

# Comments

## Draft Implementing Technical Standards on Supervisory Reporting Requirements for leverage ratio (the EBA/CP/2012/06)

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Berlin, 27. August 2012

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## **General**

We would like to express our general support for a fundamental review of the leverage ratio concerning its implications and its fitness for purpose as a Pillar I instrument. Hence, during the review stage, we, too, see a need for detailed reporting requirements. In terms of their requested data granularity, however, these reporting requirements tie up a major amount of resources for IT implementation as well as for ongoing data collection.

Despite the EBA's partly legitimate interest in querying additional data that goes beyond the information required for the "mere" calculation of the leverage ratio, the rationale behind some of this information is not immediately obvious to us. Consequently, the ITS give rise to various issues where we see room for improvement.

## **Short-term implementation deadline**

In view of the spate of regulatory provisions, most software manufacturers currently do not have any available resources for sufficient support of the leverage ratio implementation on the basis of reporting templates. Due to the [present lack of available] implementation resources we would like to suggest granting banks a minimum implementation deadline of six months after publication of the final ITS in the EU's Official Journal. Otherwise, for a transitional period in calendar year 2013, the reporting template would have to be populated manually. In the absence of support by standard software this would be extremely onerous especially for groups of banks with a large number of subsidiaries in need of consolidation. In the latter case we would like to suggest allowing a pragmatic approach for a transitional period, i.e. a "best effort approach". This should be modelled on the basis of the Basel III Implementation Monitoring and should *inter alia* allow including only material subsidiaries.

Furthermore, the reporting requirements should become more flexible. This means, for instance, that in an initial stage, once the standard comes into effect, it should only be mandatory to collect data that is absolutely necessary for calculating the leverage ratio.

In our view, given the little time available, we also feel that communicating the data as of Q1, 2013 on an XBRL basis would be unrealistic. Due to the host of issues which still need to be clarified concerning referencing – particularly of CP 50 – it should be made possible to provide the data by means of an excel sheet or a manual data entry on the Bundesbank extranet. The earliest point as of which an XBRL report should become mandatory is one year after the coming into effect of the ITS.

## **Redundant data requirement**

Generally speaking, already for practical reasons, we are of the opinion that the final reporting template should be modelled on the reporting template commonly used for the purposes of Basel III Implementation Monitoring: It ought to incorporate cell references which allow calculating the leverage ratio.

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Especially in templates LR3, LR5 and LR6, the reporting template contains data which can also be derived during the new reporting scheme (COREP/FINREP). Hence, in order to avoid duplicate reporting, there should be no obligation for these additional, repeated data requests. We strongly recommend reference to the respective original reporting items of the respectively underlying reporting base.

The CRR requirement pursuant to which the calculation of the leverage ratio shall always use month-end figures ties up a tremendous amount of additional operational resources. This is due to the fact that the overwhelming majority of these reporting items are not captured for compliance with any other regulatory purposes. Hence, this should be limited to the absolute minimum. Some disclosures are merely made for information purposes and are not necessary for calculating the leverage ratio within the meaning of Article 416 CRR-D. In this case, for the sake of simplicity, a long-term switch to end-of-quarter reporting should be permissible. We feel that this is absolutely feasible. This is due to the fact that, quite often, this information sees hardly any change over time. Hence, a calculation on the basis of the month-end figures will, at best, only yield marginal additional insights.

## Reference of the leverage ratio threshold

The leverage ratio should be introduced as a back-stop mechanism for the risk weighted capital coefficient. Hence, in our view it should also be ensured that both the capital coefficient and also the leverage ratio shall be exclusively geared towards the regulatory consolidation scope. Based on the foregoing, our preliminary understanding of Article 416( 4) p. 1 CRR suggests that the exposure measure consists in the sum of the exposure values of all assets and off-balance sheet items which do not need to be deducted when determining the relevant capital measure (Tier 1). At this juncture, the assets which need to be taken into account during the calculation of the exposure should be based on the prudential consolidation scope.

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**Q1: Do institutions agree with the use of existing and prudential measures? Is there additional ways to alleviate the implementation burden?**

We welcome the use of prudential measures for calculating the leverage ratio. However, we do not see any alleviation for the implementation burden in terms of the templates which are the topic of the present debate. Whilst not limited to, this holds true especially for smaller banks which usually do not participate in the existing Basel III Monitoring.

Method 1 for the calculation of the Securities Financing Transactions (SFT) Exposure in Template LR1 is not based on the existing prudential measures. Method 1 requires the very onerous new calculation mode of "netting" which is neither based on existing prudential regulations nor on the Basel III requirements for SFTs. We therefore suggest that reporting of the leverage ratio should be limited to method 2 which is also used for the purposes of COREP reporting.

Under the current proposals, when calculating the total exposure, SFT covered by a [master] netting agreement have to be taken into account using their [net] exposure value determined on the basis of the comprehensive method or simple method for recognition of financial securities {LR1 050;4}. According to the explanation on {LR1 050;4}, additionally, cash received via a securities financing transaction has to be included in field {LR1 060;2}. Given that {LR1 060;2} is part of the total exposure, this means that one repo transaction would result in two items that need to be recognised in the total exposure. This is inconsistent with the requirements under Article 416(7) CRR-D pursuant to which the amount of the comprehensive or simple method has to be used. Cash received is already included thereunder and it should not be counted twice in total exposure. If cash received via repo transactions were to additionally increase the total exposure, this would lead to a discrimination against repo transactions compared to uncollateralised cash transactions. At this juncture, there needs to be a correction or, moreover, clarification that this is not what was intended.

Furthermore, banks applying the IMM have to meet an additional requirement which involves an extremely high operational implementation burden i.e. for the purposes of determining the derivative exposure, they have to use the mark-to-market method. Here, too, there is no incorporation of existing prudential measures.

Please find additional proposals for a meaningful alleviation of the implementation burden below:

- If data are gathered merely for information purposes but if these data are not necessary for calculating of the ratio, it should be sufficient to report the end-of-quarter values.
- Avoidance of the use of balance sheet measures [instead of existing prudential measures] in the reporting template (cf. our comments on template "LR1").
- Recognition of the investments specified in Article 416(4) p. 2 CRR to the amount of the investment's book value (cf. our comments on LR5).
- Deleting templates LR3, LR4, LR6 and LR8 (cf. our comments)

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- Deleting method 1 for calculating the add-on for derivatives

**Q2: Do institutions already have the data required under this proposal on a monthly basis? If so, is this data of the required standard as other data reported to supervisory authorities?**

Whilst the data that needs to be reported is, essentially, available to date, it is not being reported to supervisory authorities. Instead, it constitutes interim or preliminary results for other reports. In order to meet the reporting requirements for the leverage ratio, this data would have to be processed and reconfigured yet again. De facto, collecting this data on a monthly basis for the purposes of switching the quarterly report to a monthly report would triple the operational implementation burden. Whilst not limited to, this caveat especially applies to the provision of group information on a monthly basis which would be literally impossible in the absence of a certain lead time (information by subsidiaries/consolidation). Apart from the semi-annual calculation for the purposes of Basel III monitoring, other prudential reporting obligations usually do not require such high granularity data on a regular basis.

**Q3: The same timelines are proposed for reporting on a consolidated level as well as on an individual level, is this seen as problematic? If so, would you propose a different timeline for reporting on a consolidated level?**

In our understanding, the reporting timelines mentioned during the consultation "ITS on reporting" shall also apply for the purposes of reporting the leverage ratio. Based on the foregoing, for our reporting obligations (40-60 working days), the extension of a potentially longer reporting timeline (cf. also our comments submitted in the course of the aforementioned consultation) is more important than a differentiation of the reporting timelines on an individual level and on a consolidated level.

Alternatively, should the EBA feel that it cannot accommodate our request for a longer reporting timeline, we hold the view that it should at least be possible to move towards an extension of the timeline for reporting on a consolidated level. This is due to the fact that there are numerous upstream reports by subsidiaries that need to be processed. Hence, the completion date of reporting on an individual level invariably precedes the completion date of reporting on a consolidated level.

Furthermore, we would welcome it if – especially during the review stage – national supervisors as well as the EBA could meet banks halfway concerning the assessment of banks' data quality and data completeness by refraining from fully fledged sanctions in the event of initial ambiguities.

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**Q4: What additional costs do you envisage from the proposed approach to reporting the leverage ratio in order to fulfil the requirements of the CRR outlined in this ITS?**

The majority of banks have made cost estimates based on the additional resources required for compliance with the reporting requirements specified in the relevant CRR articles (416 et seq., 475 and 482). Along with tying up personnel resources for implementation of the new reporting module, an ongoing reporting effort is required. First, however, the standard software manufacturer needs to develop a new module requiring additional investments and maintenance costs.

At this juncture, however, the present ITS requires a host of data which clearly go beyond the initial estimates meaning that it will frequently become necessary to carry out an entirely new resource allocation process. Hence, at present, we cannot make any forecast concerning the additional costs.

Below, please find a list of those cost drivers which, from our point of view, are easiest to avoid:

- Additional data requests which can be also be derived from other reporting templates (e.g. COREP) (cf. our comments under Q15, LR3, LR4, LR6 and LR8)
- Calculation of the addend within the meaning of Article 416(4) p. 2 CRR.
- Use of accounting balance sheet values from template LR1 (column 1 and 2)
- Keeping the reporting timelines (cf. our comments under Q3)

**Q5: Is the calculation of the derivatives share threshold sufficiently clear?**

Occasionally, due to the terminology, for users of the national accounting standard (German Commercial Code) it is not sufficiently clear which information is being requested. We would appreciate a concept clarification concerning the values which entities reporting under local GAAP (i.e. German Commercial Code) should include in the template (cf. our presentations under LR1). Apart from this, the calculation of the reporting threshold is sufficiently transparent.

**Q6: Do you believe this method captures institutions derivatives exposure in a sensible way?**

The exposure at default is a measure defined by the supervisor to reflect counterparty risk from derivative transactions. Hence, the relation between this measure and the total exposures provides a true and fair view of the risk. In our opinion, a de minimis threshold would not dilute the information benefit. This is due to the fact that it is in line with a risk based calculation and analysis of the maximum leverage ratio. Also in future, it should remain possible to use the exposure at default measure on the basis of the mark-to-market method.

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**Q7: Does the reduction of fields to be reported in a given period by institutions that do not exceed the threshold value in that period, lead to a significant reduction in administrative burden?**

We do not see any reduction in terms of the administrative burden because the data needs to be obtained anyway for the purposes of calculating the threshold value.

**Q8: „Preliminary internal calculations by supervisors suggest that a threshold value should be in the range of 0.5% to 2%. Would you suggest a different threshold level, if yes, please justify this?**

n/a

**Q9: Is the calculation of the nominal amount threshold sufficiently clear?**

The calculation of this reporting threshold is transparent. However, for entities reporting on the basis of local GAAP (i. e. German Commercial Code) we feel that a further clarification is required (cf. our presentations on LR1).

**Q10: Preliminary internal calculations by supervisors suggest that the nominal threshold value should be in the range of 200 to 500 million. €. Would you suggest a different threshold level, if yes, please justify this?**

n/a

**Q11: Is the term “reference name” and the distinction from “reference obligation” sufficiently clear? And  
Q12: Is the treatment of credit derivatives referring to indices and baskets sufficiently clear?**

In line with our comments on template “LR4”, at this juncture we would like to suggest providing more detailed descriptions and implementation examples. This is due to the fact that, partly, the current instructions are not sufficiently clear.

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**Q12: Is the treatment of credit derivatives referring to indices and baskets sufficiently clear?**

The treatment of credit derivatives on the level of individual banks is sufficiently clear. For participants in financial network securitisation transactions, the present description is not sufficiently clear.

**Q13: Which additional contractual features should be taken into consideration when assessing offsetting of written and purchased credit derivatives? How would this add to complexity and reporting burden?**

[Financial] network securitisation transactions

**Q14: Is the classification used in template LR6 sufficiently clear?**

In our view, a lot of the information requested can already be gleaned from the COREP templates. This means that banks should be under no obligation for renewed reporting of this information. Whilst not limited to, this applies especially with regard to the information as of line 130. Furthermore, we would like to point out that line 200 cannot be populated by standardised approach (credit risk) banks.

**Q15: Do you believe the current split, which is predominantly based on the exposure classes for institutions using the standard method are appropriate or would you suggest an alternative split?**

We are generally of the opinion that, in order to avoid duplicate reporting, the reporting data should not be mandatory if it can be derived from other reporting templates and therefore only serves supplementary information purposes in this reporting template. The data requested in template LR 6 can frequently also be derived from the COREP templates. In order to avoid unnecessary costs, these data should be culled from the respective reporting templates. In our view, any further breakdown of the exposure data beyond this is neither appropriate nor is it necessary for the period under observation.

**Q16: Is the classification used in template LR7 sufficiently clear?**

This template is sufficiently clear. However, Annex II is incomplete. Not all classifications which can be selected in Annex I are listed in Annex II.

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## **Comments on the reporting templates (Annex I and II)**

### *General instructions (Annex II)*

Generally speaking, the various presentations under Annex II seem to be mutually consistent and in sync. However, in terms of the row/column designations there appear to be inconsistencies between the explanations and the descriptions/calculations under Annex II and the line/column references in the "monitoring template". For instance, with regard to credit derivatives (protection bought), Annex II refers to {030;1}. However, in the monitoring template LR1 credit derivatives (protection bought) can be found in {020;...}.

It also struck us that the calculation of the exposure is encumbered by a faulty mathematical formula in the general remarks on page 3 No. 13.

Instead of "...+({LR2;060;5}-{LR2;070;5}-{LR2;**070**;5})+..." in our view the formula should read as follows "...+({LR2;060;5}-{LR2;070;5}-{LR2;**090**;5})+...". This is due to the fact that the deduction would have to refer to other unconditionally cancellable commitments (cf. Basel III Monitoring).

### *LR1: On-balance sheet items*

Pursuant to the instructions under Annex II, the accounting balance sheet value under the applicable accounting standard needs to be disclosed under column 1 and 2. We see a contradiction to all CRR compromise proposals published to date particularly concerning the two data fields which have an impact on the exposure [value] of the leverage ratio (lines 060 and 070 in column 2). Article 416(5)(a) CRR stipulates that, as a general rule, the exposure values of assets means exposure values as defined in Article 106(1) CRR. Hence, we strongly suggest correcting this.

In all CRR compromise proposals, Article 416 consistently stipulates using supervisory measures (the only exception being Article 416(4) p. 2 CRR, cf. also our comments on template "LR5"). Essentially, this approach is no longer called into question. Hence, we have difficulties in comprehending the rationale behind the request for accounting measures. The additional calculation of accounting measures that is required in this context would also lead to a clearly higher implementation burden. This is due to the fact that, in addition to the prudential data, accounting data would have to be included (which, at the present point in time, are still autonomous).

In our understanding, should the collection of accounting measures remain mandatory this shall be based on the accounting system which is also the basis for reporting the risk weighted capital ratio. This means that this also provides the basis for reporting by local GAAP users. Otherwise, due to prudential supervision legislation IFRS would become the key measure by default.

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For local GAAP users, this results in terminological ambiguities concerning the reporting data. Pursuant to the reporting requirement in LR1 for derivatives (credit and financial derivatives) it is necessary to use the balance-sheet values. Under Germany's local GAAP, financial derivatives are on-balance sheet items if and when they are included in the trading book. However, the applicable prudential supervision netting does not require any separation between trading and investment account. Due to the offsetting, an artificial separation is not possible. In the case of local GAAP users, credit derivatives are reported nominally "as the bottom line". Book values are not available. As products, securities lending and repo transactions receive no general special treatment under local GAAP accounting.

In terms of the transactions mentioned above, it is also confusing that cash received and securities lendings which are covered by a netting agreement have to be reported under "Securities financing transactions not covered by a master netting agreement".

Furthermore, in our opinion, method 1 for SFT transactions which allows netting of cash only is equally a source for concern. Although this variant (at least for the time being) is not included in the calculation of the total exposure, we hold the view that it is utterly inappropriate for the purposes of the leverage ratio. Method 1 is also clearly at odds with the present version of the CRR (as at: July 2012).

The leverage ratio review process should include a review of this ratio's fitness for purpose. Discriminations against certain, particularly low-risk transactions (promotional loans, central bank function within the financial network [Verbund] etc.) should be strictly avoided. In order to arrive at an appropriate adjustment and calibration of the ratio, we feel that a breakdown of group exposures and exposures within the financial network included in the total exposure (pursuant to Article 108(6) et seq. CRR-D) is indispensable. To this end, by way of analogy to Basel III monitoring, a table should be incorporated which contains the results. Alternatively, the LR1 reporting template could be complemented to include the intra-group and intra-network exposures.

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***LR2: Derivatives and off-balance sheet items***

We feel that in some parts, the presentation format proposed at this juncture is misleading. Lines 080 and 100 (drawn amounts on [...] commitments) are already contained in {LR1; 070;2} since drawn amounts on [...] commitments constitute on-balance sheet exposures. This is also why they are already included in the calculation of the leverage ratio. Or does this line refer to the undrawn amount?

We see no need for a multiple breakdown. Given that no specific treatment is envisaged for these exposures in the context of the calculation of the leverage ratio, we object to any additional breakdown of the "other assets" as this is unnecessary. Furthermore, due to the indent, lines 080 and 100 (drawn amounts on[...] commitments) might be construed as a "subordinate item" to line 060. From our point of view, this presentation is not sufficiently clear. Hence, it would be appropriate to choose a different presentation format without any indent.

The off-balance sheet items shall be broken down on the basis of the conversion factors of the standardised approach (credit risk). The conversion factors of the standardised approach (credit risk) and of the IRBA feature only minor differences. In our view, these differences are not of any decisive nature for the necessary insights during the leverage ratio's review stage. In the case of IRBA banks, reference to the standardised approach measures would lead to a considerable implementation burden which, from our point of view, is unnecessary. Hence, at this point, IRBA banks should be entitled to structuring according to the IRBA conversion factors.

***LR3: Derivatives and off-balance sheet items – additional breakdowns of exposures***

Generally speaking, we feel that LR3 is dispensable and suggest deleting it.

Alternatively, if it is not possible to delete this requirement, there should be a breakdown of the items pursuant to Annex II in this table in line with the risk weights under the solvency regime. The headings of the table do not make it sufficiently clear whether and how (i.e. in which column) derivatives have to be included with their exposure at default amount. We therefore suggest a clarification. Apart from this, the breadth of the risk weights in line 020 and 030 in Annex I and II are not identical.

***LR4: Credit derivatives exposures***

Generally speaking, we feel that LR4 is dispensable and suggest deleting it.

In case our suggestion of deleting this cannot be accommodated, we would appreciate a more detailed explanation of the following scenario: From our point of view, the instructions on the data which need to be captured in column 2 to 4 are not sufficiently clear (Annex II, p. 17). We assume that this is identical with the data that also has to be provided in the framework of the Basel III implementation monitoring.

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***LR5: Capital and calculation of the leverage ratio***

Under Article 475, the CRR stipulates the reporting of the leverage ratio has to take place with and without inclusion of the grandfathering and transition requirements of Chapter 2 and 3, part 10 of the CRR. According to this, the capital definition including the grandfathering and transitional provisions contained in chapter 2 and 3 of part 10 of the CRR does not cover the transitional provisions for "prudential filter" and capital deductions and incurs an additional reporting requirement for the leverage ratio in relation to capital [adequacy] reporting. Due to the considerable additional reporting burden associated with this, we oppose the proposals for calculation and reporting of an additional capital definition.

From our point of view, it does not become sufficiently clear from line 070 how the exposure values of all assets of the relevant companies have to be measured.

Article 416(4) p. 2 CRR stipulates "Where institutions include relevant entities in which they hold significant investments in their consolidation according to the relevant accounting framework, but not in their prudential consolidation [...], they shall reduce their exposure measure" on a pro rata basis based on the Tier 1 capital deductions. This language is not sufficiently clear. In our view, there is a danger that the exposure measures of significant investments in relevant companies which are covered under the accounting consolidation scope but not under the prudential consolidation scope and which do not lead to any deductions on the capital side will, conversely, have to be added on a pro rata basis to the exposure measure. This would lead to an extension of the consolidation scope for the leverage ratio. If the leverage ratio is meant to act as a back-stop for the risk weighted capital ratio, these measures should also refer to the same consolidation scope. Otherwise, there would be a "paradigm clash" which would give rise to further practical problems and high process costs during the implementation (cf. our comments on template LR5). Similar to the approach adopted when it comes to the risk weighted capital coefficient (German Solvency Regulation), we therefore strongly suggest using the book value of the investment as the measure for these investments. The use of the book value of the investment is easy to implement and, in our view, reflects the exposure in an appropriate manner.

Additionally, we would like to point out that when determining the risk weighted capital ratio, the Financial Conglomerates Directive provides cross-sector groups (bancassurance groups) with a waiver for capital deductions of the book value of the investment of the insurance when calculating the risk weighted capital coefficient. This waiver is due to the fact that monitoring of the solvability is ensured by means of the financial conglomerate's solvency ratio. Under the provisions of Article 416(4) p. 2 CRR, the exposure measures from these insurance investments would need to be fully allocated to the exposures. This full recognition results in discrimination for bancassurance groups when it comes to the leverage ratio. This cannot possibly be in line with the European legislators' initial intent and purposes.

When determining the exposure, it is unclear whether the general focus should be on treatment under an accounting framework or whether the focus should be on treatment under a prudential supervision framework. This must not result in a situation where the exposure values would have to be measured on the basis of the other paragraphs under Article 416 CRR. Also with regard to the leverage ratio, companies which - in terms of prudential supervision legislation - are still exempt from the reporting

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requirements when it comes to the consolidated capital ratio, should not be coerced into a prudential reporting framework with all its concomitant supervisory measurement techniques. The discussions to date both in the framework of Basel III and also during the European implementation work have shown that such an approach is not what supervisors have in mind.

We therefore suggest corresponding clarifications. As regards Article 416(4) p. 3 CRR, for these corporate entities it should be sufficient to use the book value of the investment as an exposure value. Alternatively, the maximum should be offsetting the (pro rata) balance sheet subtotal against the exposure. In the latter case, the instructions should furthermore clarify that the relevant entity's book value of the investment that has not been deducted from capital which exists in the exposure would have to be deducted. Based on cost benefit considerations, entities which are categorised as "not relevant" under the *de minimis* rule should be exempted.

As regards 080-120, we would like to point out that concerning the deduction items listed thereunder it remains unclear whether reporting shall be subject to the respectively transitional rules which are in effect on the corresponding reporting date or whether the report shall be carried out without considering the transitional rule. The general COREP-EK reporting template (CA1) contains already highly granular information on capital (inter alia including the quantitative effects of the transitional rules). We have doubts over the usefulness of a further granular presentation (items in lines 010 and 030-070) in the report on the leverage ratio. We therefore strongly recommend reference to original indicators of the respectively underlying reporting basis.

*Furthermore the designations in the cells {LR5; 090;1}; {LR5;100;1}; {LR5;110;1} do not match the descriptions in Annex I. We would appreciate a correction of this.*

***LR6: Alternative decomposition of leverage ratio exposure measure components***

Generally speaking, we hold the view that the reporting requirement of template LR 6 is unnecessary. This is due to the fact that this information is contained in the COREP reporting templates on credit risk (standardised approach credit risk, IRBA). We therefore suggest deleting the template.

Alternatively, should it be impossible for you to heed our petition, concerning column 2 (RWA) we suggest at least clarifying in the instructions on page 24 that IRBA banks do not have to carry out a RWA calculation on the basis of a credit risk standardised approach for the leverage ratio. IRBA banks should be able to present the requested RWA information on the basis of the IRBA results. For IRBA banks, a RWA calculation on the basis of the standardised approach (credit risk) would incur an extremely high implementation burden. Generally speaking and especially given the fact that a structure of the risk weights is being comprehensively gathered in the COREP templates, we see no information benefit in this RWA column.

The data collection in lines 050 and 090 (securities for SFT repledged) is unusually onerous. Even under due consideration of the presentations in the CRR we feel that this fails to live up to a cost benefit analysis. Based on the foregoing, we suggest a critical review of this data requirement.

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Furthermore, please cf. also our response under Q15.

***LR8 Asset encumbrance***

In view of the current debate as well as the mandates envisaged for the EBA, the information requests concerning the "Asset Encumbrance" are perfectly understandable. They should rather collect in context of the LCR/NSFR reporting because this is where they also relevant for the calculation. We do not see any reference to the requirements of the Leverage Ratio.

In our understanding, this equally constitutes a report of the month-end-values which have to be aggregated into an average value at the end of the quarter using an arithmetic mean value of these month-end-values.

Within the LCR/NFSR reporting, the query should be complemented to include one line on the liquidity buffer. Whilst the liquid assets do not serve collateralisation of specific transactions, they are still not available to the bank outside of stress scenarios. In order to obtain a true and fair view of the assets that actually are freely available, also the LCR liquidity buffer should be included in the assessment.

As regards the instructions on line 30, there should be a clarification that this shall include each and any open market transactions with the ECB, i.e. also the two LTROs dated December 2011 and January 2012.

Yours sincerely,

on behalf of the German Banking Industry Committee  
National Association of German Cooperative Banks



Dr. Andreas Martin



Dr. Ruben Lanzerath