

COMMISSION DELEGATED REGULATION (EU) 2017/2295**of 4 September 2017****supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for disclosure of encumbered and unencumbered assets****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ⁽¹⁾, and in particular the fourth subparagraph of Article 443 thereof,

Whereas:

- (1) Pursuant to the first subparagraph of Article 443 of Regulation (EU) No 575/2013, the European Banking Authority (EBA) issued guidelines on the disclosure of encumbered and unencumbered assets on 27 June 2014 (the 'EBA Disclosure Guidelines' ⁽²⁾). The second subparagraph of Article 443 of Regulation (EU) No 575/2013 provides that EBA is to develop draft regulatory technical standards to specify disclosure of the balance sheet value per exposure class broken down by asset quality and the total amount of the balance sheet value that is unencumbered, taking into account Recommendation ESRB/2012/2 of the European Systemic Risk Board of 20 December 2012 on funding of credit institutions ('Recommendation ESRB/2012/2') ⁽³⁾ and conditional on EBA considering in its report that such additional disclosure offers reliable and meaningful information. The EBA report on asset encumbrance ⁽⁴⁾ concluded that disclosure of encumbrance in the Union is vitally important as it allows market participants to better understand and analyse the liquidity and solvency profiles of institutions and compare those profiles across Member States in a clear and consistent manner. Based on those conclusions, the EBA developed draft regulatory technical standards in order to ensure a fully harmonised approach to asset encumbrance disclosure.
- (2) The EBA Disclosure Guidelines cover both encumbered and unencumbered assets. This is because the first subparagraph of Article 443 of Regulation (EU) No 575/2013 requires that Recommendation ESRB/2012/2 and, in particular, Recommendation D — Market transparency on asset encumbrance ('Recommendation D') be taken into account. Point 1(a) of Recommendation D recommends disclosure of encumbered and unencumbered assets. The second subparagraph of Article 443 of Regulation (EU) No 575/2013 also provides that Recommendation ESRB/2012/2 is to be taken into account when developing the draft regulatory technical standards referred to in that subparagraph. Furthermore, encumbered assets need to be included in such standards to ensure that the disclosure offers reliable and meaningful information. Therefore, both encumbered and unencumbered assets should be disclosed.
- (3) The EBA was advised in Recommendation D to ensure, in developing the EBA Disclosure Guidelines, that the level and evolution of assets encumbered to central banks, as well as the amount of liquidity assistance given by central banks, cannot be detected. That advice has also been taken into consideration in this Regulation.
- (4) Encumbered assets or collateral received and other off-balance-sheet items may be pledged to secure funding. Therefore, in order to allow market participants to better understand and analyse the liquidity and solvency profiles of institutions and access information about the availability of assets to secure funding, institutions should disclose the encumbrance of all on-balance-sheet assets and the encumbrance of all off-balance-sheet items separately. The disclosure should relate to all collateral received, arising from all on-balance-sheet and off-balance-sheet transactions regardless of their maturity, including all operations with central banks. While assets disclosed as encumbered assets include assets encumbered as a result of all operations with any counterparty (including central banks), it is not necessary to disclose the encumbrance resulting from operations

⁽¹⁾ OJ L 176, 27.6.2013, p. 1.⁽²⁾ Guidelines on disclosure of encumbered and unencumbered assets (EBA/GL/2014/03).⁽³⁾ OJ C 119, 25.4.2013, p. 1.⁽⁴⁾ EBA Report on asset encumbrance, September 2015.

with centralbanks separately from the encumbrance resulting from operations with other counterparties. This is without prejudice to the freedom for central banks to establish the modalities for the disclosure of emergency liquidity assistance.

- (5) In order to ensure consistency and promote comparability and transparency, the provisions relating to the disclosure templates on encumbrance should be based on the reporting requirements on encumbrance provided for in Commission Implementing Regulation (EU) No 680/2014 ⁽¹⁾. However, to avoid unintended consequences (such as the ability to identify emergency central bank funding) some deviations are needed. In particular, and taking into account Recommendation D, the disclosure of information relating to the amount of encumbered and unencumbered assets should be based on median values rather than point-in-time values as required in Annex XVII to Implementing Regulation (EU) No 680/2014. Similarly, the level of granularity of the information to be disclosed for specific values and transactions should be less than that of the reporting requirements set out in Implementing Regulation (EU) No 680/2014. Furthermore, since asset encumbrance depends heavily on the risk profile and business model of the institution concerned, the quantitative data should be supplemented with narrative information.
- (6) The disclosure requirements for encumbered and unencumbered assets and, in particular, the disclosure requirements regarding transferred assets, pledged assets and off-balance sheet collateral received and posted, should apply in addition to any existing disclosure requirements under the applicable accounting framework.
- (7) In order to ensure the proportionate application of the disclosure requirements set out in Article 443 of Regulation (EU) No 575/2013 to smaller institutions which do not have material levels of asset encumbrance, information on the quality of encumbered and unencumbered assets should not be required from such smaller institutions. Information on the quality of encumbered and unencumbered assets ('asset quality indicators') is based on the asset quality properties attributed to assets of extremely high liquidity and credit quality and assets of high liquidity and credit quality, as defined in Commission Delegated Regulation (EU) 2015/61 ⁽²⁾. As investment firms that do not form part of a banking group are not covered by that Delegated Regulation and, given that, where investment firms form part of a banking group, the relevant information is disclosed on a consolidated basis, it is appropriate to also exempt investment firms from disclosing information on the quality of encumbered and unencumbered assets, to avoid incurring disproportionate costs.
- (8) Given the novelty of the requirement to provide information on the asset quality indicators, the application of the provisions on the disclosure of such indicators should be deferred by 1 year, to allow institutions to develop the necessary IT systems.
- (9) This Regulation is based on the draft regulatory technical standards submitted by the EBA to the Commission.
- (10) EBA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ⁽³⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Disclosure requirements for all institutions

1. Institutions shall disclose the amount of encumbered and unencumbered assets under the applicable accounting framework by asset type in columns C010, C040, C060, and C090 of Template A of Annex I, in accordance with the instructions in Annex II.

⁽¹⁾ Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 191, 28.6.2014, p. 1).

⁽²⁾ Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11, 17.1.2015, p. 1).

⁽³⁾ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

2. Institutions shall disclose information on collateral received by asset type in columns C010 and C040 of Template B of Annex I, in accordance with the instructions in Annex II.
3. Institutions shall disclose the liabilities associated with encumbered assets and collateral received as set out in Template C of Annex I, in accordance with the instructions in Annex II.
4. Institutions shall disclose narrative information relating to the impact of their business model on their level of encumbrance and the importance of encumbrance in their business model as set out in Template D of Annex I, in accordance with the instructions in Annex II.

Article 2

Additional disclosure requirements for certain institutions

1. In addition to the information referred to in Article 1, institutions that meet the conditions set out in paragraph 2 shall disclose:
 - (a) the asset quality indicators by asset type in columns C030, C050, C080 and C100 as set out in Template A of Annex I, in accordance with the instructions in Annex II;
 - (b) the asset quality indicators by types of collateral received and debt securities issued, including covered bonds and asset-backed securities (ABSs), in columns C030 and C060 as set out in Template B of Annex I, in accordance with the instructions in Annex II.
2. Paragraph 1 shall apply only to credit institutions that meet either of the following conditions:
 - (a) their total assets, calculated in accordance with paragraph 10 of point 1.6 of Annex XVII to Implementing Regulation (EU) No 680/2014, amount to more than EUR 30 billion;
 - (b) their asset encumbrance level, calculated in accordance with paragraph 9 of point 1.6 of Annex XVII to Implementing Regulation (EU) No 680/2014, is above 15 %.

Article 3

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 2 shall apply from 2 January 2019.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 4 September 2017.

For the Commission
The President
Jean-Claude JUNCKER

Disclosure templates

Template A: Encumbered and unencumbered assets

Template A — Encumbered and unencumbered assets

| | | Carrying amount of encumbered assets | | Fair value of encumbered assets | | Carrying amount of unencumbered assets | | Fair value of unencumbered assets | |
|------------|--|--------------------------------------|---|---------------------------------|---|--|-------------------------|-----------------------------------|-------------------------|
| | | 010 | of which notionally eligible EHQLA and HQLA | 040 | of which notionally eligible EHQLA and HQLA | 060 | of which EHQLA and HQLA | 090 | of which EHQLA and HQLA |
| | | | 030 | | 050 | | 080 | | 100 |
| 010 | Assets of the reporting institution | | | | | | | | |
| 030 | Equity instruments | | | | | | | | |
| 040 | Debt securities | | | | | | | | |
| 050 | of which: covered bonds | | | | | | | | |
| 060 | of which: asset-backed securities | | | | | | | | |
| 070 | of which: issued by general governments | | | | | | | | |
| 080 | of which: issued by financial corporations | | | | | | | | |
| 090 | of which: issued by non-financial corporations | | | | | | | | |
| 120 | Other assets | | | | | | | | |
| 121 | of which: ... | | | | | | | | |

Template B — Collateral received

| | | Fair value of encumbered collateral received or own debt securities issued | | Unencumbered | |
|------------|---|---|--|--|-----------------------------------|
| | | | | Fair value of collateral received or own debt securities issued available for encumbrance | |
| | | 010 | of which notionally eligible EHQLA and HQLA 030 | 040 | of which EHQLA and HQLA 060 |
| 130 | Collateral received by the reporting institution | | | | |
| 140 | Loans on demand | | | | |
| 150 | Equity instruments | | | | |
| 160 | Debt securities | | | | |
| 170 | of which: covered bonds | | | | |
| 180 | of which: asset-backed securities | | | | |
| 190 | of which: issued by general governments | | | | |
| 200 | of which: issued by financial corporations | | | | |
| 210 | of which: issued by non-financial corporations | | | | |
| 220 | Loans and advances other than loans on demand | | | | |
| 230 | Other collateral received | | | | |
| 231 | of which: ... | | | | |
| 240 | Own debt securities issued other than own covered bonds or asset-backed securities | | | | |
| 241 | Own covered bonds and asset-backed securities issued and not yet pledged | | | | |
| 250 | TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED | | | | |

Template C: Sources of encumbrance

Template C — Sources of encumbrance

| | | Matching liabilities, contingent liabilities or securities lent | Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered |
|------------|--|---|---|
| | | 010 | 030 |
| 010 | Carrying amount of selected financial liabilities | | |
| 011 | of which: ... | | |

Template D: Accompanying narrative information

Template D — Accompanying narrative information

Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template A to C.

ANNEX II

Instructions for completing the disclosure templates

1. Institutions shall disclose the items referred to in Tables 1 to 7 in the same manner as reported pursuant to Annex XVI to Commission Implementing Regulation (EU) No 680/2014, unless otherwise specifically provided in those tables.

The items referred to in point 1 shall be disclosed using median values. Median values shall be rolling quarterly medians over the previous 12 months and shall be determined by interpolation.

When disclosures take place on a consolidated basis, the applicable scope of consolidation shall be the scope of prudential consolidation as defined in Part One, Title II, Chapter 2, Section 2 of Regulation (EU) No 575/2013.

Template A — Encumbered and unencumbered assets

Table 1: Instructions with regard to specific rows of Template A

| Rows | Legal references and instructions |
|------|---|
| 010 | <p>Assets of the reporting institution (International Accounting Standards (IAS) 1.9(a), Implementation Guidance (IG) 6)</p> <p>Total assets of the institution registered in its balance sheet, with the exception of own debt securities and own equity instruments when the applicable accounting standards allow their recognition on-balance-sheet. The value disclosed in this row shall be the median of the sums of four quarterly end-of-period values over the previous 12 months for rows 030, 040 and 120.</p> |
| 030 | <p>Equity instruments</p> <p>The median values of the item 'Equity instruments' as reported in row 030 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014, with the exception of own equity instruments when the applicable accounting standards allow their recognition on-balance sheet.</p> |
| 040 | <p>Debt securities</p> <p>The median values of the item 'Debt securities' as reported in row 040 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014, with the exception of own debt securities when the applicable accounting standards allow their recognition on-balance-sheet.</p> |
| 050 | <p>of which: covered bonds</p> <p>The median values of the item 'of which: covered bonds' as reported in row 050 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |
| 060 | <p>of which: asset-backed securities</p> <p>The median values of the item 'of which: asset-backed securities' as reported in row 060 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |
| 070 | <p>of which: issued by general governments</p> <p>The median values of the item 'of which: issued by general governments' as reported in row 070 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |
| 080 | <p>of which: issued by financial corporations</p> <p>The median values of the item 'of which: issued by financial corporations' as reported in row 080 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |

| Rows | Legal references and instructions |
|------|---|
| 090 | <p>of which: issued by non-financial corporations</p> <p>The median values of the item 'of which: issued by non-financial corporations' as reported in row 090 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |
| 120 | <p>Other assets</p> <p>The median value of other assets of the institution registered in the balance sheet, other than those disclosed in the above rows and different from own debt securities and own equity instruments that may not be derecognised from the balance sheet by a non-IFRS institution. In this case, own debt instruments shall be included in row 240 of Template B and own equity instruments excluded from the asset encumbrance reporting.</p> <p>Other assets include cash on hand (holding of national and foreign banknotes and coins in circulation that are commonly used to make payments), loans on demand (IAS 1.54(i)) including the balances receivable on demand at central banks and other institutions as reported in row 020 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014. Other assets also include loans and advances other than loans on demand, including mortgage loans as reported in rows 100 and 110 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014. Other assets may also include intangible assets, including goodwill, deferred tax assets, property, plant and other fixed assets, derivative assets, reverse repo and stock borrowing receivables.</p> <p>When underlying assets and cover pool assets of retained asset-backed securities (ABS) and retained covered bonds are loans on demand or loans and advances other than loans on demand, they shall also be included in this row.</p> |
| 121 | <p>of which: ...</p> <p>Where relevant in the context of their use of encumbrance in relation to their business model, institutions may identify separately the median value of any component of 'Other assets' in a dedicated 'of which' row.</p> |

Table 2: Instructions with regard to specific columns of Template A

| Columns | Legal references and instructions |
|---------|--|
| 010 | <p>Carrying amount of encumbered assets</p> <p>The median value of the carrying amount of the assets held by the institution that are encumbered according to point 1.7 of Annex XVII to Implementing Regulation (EU) No 680/2014. Carrying amount means the amount reported in the asset side of the balance sheet.</p> |
| 030 | <p>of which: notionally eligible EHQLA and HQLA</p> <p>The median value of the carrying amount of encumbered assets which are notionally eligible to the qualification of assets of extremely high liquidity and credit quality (EHQLA) and assets of high liquidity and credit quality (HQLA). For the purpose of this Regulation, notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA are those assets listed in Articles 11, 12 and 13 of Commission Delegated Regulation (EU) 2015/61 and that would comply with the general and operational requirements set out in Articles 7 and 8 of that Delegated Regulation, were it not for their status as encumbered assets in accordance with Annex XVII to Implementing Regulation (EU) No 680/2014. Notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA shall also comply with the exposure class-specific requirements set out in Articles 10 to 16 and 35 to 37 of Delegated Regulation (EU) 2015/61. The carrying amount of notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA shall be the carrying amount before the application of the haircuts specified in Articles 10 to 16 of Delegated Regulation (EU) 2015/61.</p> |
| 040 | <p>Fair value of encumbered assets</p> <p>The median value of the item 'Fair value of encumbered assets' as reported in column 040 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> <p>For each exposure class, fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median.</p> |

| Columns | Legal references and instructions |
|---------|---|
| 050 | <p>of which: notionally eligible EHQLA and HQLA</p> <p>The median value of the fair value of encumbered assets that are notionally eligible to the qualification of EHQLA and HQLA. For the purpose of this Regulation, notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA are those assets listed in Articles 11, 12 and 13 of Delegated Regulation (EU) 2015/61 and that would comply with the general and operational requirements set out in Articles 7 and 8 of that Delegated Regulation, were it not for their status as encumbered assets in accordance with Annex XVII to Implementing Regulation (EU) No 680/2014. Notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA shall also comply with the exposure class-specific requirements set out in Articles 10 to 16 and 35 to 37 of Delegated Regulation (EU) 2015/61. The fair value of notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA shall be the fair value before the application of the haircuts specified in Articles 10 to 16 of Delegated Regulation (EU) 2015/61.</p> |
| 060 | <p>Carrying amount of unencumbered assets</p> <p>The median value of the item 'Carrying amount of non-encumbered assets' as reported in column 060 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |
| 080 | <p>of which: EHQLA and HQLA</p> <p>The median value of the carrying amount of unencumbered EHQLA and HQLA as listed in Articles 11, 12 and 13 of Delegated Regulation (EU) 2015/61 and that comply with the general and operational requirements set out in Articles 7 and 8 of that Delegated Regulation, as well as with the exposure class-specific requirements set out in Articles 10 to 16 and 35 to 37 of that Delegated Regulation. The carrying amount of EHQLA and HQLA shall be the carrying amount before the application of the haircuts specified in Articles 10 to 16 of Delegated Regulation (EU) 2015/61.</p> |
| 090 | <p>Fair value of unencumbered assets</p> <p>The median value of the item 'Fair value of non-encumbered assets' as reported in column 090 of Template F 32.01 (AE-ASS) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> <p>For each exposure class, fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median.</p> |
| 100 | <p>of which: EHQLA and HQLA</p> <p>The median value of the fair value of unencumbered EHQLA and HQLA as listed in Articles 11, 12 and 13 of Delegated Regulation (EU) 2015/61 and that comply with the general and operational requirements set out in Articles 7 and 8 of that Delegated Regulation, as well as with the exposure class-specific requirements set out in Articles 10 to 16 and 35 to 37 of that Delegated Regulation. The fair value of EHQLA and HQLA shall be the fair value before the application of the haircuts specified in Articles 10 to 16 of Delegated Regulation (EU) 2015/61.</p> |

Template B — Collateral received

Table 3: Instructions with regard to specific rows of Template B

| Rows | Legal references and instructions |
|------|---|
| 130 | <p>Collateral received by the reporting institution</p> <p>All classes of collateral received by the institution. All securities received by a borrower institution in any securities borrowing transactions shall be disclosed in this row. The total collateral received by the institution is the median of the sums of four quarterly end of period values over the previous 12 months for rows 140 to 160, 220 and 230.</p> |

| Rows | Legal references and instructions |
|------|--|
| 140 | <p>Loans on demand</p> <p>The median value of collateral received by the institution that comprises loans on demand shall be disclosed in this row (see legal references and instructions regarding row 120 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 150 | <p>Equity instruments</p> <p>The median value of collateral received by the institution that comprises equity instruments (see legal references and instructions regarding row 030 of Template A). It includes all securities received by a borrower institution in any securities borrowing transactions.</p> |
| 160 | <p>Debt securities</p> <p>The median value of collateral received by the institution that comprises debt securities (see legal references and instructions regarding row 040 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 170 | <p>of which: covered bonds</p> <p>The median value of collateral received by the institution that comprises covered bonds (see legal references and instructions regarding row 050 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 180 | <p>of which: asset-backed securities</p> <p>The median value of collateral received by the institution that comprises asset-backed securities (see legal references and instructions regarding row 060 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 190 | <p>of which: issued by general governments</p> <p>The median value of collateral received by the institution that comprises debt securities issued by general governments (see legal references and instructions regarding row 070 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 200 | <p>of which: issued by financial corporations</p> <p>The median value of collateral received by the institution that comprises debt securities issued by financial corporations (see legal references and instructions regarding row 080 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 210 | <p>of which: issued by non-financial corporations</p> <p>The median value of collateral received by the institution that comprises debt securities issued by non-financial corporations (see legal references and instructions regarding row 090 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 220 | <p>Loans and advances other than loans on demand</p> <p>The median value of collateral received by the institution that comprises loans and advances other than loans on demand (see legal references and instructions regarding row 120 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |

| Rows | Legal references and instructions |
|------|---|
| 230 | <p>Other collateral received</p> <p>The median value of collateral received by the institution that comprises other assets (see legal references and instructions regarding row 120 of Template A). It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 231 | <p>of which: ...</p> <p>Where relevant in the context of their use of encumbrance in relation to their business model, institutions may identify separately the median value of any component of 'Other collateral' in a dedicated 'of which' row. It includes all securities received by a borrower institution in any securities borrowing transaction.</p> |
| 240 | <p>Own debt securities issued other than own covered bonds or asset-backed securities (ABS)</p> <p>The median value of the item 'Own debt securities issued other than own covered bonds or ABSs' as reported in row 240 of Template F 32.02 (AE-COL) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |
| 241 | <p>Own covered bonds and asset-backed securities issued and not yet pledged</p> <p>The median value of the item 'Own covered bonds and asset-backed securities issued and not yet pledged' as reported in row 010 of Template F 32.03 (AE-NPL) of Annex XVI to Implementing Regulation (EU) No 680/2014. To avoid double counting, the following applies in relation to own covered bonds and asset-backed securities issued and retained by the reporting institution:</p> <ul style="list-style-type: none"> (a) where those securities are pledged, the amount of the cover pool/underlying assets that are backing them shall be disclosed in Template A as encumbered assets. The source of funding in the event of pledging own covered bonds and asset-backed securities is the new transaction in which the securities are being pledged (central bank funding or other type of secured funding) and not the original issuance of covered bonds or asset-backed securities; (b) where those securities are not yet pledged, the amount of the cover pool/underlying assets that are backing those securities shall be reported in Template A as unencumbered assets. |
| 250 | <p>Total assets, collateral received and own debt securities issued</p> <p>All assets of the institution registered in its balance sheet, all classes of collateral received by the institution and own debt securities issued retained by the institution that are not own covered bonds issued or own asset-backed securities issued.</p> <p>This row is the median of the sums of four quarterly end-of-period values over the previous 12 months for row 010 in Template A and rows 130 and 240 in Template B.</p> |

Table 4: Instructions with regard to specific columns of Template B

| Columns | Legal references and instructions |
|---------|--|
| 010 | <p>Fair value of encumbered collateral received or own debt securities issued</p> <p>The median of the fair value of the collateral received, including in any securities borrowing transaction, or own debt securities issued held/retained by the institution that are encumbered according to Article 100 of Regulation (EU) No 575/2013.</p> <p>The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see IFRS 13 Fair Value Measurement). For each item of collateral, fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median.</p> |

| Columns | Legal references and instructions |
|---------|--|
| 030 | <p>of which: notionally eligible EHQLA and HQLA</p> <p>The median value of the fair value of the encumbered collateral received, including in any securities borrowing transaction, or own debt securities issued held/retained by the institution that are notionally eligible to the qualification of EHQLA and HQLA. For the purpose of this Regulation, notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA are items of collateral received or own debt securities issued held/retained by the institution listed in Articles 11, 12 and 13 of Delegated Regulation (EU) 2015/61 and that would comply with the general and operational requirements set out in Articles 7 and 8 of that Delegated Regulation, were it not for their status as encumbered assets in accordance with Annex XVII to Implementing Regulation (EU) No 680/2014. Notionally eligible encumbered EHQLA and encumbered HQLA shall also comply with the exposure class-specific requirements set out in Articles 10 to 16 and 35 to 37 of Delegated Regulation (EU) 2015/61. The fair value of notionally eligible encumbered EHQLA and notionally eligible encumbered HQLA shall be the fair value before the application of the haircuts specified in Articles 10 to 16 of Delegated Regulation (EU) 2015/61.</p> |
| 040 | <p>Fair value of collateral received or own debt securities issued available for encumbrance</p> <p>The median of the fair value of the collateral received, including in any securities borrowing transaction, by the institution that are unencumbered but are available for encumbrance since the institution is permitted to sell or re-pledge it in absence of default by the owner of the collateral. It also includes the fair value of own debt securities issued, other than own covered bonds or securitisation positions, that are unencumbered but available for encumbrance. For each item of collateral, fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median.</p> |
| 060 | <p>of which: EHQLA and HQLA</p> <p>The median value of the fair value of the unencumbered collateral received or own debt securities issued held/retained by the institution other than own covered bonds or securitisation positions available for encumbrance which qualify as EHQLA and HQLA as listed in Articles 11, 12 and 13 of Delegated Regulation (EU) 2015/61 and that comply with the general and operational requirements set out in Articles 7 and 8 of that Delegated Regulation, as well as with the exposure class-specific requirements set out in Articles 10 to 16 and 35 to 37 of that Delegated Regulation. The fair value of EHQLA and HQLA shall be the fair value before the application of the haircuts specified in Articles 10 to 16 of Delegated Regulation (EU) 2015/61.</p> |

Template C — Sources of encumbrance

Table 5: Instructions with regard to specific rows of Template C

| Rows | Legal references and instructions |
|------|--|
| 010 | <p>Carrying amount of selected financial liabilities</p> <p>The median value of the item 'Carrying amount of selected financial liabilities' as reported in row 010 of Template F 32.04 (AE-SOU) of Annex XVI to Implementing Regulation (EU) No 680/2014.</p> |
| 011 | <p>of which: ...</p> <p>Where relevant in the context of their use of encumbrance in relation to their business model, institutions may identify separately the median value of any component of 'Carrying amount of selected financial liabilities' in a dedicated 'of which' row, especially if part of the encumbrance of assets is associated with liabilities and another part is not.</p> |

Table 6: instructions with regard to specific columns of Template C

| Columns | Legal references and instructions |
|---------|--|
| 010 | <p>Matching liabilities, contingent liabilities or securities lent</p> <p>The median values of the item 'Matching liabilities, contingent liabilities or securities lent' as reported in column 010 of Template F 32.04 (AE-SOU) of Annex XVI to Implementing Regulation (EU) No 680/2014. Fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median.</p> <p>Liabilities without any associated funding, such as derivatives, shall be included.</p> |
| 030 | <p>Assets, collateral received and own securities issued other than covered bonds and asset-backed securities encumbered</p> <p>The amount of the assets, collateral received and own securities issued other than covered bonds and asset-backed securities that are encumbered as a result of the different types of transactions hereby reported.</p> <p>To ensure consistency with the criteria in Templates A and B, assets of the institution registered in the balance sheet shall be disclosed at the median value of their carrying amount, whereas re-used collateral received and encumbered own securities issued other than covered bonds and asset-backed securities shall be disclosed at the median value of their fair value. Fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median.</p> <p>Assets encumbered without matching liabilities shall also be included.</p> |

Template D — Accompanying narrative information

Table 7: Specific instructions with regard to Template D

Legal references and instructions

In order to complete Template D, institutions shall disclose the information referred to in points 1 and 2.

1. General narrative information on asset encumbrance, including the following:
 - (a) an explanation of any difference between the regulatory consolidation scope used for the purpose of the disclosures on asset encumbrance and the scope retained for the application of the liquidity requirements on a consolidated basis as defined in Part Two, Chapter 2 of Regulation (EU) No 575/2013, which is used to define (E)HQLA eligibility;
 - (b) an explanation of any difference between, on the one hand, pledged and transferred assets in accordance with the applicable accounting frameworks and as applied by the institution and, on the other hand, encumbered assets and an indication of any difference of treatment of transactions, such as when some transactions are deemed to lead to pledge or transfer of assets but not to encumbrance of assets, or vice versa;
 - (c) the exposure value used for the purposes of disclosure and an explanation of how median exposure values are derived.
2. Narrative information relating to the impact of the institution's business model on its level of encumbrance and the importance of encumbrance on the institution's funding model, including the following:
 - (a) the main sources and types of encumbrance, detailing, where applicable, encumbrance due to significant activities with derivatives, securities lending, repos, covered bonds issuance and securitisation;
 - (b) the structure of encumbrance between entities within a group, and especially whether the encumbrance level of the consolidated group stems from particular entities and whether there is significant intragroup encumbrance;
 - (c) information on over-collateralisation, especially regarding covered bonds and asset-backed securities, and the incidence of over-collateralisation on the levels of encumbrance;
 - (d) additional information on encumbrance of assets, collateral and off-balance-sheet items and the sources of encumbrance by any significant currencies other than the reporting currency as referred to in Article 415(2) of Regulation (EU) No 575/2013;

- (e) a general description of the proportion of items included in column 060 'Carrying amount of unencumbered assets' in Template A of Annex I that the institution would not deem available for encumbrance in the normal course of its business (e.g. intangible assets, including goodwill, deferred tax assets, property, plant and other fixed assets, derivative assets, reverse repo and stock borrowing receivables);
 - (f) the amount of underlying assets and of cover pool assets of retained asset-backed securities and retained covered bonds, and whether those underlying and cover pool assets are encumbered or unencumbered, along with the amount of associated retained asset-backed securities and retained covered bonds;
 - (g) where relevant for explaining the impact of the institution's business model on its level of encumbrance, details (including quantitative information if relevant) on each of the following:
 - (i) the types and amounts of encumbered and unencumbered assets included in row 120 of Template A, where quantitative information shall be provided in row 121 of Template A;
 - (ii) the amounts and types of encumbered assets and off-balance-sheet items included in row 010 of Template C that are not associated with any liabilities, where quantitative information shall be provided in row 011 of Template C.
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