



# **Guidance on the Critical Functions Report**

Introduction .....	3
1. Aim of the Guidance .....	3
2. Definition of Critical Functions .....	3
Part 1 .....	4
General Guidance.....	4
1. Scope of the Report .....	4
2. Governance.....	5
3. Reporting Process .....	6
4. Amount Reporting.....	7
5. Validation rules.....	7
Part 2 .....	8
SRB Resolution Templates.....	8
Part 3 Template-Related Guidance (1) .....	16
Definitions, economic functions and quantitative data .....	16
3.1. T98.00 - Identification of the Report.....	16
3.2 T20.01 – Critical functions - Deposits .....	17
3.3 T20.02 – Critical functions - Lending .....	20
3.4 T20.03 – Critical functions – Payment, Cash, Settlement, Clearing, Custody...	23
3.5 T20.04 – Critical functions – Capital Markets .....	28
3.6 T20.05 – Critical functions – Wholesale Funding.....	32
Part 4 Template-related guidance (2) .....	36
Impact and substitutability analyses and criticality assessment.....	36
4.1 Impact analysis: general guidance .....	36
4.2 Impact analysis: indicators included in the template.....	37
4.3 Substitutability analysis: general guidance .....	42
4.4 Substitutability analysis: indicators included in the template .....	44
4.5 Criticality assessment.....	47
Annex 1 – References .....	50
Annex 2 - List of abbreviations.....	52
Annex 3 - Data Validations .....	53
1. Level 1 checks.....	53
2. Level 2 checks.....	53
3. Level 3 checks.....	53



**Summary of Changes:**

The table below summarises any changes to the Guidance following the publication on September 30th 2019.

Version	Date	Chapter	Summary of changes
<a href="#">1.1</a>	<a href="#">17/12/2019</a>	<a href="#">3</a>	<a href="#">References to function ID updated (some still reflected the 2019 template structure)</a>
		<a href="#">1.1</a>	<a href="#">Minor clarifications with regard to scope</a>

## Introduction

### 1. Aim of the Guidance

This document (“the guidance”) aims at providing guidance to institutions for completing the reporting template on critical functions. The template's goal is threefold:

1. it provides a structure in which to report relevant data on economic functions and sub-functions;
2. it assists institutions in conducting the self-assessment of criticality in a structured and comparable manner, by listing relevant economic functions, data and by providing indicators for criticality;
3. it assists resolution authorities in conducting their criticality assessments by displaying the information and assessment provided by the institution in a structured manner.

### 2. Definition of Critical Functions

According to Commission Delegated Regulation (EU) 2016/778<sup>1</sup> on critical functions, a function shall be considered critical when it meets both of the following criteria:

1. the function is provided by an institution to third parties not affiliated to the institution or group; *and*
2. a sudden disruption of that function would likely have a material negative impact on the third parties, give rise to contagion or undermine the general confidence of market participants due to the systemic relevance of the function for the third parties and the systemic relevance of the institution or group in providing the function.

Critical functions cannot overlap with critical shared services, but may overlap with core business lines. In contrast to critical services, critical functions are always provided to third parties. Core business lines and critical functions are both provided to third parties, but the key difference is that critical functions play an important role in the real economy or in the financial system, while core business lines are material sources of revenue, profit or franchise value.

Commission Delegated Regulation (EU) 2016/778 on critical functions defines a two-step approach for defining critical functions. First, institutions are required to perform a self-assessment when drawing-up recovery plans. Second, resolution authorities shall critically review the recovery plans to ensure consistency and coherence across approaches used by individual institutions. Resolution authorities will therefore undertake their own critical functions assessment when drafting resolution plans. Also, when an institution falls into trouble, authorities need to re-assess whether the critical functions identified in resolution plans have changed due to new, unanticipated circumstances.

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<sup>1</sup> Please refer to Annex 1 for references to legislation.



## Part 1 General Guidance

### 1. Scope of the Report

Banking groups are required to submit the report at country level, for each Member State in which the group operates. This will cover, at a minimum, countries in which the ultimate parent entity as well as other Relevant Legal Entities (RLEs)<sup>2</sup> are located and perform economic functions, and countries in which the group provides functions the discontinuation of which would likely have a material negative impact on third parties, financial markets and the real economy.

In addition, banking groups may be required to submit the Critical Functions Report (CFR) at the level of the EU ultimate parent undertaking in a consolidated manner. Further sub-consolidated reports may be required in some specific cases where in one country different sub-groups exist (e.g. operating under different brands and/or different business models). More granular information at the individual level may also be considered necessary to appropriately identify the legal entities providing critical functions. CFRs covering third countries (including third-country branches) could also be required from institutions if this is deemed necessary by the IRT for the resolution planning process.

The activity of branches shall be reported as follows:

- In all cases (irrespective of the entry point), branches shall be aggregated in the report of the country in which they provide services.
- When individual reports are requested at the level of legal entities: branches shall appear in the report of the legal entity to which they belong. Separate reporting will be required for branches of institutions incorporated in the EU, where the IRT considers that such branches are important for the local economy (i.e. they are presumed or have been found in the past to offer critical functions and / or are important for the financial stability of the host Member State). Such separate reporting will take the form of specific "country" sheets.<sup>3</sup>

This might lead to the activity of branches being included in several reports.

Reporting is mandated for each country and entity identified by resolution authorities as falling within the scope of this exercise. Institutions will receive instructions separately with regard to which entities this concerns and to the scope of consolidation or aggregation.

With regard to the responsibilities of the SRB and NRAs within the SRMR, the scope is determined to cover, at a minimum, significant institutions and cross-border less significant institutions.

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<sup>2</sup> Please refer to the Guidance on the Liability Data Report for the definition of RLEs.

<sup>3</sup> Corresponding to different countries reported in the dimension « location of critical function ».

### ***In practice***

For each so-called “entry point” (e.g. CON, IND), the reporting entity should submit the report in one XBRL instance file for all countries in which the group operates.

In particular, banks are expected to submit a report for entry point = CON with, at a minimum, a self-assessment of critical functions for each country in which the group operates. Other entry points, aggregation levels or relevant markets may be requested by the IRT.

Entry point	Information in each report (XBRL instance)		
	A. Aggregated (irrespective of country)	B. Individual countries	C. Other relevant markets (global, EU, regional)
CON	As requested	Yes (for ultimate parent, otherwise as requested)*	As requested
IND	As requested	As requested	As requested
RES	As requested	As requested	As requested
CONPOE	As requested	As requested	As requested

\* Except if instructed differently by IRTs. For example, banks may be requested to only submit an aggregated IND report (where the parent is a holding company).

When information for individual countries is included in the report (B. above), please follow the specific instructions for “Member State Critical Functions Reports” (MS-CFRs).

When information about individual branches is requested by the IRT, it should appear in the form of different country sheets in an IND report (for example: information on branch A in Slovenia of bank Z in Italy is included in the IND report of bank Z, in the form of a specific country<sup>4</sup> tab “Slovenia”).

Please also refer to the SRB XBRL Filing Rules available on the SRB website.

## **2. Governance**

The data collected will be committing for each of the concerned entities and the SRM will communicate with senior management of the institution based on these data. As such, senior management is expected to be aware and familiar with this data and ensure an appropriate level of confidence with respect to its accurateness. To this end, the completeness and accuracy of reported data needs to be subject to an adequate validation framework within the institution.

NRAs could further specify the requirements for validation. When the timing for validation interferes with the deadlines set forth in section 3 on the reporting process, the entities shall submit data by the provided deadlines but an updated report could have to be submitted if material changes occur as a result of the formal validation framework.

<sup>4</sup> Note that the field « Country » needs to be filled for each economic function reported by the bank.



While the SRB has made an effort to minimise duplicate reporting, there are still data points requested in the CFR, which may already be reported under COREP or FINREP. The SRB has identified these data points in the guidance below.

### 3. Reporting Process

The reporting frequency for the data is set to a yearly basis, for the situation as it stands at 31 December of each year prior to the reporting. The deadline for submission is set at 30 April.

Notwithstanding these provisions, resolution authorities can request the information at any time they deem necessary or deviate from the above reference date. In a crisis, deadlines might be very close to the reference date. Such short deadlines may require individual entities and groups to develop adequate IT tools. This is for banks and groups to define and determine as appropriate.

The reports shall be provided in XBRL exclusively, based on the relevant extension to the EBA Data Point Model.<sup>5</sup> The visuals of templates in Part 2 of this guidance are meant for illustrative purposes only.

The reports shall be submitted to the NRA of the Banking Union jurisdiction in which the (ultimate) parent entity is incorporated, for all entities in scope. Subsequently, the NRA will transmit the report to the SRB.

#### **SRB Templates and EU Resolution Reporting Templates**

European Commission Implementing Regulation (EU) 2018/1624 of 23 October 2018 laying down implementing technical standards with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms<sup>6</sup> ("the CIR") requires credit institutions to submit a number of templates ("CIR Templates") yearly. This implementing regulation repeals Commission Implementing Regulation (EU) 2016/1066.

The CIR governs the data banks should report and according to which specifications ("minimum procedural and technical reporting requirements") it shall be delivered to NRAs. These specifications are part of the EBA Data Point Model, which contains all data definitions and validation rules required to submit the templates. Institutions do not need to complete CIR Template Z.07.01 FUNC1, which is completed through the SRB CFR, as the CFR contains all information required under the CIR.

Banking groups should nevertheless provide a mapping of their critical functions to individual entities in CIR Template 07.02 FUNC2. The SRB and CIR Templates should complement each other. This means that the CIR Template (in columns 010 'country' and

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<sup>5</sup> <https://eba.europa.eu/risk-analysis-and-data/reporting-frameworks/reporting-framework-2.9>.

<sup>6</sup> OJ L 277, 7.11.2018, p. 1–65.

020 'ID') should contain the same list of critical functions as identified in the SRB CFR, plus any additional functions banks may be requested to include, for example as a result of resolution authorities' assessment, if available. The function ID reported in CIR Template Z.07.02 FUNC2 should correspond to the function ID of CIR Template Z.07.01.

Banks which identify critical functions in the CFR for resolution planning purposes should strive to submit the same information in recovery plans. The need to align the identification of critical functions in recovery and resolution plans is recognised by banking supervisors and resolution authorities.

#### 4. Amount Reporting

Amounts (numbers of items and/or value) will be reported in Units. Amounts (value) will exclusively be reported in **EUR (counter) value and may be rounded to the nearest unit**. For foreign currencies, this means that a conversion is required, which will be done at the reference rates published by the ECB on the date for which the template is reported. In case this is a TARGET closing date, the exchange rate shall refer to the one published at the closest date before the reporting date. In cases where this is not practicable, banks may report using the exchange rate used in their internal systems.

In all the data provided, intragroup transactions should be excluded. Critical functions are services provided to third parties exclusively.

#### 5. Validation rules

Several levels of checks will be run on all submissions of the CFR:

1. A first level consists of **automated technical checks** to ensure that the submissions fulfil all formatting requirements, i.e. the filing rules;
2. A second level entails **automated consistency checks** with regard to submitted data; and
3. A third and final level of checks involves **further consistency and plausibility checks** which cannot be automatically implemented during the data collection phase.

These three levels of checks are further detailed in annex 3 to this guidance.



## SRB Resolution Templates

Template Code	Name of the template or group of templates	Short name	Replaces EBA template:
T99.00	Identification of the report	LDR_T99.00	N/A
T01.00	Liability Structure	LDR_T01.00	Z 02.00
T02.00	Own Funds	LDR_T02.00	Z 03.00
T03.01	Intragroup Liabilities	LDR_T03.01	Z 04.00
T03.02	Intragroup Guarantees - Received	LDR_T03.02	Z 04.00
T03.03	Intragroup Guarantees - Provided	LDR_T03.03	Z 04.00
T04.00	Securities (Including CET1, AT1 & Tier 2 Instruments; Excluding intragroup)	LDR_T04.00	N/A
T05.01	All Deposits (excluding intragroup)	LDR_T05.01	N/A
T06.01	Other financial Liabilities (not included in other tabs, excluding intragroup)	LDR_T06.01	N/A
T07.00	Derivatives	LDR_T07.00	N/A
T08.00	Secured Finance, excluding intragroup	LDR_T08.00	N/A
T09.00	Other Non-Financial (not included in other tabs, excluding intragroup)	LDR_T09.00	N/A
T12.00	Major off-balance sheet counterparties	LDR_T12.00	Z 05.02
T98.00	General Information	CF_T98.00	Z 07.01
T20.01	Critical functions - Deposits	CF_T20.01	Z 07.01
T20.02	Critical functions - Lending	CF_T20.02	Z 07.01
T20.03	Critical functions - Payment, Cash, Settlement, Clearing, Custody	CF_T20.03	Z 07.01
T20.04	Critical functions - Capital Markets	CF_T20.04	Z 07.01
T20.05	Critical functions - Wholesale funding	CF_T20.05	Z 07.01
T30.00	FMI services - Providers and Users	FMI_T30.00	Z 09.00
T31.00	FMI services - Mapping to Critical Functions	FMI_T31.00	Z 09.00
T32.00	FMI services - Mapping to core business lines	FMI_T32.00	Z 09.00
T33.00	FMI services - Key metrics	FMI_T33.00	Z 09.00



T 98.00 - GENERAL INFORMATION

			NAME	IDENTIFIER
			c0010	c0020
0010	G.1	<b>Legal Entity or Branch</b>	text	text
0020	G.2	<b>Ultimate Parent Entity</b>	text	text
0030	G.3	Optional - Intermediate Parent	text	text
0040	G.4	<b>Country of incorporation or location (in case of branch)</b>	[Jurisdiction of incorporation]	
0050	G.5	<b>Type of report</b>	[Type of report]	
0060	G.5.1	In case of reporting on activities at regional level: Name of region	text	
0070	G.6.1	<b>Reporting date</b>	yyyy-mm-dd	
0080	G.6.2	<b>Reporting period (begin date) (for daily averages)</b>	yyyy-mm-dd	
0090	G.6.3	<b>Reporting Period (end date) (for daily averages)</b>	yyyy-mm-dd	
0100	G.7	<b>Accounting Standard</b>	[Accounting standard]	

# Guidance on the 2020 Critical Functions Report



T 20.01 - Critical functions - Deposits

Country:

Part 1: Economic functions			Part 2: Quantitative data				
ID	Economic function	Description of economic function	Market share	Value on accounts	Number of clients	Number of accounts	Cross-border value
1	Deposits	0010	0020	0030	0040	0050	0060
0010	1.1 Households	text	%	€€€	#	#	€€€
0020	1.2 Non-financial corporations - SMEs	text	%	€€€	#	#	€€€
0030	1.3 Non-financial corporations - non-SMEs	text	%	€€€	#	#	€€€
0040	1.4 General Governments	text	%	€€€	#	#	€€€
0050	1.5 Other sectors/counterparties (1)	text	%	€€€	#	#	€€€
0060	1.6 Other sectors/counterparties (2)	text	%	€€€	#	#	€€€
0070	1.7 Other sectors/counterparties (3)	text	%	€€€	#	#	€€€

Part 3: Impact and substitutability analyses								Part 4: Criticality assessment		
Nature and reach			Relevance	Market Structure	Timing	Ability for substitution		Impact on market	Substitutability	Critical Function
Size indicator 1 (based on values)	Size indicator 2 (based on numbers)	Cross border indicator	Market share	Market concentration	Expected time for substitution	Legal barriers to market entry or expansion	Operational requirements			
0070	0080	0090	0100	0110	0120	0130	0140	0150	0160	0170
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE

T.20.02 - Critical functions - Lending

Country:

Part 1: Economic functions			Part 2: Quantitative data						
ID	Economic function	Description of economic function	Market share	Value outstanding	Value committed	Number of clients	Value outstanding - cross-border value	Risk weighted assets	
2	Lending	0010	0020	0030	0040	0050	0060	0070	
0010	2,1 Households - lending for house purchase	text	%	€ES	€ES	#	€ES	€ES	
0020	2,2 Households - other lending	text	%	€ES	€ES	#	€ES	€ES	
0030	2,3 Non-financial corporations - SMEs	text	%	€ES	€ES	#	€ES	€ES	
0040	2,4 Non-financial corporations - non-SMEs	text	%	€ES	€ES	#	€ES	€ES	
0050	2,5 General Governments	text	%	€ES	€ES	#	€ES	€ES	
0060	2,6 Other sectors/counterparties (1)	text	%	€ES	€ES	#	€ES	€ES	
0070	2,7 Other sectors/counterparties (2)	text	%	€ES	€ES	#	€ES	€ES	
0080	2,8 Other sectors/counterparties (3)	text	%	€ES	€ES	#	€ES	€ES	

Part 3: Impact and substitutability analyses								Part 4: Criticality assessment		
Nature and reach			Relevance	Market Structure	Timing	Ability for substitution		Impact on market	Substitutability	Critical Function
Size indicator 1 (based on values)	Size indicator 2 (based on numbers)	Cross border indicator	Market share	Market concentration	Expected time for substitution (time for the function to be absorbed by the market)	Legal barriers to market entry or expansion	Operational requirements (organisational, infrastructural, technical)			
0080	0090	0100	0110	0120	0130	0140	0150	0160	0170	0180
[Importance in terms of size (based on importance in terms of size (based on monetary amounts))]	[Importance in terms of size (based on importance in terms of size (based on numbers))]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers]	[Ease of substitution in terms of operational requirements to enter or expand]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on importance in terms of size (based on monetary amounts))]	[Importance in terms of size (based on importance in terms of size (based on numbers))]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers]	[Ease of substitution in terms of operational requirements to enter or expand]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on importance in terms of size (based on monetary amounts))]	[Importance in terms of size (based on importance in terms of size (based on numbers))]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers]	[Ease of substitution in terms of operational requirements to enter or expand]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on importance in terms of size (based on monetary amounts))]	[Importance in terms of size (based on importance in terms of size (based on numbers))]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers]	[Ease of substitution in terms of operational requirements to enter or expand]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on importance in terms of size (based on monetary amounts))]	[Importance in terms of size (based on importance in terms of size (based on numbers))]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers]	[Ease of substitution in terms of operational requirements to enter or expand]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on importance in terms of size (based on monetary amounts))]	[Importance in terms of size (based on importance in terms of size (based on numbers))]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers]	[Ease of substitution in terms of operational requirements to enter or expand]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on importance in terms of size (based on monetary amounts))]	[Importance in terms of size (based on importance in terms of size (based on numbers))]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers]	[Ease of substitution in terms of operational requirements to enter or expand]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE

# Guidance on the 2020 Critical Functions Report



T 20.03 - Critical functions - Payment, Cash, Settlement, Clearing, Custody

Country:

Part 1: Economic functions			Part 2: Quantitative data										
ID	Economic function	Description of economic function	Market share	Value of transactions	Value of open positions	Value of assets under custody	Cross-border value			Number of transactions	Number of clients	Number of ATMs	
							Value of transactions	Value of open positions	Value of assets under custody				
3	Payments, Cash, Settlement, Clearing, Custody	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	
0010	3.1	Payment services to MFIs	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0020	3.2	Payment services to non-MFIs	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0030	3.3	Cash services	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0040	3.4	Securities settlement services	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0050	3.5	CCP clearing services	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0060	3.6	Custody services	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0070	3.7	Other services/activities/functions (1)	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0080	3.8	Other services/activities/functions (2)	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#
0090	3.9	Other services/activities/functions (3)	text	%	€ES	€ES	€ES	€ES	€ES	€ES	#	#	#

Part 3: Impact and substitutability analyses								Part 4: Criticality assessment		
Nature and reach			Relevance	Market Structure	Timing	Ability for substitution		Impact on market	Substitutability	Critical Function
Size indicator 1 (based on values)	Size indicator 2 (based on numbers)	Cross border indicator	Market share	Market concentration	Expected time for substitution	Legal barriers to market entry or expansion	Operational requirements			
0120	0130	0140	0150	0160	0170	0180	0190	0200	0210	0220
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE

T.20.04 - Critical Functions - Capital Markets

Country:

Part 1: Economic functions			Part 2: Quantitative data									
ID	Economic function	Description of economic function	Market share	Notional amount	Carrying amount	Fee income	Cross-border value			Number of counterparties	Number of transactions	
							Notional amount	Carrying amount	Fee income			
4	Capital markets	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	
0010	4,1	Derivatives held for trading - OTC	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0020	4,2	Derivatives held for trading - non-OTC	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0030	4,21	Optional: interest rate derivatives (total)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0040	4,22	Optional: equity derivatives (total)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0050	4,23	Optional: foreign exchange & gold derivatives (total)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0060	4,24	Optional: credit derivatives (total)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0070	4,25	Optional: commodity derivatives (total)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0080	4,3	Secondary markets / trading (held-for-trading only)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0090	4,31	Optional: equity instruments	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0100	4,32	Optional: debt instruments	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0110	4,4	Primary Markets / underwriting	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0120	4,41	Optional: equity instruments	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0130	4,42	Optional: debt instruments	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0140	4,5	Other services/activities/functions (1)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0150	4,6	Other services/activities/functions (2)	%	€€	€€	€€	€€	€€	€€	€€	#	€€
0160	4,7	Other services/activities/functions (3)	%	€€	€€	€€	€€	€€	€€	€€	#	€€



T 20.05 - Critical functions - Wholesale funding

Country:

Part 1: Economic functions			Part 2: Quantitative data						
ID	Economic function	Description of economic function	National market share (based on national values)	Gross carrying amount	Number of counterparties	(Reverse) repurchase agreements	Cross-border value	Value at credit institutions	
5	Wholesale funding	0010	0020	0030	0040	0050	0060	0070	
0010	5.1	Borrowing	text	%	€€S	#	€€S	€€S	€€S
0020	5.2	Derivatives (assets)	text	%	€€S	#		€€S	€€S
0030	5.3	Lending	text	%	€€S	#	€€S	€€S	€€S
0040	5.4	Derivatives (liabilities)	text	%	€€S	#		€€S	€€S
0050	5.5	Other product types (1)	text	%	€€S	#	€€S	€€S	€€S
0060	5.6	Other product types (2)	text	%	€€S	#	€€S	€€S	€€S
0070	5.7	Other product types (3)	text	%	€€S	#	€€S	€€S	€€S

Part 3: Impact and substitutability analyses								Part 4: Criticality assessment		
Nature and reach			Relevance	Market Structure	Timing	Ability for substitution		Impact on market	Substitutability	Critical Function
Size indicator 1 (based on values)	Size indicator 2 (based on numbers)	Cross border indicator	Market share	Market concentration (based on number of competitors that could substitute the function)	Expected time for substitution (time for the function to be absorbed by the market)	Legal barriers to market entry or expansion	Operational requirements (organisational, infrastructural, technical)			
0080	0090	0100	0110	0120	0130	0140	0150	0160	0170	0180
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE
[Importance in terms of size (based on monetary amounts)]	[Importance in terms of size (based on numbers)]	[Importance in terms of cross-border activity]	[Importance in terms of market share]	[Ease of substitution in terms of market concentration]	[Ease of substitution in terms of time for substitution]	[Ease of substitution in terms of legal barriers to entry or expansion]	[Ease of substitution in terms of operational requirements to entry or expansion]	[Degree of impact on market]	[Degree of substitutability]	TRUE/FALSE



## Part 3 Template-Related Guidance (1)

### Definitions, economic functions and quantitative data

Where meaningful and possible, these definitions are aligned with existing regulatory definitions. Elements that are also requested in CIR Template Z.07.01 (FUNC 1) shall be considered to fall under the same definition as in the CIR. **In case of any discrepancies the text of the regulation shall prevail.**

#### 3.1. T98.00 - Identification of the Report

*Note that ALL fields in T98.00 must be filled, with the exception of r0030 G.3 Optional – Intermediate Parent and r0060 G.5.1 In case of reporting of activities are regional level: Name of region, which should only be filled when relevant.*

##### *r0010, c0010 – G.1 Legal Entity or Branch: Name*

Free-form text identification of incorporation name of the entity for which the critical functions tables are reported. Please state the official name as it is listed in corporate acts, including the indication of the incorporation form.

##### *r0010, c0020 – G.1 Legal Entity or Branch: Identifier*

20-digit, alpha-numeric LEI code of the entity, for which the report is submitted. In the absence of a LEI, the ECB Monetary Financial Institutions unique IDentifier (MFI ID) of the entity for use in RIAD should be used. In absence of both such identifiers, a local identifier shall be used (please contact your NRA for this).

##### *r0020, c0010 – G.2 Ultimate Parent Entity: Name*

Free-form text identification of incorporation name of the ultimate parent entity of the reporting entity. Please state the official name as it is listed in corporate acts, including the indication of the incorporation form.

In order to determine the ultimate parent entity, reference is made to the definition of a parent entity in Article 2.1(6) of Directive 2014/59/EU, which refers to Article 4.1(15)(a) of Regulation (EU) No 575/2013, which in turn refers to Articles 1 and 2 of Directive 83/349/EEC. As such, the ultimate parent entity is the highest level of consolidation of a given group.

##### *r0020, c0010 – G.2 Ultimate Parent Entity: Identifier*

20-digit, alpha-numeric LEI code of the entity, for which the report is submitted. In the absence of a LEI, the ECB Monetary Financial Institutions unique IDentifier (MFI ID) of the entity for use in RIAD should be used. In absence of both such identifiers, a local identifier shall be used (please contact your NRA for this).





*r0030, c0010 – G.3 Optional – Intermediate Parent: Name*

Please only report if the information is provided at sub-consolidated level. Free-form text identification of incorporation name of the intermediate parent entity of the reporting entity. Please state the official name as it is listed in corporate acts, including the indication of the incorporation form.

*r0030, c0010 – G.3 Optional – Intermediate Parent: Identifier*

Please only report if the information is provided at sub-consolidated level. 20-digit, alphanumeric LEI code of the entity. In the absence of a LEI, the ECB Monetary Financial Institutions unique IDentifier (MFI ID) of the entity for use in RIAD should be used. In absence of both such identifiers, a local identifier shall be used (please contact the NRA for this).

*r0040 – G.4 Country of incorporation, or location (in case of branch)*

The ISO 3166-1 alpha-2 identification of the country of incorporation of the entity, from the predefined list of countries. In case of separate reporting for branches: country in which the branch is located.

*r0050 – G.5 Type of Report*

Type of situation of the report, either 'Consolidated', 'Sub-consolidated', 'Resolution Group' or 'Individual'. Please do not use 'Member State/country report'.

*r0060 – G.5.1 In case of reporting on activities at regional level: Name of region*

In case the report provides information on the economic function(s) at regional level, the name of the region for which the information is provided. G.5.1 should be filled if the institution reports "region" in the field "Country" in the relevant sections of the report.

*r0070 – G.6.1 Reporting date*

Reporting/reference date of the reported data in XML-format (i.e. YYYY-MM-DD).

*r0080 – G.6.2 Reporting period (begin date) (for daily averages)*

Where data is reported based on daily averages, begin date of the reference period for that reported data in XML-format (i.e. YYYY-MM-DD).

*r0090 – G.6.2 Reporting period (end date) (for daily averages)*

Where data is reported based on daily averages, end date of the reference period for that reported data in XML-format (i.e. YYYY-MM-DD).

*r0100 – G.7 Accounting Standard*

Identification of applicable accounting standards, either 'IFRS' or 'National GAAP'. There might be differences within a same group or across reporting types for a single entity.

### 3.2 T20.01 – Critical functions - Deposits

This template covers the reporting requirements for CIR Template Z 07.01 "Critical Functions" rows 0010-0070 (Deposits).



Deposit taking shall refer to the acceptance of deposits from non-financial intermediaries. It does not include borrowing from other financial intermediaries, which is dealt with separately in Wholesale Funding. Deposits include: i) current accounts / overnight deposits, ii) deposits with agreed maturity, and iii) deposits redeemable at notice, and exclude repurchase agreements.

Background references<sup>7</sup>: FSB (2013) p.14; Regulation (EU) No 1071/2013 Annex II Part 2 items 9.1, 9.2 and 9.3.

### Country

The ISO 3166-1 alpha-2 identification of the country or geographic area for which the information is provided and in which the institution or group is active, Please select from the predefined list of countries or areas (including region, EU and global).

For information at the level of a Member State/country (MS-CFR), please select a country.

For other levels of aggregation, please select the relevant geographic area (for example, when the relevant market is regional, please select "region". The name of the region should be filled in r0060 – G.5.1).

### Lines

#### *r0010 – 1.1 Households*

Individuals or groups of individuals as consumers and producers of goods and non-financial services, exclusively for their own final consumption, and as producers of market goods and non-financial and financial services provided that their activities are not those of quasi-corporations. Non-profit institutions which serve households and which are principally engaged in the production of non-market goods and services intended for particular groups of households are included.

Background reference: FINREP Annex V. Part 1. Chapter 6, paragraph 42(f).

#### *r0020 – 1.2 Non-financial corporations - SMEs*

Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. The ceilings apply to individual firms only. For firms that are part of a larger group the turnover/headcount/balance sheet data for that group should also be included.

Background references: Definition SME: FINREP Annex V Part 1 chapter 1, paragraph 5(i); and Annex to Commission Recommendation 2003/361/EC concerning the definition of micro, small and medium-sized enterprises; Definition of non-financial corporations: FINREP: Annex V. Part 1.6(e).

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<sup>7</sup> Background references are provided to enhance understanding of the different concepts. They are not meant to suggest a perfect adequacy of definitions (for example between SRB and FSB definitions). The SRB, however, strives to align its understanding with the FINREP definitions.



*r0030 – 1.3 Non-financial corporations – non-SMEs*

Corporations and quasi-corporations excluding SMEs (r0030, ID 1.2) not engaged in financial intermediation, but principally in the production of market goods and non-financial services according to the ECB BSI Regulation (ECB/2013/33). This corresponds to the field “corporates” in the LDR.

*r0040 – 1.4 General governments*

Central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding deposits of public companies and private companies held by these administrations that have a commercial activity (which shall be reported under [F.3ID 1.3](#) ‘non-financial corporations’); social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements.

Background reference: FINREP: Annex V. Part 1. Chapter 6, paragraph 42(b).

*r0050 - r0070 – 1.5-1.7 Other sectors/counterparties*

Only report if you consider that reporting one or more additional functions is essential for the analysis. If you use this option, please enter the name of the additional function in column 0010.

Columns

**Part 1: Economic functions**

*c0010 – Description of economic function*

Name of the economic function, for additional optional functions only.

**Part 2: Quantitative data**

*c0020 – Market share*

Estimate of the market share of the institution or group for the economic function in the respective country or geographic area. In particular:

- For MS-CFR, this may be calculated as: total value on accounts (c0030) divided by total value of deposits in the country.
- For individual, sub-consolidated or consolidated reports (without distinction per country), this may be calculated as: total value on accounts c0030 – total value of deposits held by non-domestic residents or undertakings c0060, divided by total value of deposits in the country.

*c0030 – Value on accounts*

Carrying amount (including accrued interest) of deposits.

In the case of MS-CFR: only report total value on accounts held by residents in the relevant country.

Background references: FINREP Annexes III and IV Table 08.01 columns 10+20+30, rows depend on counterparty (320+330+340 for households, 270+280+290 for non-financial



corporations (for the sum of SME plus other, i.e. ID 1.2 and 1.3F.2 and F.3 in the template), 120+130+140 for governments); and FINREP Annex V Part 2. Chapter 8, paragraph 97.<sup>8</sup>

*c0040 – Number of clients*

Total number of clients which deposited the values reported in c0030 'value on accounts'. If one client uses more than one deposit product/ account, the client is counted only once.

*c0050 – Number of accounts*

Total number of current accounts / overnight deposits, deposits with agreed maturity and deposits redeemable at notice. Joint accounts should preferably be counted only once. The total number of accounts in this column should correspond to the value reported in c0030 'value on accounts'.

*c0060 – Cross-border value*

Value on accounts of non-residents (non-domestic persons). Domestic persons include: (i) persons that have their main economic interest (economic activities for at least one year; ownership of physical assets is considered sufficient evidence) within the country of the reporting entity, and (ii) foreign branches of the clients of the reporting entity.<sup>9</sup>

This field is not required for reports at regional level.

Background references: FINREP Annex III, Table 20.6 Geographical breakdown of liabilities by residence of the counterparty.

### 3.3 T20.02 – Critical functions - Lending

This template covers the reporting requirements for CIR 2018/1624 template Z 07.01 "Critical Functions" rows 0080-0150 (Lending).

Lending shall refer to the provision of funds to non-financial counterparties, such as corporate or retail clients. Lending to financial counterparties is a distinct activity and is assessed in 'Wholesale Funding'. Loans include debt instruments held by the institutions but exclude debt instruments that are securities, irrespective of their accounting classification (e.g. held-to-maturity or available for sale).

Background references: FSB (2013) p.17; Regulation (EU) No 1071/2013 Annex II Part 2 item 2.

#### Country

See similar field under T 20.01.

<sup>8</sup> FINREP references are provided to make clear which type of information is requested. Nevertheless, the scope of such information may not be the same as, for the purpose of identifying critical functions, intragroup transactions should be excluded.

<sup>9</sup> For example, the deposits (at the reporting institution or group) of foreign branches of corporates that are clients of the reporting institution or group should be considered as domestic if the legal entity to which they belong is considered as domestic.



## Lines

### *r0010 – 2.1 Households – lending for house purchase*

For a definition of households, see T20.01 Deposits (row 0010, function ID 1.1). Lending for house purchase means loans extended to households for the purpose of investing in houses for own use and rental, including building and refurbishments.

Background reference: FINREP: Annex V. Part 2. Chapter 5, paragraph 88(b).

### *r0020 – 2.2 Households – Other lending*

For a definition of households, see T20.01 Deposits (row 0010, function ID 1.1). Households (other lending) means total lending to households excluding lending for house purchase (row 0010, function ID 2.1).

### *r0030 – 2.3 Non-financial corporations –SMEs*

For a definition of SMEs, see Deposits (row 0020, function ID 1.2).

### *r0040 – 2.4 Non-financial corporations – non-SMEs*

For a definition of non-financial corporations other than SMEs, see Deposits (row 0030, function ID 1.3).

### *r0050 – 2.5 General governments*

For a definition of general governments, see Deposits (row 0040, function ID 1.4).

### *r0060 - r0080 – 2.6-2.8 Other sectors/counterparties*

Only report if you consider that reporting one or more additional functions is essential for the analysis. If you use this option to report the following additional functions, please use the precise expression (characters and capitalisation) utilised here below in column 0010:

- **Leasing:** A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. Only report if you are the lessor.
- **Trade finance and factoring:** Trade receivables include loans to other debtors granted on the basis of bills or other documents that give the right to receive the proceeds of transactions for the sale of goods or provision of services. This also includes factoring.

References: FINREP: Annex V. Part 2. Chapter 5, paragraph 85(c) and (d). IAS 17.

## Columns

### **Part 1: Economic functions**

#### *c0010 – Description of economic function*

Name of the economic function, for additional optional functions only.

### **Part 2: Quantitative data**



### *c0020 – Market share*

Estimate of the market share of the institution or group for the economic function in the respective country or geographic area. For lending this corresponds to the value of outstanding lending to domestic residents or domestically incorporated firms, relative to the total value outstanding in the national market. In particular:

- For MS-CFR, this may be calculated as: total value outstanding (c0030) divided by total value of lending in the country.
- For aggregate reports (individual, sub-consolidated or consolidated, irrespective of country), this may be calculated as: total value outstanding (c0030) – total value of loans outstanding to non-domestic residents or undertakings (c0060) divided by total value of lending in the country.

### *c0030 – Value outstanding*

Gross carrying amount of unimpaired and impaired loans and advances (including accrued interest). Lending stock is taken as a proxy for expected future lending.

In the case of MS-CFR: only report total value outstanding of loans to residents in the relevant country (see also cross-border values for reference).

Background references: FINREP Annex III Tables 05.01 and 18, and FINREP Annex V part 1 paragraphs 27, 34 and 42.

- *Households – lending for house purchase:* FINREP table 5, row 120, column 060;
- *Households – other lending:* FINREP table 5, row 080 minus row 120, column 060;
- *Non-financial corporations-SMEs:* FINREP table 18, row 130, column 010.
- *Non-financial corporations non-SMEs:* FINREP table 18, row 120 minus row 130, column 010.
- *General government:* FINREP table 5, row 080, column 020.
- For *leasing:* FINREP table 5 columns 020 and 050 (i.e. excluding households, credit institutions and other financial institutions), row 040.
- For *trade finance and factoring:* FINREP table 5 columns 020 and 050, row 030.

### *c0040 – Value committed*

Nominal value of loans committed, including loan commitments, financial guarantees and other commitments given.

Background references: FINREP Annex III Table 09.02, column 20, rows depend on counterparty: row 070 for households; row 060 for non-financial corporations; row 030 for general governments; and FINREP: Annex V Part 1, paragraph 42 and Part 2, paragraph 119.

### *c0050 – Number of clients*



Total number of clients which were provided with the values reported in c0060 'value outstanding'. If a client is using multiple loan products / accounts, the client is counted only once.

*c0060 – Value outstanding – cross-border value*

Value outstanding (c0030) of loans to non-residents, see Deposits (c0060) 'cross-border value'.

This field is not required for reports at regional level. Background references: FINREP Annex III, Table 20.4 Geographical breakdown of assets by residence of the counterparty.

*c0070 – Risk weighted assets*

Risk weighted exposure of values reported in (c0030) 'value outstanding' and (c0040) 'value committed'.

Background reference: COREP 02.00 item 1.1 rows depend on the counterparty.

### 3.4 T20.03 – Critical functions – Payment, Cash, Settlement, Clearing, Custody

This template covers the reporting requirements for CIR 2018/1624 template Z 07.01 "Critical Functions" rows 0160-0240 (Payment, Cash, Settlement, Clearing, Custody).

The economic functions included under this caption shall consist of the provision of payments, cash, settlement, clearing and custody services by a credit institution, as an intermediary between own clients or as an intermediary between a client and one or several relevant FMIs, or the provision of (indirect) access to FMIs to other banks. In line with FSB guidance on the Identification of Critical Functions and Critical Shared Services, the payments, clearing and settlement function is limited to services provided by banks to their clients. This category does not cover services provided by (pure) FMI providers. For the purpose of this template, FMIs include payment systems, securities settlement systems, central securities depositories and central counterparties (and do not include trade repositories).

'Payment service', 'payment transaction', and 'payment system' have the same meaning as defined in Article 4(3) and (5) and (7), respectively, of Directive 2015/2366 on payment services in the internal market.

Background references: FSB (2013) p.20., EU Directive on payment services in the internal market<sup>10</sup> (2015/2366) Article 4 and Annex 1.

#### Country

See similar field under T 20.01.

<sup>10</sup> Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, OJ L 337, 23.12.2015, p. 35–127.



## Lines

### *r0010 – 3.1 Payment services to MFIs*

This row shall include payment services offered to Monetary Financial Institutions (MFIs), with (i.e. where the reporting entity acts as direct participant for the benefit of other MFIs, which are indirect participants) or without (i.e. where transactions may be fully or partially internalised) use of external payment systems. This shall also include (payments related to) correspondent banking services. MFIs consist of all institutional units included in the sub-sectors: i) central bank; ii) deposit-taking corporations except the central bank; and iii) money market funds.

Background references: EU Directive on payment services in the internal market (2015/2366) Article 4 (3) and Annex 1; MFIs are defined in the ECB Regulation on payment statistics (ECB/2013/43) page 11.

### *r0020 – 3.2 Payment services to non-MFIs*

Payment services (such as the ability to perform credit transfers, direct debits, card payments with cards issued by the reporting entity (except cards with an e-money function only), e-money payment transactions or cheques) offered to clients, with or without the use of external payment systems. This shall only include natural or legal persons who do not belong to the MFIs sector. Payment service providers are also excluded from the 'non-MFIs' sector.

Background reference: Non-MFIs are defined in the ECB Regulation on payment statistics (ECB/2013/43) page 11.

### *r0030 – 3.3 Cash services*

Provision of cash services to clients (both individuals and corporates, only non-MFIs). These services refer to withdrawals at ATMs and at branch counters and do not include other cash services (like cash-in-transit services for mass retailers). Cash withdrawal with cheques and at branch counters using bank forms (where cards may be used as identification means) are also included.

### *r0040 – 3.4 Securities settlement services*

Services offered to clients for confirmation, clearing and settlement of securities transactions, with or without use of securities settlement systems. 'Settlement' means the completion of a securities transaction where it is concluded with the aim of discharging the obligations of the parties to that transaction through the transfer of cash and/or securities.

Background reference: EU Regulation on improving securities settlement in the European Union and on central securities depositories (909/2014).

### *r0050 – 3.5 CCP clearing services*

Securities and derivatives clearing services provided to clients. This also includes the provision of indirect access to a CCP.

Background reference: EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories ("EMIR").





*r0060 – 3.6 Custody services*

Safekeeping and administration of financial instruments for clients and services related to custodianship, such as cash and collateral management.

Background reference: EU Directive on markets in financial instruments (2014/65/EU) point (1) of Section B of Annex 1.

*r0070-0090 – 3.7-3.9 Other services/activities/functions*

Only report if you consider that reporting one or more additional functions is essential for the analysis. If you use this option, please enter the name of the additional function in column 0010.

Columns

**Part 1: Economic functions**

*c0010 – Description of economic function*

Name of the economic function, for additional optional functions only.

**Part 2: Quantitative data**

*c0020 – Market share*

Estimate of the market share of the institution or group for the economic function in the respective country or geographic area. For Payment, Cash, Settlement, Clearing and Custody Services, this corresponds to the value of (payment, securities or cash) transactions (for functions ID 3.1-3.4), open client positions at CCPs (for functions ID 3.5), total assets under custody (for function ID 3.6), divided by the overall value of such items in the national market.

*c0030 – Value of transactions*

As a general rule, the average value of daily transactions over the year shall be reported. For payment services to MFIs and securities settlement services, the TARGET 2 opening days should be used to divide the totals over the year; for payment services to non-FMIs and cash services, banks should use 364 or 365 days. If not available, an average over a shorter period (e.g. a few months) may be reported. Specifically with regard to the different functions, the following measures shall be considered<sup>11</sup>:

- In the case of MS-CFRs: only report values for the country in which the transaction originates. This is particularly relevant for cash services, as cash transactions executed (at ATMs or branch offices) in the country should be reported. In case of payment and securities settlement services: value of transactions executed by resident clients in the country.
- *Payment services* (function ID 3.1 and 3.2): Value of transactions sent.

<sup>11</sup> For CCP clearing services, the bank reports under c0040 – Value of open positions. For custody services, the bank reports under c0050 – Value of assets under custody.



Background references: EU Directive on payment services in the internal market (2015/2366) Article 4(5); ECB Regulation on payment statistics (ECB/2013/43).

- *Cash services* (function ID 3.3): Value of ATM transactions at ATMs of the reporting institution, as defined in ECB/2013/43 Table 5a, as well as over-the-counter cash withdrawals in branch offices of the reporting entity, as defined in ECB/2014/15 Table 4. In the case of MS-CFRs: only report value of transactions at ATMs and branch offices in the relevant country.

Background references: ECB Regulation on payment statistics (ECB/2013/43) Table 5a and ECB/2014/15 Table 4.

- *Securities settlement services* (function ID 3.4): Value of securities transfers processed on behalf of clients. This includes transactions settled with a securities settlement system or settled internally by the reporting entities, and 'free-of-payment' transactions. Report only the value of transactions sent.

#### *c0040 – Value of open positions*

Only report for function ID 3.5 'CCP clearing services': the positions (exposure) that the CCPs of which the institution is a member take on with the institution on behalf of its clients. Please report the average daily value of open positions related to client activity at CCPs. If not available, you may report averages over a shorter period (e.g. a few months) or open positions at end-of-year.

In the case of MS-CFRs: only report total value of open positions related to resident clients in the relevant country.

#### *c0050 – Value of assets under custody*

Only report for function ID 3.6 'Custody services': the amount of assets under custody, using fair value. Other measurement bases including nominal value may be used if the fair value is not available. In those cases where the institution provides services to entities such as collective investment undertakings or pension funds, the assets concerned may be shown at the value at which these entities report the assets in their own balance sheet. Reported amounts shall include accrued interest, if appropriate.

In the case of MS-CFRs: only report total value of assets under custody for resident clients in the relevant country.

Background reference: FINREP Annex III Table 22.02 column 10, row 60 (custody assets).

#### *c0060-0080 – Cross-border value*

In the case of sent transactions, to avoid double-counting, cross-border transactions are counted in the country in which the transaction originates.

This field is not required for reports at regional level.

Background references: ECB Regulation on payment statistics (ECB/2013/43), Part 2.3 §37 and definition of cross-border transaction, Regulation (EC) 924/2009 on cross-border payments in the Community.



Please report the average value of daily transactions over the year (except for cross-border custody assets). Only report for the sub-functions:

- *Payment services* (ID 3.1-3.2): Value of cross-border transactions sent.
- *Cash services* (ID 3.3): Value of cash withdrawals at ATMs of the reporting institution by non-residents.
- *Securities settlement services* (ID 3.4): Value of securities transfer transactions processed on behalf of non-resident clients. See Deposits (c0060) for a definition of non-resident clients.
- *CCP clearing services* (ID 3.5): Value of open positions related to non-resident clients.
- *Custody services* (ID 3.6): Value of assets under custody for non-resident clients.

#### *c0090 – Number of transactions*

As a general rule, the average number of daily transactions over the year corresponding to the values reported under functions ID 3.1-3.4 rows 0010-0040, column 0030, shall be reported. If not available, averages over a shorter period (e.g. a few months) may be provided. Specifically with regard to the different functions, the following measures shall be used<sup>12</sup>:

- *Payment services* (ID 3.1-3.2): Number of transactions sent. Background references: EU Directive on payment services in the internal market (2015/2366) Article 4(5); ECB Regulation on payment statistics (ECB/2013/43).
- *Cash services* (ID 3.3): Number of ATM transactions, as defined in ECB/2013/43 Table 5a, as well as over-the-counter cash withdrawals, as defined in ECB/2014/15 Table 4.
- *Securities settlement services* (ID 3.4): Number of securities transfer transactions processed on behalf of clients. This includes transactions settled with a securities settlement system or settled internally by the reporting entities and 'free-of-payment' transactions.

#### *c0100 – Number of clients*

For functions ID 3.1, 3.2, 3.4, 3.5, 3.6 report: In the case of MS CFRs: number of resident clients to which the service is provided. In the case of aggregate reports (individual, sub-consolidated or consolidated, irrespective of country): number of (resident and non-resident) clients to which the service is provided. If one client uses a service within a sub-function more than once, the client shall be counted only once.

#### *c0110 – Number of ATMs*

For function ID 3.3 (cash services), report: number of ATM terminals provided in the country, irrespective of the location (inside branch office or elsewhere).

Background reference: ECB Regulation on payment statistics (ECB/2013/43) Table 3.

<sup>12</sup> For CCP clearing services and custody services, the bank reports under c0100 – Number of clients.



### 3.5 T20.04 – Critical functions – Capital Markets

This template covers the reporting requirements for CIR 2018/1624 template Z 07.01 “Critical Functions” rows 0250-0310 (Capital Markets).

Capital markets activities shall refer to the issuance and trading of securities, related advisory services, and related services such as prime brokerage and market making. With regard to derivatives and secondary markets activities, the primary focus is on the institution’s role in providing liquidity to the market.

Background reference: FSB (2013) p.24.

#### Country

See similar field under T 20.01.

#### Lines

##### *r0010 – 4.1 Derivatives held for trading - OTC*

A derivative is a financial instrument a) whose value changes in response to the change of an underlying variable such as an interest rate, commodity or security price, or index; b) that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and c) that is settled at a future date. Examples for derivatives are: forwards, interest rate swaps and forward rate agreements, futures and options.

More specifically, a derivative or derivative contract means a financial instrument as set out in points (4) to (10) of Section C of Annex I to Directive 2014/65/EU as implemented by Articles 38 and 39 of Regulation (EC) No 1287/2006.

An OTC derivative or OTC derivative contract means a derivative contract the execution of which does not take place on a regulated market within the meaning of Article(1)(21) of Directive 2014/65/EU or a third-country market considered to be equivalent to a regulated market in accordance with Article 2a of regulation (EU) No 648/2012.

The amount to be reported shall only include derivatives traded in the OTC market.

Background references: Article 2(5) and (7) of Regulation (EU) No 648/2012. Points (4) to (10) of Section C of Annex I to Directive 2014/65/EU; Articles 38 and 39 of Regulation (EC) No. 1287/2006; IAS 39.9; IFRS 7.8(e)(ii); FINREP: Annex III, Table 10.

##### *r0020 – 4.2 Derivatives held for trading – non-OTC*

All derivatives held for trading, excluding OTC derivatives held for trading (r0010, function ID 4.1).

Background references: IAS 39.9; IFRS 7.8(e)(ii); FINREP Annex III Table 10.

##### *r0030-0070 – 4.21-4.25 Optional: Derivatives (total) by product*

Only report if you consider that providing a breakdown per product is essential for the analysis (for example, if you have a high market share in one particular product only). In



line with FINREP, products covering the following types of risk categories can be reported: interest rate, equity, foreign exchange and gold, credit, and commodity.

Background reference: FINREP: Annex V. Part 2.67.

*r0080 – 4.2 Secondary markets / trading (held-for-trading only)*

The secondary market is where investors buy and sell securities. This sub-function applies to the total trading portfolio (i.e. equity, corporate credit, sovereign credit). The amount to be reported shall include the value of securities measured as the total amount of securities in the held-for-trading accounting category. Securities shall be reported at fair value at the reporting date. The amount shall not include loans, derivatives and non-tradable assets (e.g. receivables).

Background reference: IAS 32.11; FINREP: Annex V. Part 1.Chapter 4.1, paragraph 17; FINREP: Annex III, Table 04.01; FSB (2013).

*r0090-0100 – 4.31-4.32 Optional: secondary markets / trading by product*

Only report if you consider that providing a breakdown per product is essential for the analysis. A breakdown can be provided in the following instruments: debt and equity.

Background references: IAS 32.11; FINREP: Annex III Table 04.01.

*r0110 – 4.4 Primary markets / underwriting*

A primary market is where new securities are issued on an exchange by companies, governments, and other groups to obtain financing through debt-based or equity-based securities (like common and preferred stock, corporate bonds, notes, bills, government bonds). Primary markets are facilitated by underwriting groups, which buy unsubscribed securities on a given date at a particular price, thus guaranteeing the full proceeds to the borrower.

Background reference: FSB (2013).

*r0120-0130 – 4.41-4.42 Optional: primary markets by product*

Only report if you consider that providing a breakdown per product is essential for the analysis. A breakdown can be provided in the following instruments: debt and equity. Equity includes all types of equity market transactions, such as initial public offerings, seasoned equity offerings, depository receipts and rights offerings. Also include equity-linked transactions such as convertible bonds, convertible preferred bonds and exchangeable bonds. Debt includes all types of underwriting transactions relating to debt securities, both secured (e.g. covered bonds, asset-backed security) and unsecured (e.g. medium term notes).

Background references: FSB (2013) p.27; EU Directive on markets in financial instruments (2014/65/EU); Glossary of useful terms linked to markets in financial instruments.

*r0140-0160 – 4.5-4.7 Other services/activities/functions*

Only report if you consider that reporting one or more additional functions is essential for the analysis. If you use this option to report the following additional functions, please use the precise expression (characters and capitalisation) utilised here below in column 0010:



- *Market making* means to act as a market maker, i.e. a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against his proprietary capital at prices defined by him.

Background reference: EU Directive (2014/65/EU) Art. 4(7).

- *Prime brokerage* means the purchase and sale/intermediation on behalf of wholesale (buy-side) clients. Background reference: AIFMD Art. 4(1).
- *Asset management* means the provision of private banking and fee-based services (i.e. wealth investment advisory, access to external investment funds) to clients.
- *Debt structure advisory* focuses on strategic advice to (corporate) clients seeking to raise debt and / or to optimise their financing structure (i.e. assisting in raising new debt, debt restructuring, developing refinancing strategies).

## Columns

### **Part 1: Economic functions**

#### *c0010 – Description of economic function*

Name of the economic function, for additional optional functions only.

### **Part 2: Quantitative data**

#### *c0020 – Market share*

Estimate of the market share of the institution or group for the economic function in the respective country or geographic area.

- *Derivatives* (function ID 4.1, 4.2 and 4.21-4.25): Notional amount outstanding within the country: gross nominal amount of all deals concluded and not yet settled at the reference date. For MS-CFRs, this may be calculated as: notional amount outstanding (c0030) divided by the sum of notional amounts outstanding of all institutions providing services in the country. For aggregate reports (individual, sub-consolidated or consolidated, irrespective of country), this may be calculated as: (notional amount outstanding (c0030) – cross-border value (c0060)) divided by the sum of notional amounts outstanding of all institutions providing services in the country.
- *Secondary markets* (function ID 4.3, 4.3.1, 4.3.2): Carrying amount outstanding in the country. For MS-CFRs, this may be calculated as: total carrying amount (0040) divided by the sum of carrying amounts outstanding of all institutions providing services in the country. For aggregate reports (individual, sub-consolidated or consolidated, irrespective of country), this may be calculated as: (total carrying amount (0040) – cross border value (0070)) divided by the sum of carrying amounts outstanding of all institutions within the country.



- **Primary markets** (function ID 4.4, 4.4.1, 4.4.2): fee income generated within the country. For MS-CFRs, this may be calculated as: total fee income (0050) divided by the overall revenues generated within the country (best estimate by the institution). For aggregate reports (individual, sub-consolidated or consolidated, irrespective of country), this may be calculated as: (total fee income (0050) – cross-border fee income (0080)) divided by the overall revenues generated within the country (best estimate by the institution).

#### *c0030 – Notional amount*

Only report for derivatives (function ID 4.1, 4.2 and 4.21-4.25): gross nominal amount of all deals concluded and not yet settled at the reference date. In the case of MS-CFRs: only report total notional amount related to counterparties in the relevant country.

Background references: FINREP Annex V Part 2. Chapter 10.2 paragraph 133 for the definition; for the data FINREP Annexes III and IV:

- Derivatives total (ID 4.1 and 4.2~~F.32 and F.33~~): Table 10.00 column 030 row 290.
- Derivatives OTC (~~F.31~~ID 4.1): Table 10.00 column 030 rows 300+310+320.

#### *c0040 – Carrying amount*

Only report for secondary market activities (function ID 4.3, 4.3.1, 4.3.2). The carrying amount to be reported on the asset side of the balance sheet, including accrued interest. In the case of MS-CFRs: only report total carrying amount related to counterparties in the relevant country.

Background reference: FINREP: Annex V Part 1. Chapter 5 paragraph 27; paragraph 31 for equity instruments and debt securities; chapter 4.1 paragraph 15 (a) and paragraph 16(a) for instruments classified as 'Held for Trading'. Annexes III and IV Table 04.01 column 010 rows 010+060+120.

#### *c0050 – Fee income*

Only report for primary markets (function ID 4.4, 4.4.1, 4.4.2). In the case of MS-CFRs: only report total fee income related to resident clients in the relevant country. Fees and commissions received for involvement in the origination or issuance of securities not originated or issued by the institution.

Background reference: FINREP: Annexes III and IV Table 22.01 column 010 rows 030+180.

#### *c0060 - 0080 – Cross-border value*

This field is not required for reports at regional level.

- **Derivatives** (function ID 4.1, 4.2 and 4.21-4.25): please estimate the notional amount outstanding outside of the home or relevant country on a best effort basis.
- **Secondary markets** (function ID 4.3, 4.3.1, 4.3.2): gross carrying amount outstanding outside of the home or relevant country. Background reference: FINREP Annex III Table 20.04 column 011 rows 040+080, all countries except home or relevant country.



- *Primary markets* (function ID 4.4, 4.4.1, 4.4.2): please estimate the fee income generated outside of the home or relevant country on a best effort basis.

*c0090 - 0100 – Number of counterparties or transactions*

For derivatives (function ID 4.1, 4.2 and 4.21-4.25) and secondary markets (function ID 4.3, 4.3.1, 4.3.2), total number of counterparties. For primary markets (function ID 4.4, 4.4.1, 4.4.2), total number of underwritten transactions.

### 3.6 T20.05 – Critical functions – Wholesale Funding

This template covers the reporting requirements for CIR 2018/1624 template Z 07.01 “Critical Functions” rows 0320-0380 (Wholesale Funding).

Wholesale activities shall refer to lending and borrowing in wholesale markets to and from financial counterparties (credit institutions and other financial corporations including insurance undertakings and funds).

Background reference: EMIR.

#### Country

See similar field under T 20.01.

#### Lines

*r0010 – 5.1 Borrowing*

Borrowing in wholesale markets from financial counterparties (including by way of repurchase agreements, inter-bank borrowing, commercial papers, certificates of deposits, money market funds, lines of credit, asset-backed commercial paper and fiduciary deposits).

Background references: FSB (2013) p. 24, IAS 39.9.

*r0020 – 5.2 Derivatives (assets)*

All derivatives with financial counterparties held on the asset side of the balance sheet. See ‘Capital Markets’ (~~F-31~~ID 4.1) for a definition of derivatives. In contrast to ‘Capital markets’, in ‘Wholesale Funding’, derivatives include all derivative contracts with financial counterparties (not limited to held-for-trading).

Background reference: FINREP: Annex III, Table 20.04, column 01, row 020 + 030.

*r0030 – 5.3 Lending*

Lending in wholesale markets to financial counterparties (including by way of reverse repurchase loans, commercial paper, certificate of deposits, money market funds, lines of credit, asset backed commercial paper, fiduciary deposits).

Background references: FSB (2013) page 24, IAS 39.9.





*r0040 – 5.4 Derivatives (liabilities)*

All derivatives with financial counterparties held on the liability side of the balance sheet. See 'Derivatives ~~total~~ assets' (F.4ID 5.2) for a definition.

Background reference: FINREP: Annex III, Table 20.06, column 01, row 020 + 030.

*r0050 - 0070 – 5.5-5.7 Other product types*

Only report if you consider that reporting one or more additional functions is essential for the analysis. If you use this option to report the following additional functions, please use the precise expression (characters and capitalisation) utilised here below in column 0010:

- *Securities lending or borrowing activities* involve temporary exchange of securities, generally for cash or other securities of at least an equivalent value, with an obligation to redeliver a like quantity of the same securities on a future date. More specifically, 'securities or commodities lending' or 'securities or commodities borrowing' means a transaction by which a counterparty transfers securities or commodities subject to a commitment that the borrower will return equivalent securities or commodities on a future date or when requested to do so by the transferor, that transaction being considered as securities or commodities lending for the counterparty transferring the securities or commodities and being considered as securities or commodities borrowing for the counterparty to which they are transferred.

Background reference: EU Regulation (2015/2365) on transparency of securities financing transactions and of reuse Art. 3(7).

- *Margin lending* means transactions in which credit is extended in connection with the purchase, sale, carrying or trading of securities.<sup>13</sup> Background reference: CRR Art. 272 (3).

Columns

**Part 1: Economic functions**

*c0010 – Description of economic function*

Name of the economic function, for additional optional functions only.

**Part 2: Quantitative data**

*c0020 – Market share*

Estimate of the market share of the institution or group for the economic function in the respective country or geographic area. It can be calculated as: gross carrying amount (c0030) divided by the sum of gross carrying amount of all institutions providing services in the country.

*c0030 – Gross carrying amount*

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<sup>13</sup> Margin lending transactions do not include other loans that are secured by collateral in the form of securities.



The gross carrying amount shall mean the carrying amount excluding 'accumulated impairment'. In the case of MS-CFRs: only report gross carrying amount related to relevant country.

Background references: FINREP: Annex V Part 2. Chapter 19, paragraph 19.2, FINREP: Annex III, Tables:

- *Borrowing* (ID 5.1): Table 20.06 column 010 rows 100+110, all countries.
- *Derivatives (assets)* (ID 5.2): Table 20.04 column 010 rows 020+030, all countries.
- *Lending* (ID 5.3): Table 20.04, column 010 rows 170+180, all countries.
- *Derivatives (liabilities)* (ID 5.4): Table 20.06, column 010, rows 020+030, all countries.

#### *c0040 – Number of counterparties*

Total number of counterparties. If one counterparty has more than one account and/or more than one transaction, the counterparty shall be counted only once.

#### *c0050 – (Reverse) repurchase agreements*

Report repurchase agreements under wholesale borrowing (function ID 5.1). Repurchase agreements mean cash received in exchange for securities sold at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Report reverse repurchase loans under wholesale lending (function ID 5.3). Reverse repurchase loans mean finance granted in exchange for securities bought under repurchase agreements or borrowed under securities lending agreements.

Background references: Regulation (2015/2365) on transparency of securities financing transactions and of reuse Art. 3(9); FINREP: Annex V. Part 2. Chapter 5, paragraph 85(e) and chapter 14, paragraph 183; FINREP Annex III:

- Repurchase agreements: Table 08.01 columns 010+020+030 rows 200+250.
- Reverse repurchase agreements: Table 05.00 columns 030+040 row 050.

#### *c0060 – Cross-border value*

Add the gross carrying amounts of all countries, except for the home or relevant country. This field is not required for reports at regional level.

Background references: FINREP: Annex III:

- *Borrowing* (ID 5.1): Table 20.06, column 010, rows 100+110, all countries except home country.
- *Derivatives (assets)* (ID 5.2): Table 20.04, column 010, row 010, all countries except home country.
- *Lending* (ID 5.3): Table 20.04, column 010, rows 170+180, all countries except home country.
- *Derivatives (liabilities)* (ID 5.4): Table 20.06, column 010, row 010, all countries except home country.



*c0070 – Value at credit institutions*

Gross carrying amount outstanding at credit institutions. Sector definition according to FINREP (Annex V). In the case of MS-CFRs: only report value at credit institutions in the relevant country.

Background references: FINREP: Annex III:

- *Borrowing* ([F.41ID 5.1](#)): Table 20.06, column 010, row 100, all countries.
- *Derivatives (assets)* ([F.42ID 5.2](#)): Table 20.04, column 010, row 020, all countries.
- *Lending* ([F.43ID 5.3](#)): Table 20.04, column 010, row 170, all countries.
- *Derivatives liabilities* ([F.44ID 5.4](#)): Table 20.06, column 010, row 020, all countries.



## Part 4 Template-related guidance (2)

### Impact and substitutability analyses and criticality assessment

#### 4.1 Impact analysis: general guidance

The assessment criteria for the impact on third parties shall include the following elements in accordance with Commission Delegated Regulation (EU) 2016/778 on critical functions:

- **the nature and reach of the activity**, the global, national or regional reach, volume and number of transactions; the number of customers and counterparties; the number of customers for which the institution is the only or principal banking partner.
- **the relevance of the institution**, on a local, regional, national or European level, as appropriate for the market concerned. The relevance of the institution may be assessed on the basis of the market share, the interconnectedness, the complexity and cross-border activities.
- **the nature of the customers and stakeholders affected by the function**, such as but not limited to retail customers, corporate customers, interbank customers, central clearing houses and public entities.
- **the potential disruption of the function on markets, infrastructures, customers and public services**. In particular, the assessment may include the effect on the liquidity of markets concerned, the impact and extent of disruption to customer business, and short-term liquidity needs; the perceptibility to counterparties, customers and the public; the capacity and speed of customer reaction; the relevance to the functioning of other markets; the effect on the liquidity, operations, structure of another market; the effect on other counterparties related to the main customers and the interrelation of the function with other services.

#### **The following questions could be considered:**

- What is the nature and extent of this activity?
  - Products, services, role (for example, in payment and settlement systems)?
  - Global, national, regional?
- What is the nature of the customers and stakeholders?
  - Corporate, interbank, retail, non-bank financial services?
  - Other sectors of the real economy (e.g., housing)?
- What impact would the disruption of the function have on markets and infrastructure?
  - Impact on other financial services firms and markets?
  - Speed at which disruption would cause that impact?



- What impact would disruption of service have on customers (i.e., how critical is the provision of this service to its end users)?
  - How critical is the function's regular provision to the health of the customer base?
  - Will customers be able to recognise a firm's distress and react?
  - What elements of the customers' operations are affected? Is the disruption likely to be across-the-board or affect only specific parts of a business?
- Are there knock-on effects of this disruption?
- What impact would the disruption have on market participants other than customers, such as service providers, market utilities and public services?
  - Is this market crucial to the functioning of any other market(s)?
  - Is the product always bundled with or tied to any other products?

#### 4.2 [Impact analysis: indicators included in the template](#)

Institutions are requested to **assess the impact** of the discontinuation of a function **with four indicators**: two size indicators, one cross-border indicator, and one market share indicator. The importance of each sub-function should be assessed with regard to these indicators, using both the requested data in the data input sheet (see previous chapter) as well as expert judgment based on market knowledge.

Background references: ECB database on Balance Sheet Items Statistics (BSI), ECB consolidated banking statistics (CDB) for deposits, lending, capital markets, wholesale funding, ECB Payments and Settlement Systems Statistics (payments/cash), ECB Banking structural statistical indicators, Eurostat/ AMECO European Commission (population, SMEs, number of households), and Bank for international Settlements (OTC and exchange-traded derivatives). The table below provides some possible market references for practical purposes. However, note that these references may not be valid across countries for the purposes of critical functions assessments, due to the definition of statistics used by the ECB. Institutions may discuss this with resolution authorities

Sub-functions	Proposed data series code	Complementary information
Deposits total	(BSI.M.DE.N.A.L20.A.1.U6.1000.Z01.E + BSI.M.DE.N.A.L20.A.1.U6.2000.Z01.E)	
Deposits households	BSI.M.DE.N.A.L20.A.1.U6.2250.Z01.E	
Deposits non-financial corp.	BSI.M.DE.N.A.L20.A.1.U6.2240.Z01.E	



Deposits Governments	General	(BSI.M.DE.N.A.L20.A.1.U2.2110.Z01.E BSI.M.DE.N.A.L20.A.1.U2.2120.Z01.E)	+	BSI only available for Euro Area counterparties
Loans and Advances total		(BSI.M.DE.N.A.A20.A.1.U6.1000.Z01.E BSI.M.DE.N.A.A20.A.1.U6.2000.Z01.E)	+	
Loans and Advances households		BSI.M.DE.N.A.A20.A.1.U6.2250.Z01.E		
Loans and Advances for house purpose		BSI.M.DE.N.A.A22.A.1.U6.2250.Z01.E		CBD only available for all counterparty areas
Loans and Advances non-financial corp.		BSI.M.DE.N.A.A20.A.1.U6.2240.Z01.E		
Loans and Advances small non-fin. Corp.		n.a.		not available
Loans and Advances medium non-fin. Corp		n.a.		not available
Loans and Advances SMEs		n.a.		not available
Loans and Advances large non-fin. Corp		n.a.		not available
Loans and Advances governments		BSI.M.DE.N.A.A20.A.1.U6.2100.Z01.E		CBD only available for all counterparty areas
Derivatives assets held for trading		(BSI.Q.DE.N.A.A74.X.1.U2.1000.Z01.E BSI.Q.DE.N.A.A74.X.1.U2.2000.Z01.E)	+	BSI for Euro, CBD only available for all counterparty areas
Derivatives liabilities held for trading		(BSI.Q.DE.N.A.L74.X.1.U2.1000.Z01.E BSI.Q.DE.N.A.L74.X.1.U2.2000.Z01.E)	+	BSI for Euro, CBD only available for all counterparty areas
Equity instruments (not limited to held-for-trading)		BSI.M.DE.N.A.A5A.A.1.U6.0000.Z01.E		CBD only available for all counterparty areas
Debt securities (not limited to held-for-trading)		(BSI.M.DE.N.A.A30.A.1.U6.1000.Z01.E BSI.M.DE.N.A.A30.A.1.U6.2000.Z01.E)	+	
Deposits deposit-taking corporations		BSI.M.DE.N.A.L20.A.1.U6.1210.Z01.E		



Deposits other financial corporations	(BSI.M.DE.N.A.L20.A.1.U2.2210.Z01.E + BSI.M.DE.N.A.L20.A.1.U2.2220.Z01.E)	
Loans and Advances deposit-taking corporations	BSI.M.DE.N.A.A20.A.1.U6.1210.Z01.E	CBD only available for all counterparty areas
Loans and Advances other financial corporations	(BSI.M.DE.N.A.A20.A.1.U6.2200.Z01.E - BSI.M.DE.N.A.A20.A.1.U6.2240.Z01.E - BSI.M.DE.N.A.A20.A.1.U6.2250.Z01.E)	
Payments non-MFI numbers	PSS.A.AT.F000.I00.Z00Z.NT.X0.20.Z0Z.Z	PSS
Payments non-MFI values	PSS.A.AT.F000.I00.Z00Z.VT.X0.20.Z01.E	PSS
ATMs* numbers	PSS.A.AT.S102.I00.I100.NT.X0.20.Z0Z.Z	PSS

Below follows a description of each indicator for each function.

### Nature and reach: Size indicators

Please assess how important the bank is in these activities. This assessment should be expressed qualitatively as 'High (H), Medium-High (MH), Medium-Low (ML) or Low (L)'. You should report 'H' if the size of the function is large, 'MH' if it is medium, 'ML' if the small, and 'L' if it is negligible. You may use macro-economic variables such as GDP, population (for Deposits, Lending, Payments, Cash, Settlement, Clearing and Custody Services), or market size (for Capital Markets and Wholesale Funding) as a benchmark for this qualitative assessment.

Please note that **the guidance below applies to cases where the relevant market is national** for the functions Deposits, Lending and Payments, Cash, Clearing, Settlement, Custody services, and EU or higher for the functions Capital Markets and Wholesale Funding. *Indications for cases where the institution chooses the report about a different relevant market level are shown between brackets in italics.*

For each sub-function, please base yourself on the following aspects:

#### T 20.01 Deposits

- **Size 1 (c0070):** expert judgement of the size of the **value** on accounts (c0030) from an **EU** perspective [*one level higher than the relevant market. This means that when the relevant market is regional, size 1 = national; when it is national, size 1 = EU; when it is EU, size 1 = global* ]:
  - From an EU perspective, how large do you believe the total value on accounts with your institution is?



- **Size 2 (c0080):** expert judgement of the size of **number** of clients (c0040) from a **national** perspective [*at the level of the relevant market*]:
  - From a national perspective, how large do you believe the total number of clients of your institution is?

#### T 20.02 Lending

- **Size 1 (c0080):** expert judgement of the size of the **value** of loans outstanding and committed (c0030 + c0040) from an **EU** perspective [*one level higher than the relevant market*]. In the assessment of this size indicator, please also take into account the potential future lending flows. You may use the existing lending stock as a proxy for future lending flows, if you consider that past activity accurately reflects planned lending activity in the short to medium term.
  - From an EU perspective, how large do you believe the value of loans outstanding and committed, as a proxy for future lending flows, is?
- **Size 2 (c0090):** expert judgement of the size of **number** of clients (c0050) from a **national** perspective [*at the level of the relevant market*]:
  - From a national perspective, how large do you believe the total number of clients of your institution is?

#### T 20.03 Payments, Cash, Clearing, Settlement, Custody

- **Size 1 (c0140):** expert judgement of the size of the **value** of transactions (c0030 for functions ID 3.1, 3.2, 3.3 and 3.4); open positions (c0040 for ID 3.5); or total assets under custody (c0050 for ID 3.6) from an **EU** perspective [*one level higher than the relevant market*]:
  - From an EU perspective, how large do you believe the value of transactions processed by your bank *or* the open positions of your bank's clients at CCPs, *or* total assets your institution is holding under custody for its clients are?
- **Size 2 (c0120):** expert judgement of the size of the **number** of transactions (c0090 for function ID 3.1, 3.2, 3.3 and 3.4); or number of clients (c0100 for ID 3.5 and 3.6) from a **national** perspective [*at the level of the relevant market*]:
  - From a national perspective, how large do you believe the total number of transactions *or* the number of clients of your institution are?

#### T 20.04 Capital markets

- **Size 1 (c0110):** expert judgement of the size of the **value** of the notional amount outstanding (c0030 for function ID 4.1, 4.2 and 4.21-4.25); carrying amount (c0040 for ID 4.3 and 4.31-4.32); or fee income generated (c0050 for ID 4.4 and 4.1-4.2) from a **global** perspective [*one level higher than the relevant market. If the relevant market is global, then size 1 becomes redundant and does not need to be reported*]:
  - From a global perspective, how large do you believe the total notional amount outstanding or carrying amount or fee income generated are?





- **Size 2 (c0120):** expert judgement of the size of the number of counterparties (c0090 for function ID 4.1, 4.2, 4.21-4.25, 4.3, 4.31-4.32) or **number** of underwritten transactions (c0110 for ID 4.4 and 4.41-4.42) from a **national** perspective [*at the level of the relevant market*]:
  - From a national perspective, how large do you believe the number of counterparties or underwritten transactions by your institution are?

#### T 20.05 Wholesale funding

- **Size 1 (c0080):** expert judgement of the size of the **value** of the gross carrying amount of reporting institution (c0030) from a **global** perspective [*one level higher than the relevant market. If the relevant market is global, then size 1 becomes redundant and does not need to be reported*]:
  - From a global perspective, how large do you believe the gross carrying amount of the reporting entity is?
- **Size 2 (c0090):** expert judgement of the size of the **number** of counterparties or transactions (c0040) from a **national** perspective [*at the level of the relevant market*]:
  - From a national perspective, how large do you believe the number of counterparties of your institutions is?

#### Nature and reach: Cross-border indicator

Please assess the relative importance of cross-border activities for the different economic functions.

This does not need to be assessed in case of reports in which the relevant market is considered to be regional.

#### T 20.01 Deposits

- **c0090:** Number of EU countries where it is estimated that the reporting entity has a national market share above 2%. Please report: L: ≤1 country; ML: [2-3 countries]; MH: [4-5 countries], H: >5 countries.

#### T 20.02 Lending

- **c0100:** Number of EU countries where the reporting entity has a market share above 2% (expressed in value of outstanding loans). Please report: L: ≤1 country; ML: [2-3 countries]; MH: [4-5 countries], H: >5 countries.

#### T 20.03 Payments, Cash, Clearing, Settlement, Custody

- **c0130:** Number of EU countries where the reporting entity has a market share above 2% (expressed in value of payment, securities or cash transactions, or open client positions at CCPs, or total assets under custody). Please report: L: ≤1 country; ML: [2-3 countries]; MH: [4-5 countries], H: >5 countries.

#### T 20.04 Capital markets

- **c0130:** Share of the reporting entity's cross-jurisdictional activity as percentage of total value, expressed in notional amounts (derivatives), carrying amount (secondary



markets), fee income from foreign customers (primary markets). Please report: L: <5%; ML: [5-15%]; [MH: 15-25%], H: ≥25%.

#### *T 20.05 Wholesale funding*

- **c0100**: Share of the reporting entity's cross-jurisdictional activity as percentage of total value, expressed in gross carrying amount. Please report: L: <5%; ML: [5-15%]; [MH: 15-25%], H: ≥25%.

### **Relevance: Market share indicator**

Please assess how important you consider the reporting entity's market share, compared to the national or other relevant market, as indicated in the template. This assessment should be expressed qualitatively as 'High (H), Medium-High (MH), Medium-Low (ML) or Low (L)'. You should report 'H' if the market share is large, 'MH' if the market share is medium, 'ML' if the market share is small, and 'L' if the market share is negligible. This assessment should take into account the market structure of the reporting entity's country (or other relevant market), and market shares reported in part 2. Quantitative data:

#### *T 20.01 Deposits*

- **c0100**: Expert judgement of the size of the **national** market share (reported in c0020, except in cases where the report is provided for a different relevant market level, in which case an assessment of the relevant market share is expected).

#### *T 20.02 Lending*

**c0110** Expert judgement of the size of the **national** market share (reported in c0020, except in cases where the report is provided for a different relevant market level, in which case an assessment of the relevant market share is expected). *T 20.03 Payments, Cash, Clearing, Settlement, Custody*

- **c0150**: Expert judgement of the size of the **national** market share (reported in c0020, except in cases where the report is provided for a different relevant market level, in which case an assessment of the relevant market share is expected).

#### *T 20.04 Capital markets*

- **c0140**: Expert judgement of the size of the **national** market share (reported in c0020, except in cases where the report is provided for a different relevant market level, in which case an assessment of the relevant market share is expected).

#### *T 20.05 Wholesale funding*

- **c0110**: Expert judgement of the size of the **national** market share (reported in c0020, except in cases where the report is provided for a different relevant market level, in which case an assessment of the relevant market share is expected).

## 4.3 Substitutability analysis: general guidance

According to the Commission Delegated Regulation (EU) 2016/778 on critical functions, a function that is essential to the real economy and financial markets shall be considered substitutable where it can be replaced in an acceptable manner and within a reasonable



timeframe thereby avoiding systemic problems for the real economy and the financial markets. When assessing the substitutability of a function the following criteria shall be taken into account:

- **the structure of the market** for that function and the availability of substitute providers (such providers are not necessarily credit institutions);
- **the ability of other providers** in terms of capacity, the requirements for performing the function, and potential barriers to entry or expansion;
- **the incentive of other providers** to take on these activities;
- **the time required** by users of the service to move to the new service provider and costs of that move, the time required for other competitors to take over the functions and whether that time is sufficient to prevent significant disruption depending on the type of service.

**The following questions are relevant to this analysis.**

*Concentration:*

- How concentrated is the market and what are the related trends?
  - If highly concentrated, how many players are involved? What are the market shares of the other major firms? Is the market dominated by a particular institution type or entities from a specific jurisdiction or region?
  - Is there a particular reason for the current level of concentration?
- How similar are the institutions that dominate market share? If one typical player were under stress, would others also be likely to be under stress?
- To what extent do individual firms with dominant market shares in the market in question also have dominant market shares in other critical markets?
- Would the failure of a large player in this market have an impact on the ability of the market or related infrastructure to function?
- How small a market share would a player need to have to fail without significantly disrupting the activity?

*Substitutability:*

- Are clear substitutes available?
  - Would one single provider be sufficient to take over all activities or clients? In that case, what would be the resulting market concentration?
  - Would other providers wish to take over these activities?
- Are there other products and markets that are broadly equivalent to the activities of a failing firm?
- What are the necessary factors for performing this activity?



- How extensive are the organisational arrangements or infrastructure needed to provide this service?
- Does this activity have significant barriers to entry?
- To what extent do brand, positioning or reputation matter?
- Are there reasons why existing dominant players would find this business attractive while others would not (e.g., economies of scale that relate to the product in question)?
  - How do firms compete for this activity?
  - Is there evidence that this market is highly substitutable?
  - How frequently do the main players in this market turn over?
  - How many new players are involved in this turnover?

#### 4.4 Substitutability analysis: indicators included in the template

**Reporting institutions are requested to assess the substitutability of the functions based on five key indicators:** market share, number of competitors that could substitute the function, expected time for substitution, legal barriers for competitors to offer the service/ enter the market, and operational requirements for competitors to offer the service/ enter the market. You are requested to assess these five indicators, mainly based on expert judgement. Below follows a description of each indicator for each economic function.

##### **Relevance: Market share indicator**

Reporting institutions need to take into account the market share indicator in the overall supply-side assessment in part 4 of the template. Guidance for that indicator is included in 4.2 Impact analysis.

##### **Market concentration indicator**

The market concentration, measured by the number of competitors currently performing similar economic functions and/or offering similar services on equal terms (i.e. to a comparable extent and quality and at a comparable cost) that could potentially take over (part of) the clients and/or business of the reporting entity within a reasonable timeframe. This has to be reported in buckets, which are the same for each sub-function L:  $\geq 20$ ; ML: [10-20); MH: [5-10), H:  $< 5$ .

##### *T 20.01 Deposits*

- *c0110*: Expert judgement of the number of competitors.

##### *T 20.02 Lending*

- *c0120*: Expert judgement of the number of competitors.

##### *T 20.03 Payments, Cash, Clearing, Settlement, Custody*



- *c0160*: Expert judgement of the number of competitors.

*T 20.04 Capital markets*

- *c0150*: Expert judgement of the number of competitors.

*T 20.05 Wholesale funding*

- *c0120*: Expert judgement of the number of competitors.

**Expected time for substitution indicator**

Please estimate the time necessary for the economic function provided by the reporting entity to be absorbed by the market in a crisis situation. This includes:

- the expected time needed by one or several competitor(s) to accomplish the legal and technical steps to take over the function; as well as
- the time required by users of the service to move to another service provider.

As a proxy for the former, you may provide an estimate of the time it would take you to absorb in your own business (part of) the service provided by another institution, at a reasonable cost, in a crisis situation.

*T 20.01 Deposits*

- *c0120*: Expert judgement on the time to substitution. It mainly concerns the financial, operational and technical capacity of alternative providers to offer deposit-taking services to the reporting bank's customers and not the transfer of the deposits to another provider as the consequence of an act by an authority or the receipt of compensation from the DGS.

Please report the estimated time to substitution according to the following buckets: L: < 1 week; ML: [1 week-1 month]; MH: [1-6 months], H: >6 months.

*T 20.02 Lending*

- *c0130*: Expert judgement on the time to substitution. This should not refer to a run-off of the outstanding portfolio or the transfer of that portfolio to a prospective buyer, but rather to the ability of households, corporates and governments to obtain similar loans from other providers.

Please report the estimated time to substitution according to the following buckets: L: < 1 week; ML: [1 week-1 month]; MH: [1-6 months], H: >6 months.

*T 20.03 Payments, Cash, Clearing, Settlement, Custody*

- *c0170*: Expert judgement on the time to substitution. Please report the estimated time to substitution according to the following buckets: L: ≤ 1 day; ML: (1-2 days); MH: (2 days-1 week], H: >1 week.

*T 20.04 Capital markets*

- *c0160*: Expert judgement on the time to substitution. Please report the estimated time to substitution according to the following buckets: L: < 1 week; ML: [1 week-1 month]; MH: [1-6 months], H: >6 months.

*T 20.05 Wholesale funding*



- **c0130:** Expert judgement on the time to substitution. Please report the estimated time to substitution according to the following buckets: L:  $\leq 1$  day; ML: (1 day-1 week]; MH: [1 week- 1month], H:  $>1$  month

### Indicator for legal barriers to entry or expansion

Legal barriers for competitors to offer the service. Legal requirements for performing the business of credit institutions (e.g. banking licences or capital requirements) should not be considered as unsurmountable barriers in the presence of alternative providers. This indicator has to be reported in buckets, which are the same for each sub-function: L: no major barriers, ML: some barriers, MH: substantial (but surmountable) barriers, H: critical (difficult to surmount) barriers.

#### *T 20.01 Deposits*

- **c0130:** Expert judgement on the legal barriers to entry or expansion.

#### *T 20.02 Lending*

- **c0140:** Expert judgement on the legal barriers to entry or expansion.

#### *T 20.03 Payments, Cash, Clearing, Settlement, Custody*

- **c0180:** Expert judgement on the legal barriers to entry or expansion.

#### *T 20.04 Capital markets*

- **c0170:** Expert judgement on the legal barriers to entry or expansion.

#### *T 20.05 Wholesale funding*

- **c0140:** Expert judgement on the legal barriers to entry or expansion.

### Operational requirements to entry or expansion

Organisational, technical, and infrastructural requirements for competitors to offer the service. Offering the services related to the (sub-)function requires providers to invest in (new or additional) infrastructure or to modify their organizations. Please also assess the ability of the market to absorb the given business, in terms for example of capital requirements. This indicator has to be reported in buckets, which are the same for each sub-function: L: no major requirements, ML: some requirements, MH: substantial (but surmountable) requirements, H: critical (difficult to surmount) requirements.

#### *T 20.01 Deposits*

- **c0140:** Expert judgement on the operational requirements to entry or expansion.

#### *T 20.02 Lending*

- **c0150:** Expert judgement on the operational requirements to entry or expansion. Please also take into account the associated RWAs (reported in c0070).

#### *T 20.03 Payments, Cash, Clearing, Settlement, Custody*

- **c0190:** Expert judgement on the operational requirements to entry or expansion.



*T 20.04 Capital markets*

- *c0180*: Expert judgement on the operational requirements to entry or expansion.

*T 20.05 Wholesale funding*

- *c0150*: Expert judgement on the operational requirements to entry or expansion.

## 4.5 Criticality assessment

### **Impact on market**

Estimated impact of a sudden discontinuation of the function on third parties, financial markets and the real economy, taking into account the size, market share in the country, external and internal interconnectedness, complexity, and cross-border activities of the institution. Please provide an overall assessment of the expected impact of the discontinuation of each function at the relevant market level, taking into account the different indicators assessed previously (size, cross-border and market share). This assessment should be expressed qualitatively as 'High (H), Medium-High (MH), Medium-Low (ML) or Low (L)'. You should select 'H' if the discontinuation has a major impact on the national market; 'MH' if the impact is significant; 'ML' if the impact is material, but limited; and 'L' if the impact is low.

*T 20.01 Deposits*

- *c0150*: Expert judgment on market impact.

*T 20.02 Lending*

- *c0160*: Expert judgment on market impact. The criticality of the Lending function is mostly related to future flows. In the data request, stocks are used as a proxy for flows. However, if your activities have changed and if stocks do not reflect flows accurately, please take this into account in your assessment of impact. The impact assessment should provide your view on how discontinuing the provision of loans to households, corporates and governments would impact these stakeholders and the national economy.

*T 20.3 Payments, Cash, Clearing, Settlement, Custody*

- *c0200*: Expert judgment on market impact.

*T 20.4 Capital markets*

- *c0190*: Expert judgment on market impact.

*T 20.5 Wholesale funding*

- *c0160*: Expert judgment on market impact. The cross-border dimension of the Capital Markets and Wholesale Funding functions is reflected by *combining* the size indicators and the cross-border indicator (i.e. if the institution is a big player, and if it is relatively active across borders, then its cross-border dimension may be an important contributor to the impact).



## Substitutability

A function is considered substitutable where it can be replaced in an acceptable manner and within a reasonable timeframe thereby avoiding systemic problems for the real economy and the financial markets. The following should be taken into account:

- (a) The structure of the market for that function and the availability of substitute providers;
- (b) The ability of other providers in terms of capacity, the requirements for providing that function, and potential barriers to entry or expansion;
- (c) The incentive of other providers to take on these activities;
- (d) The time required by users of the service to move to the new service provider and costs of that move, the time required for other competitors to take over the functions and whether that time is sufficient to prevent significant disruption depending on the type of service.

Please provide an overall assessment of the expected degree of substitutability for each function, taking into account the different dimensions assessed previously (market share, market concentration, time to substitution, legal barriers, and operational requirements to entry or expansion). This assessment should be expressed qualitatively as 'High (H), Medium-High (MH), Medium-Low (ML) or Low (L)'. You should select 'H' if a function can easily be provided by another bank under comparable conditions within a reasonable timeframe, 'L' if a function cannot be easily or rapidly substituted, 'MH' and 'ML' for intermediate cases taking into account different dimensions (e.g. market share, market concentration, time to substitution, legal barriers, operational requirements to entry or expansion).

### *T 20.01 Deposits*

- *c0160*: Expert judgment on substitutability.

### *T 20.02 Lending*

- *c0170*: Expert judgment on substitutability.

### *T 20.3 Payments, Cash, Clearing, Settlement, Custody*

- *c0210*: Expert judgment on substitutability.

### *T 20.4 Capital markets*

- *c0200*: Expert judgment on substitutability.

### *T 20.5 Wholesale funding*

- *c0170*: Expert judgment on substitutability.

## Critical function

Please assess for each economic sub-function whether you consider it to be critical or not for the markets that you are serving. This assessment is the result of the combination of both the impact and the substitutability assessment. The higher the impact, the most likely





the function is to be critical. Similarly, the more difficult it would be to find another, comparable supplier, the more a function can be expected to be critical.

If the relevant market is deemed to be regional, the bank is expected to take into account in the relevant MS-CFR, the potential contagion from the regional to the national level. In order for an economic function to be considered critical, its discontinuation needs to have an impact on the national level, either directly (when the relevant market is national) or because of the resulting contagion effect from the regional to the national level, when the relevant market is exceptionally considered to be regional (for deposits or lending).

*T 20.01 Deposits*

- *c0170*: Expert judgment on whether the function is critical (true/false).

*T 20.02 Lending*

- *c0180*: Expert judgment on whether the function is critical (true/false).

*T 20.3 Payments, Cash, Clearing, Settlement, Custody*

- *c0220*: Expert judgment on whether the function is critical (true/false).

*T 20.4 Capital markets*

- *c0210*: Expert judgment on whether the function is critical (true/false).

*T 20.5 Wholesale funding*

- *c0180*: Expert judgment on whether the function is critical (true/false).



## Annex 1 – References

### **Legislation**

- [Regulation \(EC\) No 924/2009 of the European Parliament and of the Council on cross-border payments in the Community and repealing Regulation \(EC\) No 2560/2001, 16/09/2009](#)
- [Regulation \(EC\) No 1287/2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards recordkeeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive, 10/08/2006](#)
- [Directive 2011/65/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, 8/06/2011](#)
- [Regulation \(EU\) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories \(European Market Infrastructure Regulation, EMIR\), 4/07/2012](#)
- [Regulation \(EU\) 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms \(Capital Requirements Regulation\), 26/06/2013](#)
- [Commission Implementing Regulation \(EU\) 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 \(COREP templates\), 16/04/2014](#)
- [Directive 2014/59/EU of the European Parliament and of the Council on establishing a framework for the recovery and resolution of credit institutions and investment firms \(Bank Recovery and Resolution Directive\), 15/05/2014](#)
- [Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, 15/05/2014](#)
- [Regulation \(EU\) 909/2014 of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories, 23/06/2014](#)
- [Regulation \(EU\) 806/2014 of the European Parliament and of the Council on establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund \(Single Resolution Mechanism Regulation\), 15/07/2014](#)
- [Regulation \(EU\) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse, 25/11/2015](#)
- [Directive \(EU\) 2015/2366 of the European Parliament and of the Council on payment services in the internal market, 25/11/2015](#)
- [Commission Delegated Regulation \(EU\) 2016/778 supplementing Directive 2014/59/EU on the criteria for the determination of the activities, services and operations with regard to critical functions, and for the determination of the business lines and associated services with regard to core business lines, 02/02/2016](#)
- [Commission Implementing Regulation \(EU\) 2017/105 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation \(EU\) No 648/2012, 19/10/2016](#)
- [EU, Commission Implementing Regulation \(EU\) 2018/1624 laying down implementing technical standards with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions](#)



and investment firms pursuant to Directive 2014/59/EU of the European Parliament and of the Council, and repealing Commission Implementing Regulation (EU) 2016/1066, 23/10/2018

**Other references**

- EBA, [Technical advice on the delegated acts on critical functions and core business lines](#) (EBA 2015), EBA/Op/2015/05, 06/03/2015
- EBA, [Draft Implementing technical standards on the provision of information for the purpose of resolution plans under Article 11\(3\) of Directive 2014/59/EU](#), EBA/ITS/2018/02, 17 April 2018.
- [ECB, Regulation \(EU\) 1071/2013 concerning the balance sheet of monetary financial institutions sector](#) (BSI Regulation), ECB/2013/33, 24/10/2012
- ECB, [Regulation of the European Central Bank on payment statistics](#), ECB/2013/43, 28/11/2013
- Eurostat (2010), [European System of Accounts](#)
- [FINREP, version 2.8, Annexes III](#) and IV templates (IFRS and GAAP) and Annex V instructions
- FSB, [Guidance on the Identification of Critical Functions and Critical Shared Services](#) (FSB 2013), 16/07/2013
- International Accounting Standard (IAS) 17.



## Annex 2 - List of abbreviations

AIFMD	Alternative Investment Fund Managers Directive 2011/61/EU
AMECO	Annual Macro-Economic database of the European Commission
ATM	Automated Teller Machine
BRRD	Bank Recovery and Resolution Directive 2014/59/EU
COREP	Common Reporting framework
CRR	Capital Requirements Regulation 575/2013
CCP	Central Counterparty
DGS	Deposit Guarantee Scheme
EBA	European Banking Authority
ECB	European Central Bank
EMIR	European Market Infrastructure Regulation
EU	European Union
FINREP	Framework for consolidated Financial Reporting
FMIs	Financial Market Infrastructures
FSB	Financial Stability Board
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
LEI	ISO 17442 Legal Entity Identifier (20 alphanumeric character code)
MFIs	Monetary Financial Institutions
MFI ID	Monetary Financial Institutions Unique Identifier
MS-CFR	Member State Critical Functions Report
NRA	National Resolution Authority
OTC	Over-the-Counter
SME	Small and Medium-sized Enterprise
SRB	Single Resolution Board
SRMR	Single Resolution Mechanism Regulation
Q&A	Questions and Answers
XBRL	eXtensible Business Reporting Language
XML	eXtensible Markup Language



## Annex 3 - Data Validations

### 1. Level 1 checks

Please refer to the SRB XBRL Filing Rules available on the SRB website.

### 2. Level 2 checks

The second level of checks relate to consistency of the reported data and are run as part of data validations of XBRL instance. Please refer to the validation rules available on the SRB website.

### 3. Level 3 checks

After the submission process, the SRB has developed further tools to assist with the data validation. These checks may still give rise to a need for resubmission if errors are identified. A non-exhaustive list of those checks can be found below:

#### 3.1 Verification of General Information

	<b>CFR tabs</b>	<b>Description of the check</b>
1.	T98	Legal entity or branch r0010, Ultimate parent entity r0020, Intermediate parent r0040, Entity name and entity code (c0010, c0020) correspond and are consistent with other reports.

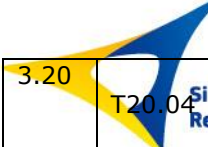
#### 3.2 COREP/FINREP checks

	<b>CFR tabs</b>	<b>COREP/FINREP checks</b>
2.1	T20.01	Only for Country = "global" (and provided no group companies belong to the categories "households" or "governments") Value on accounts (c0030) = FINREP Table 08.01 columns 10+20+30, rows depend on counterparty (320+330+340 for households and 120+130+140 for governments).
2.2	T20.01	Only for Country = "global" (and provided no group companies belong to the categories "households" or "governments") Cross-border value (c0060) = FINREP Table 20.06, all countries except home country.
2.3	T20.02	Only for Country = "global" (and provided no group companies belong to the categories "households", "non-financial corporations" or "governments"). Value outstanding (c0030): <ul style="list-style-type: none"> <li>- Lending for house purchase (r0010) = FINREP Table 5, r120, c0060.</li> <li>- Other lending (r0020) = FINREP Table 5, r080 minus r0120, c060.</li> <li>- SMEs = FINREP Table 18, r130, c010</li> <li>- Non-SMEs = FINREP Table 18, r120 minus r130, c010.</li> <li>- General government = FINREP table 5, r080, c020</li> <li>- Leasing = FINREP Table 5 c020+050, r040</li> <li>- Trade finance and factoring = FINREP Table 5, c020 + 050, r030</li> </ul>
2.4	T20.02	Only for Country = "global" (and provided no group companies belong to the categories "households" or "governments"). Value committed (c0040) = FINREP Table 9.02, c20, row depends on counterparty (070 for households, 030 for governments).
2.5	T20.02	Only for Country = "global" (and provided no group companies belong to the categories "households" or "governments"). Value outstanding (c0060) = FINREP Table 20.04, all countries except home country.

2.6	T20.02	Only for Country = "global" (and provided no group companies belong to the categories "households" or "governments"). RWA (c0070) = COREP 02.00 item 1.1, rows depend on counterparty.
	T20.04 T20.05	It is expected that group entities are always included in FINREP data relevant for the Capital Markets and Wholesale funding functions. This can therefore only be used as an imprecise benchmark for the data reported in the CFR. References can be found in the guidance.

### 3.3 Completeness Checks

	<b>CFR Tabs</b>	<b>Description of the completeness checks</b>
3.1	T98	Legal entity or branch r0010, name c0010 and identifier c0020 should not be empty.
3.2	T98	Ultimate parent entity r0020, name c0010 and identifier c0020 should not be empty.
3.3	T98	Reporting date 0070 should not be empty.
3.4	T98	If Country in T20.01, T20.02 or T20.03 = "region", then Name of region r0060, c0010 should not be empty.
3.5	T20.01	For r0010 (Households), r0020 (Non-financial corporations – SMEs), r0030 (Non-financial corporations non-SMEs), r0040 (General governments): c0020 (market share), c0030 (value on accounts), c0040 (number of clients) and c0050 (number of accounts), should not be empty.
3.6	T20.01	For r0010 and r0020 (Households), r0030 (Non-financial corporations – SMEs), r0040 (Non-financial corporations non-SMEs), r0050 (General governments): c0060 (cross-border value) should not be empty, except if Country = "region".
3.7	T20.02	For r0010 and r0020 (Households), r0030 (Non-financial corporations – SMEs), r0040 (Non-financial corporations non-SMEs), r0050 (General governments): c0020 (market share), c0030 (value outstanding), c0040 (value committed), c0050 (number of clients) and c0070 (RWAs) should not be empty.
3.8	T20.02	For r0010 (Households), r0020 (Non-financial corporations – SMEs), r0030 (Non-financial corporations non-SMEs), r0040 (General governments): c0060 (cross-border value) should not be empty, except if Country = "region".
3.9	T20.03	For r0010 (Payment services to MFIs), r0020 (Payment services to non-MFIs), r0030 (Cash services), r0040 (Securities settlement services), r0050 (CCP clearing services) and r0060 (custody services): c0020 (market share) should not be empty.
3.10	T20.03	For r0010 (Payment services to MFIs), r0020 (Payment services to non-MFIs), r0030 (Cash services), r0040 (Securities settlement services): c0030 (value of transactions) should not be empty.
3.11	T20.03	For r0050 (CCP clearing services): c0040 (value of open positions) should not be empty.
3.12	T20.03	For r0060 (custody services): c0050 (value of assets under custody) should not be empty.
3.13	T20.03	For r0010 (Payment services to MFIs), r0020 (Payment services to non-MFIs), r0030 (Cash services), r0040 (Securities settlement services): c0060 (cross border value - value of transactions) should not be empty, except if Country = "region".
3.14	T20.03	For r0050 (CCP clearing services): c0070 (Cross-border value - value of open positions) should not be empty, except if Country = "region".
3.15	T20.03	For r0060 (custody services): c0080 (Cross-border value - value of assets under custody) should not be empty, except if Country = "region".
3.16	T20.03	For r0010 (Payment services to MFIs), r0020 (Payment services to non-MFIs), r0030 (Cash services), r0040 (Securities settlement services): c0090 (Number of transactions) should not be empty.
3.17	T20.03	For r0010 (Payment services to MFIs), r0020 (Payment services to non-MFIs), r0040 (Securities settlement services), r0050 (CCP clearing services) and r0060 (custody services): c0100 (Number of clients) should not be empty.
3.18	T20.03	For r0030 (Cash services): c0110 (Number of ATMs) should not be empty.
3.19	T20.04	Country should not be "region".




3.20	T20.04	For r0010 (Derivatives held for trading – OTC), r0020 (Derivatives held for trading – non-OTC), r0080 (Secondary markets/trading), r0110 (Primary markets/underwriting): c0020 (market share) should not be empty.
3.21	T20.04	For r0010 (Derivatives held for trading – OTC), r0020 (Derivatives held for trading – non-OTC): c0030 and c0060 (Notional amount) should not be empty.
3.22	T20.04	For r0080 (Secondary markets/trading): c0040 and c0070 (carrying amount) should not be empty.
3.23	T20.04	For r0110 (Primary markets/underwriting): c0050 and c0080 (fee income) should not be empty.
3.24	T20.04	For r0010 (Derivatives held for trading – OTC), r0020 (Derivatives held for trading – non-OTC), r0080 (Secondary markets/trading: c0090 (Number of counterparties) should not be empty.
3.25	T20.04	For r0110 (Primary markets/underwriting): c0100 (Number of transactions) should not be empty.
3.26	T20.05	<i>Country</i> should not be “region”.
3.27	T20.05	For r0010 (Borrowing), r0020 (Derivatives (assets)), r0080 (Lending) and r0110 (Derivatives (liabilities)): c0020 (market share), c0030 (carrying amount), c0040 (number of counterparties), c0060 (cross-border value) and c0070 (value at credit institutions) should not be empty.
3.28	T20.05	For r0010 (Borrowing) and r0080 (Lending): c0050 ((reverse) repurchase agreements) should not be empty.

### 3.4 Cross-Checks

	<b>CFR Tab</b>	<b>Description of the cross-check</b>
3.30	T20.01 T20.02	When the bank reports deposit products for a category of clients (e.g. deposits of SMEs), it is highly likely that lending products should also be reported for the same category of clients (e.g. lending to SMEs).
3.31	T20.03	Payment services to MFIs (r0010): IRTs can cross-check with (the outcome of the analysis of) FMI Reports. How often has the institution been named as representative institution for FMI access by other institutions in their FMI reports? This contributes to the criticality of services to MFIs.
3.32	T20.03	Payment services to MFIs (r0010): IRTs can cross-check with the FMI Report. Does the institution provide payment/custody services to MFIs (with a banking licence)? If yes, this increases the likelihood that this function is critical.
3.33	T20.03	Payment services to MFIs (r0010), Securities settlement service (r0040), CCP clearing service (0050): IRTs can cross-check with the FMI Report. Value of positions and/or transactions on client accounts and number of clients give an indication of the importance of the institution as an enabler of FMI access for other institutions. This contributes to the criticality of payment or other services to MFIs. The relative importance of an institution in various FMIs provides an indication of the institution’s importance in this service.
3.34	T20.01 T20.02 T20.03 T20.04 T20.05	Market concentration (20.01 c0110; T20.02 c0120; T20.03 c0160; T20.04 c0160; T20.05 c0120): Compare the institution’s assessment with CFRs of institutions established in the same country. Assessment can also be compared with market concentration data if available (e.g. in ECB Data Warehouse).
3.35	T20.01 T20.02 T20.03 T20.04 T20.05	Legal barriers (20.01 c0130; T20.02 c0140; T20.03 c0180; T20.04 c0180; T20.05 c0140): Compare the institution’s assessment with CFRs of institutions established in the same country.
3.36	T20.01 T20.02 T20.03 T20.04 T20.05	Operational requirements (20.01 c0140; T20.02 c0150; T20.03 c0190; T20.04 c0190; T20.05 c0150): Compare the institution’s assessment with CFRs of institutions established in the same country. Take into account the relative size of the institution and its relative importance in providing the function.

### 3.5 Plausibility checks


Guidance on the Critical Functions Report



	<b>CFR tab</b>	<b>Description of the plausibility check</b>
3.40	T20.01	Size indicator 1 (based on values) c0070: When relevant market = country, Value on accounts divided by EU total value on accounts. Calculate this ratio, compare to peers.
3.41	T20.01	Size indicator 2 (based on numbers) c0080: When relevant market = country, Total number of clients divided by the country's population. Calculate this ratio and compare to peers.
3.42	T20.01	Market share c0100: Value on accounts (excluding cross-border value) divided by total value on accounts in the country (or, if the relevant market is different, at the level of the relevant market). Calculate this ratio and compare to peers and/or take into account market concentration data.
3.43	T20.02	Size indicator 1 (based on values) c0080: When relevant market = country, Value of lending outstanding + committed divided by EU total outstanding lending. Calculate this ratio and compare to peers. Also, consider if lending stocks are a good proxy for future lending flows. If not, how important a lender do you expect the institution to be in the short to medium term (based, among other things, on the institution's projections)?
4.44	T20.02	Size indicator 2 (based on numbers) c0090: When relevant market = country, Total number of clients divided by the country's population. Calculate this ratio and compare to peers.
3.45	T20.02	Market share c0110: Value of lending outstanding + committed in the country (excl. cross border) divided by total lending in the country (or, if the relevant market is different, at the level of the relevant market). Calculate this ratio and compare to peers and/or take into account market concentration data.
3.46	T20.03	Size indicator 1 (based on values) c0120: When relevant market = country, Value of transactions or open positions or total assets divided by EU GDP. Calculate this ratio and compare to peers.
3.47	T20.03	Size indicator 2 (based on numbers) c0130: When relevant market = country, Number of transactions or clients or ATMs divided by country population or total number of ATMs in country. Calculate this ratio and compare to peers.
3.48	T20.03	Market share c0150: When relevant market = country, Values divided by total value in the country. Calculate ratio and compare to peers / concentration.
3.49	T20.04	Size indicator 1 (based on values) c0110: Value outstanding divided by market size. Calculate this ratio and compare to peers.
3.50	T20.04	Size indicator 2 (based on numbers) c0120: Number of counterparties or underwritten transactions. Compare to peers.
3.51	T20.04	Market share c0140: Value outstanding divided by total value. Calculate ratio and compare to peers.
3.52	T20.05	Size indicator 1 (based on values) c0080: Value outstanding divided by market size. Calculate this ratio and compare to peers.
3.53	T20.05	Size indicator 2 (based on numbers) c0090: Number of counterparties. Compare to peers.
3.54	T20.05	Market share c0110: Gross carrying amount outstanding in the market (if relevant market = country, then this corresponds to total value - cross-border value) divided by total value in the market. Calculate ratio and compare to peers.
3.55	T20.01 T20.02 T20.03 T20.04 T20.05	Impact on market (T20.01 c0150; T20.02 c0160; 20.03 c0200; T20.04 c0190; T20.05 c0160): If size indicator 1, size indicator 2, cross-border indicator, and market share = L or ML, then impact ≠ H or MH. If size indicator 1, size indicator 2, cross-border indicator, and market share = H or MH, then impact ≠ L or ML.
3.56	T20.01 T20.02 T20.03 T20.04	Substitutability (T20.01 c0160; T20.02 c0170; 20.03 c0210; T20.04 c0200; T20.05 c0170):



## Guidance on the Critical Functions Report



	T20.05	<p>If market share, market concentration, expected time for substitution, legal barriers, and operational requirements = L or ML, then Substitutability = H or MH.</p> <p>If market share, market concentration, expected time for substitution, legal barriers, and operational requirements = H or MH, then Substitutability = L or ML.</p>
3.57	T20.01 T20.02 T20.03 T20.04 T20.05	<p>Critical function (T20.01 c0170; T20.02 c0180; 20.03 c0220; T20.04 c0210; T20.05 c0180):</p> <p>If Impact = L and Substitutability = H then Critical = no. This is also likely to be true for Impact = ML and Substitutability = H; or Impact = H and Substitutability = MH.</p> <p>If Impact = H and Substitutability =L then Critical = yes. This is also likely to be true for Impact = MH and Substitutability = L; or Impact = H and Substitutability = ML.</p>