

In case of discrepancies between the French and the English text, the French text shall prevail.

Luxembourg, 20 March 2018

To all credit institutions

CIRCULAR CSSF 18/686

Re: Information on participating interests and subordinated loans

Ladies and Gentlemen,

This circular follows Circular CSSF 18/685 and its purpose is to update table B 2.4 “Information on participating interests and subordinated loans” following the entry into force of IFRS 9 on 1 January 2018.

1. Update of table B 2.4

This circular does not aim to change the content of table B 2.4 relating to information on participating interests and subordinated loans, but to adapt the classification of portfolios of financial assets to the classification applied by IFRS 9.

The information required in table B 2.4, as introduced by Circulars CSSF 07/316 and CSSF 07/331, thus remains unchanged.

This circular provides for an update of table B 2.4 as well as the relevant instructions.

2. Frequency and date for the submission of table B 2.4

The frequency of table B 2.4 shall remain unchanged, i.e. on a quarterly basis, and the table is to be submitted on the dates set out in the appended instructions.

3. Date of the first submission of table B 2.4

Table B 2.4, as amended by this circular, must be reported, for the first time, on the reference date of 31 March 2018. The date of 31 March 2018 for the submission of the table is extended as follows: **table B 2.4 established as at 31 March 2018 must be submitted to the CSSF, together with table B 2.4 established as at 30 June 2018, on 11 August 2018 at the latest.**

4. Procedure for sending table B 2.4

Table B 2.4, as amended by this circular, must be sent on the basis of the technical document “Schedule of conditions” and of the XBRL taxonomy used for sending table B 2.4, introduced in 2008¹, as published on the CSSF’s website in the section:

Entity types/Credit institutions/ Prudential reporting for credit institutions/National reporting.

The files to be transmitted must be encrypted according to the standards defined in Circular CSSF 08/334.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Jean-Pierre FABER	Françoise KAUTHEN	Simone DELCOURT
Director	Director	Director

Annexes

¹ As the structure of table B 2.4 remains unchanged, the XBRL taxonomy may continue to be used for the transmission of table B 2.4, as amended by this circular.

**Instructions relating to table
B 2.4 Participating interests and subordinated loans**

General information

1	Purpose	The purpose of table B 2.4 is to inform on the details of participating interests and subordinated loans (including debt instruments)
2	Characteristics	Table B 2.4 includes two sub-tables: <ul style="list-style-type: none"> o Table B 2.4 A: Participating interests o Table B 2.4 B: Subordinated loans (including debt instruments)
3	Currency	Currency of the credit institution's capital
4	Accounting framework	IAS/IFRS accounting standards
5	Periodicity	Table B 2.4 must be established on the last day of each quarter: 31/03, 30/06, 30/09, 31/12
6	Deadline for the transmission	Q1: 12 May Q2: 11 August Q3: 11 November Q4: 11 February
7	Table to be established by	<ul style="list-style-type: none"> o Luxembourg credit institutions with branches abroad must establish table B 2.4 in two different versions: version L for the sole head office in Luxembourg and version N for the global institution (including branches) <p>Moreover, the head office in Luxembourg must establish table B 2.4 in a version S for each branch (separate figures of the branch)</p> <ul style="list-style-type: none"> o Luxembourg credit institutions with no branches abroad, as well as branches of non-EU credit institutions established in Luxembourg must establish table B 2.4 in a version L
8	Transmission method	The table must be transmitted to the CSSF in accordance with the instructions laid down in the "Technical document relating to the transmission of table B 2.4 (Schedule of conditions)"

Chapter 1: Explanations relating to table B 2.4

Section 1: Table B 2.4 A: Participating interests

- o Table B 2.4 A is a statement providing detailed information on the participating interests included under “Equity instruments” of the following portfolios of table F01.01 Balance sheet statement: Assets

096	Non-trading financial assets mandatorily measured at fair value through profit or loss: line 097
141	Financial assets measured at fair value through other comprehensive income: line 142

- o Table B 2.4 A produces the information concerned with one line of information for each individual participating interest included in the relevant portfolios.
- o For the definition of “participating interest”, reference shall be made to the Law of 5 April 1993 on the financial sector, as amended. In particular, for the purposes of table B 2.4 A, the term “participating interest” to be used means the ownership of rights in the capital of an undertaking, materialised by securities or not, which, by creating a lasting link with the latter, are meant to contribute to the activity of the undertaking, or the direct or indirect ownership of 20% or more of the voting rights or capital of an undertaking.

Observation: In case the participating interests are held indirectly, the credit institution must provide the CSSF with information on these indirect participating interests in a separate mail. This information must be provided on each closing date; the CSSF will specify the information to be provided.

- o Explanations on the columns:

1	Carrying amount	Amounts taken into account in lines 097 and 142 of table F 01.01 (this value is determined according to IFRS standards and takes into consideration possible variations of positive or negative values which are subsequent to the initial accounting)
2	Cost	Acquisition value (gross carrying amount; this value does not take into consideration possible variations of positive or negative values which are subsequent to the initial accounting)
3	Investment percentage	The percentage in the capital of the undertaking, in which the participating interest is held, must be indicated
4	Percentage of voting rights	The percentage of the voting rights of shareholders or members of the undertaking, in which the participating interest is held, must be indicated
5	Amount deducted from own funds	For participating interests in credit institutions, financial institutions or insurance undertakings, the amount, (to be extracted from column 1) which must be deducted from the own funds for the purposes of the calculation of the capital ratio in accordance with the requirements of Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, must be indicated

Section 2: Table B 2.4 B: Subordinated loans (including debt instruments)

- o Table B 2.4 B is a statement providing detailed information on the subordinated loans included in the following portfolios of table F01.01 Balance sheet statement: Assets

050	Financial assets held for trading: lines 080 and 090
096	Non-trading financial assets mandatorily measured at fair value through profit or loss: lines 098 and 099
100	Financial assets designated at fair value through profit or loss: lines 120 and 130
141	Financial assets measured at fair value through other comprehensive income: lines 143 and 144
181	Financial assets at amortised cost: lines 182 and 183

- o Table B 2.4 B produces the information concerned with one line of information for each individual subordinated loan included in the relevant portfolios.
- o Explanations on the columns:

1	Carrying amount	Amount taken into account in lines 080, 090, 098, 099, 120, 130, 143, 144, 182 and 183 of table F 01.01
2	Amount deducted from own funds	For subordinated claims in credit institutions, financial institutions or insurance undertakings, the amount, (to be extracted from column 1) which must be deducted from the own funds for the purposes of the calculation of the capital ratio in accordance with the requirements of Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, must be indicated

Section 3: Table B 2.4 Participating interests and subordinated loans

Table B 2.4 A: Participating interests

Name of the participating interest		Carrying amount	Cost	Investment percentage	Percentage of voting rights	Amount deducted from own funds
		1	2	3	4	5
4.1	Non-trading financial assets mandatorily measured at fair value through profit or loss					
4.1.001	...					
4.1.002	...					
...	...					
4.2	Financial assets measured at fair value through other comprehensive income					
4.2.001	...					
4.2.002	...					
...	...					

Table B 2.4 B: Subordinated loans (including debt instruments)

Name of the counterparty		Carrying amount	Amount deducted from own funds
		1	2
4.1	Financial assets held for trading		
4.1.001	...		
4.1.002	...		
...	...		
4.2	Non-trading financial assets mandatorily measured at fair value through profit or loss		
4.2.001	...		
4.2.002	...		
...	...		
4.3	Financial assets designated at fair value through profit or loss		
4.3.001	...		
4.3.002	...		
...	...		
4.4	Financial assets measured at fair value through other comprehensive income		
4.4.001	...		
4.4.002	...		
...	...		
4.5	Financial assets at amortised cost		
4.5.001	...		
4.5.002	...		
...	...		

**Instructions relating to table
B 2.4 Participating interests and subordinated loans**

(track changes version)

General information

1	Purpose	The purpose of table B 2.4 is to inform on the details of participating interests and subordinated loans (including debt instruments)
2	Characteristics	Table B 2.4 includes two sub-tables: <ul style="list-style-type: none"> o Table B 2.4 A: Participating interests o Table B 2.4 B: Subordinated loans (including debt instruments)
3	Currency	Currency of the credit institution's capital
4	Accounting framework	IAS/IFRS accounting standards
5	Periodicity	Table B 2.4 must be established on the last day of each quarter: 31/03, 30/06, 30/09, 31/12
6	Deadline for the transmission	<p><u>Q1: 12 May</u></p> <p><u>Q2: 11 August</u></p> <p><u>Q3: 11 November</u></p> <p><u>Q4: 11 February On 20th of the month following the end of the quarter</u></p>
7	Table to be established by	<ul style="list-style-type: none"> o Luxembourg credit institutions with branches abroad must establish table B 2.4 in two different versions: version L for the sole head office in Luxembourg and version N for the global institution (including branches) <p>Moreover, the head office in Luxembourg must establish table B 2.4 in a version S for each branch (separate figures of the branch)</p> <ul style="list-style-type: none"> o Luxembourg credit institutions with no branches abroad, as well as branches of non-EU credit institutions established in Luxembourg must establish table B 2.4 in a version L
8	Transmission method	The table must be transmitted to the CSSF in accordance with the instructions laid down in the "Technical document relating to the transmission of table B 2.4 (Schedule of conditions)"

Chapter 1: Explanations relating to table B 2.4

Section 1: Table B 2.4 A: Participating interests

- o Table B 2.4 A is a statement providing detailed information on the participating interests included under “Equity instruments” of the following portfolios of table ~~F01.01B-1.1~~ Balance sheet statement: Assets

1.3096	Non-trading financial assets which must be valued at fair value through the profit and loss account: line 097 Financial assets designated at fair value through profit or loss: line 1.3.1
1.4141	Financial assets valued at fair value through other comprehensive income: line 142 Available-for-sale financial assets: line 1.4.1

- o Table B 2.4 A produces the information concerned with one line of information for each individual participating interest included in the relevant portfolios.
- o For the definition of “participating interest”, reference shall be made to the law of 5 April 1993 on the financial sector, as amended. In particular, for the purposes of table B 2.4 A, the term “participating interest” to be used means the ownership of rights in the capital of an undertaking, materialised by securities or not, which, by creating a lasting link with the latter, are meant to contribute to the activity of the undertaking, or the direct or indirect ownership of 20% or more of the voting rights or capital of an undertaking.

Observation: In case the participating interests are held indirectly, the credit institution must provide the CSSF with information on these indirect participating interests in a separate mail. This information must be provided on each closing date; the CSSF will specify the information to be provided.

- ~~o For further details on participating interests, reference shall be made to the instructions relating to table B-1.1.~~

- o Explanations on the columns:

1	Carrying amount	Amounts taken into account in lines 1.3.1097 and 1.4.1142 of table B 1.1 F 01.01 (this value is determined according to IFRS standards and takes into consideration possible variations of positive or negative values which are subsequent to the initial accounting)
2	Cost	Acquisition value (gross carrying amount; this value does not take into consideration possible variations of positive or negative values which are subsequent to the initial accounting)
3	Investment percentage	The percentage in the capital of the undertaking, in which the participating interest is held, must be indicated
4	% of voting rights	The percentage of the voting rights of shareholders or members of the undertaking, in which the participating interest is held, must be indicated
5	Amount deducted from own funds	For participating interests in credit institutions, financial institutions or insurance undertakings, the amount, (to be extracted from column 1) which must be deducted from the own funds for the purposes of the calculation of the capital ratio <u>in accordance with the requirements of Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, must be indicated (cf. Circular CSSF 06/273: Part IV; Chapter 3.6; points 46 and 48 / cf. table B 1.4: lines 0690 to 0730)</u>

Section 2: Table B 2.4 B: Subordinated loans (including debt instruments)

- o Table B 2.4 B is a statement providing detailed information on the subordinated loans included in the following portfolios of table ~~B 1.1 F01.01~~ Balance sheet statement: Assets

1.2050	Financial assets held for trading: lines 080 and 090
1.3096	Non-trading financial assets mandatorily measured at fair value through profit or loss: lines 098 and 099 Financial assets designated at fair value through profit or loss
1.4100	Financial assets designated at fair value through profit or loss: lines 120 and 130 Available-for-sale financial assets
1.5141	Financial assets measured at fair value through other comprehensive income: lines 143 and 144 Loans and receivables (including finance lease)
1.6181	Financial assets at amortised cost: lines 182 and 183 Held-to-maturity investments

- o Table B 2.4 B produces the information concerned with one line of information for each individual subordinated loan included in the relevant portfolios.
- o Explanations on the columns:

1	Carrying amount	Amount taken into account in lines 1.2, 1.3, 1.4, 1.5 and 1.6 080, 090, 098, 099, 120, 130, 143, 144, 182 and 183 of table F 01.01 B 1.1
2	Amount deducted from own funds	For subordinated claims in credit institutions, financial institutions or insurance undertakings, the amount, (to be extracted from column 1) which must be deducted from the own funds for the purposes of the calculation of the capital ratio <u>in accordance with the requirements of Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, must be indicated (cf. Circular CSSF 06/273: Part IV; Chapter 3.6; points 46 and 48 / cf. table B 1.4: lines 0690 to 0730)</u>

Section 3: Table B 2.4 Participating interests and subordinated loans

Table B 2.4 A: Participating interests

Name of the participating interest		Carrying amount	Cost	Investment percentage	Percentage of voting rights	Amount deducted from own funds
		1	2	3	4	5
4.1	Non-trading financial assets mandatorily measured at fair value through profit or loss Financial assets designated at fair value through profit or loss					
4.1.001	...					
4.1.002	...					
...	...					
4.2	Financial assets measured at fair value through other comprehensive income Available-for-sale financial assets					
4.2.001	...					
4.2.002	...					
...	...					

Table B 2.4 B: Subordinated loans (including debt instruments)

Name of the counterparty		Carrying amount	Amount deducted from own funds
		1	2
4.1	Financial assets held for trading Financial assets held for trading		
4.1.001	...		
4.1.002	...		
...	...		
4.2	Non-trading financial assets mandatorily measured at fair value through profit or loss Financial assets designated at fair value through profit or loss		
4.2.001	...		
4.2.002	...		
...	...		
4.3	Financial assets designated at fair value through profit or loss Available-for-sale financial assets		
4.3.001	...		
4.3.002	...		
...	...		
4.4	Financial assets measured at fair value through other comprehensive income Loans and receivables (including finance lease)		
4.4.001	...		
4.4.002	...		
...	...		
4.5	Financial assets at amortised cost Held-to-maturity investments		
4.5.001	...		
4.5.002	...		
...	...		