ANNEX XII- Instructions for leverage ratio disclosures

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures. Fixed format template.

1. Institutions shall apply the instructions provided in this section to complete template EU LR1 - LRSum in application of point (b) of Article 451(1) of Regulation (EU) No 575/2013[[1]](#footnote-1) (“CRR”).

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| **Legal references and instructions** | |
| **Row number** | **Explanation** |
| 1 | Total assets as per published financial statements  Institutions shall disclose the total assets as published in their financial statements under the applicable accounting framework as defined in point (77) of Article 4(1) CRR. |
| 2 | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation  Institutions shall disclose the difference in value between the total exposure measure as disclosed in row 13 of template EU LR1 - LRSum and total accounting assets as disclosed in row 1 of template EU LR1 - LRSum, which results from differences be­tween the accounting scope of consolidation and the scope of prudential consolidation.  If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall place the value in this row between brackets (negative amount). |
| 3 | (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)  Point (m) of Article 429a(1) CRR  Institutions shall disclose the amount of the securitisedexposures from traditional securitisations that meet the conditions for significant risk transfer set out in Article 244(2) CRR.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 4 | (Adjustment for temporary exemption of exposures to central banks (if applicable))  Point (n) of Article 429a(1) CRR  If applicable, institutions shall disclose the amount of coins and banknotes constituting legal currency in the jurisdiction of the central bank and assets representing claims on the central bank, including reserves held at the central bank. These exposures may be temporarily exempted subject to the conditions mentioned in Article 429a(5) and (6) CRR.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 5 | (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in ac­cordance with point (i) of Article 429a(1) CRR)  Institutions shall disclose the amount of derecognised fiduciary items in accordance with point (i) of Article 429a(1) CRR.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 6 | Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting  Article 429g(1) and (2) CRR  Institutions shall disclose the adjustment of the accounting value related to regular-way purchases or sales awaiting settlement subject to trade date accounting in accordance with Article 429g(1) and (2) CRR. The adjustment is the sum of:   * The amount offset between cash receivables for regular-way sales awaiting settlement and cash payables for regular-way purchases awaiting settlement allowed under the accounting framework. This is a positive amount. * The amount offset between cash receivables and cash payables where both the related regular-way sales and purchases are settled on a delivery-versus-payment basis in accordance with Article 429g(2) CRR. This is a negative value.   Regular-way purchases or sales awaiting settlement subject to settlement date accounting in accordance with Article 429g(3) CRR shall be included in row 10 of template EU LR1 - LRSum.  If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall place the value in this row between brackets (negative amount). |
| 7 | Adjustment for eligible cash pooling transactions  Article 429b(2) and (3) CRR  Institutions shall disclose the difference between the accounting value and the leverage ratio exposure value of cash pooling arrangements in accordance with the conditions mentioned in Article 429b(2) and (3) CRR.  If this adjustment leads to an increase in exposure, due to transactions that are represented net under the applicable accounting framework but do not meet the conditions for net presentation under Article 429b(2) and (3) CRR, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, due to transactions that are not represented net under the applicable accounting framework but do meet the conditions for net presentation under Article 429b(2) and (3) CRR, institutions shall place the value in this row between brackets (negative amount). |
| 8 | Adjustment for derivative financial instruments  For credit derivatives and contracts listed in Annex II of CRR, institutions shall disclose the difference in value between the accounting value of the derivatives recognised as assets and the leverage ratio exposure value as determined by application of point (b) of Article 429(4), Article 429c, 429d, points (g) and (h) of Article 429a(1), and of Article 429(5) CRR.  If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall place the value in this row between brackets (negative amount). |
| 9 | Adjustment for securities financing transactions (SFTs)  For SFTs institutions shall disclose the difference in value between the accounting value of the SFTs recognised as assets and the leverage ratio exposure value as determined by application of points (a) and (c) of Article 429(4) in conjunction with Article 429e, point (b) of Article 429(7) and with point (b) of Article 429b(1), with Article 429b(4), and with points (g) and (h) of 429a(1) CRR.  If this adjustment leads to an increase in the exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall place the value in this row between brackets (negative amount). |
| 10 | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)  Institutions shall disclose the difference in value between the leverage ratio exposure as disclosed in row 13 of template EU LR1 - LRSum and total accounting assets as disclosed in row 1 of template EU LR1 - LRSum that results from the inclusion of off-balance sheet items in the leverage ratio total exposure measure.  This includes the commitments to pay related to regular-way purchases under settlement date accounting as calculated in accordance with Article 429g(3) CRR.  As this adjustment increases the total exposure measure, it shall be disclosed as a positive amount. |
| 11 | (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)  Institutions shall disclose the amount of prudent valuation adjustments in accordance with points (a) and (b) of Article 429a(1) CRR and the amount of specific (if relevant) and general credit risk adjustments to on- and off-balance-sheet items as per the last sentence of Article 429(4) and Article 429f(2) CRR that have reduced Tier 1 capital. Specific provisions shall only be included if, in accordance with the applicable accounting framework, they are not already deducted from the gross carrying amount values.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-11a | (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)  Point (c) of Article 429a(1) and Article 113(6) and (7) CRR  Institutions shall disclose the on-balance sheet portion of exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-11b | (Adjustment for exposures excluded from the total exposure measure in ac­cordance with point (j) of Article 429a(1) CRR  Point (j) of Article 429a(1), Article 116(4) CRR  Institutions shall disclose the on-balance sheet portion of exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR.  As this adjustment reduces the total exposure measure, institutions shall place the values in this row between brackets (negative amount). |
| 12 | Other adjustments  Institutions shall include any remaining difference in value between the total exposure measure and total accounting assets. Institutions shall consider the exposure adjustments in accordance with Article 429(8) CRR and other exposure adjustments mentioned in points (d), (e), (f), (h), (k), (l), (o), (p) of Article 429a(1) CRR that are not disclosed anywhere in the template.  If these adjustments lead to an increase in the exposure, institutions shall disclose this as a positive amount. If these adjustments lead to a decrease in exposure, the institutions shall place the value in this row between brackets (negative amount). |
| 13 | Total exposure measure  Total exposure measure (also disclosed in row 24 of template EU LR2 - LRCom), which is the sum of the previous items. |

Template EULR2 - LRCom: Leverage ratio common disclosure. Fixed format template

1. Institutions shall apply the instructions provided in this section to complete template EU LR2 - LRCom in application of points (a) and (b) of Article 451(1) CRR and of Article 451(3) CRR, taking into account, where applicable, point (c) of Article 451(1) and Article 451(2) CRR.
2. Institutions shall disclose in column ‘a’ the values of the different rows for the disclosure period and in column ‘b’ the values of the rows for the previous disclosure period.
3. Institutions shall explain in the narrative accompanying the template the composition of promotional loans disclosed in rows EU-22d and EU-22e of this template, including information by type of counterparty.

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| **Legal references and instructions** | |
| **Row number** | **Explanation** |
| 1 | On-balance sheet items (excluding derivatives, SFTs, but including collateral)  Article 429 and 429b CRR  Institutions shall disclose all assets, other than contracts listed in Annex II CRR, credit derivatives, and SFTs. Institutions shall base the valuation of these assets on the principles set out in Article 429(7) and 429b(1) CRR.  Institutions shall take into account in this calculation, if applicable, points (i), (m) and (n) of Article 429a(1) CRR, Article 429g and the last paragraph of Article 429(4) CRR.  Institutions shall include in this cell cash received or any security that is provided to a counterparty via SFTs and that is retained on the balance sheet (i.e. the accounting criteria for derecognition under the applicable accounting framework are not met).  Institutions shall not take into account in this calculation Article 429(8) and points (a)-(h), (j) and (k) of Article 429a(1) CRR, i.e. they shall not reduce the amount to be disclosed in this row by those exemptions. |
| 2 | Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework  Article 429c(2) CRR  Institutions shall disclose the amount of any derivatives collateral provided where the provision of that collateral reduces the amount of assets under the applicable accounting framework, as set out in Article 429c(2) CRR.  Institutions shall not include in this cell initial margin for client-cleared derivative transactions with a qualifying CCP (QCCP) or eligible cash variation margin, as defined in Article 429c(3) CRR. |
| 3 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)  Article 429c(3) CRR  Institutions shall disclose the receivables for variation margin paid in cash to the counterparty in derivatives transactions if the institution is required, under the applicable accounting framework, to recognise these receivables as an asset, provided that the conditions in points (a) to (e) of Article 429c(3) CRR are met.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 4 | (Adjustment for securities received under securities financing transactions that are recognised as an asset)  Adjustment for securities received under a securities financing transaction where the bank has recognised the securities as an asset on its balance sheet. These amounts are to be excluded from the total exposure measure in accordance with Article 429e(6) CRR.  As the adjustments in this row reduce the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 5 | (General credit risk adjustments to on-balance sheet items)  The amount of general credit risk adjustments corresponding to on-balance sheet items referred to in point (a) of Article 429(4) CRR, which institutions deduct in accordance with the last paragraph of Article 429(4) CRR.  As the adjustments in this row reduce the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 6 | (Asset amounts deducted in determining Tier 1 capital)  Points (a) and (b) of Article 429a(1) and Article 499(2) CRR  Institutions shall disclose the amount of regulatory value adjustments made to Tier 1 amounts in accordance with the choice made pursuant to Article 499(2) CRR.  More specifically, institutions shall disclose the value of the sum of all the adjustments that target the value of an asset and which are required by:   * Articles 32 to 35 CRR, or * Articles 36 to 47 CRR, or * Articles 56 to 60 CRR, as applicable.   Institutions shall include in this cell the amount referred to in point (a) of Article 429a(1) CRR.  Where the choice to disclose Tier 1 capital is made in accordance with point (a) of Article 499(1) CRR, institutions shall take into account the exemptions, alternatives and waivers to such deductions laid down in Articles 48, 49 and 79 CRR, without taking into account the derogation laid down in Chapters 1 and 2 of Title I of Part Ten CRR. In contrast, where the choice to disclose Tier 1 capital is made in accordance with point (b) of Article 499(1) CRR, institutions shall take into account exemptions, alternatives and waivers to such deductions laid down in Articles 48, 49 and 79 CRR, in addition to taking into account the derogations laid down in Chapter 1 and 2 of Title I of Part Ten CRR.  To avoid double counting, institutions shall not disclose adjustments already applied pursuant to Article 111 CRR when calculating the exposure value, nor shall they disclose any adjustment that does not deduct the value of a specific asset.  As the amount in this row reduces the total exposure measure, institutions shall place the value in this cell between brackets (negative amount). |
| 7 | Total on-balance sheet exposures (excluding derivatives and SFTs)  Sum of rows 1 to 6 |
| 8 | Replacement cost associated with SA-CCR transactions (i.e. net of eligible cash variation margin)  Articles 274, 275, 295, 296, 297, 298, 429c and 429c(3) CRR  Institutions shall disclose the current replacement cost as specified in Article 275(1) of contracts listed in Annex II CRR and credit derivatives including those that are off-balance sheet. These replacement costs shall be net of eligible cash variation margin in accord­ance with Article 429c(3) CRR whereas any cash variation margin received on an exempted CCP leg in accordance with points (g) or (h) of Article 429a(1) CRR shall not be included.  As determined by Article 429c(1) CRR, institutions may take into account the effects of contracts for novation and other netting agreements in accordance with Article 295 CRR. Cross-product netting shall not apply. However, in­stitutions may net within the product category referred to in point (c) of Article 272(25) CRR and credit derivatives when they are subject to a contractual cross-prod­uct netting agreement referred to in point (c) of Article 295 CRR.  Institutions shall not include in this cell contracts measured by application of the approaches in accordance with Articles 429c(6), i.e. the approaches in Section 4 or 5 of Chapter 6 of Title II of Part Three CRR (the simplified SA-CCR or Original Exposure Method).  When calculating the replacement costs institutions shall include, in accordance with Article 429c(4) CRR, the effect of the recognition of collateral on NICA on derivative contracts with clients where those contracts are cleared by a QCCP.  The amount shall be disclosed with the 1,4 alpha factor as specified in Article 274(2) CRR. |
| EU-8a | **Derogation for derivatives: replacement costs contribution under the simplified standardised approach**  Articles 429c(6) and 281 CRR  This cell provides the exposure measure of contracts listed in points 1 and 2 of Annex II CRR, calculated in accordance with the simplified standardised approach set out in Article 281 CRR, without the effect of collateral on NICA. The amount shall be disclosed with the 1,4 alpha factor applied as specified in Article 274(2) CRR.  Institutions that apply the simplified standardised approach shall not reduce the total exposure measure by the amount of margin received in accordance with Article 429c(6) CRR. Hence the exception for derivative contracts with clients where those contracts are cleared by a QCCP in Article 429c(4) CRR shall not apply.  Institutions shall not consider in this cell contracts measured by application of the SA-CCR or the original exposure method. |
| 9 | Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions  Articles 274, 275, 295, 296, 297, 298, 299 (2) and 429c CRR  Institutions shall disclose the add-on for the potential future exposure of contracts listed in Annex II of CRR and of credit derivatives including those that are off-balance sheet calculated in accordance with Article 278 CRR for contracts listed in Annex II CRR and Article 299(2) CRR for credit derivatives and applying netting rules in accordance with Article 429c(1) CRR. In determining the exposure value of those contracts, institutions may take into account the effects of contracts for novation and other netting agreements in accordance with Article 295 CRR. Cross-product netting shall not apply. However, institutions may net within the product category referred to in point (c) of Article 272(25) CRR and credit derivatives when they are subject to a contractual cross-product netting agreement referred to in point (c) of Article 295 CRR.  In accordance with Article 429c(5) CRR, institutions shall set the value of the multiplier used in the calculation of the potential future exposure in accordance with Article 278(1) CRR to one, except in the case of derivative contracts with clients where those contracts are cleared by a QCCP.  Institutions shall not include in this cell contracts measured by application of the approaches in accordance with Articles 429c(6), i.e. the approaches in Section 4 or 5 of Chapter 6 of Title II of Part Three CRR (the simplified SA-CCR or Original Exposure Method). |
| EU-9a | **Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach**  Article 429c(5) CRR  The potential future exposure in accordance with the simplified standardised approach set out in Article 281 CRR, assuming a multiplier of 1. The amount shall be disclosed with the 1,4 alpha factor applied as specified in Article 274(2) CRR.  Institutions that apply the simplified standardised approach shall not reduce the total exposure measure by the amount of margin received in accordance with Article 429c(6) CRR. Hence, the exception for derivative contracts with clients where those contracts are cleared by a QCCP in Article 429c(5) CRR shall not apply.  Institutions shall not consider in this cell contracts measured by application of the SA-CCR or the original exposure method. |
| EU-9b | Exposure determined under Original Exposure Method  Article 429c(6) and Section 4 or 5 of Chapter 6 of Title II of Part Three CRR  Institutions shall disclose the exposure measure of contracts listed in points 1 and 2 of Annex II CRR calculated in accordance with the Original Exposure Method set out in Section 4 or 5 of Chapter 6 of Title II of Part Three CRR.  Institutions that apply the Original Exposure Method shall not reduce the exposure measure by the amount of margin they have received in accordance with Article 429c(6) CRR.  Institutions that do not use the Original Exposure Method shall not disclose this cell. |
| 10 | (Exempted CCP leg of client-cleared trade exposures) (SA-CCR)  Points (g) and (h) of Article 429a(1) CRR  Institutions shall disclose the exempted trade exposures to a QCCP from client-cleared derivatives transactions (SA-CCR), provided that those items meet the conditions laid down in point (c) Article 306(1) CRR.  Since it reduces the total exposure measure, institutions shall place the value in this cell between brackets (negative amount).  The amount disclosed must also be included in the applicable cells above as if no exemption applied. |
| EU-10a | **(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)**  Points (g) and (h) of Article 429a(1) CRR  Institutions shall disclose the exempted trade exposures to a QCCP from client-cleared derivatives transactions (simplified standardised approach), provided that those items meet the conditions laid down in point (c) of Article 306(1) CRR. The amount shall be disclosed with the 1,4 alpha factor applied as specified in Article 274(2) CRR (negative amount).  The disclosed amount must also be included in the applicable cells above as if no exemption applied. |
| EU-10b | (Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)  Points (g) and (h) of Article 429a(1) CRR  Institutions shall disclose the exempted trade exposures to a QCCP from client-cleared derivatives transactions (original exposure method), provided that those items meet the conditions laid down in point (c) of Article 306(1) CRR.  Since it reduces the total exposure measure institutions shall place the value in this cell between brackets (negative amount).  The disclosed amount must also be included in the applicable cells above as if no exemption applied. |
| 11 | Adjusted effective notional amount of written credit derivatives  Article 429d CRR  Institutions shall disclose the capped notional value of written credit derivatives (i.e. where the institution is providing credit protection to a counterparty) as set out in Article 429d CRR. |
| 12 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)  Article 429d CRR  Institutions shall disclose the capped notional value of purchased credit derivatives (i.e. where the institution is buying credit protection from a counterparty) on the same reference names as those credit derivatives written by the institution, where the remaining maturity of the purchased protec­tion is equal to or greater than the remaining maturity of the sold protection. Hence, the value shall not be greater than the value entered in row 11 of template EU LR2 - LRCom for each reference name.  Since the disclosed amount reduces the total exposure measure, institutions shall place the value in this cell between brackets (negative amount).  The disclosed amount must also be included in the previous cell as if no adjustment applied. |
| 13 | Total derivatives exposures  Sum of rows 8 to 12 |
| 14 | Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions  Point (77) of Article 4(1), Articles 206 and 429e(6) CRR  Institutions shall disclose the accounting balance sheet value, under the applicable accounting framework, of SFTs both covered and not covered by a master netting agreement eligible under Article 206 CRR, where the contracts are recognised as assets on the balance sheet assuming no prudential or accounting netting or risk mitigation effects (i.e. the accounting balance sheet value adjusted for the effects of accounting netting or risk mitigation).  Furthermore, where sale accounting is achieved for a SFT under the applicable accounting framework, institutions shall reverse all sales related accounting entries in accordance with Article 429e(6) CRR.  Institutions shall not include in this cell cash received or any security that is provided to a counterparty via the aforementioned transactions and is retained on the balance sheet (i.e. the accounting criteria for derecognition are not met). |
| 15 | (Netted amounts of cash payables and cash receivables of gross SFT assets)  Point (77) of Article 4(1), Article 206, point (b) of Article 429b(1), Articles 429b(4) and 429e(6) CRR.  Institutions shall disclose the cash payables amount of gross SFT assets that have been netted in accordance with Article 429b(4) CRR.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 16 | Counterparty credit risk exposure for SFT assets  Article 429e(1) CRR  Institutions shall disclose the add-on for SFTs counterparty credit risk, including those that are off-balance sheet, determined in accordance with Article 429e(2) or (3) CRR, as applicable.  Institutions shall include in this cell transactions in accordance with point (c) of Article 429e(7) CRR.  Institutions shall not include in this cell agent SFTs where the institution provides an indemnity or guarantee to a customer or counterparty limited to any difference between the value of the secur­ity or cash the customer has lent and the value of collateral the borrower has provided in accord­ance with point (a) of Article 429e(7) CRR. |
| EU-16a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR  Articles 429e(5) and 222 CRR  Institutions shall disclose the add-on for SFTs including those that are off-balance sheet calculated in accordance with Article 222 CRR, subject to a 20 % floor for the applicable risk weight.  Institutions shall include in this cell transactions in accordance with point (c) of Article 429e(7) CRR.  Institutions shall not include in this cell transactions for which the add-on part of the leverage ra­tio exposure value is determined in accordance with the method defined in Article 429e(1) CRR. |
| 17 | Agent transaction exposures  Article 429e(2)(3) and point (a) of Article 429e(7) CRR  Institutions shall disclose the exposure value for agent SFTs where the institution provides an indemnity or guarantee to a customer or counterparty limited to any difference between the value of the security or cash the customer has lent and the value of collateral the borrower has provided in accordance with point (a) of Article 429e(7) CRR. The exposure value shall consist only of the add-on determined in accordance with Article 429e(2) or (3) CRR, as applicable.  Institutions shall not include in this cell transactions in accordance with point (c) of Article 429e(7) CRR. |
| EU-17a | (Exempted CCP leg of client-cleared SFT exposure)  Points (g) and (h) of Article 429a(1) and point (c) of Article 306(1) CRR.  Institutions shall disclose the exempted CCP leg of client-cleared trade exposures of SFTs, provided that those items meet the conditions laid down in point (c) of Article 306(1) CRR.  Where the exempted leg to the CCP is a security, it shall not be included in this cell, unless it is a repledged security that under the applicable accounting framework (i.e. in accordance with the first sentence of Article 111(1) CRR) is included at full value.  As this adjustment reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount).  The disclosed amount must also be included in the applicable cells above as if no exemption applied. |
| 18 | Total securities financing transaction exposures  Sum of rows 14 to EU-17a |
| 19 | Off-balance sheet exposures at gross notional amount  Article 429f CRR  Institutions shall disclose the nominal value of all off-balance sheet items as defined in Article 429f CRR, before any adjustment for conversion factors and specific credit risk adjustments. |
| 20 | (Adjustments for conversion to credit equivalent amounts)  Article 429f CRR  Reduction in gross amount of off-balance sheet exposures due to the application of CCFs. Since it reduces the total exposure measure, the value disclosed in this row shall contribute negatively in the calculation of the sum to be disclosed in row 22 of template EU LR2 - LRCom. |
| 21 | (General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)  Articles 429(4) and 429f(1) and (2) CRR  Institutions may reduce the credit exposure equivalent amount of an off-balance-sheet item by the corresponding amount of general credit risk adjustments that are deducted from Tier 1 capital. The calculation shall be subject to a floor of zero.  Institutions may reduce the credit exposure equivalent amount of an off-balance-sheet item by the corresponding amount of specific credit risk adjustments. The calculation shall be subject to a floor of zero.  The absolute value of these credit risk adjustments shall not exceed the sum of rows 19 and 20.  As these adjustments reduce the total exposure measure, institutions shall place the value in this row between brackets (negative amount).  The disclosed amount shall also be included in the applicable cells above as if this reduction did not apply. |
| 22 | Off-balance sheet exposures  Articles 429f, 111(1) and 166(9) CRR; sum of rows 19 to 21  Institutions shall disclose the leverage ratio exposure values for off-balance sheet items determined in accordance with Article 429f CRR taking into account the relevant conversion factors.  Institutions shall take into account that rows 20-21 of template EU LR2 - LRCom contribute negatively in the calculation of this sum. |
| EU-22a | (Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR))  Point (c) of Article 429a(1) and Article 113(6) and (7) CRR  Institutions shall disclose the exposures exempted in accordance with point (c) of Article 429a(1).  The disclosed amount shall also be included in the applicable cells above as if no exemption applied.  Since this amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22b | (Exposures exempted in accordance with point (j) of Article **429a(1)** CRR (on and off balance sheet))  Point (j) of Article 429a(1) CRR  Institutions shall disclose the exposures exempted in accordance with point (j) of Article 429a(1) CRR subject to the therein stated conditions being met.  The disclosed amount shall also be included in the applicable cells above as if no exemption applied.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22c | **(Excluded exposures of public development banks (or units) – Public sector investments)**  Point (d) of Article 429a(1) and Article 429a(2) CRR  The exposures arising from assets that constitute claims on central governments, regional governments, local authorities or public sector entities in relation to public sector investments, which can be excluded in accordance with point (d) of Article 429a(1) CRR. This shall only include cases where the institution is a public development credit institution, or the exposures are held within a unit treated as a public development unit in accordance with the last subparagraph of Article 429a(2) CRR.  Since the amount reduces the total exposure measure, institutions shall place the value in this cell between brackets (negative amount). |
| EU-22d | **(Excluded exposures of public development banks (or units) – Promotional loans)**  Point (d) of Article 429a(1) and Article 429a(2) CRR  Institutions shall disclose the excluded promotional loans in accordance with point (d) of Article 429a(1) CRR. This shall only include cases where the institution is a public development credit institution or promotional loans are held within a unit treated as a public development unit in accordance with the last subparagraph of Article 429a(2) CRR.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22e | **(Excluded passing-through promotional loan exposures by non-public development banks (or units))**  Point (e) of Article 429a(1) CRR  Institutions shall disclose the excluded exposures in accordance with point (e) of Article 429a(1) CRR relating to the parts of exposures arising from passing-through promotional loans to other credit institutions. This shall only include cases where the institution is not a public development credit institution and the activity is not with any unit treated as a public development unit in accordance with the last subparagraph of Article 429a(2) CRR.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22f | **(Excluded guaranteed parts of exposures arising from export credits)**  Point (f) of Article 429a(1) CRR  The guaranteed parts of exposures arising from export credits that can be excluded when the conditions of point (f) of Article 429a(1) CRR are met.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22g | **(Excluded excess collateral deposited at triparty agents)**  Point (k) of Article 429a(1) CRR  The excess collateral deposited at triparty agents that has not been lent out, which can be excluded in accordance with point (k) of Article 429a(1) CRR.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22h | **(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)**  Point (o) of Article 429a(1) CRR  The Central Securities Depositories (CSD) related services of CSD/ institutions that can be excluded in accordance with point (o) of Article 429a(1) CRR.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22i | **(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)**  Point (p) of Article 429a(1) CRR  The CSD related services of designated institutions that can be excluded in accordance with point (p) of Article 429a(1) CRR.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22j | **(Reduction of the exposure value of pre-financing or intermediate loans)**  Article 429(8) CRR  The amount reduced from the exposure value of a pre-financing loan or an intermediate loan, in accordance with Article 429(8) CRR.  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| EU-22k | **(Total excluded exposures)**  Sum of rows EU-22a to EU-22j  Since the amount reduces the total exposure measure, institutions shall place the value in this row between brackets (negative amount). |
| 23 | Tier 1 capital  Articles 429(3) and 499(1) and (2) CRR  Institutions shall disclose the amount of Tier 1 capital calculated in accordance with the choice that the institution has made pursuant to Article 499(2) CRR, as disclosed in row EU-27 of template EU LR2 - LRCom.  More specifically, where the institution has chosen to disclose Tier 1 capital in accordance with point (a) of Article 499(1) CRR, it shall disclose the amount of Tier 1 capital as calculated in accordance with Article 25 CRR, without taking into account the derogations laid down in Chapters 1 and 2 of Title I of Part Ten of CRR.  In contrast, where the institution has chosen to disclose Tier 1 capital in accordance with point (b) of Article 499(1) CRR, it shall disclose the amount of Tier 1 capital as calculated in accordance with Article 25 CRR, after taking into account the derogations laid down in Chapters 1 and 2 of Title I of Part Ten CRR. |
| 24 | Total exposure measure  Sum of amounts in rows 7, 13, 18, 22, and EU-22k of EU LR2 - LRCom |
| 25 | Leverage ratio (%)  Institutions shall disclose the amount in row 23 of template EU LR2 - LRCom expressed as a percentage of the amount in row 24 of template EU LR2 - LRCom. |
| EU-25 | Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)  In accordance with Article 451(2) CRR, public development credit institutions as defined in Article 429a(2) CRR shall disclose the leverage ratio without the adjustment to the total exposure measure determined in accordance with point (d) of Article 429a(1) CRR, i.e. the adjustment that is disclosed in rows EU-22c and EU-22d of this template. |
| 25a | **Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)**  If an institution’s total exposure measure is subject to the temporary exemption of central bank reserves set out in point (n) of Article 429a(1) CRR, this ratio is defined as the Tier 1 capital measure divided by the sum of the total exposure measure and the amount of the central bank reserves exemption, with this ratio expressed as a percentage.  If the institution’s total exposure measure is not subject to a temporary exemption of central bank reserves, this ratio will be identical to the ratio disclosed in row 25. |
| 26 | **Regulatory minimum leverage ratio requirement (%)**  Point (d) of Article 92(1), point (n) of Article 429a(1) and Article 429a(7) CRR  Institutions shall disclose the leverage ratio requirement as set out in point (d) of Article 92(1) CRR. Where an institution excludes the exposures referred to in point (n) of Article 429a(1) CRR, it shall disclose the adjusted leverage ratio requirement calculated in accordance with Article 429a(7) CRR. |
| EU-26a | **Additional own funds requirements to address the risk of excessive leverage (%)**  The additional own funds requirements to address the risk of excessive leverage imposed by the competent authority under point (a) of Article 104(1) of Directive 2013/36/EU (“CRD”), expressed as a percentage of the total exposure measure |
| EU-26b | **of which: to be made up of CET1 capital (percentage points)**  The part of the additional own funds requirements to address the risk of excessive leverage imposed by the competent authority under point (a) of Article 104(1) CRD, which has to be met with CET 1 capital in accordance with the third subparagraph of Article 104a(4) |
| 27 | **Leverage ratio buffer requirement (%)**  Article 92(1a) CRR  Institutions that are subject to Article 92(1a) CRR shall disclose their applicable leverage ratio buffer requirement. |
| EU-27a | **Overall leverage ratio requirement (%)**  Sum of rows 26, EU-26a, and 27 of this template |
| EU-27b | Choice on transitional arrangements for the definition of the capital measure  Article 499(2) CRR  Institutions shall specify their choice of transitional arrangements for capital for the purpose of disclosure requirements by disclosing one of the following two labels:   * ‘Fully phased in’ if the institution chooses to disclose the leverage ratio in accordance with point (a) of Article 499(1) CRR; * ‘Transitional’ if the institution chooses to disclose the leverage ratio in accordance with point (b) of Article 499(1) CRR. |
| 28 | Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables  Article 451(3) CRR; mean of the sums of rows 14 and 15, based on the sums calculated as of each day of the disclosure quarter |
| 29 | Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables  If rows 14 and 15 are based on quarter-end values, this amount is the sum of rows 14 and 15.  If rows 14 and 15 are based on averaged values, this amount is the sum of quarter-end values corresponding to the content of rows 14 and 15. |
| 30 | Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)  Article 451(3) CRR  Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves), using mean values calculated as of each day of the disclosure quarter for the amounts of the exposure measure associated with gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables). |
| 30a | Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)  Article 451(3) CRR  Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves), using mean values calculated as of each day of the disclosure quarter for the amounts of the exposure measure associated with gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables).  If an institutions total exposure measure is not subject to a temporary exemption of central bank reserves, this value will be identical to the value disclosed in row 30 of this template. |
| 31 | Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)  Article 451(3) CRR |
| 31a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)  Article 451(3) CRR |

Template EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures). Fixed format

1. Institutions shall apply the instructions provided in this section to complete template LRSpl in application of point (b) Article 451(1) CRR.

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| **Legal references and instructions** | |
| **Row number** | **Explanation** |
| EU-1 | Total on-balance sheet exposures (excluding derivatives and SFTs, and exempted exposures), of which:  Institutions shall disclose the sum of the amounts in row EU-2 and EU-3 of template EU LR3 - LRSpl. |
| EU-2 | Trading book exposures  Institutions shall disclose the exposures which are part of the total exposure value of assets belonging to the trading book excluding derivatives, SFTs and exempted exposures. |
| EU-3 | Banking book exposures, of which:  Institutions shall disclose the sum of values in rows EU-4 to EU-12 of template EU LR3-LRSpl. |
| EU-4 | Covered Bonds  Institutions shall disclose the sum of exposures, which is the total exposure value of assets that are in the form of covered bonds as defined in Article 129 and in point (d) of Article 161(1) CRR.  Institutions shall disclose the covered bonds total exposure net of defaulted exposures. |
| EU-5 | Exposures treated as sovereigns  Institutions shall disclose the sum of exposures, which is the total exposure value towards entities that are treated as sovereigns under CRR. (Central governments and central banks (Article 114, and point (a) of Article 147(2) CRR); regional governments and local authorities treated as sovereigns (Article 115(2) and (4), and point (a) of Article 147(3) CRR), multilateral development banks and international organisations treated as sovereigns (Articles 117(2) and 118, and points (b) and (c) of Article 147(3) CRR), public sector entities (Article 116(4) and point (a) of Article 147(3) CRR)  Institutions shall disclose the sovereign total exposure net of defaulted exposures. |
| EU-6 | Exposures to regional governments, MDB, International organisations and PSE, not treated as sovereigns  Institutions shall disclose the sum of exposures, which is the total exposure value towards regional governments and local authorities as defined in Article 115(1), (3) and (5) CRR for SA exposures and in point (a) of Article 147(4) CRR for IRB exposures; multilateral development banks as defined in Article 117(1) and (3) CRR for SA exposures and in point (c) of Article 147(4) CRR for IRB exposures; international organisations and public sector entities as defined in Article 116(1), (2), (3) and (5) CRR for SA exposures and in point (b) of Article 147(4) CRR for IRB exposures that are not treated as sovereigns under CRR.  Institutions shall disclose the abovementioned total exposure net of defaulted exposures. |
| EU-7 | Institutions  Institutions shall disclose the sum of exposures, which is the exposure value of exposures towards institutions that fall under Articles 119 to 121 CRR for SA exposures and for IRB exposures - that fall under point (b) of Article 147(2) CRR and are not exposures in the form of covered bonds under point (d) of Article 161 (1) CRR and do not fall under points (a) to (c) of Article 147(4) CRR.  Institutions shall disclose the total exposure net of defaulted exposures. |
| EU-8 | Secured by mortgages of immovable properties  Institutions shall disclose the sum of exposures, which is the exposure value of assets that are exposures secured by mortgages on immovable properties that fall under Article 124 CRR in case of SA exposures and that are exposures to corporate under point (c) of Article 147(2) CRR or retail exposures under point (d) of Article 147(2) CRR if these exposures are secured by mortgages on immovable property in accordance with point (a) of Article 199(1) CRR for IRB exposures.  Institutions shall disclose the total exposure net of defaulted exposures. |
| EU-9 | Retail exposures  Institutions shall disclose the sum of exposures, which is the total exposure value of assets that are retail exposures under Article 123 CRR in case of SA exposures and that are exposures under point (d) of Article 147(2) CRR, if these exposures are **not** secured by mortgages on immovable property in accordance with point (a) of Article 199(1) CRR – for IRB exposures.  Institutions shall disclose the total exposure net of defaulted exposures. |
| EU-10 | Corporates  Institutions shall disclose the sum of exposures, which is the total exposure value of assets that are corporate exposure (i.e. financial and non-financial). For SA exposures, these are exposures to corporates that fall under Article 122 CRR and for IRB exposures - that are exposures to corporates under point (c) of Article 147(2) CRR if these exposures are **not** secured by mortgages on immovable property in accordance with point (a) of Article 199(1) CRR.  Financial corporates shall mean regulated and unregulated undertakings other than institutions referred to in EU-7 of this template, whose principal activity is to acquire holdings or to pursue one or more of the activities listed in Annex I CRD, as well as undertakings as defined in point (27) of Article 4(1) CRR, other than institutions referred to in EU-7 of this template.  For the purpose of this cell, the term 'small and medium enterprise' is defined in accordance with point (b) of Article 501(2) CRR.  Institutions shall disclose the total exposure net of defaulted exposures. |
| EU-11 | Exposures in default  Institutions shall disclose the sum of exposures, which is the total exposure value of assets that are in default and – for SA exposures - fall under Article 127 CRR or, in case of IRB exposures, are categorised in the exposures classes listed in Article 147(2) CRR if a default in accordance with Article 178 CRR has occurred. |
| EU-12 | Other exposures (eg equity, securitisations, and other non-credit obligation assets)  Institutions shall disclose the sum of exposures, which is the total exposure value of other non-trading book exposures under CRR (e.g. equity, securitisations and non-credit obligation assets; in case of SA exposures these are assets categorised in the exposures classes listed in points (k), (m), (n), (o), (p) and (q) of Article 112 CRR, and in case of IRB exposures – in points (e), (f) and (g) of Article 147(2) CRR). Institutions shall include assets that are deducted in determining Tier 1 capital and therefore are disclosed in row 2 of template EU LR2-LRCom, unless these assets are included in row EU-2, EU-4 to EU-11 of template EU LR3- LRSpl. |

Table EU LRA - Disclosure of LR qualitative information. Free format text boxes for disclosure of qualitative information

1. Institutions shall complete table EU LRA by applying the following instructions, in application of points (d) and (e) of Article 451(1) CRR

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| **Legal references and instructions** | |
| **Row number** | **Explanation** |
| (a) | Description of the processes used to manage the risk of excessive leverage  Point (d) of Article 451(1) CRR  ‘Description of the processes used to manage the risk of excessive leverage’ shall include any relevant information on:   1. procedures and resources used to assess the risk of excessive leverage; 2. quantitative tools, if any, used to assess the risk of excessive leverage including details on potential internal targets, and whether other indicators than the leverage ratio of CRR are being used; 3. (c) ways of how maturity mismatches and asset encumbrance are taken into account in managing the risk of excessive leverage;   (d) processes for reacting to leverage ratio changes, including processes and timelines for potential increase of Tier 1 capital to manage the risk of excessive leverage; or processes and timelines for adjusting the leverage ratio denominator (total exposure measure) to manage the risk of excessive leverage. |
| (b) | Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers  Point (e) of Article 451(1) CRR  ‘Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers’ shall include any material information on:   1. quantification of the change in the leverage ratio since the previous disclosure reference date; 2. the main drivers of the leverage ratio since the previous disclosure reference date with explanatory comments on: 3. (1) the nature of the change and whether it was a change in the numerator of the ratio, in the denominator of the ratio, or in both; 4. (2) whether it resulted from an internal strategic decision and, where so, whether that strategic decision was aimed directly at the leverage ratio or whether it impacted the leverage ratio only indirectly; 5. (3) the most significant external factors related to the economic and financial environments that had an impact on the leverage ratio. |

1. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ([OJ L 176, 27.6.2013, p. 1](https://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=OJ:L:2013:176:TOC)). [↑](#footnote-ref-1)