Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 amending Implementing Regulation (EU) No 680/2014 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)

COMMISSION IMPLEMENTING REGULATION (EU) 2015/227

of 9 January 2015

amending Implementing Regulation (EU) No 680/2014 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)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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[(1)], and in particular the fourth subparagraph of Article 99(5), the fourth subparagraph of Article 99(6), the third subparagraph of Article 101(4) and the third subparagraph of Article 394(4) thereof,

Whereas:

(1) Commission Implementing Regulation (EU) No 680/2014[(2)] lays down the requirements according to which institutions should report information relevant to their compliance with Regulation (EU) No 575/2013.

(2) The reporting of consistent, accurate and comparable information on credit loss provisions and forborne measures pursuant to Implementing Regulation (EU) No 680/2014 is an essential element for obtaining comprehensive views on risk profiles of institutions and the systemic risk they pose to the financial sector. In the context of uncertainty regarding asset quality throughout the Union and in order for the European Banking Authority (EBA) and competent authorities to obtain a comprehensive view of the risk profile of the activities of the institutions as well as for the European Systemic Risk Board (ESRB) to perform its macro-prudential oversight tasks, institutions should be required to report information on their forbearance activities and non-performing exposures.

(3) Forbearance activities and non-performing exposures are covered by existing accounting requirements to disclose information on loans and debt securities exposures and their credit quality pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council[(3)] and to Council Directive 86/635/EEC[(4)]. However, there are neither comprehensive, harmonised definitions of the concepts of forbearance

and of non-performing exposures, nor specific and detailed supervisory reporting requirements.

(4) Technical standards should therefore establish specific definitions of forbearance and of non-performing exposures, and reporting templates to allow the EBA, competent authorities and the ESRB, to rely on asset quality concepts that are even more harmonised than the currently existing concepts. This would make the reported data even more comparable by minimising differences stemming from the varying concepts of forbearance and the differences in implementation of the default and impairment definitions across the Union. To this extent, the definition of non-performing exposure should act as a harmonised asset quality index, a classification tool, and not as a substitute for the existing definitions of default and impairment.

(5) To provide institutions and competent authorities with adequate time to implement the requirements of this Regulation regarding forbearance activities and non-performing exposures in a manner that will produce high quality data, a deferred remittance date should apply in relation to those reporting requirements.

(6) In order to ensure a correct application of the requirements laid down in Implementing Regulation (EU) No 680/2014, further precision should be provided to the templates, instructions and definitions used for the purposes of supervisory reporting of institutions. Therefore, for reasons of legal clarity, it is appropriate to replace several templates of Annexes I, III and IV and to amend some of the instructions laid down in Annexes II, V, VII and IX. This Regulation is based on draft implementing technical standards submitted by the EBA to the Commission.

(7) The EBA has conducted open public consultations on the draft implementing technical standards regarding forbearance activities and non-performing exposures on which this Regulation is partially based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council[(5)].

(8) Given that the other necessary amendments to Implementing Regulation (EU) No 680/2014 do not involve significant changes in substantive terms, in accordance with the second subparagraph of Article 15(1) of Regulation (EU) No 1093/2010, the EBA has not conducted any other open public consultation, considering that it would be disproportionate in relation to the scope and impact of the draft implementing technical standards concerned.

(9) Implementing Regulation (EU) No 680/2014 should therefore be amended accordingly.

(10) In order to ensure that institutions submit as soon as possible the supervisory data to competent authorities to allow them to have a comprehensive picture of the institutions, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/227. (See end of Document for details)*

Article 1

Implementing Regulation (EU) No 680/2014 is amended as follows:

(1) in Article 5(b), point (1) is replaced by the following:

> (1) the information on all securitisation exposures as specified in template 14 of Annex I, according to the instructions in point 3.9 of Part II of Annex II.
>
> Institutions shall be exempted from submitting those securitisation details where they are part of a group in the same country in which they are subject to own funds requirements;;

(2) in Article 18, the following paragraph is added:

> Without prejudice to Article 2, the first remittance date for templates 18 and 19 in Annex III shall be 31 December 2014. Rows and columns of templates 6, 9.1, 20.4, 20.5, and 20.7 in Annex III referring to forborne exposures and to non-performing exposures shall be completed for the remittance date 31 December 2014;

(3) Annexes I to V are replaced by the text as set out in Annex I to this Regulation;

(4) Annex VII is replaced by the text as set out in Annex II to this Regulation;

(5) Annex IX is replaced by the text as set out in Annex III to this Regulation.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 9 January 2015.

For the Commission

The President

Jean-Claude JUNCKER

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/227. (See end of Document for details)*

ANNEX I

ANNEX **I**REPORTING ON OWN FUNDS AND OWN FUNDS REQUIREMENTSCOREP TEMPLATESTemplate numberTemplate codeName of the template/group of templatesShort nameCAPITAL ADEQUACYCA1C 01.00OWN FUNDSCA12C 02.00OWN FUNDS REQUIREMENTSCA23C 03.00CAPITAL RATIOSCA34C 04.00MEMORANDUM ITEMS:CA4TRANSITIONAL PROVISIONSCA55.1C 05.01TRANSITIONAL PROVISIONSCA5.15.2C 05.02GRANDFATHERED INSTRUMENTS: INSTRUMENTS NOT CONSTITUING STATE AIDCA5.2GROUP SOLVENCYGS6.1C 06.01GROUP SOLVENCY: INFORMATION ON AFFILIATES - TOTALGS Total6.2C 06.02GROUP SOLVENCY: INFORMATION ON AFFILIATESGSCREDIT RISKCR7C 07.00CREDIT AND COUNTERPARTY CREDIT RISKS AND FREE DELIVERIES: STANDARDISED APPROACH TO CAPITAL REQUIREMENTSCR SACREDIT AND COUNTERPARTY CREDIT RISKS AND FREE DELIVERIES: IRB APPROACH TO CAPITAL REQUIREMENTSCR IRB8.1C 08.01CREDIT AND COUNTERPARTY CREDIT RISKS AND FREE DELIVERIES: IRB APPROACH TO CAPITAL REQUIREMENTSCR IRB 18.2C 08.02CREDIT AND COUNTERPARTY CREDIT RISKS AND FREE DELIVERIES: IRB APPROACH TO CAPITAL REQUIREMENTS (Breakdown by obligor grades or pools)CR IRB 2GEOGRAPHICAL BREAKDOWNCR GB9.1C 09.01Table 9.1 - Geographical breakdown of exposures by residence of the obligor (SA exposures)CR GB 19.2C 09.02Table 9.2 - Geographical breakdown of exposures by residence of the obligor (IRB exposures)CR GB 29.3C 09.03Table 9.3 - Breakdown of total own funds requirements for credit risk of relevant credit exposures by countryCR GB 3CREDIT RISK: EQUITY - IRB APPROACHES TO CAPITAL REQUIREMENTSCR EQU IRB10.1C 10.01CREDIT RISK: EQUITY - IRB APPROACHES TO CAPITAL REQUIREMENTSCR EQU IRB 110.2C 10.02CREDIT RISK: EQUITY - IRB APPROACHES TO CAPITAL REQUIREMENTS. BREAKDOWN OF TOTAL EXPOSURES UNDER THE PD/LGD APRROACH BY OBLIGOR GRADES:CR EQU IRB 211C 11.00SETTLEMENT/DELIVERY RISKCR SETT12C 12.00CREDIT RISK: SECURITISATIONS - STANDARDISED APPROACH TO OWN FUNDS REQUIREMENTSCR SEC SA13C 13.00CREDIT RISK: SECURITISATIONS - IRB APPROACH TO OWN FUNDS REQUIREMENTSCR SEC IRB14C 14.00DETAILED INFORMATION ON SECURITISATIONSCR SEC DetailsOPERATIONAL RISKOPR16C 16.00OPERATIONAL RISKOPR17C 17.00OPERATIONAL RISK: GROSS LOSSES BY BUSINESS LINES AND EVENT TYPES IN THE LAST YEAROPR DetailsMARKET RISKMKR18C 18.00MARKET RISK: STANDARDISED APPROACH FOR POSITION RISKS IN TRADED DEBT INSTRUMENTSMKR SA TDI19C 19.00MARKET RISK: STANDARDISED APPROACH FOR SPECIFIC RISK IN SECURITISATIONSMKR SA SEC20C 20.00MARKET RISK: STANDARDISED APPROACH FOR SPECIFIC RISK IN THE CORRELATION TRADING PORTFOLIOMKR SA CTP21C 21.00MARKET RISK: STANDARDISED APPROACH FOR POSITION RISK IN EQUITIESMKR SA EQU22C 22.00MARKET RISK: STANDARDISED APPROACHES FOR FOREIGN EXCHANGE RISKMKR SA FX23C 23.00MARKET RISK: STANDARDISED APPROACHES FOR COMMODITIESMKR SA COM24C 24.00MARKET RISK INTERNAL MODELSMKR IM25C 25.00CREDIT VALUE ADJUSTMENT RISKCVAC 01.00 — OWN FUNDS (CA1)RowsIDItemAmount0101OWN FUNDS0151.1TIER 1 CAPITAL0201.1.1COMMON EQUITY TIER 1 CAPITAL0301.1.1.1Capital instruments eligible as CET1 Capital0401.1.1.1.1Paid up capital instruments0501.1.1.1.2*Memorandum item: Capital instruments not eligible0601.1.1.1.3Share premium0701.1.1.1.4(-) Own CET1 instruments0801.1.1.1.4.1(-) Direct holdings of CET1 instruments0901.1.1.1.4.2(-) Indirect holdings of CET1 instruments0911.1.1.1.4.3(-) Synthetic holdings of CET1 instruments0921.1.1.1.5(-) Actual or contingent obligations to purchase own CET1 instruments1301.1.1.2Retained earnings1401.1.1.2.1Previous years retained

earnings1501.1.1.2.2Profit or loss eligible1601.1.1.2.2.1Profit or loss attributable to owners of the parent1701.1.1.2.2.2(-) Part of interim or year-end profit not eligible1801.1.1.3Accumulated other comprehensive income2001.1.1.4Other reserves2101.1.1.5Funds for general banking risk2201.1.1.6Transitional adjustments due to grandfathered CET1 Capital instruments2301.1.1.7Minority interest given recognition in CET1 capital2401.1.1.8Transitional adjustments due to additional minority interests2501.1.1.9Adjustments to CET1 due to prudential filters2601.1.1.9.1(-) Increases in equity resulting from securitised assets2701.1.1.9.2Cash flow hedge reserve2801.1.1.9.3Cumulative gains and losses due to changes in own credit risk on fair valued liabilities2851.1.1.9.4Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities2901.1.1.9.5(-) Value adjustments due to the requirements for prudent valuation3001.1.1.10(-) Goodwill3101.1.1.10.1(-) Goodwill accounted for as intangible asset3201.1.1.10.2(-) Goodwill included in the valuation of significant investments3301.1.1.10.3Deferred tax liabilities associated to goodwill3401.1.1.11(-) Other intangible assets3501.1.1.11.1(-) Other intangible assets before deduction of deferred tax liabilities3601.1.1.11.2Deferred tax liabilities associated to other intangible assets3701.1.1.12(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities3801.1.1.13(-) IRB shortfall of credit risk adjustments to expected losses3901.1.1.14(-) Defined benefit pension fund assets4001.1.1.14.1(-) Defined benefit pension fund assets4101.1.1.14.2Deferred tax liabilities associated to defined benefit pension fund assets4201.1.1.14.3Defined benefit pension fund assets which the institution has an unrestricted ability to use4301.1.1.15(-) Reciprocal cross holdings in CET1 Capital4401.1.1.16(-) Excess of deduction from AT1 items over AT1 Capital4501.1.1.17(-) Qualifying holdings outside the financial sector which can alternatively be subject to a 1 250 % risk weight4601.1.1.18(-) Securitisation positions which can alternatively be subject to a 1 250 % risk weight4701.1.1.19(-) Free deliveries which can alternatively be subject to a 1 250 % risk weight4711.1.1.20(-) Positions in a basket for which an institution cannot determine the risk weight under the IRB approach, and can alternatively be subject to a 1 250 % risk weight4721.1.1.21(-) Equity exposures under an internal models approach which can alternatively be subject to a 1 250 % risk weight4801.1.1.22(-) CET1 instruments of financial sector entites where the institution does not have a significant investment4901.1.1.23(-) Deductible deferred tax assets that rely on future profitability and arise from temporary differences5001.1.1.24(-) CET1 instruments of financial sector entities where the institution has a significant investment5101.1.1.25(-) Amount exceeding the 17.65 % threshold5201.1.1.26Other transitional adjustments to CET1 Capital5241.1.1.27(-) Additional deductions of CET1 Capital due to Article 3 CRR5291.1.1.28CET1 capital elements or deductions - other5301.1.2ADDITIONAL TIER 1 CAPITAL5401.1.2.1Capital instruments eligible as AT1 Capital5501.1.2.1.1Paid up capital instruments5601.1.2.1.2*Memorandum item: Capital instruments not eligible5701.1.2.1.3Share premium5801.1.2.1.4(-) Own AT1 instruments5901.1.2.1.4.1(-) Direct holdings of AT1 instruments6201.1.2.1.4.2(-) Indirect holdings of AT1 instruments6211.1.2.1.4.3(-) Synthetic holdings of AT1 instruments6221.1.2.1.5(-) Actual or contingent obligations to purchase own AT1 instruments6601.1.2.2Transitional adjustments due to grandfathered AT1 Capital instruments6701.1.2.3Instruments issued by subsidiaries that are given recognition in AT1 Capital6801.1.2.4Transitional adjustments due to additional recognition in AT1 Capital of instruments issued by subsidiaries6901.1.2.5(-) Reciprocal cross holdings in AT1 Capital7001.1.2.6(-) AT1 instruments of financial sector entities where the institution does not have a significant investment7101.1.2.7(-) AT1 instruments of financial sector entities where the institution has a significant investment7201.1.2.8(-) Excess of deduction from T2 items over T2 Capital7301.1.2.9Other transitional adjustments to AT1 Capital7401.1.2.10Excess of deduction from AT1 items over AT1 Capital (deducted in CET1)7441.1.2.11(-) Additional deductions of AT1 Capital due to Article 3 CRR7481.1.2.12AT1 capital elements or deductions - other7501.2TIER 2 CAPITAL7601.2.1Capital instruments and