



European Banking Authority
Floor 46
One Canada Square
Canary Wharf
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Brussels, 27 January 2015

United Kingdom

EBA consultation on draft ITS amending Commission Implementing Regulation (EU) No 680/2014 (ITS on supervisory reporting) with regard to the Leverage Ratio (LR) following the EC's Delegated Act on the LR

Dear Sir or Madam,

The members of the EACB gladly take the opportunity to comment on the proposed EBA draft ITS amending the Commission's Implementing Regulation with regard with the Leverage Ratio.

We have a suggestion to correct one of the templates featured in the Annex 1 – *Replacement of the LR templates*, attached to the consultation paper, for the sake of consistency. You will find our detailed comments in the annex to this letter.

We thank you for your attention and remain at your disposal for any further questions or requests for information.

Yours sincerely,

Volker Heegemann
Head of the Legal Department

Alberto Fernández Díez
Adviser Accounting and Banking
Regulation



ANNEX

Question 3: Do respondents agree to the structure and content of the proposed templates and in particular the amendments proposed to Annex X of Regulation (EU) No 680/2014? If not, would respondents have substantiated reasons for not amending or further amending a particular cell or template?

Regarding the template C42.00 (LR3), on the alternative definition of capital, we understand that some adjustments have been made in the labelling and content in order to clarify that regulatory adjustments that do not deduct the value of a specific asset cannot be subtracted from the leverage ratio exposure.

In this regard, the sign convention included in part 1.3 of the revised *Annex XI – Reporting on Leverage*, that specifies which amounts shall be reported as negative figures, should also be applied to template LR3 in the same way that it has been applied to template C 47.00(LRCalc). Indeed, these positions can only be negative values.

The table below would provide for a better reflection.

C 42.00 - ALTERNATIVE DEFINITION OF CAPITAL (LR3)

Row		Column
		010
010	Common Equity Tier 1 capital - fully phased-in definition	
020	Common Equity Tier 1 capital - transitional definition	
030	Total own funds - fully phased-in definition	
040	Total own funds - transitional definition	
050 055	<u>(-)</u> Asset amount deducted - CET1 - fully phased-in definition	
060 065	<u>(-)</u> Asset amount deducted - CET1 - transitional definition	
070 075	<u>(-)</u> Asset amount deducted - Total own funds - fully phased-in definition	
080 085	<u>(-)</u> Asset amount deducted - Total own funds - transitional definition	