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2016 EU-wide Transparency Exercise Templates Guidelines

Contents

1. Introduction

1. The purpose of this document is to provide data users with a description of the mapping between the templates of the 2016 EU-wide Transparency Exercise and the supervisory reporting framework (COREP/FINREP).

2. Set of templates

2. The list of templates is the following:

    a) Cover

    b) Capital

    c) RWA

    d) P&L

    e) Market risk

    f) Credit risk STA

    g) Credit risk IRB

    h) Sovereign exposures

    i) Non Performing exposures

    j) Forborne exposures

3. Data populating these templates has been automatically extracted from COREP and FINREP templates by the EBA, following the mapping structure detailed below, and validated by the banks.

4. Each cell of the transparency templates is linked to the corresponding regulatory reporting templates from which the data is extracted, as listed in the file *"2016 EU-wide Transparency Exercise Mapping file.xlsb"*.

5. This mapping file contains the codification for each cell and contains two types of cell mapping:

i. Cells linked directly to reporting templates cells, *e.g.: "C 09.02_010_030_999|0"*. Each cell is filled in by a single or a group of data points from the original reporting templates, i.e., some cells may be the sum of more than one cell from the original reporting template. Data points have been codified by concatenating the following ITS reporting templates elements, each separated by the underscore sign:

    o COREP/FINREP Template ("C 09.02" in the example)

    o Row number ("010" in the example)

    o Column number ("020" in the example)

    o Additional parameter ("999|0" in the example). This fourth element is only needed for credit risk and sovereign templates and covers country of counterparty or asset class, as explained in the following sections.

ii. Cells filled as a combination of other cells in the template, e.g.: "B7+B11+B13+B14+B15"

2.1.1 Credit risk templates

6. Following COREP structure, a separate template has been created for IRB and Standardised portfolios, respectively.

7. According to the Article 5 (a) (4) of the ITS on Reporting, the information on the geographical distribution of exposures by country of counterparty should be provided (via COREP 09.01 and/or COREP 09.02) only when total non-domestic exposures are equal or higher than 10% of the total exposures.

8. Thus, two alternative types of templates have been designed to disclose the maximum information available for banks above and below this threshold for each regulatory approach (IRB and STA) as follows:

    a) Transparency credit risk templates labelled with suffix "a": for banks reporting country by country data in COREP credit risk information will be published for at the total level and for the most relevant countries of counterparty. The selection of the most relevant countries is carried out under the following rules:

        o Countries of counterparty have been selected according to the minimum of:

            1. 95% of total original exposure

2. Top 10 countries ranked by original exposure.

For example, for a bank with 95% of its original exposure concentrated in 6 countries, the EBA has filled the templates with data for those 6 countries. By contrast, if the aggregate exposure of a bank towards the largest 10 countries is below 95% of the original exposure, the EBA has filled the template for the top 10 counterparty-countries.

o The cells for the consolidated group contain the overall exposure of the group towards all the counterparties are not the sum of the country by country cells.

o The cut-off date to define the top 10 countries in terms of aggregate IRB and STA original exposure is the first reference date of the Exercise, i.e. 31/12/2015.

b) Transparency credit risk templates labelled with suffix "b": for banks not reporting country by country, due to the application of the abovementioned threshold on non-domestic exposures, credit risk information will only be published at the total level.

9. As stated before, a fourth element is needed for the codification of the COREP cell to be used to feed credit risk templates:

o *Exposure class code:* used for group level data (as per codes below)

Template C 07.00.a - SA Exp. Classes	Template C 08.01.a - IRB Exp. Classes
001 - Total	**001** - Total with own estimates of LGD and/or conversion factors
002 - Central governments or central banks	**002** - Total without own estimates of LGD or conversion factors
003 - Regional governments or local authorities	**003** - Central governments and central banks with own estimates of LGD and/or conversion factors
004 - Public sector entities	**004** - Central governments and central banks without own estimates of LGD or conversion factors
005 - Multilateral developments banks	**005** - Institutions with own estimates of LGD or conversion factors
006 - International organisations	**006** - Institutions without own estimates of LGD or conversion factors
007 – Institutions	**007** - Corporates - SME with own estimates of LGD or conversion factors

Template C 07.00.a - SA Exp. Classes	Template C 08.01.a - IRB Exp. Classes
008 – Corporates	**008** - Corporates - SME without own estimates of LGD or conversion factors
009 – Retail	**009** - Corporates - Specialised Lending with own estimates of LGD or conversion factors
010 - Secured by mortgages on immovable property	**010** - Corporates - Specialised Lending without own estimates of LGD or conversion factors
011 - Exposures in default	**011** - Corporates - Other with own estimates of LGD or conversion factors
012 - Items associated with particularly high risk	**012** - Corporates - Other without own estimates of LGD or conversion factors
013 - Covered bonds	**013** - Retail - Secured by immovable property SME - with own estimates of LGD or conversion factors
014 - Claims on institutions and corporate with a short-term credit assessment	**014** - Retail - Secured by immovable property non-SME - with own estimates of LGD or conversion factors
015 - Claims in the form of CIU	**015** - Retail - Qualifying revolving - with own estimates of LGD or conversion factors
016 - Equity Exposures	**016** - Retail - Other SME - with own estimates of LGD or conversion factors
017 - Other exposures	**017** - Retail - Other non-SME - with own estimates of LGD or conversion factors

For instance, "*C 07.00.a_010_010_002*" refers to cell defined Template COREP 07.00a, row 010, column 010 for Asset Class 02 (i.e., Central governments or central banks).

o *'999' + Country of counterparty rank:* used for data reported at a country of counterparty level. The rank has been assigned following the rules described in paragraph 16.

For instance, "*C 09.02_030_010_999|1*" refers to cell defined Template COREP 09.02, row 030, column 010 for first ranked country by original exposure.

2.1.2 Sovereign templates

10. The information reported covers all exposures to "General governments" as defined in paragraph 41 (b) of Annex V of ITS on Supervisory reporting: *"central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity (which shall be reported under "non-financial corporations"); social security funds; and*

international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements".

11. Like for credit risk reporting, institutions are exempted to report sovereign exposures broken down by country of counterparty when total non-domestic exposures are below 10% of the total exposures. Thus, two alternative types of templates have been designed to disclose sovereign exposures information:

    a) Transparency template "Sovereign_a": for banks reporting country by country data in FINREP sovereign will be published at the total level (banking group) and for the countries of counterparty, individually or grouped by regions (as listed in the template).

    In this template a fourth element is needed for the codification of the country of sovereign, i.e., '*999' + Sovereign country abbreviation code.* In addition, code "XX" stands for the sum of all countries.

    b) Transparency template "Sovereign_b": for banks not reporting country by country data in FINREP sovereign will be published only for the whole banking group.