### EBA guidelines for common procedures and methodologies for the SREP

#### Categorisation of institutions

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemically important</td>
<td>Institutions with a significant influence on the economy and financial market stability</td>
</tr>
<tr>
<td>Medium to large</td>
<td>Institutions with a substantial direct impact on economic activity and financial stability</td>
</tr>
<tr>
<td>Small to medium</td>
<td>Institutions with a minor direct impact on the economy and financial stability</td>
</tr>
<tr>
<td>Other</td>
<td>Institutions with a limited direct impact on the economy and financial stability</td>
</tr>
</tbody>
</table>

#### Key indicator monitoring

<table>
<thead>
<tr>
<th>Indicators used for...</th>
<th>Overall risk assessment</th>
<th>SREP scores</th>
<th>Supervisory planning</th>
<th>Supervisory measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment of...</td>
<td>Business model analysis</td>
<td>Internal governance &amp; controls</td>
<td>Assessment of risks to capital</td>
<td>Assessment of risks to liquidity and funding</td>
</tr>
</tbody>
</table>

#### Core process: SREP elements

1. **Business model analysis (BMA)**
   - **Scoring 1 – 4:**
   - **Key indicators:**
     - Business model parameters
     - Internal controls and governance
     - Capital resources
     - Liquidity risk
     - Overall SREP score of 1 – 4 or F

2. **Assessment of internal governance & controls**
   - **Scoring 1 – 4:**
   - **Key indicators:**
     - Business model parameters
     - Internal controls and governance
     - Capital resources
     - Liquidity risk
     - Overall SREP score of 1 – 4 or F

3. **Assessment of risks to capital**
   - **Scoring 1 – 4:**
   - **Key indicators:**
     - Market risk
     - Credit risk
     - Operational risk
     - Supervisory planning

4. **Assessment of risks to liquidity and funding**
   - **Scoring 1 – 4:**
   - **Key indicators:**
     - Market risk
     - Credit risk
     - Operational risk
     - Supervisory planning

#### Overall assessment

<table>
<thead>
<tr>
<th>Scale</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No risk identified</td>
</tr>
<tr>
<td>2</td>
<td>Low level of risk</td>
</tr>
<tr>
<td>3</td>
<td>Medium level of risk</td>
</tr>
<tr>
<td>4</td>
<td>High level of risk</td>
</tr>
<tr>
<td>F</td>
<td>Falling or likely to fail</td>
</tr>
</tbody>
</table>

#### Supervisory measures

- **Overall assessment:**
  - Revised SREP approach defined by the EBA
  - Significant banks and non-banking institutions

- **Supervisory measures:**
  - Deloitte’s methodology
  - Supervisory resources & controls

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**Notes:**
- **Standards and methodologies:**
  - Core process: SREP elements
  - Overall assessment
  - Supervisory measures

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