EBA Report

27 November 2014

Report to the European Commission on the perimeter of credit institutions established in the Member States

Background and introduction

1. On 4 September 2013 the European Commission published a Communication on shadow banking which presented the initiatives that the Commission may take in the near future to curb the development of systemic risks inherent in the shadow banking sector.[1]

2. On 23 October 2013 the EBA received a request from the Commission to carry out a comprehensive study of various legal and quantitative aspects regarding 'credit institutions'[2] and other entities carrying on bank-like activities in the EU. Further to this request the EBA conducted a survey of the competent authorities to identify, among other things, the approach of the Member States to the interpretation of the term 'credit institution' (the EBA's first survey). On 16 April 2014 the EBA submitted its preliminary findings to the Commission summarising the responses of the competent authorities and noting the apparent variations as regards the interpretation of certain terms used in the definition of 'credit institution'.

3. The Commission, in its letter of 3 June 2014, welcomed the EBA's preliminary findings and noted the need for further analysis of the financial entities that, as a result of the transfer of the definition of 'credit institution' from Directive 2006/48/EC to Regulation (EU) No 575/2013 (CRR), cease to be '[CRD] credit institutions' but carry on bank-like activities. The Commission indicated its support for the EBA's proposal to look in greater detail at the diverging prudential requirements applied to entities carrying on bank-like activities but falling outside the scope of Directive 2013/36/EU (CRD IV) and the CRR, including an examination of the application of prudential rules on a consolidated basis.

[1] The Communication is available here: http://ec.europa.eu/internal_market/finances/shadow-banking/index_en.htm.

[2] 'Credit institution' is defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 (CRR).

4. To this end the EBA conducted a further survey of the competent authorities (the EBA's second survey). The survey was divided into four parts:

    - Part 1 required the competent authorities to identify the prudential requirements imposed on entities 'genuinely in the shadows' that is: entities that are established in the Member States and carry on bank-like activities within the scope of credit intermediation[3] but are not subject to *entity-specific* (i.e. solo) prudential requirements under EU measures[4].

    - Part 2 required the competent authorities to describe their approach to the application of the regulatory consolidation rules.

    - Part 3 required the competent authorities to list any entities carrying on bank-like activities which are not covered by any solo prudential requirements (under national or EU law) (i.e. unregulated entities).

    - Part 4 invited the competent authorities to comment on:

        - the difference between prudential and accounting approaches to consolidation; and

        - the extent to which the prudential requirements under Directive 2011/61/EU (AIFMD) and Directive 2009/65/EU (UCITS) are considered sufficient as regards the risks posed by any bank-like activities carried on by entities covered by those Directives.

5. To date responses have been received from the following Member States: AT, BE, BG, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LU, LT, NL, PL, PT, RO, SE, SI, SK and the UK.

6. On 2 September 2014 another survey (the EBA's third survey) was circulated to the competent authorities. The competent authorities were asked to provide information about the entities referred to in points (3) to (23) of Article 2(5) and Article 9(2) of the CRD IV including the rationale for the exclusion from the scope of the Directive pursuant to Article 2(5) and the nature of the prudential requirements, if any, imposed on such

[3] The four key features of credit intermediation considered are: (a) maturity transformation (borrowing short and lending/investing on longer timescales); (b) liquidity transformation (using cash-like liabilities to buy less liquid assets); (c) leverage; (d) credit risk transfer (transferring the risk of credit default to another person for a fee). Examples of entities carrying on credit intermediation include: money market funds, special purpose vehicles engaged in securitisation transactions, securities and derivatives dealers and companies engaged in factoring, leasing or hire purchase.

[4] That is, entities that are not: CRD IV/CRR credit institutions or investment firms; MiFID investment firms subject to prudential provisions in the CRD IV/CRR or equivalent; insurers within the scope of the life assurance and non-life insurance directives (Directive 2002/83/EC and Directive 73/239/EEC as amended) or occupational pension funds within the meaning of Directive 2003/41/EC; or subject to prudential requirements under any of the following: the Electronic Money Directive (Directive 2009/11/EC); the Payment Services Directive (Directive 2007/64/EC); AIFMD (Directive 2011/61/EU); UCITS (Directive 2009/65/EC).

entities. To date, responses have been received from the following Member States: AT, CZ, DE, DK, EE, EL, ES, FI, FR, HR, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SI and the UK.

7. On 29 October 2014 a draft EBA opinion, based on the EBA's findings, and the report were endorsed by the Board of Supervisors.

8. The report is divided into four parts:

    - Part 1: The definition of 'credit institution';
    - Part 2: Exclusions from the scope of the CRD IV/CRR as specified in points (3) to (23) of Article 2(5) and Article 9(2) of the CRD IV;
    - Part 3: Entities carrying on bank-like activities and not subject to solo prudential requirements under EU measures;[5]
    - Part 4: Observations on the prudential requirements under the AIFMD and UCITS.

[5] See footnotes 3 and 4.

PART 1: The definition of 'credit institution'

9. The term 'credit institution' is defined in point (1) of Article 4(1) of the CRR as follows:

   '*credit institution' means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account*.

10. This definition has been used in EU law relating to the taking up and pursuit of the business of credit institutions since 1977 (see Article 1 of the First Council Directive of 12 December 1977 on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions (Directive 77/780/EEC) (the First Banking Directive)).

11. The key terms ('deposits', 'other repayable funds', 'grant credits', 'from the public') are not defined in the CRR. Therefore, notwithstanding the inclusion of the definition in a maximum harmonising Regulation,[6] the results of the EBA's first survey suggest there remains a degree of variation between the Member States as to the interpretation of the term 'credit institution' and therefore the entities to which the requirement to obtain a banking licence (and therefore the requirements of the CRD IV/CRR) applies in the Member States.

12. It is not clear from the responses received from the competent authorities whether the variations are material in terms of the number and types of entities that are classified as 'credit institutions' for the purposes of the CRD IV/CRR. However, as the term 'credit institution' is of significance not only for the purposes of determining the entities subject to authorisation and prudential requirements under the CRD IV/CRR (and therefore those entities who benefit automatically from EU passporting rights) but also the entities within the scope of the DGSD (recast) (Directive 2014/49/EU), the BRRD (Directive 2014/59/EU), the Single Supervision Mechanism (Regulation (EU) No 1024/2013) and the Single Resolution Mechanism (Regulation (EU) 806/2014) it is of considerable importance that a uniform approach is applied across the EU. In light of the weight placed on this term the EBA notes that it is of considerable importance that it is interpreted in a uniform manner across the EU. **Accordingly in the EBA's assessment the Commission should give consideration to possible clarifications to the definition to ensure that the term is interpreted homogenously in the Union**. In order to promote greater convergence a number of clarifications of the term 'credit institution' could be considered. Some observations as to how this could be achieved are outlined below. These are based on the responses to the EBA's first survey.

13. In terms of the overall perimeter of 'credit institution' and the scope of the prudential framework established under EU law, the EBA does not offer any specific

[6] Previously the definition appeared in Directive 2006/48/EC.

recommendations (e.g. in terms of the potential costs and benefits of bringing other entities carrying on bank-like activities within the scope of the term 'credit institution' or of establishing a bespoke set of prudential requirements for such entities). It goes without saying that any changes to the scope of the prudential framework would require careful consideration having regard to the objective of ensuring that prudential requirements are imposed appropriately in relation to entities presenting similar risks to customers and financial stability. A comprehensive 'cost/benefit' assessment would also be needed in order to inform the approach to further specification. Taking on board the Financial Stability Board's recommendations in this field and working at the Basel Committee on Banking Supervision, in particular, its Task Force on Regulatory Scope of Consolidation, will be a way forward in promoting convergence of EU and global standards on scope of desired application in the near future.

'Deposit' and 'other repayable funds'

The approach of the Member States

14. There is variation between the Member States as to the approach to the definition of 'deposit' and 'other repayable funds'. In summary the following Member States:

    - provide no statutory definition of either term: AT, BE, DK[7], EE, EL, ES, LU, PL, PT[8] and SE;
    - define 'deposit' but not 'other repayable funds': CY, CZ, FI, HR, IE, LV, NL, RO, SI, SK and the UK;
    - define both terms to some degree: BG, DE and LT.

15. FR does not refer separately to 'deposit' and 'other repayable funds' and instead refers to 'funds received from the public' which are defined as 'funds which an entity accepts from a third party, in particular in the form of deposits, with the right to use them for its own account, subject to returning them, shall be deemed to be funds received from the public'[9]. FR also has a definition of 'other repayable funds' which is linked to the term 'funds received from the public'. IT also uses a similar approach and refers to 'the acceptance of repayable funds in the form of deposits or in other forms, such as the issue of bonds or certificates of deposit'. FI appears to be the only Member State that defines

[7] However the Danish FSA has published a note providing some guidance as to interpretation.

[8] But PT opted to stipulate expressly that funds raised through the issuance of bonds under the provisions and within the limits of Portuguese Company Law are not considered 'other repayable funds'.

[9] However, the following shall not be deemed to be funds received from the public: (1) funds received or left in an account by a partnership's named or limited partners, members or shareholders holding at least 5% of the share capital, directors, members of the Executive Board or the Supervisory Board or executives, and likewise funds deriving from equity loans; (2) funds which a firm receives from its employees by virtue of special laws are not taken into account for the calculation of this threshold.

'deposit' by reference to repayable funds that have to be compensated in full or in part from the Deposit Guarantee Fund.

Existing EU definitions

16. In the EU banking sphere 'deposit' is defined most notably in point (3) of Article 2(1) of Directive 2014/49/EU (the DGSD (recast)) as follows:

'deposit' means a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:

(a) its existence can only be proven by a financial instrument as defined in Article 4(17) of Directive 2004/39/EC of the European Parliament and of the Council [MiFID]*, unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014;*

(b) its principal is not repayable at par;

(c) its principal is only repayable at par under a particular guarantee or agreement provided by the credit institution or a third party;

17. Article 5 of the DGSD (recast) goes on to exclude certain forms of deposit from scheme coverage. For instance, deposits by other credit institutions on their own behalf and for their own account, deposits by investment firms and other relevant financial institutions and 'debt securities issued by a credit institution and liabilities arising out of own acceptances and promissory notes' are excluded (Article 5(1)).

18. The DGSD (recast) definition is also used in Directive 2014/65/EU (MiFID2) which defines 'structured deposit' (point (43) of Article 4(1)) as follows:

'structured deposit' means a deposit as defined in point (c) of Article 2(1) of Directive 2014/49/EU of the European Parliament and of the Council, which is fully repayable at maturity on terms under which interest or a premium will be paid or is at risk, according to a formula involving factors such as:

(a) an index or combination of indices, excluding variable rate deposits whose return is directly linked to an interest rate index such as Euribor or Libor;

(b) a financial instrument or combination of financial instruments;

(c) a commodity or combination of commodities or other physical or non-physical non-fungible assets; or

(d) a foreign exchange rate or combination of foreign exchange rates;[10]

19. The MiFID definition of 'structured deposit' is, in turn, used in the Regulation on Packaged Retail Investment Products (PRIPs) which specifies that the Regulation shall not apply to '*deposits, other than structured deposits as defined in* [MiFID]'.

Observations about possible approaches to the definition of 'deposit' and 'other repayable funds'

20. Taking into account the definition in the DGSD (recast) and the statutory definitions specified currently by the Member States, consideration could be given to the clarification of the term 'deposit' by reference to the following elements which appear to be common among those Member States who have defined the term:

    a. a sum of money;

    b. repayable on demand or at a contractually agreed point in time (but otherwise repayment of the principal is unconditional) and with or without interest or a premium;

    c. received from third parties [legal or natural persons]; and

    d. received in the course of carrying on the activity by way of business.

21. Point (b) is broad enough to cover repayment terms agreed by or on behalf of the person making the deposit[11]. In point (d), the reference to 'business' is intended to exclude the receipt of funds, for example, in the course of ad hoc charitable activities. (The cumulative nature of the elements making up the definition of 'credit institution' (accepting deposits/other repayable funds AND granting credits) also serve to exclude various types of person from the definition of 'credit institution' because both activities must be carried on in order for the person concerned to be a credit institution under the CRD IV/CRR. See further paragraph 34.)

22. For the purposes of the CRD/CRR definition of 'credit institution' it would not be appropriate to reflect the exclusions in Article 5(1) of the DGSD (recast). The exclusions in that case are driven by public policy considerations to restrict the scope of scheme coverage (in particular to exclude the deposits of credit institutions and other specified financial institutions) to what is generally regarded as appropriate to protect a portion of

[10] So, put simply, a structured deposit is an investment product in the form of a deposit the interest on which is determined by reference to a formula (e.g. based on the performance of a commodity). Recital (39) of MiFID2 makes it clear that 'structured deposits' do not include deposits linked solely to interest rates, such as Euribor or Libor, regardless of whether or not the interest rates are predetermined.

[11] For example, in the context of the establishment of a trust arrangement.

depositor wealth to avoid runs on banks, personal hardship and stress on social welfare systems and to promote financial stability by strengthening depositor confidence.

23. However, as the components specified in paragraph 20 above alone would result in a broad definition of 'deposit', other exclusions could be considered. For example, monies relating to the provision of property or services (for example, advance payments under a contract for the sale, hire or other provision of property or services which are repayable only in the event that the property or services are not in fact sold, hired or otherwise provided) or the giving of security could be excluded from the scope of the definition (see the approach of BG, CY, IE and the UK[12]).

24. In addition, the definition could be further developed to make clear that 'deposit' may take a range of forms falling within two categories: transferable deposits[13] and other deposits[14]. The classifications of deposits for the purposes of the European System of National and Regional Accounts (Regulation (EU) No 549/201[15], the ESA 2010 Regulation) (see in particular paragraphs 5.79 to 5.88 of Annex A to that Regulation) and monetary

[12] **BG** specifies that 'deposit' shall be any amount received with the commitment to be repaid, except if granted as: (a) a credit from a bank; (b) earnest money or regretful money providing for the execution of a commercial or other transaction; (c) an advance payment under a contract for a sale or provision of a service, or another activity, which is subject to repayment in the event of default on the contract; (d) for other purposes in cases as specified by the BNB. **CY** defines deposit as 'a sum of money paid or received on terms: (a) under which it will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it, but (b) which are not related to the sale or the supply of property or the provision of services or to the share of debentures or shares'. **IE** lists exclusions from the circumstances in which business is 'banking business' (defined as consisting of or including receiving money on the person's own account from members of the public either as deposits or as other repayable funds and granting credits on its own account). The exclusions include: (a) receiving money in respect of leasing or selling goods under a hire purchase agreement, a leasing agreement or a credit-sale agreement; (b) receiving money as security or collateral or as a bond for the repayment of a debt or the performance of a contract related to goods or services; (c) receiving money accepted by way of advance or part payment under a contract for the sale, hire or other provision of goods or services, and repayable only in the event that the goods or services are not in fact sold, hired or otherwise provided; (d) receiving money solely as a premium in respect of the issue or renewal of a life assurance policy; (e) receiving money when it can be shown that: (i) no part of the business activities of the person receiving the money or of any other person is financed wholly or substantially out of those funds; and (ii) those funds are, in the normal course of business, accepted only on a casual or incidental basis. The **UK** excludes from the definition of 'deposit' monies which relate to the provision of property (other than currency) or services or the giving of security if, and only if:

(i) it is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services is or are not in fact sold, hired or otherwise provided; or

(ii) it is paid by way of security for the performance of a contract or by way of security in respect of loss which may result from the non-performance of a contract; or

(iii) without prejudice to (ii), it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise.

[13] These are commonly understood as meaning deposits that are: (1) exchangeable for banknotes and coins on demand at par and without penalty or restriction; and (2) freely transferable to third parties by cheque, draft, giro order, direct debits/credits or other direct payment facility. See also the definition in Regulation (EU) No 549/2013 (paragraph 5.80 of Annex A to that Regulation) which defines transferable deposits as follows: *transferable deposits are deposits exchangeable for currency on demand, at par, and which are directly usable for making payments by cheque, draft, giro order, direct debit/credit, or other direct payment facilities, without penalty or restriction*.

[14] These are all deposits, other than transferable deposits, including savings deposits, fixed term deposits and non-negotiable certificates of deposit. Such forms of deposit are reflected in the definition of 'deposit' in the DGSD (recast).

[15] The ESA 2010 Regulation is available using the following link: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:174:0001:0727:EN:PDF.

statistical reporting (for example see: Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector (ECB/2013/33)[16] and the IMF's Monetary and Financial Statistics Manual (Chapter 4)[17]) could also provide some helpful inspiration for the purposes of defining the term 'deposits'. However, it is to be noted that some items recorded as 'deposits' for the purposes of monetary statistical reporting are not within the scope of the definition of 'deposit' in point (3) of Article 2(1) of the DGSD (recast). In particular, for the purposes of monetary statistical reporting it is not a necessary condition for all categories of deposit that the principal is repayable at par (for instance the statistical category may include hybrid deposits such as deposits with embedded derivatives, but these would not fall within the DGS definition); certain money market instruments may fall within the definition of 'deposits' for monetary statistical reporting purposes but fall outside the DGS definition as a result of the exclusion in point (a) of the definition of 'deposit'; similarly in strictly defined cases margin deposits may also fall within the definition of 'deposits' for monetary statistical reporting purposes but would fall outside the DGS definition where within the scope of Article 5 of that Directive.

25. A further distinction could be made by reference to the fact that the entity's duty to pay is incorporated in a non-negotiable instrument or in instruments that are negotiable on the market (securities). As specified in the section dealing with 'other repayable funds', it is important to consider whether the negotiability is a factor to be drawn out on the face of the legislation to clarify the distinction between 'deposits' and 'other transferable funds'.

26. 'Other repayable funds' appears to be interpreted in a broadly homogenous way between the Member States although the vast majority do not have a specific statutory definition.[18] However, a definition could be established to avoid the potential for the term to be interpreted differently across the EU. For example 'other repayable funds' could be defined to include 'bonds and other comparable securities such as negotiable (not nominative) certificates of deposit'[19] providing these are continually issued by the entity concerned.[20] (This is reflected in recital (14) of Directive 2013/36/EU.)

[16] The ECB's Regulation is available here: https://www.ecb.europa.eu/ecb/legal/pdf/02013r1071-20131127-en.pdf.

[17] The Manual is available here: http://www.imf.org/external/pubs/ft/mfs/manual/index.htm.

[18] The following Member States do not have a specific definition of 'other repayable funds': AT, BE, CY, CZ, DK, EE, EL, ES, FI, HR, IE, IT, LU, LV, NL, PL, PT, RO, SE, SI, SK and the UK.

[19] In practice 'other repayable funds' tends to mean: bonds, bond loans, mortgage credit bonds, company bonds etc, certificates of deposit. The Danish FSA has published guidance providing the following as typical examples of 'other repayable funds': a series of bonds, bond loans, mortgage credit bonds and company bonds.

[20] **CZ** makes clear that the continuing issuance of bonds and other comparable securities shall also be deemed as the acceptance of funds for the purpose of defining 'banking activity' where: (a) it constitutes the sole, or one of the main, activities of the issuer; (b) the issuer's line of business is providing loans; (c) the issuer's line of business is one or more of the activities specified in the relevant national law. This approach is also reflected in **RO** whereby the issuance of bonds or other similar financial instruments does not represent the sole or main activity of an issuer and/or is not undertaken by the issuer for the purposes of carrying on the activity of granting credits or one or more of the other activities covered by Annex I of [Directive 2013/36/EU] on a professional basis falls outside the regulated activity of

27. Consideration could also be given to a clarification reflecting the conclusions of the European Court of Justice of 11 February 1999 in Case C-366/97 in which the Court determined that 'other repayable funds' refers not only to financial instruments which possess the intrinsic characteristic of repayability, but also to those which, although not possessing that characteristic, are the subject of a contractual agreement to repay the funds paid (see paragraph 17 of the judgment).[21]

'Granting credit'

The approach of the Member States

28. The vast majority of Member States have not made any provision in their domestic legislation for the purposes of defining the words 'granting credit for its own account'.[22] However the term appears to be interpreted broadly homogenously across the Member States as meaning 'the granting of any kind of credit [by way of business] to another person'[23].

29. Several Member States make clear that certain types of credit fall within the scope of the term. For example, FR specifies that 'loan' is defined as 'any act whereby a person acting in return for payment makes, or promises to make, funds available to another person, or gives an undertaking in favour of said person by signing a security bond or other guarantee, constitutes a credit transaction'. Leasing, and, in general, all rental transactions with an option to purchase are treated as credit transactions. IT specifies a non-exhaustive list of activities that are considered as granting of credit: (a) financial leasing; (b) purchase credit; (c) consumer credit; (d) mortgage credit; (e) pledges; and (f) guarantees, endorsements, credit lines, banker's acceptance, transfers, commitment to grant credit and any other kind of provision of warranties and guarantees. PT, on the other hand, specifies a number of things that do not constitute granting credit.[24]

'acceptance of deposits and other repayable funds'. Other repayable funds from the public does not include funds obtained from qualified investors as provided by capital market legislation.

[21] In this case Massimo and Paolo Romanelli issued trust securities consisting in the sale to third parties of an instrument representing an amount receivable and immediate repurchase thereof at a price which incorporated the agreed interest, and warrants representing an option to acquire debentures issued by Romanelli Finanzaria SpA (paragraph 5). The issue was whether the trust securities and debenture warrants in question qualified as other repayable funds- which turned on whether 'other repayable funds' extend to instruments which, although not possessing the intrinsic characteristic of being repayable, are the subject of a contractual agreement to repay the amount paid.

[22] The following Member States do not specifically define 'granting credits': AT, BE, BG, CY, CZ (although the Czech Act on Banks has defined 'credit' as 'funds in any form provided temporarily'), DK (although the Danish FSA has issued guidance on the meaning of 'credits'), EE, EL, ES, FI, HR, IE, LU, LV, NL, PL, RO, SE, SI, SK and the UK.

[23] For example, FI specifies that 'grant credits' means 'all kinds of financing to the public'.

[24] These are: (a) long term loans and other forms of loans and advances between a company and its partners; (b) credit granted by a company to its workers for social reasons; (c) postponement or anticipation of payment agreed between the parties to contracts for the acquisition of goods or services; (d) cash facilities, when legally permitted, between companies in a control relationship or which form part of the same group; (e) the issue of tickets or cards for payment of goods and services supplied by the issuing company.

Observations about possible approaches to the definition of 'granting credits for its own account'

30. Taking into account the approaches of the Member States, consideration could be given to defining the term as follows:

    a. the granting of credit could be defined in general terms (e.g. to involve an agreement to provide a sum of money for a specified or unspecified purpose, for such period as may be agreed, and to be repaid in accordance with agreed conditions, for example, subject to the payment of interest);

    b. an illustrative list of examples of 'credit', or an exhaustive list, could be specified on the face of the legislation (e.g. to include: financial leasing, purchase credit, consumer credit, mortgage credit, pledges, guarantees, endorsements, credit lines and factoring, commercial credit, secured and unsecured credits and loans, bank account overdrafts, credit card receivables) (it is noteworthy that the ESA 2010 Regulation (Regulation (EU) No 549/2013) includes in paragraphs 5.112 to 5.138 of Annex A a list of loan types which may be helpful);

    c. 'on its own account' could be clarified to mean that the credit institution has to be the creditor of the loan (an approach used in DK).

'The public'

31. The results of the EBA's first survey show that most Member States do not define 'the public' as referred to in the definition of 'credit institution'. However, consideration could be given to the inclusion of a definition of this term.

32. The EBA observes that a definition based on a minimum number of depositors (the approach in one Member State) would not appear to be appropriate. In particular, it would be hard to establish a set threshold (e.g. having regard to the objective of financial stability an entity receiving funds from only a small number of depositors could pose a risk to stability if those depositors are other financial institutions and have very high deposit balances; accordingly the entity should be subject to appropriate prudential requirements). In addition, the specification of a threshold could lead to gaming (e.g. such that entities accepting deposits from a number of depositors below the threshold, but with very high deposit balances would fall outside the definition of 'credit institution' and therefore would not be subject to the prudential requirements specified in the applicable EU measures). Instead, it would appear more appropriate for the definition of 'credit institution' to refer to the 'objective' for the acceptance of deposits and other repayable funds, i.e. that the activities of deposit-taking and granting credit are carried on by way of business.

33. The EBA also observes that the reference to 'the public' relates only to the receipt of deposits and other repayable funds (in order to fall within the scope of the definition of

'credit institution' it is necessary to accept 'deposits' or 'other repayable funds' from the public[25]) and not to the granting of credits (the other activity required to qualify as a 'credit institution'). Although the results of the EBA's first survey do not indicate that any of the Member States define the granting of credit by reference to specified persons, further specification of this aspect of the definition of 'credit institution' could be considered.

Connection between the acceptance of deposits and the granting of credit

34. Finally, consideration could be given to the inclusion of provisions clarifying that the entity receiving the deposit or other repayable funds may use the monies collected as deposits for its own account, in particular, to grant credits. This approach would help demonstrate the connection between the two mandatory conditions which qualify an entity as a 'credit institution' (i.e. in order to be a CRD IV/CRR credit institution the entity concerned must accept deposits/other repayable funds AND grant credits) and is reflected in existing definitions used by the following Member States: FR[26], HR[27] and the UK[28].

[25] For example, in DK mortgage credit institutions fall within the definition of 'credit institution' even though they do not accept deposits from the public because they are financed by the continual issuance of covered bonds which are 'other repayable funds'.

[26] 'Funds received from the public' means 'funds which an entity accepts from a third party, in particular in the form of deposits, *with the right to use them for its own account*…'.

[27] The Civil Obligations Act (Official Gazette 35/05, 41/08 and 125/11) stipulates that the cash deposit contract shall be concluded where a credit institution undertakes to receive and a depositor undertakes to place a certain amount of cash with the credit institution. Under this contract, *a credit institution shall have a right to dispose of the cash deposited* and shall be obliged to return it on the terms and conditions stipulated in the contract.'

[28] The activity of accepting deposits is a specified kind of activity if: (a) money received by way of a deposit *is lent to others*; or (b) any other activity of the person accepting the deposit is *financed wholly, or to a material extent, out of the capital or of the interest on money received by way of a deposit*…

PART 2: Exclusions from the scope of the CRD IV/CRR as specified in points (3) to (23) of Article 2(5) and Article 9(2) of the CRD IV

35. The Commission requested that that EBA review points (3) to (23) of Article 2(5) of the CRD IV[29] and the application of Article 9(2) of the CRD IV within the Member States. The results are set out in Annex 1 and 2 to this report.

Article 2(5) of the CRD IV

36. Historically certain entities such as central banks, post office giro institutions, national savings banks and other similar state controlled or owned entities have been excluded from the scope of European legislation intended to promote the conditions required for a common market for credit institutions. This has been the case since the First Banking Directive. Article 2(2) of that Directive specified that it shall not apply to: (a) the central banks of the Member States; (b) post office giro institutions; and (c) specific entities in BE, DE, DK, FR, IE, IT, NL and the UK. The approach has been maintained in all subsequent measures concerning the taking up and pursuit of the business of credit institutions.

37. In the CRD IV, Article 2(5) specifies that the Directive (and, in turn, the CRR) shall not apply to the entities referred to in that paragraph. The list of entities includes central banks, post office giro institutions and, again, specific entities in relevant Member States (now AT, BE, DE, DK, EE, ES, EY, FI, FR, HU, IE, IT, LT, LV, NL, PL, PT, SE, SI and the UK reflecting the changes to the membership of the EU since the First Banking Directive). These entities cannot benefit from the 'passport' rights (i.e. freedom to provide banking services on a cross-border basis (e.g. via a branch) without the need for authorisation from the host Member State) that are available to credit institutions under that Directive.

38. In the EBA's third survey the competent authorities were asked to comment on the exclusions in points (3) to (23) of Article 2(5) of the CRD IV/CRR, including the bank-like activities carried on by those entities, whether any specific solo prudential requirements apply and the aggregate assets and liabilities of the entities concerned. The results are summarised in Annex 1 to this report.

39. Based on the responses received the EBA observes that all of the exclusions in points (3) to (5) and (7) to (23) of Article 2(5) of the CRD IV remain valid in light of the special characteristics of those entities (e.g. in terms of 'public' function or scale). However, the exclusion referred to in point (6) could be omitted in any future review of Article 2(5) of the CRIDV as 'Wohnungsgemeinnützigkeitsgesetz' no longer exist.

[29] The exclusions in points (1) and (2) of Article 2(5) of the CRD IV (access to the activity of investment firms in so far as it is regulated by Directive 2004/39/EC and central banks) have not been considered.

Article 9(2) of the CRD IV

40. The Second Banking Directive (Directive 89/646/EEC)[30] introduced a requirement for Member States to prohibit persons or undertakings that are not credit institutions from taking deposits or other repayable funds from the public (Article 3 of that Directive). This prohibition was specified not to apply '*to the taking of deposits or other funds repayable by a Member State or by a Member State's regional or local authorities or by public international bodies of which one or more Member States are members or to cases expressly covered by national or Community legislation, provided that those activities are subject to regulations and controls intended to protect depositors and investors and applicable to those cases*'. This prohibition (and the exclusions) has been carried forward in subsequent EU measures (see Article 9 of the CRD IV).

41. In the EBA's third survey the competent authorities were asked to comment on the use of this exclusion. Substantive responses were received from fifteen Member States (of the 24 responses received). The results are set out in Annex 2 to this report.

42. In terms of the entities to which the exclusion from the prohibition has been applied which are not 'public' and are 'commercial' in nature, the following can be identified:

- companies issuing corporate bonds where this is not a material part of their activities (DK) and a person or the members of a specified class of persons where a credit institution licencing requirement would arise only from the creation of securities or other obligations to which the licencing requirement would apply in relevant cases (IE);
- trustee savings banks and building societies (IE) (albeit note currently authorised in IE, are exempt on the basis that they are subject to the CRD IV/CRR by virtue of their own governing national legislation;
- managers, trustees or custodians of unit trusts or collective investment undertakings or entities that provide services to such undertakings in relevant cases (IE);
- insurance undertakings in respect of capital operations (PT);
- Inlåningsföretag (SE).

[30] Second Council Directive 89/646/EEC of 15 December 1989 on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions and amending Directive 77/780/EEC.

43. Due to the limited number of substantive responses received, the EBA notes that further work would be needed in order to form a comprehensive view of the application in the Member States of the exclusions from the prohibition set out in Article 9(2) of the CRD IV.

PART 3: Entities carrying on bank-like activities and not subject to solo prudential requirements under EU measures

44. The results of the EBA's first survey highlighted the fact that in some Member States the CRR has had the effect of narrowing the range of entities classified by competent authorities as 'credit institutions' thereby placing some entities outside the perimeter of the capital requirements framework. This is because the CRR is a maximum harmonisation measure (as contrasted to Directive 2006/48/EU which was a minimum harmonisation measure) with the effect that it is no longer possible for Member States, for domestic purposes, to classify as 'credit institutions' entities that do not fall within the scope of the definition (and therefore carry on the business activities of receiving deposits or other repayable funds from the public and granting loans).

45. For example, in ES, Establecimientos Financieros de Crédito (EFCs) are no longer considered 'credit institutions' (on the basis that they do not accept deposits from the public and do not, as part of their business, continually issue bonds (other repayable funds) and therefore do not satisfy the first condition in order to be a 'credit institution' under the CRR). However, EFCs are going to be subject to similar prudential requirements to those specified in the CRD IV/CRR as a result of national measures in ES. It was also clear from the survey responses that there are some entities in the Member States which carry on bank-like activities and are not subject to any form of prudential regulation.

46. In the EBA's second survey competent authorities were asked to provide information on the prudential regulation under national law of entities ('relevant entities') established in the Member States which:

    a. carry on bank-like activities (condition A); and

    b. are not subject to solo prudential requirements under relevant EU measures (condition B).

47. For condition A, 'bank-like activities' were defined as activities within the scope of credit intermediation. The four key features of credit intermediation are: (a) maturity transformation (borrowing short and lending/investing on longer timescales); (b) liquidity transformation (using cash-like liabilities to buy less liquid assets); (c) leverage; and (d) credit risk transfer (transferring the risk of credit default to another person for a fee).[31] To summarise, these are entities that grant credit but are not funded through the collection of deposits or other repayable funds (e.g. in the form of the continuous issuance of bonds by way of business) from the public.

[31] Examples of entities carrying on credit intermediation include: money market funds, special purpose vehicles engaged in securitisation transactions, securities and derivatives dealers and companies engaged in factoring, leasing or hire purchase.

48. For condition B, entities were considered to be subject to solo prudential requirements under EU measures (and therefore outside the scope of this part of the survey) where they are: CRD/CRR credit institutions (because they do not carry on both types of activities referred to in point (1) of Article 4(1) of the CRR- such as leasing and factoring companies) or investment firms; MiFID investment firms subject to prudential provisions in the CRD IV/CRR or equivalent; insurers within the scope of the life assurance and non-life insurance Directives (Directive 2002/83/EC and Directive 73/239/EEC as amended) or occupational pension funds within the meaning of Directive 2003/41/EC; or subject to prudential requirements under any of the following: the Electronic Money Directive (Directive 2009/11/EC); the Payment Services Directive (Directive 2007/64/EC); AIFMD; UCITS.

49. The survey was framed in this way to identify those entities that are genuinely 'operating in the shadows' in the sense of being entirely outside the scope of existing solo prudential requirements under EU measures.

50. Competent authorities were also asked to identify relevant entities that carry on bank-like activities and are not subject to any prudential requirements under national (or EU) measures.

51. Annex 3 outlines the solo prudential requirements imposed under national law on relevant entities in each Member State. The classes of relevant entities which are not subject to prudential requirements under national (or EU) law are identified in the table at paragraph 57 below.

Entities carrying on bank-like activities subject to prudential requirements under national law

52. The results of the EBA's second survey show that a range of relevant entities are subject to a degree of prudential regulation in the Member States reflecting the credit risks to which those entities are exposed and, in turn, the risks those entities may pose to their clients in the event they were to encounter serious financial difficulties. However, as is clear from Annex 3 and a comparison with the table at paragraph 57 below, there is a high degree of variation between the Member States as to:

    a. the types of entities subject to national solo prudential requirements;

    b. the prudential regime applicable to such entities.

53. For example, in some Member States finance, factoring and leasing companies are subject to solo prudential requirements (for example: ES, FR, IT and PT) whereas in others they are not (BE, BG, CZ, DE, HR, IE, LT, LV, NL, SI and the UK). Similarly, in some Member States securitisation entities are subject to solo prudential requirements whereas in other

cases financial vehicle corporations engaged in securitisation transactions (in particular where not owned by banks) are not (ES, IE, LU, NL, PT and the UK).[32]

54. In terms of the prudential regime applicable to specified entities, five Member States (AT, FR, DE, IT and NL) apply the provisions of the CRR as though the entities concerned were 'credit institutions' within the meaning of the CRD IV/CRR (in three Member States (AT, FR and IT) subject to minor modifications and/or exemptions). PT is in the process of devising the requirements applicable to specified entities having regard to the CRR. In other Member States, a bespoke prudential regime has been applied (DK, ES, FR, HU, IE, PL and the UK) and there is wide variation as regards the scope of the requirements imposed in each Member State.

Entities carrying on bank-like activities not subject to requirements under national (or EU) law

55. The survey responses (from twenty five Member States) indicate that there is some variation between the Member States in terms of the range and types of entities carrying on bank-like activities outside the solo prudential regulatory perimeter (whether under national law or relevant EU measures such as the CRD IV, AIMFD and UCITS) in each jurisdiction.

56. In four Member States there are no entities carrying on bank-like activities without any solo prudential requirements (AT, FR, IT and SK).

57. In the other Member States, using the categories identified in the ESA 2010 Regulation (Regulation (EU) No 549/2013), the following have been identified as carrying on bank-like activities outside the solo prudential framework (it is to be noted that this table represents the data in aggregate form- not all of these entities are established in all of the Member States):

[32] The reason why an entity may not be subject to prudential requirements can arise for two reasons. First, an entity-type is subject to regulation by a regulatory authority (i.e. it is within the Member State's regulatory perimeter) but it has been decided not to apply prudential requirements to the entity-type. Second, an entity-type is outside the regulatory perimeter (due to national legislation) so a regulatory authority cannot apply prudential requirements to the entity-type, because the regulatory authority does not regulate them. The report's findings does not distinguish between the two reasons when outlining those entities that are not subject to prudential requirements in some Member States.

Classification			Number of Member States in which present
OFIs (other financial intermediaries except insurance corporations and pension funds) S.125	Financial vehicle corporations engaged in securitisation transactions		6
	Security and derivatives dealers (on own account)		1
	Financial corporations engaged in lending	Financial companies (hire purchase, provision of personal or commercial finance)	14
		Leasing and/or factoring	10
	Specialised financial corporations	Venture and development capital companies	2
		Export/import financing companies	
		Financial intermediaries which acquire deposits and/or close substitutes for deposits, or incur loans vis-à-vis monetary financial institutions only	

58. In light of work underway by other EU bodies, in particular the ECB and the ESRB,[33] to determine the size of the shadow banking sector, and the limited information available to competent authorities regarding the bank-like activities of entities beyond the regulatory perimeter, the EBA has not sought to quantify the scale of the bank-like activities carried on by relevant entities. However, the EBA is contributing to the workstreams of the ECB and ESRB with a view to coordinating, insofar as possible, the analytical work underway in this area.

Regulatory and accounting approaches to consolidation

59. In the second survey competent authorities were invited to comment on the differences between the scope of consolidation under the CRD IV/CRR (the regulatory regime) and the scope under the applicable accounting standards with regard to the treatment of relevant entities. Competent authorities were asked to comment specifically on the treatment of:

    a. entities carrying on securitisation activities and other special purpose vehicles;

    b. other entities carrying on bank-like activities.

[33] The ECB's Working Group on Monetary and Financial Statistics and the ESRB Joint ATC-ASC Expert Group on Shadow Banking, in its Task Force on Risk Metrics.

60. Of the competent authorities that responded to this part of the survey:

    a. nine competent authorities identified the IFRS as the applicable accounting framework;

    b. eight competent authorities said that IFRS or national GAAP are applied.[34] These respondents noted that there are no significant differences between the IFRS and national GAAP relevant to the survey.

61. The other competent authorities either did not respond to this part of the survey or did not say which accounting framework is applicable.

62. Prudential approach to consolidation: Article 18 of the CRR specifies the methods for prudential consolidation. Article 18(1) of the CRR specifies that [credit institutions and investment firms] are required to comply with relevant prudential requirements on the basis of their consolidated situation and '*shall carry out a full consolidation of all* [credit institutions and investment firms] *and financial institutions*[35] *that are its subsidi*aries,[36] *or where relevant, the subsidiaries of the same parent financial holding company or parent mixed financial holding company*'. Proportional consolidation according to the share capital that the parent undertaking holds in the subsidiary may be permitted by the competent authorities where the conditions specified in Article 18(2) of the CRR are met. The competent authorities shall also determine how consolidation is to be carried out where undertakings are linked by a relationship within the meaning of Article 12(1) of Directive 83/349/EEC (the Directive on consolidated accounts) (Article 18(3) of the CRR) and in relation to participations or capital ties other than those referred to in Article 18(1) to (4) (Article 18(5) of the CRR). Ancillary services companies (as defined in point (18) of Article 4(1) of the CRR[37]) and asset management companies (as defined in point (5) of Article 2 of Directive 2002/87/EU (the Financial Conglomerates Directive)) shall be required to be consolidated in specified cases (Article 18(8) of the CRR).

63. As such relevant entities may be within the scope of consolidation if they fall within the definition of 'financial institution' or 'ancillary services undertaking' under, respectively, point (26) and point (18) of Article 4(1) of the CRR or are linked by way of a relationship

[34] In general larger and/or listed companies apply the IFRS.

[35] 'Financial institution' means an undertaking other than an institution, the principal activity of which is to acquire holdings or to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU, including a financial holding company, a mixed financial holding company, a payment institution within the meaning of Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market (1), and an asset management company, but excluding insurance holding companies and mixed-activity insurance holding companies as defined in point (g) of Article 212(1) of Directive 2009/138/EU.

[36] 'Subsidiary' is defined in point (16) of Article 4(1) of the CRR and means: (a) a subsidiary undertaking within the meaning of Articles 1 and 2 of Directive 83/349/EEC; (b) a subsidiary undertaking within the meaning of Article 1(1) of Directive 83/349/EEC and any undertaking over which a parent undertaking effectively exercises a dominant influence.

[37] 'Ancillary services undertaking' means an undertaking the principal activity of which consists of owning or managing property, managing data-processing services, or a similar activity which is ancillary to the principal activity of one or more institutions.

within the meaning of Article 12(1) of Directive 83/349/EEC.[38] In addition, relevant entities should be within the scope of the group governance arrangements (see in particular Article 109(2) of the CRD IV regarding 'subsidiaries not subject to this Directive' and Article 117 of the CRD IV regarding cooperation between supervisors for group supervision purposes).

64. Whilst the definition of 'financial institution' is relatively clear and precise (because it is framed by reference to the authorisation to carry on specified activities) the EBA observes that the definition of 'ancillary services undertaking' is less clear. '*Ancillary services undertaking' is defined as an undertaking the principal activity of which consists of owning or managing property, managing data-processing services, or a similar activity which is ancillary to the principal activity of one or more institutions*'. In particular, the reference to a 'similar activity' which is 'ancillary to the principal activity of one or more [credit institutions and investment firms]' is unclear as no functional definition has been provided. Whilst it is clear that the reference is intended to include group companies such as IT companies and companies employing staff working across a banking group, it is not clear whether entities carrying on bank-like activities (and not within the scope of the terms 'credit institution' and 'financial institution') ancillary to the principal activity of any institutions in the group (e.g. credit or leasing companies) would fall within the scope of this term. Although the survey data is insufficient to draw any conclusions in this regard, the EBA observes that ambiguities in the definition could lead to variations between Member States as to the approach to consolidation.

65. Accounting approach to consolidation: The IFRS requires an entity (the parent) that controls one or more other entities (subsidiaries) to present consolidated financial statements. The IFRS 10 specifies a single basis for determining consolidation. The principle of control is defined by reference to the following elements (all of which must be present in order for an investor to be considered as controlling an investee) under the single definition of control:

- Power over the investee (i.e. the investor has existing rights that give it the ability to direct the relevant activities of the investee; these are the activities that significantly affect the investor's returns). Such rights may be voting rights but can include contractual arrangements.

- Exposure, or rights, to variable returns from its involvement with the investee.

- The ability to use its power to affect the level of return.

[38] See footnotes 35 and 37.

66. As such relevant entities may be included in the accounting scope of consolidation depending on the relation between the investor and investee companies. Again, the survey data is insufficient to draw any specific conclusions in this regard.

67. In terms of the differences between the regulatory and accounting approach respondents drew attention to the treatment of securitisation vehicles carrying on bank-like activities. In particular, IT observed that as a result of the recent changes to the IFRS 10, which now provides for a single principle for consolidation based on the definition of 'control', securitisation companies and other entities carrying on bank-like activities operating for the benefit of other entities within the same group but without a readily identifiable controlling shareholder may be excluded from the consolidated financial statement. As a consequence, since the new accounting standards may indirectly influence the perimeter of consolidated supervision for the purposes of prudential regulation the Bank of Italy intervened in order to require their inclusion (on the basis of organisational and financial arrangements) in the scope of consolidation for regulatory purposes.[39]

Next steps

68. In light of the variations between the Member States in terms of the prudential treatment of relevant entities the EBA observes that there may be merit in conducting further analysis of the sector in order to determine whether or not a legislative proposal should be brought forward to establish common prudential requirements for some or all of these entities. Such work should be undertaken in conjunction with work by other bodies such as the Financial Stability Board and the Basel Committee on Banking Supervision.

[39] It is also to be noted that the regulatory (see Articles 243 and 244 of the CRR) and accounting approaches use different criteria when considering whether significant credit risk associated with the securitised exposures has been transferred to a third party and therefore the scope of consolidation differs depending on the approach applied. In particular, if there is a significant risk transfer in compliance with the EBA Guidelines a securitisation vehicle can be excluded for the regulatory scope of consolidation, even if it is consolidated in accounting.

PART 4: Adequacy of the prudential requirements under the AIFMD and UCITS

69. In their responses to the EBA's first survey several competent authorities indicated concerns with the adequacy of the prudential requirements imposed under the AIFMD and the UCITS in light of the bank-like activities which may be carried on by entities within the scope of those measures. In the EBA's second survey the competent authorities were asked to provide further comments in this regard.

70. Of the responses received: thirteen competent authorities had no comment or indicated they were not in a position to comment;[40] nine competent authorities stated they had no concerns or no significant concerns at present; and two competent authorities indicated concerns.

71. Of those competent authorities who indicated concerns, one pointed out that the recent debate on loan origination by legal persons managing alternative investment firms (AIFMs) and alternative investment firms (AIFs). The prudential requirements for AIFMs under the AIFMD do not include credit risk as such so if the management firm (and not the AIF itself) was lending this would not normally be captured in the same way as for a CRR institution. Although there is no evidence to suggest this is currently a material risk, the carrying on of such activity without adequate prudential requirements in place could pose risks. Of course there is a need to strengthen capabilities in long term financing but we should also be wary that origination of loans is a core competence of the banking sector that requires specific expertise, e.g. in the evaluation of credit worthiness, loan servicing etc. Second, as regards lending by AIFs, there is nothing to stop AIFs carrying on such activity and capital requirements are not applied to an AIF. Again, there is no evidence to suggest this a material risk at this time but the issue might warrant further consideration. The other observed that there has been non proper EU-wide consideration of the type and magnitude of prudential risks of firms carrying on depositary business (whether or not they are credit institutions or some other form of entity). Consideration could be given to exploring the risks to which depositaries might be exposed and, in turn, the risks they may pose in order to determine whether or not there is a case for further harmonised prudential requirements.

72. Of those competent authorities who indicated no concerns, or no significant concerns, at present, one observed that the AIFMD and the UCITS set out a stringent organisational framework for investment managers, together with risk and liquidity management requirements. Further, the segregation rules and the requirement to entrust assets to the safekeeping of depositaries provide additional safeguards. It was also noted that UCITS

[40] In particular, where the respondent authority is not the competent authority for the purposes of the AIFMD or UCITS.

funds are not permitted to provide loans to third parties.[41] Another stated: 'we do not share [the] concerns since entities falling within AIFMD scope have limited activity in the local market for the time being, whilst local UCITS firms are not directly involved in any shadow banking activity'.

73. Accordingly, on the basis of the responses received the EBA is not in a position to formulate any specific recommendations about the adequacy of the AIFMD and UCITS.

Next steps

74. The EBA stands ready to provide such other information or assistance as the Commission may request in relation to the matters referred to in this report.

[41] No such limitation appears in the AIFMD.

Annex 1: Exclusions under points (3) to (23) of Article 2(5) of the CRD IV

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
AT	Austrian postal service with regard to its money transactions. Number of entities: 1. Exclusion: point (3) of Art. 2(5) CRD IV.	Historic exclusion concerning its money transactions.	Money transactions. Information not provided about the source of financing.	None.	None.	None.	Information not provided.	Information not provided.
	Oesterreichische Kontrollbank Aktiengesellschaft (OeKB) with regard to legal transactions in the context of export promotion. Number of entities: 1. Exclusion: point (17) of Art. 2(5) CRD IV.	Historic exclusion. The exemption from the banking rules applies only for the part of the OeKB that engages in the context of export promotion. For their other business activities it is treated as a CRR-credit institution and is subject to supervision.	Various. However, the exclusion only applies with regard to the part of the OeKB that engages in the context of export promotion. Information not provided about the source of financing.	None; see 'rationale for exclusion'.	None; see 'rationale for exclusion'.	None; see 'rationale for exclusion'.	Information not provided.	Total Assets €28.4 bn.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
AT	Undertakings recognised as non-profit housing associations if they conduct the transactions listed in Article 1(1) of the Austrian Banking Act as part of their core transactions. Number of entities: unknown. Exclusion: point (17) of Art. 2(5) CRD IV.[42]	Historic exclusion.	None. Information not provided about the source of financing.	None.	None.	None.	Information not provided.	Information not provided.

[42] These entities are treated as 'financial institutions' for the purposes of the application of regulatory consolidation rules under the CRR.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
CZ	N/A.	-	-	-	-	-	-	-
DE	Kreditanstalt für Wiederaufbau (KfW). Number of entities: 1. Exclusion: point (6) of Art. 2(5) CRD IV.	KfW is the promotional bank of the Federal Republic of Germany. It was established in 1948. As a promotional bank owned by the Federal Republic of Germany and the German federal states, it has a special responsibility to promote – inter alia - environmental and climate protection.	Various.[43] The promotional business is primarily refinanced on the international capital markets. The Federal Republic of Germany explicitly guarantees its refinancing.	Articles 25 to 91 of the CRR will be applied by analogy as of 1 January 2016.	Articles 411 to 428 of the CRR will not be applied.	Articles 387 to 403 of the CRR will be applied by analogy as of 1 January 2016.	See the KfW act and statute and a letter detailing the activity restrictions[44].	Balance sheet total: €464,8 bn (2013).

[43] 'Bank-like activities' means any of the activities referred to in Annex I to Directive 2013/36/EU that the entity or entities carry on without being subject to EU prudential rules, including credit intermediation. The four key features of credit intermediation are: (a) maturity transformation (borrowing short and lending/investing on longer timescales); (b) liquidity transformation (using cash-like liabilities to buy less liquid assets); (c) leverage; and (d) credit risk transfer (transferring the risk of credit default to another person for a fee).

[44] See third part of letter to the German government - EUROPEAN COMMISSION Brussels, 27.03.2002. C (2002) 1286 and besides KfW act and statute.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
DE	Wohnungsgemeinnützigkeitsgesetz. Number of entities: these entities no longer exist in DE. Exclusion: point (6) of Art. 2(5) CRD IV.	-	-	-	-	-	-	-
DK	Eksport Kredit Fonden A/S (EKF). Number of entities: 1. Exclusion: point (5) of Art. 2(5) CRD IV.	EKF is fully owned by the Danish state. The purpose of the foundation is to ensure that Danish companies have adequate competition conditions regarding the coverage of extraordinary risks for losses in connection with export, including ships, as well as national aid in this regard.	EKF is allowed to take other repayable funds. It is financed through the issuance of bonds.	EKF's own funds shall be at all times of a size which constitutes a proper base for the foundation's liabilities and activities.	There are rules limiting the size of the own funds that can be tied up.	The Board of Supervisors of EKF shall stipulate rules on spreading the risks of the foundation.	EKF is allowed to take other repayable funds.	The balance sheet total for the company was DKK 10.384.000.000.000 at the end of 2013.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
DK	Danmarks Skibskredit A/S. Number of entities: 1. Exclusion: point (5) of Art. 2(5) CRD IV.	Danmarks Skibskredit A/S is fully owned by the Danish state. Danmarks Skibskredit's business model is closely connected to the Danish shipping sector and the Danish shipbuilding industry.	Danmarks Skibskredit A/S undertakes the following bank-like activities: - maturity transformation; - liquidity transformation; - leverage.[45] Danmarks Skibskredit A/S relies on issuance of two types of covered bonds for its funding. Additional sources of funding include money market and capital market loans.	The company's own funds shall at all times be at least 8 percent of their total risk exposure. (Standard method.)	There are rules restricting the placement of the funds of the company. Furthermore there are rules limiting future liquidity deficits.	None.	The purpose of the institute is to finance the building, rebuilding, purchase, sale and refinancing of ships.	The balance sheet total for the company was DKK 65.491.000.000 by the middle of 2014.

[45] Danmarks Skibskredit A/S maintains a portfolio of loans exclusively to the shipping sector, out of which around half is accounted for by the Danish shipping sector. Danmarks Skibskredit A/S issues UCITS-compatible covered bonds in their business of providing long-term financing for the shipping industry. Danmarks Skibskredit A/S runs a leveraged operation with a capital base of DKK 9,3bn and a total unweighted balance of DKK 67,2bn.CDS. Danmarks Skibskredit A/S maintains positions in credit derivatives for hedging purposes.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
DK	KommuneKredit. Number of entities: 1. Exclusion: point (5) of Art. 2(5) CRD IV.	Kommunekredit is fully owned by the Danish state. Kommunekredit is a credit union for Danish municipalities. Kommunekredit issues loans to municipalities financed by issuance of bonds secured by a collective guarantee by the members of the union and thus ultimately by a right to impose taxes on the citizens. As such, Kommunekredit cannot be characterized as an ordinary CRR credit institution.	Permitted to take other repayable funds.	The organisation's own funds shall at all times be at least 1 percent of the organization's obligations.	None.	None.	The purpose of the organisation is to offer loans and financial leasing to municipalities and regions.	The balance sheet total for the organization was DKK 195.435.000.000 at the middle of 2014.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
EL	Tamio Parakatathikon kai Danion (The Loan and Consignment Fund). Number of entities: 1. Exclusion: point (9) of Art. 2(5) CRD IV.	The Loan and Consignment Fund (established by Law 1608/1919) is a public legal entity supervised by the Ministry of Finance that is an autonomous financial operating regional development agency seeking specific purposes to serve the public and social interest.	Activities under points (1) and (2) referred to in Annex 1 to Directive 2013/36/EU. The source of financing is mainly deposits from private individuals.	Not relevant since it has ceased to offer new bank-like services.	Not relevant since it has ceased to offer new bank-like services.	The Loan and Consignment Fund must submit to the Bank of Greece a report on large exposures (loans over €1 mn) on a six month basis.	The Loan and Consignment Fund is not allowed to grant any new loans nor take new deposits, however the Fund continues to service existing clients for the aforementioned activities.	Total exposures to clients (loans and receivables) and total deposits amount to €4,596mn and €5,533 mn, respectively as of 31/12/13.
ES	Instituto de Crédito Oficial (ICO). Number of entities: 1. Exclusion: point (10) of Art. 2(5) CRD IV.	ICO is a public institution. It is a state-owned bank attached to the Ministry of Economic Affairs and Competitiveness.	ICO carries on: maturity transformation; liquidity transformation; leverage.	Yes. ICO is subject to banking prudential legislation (Law 10/2014 of 26 June, on the organization, supervision and solvency of credit institutions).	Yes. ICO is subject to banking prudential legislation (Law 10/2014).	Yes. ICO is subject to banking prudential legislation (Law 10/2014).	No.	€102,220 million of total assets in December 2013.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
FI	Teollisen yhteistyön rahasto Oy/Fonden för industriellt samarbete Ab/Finnish Fund for Industrial Cooperation Ltd (FINNFUND) Number of entities: 1. Exclusion: point (21) of Art. 2(5) CRD IV.	FINNFUND is a Finnish development finance company that provides long-term risk capital for profitable projects in developing countries and Russia. It finances private projects that involve a Finnish interest. It is not for profit.	Based on the reading of the law regulating FINNFUND, its business seems to be limited mostly to the type of business stated in points (2) and (6) of the Annex to Directive 2013/36/EU.	General company law requirements.	No.	No.	Not allowed to take deposits from the public.	Information not available- not supervised by the FI FSA.
	Finnvera Oyj/Finnvera Abp Number of entities: 1. Exclusion: point (21) of Art. 2(5) CRD IV.	Finnvera is not for profit. It helps to promote FI exports by providing companies and banks financing exports with a broad range of services. It is the official Export Credit Agency (ECA) of FI.	Based on the reading of the law regulating Finnvera, its business seems to be limited mostly to the type of business stated in points (2) and (6) of the Annex to Directive 2013/36/EU.	General company law requirements.	No.	No.	Not allowed to take deposits from the public.	Information not available- not supervised by the FI FSA.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
FR	Caisse des dépôts et consignations (CDC). Number of entities: information not provided. Exclusion: point (11) of Art. 2(5) CRD IV.	CDC performs public interest missions granted by law. It is a long term institutional investor.[46]	Various.[47]	For each section, capital requirements of CDC are calculated in two ways.[48]	Each section must comply with the common regulatory liquidity ratio applicable to banks. CDC uses different types of indicators to measure its liquidity risk.[49]	CDC is subject to the French reporting rules on large exposures in the version of 1 January 2010 (compliant with CRDIII). A detailed internal limit structure is also in place.	See footnote 47.	At 31 Dec. 2013, the saving funds section total assets amounted to €259,3 bn. At 31 Dec. 2013, the general section total assets amounted to €143,1 bn.

[46] CDC is a French public financial institution and not a credit institution. However, since the publication of the Law for the modernization of the French economy (August 4, 2008), CDC is subject to the supervision of its financial activities (article L.518-15-2 of the French Monetary and Financial Code). Two decrees specify the provisions of the banking regulation applicable to CDC. As of today, the applicable regulation is the EU banking regulation in its version of the 1st of January 2010, with some waivers. On 20 February 2014, the law has been modified to enable the application of Directive 2013/36/EU (CRD IV). A new Decree must be published to enter into force.

[47] Through the savings fund section, CDC manages the main part of French individuals regulated savings (Livret A, LDD and LEP) and transforms them in order to finance public priorities, mainly social housing. CDC is also the banker of Justice public service and of Social welfare- manages public or semi-public pensions and solidarity plans. It contributes to the territory development alongside the local authorities. It invests in the service of the economy with a long term focus. It participates in the economic development through its subsidiaries.

[48] CDC implements the standard approach to calculating the capital requirements, as defined by the decree of 20 February 2007 (text setting the prudential rules in compliance with CRD3). As an exception, CDC does not deduct capital holdings in credit and financial institutions. Capital requirements are also evaluated by a prudential model. It was adopted by the Supervisory Board of CDC on 12 January 2012, on its CEO and Chairman's proposal of and after the approval of the French Prudential Supervisory Authority (ACPR). The model covers all the main risks: loss of share portfolio value, liquidity risk, interest rate risk, credit risk on portfolio securities and on loans granted, real estate risk, foreign exchange risk and operational risk; in the case of the general section, it also covers subsidiary and shareholding risk. The assessment of capital requirements is based on a method adapted to each type of risk.

[49] Indicators on instantaneous maturity transformation - Statics and dynamics gaps - Stress test. CDC has established internal limits and alert thresholds for liquidity risk. High liquid assets portfolios enable it to raise liquidity from the Central Bank at any time.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
HR	Croatian Bank for Reconstruction and Development (CBRD).[50] Number of entities: 1.	CBRD is the development bank of the Republic of Croatia whose share capital is paid from the state budget and the Republic of Croatia is the sole shareholder. The reason for specifying Croatian Bank for Reconstruction and Development under the exemptions set out in Article 2(5) of the	CBRD shall enter into the following transactions: - lending and other placements; - bank and other guarantees; - insurance and re-insurance contracts; - debt and equity security investments; - other financial transactions and services aimed at conducting the activities set out in this Article 10.[51] It raises funds by issuing debt	See Hrvatska banka za obnovu i razvitak Act; Official Gazette 138/06 and 25/13 Article 5(1) of which states that the capital of the CBRD shall amount to Croatian kunas 7,000,000,000.00. Drafting amendments to the Law on the Croatian Bank for Reconstruction and Development are in progress. Most likely, the capital is going to be HRK 10 (ten)	None but detailed provisions relating to risk management will be prescribed in the new law.	None but detailed provisions relating to risk management will be prescribed in the new law.	See Hrvatska banka za obnovu i razvitak Act: Article 10 Paragraph (5) of which states that the activities and transactions referred to in that Article shall be conducted by the CBRD in accordance with the state aid legislation.	CBRD is the parent company of the Group. The Group consist of the parent company, and Croatian credit insurance joint-stock company and Business info service ltd. Total assets = HRK 26.168,2 million Total liabilities = HRK 17.279,9 million

[50] Since the CRD IV was adopted before the Republic of Croatia joined the European Union, entities from the Republic of Croatia are not excluded from its application under points (3) to (23) of Article 2 (5) of the Directive. Meanwhile, in accordance with the negotiating positions adopted during the negotiations on Croatian accession to the European Union, credit unions and the Croatian Bank for Reconstruction and Development shall be excluded from the application of the Directive with the date of Croatian accession. Consequently, the Republic of Croatia shall submit a request for their exclusion from the application of the Directive. The following are requirements and other required information relating to the credit unions and the Croatian Bank for Reconstruction and Development. Information about credit unions we have mentioned in our previous answers and here we repeat them since the required data on excluded entities under Article 2 (5) of the Directive.

[51] Croatian Bank for Reconstruction and Development (Hrvatska banka za obnovu i razvitak Act; Official Gazette 138/06 and 25/13) Article 10(3).

		Directive is that it uses the word "bank" in its name and the Credit Institutions Act provides that the word 'bank', if contained in the firm name, may be used in legal transactions only by a legal person authorised by the Croatian National Bank as a bank.	securities and taking out loans. The Republic of Croatia guarantees for the obligations of the CBRD unconditionally, irrevocably and at first demand, without issuing a separate guarantee instrument.	billion. Detailed provisions relating to risk management will be prescribed as well. Adoption of the law is expected in the very short term.				

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
HR	Credit unions. Number of entities: 26.	The reason for exempting the credit unions is that they are territorially limited and taking of deposits from its members by a credit union is not considered to be receiving's from the public.	A credit union may carry out the business activity that covers the following operations only: - acceptance of cash deposits of credit union members in domestic currency; - granting of credits to credit union members in domestic currency;	Credit Unions Act; Official Gazette 141/06, 25/09 and 90/11: Article 7 (2) The minimum amount of the share capital of a credit union shall be HRK 500,000.00. Other requirements also apply.[53]	Credit Unions Act: Article 41 (1) A credit union shall, with a view to addressing the liquidity risk, adopt and pursue the regular liquidity management policy, which shall cover: - planning of expected known	Credit Unions Act: Article 42 (2) Exposure of a credit union to one person and the persons related to him/her/it means the sum of all receivables arising from credits or on other basis and the assumed liabilities of a credit union to one person. (3) The exposure	A credit union may carry out the business activity that covers the following operations only: 1. acceptance of cash deposits of credit union members in domestic currency; 2. granting of credits to credit union members in domestic currency; 3. accept monetary deposits from unions	Credit unions (30 June 2014): Total assets = HRK 673,9 million; Total liabilities = HRK 519,7 million.

[53] These are as follows:

Risk management

Article 36

(1) A credit union shall maintain the total amount of membership holdings and reserves of the credit union at a level adequate to the volume and types of business carried on, taking into account the nature of risks to which it is exposed (solvency ratio).

(2) A credit union shall operate in such a manner as to be able to meet its liabilities as they fall due (liquidity principle) and to be able to meet all its liabilities on an ongoing basis (solvency principle).

Reserves of a credit union

Article 37

(1) A credit union shall allocate its total profits to the reserves of the credit union for as long as the level of reserves reaches 20% of the total amount of membership holdings.

(2) After the reserves of the credit union reach the level referred to in paragraph 1 of this Article, the credit union shall allocate at least 50% of the profits to its reserves, and the remaining amount may be paid out to the members of the credit union in proportion to the level of their membership holdings.

			- accept monetary deposits from unions and craft organizations as well as accept non repayable funds from international institutions, - provide payment services for its Members, - exchange operations carried out for credit union members; - granting of financial aid to credit union members; - providing guarantees for liabilities of credit union members in domestic currency.[52]		and potential cash outflows and sufficient cash inflows for coverage of outflows; - regular monitoring of liquidity; - adoption of appropriate measures for prevention or elimination of the cause of illiquidity. A credit union shall, on a daily basis, calculate the amount of liquid assets and maintain the minimum liquidity level.	referred to in paragraph 2 of this Article shall not exceed 15% of the total amount of membership holdings and formed reserves. (4) The sum of the exposures referred to in paragraph 2 of this Article equalling or exceeding 10% of the sum of all membership holdings and formed reserves shall not exceed six times the sum of all membership holdings and formed reserves.[54]	and craft organizations as well as accept non repayable funds from international institutions, 4. provide payment services for its Members, 5. exchange operations carried out for credit union members; 6. granting of financial aid to credit union members; 7. providing guarantees for liabilities of credit union members in domestic currency.[55]	

Credit unions' solvency ratio

Article 38

(1) Solvency ratio means the relationship between the sum of the total amount of membership holdings and the formed reserves on one hand and the assets of a credit union multiplied by 100 on the other hand.

(2) Solvency ratio must amount, at any time, to at least 9% of the amount referred to in paragraph 1 of this Article.

[52] Credit Unions (Credit Unions Act; Official Gazette 141/06, 25/09 and 90/11) Article 3(1). In accordance with the Credit Institutions Act (Official Gazette 159/13), taking of deposits from its members by a credit union shall not constitute the acceptance of deposits or other repayable funds from the public referred.

[54] Credit Unions (Credit Unions Act; Official Gazette 141/06, 25/09 and 90/11) Credit risk exposure Article 42.

[55] Credit Unions (Credit Unions Act; Official Gazette 141/06, 25/09 and 90/11) Activities of credit unions Article 3(1).

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
IE	Post Office. Number of entities: 1. Point (3) of Art. 2(5) CRD IV.	Historic.	-	-	-	-	-	-
	Credit Unions.[56][57] Number of entities: 390 (as at 1 September 2014). Exclusion: point (8) of Art. 2(5) CRD IV.	More limited activities that credit institutions and subject to pre-CRD separate regulatory regimes.	Financial services provided are primarily basic savings, payments and loan products with some insurance offerings provided on an intermediary basis. Source of financing: Members' savings, retained earnings.	Minimum reserve requirement of 10% of total assets.	Must maintain a liquidity ratio of at least 20%. Additional liquidity requirements have also been imposed in relation to longer term lending.	The maximum amount of a member's outstanding liability to the credit union, whether as a borrower, guarantor or otherwise cannot exceed the greater of €39,000 or 1.5% of the total assets of the credit union. Maturity limits also apply.	Credit unions may only provide services that are permitted under the Credit Union Act 1997. They can undertake basic savings and loans.	Of the Credit Institutions (Ireland) Aggregate Balance Sheet, as of September 2011, €6bn (or 5%) of the €128bn in lending to Irish resident households was provided by the credit union sector.

[56] Credit Unions are financial co-operatives formed for the promotion of thrift among their members through the accumulation of their savings, the creation of sources of credit for the mutual benefit of their members at a fair and reasonable rate of interest and the use and control of members` savings for their mutual benefit. The membership elects from its numbers unpaid officers and directors who establish the operational policies of the credit union. Voting is on a one-member, one-vote basis. Credit unions cannot do business with the general public due to charter limitations based on serving a membership characterised by a common bond. The statutory Registry of Credit Unions (RCU) within the Central Bank of Ireland is responsible for the registration, regulation and supervision of credit unions. The principal legislation governing these entities is the Credit Union Act, 1997 ("the 1997 Act").

[57] The Credit Union Act 1997, as amended by the Credit Union and Co-operation with Overseas Regulators Act 2012, provides for a comprehensive regulatory framework for credit unions in Ireland which also takes into consideration the nature, scale and complexity of the business being undertaken. This includes detailed governance requirements and prudential requirements on items including reserves, liquidity and lending.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
IE	Friendly Societies.[58] Number of entities: 47.[59] Exclusion: point (8) of Art. 2(5) CRD IV.	More limited activities that credit institutions and subject to pre-CRD separate regulatory regimes.	Primarily deposits and loans but many do not conduct bank-like activities. Source of financing: voluntary subscriptions and donations.	N/A.	N/A.	N/A.	N/A.	Figures equivalent to those presented for credit unions are not readily available for the Friendly Societies sector.

[58] Friendly Societies were established for various purposes, mostly to provide discretionary benefits to members or to promote particular activities or interests. The Registry of Friendly Societies (RFS), a statutory office of the Department of Jobs, Enterprise and Innovation, is charged with ensuring that these mutual entities, which are subject to general regulation and supervision in varying degrees by the Registrar of Friendly Societies, comply with their statutory obligations. Up until the enactment of the Credit Union Act 1997, the Registrar of Friendly Societies was designated as the regulatory authority for credit unions. The principal legislation governing these entities is the Friendly Societies Acts, 1896 – 2014.

[59] As at 31 December 2011.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
IT	Cassa depositi e prestiti S.p.A. (CDP).[60] Number of entities: 1. Exclusion: point	Historic.	CDP carries on: - maturity transformation; - liquidity transformation; - leverage. Some credit risk transfer activities	CDP is required to report regularly to Banca d'Italia data on own funds, solvency ratios and main categories of risk, that are calculated	CDP is subject to the weekly liquidity monitoring performed on all Italian banks.	CDP may only lend to certain counterparties or under special conditions. In particular, under the "separate account" rule[61] CDP may lend	Generally, CDP is not allowed to perform activities and make investments other than those explicitly foreseen by the Law. For limitations concerning the	The total assets amount to € 315 bn as of Dec 2013, consisting mainly of cash deposited at the Italian Treasury (€ 133 bn) and loans to the public sector (€ 86 bn).

[60] Under the 2003 Decree Law, CDP is subject to the supervision of Banca d'Italia according to the provisions of the Banking Law (BL) applicable to financial intermediaries (other than banks) that are licensed to grant credit and are included in the special list provided for by art. 107 BL, taking into account the particular characteristics of the entity and the special rules governing its "separate account". CDP was transformed from public sector entity (being part of the central government) into joint-stock company by the 2003 Decree-Law. Since then, it is a government owned private entity to which the Law assigns functions of public economic interest. With the same legislative act, CDP's activities were divided in two distinct areas, which are separate from the organisational and accounting point of view:

• the "separate account" (*gestione separata*), consisting of activities aimed at financing the State and local authorities by using postal savings bonds guaranteed by the State and other unsecured funds;

• the "ordinary account" (*gestione ordinaria*), providing financing to works, infrastructures and development projects, through funding not guaranteed by the government.

The latter is carried out autonomously according to market criteria. The separate account instead is subject to a specific regulation for public entities.

Recent changes in the related regulation extended the range of activities performed by the CDP in order to include (mainly in the "separate account"): financing of private entities in projects sponsored by the State; granting loans to the banking system in order to support SME; financing export activities; investments in private equity funds and in project finance; the purchase – direct or through funds – of shares in Italy strategic sectors.

[61] CDP was transformed from public sector entity (being part of the central government) into joint-stock company by the 2003 Decree-Law. Since then, it is a government owned private entity to which the Law assigns functions of public economic interest. With the same legislative act, CDP's activities were divided in two distinct areas, which are separate from the organisational and accounting point of view:

• the "separate account" (*gestione separata*), consisting of activities aimed at financing the State and local authorities by using postal savings bonds guaranteed by the State and other unsecured funds;

• the "ordinary account" (*gestione ordinaria*), providing financing to works, infrastructures and development projects, through funding not guaranteed by the government.

The latter is carried out autonomously according to market criteria. The separate account instead is subject to a specific regulation for public entities.

	(12) of Art. 2(5) CRD IV.		are also carried on e.g. assuming the credit risk of securitisation tranches (if assisted by a State guarantee) and providing guarantees on export credits. The main source of financing is represented by postal savings guaranteed by the Italian State (83.0% of total funding).	according to methodologies based on the same rules applicable to banks under the national transposition of Directive 2006/48/EC, with adaptations deriving from the particularities of its activity.		only to: public sector entities (State, local governments and authorities, public law entities); other entities, provided that there is a public interest and the operation is sponsored by a public sector entity. Outside of the "separate account" rule, CDP face restrictions on the categories and purposes of its financing operations.	lending activity, see point C. above. On the funding side, CDP is not allowed to collect funds directly from the public besides the issuance of securitised bonds and other financial instruments (the latter, in any case, has to be performed in full respect of the rules on prospectus, market conduct, and provision of investment services, among other). The collection of postal savings is permitted only through the network of the postal offices of Bancoposta.	The breakdown of the remaining assets is: banks and other financial Institutions (€ 10.2 bn); Large corporate & project finance (€ 7.1 bn); Treasury bonds and other (€ 31.5 bn). The breakdown of liabilities is: Postal savings guaranteed by the State (€ 242 bn); Financial Institutions (€ 22.7 bn); EMTN issues (€ 6.8 bn); Equity (€ 18.1 bn) and other (€ 24.6 bn).

Recent changes in the related regulation extended the range of activities performed by the CDP in order to include (mainly in the "separate account"): financing of private entities in projects sponsored by the State; granting loans to the banking system in order to support SME; financing export activities; investments in private equity funds and in project finance; the purchase – direct or through funds – of shares in Italy strategic sectors.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
IT	BancoPosta.[62] Number of entities: 1. Exclusion: point (3) of Art. 2(5) CRD IV.	BancoPosta falls under Art. 2(5)(3) CRD IV (post office giro institutions).	The intermediary carries out the following activities: - maturity transformation; - liquidity transformation; - leverage.[63] The main source of funding is represented by due to customers (88% of total liabilities). Private customer deposits in postal current accounts have to be invested mandatorily in	BancoPosta is required to calculate and report to Banca d'Italia own funds, solvency ratios and data on the main categories of risks according to the methodology set out for banks in the CRR.	BancoPosta is subject to the same supervisory regulation on liquidity risk management that applies to banks. It includes requirements on governance and internal controls, risk management processes, internal transfer prices, disclosure. Reporting of liquidity ratios – such as LCR – currently does	BancoPosta is required to report large exposures according to the same rules and definitions applicable to the Italian banks. However, given the particular range of its assets, quantitative "hard" limits to exposures towards a single counterparty do not apply.	BancoPosta may collect funds from the public only through postal current accounts and is mandated to invest those funds only in Euro-area government bonds and – up to 5% of total assets – State-guaranteed securities. Credit granting and investment activities in other categories of assets are explicitly prohibited by the BancoPosta Decree.	As of Dec. 2013 the total assets amount to € 53.1 bn, consisting mainly of securities holdings (Italian government securities, about € 22 bn and fixed payment or fixed maturity debt securities, around € 15 bn). The liabilities consist mainly of due to customers (€ 44 bn).

[62] According to the BancoPosta Decree, as implemented through the Banca d'Italia secondary regulation "Circ. 285" ( ), the activities of Bancoposta are subject to the provision of the Italian Banking Law applicable to banks, with some derogations deriving from the limited range of activities that are permitted to that institution (see point D below). To understand the framework it is important to note that the Bancoposta Decree prohibits the institution from performing any lending activity with the public; therefore, Bancoposta does not falls under the definition of a "credit institution" according to article 4 CRR.

[63] In particular, BancoPosta's operations consist of those listed in the "BancoPosta Decree" ( ), namely: a) the collection of savings from the public (postal current accounts); b) the collection of savings through postal securities and deposits on behalf of Cassa Depositi e Prestiti; c) payment services; d) foreign exchange brokerage services; e) promotion and placement to the public of loans issued by approved banks and financial brokers; f) investment and related services pursuant to art. 12 of Bancoposta Decree; g) the off-premises promotion, distribution and provision of banking and financial products and services. As explained further, BancoPosta is not allowed to engage in lending activities vis-à-vis the public.

			euro-zone government securities. Current account deposits by Public Sector entities are required to be deposited with the Ministry of Economy and Finance.		not apply.			

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
LT	Kredito unijos or credit unions[64] Number of entities: 74. Exclusion: point (14) of Art. 2(5) CRD IV.	They are small cooperative credit institutions which have been created based on specific membership criteria in order to provide financial services to their members; they	Various.[65] Source of financing: share capital and deposits from members of the credit union.	Minimum Capital of a Credit Union 1. The sum total of the constituent part of a credit union's equity capital specified in subparagraphs 1, 2, 3 and 4 of paragraph 1 of Article 36 of this Law must be not less than:	Minimum ratio of liquid assets and current liabilities applied to credit union ranges between 30 and 60 per cent depending on the size of assets and growth rate of deposits.	Large exposure limit to a single borrower: the lower amount from those two options: - 25 per cent of adjusted capital; or - LTL 500 000.	-	The aggregate assets as of 1 July 2014 – LTL 1 956,5 million The aggregate deposits as of 1 July 2014 – LTL 1 665,8 million

[64] These shall mean a credit institutions satisfying the economic and social needs of its members and holding a licence to engage and engaged in the receipt of deposits and other repayable funds from the non-professional participants of the market specified by the Law on Credit Unions and lending thereof, also authorised to engage in the provision of other financial services stipulated by this Law to the persons specified by this Law and assuming related risks and responsibility.

[65] Law on Credit Unions

Article 4. Financial Services Provided by a Credit Union and Other Activities

1. A credit union must provide a licensed financial service specified in subparagraph 1 of paragraph 2 of this Article and shall have the right to provide the financial services specified in subparagraphs 2, 3 and 4 of paragraph 2 and paragraph 3 of this Article, including financial services in a foreign currency, provided these rights have not been restricted in accordance with the procedure laid down by this Law or other laws.

2. Licensed financial services shall be: (1) receipt of deposits and other repayable funds from non-professional participants of the market; (2) the payment services specified in Article 5 of the Law of the Republic of Lithuania on Payments; (3) currency exchange (in cash); (4) issuance of electronic money.

3. Non-licensed financial services shall be: (1) receipt of deposits and other repayable funds; (2) lending (including mortgage loans); (3) administering travellers' cheques, bankers' drafts and other means of payment, insofar as this activity is not covered by the payment services indicated in subparagraph 2 of paragraph 2 of this Article; (4) provision of financial assurances and financial guarantees; (5) financial mediation (activities of an agent) as provided for by the Law of the Republic of Lithuania on Financial Institutions; (6) administering of money; (7) provision of information as well as advice on issues of the granting and payment of a credit; (8) lease of safes.

4. A credit union shall have the right to provide financial services: (1) to members of the credit union and associate members of the credit union (hereinafter referred to as "members"); (2) associations of credit unions; (3) credit unions; (4) the Central Credit Union.

		would not be able to raise the minimum €5 million capital as required for banks but they are licenced and supervised in a similar way as banks and strict prudential requirements are applied.		1) LTL 15 000, where the credit union does not intend to provide the licensed financial service indicated in subparagraph 4 of paragraph 2 of Article 4 of this Law; 2) EUR 350 000 (expressed in euros in accordance with the official rate of the litas against the euro set by the Bank of Lithuania), where the credit union intends to provide the licensed financial service indicated in subparagraph 4 of paragraph 2 of Article 4 of this Law.[66]				

[66] Where it transpires that the sum total of the constituent parts of a credit union's equity capital as specified in paragraph 1 of this Article has fallen below the minimum capital of the credit union, the board of the credit union must forthwith notify thereof the supervisory institution and immediately convene an extraordinary general meeting of members. The general meeting of the credit union's members must take decisions which would allow to restore the credit union's capital to the minimum amount of a credit union's capital as quickly as possible. The board of the credit union shall notify the supervisory institution of the decisions taken at the general meeting of the credit union's members on the restoration of the capital not later than within three working days.

Capital adequacy requirements correspond to Basel 1 framework. Minimum CA ranges between 13 and 25 per cent depending on the structure of loan portfolio of credit union in question.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
LU	Entreprise des Télécommunications et Postes (the "Entity"). Number of entities: 1. Exclusion: point (3) of Art. 2(5) CRD IV.	Historic.	According to Article 1 of the law of 15 December 2000 on postal financial services, the activities of the Entity comprise the "acceptance of deposits or other repayable funds from the public, in relation to cheques and post office transfers and current accounts associated thereto, as well as the provision of payment services and the issuing of electronic means of payment" and the provision of other financial services with the exception of those that are provided by credit institutions.	Own funds must be no less than €6.2 million on a permanent basis.	None.	None as the Entity cannot perform any lending activity.	The Entity cannot perform activities the provision of which is reserved to credit institutions. The activities of the Entity are subject to the prudential rules and regulations which apply to professionals of the financial sector (law of 5 April 1993 on financial sector) (i.e. authorisation, professional obligations, prudential rules, rules of conduct).	Aggregate assets are composed of deposits with other banks and investments in securities (government bonds). Aggregate liabilities are deposits from the public and the Government.

			The activities are financed by deposits from the public and the Government.					

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
LV	Krājaizdevu sabiedrības- undertakings that are recognised under the ''Krājaizdevu sabiedrību likums'' (Law On Savings and Loan Associations) as cooperative undertakings rendering financial services solely to their members. Number of entities: 32.	These savings and loan associations develop the ability of members thereof to co-operate in order to create credit resources on the basis of the principles of mutual assistance and self-government, promoting economy, for the satisfaction of personal, as well	According to the ''Krājaizdevu sabiedrību likums'' a savings and loan association is a co-operative society with variable number of members and capital and in accordance with the law and the articles of association thereof provides various financial services to the members of the association.[67]	The share capital shall be the sum of the nominal values of shares of the credit union members. A member may pay for its shares only in cash. The minimum amount of the share capital shall be €2,500. The ratio of the own funds (the own funds shall be the difference between assets and liabilities to	None.	A risk exposure shall be regarded as large if the transaction amount exceeds 10% of the own funds of the entity. A total of large exposures shall not exceed the own funds by more than eight times. Total amount of loans issued to one member or common risk group shall not exceed 25% of the own funds.[68]	Permitted to offer only those services listed in footnote 67.	As of 30.06.2014 there are 33 savings and loan associations with total assets of €22.2 mn.

[67] The services are: (1) attracts investments from members and other repayable funds; (Annex 1, 1.p. of CRD); (2) credits members, also according to financial lease provisions; (Annex 1, 2.p. and 3. of CRD; (3) makes cash and non-cash payments for the provision of services to members, using also non-cash means of payment; (4) carries out trade with financial instruments and currency upon the instruction of members; (Annex 1, 7.p. of CRD); (5) issues guarantees and other deeds of such liabilities, by which it undertakes a duty to be responsible for debts of members to creditors; (Annex 1, 6.p. of CRD); (6) keeps valuables of members; (Annex 1, 12.p. of CRD); (7) consults members on issues of financial nature; (8) provides such information, which is related to the settlement of debt obligations of a member; (9) with the permission of the Financial and Capital Market Commission carries out other transactions, which are essentially similar to the abovementioned financial services.

[68] In addition:
Total amount of loans issued to the chairperson of the executive board, the chairperson of the audit commission, executive board and audit commission members of a credit union and their spouses, parents and children shall not exceed 15 % of the own funds of the credit union, with the exception of cases where loans issued to such persons are secured by their additional shares or deposits with the credit union.

	Exclusion: point (13) of Art. 2(5) CRD IV.	as economic and everyday needs of members, thus promoting their welfare. Thus the savings and loan association is founded only for a limited number of members (eligibility for membership shall be based solely on either the territorial principle, the employment principle or according to the principle of community of interests). Membership eligibility cannot be stretched to include extensive categories or general public.	The source of financing is the members of a Savings and Loan Association (co-operative shares and deposits).	total assets and off-balance sheet items shall not be less than 10%.				

Loans which taken separately or as a whole exceed 1,400 euro and are granted to the chairperson of the executive board, the chairperson of the audit commission, the chairperson of the credit committee or a member of the executive board, the credit committee and the audit commission of a credit union shall be granted by a decision taken unanimously by the executive board of the credit union.

The open foreign exchange position of a credit union in a separate foreign currency shall not exceed 10% while in all foreign currencies in total, 20% of its own funds.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
MT	N/A.	-	-	-	-	-	-	-
NL	Nederlandse Investeringsbank voor Ontwikkelingsland en NV Number of entities: 1. Exclusion: point (16) of Art. 2(5) CRD IV.	NIO was part of the in the '40s established Nationale Investeringsbank to transfer Marshall aid to the Dutch industry. From 1965 onward NIO provided loans to developing countries under favourable conditions as to enable projects that contribute to the development of the donor countries. In 2009 NIO stopped with providing such loans, NIO was taken over by the State in 2010 and its only activities are to maintain and manage existing loans. In 2038 the portfolio would be empty.	Provides or provided credit and they all borrow short and lending long. Since they all lend with a development purpose under favourable conditions and borrow against market rates (i.e. the activities are inherently unprofitable), the interest mismatch is financed by the State or regional governments, depending on the entity.	N/A. (no prudential supervision by DNB)	N/A. (no prudential supervision by DNB)	N/A. (no prudential supervision by DNB)	N/A. (no prudential supervision by DNB)	No information available.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
NL	NV Noordelijke Ontwikkelingsmaatschappij Number of entities: 1. Exclusion: point (16) of Art. 2(5) CRD IV.	These entities provide financing for development of regional project in the Netherlands and are all fully owned by a combination of the Dutch State and the Provinces concerned. Note that none of these institutions seems to fall under the CRR definition of a 'credit institution' given that they do not obtain deposits or other repayable funds from the public.	As above.					
	NV Industriebank Limburgs Instituut voor Ontwikkeling en Financiering Number of entities: 1. Exclusion: point (16) of Art. 2(5) CRD IV.							
	Overijsselse Ontwikkelingsmaatschappij NV Number of entities: 1. Exclusion: point (16) of Art. 2(5) CRD IV.							

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
PL	Bank Gospodarstwa Krajowego (BGK) Number of entities: 1. Exclusion: point (18) of Art. 2(5) CRD IV.	BGK is a state-owned institution. It has a very specific role in the Polish financial sector, and focusses its banking services on public authorities.	BGK provides banking services, in particular through the support of the government's economic programmes, as well as local government and regional development programmes implemented with the use of public funds, including those of the EU. Financed from own sources and external financing from the State and the market (i.e. bonds).	BGK is subject to prudential supervision and as a result (and for level playing field reasons) subject to the same prudential requirements as other banks, including those being the implementation of CRD I-III. Because of the exclusion from the scope of CRD, and the role of BGK for the Polish economy, the KNF-Polish Financial Supervision Authority (hereinafter: 'KNF-PFSA') may, at the request of the bank, exempt a part of the activity or the entire activity of that bank (related to servicing the funds created, entrusted or transferred to that bank pursuant to separate acts or as a part of government programs executed by such bank) from the obligation to comply with certain requirements and standards stipulated in the Banking Act. It is still to be decided to what extent the requirements of CRD IV / CRR will also apply to BGK.			The scope of activities that BGK can provide is set in the Bank's statute which is published in the form of the regulation of Minister of Finance (for more information see also http://bgk.com.pl/en).	72 359 198 PLN (as for 30 June 2014).

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
PL	Spółdzielcze Kasy Oszczędnościowo Kredytowe ('SKOKs' or 'Credit Unions' or 'CU'). Number of entities: 55. Exclusion: point (18) of Art. 2(5) CRD IV.	SKOKs have been excluded from the scope of CRD IV due to the special type of activities that they carry out. This type of activity is also subject to CRD exclusion in other EU countries like Lithuania or Ireland.	Taking deposits and other repayable funds. Granting loans and credits (including: consumer loans, mortgage loans, investment credits). Providing payment services. Running the accounts. Issuing payment cards.	See Annex 3.			Credit Unions can only provide service to its members. Every person who wants to make use of credit union's services must be its member. The members of a given credit union can be natural persons bound by a professional or organization bond. Also the non-governmental organizations operating among the members, organizational units of churches and religious organisations that have legal personality, cooperatives, trades unions and housing cooperatives could be members of the CUs.	The total assets of CUs equal to 18 226 million PLN (as of end June 2014).

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
PT	Caixas Economicás Number of entities: 2. Exclusion: point (19) of Art. 2(5) CRD IV.	The restricted scope of activities conducted and their small size. These entities are associated with mutual associations with social benefits purposes hence only providing services to their associates.	Receiving deposits and granting credit. Financed mainly through equity and deposits received.	Subject to the same requirements as credit institutions.	Subject to the same requirements as credit institutions.	Subject to the same requirements as credit institutions.	The legal framework envisages a limited scope of activities (they are considered credit institutions of a 'special type'). Namely as regards the activity of credit granting, these entities only provide such services to the associates of mutual entities to which the saving bank is linked having a social benefit purpose (e.g. mortgage loans, loans guaranteed by funded credit protection- e.g. precious metals).	Balance sheet less than €10m in both cases.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
RO	N/A.	-	-	-	-	-	-	-
SE	Svenska Skeppshypotekskassan. Number of entities: 1. Exclusion: point (22) of Art. 2(5) CRD IV.	It does not accept deposits from the public. It is jointly owned by the Government and clients/ borrower, who are required to sign a bond amounting to 5% of Svenska Skepp.'s total outstanding exposures. Its activities are subject to a specific national law (Swedish Ships' Mortgage Bank Act (SFS 1980:1097)).	Lends money to shipbuilders. Funds itself by either issuing bonds or by borrowing from banks.	Although exempt from capital requirement rules it currently reports own funds according to Basel II rules. Its capital ratio in year 2013 was 3.67.	It has internal guidelines.	It is exempt from the large exposures regime. However its internal guidelines replicate the large exposures regime under the CRD IV.	None.	In Svenska Skeppshypotekskassan's balance sheet dated 2013-12-31, aggregate assets amount to 6.2 billion SEK, of which 4.7 billion SEK refers to shipbuilders loans. The remaining assets are invested in government bonds. On the liability side, 4.5 billion SEK comes from credit institutions/banks. The rest is capital.

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
SI	SID – Slovenska izvozna in razvojna banka, d.d. (SID Bank). Number of entities: 1. Exclusion: point (20) of Art. 2(5) CRD IV.	SID Bank supports structural, social and other public policies of the Slovenian government, by performing promotional and development tasks and services in the areas of international trade, economic and development cooperation, entrepreneurial, innovation – research and educational activities, ecology, energy and construction of infrastructure as well as in other areas of significance for the development of the Republic	The SID Bank may perform all activities allowed under the law governing banking except accepting deposits from public.	According to Slovene Export and Development Bank Act (ZSIRB) the capital requirements amount to one-half of the capital requirements which apply to banks.	Apply the same liquidity requirements as for other banks: -liquidity ratio: the ratio between the sum of financial assets and the sum of liabilities with regard to residual maturity (up to 30 days: the liquidity ratio must be at least 1; up to 180 days: the liquidity ratio is of an informative nature); -liquidity requirements according to CRD IV/CRR (LCR and NSFR).	General CRR large exposure limits apply, however according to ZSIRB instead of the capital of the SID Bank, the basis for determining large exposure limits is relevant current balance of the SID Bank's assets for which the Republic of Slovenia is liable.	SID Bank is not allowed to accept deposits from the public, however, it is allowed to accept deposits from informed persons.	SID Bank's total assets stood at €3.7 billion as at 30 June 2014.

		of Slovenia. SID Bank is an institution involved in specific activities in the public interest which supports economic, structural, social and other policies by performing mainly financial services in segments where market gaps occur/have been observed.						

MS	Entity: description and number	Rationale for exclusion	Bank-like activities carried on and source of financing	Own funds requirements	Liquidity requirements	Lending limits/large exposures and leverage ratio	Activity restrictions	Aggregate assets and liabilities
UK	National Savings Bank (NS&I) Commonwealth Development Finance Company Ltd (CDC Group) Agricultural Mortgage Corporation Ltd Scottish Agricultural Securities Corporation Ltd Crown Agents for overseas governments and administrations Credit unions: 526 Municipal banks: 5 Exclusion: point (23) of Art. 2(5) CRD IV.	NS&I: All of the investments made are fully guaranteed by the UK Government. It finances UK Government debt through savings and investments. CDC Group: It is not deposit taking and there is no public liability. Agricultural Mortgage Corporation Ltd: It does not take deposits, set up by UK Government to provide loans to farming industry. Scottish Agricultural Securities	NS&I: Investments in bonds; savings accounts. Source of financing: Investments and savings. CDC Group: CDC primarily invests in private equity funds. CDC has recently broadened its range of financial instruments to include Direct equity investments - and Debt investments in addition to intermediated equity. Source of financing: CDC Group is self-financing, the funding of its	NS&I: Products are structured as under NS&I legislation. Not regulated by the FCA, but voluntarily comply with FCA requirements where appropriate on a proportionate basis. CDC Group: The UK Government, as sole shareholder, dictates that CDC cannot leverage up/borrow, (though they have a small borrowing facility to manage short term cash flow issues). The UK Government has directed CDC to aim for a 3% return across its investment portfolio. The firm	N/A.	N/A.	See 'bank-like activities carried on'.	NS&I: In 2013, total assets c.£94m, total liabilities c.£40m. CDC Group: CDC's accounts for 2013 show total assets of £2,966m and total liabilities of £17m. Scottish Agricultural Securities corporation PLC: 2014, £937,000 assets and £52,000 liabilities. Crown Agents for overseas governments and administrations: Crown Agents Bank (the banking subsidiary), reported assets of £1303m, liabilities of £1264, in 2012. Credit Unions: For 2013, total assets £2.4bn, and total liabilities £2.4bn. Municipal Banks: In 2012,

		Corporation Ltd: No rationale provided. Crown agents: No rationale provided. Credit Unions: These entities cannot issue external capital as fully owned by members (and there are restrictions on the numbers of members), so would find it difficult to meet CRD IV capital requirements. Municipal Banks: The local government authority guarantees all of the deposits.	annual investments comes solely from the receipts of other investments. CDC previously received some capital from the UK Government but it has not received new capital since 1995. Agricultural Mortgage Corporation Ltd: Short and long-term loans. Source of financing: Some finance is provided by the European Investment Bank for specific loans. Scottish Agricultural Securities Corporation Ltd: Source of financing: investments from shareholders.. Crown Agents for	needs to meet liquidity requirements for 80% of contractual obligations. Crown Agents for overseas governments and administrations: Its two financial services companies are regulated- Crown Agents Bank Ltd is regulated by the PRA and FCA (and is required to meet CRD), and Crown Agents Investment Management Ltd is regulated by the FCA. Credit Unions: Subject to the PRA rules in CREDS (see combined Bank of England/Financial Conduct Authority response to the second EBA survey on perimeter of credit institutions). Municipal Banks: not regulated by				total deposits for the 5 Municipal Banks were £42m.

			overseas governments and administrations: Payments services, treasury and foreign exchange, investment management. Credit unions: These entities take deposits, provide unsecured personal loans (the size of which is subject to limits). Some offer current accounts and mortgages. Source of financing: deposits. Municipal banks: The banks grant loans to the relevant local government authority (limited to the amount of deposits). Source of financing: deposits.	the FCA, but must notify the FCA if they propose to provide payment services for example.				

Annex 2: Exclusions under Article 9(2) of the CRD IV

MS	Entity: description	Number	Rationale for exclusion	Bank-like activities carried on	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Activity restrictions
AT	N/A.	-	-	-	-	-	-	-
CZ	N/A.[69]	-	-	-	-	-	-	-
DE	N/A.[70]	-	-	-	-	-	-	-
DK	Companies issuing corporate bond when this is not a material part of their activities.	N/A.	The exclusion is necessary in order to allow the entities to carry out their business since they are financed through the issue of bonds and the issuance of bonds is considered as 'other repayable funds' under Article 9 of the CRD IV.	The purpose of the rules on corporate bonds is to allow ordinary companies to fund themselves by issuing corporate bonds, and the company's main activities will therefore be of an industrial character.	N/A.	N/A.	N/A.	The exclusion for companies issuing corporate bonds only applies when the activity is not a material part of the company's business activities.
EL	-[71]	-	-	-	-	-	-	-
ES	-	-	-	-	-	-	-	-
FI	N/A.	-	-	-	-	-	-	-
FR	-	-	-	-	-	-	-	-
HR	-	-	-	-	-	-	-	-

[69] In CZ the prohibition against persons or undertakings other than credit institutions from carrying out the business of taking deposits or other repayable funds from the public (stipulated in Article 9(1) of the CRD IV) has been transposed without exceptions.

[70] In DE the taking of deposits or other repayable funds from the public qualifies an undertaking as a credit institution in the meaning of the German Banking Act.

[71] In this column, '-' means no substantive response provided.

MS	Entity: description	Number	Rationale for exclusion	Bank-like activities carried on	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Activity restrictions
IE	The central bank of another Member State of the European [Union] that is a member of the European Central Bank. The Post Office Savings Bank; Trustee savings banks; Building societies;	Post Office Savings Bank: 1. Trustee savings banks: 0. Building societies: 0. Figures not provided for other entities.	Trustee savings banks and building societies, if any existed, are subject to the CRR and CRD IV pursuant to national law although authorisation is governed under separate legislation from commercial banks. For the other entities, the exclusion reflects the historic treatment of such entities.	For the Post Office Savings Bank see Annex 1. Information not provided for the other entities.	For the Post Office Savings Bank see Annex 1. Information not provided for the other entities.	For the Post Office Savings Bank see Annex 1. Information not provided for the other entities.	For the Post Office Savings Bank see Annex 1. Information not provided for the other entities.	For the Post Office Savings Bank see Annex 1. Information not provided for the other entities.

MS	Entity: description	Number	Rationale for exclusion	Bank-like activities carried on	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Activity restrictions
IE	(cont.) Managers, trustees or custodians of unit trusts or collective investment undertakings or entities that provides services to such undertakings, insofar as each is subject to regulation and controls intended to protect depositors and investors; Another Member State of the European [Union], a regional or local authority of such a state, or a public international organisation of which one or more Member States are members.	See above.						

MS	Entity: description	Number of entities	Rationale for exclusion	Bank-like activities carried on	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Activity restrictions
IT	-	-	-	-	-	-	-	-
LT	N/A.	-	-	-	-	-	-	-
LU	European Investment Bank; European Investment Fund; European Financial Stability Facility; European Stability Mechanism.	Of each description: 1.	Article 2 (3) of the law of 5 April 1993 on the Financial Sector which is in line with Article 9(2) of the CRD IV.	See the respective entities.[72]	N/A.	N/A.	N/A.	N/A.
LV	N/A.	-	-	-	-	-	-	-
MT	N/A.	-	-	-	-	-	-	-
NL	Article 9(2) CRD IV is transposed in article 3:5(2) of the Dutch Law on financial supervision. This does not contain a list of such entities, but rather mirrors Article 9(2) of the CRD IV.[73]	Class A: 200 (approx.). Class B: Zero (estimated).	-	No information available at the Dutch National Bank (DNB).	Possibly the AIFMD.	Possibly the AIFMD.	No information available at DNB.	No information available at DNB.

[72] EIB: http://www.eib.org/products/index.htm; EIF: http://www.eif.org/what_we_do/index.htm; EFSF: http://www.efsf.europa.eu/about/operations/index.htm; ESM: http://www.esm.europa.eu/about/index.htm.

[73] Of relevance to this survey are: Class A: Degenen die opvorderbare gelden aantrekken, ter beschikking verkrijgen of ter beschikking hebben als gevolg van het aanbieden van effecten in overeenstemming met het ingevolge hoofdstuk 5.1 bepaalde ; Class B: en Entiteiten voor risico-acceptatie.

MS	Entity: description	Number	Rationale for exclusion	Bank-like activities carried on	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Activity restrictions
PL	N/A.							
PT	The state, including public funds and institutes having legal status and with administrative and financial autonomy; Autonomous regions and local authorities; The European Investment Bank and other international organisations of which PT is a member and whose legal status allows them to receive repayable funds from the public within the national territory; Insurance undertakings, in respect of capitalisation operations.	[information not provided.]	CRD IV	N/A.	N/A.	N/A.	N/A.	N/A.

MS	Entity: description	Number	Rationale for exclusion	Bank-like activities carried on	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Activity restrictions
RO	-	-	-	-	-	-	-	-
SE	Inlåningsföretag.[74]	21	Since deposits with these entities are tiny relative to all deposits and since they are not allowed to grant credit, the Swedish FSA has argued that it is not cost effective to supervise them. Instead, the Swedish FSA has chosen to impose strict registration and information requirements on these entities.	Inlåningsföretag can accept deposits up to 50 000 SEK per depositor.	5 million SEK as starting capital.	None.	None.	These entities are not permitted to grant credit. In addition limits apply to the maximum deposit balance that can be accepted from each depositor.

[74] Inlåningsföretag are required to register with the Swedish FSA. To qualify as an "inlåningsföretag", the entity is required to have capital of at least 5 million SEK, have annual audits and inform depositors that it is not supervised by the Swedish FSA. Deposits are limited to 50 000 SEK per depositor.

MS	Entity: description	Number	Rationale for exclusion	Bank-like activities carried on	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Activity restrictions
SI	Republic of Slovenia (State); Bank of Slovenia (the central bank); Public international bodies.	-	-	-	-	-	-	-
UK	Not aware of any excluded entities under Article 9(2) of CRD IV that are authorised or regulated by the Prudential Regulation Authority or Financial Conduct Authority.	N/A.	N/A.	N/A.	N/A.	N/A.	N/A.	N/A.

Annex 3: Entities carrying on bank-like activities and not subject to solo prudential requirements under EU measures but subject to solo prudential requirements under national measures

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
AT [75]	Factoring banks (it is noteworthy that factoring is defined as a banking activity under the Austrian Banking Act).	Parts 2 and 3 of the CRR are applied.	None.	Part 4 of the CRR is applied.	None.	None.	None.
	Kapitalanlageges-ellschaften.	None.	None.	Part 4 of the CRR is applicable.	None.	None.	None.
	[Promotion companies]	None.	None.	None.	None.	None.	None.
	Credit institutions authorised to conduct severance and retirement fund business.	Part 2 of the CRR is applied. Part 3 of the CRR is not applied.	None.	Part 4 of the CRR is applied.	None.	None.	None.
	Notarial trusteeships.	As immediately above.	None.	None.	None.	None.	None.
BE	N/A.[76]	-	-	-	-	-	
BG	N/A.	-	-	-	-	-	
CZ	N/A.	-	-	-	-	-	
DE	Securitisation special purpose entities.	Provisions of the CRR are applied as if the SPEs are CRR credit institutions.	None. However, LCR/NSFR cover securitisations, e.g.	None. However, the EU large exposure regime	Institutions have to include on and off-balance sheet	In scope are only those SPEs within the meaning of point	

[75] With Federal Law Gazette I no 184/2013, a definition of 'credit institution' was introduced in the Austrian Banking Act (in force 1 January 2014). According to Art 1a. para 1 of the Austrian Banking Act a CRR-credit institution is a credit institution according to point 1 of Article 4(1) of the CRR. Article 1a para 2 explicitly states that for credit institutions (according to that Act) which are not CRR-credit institutions (but are authorised to carry out at least one of the banking transactions listed in Article 1, paragraph 1, no. 1 to 22 of that Act), the provisions of the CRR shall apply as if those entities are CRR credit institutions.

[76] In this table 'N/A' means no relevant entities exist/no relevant regime is applicable in the Member State concerned.

			under the LCR, committed credit and liquidity facilities need to be considered with a draw down rate of 100%.	also covers exposures to schemes, including structured finance vehicles.	securitisation exposures, e.g. liquidity facilities in the calculation of the leverage ratio.	(66) of Article 4(1) of the CRR.	

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
DK [77]	Savings undertakings.	If established on or after 1 January 2004, share capital of no less than €1m. There is an exception for savings undertakings established before 1 January 2004 which can have a lower share capital if they had a lower share capital by 1 January 2004. The share capital must be paid in full. Intellectual rights cannot be used as share capital and the share capital cannot be divided into classes with different voting rights. Reporting requirements: Required to submit audited and approved annual reports to the Danish Financial Services Authority as well as a copy of the audit book	None but the undertakings must adhere to good governance rules. Reporting requirements: No specific requirements on the reporting of liquidity.	None. (Savings undertakings cannot grant loans at their own expense (since this combined with the permissible activities would require a banking licence).) Reporting requirements: N/A.	None. Reporting requirements: N/A.	Savings undertakings cannot grant loans at their own expense (since this combined with the permissible activities would require a banking licence).	Danish FSA shall refuse to register lending undertakings or approve savings undertakings if the person or member of management or the beneficial owners of the undertaking have been convicted of a criminal offence and such offence gives reason to believe there is an immediate danger that the position or business may be abused.

[77] Savings undertaking are regulated by the Financial Business Act. Savings undertakings are defined in the Financial Business Act as an undertaking, which carries out activities that consist of receiving deposits or other repayable funds from the general public either commercially or as a significant part of its operations, and placing of such funds in a manner other than through deposits with a bank, if the undertaking does not carry out banking or other regulated activities. The savings undertakings may not issue loans at their own expense.

Generally the savings undertakings that have recently been licensed have invested in securities of different kinds (e.g. Mortgage Obligations) and have been financed though issuing of bonds (structured bonds) to either private or institutional clients.

The regulation of Savings undertakings date back to the 1934 and currently there are only 5 entities licensed as savings undertakings under supervision of the Danish FSA. 3 of which are under liquidation and one is a special undertaking dating back to 1788 that has a social purpose and is financed with deposits. The DFAS does not expect to receive many new applications for license as savings undertakings in the near future.

		comments from the external auditor. Standard company law requirements on notifications and registration also apply.					

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
EE	N/A.	-	-	-	-	-	-
EL[78]	Factoring, leasing and consumer credit companies.	Subject to Basel 2.5 capital requirements. [Full transposition of the CRD IV/CRR is currently underway.] For leasing companies and consumer credit companies the required minimum amount of capital stands at EUR 9 million and for factoring companies EUR 4.5 million. The CRDIII framework applies for all the above entities. Reporting requirements: Standard CRD supervisory reporting also applies to leasing, factoring and consumer credit companies.	Leasing, factoring and consumer credit companies are exempted from national liquidity supervisory reporting requirements. Reporting requirements: Non-applicable.	CRDIII large exposure limits apply to leasing, factoring and consumer credit companies. Reporting requirements: Full CRDIII large exposure reporting requirements apply.	None.	No deposit taking is permitted without a credit institution licence. Financial institutions providing leasing, factoring and consumer credit services should have the respective services as their exclusive/main purpose.	Persons wishing to hold more than 10% of the shares or of the ten largest shareholders are required to be approved by the Bank of Greece in a process similar to that followed for credit institutions.

[78] The requirements for leasing, factoring and consumer credit companies are set by the Bank of Greece as their competent authority. Taking into consideration the activities and risks undertaken by these entities, it was perceived appropriate from a supervisory perspective to fully apply equivalent rules to the ones applied by banks (Basel). In addition, the decision guaranteed level playing field for leasing and factoring companies that belonged to a consolidating banking group as opposed to those outside the perimeter of a banking group. These rules have been in place since 2009 for leasing and consumer credit companies and since 2001 for factoring companies.

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
ES	Establecimientos Financieros de Crédito.	Domestic provisions transposing the CRDII and CRDIII are applied to EFCs. The regulatory regime is currently being reviewed in light of the CRD IV and the CRR. EFCs will be obliged to comply with similar prudential rules as those set out in the CRR provisions.	EFCs should identify, assess and manage liquidity risks in order to establish liquidity buffers but no specific requirement is set out in the national measures.	EFCs have to meet the same lending limits as banks.	No applicable requirement.	Various.[79]	
FI	N/A. No entities within the scope of this Annex.	-	-	-	-	-	-

[79] The activities that EFC are allowed to carry out are: (i) lending, including consumer credit, mortgage credit and financing of commercial transactions; (ii) factoring, with or without recourse, and complementary activities such as investigation and classification of clienteles, accounting of debtors and, in general, any other activity intended to favour the administration, evaluation, security and financing of the accounts receivable assigned thereto that arise in domestic or international trade operations; (iii) financial leasing, including some complementary activities (maintenance and upkeep of the leased properties, grant of financing in relation to a present of future financial lease, non-financial leasing transactions, etc); (iv) issuing and administering credit cards; and (v) grant of guarantees and similar commitments. EFCs are not allowed to take deposits from the public.

FR[80]	Sociétés de Financement (finance companies), including companies engaged in factoring, leasing or hire purchase.[81]	Provisions of the CRR are applied as if finance companies were CRR credit institutions, subject to minor adjustments regarding the definition of own funds.[82] Reporting requirements: Subject to the same requirements as CRR credit institutions.	Finance companies remain subject to the current national liquidity requirements and framework. These rules prevent from any maturity mismatches on a one month horizon. LCR is not applicable. Reporting	Provisions of the CRR (large exposures regime) are applied as if finance companies were CRR credit institutions. Reporting requirements: Finance companies are subject to the	None.	The credit operations that may be permitted are lending, financial leasing, and the granting of guarantees and other commitments (as further determined in the licence).	All CRD IV provisions are applicable to finance companies.

[80] Articles L. 511-1 and L. 311-1 of the French Monetary and Financial Code
Ordinance n°2013-544 of 27 June 2013, for finance companies (amending the French Monetary and Financial Code).
Ministerial Order of 23 December 2013 on the prudential regime of financing companies
Ministerial Order of 5 May 2009 on identification, measurement, management and control of liquidity risk
Regulation 2000-03 of 6 September 2000 relating to prudential supervision on a consolidated basis
Please see an English version of the regulations on the following website links:
https://cclrf.banque-france.fr/fileadmin/user_upload/cclrf/en/pdf/Selected-french-banking-and-financial-regulations-2013.pdf
The monetary and financial code (law) is available in French on the following address;
http://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000006072026&dateTexte=20140706
Since 1984, credit activities covered by the current status of finance institutions have been subject to the same regulation and supervision as banks.

[81] These are undertakings, other than credit institutions, which perform credit operations on a regular basis as their main activity and for their own account, within the limits of their licence. Finance companies may grant credits but are not allowed to receive refundable deposits from customers. These include credit card companies, consumer finance companies, mortgage loans companies, auto loans companies, leasing companies (i.e. financial sector entities within the meaning of the CRR).

[82] The Ministerial Order of 23 December 2013 on the prudential regime of Financing companies has introduced minor adjustments to the CRR provisions relating to the definition of own funds, with the objective to maintain the full substance of the CRR requirements. These provisions aim at maintaining three specificities recognized in the previous regulation (which transposed CRD3):

- recognition of specific guarantee funds commonly used to cover risks in certain unfunded credit protection activities, and which comply with CRR requirements, but give their holders no right to the reserves of the institution.

- recognition as tier two capital elements, on a solo level only, certain reserves coming from leasing activities. On a consolidated level (either according to IFRS or French GAAP), leasing operations are accounted as loans (and subject to a financial amortization plan). On a solo level according to French GAAPs, leasing operations are reflecting the ownership of the property or material financed: they are amortized according to fiscal rules, which lead generally to a faster amortization than the financial amortization plans. The deferred profit coming from this accounting treatment may be recognized as a tier two capital element, subject to CRR cap.

- Deduction from own funds of exposures vis-à-vis shareholders, persons belonging to the management body and all related entities; this provision, which was also applied to banks within the previous regulation, has been maintained in the prudential framework applied to finance institution. Indeed, as a number of finance institutions are owned by non-financial entities, this provision aims at reducing the risk of contagion between the group's financial situation and that of the institution itself.

			requirements: Finance companies remain subject to the current national liquidity reporting rules.	common EU large exposures reporting (COREP).		Finance companies are not allowed to receive refundable deposits from customers.	

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
HU [83]	Financial enterprises.	Minimum initial capital of 50 million forints (approx. €170.000). The initial capital must be paid up in cash. Reporting requirements: the Central Bank of Hungary (the competent national supervisory authority) may instruct the financial institution to supply (emergency information) with a prescribed content for a given period. The authority may request the presentation of interim reports and information from a financial institution and its bodies on all of their business affairs.	None. Reporting requirements: None.	None. Reporting requirements: None.	None. Reporting requirements: None.	The licence determines the scope of activities which the entity concerned is permitted to carry on.[84]	Persons with qualifying holdings in a financial institution should be independent, diligent and reliable and have good business reputation and the capacity to provide reliable and diligent guidance and control of the financial institution. Authorisation of the acquisition of qualifying holdings is required from the national competent authority (Central Bank of Hungary).
HR	Credit unions.	Minimum share capital shall be HRK 500,000.00.	Credit unions must have a liquidity	The exposure to one person and	The solvency ratio must amount, at any	A credit union may carry out the	

[83] There are approximately 250 financial enterprises in Hungary. Their gross asset value is cca 2,500 milliard HUF (appox. EUR 8 bn). The requirements are set out in Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. Government Decree 250/2000 (XII.24) on the Special Provisions Regarding the Annual Reporting and Book Keeping Obligations of Credit Institutions and Financial Enterprises.

[84] Financial enterprises may seek permission to carry on the following activities: (i) credit and loan operations; (ii) financial leasing; (iii) issuance of paper-based cash-substitute payment instruments (for example travelers checks and bills printed on paper) and the provision of the services related thereto, which are not recognized as money transmission services; (iv) providing surety facilities and guarantees, as well as other forms of banker's obligations; (v) commercial activities in foreign currency, foreign exchange - other than currency exchange services -, bills and checks on own account or as commission agents; (vi) financial intermediation services; (vii) safe custody services, safety deposit box services; (viii) credit reference services; (ix) purchasing receivables; (x) currency exchange activities; (xi) operation of payment systems; (xii) money processing activities; (xiii) financial brokering on the interbank market. A financial enterprise may perform financial brokering on the interbank market but only as an exclusive activity.

			management policy.	persons related to that person shall not exceed 15% of the total membership holdings and formed reserves.	time, to at least 9%. (The solvency ratio means the relationship between the sum of the total amount of membership holdings and the formed reserves on one hand and the assets of a credit union multiplied by 100 on the other hand.)	business activity that covers only: 1. acceptance of cash deposits of credit union members in domestic currency; 2. granting of credits to credit union members in domestic currency; 3. acceptance of monetary deposits from unions and craft organizations as well as accept non repayable funds from international institutions, 4. provision of payment services for its Members, 5. exchange operations carried out for credit union members; 6. granting of financial aid to credit union members; 7. provision of guarantees for liabilities of credit union members in domestic currency.	

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
IE	Credit unions	Required to maintain a minimum reserve of 10% of its total assets. Reserves comprise retained earnings and other realised reserves only. Reporting requirements: Required to submit to the Central Bank of Ireland prudential returns quarterly and annually.	Must maintain a liquidity ratio of at least 20%. Additional liquidity requirements have also been imposed in relation to longer term lending. Reporting requirements: See 'own funds requirements'.	Limits on the maximum amount of a member's outstanding liability to the credit union, whether as a borrower, guarantor or otherwise. This cannot exceed the greater of €39,000 or 1.5% of the total assets of the credit union. Reporting requirements: See 'own funds requirements'.	See own funds. Reserve requirements are based on total assets.	Credit unions can undertake basic savings and loans. The services credit unions are permitted to offer are set out in the Credit Union Act 1997.	A person can only be a member of a credit union if they fall within the credit unions common bond. Credit union shares are similar to deposits in other credit institutions. There is no share capital in credit unions.

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
IT	Financial intermediaries (i.e. intermediaries engaged in activities of granting credit to the public in the form, for example, of leasing, factoring and guarantee providing) are subject to the same rules as banks as the CRD IV/CRR are applied to them by virtue of national rules.[85]	Treated as if FIs are CRR credit institutions subject to some limited exemptions or derogations.	No application of quantitative liquidity requirements is envisaged at the moment. [But consideration will be given to the suitability of the application of the CRR requirements once they have been settled at EU level.]	Treated as if CRR credit institutions subject to some limited exemptions.	Rules on leverage ratio are not applied to financial intermediaries. As for liquidity requirements, the final calibration of the leverage ratio is still on-going at EU level.	FIs can carry out, predominantly, the granting of loans to the public and other private financial activities (i.e. issuing of electronic money; provision of payment services; provision of investment services) provided that the necessary authorizations have been granted by the competent authority; only on a subordinated basis they can carry out other activities expressly envisaged by law (e.g. distribution of loans on behalf of other banks).	

[85] Only limited exemptions or derogations are provided i.e.: (1) intermediaries that do not collect funds from the public (via deposits or other debt instruments) are subject to a lower total capital ratio (6%); (2) for the purposes of capital requirements for credit risk under the standardised approach and, coherently, for large exposures purposes, factoring firms may consider the exposure to the sold debtor instead of to the selling firm provided that they fulfil a set of conditions analogous to the ones provided for firms under the IRB approach even though they are using the standardised approach; (3) a transitional phase for the full implementation of large exposure rules has been provided. During the transitional phase the portion of exposure exceeding the limits shall be covered by additional own funds.

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
LT	N/A.	-	-	-	-	-	
LU	Professionals performing lending operations (PPLOs) e.g. financial leasing operations; factoring operations.	Share capital of no less than €730,000.	None.	Must notify the CSSF of loans which exceed 10% of the own funds of the PPLO.	None.	-	Any shareholder, whether direct or indirect and whether a natural or legal person, that has a qualifying holding in a PPLO must be authorized by the CSSF.
MT	N/A.						
NL	Credit unions.	Not yet finalised.	As before.	As before.	As before.	As before.	
	Opt-in banks.[86]	Treated as if opt-in banks are CRR credit institutions.	As before.	As before.	As before.	As before.	

[86] An 'opt-in bank' is a bank that does not fulfil the definition of CRD IV/CRR 'credit institution' but makes its business out of obtaining repayable funds, other than from the public (for example from professional parties) and that grants credits for its own account). These opt-in banks obtain an opt-in licence and the regime applicable is identical to that applied to CRR credit institutions (albeit opt-in banks cannot make use of a European passport or access the Eurosystem).

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
PL	Spółdzielcze Kasy Oszczędnościowo Kredytowe ('SKOKs' or 'Credit Unions' or 'CU').	The minimum level of the solvency ratio is regulated by the Credit Unions Act and is set at the level of 5% of the risk weighted assets. Own funds consist of: share fund, reserve fund, subordinated obligations approved by the KNF-PFSA, unrealised gains on debt and capital instrument and additional amount of the responsibility of the members of a given CU for the loses of the credit union under condtion of the approval by the KNF-PFSA. Reporting requirements: Credit unions are obliged to prepare an annual financial report and monthly reports shall also be submitted to the KNF-PFSA.	CUs must maintain a liquid reserve ratio of at least 10% of the savings and loan fund. The fund consist of members' savings and their contributions. The liquid reserve can be maintained in form of cash, deposits in Kasa Krajowa SKOK (English: National Association of Credit Unions, hereinafter: 'NASCU'), investment in participation units of money market. Reporting requirements: See own funds.	Various.[87] Reporting requirements: See own funds.	None.	Credit unions can only provide services to their members. Every person who wants to make use of a credit union's services must be its member. Reporting requirements: See own funds.	There is no restriction to the number of the possessed shares. Regardless of the number of possessed shares, one person has one vote on the general meeting of the shareholders.

[87] The total amount of credits and loans granted to one member of the credit union and obligations of this member due to given guarantee cannot exceed 10% of the saving-loan fund (Polish: fundusz oszczędnościowo-pożyczkowy).

In case of the loans and credits granted for the business activities purposes the total amount of such loans and credits granted to one member and granted off-balance sheet obligation cannot exceed 15% of the own funds of the credit union.

The total amount of loans and credits granted to members, that are to be utilised for business activities cannot exceed 150% of the own funds of the credit union.

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
PT	Credit financial institutions, investment companies, financial leasing companies, factoring companies, credit purchase financing companies (all of which are 'financial institutions' under point (26) of Article 4(1) of the CRR).[88]	Banco de Portugal is currently devising the details of which prudential requirements from the CRR must be applied on an individual basis to the set of entities that, after the CRD IV transposition will be classified as financial institutions (i.e. will be removed from the 'credit institution' category). Financed through own funds and through the following resources: bond issuance of any kind, as well as commercial paper, funding by other credit institutions namely in the inter-bank market and international financial institutions, funding provided by long term loans and other forms of loans and advances between a company and its partners, cash facilities, between companies in a control relationship or which form part of the same group.	As before.	As before.	As before.	Yes pursuant to the special legal frameworks for relevant companies, relating to leasing and factoring.	The same rules apply as for CRR- credit institutions.

[88] Other entities that carry on bank-like activities which fall within the scope of 'credit intermediation' are supervised by other national supervisory authorities and are subject to specific prudential requirements e.g. money market funds, special purpose vehicles engaged in securitisation transactions, securities and derivatives dealers, mutual funds, insurance and pension funds. Have as their main activities one or more of the activities envisaged in points 2 to 12 and 15 of Annex 1 to the CRD IV.

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
RO	Non-bank financial institutions (NBFIs).[89]	Imposing minimum amount for the NBFI share capital, depending on the credit activities provided: share capital of no less than €200,000 or €3,000,000 (the last limit is applicable only for entities providing mortgage loans). The required share capital shall be paid in cash, at the moment of its subscription and shall be maintained on a continuous basis. Own funds shall not be less than the required initial capital; the methodology for calculating own funds is similar to the one provided in the CRDI- Directive 2006/48.	No specific requirements.	Any transaction leading to a large exposure (large exposure - the exposure is equal to or exceeds 10% of the entity own funds) shall be performed only with the prior approval of the NBFI board. The net amount of an NBFI large exposures to all persons in special relation with it (the members of the entity board, its managers and external auditors; the members of the board of the legal persons or the individual which is in the control of the entity; any	No specific requirements.	The main difference from credit institutions is that the former are not allowed to accept deposits or other repayable funds from the public. The lending activities performed by NBFIs are: (i) consumer credits, mortgage credits, real estate credits, micro credits, financing of commercial transactions, factoring, discounting and forfeiting operations; (ii) financial leasing; (iii) guarantees and commitments; and (vi) other credit like financing methods. NBFIs – professional	

[89] For NBFIs registered only in the General Register (not having a significant level of lending activity, as defined by the law and NBR NBFI's regulation – the cumulative level of the own capital and borrowed resources at least 11 Million euro and the cumulative level of the financing granted at least 5.5 million euro the following requirements identified in the table above are not applicable: own funds requirements and lending limits/large exposures.

				significant shareholder of the entity; any legal person in which the entity holds a participation of at least 10%; the families of the individuals mentioned) shall not exceed 25% of its own funds. The total net amount of the NBFI large exposures shall not exceed 600% of its own funds. The aggregate exposure of the entity shall not exceed 1.500% of its own funds.		creditors allowed to perform lending activities in Romania are entities strictly specialized in lending business. They are not allowed to perform any other business, except connected and auxiliary activities associated with lending activities or the functioning of the entity.	
RO	Specialised legal persons					May perform lending activities (consumer credit, mortgage credit, real estate credit, microfinance, financing of commercial transactions, factoring, discounting and forfeiting operations, financial leasing, credit	[Aim of the regulatory framework is to increase the efficiency of dealing with the credit developments by creating a uniform, non-discriminatory regulatory framework to create a stable and competitive business environment by creating similar conditions for all operators in the credit market and to set

						guarantees and commitments, and other credit-like financing methods).	premises to guide the sound and sustainable development of financial intermediation, including by avoiding over-indebtedness, with the main purpose of ensuring financial stability.]

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
SE	[Registered companies.]	If the registered company is an 'economic association' then an auditor must vouch that its capital is at least 5 million SEK.	None.	None.	None.	Registered companies cannot accept deposits over 50,000 SEK from individual depositors nor can they engage in lending.	
SI	N/A.	-	-	-	-	-	
SK	N/A.	-	-	-	-	-	

MS	Entity: description	Own funds requirements	Liquidity requirements	Lending limits/large exposures	Leverage ratio	Activity restrictions	Ownership restrictions
UK	Credit unions	The capital requirements for credit unions are as follows: • A "Version One" credit union meeting both *criteria* of having fewer than 5,000 members and total assets below £5m, must have a capital-to-total assets ratio of at least 3%[90]; • A credit union with 5,000 or more members, £5m or more in total assets (or both) must have a capital-to-total assets ratio of at	A credit union must at all times hold liquid assets of a value equal to at least 5% of its total relevant liabilities. A credit union must further hold enough liquid assets to ensure that on no two consecutive quarter ends is the level of the credit union's liquid assets below 10% of	Various.[91]	The capital methodology employed a simple leverage ratio (references to risk-weighted capital are not equivalent to the ratios employed re CRD IV etc).	UK credit unions may only operate within the boundaries specified by legislation – in practice this translates to the regulated activities of deposit-taking and mortgage lending (subject to the relevant permission having been granted in	

[90] In January 2012 for the first of these groups, the rules governing credit unions (CREDS) were changed with the aim of raising prudential standards in the sector. Transitional provisions were made to allow those credit unions not already meeting a 3% minimum capital requirement time to comply, as follows:

From 30 September 2012 – a minimum 1% capital-to-total assets ratio;

From 30 September 2013 – a minimum 2% capital-to-total assets ratio, and

From 30 September 2014 – a minimum 3% capital-to-total assets ratio.

[91] Subject to CREDS 7.3.8 R, a version 1 credit union must not lend for a period of more than five years where unsecured and ten years where secured.

The outstanding balance of a loan by a version 1 credit union to a member must not at any time be more than £15,000 in excess of the attached shares held by that member, but this rule is subject to the additional requirement in CREDS 5.3.10 R (1).

Subject to CREDS 7.3.8 R, a version 2 credit union must not lend for a period of more than ten years where unsecured and 25 years where secured.

The outstanding balance of a loan by a version 2 credit union to a member must not at any time be more than:

(I) £15,000 in excess of the attached shares held by that member; or

(II) an amount equivalent to 1.5% of total non-deferred shares in the credit union in excess of the attached shares held by that member;

whichever is the greater.

An individual large exposure must not exceed 25% of the credit union's capital. In no circumstances may the aggregate total of all large exposures exceed 500% of the credit union's capital.

		least 5%; • A credit union with 10,000 or more members, £10m or more in total assets (or both) and "Version Two" credit unions must have a risk-adjusted capital-to-total assets ratio of at least 8%. Risk-adjusted capital is calculated as follows: Capital + (provisions - balance of the net liability of borrowers where their loans are 12 months or more in arrears - 35% of the net liability of borrowers where their loans are 3 to 12 months in arrears). In calculating risk-adjusted capital: (I) the maximum net figure for provisions (after deduction of the stipulated amounts for loans in arrears) that can be included is 1% of total assets; (II) 'provisions' includes specific provisions and general provisions; and (III) mortgage loans and provisions in respect of mortgage loans must not be included in calculating the loan balances to be deducted from, and the provisions to be added to, the amount of capital.	its total relevant liabilities. Only those assets will count as liquid which can be realised for cash at short notice, and within at most eight days. Amounts loaned by one credit union to another must not be counted as liquid by the lender.			respect of the latter).	

	Non-bank mortgage lenders	The UK FCA regulates under domestic legislation non-bank first charge residential mortgage lenders that are not funded through deposits (i.e. are not credit institutions under CRD). This includes prudential requirements that can be found in our MIPRU Prudential sourcebook for mortgage and home finance firms and insurance intermediaries ('MIPRU'). http://fshandbook.info/FS/html/FCA/MIPRU.[92]	The FCA requires that such firms must at all times maintain liquidity resources which are adequate, both as to amount and quality, to ensure that there is no significant risk that liabilities cannot be met as they fall due. This includes the need for liquidity systems and controls and for stress testing and contingency funding plans. But there is no quantitative requirement (such as the LCR or other national measure).	The FCA does not, in general, apply any specific rules over large exposures or other types of limits on the amount of exposures for domestic-only prudential regimes. However, the FCA is subject to recommendations made by the UK macro-prudential authority (the Financial Policy Committee or 'FPC'); the FPC very recently recommended that there should be a Loan-To-Income limit applied at portfolio level to residential	None.	None.	

[92] These requirements were changed as part of the recent 'Mortgage Market Review' ('MMR') in the UK (that covered conduct as well as prudential requirements), to introduce elements of capital requirements from our domestic transposition of the then CRD III that applied to credit institutions and investment firms (BIPRU Sourcebook) prior to 1/1/14. In particular, we apply the credit risk, credit risk mitigation and securitisation requirements BIPRU Chapters 3, 5 and 9 respectively http://fshandbook.info/FS/html/FCA/BIPRU), through cross-referencing in MIPRU. This therefore includes the same risk-weights for residential mortgage lending, subject to the same sort of conditions re LTV etc. Many of the smaller non-bank mortgage lenders have raised that they find it difficult to understand and navigate the CRDIII equivalent credit risk, credit risk mitigation and securitisation requirements in our handbook and so we are currently undertaking a simplification exercise to re-draft these rules.

In addition the MMR introduced a whole range of conduct measures, including the lender conducting affordability tests on the mortgage borrower.

				mortgage lenders in the UK, which would apply to PRA prudentially regulated credit institutions and to first-charge lending by FCA prudentially regulated non-bank mortgage lenders.			
	Loan-based crowdfunding schemes	The UK FCA regulates under domestic legislation firms that operate peer-to-peer lending platforms or peer-to-business lending platforms on which consumers can invest in loan agreements. We refer to these firms as loan-based crowdfunding platforms and the agreements as P2P agreements. This includes prudential requirements that can be found in our IPRU(INV) Prudential sourcebook for investment businesses, Chapter 12. http://fshandbook.info/FS/html/FCA/IPRU-INV	None.	None.	None.	None.	

	Non-bank finance companies	The UK FCA regulates under domestic legislation non-bank finance companies that provide regulated consumer credit to individuals or some SMEs. These firms are not funded through deposits (i.e. are not credit institutions under CRD). These firms are subject to our threshold condition that they must hold adequate resources to meet debts as they fall due. These firms are not subject to specific prudential requirements unless they are part of a banking group, where they would be subject to consolidated prudential requirements per CRD IV.	None.	None.	None.	None.	