

COMMISSION IMPLEMENTING REGULATION (EU) 2016/200**of 15 February 2016****laying down implementing technical standards with regard to disclosure of the leverage ratio for institutions, according to Regulation (EU) No 575/2013 of the European Parliament and of the Council****(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 third subparagraph of Article 451(2) thereof,

Whereas:

- (1) The objective of uniform disclosure templates is to help improve transparency and comparability of leverage ratio figures. Therefore, rules for disclosure of the leverage ratio by institutions supervised under Directive 2013/36/EU of the European Parliament and of the Council ⁽²⁾ should be consistent with international standards as reflected in the Revised Basel III leverage ratio framework and disclosure requirements of the Basel Committee on Banking Supervision (BCBS) adapted to take into account the Union regulatory framework and its specificities, as laid down in Regulation (EU) No 575/2013.
- (2) For the same reasons of improving transparency and comparability of leverage ratio figures, it is appropriate that one of the templates for the disclosure of the leverage ratio provides a breakdown of leverage ratio total exposure measure sufficiently granular to identify the main composition of the leverage ratio, as well as the on-balance sheet exposure, which is usually the biggest part of the leverage ratio total exposure measure.
- (3) Article 429(2) of Regulation (EU) No 575/2013, as amended by Regulation (EU) 2015/62 ⁽³⁾, no longer requires the calculation of the leverage ratio as the simple arithmetic mean of the monthly leverage ratios over a quarter but only requires a calculation as at the end of the quarter. As a result, there should no longer be any need for competent authorities to provide the permission to calculate the end-of-quarter leverage ratio referred to in Article 499(3) of Regulation (EU) No 575/2013. Therefore, the uniform disclosure templates for the disclosure of the leverage ratio no longer need to include any specification about how the institution applies Article 499(3).
- (4) Where, in accordance with the second subparagraph of Article 13(1) of Regulation (EU) No 575/2013, institutions have the obligation to disclose any information on the leverage ratio at sub-consolidated level and in order to keep the administrative burden proportionate to the objectives of the rules on leverage ratio disclosure, rules on the leverage ratio disclosure should not require those institutions to complete and publish the template entitled 'LRSpl' at sub-consolidated level. This disclosure template is required to be completed and published at the consolidated level and its publication at sub-consolidated level would not provide any considerable added value, given that further breakdown of the total exposure measure for the sub-consolidated level is already provided via the completion of the template entitled 'LRCom'. Furthermore, publication of the LRSpl template could add considerable burden on institutions as they cannot easily derive such a template from the respective supervisory reporting framework, which is not applicable at sub-consolidated level.

⁽¹⁾ OJ L 176, 27.6.2013, p. 1.

⁽²⁾ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

⁽³⁾ Commission Delegated Regulation (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio (OJ L 11, 17.1.2015, p. 37).

- (5) The scope of consolidation and the valuation methods for accounting purposes and for regulatory purposes can be different, and this results in differences between the information used in the calculation of the leverage ratio and the information used in the published financial statements. In order to reflect this discrepancy, it is also necessary to disclose the difference between the values in the financial statements and the values under the regulatory scope of consolidation of elements in the financial statements that are used to calculate the leverage ratio. Therefore, a reconciliation between the two should also be presented in a template.
- (6) To facilitate comparability of the information disclosed, a uniform template and detailed instructions should also be provided for the description and disclosure of processes used to manage the risk of excessive leverage, and factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.
- (7) Article 451(1) of Regulation (EU) No 575/2013 started to apply from 1 January 2015. To ensure that the obligation to disclose the information related to the leverage ratio is carried out by institutions in an effective and harmonised manner across the Union the soonest possible, it is necessary to require that institutions use the templates for disclosure of such information at the earliest possible date.
- (8) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority to the European Commission.
- (9) The European Banking Authority has conducted open public consultations on the draft implementing 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 ⁽¹⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Disclosure of the leverage ratio and application of Article 499(2) of Regulation (EU) No 575/2013

Institutions shall disclose the relevant information regarding the leverage ratio and the application of Article 499(2) of Regulation (EU) No 575/2013, as referred to in point (a) of Article 451(1) of that Regulation, by completing and publishing rows 22 and EU-23 of the template entitled 'LRCom' set out in Annex I in accordance with the instructions set out in Annex II.

Article 2

Change of the decision on which leverage ratio to disclose

1. Where, in accordance with Article 499(2) of Regulation (EU) No 575/2013, institutions change their choice of leverage ratio to be disclosed, they shall disclose the reconciliation of the information on all leverage ratios disclosed up to the moment of that change by completing and publishing the templates entitled 'LRSum', 'LRCom', 'LRSpl' and 'LRQua' set out in Annex I for each of the reference dates corresponding to the leverage ratios disclosed up to the moment of the change.
2. Institutions shall disclose the items referred to in paragraph 1 in the first disclosure that occurs after the change of choice of leverage ratio.

⁽¹⁾ 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).

*Article 3***Breakdown of the leverage ratio total exposure measure**

1. Institutions shall disclose the breakdown of the leverage ratio total exposure measure, as referred to in point (b) of Article 451(1) of Regulation (EU) No 575/2013, by completing and publishing both of the following:
 - (a) rows 1 to EU-19b of the template entitled 'LRCom' set out in Annex I in accordance with the instructions set out in Annex II;
 - (b) rows EU-1 to EU-12 of the template entitled 'LRSpl' set out in Annex I in accordance with the instructions set out in Annex II.
2. By way of derogation from paragraph 1(b), where institutions are required, by virtue of the second subparagraph of Article 13(1) of Regulation (EU) No 575/2013 to disclose information on a sub-consolidated basis, they shall not be required to complete and publish the template entitled 'LRSpl' of Annex I on a sub-consolidated basis.

*Article 4***Reconciliation of leverage ratio to published financial statements**

1. Institutions shall disclose the reconciliation of the leverage ratio total exposure measure to the relevant information in published financial statements, as referred to in point (b) of Article 451(1) of Regulation (EU) No 575/2013, by completing and publishing the template entitled 'LRSum' set out in Annex I in accordance with the instructions set out in Annex II.
2. Where institutions do not publish financial statements at the level of application referred to in paragraph 6 of Part 1 of Annex II they shall not be required to complete and publish the template entitled 'LRSum' set out in Annex I.

*Article 5***Disclosure of the amount of derecognised fiduciary items**

Institutions shall disclose, where applicable, the amount of derecognised fiduciary items, as referred to in point (c) of Article 451(1) of Regulation (EU) No 575/2013, by completing and publishing row EU-24 of the template entitled 'LRCom' set out in Annex I, in accordance with the instructions in Annex II.

*Article 6***Disclosure of qualitative information on risk of excessive leverage and factors impacting the leverage ratio**

Institutions shall disclose the description of the processes used to manage the risk of excessive leverage and of the factors that have had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers, as referred to in points (d) and (e) of Article 451(1) of Regulation (EU) No 575/2013, by completing and publishing the template entitled 'LRQua' set out in Annex I in accordance with the instructions set out in Annex II.

*Article 7***Entry into force**

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

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

Done at Brussels, 15 February 2016.

For the Commission

The President

Jean-Claude JUNCKER

ANNEX I

CRR Leverage Ratio — Disclosure Template

Reference date	
Entity name	
Level of application	

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		Applicable Amount
1	Total assets as per published financial statements	
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	
4	Adjustments for derivative financial instruments	
5	Adjustment for securities financing transactions (SFTs)	
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	
7	Other adjustments	
8	Leverage ratio total exposure measure	

Table LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	
2	(Asset amounts deducted in determining Tier 1 capital)	
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	

		CRR leverage ratio exposures
Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	
EU-5a	Exposure determined under Original Exposure Method	
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivatives exposures (sum of lines 4 to 10)	
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for SFT assets	
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	
15	Agent transaction exposures	
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	

		CRR leverage ratio exposures
18	(Adjustments for conversion to credit equivalent amounts)	
19	Other off-balance sheet exposures (sum of lines 17 and 18)	
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
Capital and total exposure measure		
20	Tier 1 capital	
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	
Leverage ratio		
22	Leverage ratio	
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	

Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	

		CRR leverage ratio exposures
EU-7	Institutions	
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	
EU-10	Corporate	
EU-11	Exposures in default	
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	

CRR Leverage Ratio — Disclosure Template

Table LRQua: Free format text boxes for disclosure on qualitative items

		Column
		Free format
Row		
1	Description of the processes used to manage the risk of excessive leverage	
2	Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers	

ANNEX II

INSTRUCTIONS FOR THE COMPLETION OF THE TEMPLATES IN ANNEX I

PART 1: GENERAL INSTRUCTIONS

1. Conventions and reference data

1.1. Conventions

1. The following general notation is followed in the instructions: {Template;Row}.
2. The following notation is followed where the instructions cross refer to cell(s) in Annex XI of Commission Implementing Regulation (EU) No 680/2014: {Annex XI SupRep;Template;Row;Column}.
3. For the purpose of the disclosure of the leverage ratio, 'of which' shall refer to an item that is a subset of a higher level exposure category.
4. Just as is the case for the entire titles of these rows, institutions shall disclose the values in rows {LRCom;2}, {LRCom;7}, {LRCom;8}, {LRCom;10}, {LRCom;13}, {LRCom;EU-15a}, {LRCom;18}, {LRCom;EU-19a}, and {LRCom;EU-19b} between brackets as the values disclosed in these rows reduce the leverage ratio exposure. Institutions shall ensure that these values contribute negatively to the sums to be disclosed in {LRCom;3}, {LRCom;11}, {LRCom;16}, {LRCom;19}, and {LRCom;21}.

1.2. Reference data

5. In the cell 'Reference date' institutions shall insert the date which all information that they disclose in templates LRSum, LRCom and LRSpl refer to. This date shall be the last calendar day of the third month of the respective quarter.
6. In the cell 'Entity name' institutions shall insert the name of the entity to which the data provided in templates LRSum, LRCom, LRSpl, and LRQua refer.
7. In the cell 'Level of application' institutions shall indicate the level of application that forms the basis for the data provided in the templates. When completing this cell institutions shall select one of the following:
 - Consolidated
 - Individual
 - Subconsolidated

1.3. Reference data

8. For the purposes of this annex and related templates the following abbreviations are used:
 - CRR, which is an abbreviation of Capital Requirements Regulation and shall mean Regulation (EU) No 575/2013.
 - SFT, which is an abbreviation of Securities Financing Transaction and shall mean 'repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions' of Regulation (EU) No 575/2013.

PART 2: TEMPLATE-SPECIFIC INSTRUCTIONS

2. Template LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

9. Institutions shall apply the instructions provided in this section in order to complete template LRSum of Annex I.

	Legal references and instructions
Row	
{1}	<p>Total assets as per published financial statements</p> <p>Institutions shall disclose the total assets as published in their financial statements under the applicable accounting framework as defined in Article 4(1)(77) of Regulation (EU) No 575/2013.</p>
{2}	<p>Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation</p> <p>Institutions shall disclose the difference in value between the leverage ratio exposure as disclosed in {LRSum;8} and total accounting assets as disclosed in {LRSum;1} that results from differences between the accounting scope of consolidation and the regulatory scope of consolidation.</p> <p>If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall disclose this as a negative amount.</p>
{3}	<p>(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)</p> <p>Institutions shall disclose the amount of derecognised fiduciary items in accordance with Article 429(13) of Regulation (EU) No 575/2013.</p> <p>As this adjustment reduces the total leverage ratio total exposure measure, institutions shall place the value disclosed in this row between brackets (which signifies a negative amount).</p>
{4}	<p>Adjustment for derivative financial instruments</p> <p>For credit derivatives and contracts listed in Annex II of Regulation (EU) No 575/2013, institutions shall disclose the difference in value between the accounting value of the derivatives recognised as assets and the leverage ratio exposure value as determined by application of Article 429(4)(b), Article 429(9) in conjunction with Article 429a, 429(11)(a) and (b) and 429(12) and of Regulation (EU) No 575/2013.</p> <p>If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall place this amount between brackets (which signifies a negative amount).</p>
{5}	<p>Adjustment for securities financing transactions (SFTs)</p> <p>For SFTs institutions shall disclose the difference in value between the accounting value of the SFTs recognised as assets and the leverage ratio exposure value as determined by application of Article 429(4)(a) and (c) in conjunction with Article 429b, Articles 429(5)(c) and (d), 429 (8), and 429 (11)(c)-(f) of Regulation (EU) No 575/2013.</p> <p>If this adjustment leads to an increase in the exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall place this amount between brackets (which signifies a negative amount).</p>

	Legal references and instructions
Row	
{6}	<p>Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)</p> <p>Institutions shall disclose the difference in value between the leverage ratio exposure as disclosed in {LRSum;8} and total accounting assets as disclosed in {LRSum;1} that results from the inclusion of off-balance sheet items in the leverage ratio total exposure measure.</p> <p>As this adjustment increases the leverage ratio total exposure measure, it shall be disclosed as a positive amount.</p>
{EU-6a}	<p>(Adjustment for exempted intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)</p> <p>Articles 429(7), 113(6) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the on balance sheet portion of exposures excluded from the leverage ratio total exposure measure in accordance with 429(7) of Regulation (EU) No 575/2013 provided that all the conditions set out in points (a) to (e) of Article 113(6) of Regulation (EU) No 575/2013 are met and where the competent authorities have given their approval.</p> <p>As this adjustment reduces the leverage ratio total exposure measure, institutions shall place the value disclosed in this row between brackets (which signifies a negative amount).</p>
{EU-6b}	<p>(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)</p> <p>Article 429(14) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the on balance sheet portion of exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013 subject to the therein stated conditions being met and where the competent authorities have given their approval.</p> <p>As this adjustment reduces the leverage ratio total exposure measure, institutions shall place the values disclosed in this row between brackets (which signifies a negative amount).</p>
{7}	<p>Other adjustments</p> <p>Institutions shall include any remaining difference in value between the leverage ratio exposure as disclosed in {LRSum;8} and total accounting assets as disclosed in {LRSum;1} that is not included in {LRSum;2}, {LRSum;3}, {LRSum;4}, {LRSum;5}, {LRSum;6}, {LRSum;EU-6a}, or {LRSum;EU-6b}. This may include, for example, the asset amounts that are deducted from Tier 1 capital and that are therefore subtracted from the leverage ratio total exposure measure as per {LRCom;2}</p> <p>If these adjustments lead to an increase in the exposure, institutions shall report this as a positive amount. If these adjustments lead to a decrease in exposure, the institutions shall place this amount between brackets (which signifies a negative amount).</p>
{8}	<p>Leverage ratio total exposure measure</p> <p>Institutions shall disclose the amount disclosed in {LRCom;21}.</p>

3. Template LRCOM: Leverage ratio common disclosure

10. Institutions shall apply the instructions provided in this section in order to complete template LRCOM of Annex I.

Row	Legal references and instructions
{1}	<p>On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)</p> <p>Article 429 of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose all assets other than contracts listed in Annex II of Regulation (EU) No 575/2013, credit derivatives, SFTs and fiduciary assets in accordance with Article 429(13) of Regulation (EU) No 575/2013. Institutions shall base the valuation of these assets on the principles set out in Article 429(5) of Regulation (EU) No 575/2013.</p> <p>Institutions shall include in this cell cash received or any security that is provided to a counterparty via SFTs and that is retained on the balance sheet (i.e. the accounting criteria for derecognition under the applicable accounting framework are not met).</p>
{2}	<p>(Asset amounts deducted in determining Tier 1 capital)</p> <p>Article 429(4)(a) and Article 499(2) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the amount of regulatory value adjustments made to Tier 1 amounts in accordance with the choice made pursuant to Article 499(2) of Regulation (EU) No 575/2013, as disclosed in {LRCOM;EU-23}.</p> <p>More specifically, institutions shall disclose the value of the sum of all the adjustments that target the value of an asset and which are required by:</p> <ul style="list-style-type: none"> — Articles 32 to 35 of Regulation (EU) No 575/2013, or — Articles 36 to 47 of Regulation (EU) No 575/2013, or — Articles 56 to 60 of Regulation (EU) No 575/2013, <p>as applicable.</p> <p>Where the choice to disclose Tier 1 capital is made in accordance with Article 499(1)(a) of Regulation (EU) No 575/2013, institutions shall take into account the exemptions, alternatives and waivers to such deductions laid down in Articles 48, 49 and 79 of Regulation (EU) No 575/2013, without taking into account the derogation laid down in Chapters 1 and 2 of Title I of Part Ten of Regulation (EU) No 575/2013. In contrast, where the choice to disclose Tier 1 capital is made in accordance with Article 499(1)(b) of Regulation (EU) No 575/2013, institutions shall take into account exemptions, alternatives and waivers to such deductions laid down in Articles 48, 49 and 79 of REGULATION (EU) No 575/2013, in addition to taking into account the derogations laid down in Chapter 1 and 2 of Title I of Part Ten of Regulation (EU) No 575/2013</p> <p>To avoid double counting, institutions shall not report adjustments already applied pursuant to Article 111 of Regulation (EU) No 575/2013 when calculating the exposure value in rows 1, 4 and, 12 nor shall they report any adjustment that does not deduct the value of a specific asset.</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCOM;3}).</p>
{3}	<p>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</p> <p>The sum of {LRCOM;1} and {LRCOM;2}. Institutions shall take into account that {LRCOM;2} contributes negatively to this sum.</p>

Row	Legal references and instructions
{4}	<p>Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)</p> <p>Articles 274, 295, 296, 297, 298, 429a and 429a(3) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the current replacement cost as specified in Article 274(1) of contracts listed in Annex II of Regulation (EU) No 575/2013 and credit derivatives including those that are off-balance sheet. These replacement costs shall be net of eligible cash variation margin in accordance with Article 429a(3) of Regulation (EU) No 575/2013 whereas any cash variation margin received on an exempted CCP leg in accordance with Article 429(11) of Regulation (EU) No 575/2013 shall not be included.</p> <p>As determined by Article 429a(1) of Regulation (EU) No 575/2013, institutions may take into account the effects of contracts for novation and other netting agreements in accordance with Article 295 of Regulation (EU) No 575/2013. Cross-product netting shall not apply. However, institutions may net within the product category referred to in point (25)(c) of Article 272 of Regulation (EU) No 575/2013 and credit derivatives when they are subject to a contractual cross-product netting agreement referred to in Article 295(c) of Regulation (EU) No 575/2013.</p> <p>Institutions shall include all credit derivatives, not solely those in the trading book.</p> <p>Institutions shall not include in this cell contracts measured by application of the Original Exposure Method in accordance with Articles 429a(8) and 275 of Regulation (EU) No 575/2013.</p>
{5}	<p>Add-on amount for PFE associated with all derivatives transactions (mark-to-market method)</p> <p>Articles 274, 295, 296, 297, 298, 299 (2) and 429a of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the add-on for the potential future exposure of contracts listed in Annex II of Regulation (EU) No 575/2013 and of credit derivatives including those that are off-balance sheet calculated in accordance with the Mark-to-market Method (Article 274 of Regulation (EU) No 575/2013 for contracts listed in Annex II of Regulation (EU) No 575/2013 and Article 299(2) of Regulation (EU) No 575/2013 for credit derivatives) and applying netting rules in accordance with Article 429a(1) of Regulation (EU) No 575/2013. In determining the exposure value of those contracts, institutions may take into account the effects of contracts for novation and other netting agreements in accordance with Article 295 of Regulation (EU) No 575/2013. Cross-product netting shall not apply. However, institutions may net within the product category referred to in point (25)(c) of Article 272 of Regulation (EU) No 575/2013 and credit derivatives when they are subject to a contractual cross-product netting agreement referred to in Article 295(c) of Regulation (EU) No 575/2013.</p> <p>In accordance with Article 429a(1), subparagraph 2 of Regulation (EU) No 575/2013, when determining the potential future credit exposure of credit derivatives, institutions shall apply the principles laid down in Article 299(2)(a) of Regulation (EU) No 575/2013 to all their credit derivatives, not just those assigned to the trading book.</p> <p>Institutions shall not include in this cell contracts measured by application of the Original Exposure Method in accordance with Articles 429a(8) and 275 of Regulation (EU) No 575/2013.</p>
{EU-5a}	<p>Exposure determined under Original Exposure Method</p> <p>Articles 429a(8) and 275 of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the exposure measure of contracts listed in points 1 and 2 of Annex II of Regulation (EU) No 575/2013 calculated in accordance with the Original Exposure Method set out in Article 275 of Regulation (EU) No 575/2013.</p>

Row	Legal references and instructions
	<p>Institutions that apply the Original Exposure Method shall not reduce the exposure measure by the amount of variation margin received in cash in accordance with Article 429a(8) of Regulation (EU) No 575/2013.</p> <p>Institutions that do not use the Original Exposure Method shall not report this cell.</p> <p>Institutions shall not include in this cell contracts measured by application of the Mark-to-market method in accordance with Articles 429a(1) and 274 of Regulation (EU) No 575/2013.</p>
{6}	<p>Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework</p> <p>Article 429a(2) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the amount of any derivatives collateral provided where the provision of that collateral reduces the amount of assets under the applicable accounting framework, as set out in Article 429a(2) of Regulation (EU) No 575/2013.</p> <p>Institutions shall not include in this cell initial margin for client-cleared derivative transactions with a qualifying CCP (QCCP) or eligible cash variation margin, as defined in Article 429a(3) of Regulation (EU) No 575/2013.</p>
{7}	<p>(Deductions of receivables assets for cash variation margin provided in derivatives transactions)</p> <p>Article 429a(3) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the receivables for variation margin paid in cash to the counterparty in derivatives transactions if the institution is required, under the applicable accounting framework, to recognise these receivables as an asset, provided that the conditions in points (a) to (e) of Article 429a(3) of Regulation (EU) No 575/2013 are met.</p> <p>The amount disclosed shall also be included in {LRCom;1}.</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCom;11}).</p>
{8}	<p>(Exempted CCP leg of client-cleared trade exposures)</p> <p>Article 429(11) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the exempted trade exposures to a QCCP from client-cleared derivatives transactions, provided that those items meet the conditions laid down in Article 306(1)(c) of Regulation (EU) No 575/2013.</p> <p>The part of the above-mentioned amount which is associated with the replacement cost shall be disclosed gross of cash variation margin.</p> <p>The amount disclosed shall also be included, correspondingly, in: {LRCom;1}, {LRCom;4}, {LRCom;5}, and {LRCom;EU-5a}.</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCom;11}).</p>

Row	Legal references and instructions
{9}	<p>Adjusted effective notional amount of written credit derivatives</p> <p>Article 429a(5) to (7) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the capped notional value of written credit derivatives (i.e. where the institution is providing credit protection to a counterparty) as set out in Article 429a(5) to (7) of Regulation (EU) No 575/2013.</p>
{10}	<p>(Adjusted effective notional offsets and add-on deductions for written credit derivatives)</p> <p>Article 429a(5) to (7) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the capped notional value of purchased credit derivatives (i.e. where the institution is buying credit protection from a counterparty) on the same reference names as those credit derivatives written by the institution, where the remaining maturity of the purchased protection is equal to or greater than the remaining maturity of the sold protection. Hence, the value shall not be greater than the value entered in {LRCom;9} for each reference name.</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCom;11}).</p>
{11}	<p>Total derivatives exposures (sum of lines 4 to 10)</p> <p>Sum of {LRCom;4}, {LRCom;5}, {LRCom;EU-5a}, {LRCom;6}, {LRCom;7}, {LRCom;8}, {LRCom;9} and {LRCom;10}. Institutions shall take into account that {LRCom;7}, {LRCom;8}, and {LRCom;10} contribute negatively to this sum.</p>
{12}	<p>Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions</p> <p>Articles 4(1)(77), 206 and 429b(5) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the accounting balance sheet value under the applicable accounting framework of SFTs that are both covered and not covered by a master netting agreement eligible under Article 206 of Regulation (EC) No 575/2013 where the contracts are recognised as assets on the balance sheet assuming no prudential or accounting netting or risk mitigation effects (i.e. the accounting balance sheet value adjusted for the effects of accounting netting or risk mitigation).</p> <p>Furthermore, where sale accounting is achieved for a SFT under the applicable accounting framework, institutions shall reverse all sales-related accounting entries in accordance with Article 429b(5) of Regulation (EU) No 575/2013.</p> <p>Institutions shall not include in this cell cash received or any security that is provided to a counterparty via the aforementioned transactions and is retained on the balance sheet (i.e. the accounting criteria for derecognition are not met).</p>
{13}	<p>(Netted amounts of cash payables and cash receivables of gross SFT assets)</p> <p>Articles 4(1)(77), 206, 429(5)(d), 429(8) and 429b(5) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the cash payables amount of gross SFT assets that have been netted in accordance with Article 429(8) of Regulation (EU) No 575/2013</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCom;16}).</p>

Row	Legal references and instructions
{14}	<p>Counterparty credit risk exposure for SFT assets</p> <p>Article 429b(1) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the add-on for counterparty credit risk of SFTs including those that are off-balance sheet determined in accordance with Article 429b(2) or (3) of Regulation (EU) No 575/2013, as applicable.</p> <p>Institutions shall include in this cell transactions in accordance with Article 429b(6)(c) of Regulation (EU) No 575/2013.</p> <p>Institutions shall not include in this cell agent SFTs where the institution provides an indemnity or guarantee to a customer or counterparty limited to any difference between the value of the security or cash the customer has lent and the value of collateral the borrower has provided in accordance with Article 429b(6)(a) of Regulation (EU) No 575/2013. Institutions shall instead include those items in {LRCom;15}.</p>
{EU-14a}	<p>Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013</p> <p>Articles 429b(4) and 222 of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the add-on for SFTs including those that are off-balance sheet calculated in accordance with Article 222 of Regulation (EU) No 575/2013, subject to a 20 % floor for the applicable risk weight.</p> <p>Institutions shall include in this cell transactions in accordance with Article 429b(6)(c) of Regulation (EU) No 575/2013.</p> <p>Institutions shall not include in this cell transactions for which the add-on part of the leverage ratio exposure value is determined in accordance with the method defined in Article 429b(1) of Regulation (EU) No 575/2013.</p>
{15}	<p>Agent transaction exposures</p> <p>Article 429b, (2), (3) and (6)(a) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the exposure value for agent SFTs where the institution provides an indemnity or guarantee to a customer or counterparty limited to any difference between the value of the security or cash the customer has lent and the value of collateral the borrower has provided in accordance with Article 429b(6)(a) of Regulation (EU) No 575/2013, consists only of the add-on determined in accordance with Article 429b(2) or (3) of Regulation (EU) No 575/2013, as applicable.</p> <p>Institutions shall not include in this cell transactions in accordance with Article 429b(6)(c) of Regulation (EU) No 575/2013.</p>
{EU-15a}	<p>(Exempted CCP leg of client-cleared SFT exposure)</p> <p>Articles 429(11) and 306(1)(c) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the exempted CCP leg of client-cleared trade exposures of SFTs, provided that those items meet the conditions laid down in Article 306(1)(c) of Regulation (EU) No 575/2013.</p>

Row	Legal references and instructions
	<p>Where the exempted leg to the CCP is a security it shall not be included in this cell unless it is a repledged security that under the applicable accounting framework (i.e. in accordance with the first sentence of Article 111(1) of Regulation (EU) No 575/2013) is included at full value.</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCom;16}).</p>
{16}	<p>Total SFT exposures (sum of lines 12 to 15a)</p> <p>Institutions shall disclose the sum of {LRCom; 12}, {LRCom;EU-12a}, {LRCom;13}, {LRCom;14}, {LRCom;15} and {LRCom;EU-15a}.</p> <p>Institutions shall take into account that {LRCom;13} and {LRCom;EU-15a} contribute negatively to this sum.</p>
{17}	<p>Off-balance sheet exposures at gross notional amount</p> <p>Article 429(10) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the nominal value of all off-balance sheet items as defined in Article 429(10) of Regulation (EU) No 575/2013, before any adjustment for conversion factors.</p>
{18}	<p>(Adjustments for conversion to credit equivalent amounts)</p> <p>Article 429(10) of Regulation (EU) No 575/2013</p> <p>Institutions shall include the difference in value between the nominal value of off-balance sheet items as disclosed on {LRCom;17} and the leverage ratio exposure value of off-balance sheet items as included in {LRCom;19}.</p> <p>Since it reduces the leverage ratio total exposure measure the value disclosed in this cell shall contribute negatively to the sum to be disclosed in {LRCom;19}.</p>
{19}	<p>Other off-balance sheet exposures (sum of lines 17 and 18)</p> <p>Articles 429(10), 111(1) and 166(9) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the leverage ratio exposure values for off-balance sheet items determined in accordance with Article 429(10) of Regulation (EU) No 575/2013 taking into account the relevant conversion factors.</p> <p>Institutions shall take into account that {LRCom;18} contributes negatively to this sum.</p>
{EU-19a}	<p>(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))</p> <p>Articles 429(7) and 113(6) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the exposures that have not been consolidated on the applicable level of consolidation, that can benefit from the treatment laid down in Article 113(6) of Regulation (EU) No 575/2013, provided that all the conditions set out in points (a) to (e) of Article 113(6) of Regulation (EU) No 575/2013 are met and where the competent authorities have given their approval.</p>

Row	Legal references and instructions
	<p>The amount disclosed must also be included in the applicable cells above as if no exemption applied.</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCom;21}).</p>
{EU-19b}	<p>(Exposures exempted in accordance with Article 429(14) of Regulation (EU) No 575/2013 (on and off balance sheet))</p> <p>Article 429(14) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the exposures exempted in accordance with 429(14) of Regulation (EU) No 575/2013 subject to the therein stated conditions being met and where the competent authorities have given their approval.</p> <p>The amount disclosed must also be included in the applicable cells above as if no exemption applied.</p> <p>Since it reduces the leverage ratio total exposure measure institutions shall place the value in this cell between brackets (which signifies that it shall contribute negatively to the sum to be disclosed in {LRCom;21}).</p>
{20}	<p>Tier 1 capital</p> <p>Articles 429(3) and 499(1) and (2) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the amount of Tier 1 capital calculated in accordance with the choice that the institution has made pursuant to Article 499(2) of Regulation (EU) No 575/2013, as disclosed by {LRCom;EU-23}.</p> <p>More specifically, where the institution has chosen to disclose Tier 1 capital in accordance with Article 499(1)(a) of Regulation (EU) No 575/2013, it shall disclose the amount of Tier 1 capital as calculated in accordance with Article 25 of Regulation (EU) No 575/2013, without taking into account the derogations laid down in Chapters 1 and 2 of Title I of Part Ten of Regulation (EU) No 575/2013.</p> <p>In contrast, where the institution has chosen to disclose Tier 1 capital in accordance with Article 499(1)(b) of Regulation (EU) No 575/2013, it shall disclose the amount of Tier 1 capital as calculated in accordance with Article 25 of Regulation (EU) No 575/2013, after taking into account the derogations laid down in Chapters 1 and 2 of Title I of Part Ten of Regulation (EU) No 575/2013.</p>
{21}	<p>Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</p> <p>Institutions shall disclose the sum of {LRCom;3}, {LRCom;11}, {LRCom;16}, {LRCom;19}, {LRCom;EU-19a} and {LRCom;EU-19b}.</p> <p>Institutions shall take into account that {LRCom;EU-19a} and {LRCom;EU-19b} contribute negatively to this sum.</p>
{22}	<p>Leverage ratio</p> <p>Institutions shall disclose {LRCom;20} divided by {LRCom;21} expressed as a percentage.</p>

Row	Legal references and instructions
{EU-23}	<p>Choice on transitional arrangements for the definition of the capital measure</p> <p>Article 499(2) of Regulation (EU) No 575/2013</p> <p>Institutions shall specify their choice of transitional arrangements for capital for the purpose of disclosure requirements by disclosing one of the following two labels:</p> <ul style="list-style-type: none"> — ‘Fully phased in’ if the institution chooses to disclose the leverage ratio in accordance with Article 499(1)(a) of Regulation (EU) No 575/2013 — ‘Transitional’ if the institution chooses to disclose the leverage ratio in accordance with Article 499(1)(b) of Regulation (EU) No 575/2013
{EU-24}	<p>Amount of derecognised fiduciary items in accordance with Article 429(13) of Regulation (EU) No 575/2013</p> <p>Institutions shall disclose the amount of derecognised fiduciary items in accordance with Article 429(13) Regulation (EU) No 575/2013.</p>

4. Template LRSpl: Split-up of on-balance sheet exposures (excluding derivatives and SFTs)

11. Institutions shall apply the instructions provided in this section in order to complete template LRSpl of Annex I.

Row	Legal references and instructions
{EU-1}	<p>Total on-balance sheet exposures (excluding derivatives and SFTs), of which:</p> <p>Institutions shall disclose the sum of {LRSpl;EU-2} and {LRSpl;EU-3}.</p>
{EU-2}	<p>Trading book exposures</p> <p>Institutions shall disclose the exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;070;010}, which is the total exposure value of assets belonging to the trading book excluding derivatives and SFTs.</p>
{EU-3}	<p>Banking book exposures, of which:</p> <p>Institutions shall disclose the sum of {LRSpl;EU-4}, {LRSpl;EU-5}, {LRSpl;EU-6}, {LRSpl;EU-7}, {LRSpl;EU-8}, {LRSpl;EU-9}, {LRSpl;EU-10}, {LRSpl;EU-11} and {LRSpl;EU-12}.</p>
{EU-4}	<p>Covered Bonds</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014{LR4;080;010} and {LR4;080;020}, which is the total exposure value of assets that are in the form of covered bonds.</p>
{EU-5}	<p>Exposures treated as sovereigns</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;090;010} and {LR4;090;020}, which is the total exposure value towards entities that are treated as sovereigns under Regulation (EU) No 575/2013.</p>

	Legal references and instructions
Row	
{EU-6}	<p>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;140;010} and {LR4;140;020}, which is the total exposure value towards to regional governments and local authorities, multilateral development banks, international organisations and public sector entities that are not treated as sovereigns under Regulation (EU) No 575/2013.</p>
{EU-7}	<p>Institutions</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;180;010} and {LR4;180;020} which is the exposure value of exposures towards institutions.</p>
{EU-8}	<p>Secured by mortgages of immovable properties</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;190;010} and {LR4;190;020} which is the exposure value of assets that are exposures secured by mortgages on immovable properties.</p>
{EU-9}	<p>Retail exposures</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014{LR4;210;010} and {LR4;210;020} which is the total exposure value of assets that are retail exposure.</p>
{EU-10}	<p>Corporate</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;230;010} and {LR4;230;020} which is the total exposure value of assets that are corporate exposure (i.e. financial and non-financial).</p>
{EU-11}	<p>Exposures in default</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;280;010} and {LR4;280;020} which is the total exposure value of assets that are in default.</p>
{EU-12}	<p>Other exposures (e.g. equity, securitisations, and other non-credit obligations assets)</p> <p>Institutions shall disclose the sum of exposures as defined in Annex XI of Commission Implementing Regulation (EU) No 680/2014 {LR4;290;010} and {LR4;290;020} which is the total exposure value of other non-trading book exposures (e.g. equity, securitisations and non-credit obligation assets) under Regulation (EU) No 575/2013. Institutions shall include assets that are deducted in determining Tier 1 capital and therefore are disclosed in {LRCom;2} unless these assets are included in {LRSpl;EU-2} to {LRSpl;EU-12}.</p>

5. **Template LRQua: Free format text boxes for disclosure on qualitative items**

12. Institutions shall complete template LRQua of Annex I by applying the following.

Row	Legal references and instructions
{1}	<p>Description of the processes used to manage the risk of excessive leverage</p> <p>Article 451(1)(d) of Regulation (EU) No 575/2013</p> <p>'Description of the processes used to manage the risk of excessive leverage' shall include any relevant information on:</p> <ul style="list-style-type: none"> (a) procedures and resources used to assess the risk of excessive leverage; (b) quantitative tools, if any, used to assess the risk of excessive leverage including details on potential internal targets and whether other indicators than the leverage ratio of Regulation (EU) No 575/2013 are being used; (c) ways of how maturity mismatches and asset encumbrance are taken into account in managing the risk of excessive leverage; (d) processes for reacting to leverage ratio changes, including processes and timelines for potential increase of Tier 1 capital to manage the risk of excessive leverage; or processes and timelines for adjusting the leverage ratio denominator (total exposure measure) to manage the risk of excessive leverage.
{2}	<p>Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers</p> <p>Article 451(1)(e) of Regulation (EU) No 575/2013</p> <p>'Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers' shall include any material information on:</p> <ul style="list-style-type: none"> (a) quantification of the change in the leverage ratio since the previous disclosure reference date (b) the main drivers of the leverage ratio since the previous disclosure reference date with explanatory comments on: <ul style="list-style-type: none"> (1) the nature of the change and whether it was a change in the numerator of the ratio, in the denominator of the ratio or in both; (2) whether it resulted from an internal strategic decision and, where so, whether that strategic decision was aimed directly at the leverage ratio or whether it impacted the leverage ratio only indirectly; (3) the most significant external factors related to the economic and financial environments that had an impact on the leverage ratio.