

UPDATED REPORTING TEMPLATE

in application of the

Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements

1. Context

The Directive 2014/59/EU (“the BRRD”) requires the establishment, in each Member States, of a national financing arrangement for the purpose of ensuring the effective application of resolution tools and powers, as of January 1 2015. Financing arrangements are prefunded by the banking sector, through the payment of yearly ex ante contributions, adjusted to the risk profile of institutions. National financing arrangements shall reach a level of at least 1% of covered deposits within 10 years.

In the Banking Union, the Single Resolution Fund will act as the financing arrangement for institutions covered by the Regulation (EU) N°806/2014 (“the SRMR”) as of January 1, 2016.

The Commission Delegated Regulation 2015/63 (“the DR”) specifies the notion of adjusted contributions to the risk profile of institutions. The rules laid down in the DR determine the methodology for calculating the annual contributions. The Implementing Regulation (EU) 2015/81 further refines the methodology.

The DR also determines a clear timeline:

- Each institution shall provide the information necessary to determine its annual contribution at the latest by 31 January each year.
- The resolution authority notifies each institution of its decision determining the annual contribution due at the latest by 1 May each year.

However, transitional provisions are foreseen for 2015. Information shall be provided by institutions at the latest by September 1, 2015. Resolution authorities shall notify each institution of its decision determining the annual contribution to be paid at the latest by November 30, 2015. The amount due shall be paid by December 31, 2015. Pursuant to the inter-governmental agreement on the transfer and mutualisation of contributions to the Single Resolution Fund, contributions raised by national resolution authorities in 2015 shall be transferred to the Single Resolution Fund by January 31, 2016 at the latest.

2. Objective of the reporting template

The objective of this reporting template is to allow institutions to provide the National Bank of Belgium (NBB) with the necessary information to determine individual ex ante contributions to be paid in 2015. A common reporting template ensures in turn that the NBB will calculate contributions using harmonized data. This reporting template is based on data requirements defined in the DR. As from 2016, the SRB will provide its own specific template.

The contribution to the financing arrangement is based on the total liabilities from which several elements are deducted. The objective of the largest part of this reporting template is to ensure that these deductions are correctly calculated. According to Article 17 DR, where institutions do not submit all requested information in due time, the resolution authority shall use estimates or its own assumptions in order to calculate the annual contribution of the institution concerned.

The Belgian resolution authority, the Resolution College of the National Bank of Belgium, will provide later this year, where necessary, clarifications regarding the definition of the relevant risk indicators and the contribution calculation method. In the meantime, pursuant to Article 20.3 DR, institutions are invited to **provide requested information to the NBB at the latest by the 1 September 2015.**

3. Information to be provided

According to Article 14.2 DR, information shall be provided at individual entity level.

According to Article 14.1 DR, the reference year for 2015 contributions is the year 2013 (or 2014 if 2014 annual financial statements have been approved before the 31st December 2014 by the statutory auditor or audit firm). Data shall be provided in euros, according to the reference year, and shall be based on end-of-fiscal year data unless otherwise specified. The accredited statutory auditor must confirm that the reported data are in accordance with the NBB's instructions and, where relevant, that reported accounting data are in all material aspects in accordance with the financial statements and inventories. This review can be made pursuant to an agreed-upon procedure. Moreover, the Management Committee must, regarding the reported data, provide the NBB with a confirmation identical to that foreseen in article 106.2 subparagraph 3 of the law of 25 April 2014 on the legal status and supervision of credit institutions. **All these confirmations must be provided by September 30 2015, at the latest.**

- **Items 1 to 5: DERIVATIVE CONTRACTS** as defined according to Annex II of Regulation (EU) No 575/2013 (the "CRR").

- A. Derivative contracts held for hedging purposes** defined as derivative contracts according to Annex II CRR and designated as hedges in BGAAP (and not accounted for at mark-to-market).

Given that under national accounting standards applying to an institution at the legal entity level, there is no accounting mark-to-market measure for some derivative instruments because they are held for hedging purposes, and pursuant to article 5.3 DR, the institution shall report to the resolution authority the sum of (clean price) fair values of those derivatives:

- **Item 1a:** total amount of assets arising from derivative contracts held for hedging purposes without recognition of contractual netting - mark-to-market (clean price):

Total amount of assets arising from derivative contracts held for hedging purposes as the sum of positive current market values without any credit risk adjustments (no CVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

- **Item 1b:** total amount of liabilities arising from derivative contracts held for hedging purposes without recognition of contractual netting - mark-to-market (clean price):

Total amount of liabilities arising from derivative contracts held for hedging purposes as the sum of negative current market values without any debit risk adjustments (no DVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

B. Derivative contracts held for trading defined as derivative contracts according to Annex II CRR and that are not designated as hedges in BGAAP (and accounted for at mark-to-market).

- **Item 2a:** total amount of assets arising from derivative contracts held for trading purposes without recognition of contractual netting - BGAAP:

Total amount of assets arising from derivative contracts held for trading purposes and valued according to BGAAP (i.e. as reported in schema A). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

- **Item 2b:** total amount of liabilities arising from derivative contracts held for trading purposes without recognition of contractual netting - BGAAP:

Total amount of liabilities arising from derivative contracts held for trading purposes and valued according to BGAAP (i.e. as reported in schema A). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

- **Item 3a:** total amount of assets arising from derivative contracts held for trading purposes without recognition of contractual netting - mark-to-market (dirty price):

Sum of positive current market values without any credit risk adjustments (no CVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

Remark: this item should be reported only if it is different than Item 2a.

- **Item 3b:** total amount of liabilities arising from derivative contracts held for trading purposes without recognition of contractual netting - mark-to-market (dirty price):

Sum of negative current market values without any debit risk adjustments (no DVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

Remark: this item should be reported only if it is different than Item 2b.

C. All derivative contracts (hedging and trading purposes) defined as derivative contracts according to Annex II CRR and either designated or not as hedges in BGAAP (and accounted for at mark-to-market or not).

- **Item 4a:** total amount of assets arising from derivative contracts (either held for hedging or trading purposes) without recognition of contractual netting – mark-to-market (dirty price):

Sum of positive current market values without any credit risk adjustments (no CVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

- **Item 4b:** : total amount of liabilities arising from derivative contracts (either held for hedging or trading purposes) without recognition of contractual netting – mark-to-market (dirty price):

Sum of negative current market values without any debit risk adjustments (no DVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall not take into account the effects of contracts for novation and other netting agreements.

- **Item 5a:** : total amount of assets arising from derivative contracts (either held for hedging or trading purposes) with recognition of contractual netting – mark-to-market (dirty price):

Sum of positive current market values without any credit risk adjustments (no CVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall take into account the effects of contracts for novation and other netting agreements, except contractual cross-product netting agreements, in accordance with Article 295 CRR.

- **Item 5b:** : total amount of liabilities arising from derivative contracts (either held for hedging or trading purposes) with recognition of contractual netting – mark-to-market (dirty price):

Sum of negative current market values without any debit risk adjustments (no DVAs) as defined in Article 274.1 CRR (i.e. without application of Article 274.2, 274.3 and 274.4 CRR). In this item, the institution shall take into account the effects of contracts for novation and other netting agreements, except contractual cross-product netting agreements, in accordance with Article 295 CRR.

➤ **Items 6 and 7: INTRAGROUP ASSETS and LIABILITIES**

The calculation of individual risk-adjusted contributions allows for several deductions from the total amount of liabilities. Intragroup transactions satisfying the following conditions qualify for those exclusions (article 5.1 DR): transactions entered into by an institution with an institution which is part of the same group, provided that all the following conditions are met:

- each institution is established in the Union
- each institution is included in the same consolidated supervision in accordance with Article 6 to 17 of Regulation (EU) No 575/2013 on a full basis and is subject to an appropriate centralised risk evaluation, measurement and control procedures; and
- there is no current or foreseen material practical or legal impediment to the prompt repayment of the liability when due.

For the purpose of this section, qualifying intragroup transactions involving the following institutions have to be reported:

- credit institutions, as defined in point (2) of Article 2(1) of Directive 2014/59/EU, or
- ‘investment firms’ means investment firms as defined in point (3) of Article 2(1) of Directive 2014/59/EU, excluding investment firms which fall within the definition of Article 96(1)(a) or (b) of Regulation (EU) No 575/2013 or investment firms which carry out activity 8 of Annex I Section A of Directive

- 2004/39/EC of the European Parliament and of the Council (2) but which do not carry out activities 3 or 6 of Annex I Section A of that Directive, or
- iii. a central body and all credit institutions permanently affiliated to the central body as referred to in Article 10 of Regulation (EU) No 575/2013 as a whole on a consolidated basis, where the conditions provided for in Article 2(1) are met

The reporting institution is requested to conduct this analysis on a transaction by transaction basis but to only report its total amount of intragroup assets (item 6a of the reporting template) and its total amount of intragroup liabilities (item 7a of the reporting template) satisfying these conditions.

Note that some of liabilities and/or assets arising from derivative contracts may qualify for intragroup transactions as well. Therefore, the institution may identify qualifying intragroup transactions arising from derivative contracts as of end-of-fiscal year, 2013, and report them accordingly in separate entries (cfr Items 6b, c and 7b, c).

- **Items 8 and 9: COVERED DEPOSITS** as referred to in Article 6(1) of Directive 2014/49/EU (the “DGSD”), excluding temporary high balances as defined in Article 6(2) of that Directive.
- **Item 8**: total amount of covered and/or eligible deposits as of 31 December 2013
 - **Item 9**: total amount of covered and/or eligible deposits as of 31 July 2015. Should data not be available at that date, the institution is requested to report the most recent data.

The National Bank of Belgium acknowledges that, to date, the amount of covered deposits is not subject to any reporting obligation in Belgium. However, the amounts of covered deposits for the years 2013 and 2015, defined according to the definition provided in the DGSD, are requested by the DR in order to calculate the target level of the resolution fund and the basic annual contribution of each institution. Considering the above, if the institution is not able to report its total amounts of covered deposits for the years 2013 and 2015 because they are not included in standard reporting requirement, and if the institution is not able to reliably calculate those amounts according to the DGSD definition, the institution is requested to only report the total amounts of eligible¹ deposits for the years 2013 and 2015. In that case, the institution is required to specifically mention that the reported amounts are eligible deposits. The NBB may then decide to implement a harmonized correction for the sector as a whole, or for those institutions which are not able to provide the appropriate reporting.

4. Reporting process

Each institution is requested to report in the provided templates (see Excel File, Annex I & II) with the relevant information according to the above definitions. All information shall be transmitted to the resolution authority **by September 1, 2015 at the latest**. The reporting template, as well as all questions relating to this exercise, should be sent to the following e-mail address resolutioncell@nbb.be.

¹ Deposits repayable by the guarantee scheme under national law, before the level of coverage is applied, and as reported to the Deposit and Financial Instrument Protection Fund