EUROPEAN CENTRAL BANK

BANKING SUPERVISION

ECB Sensitivity analysis of Liquidity Risk – Stress Test 2019

Methodological note

February 2019

Contents

1 Introduction

1 As a Competent Authority, the European Central Bank (ECB) is required to carry out annual stress tests on supervised entities in the context of its Supervisory Review and Evaluation Process (SREP) as per Article 100 of the Directive 2013/36/EU of the European Parliament and of the Council.

2 The ECB will carry out the Sensitivity analysis of Liquidity Risk – Stress Test 2019 (LiST 2019) as its annual supervisory stress test for 2019.

3 The present document outlines the main characteristics of the LiST 2019 methodology and it provides banks with a set of instructions on how to fill the exercise template. Instructions have been drafted taking into account existing regulatory reporting requirements for banks, namely those related to the EBA ITS COREP C66 template, upon which the ECB developed the 2018 SSM Liquidity Exercise[1] template.

4 Upon launch, banks shall also receive an overview of timelines related to the exercise and practical information on how to submit and exchange information with the ECB as part of the Quality Assurance process.

[1] The SSM liquidity exercise is an annual data submission exercise to ensure that Significant Institutions are able to provide liquidity data immediately in case of a crisis, pursuant to Art.10 of SSMR and following the tasks conferred to the SSM by Art. 4(1)(d) and Art. 4(1)(i) of SSMR.

2 Instructions on how to fill in the template

2.1 General instructions

5 The LiST 2019 template contains a number of worksheets, namely:

- “Cons. (all CCYs)”: Consolidated maturity ladders aggregating across all currencies (mandatory for all banks)
- “Cons. (signif. CCYs)”: Consolidated maturity ladders focused on the euro (mandatory for all banks) and on other individual significant currencies (applicable only for selected banks, cfr. instructions in 2.2.2 Cons. (signif. CCYs))
- “Subcons. (all CCYs)”: Maturity ladders related to different sub-consolidated perimeters of the reporting institution (applicable only for selected banks, cfr. instructions in 2.2.3 Subcons. (all CCYs))
- “Collateral mobilisation”: Table mandatory for all banks
- “Additional memo items”: Tables mandatory for all banks

6 A “Cover” worksheet includes metadata identifying the bank and the template submission date. Banks should also specify there the identified significant currencies relevant for filling in tables contained in worksheet “Cons. (signif. CCYs)”.

7 Data should only be entered in the light yellow cells, either in the form of numbers or as text comments, as appropriate. The size of those comment boxes might be deemed excessively narrow based on the display of the cells in some cases: please fill in the desired text nevertheless, import functionalities will allow ECB analysts to read any text up to about 1000 characters. Light orange cells require selecting an option from a predefined dropdown list. Cells marked in light grey contain excel formulas and are calculated automatically, whereas dark grey cells should not be filled in by banks.

8 As a general rule – unless otherwise stated in the following paragraphs – all light yellow and light orange cells in the template must be filled by banks. Items where the bank has no underlying business (e.g. no stock / flow related to a particular item) shall be still filled with zeros, i.e. they should not be simply left blank. Input cells left blank would be interpreted as a bank’s inability to provide requested data or as an error.

9 The template has been equipped with a few conditional formatting arrangements to help banks fill it. Moreover, constraints on the ranges of values allowed in some cells have been applied.

10 Whenever a term is not specified in this document and there is lack of clarity about the definition of the term/concept the Commission Delegated Regulation (EU) 2015/61 (“LCR Delegated Regulation”) as well as the Regulation (EU) No 575/2013 of the European Parliament and of the Council (“Capital Requirements Regulation” or “CRR”) and the Directive 2013/36/EU of the European Parliament and of the Council (“Capital

Requirements Directive" or "CRD") may serve as a reference. If in doubt, the bank should address the ECB helpdesk.

11 Unless specifically stated otherwise either in this document or in the LiST 2019 template, all values (both stock and cash flows) shall be reported in million euros, regardless of the currency of denomination; exchange rates to be used for the conversion should be those prevailing as of 31 December 2018. Values referring to time shall be reported in days. Shares and ratios shall be reported in percentages.

2.1.1 Focus on maturity ladder tables

12 The first three worksheets ("Cover" excluded) of the template contain a number of maturity ladders (tables generally named "Maturity ladder and counterbalancing capacity"). While greater detail on how to fill in such tables is provided in 2.2 Detailed instructions, the key rules and considerations outlined in this section shall apply in general, unless otherwise stated in any other specific paragraph of this document.

13 Maturity ladders contained in the LiST 2019 template are inspired by the 2018 SSM Liquidity Template, more specifically worksheet "Section 2 – Maturity ladder", which was in turn developed out of the COREP C66 template[2]. In any case, this set of instructions is intended to be self-standing and banks, also for the sake of avoiding misunderstandings, should not be in the position of having to turn to the 2018 SSM Liquidity Exercise reporting instructions (or the ones for EBA ITS COREP C66) when filling in the LiST 2019 template. The most relevant deviations from the 2018 SSM Liquidity Template and its instructions have been highlighted in the coming paragraphs (this is particularly relevant for selected line additions in worksheets "Cons. (signif. CCYs)" and "Subcons. (all CCYs)").

14 The reference date shall be 31 December 2018 in all maturity ladders.

15 Banks shall report the initial stock of all relevant items at the reference date while future cash flows shall be recorded starting from the following relevant day (cfr. § 16 for the definition of relevant days and Table 3.1 in the Annex for a complete list of the LiST 2019 relevant days).

16 Unless specifically stated otherwise either in this document or in the template itself, banks shall take into consideration all cash flows expected to occur in the future after the reference date. However, the maturity ladder's time bucketing only considers relevant days. Relevant days are all calendar days except those when TARGET2 is closed[3]. As an example, reporting is not required for 1 January 2019, yet cash flows expected to occur on such day, if any, shall still be reported together with those occurring on 2

[2] The rationale of such decision is to have LiST 2019 rely on already existing supervisory templates in order to ease the reporting burden for banks to the greatest extent possible. While the indications on how to fill in the various maturity ladders contained in the LiST 2019 template might occasionally differ from those of the 2018 SSM Liquidity Exercise, the original structure of such tables has been maintained almost in full.

[3] In 2019, TARGET2 is closed on all weekend days (Saturdays and Sundays) as well as on New Year's Day (1-Jan-19), Good Friday (19-Apr-19), Easter Monday (22-Apr-19), Labour Day (1-May-19), Christmas Day (25-Dec-19) and Christmas Holiday (26-Dec-19).

January 2019 in the following bucket (i.e. column 0020 “Greater than 31/12/18 up to 02/01/19”). The same concept shall apply for cash flows expected to take place on weekend days[4]. In any case, the dates reported in the excel template as headers of the maturity ladders’ time buckets are intended to be self-explanatory.

17 Future cash flows shall be allocated to one of the twenty-two maturity buckets. The first twenty-one buckets, of various time lengths, shall cover cash flows up to the end of the sixth month, while the twenty-second is intended to be open-ended (i.e. it shall include cash flows occurring thereafter).

18 All on and off balance sheet legally binding contracts valid at the reference date shall be taken into account. Cash flows from forward starting transactions shall also be taken into consideration and reported (both at start and end of the forward transaction, as appropriate).

19 The initial stock and future cash flows related to agreements with a contractually specified maturity must be reported in the “Cash flows – Contractual maturity items” tables, while those with no contractually specified maturity must be reported in the “Cash flows – Open maturity items” ones.

20 Both cash outflows (i.e. amounts due to be paid) and cash inflows (i.e. amounts due to be received) must be reported in the respective lines on a gross basis and with a positive sign.

21 As a general rule, all cash flows arising from all on and off balance sheet instruments shall be taken into consideration and reported, thus including any interest related outflows and inflows.

22 Cash flows from non-financial activities (e.g. taxes, bonuses, dividends, rents, etc.) shall also be taken into consideration and reported.

23 Cash flows from unsettled transactions shall be reported, in the short period before settlement, in the appropriate rows and buckets.

24 The table titled “Counterbalancing capacity” shall represent the stock of unencumbered assets or other funding sources which are legally and practically available to the institution at the reporting date to cover potential funding gaps. In this table outflows and inflows shall be reported on a net basis, with a positive sign if they represent an inflow and with a negative sign if they represent an outflow.

25 Where the collateral received is re-hypothecated in a transaction that matures beyond the time horizon of the transaction in which the institution received the collateral, a securities outflow in the amount of the collateral received shall be reported in the counterbalancing capacity table in the relevant bucket according to the maturity of the transaction that generated the reception of the collateral.

26 In any event, banks shall not double count any cash inflow or outflow.

[4] Except for the outflows from open maturity deposits under the Adverse and Extreme shocks where top-down stressed outflow rates should be applied only on relevant days and no additional flows should take place on any days but relevant ones.

27 Past due items and items for which the institution has a reason to expect non-performance shall not be reported.

28 Unless otherwise stated in 2.2 Detailed instructions, in order for institutions to apply a conservative approach in determining contractual maturities of cash flows, they shall ensure all of the following:

- Where an option to defer payment or receive an advance payment exists, the option shall be presumed to be exercised where it would advance outflows from the institution or defer inflows to the institution

- Where the option to advance outflows from the institution is solely at the discretion of the institution, the option shall be presumed to be exercised only where there is a market expectation that the institution will do so. The option shall be presumed not to be exercised where it would advance inflows to the institution or defer outflows from the institution. Any cash outflow that would be contractually triggered by this inflow – as in pass-through financing – shall be reported at the same date as this inflow

- Retail term deposits with an early withdrawal option shall be considered to mature in the time period during which the early withdrawal of the deposit would not incur a penalty according to Article 25(4)(b) of the LCR Delegated Regulation

- Where the institution is not able to establish a minimum contractual payment schedule for contractual maturity items following the rules set out in this paragraph, it shall report the item or part thereof as "Greater than 28/06/19" (i.e. in the last column of maturity ladder tables)

2.2 Detailed instructions

2.2.1 Cons. (all CCYs)

29 The "Cons. (all CCYs)" worksheet contains four maturity ladder tables to be filled by banks based on four different sets of assumptions (also referred to as "cases" in this document), namely:

- Baseline (Table1): brief methodological overview and instructions contained in section 2.2.1.1

- Adverse shock (Table 2) and Extreme shock (Table 3): brief methodological overview and instructions contained in section 2.2.1.2

- Business view (Table 4): brief methodological overview and instructions contained in section 2.2.1.3

30 All four maturity ladders shall be filled in on a consolidated basis.

31 Each maturity ladder is comprised of five sections in which banks shall report information on: i) contractual maturity items, ii) open maturity items, iii) counterbalancing capacity, iv) contingencies, and v) additional data points relevant for the assessment of the evolution of the consolidated net liquidity position and of the consolidated LCR.

2.2.1.1 Table 1: Maturity ladder and counterbalancing capacity – Group consolidated – Baseline – All currencies

32 The objective of Table 1 is twofold:

- Collect the full set of information from banks under a no stress assumption in a way that is substantially equivalent to the one prescribed in the 2018 SSM Liquidity Exercise template and its instructions. Such information shall represent the basis on which to apply the Baseline and the Adverse and Extreme shock assumptions
- Perform all the steps and calculations – consistent with the Baseline case assumptions – necessary to compute the Net liquidity position (Baseline), i.e. the one in row 0750

33 The key methodological features underlying the way the Net liquidity position (Baseline) is computed Baseline (also summarised in Tables 3.2 and 3.3 of the Annex) are the following:

- No roll-over (i.e. 100% outflow rate) of maturing securities issued
- No roll-over (i.e. 100% outflow/inflow rates) of maturing assets and liabilities related to secured lending and other collateralised capital market transactions (e.g. repos and reverse repos)
- No roll-over (i.e. 100% outflow rate) of maturing term deposits from credit institutions and other financial customers
- No roll-over (i.e. 100% outflow/inflow rates) of maturing derivatives (including FX-swaps)
- No roll-over (i.e. 100% inflow rate) of paper in own portfolio maturing
- No roll-over (i.e. 100% inflow rate) of maturing loans to credit institutions and other financial customers
- Full roll-over (i.e. 0% outflow rate) of maturing term deposits from either retail or commercial counterparties (i.e. all excluding credit institutions and other financial counterparties)
- Full roll-over (i.e. 0% inflow rate) of maturing loans to either retail or commercial counterparties (i.e. all excluding credit institutions and other financial counterparties)
- Termination and settlement on the first relevant day following the reference date of all open maturity assets and liabilities related to secured lending and other collateralised capital market transactions (i.e. open repos and reverse repos)

- Termination and settlement on the first relevant day following the reference date of all other open maturity transactions
- Termination and settlement on the first relevant day following the reference date of sight deposits from credit institutions and from other financial customers
- Constant stock of sight deposits from either retail or commercial counterparties (i.e. all excluding credit institutions and other financial counterparties)
- Constant stock of all sight and non-maturing loans
- No outflows from committed facilities
- No rating downgrade

2.2.1.1.1 Table 1.1: Cash flows – Contractual maturity items

34 In line with the template and the instructions of the 2018 SSM Liquidity Exercise, all items reported in this section shall have a specified contractual maturity. Items without a contractual maturity shall be reported in Table 1.2.

35 Row 0030 ("Unsecured bonds due"): Banks shall report the stock and future cash outflows resulting from unsecured debt securities issued by the reporting institution and sold to third parties (i.e. excluding retained securities).

36 Row 0040 ("Regulated covered bonds"): Banks shall report the stock and future cash outflows resulting from securities issued by the reporting institution and sold to third parties which are eligible for the treatment set out in Article 129(4) or (5) of CRR or Article 52(4) of Directive 2009/65/EC.

37 Row 0050 ("Securitisations due"): Banks shall report the stock and future cash outflows resulting from securities issued by the reporting institution which are securitisation transactions with third parties, in accordance with Article 4(61) of CRR.

38 Row 0060 ("Other"): Banks shall report the stock and future cash outflows resulting from securities issued by the reporting institution and sold to third parties other than those reported in rows 0030 – 0050.

39 Row 0070 ("Liabilities resulting from secured lending and capital market driven transactions collateralised by Level 1, 2A, 2B tradable assets and other assets"): Banks shall report the stock and future cash outflows arising from secured lending and capital market driven transactions as defined in Article 192 of the CRR which have a contractual maturity. Only cash flows shall be reported here, whereas securities flows relating to secured lending and capital market driven transactions shall be reported in Table 1.3. As a reminder, forward starting transactions should be accounted for as well (cfr. § 18).

40 Rows 0090 – 0150: Banks shall report stock and future cash outflows arising from deposits that are neither reported in row 0070 nor received as collateral. Cash outflows arising from derivative transactions shall be reported in rows 0160 or 0170. As a reminder, sight deposit should be reported in rows 0360 – 0420 of Table 1.2. Deposits

shall be reported according to their earliest possible contractual maturity date. Furthermore, deposits with an early withdrawal option shall be considered to mature in the time period during which the early withdrawal of the deposit would not incur a penalty according to Article 25(4)(b) of the LCR Delegated Regulation (cfr. § 28). In more detail:

- Row 0090 ("Stable retail deposits"): Banks shall report the stock and future cash outflows which derive from retail deposits in accordance with Article 3(8) and Article 24 of the LCR Delegated Regulation
- Row 0100 ("Other retail deposits"): Banks shall report the stock and future cash outflows which derive from retail deposits in accordance with Article 3(8) of the LCR Delegated Regulation other than those reported in row 0090
- Row 0110 ("Operational deposits"): Banks shall report the stock and future cash outflows which derive from operational deposits in accordance with Article 27 of the LCR Delegated Regulation
- Row 0120 ("Non-operational deposits from credit institutions"): Banks shall report the stock and future cash outflows which derive from deposits by credit institutions other than those reported in row 0110
- Row 0130 ("Non-operational deposits from other financial customers"): Banks shall report the stock and future cash outflows which derive from deposits by financial customers in accordance with Article 3(9) of the LCR Delegated Regulation other than those reported in rows 0110 and 0120
- Row 0140 ("Non-operational deposits from non-financial corporates"): Banks shall report the stock and future cash outflows which derive from non-operational deposits by non-financial corporates
- Row 0150 ("Non-operational deposits from others"): Banks shall report the stock and future cash outflows which derive from deposits not reported in rows 0090 – 0140, including, among others, non-operational deposits placed by central banks

41 Rows 0160 and 0270 ("FX-swaps maturing"): Banks shall respectively report the future cash outflows and inflows resulting from the maturity of FX swap transactions. FX swap transactions shall include all types of FX swaps, cross currency swaps as well as FX forward transactions and yet unsettled FX spot agreements. Future cash outflows shall be reported on a gross basis and shall include both interests (e.g. in cross currency swaps) and notional paid at maturity. Both banking and trading book positions shall be taken into consideration by banks. As a reminder, forward starting transactions should be accounted for as well (cfr. § 18).

42 Rows 0170 and 0280 ("Derivatives amount payables / receivables other than those reported in row 0160 / 0270"): Banks shall report the future cash outflows and inflows respectively resulting from derivatives payables and receivables positions from the contracts listed in Annex II of the CRR with the exception of flows resulting from FX swap transactions which shall be reported in rows 0160 and 0270. As a reminder, forward starting transactions should be accounted for as well (cfr. § 18). With respect to rows 0170 and 0280, the following also apply:

- The total amount of outflows and inflows shall reflect settlement amounts including unsettled margin calls as of the reporting date

- The total amount shall be the sum of 1) and 2) as follows, across the various time buckets:

  1) Cash and securities flows related to derivatives for which there is a collateral agreement in place requiring full or adequate collateralisation of counterparty exposures shall be excluded from the maturity ladder template; all flows of cash, securities, cash collateral and securities collateral related to those derivatives shall be excluded from the template. Stocks of cash and securities collateral that have already been received or provided in the context of collateralised derivatives shall not be included in the "stock" column of the Counterbalancing capacity (Table 1.3), with the exception of cash and securities flows in the context of margin calls which are payable in due course but have not yet been settled. The latter shall be reflected in rows 0170 and 0280 for cash collateral and in the Counterbalancing capacity (Table 1.3) for securities collateral

  2) For cash and securities inflows and outflows related to derivatives for which there is no collateral agreement in place or where only partial collateralisation is required, a distinction shall be made between contracts that involve optionality and other contracts:

     - Flows related to option-like derivatives shall be included only where the strike price is below the market price for a call, or above the market price for a put option (i.e. only if they are in the money). These flows shall be proxied by applying both of the following:

       - Including the current market value or net present value of the contract as inflow in row 0280 at the latest exercise date of the option where the bank has the right to exercise the option

       - Including the current market value or net present value of the contract as outflow in row 0170 at the earliest exercise date of the option where the bank's counterparty has the right to exercise the option

     - Flows related to other contracts shall be included by projecting the gross contractual flows of cash in the respective time buckets in rows 0170 and 0280 and the contractual flows of liquid securities in the counterbalancing capacity of the maturity ladder, using the current market-implied forward rates applicable on the reporting date where the amounts are not yet fixed

43 Row 0180 ("Other cash outflows"): Banks shall report future cash outflows related to operating expenses with a contractually defined schedule or maturity including, but not limited to, staff compensation (both fixed and variable), leases and rents. Banks shall also report here future cash outflows related to planned capital expenditures, taxes and dividends to shareholders. Given that such outflows might be recurring in nature, banks shall include in column 0230 only the remainder of outflows contractually projected to take place within the twelve months following the reference date (i.e. after the end of the

sixth month but within the first full year). Provided adequate disclosure is included in the relevant commentary box, banks may include in row 0180 also other cash outflows not explicitly mentioned in this paragraph, if material. In any case, outflows related to items contained in other rows, such as interest related expenses, shall not be reported here. Contingent outflows or outflows arising from forward starting transactions shall not be reported here as well.

44 Row 0200 (“Monies due from secured lending and capital market driven transactions collateralised by Level 1, 2A, 2B tradable assets and other assets”): Banks shall report the stock and future cash inflows resulting from secured lending and capital market driven transactions as defined in Article 192 of the CRR. Only cash flows shall be reported here, whereas securities flows relating to secured lending and capital market driven transactions shall be reported in the Counterbalancing capacity (i.e. Table 1.3). For the avoidance of doubt, standard collateralised loans (e.g. retail mortgages or secured corporate loans) should be reported in rows 0220 – 0260 and not in row 0200. As a reminder, forward starting transactions should be accounted for as well (cfr. § 18).

45 Rows 0220 – 0260: Banks shall report the stock and future cash inflows resulting from loans and advances not reported in row 0200. Cash inflows shall be reported at the latest contractual date for repayment. For revolving facilities, the existing loan shall be assumed to be rolled-over and any remaining balances shall be treated as committed facilities. In more detail:

- Row 0220 (“Retail customers”): Banks shall report the stock and future cash inflows which derive from natural persons or SMEs in accordance with Article 3(8) of the LCR Delegated Regulation
- Row 0230 (“Non-financial corporates”): Banks shall report the stock and future cash inflows which derive from non-financial corporates (excluding SMEs)
- Row 0240 (“Credit institutions”): Banks shall report the stock and future cash inflows which derive from credit institutions
- Row 0250 (“Other financial customers”): Banks shall report the stock and future cash inflows which derive from financial customers in accordance with Article 3(9) of the LCR Delegated Regulation other than those reported in row 0240
- Row 0260 (“Others”): Banks shall report the stock and future cash inflows which derive from other counterparties not referred to in rows 0220 – 0250, including inflows deriving from central banks

46 Row 0290 (“Paper in own portfolio maturing”): Banks shall report the stock and the future cash inflows resulting from bonds with a contractual maturity or contractually defined payment schedule held by the reporting institution as part of its investment portfolio. Both interest received (coupons) and principal repayments shall be included. Investments in financial instruments with no contractually defined maturity (e.g. equities) or interest payment schedule (e.g. discretional dividends potentially paid on equities) shall not be taken into account. For the sake of clarity, cash inflows related to securities reported in the counterbalancing capacity shall be contained in this row, so that once a security matures, it shall be reported as a security outflow (at liquidity value, cfr. § 73 and

following) in the Counterbalancing capacity (i.e. Table 1.3) and as a cash inflow here (at nominal value).

47 Row 0300 (“Other cash inflows”): Banks shall report future cash inflows related to other operating sources of income with a contractually defined schedule or maturity that are not captured in rows 0200 – 0290. Given that such inflows might be recurring in nature, banks shall include in column 0230 only the remainder of inflows contractually projected to take place within the twelve months following the reference date (i.e. after the end of the sixth month but within the first full year). Banks shall provide adequate disclosure in the relevant commentary box of which inflows are included in row 0300, especially if material. In any case, inflows related to items contained in other rows, such as interest related income, shall not be reported here. Contingent inflows or inflows arising from forward starting transactions shall not be reported here as well.

48 Rows 0310 – 0320: Banks are not expected to fill in these cells, which are automatically calculated by excel formulas. The Net funding gap (Baseline) of row 0310 does not factor in all cash inflows and outflows that banks shall report in Table 1.1 since it is calculated consistently with the Baseline assumptions (cfr. § 33).

2.2.1.1.2 Table 1.2: Cash flows – Open maturity items

49 In line with the template and the instructions of the 2018 SSM Liquidity Exercise, all items reported in this section shall not have a specified contractual maturity. Items with a contractual maturity shall be reported in Table 1.1.

50 In Table 1.2 banks shall report future cash inflows and outflows according to their own expectations under the assumption of no liquidity stress used for the purpose of the liquidity risk management of the reporting institution. In any event, no business plan assumptions shall be reflected here and therefore information relating to new business activities shall not be included. That is, no inflows from new deposits or outflows for new loans shall be assumed, just the gradual run-off of existing positions.

51 Row 0340 (“Liabilities resulting from secured lending and capital market driven transactions collateralised by Level 1, 2A, 2B tradable assets and other assets (only open repos)”): Banks shall report the stock and the expected future cash outflows arising from secured lending and capital market driven transactions as defined in Article 192 of the CRR which do not have a contractual maturity (i.e. open repos). Only cash flows shall be reported here, securities flows relating to secured lending and capital market driven transactions shall be reported in the Counterbalancing capacity (i.e. Table 1.3).

52 Rows 0360 – 0420: Banks shall report the stock and the expected future cash outflows arising from deposits that are neither reported in row 0340 nor received as collateral. Cash outflows arising from derivative transactions shall still be reported in rows 0160 – 0170. Only sight or non-maturing deposits (i.e. deposits that can be withdrawn immediately without notice) shall be considered in this table (cfr. § 49). More specifically:

- Row 0360 (“Stable retail sight deposits”): Banks shall report the stock and the expected future cash outflows which derive from retail deposits in accordance with Article 3(8) and Article 24 of the LCR Delegated Regulation
- Row 0370 (“Other retail sight deposits”): Banks shall report the stock and the expected future cash outflows which derive from retail deposits in accordance with Article 3(8) of the LCR Delegated Regulation other than those reported in row 0360
- Row 0380 (“Operational sight deposits”): Banks shall report the stock and the expected future cash outflows which derive from operational deposits in accordance with Article 27 of the LCR Delegated Regulation
- Row 0390 (“Non-operational sight deposits from credit institutions”): Banks shall report the stock and the expected future cash outflows which derive from deposits by credit institutions other than those reported in row 0380
- Row 0400 (“Non-operational sight deposits from other financial customers”): Banks shall report the stock and the expected future cash outflows which derive from deposits by financial customers in accordance with Article 3 (9) of the LCR Delegated Regulation other than those reported in rows 0380 and 0390
- Row 0410 (“Non-operational sight deposits from non-financial corporates”): Banks shall report the stock and the expected future cash outflows which derive from non-operational deposits by non-financial corporates
- Row 0420 (“Non-operational sight deposits from others”): Banks shall report the stock and the expected future cash outflows which derive from deposits not reported in rows 0360 – 0410, including non-operational deposits placed by central banks

53 Rows 0430 and 0470 (“Other transactions”): Banks shall report all the other future expected cash outflows and inflows that do not have a contractually defined schedule or maturity and that have not been reported in rows 0340 – 0420 and in rows 0450 – 0460. Banks shall provide adequate disclosure in the relevant commentary box of which outflows and inflows are reported in rows 0430 and 0470, especially if material, specifying at least the amounts and nature of the three largest items included. In any case, outflows and inflows related to items contained in other rows, such as interest related expenses and income, shall not be reported here. Contingent outflows and inflows or outflows and inflows arising from forward starting transactions shall not be reported here as well.

54 Row 0450 (“Monies due from secured lending and capital market driven transactions collateralised by Level 1, 2A, 2B tradable assets and other assets (only open reverse repos)”): Banks shall report the stock and the expected future cash inflows arising from secured lending and capital market driven transactions as defined in Article 192 of the CRR which do not have a contractual maturity (i.e. open reverse repos). Only cash flows shall be reported here, securities flows relating to secured lending and capital market driven transactions shall be reported in the Counterbalancing capacity (i.e. Table 1.3).

55 Row 0460: Banks shall report the stock and the expected future cash inflows resulting from loans and advances not reported in row 0450 which do not have a contractual

maturity. For revolving facilities, the existing loan shall be assumed to be rolled-over and any remaining balances shall be treated as committed facilities.

56 Rows 0480 – 0490: Banks are not expected to fill in these cells, which are automatically calculated by excel formulas. The Net funding gap (Baseline) of row 0480 does not factor in all cash inflows and outflows that banks shall report in Table 1.2 since it is calculated consistently with the Baseline assumptions (cfr. § 33).

2.2.1.1.3 Table 1.3: Counterbalancing capacity

57 Table 1.3 shall contain information on the evolution of an institution's holdings of assets of varying degrees of liquidity, amongst which tradable assets[5] and central bank eligible assets, as well as facilities contractually committed to the reporting institution.

58 Where the counterbalancing capacity refers to tradable assets, institutions shall only report tradable assets traded in large, deep and active repo or cash markets characterised by a low level of concentration. These may or may not be central bank eligible as collateral.

59 Non tradable assets may be included in the counterbalancing capacity (in row 0560, "Non tradable assets eligible for central banks") only if they are central bank eligible collateral in standard credit operations (either collateralised lending facilities or open market operations). Standard credit operations shall exclude: i) extraordinary emergency facilities that are either targeting specific institutions or that are put in place at the sole discretion of a central bank (e.g. Emergency Liquidity Assistance provided by national banks in the Eurosystem), ii) facilities where the overall final amount of funding allocated is determined at the discretion of the central bank, iii) facilities the cost of which is substantially above the central bank policy rates or the use of which is discouraged by the central bank in other ways (e.g. by limiting use over time).

60 In case of a pending central bank decision, as of the reference date, over whether to consider a bank eligible or not to access one or more of its standard collateralised lending facilities or open market operations (e.g. owing to an institution's creditworthiness), then all assets potentially eligible as collateral in these facilities shall not be included in the counterbalancing capacity.

61 In case of a pending central bank decision, as of the reference date, over whether to consider or not a non tradable asset as eligible collateral in the context of the above mentioned standard credit operations, such asset shall not be included in the counterbalancing capacity of the reporting institution[6].

[5] "Tradable" and "marketable" assets should be intended substantially as synonyms in this context. The first term (i.e. "tradable") originates from the LCR Delegated Regulation framework and is also maintained in the LiST 2019 template. The second one (i.e. "marketable") originates from the Eurosystem monetary policy framework.

[6] This should be considered, as an example, for assets potentially eligible as collateral under the Eurosystem's Temporary Framework.

62 For reporting at the consolidated level on central bank eligibility, the rules of central bank eligibility which apply to each entity included in the perimeter of consolidation in its jurisdiction of incorporation shall be taken into account.

63 The assets reported in the counterbalancing capacity shall include only unencumbered assets available to the reporting institution to convert into cash at any time to fill gaps between cash inflows and outflows during the considered time horizon. For those purposes, the definition of unencumbered assets as per Article 7(2) of the LCR Delegated Regulation shall apply. As a consequence, assets used to provide credit enhancements in structured transactions or to cover operational costs, such as rents and salaries shall be excluded from the counterbalancing capacity, which shall include only assets managed with the clear and sole intent for use as a source of contingent funds.

64 In derogation of the above paragraph[7], when considering pre-positioned assets in collateral pools such as with central banks (i.e. assets already due-diligenced or mobilised in collateral pools), banks may include in the counterbalancing capacity any additional funding that could be generated out of such pre-positioned collateral in row 0570 ("Undrawn committed facilities received").

65 Assets that the institution received as collateral in reverse repos and other Securities Financing Transactions (SFTs)[8] can be considered as part of the counterbalancing capacity if they are held at the institution, they have not been re-hypothecated, and they are legally and contractually available for the institution's use.

66 Banks shall report the stock of counterbalancing capacity items in Table 1.3 in the appropriate rows (e.g. "Level 1 tradable assets" in row 0520 and so on). In columns 0020 – 0230 banks shall report the future flows.

67 Maturing securities in the counterbalancing capacity shall be reported based on their contractual maturity. When a security held by a bank in its own investment portfolio (Table 1.1, row 0290 "Paper in own portfolio maturing") that also qualifies to be treated as counterbalancing capacity reaches maturity banks shall report the resulting cash inflow in Table 1.1, while the value of such asset shall be removed from Table 1.3. As an example, when a Level 1 debt security held by an institution matures and gets repaid, banks shall report the cash inflow in row 0290 and remove the security from row 0520 (both in the same relevant time bucket). While the reported cash inflow shall be equal to the security's nominal value, the amount that banks must deduct from the counterbalancing capacity shall be equal to the security's liquidity value (cfr. § 73 and following), thus the impact on the net liquidity position would not necessarily be neutral[9].

[7] From a legal perspective, assets pre-positioned – as an example – in the Eurosystem collateral pool are encumbered. On the other hand, the approach adopted here (i.e. to let banks include as part of the counterbalancing capacity any additional funding that could be generated out of pre-positioned assets) has both an economic rationale and is in line, at least in practical terms, with the approach introduced by the Commission Implementing Regulation (EU) 2015/79 (1.7 Definition of encumbrance).

[8] For definitions cfr. Article 3(11) of the Regulation (EU) 2015/2365.

[9] This does not apply to retained securities (i.e. "own-use" assets) that qualify to be included in the counterbalancing capacity, for which the net cash flow for the bank would be zero when repaid but that should still be eliminated from the counterbalancing capacity at maturity, thus implying a negative impact on the net liquidity position.

68 Similarly, in case of maturing secured lending and capital market driven transactions that are collateralised by assets that qualify to be treated as counterbalancing capacity, Table 1.3 shall include only securities flows relating to such transactions. Cash flows related to these secured lending and capital market driven transactions shall be reported either in row 0070 (“Liabilities resulting from secured lending and capital market driven transactions collateralised by Level 1, 2A, 2B tradable assets and other assets”) or row 0200 (“Monies due from secured lending and capital market driven transactions collateralised by Level 1, 2A, 2B tradable assets and other assets”). As stated above (cfr. § 67), while cash inflows or outflows shall be accounted for at nominal value, securities flows shall be equal to the security’s liquidity value (cfr. § 73 and following), thus the impact on the net liquidity position would not necessarily be neutral. As examples:

- Where an institution has entered into a repo transaction, the asset which has been repoed out shall be re-entered as a security inflow in the maturity bucket in which the repo transaction matures. Correspondingly, the cash outflow following from the maturing repo shall be reported in the relevant cash outflow bucket in row 0070
- Where an institution has entered into a reverse repo transaction, the asset which has been repoed in shall be re-entered as a security outflow in the maturity bucket where the repo transaction matures. Correspondingly, the cash inflow following from the maturing repo shall be reported in the relevant cash inflow bucket in row 0200
- Collateral swaps shall be reported as contractual inflows and outflows of securities in the counterbalancing capacity section in accordance with the relevant maturity bucket in which these swaps mature

69 As a reminder (cfr. § 24), outflows and inflows shall be reported on a net basis with a positive sign if they represent an inflow and with a negative sign if they represent an outflow.

70 In line with the instructions of the 2018 SSM Liquidity Exercise, “own-use” assets (e.g. own-use covered bonds) may be considered as part of the counterbalancing capacity provided they meet all general criteria (in particular in the case where they comply with collateral eligibility requirements of the Eurosystem or another central bank to which the bank has direct access to). For the interpretation of “own-use” please refer to Guideline (EU) 2015/510 of the ECB.

71 Unlike indicated in the instructions of the 2018 SSM Liquidity Exercise, banks shall not assume that withdrawable central bank reserves (row 0510) are withdrawn overnight leading, as a consequence, to a cash inflow in row 0260 on the first relevant day. Instead, the initial stock of withdrawable central bank reserves shall be reported in column 0010 and not changed moving forward (similar approach to “Coins and banknotes” in row 0500).

72 Derivative contracts shall not be included in the counterbalancing capacity.

73 Except for items in rows 0500 (“Coins and banknotes”), 0510 (“Withdrawable central bank reserves”) and 0570 (“Undrawn committed facilities received”) which shall be reported (both the initial stock and future flows) at their nominal value, items in rows 0520 – 0560 shall be reported (both the initial stock and future security flows) at their “liquidity value”.

This approach differs from the one indicated in the instructions of the EBA ITS COREP C66 template but it is in line with the instructions of the 2018 SSM Liquidity Exercise, although a more detailed framework has been devised for LiST 2019 (see next paragraph).

74 The liquidity value of an asset shall generally be considered as the amount of cash that a bank would be able to obtain by pledging such asset as collateral in the context of a secured funding transaction (i.e. its market value less a haircut). In the context of the LiST 2019, in order to identify the haircut to be applied to a counterbalancing capacity asset, banks shall comply with the following:

- For both marketable and non marketable assets eligible for use as collateral in the Eurosystem's standard credit operations[10] banks shall use the haircut applicable as of the reference date based on the monetary policy framework of the Eurosystem[11]
- For both marketable and non marketable assets eligible for use as collateral in other central banks' standard credit operations (to which the reporting institution has access) banks shall use the haircut applicable as of the reference date based on the monetary policy frameworks of such central banks. In case an asset-by-asset list of central bank eligible collateral and related haircuts is published by the relevant central bank, banks shall apply such haircuts. In case only a general framework (i.e. a framework not covering haircuts security-by-security) is publicly disclosed by the relevant central bank, banks shall still select the appropriate haircuts to apply on eligible assets based on such framework. In case a bank were not in the position to identify and apply with full certainty a haircut on a given central bank eligible asset (either because the relevant central bank does not publicly disclose a comprehensive collateral framework with haircuts or because it retains discretion over what haircut should be ultimately applied), then banks shall:
  - Apply the appropriate haircut based on the LCR Delegated Regulation framework in case the eligible asset qualifies as HQLA
  - Apply a 50% haircut in all other cases
- For marketable assets not eligible for use as collateral in either the Eurosystem's or in any other central banks' standard credit operations banks shall:
  - Apply the following set of haircuts in case the asset is an equity instrument:

[10] As a reminder, the Eurosystem's Emergency Liquidity Assistance (ELA) shall not be considered as a standard credit operation.

[11] The Eurosystem legal framework for monetary policy instruments consists of the "General framework" and the "Temporary framework". The Temporary framework complements, amends or overrules the General framework. The haircuts to be applied on individual marketable assets eligible for Eurosystem operations can be found in the online database of eligible assets published on the website of the European Central Bank.

Table 2.1: Haircuts for non central bank eligible equity instruments

Issuer rating	Valuation haircut
AAA to A-	20%
BBB+ to BBB-	35%
Lower/ Not rated by ECAIs	50%

- Apply a 30% haircut in case the asset qualifies as a HQLA under the LCR Delegated Regulation
- Apply a 50% haircut in all other cases

75 As a general rule, haircuts should be applied on the market value of counterbalancing capacity assets. However, for assets that are eligible for central bank standard credit operations, in case a central bank discretionally defines the value over which the haircut is applied (as is typically the case for non marketable assets such as loans) and such valuation is performed internally and is not yet known to the reporting institution (even if the asset eligibility has already been confirmed), banks shall use the net book value (i.e. post any impairment) as a proxy for the theoretical fair value. Yet, in the event that, according to a central bank's framework, available haircuts could be applied on the outstanding amount, then banks may apply such set of haircuts on the outstanding amount instead of the net book value.

76 Items in the counterbalancing capacity shall be reported in the following sub-categories:

- Row 0500 ("Coins and banknotes"): Banks shall report the nominal value of coins and banknotes as of the reference date
- Row 0510 ("Withdrawable central bank reserves"): Banks shall report the nominal value of reserves at central banks, according to Article 10(1)(b)(iii) of the LCR Delegated Regulation, withdrawable overnight at the latest, as of the reference date. Securities representing claims on or guaranteed by central banks shall not be reported here
- Row 0520 ("Level 1 tradable assets"): Banks shall report the liquidity value (cfr. § 73 and following) of tradable assets that qualify as Level 1 assets in accordance with Articles 7, 8 and 10 of the LCR Delegated Regulation, including CIU shares or units in accordance with article 15 of the LCR Delegated Regulation that qualify as Level 1 assets
- Row 0530 ("Level 2A tradable assets"): Banks shall report the liquidity value (cfr. § 73 and following) of tradable assets that qualify as Level 2A assets in accordance with Articles 7, 8 and 11 of the LCR Delegated Regulation, including CIU shares or units in accordance with article 15 of the LCR Delegated Regulation that qualify as Level 2A assets
- Row 0540 ("Level 2B tradable assets"): Banks shall report the liquidity value (cfr. § 73 and following) of tradable assets that qualify as Level 2B assets in accordance with Articles 7, 8 and 12 or 13 of the LCR Delegated Regulation, including CIU

shares or units in accordance with article 15 of the LCR Delegated Regulation that qualify as Level 2B assets

- Row 0550 ("Other tradable assets"): Banks shall report the liquidity value (cfr. § 73 and following) tradable assets that qualify as counterbalancing capacity other than those reported in rows 0520 – 0540

- Row 0560 ("Non tradable assets eligible for central banks"): Banks shall report the liquidity value (cfr. § 73 and following) of non tradable assets that are eligible collateral for standard credit operations of the Eurosystem or of other central banks to which the reporting institution has direct access. As indicated above (cfr. § 59, 60 and 61), in case an institution were not certain whether a non tradable asset would meet such eligibility criteria then such asset should not be considered as part of the counterbalancing capacity[12]

- Row 0570 ("Undrawn committed facilities received"): Banks shall report the total amount of undrawn committed facilities received. These shall include only contractually irrevocable facilities. Banks shall report a reduced amount where the potential collateral needs for drawing on these facilities exceeds the availability of collateral. In order to avoid double-counting, facilities where the reporting institution has already pre-positioned assets as collateral, for an undrawn credit facility, and has already reported the assets in rows 0500 – 0560, shall not be reported in row 0570. The same shall apply for cases where the reporting institution may need to preposition assets as collateral in order to draw as reported in this field. A change to the contractually available amount of credit and liquidity lines reported in row 0570 shall be reported as a flow in the relevant time bucket. As a reminder, any additional funding that could be generated out of already pre-positioned assets in collateral pools (cfr. § 64) shall be included in row 0570

2.2.1.1.4 Table 1.4: Contingencies

77 In rows 0620 – 0640 banks shall report the stock of committed facilities extended and the future cash outflows according to their own expectations under the assumption of no liquidity stress used for the purpose of the liquidity risk management of the reporting institution. In any event, no business plan assumptions shall be reflected and therefore information relating to new business activities shall not be included. Future cash outflows shall be filled in by banks with a positive sign.

78 The initial stock to be reported in column 0010 shall be equivalent to the maximum amount that can be drawn down at the reference date. For revolving credit facilities, only the committed amount in excess of the already drawn amount shall be reported.

79 Items in the committed facilities shall be reported in the following sub-categories:

- Row 0620 ("Committed credit facilities – Considered as Level 2B by the receiver"): Banks shall report the stock and outflows deriving from the portion of committed

[12] Conversely, in the "Collateral mobilisation" worksheet, Table 26, banks shall still take into account and report these assets in rows 0570 – 0660.

credit facilities, defined in accordance with Article 31 of the LCR Delegated Regulation, which is considered liquidity funding in accordance with Article 16(2) of the LCR Delegated Regulation

- Row 0630 ("Committed credit facilities – Other"): Banks shall report the stock and outflows deriving from the portion of committed credit facilities, defined in accordance with Article 31 of the LCR Delegated Regulation, which is not captured in row 0620

- Row 0640 ("Liquidity facilities"): Banks shall report the stock and outflows deriving from liquidity facilities, defined in accordance with Article 31 of the LCR Delegated Regulation

80 Future cash flows arising from contingencies shall be reported in Table 1.4 only, as they should not affect other sections of the maturity ladder. As an example, in case a customer is expected to draw down on a facility at a certain point in time the amount expected to be drawn shall be accounted as a cash outflow in the appropriate row in Table 1.4 but shall not be recorded as an increase in loans in Table 1.1 or Table 1.2, in order to avoid double counting.

81 No outflow deriving from committed facility drawdowns is included in the calculation of the Net liquidity position (Baseline) in row 0750 (cfr. § 33). Nevertheless the section shall be filled in by banks to inform the comparison with shocked figures.

82 No rating downgrade is foreseen in the Baseline case, thus rows 0650 – 0710 are blackened out and should be disregarded by banks.

2.2.1.1.5 Table 1.5: Net liquidity position

83 Row 0740: Banks shall report their consolidated total assets as of the reference date.

84 Rows 0750 – 0760: Banks are not expected to fill in these cells, which are automatically calculated by excel formulas. As a further reminder, the Net liquidity position (Baseline) is calculated based on the Baseline assumptions (cfr. § 33), which, among others, foresee no flows (i.e. stable stocks) arising from both deposits and loans with either retail or commercial counterparties (i.e. all excluding credit institutions and other financial counterparties) as well as no impact from contingencies.

85 Row 0761: Banks shall report their consolidated Liquidity Coverage Ratio (LCR), calculated based on the current regulatory framework, as of the reference date.

86 Row 0762: Banks shall select, on a best effort basis, the relevant day in which they expect their consolidated LCR to go below 100%. To this end, banks may re-compute the consolidated LCR on a daily basis over the course of the six months following the reference date. Banks shall perform such calculations based on the current regulatory framework including the same outflow/inflow rates and haircuts. However, the amounts on which to apply outflow/inflow rates and haircuts may be re-computed day after day based on the evolution of the institution's balance sheet taking into account all the Baseline assumptions detailed above (cfr. § 33). All other LCR items for which no

information is available in the context of the Baseline case in order to estimate the evolution of the stock and the related inflows/outflows may be assumed to remain the same as of the reference date. For items that are treated with greater granularity in the LCR framework vis-à-vis the LiST 2019 template, banks may assume proportional changes in stocks. Banks are not expected to report such calculations anywhere in the template and other proxy methodologies would be accepted as well, however they shall provide clarifications, if deemed relevant, in the appropriate commentary box on the right. In the event that the so calculated LCR does not fall below 100% over the six months following the reference date, banks should select “N/A”.

87 Row 0763: Banks shall select the relevant day in which their Net liquidity position (Baseline), i.e. the one calculated in row 0750 under the Baseline assumptions, first turns from positive to negative over the six months following the reference date. In the event the Net liquidity position (Baseline) remains positive throughout the six months following the reference date, banks should select “N/A”. The reason for doing so is to identify the “survival period” (defined as the day in which the net liquidity position of a bank first turns negative) with a daily granularity without significantly increasing the number of time buckets in the template.

88 Row 0764: Banks shall select the relevant day in which their Net liquidity position (Baseline), i.e. the one calculated in row 0750 under the Baseline assumptions, reaches its minimum point over the first 30 calendar days following the reference date.

89 Row 0765: Banks shall report their minimum Net liquidity position (Baseline) reached over the first 30 calendar days following the reference date, i.e. Net liquidity position (Baseline) as of the relevant day indicated in row 0764.

2.2.1.2 Tables 2 and 3: Maturity ladder and counterbalancing capacity – Group consolidated – Adverse and Extreme shocks – All currencies

90 The second and third maturity ladders in the “Cons. (all CCYs)” worksheet to be filled by banks (i.e. Table 2 and Table 3) aim at assessing the evolution of a bank’s net liquidity position under the assumptions of the Adverse (i.e. applying moderate idiosyncratic stress) and Extreme (i.e. applying a more severe idiosyncratic stress) shocks.

91 While a number of assumptions are shared with the Baseline case[13], the key methodological features underlying the Adverse and Extreme shocks (also summarised in Tables 3.2 and 3.3 of the Annex) that imply a deviation from such Baseline can be summarised as follows:

- Partial roll-over (cfr. § 94 and following for the Adverse and Extreme shock stressed outflow rates) of maturing term deposits from either retail or commercial counterparties (i.e. all excluding credit institutions and other financial counterparties)

[13] Given that both the Adverse and Extreme shocks build on the Baseline case several cells in Table 2 and Table 3 have been linked to Table 1.

- Gradual outflow (cfr. § 107 and following for the Adverse and Extreme shock stressed outflow rates) of sight deposits from either retail or commercial counterparties (i.e. all excluding credit institutions and other financial counterparties)
- Gradual outflows (cfr. § 121 and following for the Adverse and Extreme shock stressed outflow rates) from committed facilities
- Rating downgrade (cfr. § 123 and following for the related Adverse and Extreme shock assumptions)

2.2.1.2.1 Tables 2.1 and 3.1: Cash flows – Contractual maturity items

92 Maturing liabilities issued by the reporting institution are assumed to not be rolled-over. Hence, cells in rows 1550 – 1580 and 0790 – 0820 have been linked to the corresponding ones in Table 1.1 (i.e. the Baseline contractual cash flows).

93 Analogously, maturing secured lending and capital market driven transactions, both on the asset and liability side of the reporting institution, are assumed to not be rolled-over. Hence, cells in rows 1590 and 1720 and in in rows 0830 and 0960 have been linked to the corresponding ones in Table 1.1. Securities flows relating to secured lending and capital market driven transactions shall still be reported by banks in the Counterbalancing capacity (i.e. Tables 2.3 & 3.3).

94 Under both the Adverse and Extreme shocks, deposits with a contractual maturity are expected to be rolled-over only in part. Roll-over rates are assumed to be constant across all maturities. Banks shall therefore multiply the maturing contractual outflows (including both principal and interest related flows) by constant outflow rates (which can be interpreted as 100% minus a roll-over rate) specific to each deposit category. A full list of outflow rates for items with a contractual maturity is provided in Table 3.2 of the Annex. For example, under the Adverse shock assumptions when a euro 100 stable retail deposit reaches maturity, the simulated cash outflow to be reported by a bank shall be equal to euro 100 x 18% (or 100 x 27% under the Extreme shock assumptions). The remaining portion of 82% and 73% of the 100 euro stable retail deposit is assumed to be rolled-over until past the end of the exercise time horizon (i.e. the end of the sixth month following the reference date) and should be reported in column 0230.

95 Rows 0850 and 1610 (“Stable retail deposits”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks by multiplying the future cash outflows reported in row 0090 with an Adverse / Extreme shock outflow rates equal to 18% / 27%. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

96 Rows 0860 and 1620 (“Other retail deposits”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks by multiplying the future cash outflows reported in row 0100 with an Adverse / Extreme shock outflow rates equal to 39% / 48%. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

97 Rows 0870 and 1630 (“Operational deposits”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks by multiplying the future cash outflows reported in row 0110 with an Adverse / Extreme shock outflow rates equal to 37% / 50%. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

98 Rows 0880 and 1640 (“Non-operational deposits from credit institutions”) and 0890 & 1650 (“Non-operational deposits from other financial customers”): Future cash outflows in columns 0020 – 0230 are automatically computed by excel formulas by multiplying the future cash outflows reported in rows 0120 and 0130 with an Adverse / Extreme shock outflow rate equal to 100%.

99 Rows 0900 and 1660 (“Non-operational deposits from non-financial corporates”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks by multiplying the future cash outflows reported in row 0140 with an Adverse / Extreme shock outflow rates equal to 52% / 76%. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

100 Rows 0910 and 1670 (“Non-operational deposits from others”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks by multiplying the future cash outflows reported in row 0150 with an Adverse / Extreme shock outflow rate equal to 52% / 76%. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

101 Maturing loans to either retail or commercial counterparties (i.e. all excluding credit institutions and other financial counterparties) are assumed to be fully rolled-over, that is to say the stock of such loans is assumed to remain constant over the course of the exercise time horizon. Hence, cells in rows 0980, 0990 and 1020, as well as in rows 1740, 1750 and 1780, have been pre-emptively filled with zeros.

102 Maturing loans to credit institutions and other financial counterparties are assumed to not be rolled-over, mirroring the treatment envisaged in the Baseline case. Hence, cells in rows 1000 and 1010, as well as in rows 1760 and 1770, have been linked to the corresponding ones in Table 1.1.

103 Maturing FX swaps are assumed to not be rolled-over. Hence, cells in rows 0920 and 1030, as well as in rows 1680 and 1790, have been linked to the corresponding ones in Table 1.1.

104 Maturing derivatives are assumed to not be rolled-over. Hence, cells in rows 0930 and 1040, as well as in rows 1690 and 1800, have been linked to the corresponding ones in Table 1.1.

105 Bonds in the own portfolio maturing are assumed to not be rolled-over. Hence, cells in row 1050, as well as in row 1810, have been linked to the corresponding ones in Table 1.1.

106 Other cash outflows and inflows are also assumed to remain the same in both the Adverse and Extreme shocks as they are in the Baseline case and therefore cells in rows

0940 and 1060, as well as in rows 1700 and 1820, have been linked to the corresponding ones in Table 1.1.

2.2.1.2.2 Tables 2.2 and 3.2: Cash flows – Open maturity items

107 Under both the Adverse and Extreme shocks, deposits that can be withdrawn immediately without notice or have no contractual maturity are expected to progressively flow out. Banks shall therefore multiply the outstanding stocks with constant daily outflow rates, defined for each deposit category, in a compounding manner. For example, under the Adverse shock assumptions, the outstanding balance of stable retail sight deposits shall decrease each relevant day by 0.103258% (or by 0.161494% under the Extreme shock assumptions), so that for a euro 100 deposit after e.g. 10 relevant days the total cumulated cash outflows would be equal to euro $(1-(1-0.103258\%)^{10}) \times 100$ (or to euro $(1-(1-0.161494\%)^{10}) \times 100$ under the Extreme shock assumptions). The full set of daily compounding outflow rates for open maturity items is included in Table 3.3 in the Annex. Table 2.2 and Table 2.3 below contain the rounded cumulated outflow rates for the different time buckets of the template for both shocks. Banks should not assume any outflow to occur on non-relevant days (i.e. on weekend days and days when TARGET2 is closed). The total number of relevant days in the six months following the reference date is 125 (please refer to Table 3.1 in the Annex for the complete list of relevant days).

Table 2.2: Adverse shock cumulated outflow rates

	Stable retail sight deposits	Other retail sight deposits	Operational sight deposits	Non-op. sight deposits from NFCs	Non-op. sight deposits from others
Greater than 31/12/18 up to 02/01/19	0.10%	0.37%	0.51%	0.69%	0.69%
Greater than 02/01/19 up to 03/01/19	0.21%	0.75%	1.03%	1.37%	1.37%
Greater than 03/01/19 up to 04/01/19	0.31%	1.12%	1.54%	2.05%	2.05%
Greater than 04/01/19 up to 07/01/19	0.41%	1.48%	2.04%	2.73%	2.73%
Greater than 07/01/19 up to 08/01/19	0.52%	1.85%	2.55%	3.40%	3.40%
Greater than 08/01/19 up to 09/01/19	0.62%	2.22%	3.05%	4.06%	4.06%
Greater than 09/01/19 up to 10/01/19	0.72%	2.58%	3.55%	4.72%	4.72%
Greater than 10/01/19 up to 11/01/19	0.82%	2.95%	4.04%	5.38%	5.38%
Greater than 11/01/19 up to 14/01/19	0.93%	3.31%	4.54%	6.03%	6.03%
Greater than 14/01/19 up to 21/01/19	1.44%	5.10%	6.97%	9.22%	9.22%
Greater than 21/01/19 up to 28/01/19	1.94%	6.86%	9.34%	12.30%	12.30%
Greater than 28/01/19 up to 30/01/19	2.15%	7.55%	10.27%	13.51%	13.51%
Greater than 30/01/19 up to 31/01/19	2.25%	7.90%	10.73%	14.10%	14.10%
Greater than 31/01/19 up to 04/02/19	2.45%	8.58%	11.64%	15.28%	15.28%
Greater than 04/02/19 up to 11/02/19	2.95%	10.28%	13.89%	18.16%	18.16%
Greater than 11/02/19 up to 18/02/19	3.45%	11.94%	16.09%	20.94%	20.94%
Greater than 18/02/19 up to 28/02/19	4.25%	14.53%	19.48%	25.19%	25.19%
Greater than 28/02/19 up to 29/03/19	6.30%	20.99%	27.74%	35.29%	35.29%
Greater than 29/03/19 up to 30/04/19	8.22%	26.68%	34.83%	43.64%	43.64%
Greater than 30/04/19 up to 31/05/19	10.28%	32.47%	41.82%	51.59%	51.59%
Greater than 31/05/19 up to 28/06/19	12.11%	37.34%	47.52%	57.84%	57.84%

Table 2.3: Extreme shock cumulated outflow rates

	Stable retail sight deposits	Other retail sight deposits	Operational sight deposits	Non-op. sight deposits from NFCs	Non-op. sight deposits from others
Greater than 31/12/18 up to 02/01/19	0.16%	0.44%	0.75%	1.07%	1.07%
Greater than 02/01/19 up to 03/01/19	0.32%	0.88%	1.50%	2.12%	2.12%
Greater than 03/01/19 up to 04/01/19	0.48%	1.32%	2.23%	3.16%	3.16%
Greater than 04/01/19 up to 07/01/19	0.64%	1.75%	2.97%	4.19%	4.19%
Greater than 07/01/19 up to 08/01/19	0.80%	2.19%	3.70%	5.21%	5.21%
Greater than 08/01/19 up to 09/01/19	0.97%	2.62%	4.42%	6.22%	6.22%
Greater than 09/01/19 up to 10/01/19	1.12%	3.05%	5.14%	7.22%	7.22%
Greater than 10/01/19 up to 11/01/19	1.28%	3.47%	5.85%	8.21%	8.21%
Greater than 11/01/19 up to 14/01/19	1.44%	3.90%	6.56%	9.19%	9.19%
Greater than 14/01/19 up to 21/01/19	2.24%	6.00%	10.01%	13.92%	13.92%
Greater than 21/01/19 up to 28/01/19	3.02%	8.05%	13.34%	18.41%	18.41%
Greater than 28/01/19 up to 30/01/19	3.34%	8.86%	14.63%	20.14%	20.14%
Greater than 30/01/19 up to 31/01/19	3.49%	9.26%	15.27%	20.99%	20.99%
Greater than 31/01/19 up to 04/02/19	3.80%	10.06%	16.54%	22.67%	22.67%
Greater than 04/02/19 up to 11/02/19	4.58%	12.03%	19.63%	26.70%	26.70%
Greater than 11/02/19 up to 18/02/19	5.35%	13.95%	22.60%	30.52%	30.52%
Greater than 18/02/19 up to 28/02/19	6.56%	16.94%	27.12%	36.22%	36.22%
Greater than 28/02/19 up to 29/03/19	9.68%	24.30%	37.79%	49.07%	49.07%
Greater than 29/03/19 up to 30/04/19	12.55%	30.70%	46.49%	58.89%	58.89%
Greater than 30/04/19 up to 31/05/19	15.61%	37.12%	54.66%	67.52%	67.52%
Greater than 31/05/19 up to 28/06/19	18.29%	42.44%	61.00%	73.78%	73.78%

108 Rows 1120 and 1880 (“Stable retail sight deposits”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks utilising an Adverse / Extreme shock daily compounding outflow rate equal to 0.103258% / 0.161494%. In both the Adverse and Extreme shock tables, banks shall calculate the future cash outflows for each maturity bucket starting from the initial stock (same as the one reported in row 0360) in column 0010 and apply the above rate on the residual stock (i.e. the projected stock of the day before) on a daily basis going forward, taking into account only relevant days. As a consequence, the cumulated total outflows over the six months following the reference date should equal approximately 12% / 18% of the initial stock. In column 0230 banks

shall report the residual amount outstanding which is not expected to flow out within the first six months.

109 Rows 1130 and 1890 (“Other retail sight deposits”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks utilising an Adverse / Extreme shock daily compounding outflow rate equal to 0.373218% / 0.440873%. In both the Adverse and Extreme shock tables, banks shall calculate the future cash outflows for each maturity bucket starting from the initial stock (same as the one reported in row 0370) in column 0010 and applying the above rate on the residual stock (i.e. the projected stock of the day before) on a daily basis going forward, taking into account only relevant days. As a consequence, the cumulated total outflows over the six months following the reference date should equal approximately 37% / 42% of the initial stock. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

110 Rows 1140 and 1900 (”Operational sight deposits”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks utilising an Adverse / Extreme shock daily compounding outflow rate equal to 0.514464% / 0.750509%. In both the Adverse and Extreme shock tables, banks shall calculate the future cash outflows for each maturity bucket starting from the initial stock (same as the one reported in row 0380) in column 0010 and applying the above rate on the residual stock (i.e. the projected stock of the day before) on a daily basis going forward, taking into account only relevant days. As a consequence, the cumulated total outflows over the six months following the reference date should equal approximately 48% / 61% of the initial stock. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

111 Rows 1150 and 1910 (“Non-operational sight deposits from credit institutions”) and rows 1160 and 1920 (“Non-operational sight deposits from other financial customers”): Future cash outflows assume an Adverse / Extreme shock daily compounding outflow rate equal to 100% (i.e. the full stock of deposits is expected to flow out on the first relevant day). Hence, in both the Adverse and Extreme tables, banks shall just fill in column 0020 based on such assumption while the rest of the cells have been pre-emptively filled with zeros.

112 Rows 1170 and 1930 (“Non-operational sight deposits from non-financial corporates”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks utilising an Adverse / Extreme shock daily compounding outflow rate equal to 0.688541% / 1.065229%. In both the Adverse and Extreme shock tables, banks shall calculate the future cash outflows for each maturity bucket starting from the initial stock (same as the one reported in row 0410) in column 0010 and applying the above rate on the residual stock (i.e. the projected stock of the day before) on a daily basis going forward, taking into account only relevant days. As a consequence, the cumulated total outflows over the six months following the reference date should equal approximately 58% / 74% of the initial stock. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

113 Rows 1180 and 1940 (“Non-operational sight deposits from others”): Future cash outflows to be filled in columns 0020 – 0220 shall be computed by banks utilising an Adverse / Extreme shock daily compounding outflow rates equal to 0.688541% / 1.065229%. In

both the Adverse and Extreme shock tables, banks shall calculate the future cash outflows for each maturity bucket starting from the initial stock (same as the one reported in row 0420) in column 0010 and applying the above rate on the residual stock (i.e. the projected stock of the day before) on a daily basis going forward, taking into account only relevant days. As a consequence, the cumulated total outflows over the six months following the reference date should equal approximately 58% / 74% of the initial stock. In column 0230 banks shall report the residual amount outstanding which is not expected to flow out within the first six months.

114 Rows 1100 and 1210 and rows 1860 and 1970: In line with the Baseline case, also under both the Adverse and Extreme shock assumptions all secured lending and capital market driven transactions with open maturity (i.e. open repos and reverse repos), both on the asset and liability side of the reporting institution, are assumed to be terminated and settled on the first relevant day following the reference date. Hence, in rows 1100 and 1210, as well as in rows 1860 and 1970, banks shall just fill in column 0020 based on such assumption while the rest of the cells have been pre-emptively filled with zeros. Securities flows related to secured lending and capital market driven transactions shall also be reported by banks in the Counterbalancing capacity (i.e. in Tables 2.3 and 3.3) accordingly.

115 Rows 1190 and 1230 and rows 1950 and 1990: All other transactions with open maturity, both on the asset and liability side of the reporting institution, are assumed to be terminated and settled on the first relevant day following the reference date. Hence, in rows 1190 and 1230, as well as in rows 1950 and 1990, banks shall just fill in column 0020 based on such assumption while the rest of the cells have been pre-emptively filled with zeros.

116 Rows 1220 and 1980: The stock of sight and non-maturing loans and advances is assumed to remain constant over the course of the exercise horizon. Hence, banks are not required to fill any cell in these rows.

2.2.1.2.3 Tables 2.3 and 3.3: Counterbalancing capacity

117 Both Table 2.3 and Table 3.3 shall be filled by banks according to the definitions and methodological framework outlined for Table 1.3.

118 While the initial stocks (column 0010) are linked to the amounts reported by banks in Table 1.3, any future flow shall be still filled in by banks according to the different assumptions of the two shock cases. Banks shall make sure that any security flows in the Adverse and Extreme shock arising from assumptions that differ from the Baseline case are appropriately reflected in Tables 2.3 and 3.3 of the maturity ladders.

2.2.1.2.4 Tables 2.4 and 3.4: Contingencies

119 In the context of the Adverse and of the Extreme shocks, banks shall fill in both the section related to the “Outflows from committed facilities” and the one containing the “Liquidity needs due to rating downgrade trigger”.

120 For committed facilities (rows 1360 – 1400 and rows 2120 – 2160), the same definitions outlined for Table 1.4 shall apply. The initial stocks (column 0010), equivalent to the maximum amount that can be drawn down at the reference date, are also linked to the amounts reported by banks in Table 1.4.

121 In both the Adverse and the Extreme shocks, banks' customers are assumed to draw down on received committed facilities only during the first three months following the reference date. More specifically, future outflows (columns 0020 – 0190) shall be filled in by banks as follows:

- Rows 1380 and 1390 and rows 2140 and 2150 ("Committed credit facilities"): Future cash outflows to be filled in columns 0020 – 0190 shall be computed by banks utilising an Adverse / Extreme shock daily compounding drawdown rate equal to 0.202704% / 0.257634%. In both the Adverse and Extreme shock tables, banks shall calculate the future cash outflows for each maturity bucket starting from the initial stock in column 0010 and applying the above rate on the residual stock (i.e. the projected stock of the day before) on a daily basis going forward until the end of the third month, taking into account only relevant days. Columns 0200 – 0230 are not supposed to be filled in by banks as no further outflows are foreseen from month four onward

- Rows 1400 and 2160 ("Liquidity facilities"): Future cash outflows to be filled in columns 0020 – 0190 shall be computed by banks utilising an Adverse / Extreme shock daily compounding drawdown rate equal to 1.443904% / 2.176434%. In both the Adverse and Extreme shock tables, banks shall calculate the future cash outflows for each maturity bucket starting from the initial stock in column 0010 and applying the above rate on the residual stock (i.e. the projected stock of the day before) on a daily basis going forward until the end of the third month, taking into account only relevant days. Columns 0200 – 0230 are not supposed to be filled in by banks as no further outflows are foreseen from month four onward

Table 2.4: Adverse and Extreme shock cumulated outflow rates

	Adverse shock		Extreme shock	
	Credit facilities	Liquidity facilities	Credit facilities	Liquidity facilities
Greater than 31/12/18 up to 02/01/19	0.20%	1.44%	0.26%	2.18%
Greater than 02/01/19 up to 03/01/19	0.40%	2.87%	0.51%	4.31%
Greater than 03/01/19 up to 04/01/19	0.61%	4.27%	0.77%	6.39%
Greater than 04/01/19 up to 07/01/19	0.81%	5.65%	1.03%	8.43%
Greater than 07/01/19 up to 08/01/19	1.01%	7.01%	1.28%	10.42%
Greater than 08/01/19 up to 09/01/19	1.21%	8.36%	1.54%	12.37%
Greater than 09/01/19 up to 10/01/19	1.41%	9.68%	1.79%	14.28%
Greater than 10/01/19 up to 11/01/19	1.61%	10.98%	2.04%	16.14%
Greater than 11/01/19 up to 14/01/19	1.81%	12.27%	2.29%	17.97%
Greater than 14/01/19 up to 21/01/19	2.80%	18.42%	3.55%	26.51%
Greater than 21/01/19 up to 28/01/19	3.78%	24.14%	4.78%	34.17%
Greater than 28/01/19 up to 30/01/19	4.17%	26.32%	5.27%	37.00%
Greater than 30/01/19 up to 31/01/19	4.37%	27.38%	5.52%	38.38%
Greater than 31/01/19 up to 04/02/19	4.75%	29.47%	6.00%	41.03%
Greater than 04/02/19 up to 11/02/19	5.71%	34.41%	7.21%	47.17%
Greater than 11/02/19 up to 18/02/19	6.67%	39.01%	8.40%	52.68%
Greater than 18/02/19 up to 28/02/19	8.17%	45.71%	10.27%	60.31%
Greater than 28/02/19 up to 29/03/19	12.00%	60.00%	15.00%	75.00%

122 By applying the methodology described above, the cumulated outflows reached at the end of the third month under the Adverse / Extreme shocks shall be equal to approximately 12% / 15% for credit facilities and 60% / 75% for liquidity facilities (expressed in percentage of the initial stock, i.e. the maximum amount that can be drawn down at the reference date).

123 Rows 1410 – 1470 and rows 2170 – 2230 ("Liquidity needs due to rating downgrade trigger"): Banks shall report the impact on their liquidity position caused by a 1-notch rating downgrade in the Adverse shock case and by a 3-notch rating downgrade in the Extreme one. In both cases the rating shall be intended as the issuer credit rating (both long term and short term) assigned to the reporting institution by an external rating agency. A notch shall be intended as the smallest discrete step by which a rating may be lowered. In case a bank is assigned more than one rating by different external rating

agencies, then all of them shall be assumed to be lowered by 1 notch / 3 notches. In case the reporting institution has not been assigned a public rating as of the reference date, then it should consider its "shadow rating", if any. In case of no shadow rating assigned, then the reporting institution shall fill in this section to the best of its knowledge and provide adequate clarifications in the relevant commentary boxes.

124 The starting rating (or ratings) on which to compute the 1-notch / 3-notch downgrades under the Adverse / Extreme shocks shall be the one (or ones) assigned to an institution as of the reference date. The downgrade shall be assumed to occur instantaneously at the very beginning of the first relevant day following the reference date.

125 The impact on the liquidity position caused by the 1-notch / 3-notch downgrades in the Adverse / Extreme shocks shall be captured in columns 0020 – 0230 by way of the following:

- Rows 1420 and 2180 ("Early redemption of outstanding contractual liabilities"): Banks shall report the impact on liquidity caused by the early redemption of any outstanding liability (with the exception of deposits) in case this is expected by a bank as a consequence of the downgrade, also including any potential buy-back of securities issued aimed at preserving franchise value. Whenever an early redemption is foreseen banks shall report the resulting cash outflow with a positive sign in the appropriate maturity bucket and an equivalent value with a negative sign in the bucket corresponding to the original maturity of the redeemed liability (including column 0230 for those liabilities maturing after the sixth month following the reference date). As a consequence the sum of all flows reported in this row shall be equal to zero

- Rows 1430 and 2190 ("Margin calls due to downgrade triggers"): Banks shall fill in the overall outflows related to margin calls triggered by the downgrade, based on existing contracts and agreements. Out of this, the following sub-instances shall also be reported:

  - Rows 1440 and 2200: Banks shall fill in the value of the potential additional collateral (i.e. net of appropriate haircuts) to be posted against derivatives and other contracts subject to margining, including initial margins requested by Central Clearing Platforms (CCPs)[14] as a consequence of the downgrade. Outflows shall be reported with a positive sign in the bucket when the margin call shall be executed

  - Rows 1450 and 2210: Where relevant, banks shall fill in the marginal decrease in the liquidity value (cfr. § 74) of own-use covered bonds and Asset Backed Securities (ABS)[15] included in the counterbalancing capacity as a consequence of the downgrade. The amount of liquidity value lost shall be computed based on the framework outlined in 2.2.1.1.3 "Table 1.3: Counterbalancing capacity". If relevant, only the negative delta vis-à-vis the value reported in Table 1.3 shall be reported here (with a positive sign), in

[14] Either directly, if the reporting institution is a CCP Member itself, or indirectly, if the reporting institution accesses a CCP by way of another CCP Member.

[15] If needed, please refer, e.g. to Article 2(3) of Guideline ECB/2014/60.

order to avoid any double counting. The loss of liquidity is intended to cover both the encumbered as well as the unencumbered portions of the portfolio

- Rows 1460 and 2220 (“Change in the re-hypothecation rights of the securities received as collateral”): Banks shall fill in the potential loss of liquidity value (cfr. § 74) in case securities received as collateral, forming part of the counterbalancing capacity at the reference date, cease to qualify as such (in light of any limits to contractual re-hypothecation rights) as a consequence of the downgrade. The potential amount of liquidity value lost shall be computed based on the framework outlined in 2.2.1.1.3 “Table 1.3: Counterbalancing capacity” and shall be reported with a positive sign.

- Rows 1470 and 2230 (“Outflows of deposits and other liabilities related to rating-dependent contractual agreements (e.g. structured deposits; deposits held in custody for SPVs; etc.)”): Banks shall fill in this row the potential outflows arising from the loss of counterparty eligibility or any other contractual provision triggered by the downgrade. In case an early redemption is activated banks shall report the resulting cash outflow with a positive sign in the appropriate maturity bucket and an equivalent value with a negative sign in the bucket corresponding to the original maturity of the redeemed liability (including column 0230 for those liabilities maturing after the sixth month following the reference date). In case the liability is a deposit reported in any of rows 0850, 0860, 0870, 0900 and 0910 maturing within the first six months following the reference date, then banks shall report the resulting cash outflow with a positive sign in the appropriate maturity bucket and i) in the bucket corresponding to the original maturity of the redeemed liability a value calculated by multiplying the nominal amount of the liability with the appropriate outflow rates for the two shock cases as outlined in “Tables 2.1 and 3.1: Cash flows – Contractual maturity items” with a negative sign and ii) in the last bucket (i.e. in column 0230) the difference between the nominal value of the liability and the value calculated in i) with a negative sign. In case the liability to be redeemed does not have an original contractually defined maturity banks report the resulting cash outflow with a positive sign in the appropriate maturity bucket and an equivalent value with a negative sign in the last bucket (i.e. in column 0230).

126 In case of an early redemption of liabilities in rows 1420 and 1470, as well as in rows 2180 and 2230, which are collateralised by assets that qualify to be considered as part of the counterbalancing capacity, the flows (both with positive and negative sign) described above, shall be reported net of the liquidity value of the asset used as collateral that the bank receives back. Liquidity values shall be computed based on the framework outlined in 2.2.1.1.3 “Table 1.3: Counterbalancing capacity”.

127 As a general rule, given that future cash flows arising from contingencies are directly summed in the computation of the bank’s Net liquidity position (Adverse shock) and Net liquidity position (Extreme shock) (see Tables 2.5 and 3.5 below) figures reported by banks according to the indications above shall not entail any changes in any other section of the Adverse and Extreme shock maturity ladders in order to avoid potential double counting.

2.2.1.2.5 Tables 2.5 and 3.5: Net liquidity position

128 Rows 1500 – 1521 and rows 2260 – 2281: Banks are not expected to fill in these cells, which are automatically calculated by excel formulas.

129 Rows 1522 and 2282: Banks shall select, on a best effort basis, the relevant day in which they expect their consolidated LCR to go below 100% for both the Adverse and Extreme shocks. To this end, banks may compute the consolidated LCR on a daily basis over the course of the six months following the reference date. Banks shall perform such calculations based on the current regulatory framework including the same outflow/inflow rates and haircuts. However, the amounts on which to apply outflow/inflow rates and haircuts may be re-computed day after day based on the evolution of the institution's balance sheet taking into account all of the Adverse and Extreme shock assumptions (including constant stock of loans with either retail or commercial counterparties). All other LCR items for which no information is available in the context of the Adverse and the Extreme shocks in order to estimate the evolution of the stocks and the related inflows/outflows may be assumed to remain the same as of the reference date. For items that are treated with greater granularity in the LCR framework vis-à-vis the LiST 2019 template, banks may assume proportional changes in stocks. Banks are not expected to report such calculations anywhere in the template and other proxy methodologies would be accepted as well, however they shall provide clarifications, if deemed relevant, in the appropriate commentary boxes on the right. In the event that the so calculated LCR does not fall below 100% over the six months following the reference date in either of the shock cases, banks should select "N/A".

130 Rows 1523 and 2283: Banks shall select the relevant day in which their Net liquidity position (Adverse shock) and Net liquidity position (Extreme shock), i.e. the ones calculated in rows 1510 and 2270 under the Adverse / Extreme shocks, first turn from positive to negative over the six months following the reference date. In the event the Net liquidity position (Adverse shock) and/or the Net liquidity position (Extreme shock) remain positive throughout the six months following the reference date, banks should select "N/A". The reason for doing so is to identify the "survival period" (defined as the day in which the net liquidity position of a bank first turns negative) with a daily granularity without significantly increasing the number of time buckets in the template.

131 Rows 1524 and 2284: Banks shall select the relevant day in which their Net liquidity position (Adverse shock) and Net liquidity position (Extreme shock), i.e. the ones calculated in rows 1510 and 2270 under the Adverse / Extreme shocks, reach their minimum point over the first 30 calendar days following the reference date.

132 Rows 1525 and 2285: Banks shall report their minimum Net liquidity position (Adverse shock) and Net liquidity position (Extreme shock) reached over the first 30 calendar days following the reference date for both cases, i.e. the Net liquidity position (Adverse shock) and the Net liquidity position (Extreme shock) as of the relevant days indicated in rows 1524 and 2284.

2.2.1.3 Table 4: Maturity ladder and counterbalancing capacity – Group consolidated – Business view – All currencies

133 Banks shall fill in this table on the basis of their own business and funding plans and taking into account any relevant internal assumptions, and transposing those internal assumptions into a maturity ladder format. The objective of such exercise is to reflect the evolution of a bank's net liquidity position in a "going concern" scenario.

134 Such unconstrained perspective implies that banks are not expected to factor in any type of stress, unless this is already expected – and thus accounted for – in a bank's set of internal projections.

135 As described in the following paragraphs in more detail, when filling Table 4 of the template banks shall be allowed to take into consideration not only the cash flows related to on and off balance sheet legally binding contracts valid at the reference date but also those related to future transactions already planned or expected to be executed, such as the origination of new business or the roll-over of maturing positions, both on the asset and liability side.

136 The above implies that, in case of roll-overs, both net outflows and net inflows may be lower when compared to the Baseline case (please refer to examples provided in the following sub-chapters).

137 Apart from the above considerations, the structure and workings of Table 4, as well as all of the definitions of row and column items, remain equal to those of Tables 1 to 3 of the template.

138 Banks are expected to fill in both the cells capturing future cash flows as well as those containing the stock amounts at the reference date. While it might be safe to assume that the latter would be equivalent to those reported in Table 1 (and linked also to Table 2 and 3), banks shall be free to fill in the most appropriate values and, if the case, provide explanations regarding any misalignment in the respective comment boxes.

2.2.1.3.1 Table 4.1: Cash flows – Contractual maturity items

139 Rows 2310 – 2340: Banks shall report the "net" cash outflows also taking into consideration the potential issuance of new securities, in case foreseen. In computing the net cash outflows, outflows should retain a positive sign, while cash inflows should be accounted for with a negative one. Although it may seem counterintuitive, this feature allows retaining consistency with all other maturity ladders and related formulas: as an example, if in month "X" an institution pays back euro 100 of maturing unsecured bonds and issues euro 120 (80) of new ones, then, all else equal, the cell reported in the month "X" maturity bucket should read -20 (20).

140 Row 2350: Banks shall report the "net" cash outflows with a positive sign. In case new secured borrowing (e.g. rolling-over of maturing liabilities) is foreseen by an institution the related flows should also be accounted for. In computations cash outflows should retain a positive sign, while cash inflows should be accounted for with a negative one. As an

example, if in month “X” a secured transaction of euro 100 comes to maturity and 80% (120%) of such amount is expected to be rolled-over, then, all else equal, the cell reported in the month “X” maturity bucket should read +20 (-20).

141 Rows 2370 – 2430: Similar to the approach described in the two paragraphs above, also cash flows related to term deposits shall be reported on a “net” basis, to account for the possibility of stocks increasing and/or decreasing over time, i.e. factoring in inflows from new depositors or from existing clients as well as withdrawals or terminations, in case this is foreseen by an institution. As an example, if in month “X” a bank client replaces a maturing certificate of deposit of euro 100 with a new one of euro 120 (80), then, all else equal, the cell reported in the month “X” maturity bucket should read -20 (20).

142 Row 2440 and 2550: Banks shall report the cash outflows and inflows, respectively, related to FX swaps. Both should be reported with a positive sign.

143 Row 2450 and 2560: Banks shall report the cash outflows and inflows, respectively, related to derivatives (other than FX swaps). Both should be reported with a positive sign.

144 Row 2460 and 2580: Banks shall report other cash outflows and inflows. Both should be reported with a positive sign.

145 Rows 2500 – 2540: Banks shall report the “net” cash inflow with a positive sign. In case new loans are made by an institution over time according to its business and funding plans (i.e. new business is originated) the related expected flows should also be accounted for. As an example, if in month “X” a client is expected to re-finance 80% (120%) of a maturing euro 100 term loan, then, all else equal, the cell reported in the month “X” maturity bucket should read +20 (-20). This goes for all type of counterparties listed in the template and all type of transactions falling into this asset category.

146 Row 2570: Banks shall report the “net” cash inflows with a positive sign. In case new investments are made increasing the size of a bank’s own portfolio, because this is foreseen in business and funding plans, the related outflows should be accounted for. As an example, if in month “X” the bank invests euro 120 in securities while euro 100 of other portfolio securities come to maturity, then, all else equal, the cell reported in the month “X” maturity bucket should read -20.

2.2.1.3.2 Table 4.2: Cash flows – Open maturity items

147 Row 2620 and 2730: Banks shall report the cash outflows and inflows, respectively, related to open repos and reverse repos. Both should be reported with a positive sign. Given that for such agreements no contractual maturity is specified, cash flows should be estimated and allocated to the respective time buckets based on a bank’s own expectations. The possibility for a bank to enter into new transactions over time should also be accounted for.

148 Row 2640 and 2700: Similar to the approach for term (contractual maturity) deposits also cash flow related to sight (open maturity) deposits shall be reported on a “net” basis, to account for the possibility of stocks increasing and/or decreasing over time, in case this is

foreseen by an institution. As an example, if in month “X” a client of the bank withdraws euro 100 (120) from its current account while euro 120 (100) are credited to the same account, then, all else equal, the cell reported in the month “X” maturity bucket should read -20 (+20). Given that for sight deposits no contractual maturity is specified, cash flows should be estimated and allocated to the respective time buckets based on a bank’s own expectations.

149 Row 2740: Similar to the approach for term (contractual maturity) loans also cash flows related to sight (open maturity) loans shall be reported on a “net” basis, to account for the possibility of stocks increasing and/or decreasing over time, in case this is foreseen by an institution. As an example, if in month “X” a client of the bank decides to pay back euro 100 (120) of an outstanding sight loan while euro 120 (100) of new sight loans are originated by the bank, then, all else equal, the cell reported in the month “X” maturity bucket should read -20 (+20). Given that for sight loans no contractual maturity is specified, cash flows should be estimated and allocated to the respective time buckets based on a bank’s own expectations.

150 Row 2710 and 2750: Banks shall report the cash outflows and inflows, respectively, related to other transactions with no contractual maturity. Both should be reported with a positive sign.

2.2.1.3.3 Table 4.3: Counterbalancing capacity

151 Banks are expected to assess the “liquidity value” of counterbalancing capacity items in an autonomous and independent way, i.e. the valuation of assets whose stock and cash flows are reported in rows 2780 – 2850 should not necessarily be constrained by the rules and criteria introduced in LiST 2019 and applied to all of the other maturity ladders contained in the template. As a consequence, banks shall be free to fill in the most appropriate values according to their own internal assumptions and judgment and provide explanations on the implemented methodology in the respective commentary boxes.

152 Apart from the deviation resulting from the above paragraph, both the definitions of all of the counterbalancing capacity items and the general functioning of Table 4.3 are intended to be in line with those of the equivalent “Counterbalancing capacity” tables contained in the rest of the template.

2.2.1.3.4 Table 4.4: Contingencies

153 Rows 2890 – 2930: Banks shall report the “net” cash outflows related to drawdowns on committed credit and liquidity facilities with a positive sign. Cash flows are expected to be filled-in by banks accounting for the possibility of both outflows (i.e. drawdowns) and inflows (i.e. repayments) in case this is foreseen by an institution.

154 In order to avoid double counting, changes in the amount of drawn facilities should not be reflected also in rows 2500 – 2540.

155 Rows 2940 – 2990: Banks are expected to fill-in these cells just in case a potential own rating downgrade is foreseen by an institution over the time horizon covered by the exercise. If this is the case, banks should provide explanations on the related assumptions in the respective comment boxes.

2.2.1.3.5 Table 4.5: Net liquidity position

156 Rows 3020 – 3041: Banks are not expected to fill in these cells, which are automatically calculated by excel formulas.

157 Row 3042: Banks shall select, on a best effort basis, the relevant day in which they expect their consolidated LCR to go below 100%. To this end, banks may compute the consolidated LCR on a daily basis over the course of the six months following the reference date. Banks shall perform such calculations based on the current regulatory framework including the same outflow/inflow rates and haircuts. However, the amounts on which to apply outflow/inflow rates and haircuts may be re-computed day after day based on the evolution of the institution's balance sheet taking into account all Business view assumptions taken. All other LCR items for which no information is available in the context of the Business view case in order to estimate the evolution of the stock and the related inflows/outflows may be assumed to remain the same as of the reference date. For items that are treated with greater granularity in the LCR framework vis-à-vis the LiST 2019 template, banks may assume proportional changes in stocks. Banks are not expected to report such calculations anywhere in the template and other proxy methodologies would be accepted as well, however they shall provide clarifications, if deemed relevant, in the appropriate commentary box on the right. In the event that the so calculated LCR does not fall below 100% over the six months following the reference date, banks should select "N/A".

158 Row 3043: Banks shall select the relevant day in which their Net liquidity position (Business view), i.e. the one calculated in row 3030 under the Business view assumptions, first turns from positive to negative over the six months following the reference date. In the event the Net liquidity position (Business view) remains positive throughout the six months following the reference date, banks should select "N/A". The reason for doing so is to identify the "survival period" (defined as the day in which the net liquidity position of a bank first turns negative) with a daily granularity without significantly increasing the number of time buckets in the template.

159 Row 3044: Banks shall select the relevant day in which their Net liquidity position (Business view), i.e. the one calculated in row 3030 under the Business view assumptions, reaches its minimum point over the first 30 calendar days following the reference date.

160 Row 3045: Banks shall report their minimum Net liquidity position (Business view) reached over the first 30 calendar days following the reference date, i.e. Net liquidity position (Business view) as of the relevant day indicated in row 3044.

2.2.2 Cons. (signif. CCYs)

161 The objective of this worksheet is to identify and assess potential cash flow mismatches and the evolution of a bank's net liquidity position over time on a currency by currency basis (so-called "FX liquidity" deep-dive).

162 As a first step, an institution shall identify its "significant currencies". A currency is to be considered significant when it denominates at least 5% of an institution's total liabilities, excluding regulatory capital and off-balance sheet items[16]. In the context of this exercise, the euro shall also be regarded as a potential significant currency (i.e. it is anticipated that all banks identify the euro as their most significant currency and populate at least Tables 5 to 7 of the template).

163 Only the top three significant currencies (including the euro), ranked based on significance, need to be taken into consideration.

164 In the "Cover" worksheet banks shall select its own significant currencies utilising the available drop-down menu. "N/A" should be selected in case of less than three significant currencies. The adjacent cells will display the exchange rates to be used for the conversion into euros[17].

165 Banks shall fill a number of maturity ladders by considering only the flows denominated in the identified significant currencies[18] and applying the same set of methodological assumptions underlying the Baseline (i.e. same as in Table 1 in "Cons. (all CCYs) worksheet"), the Adverse shock (i.e. same as in Table 2 in "Cons. (all CCYs) worksheet") and the Extreme shock (i.e. same as in Table 3 in "Cons. (all CCYs) worksheet").

166 The "Cons. (signif. CCYs)" worksheet contains nine maturity ladder tables grouped as follows:

- Three maturity ladders for the most significant currency ("CCY1") – this is generally expected to be the euro for all institutions participating to LiST 2019 – to be filled according to the Baseline, Adverse shock and Extreme shocks assumptions (Tables 5 to 7 of the template respectively)
- Three maturity ladders for the second most significant currency ("CCY2") to be filled according to the Baseline, Adverse shock and Extreme shocks assumptions (Tables 8 to 10 of the template respectively)
- Three maturity ladders for the third most significant currency ("CCY3") to be filled according to the Baseline, Adverse shock and Extreme shocks assumptions (Tables 11 to 13 of the template respectively)

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[16] As per Article 1(3) lit b of the 13 July 2018 Commission Delegated Regulation (EU) amending the LCR Delegated Regulation to supplement the CRR. Also cfr. Article 415(2) lit a of the CRR.

[17] The list of identified currencies is close-ended and it shall include all of the potential significant currencies for the institutions taking part in the exercise. The EUR/[CCY] exchange rates provided refer to the prevailing rates as of the reference date's market close. All values should be reported after being converted into euros using the single exchange rate provided.

[18] For the sake of clarity, this is a similar approach to the one used for the liquidity metrics reporting in COREP (e.g. C66.00, which, on top of "all currencies" is also submitted on a currency-by-currency basis, when applicable). However, in the context of LiST 2019, all reported figures must be converted into euros when filled in the template, irrespective of the denomination currency.

167 While each maturity ladder should only be filled in with stock and cash flow amounts which are denominated in the appropriate significant currency, maturity ladders shall still be filled in on a consolidated basis.

168 In case an institution only identifies one or two significant currencies, it is expected to fill in only three or six maturity ladders (i.e. only the three tables for CCY1 or the six tables for CCY1 and CCY2). Banks shall leave all of the input cells of unnecessary tables blank.

169 Given the focus on individual currencies and in order to better assess cash flows related to FX swap transactions, two additional lines vis-à-vis the original maturity ladder template have been included in all of the nine maturity ladders contained in the "Cons. (signif. CCYs)" worksheet. Referencing to Table 5 as an example these would be rows 0161 and 0271, where banks shall report the portion of FX swaps held for own funding purposes (i.e. excluding those aimed at serving client needs or for general currency hedging purposes and including those aimed at either funding a given currency deficit or using an excess of funding in a given currency). Such additional rows shall be filled by banks on a best effort basis.

170 Apart from the above considerations, the structure and workings of all maturity ladders contained in this worksheet, as well as all of the definitions of row and column items, remain equal to those of maturity ladders contained in the "Cons. (all CCYs)" worksheet.

2.2.3 Subcons. (all CCYs)

171 The objective of this worksheet is to identify and assess potential risks to liquidity occurring at a sub-consolidated level, in particular in relation to intragroup flows and the location of counterbalancing capacity assets (so-called "Intragroup liquidity" deep-dive).

172 Given the uniqueness and heterogeneity of banking group structures, particularly international ones, each institution shall be provided with an ad-hoc set of instructions in order to identify the "significant sub-groups"[19] for which sub-consolidated figures will need to be produced. This tailor made information shall be performed by Joint Supervisory Teams (JSTs) following a simplified approach and shall be provided to each institution participating to LiST 2019 separately from this document with indications on how ad-hoc intragroup consolidation perimeters are to be drawn and how group entities will have to be allocated to the identified significant sub-groups.

173 As a general rule, significant sub-groups shall be defined as:

- One "euro area Subgroup": the sub-consolidated group encompassing all entities belonging to the euro area. It shall include the group parent company and its euro area domiciled subsidiaries (including branches). Euro area entities controlled by other group entities domiciled outside of the euro area shall be kept out of the euro area Subgroup, unless material (as an example, a bank could exclude from the euro area Subgroup the French branch of a UK subsidiary, provided the cash flows of the Paris branch were immaterial)

[19] In this context, sub-groups do not necessarily match existing liquidity sub-groups under Article 8 of the CRR.

- Up to three “extra euro area Subgroups”: the sub-consolidated groups including entities domiciled outside of the euro area. They shall include the subsidiaries directly controlled by the group parent company domiciled outside of the euro area, in turn sub-consolidating their own direct and indirect subsidiaries (including branches) domiciled outside of the euro area

174 The number of extra euro area Subgroups shall be limited to a maximum of three, as a backstop in case of extremely diversified balance sheets, also with the aim of ensuring proportionality, given that such reporting is waived for banks with no material operations outside of the euro area.

175 The sub-consolidation exercise that a bank shall perform in order to report stocks and cash flows of its significant sub-groups shall be performed based on the standard consolidation accounting principles (i.e. based on control).

176 The “Subcons. (all CCYs)” worksheet contains twelve maturity ladder tables grouped as follows:

- Three maturity ladders including all of (and only) the stock and cash flows of the euro area Subgroup to be filled according to the Baseline, Adverse shock and Extreme shock assumptions (Tables 14 to 16 respectively)

- Three maturity ladders including all of (and only) the stock and cash flows of the extra euro area Subgroup A to be filled according to the Baseline, Adverse shock and Extreme shock assumptions (Tables 17 to 19 respectively)

- Three maturity ladders including all of (and only) the stock and cash flows of the extra euro area Subgroup B to be filled according to the Baseline, Adverse shock and Extreme shock assumptions (Tables 20 to 22 respectively)

- Three maturity ladders including all of (and only) the stock and cash flows of the extra euro area Subgroup C to be filled according to the Baseline, Adverse shock and Extreme shock assumptions (Tables 23 to 25 respectively)

177 With the exception of the different consolidation perimeters (i.e. ad-hoc sub-consolidation vs. full group consolidation) and taking into account the specificities outlined in these chapter’s paragraphs (such as the additional template lines), banks shall fill in these maturity ladder by applying the same set of methodological assumptions underlying the Baseline (i.e. same as in Table 1 in “Cons. (all CCYs) worksheet”), the Adverse shock (i.e. same as in Table 2 in “Cons. (all CCYs) worksheet”) and the Extreme shock (i.e. same as in Table 3 in “Cons. (all CCYs) worksheet”).

178 Each maturity ladder should only be filled in with stock and cash flow amounts which are pertinent to the group entities included in the identified sub-consolidation perimeters irrespective of the denomination currency (i.e. all currencies should be considered). For the sake of clarity, all figures filled in these templates by banks must be in euros (cfr. § 11).

179 Given the focus on intragroup flows, a number of additional lines vis-à-vis the original maturity ladder template have been included in all of the twelve maturity ladders contained in the “Subcons. (all CCYs)” worksheet[20]

- Referencing to Table 14 as an example for the euro area Subgroup, the additional lines aim at i) capturing the portion of stocks and cash flows that run to/from other extra euro area group entities and, for some selected items, the sub-amounts that are secured vis-à-vis those that are unsecured, ii) capturing the amount of undrawn facilities committed by other extra euro area group companies, again distinguishing between the secured and unsecured ones. Extra euro area group entities are all those group entities excluded from the euro area Subgroup perimeter, irrespective of them being included in the consolidation perimeter of any extra euro area Subgroup
- Referencing to Table 17 as an example for the extra euro area Subgroups, the new lines aim at i) capturing the portion of stocks and cash flows that run to/from the euro area Subgroup and, for some selected items, the sub-amounts that are secured vis-à-vis those that are unsecured, ii) capturing the amount of undrawn facilities committed by the euro area Subgroup, again distinguishing between the secured and unsecured ones

180 No ad-hoc assumptions have been made regarding intragroup flows. Intragroup stocks and cash flows, captured by means of such additional “of which” lines, under the Baseline, Adverse shock and Extreme shocks shall be assumed to behave and be reported consistent with the instructions outlined in 2.2.1 Cons. (all CCYs), and, in case of a breakdown by counterparty, shall be categorised as if from/to other “credit institutions”. As an example, in case a loan is extended from the euro area Subgroup to extra euro area Subgroup B, under the Adverse shock assumptions, this shall be assumed to be repaid at maturity. As a further example, in case a sight deposit is made by extra euro area Subgroup A with the euro area Subgroup under the Extreme shock assumptions this is expected to fully run-off on the relevant day further to the reference date (in line with what assumed for “credit institutions”).

181 Apart from the above considerations, the structure and workings of all maturity ladders contained in this worksheet, as well as all of the definitions of row and column items, remain equal to those of maturity ladders contained in the “Cons. (all CCYs)” worksheet.

182 In case a bank is not required to fill in some or all of the maturity ladders contained in this worksheet it shall leave all of the input cells of such tables blank.

2.2.4 Collateral mobilisation

183 The objective of this worksheet is to assess the ability of a bank to manage its existing collateral and to generate additional counterbalancing capacity out of unencumbered assets (so-called “Collateral mobilisation” deep-dive).

[20] The headers of such rows have been highlighted in light green for convenience.

184 Timely information over the amount of collateral available and the existence of procedures in place to make use of such collateral in secured funding transactions have proven crucial for the ability of some banks to survive severe liquidity shocks avoiding resolution.

185 Table 26, described in more detail in the paragraphs below, is a new template that has been devised for the data collection related to this deep-dive.

186 Banks shall fill in the table using "static" on and off balance sheet figures as of the reference date and under no shock assumptions.

187 While the table shall be filled in on a consolidated basis, for the approach to be proportional, only euro denominated assets shall be taken into consideration.

188 The deep-dive shall be complemented by a short questionnaire on internal collateral management procedures (Table 27.8 in "Additional memo items" worksheet), allowing supervisors to benchmark banks' practices by means of closed-ended questions.

2.2.4.1 Table 26: Collateral mobilisation - Consolidated - EUR

189 Table 26 distinguishes between collateralised funding outstanding at the reference date and related encumbered assets (rows 0010 – 0510), and additional secured funding that the bank may secure based on available unencumbered assets (rows 0520 – 0690).

190 Differently from the approach indicated for the counterbalancing capacity of maturity ladders above, in the context of Table 26 banks should consider pre-positioned assets (i.e. assets already due-diligenced or mobilised in e.g. central bank or other type of collateral pools) as fully encumbered, even if only partial or no funding has been received against such assets. Banks shall identify any additional funding that could be generated out of such pre-positioned collateral in separate rows (e.g. row 0510)

191 Asset categories (columns 0010 – 0360) are defined as follows:

- Cash (column 0010): Banknotes and coins, cash balances at central banks and other demand deposits placed at credit institutions
- Non tradable assets (columns 0020 – 0110): Loans and advances broken down by counterparty in line with Annex V of Regulation (EU) No 680/2014, tangible assets and other non-tradable assets
- Tradable assets (columns 0120 – 0350): Assets that meet the requirements of the LCR Delegated Regulation and other tradable assets
- Off-balance sheet collateral (column 0360): collateral received by the reporting institution

192 Column 0370 contains the value of the matching liabilities, i.e. the liabilities collateralised by the respective encumbered assets.

193 Banks shall allocate encumbered assets according to the following identified major secured funding channels:

- Covered Bonds (CBs): Instruments referred to in the first subparagraph of Article 52(4) of the Directive 2009/65/EU
- Asset Backed Securities (ABSs): Debt securities originated by way of securitisation transactions as defined in Article 4(61) of CRR. Only non-derecognised securitisations should be taken into consideration
- Securities Financing Transaction (SFTs) (excluding transactions with central banks): Includes all types of transactions defined in Article 3(11) of Regulation (EU) 2015/2365
- Collateralised deposits/loans (excluding transactions with central banks): Deposits or loans received other than repurchase agreements of the reporting institution in which the counterparty of the transaction is not a central bank, insofar as these deposits or loans received entail asset encumbrance
- Central bank funding operations: Collateralised deposits or repo transactions in which the counterparty to the reporting institution is a central bank

194 In rows 0010 – 0190 ("Covered Bonds"), the reporting institution shall split CBs into following categories:

- Sold to third parties
- Retained and unencumbered
- Retained and encumbered in central bank funding operations
- Retained and encumbered in other secured funding transactions

195 For each of the abovementioned categories banks shall fill in:

- Book value of assets encumbered in the corresponding columns depending on the asset category
- Nominal value of related CBs issued collateralised by such assets
- Post-haircut value of CB retained and encumbered in either central bank funding operations or other secured funding transactions
- Weighted average rating of the CBs issued broken down according to related encumbered asset category

196 Rows 0180 and 0190: Banks shall fill in the estimated nominal value of additional CBs which could be generated out of assets already mobilised into CBs cover pools as of the reference date and the expected additional liquidity (i.e. post-haircuts/margins) which could potentially be obtained assuming that such additional CBs were retained and encumbered in central bank funding operations.

197 For the sake of clarity, in case CBs are retained but not pledged in any secured funding transactions, the related collateral should anyhow be considered as encumbered by the reporting institution when filling rows 0520 – 0690. In case CBs are retained and encumbered they should also be taken into consideration, as encumbered assets of the reporting institutions, in rows 0390 – 0510, if appropriate.

198 Banks shall fill in rows 0200 – 0380 covering ABSs implementing the same approach and indications outlined for CBs in the above paragraphs.

199 In rows 0390 – 0450 ("Securities Financing Transactions (SFTs) - ex. central banks") the reporting institution shall include the following:

- Book value of assets encumbered in the corresponding columns depending on the asset category (including any collateral received and re-hypothecated in such transactions to be reported in column 0360 at market value)
- Funding obtained (i.e. the post-haircuts/margins liquidity value) broken down according to the related asset category used as collateral, indicating the amount, if any, when the counterparty is either a subsidiary outside of prudential consolidation perimeter (e.g. insurers or asset managers) or a third-party client of custodian services
- Expected additional funding (i.e. the post-haircuts/margins liquidity value) which could be generated out of assets already mobilised into repo asset pools or other SFT equivalent pools as of the reference date
- Market value of any collateral received through reverse repos and other SFTs accounted as an off balance sheet item (column 0360), indicating the amount obtained, if any, when the counterparty is either a subsidiary outside of prudential consolidation perimeter (e.g. insurers or asset managers) or a third-party client of custodian services
- Expected additional funding (i.e. the post-haircuts/margins liquidity value) which could be generated assuming that the collateral received from reverse repos and other SFTs were encumbered in central bank funding operations

200 In rows 0460 and 0470 ("Collateralised deposits / loans - ex. central banks") the reporting institution shall include the following:

- Book value of assets encumbered in the corresponding columns depending on the asset category (including any collateral received and re-hypothecated in such transactions to be reported in column 0360 at market value)
- Funding obtained (i.e. the post-haircuts/margins liquidity value) broken down according to the related asset category used as collateral

201 In rows 0480 and 0510 ("Central bank funding operations") the reporting institution shall include the following:

- Book value of assets encumbered in the corresponding columns depending on the asset category (including any collateral received and re-hypothecated in such transactions to be reported in column 0360 at market value)
- Post-haircut value of assets already encumbered by earmarking/mobilisation into a central bank collateral pool as of the reference date
- Funding obtained (i.e. the post-haircuts/margins liquidity value) broken down according to the related asset category used as collateral (both earmarked and via collateral pool)
- Expected additional funding (i.e. the post-haircuts/margins liquidity value) which could be generated out of assets already mobilised into a central bank collateral pool as of the reference date

202 In case of multiple categories of assets mobilised in a partially used collateral pool (i.e. in the case where it is not possible to isolate individual assets), the breakdown by asset category should be carried out proportionally to the value of the assets mobilised in such pool.

203 Banks shall allocate in rows 0530, 0570, 0620, 0670 and 0690 – without any double counting – the book value[21] of their unencumbered assets to the following identified categories as deemed appropriate according to the reporting institution's perspective:

- Available to be used in secured funding transactions
- Currently in the process of being used in secured funding transactions
- Potentially to be used in secured funding transactions pending intermediate steps
- Deemed not eligible to be used as collateral in secured funding transactions
- Eligibility status for secured funding transactions unknown

204 For the first three categories outlined in § 203 banks shall select from a dropdown list what type of secured funding is most likely to be used depending on the asset category (rows 0540, 0580 and 0630). Then, on the basis of such selection banks shall also fill in the expected liquidity value (i.e. post-haircut) that could potentially be generated and the expected time-to-delivery (i.e. the indicative number of days, to be selected from a dropdown list, it might take for the reporting institution to effectively obtain such additional liquidity counting from the reference date). In this case, the expected liquidity value shall be computed based on a bank's own expectations taking into account the funding channel which would maximise the bank's ability to raise funding against the asset. Such expectations may not necessarily be aligned to the framework outlined in 2.2.1.1.3 Table 1.3: Counterbalancing capacity.

205 For the second and third categories outlined in § 203 banks shall select from a dropdown list what would be the single most relevant activity that needs to be completed for the

[21] With the exception of off-balance sheet unencumbered collateral received, which shall be reported at market value.

assets to be effectively used as collateral in secured funding transactions (rows 0610 and 0660).

206 For the fourth category outlined in § 203 banks shall select from a dropdown list what would be the single most relevant impediment to the use of the assets in secured funding transactions (row 0680).

207 In rows 0700 and 0710 ("Additional info items") banks shall report the following:

- The expected additional liquidity which could be obtained through secured funding transactions with non-bank affiliates (e.g. asset managers) within a month counting from the reference date
- Average monthly origination of new assets by type

2.2.5 Additional memo items

208 The objective of this worksheet is: i) to collect additional information on potential liquidity related risks which are not captured either through Pillar I requirements (e.g. LCR) or through the LiST 2019 core part of the exercise, ii) collect additional information that shall support the Quality Assurance process of the LiST 2019, iii) complement the quantitative part of the exercise with qualitative information on banks' liquidity management and liquidity risk management practices collected by way of closed form questions.

209 The "Additional memo items" worksheet is structured around a number of tables to be filled by banks as outlined in greater detail in the following paragraphs.

210 Unless stated otherwise either below or in the template, tables in this worksheet shall be filled in on a consolidated basis and assuming no shocks.

2.2.5.1 Table 27.1: Sensitivity analysis - liquidity impact on selected items due to changes in interest rates

211 The objective of this table is to collect information on the sensitivity of the liquidity position of a bank to a local upward shift in interest rates.

212 By upward shift in interest rates it shall be intended a parallel move upward of the full yield curve denominated in the same significant currencies identified by the reporting institution in the context of the LiST 2019 FX deep-dive (cfr. 2.2.2. Cons. (signif. CCYs)). The reporting institution should assume the upward shift to occur to the main yield curve (e.g. IRS, OIS, Sovereign) used by the bank in the pricing of interest rate derivatives or in the assessment of interest rate risk.

213 Row 0010: Banks shall report the change in the fair value of tradable assets included in the counterbalancing capacity resulting from a parallel move upward of the full yield curve of the most significant currency identified by the reporting institution (i.e. CCY1) equal to 1 basis point (column 0010) and to 100 basis points (column 0020). Cash flows shall be

reported net of any hedging. Positive changes shall be reported with a positive sign, negative changes shall be reported with a negative sign.

214 Row 0020: Banks shall report the cash flows triggered by the change in fair value of tradable assets encumbered in repos and in other collateralised funding transactions subject to periodical margining requirements resulting from a parallel move upward of the full yield curve of the most significant currency identified by the reporting institution (i.e. CCY1) equal to 1 basis point (column 0010) and to 100 basis points (column 0020). Cash flows shall be reported net of any hedging. Positive flows shall be reported with a positive sign, negative flows shall be reported with a negative sign.

215 Row 0030: Banks shall report the cash flows triggered by the change in fair value of derivative exposures subject to periodical margining requirements resulting from a parallel move upward of the full yield curve of the most significant currency identified by the reporting institution (i.e. CCY1) equal to 1 basis point (column 0010) and to 100 basis points (column 0020). Cash flows shall be reported net of any hedging. Positive flows shall be reported with a positive sign, negative flows shall be reported with a negative sign.

216 Rows 0040 – 0060 shall be filled in by banks in a similar fashion to the one of rows 0010 – 0030, yet considering the yield curve of the second most significant currency identified by the reporting institution (i.e. CCY2), if any.

217 Rows 0070 – 0090 shall be filled in by banks in a similar fashion to rows 0010 – 0030, yet considering the yield curve of the third most significant currency identified by the reporting institution (i.e. CCY3), if any.

218 In case only one (or two) currency is identified as relevant, than banks shall disregard rows 0040 – 0090 (rows 0070 – 0090) and leave such cells blank.

219 Table 27.1 shall be filled in by banks on a best effort basis.

2.2.5.2 Table 27.2: Risks to liquidity related to initial margins posted against derivatives and Securities Financing Transactions (SFTs)

220 The objective of this table is to collect information on risks to liquidity related to potential initial margin calls and/or loss of initial margins posted.

221 Row 0110: Banks shall report the market value of initial margins (including both cash and other forms of collateral) linked to margined derivatives cleared through CCPs. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) amount of initial margins posted for the 12 months prior to 31 December 2018, as well as the amount of initial margins posted as of 31 December 2018 (column 0040), the average counterparty exposure[22] as of 31 December 2018 (column 0050) and the

[22] By “average counterparty exposure” in the context of centrally cleared transactions (i.e. row 0110 and 0120) it shall be intended the average amount of initial margins posted to CCPs (in case of direct CCP membership) or to a CCP Member (in case of indirect access to a CCP).

expected average amount of initial margins posted for the 12 months following 31 December 2018 (column 0060).

222 Row 0120: Banks shall report the market value of initial margins (including both cash and other forms of collateral) linked to SFTs cleared through CCPs. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) amount of initial margins posted for the 12 months prior to 31 December 2018, as well as the amount of initial margins posted as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average amount of initial margins posted for the 12 months following 31 December 2018 (column 0060).

223 For margined derivatives and SFTs cleared through CCPs it is expected that no initial margins are received by banks (columns 0070 – 0120).

224 Row 0140: Banks shall report the market value of initial margins (including both cash and other forms of collateral) linked to margined derivatives not cleared through CCPs. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) amount of initial margins posted for the 12 months prior to 31 December 2018, as well as the amount of initial margins posted as of 31 December 2018 (column 0040), the average counterparty exposure[23] as of 31 December 2018 (column 0050) and the expected average amount of initial margins posted for the 12 months following 31 December 2018 (column 0060). Banks shall report the minimum (column 0070), maximum (column 0080) and average (column 0090) amount of initial margins received for the 12 months prior to 31 December 2018, as well as the amount of initial margins received as of 31 December 2018 (column 0100), the average counterparty exposure as of 31 December 2018 (column 0110) and the expected average amount of initial margins received for the 12 months following 31 December 2018 (column 0120).

225 Row 0150: Banks shall report the market value of initial margins (including both cash and other forms of collateral) linked to SFTs not cleared through CCPs. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) amount of initial margins posted for the 12 months prior to 31 December 2018, as well as the amount of initial margins posted as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average amount of initial margins posted for the 12 months following 31 December 2018 (column 0060). Banks shall report the minimum (column 0070), maximum (column 0080) and average (column 0090) amount of initial margins received for the 12 months prior to 31 December 2018, as well as the amount of initial margins received as of 31 December 2018 (column 0100), the average counterparty exposure as of 31 December 2018 (column 0110) and the expected average amount of initial margins received for the 12 months following 31 December 2018 (column 0120).

226 Both initial margins posted and initial margins received should be reported with a positive sign.

[23] By “average counterparty exposure” in the context of not centrally cleared transactions (i.e. rows 0140 and 0150) it shall be intended the average amount of initial margins posted/received to/from other direct counterparties.

227 Rows 0160 – 0220: Banks shall provide answers to a few qualitative questions regarding how initial margins are treated in the context of their own internal liquidity stress tests. Questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

228 Columns 0010, 0020, 0030, 0060, 0070, 0080, 0090 and 0120 of Table 27.2 shall be filled in by banks on a best effort basis.

2.2.5.3 Table 27.3: Risks to liquidity related to non-margined derivatives and Securities Financing Transactions (SFTs)

229 The objective of this table is to collect information on risks to liquidity linked to non-margined positions and their potential early termination.

230 Row 0230: Banks shall report the total gross nominal value of non-margined derivatives and SFTs. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure[24] as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

231 Row 0240: Banks shall report the total net market value of non-margined derivatives and SFTs. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign in case the net market value is positive and with a negative sign in case the net market value is negative.

232 Row 0250: Banks shall report the total market value of non-margined derivatives and SFTs for “out of the money” positions only. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported a negative sign.

233 Rows 0260 and 0270: Banks shall provide answers to two qualitative questions regarding how the potential early termination of non-margined positions is treated in the context of their own internal liquidity stress tests. Questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

[24] By “average counterparty exposure” in the context of non-margined derivatives and SFTs (i.e. rows 0230 – 0250) it shall be intended the average value (either gross nominal or net market values) of exposures to other direct counterparties.

234 Columns 0010, 0020, 0030 and 0060 of Table 27.3 shall be filled in by banks on a best effort basis.

2.2.5.4 Table 27.4: Risks to liquidity related to prime brokerage operations

235 The objective of this table is to collect information on risks to liquidity related to prime brokerage operations.

236 Row 0290: Banks shall report the market value of securities or commodities lent[25] to prime brokerage clients in case such transactions are matched by other clients' opposite positions (i.e. when they form part of a matched book). Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure[26] as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

237 Row 0300: Banks shall report the market value of securities or commodities lent to prime brokerage clients in case such transactions are not matched by other clients' opposite positions. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

238 Row 0320: Banks shall report the nominal amount of loans to prime brokerage clients (e.g. margin financing) which are funded by a specific third party bank loan / credit line (such as from a commercial bank). Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

239 Row 0330: Banks shall report the nominal amount of loans to prime brokerage clients (e.g. margin financing) which are not funded by a specific third party bank loan / credit line but instead by the reporting institution's own general balance sheet. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

[25] For a definition of "securities or commodities lending" cfr. Art. 3(7) of the Regulation (EU) 2015/2365.

[26] By "average counterparty exposure" in the context of prime brokerage operations (i.e. rows 0280 – 0330) it shall be intended the average client exposure (i.e. counterparty entities belonging to the same group shall be considered part of the same client relationship).

240 Rows 0340 and 0400: Banks shall provide answers to a number of qualitative questions regarding how the potential internalisation of prime brokerage positions is treated in the context of their own internal liquidity stress tests. Questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes, in case needed or requested.

241 Columns 0010, 0020, 0030 and 0060 of Table 27.4 shall be filled in by banks on a best effort basis.

2.2.5.5 Table 27.5: Risks to liquidity linked to concentration of funding

242 The objective of this table is to collect information on funding concentration, in particular with respect to deposits, repurchase agreements and intragroup funding operations. Such data collection is inspired to "Section 4 - Counterparties" of the 2018 SSM Liquidity Exercise template.

243 Rows 0410 – 0510: Banks shall report the following information for the ten largest depositors based on deposit amounts as of 31 December 2018: counterparty name (column 0010), counterparty type (column 0020), currency (column 0030), total amount (column 0040) and residual weighted average maturity in days (column 0050). All values shall be reported with a positive sign. Banks shall select the counterparty type from a close-ended list that includes the following options:

- Retail: defined in accordance with Art. 3(8) of the LCR Delegated Regulation
- Non-financial corporates: defined in accordance with Art. 3 of the LCR Delegated Regulation, other than retail
- Credit institutions: defined in accordance with Art. 3(9) of the LCR Delegated Regulation
- Other financial customers: defined in accordance with Art. 3(9) of the LCR Delegated Regulation, other than credit institutions
- Other counterparties: residual category

244 Rows 0520 – 0620: Banks shall report the following information for the ten largest counterparties in repurchase agreements based on amounts as of 31 December 2018: counterparty name (column 0010), counterparty type (column 0020), currency[27] (column 0030), total amount (column 0040) and residual weighted average maturity in days (column 0050). All values shall be reported with a positive sign. Only transactions with residual maturity equal to or shorter than 6 months should be included. Repurchase agreements with central banks, as well as reverse repurchase agreements, shall be excluded. Banks shall select the counterparty type from a close-ended list similar to the one outlined in the previous paragraph. In case the reporting institution had fewer than ten counterparties, it shall leave unneeded cells blank.

[27] Currencies shall be indicated by using the standard 3-letter codes as per ISO 4217. This also applies for rows 0520 – 0620 and 0630 – 0730.

245 Rows 0630 – 0730: Banks shall report the following information for the ten largest intragroup[28] funding positions based on amounts as of 31 December 2018: name of the counterparty providing funding (column 0010), name of the counterparty receiving funding (column 0020), currency (column 0030), total amount (column 0040), residual weighted average maturity in days (column 0050) and whether the funding is secured or unsecured (column 0060, close-ended list selection). All values shall be reported with a positive sign.

246 Regardless of the denomination currency of the funding, all amounts reported in Table 27.5 shall be converted into euros at the prevailing exchange rates as of 31 December 2018. In case a counterparty is providing funding in more than one currency (either via deposits or repurchase agreements) banks shall report the major currency (i.e. the one accounting for the greater portion of the outstanding amount) in column 0030 and provide additional information on the relevance of any other currencies in the appropriate commentary box.

2.2.5.6 Table 27.6: Additional information request on select items

247 The objective of this table is to collect information on figures reported in the counterbalancing capacity, deposits and contingencies sections of the maturity ladders contained in the LiST 2019 template (especially the consolidated ones).

248 Rows 0740 and 0750: Banks shall report (with a positive sign) the nominal value of the average daily liquidity used to settle intraday payments based on the 12 months prior to the reference date and confirm that this is included in the counterbalancing capacity (i.e. that such collateral is considered to be unencumbered at the end of the day).

249 Rows 0760 – 0810: Banks shall report (with a positive sign) the breakdown of selected counterbalancing capacity items taken at consolidated level and as of the reference date (i.e. same as in “Table 1.3: Counterbalancing capacity”) indicating the following values:

- Eurosystem HCs applied: Pre-haircut and post-haircut (i.e. the liquidity value) amount of counterbalancing capacity assets that qualify as eligible collateral in the Eurosystem’s standard credit operations and on which the reporting institution applied a haircut based on the Eurosystem collateral framework
- Other central banks' HCs applied: Pre-haircut and post-haircut (i.e. the liquidity value) amount of counterbalancing capacity assets that qualify as eligible collateral in other central banks’ standard credit operations and on which the reporting institution applied a haircut based on other central banks’ collateral frameworks
- Other HCs applied: Pre-haircut and post-haircut (i.e. the liquidity value) amount of other counterbalancing capacity assets that do not qualify as eligible collateral in any central banks’ standard credit operations and for which the haircut to be applied

[28] At the highest level of prudential consolidation. All positions where a group supervised entity is involved (either as a funding provider or as a funding receiver) should be taken into consideration, irrespective of whether the counterparty to such transactions is a group entity within or outside of the prudential consolidation perimeter.

has been calculated by the reporting institution based on the framework outlined in 2.2.1.1.3 Table 1.3: Counterbalancing capacity

250 No duplications shall be included in this table, as the totals in column 0110 should match the initial stocks in the consolidated counterbalancing capacity tables for the different asset categories (i.e. Level 1 tradable assets, etc.).

251 Rows 0820 – 0830: Banks shall provide answers to two questions related to “Other tradable assets” and “Non tradable assets eligible for central banks” included in the various counterbalancing capacity tables of the template. More specifically, questions are aimed at ensuring that the approach indicated in this set of instructions has been followed by banks when assessing whether certain categories of assets should be included or not in the counterbalancing capacity and at collecting relevant examples of such assets. Questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

252 Rows 0840 – 1040: Banks shall report the breakdown of the total amount of deposits at consolidated level at the reference date according to size, Deposit Guarantee Scheme (DGS) eligibility and residency of depositors. All values shall be filled in with a positive sign.

253 Deposit categories reported in rows (e.g. “Stable retail”, “Other retail”, etc.) shall be identified according to the same definitions as in all maturity ladders contained in the LiST 2019 template (please refer to “Table 1.1: Cash flows – Contractual maturity items”); the split between deposits “with open maturity” vs. deposits “with contractual maturity” shall also follow the same logic used in the maturity ladder tables.

254 Columns 0010 – 0030 (“Breakdown by size”): Banks shall split deposits based on their size. In case the same customer holds more than one deposit at the reporting institution, such deposits should be considered as one in aggregate[29]. More specifically, banks shall report in column 0010 the value of deposits that are equal to or smaller than euro 100,000, in column 0020 the value of deposits that are larger than euro 100,000 and equal to or smaller than euro 500,000 and in column 0030 the value of deposits that are larger than euro 500,000. The value of a deposit shall not be broken up and distributed among the three columns, but rather allocated in full to the appropriate one (e.g. a euro 1,000,000 deposit shall be included in full in column 0030).

255 Columns 0040 – 0060 (“Breakdown by DGS”): Banks shall split deposits based on DGS eligibility according to definitions and criteria set out in Directive 2014/49/EU and implemented in the relevant national laws. More specifically, banks shall report the amount of “eligible deposits” – as defined in Art. 2(1) point (4) of Directive 2014/49/EU – in column 0040 and the amount of “covered deposits” thereof – as defined in Art. 2(1) point (5) Directive 2014/49/EU – in column 0050. The amount of deposits that are not DGS eligible – according to Art. 5 Directive 2014/49/EU – shall be reported in column 0060.

[29] This criterion applies for individual persons and as well as for companies, i.e. deposits held by different legal entities that are part of the same group should be considered as one.

256 Columns 0070 and 0080 (“Breakdown by residency”): Banks shall split deposits based on the residency of the depositor. More specifically, banks shall report the amount of deposits held by “residents” – in case the country of residence of the depositor is the same as the one the legal entity issuing such deposit is incorporated or legally registered in – in column 0070 and the amount of deposits held by “non-residents” in column 0080.

257 Rows 1050 – 1110: Banks shall provide answers to a number of qualitative questions related to their internal processes and systems aimed at the categorisation of deposits in line with the regulatory definitions (i.e. as prescribed by the LCR Delegated Regulation). Questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

258 Rows 1120 – 1290: Banks shall provide answers to a number of qualitative and quantitative questions related to how the reporting institution’s credit rating downgrade assumed under the Adverse and Extreme shocks’ assumptions may negatively impact the bank’s net liquidity position. More specifically, questions are aimed at gauging the relevance of contractual provisions that could potentially be triggered by a credit event and that may be detrimental to the net liquidity position as well as at understanding the way reporting institutions filled in the contingency. Qualitative questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

259 Rows 1300 – 1320: Banks shall provide answers to a number of qualitative questions related to the treatment of interest flows in the maturity ladders. More specifically, questions are aimed at ensuring that the approach indicated in this set of instructions has been followed by banks, in particular in the computations of the deposit outflows (contractual and open maturity) under the Adverse and Extreme shock assumptions. Questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

260 Rows 1330 and 1340: Banks shall provide answers to two qualitative questions related to the treatment of non-performing exposures both in the context of LiST 2019 and of their own internal stress tests. Questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

2.2.5.7 Table 27.7: Additional information request on the Intragroup liquidity deep-dive

261 The objective of this table (rows 1350 – 1380) is to collect information is to let banks be able to provide any comments or observations related to the sub-consolidation perimeters of the “Intragroup liquidity” deep-dive, if needed (cfr. “Subcons. (all CCYs)”).

2.2.5.8 Table 27.8: Additional information request on the Collateral mobilisation deep-dive

262 The objective of this table is to collect information on figures reported in the “Collateral mobilisation” deep-dive (cfr. “Collateral mobilisation”) and to complement the quantitative information provided in Table 26 with a qualitative questionnaire on banks’ internal collateral management structures and practices.

263 Rows 1390 – 1570: Banks shall provide answers to a number of qualitative questions centred on the reporting institution’s structures, governance, monitoring and risk management of collateral management. While most of these questions shall be answered by selecting the appropriate option from a close-ended list, banks shall feel free to complement and further elaborate in the associated commentary boxes.

264 Row 1580: Banks shall report the market value of collateral lent by way of collateral swaps. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure[30] as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

265 Row 1590: Banks shall report the liquidity value of collateral lent by way of collateral swaps. In this case, the liquidity value shall be computed either based on actual figures or based on a bank’s own expectations, which may not necessarily be aligned to the LiST 2019 framework for applying haircuts on the counterbalancing capacity items outlined in 2.2.1.1.3 Table 1.3: Counterbalancing capacity. For assets that do not qualify to be included in the counterbalancing capacity the liquidity value should be zero. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

266 Row 1600: Banks shall report the market value of collateral borrowed by way of collateral swaps. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

267 Row 1610: Banks shall report the liquidity value of collateral borrowed by way of collateral swaps. In this case, the liquidity value shall be computed either based on actual figures or based on a bank’s own expectations, which may not necessarily be aligned to the LiST 2019 framework for applying haircuts on the counterbalancing capacity items outlined in

[30] By “average counterparty exposure” in the context of collateral swaps (i.e. rows 1580 – 1610) it shall be intended the average value of exposures to other direct counterparties.

2.2.1.1.3 Table 1.3: Counterbalancing capacity. For assets that do not qualify to be included in the counterbalancing capacity the liquidity value should be zero. Banks shall report the minimum (column 0010), maximum (column 0020) and average (column 0030) value for the 12 months prior to 31 December 2018, as well as the value as of 31 December 2018 (column 0040), the average counterparty exposure as of 31 December 2018 (column 0050) and the expected average value for the 12 months following 31 December 2018 (column 0060). Values in this row shall be reported with a positive sign.

268 Row 1620: Banks shall provide an answer to a question related to the use of collateral enhancing transactions other than collateral swaps.

269 Rows 1630 – 1660: Banks shall provide answers to a number of qualitative and quantitative questions related to collateralised derivative transactions. More specifically, questions are aimed at ensuring that the approach indicated in this set of instructions, in particular in terms of fully collateralised transactions, has been followed by banks and at assessing the treatment by banks of cash collateral in the context of the maturity ladder tables. Qualitative questions shall be answered by selecting the appropriate option from a close-ended list and by providing further explanations in the commentary boxes in case needed or requested.

2.2.5.9 Table 27.9: Additional information request on the FX liquidity deep-dive

270 The objective of this table is to collect information on the identification of the most significant currencies by the reporting institutions, relevant in the context of the “FX liquidity” deep-dive (cfr. § 162 and following).

271 Rows 1670-1730: Banks shall report the breakdown by denomination currency (taking the euro into consideration as well) of their total liabilities, excluding regulatory capital and off-balance sheet items[31], as of the reference date. More specifically, banks shall indicate the currency[32] in column 0010 and report the amount denominated in such currency in column 0020, from largest to smallest. The reported top three currencies in rows 1670 – 1690 are expected to match with the significant currencies identified in the context of the “FX liquidity” deep-dive and reported in the “Cover” worksheet. Banks shall also disclose the fourth and fifth most significant currencies, if any, while the remainder amount shall be grouped in row 1720, with banks providing any further detail in the appropriate commentary box. In case the number of significant currencies for a bank was smaller than the rows available in this table, the reporting institution shall leave unneeded cells blank. Values should be reported with a positive sign.

272 Rows 1740-1800: Banks shall report the breakdown by denomination currency (taking the euro into consideration as well) of their total liabilities, excluding regulatory capital but including off-balance sheet items, as of the reference date. Similar to the table above, banks shall indicate the currency in column 0010 and report the amount denominated in

[31] As per Article 1(3) lit. b of the 13 July 2018 Commission Delegated Regulation (EU) amending the LCR Delegated Regulation to supplement the CRR. Also cfr. Article 415(2) lit. a of the CRR.

[32] Currencies shall be indicated by using the standard 3-letter codes as per ISO 4217. This also applies for rows 1740 – 1800.

such currency in column 0020, from largest to smallest. In case the number of significant currencies for a bank was smaller than the rows available in this table, the reporting institution shall leave unneeded cells blank. Values should be reported with a positive sign.

Annex

Table 3.1: Summary of LiST 2019 relevant days (in green)

Date	Weekday	T2	Column
01/01/2019	Tue	NO	0020
02/01/2019	Wed	YES	0020
03/01/2019	Thu	YES	0030
04/01/2019	Fri	YES	0040
05/01/2019	Sat	NO	0050
06/01/2019	Sun	NO	0050
07/01/2019	Mon	YES	0050
08/01/2019	Tue	YES	0060
09/01/2019	Wed	YES	0070
10/01/2019	Thu	YES	0080
11/01/2019	Fri	YES	0090
12/01/2019	Sat	NO	0100
13/01/2019	Sun	NO	0100
14/01/2019	Mon	YES	0100
15/01/2019	Tue	YES	0110
16/01/2019	Wed	YES	0110
17/01/2019	Thu	YES	0110
18/01/2019	Fri	YES	0110
19/01/2019	Sat	NO	0110
20/01/2019	Sun	NO	0110
21/01/2019	Mon	YES	0110
22/01/2019	Tue	YES	0120
23/01/2019	Wed	YES	0120
24/01/2019	Thu	YES	0120
25/01/2019	Fri	YES	0120
26/01/2019	Sat	NO	0120
27/01/2019	Sun	NO	0120
28/01/2019	Mon	YES	0120
29/01/2019	Tue	YES	0130
30/01/2019	Wed	YES	0130
31/01/2019	Thu	YES	0140
01/02/2019	Fri	YES	0150
02/02/2019	Sat	NO	0150
03/02/2019	Sun	NO	0150
04/02/2019	Mon	YES	0150
05/02/2019	Tue	YES	0160
06/02/2019	Wed	YES	0160
07/02/2019	Thu	YES	0160
08/02/2019	Fri	YES	0160
09/02/2019	Sat	NO	0160
10/02/2019	Sun	NO	0160
11/02/2019	Mon	YES	0160
12/02/2019	Tue	YES	0170
13/02/2019	Wed	YES	0170
14/02/2019	Thu	YES	0170
15/02/2019	Fri	YES	0170
16/02/2019	Sat	NO	0170
17/02/2019	Sun	NO	0170
18/02/2019	Mon	YES	0170
19/02/2019	Tue	YES	0180
20/02/2019	Wed	YES	0180
21/02/2019	Thu	YES	0180
22/02/2019	Fri	YES	0180
23/02/2019	Sat	NO	0180
24/02/2019	Sun	NO	0180
25/02/2019	Mon	YES	0180
26/02/2019	Tue	YES	0180
27/02/2019	Wed	YES	0180
28/02/2019	Thu	YES	0180

Date	Weekday	T2	Column
01/03/2019	Fri	YES	0190
02/03/2019	Sat	NO	0190
03/03/2019	Sun	NO	0190
04/03/2019	Mon	YES	0190
05/03/2019	Tue	YES	0190
06/03/2019	Wed	YES	0190
07/03/2019	Thu	YES	0190
08/03/2019	Fri	YES	0190
09/03/2019	Sat	NO	0190
10/03/2019	Sun	NO	0190
11/03/2019	Mon	YES	0190
12/03/2019	Tue	YES	0190
13/03/2019	Wed	YES	0190
14/03/2019	Thu	YES	0190
15/03/2019	Fri	YES	0190
16/03/2019	Sat	NO	0190
17/03/2019	Sun	NO	0190
18/03/2019	Mon	YES	0190
19/03/2019	Tue	YES	0190
20/03/2019	Wed	YES	0190
21/03/2019	Thu	YES	0190
22/03/2019	Fri	YES	0190
23/03/2019	Sat	NO	0190
24/03/2019	Sun	NO	0190
25/03/2019	Mon	YES	0190
26/03/2019	Tue	YES	0190
27/03/2019	Wed	YES	0190
28/03/2019	Thu	YES	0190
29/03/2019	Fri	YES	0190
30/03/2019	Sat	NO	0200
31/03/2019	Sun	NO	0200
01/04/2019	Mon	YES	0200
02/04/2019	Tue	YES	0200
03/04/2019	Wed	YES	0200
04/04/2019	Thu	YES	0200
05/04/2019	Fri	YES	0200
06/04/2019	Sat	NO	0200
07/04/2019	Sun	NO	0200
08/04/2019	Mon	YES	0200
09/04/2019	Tue	YES	0200
10/04/2019	Wed	YES	0200
11/04/2019	Thu	YES	0200
12/04/2019	Fri	YES	0200
13/04/2019	Sat	NO	0200
14/04/2019	Sun	NO	0200
15/04/2019	Mon	YES	0200
16/04/2019	Tue	YES	0200
17/04/2019	Wed	YES	0200
18/04/2019	Thu	YES	0200
19/04/2019	Fri	NO	0200
20/04/2019	Sat	NO	0200
21/04/2019	Sun	NO	0200
22/04/2019	Mon	NO	0200
23/04/2019	Tue	YES	0200
24/04/2019	Wed	YES	0200
25/04/2019	Thu	YES	0200
26/04/2019	Fri	YES	0200
27/04/2019	Sat	NO	0200
28/04/2019	Sun	NO	0200
29/04/2019	Mon	YES	0200
30/04/2019	Tue	YES	0200

Date	Weekday	T2	Column
01/05/2019	Wed	NO	0210
02/05/2019	Thu	YES	0210
03/05/2019	Fri	YES	0210
04/05/2019	Sat	NO	0210
05/05/2019	Sun	NO	0210
06/05/2019	Mon	YES	0210
07/05/2019	Tue	YES	0210
08/05/2019	Wed	YES	0210
09/05/2019	Thu	YES	0210
10/05/2019	Fri	YES	0210
11/05/2019	Sat	NO	0210
12/05/2019	Sun	NO	0210
13/05/2019	Mon	YES	0210
14/05/2019	Tue	YES	0210
15/05/2019	Wed	YES	0210
16/05/2019	Thu	YES	0210
17/05/2019	Fri	YES	0210
18/05/2019	Sat	NO	0210
19/05/2019	Sun	NO	0210
20/05/2019	Mon	YES	0210
21/05/2019	Tue	YES	0210
22/05/2019	Wed	YES	0210
23/05/2019	Thu	YES	0210
24/05/2019	Fri	YES	0210
25/05/2019	Sat	NO	0210
26/05/2019	Sun	NO	0210
27/05/2019	Mon	YES	0210
28/05/2019	Tue	YES	0210
29/05/2019	Wed	YES	0210
30/05/2019	Thu	YES	0210
31/05/2019	Fri	YES	0210
01/06/2019	Sat	NO	0220
02/06/2019	Sun	NO	0220
03/06/2019	Mon	YES	0220
04/06/2019	Tue	YES	0220
05/06/2019	Wed	YES	0220
06/06/2019	Thu	YES	0220
07/06/2019	Fri	YES	0220
08/06/2019	Sat	NO	0220
09/06/2019	Sun	NO	0220
10/06/2019	Mon	YES	0220
11/06/2019	Tue	YES	0220
12/06/2019	Wed	YES	0220
13/06/2019	Thu	YES	0220
14/06/2019	Fri	YES	0220
15/06/2019	Sat	NO	0220
16/06/2019	Sun	NO	0220
17/06/2019	Mon	YES	0220
18/06/2019	Tue	YES	0220
19/06/2019	Wed	YES	0220
20/06/2019	Thu	YES	0220
21/06/2019	Fri	YES	0220
22/06/2019	Sat	NO	0220
23/06/2019	Sun	NO	0220
24/06/2019	Mon	YES	0220
25/06/2019	Tue	YES	0220
26/06/2019	Wed	YES	0220
27/06/2019	Thu	YES	0220
28/06/2019	Fri	YES	0220
29/06/2019	Sat	NO	0230
Thereafter	-	-	0230

Table 3.2: Summary of inflow and outflow rates for contractual maturity items

Contractual maturity items (liability side – cash outflows)	Outflow rates (to be applied on flows across all time buckets)		
	Baseline	Adverse	Extreme
Liabilities resulting from securities issued:			
Unsecured bonds due	100%	100%	100%
Regulated covered bonds	100%	100%	100%
Securitisations due	100%	100%	100%
Other	100%	100%	100%
Liabilities resulting from secured lending and capital market transactions collateralised	100%	100%	100%
Liabilities not reported above resulting from deposits received:			
Stable retail deposits	0%	18%	27%
Other retail deposits	0%	39%	48%
Operational deposits	0%	37%	50%
Non-operational deposits from credit institutions	100%	100%	100%
Non-operational deposits from other financial customers	100%	100%	100%
Non-operational deposits from non-financial corporates	0%	52%	76%
Non-operational deposits from others	0%	52%	76%
FX-swaps maturing	100%	100%	100%
Derivatives amount payables other than above	100%	100%	100%
Other cash outflows	100%	100%	100%

Contractual maturity items (asset side – cash inflows)	Inflow rates (to be applied on flows across all time buckets)		
	Baseline	Adverse	Extreme
Monies due from secured lending and capital market transactions collateralised	100%	100%	100%
Monies due not reported above from loans and advances granted to:			
Retail customers	0%	0%	0%
Non-financial corporates	0%	0%	0%
Credit institutions	100%	100%	100%
Other financial customers	100%	100%	100%
Others	0%	0%	0%
FX-swaps maturing	100%	100%	100%
Derivatives amount receivables other than those reported above	100%	100%	100%
Paper in own portfolio maturing	100%	100%	100%
Other cash inflows	100%	100%	100%

Table 3.3: Summary of daily compounding inflow and outflow rates for open maturity items

Open maturity items (liability side – cash outflows)	Daily compounding outflow rates (to be applied on stocks)		
	Baseline	Adverse	Extreme
Liabilities resulting from secured lending and capital market driven transactions collateralised	100%	100%	100%
Liabilities resulting from sight deposits received:			
Stable retail sight deposits	0%	0.103258%	0.161494%
Other retail sight deposits	0%	0.373218%	0.440873%
Operational sight deposits	0%	0.514464%	0.750509%
Non-operational sight deposits from credit institutions	100%	100%	100%
Non-operational sight deposits from other financial customers	100%	100%	100%
Non-operational sight deposits from non-financial corporates	0%	0.688541%	1.065229%
Non-operational sight deposits from others	0%	0.688541%	1.065229%
Other transactions	100%	100%	100%

Open maturity items (asset side – cash inflows)	Daily compounding inflow rates (to be applied on stocks)		
	Baseline	Adverse	Extreme
Open reverse repos from secured lending and capital market driven transactions collateralised	100%	100%	100%
Monies due not reported above resulting from sight and non-maturing loans and advances	0%	0%	0%
Other transactions	100%	100%	100%