

Annex II (d): INSTRUCTIONS LIQUID ASSETS (revised Annex 3 of EBA/CP/2012/05)

This is a revised version following the completion of the public consultation that ended on 27 August 2012. It might be subject to changes depending on the final version of what is now a draft Capital Requirements Regulation (CRR).

1. Liquid assets

1.1. General remarks

1. This is a summary template which contains information about assets for the purpose of monitoring the liquidity coverage requirement as specified in Article 401 of the CRR. Items which do not need to be completed by institutions are coloured grey.
2. Assets should be reported in one of three sections in this template:
 1. Assets which meet the requirements Article 404 and Article 405 (c) and (d) of CRR: assets identified as liquid in the CRR, which meet the operational requirements for holdings of liquid assets.
 2. Assets which meet the Article 404 but do not meet the requirements of Article 405 (c) and (d) of CRR: assets identified as liquid in the CRR, which do not meet the operational requirements for holdings of liquid assets.
 3. Assets which do not meet the criteria of Article 404 of CRR: assets which are not identified as liquid in the CRR.

1.2. Specific remarks

1. For items 1.1 to 1.4 institutions should report the market value of assets in column F for each category of assets.
2. For items 1.5 to 2.2, in accordance with Article 404.1 of CRR and pending a uniform definition in accordance with Article 481.2 of high and extremely high liquidity and credit quality, institutions shall identify themselves in a given currency transferable assets that are of extremely high and high liquidity and credit quality and report the market value in columns F and G respectively, for each category of assets.
 - 2.1 In accordance with Article 404.1 of CRR, pending a uniform definition, competent authorities may, taking into account the criteria listed in Article 481.2, provide general guidance that institutions shall follow in identifying assets of high and extremely high liquidity and credit quality. In the absence of such guidance, institutions shall use transparent and objective criteria to this end, including some or all of the criteria listed in Article 481.2.
3. For items 1.1 to 1.10, in accordance with Article 405 of CRR, institutions shall only report assets that fulfil each of the following operational requirements for holdings of liquid assets:

(c) they are legally and practically readily available at any time during the next 30 days to be liquidated via outright sale or repurchase agreements in order to meet obligations coming due. Liquid assets referred to in point (c) of Article 404 which are held in third countries where there are transfer restrictions or which are denominated in non-convertible currencies shall be considered

available only to the extent that they correspond to outflows in the third country or currency in question;

(d) the liquid assets are controlled by a liquidity management function;

4. For items 2.1 to 2.2, institutions shall report assets which would otherwise qualify to be reported in section 1.1 to 1.10 but do not meet the operational requirements for holdings of liquid assets described in point 3 above. Institutions shall use the same methodology as specified in point 2 above for determining which assets are extremely high and high liquidity and credit quality and report the market value in columns F and G respectively, for each of the two categories of excluded assets.

5. For items 1.1 to 2.2, in accordance with Article 404.3 of CRR, institutions shall only report assets which fulfil each of the following conditions:

(a) they are not issued by the institution itself or its parent or subsidiary institutions or another subsidiary of its parent institutions or parent financial holding company;

(b) they are eligible collateral in normal times for intraday liquidity needs and overnight liquidity facilities of a central bank in a Member State or if the liquid assets are held to meet liquidity outflows in the currency of a third country, of the central bank of that third country;

(c) their price can be determined by a formula that is easy to calculate based on publicly available inputs and does not depend on strong assumptions as is typically the case for structured or exotic products;

(d) they are listed on a recognised exchange;

(e) they are tradable on active outright sale or repurchase agreement markets with a large and diverse number of market participants, a high trading volume, and market breadth and depth.

The condition in point (b) shall not apply in case of liquid assets held to meet liquidity outflows in a currency in which there is an extremely narrow definition of central bank eligibility. In case of currencies of third countries, this exception shall apply and only apply if the competent authorities of the third country apply the same exception and the third country has comparable reporting requirements in place.

6. In accordance with Article 404.6 of CRR, where a liquid asset ceases to be eligible for Article 404.1, an institution may nevertheless continue to consider it a liquid asset for an additional period of 30 calendar days.

7. For items 3.1 to 3.5, in accordance with Article 481 of CRR, the items reported here fall outside of the scope of those which are eligible to be reported as liquid assets according to Article 404.2 and 404.3 of CRR, but nevertheless are included within this template to inform the EBA report on the impact of the liquidity coverage ratio as specified in Article 481 of the CRR.

Liquid assets sub template

1.2.1. Instructions concerning specific rows

Row	Legal references and instructions
	<p><u>1. ASSETS WHICH MEET THE REQUIREMENTS OF ARTICLE 404 AND ARTICLE 405 (c) AND (d) OF CRR</u></p> <p>Assets reported in this section have been explicitly identified as potentially being extremely high or high liquidity and credit quality, in Article 404 or Annex III of CRR.</p> <p>As detailed in section 3 and 5 of the “specific remarks” above, assets reported in this section must meet all the requirements of Article 404, plus the operational requirements contained in Article 405 (c) and (d) of CRR.</p>
6	<p><u>1.1 cash</u></p> <p>Articles 404.1(a) and Annex III of CRR</p> <p>Total amount of cash including coins and banknotes/currency.</p> <p>Note cash on deposit with other institutions should not be reported here and should instead be reported in the relevant subcategory of template 1.3 “Inflows” if it qualifies as monies due over the next 30 days.</p>
7	<p><u>1.2 deposits held with central banks</u></p> <p>Total amount of deposits held with central banks.</p>
8	<p><u>1.2.1 deposits that can be withdrawn in times of stress</u></p> <p>Article 404.1(a) and Annex III of CRR</p> <p>Total amount of deposits held with central banks to the extent that these deposits can be withdrawn in times of stress.</p>
10	<p><u>1.3 transferable assets representing claims on or guaranteed by the central government of a Member State or a third country if the institution incurs a liquidity risk in that Member State or third country that it covers by holding those liquid assets</u></p> <p>Article 404.1(c) of CRR</p> <p>Total market value of transferable assets representing claims on or guaranteed by the central government of a Member State or a third country if the institution incurs a liquidity risk in that Member State or third country that it covers by holding those liquid assets issued by sovereigns.</p>
11	<p><u>1.3.1 representing claims on sovereigns</u></p> <p>Article 404.1(c) of CRR and Annex III of CRR</p>

	Total market value of transferable assets representing claims on the central government of a Member State or a third country if the institution incurs a liquidity risk in that Member State or third country that it covers by holding those liquid assets issued by sovereigns.
12	<p><u>1.3.2 guaranteed by sovereigns</u></p> <p>Article 404.1(c) and Annex III of CRR</p> <p>Total market value of transferable assets guaranteed by the central government of a Member State or a third country if the institution incurs a liquidity risk in that Member State or third country that it covers by holding those liquid assets guaranteed by sovereigns.</p>
13	<p><u>1.4 total shares or units in CIUs with underlying assets specified in Article 404</u></p> <p>Article 406.2 of CRR</p> <p>Total market value of shares or units in CIU's which meet the criteria defined in Article 127.3 of CRR and could be treated as liquid assets up to an absolute amount of €250 million should be reported in the following subcategories:</p>
14	<p><u>1.4.1 underlying assets in point (a) of article 404.1</u></p> <p>Article 406.2(a) of CRR</p> <p>Total market value of shares or units in CIUs with underlying assets referred to in point (a) of Article 404.1 of CRR.</p>
15	<p><u>1.4.2 underlying assets in point (b) and (c) of article 404.1</u></p> <p>Article 406.2(b) of CRR</p> <p>Total market value of shares or units in CIUs with underlying assets referred to in point (b) and (c) of Article 404.1 of CRR.</p>
16	<p><u>1.4.3 underlying assets in point (d) of article 404.1</u></p> <p>Article 406.2 of CRR</p> <p>Total market value of shares or units in CIUs with underlying assets referred to in point (d) of Article 404.1 of CRR.</p>
18	<p><u>1.5 securities with a 0% risk weight</u></p> <p>Article 404.1(b) of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on</p>

	<p>or claims guaranteed by sovereigns, central banks, public sector entities, regional governments and local authorities, the Bank for International Settlements, the International Monetary Fund, the European Commission, or multilateral development banks assigned a 0% risk-weight under Section 2 of Title III, Chapter 2, should be reported in the following subcategories:</p> <p>[Note: securities with a 0% risk-weight representing claims on or guaranteed by the central government of a Member State or a third country if the institution incurs a liquidity risk in that Member State or third country that it covers by holding those liquid assets should be reported in item 1.3 instead].</p>
19	<p><u>1.5.1 representing claims on sovereigns</u></p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on sovereigns.</p>
20	<p><u>1.5.2 guaranteed by sovereigns</u></p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities guaranteed by sovereigns.</p>
21	<p><u>1.5.3 representing claims on or guaranteed by central banks</u></p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on or guaranteed by central banks.</p>
22	<p><u>1.5.4 representing claims on or guaranteed by public sector entities, regional governments and local authorities</u></p> <p>Article 3 of Annex III of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on or guaranteed by public sector entities.</p>
23	<p><u>1.5.5 representing claims on or guaranteed by BIS, IMF, EC or MDBs</u></p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on or guaranteed by the Bank for International Settlements, the International Monetary Fund, the European Commission, or multilateral development banks.</p>
24	<p><u>1.6 securities with a 20% risk weight</u></p> <p>Article 404.1(b) of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on</p>

	<p>or claims guaranteed by sovereigns, central banks, public sector entities, regional governments and local authorities, or multilateral development banks assigned a 20% risk-weight under Section 2 of Title III, Chapter 2, should be reported in the following subcategories:</p> <p>[Note: securities with a 20% risk-weight representing claims on or guaranteed by the central government of a Member State or a third country if the institution incurs a liquidity risk in that Member State or third country that it covers by holding those liquid assets should be reported in item 1.3 instead]</p>
25	<p><u>1.6.1 representing claims on sovereigns</u></p> <p>Article 3 of Annex III of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on sovereigns.</p>
26	<p><u>1.6.2 guaranteed by sovereigns</u></p> <p>Article 3 of Annex III of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities guaranteed by sovereigns.</p>
27	<p><u>1.6.3 representing claims on or guaranteed by central banks</u></p> <p>Article 3 of Annex III of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on or guaranteed by central banks.</p>
28	<p><u>1.6.4 representing claims on or guaranteed by public sector entities, regional governments and local authorities</u></p> <p>Article 3 of Annex III of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on or guaranteed by public sector entities, regional governments and local authorities, or multilateral development banks.</p>
29	<p><u>1.6.5 representing claims on or guaranteed by MDBs</u></p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) transferable securities representing claims on or guaranteed by multilateral development banks.</p>
30	<p><u>1.7 assets issued by a credit institution which has been set up and is</u></p>

	<p><u>sponsored by a Member State central or regional government and the asset is guaranteed by that government and used to fund promotional loans granted on a non-competitive, not for profit basis</u></p> <p>Article 404.2(a)(iii) of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) assets issued by a credit institution which has been set up and is sponsored by a Member State central or regional government and the asset is guaranteed by that government and used to fund promotional loans granted on a non-competitive, not for profit basis.</p>
31	<p><u>1.8 non financial corporate bonds</u></p> <p>Article 404.1(b) or (d) of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds should be reported in the following subcategories:</p>
32	<p><u>1.8.1 credit quality step 1</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 1.</p>
33	<p><u>1.8.2 credit quality step 2</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 2.</p>
34	<p><u>1.8.3 credit quality step 3</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 3.</p>
35	<p><u>1.9 bonds eligible for the treatment set out in Article 124 (3) and (4), which meet the criteria in article 404.3 (a)</u></p> <p>Article 404.2 point (a) (i) of CRR</p> <p>Total market value of bonds eligible for the treatment set out in article 124 (3) and (4), which meet the criteria in Article 404.3 (a) of CRR should be reported in the following subcategories:</p>

36	<p><u>1.9.1 credit quality step 1</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 1.</p>
37	<p><u>1.9.2 credit quality step 2</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 2.</p>
38	<p><u>1.9.3 credit quality step 3</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 3.</p>
39	<p><u>1.10 bonds as defined in Article 52(4) of Directive 2009/65/EC other than those referred to in 1.9</u></p> <p>Article 404.2 point (a) (i) of CRR</p> <p>Total market value of bonds as defined in Article 52(4) of Directive 2009/65/EC other than those referred to in 1.9, which meet the criteria in Article 404.3 (a) of CRR should be reported in the following subcategories:</p>
40	<p><u>1.10.1 credit quality step 1</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 1.</p>
41	<p><u>1.10.2 credit quality step 2</u></p> <p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 2.</p>
42	<p><u>1.10.3 credit quality step 3</u></p>

	<p>Article 109.2 of CRR</p> <p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) non financial corporate bonds with a rating equivalent to CRR credit quality step 3.</p>
<p><u>2. ASSETS WHICH MEET THE REQUIREMENTS OF ARTICLE 404 BUT DO NOT MEE THE REQUIREMENTS OF ARTICLE 405 (c) AND (d) OF CRR</u></p> <p>Assets which would otherwise be reported in section 1 of this template, but do not meet the operational requirements as outlined in section 3 of the “specific remarks” above should be reported here.</p>	
	<p><u>2.1 assets not controlled by a liquidity management function</u></p> <p>Article 405(d) of CRR</p>
44	<p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) assets which do not qualify to be reported in the subcategories of section 1 of the template because they are not controlled by a liquidity management function.</p>
	<p><u>2.2 assets not legally and practically readily available at any time during the next 30 days to be liquidated via outright sale or repurchase agreement</u></p> <p>Article 405(c) of CRR</p>
45	<p>Total market value of extremely high liquidity and credit quality (column F) and high liquidity and credit quality (column G) assets which do not qualify to be reported the subcategories of section 1 of the template because they are not legally and practically readily available at any time during the next 30 days to be liquidated via outright sale or repurchase agreement.</p>
<p><u>3. ASSETS WHICH DO NOT MEET THE REQUIREMENTS OF ARTICLE 404 OF CRR</u></p> <p>Reporting on assets which do not qualify to be reported as extremely high liquidity and credit quality or high liquidity and credit quality as they do not meet the requirements of Article 404.2 and 404.3 of CRR.</p> <p>Assets reported here must meet the requirements of Article 405 (d) and (c).</p>	
	<p><u>3.1 financial corporate bonds</u></p> <p>Article 404.2 of CRR</p>
48	<p>Total market value (column F) of financial corporate bonds, not self issued, should be reported in the following subcategories:</p>
	<p><u>3.1.1 credit quality step 1</u></p> <p>Article 109.2 of CRR</p>
49	<p>Total market value (column F) of financial corporate bonds with a rating equivalent to CRR credit quality step 1.</p>
50	<p><u>3.1.2 credit quality step 2</u></p>

	<p>Article 109.2 of CRR</p> <p>Total market value (column F) of financial corporate bonds with a rating equivalent to CRR credit quality step 2.</p>
51	<p><u>3.1.3 credit quality step 3</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of financial corporate bonds with a rating equivalent to CRR credit quality step 3.</p>
52	<p><u>3.2 own issuances</u></p> <p>Article 404.3(a) of CRR</p> <p>Total market value (column F) of own issuances should be reported in the following subcategories:</p>
53	<p><u>3.2.1 credit quality step 1</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of own issuances with a rating equivalent to CRR credit quality step 1.</p>
54	<p><u>3.2.2 credit quality step 2</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of own issuances with a rating equivalent to CRR credit quality step 2.</p>
55	<p><u>3.2.3 credit quality step 3</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of own issuances with a rating equivalent to CRR credit quality step 3.</p>
56	<p><u>3.3 unsecured bank issuances</u></p> <p>Article 404.2 of CRR</p> <p>Total market value (column F) of unsecured bank issuances, not self issued, should be reported in the following subcategories: [Note: financial corporate bonds should be reported in item 3.1]</p>
57	<p><u>3.3.1 credit quality step 1</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of unsecured bank issuances with a rating equivalent to CRR credit quality step 1.</p>
58	<p><u>3.3.2 credit quality step 2</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of unsecured bank issuances with a rating equivalent to CRR credit quality step 2.</p>
59	<p><u>3.3.3 credit quality step 3</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of unsecured bank issuances with a rating equivalent to CRR credit quality step 3.</p>
60	<p><u>3.4 residential mortgage backed securities</u></p> <p>Article 481 of CRR</p> <p>Total market value (column F) of residential mortgage back securities, not self issued, should be reported in the following subcategories:</p>
61	<p><u>3.4.1 credit quality step 1</u></p>

	<p>Article 109.2 of CRR</p> <p>Total market value (column F) of residential mortgage back securities with a rating equivalent to CRR credit quality step 1.</p>
62	<p><u>3.4.2 credit quality step 2</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of residential mortgage back securities with a rating equivalent to CRR credit quality step 2.</p>
63	<p><u>3.4.3 credit quality step 3</u></p> <p>Article 109.2 of CRR</p> <p>Total market value (column F) of residential mortgage back securities with a rating equivalent to CRR credit quality step 3.</p>
64	<p><u>3.5 equities listed on a recognised exchange, not self issued or issued by financial institutions</u></p> <p>Article 481 of CRR</p> <p>Total market value (column F) of equities listed on a recognised exchange, not self issued or issued by financial institutions.</p>
65	<p><u>3.6 gold</u></p> <p>Article 481 of CRR</p> <p>Total market value (column F) of physical holdings of gold.</p>