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REPUBLIC OF ALBANIA  
BANK OF ALBANIA  
SUPERVISORY COUNCIL

**DECISION**  
**No. 70, dated 2.12.2020**

**ON**  
**APPROVAL OF REGULATION**  
**“ON THE NET STABLE FUNDING RATIO OF BANKS”**

Pursuant to article 3, paragraph 3, article 12, letter “a” and article 43, letter “c” of the Law no.8269, dated 23.12.1997 “On the Bank of Albania”, as amended; article 26, paragraph 1, letter “a”, article 57, paragraph 2, article 58, paragraph 1, letter “b” and letter “c” and article 66 of the Law no. 9662, dated 18.12.2006 “On banks in the Republic of Albania”, as amended; the Supervisory Council of the Bank of Albania, upon the proposal by the Supervision Department,

**DECIDED:**

1. To adopt the regulation “On the net stable funding ratio of banks”, in accordance to the text attached to this Decision.
2. The regulation “On the net stable funding ratio of banks”<sup>1</sup> shall enter into force on 1 January 2023, with the exemptions defined in article 49, paragraphs 3 and 4.
3. Until the entry into force of the regulation “On the net stable funding ratio of banks”, the banks shall take the necessary measures and establish the necessary conditions to implement the requirements of the regulation. Banks shall report every 6 months at the Bank of Albania, with the entry into force of this decision, regarding the progress of the implementation of the measures and establishing conditions.
4. Until the entry into force of this regulation, the banks shall report on a quarterly basis at the Bank of Albania, the net stable funding ratio on an individual basis,<sup>2</sup> calculated for the total in the reporting currency and for total significant currencies, starting from March 2022.
5. The Supervision Department and the Financial Statistics Department of the Bank of Albania shall be responsible for monitoring the implementation of this Decision.
6. The Governor's Office and the Research Department shall be responsible for the publication of this Decision, in the Official Journal of the Republic of Albania and in the Official Bulletin of the Bank of Albania, respectively.

This Decision shall enter into force 15 days after its publication in the Official Journal.

**SECRETARY**

**Elvis ÇIBUKU**

**CHAIR**

**Gent SEJKO**

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<sup>1</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>2</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**REGULATION**  
**“ON THE NET STABLE FUNDING RATIO OF BANKS”**

(Adopted with decision no. 70, dated 2.12.2020 and amended by the decision no.45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania)

**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1**  
**Purpose**

1. The purpose of this regulation shall be the determination of:
  - a) the criteria and rules for the calculation of the net stable funding ratio of the banks; and
  - b) the minimum level of the net stable funding ratio.

**Article 2**  
**Subjects**

The entities subject to this regulation shall be the banks and branches of foreign banks, licensed to exercise banking and/or financial activities in the Republic of Albania, which for the sake of simplicity, and hereinafter shall be referred in this regulation as “banks”.

**Article 3**  
**Legal basis**

This regulation shall be issued on the basis and for the implementation of:

- a) article 3, paragraph 3, article 12, letter “a” and article 43, letter “c” of the Law no. 8269, dated 23.12.1997 “On the Bank of Albania”, as amended; and
- b) article 26, paragraph 1, letter “a”, article 57, paragraph 2, article 58, paragraph 1, letter “b” and “c” and article 66 of the Law no. 9662, dated 18.12.2006 “On banks in the Republic of Albania”, as amended, which hereinafter shall be referred in this regulation as the Law “On banks”.

**Article 4**  
**Definitions**

1. <sup>3</sup>The terms used in this regulation shall have the same meaning as those defined in the Law “On banks”, and in the regulation no.27, dated 28.3.2019 “On the liquidity coverage ratio” (which for simplicity, shall be referred in this regulation as “the regulation on liquidity coverage”), in the regulation no.69, dated 18.12.2014 “On the bank's regulatory capital” (which for simplicity, shall be referred in this regulation as “the regulation on regulatory

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<sup>3</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

capital”) and in the regulation no.63, dated 4.11.2020 “On banks leverage ratio” (which for simplicity, shall be referred in this regulation as “the regulation on leverage ratio”).

2. In addition to paragraph 1 of this article, for the purpose of implementing this regulation, the following terms shall have these meanings:
  - a) “<sup>4</sup>fair value of a netting set” – means the sum of the fair values of all the transactions included in a netting set;
  - b) “systemically important banks” - are the licensed banks operating in the Republic of Albania, defined as such, according to the decision-making of the Bank of Albania, based on the regulation “On macroprudential capital buffers”.

## **CHAPTER II THE NET STABLE FUNDING RATIO**

### **Article 5 The net stable funding ratio**

1. The banks shall calculate the net stable funding ratio, as a ratio of available stable funding, as referred in chapter IV, with required stable funding, as referred in chapter V of this regulation, expressed as a percentage, according to the following formula:

$$\text{Net stable funding ratio (\%)} = \frac{\text{Available stable funding}}{\text{Required stable funding}}$$

2. Banks shall ensure at any time a net stable funding ratio of at least 100%, on individual and consolidated basis, calculated in total in the reporting currency for all transactions, irrespective of their actual currency denomination, <sup>5</sup>as well as a net stable funding ratio of at least 100% for the total significant foreign currencies.
3. In cases where, the net stable funding ratio of the bank has fallen or can be reasonably expected to fall below the level referred in paragraph 2 of this article, the bank shall immediately notify the Bank of Albania and submit a plan to restore this ratio, to the level required in this regulation. The bank reports to the Bank of Albania on a daily basis, until the net stable funding ratio restores to the level referred in paragraph 2 of this article, unless otherwise determined by the Bank of Albania. The Bank of Albania may allow a lower reporting frequency than defined above, taking into account the size and complexity of the bank.
4. The Bank of Albania shall monitor the plan for restoring the net stable funding ratio at the level referred in paragraph 2 of this article and may require to the bank the restoration of this ratio to the required levels, in a shorter timeline than what the bank had defined in the plan.
5. The bank should aim to restore the net stable funding ratio to the level referred in paragraph 2 of this article. The Bank of Albania shall assess the reasons for non-compliance by the bank to the ratio provided in paragraph 2 of this article, before taking any supervisory measures.

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<sup>4</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>5</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

6. <sup>6</sup>Banks shall calculate and monitor the total net stable funding ratio (in the reporting currency), regardless of the currency of their denomination, as well as the total significant foreign currencies. Banks, in accordance with the risk appetite/tolerance, shall set in their internal policies, limits for the net stable funding ratio, for local currency (lek) and for any significant foreign currency and continuously monitor compliance with these limits.
7. <sup>7</sup>Repealed.
8. <sup>8</sup>Repealed.
9. For the purposes of reporting the net stable funding ratio on a consolidated basis, as referred by paragraph 2 of this article, the banks shall also take into account the following requirements:
  - a) assets and off-balance sheet items of the subsidiary/branch of the bank in a foreign country, which according to the legal/regulatory requirements of that country that determine the requirement for the net stable funding ratio, are subject to required stable funding factors, higher than the requirements defined in chapter V of this regulation, for consolidation purposes, shall be subject to these higher required stable funding factors;
  - b) liabilities and regulatory capital's items of the subsidiary/branch of the bank in a foreign country, which according to the legal/regulatory requirements of that country that determine the requirement for the net stable funding ratio, are subject to available stable funding factors, lower than the requirements defined in chapter IV of this regulation, for consolidation purposes, shall be subject to these lower available stable funding factors;
  - c) the assets of the subsidiary/branch of the bank in a foreign country, which meet the requirements provided in the regulation on the liquidity coverage, shall not be recognized as liquid assets for consolidation purposes, if they do not qualify as liquid assets according to the legal/regulatory requirements of that country that determine the requirement for liquidity coverage;
  - d) for the subsidiary/branch of the bank in a foreign country, where are applied different legal/regulatory requirements from net stable funding ratio requirements defined in this regulation, the calculations for consolidation purposes shall be carried out in accordance with the requirements of this regulation.

### **CHAPTER III**

## **GENERAL REQUIREMENTS FOR THE CALCULATION OF THE NET STABLE FUNDING RATIO**

### **Article 6**

#### **Calculation of the net stable funding ratio**

1. Unless otherwise specified in this regulation, banks, for the purposes of calculating the net stable funding ratio, shall take into account assets, liabilities and off-balance sheet items on a gross basis.
2. For the purpose of calculating the net stable funding ratio, banks shall apply the appropriate stable funding factors set out in chapters IV and V, to the accounting value of their assets, liabilities and off-balance-sheet items, unless otherwise specified in this regulation.

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<sup>6</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>7</sup> Repealed by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>8</sup> Repealed by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

3. Banks shall not double count required stable funding and available stable funding.
4. Unless otherwise specified in this regulation, where an item can be allocated to more than one required stable funding category, banks shall allocate it to the required stable funding category that produces the greatest contractual required stable funding for that item.

### **Article 7** **Derivative contracts**

1. Banks shall apply the requirements of this article to calculate the amount of required stable funding for derivative contracts as referred to in chapters IV and V of this regulation.
2. Banks shall take into account the fair value of derivative positions on a net basis, where those positions are included in the same netting set that fulfils the requirements set out in subchapter II of chapter VI of the regulation on capital adequacy. Otherwise, banks shall take into account the fair value of derivative positions on a gross basis and shall treat those derivative positions as belonging to their own netting set for the purposes of chapter V of this regulation.
3. All derivative contracts listed in annex 4, paragraph 2, letter “a” to “e” of the regulation on capital adequacy that involve a full exchange of principal amounts on the same date, shall be calculated by banks on a net basis across currencies, including for the purpose of reporting for total significant foreign currencies, even where those transactions are not included in the same netting set that fulfils the requirements set out in subchapter II of chapter VI of the regulation on capital adequacy.
4. Cash received as collateral to mitigate the exposure of a derivative position shall be treated by banks as such and shall not be treated as deposits, to which chapter IV of this regulation applies.
5. Banks shall exclude the impact of derivative contracts from the calculation of the net stable funding ratio, including through the determination of the required stable funding factors and of provisions and losses, provided that all the following conditions are met:
  - a) for those contracts that have a residual maturity of less than six months;
  - b) the counterparty is the Bank of Albania or the central bank of a foreign country;
  - c) the derivative contracts serve the monetary policy of the Bank of Albania/the central bank of a foreign country.

Where a subsidiary/branch of the bank in a foreign country benefits from the exemption referred to in this paragraph under the national law of that country which sets out the net stable funding requirements, that exemption shall be taken into account for consolidation purposes.

### **Article 8** **Netting of secured lending transactions and capital market-driven transactions**

1. Assets and liabilities resulting from securities financing transactions with a single counterparty shall be calculated by banks on a net basis, provided that those assets and liabilities comply with the netting conditions set out in article 10, paragraph 3, letter “b” of the regulation on leverage ratio.

**Article 9**  
**Preferential treatment within a group**

1. By way of derogation from chapters IV and V of this regulation, Bank of Albania may allow banks on a case-by-case basis to apply a higher available stable funding factor or a lower required stable funding factor to assets, liabilities and committed credit or liquidity facilities, provided that all the following conditions are met:
  - a) the counterparty is one of the following entities:
    - i. the parent bank or a subsidiary of the bank;
    - ii. another subsidiary of the parent bank.
  - b) there are reasons to expect that the liability or committed credit or liquidity facility, received by the bank constitutes a more stable source of funding, or that the asset or committed credit or liquidity facility granted by the bank requires less stable funding over the one-year horizon, than the same liability, asset or committed credit or liquidity facility, received or granted by other counterparties;
  - c) the counterparty applies a required stable funding factor that is equal to or higher than the higher available stable funding factor or applies an available stable funding factor that is equal to or lower than the lower required stable funding factor;
  - d) the bank and the counterparty are located in Albania.

**CHAPTER IV**  
**AVAILABLE STABLE FUNDING**

**SUBCHAPTER I**  
**GENERAL PROVISIONS**

**Article 10**  
**Calculation of the amount of available stable funding**

1. Unless otherwise specified in this chapter, banks shall calculate the amount of available stable by multiplying the accounting value of various categories or types of liabilities and regulatory capital's items by the available stable funding factors to be applied under subchapter II of this chapter. The total amount of available stable funding shall be the sum of the weighted amounts of liabilities and regulatory capital's items.
2. Bonds and other debt securities that are issued by the bank, sold exclusively in the retail market, and held in a retail account, shall be treated by banks as belonging to the appropriate retail deposit category. Limitations shall be in place by banks, such that those instruments cannot be bought and held by parties other than retail customers.

**Article 11**  
**Residual maturity of liabilities and regulatory capital's items**

1. Unless otherwise specified in this chapter, banks shall take into account the residual contractual maturity of their liabilities and regulatory capital's items to determine the available stable funding factors to be applied under subchapter II of this chapter.
2. Banks shall take into account existing options in determining the residual maturity of a liability or of regulatory capital's items, supposing that the counterparty will exercise call options at the earliest possible date. For options exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit the bank's ability not to exercise the option, in particular market expectations that banks should redeem certain liabilities before their maturity.
3. Banks shall treat deposits with fixed notice periods for the funds' withdrawal, in accordance with their notice period, and shall treat term deposits in accordance with their residual maturity. By way of derogation from paragraph 2 of this article, to determine the residual maturity of term retail deposits, banks shall not take into account options for early withdrawals, where the depositor has to pay a material penalty for early withdrawals which occur in less than one year, a penalty which is materially higher than the accrued interest lost up to the date of withdrawal, as referred to in the regulation on the liquidity coverage.
4. In order to determine the available stable funding factors to be applied under subchapter II of this chapter, banks shall treat any portion of liabilities having a residual maturity of one year or more, that matures in less than six months and any portion of such liabilities that matures between six months and less than one year, as having a residual maturity of less than six months and between six months and less than one year, respectively.

SUBCHAPTER II  
AVAILABLE STABLE FUNDING FACTORS

**Article 12**  
**0% available stable funding factor**

1. Unless otherwise specified in articles 13 to 16 of this regulation, banks shall apply a 0% available stable funding factor for all liabilities without a stated maturity, including short positions <sup>9</sup>and open maturity positions, with the exception of the following:
  - a) deferred tax liabilities, which shall be treated in accordance with the nearest possible date on which such liabilities could be realised;
  - b) minority interests, which shall be treated in accordance with the term of the instrument concerned.

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<sup>9</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

2. Banks shall apply one of the following factors for deferred tax liabilities and minority interests, referred in paragraph 1 of this article, based on the effective residual maturity:
  - a) 0%, where the effective residual maturity is less than six months;
  - b) 50%, where the effective residual maturity is at least six months but less than one year;
  - c) 100%, where the effective residual maturity is one year or more.
3. Banks shall apply a 0% available stable funding factor for the following liabilities:
  - a) trade date payables arising from purchases of financial instruments, of foreign currencies and of commodities, that are expected to settle within the standard settlement cycle or period that is standard for the relevant exchange or type of transactions, or that have failed to settle but are nonetheless expected to settle;
  - b) liabilities with a residual maturity of less than six months, <sup>10</sup>provided by:
    - i. the Bank of Albania;
    - ii. the central bank of a foreign country;
    - iii. financial customers;
  - c) any other liabilities or capital's items or instruments not referred to in articles 13 to 16 of this regulation.
4. <sup>11</sup>Banks shall apply a 0 % available stable funding factor to the absolute value of the difference, if negative, between the sum of fair values across all netting sets with positive fair value and the sum of fair values across all netting sets with negative fair value calculated in accordance with article 7 of this regulation.
5. <sup>12</sup>Banks, for the calculation provided in paragraph 4 of this article, shall apply the following rules:
  - a) variation margin received by banks from their counterparties shall be deducted from the fair value of a netting set with positive fair value, where the collateral received as variation margin qualifies as a level 1 asset pursuant to regulation on the liquidity coverage, and where banks are legally entitled and operationally able to reuse that collateral;
  - b) all variation margin posted by banks with their counterparties shall be deducted from the fair value of a netting set with negative fair value.

**Article 13**  
**50% available stable funding factor**

1. Banks shall apply a 50% available stable funding factor for the following liabilities:
  - a) deposits that fulfil the criteria for operational deposits set out in the regulation on liquidity coverage;
  - b) liabilities with a residual maturity of less than one year, <sup>13</sup>provided by:
    - i. the albanian government or the central government of a foreign country;
    - ii. regional governments or albanian local authorities or of a foreign country;
    - iii. the albanian or foreign public sector entities;

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<sup>10</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>11</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>12</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>13</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.



- iv. multilateral development banks referred to in article 15, paragraph 3 of the regulation on capital adequacy and international organisations referred to in article 16 of the same regulation;
  - v. non-financial corporate customers;
  - vi. savings and loan associations and their unions authorised by a competent authority, personal investment companies and clients that are deposit brokers to the extent that those liabilities do not fall under letter “a” of this paragraph;
- c) liabilities with a residual contractual maturity of a minimum of six months, but less than one year, that are <sup>14</sup>provided by:
- i. the Bank of Albania;
  - ii. the central bank of a foreign country;
  - iii. financial customers;
- d) any other liabilities with a residual maturity of a minimum of six months but less than one year not referred to in articles 14, 15 and 16 of this regulation.

**Article 14**  
**90 % available stable funding factor**

1. Banks shall apply a 90% available stable funding factor, for the sight retail deposits, retail deposits with a fixed notice period of less than one year and term retail deposits having a residual maturity of less than one year, that fulfil the relevant criteria for other retail deposits set out in the regulation on liquidity coverage.

**Article 15**  
**95% available stable funding factor**

1. Banks shall apply a 95% available stable funding factor for the sight retail deposits, retail deposits with a fixed notice period of less than one year and term retail deposits having a residual maturity of less than one year, that fulfil the relevant criteria for stable retail deposits set out in the regulation on liquidity coverage.

**Article 16**  
**100% available stable funding factor**

1. Banks shall apply a 100% available stable funding factor for the following liabilities and capital items and instruments:
- a) the Common Equity Tier 1 items of the bank, before the adjustments required pursuant to articles 7 to 10, the deductions pursuant to article 11 and the application of the exemptions laid down in article 20 of the regulation on the regulatory capital;
  - b) the Additional Tier 1 items of the bank, before the deduction of the items referred to in article 25 of the regulation on the regulatory capital, excluding any instruments with explicit or embedded options that, <sup>15</sup>if exercised, would reduce the effective residual maturity to less than one year;

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<sup>14</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>15</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

- c) the Tier 2 items of the bank, before the deductions referred to in article 33 of the regulation on the regulatory capital, having a residual maturity of one year or more, excluding any instruments with explicit or embedded options that, if <sup>16</sup>exercised, would reduce the effective residual maturity to less than one year;
- d) any other capital instruments of the bank with a residual maturity of one year or more, excluding any instruments with explicit or embedded options that, if <sup>17</sup>exercised, would reduce the effective residual maturity to less than one year;
- e) any other secured and unsecured borrowings and liabilities with a residual maturity of one year or more, including term deposits, unless otherwise specified in articles 12 to 15 of this regulation.

## **CHAPTER V REQUIRED STABLE FUNDING**

### **SUBCHAPTER I GENERAL PROVISIONS**

#### **Article 17 Calculation of the amount of required stable funding**

1. Unless otherwise specified in this chapter, banks shall calculate the amount of required stable funding by multiplying the accounting value of various categories or types of assets and off-balance-sheet items, by the required stable funding factors to be applied in accordance with subchapter II of this chapter. The total amount of required stable funding shall be the sum of the weighted amounts of assets and off-balance-sheet items.
2. Banks shall exclude from the calculation of the amount of required stable funding, assets which banks have borrowed, including in securities financing transactions, where those assets are accounted for on the balance sheet of the bank and the bank does not have beneficial ownership of these assets. Banks shall apply the required stable funding factors under the subchapter II of this chapter, to the assets that banks have borrowed, including in securities financing transactions, where those assets are not accounted for on the balance sheet of the bank but the bank has beneficial ownership of the assets.
3. Assets that bank have lent, including in securities financing transactions over which the bank retains beneficial ownership, shall be considered by banks as encumbered assets for the purposes of this chapter and shall be subject to the required stable funding factors to be applied under subchapter II of this chapter, even where the assets do not remain on the balance sheet of the bank. Otherwise, the banks shall exclude such assets from the calculation of the amount of required stable funding.
4. Assets that are encumbered for a residual maturity of six months or longer shall be assigned by banks, either the required stable funding factor that would be applied under subchapter II of this chapter to those assets, if they were held unencumbered, or the required stable funding factor that is otherwise applicable to those encumbered assets, whichever factor is higher.

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<sup>16</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>17</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

Banks shall apply the same approach where the residual maturity of the encumbered assets is shorter than the residual maturity of the transaction that is the source of encumbrance.

5. Banks, for the assets with a remaining encumbrance period of less than six months, shall apply the required stable funding factors, in accordance with subchapter II to these assets, if they were held unencumbered.
6. Where the bank reuses or repledges an asset that was borrowed, including in securities financing transactions, and that asset is accounted for off-balance-sheet, the transaction in relation to which that asset has been borrowed shall be treated as encumbered, provided that the transaction cannot mature without the bank returning the asset borrowed.
7. Banks shall consider the following assets to be unencumbered:
  - a) assets included in a <sup>18</sup>pool which are available for immediate use as collateral to obtain additional funding for the bank, under committed <sup>19</sup>but not yet funded credit lines available to the bank;
  - b) assets that the bank has received as collateral for credit risk mitigation purposes in secured lending, secured funding or collateral exchange transactions and that the bank may dispose of.
8. <sup>20</sup>Banks shall exclude assets associated with collateral recognised as variation margin posted in accordance with letter “b”, paragraph 5 of article 12 and with paragraph 3 of article 28 of this regulation, recognised as initial margin posted, or recognised as a contribution to the default fund of a central counterparty in accordance with letters “a” and “b” of article 27 of this regulation, from other parts of calculation of the amount of required stable funding in accordance with this chapter, in order to avoid any double counting.
- <sup>21</sup>9. Banks shall include in the calculation of the amount of required stable funding, the financial instruments, foreign currencies and commodities for which a purchase order has been executed. Banks shall exclude, from the calculation of the amount of required stable funding, the financial instruments, foreign currencies and commodities for which a sale order has been executed, provided that those transactions are not reflected as derivatives or secured funding transactions on the banks’ balance sheet and that those transactions are to be reflected on the banks’ balance sheet when settled.

## **Article 18**

### **Residual maturity of assets**

1. Unless otherwise specified in this chapter, banks shall take into account the residual contractual maturity of their assets and off-balance-sheet transactions, when determining the required stable funding factors to be applied to their assets and off-balance-sheet items, in accordance with subchapter II of this chapter.
2. When calculating the residual maturity of an asset, banks shall take options into account, based on the assumption that the issuer or counterparty will exercise any option to extend the maturity of an asset. For options that are exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit the bank's ability not to exercise the option, in

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<sup>18</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>19</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>20</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>21</sup> Renumbered by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

particular markets' and clients' expectations that the bank should extend the maturity of certain assets at their maturity date.

3. In order to determine the required stable funding factors to be applied in accordance with subchapter II of this chapter, for amortising loans with a residual contractual maturity of one year or more, any portion of the loan that matures in less than six months and any portion that matures between six months and less than one year shall be treated as having a residual maturity of less than six months and between six months and less than one year, respectively.

## SUBCHAPTER II REQUIRED STABLE FUNDING FACTORS

### **Article 19** **0% required stable funding factor**

1. Banks shall apply a 0% required stable funding factor for the following assets:
  - a) unencumbered assets that are eligible as level 1 liquid assets, <sup>22</sup>excluding level 1 liquid assets to which a haircut of 10% and 15% is applied, in accordance with the regulation on liquidity coverage, regardless of whether they comply with the operational requirements as set out in that regulation;
  - b) the reserves held by the bank in the Bank of Albania or in the central bank of a foreign country, <sup>23</sup>including minimum required reserves and excess reserves;
  - c) the claims to the Bank of Albania, or to the central bank of a foreign country that have a residual maturity of less than six months;
  - d) trade date receivables arising from sales of financial instruments, foreign currencies or commodities that are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transaction, or that have failed to settle but are nonetheless expected to settle;
  - e) monies due from securities financing transactions with financial customers, where those transactions have a residual maturity of less than six months, where those monies due are collateralised by assets that qualify as level 1 assets pursuant to the regulation on liquidity coverage, and where the bank would be legally entitled and operationally able to reuse those assets for the duration of the transaction. Banks shall take the monies due into account on a net basis where article 8 of this regulation applies.
2. <sup>24</sup>Banks, for the purposes of calculating the net stable funding ratio on a consolidated basis, for the subsidiary/branch of the bank in a foreign country, where the required central bank reserves of that country are subject to a higher required stable funding factor under the net stable funding requirement set out in the national law of that foreign country, shall take into account that higher required stable funding factor.

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<sup>22</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>23</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>24</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**Article 20**  
**5% required stable funding factor**

1. Banks shall apply a 5% required stable funding factor for the following assets:
  - a) monies due from securities financing transactions with financial customers, where those transactions have a residual maturity of less than six months, other than those referred to in letter “e”, paragraph 1 of article 19. Banks shall take the monies due into account on a net basis where article 8 of this regulation applies;
  - b) the undrawn portion of committed credit and liquidity facilities provisioned in the regulation on liquidity coverage;
  - c) trade finance off-balance-sheet related products as referred to in Annex 2 of the regulation on capital adequacy, with a residual maturity of less than six months.
2. For all netting sets of derivative contracts, banks shall apply a 5% required stable funding factor to the absolute fair value of those netting sets of derivative contracts, gross of any collateral posted, where those netting sets have a negative fair value. For the purposes of this paragraph, banks shall determine the fair value as gross of any collateral posted or settlement payments and receipts related to market valuation changes of such contracts.

**Article 21**  
**7.5% required stable funding factor**

1. Banks shall apply a 7.5% required stable funding factor for the trade finance off-balance-sheet related products as referred to in Annex 2 of the regulation on capital adequacy, with a residual maturity of at least six months but less than one year.

**Article 22<sup>25</sup>**  
**10% required stable funding factor**

1. Banks shall apply a 10% required stable funding factor for the following assets and off-balance-sheet items:
  - a) level 1 liquid assets to which a haircut of 10% is applied, in accordance with the regulation on liquidity coverage, regardless of whether they comply with the operational requirements as set out in that regulation;
  - b) monies due from transactions with financial customers that have a residual maturity of less than six months, other than those referred to in letter “e”, paragraph 1 of article 19 and in letter “a”, paragraph 1 of article 20 of this regulation;
  - c) trade finance on-balance-sheet related products, with a residual maturity of less than six months;
  - d) trade finance off-balance-sheet related products as referred to in Annex 2 of the regulation on capital adequacy, with a residual maturity of one year or more.

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<sup>25</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**Article 23**  
**15% required stable funding factor**

1. Banks shall apply a 15% required stable funding factor for the unencumbered assets that are eligible as level 1 liquid assets <sup>26</sup>to which a haircut of 15% is applied, as well as level 2A assets pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements and with the requirements on the composition of the liquidity buffer as set out in that regulation.

**Article 24** <sup>27</sup>  
**Repealed**

**Article 25**  
**50% required stable funding factor**

1. Banks shall apply a 50% required stable funding factor for the following assets:
  - a) unencumbered assets that are eligible as level 2B assets, pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements and with the requirements on the composition of the liquidity buffer as set out in that regulation;
  - b) deposits held by the bank in another financial institution that fulfil the criteria for operational deposits, as set out in the regulation on liquidity coverage;
  - c) monies due from transactions with a residual maturity of less than one year from:
    - i. the albanian government or the central government of a foreign country;
    - ii. regional governments or albanian local authorities or of a foreign country;
    - iii. the albanian public sector entities or of a foreign country;
    - iv. multilateral development banks referred to in article 15, paragraph 3 and international organisations referred to in article 16 of the regulation on capital adequacy;
    - v. non-financial corporates, retail customers and small and medium enterprises (SMEs);
    - vi. savings and loan associations and their unions authorised by a competent authority, personal investment companies and clients that are deposit brokers to the extent that those assets do not fall under letter “b” of this paragraph;
  - d) monies due from transactions with a residual maturity of at least six months but less than one year with:
    - i. the Bank of Albania;
    - ii. the central bank of a foreign country;
    - iii. financial customers;
  - e) trade finance on-balance-sheet related products, with a residual maturity of at least six months but less than one year;
  - f) assets encumbered for a residual maturity of at least six months but less than one year, except where those assets would be assigned a higher required stable funding factor in

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<sup>26</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>27</sup> Repealed by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

- accordance with articles 26 to 28 of this regulation, if they were held unencumbered, in which case the higher required stable funding factor shall apply;
- g) any other assets with a residual maturity of less than one year, unless otherwise specified in articles 19 to 24 of this regulation.

**Article 26**  
**65% required stable funding factor**

- 2. Banks shall apply a 65% required stable funding factor for the following assets:
  - a) unencumbered loans secured by mortgages on residential property, with a residual maturity of one year or more, provided that those loans are assigned a risk weight of 35% or less, in accordance with chapter III of the regulation on capital adequacy;
  - b) unencumbered loans with a residual maturity of one year or more, excluding loans to financial customers and loans referred to in articles 19 to 25 of this regulation, provided that those loans are assigned a risk weight of 35% or less in accordance with chapter III of the regulation on capital adequacy.

**Article 27**  
**85% required stable funding factor**

- 1. Banks shall apply a 85% required stable funding factor for the following assets and off-balance-sheet items:
  - a) assets and off-balance-sheet items, including cash, posted as initial margin for derivative contracts, unless those assets would be assigned a higher required stable funding factor in accordance with article 28 of this regulation if held unencumbered, in which case the higher required stable funding factor shall apply;
  - b) assets and off-balance-sheet items, including cash, posted as contribution to the default fund of a central counterparty, unless those assets would be assigned a higher required stable funding factor in accordance with article 28 of this regulation, if held unencumbered, in which case the higher required stable funding factor shall apply;
  - c) unencumbered loans with a residual maturity of one year or more, excluding loans to financial customers and loans referred to in articles 19 to 26 of this regulation, which are not past due for more than 90 days and which are assigned a risk weight of more than 35 % in accordance with chapter III of the regulation on capital adequacy;
  - d) trade finance on-balance-sheet related products, with a residual maturity of one year or more;
  - e) physically traded commodities, including gold, but excluding commodity derivatives;
  - f) <sup>28</sup>unencumbered securities with a residual maturity of one year or more, which are not non-performing and which are not classified as liquid assets, in accordance with the regulation on liquidity coverage.

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<sup>28</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**Article 28**  
**100% required stable funding factor**

1. Banks shall apply a 100% required stable funding factor for the following assets:
  - a) unless otherwise specified in this chapter, any assets encumbered for a residual maturity of one year or more;
  - b) any assets other than those referred to in articles 19 to 27 of this regulation, including loans to financial customers having a residual contractual maturity of one year or more, non-performing exposures (loans), items deducted from regulatory capital and fixed assets.
2. <sup>29</sup>Banks shall apply a 100% required stable funding factor to the difference, if positive, between the sum of fair values across all netting sets with positive fair value and the sum of fair values across all netting sets with negative fair value, calculated in accordance with article 7 of this regulation.
3. <sup>30</sup>Banks shall apply the following rules to the calculation referred to in paragraph 2 of this article:
  - a) variation margin received by banks from their counterparties shall be deducted from the fair value of a netting set with positive fair value, where the collateral received as variation margin qualifies as a level 1 asset pursuant to the regulation on liquidity coverage, and where banks are legally entitled and operationally able to reuse that collateral;
  - b) all variation margin posted by banks with their counterparties shall be deducted from the fair value of a netting set with negative fair value.

**CHAPTER VI**  
**DEROGATION FOR NON-SYSTEMICALLY IMPORTANT BANKS**

**Article 29**  
**Derogation for non-systemically important banks**

1. By way of derogation from chapters IV and V of this regulation, non-systemically important banks may choose to calculate the net stable funding ratio as a ratio between a bank's available stable funding as referred to in chapter VII and the bank's required stable funding as referred to in chapter VIII of this regulation.
2. Bank of Albania, where it considers that the simplified methodology as referred to in paragraph 1 of this article, is not adequate to capture the funding risks of a non-systemically important bank, may require the bank to comply with the net stable funding requirements based on the provisions of chapters IV and V of this regulation.

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<sup>29</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>30</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.



**CHAPTER VII**  
**AVAILABLE STABLE FUNDING FOR THE SIMPLIFIED CALCULATION OF THE**  
**NET STABLE FUNDING RATIO**

**SUBCHAPTER I**  
**GENERAL PROVISIONS**

**Article 30**  
**Simplified calculation of the amount of available stable funding**

1. Unless otherwise specified in this chapter, non-systemically important banks shall calculate the amount of available stable funding by multiplying the accounting value of various categories or types of liabilities and regulatory capital items, by the available stable funding factors to be applied under subchapter II of this chapter. The total amount of available stable funding shall be the sum of the weighted amounts of liabilities and regulatory capital's items.
2. Bonds and other debt securities that are issued by the bank, sold exclusively in the retail market, and held in a retail account, shall be treated by banks, as belonging to the appropriate retail deposit category. Limitations shall be in place by banks, such that those instruments cannot be bought and held by parties other than retail customers.

**Article 31**  
**Residual maturity of liabilities or regulatory capital's items**

1. Unless otherwise specified in this chapter, banks shall take into account the residual contractual maturity of their liabilities and regulatory capital's items to determine the available stable funding factors to be applied under subchapter II of this chapter.
2. Banks shall take into account existing options in determining the residual maturity of a liability or of regulatory capital's items, supposing that the counterparty will redeem call options at the earliest possible date. For options exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit a bank's ability not to exercise the option, in particular market expectations that bank should redeem certain liabilities before their maturity.
3. Banks shall treat deposits with fixed notice periods in accordance with their notice period, and shall treat term deposits in accordance with their residual maturity. By way of derogation from paragraph 2 of this article, when defining the residual maturity of term retail deposits, the banks shall not take into account options for early withdrawals where the depositor has to pay a material penalty for early withdrawals which occur in less than one year, a penalty which is materially higher than the accrued interest lost up to the date of withdrawal referred to in the regulation on the liquidity coverage.
4. In order to determine the available stable funding factors to be applied under subchapter II of this chapter, any portion of liabilities with a residual maturity of one year or more, that matures in less than six months and any portion that matures between six months and less than one year, shall be treated by banks, as having a residual maturity of less than six months and between six months and less than one year, respectively.

SUBCHAPTER II  
AVAILABLE STABLE FUNDING FACTORS

**Article 32**  
**0% available stable funding factor**

1. Unless otherwise specified in this subchapter, banks shall apply a 0% available stable funding factor for all liabilities without a stated maturity, including short positions and <sup>31</sup>open maturity positions, with the exception of the following:
  - a) deferred tax liabilities, which shall be treated in accordance with the nearest possible date on which such liabilities could be realised;
  - b) minority interests, which shall be treated in accordance with the term of the instrument concerned.
2. For deferred tax liabilities and minority interests as referred to in paragraph 1 of this article, banks shall apply one of the following factors, based on the effective residual maturity:
  - a) 0%, where the effective residual maturity is less than one year;
  - b) 100%, where the effective residual maturity is one year or more.
3. Banks shall apply a 0% available stable funding factor for the following liabilities:
  - a) trade date payables arising from purchases of financial instruments, of foreign currencies and of commodities, that are expected to settle within the standard settlement cycle or period that is standard for the relevant exchange or type of transactions, or that have failed to settle but are nonetheless expected to settle;
  - b) liabilities with a residual maturity of less than one year <sup>32</sup>provided by:
    - i. the Bank of Albania;
    - ii. the central bank of a foreign country;
    - iii. financial customers;
  - c) any other liabilities or capital's items or instruments not referred to in this article and in articles 33 to 36 of this regulation.
4. <sup>33</sup>Banks shall apply a 0 % available stable funding factor to the absolute value of the difference, if negative, between the sum of fair values across all netting sets with positive fair value and the sum of fair values across all netting sets with negative fair value, calculated in accordance with article 7 of this regulation.
5. <sup>34</sup>Banks, for the calculation provided in paragraph 4 of this article, shall apply the following rules:
  - a) variation margin received by banks from their counterparties shall be deducted from the fair value of a netting set with positive fair value, where the collateral received as variation margin qualifies as a level 1 asset pursuant to the regulation on the liquidity coverage, and where banks are legally entitled and operationally able to reuse that collateral;
  - b) all variation margin posted by banks with their counterparties shall be deducted from the fair value of a netting set with negative fair value.

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<sup>31</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>32</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>33</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>34</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**Article 33**  
**50% available stable funding factor**

1. Banks shall apply a 50% available stable funding factor for the following liabilities:
  - a) deposits that fulfil the criteria for operational deposits set out in the regulation on liquidity coverage;
  - b) liabilities with a residual maturity of less than one year <sup>35</sup>provided by:
    - i. the albanian government or the central government of a foreign country;
    - ii. regional governments or albanian local authorities or of a foreign country;
    - iii. the albanian or foreign public sector entities;
    - iv. multilateral development banks referred to in article 15, paragraph 3 of the regulation on capital adequacy and international organisations referred to in article 16 of the same regulation;
    - v. non-financial corporate customers;
    - vi. savings and loan associations and their unions authorised by a competent authority, personal investment companies and clients that are deposit brokers, except for deposits received that fulfil the criteria for operational deposits set out in the regulation on liquidity coverage.

**Article 34**  
**90% available stable funding factor**

1. Banks shall apply a 90% available stable funding factor, for the sight retail deposits, retail deposits with a fixed notice period of less than one year and term retail deposits having a residual maturity of less than one year, that fulfil the relevant criteria for other retail deposits set out in the regulation on liquidity coverage.

**Article 35**  
**95% available stable funding factor**

1. Banks shall apply a 95% available stable funding factor for the sight retail deposits, retail deposits with a fixed notice period of less than one year and term retail deposits having a residual maturity of less than one year, that fulfil the relevant criteria for stable retail deposits set out in the regulation on liquidity coverage.

**Article 36**  
**100% available stable funding factor**

1. Banks shall apply a 100% available stable funding factor for the following liabilities and capital items and instruments:
  - a) the Common Equity Tier 1 items of the bank, before the adjustments required pursuant to articles 7 to 10, the deductions pursuant to article 11 and the application of the exemptions laid down in article 20 of the regulation on regulatory capital;

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<sup>35</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

- b) the Additional Tier 1 items of the bank, before the deduction of the items referred to in article 25 of the regulation on regulatory capital, excluding any instruments with explicit or embedded options that, if <sup>36</sup>exercised, would reduce the effective residual maturity to less than one year;
- c) the Tier 2 items of the bank, before the deductions referred to in article 33 of the regulation on regulatory capital, having a residual maturity of one year or more, excluding any instruments with explicit or embedded options that, if <sup>37</sup>exercised, would reduce the effective residual maturity to less than one year;
- d) any other capital instruments of the bank with a residual maturity of one year or more, excluding any instruments with explicit or embedded options that, if <sup>38</sup>exercised, would reduce the effective residual maturity to less than one year;
- e) any other secured and unsecured borrowings and liabilities with a residual maturity of one year or more, including term deposits, unless otherwise specified in articles 32 to 35 of this regulation.

**CHAPTER VIII**  
**REQUIRED STABLE FUNDING FOR THE SIMPLIFIED CALCULATION OF THE**  
**NET STABLE FUNDING RATIO**

**SUBCHAPTER I**  
**GENERAL PROVISIONS**

**Article 37**  
**Simplified calculation of the amount of required stable funding**

1. Non-systemically important banks, unless otherwise specified in this chapter, shall calculate the amount of required stable funding by multiplying the accounting value of various categories or types of assets and off-balance-sheet items, by the required stable funding factors to be applied in accordance with subchapter II of this chapter. The total amount of required stable funding shall be the sum of the weighted amounts of assets and off-balance-sheet items.
2. Banks shall exclude from the calculation of the amount of required stable funding, assets that banks have borrowed, including in securities financing transactions, that are accounted for in their balance sheet and on which they do not have beneficial ownership. Assets that banks have borrowed, including in securities financing transactions, that are not accounted for in their balance sheet but on which they have beneficial ownership shall be subject to the required stable funding factors, in accordance with subchapter II of this chapter.
3. Assets that banks have lent, including in securities financing transactions, over which the bank retains beneficial ownership, shall be considered as encumbered assets for the purposes of this chapter and shall be subject to required stable funding factors to be applied under subchapter

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<sup>36</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>37</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>38</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

- II of this chapter, even where the assets do not remain on their balance sheet. Otherwise, the banks shall exclude such assets, from the calculation of the amount of required stable funding.
4. Assets that are encumbered for a residual maturity of six months or longer shall be assigned by banks, either the required stable funding factor that would be applied under subchapter II of this chapter to those assets, if they were held unencumbered, or the required stable funding factor that is otherwise applicable to those encumbered assets, whichever factor is higher. Banks shall apply the same approach where the residual maturity of the encumbered assets is shorter than the residual maturity of the transaction that is the source of encumbrance.
  5. Banks, for the assets with a remaining encumbrance period of less than six months, shall apply the required stable funding factors, in accordance with subchapter II to these assets, if they were held unencumbered.
  6. Where a bank reuses or repledges an asset that was borrowed, including in securities financing transactions, and that asset is accounted for off-balance-sheet, the transaction through which that asset has been borrowed shall be treated as encumbered to the extent that the transaction cannot mature without the bank returning the asset borrowed.
  7. Banks shall consider the following assets to be unencumbered:
    - a) assets included in a <sup>39</sup>pool which are available for immediate use as collateral to obtain additional funding for the bank, under committed <sup>40</sup>but not yet funded credit lines available to the bank;
    - b) assets that the bank has received as collateral for credit risk mitigation purposes in secured lending, secured funding or collateral exchange transactions and that the bank may dispose of.
  8. <sup>41</sup>Banks shall exclude assets associated with collateral recognised as variation margin posted in accordance with letter “b”, paragraph 5 of article 12 and paragraph 3 of article 28 of this regulation, recognised as initial margin posted or recognised as contribution to the default fund of a central counterparty in accordance with letters “a” and “b” of article 27 of this regulation, from other parts of calculation of the amount of required stable funding in accordance with this chapter, in order to avoid any double counting.
  9. <sup>42</sup>Banks shall include in the calculation of the amount of required stable funding, the financial instruments, foreign currencies and commodities for which a purchase order has been executed. Banks shall exclude from the calculation of the amount of required stable funding, the financial instruments, foreign currencies and commodities for which a sale order has been executed, provided that those transactions are not reflected as derivatives or secured funding transactions on the banks’ balance sheet and that those transactions are to be reflected on the banks’ balance sheet when settled.

### **Article 38**

#### **Residual maturity of assets**

1. Unless otherwise specified in this chapter, banks shall take into account the residual contractual maturity of their assets and off-balance-sheet transactions, when determining the required

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<sup>39</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>40</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>41</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>42</sup> Renumbered by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

stable funding factors to be applied to their assets and off-balance-sheet items, in accordance with subchapter II of this chapter.

2. When calculating the residual maturity of an asset, banks shall take options into account, based on the assumption that the issuer or counterparty will exercise any option to extend the maturity of an asset. For options that are exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit the bank's ability not to exercise the option, in particular markets' and clients' expectations that the bank should extend the maturity of certain assets at their maturity date.
3. In order to determine the required stable funding factors to be applied in accordance with subchapter II of this chapter, for amortising loans with a residual contractual maturity of one year or more, any portion of the loan that matures in less than six months and between six months and less than one year shall be treated as having a residual maturity of less than six months and between six months and less than one year, respectively.

## SUBCHAPTER II REQUIRED STABLE FUNDING FACTORS

### **Article 39 0% required stable funding factor**

1. Banks shall apply a 0% required stable funding factor for the following assets:
  - a) unencumbered assets that are eligible as level 1 liquid assets, <sup>43</sup>excluding level 1 liquid assets to which a haircut of 10% and 15% is applied, in accordance with the regulation on liquidity coverage, regardless of whether they comply with the operational requirements as set out in that regulation;
  - b) reserves held by the bank in the Bank of Albania or in the central bank of a foreign country, <sup>44</sup>including required reserves and excess reserves;
  - c) claims to the Bank of Albania, or to the central bank of a foreign country that have a residual maturity of less than six months.
2. <sup>45</sup>Banks, for the purposes of calculating the net stable funding ratio on a consolidated basis, for the subsidiary/branch of the bank in a foreign country, where the required central bank reserves are subject to a higher required stable funding factor under the net stable funding requirement set out in the national law of that country, shall take into account that higher required stable funding factor.

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<sup>43</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>44</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>45</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**Article 40**  
**5% required stable funding factor**

1. Banks shall apply a 5% required stable funding factor for the undrawn portion of committed credit and liquidity facilities provisioned in the regulation on liquidity coverage.
2. For all netting sets of derivative contracts, banks shall apply a 5% required stable funding factor to the absolute fair value of those netting sets of derivative contracts, gross of any collateral posted, where those netting sets have a negative fair value. For the purposes of this paragraph, banks shall determine the fair value as gross of any collateral posted or settlement payments and receipts related to market valuation changes of such contracts.

**Article 41**  
**10% required stable funding factor**

1. Banks shall apply a 10% required stable funding factor for <sup>46</sup>level 1 liquid assets to which a haircut of 10% is applied, in accordance with the regulation on liquidity coverage, regardless of whether they comply with the operational requirements as set out in that regulation, as well as for trade finance off-balance-sheet related products as referred to in Annex 2 of the regulation on capital adequacy.

**Article 42**  
**20% required stable funding factor**

1. Banks shall apply a 20% required stable funding factor for unencumbered assets that are eligible <sup>47</sup>as level 1 liquid assets to which a haircut of 15% is applied and as level 2A assets pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements and with the requirements on the composition of the liquidity buffer as set out in that regulation.

**Article 43**  
**50% required stable funding factor**

1. Banks shall apply a 50% required stable funding factor for the following assets:
  - a) secured and unsecured loans with a residual maturity of less than one year and provided that they are encumbered for less than one year;
  - b) any other assets with a residual maturity of less than one year, unless otherwise specified in articles 39 to 42 of this regulation;
  - c) assets encumbered for a residual maturity of at least six months but less than one year, except where those assets would be assigned a higher required stable funding factor in accordance with articles 44, 45 and 46 of this regulation, if they were held unencumbered, in which case the higher required stable funding factor shall apply.

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<sup>46</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>47</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**Article 44**  
**55% required stable funding factor**

1. Banks shall apply a 55% required stable funding factor for assets unencumbered less than one year, that are eligible as level 2B assets pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements and with the requirements on the composition of the liquidity buffer as set out in that regulation.

**Article 45**  
**85% required stable funding factor**

1. Banks shall apply a 85% required stable funding factor for the following assets and off-balance-sheet items:
  - a) assets and off-balance-sheet items, including cash, posted as initial margin for derivative contracts or posted as contribution to the default fund of a central counterparty, unless those assets would be assigned a higher required stable funding factor in accordance with article 46 of this regulation, if held unencumbered, in which case the higher required stable funding factor shall apply;
  - b) unencumbered loans with a residual maturity of one year or more, excluding loans to financial customers, which are not past due for more than 90 days;
  - c) trade finance on-balance-sheet related products, with a residual maturity of one year or more;
  - d) physically traded commodities, including gold, but excluding commodity derivatives;
  - e) <sup>48</sup>unencumbered securities with a residual maturity of one year or more, which are not non-performing and which are not classified as liquid assets, in accordance with the regulation on liquidity coverage.

**Article 46**  
**100% required stable funding factor**

1. Banks shall apply a 100 % required stable funding factor for the following assets:
  - a) any assets encumbered for a residual maturity of one year or more;
  - b) any assets other than those referred to in articles 39 to 45 of this regulation, including loans to financial customers having a residual contractual maturity of one year or more, non-performing exposures (loans), items deducted from regulatory capital and fixed assets.
2. <sup>49</sup>Banks shall apply a 100 % required stable funding factor to the difference, if positive, between the sum of fair values across all netting sets with positive fair value and the sum of fair values across all netting sets with negative fair value, calculated in accordance with article 7 of this regulation.
3. <sup>50</sup>Banks shall apply the following rules to the calculation referred to in paragraph 2 of this article:
  - a) variation margin received by banks from their counterparties shall be deducted from the fair value of a netting set with positive fair value, where the collateral received as variation

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<sup>48</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>49</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>50</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.



- margin qualifies as a level 1 asset pursuant to the regulation on liquidity coverage, and where banks are legally entitled and operationally able to reuse that collateral;
- b) all variation margin posted by banks with their counterparties shall be deducted from the fair value of a netting set with negative fair value.

## **CHAPTER IX SUPERVISORY REQUIREMENTS**

### **Article 47 Reporting requirements**

1. Banks shall report on a quarterly basis at the Supervision Department of Bank of Albania, no later than 10 (ten) calendar days after the end of the reporting period, the net stable funding ratio on individual basis, calculated for the total in the reporting currency, <sup>51</sup>and for the total of significant foreign currencies, according to the forms of Annex 1, attached and integral part of this regulation.
2. Banks, for monitoring purposes by the Bank of Albania, shall report on a quarterly basis, in accordance to the requirements defined in paragraph 1 of this article, the net stable funding ratio for the domestic currency (lek) and for each of the significant foreign currencies, <sup>52</sup>according to the forms of Annex 1, attached and integral part of this regulation.
3. Banks shall report on a quarterly basis at the Supervision Department of Bank of Albania, no later than 60 (sixty) calendar days after the end of the reporting period, the net stable funding ratio on consolidated basis, calculated for the total in the reporting currency, <sup>53</sup>and for the total of significant foreign currencies, according to the forms of Annex 1, attached and integral part of this regulation.

### **Article 48 Supervisory measures**

The Bank of Albania, in case of failure to comply with the obligations laid down in this regulation, shall implement the supervisory and/or penalizing measures defined in the law on banks.

### **Article 49<sup>54</sup> Entry into force**

1. This regulation shall enter into force on 1 January 2023, with the exceptions defined in paragraphs 3 and 4 of this article.

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<sup>51</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>52</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>53</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

<sup>54</sup> Amended by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

2. Banks, until the entry into force of this regulation, shall report on a quarterly basis to the Bank of Albania, the net stable funding ratio on an individual basis for total net stable funding ratio, in the reporting currency, and for total significant currencies, starting from March 2022.
3. By derogation from the requirements defined in article 5, paragraph 2 of this regulation on the minimum net stable funding ratio for the total significant foreign currencies, the banks shall apply the following limits and timeframes:
  - a) at least 70% (starting from 1 January 2023);
  - b) at least 80% (starting from 1 January 2024); and
  - c) at least 100% (starting from 1 January 2025).
4. Banks shall apply the requirements of this regulation on the net stable funding ratio, for the total and for the total of significant foreign currencies, on consolidated basis, starting from 1 January 2024.

**Article 50<sup>55</sup>**  
**Final provisions**

The attached annexes are an integral part of this regulation.

**CHAIRMAN OF THE SUPERVISORY COUNCIL**

**Gent SEJKO**

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<sup>55</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

## REPORTING ON NET STABLE FUNDING RATIO

Form number	Form code	Name of the form
		<b>NET STABLE FUNDING RATIO (NSFR)</b>
1	<a href="#">F1</a>	REQUIRED STABLE FUNDING
2	<a href="#">F2</a>	AVAILABLE STABLE FUNDING
		<b>SIMPLIFIED NSFR</b>
3	<a href="#">F3</a>	SIMPLIFIED REQUIRED STABLE FUNDING
4	<a href="#">F4</a>	SIMPLIFIED AVAILABLE STABLE FUNDING
		<b>SUMMARY NSFR</b>
5	<a href="#">F5</a>	SUMMARY NSFR

<sup>56</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

**Form F1 - REQUIRED STABLE FUNDING**

Row	ID	Item	Amount				Standard RSF factor				Applicable RSF factor				Required stable funding
			Non-HQLA by maturity			HQLA	Non-HQLA by maturity			HQLA	Non-HQLA by maturity			HQLA	
			< 6 months	≥ 6 months to < 1 year	≥ 1 year		< 6 months	≥ 6 months to < 1 year	≥ 1 year		< 6 months	≥ 6 months to < 1 year	≥ 1 year		
			0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	
0010	1	<b>REQUIRED STABLE FUNDING</b>													0.00
0020	1.1	<b>RSF from central bank assets</b>													0.00
0030	1.1.1	cash, reserves and HQLA exposures to central banks													0.00
0040	1.1.1.1	unencumbered or encumbered for a residual maturity of less than six months					0%	0%	0%	0%					0.00
0050	1.1.1.2	encumbered for a residual maturity of at least six months but less than one year					50%	50%	50%	50%					0.00
0060	1.1.1.3	encumbered for a residual maturity of one year or more					100%	100%	100%	100%					0.00
0070	1.1.2	other non-HQLA central bank exposures					0%	50%	100%						0.00
0080	1.2	<b>RSF from liquid assets</b>													0.00
0090	1.2.1	level 1 assets eligible for 0% LCR haircut													0.00
0100	1.2.1.1	unencumbered or encumbered for a residual maturity of less than six months								0%					0.00
0110	1.2.1.2	encumbered for a residual maturity of at least six months but less than one year								50%					0.00
0120	1.2.1.3	encumbered for a residual maturity of one year or more								100%					0.00
0130	1.2.2	level 1 assets eligible for 10% LCR haircut													0.00
0140	1.2.2.1	unencumbered or encumbered for a residual maturity of less than six months								10%					0.00
0150	1.2.2.2	encumbered for a residual maturity of at least six months but less than one year								50%					0.00
0160	1.2.2.3	encumbered for a residual maturity of one year or more								100%					0.00
0170	1.2.3	level 1 eligible for 15% LCR haircut													0.00
0180	1.2.3.1	unencumbered or encumbered for a residual maturity of less than six months								15%					0.00
0190	1.2.3.2	encumbered for a residual maturity of at least six months but less than one year								50%					0.00
0200	1.2.3.3	encumbered for a residual maturity of one year or more								100%					0.00
0210	1.2.4	level 2A assets eligible for 15% LCR haircut													0.00
0220	1.2.4.1	unencumbered or encumbered for a residual maturity of less than six months								15%					0.00
0230	1.2.4.2	encumbered for a residual maturity of at least six months but less than one year								50%					0.00
0240	1.2.4.3	encumbered for a residual maturity of one year or more								100%					0.00
0250	1.2.5	level 2B assets eligible for 50% LCR haircut													0.00
0260	1.2.5.1	unencumbered or encumbered for a residual maturity of less than one year								50%					0.00
0270	1.2.5.2	encumbered for a residual maturity of one year or more								100%					0.00
0280	1.3	<b>RSF from securities other than liquid assets</b>													0.00
0290	1.3.1	non-HQLA securities													0.00
0300	1.3.1.1	unencumbered or encumbered for a residual maturity of less than one year					50%	50%	85%						0.00
0310	1.3.1.2	encumbered for a residual maturity of one year or more					100%	100%	100%						0.00



**FORM F2 - AVAILABLE STABLE FUNDING**

Row	ID	Item	Amount			Standard ASF factor			Applicable ASF factor			Available stable funding
			< 6 months	≥ 6 months to < 1 year	≥ 1 year	< 6 months	≥ 6 months to < 1 year	≥ 1 year	< 6 months	≥ 6 months to < 1 year	≥ 1 year	Total
			0010	0020	0030	0040	0050	0060	0070	0080	0090	0100
0010	<b>2</b>	<b>AVAILABLE STABLE FUNDING</b>										
0020	<b>2.1</b>	<b>ASF from capital items and instruments</b>										
0030	2.1.1	Common Equity Tier 1						100%				
0040	2.1.2	Additional Tier 1				0%	0%	100%				
0050	2.1.3	Tier 2				0%	0%	100%				
0060	2.1.4	Other capital instruments				0%	0%	100%				
0070	<b>2.2</b>	<b>ASF from retail deposits</b>										
0080	2.2.0.1	of which, retail bonds										
0090	2.2.1	Stable retail deposits				95%	95%	100%				
0100	2.2.0.2	of which with a material early withdrawable penalty						100%				
0110	2.2.2	Other retail deposits				90%	90%	100%				
0120	2.2.0.3	of which with a material early withdrawable penalty						100%				
0130	<b>2.3</b>	<b>ASF from other non-financial customers (except central banks)</b>										
0140	2.3.0.1	of which, securities financing transactions										
0150	2.3.0.2	of which, operational deposits										
0160	2.3.1	Liabilities provided by the Albanian government or the central government of a foreign country				50%	50%	100%				
0170	2.3.2	Liabilities provided by regional governments or Albanian local authorities or of a foreign country				50%	50%	100%				
0180	2.3.3	Liabilities provided by Albanian public sector entities or of a foreign country				50%	50%	100%				
0190	2.3.4	Liabilities provided by multilateral development banks and international organisations				50%	50%	100%				
0200	2.3.5	Liabilities provided by non-financial corporate customers				50%	50%	100%				
0210	2.3.6	Liabilities provided by credit unions, personal investment companies and deposit brokers				50%	50%	100%				
0220	<b>2.4</b>	<b>ASF from liabilities or committed facilities within a group, subject to preferential treatment</b>										
0230	<b>2.5</b>	<b>ASF from financial customers and central banks</b>										
0240	2.5.1	Liabilities provided by the Bank of Albania				0%	50%	100%				
0250	2.5.2	Liabilities provided by the central bank of a foreign country				0%	50%	100%				
0260	2.5.3	Liabilities provided by financial customers										
0270	2.5.3.1	Operational deposits				50%	50%	100%				
0280	2.5.3.2	Excess operational deposits				0%	50%	100%				
0290	2.5.3.3	Other liabilities				0%	50%	100%				
0300	<b>2.6</b>	<b>ASF from liabilities provided where the counterparty cannot be determined</b>				0%	50%	100%				
0310	<b>2.7</b>	<b>ASF from net derivatives liabilities</b>				0%	0%	0%				
0320	<b>2.8</b>	<b>ASF from other liabilities</b>										
0330	2.8.1	Trade date payables				0%	0%	0%				
0340	2.8.2	Deferred tax liabilities				0%	50%	100%				
0350	2.8.3	Minority interests				0%	50%	100%				
0360	2.8.4	Other liabilities				0%	50%	100%				

**Form F3 - SIMPLIFIED REQUIRED STABLE FUNDING**

Row	ID	Item	Amount			Standard RSF factor			Applicable RSF factor			Required stable funding
			Non-HQLA by maturity		HQLA	Non-HQLA by maturity		HQLA	Non-HQLA by maturity		HQLA	
			< 1 year	≥ 1 year		< 1 year	≥ 1 year		< 1 year	≥ 1 year		
0010	0020	0030	0040	0050	0060	0070	0080	0090	0100			
0010	1	<b>REQUIRED STABLE FUNDING</b>									0	
0020	1.1	<b>RSF from central bank assets</b>									0	
0030	1.1.1	cash, reserves and HQLA exposures to central banks				0%	0%	0%			0	
0040	1.1.2	other non-HQLA central bank exposures				0%	100%				0	
0050	1.2	<b>RSF from liquid assets</b>									0	
0060	1.2.1	level 1 assets eligible for 0% LCR haircut									0	
0070	1.2.1.1	unencumbered or encumbered for a residual maturity of less than six months						0%			0	
0080	1.2.1.2	encumbered for a residual maturity of at least six months but less than one year						50%			0	
0090	1.2.1.3	encumbered for a residual maturity of one year or more						100%			0	
0100	1.2.2	level 1 assets eligible for 10% LCR haircut									0	
0110	1.2.2.1	unencumbered or encumbered for a residual maturity of less than six months						10%			0	
0120	1.2.2.2	encumbered for a residual maturity of at least six months but less than one year						50%			0	
0130	1.2.2.3	encumbered for a residual maturity of one year or more						100%			0	
0140	1.2.3	level 1 assets eligible for 15% LCR haircut									0	
0150	1.2.3.1	unencumbered or encumbered for a residual maturity of less than six months						20%			0	
0160	1.2.3.2	encumbered for a residual maturity of at least six months but less than one year						50%			0	
0170	1.2.3.3	encumbered for a residual maturity of one year or more						100%			0	
0180	1.2.4	Level 2A assets eligible for 15% LCR haircut									0	
0190	1.2.4.1	unencumbered or encumbered for a residual maturity of less than 6 months						20%			0	
0200	1.2.4.2	unencumbered or encumbered for a residual maturity of less than one year						50%			0	
0210	1.2.4.3	encumbered for a residual maturity of one year or more						100%			0	
0220	1.2.5	Level 2B assets									0	
0230	1.2.5.1	unencumbered or encumbered for a residual maturity of less than one year						55%			0	
0240	1.2.5.2	encumbered for a residual maturity of one year or more						100%			0	
0250	1.3	<b>RSF from securities other than liquid assets</b>									0	
0260	1.3.1	unencumbered or encumbered for a residual maturity of less than one year				50%	85%				0	
0270	1.3.2	encumbered for a residual maturity of one year or more				100%	100%				0	
0280	1.4	<b>RSF from loans</b>									0	
0290	1.4.1	loans to non-financial customers									0	
0300	1.4.1.1	unencumbered or encumbered for a residual maturity of less than one year				50%	85%				0	
0310	1.4.1.2	encumbered for a residual maturity of one year or more				100%	100%				0	
0320	1.4.2	loans to financial customers									0	
0330	1.4.2.1	unencumbered or encumbered for a residual maturity of less than one year				50%	100%				0	
0340	1.4.2.2	encumbered for a residual maturity of one year or more				100%	100%				0	
0350	1.4.3	trade finance on-balance sheet products				50%	85%				0	
0360	1.5	<b>RSF from assets within a group if subject to preferential treatment</b>									0	
0370	1.6	<b>RSF from derivatives</b>									0	
0380	1.6.1	required stable funding for derivative liabilities				5%					0	
0390	1.6.2	required stable funding for derivative assets				100%					0	
0400	1.6.3	initial margin posted				85%	85%	85%			0	
0410	1.7	<b>RSF from contributions to CCP default fund</b>									0	
0420	1.8	<b>RSF from other assets</b>				100%	100%				0	
0430	1.9	<b>RSF from OBS items</b>									0	
0440	1.9.1	committed facilities within a group if subject to preferential treatment									0	
0450	1.9.2	committed facilities				5%	5%				0	
0460	1.9.3	trade finance off-balance sheet items				10%	10%				0	
0470	1.9.4	non-performing off-balance sheet items				100%	100%				0	

### Form F4 - SIMPLIFIED AVAILABLE STABLE FUNDING

Row	ID	Item	Amount		Standard ASF factor		Applicable ASF factor		Total ASF
			< 1 year	≥ 1 year	< 1 year	≥ 1 year	< 1 year	≥ 1 year	
			0010	0020	0030	0040	0050	0060	
0010	2	<b>AVAILABLE STABLE FUNDING</b>							<b>0</b>
0020	2.1	<b>ASF from capital items and instruments</b>			0%	100%			<b>0</b>
0030	2.2	<b>ASF from retail deposits</b>							<b>0</b>
0040	2.2.1	Stable retail deposits			95%	100%			<b>0</b>
0050	2.2.2	Other retail deposits			90%	100%			<b>0</b>
0060	2.3	<b>ASF from other non-financial customers (except central banks)</b>			50%	100%			<b>0</b>
0070	2.4	<b>ASF from operational deposits</b>			50%	100%			<b>0</b>
0080	2.5	<b>ASF from liabilities and committed facilities within a group if subject to preferential treatment</b>							<b>0</b>
0090	2.6	<b>ASF from financial customers and central banks</b>			0%	100%			<b>0</b>
0100	2.7	<b>ASF from liabilities provided where the counterparty cannot be determined</b>			0%	100%			<b>0</b>
0110	2.8	<b>ASF from other liabilities</b>			0%	100%			<b>0</b>



### Form F5 - NSFR Summary

Row	ID	Item	Amount	Required stable funding	Available stable funding	Ratio
			0010	0020	0030	0040
0010	1	<b>REQUIRED STABLE FUNDING</b>	<b>0.00</b>	<b>0.00</b>		
0020	1.1	<b>RSF from central bank assets</b>	<b>0.00</b>	<b>0.00</b>		
0030	1.2	<b>RSF from liquid assets</b>	<b>0.00</b>	<b>0.00</b>		
0040	1.3	<b>RSF from securities other than liquid assets</b>	<b>0.00</b>	<b>0.00</b>		
0050	1.4	<b>RSF from loans</b>	<b>0.00</b>	<b>0.00</b>		
0060	1.5	<b>RSF from assets within a group if subject to preferential treatment</b>	<b>0.00</b>	<b>0.00</b>		
0070	1.6	<b>RSF from derivatives</b>	<b>0.00</b>	<b>0.00</b>		
0080	1.7	<b>RSF from contributions to CCP default fund</b>	<b>0.00</b>	<b>0.00</b>		
0090	1.8	<b>RSF from other assets</b>	<b>0.00</b>	<b>0.00</b>		
0100	1.9	<b>RSF from off-balance sheet items</b>	<b>0.00</b>	<b>0.00</b>		
0110	2	<b>AVAILABLE STABLE FUNDING</b>	<b>0.00</b>		<b>0.00</b>	
0120	2.1	<b>ASF from capital items and instruments</b>	<b>0.00</b>		<b>0.00</b>	
0130	2.2	<b>ASF from retail deposits</b>	<b>0.00</b>		<b>0.00</b>	
0140	2.3	<b>ASF from non-financial customers (except central banks)</b>	<b>0.00</b>		<b>0.00</b>	
0150	2.4	<b>ASF from operational deposits</b>	<b>0.00</b>		<b>0.00</b>	
0160	2.5	<b>ASF from liabilities within a group subject to preferential treatment</b>	<b>0.00</b>		<b>0.00</b>	
0170	2.6	<b>ASF from financial customers and central banks</b>	<b>0.00</b>		<b>0.00</b>	
0180	2.7	<b>ASF from liabilities provided where the counterparty cannot be determined</b>	<b>0.00</b>		<b>0.00</b>	
0190	2.8	<b>ASF from other liabilities</b>	<b>0.00</b>		<b>0.00</b>	
0200	3	<b>Net Stable Funding Ratio</b>				<b>#DIV/0!</b>

### Form F5 - Summary of simplified NSFR

Row	ID	Item	Amount	Required stable funding	Available stable funding	Ratio
			0010	0020	0030	0040
0010	1	<b>REQUIRED STABLE FUNDING</b>	<b>0.00</b>	<b>0.00</b>		
0020	1.1	<b>RSF from central bank assets</b>	<b>0.00</b>	<b>0.00</b>		
0030	1.2	<b>RSF from liquid assets</b>	<b>0.00</b>	<b>0.00</b>		
0040	1.3	<b>RSF from securities other than liquid assets</b>	<b>0.00</b>	<b>0.00</b>		
0050	1.4	<b>RSF from loans</b>	<b>0.00</b>	<b>0.00</b>		
0060	1.5	<b>RSF from assets within a group if subject to preferential treatment</b>	<b>0.00</b>	<b>0.00</b>		
0070	1.6	<b>RSF from derivatives</b>	<b>0.00</b>	<b>0.00</b>		
0080	1.7	<b>RSF from contributions to CCP default fund</b>	<b>0.00</b>	<b>0.00</b>		
0090	1.8	<b>RSF from other assets</b>	<b>0.00</b>	<b>0.00</b>		
0100	1.9	<b>RSF from off-balance sheet items</b>	<b>0.00</b>	<b>0.00</b>		
0110	2	<b>AVAILABLE STABLE FUNDING</b>	<b>0.00</b>		<b>0.00</b>	
0120	2.1	<b>ASF from capital items and instruments</b>	<b>0.00</b>		<b>0.00</b>	
0130	2.2	<b>ASF from retail deposits</b>	<b>0.00</b>		<b>0.00</b>	
0140	2.3	<b>ASF from non-financial customers (except central banks)</b>	<b>0.00</b>		<b>0.00</b>	
0150	2.4	<b>ASF from operational deposits</b>	<b>0.00</b>		<b>0.00</b>	
0160	2.5	<b>ASF from liabilities within a group subject to preferential treatment</b>	<b>0.00</b>		<b>0.00</b>	
0170	2.6	<b>ASF from financial customers and central banks</b>	<b>0.00</b>		<b>0.00</b>	
0180	2.7	<b>ASF from liabilities provided where the counterparty cannot be determined</b>	<b>0.00</b>		<b>0.00</b>	
0190	2.8	<b>ASF from other liabilities</b>	<b>0.00</b>		<b>0.00</b>	
0200	3	<b>Net Stable Funding Ratio</b>				<b>#DIV/0!</b>

**INSTRUCTIONS FOR COMPLETING THE FORMS OF ANNEX 1**  
**REPORTING ON BANKS' NET STABLE FUNDING RATIO**

Table of Contents

<b>PART I: GENERAL INSTRUCTIONS</b> .....	36
<b>PART II: REQUIRED STABLE FUNDING (RSF)</b> .....	37
1. Specific remarks .....	37
1.1 Instructions concerning specific columns .....	38
1.2 Instructions concerning specific rows .....	39
<b>PART III: AVAILABLE STABLE FUNDING (ASF)</b> .....	49
1. Specific remarks .....	49
1.1 Instructions concerning specific columns .....	49
1.2 Instructions concerning specific rows .....	50
<b>PART IV: SIMPLIFIED REQUIRED STABLE FUNDING</b> .....	57
1. Specific remarks .....	57
1.1 Instructions concerning specific columns .....	57
1.2 Instructions concerning specific rows .....	58
<b>PART V: SIMPLIFIED AVAILABLE STABLE FUNDING</b> .....	65
1. Specific remarks .....	65
1.1 Instructions concerning specific columns .....	65
1.2 Instructions concerning specific rows .....	66
<b>PART VI: NET STABLE FUNDING RATIO - SUMMARY</b> .....	72
1. Specific remarks .....	72
1.1 Instructions concerning specific columns .....	72
1.2 Instructions concerning specific rows .....	73

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<sup>57</sup> Added by the Decision No. 45, dated 1.9.2021 of the Supervisory Council of the Bank of Albania.

## **PART I: GENERAL INSTRUCTIONS**

1. This annex covers instructions for the net stable funding ratio (NSFR) forms, which contains information about required and available stable funding items, for the purpose of reporting the banks' NSFR as specified in this regulation. Cells which do not need to be completed by banks are coloured in grey.
2. Banks shall report the forms of Annex 1 in the reporting currency, regardless of the actual denomination of assets, liabilities and off-balance sheet items. Banks also, for monitoring purposes, shall report the Annex 1 forms for the local currency (lek) and for each of the significant foreign currencies, as defined in article 47 of this regulation.
3. With regard to the calculation of the banks' NSFR, the regulation refers to stable funding factors. The word "factor" in the context of these instructions refers to a number between 0 and 1, which multiplied by the amount, yields the weighted amount according to article 6 of this regulation.
4. In order to avoid any double counting, banks shall not report assets or liabilities that are associated with collateral posted or received as variation margin in accordance with article 12, paragraph 5 and article 28, paragraph 3 of the regulation, initial margin for derivative contracts and contribution to the default fund of a central counterparty in accordance with letters "a" and "b" of paragraph 1 of article 27 of the regulation.
5. Items provided and extended by the bank within the group, where the Bank of Albania has granted permission to apply a preferential treatment according to article 9 of the regulation, must be reported in a separate category.
6. For reporting purposes, in the columns referred as "Amount", banks shall always report the accounting value, except for the cases of derivative contracts, for which banks shall refer to the fair value as specified in article 7, paragraph 2 of the regulation.
7. For the purposes of reporting by currency as provisioned in article 47 of the regulation, as regards derivatives contracts provided in article 7, paragraph 3 of the regulation, banks shall calculate the fair value for each netting set in its settlement currency. For all netting sets with matching settlement currencies, a net amount shall be calculated in accordance with articles 12, paragraph 4 and article 28, paragraph 2 of the regulation, and reported in the relevant currency. In this context, settlement currency shall be understood as the currency in which the settlement of a netting set has been agreed. Netting set refers to the group of receivables and payables stemming from derivatives transactions with a counterparty, irrespective of whether they are denominated in a different currency from the settlement currency. In the case of multi-currency optionality, the bank shall make an assessment of the currency in which the settlement is likely to occur and shall report only in that separate currency.
8. The amount of assets and liabilities resulting from securities financing transactions (SFTs) with a single counterparty and the same type of collateral underlying (level 1 or non-level 1 liquid assets, pursuant to regulation on liquidity coverage) shall be reported on a net basis, where article 8 of the regulation applies. In the case of SFTs with collateral baskets underlying, the less liquid collateral within those pool of collateral shall be understood to be first pledged.
9. In accordance with article 29 of the regulation, non-systemically important banks may choose to calculate their NSFR in accordance with the simplified methodology set out in chapters VII and VIII of the regulation. Banks that use this simplified methodology for the calculation of the net stable funding ratio shall use the reporting forms F3 and F4 of the Annex 1. All other banks shall use the reporting forms F1 and F2. Regardless of the methodology applied, all banks shall report the reporting form F5.

## **PART II: REQUIRED STABLE FUNDING (RSF)**

### **1. Specific remarks**

10. Banks shall report in the appropriate category all assets on which they retain beneficial ownership, even if they are not accounted for in their balance sheet. Assets on which banks do not retain beneficial ownership shall not be reported even if these assets are accounted for in their balance sheet. In the case of reverse repos, where the assets borrowed are not accounted for the balance sheet, but the bank that received them has their beneficial ownership, the cash leg, or the collateral leg will be reported only, if a higher RSF factor applies.
11. In accordance with article 17 of the regulation, unless specified otherwise in chapter V, the amount of required stable funding (RSF) shall be calculated by multiplying the amount of assets and off-balance sheet items by the required stable funding factors.
12. Assets that are eligible as liquid assets, in accordance with the regulation on the liquidity coverage shall be reported as such, regardless if they comply with the operational requirements referred to in that regulation. Those assets shall be reported in designated columns regardless of their residual maturity.
13. All non-liquid assets and off-balance sheet items shall be reported with a breakdown by their residual maturity in accordance with article 18 of the regulation. The maturity buckets of the amounts, standard RSF factors and applicable RSF factors are the following:
  - i. residual maturity of less than six months or without stated maturity;
  - ii. residual maturity of a minimum of six months but less than one year;
  - iii. residual maturity of one year or more.
14. In accordance with article 18, paragraph 2 of the regulation, when calculating the residual maturity of non-liquid assets and off-balance sheet items, banks shall take options into account, based on the assumption that the issuer or counterparty will exercise any option to extend the asset's maturity. For options exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit the bank's ability not to exercise the option, in particular considering markets' and clients' expectations that the bank should extend the maturity of certain assets at their maturity date.
15. For some items, banks shall report assets according to the status and/or maturity of encumbrance of that asset, in accordance with paragraphs 4-7 of article 17 of the regulation.
16. As specified under article 17, paragraph 6 of the regulation, where a bank re-uses or re-pledges an asset that was borrowed, including in securities financing transactions, and that is accounted for off-balance sheet items, the transaction through which the assets has been borrowed shall be treated as encumbered to the extent that this transaction cannot mature without the bank returning the asset borrowed. The residual maturity of this encumbrance shall be considered the higher between: *i*) the residual maturity of the transaction where the assets were borrowed and *ii*) the residual maturity of the transaction where the assets were re-pledged.

## 1.1 Instructions concerning specific columns

Column	Regulatory references and instructions
0010-0030	<p><b><u>Amount of non-liquid assets</u></b></p> <p>Banks shall report in columns 0010-0030 the amount of the assets and off-balance sheet items referred to in subchapter II of chapter V of the regulation for each maturity bucket, unless otherwise specified in chapter V of the regulation.</p> <p>The amount shall be reported in columns 0010-0030 when the corresponding item is not eligible as liquid asset pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements referred to in article 9 of the above regulation.</p>
0040	<p><b><u>Amount of liquid assets</u></b></p> <p><i>See instructions in columns 0010-0030.</i></p> <p>The amount shall be reported in column 0040 when the corresponding item is eligible as liquid asset pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements referred to in article 9 of the above regulation.</p>
0050-0080	<p><b><u>Standard RSF factor</u></b></p> <p><i>Subchapter II of chapter V of the regulation</i></p> <p>The standard factors in columns 0050-0080 are those specified in chapter V of regulation, that would determine the part of the amount of the assets and off-balance sheet items that is required stable funding. The standard factors in columns 0050-0080 are provided for information only and are not meant to be filled or changed by banks.</p>
0090-0120	<p><b><u>Applicable RSF factor</u></b></p> <p><i>Subchapter II of chapter V of the regulation</i></p> <p>Banks shall report in columns 0090-0120, the applicable factor applied to items foreseen in chapter V of the regulation. Applicable factors may result in weighted average values and shall be reported in decimal terms (i.e. 1.00 for an applicable weight of 100 per cent, or 0.50 for an applicable weight of 50 per cent). Applicable factors may reflect, but are not limited to, bank-specific characteristics and national discretions.</p>
0130	<p><b><u>Required stable funding</u></b></p> <p>Banks shall report in column 0130 the required stable funding, in accordance with chapter V of the regulation.</p>

	<p>Required stable funding is calculated by the following formula:  <b>c 0130= SUM {(c 0010* c 0090), (c 0020 * c 0100), (c 0030 * c 0110), (c 0040 * c 0120)}</b></p>
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**1.2 Instructions concerning specific rows**

<b>Row</b>	<b>Regulatory references and instructions</b>
0010	<p><b>1. <u>REQUIRED STABLE FUNDING</u></b></p> <p><i>Chapter V of the regulation</i></p> <p>Banks shall report in this row, items subject to the required stable funding in accordance with chapter V of the regulation.</p>
0020	<p><b>1.1 <u>RSF from central bank assets</u></b></p> <p><i>Article 19, paragraph 1, letter “b” and “c” and article 25, paragraph 1, letter “d” of the regulation.</i></p> <p>Banks shall report in this row, the central bank assets.</p>
0030	<p><b>1.1.1 <u>cash, reserves and liquid exposures to central banks</u></b></p> <p>Banks shall report in this row, cash and reserves at central banks, including excess reserves. Banks shall also report in this row any other exposures to central banks that are considered as liquid assets pursuant to the regulation on liquidity coverage, regardless if they comply with the operational requirements referred to in article 9 of the above regulation.</p> <p>Obligatory reserves that are not considered as liquid assets pursuant to the regulation on liquidity coverage shall be reported in the relevant non-liquid assets column.</p>
0040	<p><b>1.1.1.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.1.1 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>

0050	<p><b><u>1.1.1.2 encumbered for a residual maturity of at least six months but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.1.1 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0060	<p><b><u>1.1.1.3 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.1.1 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0070	<p><b><u>1.1.2 other non-liquid central bank exposures</u></b></p> <p>Banks shall report in this row, any other claims on central banks other than those reported in item 1.1.1.</p>
0080	<p><b><u>1.2 RSF from liquid assets</u></b></p> <p><i>Article 19, paragraph 1, letter “a” to article 25 of the regulation</i></p> <p>Banks shall report in this row, liquid assets pursuant to the regulation on liquidity coverage, regardless if they comply with the operational requirements referred to in article 9 of the above regulation.</p>
0090	<p><b><u>1.2.1 level 1 assets eligible for 0% LCR haircut</u></b></p> <p>Banks shall report in this row, assets that are eligible as Level 1 liquid assets, subject to a 0% haircut pursuant to the regulation on liquidity coverage.</p>
0100	<p><b><u>1.2.1.1 unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.1 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0110	<p><b><u>1.2.1.2 encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.1 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0120	<p><b><u>1.2.1.3 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.1 that is related to assets that are encumbered for a residual maturity of one year or more.</p>



0130	<p><b>1.2.2 <u>level 1 assets eligible for 10% LCR haircut</u></b></p> <p>Banks shall report in this row, assets that are eligible as Level 1 liquid asset, subject to a 10% haircut, pursuant to the regulation on liquidity coverage.</p>
0140	<p><b>1.2.2.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.2 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0150	<p><b>1.2.2.2 <u>encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.2 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0160	<p><b>1.2.2.3 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.2 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0170	<p><b>1.2.3 <u>level 1A assets eligible for 15% LCR haircut</u></b></p> <p>Banks shall report in this row, assets that are eligible as Level 1 assets, subject to a 15% haircut pursuant to the regulation on liquidity coverage.</p>
0180	<p><b>1.2.3.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.3 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0190	<p><b>1.2.3.2 <u>encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.3 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0200	<p><b>1.2.3.3 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.3 that is related to assets that are encumbered for a residual maturity of one year or more.</p>

0210	<p><b>1.2.4 <u>level 2A assets eligible for 15% LCR haircut</u></b></p> <p>Banks shall report in this row, Level 2A assets that are eligible for a haircut of 15% pursuant to the regulation on liquidity coverage.</p>
0220	<p><b>1.2.4.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.4 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0230	<p><b>1.2.4.2 <u>encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.4 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0240	<p><b>1.2.4.3 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.4 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0250	<p><b>1.2.5 <u>level 2B assets eligible for 50% LCR haircut</u></b></p> <p>Banks shall report in this row, level 2B assets that are eligible for a haircut of 50% pursuant to the regulation on liquidity coverage.</p>
0260	<p><b>1.2.5.1 <u>unencumbered or encumbered for a residual maturity of less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.5 that is related to assets that are unencumbered or encumbered for a residual maturity of less than one year.</p>
0270	<p><b>1.2.5.2 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.5 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0280	<p><b>1.3 <u>RSF from securities other than liquid assets</u></b></p> <p><i>Article 27, paragraph 1, letter “f” of the regulation</i></p> <p>Banks shall report in this row, securities that are not non-performing and that are not liquid assets pursuant to the regulation on liquidity coverage, regardless if they comply with the operational requirements laid down in the above regulation.</p>
0290	<p><b>1.3.1 <u>non-liquid securities</u></b></p> <p><i>Article 27, paragraph 1, letter “f” of the regulation</i></p>

	Banks shall report in this row, the amount reported in 1.3 that is related to non-liquid securities.
0300	<b><u>1.3.1.1 unencumbered or encumbered for a residual maturity of less than one year</u></b>  Banks shall report in this row, the amount reported in 1.3.1 that is related to assets that are unencumbered or encumbered for a residual maturity of less than one year.
0310	<b><u>1.3.1.2 encumbered for a residual maturity of one year or more</u></b>  Banks shall report in this row, the amount reported in 1.3.1 that is related to assets that are encumbered for a residual maturity of one year or more.
0320	<b><u>1.4 RSF from loans</u></b>  Banks shall report in this row, monies due from loans that are not non-performing.  As specified under article 18, paragraph 3 of the regulation, for amortizing loans with a residual contractual maturity of one year or more, any portion that matures in less than six months and any portion that matures between six months and less than one year shall be treated as having a residual maturity of less than six months and between six months and less than one year respectively.
0330	<b><u>1.4.1 operational deposits</u></b>  <i>Article 25, paragraph 1, letter “b” and article 28, paragraph 1, letter “b” of the regulation</i>  Banks shall report in this row, the amount reported in 1.4 that is related to deposits classified as operational deposits pursuant to the regulation on liquidity coverage.
0340	<b><u>1.4.2 securities financing transactions with financial customers</u></b>  <i>Article 8, article 19, paragraph 1, letter “e” and article 20, paragraph 1, letter “a” of the regulation</i>  Banks shall report in this row, the amount reported in 1.4 that is related to monies due from securities financing transactions with financial customers.
0350	<b><u>1.4.2.1 collateralized by level 1 assets</u></b>  <i>Article 19, paragraph 1, letter “e”, article 25, paragraph 1, letter “d” and article 28, paragraph 1, letter “b” of the regulation.</i>  Banks shall report in this row, the amount reported in 1.4.2 that is related to transactions collateralized by level 1 assets, pursuant to the regulation on liquidity coverage.
0360	<b><u>1.4.2.1.1 unencumbered or encumbered for a residual maturity of less than six months</u></b>

	Banks shall report in this row, the amount reported in 1.4.2.1 related to assets that are unencumbered or encumbered for a residual maturity of less than six months.
0370	<p><b><u>1.4.2.1.2 encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.2.1 related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0380	<p><b><u>1.4.2.1.3 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.2.1 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0390	<p><b><u>1.4.2.2 collateralized by other assets</u></b></p> <p><i>Article 20, paragraph 1, letter “a”, article 25, paragraph 1, letter “d” and article 28, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.4.2 that is related to transactions collateralized by assets other than level 1 assets, pursuant to the regulation on liquidity coverage.</p>
0400	<p><b><u>1.4.2.2.1 unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.2.2 related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0410	<p><b><u>1.4.2.2.2 encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.2.2 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0420	<p><b><u>1.4.2.2.3 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.2.2 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0430	<p><b><u>1.4.3 other loans and advances to financial customers</u></b></p> <p><i>Article 22, paragraph 1, letter “b”, article 25, paragraph 1, letter “d”, subparagraph “iii” of the regulation</i></p>

	<p>Banks shall report in this row, the amount reported in 1.4 arising from loans and other advances to financial customers not reported under 1.4.1 and 1.4.2.</p>
0440	<p><b><u>1.4.4 loans to non-financial customers, other than central banks, where those loans are assigned a risk weight of 35% or less</u></b></p> <p><i>Article 25, paragraph 1, letter “c” and article 26 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.4 that is related to loans secured by mortgages on residential property, excluding loans to financial customers and loans referred to in articles 19 to 25 of the regulation, provided that those loans are assigned a risk weight of 35% or less in accordance with chapter III of the regulation “On capital adequacy ratio”.</p>
0450	<p><b><u>1.4.4.1 unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.4 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0460	<p><b><u>1.4.4.2 encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.4, which is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0470	<p><b><u>1.4.4.3 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.4, that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0480	<p><b><u>1.4.5 other loans to non-financial customers other than central banks</u></b></p> <p><i>Article 25, paragraph 1, letter “c” and article 27, paragraph 1, letter “c” of the regulation</i></p> <p>Banks shall report in this row, the amount that is related to loans to non-financial customers other than central banks, which are assigned a risk weight of more than 35%, in accordance with chapter III of the regulation “On capital adequacy ratio”.</p>
0490	<p><b><u>1.4.5.0.1 of which, residential mortgages</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.5 that is related to exposures secured by mortgages on residential property.</p>
0500	<p><b><u>1.4.5.1 unencumbered or encumbered for a residual maturity of less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.5 that is related to assets that are unencumbered or encumbered for a residual maturity of less than one year.</p>

0510	<p><b>1.4.5.2 <u>encumbered a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4.5 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0520	<p><b>1.4.6 <u>trade finance on-balance sheet products</u></b></p> <p><i>Article 22, paragraph 1, letter “c”, article 25, paragraph 1, letter “e” and article 27, paragraph 1, letter “d” of the regulation</i></p> <p>Banks shall report in this row, the amount related to trade finance on-balance sheet related products.</p>
0530	<p><b>1.5 <u>RSF from assets within a group, subject to preferential treatment</u></b></p> <p><i>Article 9 of the regulation</i></p> <p>Banks shall report in this row, assets allowed by Bank of Albania for the preferential treatment in accordance with article 9 of the regulation.</p>
0540	<p><b>1.6 <u>RSF from derivatives</u></b></p> <p><i>Article 7, article 20, paragraph 2, article 27, paragraph 1, letter “a” and article 28, paragraph 2 of the regulation</i></p> <p>Banks shall report in this row, the amount of required stable funding arising from derivatives.</p>
0550	<p><b>1.6.1 <u>RSF for derivative liabilities</u></b></p> <p><i>Article 20, paragraph 2 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.6, which is the absolute fair value of netting sets with a negative fair value, calculated in accordance with article 20, paragraphs 1 and 2 of the regulation.</p>
0560	<p><b>1.6.2 <u>RSF for derivative assets</u></b></p> <p><i>Article 7 and article 28, paragraph 2 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.6 which is calculated as the positive difference between netting sets, calculated in accordance with article 28, paragraph 2 of the regulation.</p>
0570	<p><b>1.6.3 <u>initial margin posted</u></b></p> <p><i>Article 27, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.7 that is related to initial margin for derivative contracts.</p>

0580	<p><b>1.7 <u>RSF from contributions to central counterparty’s default fund</u></b></p> <p><i>Article 27, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, items posted as contribution to the default fund of a central counterparty.</p>
0590	<p><b>1.8 <u>RSF from other assets</u></b></p> <p>Banks shall report in this row, any asset not reported in items 1.1 to 1.7.</p>
0600	<p><b>1.8.1 <u>physically traded commodities</u></b></p> <p><i>Article 27, paragraph 1, letter “e” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.8 that is related to physically traded commodities. This item does not include commodity derivatives which are reported under item 1.6.</p>
0610	<p><b>1.8.1.1 <u>unencumbered or encumbered for a residual maturity of less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.8.1 that is related to assets that are unencumbered or encumbered for a residual maturity of less than one year.</p>
0620	<p><b>1.8.1.2 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.8.1 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0630	<p><b>1.8.2 <u>trade date receivables</u></b></p> <p><i>Article 19, paragraph 1, letter “d” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.8 that is related to trade date receivables.</p>
0640	<p><b>1.8.3 <u>non-performing assets</u></b></p> <p><i>Article 28, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.8 that is related to non-performing assets.</p>
0650	<p><b>1.8.4 <u>other assets</u></b></p> <p><i>Article 28, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.8 that is related to assets that are not reported in items 1.8.1 to 1.8.3.</p>

0660	<p><b>1.9 <u>RSF from off-balance sheet items</u></b></p> <p>Banks shall report in this row, the amount of off-balance sheet items not reported in items 1.1 to 1.8 that are subject to the required stable funding requirements.</p>
0670	<p><b>1.9.1 <u>committed facilities within a group, subject to preferential treatment</u></b></p> <p><i>Article 9 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to committed facilities allowed by Bank of Albania for the preferential treatment, in accordance with article 9 of the regulation.</p>
0680	<p><b>1.9.2 <u>committed facilities</u></b></p> <p><i>Article 20, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to committed facilities in accordance with the regulation on liquidity coverage that are not reported under item 1.9.1.</p>
0690	<p><b>1.9.3 <u>trade finance off-balance sheet items</u></b></p> <p><i>Article 20, paragraph 1, letter “c”, article 21 and article 22, paragraph 1, letter “d” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to trade finance off-balance sheet related products, as referred to in annex 2 of the regulation “On capital adequacy ratio”.</p>
0700	<p><b>1.9.4 <u>non-performing off-balance sheet items</u></b></p> <p><i>Article 28, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to non-performing off-balance sheet exposures.</p>



## PART III: AVAILABLE STABLE FUNDING (ASF)

### 1. Specific remarks

17. All liabilities and regulatory capital's items shall be reported with a breakdown by their residual maturity, in accordance with article 11 of the regulation. The maturity buckets of the amounts, of standard available stable funding (ASF) factors and of applicable ASF factors are the following:
- i. residual maturity of less than six months or without stated maturity;
  - ii. residual maturity of a minimum of six months, but less than one year;
  - iii. residual maturity of one year or more.
18. Banks shall apply a 100% ASF factor for all liabilities with a residual maturity of one year or more, unless otherwise specified in articles 12 to 15, in accordance with article 16 of the regulation.
19. All sight deposits shall be reported in the bucket referring to liabilities with a residual maturity of less than six months.
20. According to article 11, paragraph 2 of the regulation, banks shall take into account existing options to determine the residual maturity of a liability or of regulatory capital's items, supposing that the counterparty will exercise call options at the earliest possible date. For options exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit the bank's ability not to exercise the option, in particular market expectations that the bank should redeem certain liabilities before their maturity.
21. Furthermore, as provided in article 16 of the regulation, to additional Tier 1 items, Tier 2 items and any other capital instruments with explicit or embedded options that, if exercised (even if they are not exercised yet on the reporting reference date), would reduce the effective residual maturity at the reporting reference date to less than one year shall not be applied a 100% ASF factor.
22. According to article 11, paragraph 3 of the regulation, banks shall treat deposits with fixed notice periods in accordance with their notice period, and shall treat term deposits in accordance with their residual maturity. By way of derogation from above paragraph 20, to define the residual maturity of retail term deposits, banks shall not take into account options for early withdrawals, where the depositor has to pay a material penalty for early withdrawals which occur in less than one year, such penalty being materially higher than the accrued interest lost up to the date of withdrawal, as referred to in article 21, paragraph 5 of the regulation on the liquidity coverage.

#### 1.1 Instructions concerning specific columns

Column	Regulatory references and instructions
0010-0030	<b><u>Amount</u></b> Banks shall report in columns 010-030, the amount of liabilities and regulatory capital's items allocated to the applicable residual maturity bucket.

0040-0060	<p><b><u>Standard ASF factor</u></b></p> <p><i>Subchapter II of chapter IV of the regulation</i></p> <p>The standard factors in columns 0040-0060 are those factors specified in chapter IV of the regulation that would determine the part of the amount of the liabilities and regulatory capital's item that constitutes available stable funding. The standard factors in columns 0040-0060 are provided for information only and are not meant to be filled in or changed by banks.</p>
0070-0090	<p><b><u>Applicable ASF factor</u></b></p> <p><i>Chapter IV of the regulation</i></p> <p>Banks shall report in columns 0070-0090, the applicable ASF factors as weights that, multiplied by the amount of the liabilities or regulatory capital's items, would determine the amount of the relevant available stable funding. Applicable factors may result in weighted average values and shall be reported in decimal terms (i.e. 1.00 for an applicable weight of 100 per cent, or 0.50 for an applicable weight of 50 per cent). Applicable factors may reflect, but are not limited to, bank-specific characteristics and national discretions.</p>
0100	<p><b><u>Available Stable Funding</u></b></p> <p>Banks shall report in column 0100, the value of the available stable funding in accordance with the definition set out in article 10 of the regulation.</p> <p>The available stable funding is calculated by the following formula:</p> <p><b>c 0100= SUM {(c 0010 * c 0070), (c 0020 * c 0080), (c 0030 * c 0090)}</b></p>

## 1.2 Instructions concerning specific rows

Row	Regulatory references and instructions
0010	<p><b>2. <u>AVAILABLE STABLE FUNDING</u></b></p> <p><i>Chapter IV of the regulation</i></p> <p>Banks shall report in this row, the items subject to available stable funding, in accordance with chapter IV of the regulation.</p>

0020	<p><b>2.1 <u>ASF from capital items and instruments</u></b></p> <p>Banks shall report in this row, the sum of items 2.1.1 to 2.1.4.</p>
0030	<p><b>2.1.1 <u>Common Equity Tier 1</u></b></p> <p><i>Article 16, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report in this row, the Common Equity Tier 1 items before the application of prudential filters, deductions and exemption stipulated in articles 7-11 and in article 20 of the regulation on regulatory capital.</p>
0040	<p><b>2.1.2 <u>Additional Tier 1</u></b></p> <p><i>Article 16, paragraph 1, letter “b” and article 12, paragraph 3, letter “c” of the regulation</i></p> <p>Banks shall report in this row, additional Tier 1 items before the application of the deductions stipulated in article 25 of the regulation on regulatory capital.</p>
0050	<p><b>2.1.3 <u>Tier 2</u></b></p> <p><i>Article 16, paragraph 1, letter “c” and article 12, paragraph 3, letter “c” of the regulation</i></p> <p>Banks shall report in this row, Tier 2 items before the application of the deductions stipulated in article 33 of the regulation on regulatory capital, having a residual maturity of one year or more at the reporting reference date.</p>
0060	<p><b>2.1.4 <u>Other capital instruments</u></b></p> <p><i>Article 16, paragraph 1, letter “d” and article 12, paragraph 3, letter “c” of the regulation</i></p> <p>Banks shall report in this row, other capital instruments with a residual maturity of one year or more at the reporting reference date.</p>
0070	<p><b>2.2. <u>ASF from retail deposits</u></b></p> <p>Banks shall report in this row, the sum of items 2.2.1 and 2.2.2. This item includes both secured and unsecured liabilities.</p>
0080	<p><b>2.2.0.1 <u>of which, retail bonds</u></b></p> <p><i>Article 10 of the regulation</i></p> <p>Banks shall report in this row, bonds and debt securities issued by the bank, which are sold exclusively in the retail market and held in a retail account. These retail bonds shall be reported also within the corresponding category of retail deposits as “stable retail deposits” or “other retail deposits”, under items 2.2.1 and 2.2.2 respectively.</p>

0090	<p><b>2.2.1 <u>Stable retail deposits</u></b></p> <p><i>Article 15 of the regulation</i></p> <p>Banks shall report in this row, the part of the amounts of retail deposits covered by the Deposit Guarantee Scheme as defined in the Albanian legislation in force on deposit insurance and by equivalent deposit guarantee schemes in foreign countries and either is part of an established relationship with the bank, making withdrawal highly unlikely or is held in a transactional account in accordance with article 20, paragraphs 2 and 3 of the regulation on liquidity coverage and where:</p> <ul style="list-style-type: none"> <li>• these deposits do not fulfill the criteria for a higher outflow rate in accordance with article 21, paragraphs 2, 3, and 9 of the regulation on liquidity coverage, in which case they shall be reported as “other retail deposits”; or</li> <li>• these deposits have not been taken in foreign countries where a higher outflow rate is applied, in accordance with article 21, paragraph 5 of the regulation on liquidity coverage, in which case they shall be reported as “other retail deposits”.</li> </ul>
0100	<p><b>2.2.0.2 <u>of which with a material penalty for early withdrawals</u></b></p> <p><i>Article 11, paragraph 3 of the regulation</i></p> <p>Banks shall report in this row, stable retail deposits that can be early withdrawn before one year upon the payment of a penalty that has been assessed as material in line with article 21, paragraph 5 of the regulation on liquidity coverage.</p>
0110	<p><b>2.2.2 <u>Other retail deposits</u></b></p> <p><i>Article 14 of the regulation</i></p> <p>Banks shall report in this row, the amount of other retail deposits than those defined as “stable retail deposits” under 2.2.1.</p>
0120	<p><b>2.2.0.3 <u>of which with a material penalty for early withdrawals</u></b></p> <p>Banks shall report in this row, “other retail deposits” that can be early withdrawn before one year upon the payment of a penalty that has been assessed as material in line with article 21, paragraph 5 of the regulation on liquidity coverage.</p>
0130	<p><b>2.3 <u>ASF from other non-financial customers (except central banks)</u></b></p> <p><i>Article 13 of the regulation</i></p> <p>Banks shall report in this row, liabilities provided by wholesale non-financial customers (except central banks). Banks shall report in this row, the sum of items 2.3.1 to 2.3.6.</p>
0140	<p><b>2.3.0.1 <u>of which, securities financing transactions</u></b></p> <p><i>Article 8, article 19, paragraph 1, letter “e” and article 20, paragraph 1, letter “a” of the regulation</i></p>

	<p>Banks shall report in this row, the amount reported in 2.3 that is related to monies due from securities financing transactions with non-financial customers.</p>
0150	<p><b><u>2.3.0.2 of which ASF from operational deposits</u></b></p> <p>Banks shall report in this row, the amount reported in 2.3 that is provided in the form of operational deposits and is required for the provision of operational services as set out in article 22 of the regulation on liquidity coverage.</p>
0160	<p><b><u>2.3.1 Liabilities provided by the albanian government or the central government of a foreign country</u></b></p> <p><i>Article 13, paragraph 1, letter “b”, subparagraph “i” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 2.3 that is provided by the albanian government or the central government of a foreign country.</p>
0170	<p><b><u>2.3.2 Liabilities provided by regional governments or albanian local authorities or of a foreign country</u></b></p> <p><i>Article 13, paragraph 1, letter “b”, subparagraph “ii” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 2.3 that is provided by regional governments or albanian local authorities or local authorities of a foreign country.</p>
0180	<p><b><u>2.3.3 Liabilities provided by albanian public sector entities or of a foreign country</u></b></p> <p><i>Article 13, paragraph 1, letter “b”, subparagraph “iii” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 2.3 that is provided by albanian or foreign public sector entities.</p>
0190	<p><b><u>2.3.4 Liabilities provided by multilateral development banks and international organisations</u></b></p> <p><i>Article 13, paragraph 1, letter “b”, subparagraph “iv” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 2.3 that is provided by multilateral development banks and international organisations.</p>
0200	<p><b><u>2.3.5 Liabilities provided by non-financial corporate customers</u></b></p> <p><i>Article 13, paragraph 1, letter “b”, subparagraph “v” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 2.3 that is provided by non-financial corporate customers.</p>
0210	<p><b><u>2.3.6 Liabilities provided by savings and loan associations and unions, personal investment companies or deposit brokers</u></b></p> <p><i>Article 13, paragraph 1, letter “b”, subparagraph “vi” of the regulation</i></p>

	Banks shall report in this row, the amount reported in 2.3 that is provided by savings and loan associations and unions, personal investment companies or deposit brokers.
0220	<p><b><u>2.4 ASF from liabilities and committed facilities within a group, subject to preferential treatment</u></b></p> <p><i>Article 9 of the regulation</i></p> <p>Banks shall report in this row, the liabilities and committed facilities for which the Bank of Albania has allowed the preferential treatment referred to in article 9 of the regulation.</p>
0230	<p><b><u>2.5 ASF from financial customers and central banks</u></b></p> <p>Banks shall report in this row, the sum of items 2.5.1 to 2.5.3.</p>
0240	<p><b><u>2.5.1 Liabilities provided by the Bank of Albania</u></b></p> <p><i>Article 12, paragraph 3, letter “b”, subparagraph “i” and article 13, paragraph 1, letter “c”, subparagraph “i” of the regulation</i></p> <p>Banks shall report in this row, liabilities provided by the Bank of Albania, irrespective of whether or not they are related to securities financing transactions.</p>
0250	<p><b><u>2.5.2 Liabilities provided by the central bank of a foreign country</u></b></p> <p><i>Article 12, paragraph 3, letter “b”, subparagraph “ii” and article 13, paragraph 1, letter “c”, subparagraph “ii” of the regulation</i></p> <p>Banks shall report in this row, liabilities provided by the central bank of a foreign country, irrespective of whether or not they are related to securities financing transactions.</p>
0260	<p><b><u>2.5.3 Liabilities provided by financial customers</u></b></p> <p><i>Article 12, paragraph 3, letter “b” subparagraph “iii” and article 13, paragraph 1, letter “c”, subparagraph “iii” of the regulation</i></p> <p>Banks shall report in this row, liabilities provided by financial customers, irrespective of whether or not they are related to securities financing transactions.</p>
0270	<p><b><u>2.5.3.1 Operational deposits</u></b></p> <p><i>Article 13, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report in this row, the part of the operational deposits from financial customers, in accordance with article 22 of the regulation on liquidity coverage, which is necessary for the provision of operational services. Deposits arising out of a correspondent banking relationship or from the provision of prime brokerage services shall not be considered as operational deposits in accordance with article 22, paragraph 4 of the regulation on liquidity coverage and shall be reported under item 2.5.3.3.</p>

	<p>Operational deposits as per letter “b” of paragraph 1 of article 22 of the regulation on liquidity coverage shall not be reported in this row, but under item 2.3.</p> <p>The part of the operational deposits in excess of the amount necessary for the provision of operational services shall not be reported here but shall be reported under item 2.5.3.2.</p>
0280	<p><b>2.5.3.2 <u>Excess operational deposits</u></b></p> <p>Banks shall report in this row, the part of the operational deposits from financial customers in excess of those required for the provision of operational services.</p> <p>Operational deposits as per letter “b”, paragraph 1 of article 22 of the regulation on liquidity coverage shall not be reported in this row, but under item 2.3.</p>
0290	<p><b>2.5.3.3 <u>Other liabilities</u></b></p> <p>Banks shall report in this row, liabilities provided by financial customer that are not operational deposits where the counterparty can be identified.</p> <p>The part of operational deposits in excess of those required for the provision of operational services shall not be reported in this row, but shall be reported under item 2.5.3.2.</p>
0300	<p><b>2.6 <u>ASF from liabilities provided where the counterparty cannot be determined</u></b></p> <p><i>Article 12, paragraph 3, letter “c” and article 13, paragraph 1, letter “d” of the regulation</i></p> <p>Banks shall report in this row, liabilities where the counterparty cannot be determined, including securities issued where the holder cannot be identified.</p>
0310	<p><b>2.7 <u>ASF from net derivatives liabilities</u></b></p> <p><i>Article 12, paragraph 4 of the regulation</i></p> <p>Banks shall report in this row, the negative difference between netting sets, calculated in accordance with article 12, paragraph 4 of the regulation.</p>
0320	<p><b>2.8 <u>ASF from other liabilities</u></b></p> <p>Banks shall report in this row, the sum of items 2.8.1 to 2.8.4.</p>
0330	<p><b>2.8.1 <u>Trade date payables</u></b></p> <p><i>Article 12, paragraph 3, letter “a” of the regulation</i></p> <p>Banks shall report in this row, trade date payables arising from purchases of financial instruments, foreign currencies and commodities that are expected to settle within the standard settlement cycle or period that is standard for the relevant exchange or type of transactions or that have failed to settle, but are still expected to settle.</p>

0340	<p><b>2.8.2 <u>Deferred tax liabilities</u></b></p> <p><i>Article 12, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report in this row, deferred tax liabilities and shall consider the nearest possible date on which such liabilities could be realised.</p>
0350	<p><b>2.8.3 <u>Minority interests</u></b></p> <p><i>Article 12, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, minority interests and shall consider the term of the instrument as residual maturity.</p>
0360	<p><b>2.8.4 <u>Other liabilities</u></b></p> <p><i>Article 12, paragraphs 1 and 3 of the regulation</i></p> <p>Banks shall report in this row, other liabilities, including short positions and open maturity positions.</p>



## PART IV: SIMPLIFIED REQUIRED STABLE FUNDING

### 1. Specific remarks

23. Banks shall report in the appropriate category, all assets on which they retain beneficial ownership even if they are not accounted for in their balance sheet. Assets on which banks do not retain beneficial ownership shall not be reported, even if these assets are accounted for in their balance sheet.
24. In accordance with article 37 of the regulation, unless otherwise specified in chapter VIII, the amount of required stable funding (RSF) shall be calculated by multiplying the amount of assets and off-balance sheet items by the required stable funding factors.
25. Assets that are eligible as liquid assets (HQLA) in accordance with the regulation on liquidity coverage shall be reported as such, regardless if they comply with the operational requirements referred to in article 9 of above-mentioned regulation. Those assets shall be reported in relevant columns, regardless of their residual maturity.
26. All non-liquid assets and off-balance sheet items shall be reported with a breakdown by their residual maturity, in accordance with article 38 of the regulation. The maturity buckets for the amounts, for RSF standard factors and for RSF applicable factors are the following:
  - i. residual maturity of less than one year or without stated maturity;
  - ii. residual maturity of one year or more.
27. When calculating the residual maturity of non-liquid assets and off-balance sheet items, banks shall take options into account, based on the assumption that the issuer or counterparty will exercise any option to extend the asset's maturity. For options exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit the bank's ability not to exercise the option, in particular considering markets' and clients' expectations that the bank should extend the maturity of certain assets at their maturity date.
28. For some items, banks shall report assets according to status of and/or maturity of encumbrance of that asset, in accordance with paragraphs 4-7 of article 37 of the regulation.
29. As specified under article 37, paragraph 6 of the regulation, where a bank re-uses or re-pledges an asset that was borrowed, including in securities financing transactions, and that is accounted for off-balance sheet, the transaction through which that asset has been borrowed, shall be treated as encumbered to the extent that this transaction cannot mature without the bank returning the asset borrowed.

### 1.1 Instructions concerning specific columns

Column	Regulatory references and instructions
0010-0020	<p><b><u>Amount of non-liquid assets</u></b></p> <p>Banks, unless specified otherwise in chapter VIII of the regulation, shall report in columns 0010-0020, the amount of the assets and off-balance sheet items referred to in subchapter II of chapter VIII of the regulation.</p>

	The amount shall be reported in columns 0010-0020 when the corresponding item is not eligible as liquid asset pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements referred to in article 9 of the above-mentioned regulation.
0030	<p><b><u>Amount of liquid assets</u></b></p> <p><i>See instructions in columns 0010-0020</i></p> <p>The amount shall be reported in column 0030 when the corresponding item is eligible as liquid asset, pursuant to the regulation on liquidity coverage, regardless of whether they comply with the operational requirements referred to in article 9 of the above-mentioned regulation.</p>
0040-0060	<p><b><u>Standard RSF factor</u></b></p> <p><i>Subchapter II of chapter VIII of the regulation</i></p> <p>The standard factors in columns 0040-0060 are those specified in chapter VIII of the regulation by default, that would determine the part of the amount of the assets and off-balance sheet items that constitutes required stable funding. The standard factors in columns 0040-0060 are provided for information only and are not meant to be filled in or changed by banks.</p>
0070-0090	<p><b><u>Applicable RSF factor</u></b></p> <p><i>Chapter III and chapter VIII of the regulation</i></p> <p>Banks shall report in columns 0070-0090, the applicable factor applied to items in chapter VIII of the regulation. Applicable factors may result in weighted average values and shall be reported in decimal terms (i.e. 1.00 for an applicable weight of 100 per cent, or 0.50 for an applicable weight of 50 per cent). Applicable factors may reflect, but are not limited to, bank-specific characteristics and national discretions.</p>
0100	<p><b><u>Required stable funding</u></b></p> <p>Banks shall report in column 0100 the required stable funding in accordance with chapter VIII of the regulation.</p> <p>The required stable funding is calculated by the following formula:</p> <p><b>c 0100= SUM {(c 0010 * c 0070), (c 0020 * c 0080), (c 0030 * c 0090)}</b></p>

## 1.2 Instructions concerning specific rows

Row	Regulatory references and instructions
0010	<p><b>1. <u>REQUIRED STABLE FUNDING</u></b></p> <p><i>Chapter VIII of the regulation</i></p>

	Banks shall report in this row, items subject to the required stable funding, in accordance with chapter VIII of the regulation.
0020	<p><b>1.1 <u>RSF from central bank assets</u></b></p> <p><i>Article 39, paragraph 1, letters “b” and “c” of the regulation</i></p> <p>Banks shall report in this row, central bank assets.</p>
0030	<p><b>1.1.1 <u>cash, reserves and liquid exposures to central banks</u></b></p> <p>Banks shall report in this row, cash and reserves at central banks, including excess reserves. Banks shall also report here any other exposures to central banks that are considered as liquid assets pursuant to the regulation on liquidity coverage, regardless if they comply with the operational requirements referred to in article 9 of the above-mentioned regulation.</p> <p>Obligatory reserves that are not considered as liquid assets pursuant to the regulation on liquidity coverage, shall be reported in the relevant non-liquid assets column.</p>
0040	<p><b>1.1.2 <u>other non-liquid central bank exposures</u></b></p> <p>Banks shall report in this row, any other claims on central banks than those reported in item 1.1.1.</p>
0050	<p><b>1.2 <u>RSF from liquid assets</u></b></p> <p><i>Article 38 to 42 and article 44 of the regulation</i></p> <p>Banks shall report in this row, liquid assets pursuant to the regulation on liquidity coverage, regardless if they comply with the operational requirements referred to in article 9 of the above-mentioned regulation.</p>
0060	<p><b>1.2.1 <u>level 1 assets eligible for 0% LCR haircut</u></b></p> <p>Banks shall report in this row, assets that are eligible as Level 1 liquid assets pursuant to article 11 of the regulation on liquidity coverage.</p>
0070	<p><b>1.2.1.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.1 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0080	<p><b>1.2.1.2 <u>encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.1 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0090	<p><b>1.2.1.3 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.1 that is related to assets that are encumbered for a residual maturity of one year or more.</p>

0100	<p><b>1.2.2 <u>level 1 assets eligible for 10% LCR haircut</u></b></p> <p>Banks shall report in this row, Level 1 assets that are eligible for a 10% haircut, pursuant to the regulation on liquidity coverage.</p>
0110	<p><b>1.2.2.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.2 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0120	<p><b>1.2.2.2 <u>encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.2 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0130	<p><b>1.2.2.3 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.2 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0140	<p><b>1.2.3 <u>level 1 assets eligible for 15% LCR haircut</u></b></p> <p>Banks shall report in this row, Level 1 assets that are eligible for 15% LCR haircut, pursuant to the regulation on liquidity coverage.</p>
0150	<p><b>1.2.3.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.3 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>
0160	<p><b>1.2.3.2 <u>encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.3 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0170	<p><b>1.2.3.3 <u>encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.3 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0180	<p><b>1.2.4 <u>level 2A assets eligible for 15% LCR haircut</u></b></p> <p>Banks shall report in this row, Level 2A assets that are eligible for a 15% haircut pursuant to the regulation on liquidity coverage.</p>
0190	<p><b>1.2.4.1 <u>unencumbered or encumbered for a residual maturity of less than six months</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.4 that is related to assets that are unencumbered or encumbered for a residual maturity of less than six months.</p>

0200	<p><b><u>1.2.4.2 encumbered for a residual maturity of at least six months, but less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.4 that is related to assets that are encumbered for a residual maturity of at least six months, but less than one year.</p>
0210	<p><b><u>1.2.4.3 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.4 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0220	<p><b><u>1.2.5 level 2B assets eligible for LCR</u></b></p> <p>Banks shall report in this row, asset that are eligible as level 2B assets, pursuant to the regulation on liquidity coverage.</p>
0230	<p><b><u>1.2.5.1 unencumbered or encumbered for a residual maturity of less than 1 year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.5 that is related to assets that are unencumbered or encumbered for a residual maturity of less than 1 year.</p>
0240	<p><b><u>1.2.5.2 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.2.5 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0250	<p><b><u>1.3 RSF from securities other than liquid assets</u></b></p> <p><i>Article 43, paragraph 1, letter “b”, article 45, paragraph 1, letter “e” and article 46, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, securities that are not non-performing and that are not classified as liquid assets pursuant to the regulation on liquidity coverage, regardless if they comply with the operational requirements laid down in the above-mentioned regulation.</p>
0260	<p><b><u>1.3.1 unencumbered or encumbered for a residual maturity of less than one year</u></b></p> <p>Banks shall report in this row, the amount reported in 1.3 that is related to assets that are unencumbered or encumbered for a residual maturity of less than one year.</p>
0270	<p><b><u>1.3.2 encumbered for a residual maturity of one year or more</u></b></p> <p>Banks shall report in this row, the amount reported in 1.3 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0280	<p><b><u>1.4 RSF from loans</u></b></p> <p>Banks shall report in this row, monies due from loans that are not non-performing.</p> <p>As specified under article 38, paragraph 3 of the regulation, for amortizing loans with a residual contractual maturity of one year or more, any portion that matures in less than six months and any portion that matures between six months and less than one year, shall be</p>

	<p>treated as having a residual maturity of less than six months and between six months and less than one year, respectively.</p>
0290	<p><b><u>1.4.1 loans to non-financial customers</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4 that is related to loans to non-financial customers.</p>
0300	<p><b><u>1.4.1.1 unencumbered or encumbered for a residual maturity of less than one year</u></b></p> <p><i>Article 43, paragraph 1, letter “a” and article 45, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.4.1 that is related to assets that are unencumbered or encumbered for a residual maturity of less than one year.</p>
0310	<p><b><u>1.4.1.2 encumbered for a residual maturity of one year or more</u></b></p> <p><i>Article 46, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.4.1 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0320	<p><b><u>1.4.2 loans to financials customers</u></b></p> <p>Banks shall report in this row, the amount reported in 1.4 that is related to loans to financial customers.</p>
0330	<p><b><u>1.4.2.1 unencumbered or encumbered for a residual maturity of less than one year</u></b></p> <p><i>Article 43, paragraph 1, letter “a” and article 46, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.4.2 that is related to assets that are unencumbered or encumbered for a residual maturity of less than one year.</p>
0340	<p><b><u>1.4.2.2 encumbered for a residual maturity of one year or more</u></b></p> <p><i>Article 46, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.4.2 that is related to assets that are encumbered for a residual maturity of one year or more.</p>
0350	<p><b><u>1.4.3 trade finance on-balance sheet products</u></b></p> <p><i>Article 43, paragraph 1, letter “b” and article 45, paragraph 1, letter “c” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.4 arising from trade finance on-balance sheet products.</p>
0360	<p><b><u>1.5 RSF from assets within a group, subject to preferential treatment</u></b></p> <p><i>Article 9 of the regulation</i></p> <p>Banks shall report in this row, assets allowed by Bank of Albania for the preferential treatment, in accordance with article 9 of the regulation.</p>

0370	<p><b>1.6 <u>RSF from derivatives</u></b></p> <p><i>Article 7, article 40, paragraph 2, article 45, paragraph 1, letter “a” and article 46, paragraph 2 of the regulation</i></p> <p>Banks shall report in this row, the amount of required stable funding arising from derivatives.</p>
0380	<p><b>1.6.1 <u>RSF for derivative liabilities</u></b></p> <p><i>Article 40, paragraph 2 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.6 which is the absolute fair value of netting sets with a negative fair value, calculated in accordance with article 40, paragraph 2 of the regulation.</p>
0390	<p><b>1.6.2 <u>RSF for derivative assets</u></b></p> <p><i>Article 7 and article 46, paragraph 2 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.6 which is calculated as the positive difference between netting sets, calculated in accordance with article 46, paragraph 2 of the regulation.</p>
0400	<p><b>1.6.3 <u>initial margin posted</u></b></p> <p><i>Article 45, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.6 that is related to initial margin posted for derivative contracts.</p>
0410	<p><b>1.7 <u>RSF from contributions to central counterparty’s default fund</u></b></p> <p><i>Article 45, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report in this row, items posted as contribution to the default fund of a central counterparty.</p>
0420	<p><b>1.8 <u>RSF from other assets</u></b></p> <p>Banks shall report in this row, any asset not reported under items 1.1 to 1.7.</p>
0430	<p><b>1.9 <u>RSF from off-balance sheet items</u></b></p> <p>Banks shall report in this row, the amount of off-balance sheet items not referred to in items 1.1 to 1.8 that are subject to the required stable funding requirements.</p>
0440	<p><b>1.9.1 <u>committed facilities within a group, subject to preferential treatment</u></b></p>

	<p><i>Article 9 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to committed facilities allowed by Bank of Albania for the preferential treatment, in accordance with article 9 of the regulation.</p>
0450	<p><b><u>1.9.2 committed facilities</u></b></p> <p><i>Article 40, paragraph 1 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to committed facilities in accordance with the regulation on liquidity coverage, that are not reported under item 1.9.1.</p>
0460	<p><b><u>1.9.3 trade finance off-balance sheet items</u></b></p> <p><i>Article 41 of the regulation</i></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to trade finance off-balance sheet related products, as referred to in annex 2 of the regulation “On capital adequacy ratio”.</p>
0470	<p><b><u>1.9.4 non-performing off-balance sheet items</u></b></p> <p>Banks shall report in this row, the amount reported in 1.9 that is related to non-performing exposures.</p>



## PART V: SIMPLIFIED AVAILABLE STABLE FUNDING

### 1. Specific remarks

30. All liabilities and regulatory capital's items shall be reported with a breakdown by their residual contractual maturity, in accordance with article 31 of the regulation. The maturity buckets of the amounts, of standard available stable funding (ASF) factors and of applicable ASF factors are the following:
- i. residual maturity of less than one year or without stated maturity;
  - ii. residual maturity of one year or more.
31. Banks shall apply a 100% ASF factor for all liabilities with a residual maturity of one year or more, unless otherwise specified in articles 32 to 35 of the regulation, in accordance with article 36 of the regulation.
32. All sight deposits shall be reported in the bucket referring to liabilities with a residual maturity of less than one year.
33. According to article 31, paragraph 2 of the regulation, banks shall take into account existing options to determine the residual maturity of a liability or of regulatory capital's items, supposing that the counterparty will exercise call options at the earliest possible date. For options exercisable at the discretion of the bank, the bank shall take into account reputational factors that may limit the bank's ability not to exercise the option, in particular market expectations that the bank should redeem certain liabilities before their maturity.
34. Furthermore, as provisioned in article 36 of the regulation, additional Tier 1 items, Tier 2 items and any other capital instruments with explicit or embedded options that, if exercised (even if they are not exercised yet on the reporting reference date), would reduce the effective residual maturity at the reporting reference date to less than one year, shall not receive a 100% ASF factor.
35. According to article 31, paragraph 3 of the regulation, banks shall treat deposits with fixed notice periods in accordance with their notice period, and shall treat term deposits in accordance with their residual maturity. By way of derogation from above paragraph 33, to define the residual maturity of retail term deposits, banks shall not take into account options for early withdrawals, where the depositor has to pay a material penalty for early withdrawals which occur in less than one year, such penalty which is materially higher than the accrued interest lost up to the date of withdrawal referred to in article 21, paragraph 5 of the regulation on the liquidity coverage.

#### 1.1 Instructions concerning specific columns

Column	Regulatory references and instructions
0010-0020	<b><u>Amount</u></b> Banks shall report in columns 0010-0020, the amount of liabilities and regulatory capital's items allocated to the applicable residual maturity bucket.

0030-0040	<p><b><u>Standard ASF factor</u></b></p> <p><i>Subchapter II of chapter VII of the regulation</i></p> <p>The standard factors in columns 0030-0040 are those factors specified in chapter VII of the regulation that would determine the part of the amount of the liabilities and regulatory capital's item that constitutes available stable funding. The standard factors in columns 0030-0040 are provided for information only and are not meant to be filled in or changed by banks.</p>
0050-0060	<p><b><u>Applicable ASF factor</u></b></p> <p><i>Chapter III and chapter VII of the regulation</i></p> <p>Banks shall report in columns 0050-0060, the applicable ASF factors as weights that, multiplied by the amount of the liabilities or regulatory capital's items, would determine the amount of the relevant available stable funding. Applicable factors may result in weighted average values and shall be reported in decimal terms (i.e. 1.00 for an applicable weight of 100 per cent, or 0.50 for an applicable weight of 50 per cent). Applicable factors may reflect, but are not limited to, bank-specific characteristics and national discretions.</p>
0070	<p><b><u>Available Stable Funding</u></b></p> <p>Banks shall report in column 0070, the value of the available stable funding in accordance with the definition set out in article 30 of the regulation.</p> <p>The available stable funding is calculated by the following formula:</p> <p><b>c 0070= SUM {(c 0010 * c 0050), (c 0020 * c 0060)}</b></p>

## 1.2 Instructions concerning specific rows

<b>Row</b>	<b>Regulatory references and instructions</b>
0010	<p><b>2. <u>AVAILABLE STABLE FUNDING</u></b></p> <p><i>Chapter VII of the regulation</i></p>
0020	<p><b>2.1 <u>ASF from capital items and instruments</u></b></p> <p><b><u>Common Equity Tier 1</u></b></p> <p><i>Article 36, paragraph 1, letter "a" of the regulation</i></p>

	<p>Banks shall report the Common Equity Tier 1 items before the application of prudential filters, deductions and exemptions stipulated in articles 7-11 and in article 20 of the regulation on regulatory capital.</p> <p><b><u>Additional Tier 1</u></b></p> <p><i>Article 36, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report additional Tier 1 items before the application of the deductions stipulated in article 25 of the regulation on regulatory capital.</p> <p><b><u>Tier 2</u></b></p> <p><i>Article 36, paragraph 1, letter “c” of the regulation</i></p> <p>Banks shall report Tier 2 items before the application of the deductions stipulated in article 33 of the regulation on regulatory capital.</p> <p><b><u>Other capital instruments</u></b></p> <p><i>Article 36, paragraph 1, letter “d” and article 32, paragraph 3, letter “c” of the regulation</i></p> <p>Banks shall report other capital instruments not reported under any of the abovementioned categories.</p>
0030	<p><b>2.2 <u>ASF from retail deposits</u></b></p> <p><i>Article 30, paragraph 2 of the regulation</i></p> <p>Banks shall report bonds and other debt securities issued by the bank, which are sold exclusively in the retail market and held in a retail account. The retail bonds shall be reported also within the corresponding category of retail deposits as “stable retail deposits” or “other retail deposits” under items 2.2.1 and 2.2.2 respectively.</p> <p><i>Article 31, paragraph 3 of the regulation</i></p> <p>Banks shall report retail deposits maturing not before one year, that can be early withdrawn before one year upon the payment of a penalty that has been assessed as material, in accordance with article 21, paragraph 5 of the regulation on liquidity coverage, within the corresponding category of retail deposits as “stable retail deposits” or “other retail deposits” under items 2.2.1 and 2.2.2 respectively.</p> <p>This item includes both unsecured and secured liabilities.</p>
0040	<p><b>2.2.1 <u>Stable retail deposits</u></b></p> <p><i>Article 35 of the regulation</i></p> <p>Banks shall report in this row, the part of the amounts of retail deposits covered by a Deposit Guarantee Scheme as defined in the Albanian legislation in force on deposit</p>

	<p>insurance, and by equivalent deposit guarantee schemes in foreign countries, and either is part of an established relationship with the bank, making withdrawal highly unlikely; or is held in a transactional account in accordance with article 20, paragraphs 2 and 3 of the regulation on liquidity coverage and where:</p> <ul style="list-style-type: none"> <li>• these deposits do not fulfill the criteria for a higher outflow rate in accordance with article 21, paragraphs 2, 3, and 9 of the regulation on liquidity coverage, in which case they shall be reported as “other retail deposits”; or</li> <li>• these deposits have not been taken in foreign countries where a higher outflow rate is applied, in accordance with article 21, paragraph 5 of the regulation on liquidity coverage, in which case they shall be reported as “other retail deposits”.</li> </ul>
0050	<p><b>2.2.2 <u>Other retail deposits</u></b></p> <p><i>Article 34 of the regulation</i></p> <p>Banks shall report in this row, the amount of other retail deposits, than those defined as “stable retail deposits” under 2.2.1.</p>
0060	<p><b>2.3 <u>ASF from other non-financial customers (except central banks)</u></b></p> <p><i>Article 33, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report in this row, liabilities provided by wholesale non-financial customers (except central banks).</p> <p><b><u>Liabilities provided by the Albanian government or the central government of a foreign country</u></b></p> <p><i>Article 33, paragraph 1, letter “b”, subparagraph “i” of the regulation</i></p> <p><b><u>Liabilities provided by regional governments or albanian local authorities or of a foreign country</u></b></p> <p><i>Article 33, paragraph 1, letter “b”, subparagraph “ii” of the regulation</i></p> <p><b><u>Liabilities provided by albanian public sector entities or of a foreign country</u></b></p> <p><i>Article 33, paragraph 1, letter “b”, subparagraph “iii” of the regulation</i></p> <p><b><u>Liabilities provided by multilateral development banks and international organisations</u></b></p> <p><i>Article 33, paragraph 1, letter “b”, subparagraph “iv” of the regulation</i></p> <p><b><u>Liabilities provided by non-financial corporate customers</u></b></p> <p><i>Article 33, paragraph 1, letter “b”, subparagraph “v” of the regulation</i></p>

	<p><b><u>Liabilities provided by savings and loan associations and unions, personal investment companies or deposit brokers</u></b></p> <p><i>Article 33, paragraph 1, letter “b”, subparagraph “vi” of the regulation</i></p>
0070	<p><b><u>2.4 ASF from operational deposits</u></b></p> <p><i>Article 33, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report in this row, the part of the operational deposits, in accordance with article 22 of the regulation on liquidity coverage, that is required for the provision of operational services.</p>
0080	<p><b><u>2.5 ASF from liabilities or committed facilities within a group, subject to preferential treatment</u></b></p> <p><i>Article 9 of the regulation</i></p> <p>Banks shall report in this row, the liabilities and committed facilities, for which the Bank of Albania has allowed the preferential treatment, referred to in article 9 of the regulation.</p>
0090	<p><b><u>2.6 ASF from financial customers and central banks</u></b></p> <p><i>Article 32, paragraph 3, letter “b”, and article 36, paragraph 1, letter “e” of the regulation</i></p> <p><b><u>Liabilities provided by the Bank of Albania</u></b></p> <p><i>Article 32, paragraph 3, letter “b”, subparagraph “i” of the regulation</i></p> <p>Banks shall report liabilities provided by the Bank of Albania, irrespective of whether or not they are related to securities financing transactions.</p> <p><b><u>Liabilities provided by the central bank of a foreign country</u></b></p> <p><i>Article 32, paragraph 3, letter “b”, subparagraph “ii” of the regulation</i></p> <p>Banks shall report liabilities provided by the central bank of a foreign country, irrespective of whether or not they are related to securities financing transactions.</p> <p><b><u>Liabilities provided by financial customers</u></b></p> <p><i>Article 32, paragraph 3, letter “b”, subparagraph “iii” of the regulation</i></p> <p>Banks shall report liabilities provided by financial customers, irrespective of whether or not they are related to securities financing transactions.</p> <p><b><u>Liabilities from financial customers and central banks with a residual maturity of one year or more</u></b></p> <p><i>Article 36, paragraph 1, letter “e” of the regulation</i></p>

	Banks shall report liabilities provided by financial customers and central banks, with a residual maturity of one year or more.
0100	<p><b><u>2.7 ASF from liabilities provided where the counterparty cannot be determined</u></b></p> <p><i>Article 32, paragraph 3, letter “c” and article 36, paragraph 1, letter “e” of the regulation</i></p> <p>Banks shall report in this row, liabilities where the counterparty cannot be determined, including securities issued where the holder cannot be identified.</p>
0110	<p><b><u>2.8 ASF from other liabilities</u></b></p> <p><b><u>Trade date payables</u></b></p> <p><i>Article 32, paragraph 3, letter “a” of the regulation</i></p> <p>Banks shall report trade date payables arising from purchases of financial instruments, foreign currencies and commodities that are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transactions or that have failed to, but are still expected to settle.</p> <p><b><u>Deferred tax liabilities</u></b></p> <p><i>Article 32, paragraph 1, letter “a” of the regulation</i></p> <p>Banks shall report deferred tax liabilities and shall consider the nearest possible date on which these liabilities can be realised, as residual maturity.</p> <p><b><u>Minority interests</u></b></p> <p><i>Article 32, paragraph 1, letter “b” of the regulation</i></p> <p>Banks shall report minority interests and shall consider the term of the relevant instrument, as residual maturity.</p> <p><b><u>Other liabilities without a stated maturity</u></b></p> <p><i>Article 32, paragraph 1 of the regulation</i></p> <p>Banks shall report other liabilities without a stated maturity, including short positions and open maturity positions, unless otherwise specified in chapter VII of the regulation.</p> <p><b><u>Net derivative liabilities</u></b></p> <p><i>Article 32, paragraph 4 of the regulation</i></p> <p>Banks shall report the negative difference between netting sets, calculated in accordance with article 32, paragraph 4 of the regulation.</p>

All derivative liabilities shall be reported as if having a residual maturity of less than one year.

**Other liabilities**

*Article 32, paragraph 3, letter “c” of the regulation*

Banks shall report other liabilities not referred to in articles 32 to 36 of the regulation.

All capital items shall be reported in item 2.1, regardless of their residual maturity.

## PART VI: NET STABLE FUNDING RATIO - SUMMARY

### 1. Specific remarks

36. The form F5 provides information on the net stable funding ratio, both for banks reporting the fully-fledged NSFR (reporting forms F1 and F2) and for banks reporting the simplified NSFR (reporting forms F3 and F4).
37. In accordance with article 5, paragraph 1 of the regulation, the net stable funding ratio shall be equal to the ratio of the bank's available stable funding as referred to in chapter IV and VII of the regulation, to the bank's required stable funding as referred to in chapter V and VIII of the regulation, and shall be expressed as a percentage. The rules for the calculation of the ratio are laid down in chapter III of the regulation.
38. The items in rows 0010 to 0190 shall be the same as the equivalent ones reported in reporting forms F1 – F4.

#### 1.1 Instructions concerning specific columns

Column	Regulatory references and instructions
0010	<b><u>Amount</u></b> Banks shall report in column 0010 the amount of assets, off-balance sheet items, liabilities and regulatory capital's items, allocated to the amount of all applicable residual maturity and liquid assets' buckets. The amounts to be reported shall be those before application of the relevant ASF and RSF factors.
0020	<b><u>Required Stable Funding</u></b> Banks shall report in column 0020, the required stable funding calculated in accordance with chapters V and VIII of the regulation.
0030	<b><u>Available Stable Funding</u></b> Banks shall report in column 0030, the available stable funding calculated in accordance with chapters IV and VII of the regulation.
0040	<b><u>Ratio</u></b> Banks shall report in column 0040, the net stable funding ratio, in accordance with article 5, paragraph 1 of the regulation.



## 1.2 Instructions concerning specific rows

Row	Regulatory references and instructions
0010	<p><b>1. <u>REQUIRED STABLE FUNDING</u></b></p> <p>Item 1 of reporting forms F1 and F3.</p>
0020	<p><b>1.1 <u>RSF from central bank assets</u></b></p> <p>Item 1.1 of reporting forms F1 and F3.</p>
0030	<p><b>1.2 <u>RSF from liquid assets</u></b></p> <p>Item 1.2 of reporting forms F1 and F3.</p>
0040	<p><b>1.3 <u>RSF from securities other than liquid assets</u></b></p> <p>Item 1.3 of reporting forms F1 and F3.</p>
0050	<p><b>1.4 <u>RSF from loans</u></b></p> <p>Item 1.4 of reporting forms F1 and F3.</p>
0060	<p><b>1.5 <u>RSF from assets within a group subject to preferential treatment</u></b></p> <p>Item 1.5 of reporting forms F1 and F3.</p>
0070	<p><b>1.6 <u>RSF from derivatives</u></b></p> <p>Item 1.6 of reporting forms F1 and F3.</p>
0080	<p><b>1.7 <u>RSF from contributions to central counterparty's default fund</u></b></p> <p>Item 1.7 of reporting forms F1 and F3.</p>
0090	<p><b>1.8 <u>RSF from other assets</u></b></p> <p>Item 1.8 of reporting forms F1 and F3.</p>
0100	<p><b>1.9 <u>RSF from off-balance sheet items</u></b></p> <p>Item 1.9 of reporting forms F1 and F3.</p>
0110	<p><b>2. <u>AVAILABLE STABLE FUNDING</u></b></p> <p>Item 2 of reporting forms F2 and F4.</p>
0120	<p><b>2.1 <u>ASF from regulatory capital's items and instruments</u></b></p>

	Item 2.1 of reporting forms F2 and F4.
0130	<p><b>2.2 <u>ASF from retail deposits</u></b></p> <p>Item 2.2 of reporting forms F2 and F4.</p>
0140	<p><b>2.3 <u>ASF from other non-financial customers (except central banks)</u></b></p> <p>Item 2.3 (except 2.3.0.2) of reporting forms F2 and F4.</p>
0150	<p><b>2.4 <u>ASF from operational deposits</u></b></p> <p>Items 2.3.0.2 and 2.5.3.1 of reporting form F2 and item 2.4 of reporting form F4.</p>
0160	<p><b>2.5 <u>ASF from liabilities and committed facilities within a group, subject to preferential treatment</u></b></p> <p>Item 2.4 of reporting form F2 and item 2.5 of reporting form F4.</p>
0170	<p><b>2.6 <u>ASF from financial customers and central banks</u></b></p> <p>Item 2.5 (except 2.5.3.1) of reporting form F2 and item 2.6 of reporting form F4.</p>
0180	<p><b>2.7 <u>ASF from liabilities provided where the counterparty cannot be determined</u></b></p> <p>Item 2.6 of reporting form F2 and item 2.7 of reporting form F4.</p>
0190	<p><b>2.8 <u>ASF from other liabilities</u></b></p> <p>Item 2.7 and 2.8 of reporting form F2 and item 2.8 of reporting form F4.</p>
0200	<p><b>3. <u>Net Stable Funding Ratio</u></b></p> <p>Net stable funding ratio calculated in accordance with article 5, paragraph 1 of the regulation.</p>