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# 2015 EU-wide Transparency Exercise Templates Guidelines

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Version 2.0

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# 1. Introduction

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1. The purpose of this document is to provide guidance to the banks regarding the templates of the 2015 EU-wide Transparency Exercise. The Guidelines cover the key items to understand the mapping between the templates pre-filled by the EBA and the Supervisory Reporting framework as well as instructions for the templates that need be filled in by participating banks. As usual, a Q&A procedure will be available in order to allow for further clarifications.
  
2. The document is structured following the organization of the templates in order to account for the different possibilities of data collection envisaged:
  - **Templates based on the Reporting framework:** with data automatically extracted from COREP and FINREP templates. Banks are requested to verify this data and, in case any misreporting or other issue is identified, to fix it by resubmitting supervisory reporting data via standard channels for supervisory reporting (XBRL or others tools depending on the jurisdiction). In order to assist banks in the task of detecting these inconsistencies the EBA have produced a list of data quality checks that have been communicated to competent authorities and these to banks following the usual reporting framework process. These templates are identified with green tabs in the excel file and comprises the following:
    - Cover
    - Capital
    - RWA
    - P&L
    - Market risk
    - Credit risk STA
    - Credit risk IRB
    - NPE
    - Forborne exposures
    - Collaterals (mortgage loans)

- **Templates to be filled by banks:** where data cannot be drawn from the existing Reporting framework and, thus, needs to be collected directly from participating banks. These templates, that are identified by red tabs, are:
  - Sovereign
  - Leverage
- 3. The 2015 Transparency exercise covers two reference dates: 31 December 2014 and 30 June 2015.
- 4. The process designed comprises two stages.
  - In May 2015, Competent Authorities provided banks with the templates prefilled by the EBA with data as of the first reference date, i.e. December 2014, for verification. In those templates, data for the second reference date, i.e. June 2015, were filled with zeros. At that stage, banks did not need to populate Sovereign or Leverage templates. That first step was also envisaged as a testing phase for the process and templates. Participating banks also provided comments that allowed to improve the templates and to fix inconsistencies.
  - Banks are now receiving revised templates including both December 2014 and June 2015 data. They are required to check the prefilled data and, in addition, to fill in the templates on sovereign exposures and leverage ratio for both reference dates. Banks must submit the templates back to their Competent Authority which will resubmit them to the EBA. Any potential correction to be made to the reporting framework based templates must be made using standard channels for supervisory reporting. The EBA will not accept any resubmission of those data via excel files.

## 2. Reporting framework based templates (green tabs)

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### 2.1.1 Mapping

5. In order to help participating banks understanding and verifying the information contained in the templates, the EBA has developed a file (***2015 EU-wide Transparency Exercise Mapping file.xlsb***) with the mapping of each cell to the regulatory reporting templates from which the data is extracted.
  6. The aforementioned file contains the codification for each cell based on reporting templates. There are two types of cells:
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- Cells filled in directly by the EBA using reporting templates. Each cell is filled in by a single or a group of data points from the original reporting templates, i.e., some cells may be the sum of more than one cell from the original reporting template. Data points have been codified by concatenating the following ITS templates elements, each separated by the underscore sign:
  - COREP/FINREP Template
  - Row number
  - Column number
  - Additional parameter only needed for credit risk templates. There are two possible types:
    - Exposure class code: used for group level data (as per codes below).

<b>Template C 07.00.a - SA Exp. Classes</b>	<b>Template C 08.01.a - IRB Exp. Classes</b>
<b>001</b> - Total	<b>001</b> - Total with own estimates of LGD and/or conversion factors
<b>002</b> - Central governments or central banks	<b>002</b> - Total without own estimates of LGD or conversion factors
<b>003</b> - Regional governments or local authorities	<b>003</b> - Central governments and central banks with own estimates of LGD and/or conversion factors
<b>004</b> - Public sector entities	<b>004</b> - Central governments and central banks without own estimates of LGD or conversion factors
<b>005</b> - Multilateral developments banks	<b>005</b> - Institutions with own estimates of LGD or conversion factors
<b>006</b> - International organisations	<b>006</b> - Institutions without own estimates of LGD or conversion factors
<b>007</b> – Institutions	<b>007</b> - Corporates - SME with own estimates of LGD or conversion factors
<b>008</b> – Corporates	<b>008</b> - Corporates - SME without own estimates of LGD or conversion factors
<b>009</b> – Retail	<b>009</b> - Corporates - Specialised Lending with own estimates of LGD or conversion factors
<b>010</b> - Secured by mortgages on immovable property	<b>010</b> - Corporates - Specialised Lending without own estimates of LGD or conversion factors
<b>011</b> - Exposures in default	<b>011</b> - Corporates - Other with own estimates of LGD or conversion factors

Template C 07.00.a - SA Exp. Classes	Template C 08.01.a - IRB Exp. Classes
<b>012</b> - Items associated with particularly high risk	<b>012</b> - Corporates - Other without own estimates of LGD or conversion factors
<b>013</b> - Covered bonds	<b>013</b> - Retail - Secured by immovable property SME - with own estimates of LGD or conversion factors
<b>014</b> - Claims on institutions and corporate with a short-term credit assessment	<b>014</b> - Retail - Secured by immovable property non-SME - with own estimates of LGD or conversion factors
<b>015</b> - Claims in the form of CIU	<b>015</b> - Retail - Qualifying revolving - with own estimates of LGD or conversion factors
<b>016</b> - Equity Exposures	<b>016</b> - Retail - Other SME - with own estimates of LGD or conversion factors
<b>017</b> - Other exposures	<b>017</b> - Retail - Other non-SME - with own estimates of LGD or conversion factors

- *'999' + Country of counterparty rank*: used for country of counterparty data. The rank has been assigned following the rules described in paragraph 10 below.

For instance, *C 07.00.a\_010\_010\_002* refers to: data point defined Template COREP 07.00a for Asset Class 02 (Central governments or central banks), Row 010, and Column 010.

- Cells filled as a combination of other cells in the template, e.g.:  $\text{Cell}(B7)+\text{Cell}(B11)+\text{Cell}(B13)+\text{Cell}(B14)+\text{Cell}(B15)$

### 2.1.2 Credit risk information

7. Due to the fact that credit risk information relies solely on COREP data, different templates have been designed for IRB and Standardised portfolio in order to account for the different breakdown of exposures classes and subclasses. A table with the correspondence of asset class is provided in Annex only for information.
8. According to the ITS on Supervisory Reporting, the information on the geographical distribution of exposures by country of counterparty should be provided (via COREP 09.01 and/or COREP 09.02) only when total non-domestic exposures are equal or higher than 10% of the total exposures.
9. Thus, two different types of templates have been designed to disclose the maximum information available. Banks will receive their prefilled credit risk templates for IRB and Standardised portfolios according to the following rules:

- For banks which submitted country by country data in COREP, credit risk information in COREP will be published for the whole banking group and for the most relevant countries of counterparty. Credit risk templates are labelled in the mapping file with the suffix “a”. The following rules have been applied in pre-filling the templates:
    - Countries of counterparty have been selected according to the minimum of:
      1. 95% of total Original Exposure
      2. Top 10 countries in terms of exposure.
- For example, for a bank with 95% of its exposure concentrated in 6 countries, the EBA has filled the templates with data for those 6 countries. By contrast, if the aggregate exposure of a bank towards the largest 10 countries is below 95% of the total exposure, the EBA has filled the template for the top 10 counterparty-countries.
- The country of counterparty refers to the country of incorporation of the obligor. This concept should be applied on an immediate-obligor basis.
  - The cells for the consolidated group contain the overall exposure of the group towards all the counterparties are not the sum of the country by country cells.
  - The cut-off date to define the top 10 countries in terms of exposure is the first reference date of the Exercise, i.e. 31/12/2014.
- For banks not submitting country by country information, credit risk information will only be published for the whole banking group. Credit risk templates are labelled in the mapping file with the suffix “b”.

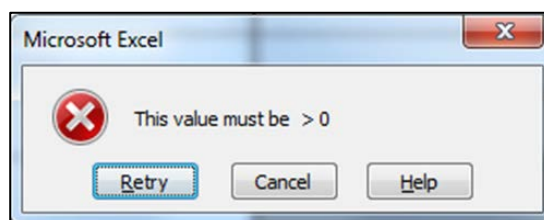
## 3. Templates to be filled by banks (red tabs)

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### 3.1.1 General rules for filling in the templates

10. The following general rules should be followed when populating these templates:
  - No changes shall be made to the sheets. In particular, no columns or rows should be inserted, removed or replaced. Templates manipulated by banks will not be accepted and processed.

- Any calculations needed in order to fill in the templates should be made outside the templates set.
- When an entry is missing or not applicable it should be left blank. Likewise if the value of an entry is 0 then it should be populated with 0.
- Unless otherwise stated, monetary amounts data must be reported in million Euros. When originally accounted in a currency different from Euro should be converted to Euro using exchange rates from the ECB website of the business day closest to the date to which they refer to.
- Signs should be used as indicated in the template. A validation rule has been implemented to facilitate the population of data, popping up an error message when the value is entered with the wrong sign. As long as the condition is not satisfied the value is not taken as input.



### 3.1.2 Sovereign template

11. This template is designed for the banks to provide information about Sovereign positions both in the banking and in the trading book.
12. Sovereign positions cover, in this context, exposures to central, regional and local governments on immediate borrower basis, and do not include exposures to other counterparts with full or partial government guarantees. Hence Government owned companies, both financial and non-financial, should not be included. Supranational organisations should not be included either.
13. Banks must allocate outstanding positions in the buckets defined by residual maturity (not original) and Country of issuer based on the instructions listed below, in addition to the Notes provided in the template itself.
14. Residual maturity must be computed as of each reference date of the Exercise.
15. Positions must be reported according to the provisions governing the accounting portfolio in which they are booked.



16. All positions should be reported according to their accounting value unless otherwise indicated.
17. Loans and advances must contain positions regardless of the accounting portfolios in which they are booked.
18. Trading book: Banks should report exposures included in the "Financial assets held for trading" portfolio after offsetting the cash short positions having the same maturities.
19. Positions are classified as direct or indirect exposures subject to the following definitions:
  - **Direct positions:** Exposures to be reported include the positions towards sovereign counterparts. The exposures to be reported arise from immediate borrower basis (e.g. an exposure of 100 towards Country A, collateralised with bonds issued by Country B, is reported on Country A but not on Country B) and do not include exposures to other counterparts with full or partial government guarantees.
  - **Indirect positions:** Exposures to be reported include the positions towards other counterparts (other than sovereign) with sovereign credit risk (i.e. CDS) in all accounting portfolios (on-off balance sheet). Irrespective of the denomination and/or accounting classification of the positions. The economic substance over the form must be used as criteria for the identification of the exposures to be included in this column.
20. Gross direct long exposures and, therefore, net direct positions (columns C to H) should be understood as not inclusive of direct sovereign exposures in derivatives.

### 3.1.3 Leverage template

21. Banks shall fill in the cells corresponding to the numerator and denominator of the leverage ratio. The ratio is automatically computed.
22. As informed in the template, banks are requested to report in accordance with Implementing Technical Standards on disclosure of the leverage ratio<sup>1</sup>. In particular the following references to Leverage ratio common disclosure table (LRCom) will apply:

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<sup>1</sup> <https://www.eba.europa.eu/documents/10180/717567/EBA-ITS-2014-04+%28Final+Draft+ITS+leverage+ratio+disclosure%29.pdf> . Please note that ITS might be updated as a result of the changes introduced by the Delegated Act.

- Tier 1 capital: as instructed for the completion of cell LRCom {20}
  - Total leverage ratio exposures: as instructed for the completion of cell LRCom {21}
23. In any case the banks are expected to follow Article 429 of the CRR as per Delegated Regulation (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013<sup>2</sup>.

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<sup>2</sup> (<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R0062>)

## Annex: Credit risk exposure classes

IRB exposure classes	STA exposure classes
Central governments or central banks	<ul style="list-style-type: none"> <li>▪ Central governments or central banks</li> <li>▪ Regional governments or local authorities</li> </ul>
Institutions	<ul style="list-style-type: none"> <li>▪ Public sector entities</li> <li>▪ Multilateral Development Banks</li> <li>▪ International Organizations</li> <li>▪ Institutions</li> <li>▪ Covered bonds</li> </ul>
Corporates	<ul style="list-style-type: none"> <li>▪ Corporates</li> <li>▪ Secured by mortgages on immovable property (<u>Corporate share</u>)</li> <li>▪ Items associated with particularly high risk</li> <li>▪ Short claims on institutions and corporate</li> <li>▪ Collective Investments Undertakings (CIU)</li> </ul>
Corporates of which: Specialised Lending	Corporates ( <u>Specialized Lending share</u> )
Corporates of which of which: SME	Corporates - of which: SME
Retail	<ul style="list-style-type: none"> <li>▪ Retail</li> <li>▪ Secured by mortgages on immovable property (<u>Retail share</u>)</li> </ul>
Retail - Secured by real estate property	Secured by mortgages on immovable property ( <u>Retail share</u> )
Retail - Secured by real estate property – SME	Secured by mortgages on immovable property - of which: SME
Retail - Secured by real estate property – Non-SME	Secured by mortgages on immovable property ( <u>Retail Non-SME share</u> )
Retail – Qualifying revolving	Retail ( <u>Qualifying revolving share</u> )
Retail – Other retail	Retail ( <u>Non-qualifying revolving share</u> )
Retail – Other retail – SME	Retail - of which: SME
Retail – Other retail – Non ME	Retail (non-SME, non-qualifying revolving share)
Equity	Equity exposures
Securitisation	Securitisation
-	Other exposures
Other non- credit obligation assets	-