

COREP - EXPLANATORY NOTES TO THE TEMPLATES

These explanatory notes present a very brief summary of the contents of each template.

As a result of the application of the principles of flexibility and consistency, a high degree of standardization has been achieved, providing the framework with important commonalities that streamline the number of the templates required to cover the full range of methods and approaches available in the CRD.

1 General comments

The convention on signs used in the templates is made explicit at the bottom of the CA template: any amount that increases the own funds or the capital requirements will be reported as a positive figure. On the contrary, any amount that reduces the total own funds or the capital requirements will be reported as a negative figure. Where there is a negative sign (-) preceding the label of an item, no positive figure is expected to be reported for that item.

The relations among the items which are expressed by formulas in the templates already take into account the abovementioned convention on signs.

Detailed information elements in the templates corresponding to layer two are indicated by grey shades in the corresponding labels of rows and columns.

According to the national implementation of COREP, the templates will be introduced by general information on the reporting institution (such as name, code, etc.), on the level of reporting (consolidated, sub-consolidated or solo basis), and on the reporting timeframe, among others.

2 CA – Capital Adequacy

This is a summary template which mainly contains information about Pillar 1 numerator (own funds) and denominator (capital requirements). The template is designed to apply to all banks, irrespective of the accounting standards followed, although some items in the numerator are specific for banks applying IAS-type valuation rules. Generally, the information in the denominator is linked to the final results reported in the correspondent templates for capital requirement.

3 GSD – Group Solvency Details

This template is designed to gather information on credit and other regulated financial institutions and sub-consolidated subgroups which, being within the scope of application of the consolidation, are effectively subject to particular solvency requirements on individual or sub-consolidated basis.

This template provides for each entity or subgroup within the scope of the reporting, the capital requirements for each risk category, the own funds for solvency purposes and the resulting surplus or deficit of own funds.

In the case of proportional consolidation of participations, the figures related to capital requirements and own funds will reflect the respective proportional amounts.

4 CREDIT RISK TEMPLATES

4.1 CR SA – Credit and counterparty credit risks and free deliveries: Standardised Approach to Capital Requirements

This template provides detailed information on the distribution of the exposure values according to the different risk weights or by exposure types, therefore providing the necessary information for assessing the capital requirement for credit risk according to the standardised approach. This information may be requested for the total exposure classes and/or individually for each of the exposure classes as defined for the standardised or for the internal rating based approaches.

4.2 CR IRB – Credit and counterparty credit risks and free deliveries: Internal Rating Based Approach to Capital Requirements

This template, applicable to IRB institutions, whether or not they use their own estimates of LGD and/or credit conversion factors, requests aggregated information on the input parameters that are used for calculating the risk weighted exposure amounts (exposure values, LGD, maturity,...) and on the amount and type of credit risk mitigation techniques used for mitigating the risks.

This information is available at the exposure type level, but also at the obligor grade or pool level, thus providing an insight on the internal rating system of the banks.

This template also provides specific lines, with a more limited number of columns available, to report information by risk weight for exposures under the specialized lending slotting criteria approach, for exposures secured by real estate that benefit from an alternative treatment, as well as for free deliveries and dilution risk.

4.3 CR EQU IRB – Credit Risk: Equity - Internal Rating Based Approaches to Capital Requirements

This template provides relevant information on the capital requirements for equity exposures under all three existing approaches: the PD/LGD method, the Simple Risk Weight approach and the Internal Models approach.

The structure is very similar to that of the CR IRB template.

4.4 CR SEC SA – Credit Risk: Securitisation – Standardised Approach to Capital Requirements

The information in this template could be requested for all securitisation types and/or separately for the traditional and the synthetic securitisations in which the reporting institution holds a securitisation position treated under the Standardised Approach.

The information to be reported is contingent on the role of the institution as for the securitisation / re-securitisation. As such, specific reporting items are applicable for investors, originators and sponsors.

4.5 CR SEC IRB – Credit Risk – Securitisations – Internal Rating Based approach to Capital Requirements.

The template follows the same structure of template CR SEC SA, but the columns have been adapted in order to accommodate to the methodology applicable under the IRB approach for securitisation and re-securitisation positions.

4.6 CR SEC Details – Credit Risk: Detailed information on securitisations by originators, sponsors and original lenders

This template gathers information on deal-by-deal basis (versus the aggregate information reported in CR SEC SA and CR SEC IRB templates) on the securitisations / re-securitisations originated or sponsored by the reporting institution. The main features of each transaction, such as the nature of the underlying pool, the compliance with the retention requirement envisaged in Art 122a of the CRD (applicable to original lenders as well) and the capital requirements on an individual basis are requested.

4.7 CR SETT – Settlement/Delivery Risk

This template requests information on the unsettled transactions of the trading and non-trading books and their related capital requirements for settlement risk.

5 MARKET RISK TEMPLATES

5.1 MKR SA TDI – Market Risk: Standardised Approaches for Position Risk in Traded Debt Instruments

This template captures the positions (all/net and long/short) and the related capital requirements for position risk in traded debt instruments held in the trading book and treated under the standardised approach. The different risks

and methods available under the CAD are considered by rows. This structure is similar to that used in the other MKR SA templates below.

All the information could be requested for all currencies altogether and/or broken down by individual currencies.

5.2 MKR SA SEC – Market Risk: Standardised Approach for Specific Risk in Securitisations

This template requests information on positions (all/net and long/short) and the related capital requirements for the specific risk component of position risk in securitisations/ re-securitisations held in the trading book (not included in the correlation trading portfolio) under the standardised approach.

5.3 MKR SA CTP – Market Risk: Standardised Approach for Specific Risk in the Correlation Trading Portfolio

This template, with a similar structure to that of the MKR SA SEC template, requests information on positions of the correlation trading portfolio -CTP- (comprising securitisations, nth-to-default credit derivatives and other CTP positions) and the corresponding capital requirements under the standardised approach.

5.4 MKR SA EQU – Market Risk: Standardised Approach for Position Risk in Equities

This template, with a similar structure to that of the other MKR SA templates, requests information on the positions and the corresponding capital requirements for position risk in equities held in the trading book and treated under the standardised approach.

All the information could be requested for all national markets altogether and/or broken down by individual national markets.

5.5 MKR SA FX – Market Risk: Standardised Approaches for Foreign Exchange Risk

This template, with a similar structure to that of the other MKR SA templates, requests information on the positions in non-reporting currencies and the corresponding capital requirements for foreign exchange and treated under the standardised approach.

5.6 MKR SA COM – Market Risk: Standardised Approaches for Commodities

This template, with a similar structure to that of the other MKR SA templates, requests information on the positions in commodities and the corresponding capital requirements treated under the standardised approach.

All the information could be requested for all commodities altogether and/or broken down by groupings of commodities.

5.7 MKR IM – Market Risk Internal Models

This template provides a breakdown of the VaR and stressed VaR (sVaR) figures according to the different market risks (debt, equity, FX, commodities).

Other information relevant for the calculation of the capital requirements is also requested (incremental default and migration risk capital charge, number of overshootings, etc.)

5.8 MKR IM Details – Market Risk Internal Models Details

This template requests for each internal model in place in the bank detailed information on the VaR and sVaR figures, the profit & loss account and the back-testing on a daily basis. This daily information will be reported together to the supervisor according to the frequency of reporting decided in the national implementation of the framework.

6 OPERATIONAL RISK TEMPLATES

6.1 OPR – Operational Risk

This template provides information on the capital requirements for Operational Risk under the Basic Indicator Approach (BIA), the Standardised Approach (STA), the Alternative Standardised Approach (ASA) and the Advanced Measurement Approaches (AMA).

For the AMA, information on the use of an allocation mechanism and the capital alleviation because of insurance and other risk transfer mechanisms is also requested.

6.2 OPR Details – Operational Risk: Gross Losses by Business Lines and Event Types in the last year

This template summarises the information (number of events, total loss amount and maximum single loss) on the gross losses suffered by the bank in the last year according to event types and/or business lines.

6.3 OPR LOSS Details – Major Operational Risk Losses recorded in the last year or which are still open.

This template provides information on the major operational risk losses recorded in the last year on a gross and net basis along with the status of whether they are ended or still open. It allows a monitoring of those losses above a threshold designated by the competent authorities, and provides information on the nature of the operational losses (event types) and on their location by business lines, as well as effectiveness of the hedging techniques used.