**ANNEX II**

**INSTRUCTIONS FOR COMPLETING THE REPORTING ON MREL DECISIONS**

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**PART I: GENERAL INSTRUCTIONS**

1. This annex covers instructions for the reporting of the minimum requirement for own funds and eligible liabilities (MREL) that has been set by the Resolution authorities, in accordance with Article 45j of BRRD.
2. Each resolution authority, in coordination with competent authorities, shall inform the EBA of the minimum requirement for own funds and eligible liabilities that has been set for each institution under its jurisdiction. With regard to resolution groups, the group-level resolution authority shall transmit the relevant information for the parent entity (on a consolidated basis and, where applicable, on an individual basis). Each resolution authority shall transmit the information regarding the MREL that has been set in relation to resolution groups and subsidiaries.
3. For groups established or having subsidiaries within the banking union, the Single Resolution Board will report on decisions taken in relation to all entities falling under its jurisdiction as defined in Article 7(2) of the SRM Regulation.
4. Where the underlying data is in a currency other than EUR, the authorities shall use ECB euro foreign exchange reference rates (https://www.ecb.europa.eu/stats/policy\_and\_exchange\_rates/euro\_reference\_exchange\_rates/html/index.en.html) as of date of the MREL decision and report all amounts in euro.
5. Where an institution has been waived from MREL, this shall be indicated in column 0070 and the simplified reporting is available with only information in columns 0010 to 0080 to be reported. Where an institution is subject to a zero recapitalisation amount and no adjustment is made to the loss absorbing amount then the resolution authority can opt for simplified reporting with only report information in columns 0010 to 0060.
6. **Scope of the notification**
7. Institutions (including investment firms, as per Article 2(1) (23) BRRD) and entities referred to in points (b), (c) and (d) of Article 1(1) BRRD (Article 45(1) BRRD), except mortgage credit institutions financed by covered bonds (Article 45a BRRD).
8. **Scope of consolidation**
9. The underlying data shall be reported on an individual basis for each institution within each Member State, and at the level of the Union parent undertaking on a consolidated basis or, where different, for each resolution entity at consolidated resolution group level.
10. **Deadline for submission**
11. Resolution authorities shall transmit the information for the MREL applicable as of 1 May of each year by 31 May.

**PART II: TEMPLATE RELATED INSTRUCTIONS**

1. **M 10.00 – Reporting on MREL decisions**
   1. Instructions concerning specific columns

|  |  |
| --- | --- |
| Columns | Legal references and instructions |
| 0010 | **ENTITY CODE**  Code of the entity for which is set the MREL decision. For institutions the code shall be the 20-digit, alphanumeric LEI code. For other entities the code shall be the 20-digit, alphanumeric LEI code, or if not available a code under a uniform codification applicable in the Union, or if not available a national code.  The code shall be consistent with the code reported for the same institution under the Reporting Regulation (Commission Implementing Regulation2018/1624). The code shall always have a value. This code shall be the unique identifier for each column for the relevant entity. |
| 0020 | **RESOLUTION ENTITY CODE**  Code of the resolution entity to which relates the entity. This code shall be the same as the previous column in case it is a group decision. For institutions the code shall be the 20-digit, alphanumeric LEI code. For other entities the code shall be the 20-digit, alphanumeric LEI code, or if not available a code under a uniform codification applicable in the Union, or if not available a national code.  The code shall be consistent with the code reported for the same institution under the Reporting Regulation (Commission Implementing Regulation 2018/1624. |
| 0030 | **CONSOLIDATION PERIMETER**  Reporting authorities shall report one of the following:   * Resolution group * Individual |
| 0040 | **TYPE OF INSTITUTION**  Reporting authorities shall report one of the following:   * GSII or resolution group as part of a GSII: as defined in point (133) of Art. 4(1) of Regulation (EU) No. 575/2013 * Top tier: resolution entities part of a resolution group the total assets of which exceed EUR 100 billion at resolution group level * Pillar 1 banks (fished): resolution entities part of a resolution group the total assets of which are lower than EUR 100 billion and which the resolution authority has assessed as reasonably likely to pose a systemic risk in the event of its failure * Other credit institution * Investment firms |
| 0050 | **INTERNAL OR EXTERNAL?**  Reporting authorities shall report one of the following:   * Internal: MREL applied to entities that are not themselves resolution entities pursuant to Article 45f BRRD. * External: MREL applied to entities that are resolution entities pursuant to Article 45e BRRD. |
| 0060 | **SIMPLIFIED REPORTING**  Reporting authorities shall indicate whether the simplified reporting for institutions for which the recapitalisation amount is zero and where no adjustments to Loss absorption amount (LAA) is applied:   * Yes * No |
| 0070 | **WAIVER**  Reporting authorities shall indicate whether the waiver granted on the basis of the following article of BRRD:   * 45f(3) * 45f(4) * 45g * No |
| 0080 | **REASON FOR WAIVER**  In case the option other than “No” has been reported in column 0070, reporting authorities shall describe the reason to apply the waiver. |
| 0090-0130 | **RESOLUTION STRATEGY AND TOOLS** |
| 0090 | **RESOLUTION STRATEGY**  Reporting authorities shall report one of the following:   * SPE * MPE * Liquidation |
| 0100 | **MAIN RESOLUTION TOOL (PREFERRED STRATEGY)**  Reporting authorities shall report one of the following:   * open bank bail-in * bridge institution * sale of business * N/A   If column 0090 was reported as Liquidation, this column shall be reported as N/A. |
| 0110 | **SECOND RESOLUTION TOOL (PREFERRED STRATEGY)**  Reporting authorities shall report one of the following:   * open bank bail-in * bridge institution * asset separation * sale of business * N/A   If column 0090 was reported as Liquidation or if no alternative strategy has been set, this column shall be reported as N/A. |
| 0120 | **MAIN RESOLUTION TOOL (VARIANT STRATEGY)**  Reporting authorities shall report one of the following (if applicable):   * open bank bail-in * bridge institution * sale of business * N/A   If column 0090 was reported as Liquidation, this column shall be reported as N/A. |
| 0130 | **SECOND RESOLUTION TOOL (VARIANT STRATEGY)**  Reporting authorities shall report one of the following:   * open bank bail-in * bridge institution * asset separation * sale of business * N/A   If column 0090 was reported as Liquidation, this column shall be reported as N/A. |
| 0140-0170 | **SUPERVISORY PILLAR 2 AND COMBINED BUFFER REQUIREMENT**  The information on Pillar 2 requirements used as input for calibrating MREL shall be based on the latest available official own fund requirements communicated by the competent authority as the time of the calibration of MREL. |
| 0140 | **DATE**  The date when the competent authority communicated the Pillar 2 requirement and combined buffer requirement to the institution. |
| 0150 | **REQUIREMENT AS % OF TREA**  Pillar 2 requirement to hold additional own funds in excess of these requirements, in particular pursuant to Article 104(1), letter (a), of Directive 2013/36/EU used to calibrate MREL or as estimated as per ITS BRRD art 45c(4). |
| 0160 | **COMBINED BUFFER REQUIREMENT**  Combined buffer requirement referred to in point (6) of Article 128 CRD. The amount reported shall represent the amount of own funds needed to fulfil the respective capital buffer requirements or as estimated as per ITS BRRD art 45c(4). |
| 0170 | **OF WHICH: COUNTERCYCLICAL CAPITAL BUFFER**  Point (2) of Article 128 and Articles 130, 135 to 140 CRD. The amount reported shall represent the amount of own funds needed to fulfil the respective capital buffer requirements used to calibrate MREL. |
| 0180-0240 | **BALANCE SHEET DATA USED TO CALIBRATE MREL** |
| 0180 | **REFERENCE DATE**  Reference date of the data reported in columns 0190 to 0240. |
| 0190-0210 | **BEFORE RESOLUTION**  Balance sheet data used to calibrate MREL before resolution. |
| 0220-0240 | **AFTER RESOLUTION**  Balance sheet data used to calibrate MREL after resolution. |
| 0190, 0220 | **TREA**  Total risk exposure amount in accordance with Article 45 (2) (a) BRRD and Article 92(3) CRR. |
| 0200, 0230 | **TLOF**  Sum of all liabilities and own funds of the reporting entity. With respect to derivatives, the value to be used shall be the sum of net liability positions taking into account prudential netting rules.  This item corresponds to the information reported in column 0600 of template Z 02.00 of Annex I to Commission Implementing Regulation (EU) 2018/1624. |
| 0210, 0240 | **TEM**  Total exposure measure in accordance with Article 45(2)(b) BRRD, Articles 429(4) and 429a CRR. |
| 0250-0360 | **MREL DECISION** |
| 0250 | **DECISION DATE**  Date when the resolution authority decided the MREL or waiver decision. |
| 0260 | **COMPLIANCE DATE**  Date from when the institution shall comply with the MREL or waiver decision. |
| 0270 | **REQUIREMENT AS % OF TREA**  Reporting authorities shall report MREL expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92(3) CRR. |
| 0280 | **OF WHICH: MAY BE MET WITH GUARANTEES**  The part of the requirement reported in column0270, that upon permission of the relevant resolution authority may be met with a guarantee provided by the resolution entity in accordance with Article 45f(5) BRRD, expressed as a percentage of TREA calculated in accordance with Article 92(3) CRR. |
| 0290 | **REQUIREMENT AS % OF TEM**  The entity’s MREL (requirement) expressed as a percentage of the total exposure measure calculated in accordance with Articles 429(4) and 429a CRR. |
| 0300 | **OF WHICH: MAY BE MET WITH GUARANTEES**  The part of the requirement reported in column 0290, that upon permission of the relevant resolution authority may be met with a guarantee provided by the resolution entity in accordance with Article 45f(5) BRRD, expressed as a percentage of TEM calculated in accordance with Articles 429(4) and 429a CRR. |
| 0310-0320 | **TOTAL SUBORDINATION AS % OF TREA**  Reporting authorities shall report the subordination requirement levels expressed as a percentage of the of the total risk exposure amount (100% for internal MREL). |
| 0330-0340 | **TOTAL SUBORDINATION AS % OF TEM**  Reporting authorities shall report the subordination requirement levels expressed as a percentage of the total exposure measure (100% for internal MREL). |
| 0310, 0330 | **MANDATORY P1 SUBORDINATION REQUIREMENT**  Reporting authorities shall report the subordination requirement levels in accordance with Article 45c(5) and (6) and article 45d(2)a BRRD. |
| 0320, 0340 | **DISCRETIONARY P2 SUBORDINATION REQUIREMENT**  Reporting authorities shall report the subordination requirement levels in accordance with Article 45b(4), (5) and (7) BRRD. |
| 0350 | **SENIOR DEBT ALLOWANCE (TREA)**  As per art. Art 72b (3) CRR, for GSIIs reporting authorities shall report the share of liabilities allowed to qualify as eligible liabilities instruments up to an aggregate amount that does not exceed 3,5 % of the total risk exposure amount calculated in accordance with Article 92(3) and (4) of CRR. |
| 0360 | **DE MINIMIS ALLOWANCE**  For GSIIs, reporting authorities shall report the share of excluded liabilities referred to in Article 72a(2) CRR which rank *pari passu* or below those liabilities in insolvency in terms of the amount of the own funds and eligible liabilities of the institution as per Article 72b(4) CRR. |
| 0370-0460 | **ADJUSTMENTS** |
| 0370-0380 | **ADJUSTMENTS FOR CALIBRATING THE LOSS ABSORBING AMOUNT AS % OF TREA**  Adjustments to the loss absorbing amount pursuant Article 45c(2) 1st subparagaraph BRRD expressed as a percentage of the total risk exposure amount. |
| 0390-0440 | **ADJUSTMENTS FOR CALIBRATING THE RECAPITALISATION AMOUNT AS % OF TREA**  Adjustments to the recapitalisation amount pursuant to Article 45c(3)(a)(ii) and 45c(7)(a)(ii) BRRD expressed as a percentage of the total risk exposure amount. |
| 0390-0400 | **ADJUSTEMENTS TO P2**  Input any adjustment to the supervisory pillar 2 pursuant to Article 45c(3), fifth subparagraph, letter (b) of Article 45c(7) fifth subparagraph, letter (b) BRRD. |
| 0410-0420 | **ADJUSTMENTS TO MARKET CONFIDENCE BUFFER**  Adjustments pursuant to the Article 45c(3), sixth subparagraph and the Article 45c(7), sixth subparagraph of BRRD. |
| 0430-0440 | **ADJUSTMENTS RESULTING FROM CHANGE IN THE BALANCE SHEET POST RESOLUTION**  Adjustments pursuant to Article 45c(3), fifth subparagraph, letter (а) BRRD. |
| 0450-0460 | **ADJUSTMENTS FOR CALIBRATING THE RECAPITALISATION AMOUNT AS % OF TEM - ADJUSTMENTS RESULTING FROM CHANGE IN THE BALANCE SHEET POST RESOLUTION**  Adjustments to the recapitalisation amount resulting from change in the balance sheet post resolution pursuant to Article 45c(3)(b)(ii) and Article 45c(7)(b)(ii) BRRD expressed as a percentage of the total exposure amount. |
| 0370, 0390, 0410, 0430 and 0450 | **UPWARD** |
| 0380, 0400, 0420, 0440 and 0460 | **DOWNWARD** |
| 0470-0520 | **TRANSITION PERIOD**  Reporting authorities shall indicate any intermediary target you may have set for the two following years after the reporting date. These targets shall be expressed both as a percentage of the total risk exposure amount and as a percentage of the total exposure measure. |
| 0470 and 0500 | **MREL LEVEL**  Reporting authorities shall indicate the total MREL level institutions shall meet at the intermediary date |
| 0480 and 0510 | **SUBORDINATION**  Reporting authorities shall indicate the total subordinated level institutions shall meet at the intermediary date. |
| 0490 and 0520 | **DATE OF APPLICATION**  Reporting authorities shall indicate the transition dates of the path to MREL compliance. |