EN

ANNEX V

REPORTING ON FINANCIAL INFORMATION

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PART 1

GENERAL INSTRUCTIONS

1. REFERENCES

1. This Annex contains additional instructions for the financial information templates ("FINREP") in Annexes III and IV to this Regulation. This Annex complements the instructions included in the form of references in the templates in Annexes III and IV.

2. Reporting institutions that use national accounting standards compatible with IFRS ("compatible National GAAP") shall apply the common and IFRS instructions in this Annex, unless otherwise provided.

3. The data points identified in the templates shall be drawn up in accordance with the recognition, offsetting and valuation rules of the relevant accounting framework, as defined in Article 4(1)(77) of Regulation (EU) No 575/2013 ('CRR').

4. Institutions shall only submit those parts of the templates related to:

(a) assets, liabilities, equity, income and expenses that are recognised by the institution;

(b) off-balance sheet exposures and activities in which the institution is involved;

(c) transactions performed by the institution;

(d) valuation rules, including methods for the estimation of allowances for credit risk, applied by the institution.

5. For the purposes of Annexes III and IV as well as this Annex, the following abbreviations shall apply:

(a) "IAS regulation": Regulation (EC) No 1606/2002[1];

(b) "IAS" or "IFRS": "International Accounting Standards", as defined in Article 2 of the IAS regulation that has been adopted by the Commission;

(c) "ECB BSI Regulation" or "ECB/2013/33": Regulation (EC) No 1071/2013 of the European Central Bank[2];

[1] Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L243, 11/09/2002, p.1)

(d) “NACE Regulation”: Regulation (EC) No 1893/2006 of the European Parliament and of the Council[3];

(e) “NACE codes”: codes in NACE Regulation;

(f) “BAD”: Council Directive 86/635/EEC[4];

(g) “Accounting Directive”: Directive 2013/34/EU[5];

(h) “National GAAP”: national generally accepted accounting principles developed under BAD;

(i) “SME”: micro, small and medium-sized enterprises defined in Commission Recommendation C(2003)14226;

(j) “ISIN code”: the International Securities Identification Number assigned to securities, composed of 12 alphanumeric characters, which uniquely identifies a securities issue;

(k) “LEI code”: the global Legal Entity Identifier assigned to entities, which uniquely identifies a party to a financial transaction.

(l) “Impairment stages”: categories of impairment as defined in IFRS 9.5.5. “Stage 1” shall refer to impairment measured in accordance with IFRS 9.5.5.5. “Stage 2” shall refer to impairment measured in accordance with IFRS 9.5.5.3. “Stage 3” shall refer to impairment on credit-impaired assets as defined in Appendix A of IFRS 9.

2. CONVENTIONS

6. For the purposes of Annexes III and IV, a data point shadowed in grey shall mean that this data point is not requested or that it is not possible to report it. In Annex IV, a row or a column with references shadowed in black means

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[2] Regulation (EC) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of monetary financial institutions sector (recast) (ECB/2013/33) (OJ L2975, 7.11.2013, p. 1).

[3] Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

[4] Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

[5] Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19)

[6] Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (C(2003)1422) (OJ L 124, 20.5.2003, p. 36).

that the related data points should not be submitted by those institutions that follow those references in that row or column.

7. Templates in Annexes III and IV include implicit validation rules which are laid down in the templates themselves through the use of conventions.

8. The use of brackets in the label of an item in a template means that this item is to be subtracted to obtain a total, but it does not mean that it shall be reported as negative.

9. Items that shall be reported in negative are identified in the compiling templates by including "(-)" at the beginning of their label such as in "(-) Treasury shares".

10. In the "Data Point Model" ('DPM') for financial information reporting templates of Annexes III and IV, every data point (cell) has a "base item" to which the "credit/debit" attribute is allocated. This allocation ensures that all entities who report data points follow the "sign convention" and allows to know the "credit/debit" attribute that corresponds to each data point.

11. Schematically, this convention works as in Table 1.

Table 1 Credit/debit convention, positive and negative signs

Element	**Credit /Debit**	**Balance /Movement**	**Figure reported**
Assets	Debit	Balance on assets	Positive ormal", no sign needed)
		Increase on assets	Positive ("Normal", no sign needed)
		Negative balance on assets	Negative (Minus "-" sign needed)
		Decrease on assets	Negative (Minus "-" sign needed)
Expenses		Balance on expenses	Positive ("Normal", no sign needed)
		Increase on expenses	Positive ("Normal", no sign needed)
		Negative balance (including reversals) on expenses	Negative (Minus "-" sign needed)
		Decrease on expenses	Negative (Minus "-" sign needed)
Liabilities	Credit	Balance on liabilities	Positive ("Normal", no sign needed)
		Increase on liabilities	Positive ("Normal", no sign needed)
		Negative balance on liabilities	Negative (Minus "-" sign needed)
		Decrease on liabilities	Negative (Minus "-" sign needed)

Element	Credit /Debit	Balance /Movement	Figure reported
Equity		Balance on equity	Positive ("Normal", no sign needed)
		Increase on equity	Positive ("Normal", no sign needed)
		Negative balance on equity	Negative (Minus "-" sign needed)
		Decrease on equity	Negative (Minus "-" sign needed)
Income		Balance on income	Positive ("Normal", no sign needed)
		Increase on income	Positive ("Normal", no sign needed)
		Negative balance (including reversals) on income	Negative (Minus "-" sign needed)
		Decrease on income	Negative (Minus "-" sign needed)

3. CONSOLIDATION

12. Unless specified otherwise in this Annex, FINREP templates shall be prepared using the prudential scope of consolidation in accordance with Part 1, Title II, Chapter 2, Section 2, of CRR. Institutions shall account for their subsidiaries and joint ventures using the same methods as for prudential consolidation:

(a) institutions may be permitted or required to apply the equity method to investments in insurance and non-financial subsidiaries in accordance with Article 18(5)of CRR;

(b) institutions may be permitted to use the proportional consolidation method for financial subsidiaries in accordance with Article 18(2) of CRR;

(c) institutions may be required to use the proportional consolidation method for investment in joint ventures in accordance with Article 18(4) of CRR.

4. ACCOUNTING PORTFOLIOS

4.1. Assets

13. “Accounting portfolios” shall mean financial instruments aggregated by valuation rules. These aggregations shall not include investments in subsidiaries, joint ventures and associates, balances receivable on demand classified as “Cash, cash balances at central banks and other demand deposits” as well as those financial instruments classified as “Held for sale” presented in the items “Non-current assets and disposal groups classified as held for sale” and “Liabilities included in disposal groups classified as held for sale“.

14. The following accounting portfolios based on IFRS shall be used for financial assets:

  (a) “Financial assets held for trading”;

  (b) “Non-trading financial assets mandatorily at fair value through profit or loss”

  (c) “Financial assets designated at fair value through profit or loss”;

  (d) “Financial assets at fair value through other comprehensive income”;

  (e) “Financial assets at amortised cost”.

15. The following accounting portfolios based on National GAAP shall be used for financial assets:

  (a) “Trading financial assets”;

  (b) “Non-trading non-derivative financial assets measured at fair value through profit or loss”;

  (c) “Non-trading non-derivative financial assets measured at fair value to equity;

  (d) “Non-trading debt instruments measured at a cost-based method”; and

  (e) “Other non-trading non-derivative financial assets”.

16. “Trading financial assets” shall have the same meaning as under the relevant National GAAP based on BAD. Under National GAAP based on BAD, derivatives that are not held for hedge accounting shall be reported in this item without regarding the method applied to measure these contracts. Institutions shall include derivatives contracts in the balance sheet only when these contracts are recognised in accordance with the relevant accounting framework.

17. For financial assets, “cost-based methods” shall include those valuation rules by which the financial asset is measured at cost plus interest accrued less impairment losses.

18. Under National GAAP based on BAD, “Other non-trading non-derivative financial assets” shall include financial assets that do not qualify for inclusion in other accounting portfolios. This accounting portfolio includes, among others, financial assets that are measured at the lower of their amount at initial recognition or their fair value (so-called “Lower Of Cost Or Market” or “LOCOM”).

19. Under National GAAP based on BAD, institutions that are permitted or required to apply certain valuation rules for financial instruments in IFRS

shall submit, to the extent that they are applied, the relevant accounting portfolios.

20. "Derivatives - Hedge accounting" shall include derivatives held for hedge accounting under the relevant accounting framework.

4.2. Liabilities

21. The following accounting portfolios based on IFRS shall be used for financial liabilities:

(a) "Financial liabilities held for trading";

(b) "Financial liabilities designated at fair value through profit or loss";

(c) "Financial liabilities measured at amortised cost".

22. The following accounting portfolios based on National GAAP shall be used for financial liabilities:

(a) "Trading financial liabilities"; and

(b) "Non-trading non-derivative financial liabilities measured at a cost-based method".

23. Under National GAAP, institutions that are permitted or required to apply certain valuation rules for financial instruments in IFRS shall submit, to the extent that they are applied, the relevant accounting portfolios.

24. Both under IFRS and National GAAP, "Derivatives - Hedge accounting" shall include derivatives held for hedge accounting under the relevant accounting framework.

5. FINANCIAL INSTRUMENTS

5.1. Financial assets

25. The carrying amount shall mean the amount to be reported in the asset side of the balance sheet. The carrying amount of financial assets shall include accrued interest.

26. Gross carrying amount shall have the following meaning:

(a) For debt instruments designated at fair value through profit or loss or mandatorily measured at fair value through profit or loss without being included in the held for trading portfolio, the gross carrying amount shall depend on whether they are classified as performing or non-performing. For performing debt instruments, the gross carrying amount shall be the fair value. For non-performing debt instruments, the gross carrying amount shall be the fair value after adding back any accumulated negative fair value adjustment due to credit risk.

(b) For debt instruments at amortised costs or at fair value through other comprehensive income, the gross carrying amount shall be the carrying amount before adjusting for any loss allowance.

(c) Under National GAAP based on BAD, for financial assets classified as “non-trading non-derivative financial asset measured at a cost-based method”, the gross carrying amount of impaired assets shall be equal to the carrying amount of the financial assets before adjusting for accumulated impairment. The gross carrying amount of unimpaired assets shall be their carrying amount.

27. Financial assets shall be distributed among the following classes of instruments: “Cash on hand”, “Derivatives”, “Equity instruments”, “Debt securities”, and “Loans and advances”.

28. “Debt securities” are debt instruments held by the institution issued as securities that are not loans in accordance with the ECB BSI Regulation.

29. “Loans and advances” are debt instruments held by the institutions that are not securities; this item includes “loans” in accordance with the ECB BSI Regulation as well as advances that cannot be classified as “loans” according to the ECB BSI Regulation. Loans and advances and “Advances that are not loans” are further characterized in paragraph 76(g) of Part 2 of this Annex.

30. In FINREP, “debt instruments” shall include “loans and advances” and “debt securities”.

5.2. Financial liabilities

31. The carrying amount shall mean the amount to be reported in the liability side of the balance sheet. The carrying amount of financial liabilities shall include accrued interest.

32. Financial liabilities shall be distributed among the following classes of instruments: “Derivatives”, “Short positions”, “Deposits”, “Debt securities issued” and “Other financial liabilities”.

33. “Deposits” are defined in the same way as in the ECB BSI Regulation.

34. “Debt securities issued” are debt instruments issued as securities by the institution that are not deposits in accordance with the ECB BSI Regulation.

35. “Other financial liabilities” shall include all financial liabilities other than derivatives, short positions, deposits and debt securities issued.

36. Under IFRS “Other financial liabilities” may include financial guarantees when they are measured either at fair value through profit or loss [IFRS 9.4.2.1(a)] or at the amount initially recognised less cumulative amortization [IFRS 9.4.2.1(c)(ii)]. Loan commitments shall be reported as “Other financial liabilities” where they are designated as financial liabilities at fair value through profit or loss [IFRS 9.2.1(a)] or they are commitments to provide a

loan at a below-market interest rate [IFRS 9.2.1(c), IFRS 9.4.2.1(d)]. Provisions arising from these contracts [IFRS 9.4.2.1(d)(i)(ii)] are reported as provisions for "Commitments and guarantees given".

37. "Other financial liabilities" may also include dividends to be paid, amounts payable in respect of suspense and transit items, and amounts payable in respect of future settlements of transactions in securities or foreign exchange transactions (payables for transactions recognised before the payment date).

6. COUNTERPARTY BREAKDOWN

38. Where a breakdown by counterparty is required the following counterparty sectors shall be used:

(a) central banks;

(b) general governments: central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity (which shall be reported under "non-financial corporations"); social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements;

(c) credit institutions: any institution covered by the definition in Article 4(1)(1) of CRR ("undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account") and multilateral development banks;

(d) other financial corporations: all financial corporations and quasi-corporations other than credit institutions such as investment firms, investment funds, insurance companies, pension funds, collective investment undertakings, and clearing houses as well as remaining financial intermediaries and financial auxiliaries;

(e) non-financial corporations: corporations and quasi-corporations not engaged in financial intermediation but principally in the production of market goods and non-financial services according to the ECB BSI Regulation;

(f) households: individuals or groups of individuals as consumers, and producers of goods and non-financial services exclusively for their own final consumption, and as producers of market goods and non-financial and financial services provided that their activities are not those of quasi-corporations. Non-profit institutions which serve households and which are principally engaged in the production of non-market goods and services intended for particular groups of households are included.

39. The counterparty sector allocation is based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. Among other classifications, the distribution of jointly incurred exposures by counterparty sector, country of residence and NACE codes should be driven by the characteristics of the more relevant or determinant obligor.

40. Counterparty sector for short positions shall be the counterparty of the securities borrowing transaction or reverse repurchase agreement.

PART 2

TEMPLATE RELATED INSTRUCTIONS

1. BALANCE SHEET

1.1. Assets (1.1)

1. “Cash on hand” shall include holdings of national and foreign banknotes and coins in circulation that are commonly used to make payments.

2. “Cash balances at central banks” shall include balances receivable on demand at central banks.

3. “Other demand deposits” shall include balances receivable on demand with credit institutions.

4. “Investments in subsidiaries, joint ventures and associates” shall include the investments in associates, joint ventures and subsidiaries which are not fully or proportionally consolidated. The carrying amount of investments accounted for using the equity method shall include related goodwill.

5. Assets that are not financial assets and that due to their nature could not be classified in specific balance sheet items shall be reported in “Other assets”. Other assets may include gold, silver and other commodities, even when they are held with trading intent.

6. “Non-current assets and disposal groups classified as held for sale” shall have the same meaning as under IFRS 5.

1.2. Liabilities (1.2)

7. Provisions for “Pensions and other post employment defined benefit obligations” shall include the amount of net defined benefit liabilities.

8. Under IFRS provisions for “Other long-term employee benefits” shall include the amount of the deficits in the long-term employment benefit plans listed in IAS 19.153. The accrued expense from short term employee benefits [IAS 19.11(a)], defined contribution plans [IAS 19.51(a)] and termination benefits [IAS 19.169(a)] shall be included in “Other liabilities”.

9. Under IFRS, provisions for “Commitments and guarantees given” shall include provisions related to all commitments and guarantees, irrespective of whether their impairment is determined in accordance with IFRS 9 or their provisioning follows IAS 37 or they are treated as insurance contracts under IFRS 4.

10. “Share capital repayable on demand” shall include the capital instruments issued by the institution that do not meet the criteria to be classified in equity. Institutions shall include in this item the cooperative shares that do not meet the criteria to be classified in equity.

11. Liabilities that are not financial liabilities and that due to their nature could not be classified in specific balance sheet items shall be reported in “Other liabilities”.

12. “Liabilities included in disposal groups classified as held for sale“ shall have the same meaning as under IFRS 5.

13. “Funds for general banking risks” are amounts that have been assigned in accordance with Article 38 of the BAD. When recognised, they shall appear separately either as liabilities under “provisions” or within equity under “other reserves”.

1.3. Equity (1.3)

14. Under IFRS equity instruments that are financial instruments shall include those contracts under the scope of IAS 32.

15. “Unpaid capital which has been called up” shall include the carrying amount of capital issued by the institution that has been called-up to the subscribers but not paid at the reference date.

16. “Equity component of compound financial instruments” shall include the equity component of compound financial instruments (that is, financial instruments that contain both a liability and an equity component) issued by the institution, when segregated in accordance with the relevant accounting framework (including compound financial instruments with multiple embedded derivatives whose values are interdependent).

17. “Other equity instruments issued” shall include equity instruments that are financial instruments other than “Capital” and “Equity component of compound financial instruments”.

18. “Other equity” shall comprise all equity instruments that are not financial instruments including, among others, equity-settled share-based payment transactions [IFRS 2.10].

19. “Accumulated changes in fair value of equity instruments measured at fair value through other comprehensive income” shall include accumulated gains and losses due to changes in fair value on investments in equity instruments

for which the reporting entity has made the irrevocable election to present changes in fair value in other comprehensive income.

20. “Accumulated hedge ineffectiveness for equity instruments measured at fair value through other comprehensive income” shall comprise the accumulated hedge ineffectiveness arising in fair value hedges in which the hedged item is an equity instrument measured at fair value through other comprehensive income. Hedge ineffectiveness reported in this row shall be the difference between the accumulated variation of the fair value of the equity instrument reported in “Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]” and the accumulated variations of the fair value of the hedging derivative reported in “Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]” [IFRS 9.6.5.3 and IFRS 9.6.5.8].

21. “Accumulated change in fair value of a financial liability at fair value through profit or loss that is attributable to changes in the credit risk of that liability” shall include accumulated gains and losses recognised in other comprehensive income and related to own credit risk for liabilities designated at fair value through profit or loss, regardless of whether the designation takes place at initial recognition or subsequently.

22. “Hedge of net investments in foreign operations [effective portion]” shall include the foreign currency translation reserve for the effective portion of both on-going hedges of net investments in foreign operations and hedges of net investments in foreign operations that no longer apply while the foreign operations remain recognised in the balance sheet.

23. “Hedging derivatives. Cash flow hedges reserve [effective portion of hedging derivatives]” shall include the cash flow hedge reserve for the effective portion of the variation in fair value of hedging derivatives in a cash flow hedge, both for on-going cash flow hedges and cash flow hedges that no longer apply.

24. “Fair value changes of financial assets measured at fair value through other comprehensive income” shall include accumulated gains or losses on debt instruments measured at fair value through other comprehensive income, net of the loss allowance that is measured at the reporting date in accordance with IFRS 9.5.5.

25. “Hedging instruments [not designated elements]” shall include the accumulated changes in fair value of all of the following:

    (a) the time value of an option when the changes in the time value and the intrinsic value of that option are separated and only the change in the intrinsic value is designated as a hedging instrument [IFRS 9.6.5.15];

    (b) the forward element of a forward contract when the forward element and the spot element of that forward contract are separated and only the change in the spot element of the forward contract is designated as hedging instrument;

(c) the foreign currency basis spread from a financial instrument where this spread is excluded from the designation of that financial instrument as the hedging instrument [IFRS 9.6.5.15, IFRS 9.6.5.16].

26. Under IFRS "Revaluation reserves" shall include the amount of reserves resulting from first-time adoption to IAS that have not been released to other type of reserves.

27. "Other reserves" shall be split between "Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates" and "Other". "Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates" shall include the accumulated amount of income and expenses generated by the aforementioned investments through profit or loss in past years. "Other" shall include reserves different from those separately disclosed in other items and may include legal reserve and statutory reserve.

28. "Treasury shares" shall cover all financial instruments that have the characteristics of own equity instruments which have been reacquired by the institution while they are not sold or amortised.

2. STATEMENT OF PROFIT OR LOSS (2)

29. Interest income and interest expense from financial instruments held for trading, from non-trading financial assets mandatorily at fair value through profit or loss, from financial instruments designated at fair value through profit or loss, and from hedging derivatives classified in the category "hedge accounting", shall be reported either separately from other gains and losses under items "interest income" and "interest expense" ("clean price") or as part of gains or losses from these categories of instruments ("dirty price").

30. Institutions shall report the following items broken down by accounting portfolios:

(a) "Interest income";

(b) "Interest expense";

(c) "Dividend income";

(d) "Gains or losses on de-recognition of financial assets and liabilities not measured at fair value through profit or loss, net";

(e) Modification gains or losses, net;

(f) "Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss".

31. "Interest income. Derivatives – Hedge accounting, interest rate risk" and "Interest expenses. Derivatives – Hedge accounting, interest rate risk" shall

include when the clean price is used the amounts related to those derivatives classified in the category “hedge accounting” which cover interest rate risk, including hedges of a group of items with offsetting risk positions (hedges of a net position) whose hedged risk affect different line items in the statement of profit or loss and other comprehensive income. They may be reported as interest income and expenses on a gross basis to present correct interest income and expenses from the hedged items to which they are linked.

32. When the clean price is used, the amounts related to those derivatives classified in the category “held for trading” which are hedging instruments from an economic but not accounting point of view may be reported as interest income and expenses to present correct interest income and expenses from the financial instruments that are hedged. These amounts may be included as a part of the items “Interest income. Financial assets held for trading” and “Interest expenses. Financial liabilities held for trading”.

33. When the clean price is used, interest income and expense on financial assets and financial liabilities held for trading shall also include time-apportioned fees and balancing payments in relation to credit derivatives measured at fair value and used to manage the credit risk of part or all of a financial instrument that is designated at fair value at that occasion [IFRS 9.6.7].

34. “Interest income - other assets” shall include amounts of interest income not included in the other items. This item may include interest income related to cash, cash balances at central banks and other demand deposits and to non-current assets and disposal groups classified as held for sale as well as net interest income from net defined benefit asset.

35. Under IFRS and where not provided otherwise in National GAAP, interest in relation to financial liabilities with a negative effective interest rate shall be reported in “Interest income on financial liabilities”. These liabilities and their interests give rise to a positive yield for an institution.

36. “Interest expenses - other liabilities” shall include amounts of interest expenses not included in the other items. This item may include interest expenses related to liabilities included in disposal groups classified as held for sale, expenses derived from increases in the carrying amount of a provision reflecting the passage of time or net interest expenses from net defined benefit liabilities.

37. Under IFRS and where not provided otherwise in National GAAP, interest in relation to financial assets with a negative effective interest rate shall be reported in “Interest expense on financial assets”. These assets and their interests give rise to a negative yield for an institution.

38. Dividend income from financial assets held for trading and from non-trading financial assets mandatorily at fair value through profit or loss shall be reported either as “dividend income” separately from other gains and losses from these categories or as part of gains or losses from these categories of instruments.

39. Dividend income on equity instruments designated at fair value through other comprehensive income shall encompass dividends related to instruments derecognised during the period and dividends related to instruments held at the end of the reporting period.

40. "Gains or (-) losses on financial assets and liabilities held for trading, net" shall include also gains and losses on credit derivatives measured at fair value through profit or loss used to manage the credit risk of all, or part of, a financial instrument that is designated as measured at fair value through profit or loss, as well as interest income and expense on financial assets and liabilities held for trading when the dirty price is used.

41. "Gains or losses on financial assets and liabilities designated at fair value through profit or loss" shall include also the amount recognised in the statement of profit or loss for the own-credit risk of liabilities designated at fair-value when recognising own credit risk changes in other comprehensive income creates or enlarges an accounting mismatch [IFRS 9.5.7.8]. "Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net" shall include also gains and losses on the hedged instruments that are designated as measured at fair value through profit or loss when the designation is used to manage credit risk, as well as interest income and expense on financial assets and liabilities designated at fair value through profit or loss when the dirty price is used.

42. Where a change in business model leads to the reclassification of a financial asset into a different accounting portfolio, the gains or losses from the reclassification shall be reported in the relevant rows from the accounting portfolio in which the financial asset is reclassified.

43. Where a financial asset is reclassified out of the amortised cost measurement category and into the fair value through profit or loss accounting portfolio [IFRS 9.5.6.2], gains or losses due to a reclassification shall be reported in "Gains or (-) losses on financial assets and liabilities held for trading, net" or "Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net", as applicable.

44. Where a financial asset is reclassified out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category [IFRS 9.5.6.7], the cumulative gains or losses previously recognised in other comprehensive income reclassified to profit or loss shall be reported in "Gains or (-) losses on financial assets and liabilities held for trading, net" or "Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net", as applicable.

45. "Gains or (-) losses from hedge accounting, net" shall include gains and losses on hedging instruments and on hedged items, including those on hedged items measured at fair value through other comprehensive income other than equity instruments, in a fair value hedge in accordance with IFRS 9.6.5.8. It shall also include the ineffective part of the variation of the fair

value of the hedging instruments in a cash flow hedge . The reclassifications of the cash-flow hedges reserve or of the reserve for hedges of net investment in a foreign operation shall be recognised in the same rows as those impacted by the cash flows from the hedged items.

46. “Gains or (-) losses from hedge accounting, net” shall include fair value changes on hedging instruments and hedged items, including the result of ineffectiveness from cash flow hedges and from hedges of net investment in foreign operations. “Gains or (-) losses from hedge accounting, net” shall also include gains on hedges of net positions.

47. “Modification gains or (-) losses, net” shall include the amounts arising from adjusting the gross carrying amounts of financial assets to reflect the renegotiated or modified contractual cash flows [IFRS 9.5.4.3 and Appendix A].

48. Provisions on commitments and guarantees given shall include provisions on all commitments and guarantees in the scope of IFRS 9, IAS 37 or IFRS 4. Provisions therefore include the impairment amount for commitments and guarantees for which impairment is determined in accordance with IFRS 9 or their provisioning follows IAS 37 or they are treated as insurance contracts under IFRS 4.

49. Under IFRS, “Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss” shall include all impairment gains or losses for debt instruments arising from the application of the impairment rules in IFRS 9.5.5, regardless of whether the expected credit losses in accordance with IFRS 9.5.5 are estimated over a 12-month or a lifetime period, and including the gains or losses for trade receivables, contract assets and lease receivables [IFRS 9.5.5.15].

50. “Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss” shall also include the amounts written off - as defined in paragraph 67, 69 and 134 of this Part - that exceed the amount of the loss allowance at the date of write-off and are therefore recognised as a loss directly in profit or loss.

51. "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" shall include profit or loss generated by non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations.

52. Dividend income from subsidiaries, associates and joint ventures which are outside the scope of consolidation shall be reported within “Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates” and, according to IAS 28.10, the carrying amount of the investment shall be reduced for those accounted for under the equity method. Under IFRS, the gains or losses on de-recognition of investments in subsidiaries, joint ventures and associates shall be reported within “Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates”.

3. STATEMENT OF COMPREHENSIVE INCOME (3)

53. The amount of accumulated changes in fair value of de-recognised equity instruments measured at fair value through other comprehensive income that is reclassified to other components of equity shall be reported in “Adjustments to the accumulated fair value changes of equity instruments measured at fair value through other comprehensive income (derecognised instruments)”.

54. “Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net” shall include the change in the accumulated hedge ineffectiveness in fair value hedges in which the hedged item is an equity security measured at fair value through other comprehensive income. The change in accumulated hedge ineffectiveness reported in this row shall be the difference between the changes in the variation of the fair value of the equity instrument reported in “Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]” and the changes in the variation of the fair value of the hedging derivative reported in “Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]”.

55. “Hedge of net investments in foreign operations [effective portion]” shall include the change in the accumulated foreign currency translation reserve for the effective portion of both on-going and discontinued hedges of net investments in foreign operations. This change shall be the difference between increases of this reserve reported in “Valuation gains or (-) losses taken to equity” and decreases due to transfer to profit or loss.

56. For hedges of net investment in foreign operations and cash flow hedges the respective amounts reported in “Transferred to profit or loss” shall include transfers because the hedged flows have occurred and transfers because the hedged flows are no longer expected to occur.

57. “Hedging instruments [not designated elements]. Changes in value of time value of options, of forward elements of forward contracts and of foreign currency basis spread” shall include changes in the accumulated changes in fair value of all of the following where they are not designated as a hedging component:

(i) time value of options;

(ii) forward elements of forward contracts;

(iii) foreign exchange basis spread of financial instruments.

58. For options, the amounts reclassified to profit or loss and reported in “Transferred to profit or loss [transaction-related hedged item and time-related hedged item]” shall include reclassifications due to options that hedge a transaction-related hedged item and options that hedge a time-period related hedge item.

59. “Financial assets at fair value through other comprehensive income” shall include gains or losses on debt instruments measured at fair value through other comprehensive income. Impairment gains or losses and foreign exchange gains and losses shall respectively be reported in “(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)” and in “Exchange differences [gain or (-) loss], net” in template 2. “Transfer to profit or loss” in particular shall include the transfer to profit or loss due to de-recognition or reclassification into the fair value through profit or loss measurement category.

60. Where a financial asset is reclassified out of the amortised cost measurement category and into the fair value through other comprehensive income measurement category [IFRS 9.5.6.4], the gains or losses arising due to the reclassification shall be reported in “Financial assets at fair value through other comprehensive income”.

61. Where a financial asset is reclassified out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category [IFRS 9.5.6.7] or into the amortised cost measurement category [IFRS 9.5.6.5], the reclassified cumulative gains and losses previously recognised in other comprehensive income shall be respectively reported in “Transferred to profit or loss” and in “Other reclassifications”.

62. For all components of the other comprehensive income, “Other reclassifications” shall include transfers other than the reclassifications from the other comprehensive income to the profit or loss.

63. Under IFRS “Income tax relating to items that will not be reclassified” and “Income tax relating to items that may be reclassified to profit or (-) loss” [IAS 1.91 (b), IG6] shall be reported as separate line items.

4. BREAKDOWN OF FINANCIAL ASSETS BY INSTRUMENT AND BY COUNTERPARTY SECTOR (4)

64. Financial assets shall be broken down by portfolio and instrument and – where required – by counterparty. For debt instruments measured at fair value through other comprehensive income and at amortised cost, the gross carrying amount of assets and accumulated impairments shall be broken down by impairment stages.

65. “Accumulated negative changes in fair value due to credit risk” shall mean accumulated changes in fair value when the accumulated net change is negative. In any given period, the accumulated net change in fair value due to credit risk shall be negative when adding the negative and positive changes in fair value due to credit risk that occurred during the current reporting period to the outstanding net change at the end of the previous reporting period results in a negative amount.

66. “Accumulated impairment” shall mean the cumulative amount of impairment losses, net of use and reversals that has been recognised on debt instrument

for each of the impairment stages. Accumulated impairment reduces the carrying amount of the debt instrument through use of an allowance account.

67. “Accumulated partial write-offs” and “Accumulated gross carrying amount of debt instruments totally written-off” shall include, respectively, the partial and total amount of principal and past due interest of any debt instrument that is de-recognised because the institution has no reasonable expectations of recovering the contractual cash flows. These amounts shall be reported until the total extinguishment of all the institution’s rights by expiry of the statute-of-limitations period, forgiveness or other causes, or until recovery. Therefore when the rights of an institution are not extinguished, written-off amounts shall be reported even though the loan has been entirely derecognised and no enforcement action has been taking place.

68. When a debt instrument is eventually totally written-off as a consequence of successive partial write-offs, the cumulative amount written-offs shall be reclassified from the “Accumulated partial write-offs” into the “Gross carrying amount of debt instruments totally written-off” column.

69. Write-offs shall constitute a de-recognition event and relate to a financial asset in its entirety or to a portion of it. Write-offs include amounts caused both by reductions of the carrying amount of financial assets recognised directly in profit or loss as well as reductions in the amounts of the allowance accounts for credit losses taken against the carrying amount of financial assets.

70. The column “of which: Instruments with low credit risk” shall include instruments for which the institution assumes that the credit risk has not increased significantly since initial recognition in accordance with IFRS 9.5.5.10.

71. Trade receivables, contract assets or lease receivables for which the simplified approach of IFRS 9.5.5.15 for the estimation of loss allowances has been applied shall be reported within loans and advances in template F4.4.1. The corresponding loss allowance for those assets shall be reported in either “Accumulated impairment on assets with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)” or “Accumulated impairment on credit-impaired assets (Stage 3)”,depending on whether trade receivables, contract assets or lease receivables under the simplified approach are considered as credit-impaired assets.

72. Purchased or originated financial assets that are credit-impaired at initial recognition shall be separately reported in F4.3.1 and F4.4.1. For these loans, the accumulated impairment only includes the cumulative changes in lifetime expected credit losses since initial recognition [IFRS 9.5.5.13].

73. In template 4.5 institutions shall report the carrying amount of “Loans and advances” and “Debt securities” that fall within the definition of “subordinated debt” in paragraph 85 of this Part.

5. BREAKDOWN OF NON-TRADING LOANS AND ADVANCES BY PRODUCT (5)

74. Loans and advances other than those held for trading shall be broken down by type of product and by counterparty sector for the carrying amount and by type of products only for the gross carrying amount.

75. Balances receivable on demand classified as “Cash, cash balances at central banks and other demand deposits” shall also be reported in this template independently of the “accounting portfolio” in which they are included.

76. Loans and advances shall be allocated to the following products:

(a) “on demand (call) and short notice (current account)” include balances receivable on demand (call), at short notice, current accounts and similar balances which may include loans that are overnight deposits for the borrower, regardless of their legal form. It also includes “overdrafts” that are debit balances on current account balances;

(b) "Credit card debt" includes credit granted either via delayed debit cards or via credit cards [ECB BSI Regulation];

(c) “Trade receivables” include loans to other debtors granted on the basis of bills or other documents that give the right to receive the proceeds of transactions for the sale of goods or provision of services. This item includes all factoring transactions (both with and without recourse);

(d) “Finance leases” include the carrying amount of finance lease receivables. Under IFRS “finance lease receivables” are as defined in IAS 17;

(e) “Reverse repurchase loans” include finance granted in exchange for securities bought under repurchase agreements or borrowed under securities lending agreements;

(f) “Other term loans” include debit balances with contractually fixed maturities or terms that are not included in other items;

(g)“Advances that are not loans” include advances that cannot be classified as “loans” according to the ECB BSI Regulation. This item includes, among others, gross amounts receivable in respect of suspense items (such as funds that are awaiting investment, transfer, or settlement) and transit items (such as cheques and other forms of payment that have been sent for collection);

(h) “Mortgage loans [Loans collateralized by immovable property]” include loans formally secured by residential or commercial immovable property collateral, as defined in both cases in the CRR, independently of their loan/collateral ratio (commonly referred as “loan-to-value”);

(i) “Other collateralized loans” include loans formally backed by collateral, independently of their loan/collateral ratio (so-called “loan-to-value”), other than “Loans collateralised by immovable property”, “Finance leases” and “Reverse repurchase loans”. This collateral includes pledges of securities, cash, and other collateral;

(j) “Credit for consumption” includes loans granted mainly for the personal consumption of goods and services [ECB BSI Regulation];

(k) "Lending for house purchase" includes credit extended to households for the purpose of investing in houses for own use and rental, including building and refurbishments [ECB BSI Regulation];

(l) “Project finance loans” include loans that are recovered solely from the income of the projects financed by them.

6. BREAKDOWN OF NON-TRADING LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY NACE CODES (6)

77. Gross carrying amount of loans and advances to non-financial corporations other than those included in the held for trading or trading assets portfolios shall be classified by sector of economic activities using NACE Codes on the basis of the principal activity of the counterparty.

78. The classification of the exposures incurred jointly by more than one obligor shall be done in accordance with paragraph 39 of Part 1 of this Annex.

79. Reporting of NACE codes shall be done with the first level of disaggregation (by “section”).

7. FINANCIAL ASSETS SUBJECT TO IMPAIRMENT THAT ARE PAST DUE (7)

80. The carrying amount of debt instruments that are included in the accounting portfolios subject to impairment shall be reported in template 7.1 only if they are past due. According to IFRS these accounting portfolios shall comprise the categories “Financial assets at fair value through other comprehensive income” and “Financial assets at amortised cost”. According to National GAAP based on BAD, the accounting portfolios shall comprise “Non-trading debt instruments measured at a cost-based method” and “Other non-trading non-derivative financial assets”.

81. Assets shall qualify as past due when counterparties have failed to make a payment when contractually due. The carrying amounts of such assets shall be reported by impairment stages and broken down according to the number of days of the oldest past due instalment.

8. BREAKDOWN OF FINANCIAL LIABILITIES (8)

82. As “Deposits” are defined in the same way as in the ECB BSI Regulation, regulated savings deposits shall be classified in accordance with the ECB BSI Regulation and distributed according to the counterparty. In particular, non-transferable sight savings deposits, which although legally redeemable at demand are subject to significant penalties and restrictions and have features that are very close to overnight deposits, are classified as deposits redeemable at notice.

83. “Debt securities issued” shall be disaggregated into the following type of products:

(a) “Certificates of deposits” are securities that enable the holders to withdraw funds from an account;

(b) “Asset backed securities” according to Article 4(1)(61) of CRR;

(c) “Covered Bonds” according to Article 129(1) of CRR;

(d) “Hybrid contracts” comprise contracts with embedded derivatives;

(e) “Other debt securities issued” includes debt securities not recorded in the previous lines and distinguishes convertible and non-convertible instruments.

84. “Subordinated financial liabilities” issued are treated in the same way as other financial liabilities incurred. Subordinated liabilities issued in the form of securities are classified as “Debt securities issued”, whereas subordinated liabilities in the form of deposits are classified as “Deposits”.

85. Template 8.2 includes the carrying amount of “Deposits” and “Debt securities issued” that meet the definition of subordinated debt classified by accounting portfolios. “Subordinated debt” instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status have been satisfied [ECB BSI Regulation].

86. “Accumulated changes in fair value due to changes in own credit risk” shall include all the said accumulative changes in fair value, regardless of whether they are recognised in profit or loss or in the other comprehensive income.

9. LOAN COMMITMENTS, FINANCIAL GUARANTEES AND OTHER COMMITMENTS (9)

87. Off-balance sheet exposures include the off-balance sheet items listed in Annex I of CRR. In template 9.1, off-balance sheet exposures shall be broken down in loan commitments given, financial guarantees given, and other commitments given.

88. Information on loan commitments, financial guarantees, and other commitments given and received include both revocable and irrevocable commitments.

89. Loan commitments, financial guarantees and other commitments listed in Annex I of CRR may be instruments that are in the scope of IFRS 9 when not measured at fair value through profit or loss, or that are subject to the impairment and de-recognition requirements of IFRS 9, as well as instruments that are within the scope of IAS 37 or IFRS 4. Liabilities that may be recognised for all the commitments reported in this template shall be named provisions, including when measured and reported similarly to a loss allowance for financial assets in IFRS 9.

90. Institutions shall report the nominal amount and provisions of instruments that are subject to the impairment and de-recognition requirements of IFRS 9

including those measured at initial cost less cumulative income recognised, broken down by impairment stages.

91. Where a financial guarantee or a commitment to provide a loan at a below-market rate is measured in accordance with IFRS 9.4.2.1(d), its loss allowance determined in accordance with IFRS 9.5.5 shall be reported in the appropriate impairment stage.

92. The nominal amount and provisions of other commitments or guarantees that are within the scope of IAS 37 or IFRS 4 shall be reported in dedicated columns.

93. "Loan commitments" are firm commitments to provide credit under pre-specified terms and conditions, except those that are derivatives because they can be settled net in cash or by delivering or issuing another financial instrument. The following items of Annex I of CRR shall be classified as "Loan commitments":

(a) "Forward deposits";

(b) "Undrawn credit facilities" which comprise agreements to "lend" or provide "acceptance facilities" under pre-specified terms and conditions.

94. "Financial guarantees" are contracts that require the issuer to make specified payments to reimburse the holder of a loss it incurs, because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Under IFRS these contracts meet the definition of financial guarantee contracts in IFRS 9.2.1(e) and IFRS 4.A. The following items of Annex I of CRR shall be classified as "financial guarantees":

(g) "Guarantees having the character of credit substitute";

(h) "Credit derivatives" that meet the definition of financial guarantee;

(i) "Irrevocable standby letters of credit having the character of credit substitutes".

95. "Other commitments" includes the following items of Annex I of CRR:

(a) "Unpaid portion of partly-paid shares and securities";

(b) "Documentary credits issued or confirmed";

(c) Trade finance Off-balance sheet items;

(d) "Documentary credits in which underlying shipment acts as collateral and other self-liquidating transactions";

(e) "Warranties and indemnities" (including tender and performance bonds) and "guarantees not having the character of credit substitutes";

(f) “Shipping guarantees, customs and tax bonds”;

(g) Note issuance facilities (NIFs) and revolving underwritings facilities (RUFs);

(h) “Undrawn credit facilities” which comprise agreements to “lend” or provide “acceptance facilities” when the terms and conditions are not pre-specified;

(i) “Undrawn credit facilities” which comprise agreements to “purchase securities” or “provide guarantees”;

(j) “Undrawn credit facilities for tender and performance guarantees”;

(k) “Other off-balance sheet items” in Annex I of CRR.

96. Under IFRS the following items are recognised in the balance sheet and, consequently, should not be reported as off-balance sheet exposures:

(a) “Credit derivatives” that do not meet the definition of financial guarantees are “derivatives” under IFRS 9;

(b) “Acceptances” are obligations by an institution to pay on maturity the face value of a bill of exchange, normally covering the sale of goods. Consequently, they are classified as “trade receivables” on the balance sheet;

(c) “Endorsements on bills” that do not meet the criteria for de-recognition under IFRS 9;

(d) “Transactions with recourse” that do not meet the criteria for de-recognition under IFRS 9;

(e) “Assets purchased under outright forward purchase agreements” are “derivatives” under IFRS 9;

(f) “Asset sale and repurchase agreements as defined in Article 12 (3) and (5) of Directive 86/635/EEC”. In these contracts, the transferee has the option, but not the obligation, to return the assets at a price agreed in advance on a date specified or on a date to be specified. Therefore, these contracts meet the definition of derivatives under IFRS 9-Appendix A;

97. The item “of which: non-performing” shall include the nominal amount of those loan commitments, financial guarantees and other commitments given that are considered as non-performing in accordance with paragraphs 173 to 181 of this Part.

98. For off-balance sheet exposures, the “Nominal amount” is the amount that best represents the institution’s maximum exposure to credit risk without taking account of any collateral held or other credit enhancements. In particular, for financial guarantees given, the nominal amount shall be the

maximum amount the entity could have to pay if the guarantee is called on. For loan commitments, the nominal amount shall be the undrawn amount that the institution has committed to lend. Nominal amounts shall be exposure values before applying conversion factors and credit risk mitigation techniques.

99. In template 9.2, for loan commitments received, the nominal amount shall be the total undrawn amount that the counterparty has committed to lend to the institution. For other commitments received the nominal amount shall be the total amount committed by the other party in the transaction. For financial guarantees received, the "maximum amount of the guarantee that can be considered" shall be the maximum amount the counterparty could have to pay if the guarantee is called on. When a financial guarantee received has been issued by more than one guarantor, the guaranteed amount shall be reported only once in this template; the guaranteed amount shall be allocated to guarantor that is more relevant for the mitigation of credit risk.

10. DERIVATIVES (10 AND 11)

100. The carrying amount and the notional amount of the derivatives held for trading and the derivatives held for hedge accounting shall be reported broken down by type of underlying risk, type of market and type of product in templates 10 and 11. Institutions shall report the derivatives held for hedge accounting also broken down by type of hedge. Information on non-derivative hedging instruments shall be reported separately.

101. Template 11 shall include hedging instruments and hedged items irrespective of the accounting standard used to recognise a qualifying hedge relationship. When an institution has elected to keep applying IAS 39 for hedge accounting, the references and names for the types of hedges and accounting portfolios shall be read as the relevant references and names in IAS 39.

102. Derivatives included in hybrid instruments which have been separated from the host contract shall be reported in templates 10 and 11 according to the nature of the derivative. The amount of the host contract is not included in these templates. However, if the hybrid instrument is measured at fair value through profit or loss, the contract as a whole shall be included in the category of held for trading or financial instruments designated at fair value through profit or loss and, thus, the embedded derivatives are not reported in 10 and 11.

103. Commitments considered as derivatives [IFRS 9.2.3(b)] and credit derivatives that do not meet the definition of a financial guarantee in paragraph 94 of this Part shall be reported in template 10 and template 11, but not be reported in template 9, following the same breakdowns as the other derivative instruments.

104. The carrying amount of non-derivative financial assets or non-derivative financial liabilities, including assets, liabilities, commitments, guarantees designated at fair value through profit or loss for which the

changes in their own credit risk is not accounted for in other comprehensive income, that are recognised as hedging instrument in application of IFRS or the relevant national GAAP under BAD shall be reported separately. Irrespective of their accounting portfolio, the carrying amount of those hedging instruments shall be their balance sheet value.

10.1. Classification of derivatives by type of risk

105. All derivatives shall be classified into the following risk categories:

(a) Interest rate: Interest rate derivatives are contracts related to an interest-bearing financial instrument whose cash flows are determined by referencing interest rates or another interest rate contract such as an option on a futures contract to purchase a Treasury bill. This category is restricted to those deals where all the legs are exposed to only one currency's interest rate. Thus it excludes contracts involving the exchange of one or more foreign currencies such as cross-currency swaps and currency options, and other contracts whose predominant risk characteristic is foreign exchange risk, which are to be reported as foreign exchange contracts. Interest rate contracts include forward rate agreements, single-currency interest rate swaps, interest rate futures, interest rate options (including caps, floors, collars and corridors), interest rate swaptions and interest rate warrants.

(b) Equity: Equity derivatives are contracts that have a return, or a portion of their return, linked to the price of a particular equity or to an index of equity prices.

(c) Foreign exchange and gold: These derivatives include contracts involving the exchange of currencies in the forward market and the exposure to gold. They therefore cover outright forwards, foreign exchange swaps, currency swaps (including cross-currency interest rate swaps), currency futures, currency options, currency swaptions and currency warrant. Foreign exchange derivatives include all deals involving exposure to more than one currency, whether in interest rates or exchange rates. Gold contracts include all deals involving exposure to that commodity.

(d) Credit: Credit derivatives are contracts in which the payout is linked primarily to some measure of the creditworthiness of a particular reference credit and that do not meet the definition of financial guarantees [IFRS 9]. The contracts specify an exchange of payments in which at least one of the two legs is determined by the performance of the reference credit. Payouts can be triggered by a number of events, including a default, a rating downgrade or a stipulated change in the credit spread of the reference asset. Credit derivatives that meet the definition of a financial guarantee in paragraph 94 of this Part shall be reported only in template 9.

(e) Commodity: These derivatives are contracts that have a return, or a portion of their return, linked to the price of, or to a price index of, a commodity such as a precious metal (other than gold), petroleum, lumber or agricultural products.

(f) Other: These derivatives are any other derivative contracts, which do not involve an exposure to foreign exchange, interest rate, equity, commodity or credit risk such as climatic derivatives or insurance derivatives.

106. When a derivative is influenced by more than one type of underlying risk, the instrument shall be allocated to the most sensitive type of risk. For multi-exposure derivatives, in cases of uncertainty, the deals shall be allocated according to the following order of precedence:

(a) Commodities: All derivatives transactions involving a commodity or commodity index exposure, whether or not they involve a joint exposure in commodities and any other risk category which may include foreign exchange, interest rate or equity, shall be reported in this category.

(b) Equities: With the exception of contracts with a joint exposure to commodities and equities, which are to be reported as commodities, all derivatives transactions with a link to the performance of equities or equity indices shall be reported in the equity category. Equity deals with exposure to foreign exchange or interest rates should be included in this category.

(c) Foreign exchange and gold: This category includes all derivatives transactions (with the exception of those already reported in the commodity or equity categories) with exposure to more than one currency, be it pertaining either to interest-bearing financial instruments or exchange rates.

10.2. Amounts to be reported for derivatives

107. The “carrying amount” for all derivatives (hedging or trading) is the fair value. Derivatives with a positive fair value (above zero) are “financial assets” and derivatives with a negative fair value (below zero) are “financial liabilities”. The “carrying amount” shall be reported separately for derivatives with a positive fair value (“financial assets”) and for those with a negative fair value (“financial liabilities”). At the date of initial recognition, a derivative is classified as “financial asset” or “financial liability” according to its initial fair value. After initial recognition, as the fair value of a derivative increases or decreases, the terms of the exchange may become either favourable to the institution (and the derivative is classified as “financial asset”) or unfavourable (and the derivative is classified as “financial liability”).

108. The “Notional amount” is the gross nominal of all deals concluded and not yet settled at the reference date. In particular, the following shall be taken account to determine the notional amount:

(a) For contracts with variable nominal or notional principal amounts, the basis for reporting is the nominal or notional principal amounts at the reference date;

(b) The notional amount value to be reported for a derivative contract with a multiplier component is the contract effective notional amount or par value;

(c) Swaps: The notional amount of a swap is the underlying principal amount upon which the exchange of interest, foreign exchange or other income or expense is based;

(d) Equity and commodity-linked contracts: The notional amount to be reported for an equity or commodity contract is the quantity of the commodity or equity product contracted for purchase or sale multiplied by the contract price of a unit. The notional amount to be reported for commodity contracts with multiple exchanges of principal is the contractual amount multiplied by the number of remaining exchanges of principal in the contract;

(e) Credit derivatives: The contract amount to be reported for credit derivatives is the nominal value of the relevant reference credit;

(f) Digital options have a predefined payoff which can be either a monetary amount or a number of contracts of an underlying. The notional amount for digital options is defined as either the predefined monetary amount or the fair value of the underlying at the reference date.

109. The column "Notional amount" of derivatives includes, for each line item, the sum of the notional amounts of all contracts in which the institution is counterparty, independently of whether the derivatives are considered assets or liabilities on the face of the balance sheet. All notional amounts shall be reported regardless whether the fair value of derivatives is positive, negative or equal to zero. Netting among the notional amounts is not allowed.

110. The "Notional amount" shall be reported by "total" and by "of which: sold" for the line items: "OTC options", "Organised market options", "Commodity" and "Other". The item "of which sold" includes the notional amounts (strike price) of the contracts in which the counterparties (option holders) of the institution (option writer) have the right to exercise the option and for the items related to credit risk derivatives, the notional amounts of the contracts in which the institution (protection seller) has sold (gives) protection to their counterparties (protection buyers).

10.3. Derivatives classified as "economic hedges"

111. Derivatives that are held for hedging purposes but which are not effective hedging instruments in accordance with IFRS 9 or IAS 39 when IAS 39 is applied for hedge accounting purposes shall be included in the "held for trading" portfolio. This shall apply also to derivatives linked to unquoted equity instruments for which cost may be an appropriate estimate of fair value. This shall apply also to credit derivatives measured at fair value through profit or loss used to manage the credit risk of all, or part of, a financial instrument that is designated as measured at fair value through profit or loss at, or subsequent to, initial recognition, or while it is unrecognised in accordance with IFRS 9.6.7. Derivatives "held for trading" that meet the definition of "economic hedges" shall be reported separately for each type of risk.

112. The item “economic hedges” shall also include those derivatives that are classified as “held for trading” in accordance with IFRS 9 Appendix A but are not part of the trading book as defined in Article 4(1)(86) of CRR. This item shall not include derivatives for proprietary trading.

113. Credit derivatives used to manage the credit risk of all, or part of, a financial instrument that is designated as measured at fair value through profit or loss at, or subsequent to, initial recognition, or while it is unrecognised in accordance with IFRS 9.6.7 shall be reported in a dedicated row in template 10 within “credit risk”. Other economic hedges of credit risk for which the reporting entity does not apply IFRS 9.6.7 shall be reported separately.

10.4. Breakdown of derivatives by counterparty sector

114. The carrying amount and the total notional amount of derivatives held for trading, and also of derivatives held for hedge accounting, which are traded in the OTC market, shall be reported by counterparty using the following categories:

(a) “credit institutions”;

(b) “other financial corporations”; and

(c) “rest” comprising all other counterparties.

115. All OTC derivatives, without regarding the type of risk to which they are related, shall be broken down by these counterparties. Counterparty breakdown for credit risk derivatives refers to the sector where the counterparty of the institution in the contract (buyer or seller of protection) is allocated.

10.5. Amount to be reported for non-derivative hedging instruments (11.3)

116. The “carrying amount” of non-derivative hedging instruments shall be their carrying amount according to the applicable measurement rules for the accounting portfolios to which they belong in IFRS. No “notional amount” shall be reported for non-derivative hedging instruments.

10.6. Hedged items in fair value hedges (11.4)

117. The carrying amount of hedged items in a fair value hedge recognised on the statement of financial position shall be broken down by accounting portfolio for hedged financial assets and hedged financial liabilities.

118. The item “of which: Hedge adjustments included in the carrying amount of assets/liabilities” shall be the accumulated amount of the gains and losses on the hedged items that have adjusted the carrying amount of those items and been recognised in profit or loss. Hedge adjustments for the hedged items that are equities measured at fair value through other comprehensive income shall be reported in template 1.3. Hedge adjustments for unrecognised firm commitments or a component thereof shall not be reported.

119. “Remaining adjustments for discontinued hedges” shall include those hedge adjustments which, following the discontinuation of the hedge relationship and the end of the adjustment of hedged items for hedging gains and losses, remain to be amortised to the profit or loss via a recalculated effective interest rate for hedged items measured at amortised cost, or to the amount that represents the previously recognised cumulative hedging gain or loss for hedged assets measured at fair value through other comprehensive income.

120. When a group of financial assets or financial liabilities, including a group of financial assets or financial liabilities that constitute a net position, is eligible as a hedged item, financial assets and financial liabilities constituting this group shall be reported at their carrying amount on a gross basis, before netting between instruments within the group, in “Assets or liabilities included in hedge of a net position (before netting)”.

121. “Hedged items in portfolio hedge of interest rate risk” shall include financial assets and financial liabilities included in a fair value hedge of the interest rate exposure of a portfolio of financial assets or financial liabilities. These financial instruments shall be reported at their carrying amount on a gross basis, before netting between instruments within the portfolio.

10.7. Timing of cash flows in cash flow hedges and hedges of a net investment in a foreign operation (11.5)

122. The amount of expected cash flows that are hedged in a cash flow hedge or expected to arise in foreign operations shall be allocated to the time bracket in which they are expected to affect profit or loss, in particular in the time bracket in which interest income or interest expense is expected to be recognised or a forecast sale expected to occurs.

123. Hedged expected cash flows, including those expected to arise from the disposal or partial disposal of an investment in a foreign operation, shall be reported at their fair value.

124. Hedged expected cash flows from financial assets and financial liabilities included in a cash flow hedge of the interest rate exposure of a portfolio of financial assets or financial liabilities shall be reported on a gross basis, before netting between cash flows within the portfolio, in “Hedged cash flows in portfolio hedge of interest rate risk”.

125. Where a group of financial assets or financial liabilities, including a group of financial assets or financial liabilities that constitute a net position, is eligible as a hedged item, hedged expected cash flows from this group of items shall be reported on a gross basis, before netting between cash flows within the group, in “Hedge of a net position (cash flow hedge)”.

11. MOVEMENTS IN ALLOWANCES AND PROVISIONS FOR CREDIT LOSSES (12)

11.1. Movements in allowances and provisions for credit losses (12.1)

126. Template 12.1 contains a reconciliation of the opening and closing balances of the allowance account for financial assets at amortised cost and fair value through other comprehensive income broken down by impairment stages, by instrument and by counterparty.

127. For commitments and financial guarantees given that are subject to the impairment and de-recognition requirements of IFRS 9, including those measured at initial cost less cumulative income recognised,, a reconciliation of the opening and closing balances of provisions shall be reported by impairment stages.

128. The items "of which: collective assessed allowances" and "of which: individually assessed allowances" shall include the movements in the cumulative amount of impairment related to financial assets which have been respectively assessed on a collective or individual basis.

129. "Impairment or reversal of impairment (net) with transfer between stages" shall include the net amount of changes in expected losses due to a significant increase or decrease in credit risk since initial recognition. This shall include also changes in the expected losses related to modified assets [IFRS 9.5.4.3 and Appendix A]. When the increase or decrease in credit risk is due to a change in credit risk, including because of a modification without de-recognition [IFRS 9.5.4.3 and Appendix A], but does not imply a transfer between impairment stages, institutions shall report the net amount of changes in expected losses in the column "Impairment losses or reversal of impairment (net) without transfer between stages".

130. "Changes due to update in the institution's methodology for estimation (net)" shall include changes due to updates in the institution's methodology for estimation or changes due to changes in the models or establishment of new models used to estimate impairment. This shall also cover the establishment of new models.

131. "Changes due to origination or acquisition" shall include the amount of changes in expected losses due to financial assets originated or acquired recognised at the first reporting date following the origination or acquisition of those financial assets, including when they are not purchased or originated credit-impaired financial assets. Originated or acquired financial assets shall include modified financial assets where the renegotiation or modification of the contractual cash flows has led to the de-recognition of the existing financial asset. In the reporting periods following their origination or acquisition, subsequent changes in the expected losses on those financial assets shall be reported in "Impairment or reversal of impairment (net) with transfer between stages" or in "Impairment losses or reversal of impairment (net) without transfer between stages", as applicable.

132. “Changes due to repayments or disposals” shall include the amount of changes in expected losses due to financial assets de-recognised in the reporting period because of the expiry of the contractual rights due to repayment, disposal of those financial assets or their transfer in another accounting portfolio. The change in allowance is recognised at the first reporting date following the repayment, disposal or transfer.

133. Where the debt instrument is partially or totally de-recognised because there is no reasonable expectation of recovery, the decrease in the loss allowance reported in appropriate impairment stage due to the amounts written off shall be reported in any of the appropriate column for write-offs: “Write-off through decrease in allowance account”, “Amounts partially written-off directly to the statement of profit or loss”, “Amounts totally written-off directly to the statement of profit or loss”.

134. “Amounts partially written-off directly to the statement of profit or loss” and “Amounts totally written-off directly to the statement of profit or loss” shall be the amounts of financial assets written-off during the reporting period that exceed any allowance account of the respective financial assets at the reporting date. They shall include all amounts written-off during the reporting period and not only those which are still subject to enforcement activity.

11.2. Transfers between impairment stages (gross basis presentation) (12.2)

135. For financial assets the gross carrying amount and for commitments and financial guarantees given the nominal amounts that has been transferred between impairment stages during the reporting period shall be reported.

136. Only the gross carrying amount or the nominal amount of those financial assets or commitments and financial guarantees given which are in a different impairment stage at the end of the reporting period than they were at the beginning of the reporting period shall be reported. For the final reporting of the transfers that have taken place during the financial year, financial assets or commitments and financial guarantees that would have changed multiple times from impairment stage in successive reporting periods since the beginning of the financial year shall be reported as having transferred from their impairment stage at the opening of the financial year to the impairment stage in which they are included at the end of the financial year.

137. The gross carrying amount or the nominal value shall be the gross carrying amount or the nominal value at the reporting date.

12. COLLATERAL AND GUARANTEES RECEIVED (13)

12.1. Breakdown of loans and advances by collateral and guarantees (13.1)

138. The pledges and guarantees backing the loans and advances shall be reported by type of pledges: mortgage loans and other collateralised loans, and by financial guarantees received. The loans and advances shall be broken down by counterparties.

139. In template 13.1, the “maximum amount of the collateral or guarantee that can be considered” shall be reported. The sum of the amounts of a financial guarantee and/or collateral shown in the related columns of template 13.1 shall not exceed the carrying amount of the related loan.

140. For reporting loans and advances according to the type of pledge the following definitions shall be used:

(a) within “Mortgage loans [Loans collateralised by immovable property]”, “Residential” shall include loans secured by residential immovable property and “Commercial” loans secured by pledges of commercial immovable property; in both cases as defined in CRR;

(b) within “Other collateralised loans”, “Cash [Debt instruments issued]” shall include (a) deposits in the reporting institution that have been pledged as collateral for a loan and (b) debt securities issued by the reporting institution which has been pledged as collateral for a loan. “Rest” shall include pledges of other securities issued by any third parties or pledges of other assets, including real estate assets that does not qualify as residential or commercial real estate.;

(c) “Financial guarantees received” shall include contracts that in accordance with paragraph 94 of this Annex require the issuer to make specified payments to reimburse the institution of a loss it incurs, because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

141. For loans and advances that have simultaneously more than one type of collateral or guarantee, the amount of the “Maximum collateral/guarantee that can be considered” shall be allocated according to its quality starting from the one with the best quality.

12.2. Collateral obtained by taking possession during the period [held at the reporting date] (13.2)

142. This template shall include the carrying amount of the collateral that has been obtained between the beginning and the end of the reference period and that remain recognised in the balance sheet at the reference date.

12.3. Collateral obtained by taking possession [tangible assets] accumulated (13.3)

143. “Foreclosure [tangible assets]” shall be the cumulative carrying amount of tangible assets obtained by taking possession of collateral that remains recognised in the balance sheet at the reference date excluding those classified as “Property, plant and equipment”.

13. FAIR VALUE HIERARCHY: FINANCIAL INSTRUMENTS AT FAIR VALUE (14)

144. Institutions shall report the value of financial instruments measured at fair value according to the hierarchy provided by in IFRS 13.72.

145. “Change in fair value for the period” shall include gains or losses from re-measurements in the period of the instruments that continue to exist at the reporting date. These gains and losses shall be reported as for inclusion in the statement of profit or loss; thus, the amounts reported are before taxes.

146. “Accumulated change in fair value before taxes” shall include the amount of gains or losses from re-measurements of the instruments accumulated from the initial recognition to the reference date.

14. DERECOGNITION AND FINANCIAL LIABILITIES ASSOCIATED WITH TRANSFERRED FINANCIAL ASSETS (15)

147. Template 15 shall include information on transferred financial assets of which part or all do not qualify for de-recognition, and financial assets entirely derecognised for which the institution retains servicing rights.

148. The associated liabilities shall be reported according to the portfolio in which the related transferred financial assets were included in the assets side and not according to the portfolio in which they were included in the liability side.

149. The column “Amounts derecognised for capital purposes” shall include the carrying amount of the financial assets recognised for accounting purposes but de-recognised for prudential purposes because the institution is treating them as securitisation positions for capital purposes in accordance with Articles 109, 243 and 244 of CRR.

150. “Repurchase agreements” (“repos”) shall be transactions in which the institution receives cash in exchange for financial assets sold at a given price under a commitment to repurchase the same (or identical) assets at a fixed price on a specified future date. Transactions involving the temporary transfer of gold against cash collateral shall also be considered “Repurchase agreements” (“repos”). Amounts received by the institution in exchange for financial assets transferred to a third party (“temporary acquirer”) shall be classified under “repurchase agreements” where there is a commitment to reverse the operation and not merely an option to do so. Repurchase agreements shall also include repo-type operations which may include:

(a) Amounts received in exchange for securities temporarily transferred to a third party in the form of securities lending against cash collateral;

(b) Amounts received in exchange for securities temporarily transferred to a third party in the form of sale/buy-back agreement.

151. “Repurchase agreements” (“repos”) and “reverse repurchase loans” (“reverse repos”) shall involve cash received or loaned out by the institution.

152. In a securitisation transaction, when the transferred financial assets are derecognized, institutions shall declare the gains (losses) generated by the item within the income statement corresponding to the “accounting portfolios” in which the financial assets were included prior to their de-recognition.

15. BREAKDOWN OF SELECTED STATEMENT OF PROFIT OR LOSS ITEMS (16)

153. For selected items of the income statement further breakdowns of gains (or income) and losses (or expenses) shall be reported.

15.1. Interest income and expenses by instrument and counterparty sector (16.1)

154. The interests shall be broken down both by interest income on financial and other assets as well as on financial liabilities with negative effective interest rate, and interest expenses on financial and other liabilities as well as on financial assets with negative effective interest rate. Interest income on financial assets and on financial liabilities with a negative effective interest rate includes interest income on derivatives held for trading, debt securities, and loans and advances, as well as on deposits, debt securities issued, and other financial liabilities with a negative effective interest rate. Interest expenses on financial liabilities and on financial assets with a negative effective interest rate includes interest expenses on derivatives held for trading, deposits, debt securities issued and other financial liabilities, as well as on debt securities and loans and advances with a negative effective interest rate. For the purpose of template 16.1, short positions shall be considered within other financial liabilities. All instruments in the various portfolios shall be taken into account except those included in the items “Derivatives - Hedge accounting” not used to hedge interest rate risk.

155. “Derivatives - Hedge accounting, interest rate risk” shall include the interest income and expenses on hedging instruments where the hedged items generate interest.

156. Interest on derivatives held for trading shall include the amounts related to those derivatives held for trading which qualify as “economic hedges” that are included as interest income or expenses to correct the income and expense of the hedged financial instruments from an economic but not accounting point of view. Time-apportioned fees or balancing payments in relation to credit derivatives measured at fair value and used to manage the credit risk of part or all of a financial instrument that is designated at fair value at that occasion shall also be reported within interest on derivatives held for trading.

15.2. Gains or losses on de-recognition of financial assets and liabilities not measured at fair value through profit or loss by instrument (16.2)

157. Gains and losses on de-recognition of financial assets and financial liabilities not measured at fair value through profit or loss shall be broken down by type of financial instrument and by accounting portfolio. For each item, the net realised gain or loss stemming from the derecognised transaction shall be reported. The net amount represents the difference between realised gains and realised losses.

158. Template 16.2 shall apply to financial assets and liabilities at amortised cost, and debt instruments measured at fair value through other comprehensive income.

15.3. Gains or losses on financial assets and liabilities held for trading by instrument (16.3)

159. Gains and losses on financial assets and liabilities held for trading shall be broken down by type of instrument; each item of the breakdown is the net realised and unrealised amount (gains minus losses) of the financial instrument.

160. The item "of which: economic hedges with use of the fair value option" shall include only gains and losses on credit derivatives measured at fair value through profit or loss and used to manage the credit risk of all or part of a financial instrument that is designated at fair value through profit or loss at that occasion in accordance with IFRS 9.6.7. Gains or losses due to the reclassification of financial assets out of the amortised cost measurement category and into the fair value through profit or loss measurement category held for trading portfolio [IFRS 9.5.6.2] shall be reported in "of which: gains and losses due to the reclassification of assets at amortised cost".

15.4. Gains or losses on financial assets and liabilities held for trading by risk (16.4)

161. Gains and losses on financial assets and financial liabilities held for trading shall also be broken down by type of risk; each item of the breakdown is the net realised and unrealised amount (gains minus losses) of the underlying risk (interest rate, equity, foreign exchange, credit, commodity and other) associated to the exposure, including related derivatives. Gains and losses from exchange differences shall be included in the item in which the rest of gains and losses arising from the converted instrument are included. Gains and losses on assets and liabilities other than derivatives shall be included in the risk categories as follows:

(a) Interest rate: including trading of loans and advances, deposits and debt securities (held or issued);

(b) Equity: including trading of shares, quotas of UCITS and other equity instruments;

(c) Foreign exchange trading: including exclusively trading on foreign exchanges;

(d) Credit risk: including trading of credit link notes;

(e) Commodities: this item shall include only derivatives because commodities held with trading intent shall be reported under "Other assets" not under "Financial assets held for trading".

(f) Other: including trading of financial instruments which cannot be classified in other breakdowns.

15.5. Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss by instrument (16.4.1)

162. Gains and losses on non-trading financial assets mandatorily at fair value through profit or loss shall be broken down by type of instrument; each item of the breakdown is the net realised and unrealised amount (gains minus losses) of the financial instrument.

163. Gains or losses due to the reclassification of financial assets out of the amortised cost measurement category and into the fair value through profit or loss measurement category [IFRS 9.5.6.2] shall be reported in "of which: gains and losses due to the reclassification of assets at amortised cost".

15.6. Gains or losses on financial assets and liabilities designated at fair value to profit or loss by instrument (16.5)

164. Gains and losses on financial assets and liabilities designated at fair value through profit or loss shall be broken down by type of instrument. Institutions shall report the net realised and unrealised gains or losses and the amount of change in fair value in the period due to changes in the credit risk (own credit risk of the borrower or issuer) when own credit risk is not reported within other comprehensive income.

165. Where a credit derivative measured at fair value is used to manage the credit risk of all or part of a financial instrument that is designated at fair value through profit or loss at that occasion, the gains or losses upon that designation shall be reported in "of which: gains or (-) losses upon designation of financial assets and liabilities newly designated at fair value through profit or loss for hedging purposes, net". Subsequent fair value gains or losses on these instruments shall be reported in "of which: gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss for hedging purposes, net".

15.7. Gains or losses from hedge accounting (16.6)

166. Gains and losses from hedge accounting shall be broken down by type of hedge accounting: fair value hedge, cash flow hedge and hedge of net investments in foreign operations. Gains and losses related to fair value hedge shall be broken down between the hedging instrument and the hedged item. Gains and losses from hedge accounting shall also include gains and losses on hedges of a group of items with offsetting risk positions (hedges of a net position)

167. "Fair value changes of the hedged item attributable to the hedged risk" shall also include gains and losses on hedged items as well as gains and losses on hedging instruments, including when the hedged items are debt instruments measured at fair value through other comprehensive income in accordance with IFRS 9.4.1.2A [IFRS 9.6.5.8].

15.8. Impairment on non-financial assets (16.7)

168. "Additions" shall be reported when, for the accounting portfolio or main category of assets, the estimation of the impairment for the period results in recognition of net expenses. "Reversals" shall be reported when, for the accounting portfolio or main category of assets, the estimation of the impairment for the period result in the recognition of net income.

16. RECONCILIATION BETWEEN ACCOUNTING AND CRR SCOPE OF CONSOLIDATION (17)

169. "Accounting scope of consolidation" includes the carrying amount of assets, liabilities and equity as well as the nominal amounts of the off-balance sheet exposures prepared using the accounting scope of consolidation; that is, including in the consolidation insurance undertakings and non-financial corporations.

170. In this template, the item "Investments in subsidiaries, joint ventures and associates" shall not include subsidiaries as with the accounting scope of consolidation all subsidiaries are fully consolidated.

171. "Assets under reinsurance and insurance contracts" shall include assets under reinsurance ceded as well as, if any, assets related to insurance and reinsurance contracts issued.

172. "Liabilities under insurance and reinsurance contracts" shall include liabilities under insurance and reinsurance contracts issued.

17. NON-PERFORMING EXPOSURES (18)

173. For the purpose of template 18, non-performing exposures shall be those that satisfy any of the following criteria:

   (a) material exposures which are more than 90 days past due;

   (b) the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past due amount or of the number of days past due.

174. That categorisation as non-performing exposures shall apply notwithstanding the classification of an exposure as defaulted for regulatory purposes in accordance with Article 178 of CRR or as impaired for accounting purposes in accordance with the applicable accounting framework. Under IFRS, for the purpose of template 18, impaired exposures are those considered as credit-impaired assets (Stage 3), including purchased or originated credit-impaired assets.

175. Exposures in respect of which a default is considered to have occurred in accordance with Article 178 CRR and exposures that have been found impaired in accordance with the applicable accounting framework shall always be considered as non-performing exposures. Under IFRS, impaired exposures shall be those that have been found credit-impaired.

176. Exposures shall be categorised for their entire amount and without taking into account the existence of any collateral. Materiality shall be assessed in accordance with Article 178 of CRR.

177. For the purpose of template 18, “exposures” shall include all debt instruments (debt securities and loans and advances which shall include also cash balances at central banks and other demand deposits) and off-balance sheet exposures, except those held for trading exposures. Exposures shall include debt instruments and off-balance sheet exposures designated at fair value through profit or loss. Debt instruments are included in the following measurement categories: (a) debt instruments at amortised cost, (b) debt instruments at fair value through other comprehensive income and (c) debt instruments at fair value through profit or loss other than held for trading. Each category is broken down by instrument and by counterparty. Debt instruments classified as held for sale shall be reported separately. Off-balance sheet exposures shall comprise the following revocable and irrevocable items:

(a) loan commitments given;

(b) financial guarantees given;

(c) other commitments given.

178. For the purpose of template 18, an exposure is “past-due” when any amount of principal, interest or fee has not been paid at the date it was due.

179. For the purpose of template 18, “debtor” means an obligor within the meaning of Article 178 of CRR.

180. A commitment shall be considered as a non-performing exposure for its nominal amount where, when drawn down or otherwise used, it would lead to exposures that present a risk of not being paid back in full without realisation of collateral.

181. Financial guarantees given shall be considered as non-performing exposures for their nominal amount where the financial guarantee is at risk of being called by the counterparty (“guaranteed party”), including, in particular, where the underlying guaranteed exposure meets the criteria to be considered as non-performing, referred to in paragraph 145. Where the guaranteed party is past-due on the amount due under the financial guarantee contract, the reporting institution shall assess whether the resulting receivable meets the non-performing criteria.

182. Exposures classified as non-performing in accordance with paragraph 173 shall be categorised as either non-performing on an individual basis (“transaction based”) or as non-performing for the overall exposure to a given debtor (“debtor based”). For the categorisation of non-performing exposures on an individual basis or to a given debtor, the following categorisation approaches shall be used for the different types of non-performing exposures:

(a) for non-performing exposures classified as defaulted in accordance with Article 178 of CRR, the categorisation approach of Article 178 shall be applied;

(b) for exposures that are classified as non-performing due to impairment under the applicable accounting framework, the recognition criteria for impairment under the applicable accounting framework shall be applied;

(c) for other non-performing exposures that are neither classified as defaulted nor as impaired, the provisions of Article 178 of CRR for defaulted exposures shall be applied.

183. Where an institution has on-balance sheet exposures to a debtor that are past due by more than 90 days and the gross carrying amount of the past due exposures represents more than 20% of the gross carrying amount of all on-balance sheet exposures to that debtor, all on- and off-balance sheet exposures to that debtor shall be considered as non-performing. When a debtor belongs to a group, the need to also consider exposures to other entities of the group as non-performing shall be assessed, where they are not already considered as impaired or defaulted in accordance with Article 178 of CRR, except for exposures affected by isolated disputes that are unrelated to the solvency of the counterparty.

183. Exposures shall be considered to have ceased being non-performing when all of the following conditions are met:

(a) the exposure meets the exit criteria applied by the reporting institution for the discontinuation of the impairment and default classification;

(b) the situation of the debtor has improved to the extent that full repayment, according to the original or when applicable the modified conditions, is likely to be made;

(c) the debtor does not have any amount past-due by more than 90 days;

(d) An exposure shall remain classified as non-performing while those conditions are not met, even though the exposure has already met the discontinuation criteria applied by the reporting institution for the impairment and default classification according to the applicable accounting framework and Article 178 of CRR respectively;

(e) The classification of a non-performing exposure as non-current asset held for sale in accordance with IFRS 5 does not discontinue their classification as non-performing exposure, as non-current assets held for sale are included in the scope of definition of non-performing exposures.

184. In case of non-performing exposures with forbearance measures, as referred to in paragraph 208, those exposures shall be considered to have ceased being non-performing where all the following conditions are met:

(a) exposures are not considered to be impaired or defaulted;

(b) one year has passed since the latest between the moment when forbearance measures were applied and the moment when exposures have been classified as non-performing;

(c) there is not, following the forbearance measures, any past-due amount or concern regarding the full repayment of the exposure according to the post-forbearance conditions. The absence of concerns shall be determined after an analysis of the debtor's financial situation by the institution. Concerns may be considered as no longer existing where the debtor has paid, via its regular payments in accordance with the post-forbearance conditions, a total equal to the amount that was previously past-due (where there were past-due amounts) or that has been written-off (where there were no past-due amounts) under the forbearance measures or the debtor has otherwise demonstrated its ability to comply with the post-forbearance conditions.

The specific exit conditions referred to in points (a), (b) and (c) shall apply in addition to the criteria applied by reporting institutions for impaired and defaulted exposures according to the applicable accounting framework and Article 178 of CRR respectively.

185. Past due exposures shall be reported separately within the performing and non-performing categories for their entire amount. Exposures past due by more than 90 days but that are not material in accordance with Article 178 of CRR shall be reported within performing exposures in "Past due > 30 days <= 90 days".

186. Non-performing exposures shall be reported broken down by past due time bands. Exposures that are not past due or are past due by 90 days or less but nevertheless are identified as non-performing due to the likelihood of non-full repayment shall be reported in a dedicated column. Exposures that present both past due amounts and a likelihood of non-full repayment shall be allocated by past-due time bands consistent with the number of days that they are past due.

187. The following exposures shall be identified in separate columns:

(a) exposures which are considered to be impaired in accordance with the applicable accounting framework; under IFRS, the amount of credit-impaired assets (Stage 3), including purchased or originated credit-impaired assets, shall be reported in this column;

(b) exposures in respect of which a default is considered to have occurred in accordance with Article 178 of CRR.

188. "Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions" figures shall be reported in accordance with paragraphs 48, 65, and 66 of this Part.

189. Information on collateral held and financial guarantee received on non-performing exposures shall be reported separately. Amounts reported for collateral received and financial guarantees received shall be calculated in accordance with paragraphs 138 to 141 of this Part. Therefore, the sum of the amounts reported for both collateral and financial guarantees shall be capped at the carrying amount of the related exposure.

18. FORBORNE EXPOSURES (19)

190. For the purpose of template 19, forborne exposures shall be debt contracts in respect of which forbearance measures have been applied. Forbearance measures consist of concessions towards a debtor that is experiencing or about to experience difficulties in meeting its financial commitments (“financial difficulties”).

191. For the purpose of template 19, a concession may entail a loss for the lender and shall refer to either of the following actions:

(a) a modification of the previous terms and conditions of a contract that the debtor is considered unable to comply with due to its financial difficulties (“troubled debt”) resulting in insufficient debt service ability and that would not have been granted had the debtor not been experiencing financial difficulties;

(b) a total or partial refinancing of a troubled debt contract, that would not have been granted had the debtor not been experiencing financial difficulties.

192. Evidence of a concession shall include at least any of the following:

(a) a difference in favour of the debtor between the modified terms of the contract and the previous terms of the contract;

(b) inclusion in a modified contract of more favourable terms than other debtors with a similar risk profile could have obtained from the same institution at that time.

193. The exercise of clauses which, when used at the discretion of the debtor, enable the debtor to change the terms of the contract (“embedded forbearance clauses”) shall be treated as a concession when the institution approves executing those clauses and concludes that the debtor is experiencing financial difficulties.

194. “Refinancing” shall mean the use of debt contracts to ensure the total or partial payment of other debt contracts the current terms of which the debtor is unable to comply with.

195. For the purpose of template 19, “debtor” shall include all the natural and legal entities in the debtor’s group which are within the accounting scope of consolidation.

196. For the purpose of template 19, “debt” shall include loans and advances (which include also cash balances at central banks and other demand deposits), debt securities and revocable and irrevocable loan commitments given, but excludes exposures held for trading. “Debt” however shall include debt instruments and revocable and irrevocable loan commitments given designated at fair value through profit or loss. “Debt” shall include non-current assets and disposal groups classified as held for sale in accordance with IFRS 5.

197. For the purpose of template 19, “exposure” shall have the same meaning as given for “debt” in paragraph 196 of this Part. Debt instruments are included in the following measurement categories: (a) debt instruments at amortised cost, (b) debt instruments at fair value through other comprehensive income and (c) debt instruments at fair value through profit or loss other than held for trading. Each category shall be broken down by instrument and by counterparty. Debt instruments classified as held for sale shall be reported separately.

198. For the purpose of template 19, “institution” shall mean the institution which applied the forbearance measures.

199. Exposures shall be regarded as forborne where a concession has been made, irrespective of whether any amount is past due or of the classification of the exposures as impaired in accordance with the applicable accounting framework or as defaulted in accordance with Article 178 of CRR. Exposures shall not be treated as forborne where the debtor is not in financial difficulties. Under IFRS, modified financial assets [IFRS 9.5.4.3 and Appendix A] shall be treated as forborne provided that a concession as defined in paragraph 191 of this Part has been made, regardless of the incidence of the modification on the change in the credit risk of the financial asset since initial recognition. Nevertheless the following shall be treated as forbearance measures:

(a) a modified contract that has been classified as non-performing before the modification or would in the absence of modification be classified as non-performing;

(b) the modification that has been made to a contract involves a total or partial cancellation by write-offs of the debt;

(c) the institution approves the use of embedded forbearance clauses for a debtor who is non-performing or who would be considered as non-performing without the use of those clauses;

(d) simultaneously with or close in time to the concession of additional debt by the institution, the debtor made payments of principal or interest on another contract with the institution that was non-performing or would in the absence of refinancing be classified as non-performing.

200. A modification involving repayments made by taking possession of collateral shall be treated as a forbearance measure where that modification constitutes a concession.

201. There is a rebuttable presumption that forbearance has taken place in the following circumstances:

(a) the modified contract was totally or partially past due by more than 30 days (without being non-performing) at least once during the three months prior to its modification or would be more than 30 days past due, totally or partially, without modification;

(b) simultaneously with or close in time to the concession of additional debt by the institution, the debtor made payments of principal or interest on another contract with the institution that was totally or partially past due by 30 days at least once during the three months prior to its refinancing;

(c) the institution approves the use of embedded forbearance clauses for 30 days past due debtors or debtors who would be 30 days past due without the exercise of those clauses.

202. Financial difficulties shall be assessed at debtor level as referred to in paragraph 195. Only exposures to which forbearance measures have been applied shall be identified as forborne exposures.

203. Forborne exposures shall be included within the non-performing exposures category or the performing exposures category in accordance with paragraphs 173 to 181 and 206 of this Part. The classification as forborne exposure shall be discontinued when all of the following conditions are met:

(a) the forborne exposure is considered to be performing, including where it has been reclassified from the non-performing exposures category after an analysis of the financial condition of the debtor showed that it no longer met the conditions to be considered as non-performing;

(b) a minimum two year probation period has passed from the date the forborne exposure was considered to be performing;

(c) regular payments of more than an insignificant aggregate amount of principal or interest have been made during at least half of the probation period;

(d) none of the exposures to the debtor is more than 30 days past due at the end of the probation period.

204. Where the conditions referred to in paragraph 203 are not met at the end of the probation period, the exposure shall continue to be identified as performing forborne under probation until all the conditions are met. The conditions shall be assessed on at least a quarterly basis. Forborne exposures which are classified as non-current assets held for sale in accordance with IFRS 5 shall continue to be classified as forborne exposures, as non-current assets held for sale are included in the scope of the definition of forborne exposures.

205. A forborne exposure may be considered as performing from the date the forbearance measures were applied where either of the following conditions is met:

(a) that extension has not led the exposure to be classified as non-performing;

(b) the exposure was not considered to be a non-performing exposure at the date the forbearance measures were extended.

206. Where additional forbearance measures are applied to a performing forborne exposure under probation that has been reclassified out of the non-performing category or it becomes more than 30 days past due, it shall be classified as non-performing.

207. “Performing exposures with forbearance measures” (performing forborne exposures) comprise forborne exposures that do not meet the criteria to be considered as non-performing and are included in the performing exposures category. Performing forborne exposures are under probation according to paragraph 203, including when paragraph 205 applies. Forborne exposures under probation that have been reclassified out of the non-performing exposures category shall be reported separately within the performing exposures with forbearance measures in the column “of which: Performing forborne exposures under probation”.

208. “Non-performing exposures with forbearance measures” (non-performing forborne exposures) shall comprise forborne exposures that meet the criteria to be considered as non-performing and are included in the non-performing exposures category. Those non-performing forborne exposures shall include the following:

(a) exposures which have become non-performing due to the application of forbearance measures;

(b) exposures which were non-performing prior to the extension of forbearance measures;

(c) forborne exposures which have been reclassified from the performing category, including exposures reclassified in application of paragraph 206.

209. Where forbearance measures are extended to non-performing exposures, the amount of those forborne exposures shall be separately identified in the column “of which: forbearance of non-performing exposures”.

210. The following non-performing exposures with forbearance measures shall be identified in separate columns:

(a) exposures which are considered to be impaired in accordance with the applicable accounting framework. Under IFRS, the amount of credit-impaired assets (Stage 3), including purchased or originated credit-impaired assets shall be reported in this column;

(b) exposures in respect of which a default is considered to have occurred in accordance with Article 178 of CRR.

211. The column “Refinancing” comprises the gross carrying amount of the new contract (“refinancing debt”) granted as part of a refinancing transaction which qualifies as a forbearance measure, as well as the gross carrying amount of the old re-paid contract that is still outstanding.

212. Forborne exposures combining modifications and refinancing shall be allocated to the column “Instruments with modifications of the terms and conditions” or the column “Refinancing” according to the measure that has the most impact on cash-flows. Refinancing by a pool of banks shall be reported in the column “Refinancing” for the total amount of refinancing debt provided by or refinanced debt still outstanding at the reporting institution. Repackaging of several debts into a new debt shall be reported as a modification, unless there is also a refinancing transaction that has a larger impact on cash-flows.

Where forbearance through modification of the terms and conditions of a troubled exposure leads to its de-recognition and to the recognition of a new exposure, that new exposure shall be treated as forborne debt.

213. Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions shall be reported in accordance with paragraphs 48, 65, and 66 of this Part.

19. GEOGRAPHICAL BREAKDOWN (20)

214. Template 20 shall be reported when the institution exceeds the threshold described in Article 5.1(a)(iv).

19.1. Geographical breakdown by location of activities (20.1-20.3)

215. The geographical breakdown by location of the activities in templates 20.1 to 20.3 distinguishes between “domestic activities” and “non-domestic activities”. “Location” means the jurisdiction of incorporation of the legal entity which has recognized the corresponding asset or liability; for branches, it means the jurisdiction of its residence. For these purposes, “Domestic” shall include the activities recognised in Member State where the institution is located.

216. In template 20.3 “Gains or (-) losses on de-recognition of financial assets and liabilities not measured at fair value through profit or loss, net” shall not include gains or losses on de-recognition of equity measured at fair value through other comprehensive income.

217. In template 20.3, “Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss” shall include the sum of expected credit losses (or reversal) in the reporting period from all the impairment stages, including for purchased credit-impaired financial assets as well as for trade receivables, contract assets and lease receivables.

19.2. Geographical breakdown by residence of the counterparty (20.4-20.7)

218. Templates 20.4 to 20.7 contain information “country-by-country” on the basis of the residence of the immediate counterparty. The breakdown provided shall include exposures or liabilities with residents in each foreign country in which the institution has exposures. Exposures or liabilities with supranational organisations shall not be assigned to the country of residence of the institution but to the geographical area “Other countries”.

219. In templates 20.4 and 20.7, “Accumulated impairment” includes impairment from all the impairment stages, including for purchased credit-impaired financial assets as well as for trade receivables, contract assets and lease receivables.

220. In template 20.4 for debt instruments, “gross carrying amount” shall be reported as defined in paragraph 26 of Part 1 of this Annex. For derivatives and equity instruments, the amount to be reported is the carrying amount. “Of which: Non-performing” loans and advances shall be reported as defined in

paragraphs 173 to 181of this Part. Debt forbearance comprises all “debt” contracts for the purpose of template 19 to which forbearance measures, as defined in paragraphs 190 to 206 of this Part, are extended.

221. In template 20.5, “Provisions and accumulated negative changes in fair value due to credit risk for commitments and guarantees given” shall include provisions measured under IAS 37, the credit losses of financial guarantees treated as insurance contracts under IFRS 4, the provisions on loan commitments and guarantees under IFRS 9 and the accumulated negative changes of fair value due to credit risk of commitments and financial guarantees given designated as at fair value through profit or loss.

222. In template 20.7 loans and advances not held for trading shall be reported with the classification by NACE Codes on a “country-by-country” basis. NACE Codes shall be reported with the first level of disaggregation (by “section”).

20. TANGIBLE AND INTANGIBLE ASSETS: ASSETS SUBJECT TO OPERATING LEASE (21)

223. For the purposes of the calculation of the threshold in Article 9(e) tangible assets that have been leased by the institution (lessor) to third parties in agreements that qualify as operating leases under the relevant accounting framework shall be divided by total of tangible assets.

224. Under IFRS or compatible National GAAP, assets that have been leased by the institution (as lessor) to third parties in operating leases shall be reported broken down by measurement method.

21. ASSET MANAGEMENT, CUSTODY AND OTHER SERVICE FUNCTIONS (22)

225. For the purposes of the calculation of the threshold in Article 9(f), the amount of “net fee and commission income” shall be the absolute value of the difference between “fee and commission income” and “fee and commission expense”. For the same purposes, the amount of “net interest” shall be the absolute value of the difference between “interest income” and “interest expenses”.

21.1. Fee and commission income and expenses by activity (22.1)

226. The fee and commission income and expenses shall be reported by type of activity. Under IFRS or compatible National GAAP, this template includes fee and commission income and expenses other than:

(a) amounts considered for the calculation of the effective interest of financial instruments [IFRS 7.20.(c)] and

(b) amounts arising from financial instruments that are measured at fair value through profit or loss [IFRS 7.20.(c).(i)].

227. Transaction costs directly attributable to the acquisition or issue of financial instruments not measured at fair value through profit or loss shall

not be included; they form part of the initial acquisition/issue value of these instruments and are amortised to profit or loss over their residual life using the effective interest rate [see IFRS 9.5.1.1].

228. Transaction costs directly attributable to the acquisition or issue of financial instruments measured at fair value through profit or loss shall be included as a part of “Gains or losses on financial assets and liabilities held for trading, net” or “Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net”. They shall not be part of the initial acquisition or issuance value of these instruments and are immediately recognized in profit or loss.

229. Institutions shall report fee and commission income and expenses according to the following criteria:

(a) “Securities. Issuances” shall include fees and commissions received for the involvement in the origination or issuance of securities not originated or issued by the institution;

(b) “Securities. Transfer orders” shall include fees and commissions generated by the reception, transmission and execution on behalf of customers of orders to buy or sell securities;

(c) “Securities. Other” shall include fees and commissions generated by the institution providing other services related with securities not originated or issued by the institution;

(d) “Clearing and settlement” shall include fee and commission income (expenses) generated by (charged to) the institution when participating in counterparty, clearing and settlement facilities;

(e) “Asset management”, “Custody”, “Central administrative services for collective investment undertakings”, “Fiduciary transactions”, “Payment services” shall include fee and commission income (expenses) generated by (charged to) the institution when providing these services;

(f) “Structured finance” shall include fees and commissions received for the involvement in the origination or issuance of financial instruments other than securities originated or issued by the institution;

(g) “Servicing fees from securitisation activities” shall include, on the income side, the fee and commission income generated by the institution providing loan servicing services and on the expense side, the fee and commission expense charged to the institution by loan service providers;

(h) “Loan commitments given” and “Financial guarantees given” shall include the amount, recognized as income during the period, of the amortization of the fees and commission for these activities initially recognised as “other financial liabilities”;

(i) “Loan commitments received” and “Financial guarantees received” shall include the fee and commission expense recognised by the institution as a consequence of the charge made by the counterparty that has given the loan commitment or the financial guarantee;

(j) "Other" shall include the rest of fee and commission income (expenses) generated by (charged to) the institution such as those derived from "other commitments", from foreign exchange services (such as exchange of foreign banknotes or coins) or from providing (receiving) other fee-based advice and services.

21.2. Assets involved in the services provided (22.2)

230. Business related to asset management, custody functions, and other services provided by the institution shall be reported using the following definitions:

(a) "Asset management" shall refer to assets belonging directly to the customers, for which the institution is providing management. "Asset management" shall be reported by type of customer: collective investment undertakings, pension funds, customer portfolios managed on a discretionary basis, and other investment vehicles;

(b) "Custody assets" shall refer to the services of safekeeping and administration of financial instruments for the account of clients provided by the institution and services related to custodianship such as cash and collateral management. "Custody assets" shall be reported by type of customers for which the institution is holding the assets distinguishing between collective investment undertakings and others. The item "of which: entrusted to other entities" refers to the amount of assets included in custody assets for which the institution has given the effective custody to other entities;

(c) "Central administrative services for collective investment" shall refer to the administrative services provided by the institution to collective investment undertakings. It includes, among others, the services of transfer agent; of compiling accounting documents; of preparing the prospectus, financial reports and all other documents intended for investors; of carrying out the correspondence by distributing financial reports and all other documents intended for investors; of carrying out issues and redemptions and keeping the register of investors; as well as of calculating the net asset value;

(d) "Fiduciary transactions" shall refer to the activities where the institution acts in its own name but for the account and at the risk of its customers. Frequently, in fiduciary transactions, the institution provides services, such as custody asset management services to a structured entity or managing portfolios on a discretionary basis. All fiduciary transactions shall be reported exclusively in this item without regarding whether the institution provides additionally other services;

(e) "Payment services" shall refer to the collection on behalf of customers of payments generated by debt instruments that are neither recognised on the balance sheet of the institution nor originated by it;

(f) "Customer resources distributed but not managed" shall refer to products issued by entities outside the group that the institution has distributed to its current customers. This item shall be reported by type of product;

(g) “Amount of the assets involved in the services provided” shall include the amount of assets in relation to which the institution is acting, using the fair value. Other measurement bases including nominal value may be used if the fair value is not available. In those cases where the institution provides services to entities such as collective investment undertakings, pension funds, the assets concerned may be shown at the value at which these entities report the assets in their own balance sheet. Reported amounts shall include accrued interest, if appropriate.

22. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES (30)

231. “Liquidity support drawn” shall mean the sum of the carrying amount of the loan and advances granted to unconsolidated structured entities and the carrying amount of debt securities held that have been issued by unconsolidated structured entities.

232. “Losses incurred by the reporting institution in the current period” shall include losses due to impairment and any other losses incurred during the reporting period by a reporting institution relating to its interests in unconsolidated structured entities.

23. RELATED PARTIES (31)

233. Institutions shall report amounts and/or transactions related to the balance sheet and the off-balance sheet exposures where the counterparty is a related party.

234. Intra-group transactions and intra-group outstanding balances shall be eliminated. Under “Subsidiaries and other entities of the same group”, institutions shall include balances and transactions with subsidiaries that have not been eliminated either because the subsidiaries are not fully consolidated with the prudential scope of consolidation or because, in accordance with Article 19 of CRR, the subsidiaries are excluded from the scope of prudential consolidation for being immaterial or because, for institutions that are part of a bigger group, the subsidiaries are of the ultimate parent not of the institution. Under “Associates and joint ventures”, institutions shall include the portions of balances and transactions with joint ventures and associates of the group to which the entity belongs that have not been eliminated when either proportional consolidation or the equity method is applied.

23.1. Related parties: amounts payable to and amounts receivable from (31.1)

235. For “Loan commitments, financial guarantees and other commitments received”, the amount that shall be reported is the sum of the “nominal” of loan commitments received, the “maximum collateral/guarantee that can be considered” of financial guarantees received and the “nominal” of the other commitments received.

236. For “Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions on non-performing exposures”, the amount that shall be reported is the sum of all of the following:

(a) accumulated impairment losses for on-balance sheet assets and provisions off-balance sheet instruments in accordance with IFRS 9;

(b) the accumulated provisions for off-balance sheet exposures under IAS 37 and financial guarantees under IFRS 4;

(c) the accumulated negative changes in fair value due to credit risk on non-performing exposures measured at fair value through profit or loss, except for financial assets held for trading.

23.2. Related parties: expenses and income generated by transactions with (31.2)

237. “Gains or (-) losses on de-recognition of financial assets and liabilities not measured at fair value through profit or loss” shall not include gains on equity instruments measured at fair value through other comprehensive income.

238. “Gains or losses on de-recognition of non-financial assets” shall include all the gains and losses on de-recognition of non-financial assets generated by transactions with related parties. This item shall include the gains and losses on de-recognition of non-financial assets, which have been generated by transactions with related parties and that are part of the following line items of the “Statement of profit or loss”:

(a) “Gains or losses on de-recognition of investments in subsidiaries, joint ventures and associates”;

(b) “Gains or losses on de-recognition of non-financial assets other than held for sale”;

(c) “Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations”, and;

(d) “Profit or loss after tax from discontinued operations”.

239. For “Increase or (-) decrease during the period in impairment, accumulated negative changes in fair value due to credit risk and provisions on non-performing exposures”, the amount that shall be reported is the sum of all of the following:

(a) impairment losses during the period for on-balance sheet assets and provisions for off-balance sheet instruments in accordance with IFRS 9;

(b) provisions during the period for off-balance sheet exposures under IAS 37 and financial guarantees under IFRS 4;

(c) negative changes in fair value due to credit risk during the period on non-performing exposures measured at fair value through profit or loss, except for financial assets held for trading.

24. GROUP STRUCTURE (40)

240. Institutions shall provide detailed information on subsidiaries, joint ventures and associates as of the reporting date. All entities regardless the activity they perform shall be reported. Securities classified as “Financial assets held for trading”, “Non-trading financial assets mandatorily at fair value through profit or loss”, “Financial assets designated at fair value through profit or loss”, “Financial assets at fair value through other comprehensive income”and own shares of the reporting institution owned by it (‘Treasury shares’), shall be excluded from the scope of this template.

24.1. Group structure: “entity-by-entity” (40.1)

241. The following information shall be reported on a “entity-by-entity” basis:

(a) “LEI code” includes the LEI code of the investee;

(b) “Entity code” includes the identification code of the investee. The entity code is a row identifier and shall be unique for each row in template 40.1.

(c) “Entity name” includes the name of the investee;

(d) “Entry date” means the date in which the investee entered within the “scope of the group” ;

(e) “Share capital” means the total amount of capital issued by the investee as at the reference date;

(f) “Equity of Investee”, “Total assets of the Investee” and “Profit or (loss) of the Investee” include the amounts of these items in the last financial statements of the investee;

(g) “Residence of investee” means the country of residence of the investee.

(h) “Sector of investee” means the sector of counterparty as defined in paragraph 38 of Part 1 of this Annex;

(i) “NACE code” shall be provided on the basis of the principal activity of the investee. For non-financial corporations, NACE codes shall be reported with the first level of disaggregation (by “section”); for financial corporations, NACE codes shall be reported with a two level detail (by “division”) ;

(j) “Accumulated equity interest (%)” is the percentage of ownership instruments held by the institution as of the reference date;

(k) “Voting rights (%)” means the percentages of voting rights associated to the ownership instruments held by the institution as of the reference date.

(l) “Group structure [relationship]” shall indicate the relationship between the parent and the investee (subsidiary, joint venture or associate) ;

(m) “Accounting treatment [Accounting Group]” shall indicate the relationship between the accounting treatment with the accounting scope of consolidation (full consolidation, proportional consolidation, equity method or other) ;

(n) "Accounting treatment [CRR Group]" shall indicate the relationship between the accounting treatment with the CRR scope of consolidation (full consolidation, proportional consolidation, equity method or other) ;

(o) "Carrying amount" means amounts reported on the balance sheet of the institution for investees that are neither fully nor proportionally consolidated;

(p) "Acquisition cost" means the amount paid by the investors;

(q) "Goodwill link to the investee" means the amount of goodwill reported on the consolidated balance sheet of the institution for the investee in the items "goodwill" or "investments in subsidiaries, joint ventures and associated" ;

(r) "Fair value of the investments for which there are published price quotations" means the price at the reference date; it shall be provided only if the instruments are quoted.

24.2. Group structure: "instrument-by-instrument" (40.2)

242. The following information shall be reported on an "instrument-by-instrument" basis:

(a) "Security code" includes the ISIN code of the security. For securities without ISIN code assigned, it includes another code that uniquely identifies the security. "Security code" and "Holding company code" are a composite row identifier, and together shall be unique for each row in template 40.2;

(b) "Holding company code" is the identification code of the entity within the group that holds the investment;

(c) "Entity code", "Accumulated equity interest (%)", "Carrying amount" and "Acquisition cost" are defined above. The amounts shall correspond to the security held by the related holding company.

25. FAIR VALUE (41)

25.1. Fair value hierarchy: financial instruments at amortised cost (41.1)

243. Information on the fair value of financial instruments measured at amortised cost, using the hierarchy in IFRS 13.72, .76, .81, and .86 shall be reported in this template.

25.2. Use of fair value option (41.2)

244. Information on the use of fair value option for financial assets and liabilities designated at fair value through profit or loss shall be reported in this template.

245. "Hybrid contracts" includes for liabilities the carrying amount of hybrid financial instruments classified, as a whole, in these accounting portfolios; that is, it includes non-separated hybrid instruments in their entirely.

246. "Managed for credit risk" shall include the carrying amount of instruments that are designated at fair value through profit or loss at the

occasion of their hedging against credit risk by credit derivatives measured at fair value through profit or loss in accordance with IFRS 9.6.7.

26. TANGIBLE AND INTANGIBLE ASSETS: CARRYING AMOUNT BY MEASUREMENT METHOD (42)

247. "Property, plant and equipment", "Investment property" and "Other intangible assets" shall be reported by the criteria used in their measurement.

248. "Other intangible assets" shall include all other intangible assets than goodwill.

27. PROVISIONS (43)

249. This template shall include reconciliation between the carrying amount of the item "Provisions" at the beginning and end of the period by the nature of the movements.

250. "Other commitments and financial guarantees given" shall include provisions on other commitments given that are estimated in accordance with IAS 37 or IFRS 4.

28. DEFINED BENEFIT PLANS AND EMPLOYEE BENEFITS (44)

251. These templates shall include accumulated information of all defined benefit plans of the institution. When there is more than one defined benefit plan, aggregated amount of all plans shall be reported.

28.1. Components of net defined benefit plan assets and liabilities (44.1)

252. "Components of net defined benefit plan assets and liabilities" shall show the reconciliation of the accumulated present value of all net defined benefit liabilities (assets) as well as reimbursement rights [IAS 19.140 (a), (b)].

253. "Net defined benefit assets" shall include, in the event of a surplus, the surplus amounts that shall be recognized in the balance sheet as they are not affected by the limits set up in IAS 19.63. The amount of this item and the amount recognized in the memo item "Fair value of any right to reimbursement recognized as asset" shall be included in the item "Other assets" of the balance sheet.

28.2. Movements in defined benefit obligations (44.2)

254. "Movements in defined benefit obligations" shall show the reconciliation of opening and closing balances of the accumulated present value of all defined benefit obligations of the institution. The effects of the different elements listed in IAS 19.141 during the period shall be presented separately.

255. The amount of "Closing balance [present value]" in the template for movements in defined benefit obligations shall be equal to "Present value defined benefit obligations".

28.3. Memo items [related to staff expenses] (44.3)

256. For reporting of memorandum items related to staff expenses, the following definitions shall be used:

(a) "Pension and similar expenses" shall include the amount recognized in the period as staff expenses for any post – employment benefit obligations (both defined contributions plans and defined benefits plans) and contributions to social security funds.

(b) "Share based payments" shall include the amount recognized in the period as staff expenses for share based payments.

29. BREAKDOWN OF SELECTED ITEMS OF STATEMENT OF PROFIT OR LOSS (45)

29.1. Gains or losses on financial assets and liabilities designated at fair value through profit or loss by accounting portfolio (45.1)

257. "Financial liabilities designated at fair value through profit or loss" shall only include the gains and losses due to the change in the own credit risk of issuers of liabilities designated at fair value through profit or loss where the reporting institution has chosen to recognise them in profit or loss because a recognition in other comprehensive income would create or enlarge an accounting mismatch.

29.2. Gains or losses on de-recognition of non-financial assets other than held-for-sale (45.2)

258. Gains and losses on de-recognition of non-financial assets other than held for sale shall be broken down by type of asset; each line item shall include the gain or the loss on the asset (such as property, software, hardware, gold, investment) that has been derecognised.

29.3. Other operating income and expenses (45.3)

259. Other operating income and expenses shall be broken down according to the following items: fair value adjustments on tangible assets measured using the fair value model; rental income and direct operating expenses from investment property; income and expenses on operating leases other than investment property and the rest of operating income and expenses.

260. "Operating leases other than investment property" includes, for the column "income", the returns obtained, and for the column "expenses" the costs incurred by the institution as lessor in their operating leasing activities other than those with assets classified as investment property. The costs for the institution as lessee shall be included in the item "Other administrative expenses".

261. Gains or losses from re-measurements of holdings of precious metals and other commodities measured at fair value less cost to sell shall be reported among the items included in "Other operating income. Other" or "Other operating expenses. Other"

30. STATEMENT OF CHANGES IN EQUITY (46)

262. The statement of changes in equity discloses the reconciliation between the carrying amount at the beginning of the period (opening balance) and the end of the period (closing balance) for each component of equity.

263. "Transfers among components of equity" shall include all amounts transferred within equity, including both gains and losses due to own-credit risk of liabilities designated at fair value through profit or loss and the accumulated fair value changes of equity instruments measured at fair value through other comprehensive income that are transferred to other components of equity upon de-recognition.

PART 3

MAPPING OF EXPOSURE CLASSES AND COUNTERPARTY SECTORS

1. The following tables map exposure classes used to calculate capital requirements according to the CRR to counterparty sectors used in FINREP tables.

Table 2 Standardised Approach

SA exposure classes (CRR Article 112)	***FINREP counterparty sectors***	***Comments***
(a) Central governments or central banks	(1) Central banks (2) General governments	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty
(b) Regional governments or local authorities	(2) General governments	
(c) Public sector entities	(2) General governments	
(d) Multilateral development banks	(3) Credit institutions	
(e) International organisations	(2) General governments	
(f) Institutions (i.e. credit institutions and investment firms)	(3) Credit institutions (4) Other financial corporations	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty
(g) Corporates	(2) General governments (4) Other financial corporations (5) Non financial corporations. (6) Households	
(h) Retail	(4) Other financial corporations (5) Non financial corporations (6) Households	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty

SA exposure classes (CRR Article 112)	*FINREP counterparty sectors*	*Comments*
(i) Secured by mortgages on immovable property	(2) General governments (3) Credit institutions (4) Other financial corporations (5) Non-financial corporations (6) Households	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty.
(j) In default	(1) Central banks (2) General governments (3) Credit institutions (4) Other financial corporations (5) Non-financial corporations (6) Households	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty.
(ja) Items associated with particularly high risk	(1) Central banks (2) General governments (3) Credit institutions (4) Other financial corporations (5) Non-financial corporations (6) Households	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty.
(k) Covered bonds	(3) Credit institutions (4) Other financial corporations (5) Non-financial corporations	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty.
(l) Securitisation positions	(2) General governments (3) Credit institutions (4) Other financial corporations (5) Non-financial corporations (6) Households	These exposures should be assigned to FINREP counterparty sectors according to the underlying risk of the securitisation. In FINREP, when securitized positions remain recognised in the balance sheet, the counterparty sectors are the sectors of the immediate counterparties of these positions.
(m) Institutions and corporates with a short-term credit assessment	(3) Credit institutions (4) Other financial corporations (5) Non-financial corporations	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty.
(n) Collective investment undertakings	Equity instruments	Investments in CIU shall be classified as equity instruments in FINREP, regardless of whether the CRR allows look-through.
(o) Equity	Equity instruments	In FINREP, equities are separated as instruments under different categories of financial assets
(p) Other items	Various items of the balance sheet	In FINREP, other items may be included under different asset categories.

Table 3 Internal Ratings Based Approach

IRBA exposure classes (CRR Article 147)	***FINREP counterparty sectors***	***Comments***
(a) Central governments and central banks	(1) Central banks (2) General governments (3) Credit institutions	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty
(b) Institutions (i.e. credit institution and investment firms as well as some general governments and multilateral banks)	(2) General governments (3) Credit institutions (4) Other financial corporations	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty
(c) Corporates	(4) Other financial corporations (5) Non-financial corporations (6) Households	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty
(d) Retail	(4) Other financial corporations (5) Non financial corporations (6) Households	These exposures shall be assigned to FINREP counterparty sectors according to the nature of the immediate counterparty
(e) Equity	Equity instruments	In FINREP, equities are separated as instruments under different categories of financial assets
(f) Securitisation positions	(2) General governments (3) Credit institutions (4) Other financial corporations (5) Non-financial corporations (6) Households	These exposures shall be assigned to FINREP counterparty sectors according to the underlying risk of the securitisation positions. In FINREP, when securitized positions remain recognised in the balance sheet, the counterparty sectors are the sectors of the immediate counterparties of these positions
(g) Other non credit obligations	Various items of the balance sheet	In FINREP, other items may be included under different asset categories.