Guernsey Financial
Services Commission

Guidance to completing the NSFR module of Form LCR and LMR

Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ratio has been developed to ensure a stable funding profile in relation to the characteristics of the composition of an institution's assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. This metric establishes a minimum level of stable funding based on the liquidity characteristics of an institution's on- and off-balance sheet items over a one year horizon.

The NSFR is defined as the ratio of the amount of available stable funding to the amount of required stable funding. Available stable funding is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of such funding required of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet exposures.

Banks should report their NSFR using the same scope of application as for the Liquidity Coverage Ratio (or Liquidity Mismatch Ratio if applicable). All references to LCR definitions in the NSFR refer to the definitions in the Commission's LCR (or LMR) guidance.

The template asks banks to allocate their liabilities and capital as reported on their balance sheet to the specific Available Stable Funding (ASF) categories outlined below. Banks should allocate the assets reported on their balance sheet to specific Required Stable Funding (RSF) categories according to:

(i) their remaining maturity;
(ii) whether they are unencumbered or encumbered; and,
(iii) if they are encumbered, the duration of the encumbrance.

Treatment of securities financing transactions

Use of balance sheet and accounting treatments should generally result in banks **excluding,** from their assets, securities which they have borrowed in securities financing transactions (such as reverse repos and collateral swaps) where they do not have beneficial ownership. In contrast, banks should **include** securities they have lent in securities financing transactions (such as repos or collateral swaps) where they retain beneficial ownership.

Banks should also exclude any securities they have received through collateral swaps if these securities do not appear on their balance sheets.

Where banks have encumbered securities in repos or other securities financing transactions, but have retained beneficial ownership and those assets remain on the bank's balance sheet, the bank should allocate such securities to the appropriate RSF category.

Securities financing transactions with a single counterparty may be measured net when calculating the NSFR, provided that the netting conditions set out in item 13 of Module 11 are met.

Treatment of encumbrance

In accordance with the principle that a bank cannot derive liquidity benefit from assets that they have encumbered, banks are required to identify whether specific assets have been encumbered and for what duration. For each category of assets, banks should report in separate lines the balances of encumbered and unencumbered assets in the appropriate column, depending on the residual maturity of the asset.

Further details of how encumbrance is to be reported are included below.

Treatment of derivatives payables and derivatives receivables

A bank will usually have both derivatives liabilities (i.e. payables) and derivative assets (i.e. receivables) on its balance sheet. Derivative liabilities are calculated first based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a negative value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 1 and 2 of Annex 1 of Module 11, the replacement cost for the set of derivative exposures covered by the contract will be the net replacement cost. In calculating NSFR derivative liabilities, collateral posted in the form of variation margin in connection with derivatives contracts, regardless of the asset type, must be deducted from the negative replacement cost amount.[1, 2]

Derivative assets are calculated first based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a positive value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 1 and 2 of Annex 1 of Module 11, the replacement cost for the set of derivative exposures covered by the contract will be the net replacement cost.

In calculating NSFR derivatives assets, collateral received in connection with derivatives contracts may not offset the positive replacement cost amount, regardless of whether or not netting is permitted under the bank's operative accounting or risk-based framework, unless it is received in the form of cash variation margin and meets the conditions as specified in item 7 of Module 11.[3] Any remaining balance sheet liability associated with (a) variation margin received that does not meet the criteria above or (b) initial margin received may not offset derivative assets and should be assigned a 0% ASF factor.

Available stable funding (panel A)

The available amount of stable funding is calculated by first assigning the **carrying value** of an institution's capital and liabilities to the categories below. Carrying value represents the amount at which a liability or equity instrument is recorded before the application of any regulatory deductions, filters or other adjustments and is the amount prior to the application of any ASF factors.

- Institutions should report all capital and liabilities to the appropriate columns based on maturity.
- When determining the maturity of an instrument, investors are assumed to redeem a call option at the earliest possible date. For funding with options exercisable at the bank's discretion supervisors should take into account reputational factors that may limit a bank's ability not to exercise the option.[4] In particular, where the market expects certain liabilities to be redeemed before their legal final maturity date, banks and supervisors should assume such behaviour for the purpose of the NSFR and include these liabilities in the corresponding ASF category. For long-dated liabilities, only the portion of cash flows falling at or beyond the six month and one-year time horizons should be treated as having an effective residual maturity of six months or more and one year or more, respectively.
- For retail and small business customers the same methodology for determining maturity should be followed in the NSFR as in the LCR.
- Deposits with a fixed term should be allocated to the appropriate maturity bucket; non-maturity (demand) deposits should be reported in the column for less than six months.

[1] NSFR derivative liabilities = (derivative liabilities) – (total collateral posted as variation margin on derivative liabilities).

[2] To the extent the bank's accounting framework reflects on balance sheet, in connection with a derivatives contract, an asset associated with collateral posted as variation margin that is deducted from the replacement cost amount for purposes of the NSFR, that asset should not be included in the calculation of a bank's RSF to avoid any double counting

[3] NSFR derivative assets = (derivative assets) – (cash collateral received as variation margin on derivative assets)

[4] This could reflect a case where a bank may imply that it would be subject to funding risk if it did not exercise an option on its own funding.

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
6	Tier 1 and 2 capital before the application of capital deductions and excluding the proportion of Tier 2 instruments with residual maturity of less than one year	The total amount of regulatory capital, before the application of capital deductions, excluding the proportion of Tier 2 instruments with residual maturity of less than one year.	21(a)
8	Capital instruments not included above with an effective residual maturity of one year or more	The total amount of any capital instrument not included in line 6 that has an effective residual maturity of one year or more but excluding any instruments with explicit or embedded options that, if exercised, would reduce the expected maturity to less than one year.	21(b)
9	"Stable" demand and/or term deposits from retail and small business customers	"Stable" non-maturity (demand) deposits and/or term deposits provided by retail customers and small business customers which are covered by deposit compensation meeting the following criteria: • the deposit is taken in either a Crown Dependency (CD) head office / branch, an EU branch (of a CD incorporated bank) or a branch (of a CD incorporated bank) in a jurisdiction where the Commission has agreed that a deposit compensation scheme equivalent to the Guernsey Banking Deposit Compensation Scheme exists; and • the deposit is on demand or has an original maturity of one week or less (and hence can be considered to be transactional) or the customer has another relationship with the bank that would make deposit withdrawal highly unlikely. Term deposits, regardless of the residual contractual maturity, which may be withdrawn early without entailing a withdrawal penalty significantly greater than the loss of interest should be reported in the <6 months column.	
11	"Less stable" demand and/or term deposits from retail and small business customers	"Less stable" non-maturity (demand) deposits and/or term deposits provided by retail and small business customers which are either: • amounts not covered by deposit compensation; or • covered by deposit compensation but the deposit is non-transactional (i.e. has an original maturity of more than one week); or • covered by deposit compensation but the customer has no relationship with the bank that would make deposit	21(c), 23

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
		withdrawal highly unlikely. Term deposits, regardless of the residual contractual maturity, which may be withdrawn early without entailing a withdrawal penalty significantly greater than the loss of interest should be reported in the <6 months column.	
13	Unsecured funding from non-financial corporates	Unsecured funding, non-maturity deposits and/or term deposits provided by non-financial corporates (excluding small business customers but including PIC, Guernsey RATS and Guernsey-registered charity deposits).	21(c), 24(a)
14	Of which is an operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by non-financial corporates with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
15	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by non-financial corporates without operational relationships, as defined in the LCR.	107–108 (Basel III LCR standards)
16	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by non-financial corporates.	
20	Unsecured funding from central banks	Unsecured funding, non-maturity deposits and/or term deposits provided by central banks.	21(c), 24(b), 24(d), 25(a)
21	Of which is an operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by central banks with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
22	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by central banks without operational relationships, as defined in the LCR.	107–108 (Basel III LCR standards)
23	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by central banks.	
25	Unsecured funding from sovereigns, PSEs, MDBs and NDBs	Unsecured funding, non-maturity deposits and/or term deposits provided by sovereigns, public sector entities (PSEs), multilateral development banks (MDBs) and national development banks (NDBs). Banks should include in this line unsecured funding received from the Bank for International Settlements, the International Monetary Fund and the European Commission.	21(c), 24(c)
26	Of which is an operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by sovereigns, PSEs, MDBs and NDBs with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
27	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by sovereigns, PSEs, MDBs and NDBs without operational relationships, as defined in the LCR.	107–108 (Basel III LCR standards)

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
28	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by sovereigns, PSEs, MDBs and NDBs.	
32	Unsecured funding from other legal entities (including financial corporates and financial institutions)	The total amount of unsecured borrowings and liabilities (including term deposits) not reported in rows 13 to 28, comprising funding from other legal entities (including financial corporates and financial institutions (other than banks that are members of the same cooperative network of banks).	21(c), 24(b), 24(d), 25(a)
33	Of which is an operational deposit (as defined in the LCR)	Banks should report the total amount of unsecured deposits provided by other legal entities with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
34	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the total amount of unsecured deposits provided by other legal entities without operational relationships, as defined in the LCR. Swiss fiduciary deposits should be included here.	109 (Basel III LCR standards)
35	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by other legal entities (including financial corporates and financial institutions). Banks should report here any non-deposit unsecured funding for which a counterparty cannot be determined (and is thus not reported in lines 16, 23, and/or 28) such as unsecured debt issuance.	
42	Secured borrowings and liabilities (including secured term deposits): of which are from:	The total amount of secured borrowings and liabilities (including term deposits). Secured funding is defined as those liabilities and general obligations that are collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution.	21(c), 24, 25(a)
43	Retail and small business customers	The amount of secured borrowings and liabilities (including term deposits) from retail and small business customers.	
44	Non-financial corporates	The amount of secured borrowings and liabilities (including term deposits) from non-financial corporates.	
45	Central banks	The amount of secured borrowings and liabilities (including term deposits) from central banks.	
46	Sovereigns/PSEs/MDBs/NDBs	The amount of secured borrowings and liabilities (including term deposits) from sovereigns/PSEs and multilateral and national development banks.	
47	Other legal entities (including financial corporates and financial institutions)	The amount of secured borrowings and liabilities (including term deposits) from other legal entities (including financial corporates and financial institutions).	
49	Derivative Liabilities, gross of variation margin posted	Report derivative liabilities based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a negative value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 1 and 2 of Annex 1 of Module 11leverage ratio framework, the replacement cost for the set	19

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
		of derivative exposures covered by the contract will be the net replacement cost. The value reported here should be gross of variation margin posted. That is, it should represent derivative liabilities prior to the deduction of variation margin posted.	
54	Total variation margin posted	All collateral posted in the form of variation margin in connection with derivative contracts, regardless of asset type. To the extent the bank's accounting framework reflects on balance sheet, in connection with a derivatives contract, an asset associated with collateral posted as variation margin that is deducted from the replacement cost amount for purposes of the NSFR, that asset should not be included in RSF items below to avoid any double counting.	
59	NSFR derivative liabilities (derivative liabilities less total collateral posted as variation margin on derivative liabilities)	Non-entry field. In calculating NSFR derivative liabilities, collateral posted in the form of variation margin in connection with derivatives contracts, regardless of the asset type, is deducted from the negative replacement cost amount or the negative net replacement cost where applicable.51	19, 20, FN 6
72	Deferred tax liabilities (DTLs)	The amount of deferred tax liabilities, reported according to the nearest possible date in which such liabilities could be realised.	25(b)
73	Minority interest	The amount of minority interest, reported according to the term of the instrument, usually in perpetuity.	25(b)
74	Trade date payables	The amount of payables arising from purchases of financial instruments, foreign currencies and commodities that (i) are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transaction, or (ii) have failed to, but are still expected to, settle.	25(d)
75	Interdependent liabilities	With the prior agreement of the Commission, report here liability items which, on the basis of contractual arrangements, are interdependent on corresponding assets report in line 249 below such that: the liability cannot fall due while the asset remains on the balance sheet, the principal payment flows from the asset cannot be used for something other than repaying the liability, and the liability cannot be used to fund other assets. For interdependent items, supervisors may adjust RSF and ASF factors so that they are both 0%, subject to the following criteria: • The individual interdependent asset and liability items must be clearly identifiable. • The maturity and principal amount of both the liability and its interdependent asset should be the same. • The bank is acting solely as a pass-through unit to channel the funding received (the interdependent liability) into the corresponding interdependent asset. • The counterparties for each pair of interdependent liabilities and assets should not be the same.	45

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
76	All other liability and equity categories not included above	All other liabilities of the institution (not otherwise reported in above categories) should be accounted for in this row at their carrying value. The value of short positions and open maturity positions should be reported in the < 6 month column. Note: deductions from capital should not be included in the amount reported in this line item, and should instead be reported according to the instructions in line 247 below.	21(c), 24(d), 25(a), 25(b)

Required stable funding (panel B)

The amount of required stable funding (RSF) is measured using assumptions on the broad characteristics of the liquidity risk profile of an institution's assets and off-balance sheet exposures. The amount of required stable funding is calculated by first assigning the **carrying value** of an institution's assets to the categories below. The amount assigned to each category is then multiplied by an RSF factor and the total RSF is the sum of the weighted amounts added to the amount of off-balance sheet activity (or potential liquidity exposure) multiplied by its associated RSF factor.

The RSF factor applied to the reported values of each asset or off-balance sheet exposure is intended to approximate the amount of a particular asset that would have to be funded, either because it will be rolled over or because it could not be monetised through sale or used as collateral in a secured borrowing transaction over the course of one year without significant expense. Under the standard, such amounts are expected to be supported by stable funding.

In completing this section of the template banks should allocate the assets recorded on their balance sheet to the appropriate RSF category. For purposes of determining its required stable funding, an institution should (i) include financial instruments, foreign currencies and commodities for which a purchase order has been executed, and (ii) exclude financial instruments, foreign currencies and commodities for which a sales order has been executed, even if such transactions have not been reflected in the balance sheet under a settlement-date accounting model, provided that (i) such transactions are not reflected as derivatives or secured financing transactions in the institution's balance sheet, and (ii) the effects of such transactions will be reflected in the institution's balance sheet when settled.

Treatment of encumbrance

Where indicated, banks should report assets according to:

i. whether they are encumbered or unencumbered; and,
ii. if they are encumbered, according to the period of encumbrance.
iii. in determining encumbrance where it is not tied to specific assets, eg the encumbrance is allocated against a pool of assets that includes different RSF categories, the bank should assume that the highest RSF factor assets are encumbered first.

Where a bank has rehypothecated assets in which it has both positions it owns outright and borrowed positions, a bank should assume it has encumbered the borrowed securities first, unless it has an internal process for making this allocation, or it has applied a different methodology for determining the encumbrance of positions in the LCR. For example, if for the LCR the bank assumes positions held outright are encumbered before borrowed positions in order to recognise inflows from maturing borrowed positions, then the bank must use an equivalent approach for these transactions in the NSFR. For their encumbered assets, banks should first report their value in the appropriate column **according to residual maturity** at the carrying value on the balance sheet, and not the value assigned to it for the purposes of the encumbrance transaction. If the bank is required to over-collateralise transactions, for example due to the application of haircuts, or to achieve a desired credit-rating on a funding instrument, then these excess assets should be reported as encumbered.

The bank should then report that same value **according to the remaining period of encumbrance** in the same column of the appropriate row beneath. Banks should consider whether specific assets have a remaining term of encumbrance period (or residual encumbrance period) that is longer than the maturity of the asset, eg where in practice there is a requirement to encumber additional assets at the contracted maturity date of the currently encumbered asset. For example, if debt is secured on loans of a shorter maturity and the bank will be required to pledge additional collateral to maintain appropriate collateralisation levels, as may be the case with mortgage-backed securities.

For example, if a bank had a non-financial corporate loan that had a value of 50 with a residual maturity of 10 months, 25 of which were encumbered for a remaining period of two months, and 25 of which were encumbered for a remaining period of for seven months, it would complete the template as follows:

	Amount		
	< 6 months	≥ 6 months to < 1 year	≥1 year
Loans to sovereigns, PSEs, MDBs and NDBs with a residual maturity of less than one year; of which:			
Unencumbered			
Encumbered; of which:			
Remaining period of encumbrance < 6 months		25	
Remaining period of encumbrance ≥ 6 months to < 1 year		25	
Remaining period of encumbrance ≥ 1 year			

B) Required stable funding

The required amount of stable funding is calculated by first assigning the carrying value of an institution's assets to the categories below. The amount assigned to each category is to be multiplied by an RSF factor and the total RSF is the sum of the weighted amounts.

Of note, definitions in the NSFR mirror those in the LCR, unless otherwise specified. In addition, for purposes of calculating the NSFR, HQLA is defined as all HQLA without regard to LCR operational requirements and LCR caps on Level 2 and Level 2B assets that may limit the ability of some HQLA to be included as eligible HQLA in the calculation of the LCR.

Assets that are deducted from capital should be reported in the relevant asset categories below.

Treatment of maturity

- Institutions should allocate all assets to the appropriate columns based on their residual maturity or liquidity value.
- When determining the maturity of an instrument, investors are assumed to exercise any option to

extend maturity.

- For assets with options exercisable at the bank's discretion, supervisors should take into account reputational factors that may limit a bank's ability not to exercise the option.[5] In particular, where the market expects certain assets to be extended in their maturity, banks and supervisors should assume such behaviour for the purpose of the NSFR and include these assets in the corresponding RSF category.
- For amortising loans, the portion that comes due within the one-year horizon can be treated in the less than one year residual maturity categories.

B1) On-balance sheet items			
Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
84	Coins and banknotes	Coins and banknotes currently held and immediately available to meet obligations. Banks should not report loans to counterparties in this row.	36(a)
102	Loans to financial institutions, of which:	Loans to all financial institutions. Non-performing loans should not be included in this category, rather these should be reported in line 211. Deposits held at financial institutions for operational purposes should not be reported here and should instead be reported in line 139.	31, 38, 39(b), 40(c), 43(a), 43(c)
103	Loans to financial institutions secured by Level 1 collateral and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan, of which:	All loans to financial institutions where the loan is secured against Level 1 assets, as defined in LCR guidance, **and** where the bank has the ability to freely rehypothecate the received collateral for the life of the loan. Report loans to financial institutions secured by Level 1 assets where the bank **does not** have the ability to freely rehypothecate the received collateral for the life of the loan in line 109 below.	31, 38, 40(c), 43(a), 43(c)
104	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
105	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
106	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
107	Remaining period of encumbrance ≥ 6 months to < 1 year		
108	Remaining period of encumbrance ≥ 1 year		
109	All other secured loans to	All other secured loans to financial institutions, including both	31, 39(b),

[5] This could reflect a case where a bank may imply that it would be subject to funding risk if it did not exercise an option to extend the maturity of its own assets.

	financial institutions, of which:	loans secured against collateral other than Level 1 assets and loans secured by Level 1 assets where the bank does not have the ability to freely rehypothecate the received collateral for the life of the loan.	40(c), 43(a), 43(c)
110	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity. This includes both unencumbered loans secured against collateral other than Level 1 assets and unencumbered loans secured by Level 1 assets where the bank does not have the ability to freely rehypothecate the received collateral for the life of the loan.	
111	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity. This includes both encumbered loans secured against collateral other than Level 1 assets and encumbered loans secured by Level 1 assets where the bank does not have the ability to freely rehypothecate the received collateral for the life of the loan.	
112	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
113	Remaining period of encumbrance ≥ 6 months to < 1 year		
114	Remaining period of encumbrance ≥ 1 year		
115	Unsecured loans to financial institutions, of which:	All loans to financial institutions that are unsecured.	31, 39(b), 40(c), 43(a), 43(c)
116	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
117	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
118	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
119	Remaining period of encumbrance ≥ 6 months to < 1 year		
120	Remaining period of encumbrance ≥ 1 year		
121	Securities eligible as Level 1 HQLA for the LCR, of which:	Securities that, if unencumbered, would qualify as Level 1 liquid assets as defined in the LCR guidance. Securities that would otherwise qualify according to that paragraph, but are excluded for operational or other reasons, are reported in this category. Securities in default should not be included in this category; rather these should be reported in line 211.	31, 37, 40(b), 43(a)
122	Unencumbered	Banks should report in this row all such **unencumbered**	

		securities in the appropriate column according to their residual maturity.	
123	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
124	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
125	Remaining period of encumbrance ≥ 6 months to < 1 year		
126	Remaining period of encumbrance ≥ 1 year		
127	Securities eligible for Level 2A HQLA for the LCR, of which:	Securities that, if unencumbered, would qualify as Level 2A liquid assets, as defined in the LCR guidance. Securities that would otherwise qualify according to that paragraph, but are excluded for exceeding the 40% cap, or for operational or other reasons, are reported in this category. Securities in default should not be included in this category; rather these should be reported in line 211.	31, 39(a), 40(b), 43(a)
128	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
129	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
130	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
131	Remaining period of encumbrance ≥ 6 months to < 1 year		
132	Remaining period of encumbrance ≥ 1 year		
133	Securities eligible for Level 2B HQLA for the LCR, of which:	Securities that, if unencumbered, would qualify as Level 2B liquid assets, as defined in the LCR guidance. Securities that would otherwise qualify, but are excluded for exceeding the 15% or 40% caps, or for operational or other reasons, are reported in this category. Securities in default should not be included in this category; rather these should be reported in line 211.	31, 40(a), 40(b), 43(a)
134	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
135	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
136	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**.	
137	Remaining period of		

	encumbrance ≥ 6 months to < 1 year	Attention is drawn to the worked example at the start of this section.	
138	Remaining period of encumbrance ≥ 1 year		
139	Deposits held at financial institutions for operational purposes, of which:	Deposits held at financial institutions, including banks subject to prudential supervision, for operational purposes, as defined in the LCR guidance.	31, 40(d), 43(a)
140	Unencumbered	Banks should report in this row all such **unencumbered** deposits in the appropriate column according to their residual maturity.	
141	Encumbered, of which:	Banks should report in these rows all such **encumbered** deposits, regardless of counterparty, in the appropriate column according to their residual maturity.	
142	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing deposits that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
143	Remaining period of encumbrance ≥ 6 months to < 1 year		
144	Remaining period of encumbrance ≥ 1 year		
145	Loans to non-financial corporate clients with a residual maturity of less than one year; of which:	Loans to non-financial corporate clients having a residual maturity of less than one year. Non-performing loans should not be included in this category, rather these should be reported in line 211. Performing loans to non-financial corporate clients with a residual maturity of less than one year and with a greater than 35% risk weight under the standardised approach for credit risk should be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 43(a)
146	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
147	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
148	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
149	Remaining period of encumbrance ≥ 6 months to < 1 year		
150	Remaining period of encumbrance ≥ 1 year		
151	Loans to central banks with a residual maturity of less than one year; of which:	Loans to central banks having a residual maturity of less than one year that do not qualify to meet local reserve requirements. Balances (including term placements) that qualify toward reserve requirements should be considered as “total central bank reserves” and reported in row 85, even if these balances are in excess of the required level of reserves.	31, 36(c), 40(c), 43(a)

		Non-performing loans should not be included in this category, rather these should be reported in line 211. Performing loans to central banks with a residual maturity of less than one year and a greater than 35% risk weight under the standardised approach for credit risk should be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	
152	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
153	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
154	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
155	Remaining period of encumbrance ≥ 6 months to < 1 year		
156	Remaining period of encumbrance ≥ 1 year		
157	Loans to sovereigns, PSEs, MDBs and NDBs with a residual maturity of less than one year; of which:	Loans to sovereigns, PSEs, MDBs and NDBs having a residual maturity of less than one year. Loans to the Bank for International Settlements, the International Monetary Fund and the European Commission should also be reported in this category. Non-performing loans should not be included in this category; rather these should be reported in line 211. Performing loans to sovereigns, PSEs, MDBs and NDBs with a residual maturity of less than one year and a greater than 35% risk weight under the standardised approach for credit risk should be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 41, 43(a)
158	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
159	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
160	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this	
161	Remaining period of encumbrance ≥ 6 months to		

	< 1 year	section.	
162	Remaining period of encumbrance ≥ 1 year		
163	Residential mortgages of any maturity that would qualify for the 35% risk weight under the standardised approach for credit risk, of which:	Residential mortgages of any maturity that would qualify for the 35% risk weight under the standardised approach for credit risk. Non-performing residential mortgages should not be reported in this category; rather these should be reported in line 211. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 41(a), 43(a)
164	Unencumbered	Banks should report in this row all such **unencumbered** mortgages in the appropriate column according to their residual maturity.	
165	Encumbered, of which:	Banks should report in these rows all such **encumbered** mortgages, regardless of counterparty, in the appropriate column according to their residual maturity.	
166	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing mortgages that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
167	Remaining period of encumbrance ≥ 6 months to < 1 year		
168	Remaining period of encumbrance ≥ 1 year		
169	Other loans, excluding loans to financial institutions, with a residual maturity of one year or greater, that would qualify for a 35% or lower risk weight under the standardised approach for credit risk, of which:	Include balances of all other loans, excluding loans to financial institutions, with a residual maturity of one year or more, that would qualify for a 35% or lower risk weight under the standardised approach for credit risk. Non-performing loans should not be reported in this category; rather these should be reported in line 211. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 41(b), 43(a)
170	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
171	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	
172	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
173	Remaining period of encumbrance ≥ 6 months to < 1 year		
174	Remaining period of encumbrance ≥ 1 year		
175	Loans to retail and small business customers	Loans to retail (e.g. natural persons) and small business customers (as defined in the LCR) having a residual maturity	31, 40(e), 43(a)

	(excluding residential mortgages reported above) with a residual maturity of less than one year; of which:	of less than one year. Non-performing loans should not be reported in this category, rather these should be reported in line 211. Performing loans to retail and small business customers with a residual maturity of less than one year with a greater than 35% risk weight under the standardised approach for credit risk should also be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	
176	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
177	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	
178	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
179	Remaining period of encumbrance ≥ 6 months to < 1 year		
180	Remaining period of encumbrance ≥ 1 year		
181	Performing loans (except loans to financial institutions and loans reported in above categories) with risk weights greater than 35% under the standardised approach for credit risk; of which:	Performing loans, not captured by one of the above categories, with a greater than 35% risk weight under the standardised approach for credit risk, excluding loans to financial institutions. Non-performing loans should not be reported in this category, rather these should be reported in line 211. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 42(b), 43(a), FN19
182	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
183	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	
184	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
185	Remaining period of encumbrance ≥ 6 months to < 1 year		
186	Remaining period of encumbrance ≥ 1 year		
187	Non-HQLA exchange traded equities, of which:	Exchange traded equities that do not qualify as Level 2B assets. This includes exchange traded FI equities as well as	31, 42(c), 43(a)

		exchange traded non-FI equities that do not meet all of the requirements for inclusion in row 39 of the LCR. Amounts related to non-HQLA exchange traded equities that are deducted from capital should not be reported here, rather these should be reported in the ≥ 1 year column in row 247.	
188	Unencumbered	Banks should report in this row all such **unencumbered** equities in the appropriate column according to their residual maturity.	
189	Encumbered, of which:	Banks should report in these rows all such **encumbered** equities, regardless of counterparty, in the appropriate column according to their residual maturity.	
190	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing equities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
191	Remaining period of encumbrance ≥ 6 months to < 1 year		
192	Remaining period of encumbrance ≥ 1 year		
193	Non-HQLA securities not in default, of which:	Securities that are not eligible for HQLA treatment as defined by LCR standards, other than non-HQLA exchange traded equities, which should be reported in line 187, and which are not in default. Securities in default should not be reported in this category; rather these should be reported in line 211.	31, 40(e), 42(c), 43(a)
194	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
195	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
196	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
197	Remaining period of encumbrance ≥ 6 months to < 1 year		
198	Remaining period of encumbrance ≥ 1 year		
199	Physical traded commodities including gold, of which:	Total balance of physical traded commodities including gold should be reported in the ≥ 1 year maturity column.	31, 42(d), 43(a)
200	Unencumbered	Banks should report in this row all such **unencumbered** physical traded commodities in the appropriate column according to their residual maturity.	
201	Encumbered, of which:	Banks should report in these rows all such **encumbered** physical traded commodities, regardless of counterparty, in the appropriate column according to their residual maturity.	
202	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing physical traded commodities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
203	Remaining period of encumbrance ≥ 6 months to < 1 year		

204	Remaining period of encumbrance ≥ 1 year		
205	Other short-term unsecured instruments and transactions with a residual maturity of less than one year, of which are:	Banks should report the balances of other short-term unsecured instruments with outstanding maturities of less than one year. Such instruments include but are not limited to: short-term government and corporate bills, notes, and obligations; commercial paper; negotiable CDs; bankers' acceptances; money market mutual funds. **Banks should not report in this row any central bank reserves, Level 1, Level 2A and Level 2B assets, unsecured interbank and other money market placements (eg federal funds or euro currencies sold) or instruments in default. These are reported elsewhere on the template.**	31, 40(e), 43(a)
206	Unencumbered	Banks should report in this row all such **unencumbered** instruments in the appropriate column according to their residual maturity.	
207	Encumbered, of which:	Banks should report in these rows all such **encumbered** instruments, regardless of counterparty, in the appropriate column according to their residual maturity.	
208	Remaining period of encumbrance < 6 months For each cell containing securities that have been	For each cell containing instruments that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
209	Remaining period of encumbrance ≥ 6 months to < 1 year		
210	Remaining period of encumbrance ≥ 1 year		
211	Defaulted securities and non-performing loans	All defaulted securities and non-performing loans should be reported in this line and **not** in one of the above categories. Performing loans are considered to be those that are not past due for more than 90 days in accordance with Module 1. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	43(c), FN19
213	Derivative assets, gross of variation margin received	Report derivative assets based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a positive value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 1 and 2 of Annex 1 of Module 11, the replacement cost for the set of derivative exposures covered by the contract will be the net replacement cost. The value reported here should be gross of variation margin received. That is, it should represent derivative assets prior to the deduction of variation margin received.	
218	Variation margin received, of which:	Collateral received in the form of variation margin in connection with derivatives contracts.	
219	Cash variation margin received, meeting conditions as specified in Item 7 of Module 11	Collateral received in the form of cash variation margin in connection with derivatives contracts meeting the conditions as specified in Item 7 of Module 11.	
230	NSFR derivative assets (derivative assets less cash collateral received as variation margin on derivative assets)	Non-entry field. In calculating NSFR derivatives assets, collateral received in connection with derivatives contracts may not offset the positive replacement cost amount, regardless of whether or not netting is permitted under the bank's operative accounting or risk-based framework, unless	35, FN 16

		it is received in the form of cash variation margin and meets the conditions as specified in item 7 of Module 11.	
231	Required stable funding associated with derivative liabilities	Non-entry field. The value here equals 20% of derivative liabilities (ie negative replacement cost amounts or negative net replacement cost where applicable) before deducting variation margin posted.	43(d)
232	Total initial margin posted	All cash, securities or other assets posted as initial margin for derivative contracts (eg, including any independent amount received in relation to OTC contracts).	
233	Of which, is initial margin posted on bank's own behalf, of which:	All cash, securities or other assets posted as initial margin for derivative contracts taken on the bank's own behalf. This would not include initial margin posted on behalf of a customer, which should be reported in line 237 below. Where securities or other assets posted as initial margin for derivative contracts would otherwise be included in a category receiving a higher RSF factor, they should be reported within that category and not here. Do not include here cash or other assets provided to contribute to the default fund of a central counterparty (CCP), which should be reported in line 245 below.	42(a)
237	Of which, is initial margin posted on behalf of a customer	Cash, securities or other assets posted as initial margin posted on behalf of a customer, where the bank does not guarantee performance of the third party.	FN 18
245	Cash or other assets provided to contribute to the default fund of a CCP	Cash or other assets provided to contribute to the default fund of a CCP. Do not include here cash, securities or other assets posted as initial margin for derivative contracts, which should be included in categories above.	42(a)
246	Required stable funding associated with initial margin posted and cash or other assets provided to contribute to the default fund of a CCP	Non-entry field. Required stable funding associated with initial margin posted and cash or other assets provided to contribute to the default fund of a CCP.	42(a)
247	Items deducted from regulatory capital	Includes all items deducted from regulatory capital.	43(c)
248	Trade date receivables	The amount of receivables arising from sales of financial instruments, foreign currencies and commodities that (i) are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transaction, or (ii) have failed to, but are still expected to, settle.	36(d)
249	Interdependent assets	With the prior permission of the Commission, report here asset items which, on the basis of contractual arrangements, are interdependent on corresponding liabilities report above in line 75 such that: the liability cannot fall due while the asset remains on the balance sheet, the principal payment flows from the asset cannot be used for something other than repaying the liability, and the liability cannot be used to fund other assets. For interdependent items, supervisors may adjust RSF and ASF factors so that they are both 0%, subject to the following criteria: • The individual interdependent asset and liability items must be clearly identifiable. • The maturity and principal amount of both the liability and its interdependent asset should be the same. • The bank is acting solely as a pass-through unit to channel the funding received (the interdependent	45

		liability) into the corresponding interdependent asset. • The counterparties for each pair of interdependent liabilities and assets should not be the same.	
251	All other assets not included in above categories that qualify for 100% treatment	Include the carrying value of all other assets not included in the above categories.	43(c)
B2) Off-balance sheet items			
255	Irrevocable and conditionally revocable liquidity facilities	Balances of undrawn committed liquidity facilities extended by the bank that are either irrevocable or conditionally revocable.	47
256	Irrevocable and conditionally revocable credit facilities	Balances of undrawn committed credit facilities extended by the bank that are either irrevocable or conditionally revocable.	47
257	Unconditionally revocable liquidity facilities	Balances of undrawn liquidity facilities where the bank has the right to unconditionally revoke the undrawn portion of these facilities.	47
258	Unconditionally revocable credit facilities	Balances of undrawn credit facilities where the bank has the right to unconditionally revoke the undrawn portion of these facilities.	47
259	Trade finance-related obligations (including guarantees and letters of credit)	Balances of trade finance-related obligations (including guarantees and letters of credit)	47
260	Guarantees and letters of credit unrelated to trade finance obligations	Balances of guarantees and letters of credit unrelated to trade finance obligations.	47
261	Non-contractual obligations, such as:		47
262	Debt-buy back requests (incl related conduits)	Potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities.	47
263	Structured products	Structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs).	47
264	Managed funds	Managed funds that are marketed with the objective of maintaining a stable value such as money market mutual funds or other types of stable value collective investment fund, etc.	47
265	Other non-contractual obligations	Other non-contractual obligations not entered above.	47
266	All other off balance-sheet obligations not included in the above categories	All other off balance-sheet obligations not reported in lines 255 to 265 above.	47