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ANNEX IX

**“ANNEX IX**

**REPORTING ON GROUP CAPITAL TEST**

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## **PART I: GENERAL INSTRUCTIONS**

### 1. Structure and conventions

#### 1.1 Structure

1. Overall, group capital test reporting consists of 2 templates:
  - (a) Own funds composition
  - (b) Own fund instruments.
2. For each template, legal references are provided. Further detailed information regarding more general aspects of the reporting of each block of templates, instructions concerning specific positions as well as validation rules are included in this part of this Implementing Regulation.

#### 1.2 Numbering convention

3. The document follows the labelling convention set in points 4 to 7, when referring to the columns, rows and cells of the templates. Those numerical codes are extensively used in the validation rules.
4. The following general notation is followed in the instructions: {Template; Row; Column}.
5. In the case of validations inside a template, in which only data points of that template are used, notations do not refer to a template: {Row; Column}.
6. In the case of templates with only one column, only rows are referred to. {Template; Row}
7. An asterisk sign is used to express that the validation is done for the rows or columns specified before.

#### 1.3 Sign convention

8. Any amount that increases the own funds or own funds requirements, or the liquidity requirements, shall be reported as a positive figure. On the contrary, any amount that reduces the total own funds or own funds requirements shall be reported as a negative figure. Where there is a negative sign (-) preceding the label of an item no positive figure is expected to be reported of that item.

#### 1.4 Abbreviations

9. For the purposes of this Annex, Regulation (EU) 2019/2033 is referred to as 'IFR', Directive (EU) 2019/2034 is referred to as 'IFD' and Regulation (EU) No 575/2013 is referred to as 'CRR'.

## **PART II: TEMPLATE RELATED INSTRUCTIONS**

### **1. OWN FUNDS: LEVEL, COMPOSITION, REQUIREMENTS AND CALCULATION**

#### **1.1 General Remarks**

10. Own funds overview section contains information about the own funds that an investment firm holds and its own funds requirements. It consists of two templates:
  - (a) Template IF 11.01 contains the compositions of the own funds that an investment firm holds: Common Equity Tier 1 capital (CET1), Additional Tier 1 capital (AT1) and Tier 2 capital (T2).
  - (b) Template IF 11.02 contains information on the ‘own fund requirements’ in the context of the group capital test, i.e. intragroup holdings, contingent liabilities and total own funds requirements of the subsidiaries.
  - (c) Template IF 11.03 contains the relevant information on capital requirements, contingent liabilities, subordinated claims and holdings of financial sector entities at subsidiary level, broken down entity-by-entity.
11. The items in these templates are gross of transitional adjustments. This means that the figures (except where the transitional own funds requirement is specifically stated) are calculated according to the final provisions (i.e. as if there were no transitional provisions).

#### **1.2. IF 11.01 - OWN FUNDS COMPOSITION - GROUP CAPITAL TEST (IF11.1)**

##### **1.2.1. Instructions concerning specific positions**

Row	Legal references and instructions
0010	<b><u>OWN FUNDS</u></b> Article 9(1) IFR The own funds of an investment firm shall consist of the sum of its Tier 1 capital and Tier 2 capital.
0020	<b><u>TIER 1 CAPITAL</u></b> The Tier 1 capital is the sum of Common Equity Tier 1 Capital and Additional Tier 1 capital
0030	<b><u>COMMON EQUITY TIER 1 CAPITAL</u></b> Article 9(1) IFR Article 50 of CRR
0040	<b><u>Fully paid up capital instruments</u></b> Article 9(1), point (i) of IFR Article 26(1), point (a) and Articles 27 to 31 CRR Capital instruments of mutual, cooperative societies or similar institutions (Articles 27 and 29 CRR) shall be included. The share premium related to the instruments shall not be included. Capital instruments subscribed by public authorities in emergency situations shall be included if all conditions of Article 31 CRR are fulfilled.
0050	<b><u>Share premium</u></b>

	<p>Article 9(1), point (i) of IFR</p> <p>Article 26(1), point (b) of CRR</p> <p>Share premium has the same meaning as under the applicable accounting standard. The amount to be reported in this item shall be the part related to the "Paid up capital instruments".</p>
0060	<p><b><u>Retained earnings</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 26(1), point (c) of CRR</p> <p>Retained earnings includes the previous year retained earnings plus the eligible interim or year-end profits.</p> <p>The sum of rows 0070 and 0080 shall be reported.</p>
0070	<p><b><u>Previous years retained earnings</u></b></p> <p>Article 4(1), point (123) and Article 26(1), point (c) of CRR</p> <p>Article 4(1), point (123) of CRR defines retained earnings as "Profit and losses brought forward as a result of the final application of profit or loss under the applicable accounting framework".</p>
0080	<p><b><u>Profit eligible</u></b></p> <p>Article 4(1), point (121), Article 26(2) and Article 36(1), point (a) of CRR</p> <p>Article 26(2) CRR allows including as retained earnings interim or year-end profits, with the prior consent of the competent authorities, if some conditions are met.</p>
0090	<p><b><u>Accumulated other comprehensive income</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 26(1), point (d) of CRR.</p>
0100	<p><b><u>Other reserves</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 4(1), point (117) and Article 26(1), point (e) of CRR</p> <p>The amount to be reported shall be net of any tax charge foreseeable at the moment of the calculation.</p>
0120	<p><b><u>Adjustments to CET1 due to prudential filters</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Articles 32 to 35 CRR</p>
0130	<p><b><u>Other funds</u></b></p> <p>Article 9(4) IFR</p>
0145	<p><b><u>(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1</u></b></p> <p>Article 8(2), point (a) of IFR, Article 36(1) CRR with the exception of point (i) of that paragraph</p> <p>The sum of rows 0150 and 0190-0280 shall be reported.</p>
0150	<p><b><u>(-) Own CET1 instruments</u></b></p> <p>Article 9(1), point (i) of IFR</p>

	<p>Article 36(1), point (f) and Article 42 CRR</p> <p>Own CET1 held by the reporting institution or group at the reporting date. Subject to exceptions in Article 42 CRR.</p> <p>Holdings on shares included as "Capital instruments not eligible" shall not be reported in this row.</p> <p>The amount to be reported shall include the share premium related to the own shares.</p>
0190	<p><b><u>(-) Losses for the current financial year</u></b></p> <p>Article 36(1), point (a) of CRR</p>
0200	<p><b><u>(-) Goodwill</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 4(1), point (113), Article 36(1), point (b) and Article 37 CRR</p>
0210	<p><b><u>(-) Other intangible assets</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 4(1), point (115), Article 36(1), point (b) and Article 37, point (a) of CRR</p> <p>Other intangible assets are the intangibles assets under the applicable accounting standard, minus the goodwill, also pursuant the applicable accounting standard.</p>
0220	<p><b><u>(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities</u></b></p> <p>Article 9(2), point (a) of IFR</p> <p>Article 36(1), point (c) of CRR</p>
0230	<p><b><u>(-) Qualifying holding outside the financial sector which exceeds 15% of own funds</u></b></p> <p>Article 10(1), point (a) of IFR</p>
0240	<p><b><u>(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds</u></b></p> <p>Article 10(1), point (b) of IFR</p>
0250	<p><b><u>(-) CET1 instruments of financial sector entities where the parent does not have a significant investment</u></b></p> <p>Article 9(2), point (c) of IFR</p> <p>Article 36(1), point (h) of CRR</p> <p>Union parent in this row means Union parent investment firms, Union parent investment holding companies, Union parent mixed financial holding or any other parent undertaking that is an investment firms, financial institution, ancillary services undertaking or tied agent</p>
0270	<p><b><u>(-) Defined benefit pension fund assets</u></b></p> <p>Article 9(2), point (b) of IFR</p> <p>Article 36(1), point (e) of CRR</p>
0280	<p><b><u>(-) Other deductions</u></b></p> <p>The sum of all other deductions in accordance with Article 36(1) CRR, with the exception of deductions in accordance with Article 36(1), point (i) of CRR, that are not included in any of the rows 0150 to 0270 above</p>
0295	<p><b><u>CET1: Other capital elements, deductions and adjustments</u></b></p>

	<p>This row shall include the sum of the following items, where applicable:</p> <ul style="list-style-type: none"> <li>- Transitional adjustments due to grandfathered CET1 Capital instruments (Paragraphs 1, 2 and 3 of Article 483 and Articles 484 to 487 CRR)</li> <li>- Other transitional adjustments to CET1 Capital (Articles 469 to 478 and 481 CRR): adjustments to the deductions from CET1 due to transitional provisions</li> <li>- Other CET1 capital elements or deductions from a CET1 element that cannot be assigned to one of the rows 0040 to 0280.</li> </ul> <p>This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios</p>
0300	<p><b><u>ADDITIONAL TIER 1 CAPITAL</u></b></p> <p>Article 9(1) IFR</p> <p>Article 61 CRR</p>
0310	<p><b><u>Fully paid up, directly issued capital instruments</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 51, point (a) and Articles 52, 53 and 54 CRR</p> <p>The amount to be reported shall not include the share premium related to the instruments.</p>
0320	<p><b><u>Share premium</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 51, point (b) of CRR</p> <p>Share premium has the same meaning as under the applicable accounting standard. The amount to be reported in this item shall be the part related to the "Paid up capital instruments".</p>
0335	<p><b><u>(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1</u></b></p> <p>Article 56 CRR, with the exception of point (d) of that article</p> <p>The total sum of rows 0340, 0380 and 0400 shall be reported</p>
0340	<p><b><u>(-) Own AT1 instruments</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Article 52(1), point (b), Article 56, point (a) and Article 57 CRR</p> <p>Own AT1 instruments held by the investment firm at the reporting date. Subject to exceptions in Article 57 CRR.</p> <p>The amount to be reported shall include the share premium related to the own shares.</p>
0380	<p><b><u>(-) AT1 instruments of financial sector entities where the parent does not have a significant investment</u></b></p> <p>Article 9(2), point (c) of IFR</p> <p>Article 56, point (c) of CRR</p> <p>Union parent in this row means Union parent investment firms, Union parent investment holding companies, Union parent mixed financial holdings or any other parent undertaking that is an investment firms, financial institution, ancillary services undertaking or tied agent</p>
0400	<p><b><u>(-) Other deductions</u></b></p>

	The sum of all other deductions in accordance with Article 56 CRR, with the exception of the deductions in accordance with point (d) of Article 56 CRR, that are not included in any of the rows 0340 or 0380 above.
0415	<p><b><u>Additional Tier 1: Other capital elements, deductions and adjustments</u></b></p> <p>This row shall include the sum of the following items, where applicable:</p> <ul style="list-style-type: none"> <li>- Transitional adjustments due to grandfathered AT1 Capital instruments (Article 483, paragraphs 4 and 5, Articles 484 to 487, Articles 489 and 491 CRR)</li> <li>- Other transitional adjustments to AT1 Capital (Articles 472, 473a, 474, 475, 478 and 481 CRR): adjustments to deductions due to transitional provisions</li> <li>- Excess of deduction from AT1 items over AT1 Capital, deducted from CET1 in accordance with Article 36(1), point (j) of CRR: Additional Tier 1 cannot be negative, but it is possible that the deductions from AT1 items exceed the amount of available AT1 items. Where this happens, this item represents the amount needed to increase the amount reported in row 0300 to zero and equals the inverse of the excess of deductions from AT1 items over AT1 Capital included, among other deductions, in row 0280.</li> <li>- Other AT1 capital elements or deductions from a AT1 element that cannot be assigned to one of the rows 0310 to 0400.</li> </ul> <p>This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.</p>
0420	<p><b><u>TIER 2 CAPITAL</u></b></p> <p>Article 9(1) IFR.</p> <p>Article 71 CRR.</p> <p>The total sum of rows 0430 to 0455 and 0525 shall be reported.</p>
0430	<p><b><u>Fully paid up, directly issued capital instruments</u></b></p> <p>Article 9(1), point (i) of IFR.</p> <p>Article 62, point (a), Articles 63 and 65 CRR.</p> <p>The amount to be reported shall not include the share premium related to the instruments.</p>
0440	<p><b><u>Share premium</u></b></p> <p>Article 9(1), point (i) of IFR.</p> <p>Article 62, point (b) and Article 65 CRR</p> <p>Share premium has the same meaning as under the applicable accounting standard.</p> <p>The amount to be reported in this item shall be the part related to the "Paid up capital instruments".</p>
0455	<p><b><u>(-) TOTAL DEDUCTIONS FROM TIER 2</u></b></p> <p>Article 66 CRR, with the exception of point (d) of that article</p>
0460	<p><b><u>(-) Own T2 instruments</u></b></p> <p>Article 9(1), point (i) of IFR</p> <p>Point (b)(i) of Article 63, point (a) of Article 66, and Article 67 CRR</p> <p>Own T2 instruments held by the reporting institution or group at the reporting date. Subject to exceptions in Article 67 CRR.</p> <p>Holdings on shares included as "Capital instruments not eligible" shall not be reported in this row.</p> <p>The amount to be reported shall include the share premium related to the own shares.</p>

0500	<p><b><u>(-) T2 instruments of financial sector entities where the parent does not have a significant investment</u></b></p> <p>Article 9(2), point (c) of IFR</p> <p>Article 66, point (c) of CRR</p> <p>Union parent in this row means Union parent investment firms, Union parent investment holding companies, Union parent mixed financial holdings or any other parent undertaking that is an investment firms, financial institution, ancillary services undertaking or tied agent.</p>
0525	<p><b><u>Tier 2: Other capital elements, deductions and adjustments</u></b></p> <p>This row shall include the sum of the following items, where applicable:</p> <ul style="list-style-type: none"> <li>- Transitional adjustments due to grandfathered T2 Capital instruments (Article 483, paragraphs 6 and 7, Articles 484, 486, 488, 490 and 491 CRR)</li> <li>- Other transitional adjustments to T2 Capital (Articles 472, 473a, 476, 477, 478 and 481 CRR): Adjustments to the deductions from Tier 2 due to transitional provisions</li> <li>- Excess of deduction from T2 items over T2 Capital, deducted from AT1 in accordance with Article 56, point (e) of CRR: Tier 2 cannot be negative, but it is possible that the deductions from T2 items exceed the amount of available T2 items. Where this happens, this item represents the amount needed to increase the amount reported in row 0420 to zero</li> <li>- Other T2 capital elements or deductions from a T2 element that cannot be assigned to one of the rows 0430 to 0500.</li> </ul> <p>This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.</p>

### 1.3 IF 11.02 OWN FUNDS REQUIREMENTS - GROUP CAPITAL TEST (IF11.2)

#### 1.3.1. Instructions concerning specific positions

Row	Legal references and instructions
0010	<p><b><u>CET1 instruments of financial sector entities in the investment firm group where the parent undertaking has a significant investment in those entities to the extent the parent is invested in</u></b></p> <p>Article 8(3), point (a) of IFR in conjunction with Article 36(1), point (i) CRR.</p>
0020	<p><b><u>AT1 instruments of financial sector entities in the investment firm group where the parent undertaking has a significant investment in those entities to the extent the parent is invested in</u></b></p> <p>Article 8(3), point (a) of IFR in conjunction with of Article 56 point (d) CRR.</p>
0030	<p><b><u>T2 instruments of financial sector entities in the investment firm group where the parent undertaking has a significant investment in those entities to the extent the parent is invested in</u></b></p> <p>Article 8(3), point (a) in conjunction with Article 66, point (d) of CRR.</p>
0040	<p><b><u>Holdings of financial sector entities in the investment firm group to the extent that they do not constitute own funds for the group entity the parent is invested in</u></b></p> <p>Article 8(3), point (a) of IFR.</p>



	This row shall include holdings of the parent to the extent that they do not constitute own funds for the group entity the parent is invested in.
0050	<b><u>Subordinated claims of financial sector entities in the investment firm group</u></b> Article 8(3), point (a) of IFR This row shall include subordinated claims of the parent to the extent that they do not constitute own funds for the group entity the parent is invested in.
0060	<b><u>Contingent liabilities in favour of entities in the investment firm group</u></b> Article 8(3), point (b) of IFR
0070	<b><u>Total own fund requirements for the subsidiary undertakings</u></b> In case of application of Article 8(4) IFR

#### 1.4 IF 11.03 INFORMATION ON SUBSIDIARIES UNDERTAKINGS (IF11.3)

10. All entities included in the scope of the group capital test shall be reported in this template. This shall also include the parent undertaking of the group itself.

##### 1.4.1. Instructions concerning specific positions

Columns	Legal references and instructions
0010	<b><u>Code</u></b> The code as part of a row identifier must be unique for each reported entity. For investment firms and insurance undertakings the code shall be the LEI code. For other entities the code shall be the LEI code, or if not available, a national code. The code shall be unique and used consistently across the templates and across time. The code shall always have a value.
0020	<b><u>Type of code</u></b> The reporting entity shall identify the type of code reported in column 0010 as a 'LEI code' or 'Non-LEI code'. The type of code shall always be reported.
0030	<b><u>Name of the undertaking</u></b> Name of the undertaking within the scope of consolidation.
0040	<b><u>Parent / subsidiary</u></b> Indicates whether the entity reported in the row is the parent of the group or a subsidiary
0050	<b><u>Country</u></b> The country where the subsidiary is located shall be reported.
0060 0100	<b><u>Investments by the parent undertaking</u></b> Article 8(3), point (a) of IFR In this section, the investments of the parent undertaking in the group entities shall be reported.
0060	<b><u>CET1</u></b>

	Article 8(3), point (a) of IFR in conjunction with Article 36(1), point (i) of CRR.
0070	<b><u>AT1</u></b> Article 8(3), point (a) of IFR in conjunction with Article 56, point (d) of CRR.
0080	<b><u>T2</u></b> Article 8(3), point (a) IFR in conjunction with Article 66, point (d) of CRR.
0090	<b><u>Holdings</u></b> Article 8(3), point (a) of IFR. This column shall include holdings of the parent to the extent that they do not constitute own funds for the group entity the parent is invested in.
0100	<b><u>Subordinated claims</u></b> Article 8(3), point (a) of IFR. This column shall include subordinated claims of the parent to the extent that they do not constitute own funds for the group entity the parent is invested in.
0110	<b><u>Contingent liabilities of the parent in favour of the entity</u></b> Article 8(3) ,point (b) of IFR
0120	<b><u>Total own fund requirements for the subsidiary undertakings</u></b> Article 8(4) IFR
0130	<b><u>Permanent minimum capital</u></b> Article 14 IFR
0140	<b><u>K-factor requirement</u></b> Article 15 IFR
0150	<b><u>Assets under management</u></b> Article 15(2) and Article 17 IFR
0160	<b><u>Client money held - Segregated</u></b> Article 15(2) and Article 18 IFR
0170	<b><u>Client money held - Non – segregated</u></b> Article 15(2) and Article 18 IFR
0180	<b><u>Assets safeguarded and administered</u></b> Article 15(2) and Article 19 IFR
0190	<b><u>Client orders handled - Cash trades</u></b> Article 15(2) and article 20(1) and article 20(2), point (a) of IFR
0200	<b><u>Client orders handled - Derivatives Trades</u></b> Article 15(2) and article 20(1) and article 20(2), point (b) of IFR
0210	<b><u>K-Net positions risk requirement</u></b> Article 22 IFR
0220	<b><u>Clearing margin given</u></b> Article 23(2) IFR

0230	<p><b><u>Trading counterparty default</u></b></p> <p>Article 26 and Article 24 IFR</p>
0240	<p><b><u>Daily trading flow - Cash trades</u></b></p> <p>For the purposes of K-factor requirement calculation, investment firms shall report by applying the coefficient of Article 15(2) IFR.</p> <p>In the event of stressed market conditions, in accordance with point (c) of Article 15(5) IFR, investment firms shall apply an adjusted coefficient as specified in point (a) of Article 1(1) of <i>[Draft RTS to specify adjustments to the K-DTF coefficients]</i></p> <p>Daily trading flow factor shall be calculated in accordance with point (a) of Article 33(2) IFR</p>
0250	<p><b><u>Daily trading flow - Derivative trades</u></b></p> <p>For the purposes of K-factor requirement calculation, investment firms shall report by applying the coefficient of Article 15(2) IFR</p> <p>In the event of stressed market conditions, in accordance with point (c) of Article 15(5) IFR, investment firms shall apply an adjusted coefficient as specified in point (b) of Article 1(1) of <i>[Draft RTS to specify adjustments to the K-DTF coefficients]</i></p> <p>Daily trading flow factor shall be calculated in accordance with point (b) of article 33(2) IFR</p>
0260	<p><b><u>K-Concentration risk requirement</u></b></p> <p>Article 37(2), 39 and Article 24 IFR</p>
0270	<p><b><u>Fixed overhead requirements</u></b></p> <p>Article 13 IFR</p>