

Regulatory News Alert

EBA Guidelines on Liquidity Coverage Ratio (LCR) disclosures

21 March 2017

Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) 575/2013.

Overview

Following article 435(1) of the Capital Requirement Regulation (CRR) (EU) 575/2013, credit institutions have to disclose qualitative and quantitative information on their liquidity risk as well as quantitative information on their Liquidity Coverage Ratio (LCR) under article 435(1)(f) of CRR.

On 8 March 2017, the EBA issued guidelines on Liquidity Coverage Ratio (LCR) disclosure which are to be used in connection with the [EBA guidelines 2016/11 on disclosure requirements under part eight of the CRR](#). They are completed by an [informational mapping spreadsheet](#), an [LCR disclosure template with LCR supervisory reporting](#).

These guidelines intend to harmonize credit institutions' LCR reporting. They define the necessary information to disclose and give specific instructions on how to assess and understand the key ratios and figures for evaluating the LCR. They introduce a quantitative and qualitative harmonized table for disclosure of key liquidity risk information as well as harmonized templates for the disclosure of the LCR composition and levels.

These guidelines have become necessary because some credit institutions use their regulatory risk report as a basis for their LCR reporting while others use their financial statements.

Impacted actors

The guidelines are addressed to credit institutions and competent national authorities.

They set different levels of requirements for systematic credit institutions (G-SIIS and O-SIIS) and for non-systematic credit institutions that benefit from a simplified version of the requirements.

Disclosures

G-SIIS and O-SIIS credit institutions have to disclose two tables:

- Table EU LIQA on liquidity risk management, which provides qualitative and quantitative information of liquidity risk; and
- Table EU LIQ1, which gives an LCR disclosure template, on quantitative information of LCR.

Non-systemic credit institution disclosures are limited to three elements considered as key figures for the LCR evaluation:

- the LCR itself;
- the amount of the liquidity buffer; and
- the amount of the net outflows.

This disclosures must be done every year, as set by the [EBA guidelines 2014/14 on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432\(1\), 432\(2\) and 433 of the CRR](#).

Following the same guidelines, some items are subject to more frequent disclosure:

- the total adjusted value of the Liquidity Buffer;
- the total adjusted value of Total Net Cash Outflows; and
- the total adjusted value of the Liquidity Coverage Ratio in percentage.

These are qualified as "items prone to rapid change".

Next steps

These guidelines will be applicable as of 31 December 2017.

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