking Authority, 28/09/2022
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