

Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014
laying down implementing technical standards with regard to supervisory
reporting of institutions according to Regulation (EU) No 575/2013 of
the European Parliament and of the Council (Text with EEA relevance)

ANNEX II

REPORTING ON OWN FUNDS AND OWN FUNDS REQUIREMENTS

PART II: TEMPLATE RELATED INSTRUCTIONS

1. CAPITAL ADEQUACY OVERVIEW (CA)
 - 1.1. GENERAL REMARKS
 10. CA templates contain information about Pillar 1 numerators (own funds, Tier 1, Common Equity Tier 1), denominator (own funds requirements), and transitional provisions and its structures in five templates:
 - a) CA1 template contains the amount of own funds of the institutions, disaggregated in the items needed to get to that amount. The amount of own funds obtained includes the aggregate effect of transitional provisions per type of capital
 - b) CA2 template summarizes the total risk exposures amounts (as defined in Article 92(3) of CRR)
 - c) CA3 template contains the ratios for which CRR state a minimum level, and some other related data
 - d) CA4 template contains memorandums items needed for calculating items in CA1 as well as information with regard to the CRD capital buffers.
 - e) CA5 template contains the data needed for calculating the effect of transitional provisions in own funds. CA5 will cease to exist once the transitional provisions will expire.
 11. The templates shall apply to all reporting entities, irrespective of the accounting standards followed, although some items in the numerator are specific for entities applying IAS/IFRS-type valuation rules. Generally, the information in the denominator is linked to the final results reported in the correspondent templates for the calculation of the total risk exposure amount.
 12. The total own funds consist of different types of capital: Tier 1 capital (T1), which is the sum of Common Equity Tier 1 capital (CET1), Additional Tier 1 capital (AT1) as well as Tier 2 capital (T2).
 13. Transitional provisions are treated as follows in CA templates:
 - a) The items in CA1 are generally gross of transitional adjustments. This means that figures in CA1 items are calculated according to the *final provisions* (i.e. as if there were no transitional provisions), with the exception of items summarizing the effect of the transitional provisions. For each type of capital (i.e. CET1; AT1 and T2) there are three different items in which all the adjustments due to transitional provisions are included.
 - b) Transitional provisions may also affect the AT1 and the T2 shortfall (i.e. AT1 or T2 the excess of deduction, regulated in articles 36(1) point (j) and 56 point (e) of CRR respectively), and thus the items containing these shortfalls may indirectly reflect the effect of transitional provisions.
 - c) Template CA5 is exclusively used for reporting the transitional provisions.

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14. The treatment of Pillar II requirements can be different within the EU (Article 104 (2) CRD IV has to be transposed into national regulation). Only the impact of Pillar II requirements on the solvency ratio or the target ratio shall be included in the solvency reporting of CRR. A detailed reporting of Pillar II requirements is not within the mandate of Article 99 CRR.
- a) The templates CA1, CA2 or CA5 only contain data on Pillar I issues.
- b) The template CA3 contains the impact of additional Pillar II-requirements on the solvency ratio on an aggregated basis. One block focuses on the impact of amounts on the ratios, whereas the other block focuses on the ratio itself. Both blocks of ratios do not have any further link to the templates CA1, CA2 or CA5.
- c) The template CA4 contains one cell regarding additional own funds requirements relating to Pillar II. This cell has no link via validation rules to the capital ratios of the CA3 template and reflects Article 104 (2) CRD which explicitly mentions additional own funds requirements as one possibility for Pillar II decisions.
- 1.2. C 01.00 — OWN FUNDS (CA1)
- 1.2.1. Instructions concerning specific positions

ANNEX II Table 1: rows 1 - 100

- 1.3. C 02.00 — OWN FUNDS REQUIREMENTS (CA2)
- 1.3.1. Instructions concerning specific positions

ANNEX II Table 2: rows 1 - 75

- 1.4. C 03.00 — CAPITAL RATIOS AND CAPITAL LEVELS (CA3)
- 1.4.1. Instructions concerning specific positions

Rows	
010	1 CET1 Capital ratio Article 92(2) point (a) of CRR The CET1 capital ratio is the CET1 capital of the institution expressed as a percentage of the total risk exposure amount.
020	2 Surplus(+)/Deficit(-) of CET1 capital This item shows, in absolute figures, the amount of CET1 capital surplus or deficit relating to the requirement set in Article 92(1) point (a) of CRR (4,5 %), i.e. without taking into account the capital buffers and transitional provisions on the ratio.

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030	<p>3 T1 Capital ratio Article 92(2) point (b) of CRR The T1 capital ratio is the T1 capital of the institution expressed as a percentage of the total risk exposure amount.</p>
040	<p>4 Surplus(+)/Deficit(-) of T1 capital This item shows, in absolute figures, the amount of T1 capital surplus or deficit relating to the requirement set in Article 92(1) point (b) of CRR (6 %), i.e. without taking into account the capital buffers and transitional provisions on the ratio.</p>
050	<p>5 Total capital ratio Article 92(2) point (c) of CRR The total capital ratio is the own funds of the institution expressed as a percentage of the total risk exposure amount.</p>
060	<p>6 Surplus(+)/Deficit(-) of total capital This item shows, in absolute figures, the amount of own funds surplus or deficit relating to the requirement set in Article 92(1) point (c) of CRR (8 %), i.e. without taking into account the capital buffers and transitional provisions on the ratio.</p>
070	<p>CET1 capital ratio including Pillar II adjustments Article 92(2) point (a) of CRR and Article 104 (2) CRD IV This cell only has to be populated if a decision of a competent authority has an impact on the CET1 capital ratio.</p>
080	<p>Target CET1 capital ratio due to Pillar II adjustments Article 104 (2) CRD IV This cell only has to be populated if a competent authority decides that an institution has to meet a higher target CET1 capital ratio.</p>
090	<p>T1 capital ratio including Pillar II adjustments Article 92(2) point (b) of CRR and Article 104 (2) CRD IV This cell only has to be populated if a decision of a competent authority has an impact on the T1 capital ratio.</p>

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100	Target T1 capital ratio due to Pillar II adjustments Article 104 (2) CRD IV This cell only has to be populated if a competent authority decides that an institution has to meet a higher target T1 capital ratio.
110	Total capital ratio including Pillar II adjustments Article 92(2) point (c) of CRR and Article 104 (2) CRD IV This cell only has to be populated if a decision of a competent authority has an impact on the total capital ratio.
120	Target Total capital ratio due to Pillar II adjustments Article 104 (2) CRD IV This cell only has to be populated if a competent authority decides that an institution has to meet a higher target total capital ratio.

1.5. C 04.00 — MEMORANDUM ITEMS (CA4)

1.5.1. Instructions concerning specific positions

ANNEX II Table 4: rows 1 - 112

1.6. TRANSITIONAL PROVISIONS and GRANDFATHERED INSTRUMENTS: INSTRUMENTS NOT CONSTITUTING STATE AID (CA 5)

1.6.1. General remarks

15. CA5 summarizes the calculation of own funds elements and deductions subject to the transitional provisions laid down in Articles 465 to 491 of CRR.

16. CA5 is structured as follows:

- a. Template 5.1 summarizes the total adjustments which need to be made to the different components of own funds (reported in CA1 according to the final provisions) as a consequence of the application of the transitional provisions. The elements of this table are presented as ‘adjustments’ to the different capital components in CA1, in order to reflect in own funds components the effects of the transitional provisions.
- b. Template 5.2 provides further details on the calculation of those grandfathered instruments which do not constitute state aid.

17. Institutions shall report in the first four columns the adjustments to Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital as well as the amount to be treated as risk weighted assets. Institutions are also required to report the

applicable percentage in column 050 and the eligible amount without the recognition of transitional provisions in column 060.

18. Institutions shall only report elements in CA5 during the period where transitional provisions in accordance with Part Ten of CRR apply.
 19. Some of the transitional provisions require a deduction from Tier 1. If this is the case the residual amount of a deduction or deductions is applied to Tier 1 and there is insufficient AT1 to absorb this amount then the excess shall be deducted from CET1.
- 1.6.2. C 05.01 — Transitional provisions (CA5.1)
20. Institutions shall report in Table 5.1 the transitional provisions to own funds components as laid down in Articles 465 to 491 of CRR, compared to applying the final provisions laid down in Title II of Part Two of CRR.
 21. Institutions shall report in rows 020 to 060 information in relation with the transitional provisions of grandfathered instruments. The figures to be reported in columns 010 to 060 of row 060 of CA 5.1 can be derived from the respective sections of CA 5.2.
 22. Institutions shall report in rows 070 to 092 information in relation with the transitional provisions of minority interests and additional Tier 1 and Tier 2 instruments issued by subsidiaries (in accordance with Articles 479 and 480 of CRR).
 23. In rows 100 onwards institutions shall report information in relation with the transitional provisions of unrealized gains and losses, deductions as well as additional filters and deductions.
 24. There might be cases where the transitional deductions of CET1, AT1 or T2 capital exceed the CET1, AT1 or T2 capital of an institution. This effect — if it results from transitional provisions — shall be shown in the CA1 template using the respective cells. As a consequence, the adjustments in the columns of the CA5 template do not include any spill-over effects in the case of insufficient capital available.

1.6.2.1. Instructions concerning specific positions

Columns	
010	Adjustments to CET1
020	Adjustments to AT1
030	Adjustments to T2
040	<p>Adjustments included in RWAs Column 050 includes the relevant residual amount, i.e. prior the application of provisions of Chapter 2 or 3 of Part Three of CRR. Whereas columns 010 to 030 have a direct link to the CA1 template, the adjustments included in RWA do not have a direct link to the relevant templates for credit risk. If there are adjustments stemming from the transitional provisions to the RWA, those adjustments shall be included directly in the CR SA, CR IRB or CR EQU IRB. Additionally, those effects shall be reported</p>

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	in column 040 of CA5.1. As a consequence, those amounts are only memorandum items.
050	Applicable percentage
060	Eligible amount without transitional provisions Column 060 includes the amount of each instrument prior the application of transitional provisions. I.e. the basis amount relevant to calculate the adjustments.

ANNEX II Table 6: rows 1 - 58

- 1.6.3. C 05.02 — Grandfathered instruments: instruments not constituting state aid (CA5.2)
26. Institutions shall report information in relation with the transitional provisions of grandfathered instruments not constituting state aid (Article 484 to 491 of CRR).
- 1.6.3.1. Instructions concerning specific positions

Columns	
010	Amount of instruments plus related share premium Article 484 (3) to (5) of CRR Instruments which are eligible for each respective row, including their related share premiums.
020	Base for calculating the limit Articles 486 (2) to (4) of CRR
030	Applicable percentage Article 486 (5) of CRR
040	Limit Article 486 (2) to (5) of CRR
050	(-) Amount that exceeds the limits for grandfathering Article 486 (2) to (5) of CRR
060	Total grandfathered amount The amount to be reported shall be equal to the amounts reported in the respective columns in row 060 of CA 5.1.
Rows	
010	1. Instruments that qualified for point a) of Article 57 of 2006/48/EC Article 484(3) of CRR

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	The amount to be reported shall include the related share premium accounts.
020	2. Instruments that qualified for point ca) of Article 57 and Article 154(8) and (9) of 2006/48/EC, subject to the limit of Article 489 Article 484(4) of CRR
030	2.1 Total instruments without a call or an incentive to redeem Article 489 of CRR The amount to be reported shall include the related share premium accounts.
040	2.2 Grandfathered instruments with a call and incentive to redeem Article 489 of CRR
050	2.2.1 Instruments with a call exercisable after the reporting date, and which meet the conditions in Article 49 of CRR after the date of effective maturity Articles 489(3), and 491 point (a) of CRR The amount to be reported shall include the related share premium accounts.
060	2.2.2 Instruments with a call exercisable after the reporting date, and which do not meet the conditions in Article 49 of CRR after the date of effective maturity Articles 489(5), and 491 point (a) of CRR The amount to be reported shall include the related share premium accounts.
070	2.2.3 Instruments with a call exercisable prior to or on 20 July 2011, and which do not meet the conditions in Article 49 of CRR after the date of effective maturity Articles 489(6) and 491 point (c) of CRR The amount to be reported shall include the related share premium accounts
080	2.3 Excess on the limit of CET1 grandfathered instruments Article 487(1) of CRR The excess on the limit of CET1 grandfathered instruments may be treated as

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	instruments which can be grandfathered as AT1 instruments.
090	3. Items that qualified for points e), f), g) or h) of Article 57 of 2006/48/EC, subject to the limit of Article 490 Article 484(5) of CRR
100	3.1 Total items without an incentive to redeem Article 490 of CRR
110	3.2 Grandfathered items with an incentive to redeem Article 490 of CRR
120	3.2.1 Items with a call exercisable after the reporting date, and which meet the conditions in Article 63 of CRR after the date of effective maturity Articles 490(3), and 491 point (a) of CRR The amount to be reported shall include the related share premium accounts.
130	3.2.2 Items with a call exercisable after the reporting date, and which do not meet the conditions in Article 63 of CRR after the date of effective maturity Articles 490(5), and 491 point (a) of CRR The amount to be reported shall include the related share premium accounts.
140	3.2.3 Items with a call exercisable prior to or on 20 July 2011, and which do not meet the conditions in Article 63 of CRR after the date of effective maturity Articles 490(6) and 491 point (c) of CRR The amount to be reported shall include the related share premium accounts.
150	3.3 Excess on the limit of AT1 grandfathered instruments Article 487(2) of CRR The excess on the limit of AT1 grandfathered instruments may be treated as instruments which can be grandfathered as T2 instruments.