

COMMISSION IMPLEMENTING REGULATION (EU) No 710/2014**of 23 June 2014****laying down implementing technical standards with regard to conditions of application of the joint decision process for institution-specific prudential requirements according to Directive 2013/36/EU of the European Parliament and of the Council****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ⁽¹⁾, and in particular the third subparagraph of Article 113(5) thereof,

Whereas:

- (1) Efficient exchange of appropriate information is essential for reaching a joint decision on the adequacy of own funds, the supervisory measures relating to liquidity supervision, the level of liquidity and capital requirements applied to each institution of a group and the group.
- (2) In order to ensure a consistent application of the process for the reaching of a joint decision, it is important that each step is well defined. A clear process also facilitates exchange of information, promotes mutual understanding, develops relationships between supervisory authorities and promotes effective supervision.
- (3) In order to perform the risk assessment and the assessment of the liquidity risk profile for a group of institutions, the consolidating supervisor should have an overview of the activities carried out by all of the institutions within the group, including institutions operating outside the Union. Interaction between the competent authorities in the Union and third-country supervisors should therefore be promoted in order to enable the former to assess the global risks faced by the group.
- (4) Timely and realistic planning for the joint decision process is essential. Every competent authority involved should provide the consolidating supervisor with relevant information on a timely basis. In order for individual assessments to be presented and interpreted in a consistent and uniform manner, it is necessary to introduce a common template for the results of the supervisory review and evaluation processes specific to each institution.
- (5) To ensure uniform condition of application, the steps to be followed for the performance of the joint risk assessment and the reaching of the joint decision should be established, recognising that some tasks of the joint risk assessment and joint decision process may be performed in parallel and others sequentially.
- (6) To facilitate the reaching of joint decisions, it is important that the competent authorities involved in the decision-making process engage in a dialogue with each other, in particular before finalizing the risk assessment reports and joint decisions.
- (7) The consolidating supervisor should provide the competent authorities involved with all relevant information necessary for the preparation of their individual risk assessment and the reaching of the capital and liquidity joint decisions.
- (8) The report containing the risk assessment of the group is a core document enabling competent authorities to understand and record the assessment of the overall risk profile of the banking group for the purpose of reaching a joint decision on the adequacy of own funds and level of own funds that the group is required to hold. The report containing the assessment of the liquidity risk profile of the group is an important document enabling competent authorities to understand and record the assessment of the overall liquidity profile of the group. In order to present the overall risk assessment and liquidity risk assessment of the group in a consistent manner, support meaningful discussions among competent authorities and enable a robust assessment of cross border banking group risks, common templates for these reports should be established.

⁽¹⁾ OJ L 176, 27.6.2013, p. 1.

- (9) Whilst recognising that outcomes of the supervisory review and evaluation process specified in Article 97 of Directive 2013/36/EU may be documented differently across the Member States depending on the implementation of that Article in the national legislation while taking into account the guidelines issued by the European Supervisory Authority (European Banking Authority) (EBA) in accordance with Article 107(2) of Directive 2013/36/EU, standard templates should provide consistent formats for the communication of findings and outcomes of the supervisory review process for the purposes of reaching joint decisions.
- (10) Neither the group risk assessment report nor the report containing the group liquidity risk assessment should be limited to an aggregation of individual contributions from competent authorities. Both reports should be used as a tool for performing the joint assessment of the risks of the whole group and analysing the interaction of intra-group items.
- (11) Establishing clear processes for the content and articulation of the joint decision should ensure that joint decisions are fully reasoned and facilitate the monitoring of joint decisions and their enforcement.
- (12) In order to clarify the process to be followed once the joint decision is reached, provide transparency on the treatment of the outcome of the decision and facilitate appropriate follow-up action where needed, standards regarding the communication of the fully reasoned joint decision and the monitoring of its implementation should be established.
- (13) The process to be followed for the updates of joint decisions should be established in order to ensure a consistent and transparent approach as well as appropriate involvement of competent authorities and the communication of the outcomes.
- (14) The joint decision process under Article 113 of Directive 2013/36/EU includes the process to be followed where no joint decision is reached. To ensure uniform conditions of application on this aspect of the process, the articulation of fully reasoned decisions and the treatment of views and reservations expressed by host supervisors, standards covering the timeline for taking decisions in the absence of a joint decision and the communication of the details of such decisions should be established.
- (15) This Regulation is based on the draft implementing technical standards submitted by EBA to the Commission;
- (16) EBA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ⁽¹⁾;

HAS ADOPTED THIS REGULATION:

CHAPTER I

SUBJECT MATTER AND DEFINITIONS

Article 1

Subject matter

This Regulation specifies the following joint decision processes referred to in Article 113 of Directive 2013/36/EU:

- (a) the process of reaching a joint decision on matters referred to in point (a) of Article 113(1), taking account of any waiver granted pursuant to Articles 7, 10 or 15 of Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽²⁾;
- (b) the process of reaching a joint decision on matters referred to in point (b) of Article 113(1), taking account of any waiver granted pursuant to Articles 6, 8 or 10 of Regulation (EU) No 575/2013, and of any consolidated level of application pursuant to Article 11(3) of that Regulation.

⁽¹⁾ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

⁽²⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

*Article 2***Definitions**

For the purposes of this Regulation, the following definitions shall apply:

- (1) 'relevant competent authorities' means competent authorities responsible for the supervision of subsidiaries of an EU parent institution, of an EU parent financial holding company or of an EU parent mixed financial holding company in a Member State;
- (2) 'other competent authorities' means any of the following:
 - (a) competent authorities which are not a relevant competent authority;
 - (b) public authorities or bodies officially recognized by national law, which are empowered by national law to supervise financial sector entities, as defined in point 27 of Article 4(1) of Regulation (EU) No 575/2013, which operate in the Member State concerned and which are neither a credit institution nor an investment firm;
- (3) 'SREP report' means the report presenting the outcome of the supervisory review and evaluation process referred to in Article 97 of Directive 2013/36/EU;
- (4) 'liquidity risk assessment report' means the report presenting the outcome of the part of the supervisory review and evaluation process referred to in Article 97 of Directive 2013/36/EU concerning liquidity risks;
- (5) 'group risk assessment report' means the report containing the risk assessment of the group of institutions referred to in point (a) of Article 113(2) of Directive 2013/36/EU;
- (6) 'group liquidity risk assessment report' means the report containing the assessment of the liquidity risk profile of the group of institutions referred to in point (b) of Article 113(2) of Directive 2013/36/EU;
- (7) 'capital joint decision' means a joint decision on matters referred to in point (a) of Article 1;
- (8) 'liquidity joint decision' means a joint decision on matters referred to in point (b) of Article 1.

CHAPTER II

JOINT DECISION PROCESS*Article 3***Planning of the steps of the joint decision process**

1. Prior to the start of the joint decision process the consolidating supervisor and the relevant competent authorities shall agree on a timetable of steps to be followed in that process (hereinafter 'joint decision timetable'). In case of disagreement, the consolidating supervisor shall set the joint decision timetable after considering the views and reservations expressed by the relevant competent authorities.
2. The joint decision timetable shall be updated at least annually and shall include the following steps:
 - (a) agreement on the involvement of other competent authorities and competent authorities of third countries pursuant to Article 4;
 - (b) submission of the SREP reports and liquidity risk assessment reports from the relevant competent authorities pursuant to Article 5 and contributions from the other competent authorities and competent authorities of third countries involved pursuant to Article 4(2);
 - (c) submission of the draft group risk assessment report and draft group liquidity risk assessment report by the consolidating supervisor to the relevant competent authorities pursuant to Article 6(6) and to other competent authorities and competent authorities of third countries pursuant to Article 4(3), and Article 6(7);
 - (d) dialogue between the consolidating supervisor and relevant competent authorities on the draft group risk assessment report and draft group liquidity risk assessment report pursuant to Article 7;
 - (e) submission of the group risk assessment report and group liquidity risk assessment report by the consolidating supervisor to the relevant competent authorities pursuant to Article 8(2) and other competent authorities and competent authorities of third countries pursuant to Article 4(3) and Article 8(5);

- (f) submission of contributions to the draft capital joint decision and draft liquidity joint decision by relevant competent authorities to the consolidating supervisor pursuant to Article 9(1);
 - (g) submission of the draft capital joint decision document and draft liquidity joint decision document from the consolidating supervisor to the relevant competent authorities pursuant to Article 10(6) and Article 11(5);
 - (h) consultation on the draft capital joint decision and draft liquidity joint decision documents with the EU parent institution and institutions of the group, where required by the legislation of a Member State;
 - (i) dialogue between the consolidating supervisor and relevant competent authorities on the draft capital joint decision and draft liquidity joint decision;
 - (j) reaching of the capital joint decision and liquidity joint decision pursuant to Article 12;
 - (k) communication of the capital joint decision and liquidity joint decision by the consolidating supervisor and relevant competent authorities to the EU parent institution and institutions of the group pursuant to Article 13;
 - (l) agreement on the following year's timetable for the planning of the joint decision process.
3. The joint decision timetable shall fulfil all of the following requirements:
- (a) it shall reflect the scope and complexity of each task, taking into account the size, systemic importance, nature, scale and complexity of the activities of the group as well as its risk-profile;
 - (b) it shall take account, so far as possible, of the commitments of the consolidating supervisor and the relevant competent authorities under the supervisory examination programme referred to in point (c) of the third subparagraph of Article 116(1) of Directive 2013/36/EU.
4. Where appropriate, in particular to reflect the urgency of any extraordinary update undertaken pursuant to Articles 20 and 21, the joint decision timetable shall be reviewed.
5. The consolidating supervisor and relevant competent authorities shall communicate to the institutions of the group for which they are respectively responsible an indicative date for the consultation referred to in point (h) of paragraph 2 on the aspects of the draft joint decision documents insofar as these institutions are concerned.

The consolidating supervisor and relevant competent authorities shall communicate to the institutions of the group for which they are respectively responsible an estimated date for the communication referred to in point (k) of paragraph 2.

Article 4

Involvement of other competent authorities and competent authorities of third countries in the group risk assessment process

1. The consolidating supervisor may decide to involve other competent authorities and competent authorities of third countries in the production of the group risk assessment report or group liquidity risk assessment report. That decision is based on the relevance of the branch or institution within the group and its significance for the local market.

Such involvement shall be subject to confidentiality requirements equivalent to those of Section II of Chapter 1 of Title VII of Directive 2013/36/EU and, where applicable, Articles 54 and 58 of Directive 2004/39/EC of the European Parliament and of the Council ⁽¹⁾.

The equivalence shall be assessed by the consolidating supervisor and all relevant competent authorities.

2. Where the consolidating supervisor decides to involve another competent authority as defined in Article 2(2) or a competent authority of a third country, both authorities shall reach an agreement on the scope of involvement of the other competent authority or competent authority of the third country. Such agreements are allowed for the following purposes:

- (a) providing the consolidating supervisor with contributions to the group risk assessment report or group liquidity risk assessment report;
- (b) adding as annexes the contributions referred to in point (a) of this paragraph to the draft or final group risk assessment report or group liquidity risk assessment report.

⁽¹⁾ Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).

3. Where the consolidating supervisor decides to involve other competent authorities or competent authorities of third countries, the consolidating supervisor shall not provide the draft and final group risk assessment reports and group liquidity risk assessment reports to the other competent authorities and competent authorities of third countries without consent from all relevant competent authorities.
4. The consolidating supervisor shall keep the relevant competent authorities fully informed on the scope, level and nature of involvement of other competent authorities and competent authorities of third countries in the group risk assessment process and the extent to which the group risk assessment report has benefited from their contributions.

Article 5

Preparation of the SREP reports and liquidity risk assessment reports

1. In order to facilitate due consideration of the risk assessment of subsidiaries in the joint decision in accordance with Article 113(2) of Directive 2013/36/EU, the relevant competent authorities shall provide the consolidating supervisor with their SREP reports and liquidity risk assessment reports in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (b) of Article 3(2).
2. The SREP reports shall be prepared using the template in Annex I. These reports shall be supplemented with the summaries of scores using Table 1 of Annex II and the summary of capital adequacy assessment using Table 2 of Annex II.

The liquidity risk assessment reports shall be prepared using the template in Annex V. These reports shall be supplemented with the summaries of scores using Table 1 of Annex VI and the summary of liquidity assessment using Table 2 of Annex VI.

SREP reports and liquidity risk assessment reports may include additional relevant information.

Article 6

Preparation of the draft group risk assessment report and draft group liquidity risk assessment report

1. The consolidating supervisor shall prepare a draft group risk assessment report and draft group liquidity risk assessment report based on all of the following:
 - (a) its own SREP report or liquidity risk assessment report on the EU parent institution and the group;
 - (b) the SREP reports or liquidity risk assessment reports on subsidiaries provided by the relevant competent authorities pursuant to Article 5;
 - (c) contributions from other competent authorities and competent authorities of third countries, pursuant to Article 4(2).
2. The SREP reports and liquidity risk assessment reports referred to in points (a) and (b) of paragraph 1 together with contributions referred to in point (c) of that paragraph shall be added as annexes to the draft group risk assessment report or draft group liquidity risk assessment report.
3. The draft group risk assessment report and draft group liquidity risk assessment report shall contain the results of the assessment of whether the arrangements, strategies, processes and mechanisms implemented by the group and its institutions and the own funds and liquidity held by these ensure a sound management and coverage of their risks.
4. The draft group risk assessment report shall be prepared using the template in Annex III. This report shall be supplemented with the summaries of scores using Table 1 of Annex IV and the summary of capital adequacy assessment using Table 2 of Annex IV.

The draft group liquidity risk assessment report shall be prepared using the template in Annex VII. This report shall be supplemented with the summaries of scores using Table 1 of Annex VIII and the summary of liquidity assessment using Table 2 of Annex VIII.

5. In accordance with the principle of proportionality, the consolidating supervisor shall ensure all of the following:
 - (a) the joint assessment reflects the relevance of the institutions within the group and their significance in the local market;
 - (b) the draft group risk assessment report and draft group liquidity risk assessment report indicate how this relevance and significance were taken into account.
6. The consolidating supervisor shall provide the draft reports to the relevant competent authorities in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (c) of Article 3(2).
7. Subject to the agreement referred to in Article 4(3), the consolidating supervisor may provide the draft group risk assessment report and draft group liquidity risk assessment report to the other competent authorities and competent authorities of third countries.

Article 7

Dialogue on the draft group risk assessment report and draft group liquidity risk assessment report

1. The consolidating supervisor shall decide on the form and scope of the dialogue with the relevant competent authorities on the draft group risk assessment report and draft group liquidity risk assessment report.
2. The consolidating supervisor and the relevant competent authorities shall discuss the reconciliation of the quantitative proposals included in the individual SREP reports and liquidity risk assessment reports referred to Article 6(1) with the quantitative proposals in the draft group risk assessment report and draft group liquidity risk assessment report, as applicable.
3. The quantitative proposals referred to in paragraph 2 shall at least consist of the following proposals:
 - (a) the proposed levels of own funds that a group of institutions at consolidated level and all institutions of this group at individual level are required to hold pursuant to point (a) of Article 104(1) of Directive 2013/36/EU;
 - (b) the proposed levels of specific liquidity requirements that a group of institutions at consolidated level and all institutions of this group at individual level are required to meet pursuant to Article 105 of Directive 2013/36/EU.

Article 8

Finalisation of the group risk assessment report and group liquidity risk assessment report

1. Based on the dialogue referred to in Article 7, the consolidating supervisor shall finalise the group risk assessment report and group liquidity risk assessment report using the format and content of the draft group risk assessment report and draft group liquidity risk assessment report, as referred to in Article 6. The consolidating supervisor shall explain any material changes introduced in the group risk assessment report or group liquidity risk assessment report. Changes shall reflect the outcome of the dialogue and include the appropriate updates of the annexes to the group risk assessment report or group liquidity risk assessment report.
2. The consolidating supervisor shall provide the group risk assessment report and group liquidity risk assessment report to the relevant competent authorities in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (e) of Article 3(2).
3. In accordance with point (a) of Article 113(2) of Directive 2013/36/EU the submission of the group risk assessment report to the relevant competent authorities shall initiate the start of the four-month period for reaching the capital joint decision.
4. In accordance with point (b) of Article 113(2) of Directive 2013/36/EU the submission of the group liquidity risk assessment report to the relevant competent authorities shall initiate the start of the one-month period for reaching the liquidity joint decision.
5. Subject to the agreement referred to in Article 4(3), the consolidating supervisor may provide the group risk assessment report and group liquidity risk assessment report to the other competent authorities and competent authorities of third countries.

*Article 9***Preparation of the contributions to the draft capital joint decision and draft liquidity joint decision**

1. The relevant competent authorities shall provide their contributions to the draft capital joint decision and draft liquidity joint decision to the consolidating supervisor in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (f) of Article 3(2). Contributions shall cover all institutions within a group of institutions falling within the scope of the joint decision process.
2. The consolidating supervisor shall contribute to the draft capital joint decision. Its contributions shall include all of the following:
 - (a) all institutions of a group at individual level which are authorised in the jurisdiction of the consolidating supervisor and which fall into the scope of the joint decision process;
 - (b) the group of institutions at consolidated level.
3. The consolidating supervisor shall contribute to the draft liquidity joint decision. Its contributions shall include all of the following:
 - (a) all institutions of a group at individual level where these institutions are authorised in the jurisdiction of the consolidating supervisor and which fall into the scope of the joint decision process;
 - (b) the group of institutions at consolidated level.
4. Contributions to the draft capital joint decision shall set out each of the items referred to in Article 10.
5. Contributions to the draft liquidity joint decision shall set out each of the items referred to in Article 11.

*Article 10***Preparation of the draft capital joint decision**

1. The consolidating supervisor shall prepare a fully reasoned draft capital joint decision covering the group and the institutions of this group. The draft capital joint decision shall set out each of the following items:
 - (a) the names of the consolidating supervisor and relevant competent authorities involved in the capital joint decision process;
 - (b) the name of the group of institutions and a list of all institutions within the group to which the draft capital joint decision relates and applies;
 - (c) the references to the applicable Union and national law relating to the preparation, finalisation and application of capital joint decisions;
 - (d) the date of the draft capital joint decision and of any relevant update thereto;
 - (e) the conclusion on the application of Articles 73 and 97 of Directive 2013/36/EU;
 - (f) the conclusion on the adequacy of own funds held by the group of institutions at consolidated level;
 - (g) the conclusion on the adequacy of own funds held by each institution of the group at individual level;
 - (h) the conclusion on the level of own funds that each institution of the group is required to hold at individual level pursuant to point (a) of Article 104(1) of Directive 2013/36/EU;
 - (i) the conclusion on the level of own funds that the group of institutions is required to hold at consolidated level pursuant to point (a) of Article 104(1) of Directive 2013/36/EU;
 - (j) information on the minimum prudential requirements which apply to each institution pursuant to Article 92 of Regulation (EU) No 575/2013 and Articles 103, 129, 130, 131 and 133 of Directive 2013/36/EU and on any other relevant prudential or macro-prudential requirements, guidelines, recommendations or warnings;
 - (k) the reference date to which the conclusions referred to in points (e) to (i) relate;
 - (l) the timeline for the implementation of the conclusions referred to in points (h) and (i), where applicable.

2. The conclusion referred to in point (e) of paragraph 1 shall set out each of the following items:
 - (a) the assessment of whether the institutions of the group have in place sound, effective and complete strategies and processes to assess, maintain and distribute internal capital and whether such strategies and processes are up to date;
 - (b) the assessment of whether the amounts, types and distribution of internal capital is adequate to cover the nature and level of risks to which the institutions of the group are exposed or might be exposed;
 - (c) the assessment of whether the institutions of the group have implemented appropriate arrangements, strategies, processes and mechanisms to comply with all requirements of Directive 2013/36/EU and Regulation (EU) No 575/2013;
 - (d) the assessment of whether the arrangements, strategies, processes and mechanisms implemented by the institutions of the group ensure a sound management and coverage of their risks;
 - (e) information on the application of supervisory measures and powers pursuant to Article 102 and points (b) to (l) of Article 104(1) of Directive 2013/36/EU to address deficiencies identified under points (a) to (d).
3. The conclusions referred to in points (f) and (g) of paragraph 1 shall be linked to and supported by the conclusion referred to in point (e) of paragraph 1.
4. The conclusions referred to in points (h) and (i) of paragraph 1 shall meet all of the following requirements:
 - (a) they shall be formulated as an amount or a ratio or a combination of both;
 - (b) they shall provide details of the quality of additional own funds required;
 - (c) they shall be linked to and supported by the conclusion referred to in point (e) of paragraph 1.
5. The conclusions regarding each institution of the group at individual level and the group of institutions at consolidated level shall be clearly identifiable in the draft capital joint decision document.
6. The consolidating supervisor shall provide the draft capital joint decision document to the relevant competent authorities in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (g) of Article 3(2).

Article 11

Preparation of the draft liquidity joint decision

1. The consolidating supervisor shall prepare a fully reasoned draft liquidity joint decision covering the group and the institutions of this group. The draft liquidity joint decision shall set out each of the following items:
 - (a) the names of the consolidating supervisor and relevant competent authorities involved in the liquidity joint decision process;
 - (b) the name of the group of institutions and a list of all institutions within the group to which the draft liquidity joint decision relates and applies;
 - (c) the references to the applicable Union and national law relating to the preparation, finalisation and application of liquidity joint decisions;
 - (d) the date of the draft liquidity joint decision and of any relevant update thereto;
 - (e) the conclusion on the liquidity adequacy for the group at consolidated level;
 - (f) the conclusion on the liquidity adequacy for each institution within the group at individual level;
 - (g) the conclusion on measures taken to address any significant matters and material findings relating to liquidity supervision including relating to the adequacy of the organisation and the treatment of risks as required pursuant to Article 86 of Directive 2013/36/EU and relating to the need for specific liquidity requirements in accordance with Article 105 of that Directive for each institution within the group at individual level and for the group at consolidated level;

- (h) information on any other relevant prudential or macro-prudential requirements, guidelines, recommendations or warnings;
 - (i) the reference date to which the conclusions referred to in point (e) to (g) relate;
 - (j) the timeline for the implementation of the conclusion referred to in point (g), where applicable.
2. The conclusion referred to in points (e) and (f) of paragraph 1 shall set out each of the following items:
- (a) the assessment of whether the institutions of the group have implemented robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk over an appropriate set of time horizons;
 - (b) the assessment of whether the liquidity held by the institutions of the group at individual level and the group at consolidated level provides sufficient coverage of liquidity risks;
 - (c) the assessment of whether the institutions of the group have implemented appropriate arrangements, strategies, processes and mechanisms to comply with all requirements of Directive 2013/36/EU and Regulation (EU) No 575/2013.
3. The conclusion referred to in point (g) of paragraph 1 shall provide details on the nature of the measures taken. Where these measures relate to the need for specific liquidity requirements in accordance with Article 105 of Directive 2013/36/EU, the conclusion shall provide details on the articulation of those specific liquidity requirements.
4. The conclusions regarding each institution of the group at individual level and the group of institutions at consolidated level shall be clearly identifiable in the draft liquidity joint decision document.
5. The consolidating supervisor shall provide the draft liquidity joint decision document to the relevant competent authorities in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (g) of Article 3(2).

Article 12

Reaching of the capital joint decision and liquidity joint decision

1. Following the dialogue with the relevant competent authorities on the draft capital joint decision and draft liquidity joint decision as referred to in point (i) of Article 3(2), the consolidating supervisor shall revise the draft capital joint decision and draft liquidity joint decision, as necessary, in order to finalise those decisions.
2. An agreement on the capital joint decision and liquidity joint decision shall be reached by the consolidating supervisor and all relevant competent authorities.
3. The agreement shall be evidenced in writing by representatives of the consolidating supervisor and relevant competent authorities with appropriate authority to commit their respective competent authorities.

Article 13

Communication of the capital joint decision and liquidity joint decision

1. The consolidating supervisor shall provide the capital joint decision document and liquidity joint decision document to the management body of the EU parent institution in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (k) of Article 3(2). The consolidating supervisor shall confirm this communication to the relevant competent authorities.
2. The relevant competent authorities in a Member State shall provide to the management bodies of institutions which are authorised in that Member State the respective parts of the capital joint decision document and liquidity joint decision document that are relevant to each of those institutions in a timely manner and in any event by the deadline specified in the joint decision timetable pursuant to point (k) of Article 3(2).
3. The consolidating supervisor shall, where appropriate, discuss the capital joint decision document and liquidity joint decision document with the EU parent institution to explain the details of the decisions and their application.

4. The relevant competent authorities in a Member State shall, where appropriate, discuss with the institutions established in this Member State the respective parts of the capital joint decision document and liquidity joint decision document that are relevant to each of these institutions to explain the details of the decisions and their application.

Article 14

Monitoring of the application of the capital joint decision and liquidity joint decision

1. The consolidating supervisor shall communicate the outcome of the discussion referred to in Article 13(3) to the relevant competent authorities where an EU parent institution is required to take any of the following actions:

- (a) to meet additional own funds requirements pursuant to point (a) of Article 104(1) of Directive 2013/36/EU at individual or consolidated level,
- (b) to address significant matters or material findings relating to liquidity supervision or to meet specific liquidity requirements pursuant to Article 105 of Directive 2013/36/EU, at individual or consolidated level.

2. The relevant competent authorities in a Member State shall communicate the outcome of the discussion referred to in Article 13(4) to the consolidating supervisor where an institution authorised in that Member State is required to take any of the following actions:

- (a) to meet additional own funds requirements pursuant to point (a) of Article 104(1) of Directive 2013/36/EU at individual level;
- (b) to address significant matters or material findings relating to liquidity supervision or to meet specific liquidity requirements pursuant to Article 105 of Directive 2013/36/EU at individual level.

3. The consolidating supervisor shall forward the outcome of the discussion referred to in paragraph 2 to the other relevant competent authorities.

4. The consolidating supervisor and relevant competent authorities shall monitor the application of the capital joint decisions and liquidity joint decisions that are relevant to each of the institutions of the group for which they are respectively responsible.

CHAPTER III

DISAGREEMENTS AND DECISIONS TAKEN IN THE ABSENCE OF JOINT DECISION

Article 15

Decision process in the absence of joint decision

1. In the absence of a capital joint decision or a liquidity joint decision between the consolidating supervisor and the relevant competent authorities within the time periods referred to in Article 8(3) or 8(4), respectively, the decisions referred to in Article 113(3) of Directive 2013/36/EU shall be evidenced in writing and shall be taken by the latest of the following dates:

- (a) the date one month after the expiry of the time period referred to in Article 8(3) or (4), as applicable;
- (b) the date one month after the provision of any advice by the EBA following a request for consultation in accordance with the third subparagraph of Article 113(2) of Directive 2013/36/EU;
- (c) the date one month after any decision taken by the EBA in accordance with the first or second subparagraphs of Article 113(3) of Directive 2013/36/EU or any other date set by the EBA in such a decision.

2. The relevant competent authorities shall communicate to the consolidating supervisor the decisions they have taken at individual level in the absence of a joint decision.

3. The consolidating supervisor shall include the decisions referred to in paragraph 2 with its decisions taken at individual and consolidated levels into a single document and shall provide this document to all relevant competent authorities.

4. Where the EBA has been consulted, the document referred to in paragraph 3 shall include an explanation of any deviations from the advice of the EBA.

*Article 16***Drafting of the capital decisions taken in the absence of capital joint decision**

1. A capital decision taken in the absence of capital joint decision shall be set out in a document that contains all of the following items:

- (a) the name of the consolidating supervisor or relevant competent authority taking the capital decision;
- (b) the name of the group of institutions or the institution of the group to which the capital decision relates and applies;
- (c) the references to the applicable Union and national law relating to the preparation, finalisation and application of capital decisions;
- (d) the date of the capital decision;
- (e) the conclusion on the application of Articles 73 and 97 of Directive 2013/36/EU;
- (f) for capital decisions taken on a consolidated basis, the conclusion on the adequacy of own funds held by the group of institutions at consolidated level;
- (g) for capital decisions taken on an individual basis, the conclusion on the adequacy of own funds held by the relevant institution at individual level;
- (h) for capital decisions taken on a consolidated basis, the conclusion on the level of own funds that the group of institutions is required to hold at consolidated level pursuant to point (a) of Article 104(1) of Directive 2013/36/EU;
- (i) for capital decisions taken on an individual basis, the conclusion on the level of own funds that the relevant institution is required to hold at individual level pursuant to point (a) of Article 104(1) of Directive 2013/36/EU;
- (j) information on the minimum prudential requirements which apply to the relevant institutions pursuant to Article 92 of Regulation (EU) No 575/2013 and Articles 103, 129, 130, 131 and 133 of Directive 2013/36/EU and on any other relevant prudential or macro-prudential requirements, guidelines, recommendations or warnings;
- (k) the reference date to which the conclusions referred to in points (e) to (i) relate;
- (l) the description of how the risk assessment, views and reservations expressed by the other relevant competent authorities or consolidating supervisor are considered, where applicable;
- (m) the timeline for the implementation of the conclusions referred to in points (h) and (i), where applicable.

2. The capital decisions taken in the absence of a capital joint decision at individual or consolidated level shall meet the requirements set out in Article 10(2) to (4), where applicable.

*Article 17***Drafting of the liquidity decisions taken in the absence of a liquidity joint decision**

1. A liquidity decision taken in the absence of liquidity joint decision shall be set out in a document that contains all of the following items:

- (a) the name of the consolidating supervisor or relevant competent authority taking the liquidity decision;
- (b) the name of the group of institutions or the institution of the group to which the liquidity decision relates and applies;
- (c) the references to the applicable Union and national law relating to the preparation, finalisation and application of liquidity decisions;
- (d) the date of the liquidity decision;

- (e) for liquidity decisions taken on a consolidated basis, the conclusion on the liquidity adequacy for the group of institutions at consolidated level;
 - (f) for liquidity decisions taken on an individual basis, the conclusion on the liquidity adequacy for the relevant institution at individual level;
 - (g) for liquidity decisions taken on a consolidated basis, the conclusion on measures taken to address any significant matters and material findings relating to liquidity supervision including relating to the adequacy of the organisation and the treatment of risks as required pursuant to Article 86 of Directive 2013/36/EU and relating to the need for specific liquidity requirements in accordance with Article 105 of that Directive for the group at consolidated level;
 - (h) for liquidity decisions taken on an individual basis, the conclusion on measures taken to address any significant matters and material findings relating to liquidity supervision including relating to the adequacy of the organisation and the treatment of risks as required pursuant to Article 86 of Directive 2013/36/EU and relating to the need for liquidity requirements specific to the relevant institution at individual level in accordance with Article 105 of that Directive;
 - (i) the reference date to which the conclusions referred to in points (e) to (h) relate;
 - (j) information on any other relevant prudential or macro-prudential requirements, guidelines, recommendations or warnings;
 - (k) a description of how the risk assessment, views and reservations expressed by the other relevant competent authorities or consolidating supervisor are considered, where applicable;
 - (l) the timeline for the implementation of the conclusions referred to in points (g) to (h), as applicable.
2. The liquidity decisions taken in the absence of a liquidity joint decision at individual or consolidated level shall meet the requirements set out in Articles 11(2) to (3).

Article 18

Communication of capital decisions and liquidity decisions taken in the absence of capital joint decision or liquidity joint decision

1. The consolidating supervisor shall provide the decision document referred to in Article 15(3) to the management body of the EU parent institution.
2. The relevant competent authorities in a Member State shall provide to the management bodies of institutions which are authorised in that Member State the respective parts of the decision document referred to in paragraph 1 that are relevant to each of these institutions.
3. The consolidating supervisor shall, where appropriate, discuss the decision document with the EU parent institution to explain the details and application of the capital decisions or liquidity decisions taken in the absence of a capital joint decision or liquidity joint decision.
4. The relevant competent authorities in a Member State shall, where appropriate, discuss with the institutions established in this Member State the respective parts of the decision document that are relevant to each of these institutions to explain the details and application of the capital decisions or liquidity decisions taken in the absence of a capital joint decision or a liquidity joint decision.

Article 19

Monitoring of the application of the capital decisions and liquidity decisions taken in the absence of capital joint decision or liquidity joint decision

The consolidating supervisor and relevant competent authorities shall monitor the application of the capital decisions and liquidity decisions, taken in the absence of a capital joint decision or liquidity joint decision, that are relevant to each of the institutions of the group for which they are respectively responsible.

CHAPTER IV

UPDATE AND EXTRAORDINARY UPDATE OF JOINT DECISIONS AND DECISIONS TAKEN IN THE ABSENCE OF JOINT DECISION*Article 20***Extraordinary update of joint decisions**

1. Where a request for an extraordinary update of a capital joint decision or a liquidity joint decision is initiated by the consolidating supervisor or a relevant competent authority pursuant to Article 113(4) of Directive 2013/36/EU, the consolidating supervisor shall communicate this request to all relevant competent authorities. The extraordinary update shall follow the process set out in Articles 9 to 14.

2. Where a relevant competent authority requests to update a joint decision in relation to an institution other than an EU parent institution, an EU parent financial holding company or an EU parent mixed financial holding company with the consolidating supervisor on a bilateral basis, the request shall be made in writing and be fully reasoned.

The consolidating supervisor shall communicate the request referred to in the first subparagraph to all relevant competent authorities. The request shall include a draft capital joint decision document that complies with the requirements set out in Article 10 or a draft liquidity joint decision that complies with the requirements set out in Article 11. The consolidating supervisor shall set a deadline for relevant competent authorities to comment whether the update should be addressed on a bilateral basis.

Where none of the relevant competent authorities requests to address the update on a non-bilateral basis within the specified deadline, the consolidating supervisor and the relevant competent authority which requested the extraordinary update shall contribute to and reach an agreement on the joint decision on a bilateral basis.

3. Where a relevant competent authority does not wish to submit a contribution to the updated joint decision in accordance with Article 9, the consolidating supervisor shall prepare the updated joint decision on the basis of the most recent contribution to the joint decision document received from the relevant competent authority.

*Article 21***Annual and extraordinary update of decisions taken in the absence of joint decision**

1. The annual update of decisions taken in the absence of joint decision shall follow the steps pursuant to Article 3(2), in so far as each step is relevant for the application of Article 97(4) of Directive 2013/36/EU.

2. Any extraordinary update of decisions taken in the absence of joint decision pursuant to Article 113(4) of Directive 2013/36/EU shall follow the process set out in Articles 9 to 14.

CHAPTER V

FINAL PROVISIONS*Article 22*

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

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

Done at Brussels, 23 June 2014.

For the Commission
The President
José Manuel BARROSO

ANNEX I

SREP REPORT TEMPLATE

The SREP report is supplemented with summaries of scores (Table 1) and the capital adequacy assessment (Table 2).

Institution:	
Category of the institution:	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:	
Total assets (million EUR) at reference date:	
Competent authority:	

Overall SREP assessment	Overall SREP score (following the capital and liquidity adequacy assessment):
<i>This section should contain a summary of the assessments made in the sections below.</i>	

Capital adequacy assessment
<i>Within this section please provide: (1) a summary of the assessment of the capital adequacy; (2) the preliminary proposal for the joint decision, including a statement on the adequacy of own funds at the respective entity level and any required level of own funds in excess of the requirements set out in Chapter Four of Title VII of Directive 2013/36/EU (CRD) and in Regulation (EU) No 575/2013 (CRR); (3) the outlook for next assessment period; and, (4) a description of any other capital-related supervisory measures ⁽¹⁾.</i>
<i>Within this section please also describe how SREP capital estimates have been derived and how ICAAP capital estimates have been taken into account, if assessed as reliable.</i>

Liquidity Adequacy Assessment
<i>Within this section please provide: (1) a summary of the assessment of the liquidity adequacy; (2) the proposal for the joint decision, including a statement on the adequacy of liquidity at the respective entity level and any required supervisory measures, where applicable; (3) the outlook for the next assessment period; and, (4) a description of any other supervisory measures to address the deficiencies identified, where applicable.</i>
<i>Depending on the timing of the joint decision on liquidity, this assessment should either mirror the findings summarised in the Liquidity SREP report (see template in Annex 5), or provide an updated assessment.</i>

⁽¹⁾ E.g. dividend restrictions.

A. Business model analysis (viability and sustainability)	Score:
<i>Within this section please provide: (1) a description of the evolution of the business model, strategy and financial position within the observed period; (2) the supervisory assessment of the viability of the current business model and sustainability of the strategy; and, (3) any relevant supervisory measures, including capital and non-capital supervisory measures.</i>	

B. Internal governance arrangements	Score:
<i>Within this section please provide: (1) a description of the evolution of the internal governance framework within the observed period; (2) deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to internal governance requirements; (4) the outlook for the next assessment period; (5) actions to be taken by the institution, and, (6) any relevant supervisory measures, including capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C. Risks to solvency	
C.1 Credit and counterparty risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.2 Settlement/delivery risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.3 Inter-concentration risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.4 Market risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.5 IRRBB	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.6 Operational risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.7 Risk of excessive leverage	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.8 Other risks material to the institution, as applicable (please specify)	Score:
<i>Within this section please provide: (1) a description of the evolution of other identified risks to solvency in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

D. Risks to liquidity	Overall liquidity risk score:
<p><i>Within this section please provide: (1) a description of the evolution of liquidity and funding risks in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i></p> <p><i>Depending on the timing of the joint decision on liquidity, this assessment should either mirror the findings summarised in the Liquidity SREP report (see template in Annex 5), or provide an updated assessment.</i></p>	
<p><i>Should the assessment of liquidity and funding risks highlight significant issues in relation to funding risk requiring the allocation of capital to mitigate impacts from an increased cost of funding, please describe how it is reflected in the additional own funds requirements, if relevant.</i></p>	

E. Systemic risk
<p><i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) the outlook for the next assessment period; and, (3) any supervisory measures, including capital and non-capital supervisory measures.</i></p>

F. ICAAP review
<p><i>Within this section please provide: (1) a summary of the findings of the assessment of the reliability of the ICAAP framework and institution's own quantification of risks and the consequent allocation of appropriate internal capital; (2) a description of the evolution of ICAAP framework in the observed period; (3) deficiencies identified; (4) issues of non-compliance with the CRR and the CRD in relation to the ICAAP; (5) mitigating actions to be taken by the institution; and (6) any relevant supervisory measures, including capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i></p> <p><i>The section should also have a statement on whether ICAAP estimates are considered reliable and could serve as an input into the assessment of capital adequacy.</i></p>

G. Inter-risk diversification effects
<p><i>Taking into account the outcome of the ICAAP assessments and internal capital estimates, and only in case diversification effects are recognised, please provide within this section a description of the impact of diversification effects and define the extent to which benefits from the diversification effects can be taken into account in the determination of capital adequacy.</i></p>

H. Stress test outcomes

Within this section please summarise the results and their impact on capital adequacy of institutions own stress tests and their reconciliation with supervisory stress tests, including the explanation of how the stress testing buffer was derived, where applicable.

Other relevant information

Within this section please provide other information deemed relevant by the competent authority for the purposes of the group risk assessment and not provided above.

Quantitative Indicators agreed by the consolidating supervisor and the host EEA competent authorities (pursuant to RTS/ITS on colleges of supervisors)

Please list any quantitative indicators agreed to be shared while developing the joint risk assessment report for the purposes of reaching a joint decision.

ANNEX II

SREP REPORT TEMPLATE

Table 1

Summary of scores

Institution:	
Category of the institution:	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:	
Total assets (mln EUR) at reference date:	
Competent authority:	

SREP elements		Score
A.	Business Model (viability and sustainability)	
B.	Internal governance arrangements	
C.	Risks to solvency	
C.1	Credit and counterparty risk	
C.2	Settlement / Delivery risk	
C.3	Inter-concentration risk	
C.4	Market risk	
C.5	IRRBB	
C.6	Operational risk	
C.7	Risk of excessive leverage	
C.8	Other risks material to the institution, as applicable (please specify)	
C.9	Other risks material to the institution, as applicable (please specify)	
D.	Risks to liquidity	[as per the outcome of the Liquidity SREP report] These scores should be consistent with the respective assessments under the liquidity joint decision. Depending on the timing of the joint decision on liquidity, this assessment should either mirror the findings summarised in the liquidity SREP report, or provide updated assessment.
E.	Systemic risk (risk that institution poses to financial system)	
Overall SREP Score		

Table 2
Summary of capital adequacy assessment

Institution:				
Category of the institution:		[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]		
Reference date:				
Total assets (mln EUR) at reference date:				
Competent authority:				
SREP elements		Memoranda items		Overall SREP capital requirement/estimate (including supervisory proxy, where applicable) (in mln EUR)
		Pillar 1 capital requirements, where applicable (in mln EUR)	ICAAP estimate (in mln EUR)	
A.	Business Model (viability and sustainability)			
B.	Internal governance arrangements			
C.	Risks to solvency (risks and controls)			
C.1	Credit and counterparty risk			
C.2	Settlement / Delivery risk			
C.3	Inter-concentration risk			
C.4	Market risk			
C.5	IRRBB			
C.6	Operational risk			
C.7	Risk of excessive leverage			
C.8	Other risks material to the institution, as applicable (please specify)			
C.9	Other risks material to the institution, as applicable (please specify)			
D.	Risks to liquidity — Funding risk (cost of funding perspective)			
E.	Systemic risk (risk that institution poses to financial system)			
F.	Inter-risk diversification effects			
G.	Capital planning / stress test buffer (where applicable)		<i>Capital planning / Stress testing buffer based on the outcomes of ICAAP stress tests, where applicable</i>	<i>Reconciliation of ICAAP stress tests with supervisory stress tests and resulting capital planning / stress testing buffer, where applicable</i>

SREP capital outcome (preliminary proposal for joint decision discussion)				
H.	Overall capital requirement/estimate	Total Pillar 1 capital requirement	Total ICAAP capital estimate	Total SREP capital estimate
	Capital adequacy assessment (capital is assessed as adequate/inadequate)			Adequate/Inadequate
	Additional own funds requirement			Sum of components or holistic approach (formulated as an amount or ratio, or combination of both)
	Memoranda items (values at reference date)			
	Total own funds (mln EUR) at reference date			
	Tier 1 own funds (mln EUR) at reference date			
	Common Equity Tier 1 own funds (mln EUR) at reference date			
	Total risk weighted assets (mln EUR) at reference date			
	The own funds requirements applicable in the home Member State in accordance with Article 92 of Regulation (EU) No 575/2013, taking into account any measures adopted or recognised in accordance with Article 458 of that Regulation and the transitional arrangements laid down in Part X of that Regulation			
	The level of the capital conservation buffer that the institution is required to maintain in accordance with Article 129 of Directive 2013/36/EU			
	The level of the institution-specific countercyclical capital buffer to be maintained by the institution in accordance with Article 130 of Directive 2013/36/EU			
	The level of any systemic risk buffer that the institution is required to maintain in accordance with Article 133 of Directive 2013/36/EU			
	The level of any G-SII buffer or O-SII buffer that the institution is required to maintain in accordance with Article 128(3) and (4) of Directive 2013/36/EU			
	Any other prudential requirements applicable to the institution, including under Article 103 of Directive 2013/36/EU, macro-prudential measures and recommendations of EBA and ESRB			

ANNEX III

GROUP RISK ASSESSMENT REPORT TEMPLATE

The Group risk assessment report shall include as annexes all SREP reports submitted by the relevant competent authorities. The group risk assessment report shall be supplemented with summaries of scores (Table 1) and the capital adequacy assessment (Table 2).

Group:	
Category of the group:	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:	
Total assets (million EUR) at reference date:	

Overall SREP assessment of the Group	Overall SREP score (following the capital and liquidity adequacy assessment):
<i>This section should contain a summary of the assessments made in the sections below,</i>	

Capital adequacy assessment
<i>Within this section please provide: (1) a summary of the assessment of the capital adequacy; (2) the proposal for the joint decision, including a statement on the adequacy of own funds at the group level and any required level of own funds in excess of the requirements set out in Chapter Four of Title VII of Directive 2013/36/EU (CRD) and in Regulation (EU) No 575/2013 (CRR); (3) the outlook for the next assessment period; and, (3) a description of any other capital-related supervisory measures ⁽¹⁾.</i>
<i>Within this section please also describe how SREP capital estimates have been derived and how ICAAP capital estimates have been taken into account, if assessed as reliable.</i>

Liquidity Adequacy Assessment
<i>Within this section please provide: (1) a summary of the assessment of the liquidity adequacy; (2) the proposal for the joint decision, including a statement on the adequacy of liquidity at the group level and any required supervisory measures, where applicable; (3) the outlook for the next assessment period; and, (4) a description of any other supervisory measures to address the deficiencies identified, where applicable.</i>
<i>Depending on the timing of the joint decision on liquidity, this assessment should either mirror the findings summarised in the Group liquidity risk assessment report (see template in Annex 7), or provide an updated assessment.</i>

⁽¹⁾ E.g. dividend restrictions.

A. Business model analysis (viability and sustainability)	Score:
<i>Within this section please provide: (1) a description of the evolution of the business model, strategy and financial position within the observed period; (2) the supervisory assessment of the viability of the current business model and sustainability of the strategy; and, (3) any relevant supervisory measures, including capital and non-capital supervisory measures.</i>	

B. Internal governance arrangements	Score:
<i>Within this section please provide: (1) a description of the evolution of the internal governance framework within the observed period; (2) deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to internal governance requirements; (4) the outlook for the next assessment period; (5) actions to be taken by the institution, and, (6) any relevant supervisory measures, including capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C. Risks to solvency	
C.1 Credit and counterparty risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.2 Settlement/delivery risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.3 Inter-concentration risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.4 Market risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.5 IRRBB	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.6 Operational risk	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.7 Risk of excessive leverage	Score:
<i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

C.8 Other risks material to the institution, as applicable (please specify)	Score:
<i>Within this section please provide: (1) a description of the evolution of other identified risks to solvency in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i>	

D. Risks to liquidity	Overall liquidity risk score:
<p><i>Within this section please provide: (1) a description of the evolution of liquidity and funding risks in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures including, capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i></p> <p><i>Depending on the timing of the joint decision on liquidity, this assessment should either mirror the findings summarised in the Group liquidity risk assessment report (see template in Annex 7), or provide an updated assessment.</i></p>	
<p><i>Should the assessment of liquidity and funding risks highlight significant issues in relation to funding risk requiring the allocation of capital to mitigate impacts from an increased cost of funding, please describe how it is reflected in the additional own funds requirements, if relevant.</i></p>	

E. Systemic risk
<p><i>Within this section please provide: (1) a description of the evolution of the risk in the observed period; (2) the outlook for the next assessment period; and, (3) any supervisory measures, including capital and non-capital supervisory measures.</i></p>

F. ICAAP review
<p><i>Within this section please provide: (1) a summary of the findings of the assessment of the reliability of the ICAAP framework and institution's own quantification of risks and the consequent allocation of appropriate internal capital; (2) a description of the evolution of ICAAP framework in the observed period; (3) deficiencies identified; (4) issues of non-compliance with the CRR and the CRD in relation to the ICAAP; (5) mitigating actions to be taken by the institution; and (6) any relevant supervisory measures, including capital and non-capital supervisory measures to address the deficiencies and non-compliance issues.</i></p> <p><i>The section should also have a statement on whether ICAAP estimates are considered reliable and could serve as an input into the assessment of capital adequacy.</i></p>

G. Inter-risk diversification effects
<p><i>Taking into account the outcome of the ICAAP assessments and internal capital estimates, and only in case diversification effects are recognised, please provide within this section a description of the impact of diversification effects and define the extent to which benefits from the diversification effects can be taken into account in the determination of capital adequacy.</i></p>

H. Stress test outcomes

Within this section please summarise the results and their impact on capital adequacy of institutions own stress tests and their reconciliation with supervisory stress tests, including the explanation of how the stress testing buffer was derived, where applicable.

Other relevant information

Within this section please provide other information deemed relevant by the competent authorities for the purposes of the group risk assessment and not provided above (e.g. information needed to meet requirements of Article 6(5) of this Implementing Regulation.

Quantitative Indicators agreed by the consolidating supervisor and the host EEA competent authorities (pursuant to RTS/ITS on colleges of supervisors)

Please list any quantitative indicators agreed to be shared while developing the joint risk assessment report for the purposes of reaching a joint decision.

GROUP RISK ASSESSMENT REPORT TEMPLATE

Table 1
Summary of scores

Institution:		Entity X / Sub-group X	Entity Y / Sub-group Y	Consolidated group
Category of the institution:				
Reference date:				
Total assets (mln EUR) at reference date:				
Competent authority:				
SREP elements		Score	Score	Score
A.	Business Model (viability and sustainability)			
B.	Internal governance arrangements			
C.	Risks to solvency			
C.1	Credit and counterparty risk			
C.2	Settlement / Delivery risk			
C.3	Inter-concentration risk			
C.4	Market risk			
C.5	IRRBB			
C.6	Operational risk			
C.7	Risk of excessive leverage			
C.8	Other risks material to the institution, as applicable (please specify)			
C.9	Other risks material to the institution, as applicable (please specify)			
D.	Risks to liquidity	[as per the outcome of the Liquidity SREP report]	[as per the outcome of the Liquidity SREP report]	[as per the outcome of the Liquidity SREP report]
E.	Systemic risk (risk that institution poses to financial system)			
Overall SREP Score				

Table 2
Summary of capital adequacy assessment

Institution:		Entity X/ Sub-group X			Entity Y/ Sub-group Y			Consolidated Group		
Category of the institution:										
Reference date:										
Total assets (mln EUR) at reference date:										
Competent authority:										
SREP elements		Memoranda items		Overall SREP capital requirement/estimate (including supervisory proxy, where applicable) (in mln EUR)	Memoranda items		Overall SREP capital requirement/estimate (including supervisory proxy, where applicable) (in mln EUR)	Memoranda items		Overall SREP capital requirement/estimate (including supervisory proxy, where applicable) (in mln EUR)
		Pillar 1 capital requirements, where applicable (in mln EUR)	ICAAP estimate (in mln EUR)		Pillar 1 capital requirements, where applicable (in mln EUR)	ICAAP estimate (in mln EUR)		Pillar 1 capital requirements, where applicable (in mln EUR)	ICAAP estimate (in mln EUR)	
A.	Business Model (viability and sustainability)									
B.	Internal governance arrangements									
C.	Risks to solvency (risks and controls)									
C.1	Credit and counterparty risk									
C.2	Settlement / Delivery risk									
C.3	Inter-concentration risk									

C.4	Market risk								
C.5	IRRBB								
C.6	Operational risk								
C.7	Risk of excessive leverage								
C.8	Other risks material to the institution, as applicable (please specify)								
C.9	Other risks material to the institution, as applicable (please specify)								
D.	Risks to liquidity — Funding risk (cost of funding perspective)								
E.	Systemic risk (risk that institution poses to financial system)								
F.	Inter-risk diversification effects								
G.	Capital planning / stress test buffer (where applicable)		<i>Capital planning / Stress testing buffer based on the outcomes of ICAAP stress tests, where applicable</i>	<i>Reconciliation of ICAAP stress tests with supervisory stress tests and resulting capital planning / stress testing buffer, where applicable</i>		<i>Capital planning / Stress testing buffer based on the outcomes of ICAAP stress tests, where applicable</i>	<i>Reconciliation of ICAAP stress tests with supervisory stress tests and resulting capital planning / stress testing buffer, where applicable</i>		<i>Capital planning / Stress testing buffer based on the outcomes of ICAAP stress tests, where applicable</i>

SREP capital outcome (preliminary proposal for joint decision discussion)							
	Overall capital requirement/estimate	Total Pillar 1 capital requirement	Total ICAAP capital estimate	Total SREP capital estimate	Total Pillar 1 capital requirement	Total ICAAP capital estimate	Total SREP capital estimate
H.	Capital adequacy assessment (capital is assessed as adequate/inadequate)			Adequate/Inadequate			Adequate/Inadequate
	Additional own funds requirement			Sum of components or holistic approach (formulated as an amount or ratio, or combination of both)			Sum of components or holistic approach (formulated as an amount or ratio, or combination of both)
Diversification effects, including intra-group (-)							
Intra-group concentration (+)							
Intra-group support arrangements (-)							
Other intra-group items (+/-)							
Joint decision outcome (based on preliminary proposal (H), reflecting impact of intra-group items, and results of the dialogue between competent authorities)							
J.	Overall capital requirement/estimate			Total SREP capital estimate			Total SREP capital estimate
	Capital adequacy assessment (capital is assessed as adequate/inadequate)			Adequate/Inadequate			Adequate/Inadequate
	Additional own funds requirement			Sum of components or holistic approach (formulated as an amount or ratio, or combination of both)			Sum of components or holistic approach (formulated as an amount or ratio, or combination of both)

	Total Pillar 1 capital requirement	Total ICAAP capital estimate	Total SREP capital estimate
			Adequate/Inadequate
			Sum of components or holistic approach (formulated as an amount or ratio, or combination of both)
			Total SREP capital estimate
			Adequate/Inadequate
			Sum of components or holistic approach (formulated as an amount or ratio, or combination of both)

Memoranda items (values at reference date)	
Total own funds (mln EUR) at reference date	
Tier 1 own funds (mln EUR) at reference date	
Common Equity Tier 1 own funds (mln EUR) at reference date	
Total risk weighted assets (mln EUR) at reference date	
The own funds requirements applicable in the home Member State in accordance with Article 92 of Regulation (EU) No 575/2013 taking into account any measures adopted or recognised under Article 458 of that Regulation and the transitional arrangements under Part X of that Regulation	
The level of the capital conservation buffer required to be maintained by the institution in accordance with Article 129 of Directive 2013/36/EU	
The level of the institution-specific countercyclical capital buffer to be maintained by the institution in accordance with Article 130 of Directive 2013/36/EU	

<p><i>The level of the systemic risk buffer to be maintained by the institution, if applicable, in accordance with Article 133 of Directive 2013/36/EU</i></p>			
<p><i>The level of the any G-SII buffer or O-SII buffer, as defined in paragraphs (3) and (4) respectively of Article 128 of Directive 2013/36/EU, to be held by the institution</i></p>			
<p><i>Any other prudential requirements applicable to the institution, including under Article 103 of Directive 2013/36/EU, macro-prudential measures and recommendations of EBA and ESRB</i></p>			

ANNEX V

LIQUIDITY RISK ASSESSMENT REPORT TEMPLATE

Liquidity risk assessment report is supplemented with summary of scores (Table 1) and overall liquidity assessment (Table 2).

Institution:	
Category of the institution:	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:	
Total assets (million EUR) at reference date:	
Competent authority:	

Overall Assessment of Liquidity Risk in SREP	Overall liquidity risk Score:
<i>This section should contain a summary of the individual assessments below.</i>	

Liquidity Adequacy Assessment
<i>Within this section please provide: (1) a summary of the assessment of the liquidity adequacy; (2) the proposal for the joint decision, including a statement on the adequacy of liquidity at the respective entity level and any supervisory measures, where applicable, to address significant matters and material findings; and, (3) the outlook for the next assessment period.</i>

A. Assessment of liquidity risk	Score:
<i>Within this section please provide: (1) a description of the evolution of liquidity risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures to address the deficiencies and non-compliance issues.</i>	

B. Assessment of funding risk	Score:
<i>Within this section please provide: (1) a description of the evolution of funding risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures to address the deficiencies and non-compliance issues.</i>	

C. Assessment of liquidity and funding risk management	Score:
<i>Within this section please provide: (1) a description of the evolution of liquidity and funding risk management in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures to address the deficiencies and non-compliance issues.</i>	

Other relevant information
<i>Within this section please provide other information deemed relevant by the competent authority for the purposes of the group risk assessment and not provided above.</i>

ANNEX VI

LIQUIDITY RISK ASSESSMENT REPORT TEMPLATE

Table 1

Summary of scores

Institution:		
Category of the institution:		[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:		
Total assets (mln EUR) at reference date:		
Competent authority:		
Liquidity elements in SREP		Score
A.	Liquidity risk	
B.	Funding risk	
C.	Liquidity and funding risk management	
E. Overall liquidity risk score		

Table 2

Summary of capital adequacy assessment

Institution:		
Category of the institution:		[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:		
Total assets (mln EUR) at reference date:		
Competent authority:		
Liquidity elements in SREP		Outcome of liquidity risk assessment
		(in mln euros or ratio or narrative information on measures)
A.	Liquidity adequacy assessment	<i>Adequate/Inadequate</i>
B.	Proposal for joint decision - Quantitative measures (Articles 104 and 105)	
	Specific liquidity buffer requirements [To be specified in terms of LCR eligible assets post-introduction of LCR as a standard (optional before)]	
	Specific stable funding requirements [To be specified on NSFR definition post-NSFR introduced as a standard (optional before)]	
	Other quantitative restrictions/requirements	
D	Proposal for joint decision — Qualitative measures (Articles 104 and 105)	
Memoranda items (values at reference date)		
	<i>Actual LCR ratio or any other equivalent domestic ratio (until LCR implementation in CRR)</i>	
	<i>Actual NSFR ratio or any other equivalent domestic ratio (until NSFR implementation in CRR)</i>	
	<i>LCR buffer requirement, if any ('Pillar 1')</i>	
	<i>NSFR stable funding requirement, if any ('Pillar 1')</i>	
	<i>Any other prudential requirements applicable to the institution, including under Article 103 of Directive 2013/36/EU, macro-prudential measures and recommendations of EBA and ESRB</i>	

ANNEX VII

GROUP LIQUIDITY RISK ASSESSMENT REPORT TEMPLATE

The Group liquidity risk assessment report includes as annexes all liquidity risk assessment reports submitted by the relevant competent authorities. The group risk assessment report is supplemented with summaries of scores (Table 1) and liquidity adequacy assessment (Table 2).

Group:	
Category of the group:	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:	
Total assets (million EUR) at reference date:	

Overall Assessment of Liquidity Risk in SREP	Overall liquidity risk Score:
<i>This section should contain a summary of the individual assessments below.</i>	

Liquidity Adequacy Assessment
<i>Within this section please provide: (1) a summary of the assessment of the liquidity adequacy; (2) the proposal for the joint decision, including a statement on the adequacy of liquidity at the group level and any supervisory measures, where applicable, to address significant matters and material findings; and, (3) the outlook for the next assessment period.</i>

A. Assessment of liquidity risk	Score:
<i>Within this section please provide: (1) a description of the evolution of liquidity risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures to address the deficiencies and non-compliance issues.</i>	

B. Assessment of funding risk	Score:
<i>Within this section please provide: (1) a description of the evolution of funding risk in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures to address the deficiencies and non-compliance issues.</i>	

C. Assessment of liquidity and funding risk management	Score:
<i>Within this section please provide: (1) a description of the evolution of liquidity and funding risk management in the observed period; (2) control deficiencies identified; (3) issues of non-compliance with the CRR and the CRD in relation to risk; (4) the outlook for the next assessment period; (5) risk mitigating actions to be taken by the institution; and, (6) any relevant supervisory measures to address the deficiencies and non-compliance issues.</i>	

Other relevant information
<i>Within this section please provide other information deemed relevant by the competent authorities for the purposes of the group risk assessment and not provided above (e.g. information needed to meet requirements of Article 6(5) of this Implementing Regulation</i>

GROUP LIQUIDITY RISK REPORT TEMPLATE

Table 1
Summary of scores

Institution:	<i>Entity X/ Sub-group X</i>	<i>Entity Y/ Sub-group Y</i>	Consolidated group
Category of the institution:	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:			
Total assets (mln EUR) at reference date:			
Competent authority:			
Liquidity elements in SREP	Score	Score	Score
A. Liquidity risk			
B. Funding risk			
C. Liquidity and funding risk management			
E. Overall liquidity risk score			

Table 2
Summary of liquidity assessment

Institution:		Entity X/ Sub-group X	Entity Y/ Sub-group Y	Consolidated group
Category of the institution:		[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]	[based on national classification until common categorisation approach is in place as per EBA Guidelines for common SREP methodologies and procedures; the category to which the institution is assigned shall reflect also its systemic importance]
Reference date:				
Total assets (mln EUR) at reference date:				
Competent authority:				
Liquidity elements in SREP		Outcome of liquidity risk assessment	Outcome of liquidity risk assessment	Outcome of liquidity risk assessment
		(in mln Euros or ratio or narrative information on measures]	(in mln Euros or ratio or narrative information on measures]	(in mln Euros or ratio or narrative information on measures]
A.	Liquidity adequacy assessment	<i>Adequate/Inadequate</i>	<i>Adequate/Inadequate</i>	<i>Adequate/Inadequate</i>
B.	Proposal for joint decision - Quantitative measures (Articles 104 and 105)			
	Specific liquidity buffer requirements [To be specified in terms of LCR eligible assets post-introduction of LCR as a standard (optional before)]			
	Specific stable funding requirements [To be specified on NSFR definition post-NSFR introduced as a standard (optional before)]			
	Other quantitative restrictions/requirements			
D	Proposal for joint decision — Qualitative measures (Articles 104 and 105)			

Memoranda items (values at reference date)		
<i>Actual LCR ratio or any other equivalent domestic ratio (until LCR implementation in CRR)</i>		
<i>Actual NSFR ratio or any other equivalent domestic ratio (until NSFR implementation in CRR)</i>		
<i>LCR buffer requirement, if any ('Pillar 1')</i>		
<i>NSFR stable funding requirement, if any ('Pillar 1')</i>		
<i>Any other prudential requirements applicable to the institution, including under Article 103 of Directive 2013/36/EU, macro-prudential measures and recommendations of EBA and ESRB</i>		
