



**Single
Rulebook
Q&A**

Question ID	2014_1624
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
Article	415
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	C 52.00 / C 53.00
Date of submission	17/11/2014
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Disclose name of institution / entity	Yes
Name of institution / submitter	SONALI BANK UK LTD
Country of incorporation / residence	UNITED KINGDOM
Type of submitter	Credit institution
Subject matter	HANDLING OF CASH COLLATERAL DEPOSIT HELD WITH OUR BANK
Question	Bank A is solo reporter and is a small subsidiary bank owned by foreign Government of (Third) country X (51%) and Bank A (49%). In the General ledger it has a loan to a Public Sector Enterprise incorporated in the (Third) country X. This loan is backed by cash collateral provided to Bank A by the

	<p>Central Bank of the (Third) Country X which covers the outstanding balance (principal) on the loan fully - only the interest remains uncovered.</p> <p>How shall this loan and the linked deposit be reported for liquidity purposes in the LCR templates (C 52.00 / C 53.00)?</p> <p>Operationally, the deposit is expected not to generate any additional liquidity buffer requirement as the deposit is expected to be returned only when the loan is fully paid, thus covering the expected outflows by the inflows.</p>
<p>Background on the question</p>	<p>LCR calculation</p>
<p>EBA answer</p>	<p>Please note that templates C 72.00 to C 76.00 of Annex XXIV to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting) and the related reporting instructions in Annex XXV to the ITS on Supervisory Reporting fully replaced templates C 51.00 to C 54.00 of Annex XII to the ITS on Supervisory Reporting and the related reporting instructions in Annex XIII for credit institution subject to the Regulation (EU) 2015/61.</p> <p>Consequently, the answer provided below only applies to investment firms subject to liquidity reporting according to Articles 6(4), 11(3) and 415 of Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2), unless otherwise specified.</p> <p>According to Annex XIII to the ITS on Supervisory Reporting and in accordance with Article 425 (2) letter d of CRR2 secured lending and capital market driven transactions maturing within 30 days shall be reported in template C 53.00 by allocating the transactions based on the liquidity and credit quality of the assets securing the transaction, using the same criteria as applied for the purpose of reporting assets in template F 01.01 ('Assets') of Annexes III and IV to the ITS on Supervisory Reporting.</p> <p>Provided that the transaction described satisfies the condition to qualify as a secured lending or capital market driven transaction:</p> <ul style="list-style-type: none"> • the amount due from the counterparty shall be reported in the relevant sub-row of ID 1.6 'Monies due from secured lending and capital market driven transactions as defined in Article 192' of template C 53.00 Annex XIII to the ITS on Supervisory Reporting, in accordance with the provisions set out in Article 425(2) letter d CRR2. • cash received shall be reported accordingly in the same relevant row of the amount due, in columns 020, 040 or 060 based on it being classified as of extremely high, high or other liquidity and credit quality respectively.

	<p>If the transaction does not fulfill the condition to qualify as a secured lending and capital market driven transaction:</p> <ul style="list-style-type: none"> • the loan granted shall be reported in row 060 (ID 1.1.4, 'monies due from other entities') of template C 53.00 in accordance with the provisions set out in Article 425(2)(a) CRR and, if applicable, Article 425 (9) CRR2; • the deposit received shall be reported in rows 1060-1070 (ID 1.2.6, 'liabilities not reported in 1.2.2 to 1.2.5 resulting from deposits by clients that are not financial customers') of template C 52.00 of Annex XIII to the ITS on Supervisory Reporting in accordance with the provisions set out in article 422(5) CRR2. <p>See also Q&A 2014_1446 for the classification of central banks as non-financial customers.</p>
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