

Example

Suppose that a bank has the following pool of loans to euro area NFCs outstanding at the beginning of the reporting period:

Loans	Nominal amount	Outstanding provisions	Comment
A	10	1	Loan securitised but not derecognised
B	10	1	
C	10	2	
D	10	1	Foreign denominated
E	10	1	
F	10	1	
G	10	1	
H	20	1	Foreign denominated
I	10	1	
J	5	0	Overdraft
Total	105	10	

The following operations take place during the reporting period:

- (a) Loan A stays on balance sheet, and an amount of 1 is repaid during the period;
- (b) Loan B is renegotiated; the bank accepts a write-down of the loan equal to the provisions outstanding (1) and grants a new loan of 9 (which is not provisioned);
- (c) Loan C is fully repaid;
- (d) Loan D is securitised and derecognised from the balance sheet, but due to the depreciation of the euro at the moment when the transfer takes place it has nominal amount of 11;
- (e) Loan E is transferred to another bank of the group, after a write-off of 1, which equals the amount of provisions outstanding;
- (f) Loan F is securitised but not derecognised from the balance sheet;
- (g) Loan G is reclassified as a debt security due to a reporting mistake;
- (h) Loan H nominal amounts increase of 1 due to a depreciation of the euro and provisions increase to 3;
- (i) Loan I is written-off during the period;

- (j) The customer withdraws additional 5 from his overdraft;
- (k) A new loan K of 20 is granted to a euro area NFC, with a provision of 1 being allocated during the period and no partial repayments taking place;
- (l) A new loan L of 10 is granted to a euro area NFC and is fully repaid during the period (reversed transaction).

Case 1: Loans are reported gross of provisions

Loan	1.1	1.2	1.3	2.1	2.2	3.1A	3.1B	3.1C	3.2A	3.2B	3.2C	4.1	4.2	4.3
A	10	10										9	9	
B	10			9	9					-1		9		
C	10				10									
D	10					-11			1					
E	10						-9			-1				
F	10							-10				10	10	
G	10										-10			
H	20								1			21		
I	10									-10				
J	5			5								10		
K				20								20		
L				10	10									
Total	105	10		44	29	-11	-9	-10	2	-12	-10	79	19	

Comments:

- (a) The repayment of loan A is not covered under item 2.2 and only affects items 4.1 and 4.2;
- (b) The loan renegotiation is covered under items 2.1 and 2.2;
- (c) The repayment of loan C is covered under item 2.2;
- (d) The securitisation of loan D is covered under item 3.1A at -11, with the revaluation component being allocated to 3.2A;
- (e) The transfer of loan E is covered under item 3.1B at -9, with the write-down being allocated to 3.2B;
- (f) The securitisation of loan F is covered under item 3.1C at -10, but the loan continues to be recorded on the balance sheet at the end of the period under items 4.1 and 4.2;
- (g) The reclassification of loan G is recorded under item 3.2C and leads to its exclusion from the pool of eligible loans;
- (h) The revaluation of loan H owing to changes in exchanges rates is covered under item 3.2A;
- (i) The write-off of loan I is covered under item 3.2B;
- (j) The change in the balance of the overdraft (5) is recorded as gross lending;
- (k) The new lending owing to loan K is covered under item 2.1;
- (l) The reversed transaction is recorded under items 2.1 and 2.2.

TLTRO reporting

Reporting period:.....

Loans to non-financial corporations and households excluding loans to households for house purchase (EUR thousands)

Main aggregates		Loans to non-financial corporations		item	formula	validation
1	Outstanding amounts of eligible loans at the end of the month preceding the start of the reporting period.....	95	1	1	$1 = 1.1 - 1.2 (+1.3)$	
2	Eligible net lending in the reporting period.....	15	2	2	$2 = 2.1 - 2.2$	
3	Adjustments to the outstanding amounts: reductions (-) and increases (+).....	-50	3	3	$3 = 3.1 + 3.2$	
4	Outstanding amounts of eligible loans at the end of the reporting period.....	60	4	4	$4 = 4.1 - 4.2 (+4.3)$	$4 = 1 + 2 + 3$ VERDADERO
Underlying items						
Outstanding amounts of eligible loans at the end of the month preceding the start of the reporting period						
1.1	Outstanding amounts on the balance sheet.....	105	1.1			
1.2	Outstanding amounts of loans securitised or otherwise transferred but not derecognised from the balance sheet.....	10	1.2			
1.3	Outstanding provisions against eligible loans*.....		1.3			
Eligible net lending in the reporting period						
2.1	Gross lending.....	44	2.1			
2.2	Repayments.....	29	2.2			
Adjustments to the outstanding amounts: reductions (-) and increases (+)						
3.1	Loan sales and purchases and other loan transfers during the reporting period.....	-30	3.1	3.1	$3.1 = 3.1A + 3.1B + 3.1C$	
3.1A	Net flows of loans that are securitised with an impact on loan stocks.....	-11	3.1A			
3.1B	Net flows of loans that are otherwise transferred with an impact on loan stocks.....	-9	3.1B			
3.1C	Net flows of loans that are securitised or otherwise transferred without any impact on loan stocks.....	-10	3.1C			
3.2	Other adjustments.....	-20	3.2	3.2	$3.2 = 3.2A + 3.2B + 3.2C$	
3.2A	Revaluations owing to changes in exchange rates.....	2	3.2A			
3.2B	Write-offs/write-downs.....	-12	3.2B			
3.2C	Reclassifications.....	-10	3.2C			
Outstanding amounts of eligible loans at the end of the reporting period						
4.1	Outstanding amounts on the balance sheet.....	79	4.1			
4.2	Outstanding amounts of loans securitised or otherwise transferred but not derecognised from the balance sheet.....	19	4.2			
4.3	Outstanding provisions against eligible loans*.....		4.3			

* Only applicable in those cases where loans are reported net of provisions; see the reporting instructions for more details.

Comments:

Case 1: Loans are reported net of provisions

Loan	1.1	1.2	1.3	2.1	2.2	3.1A	3.1B	3.1C	3.2A	3.2B	3.2C	4.1	4.2	4.3
A	9	9										9	9	
B	9		1	9	9					-1		9		
C	8		2		10									
D	9		1			-10			1	-1				
E	9		1				-9			-1				
F	9		1					-9		-1		9	9	
G	9		1								-10			
H	19		1						1			18		3
I	9		1							-10				
J	5			5								10		
K				20								19		1
L				10	10									
Total	95	9	9	44	29	-10	-9	-9	2	-14	-10	74	18	4

Comments:

- (a) The repayment of loan A is not covered under item 2.2, and only affects items 4.1 and 4.2; no provisions shall be recorded in respect of this loan as it is securitised;
- (b) The loan renegotiation is covered under items 2.1 and 2.2, while a write-down of -1 is recorded under 3.2B even if the loss has been absorbed completely by the past provisions;
- (c) The repayment of loan C is covered under item 2.2, but in this case a write-off/write-down needs to be recorded to reflect the decrease in the provisions;
- (d) The securitisation of loan D is covered under item 3.1A at -10, which equals the amount outstanding at sale net of the provision, with the revaluation component being allocated to 3.2A and 3.2B to record the outstanding provision on the loan, with the opposite sign (-1);
- (e) The transfer of loan E is covered under item 3.1B at -9, which equals the outstanding amount on the balance sheet; in this case to, the outstanding provision on the loan is recorded under 3.2B, with the opposite sign (-1);
- (f) The securitisation of loan F is covered under item 3.1C at -9, which equals the outstanding amount on the balance sheet; in this case too, the outstanding provision on the loan is recorded under 3.2B, with the opposite sign (-1); the loan continues to be recorded on the balance sheet at the end of the period, under items 4.1 and 4.2, but no provisions are recorded under 4.3;
- (g) The reclassification of loan G is recorded under item 3.2C at -10 (the value gross of provisions) and leads to its exclusion from the pool of eligible loans;
- (h) The revaluation of loan H owing to changes in exchange rates is covered under item 3.2A (+1), while the increase in provisions is not recorded in the template;
- (i) The write-off of loan I is covered under item 3.2B at -10 (covering the loss absorbed by the outstanding provision and the loss in excess);
- (j) The change in the balance of the overdraft (5) is recorded as gross lending;
- (k) The new lending owing to loan K is covered under item 2.1, while the new provision is not recorded under 3.2B;
- (l) The reversed transaction is recorded under items 2.1 and 2.2.

TLTRO reporting

Reporting period:.....

Loans to non-financial corporations and households excluding loans to households for house purchase (EUR thousands)

Main aggregates		Loans to non-financial corporations		item	formula	validation
1	Outstanding amounts of eligible loans at the end of the month preceding the start of the reporting period.....	95	1	1	$1 = 1.1 - 1.2 (+1.3)$	
2	Eligible net lending in the reporting period.....	15	2	2	$2 = 2.1 - 2.2$	
3	Adjustments to the outstanding amounts: reductions (-) and increases (+).....	-50	3	3	$3 = 3.1 + 3.2$	
4	Outstanding amounts of eligible loans at the end of the reporting period.....	60	4	4	$4 = 4.1 - 4.2 (+4.3)$	$4 = 1 + 2 + 3$ VERDADERO
Underlying items						
Outstanding amounts of eligible loans at the end of the month preceding the start of the reporting period						
1.1	Outstanding amounts on the balance sheet.....	95	1.1			
1.2	Outstanding amounts of loans securitised or otherwise transferred but not derecognised from the balance sheet.....	9	1.2			
1.3	Outstanding provisions against eligible loans*.....	9	1.3			
Eligible net lending in the reporting period						
2.1	Gross lending.....	44	2.1			
2.2	Repayments.....	29	2.2			
Adjustments to the outstanding amounts: reductions (-) and increases (+)						
3.1	Loan sales and purchases and other loan transfers during the reporting period.....	-28	3.1	3.1	$3.1 = 3.1A + 3.1B + 3.1C$	
3.1A	Net flows of loans that are securitised with an impact on loan stocks.....	-10	3.1A			
3.1B	Net flows of loans that are otherwise transferred with an impact on loan stocks.....	-9	3.1B			
3.1C	Net flows of loans that are securitised or otherwise transferred without any impact on loan stocks.....	-9	3.1C			
3.2	Other adjustments.....	-22	3.2	3.2	$3.2 = 3.2A + 3.2B + 3.2C$	
3.2A	Revaluations owing to changes in exchange rates.....	2	3.2A			
3.2B	Write-offs/write-downs.....	-14	3.2B			
3.2C	Reclassifications.....	-10	3.2C			
Outstanding amounts of eligible loans at the end of the reporting period						
4.1	Outstanding amounts on the balance sheet.....	74	4.1			
4.2	Outstanding amounts of loans securitised or otherwise transferred but not derecognised from the balance sheet.....	18	4.2			
4.3	Outstanding provisions against eligible loans*.....	4	4.3			

* Only applicable in those cases where loans are reported net of provisions; see the reporting instructions for more details.

Comments: