ANNEX XX – Instructions regarding disclosure of the use of the credit risk standardised approach (excluding counterparty credit risk and securitisation positions)

1. Instruments subject to Chapter 6 of Title II of Part Three CRR (exposures to CCR), as well as instruments to which the requirements in Chapter 5 of Title II of Part Three CRR (securitisation exposures) apply, are not covered by the templates for which instructions are provided in this Annex.

**Table EU CRD – Qualitative disclosure requirements related to standardised approach.** Flexible format

1. Institutions shall disclose the information referred to in points (a) to (d) of Article 444 of Regulation (EU) 575/2013[[1]](#footnote-2) (“CRR”) by following the instructions provided below in this Annex to complete table EU CRD which is presented in Annex XIX to this Implementing Regulation.

|  |  |
| --- | --- |
| **Row**  **reference** | **Legal reference and instructions** |
| **Explanation** |

|  |  |  |
| --- | --- | --- |
| (a) | Point (a) of Article 444 CRR | Institutions shall disclose the names of the nominated external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used and the reasons for any changes in those nominations over the disclosure period. |
| (b) | Point (b) of Article 444 CRR | Institutions shall indicate the exposure classes, specified in Article 112 Regulation (EU) 575/2013, for which institutions calculate the risk-weighted exposure amounts in accordance with Chapter 2 of Title II of Part Three CRR using the credit assessment of the nominated ECAI or ECA. |
| (c) | Point (c) of Article 444 CRR | When an issuer or an issue credit assessment is used to determine the risk weight to be assigned to an exposure not included in the trading book in accordance with Article 139 of Chapter 2 of Title II of Part Three CRR, the institutions shall describe the process used. |
| (d) | Point (d) of Article 444 CRR | Institutions shall indicate, for each of the exposure classes specified in Article 112 of Regulation (EU) 575/2013, the alphanumerical scale of each nominated ECAI/ECA (as referred to in row (a) of this template) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR, except where the institution complies with the standard association published by the EBA |

**Template EU CR4 – Credit risk exposure and CRM effects.** Fixed format

1. Institutions calculating the risk-weighted exposure amounts for credit risk in accordance with Chapter 2 of Title II of Part Three CRR shall disclose the information referred to Article 453, points (g), (h) and (i) of Regulation (EU) 575/2013 and point (e) of Article 444, point (e) of Regulation (EU) 575/2013 by following the instructions provided below in this Annex to complete template EU CR4 which is presented in Annex XIX to this Implementing Regulation.

|  |  |
| --- | --- |
| **Column reference** | **Legal references and instructions** |
| **Explanation** |
| a | **Exposures before CCF and before CRM – On-balance-sheet exposures:**  Institutions shall disclose the on-balance-sheet exposure value under the scope of prudential consolidation in accordance with Article 111 of Regulation (EU) 575/2013, after specific credit risk adjustments in accordance with Article 110 of Regulation (EU) 575/2013, additional value adjustments in accordance with Articles 34 and 105 of Regulation (EU) 575/2013, deducted amounts in accordance with point (m) of Article 36(1) of Regulation (EU) 575/2013, other own funds reductions and write-offs (as defined in the applicable accounting framework), but before (i) the application of credit conversion factors as specified in the same Article and (ii) the application of CRM techniques specified in Chapter 4 of Title II of Part Three CRR. Exposure values for leases are subject to Article 134(7) of Regulation (EU) 575/2013. |
| b | **Exposures before CCF and before CRM – Off-balance-sheet exposures:**  Institutions shall disclose the off-balance-sheet exposure value under the scope of prudential consolidation, after reduction of specific credit risk adjustments and deducted amounts in accordance with Article 36 (1), point (m) of Regulation (EU) 575/2013, but before the application of credit conversion factors in accordance with Article 111 of Regulation (EU) 575/2013 and before the effect of CRM techniques (in application of Chapter 4 of Title II of Part Three CRR). |
| c | **Exposures post CCF and post CRM – On-balance-sheet exposures:**  Institutions shall disclose the amount of the on-balance-sheet exposure value under the scope of prudential consolidation (in accordance with Article 111 of Regulation (EU) 575/2013), after specific credit risk adjustments in accordance with Article 110 of Regulation (EU) 575/2013, additional value adjustments in accordance with Article 34 and 105 of Regulation (EU) 575/2013, deducted amounts in accordance with Article 36(1),point (m) of Regulation (EU) 575/2013, other own funds reductions and write-offs as defined in the applicable accounting framework, after the application of all credit risk mitigants and credit conversion factors. This is the amount to which the risk weights (in accordance with Article 113 of Regulation (EU) 575/2013 and with Section 1 of Chapter 2 of Title II of Part Three CRR) are applied. It is a net credit equivalent amount, after having applied CRM techniques and CCF. |
| d | **Exposures post CCF and post CRM – Off-balance-sheet exposures:**  Institutions shall disclose the amount of the off-balance-sheet exposure value after taking into account specific credit risk adjustments as defined in the Commission Delegated Regulation (EU) 183/2014[[2]](#footnote-3), additional value adjustments and other own funds reductions, after the application of all credit risk mitigants and credit conversion factors. This is the amount to which the risk weights (in accordance with Article 113 of Regulation (EU) 575/2013 and with Section 1 of Chapter 2 of Title II of Part Three CRR) are applied. It is a net credit equivalent amount, after having applied CRM techniques and CCF. |
| e | **RWEAs**  The risk-weighted exposure amounts (RWEAs) calculated in accordance with Section 1 of Chapter 2 of Title II of Part Three CRR |
| f | **RWEA density**  (Column e/Columns(c+d) of this template)  The ratio shall be calculated by dividing the RWEAs of the respective exposure class (column e of this template) by the amount of the respective exposures after taking into account all credit risk mitigants and credit conversion factors (sum of amounts in columns c and d of this template). |

|  |  |
| --- | --- |
| **Row number** | **Legal references and instructions** |
| **Explanation** |
| 1, EU 2a, EU2b, 3, EU 3a, 4, 5, 6, EU 7a, EU 7b, 8, 9, 10, EU 10a, EU 10b,EU 10c | Exposure classes as defined in accordance with Article 112 of Regulation (EU) No 575/2013.  Exposures assigned to exposure class ‘items representing securitisation positions’ that is referred to in Article 112, point (m) of Regulation (EU) No 575/2013 are not included. |
| 2 | “Non-central government public sector entities” – sum of exposures in rows EU 2a and EU 2b. |
| EU 2a | “Regional governments or local authorities” - exposures as defined in Article 112 (b) of Regulation (EU) No 575/2013 and Article 115(-1),(1), (3) (4)and (5) of Regulation (EU) No 575/2013 for SA exposures. |
| EU 2b | “Public sector entities” – exposures as defined in Article 4 (1) (8) Regulation (EU) No 575/2013, Article 112 (c ) and Article 116(1), (2), (3) (4) and (5) of Regulation (EU) No 575/2013 for SA exposures. |
| 6 | “Corporates” – exposures as defined in Article 112 (g) and Article 122 Regulation (EU) No 575/2013. |
| 6.1 | “Of which: Specialised Lending” – exposures as defined in Article 122a Regulation (EU) No 575/2013. |
| 7 | “Subordinated debt exposures and equity” – sum of exposures in row EU 7a and EU 7b. |
| EU 7a | “Subordinated debt exposures”- exposures as defined in Article 112 (k) Regulation (EU) No 575/2013 and Article 128 Regulation (EU) No 575/2013. |
| EU 7b | “Equity” - exposures as defined in Article 112 (p) Regulation (EU) No 575/2013 and Article 133 (1) Regulation (EU) No 575/2013. |
| 9 | “Secured by mortgages on immovable property and ADC exposures” – exposures secured by immovable properties defined in Article 4 (1), point (75) and (75a) of the Regulation (EU) No 575/2013 and exposures as defined in Article 4 (1), point (79) of the Regulation (EU) No 575/2013 shall be reported here.  This row is the sum of rows 9.1; 9.2; 9.3; 9.4; EU 9.4a; EU 9.4b: 9.5. |
| 9.1 | “Secured by mortgages on residential immovable property - non IPRE” – exposures treated in accordance with Article 125(1) of Regulation (EU) No 575/2013shall be reported here.  In this row they are also disclosed: exposures IPRE meeting any of the conditions laid down in Article 124(2), point (a)(ii), points (1) to (4) of Regulation (EU) No 575/2013; IPRE exposures where the derogation set out in Article 125(2) of Regulation (EU) No 575/2013, subparagraph 2 is applied. |
| 9.2 | “Secured by mortgages on residential immovable property – IPRE” - only exposures which meet the definition of Article 4 (2), point (75b) of the Regulation (EU) No 575/2013 shall be reported here. |
| 9.3 | “Secured by mortgages on commercial immovable property - non IPRE” - exposures treated in accordance with Article 126(1) of Regulation (EU) No 575/2013 shall be reported here.  In this row they are also disclosed exposures IPRE where the derogation set out in Article 126(2) of Regulation (EU) No 575/2013, subparagraph 2 is applied. |
| 9.4 | “Secured by mortgages on commercial immovable property – IPRE” - exposures which meet the definition of Article 4 (1), point (75b) and Article 124 (2), point (b) (ii) of the Regulation (EU) No 575/2013 shall be reported here. |
| EU 9.4a | ‘Secured by mortgages on immovable property – other- non-IPRE’- exposures that do not meet the conditions in Article 124(3), referred to in Article 124(1), point (a) of Regulation (EU) No 575/2013. |
| EU 9.4b | ‘Secured by mortgages on immovable property – other- IPRE’- exposures that do not meet the conditions in Article 124(3), referred to in Article 124(1), point (b) of Regulation (EU) No 575/2013. |
| 9.5 | “Acquisition, Development and Construction (ADC)” - only exposures which meet the definition of Article 4 (1), point (79) of the Regulation (EU) No 575/2013 shall be reported here. |
| EU 10c | “Other items” exposure class refers to:  - assets subject to a specific risk weight set out in Article 134 Regulation (EU) No 575/2013;  - assets not deducted in application of Article 39 of Regulation (EU) No 575/2013 (tax overpayments, tax loss carrybacks and deferred tax assets that do not rely on future profitability), Article 41 Regulation (EU) No 575/2013 (defined benefit pension fund assets), Article 46 Regulation (EU) No 575/2013 (non-significant investments in CET1 of financial sector entities), Article 48 Regulation (EU) No 575/2013 (deferred tax assets and direct, indirect and synthetic investments in CET1 instruments of financial sector entities up to the defined threshold), Article 49 Regulation (EU) No 575/2013 and Article 471 Regulation (EU) No 575/2013 (participations in insurance entities whether or not insurance entities are supervised under the conglomerate directive), Article 60 Regulation (EU) No 575/2013 and Article 475 Regulation (EU) No 575/2013 (non-significant and significant direct, indirect and synthetic investments in CET1, additional tier 1 (AT1) and Tier 2 (T2) instruments issued by financial sector entities), Article 70 Regulation (EU) No 575/2013 (insignificant and significant direct, indirect and synthetic holdings of T2 (T2) issued by a financial sector entity) when not allocated to other exposure classes, and to qualifying holdings outside the financial sector when they are not 1 250% risk-weighted (in application of point (k) of Article 36 of Chapter 1 of Title I of Part Two CRR). |
| 12 | “Total” – sum of exposures in rows 1, 2, 3, EU 3a, 4, 5, 6, 7, 8, 9, 10, EU 10a, EU 10b, EU 10c above |

**Template EU CR5 – Standardised approach**. Fixed format

1. Institutions shall disclose the information referred to in Article 444, point (e) of Regulation (EU) No 575/2013 by following the instructions provided below in this Annex to complete template EU CR5 which is presented in Annex XIX to this Implementing Regulation.

|  |  |
| --- | --- |
| **Column reference** | **Legal references and instructions** |
| **Explanation** |
| a - y | **Risk weight:**  Institutions shall disclose the information on the allocation of risk weights within the respective exposure class according to Section 2 of Chapter 2 of Title II of Part Three CRR. |
| z | **Total:**  Total amount of on-balance-sheet and off-balance-sheet exposures under the scope of prudential consolidation:  - after specific credit risk adjustments in accordance with Article 110 Regulation (EU) No 575/2013, additional value adjustments in accordance with Articles 34 and 105 Regulation (EU) No 575/2013, deducted amounts in accordance with Article 36(1), point (m) of Regulation (EU) No 575/2013, other own funds reductions and write-offs (as defined in the applicable accounting framework) for on-balance-sheet exposures, in accordance with Article 111 Regulation (EU) No 575/2013;  - after reduction of specific credit risk adjustments and deducted amounts in accordance with Article 36(1), point (m) of Regulation (EU) No 575/2013 for off-balance-sheet exposures, in accordance with Article 111 Regulation (EU) No 575/2013;  - after (i) the application of conversion factors as specified in the same Article and (ii) the application of CRM techniques specified in Chapter 4 of Title II of Part Three CRR for both on-balance-sheet and off-balance-sheet exposures |
| aa | **Of which unrated:**  Exposures for which a credit assessment by a nominated ECAI is not available and that are applied specific risk weights depending on their exposure class, as specified in Article 113 to Article 134 Regulation (EU) No 575/2013 |

|  |  |
| --- | --- |
| **Row number** | **Legal references and instructions** |
| **Explanation** |
| 1, EU2a, EU 2b, 3, EU 3a, 4, 5, 6, EU 7a, EU 7b, 8, 9, 10, EU 10a, EU 10b, EU 10c | Exposure classes in accordance with Article 112 of Regulation (EU) No 575/2013.  Exposures assigned to exposure class ‘items representing securitisation positions’ that is referred to in Article 112, point (m) of Regulation (EU) No 575/2013 are not included. |
| 2 | “Non-central government public sector entities” – sum of exposures in rows EU 2a and EU 2b. |
| EU 2a | “Regional governments or local authorities” - exposures as defined in Article 112 (b) Regulation (EU) No 575/2013 and Article 115 (-1), (1), (3), (4) and (5) Regulation (EU) No 575/2013 for SA exposures. |
| EU 2b | “Public sector entities” – exposures as defined in Article 4 (1) (8) Regulation (EU) No 575/2013, Article 112 (c) and Article 116(1), (2), (3), (4) and (5) Regulation (EU) No 575/2013 for SA exposures. |
| 6 | “Corporates” – exposures as defined in Article 112 (g) and Article 122 Regulation (EU) No 575/2013. |
| 6.1 | “Of which: Specialised Lending” – exposures as defined in Article 122a Regulation (EU) No 575/2013. |
| 7 | “Subordinated debt exposures and equity” – it is the sum of rows defined below (EU 7a and EU 7b). |
| EU 7a | “Subordinated debt exposures”- exposures as defined in Article 112 (k) Regulation (EU) No 575/2013 and Article 128 Regulation (EU) No 575/2013. |
| EU 7b | “Equity” - exposures as defined in Article 112 (p) Regulation (EU) No 575/2013 and Article 133 (1) Regulation (EU) No 575/2013. |
| 9 | “Secured by mortgages on immovable property and ADC exposures” – exposures secured by immovable properties defined in Article 4 (1) point (75) and (75a) of the Regulation (EU) No 575/2013 and exposures as defined in Article 4 (1), point (79) of the Regulation (EU) No 575/2013 shall be reported here.  This row is the sum of rows 9.1; 9.2; 9.3; 9.4; EU 9.4a: EU 9.4b: 9.5. |
| 9.1 | “Secured by mortgages on residential immovable property - non IPRE” - exposures treated in accordance with Article 125 (1) of Regulation (EU) No 575/2013 shall be disclosed here.  In this row they are also disclosed: exposures IPRE meeting any of the conditions laid down in Article 124(2), point (a)(ii), points (1) to (4) of Regulation (EU) No 575/2013; exposures IPRE where the derogation set out in Article 125(2)] of Regulation (EU) No 575/2013, subparagraph 2 is applied  This row is the sum of rows 9.1.1 and 9.1.2. |
| 9.1.1. |  |
| 9.1.1. | “loan splitting applied (secured)”- secured part of exposures secured by mortgages on residential immovable property to which the loan splitting approach as described in Articles 125 (1), point (a) of the Regulation (EU) No 575/2013 applies. |
| 9.1.2. | “loan splitting applied (unsecured)” remaining part of exposures secured by mortgages on residential immovable property to which the loan splitting approach as described in Article 125 (1), point (b) of the Regulation (EU) No 575/2013 applies. |
| 9.2 | “Secured by mortgages on residential immovable property – IPRE” - exposures which meet the definition of Article 4 (1), point (75b) of the Regulation (EU) No 575/2013 shall be reported here. |
| 9.3 | “Secured by mortgages on commercial immovable property - non IPRE” - exposures treated in accordance with Article 126 (1) of Regulation (EU) No 575/2013 shall be disclosed here.  In this row they are also disclosed exposures IPRE where the derogation set out in Article 126 (1) of Regulation (EU) No 575/2014, subparagraph 2 is applied.  This row is the sum of rows 9.3.1 and 9.3.2. |
|  | “Regulation (EU) No 575/2013 |
| 9.3.1. | “loan splitting applied (secured)” – secured part of exposures secured by mortgages on commercial immovable property to which the loan splitting approach as described in Article 126 (1), point (a) of the Regulation (EU) No 575/2013 applies. |
| 9.3.2. | “loan splitting applied (unsecured)” – remaining part of exposures secured by mortgages on commercial immovable property to which the loan splitting approach as described in Article 126 (1), point (b) of the Regulation (EU) No 575/2013 applies. |
| 9.4 | “Secured by mortgages on commercial immovable property – IPRE” - only exposures which meet the definition of Article 4 (1), point (75b) and Article 124 (2), point (b) (ii) of the Regulation (EU) No 575/2013 shall be reported here. |
| EU 9.4a | ‘Secured by mortgages on immovable property – Other-non IPRE’ - exposures that do not meet the conditions in Article 124(3), referred to in Article 124(1), point (a) of Regulation (EU) No 575/2013 shall be disclosed here. |
| EU 9.4b | ‘Secured by mortgages on immovable property – Other-IPRE’ - exposures that do not meet the conditions in Article 124(3), referred to in Article 124(1), point (b) of Regulation (EU) No 575/2013 shall be disclosed here. |
| 9.5 | “Acquisition, Development and Construction (ADC)” - only exposures which meet the definition of Article 4 (1), point (79) of the Regulation (EU) No 575/2013 shall be reported here. |
| EU 10c | “Other items” exposure class refers to:  - assets subject to a specific risk weight set out in Article 134 of Chapter 4 of Title II of Part Three CRR;  - assets not deducted in application of Article 39 Regulation (EU) No 575/2013 (tax overpayments, tax loss carrybacks and deferred tax assets that do not rely on future profitability), Article 41 Regulation (EU) No 575/2013 (defined benefit pension fund assets), Article 46 and Article 469 Regulation (EU) No 575/2013 (non-significant investments in CET1 of financial sector entities), Article 49 and Article 471 Regulation (EU) No 575/2013 (participations in insurance entities whether or not insurance entities are supervised under the conglomerate directive), Article 60 and Article 475 Regulation (EU) No 575/2013 (non-significant and significant direct, indirect and synthetic investments in additional tier 1 (AT1) of financial sector entities), Article 70 and Article 477 Regulation (EU) No 575/2013 (insignificant and significant direct, indirect and synthetic holdings of T2 from a financial sector entity) when not allocated to other exposure classes, and to qualifying holdings outside the financial sector when they are not 1 250% risk-weighted (in application of point (k) of Article 36 of Chapter 1 of Title I of Part Two CRR). |
| 11c | “Total” – sum of rows 1, 2, 3, EU 3a, 4, 5, 6, 7, 8, 9, 10, EU 10a, EU 10b, EU 10c above |

1. 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 ([OJ L 176, 27.6.2013, p. 1](https://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=OJ:L:2013:176:TOC)). [↑](#footnote-ref-2)
2. COMMISSION DELEGATED REGULATION (EU) No 183/2014 of 20 December 2013 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, with regard to regulatory technical standards for specifying the calculation of specific and general credit risk adjustments (OJ L 57, 27.2.2014, p. 3). [↑](#footnote-ref-3)