



MREL Reporting Template Guidance

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1 Background

This Guidance Note sets out guidance in relation to completing the JRA's MREL Reporting Template¹. MREL² is only applicable to Jersey Incorporated Banks (JIBs). Accordingly, this guidance only applies to JIBs.

The MREL Reporting Template is designed to enable the JRA to monitor the level of MREL in place at each JIB. Specific reporting requirements are set out in the JRA's MREL Policy Statement (PS2024/01)³.

The MREL Reporting Template and this Guidance Note are based on equivalent reporting requirements of the UK's Prudential Regulation Authority (PRA).

Over time we intend to work with the JFSC so that the MREL Reporting Template can be incorporated into the JFSC's Prudential Return template for JIBs.

Queries, comments, and feedback relating to this Guidance Note and the MREL Reporting Template can be directed to: info@jra.org.je

2 Guidance on reporting template and definitions.

Reporting Currency

The MREL Reporting Template must be completed in Sterling, except where the guidance below states otherwise. Where the underlying instrument is issued in a currency other than Sterling, JIBs should convert values to Sterling using the mid-market rate obtained at close of business on the reporting date.

Reporting Units

All amounts should be reported in thousands (£'000). Where there are no liabilities in each category (unless otherwise indicated), the cells should be left blank, whereas a '0' input shall be interpreted as a liability of which the value equals zero.

Overview

MREL resources must meet the eligibility criteria set out in the JRA's MREL Policy Statement (PS2024/01).

¹ [insert link to template once finalised and published]

² Minimum Requirement for Own Funds and Eligible Liabilities.

³ [insert link to MREL Policy Statement once published]

There are three tabs within the MS Excel based MREL Reporting Template, these being:⁴

- MRL000 General Information
- MRL001 MREL Resources
- MRL003 MREL Debt

MRL000 – General Information

Rows	Explanation
010	<p>Entity Name</p> <p>Input the full name of the Jersey Incorporated Bank (JIB).</p>
060	<p>Reporting Date</p> <p>The as-of date for the reported information (31 December each year, or any other date specified by the JRA).</p>
091	<p>Name</p> <p>The full name of the working level contact that the JRA should contact in the event of queries regarding the submitted MREL Reporting Template.</p>
092	<p>Position</p> <p>The position of the working level contact.</p>
093	<p>Email</p> <p>The email address of the working level contact.</p>

⁴ The JRA has chosen not to adopt MRL002 (MRL002 – MREL Resources Forecast) from the PRA template but kept the naming convention of the remaining tabs for easy reference and comparison.

MREL001 – Internal MREL Resources

Rows	Explanation
010	<p>Tier 2 Capital</p> <p>Tier 2 Capital as defined in Section 4 of the JFSC’s Prudential Reporting of Capital Ratios Guidance Note⁵ (as reported on line 58 of tab 6.1 Capital Adequacy of JFSC prudential returns).</p>
020	<p>Tier 2 capital issued by subsidiaries</p> <p>Tier 2 instruments issued by subsidiaries of the reporting entity, as defined by Section 4 of the JFSC’s Prudential Reporting of Capital Ratios Guidance Note.</p>
030	<p>Tier 2 capital that is no longer eligible as regulatory capital due to prudential amortisation</p> <p>For MREL reporting purposes, if the remaining maturity of a Tier 2 instrument is above the one-year residual maturity requirement, the full amount may be counted towards MREL, even if the value of the instrument is partially amortised for the purposes of counting towards regulatory capital. Report the portion of Tier 2 instruments of the reporting entity that is derecognised for the purposes of counting towards regulatory capital.</p>
040	<p>Tier 2 capital issued by subsidiaries that is no longer eligible as regulatory capital due to prudential amortisations</p> <p>The portion of Tier 2 instruments issued by subsidiaries of the reporting entity that is derecognised for the purposes of counting towards regulatory capital.</p>
050	<p>MREL eligible subordinated unsecured liabilities</p> <p>MREL Eligible Liabilities (as described in section 6.2 and 6.3 of the JRA’s MREL Policy Statement) issued by reporting entity that are senior to Tier 2 Capital and contractually or statutorily junior to senior unsecured liabilities⁶.</p>
070	<p>Liabilities that are not MREL eligible</p> <p>Liabilities that do not qualify as MREL and which rank parri passu with MREL resources as defined in the JRA’s MREL Policy Statement (except those that do not qualify as MREL due to maturity criterion set out in paragraph 6.3.1.4 of the MREL Policy Statement).</p>
080	<p>Total Internal MREL eligible resources</p> <p>Total MREL resources of the reporting entity as the sum of MREL eligible regulatory capital and non-regulatory capital MREL Eligible Liabilities. This row should incorporate the MREL eligible regulatory capital of the reporting entity that is not reported in this template.</p>

⁵ <https://www.jerseyfsc.org/industry/guidance-and-policy/prudential-reporting-of-capital-ratios/>

⁶ <https://jra.org.je/images/documents/20231219-JRA-Position-Paper-MREL-v01.00.pdf> [will update to link to MREL Policy Statement once published]

Rows	Explanation
Supplementary Information	
090	<p>Exposures to other multiple point of entry (MPE) resolution groups that correspond to liabilities eligible for MREL (not applicable for single point of entry (SPE) firms)</p> <p>Any MREL eligible instruments or other non-European equivalent instruments the reporting entity has invested in other resolution groups within the reporting entity's global group.</p>
100	<p>Investments in own non-regulatory capital MREL eligible liabilities</p> <p>Non-regulatory capital MREL instruments issued by the reporting entity and held by the reporting entity at the reporting date.</p>
110	<p>Reciprocal cross-holdings in non-regulatory capital MREL eligible liabilities</p> <p>Holdings in non-regulatory capital MREL eligible liabilities of financial sector entities (banking, financial and insurance entities), where there is a reciprocal cross holding that the competent (resolution) authority considers to have been designed to inflate artificially MREL eligible resources of the reporting entity. The amount to be reported shall be calculated on the basis of the gross long position.</p>
120	<p>Investments in non-regulatory capital MREL eligible instruments of financial sector entities where the institution does not own more than 10% of the issued common share capital of the entity</p> <p>Holdings of non-regulatory capital MREL eligible liabilities of financial sector entities where the reporting entity does not own more than 10% of the Common Equity Tier 1 (CET1) items of the financial sector entity.</p>
130	<p>Of which held in the trading book and are to be sold within 30 business days</p> <p>This is non-regulatory capital MREL eligible liabilities which are reported in Row 120 that are held in the trading book and are to be sold within 30 business days of the date of its acquisition at the reporting date.</p>
140	<p>Investments in non-regulatory capital MREL eligible instruments of financial sector entities where the institution owns more than 10% of the issued common share capital of the entity</p> <p>Holdings of non-regulatory capital MREL eligible liabilities of financial sector entities where the reporting entity owns more than 10% of CET1 items of the financial sector entity.</p>
150	<p>Ineligible CET1</p> <p>CET1 liabilities that qualify as regulatory capital but do not meet MREL eligibility criteria as defined in sections 6.2 and 6.3 of the JRA's MREL Policy Statement.</p>
160	<p>Ineligible AT1</p> <p>Additional Tier 1 (AT1) liabilities that qualify as regulatory capital but do not meet MREL eligibility criteria.</p>
170	<p>Ineligible T2</p> <p>Tier 2 liabilities that qualify as regulatory capital but do not meet MREL eligibility criteria as defined in the JRA's MREL Policy Statement (except those that do not qualify as eligible due to maturity criterion set out in paragraph 6.3.1.4 of the MREL Policy Statement).</p>

Column	Explanation
010	<p>Less than one year</p> <p>The nominal outstanding amount of liabilities with a residual effective maturity less than one year.</p>
020	<p>Greater or equal to one year but less than two years</p> <p>The nominal outstanding amount of liabilities with a residual effective maturity greater or equal to one year, but less than two years.</p>
030	<p>Greater or equal to two years but less than five years</p> <p>The nominal outstanding amount of liabilities with a residual effective maturity greater or equal to two years, but less than five years.</p>
040	<p>Greater or equal to five years</p> <p>The nominal outstanding amount of liabilities with a residual effective maturity greater or equal to five years.</p>
050	<p>Perpetual</p> <p>Instruments with no fixed maturity date.</p>
060	<p>Calculated amount that does not have maturity</p> <p>The nominal amount with no maturity, such as minority interest deductions.</p>

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MRL003 – MREL Debt

Column	Explanation
010	<p>Issuer Name</p> <p>The full name of the legal entity in the group which issued the instrument. In practice this will be name of the JIB.</p>
020	<p>Identification of the issuer</p> <p>There is no requirement currently for a JIB to complete this field, it is to remain blank.</p>
030	<p>Governing Law</p> <p>The governing law for the contractual terms of the instrument. The ISO 3166-1 alpha-2 identification of the country of which the law governs the instrument.</p>
040	<p>Contractual recognition</p> <p>This relates to instruments under third country law –whether there is a contractual bail-in clause or an equivalent statutory provision for cross-border recognition of resolution actions.</p>
050	<p>External or Internal Issuance</p> <p>Whether the instrument is issued to an external third party or internally within a group.</p>
060	<p>Name of the entity which holds the intra-group instrument</p> <p>Name of the entity which holds the intra-group instrument.</p>
070	<p>Identification of the entity which holds the intra-group instrument</p> <p>There is no requirement currently for a JIB to complete this field, it is to remain blank.</p>
080	<p>Amount of the instrument held by the entity concerned</p> <p>The nominal value of the instrument held by the entity concerned.</p>
090	<p>Stock Exchange</p> <p>Name of the stock market where the instrument is listed. If it is not listed, please use 'N/A'.</p>
100	<p>Date of Issuance</p> <p>The original date the instrument was issued.</p>
110	<p>Maturity</p> <p>The type of maturity of the instrument. Please choose from the following:</p> <ul style="list-style-type: none"> • Not applicable/ All-time intervals • Perpetual • Dated • Undated
120	<p>Final Legal Maturity Date</p> <p>The legal final maturity date of the instrument.</p>

Column	Explanation
130	<p>Earliest redemption date</p> <p>Where there is an incentive to redeem, the earliest date at which the event can occur should be reported.</p>
140	<p>Accounting Treatment of the Instrument</p> <p>The accounting treatment based on the applied international accounting standards.</p>
150	<p>Original currency of issuance</p> <p>The relevant three-digit alphabetical ISO code to indicate the currency in which the instrument is denominated.</p>
160	<p>The Amount in Issue (par or face value)</p> <p>The original value of the instrument issued, to be reported in the original currency of issuance.</p>
170	<p>Nominal Outstanding Value</p> <p>The nominal value, in the reporting currency, of the outstanding principal amount of the instrument; excluding any paid-in amounts as at the reporting date.</p>
180	<p>Accounting Value</p> <p>The accounting value of the instrument in the reporting currency as at the reporting date.</p>
190	<p>Coupon Type</p> <p>Choose from the below list to indicate the type of coupon the instrument is linked to.</p> <ul style="list-style-type: none"> • Floating rate • Fixed rate • Fixed-floating rate • Floating-fixed rate • Index-linked • Zero -coupon • Step-up • Step-down • Other
200	<p>Coupon Rate</p> <p>Provide the rate rounded to two decimal places if the coupon is a fixed rate. If the rate is not fixed, leave blank.</p>
210	<p>Coupon Date</p> <p>The first date on which the issuer pays the interest to the debt holders.</p>
220	<p>Coupon Frequency</p> <p>The frequency of interest payments linked to the instrument (e.g. semi-annually).</p>

Column	Explanation
230	<p>Type of the instrument</p> <p>The type of the instrument issued (e.g. medium-term notes, loans, bonds, convertible bonds, preferred equity, common equity or other) based on the accounting classification.</p>
240	<p>Class of the Instrument</p> <p>This is based on the credit hierarchy:</p> <ul style="list-style-type: none"> • Subordinated • Tier 2 capital instruments • Additional tier 1 capital instruments or other
250	<p>Regulatory Value</p> <p>Where the instrument is classified as a regulatory instrument, the designation under JFSC’s regulatory capital rules. If the instrument classifies as regulatory capital under JFSC’s regulatory capital rules, enter the regulatory value of the instrument.</p>
260	<p>Any non-standard terms or embedment included in the instrument</p> <p>Describe any unusual termination events, rights to net-off, set-off, contractual terms, including incentives to redeem before final maturity (e.g. linking the payoff to credit features or any CAMEL criteria) or other legal conditions.</p>
270	<p>Name of Guarantor</p> <p>Whether any guarantee is applicable to the instrument, and if so, the name of the guarantor. Please indicate ‘N/A’ if there is no guarantee.</p>
280	<p>Identification of the Guarantor</p> <p>There is no requirement currently for a JIB to complete this field, it is to remain blank.</p>
290	<p>Convertible or non-convertible</p> <p>State whether the instrument is convertible or non-convertible.</p>
300	<p>Conversion triggers and the instrument type convertible into</p> <p>Specify the conditions under which the instrument will convert, including point of non-viability (PONV). Where one or more authorities have the ability to trigger conversion, the authorities should be listed. For each of the authorities it should be stated whether the legal basis for the authority to trigger conversion is provided by the terms of the contract of the instrument or statutory means. Specify the instrument type convertible into.</p>
310	<p>Write-down feature</p> <p>Specify whether the instrument has a write-down feature or not.</p>

Column	Explanation
320	<p>Write-down triggers</p> <p>Specify the trigger at which write-down occurs, including point of non-viability (PONV). Where one or more authorities have the ability to trigger write-down, the authorities should be listed. For each of the authorities it should be stated whether the legal basis for the authority to trigger conversion is provided by the terms of the contract of the instrument or statutory means.</p>
330	<p>Form of the security</p> <p>The form of outstanding debt securities issued by the firm. Indicate whether the security is in Global Bearer form (Classic Safekeeping Structure or New Safekeeping Structure), Global Bearer Form (Classic Global Note or New Global Note), Certificated Bearer form or Certificated registered form.</p>
340	<p>Global Bearer Name</p> <p>For debt securities that are in global bearer form, the name of the entity that acts as the common depository (for classic global notes) or common safekeeper (for new global notes).</p>
350	<p>Identification of the Global Bearer</p> <p>There is no requirement currently for a JIB to complete this field, it is to remain blank.</p>
360	<p>Global Registered – name of registrar</p> <p>For debt securities that are in global registered form, the name of the entity that acts as the registrar.</p>
370	<p>Identification of the Global Registrar</p> <p>There is no requirement currently for a JIB to complete this field, it is to remain blank.</p>
380	<p>Bearer certificated form</p> <p>For debt securities that are held in bearer, certificated form, where the bearer bond is kept and provide any other relevant information in relation to the physical location of the security.</p>
390	<p>Registered certificated form</p> <p>For debt securities that are in registered, certificated form, the name of the entity that acts as the registrar.</p>
400	<p>Identification of the Registrar</p> <p>There is no requirement currently for a JIB to complete this field, it is to remain blank.</p>
410	<p>Other non-global form – location and details</p> <p>For any other securities not covered previously, any relevant information, including in relation to their physical location.</p>
420	<p>Details of paying agent and trustee</p> <p>Please confirm which entity or entities act as paying agent and/or as trustee.</p>

Column	Explanation
430	<p>Common Depository</p> <p>The common depository holds the global note. If applicable, please provide the name of the institution that acts as common depository.</p>
440	<p>The applicable settlement systems</p> <p>Please confirm where the securities trades are settled (e.g. which CSD, ICSD or intermediary settles the trades).</p>
450	<p>Retail holder information</p> <p>The proportion of debt held by retail investors.</p>
460	<p>Terms of the instrument</p> <p>Please provide a web link to the terms of the instrument. If a web link is not available, please indicate 'N/A'.</p>

Rows	Field
	<p>MRL003 has been set up with 10 rows to allow JIBs to report up to 10 MREL Debt issuances. If further rows are required, add these and continue the JRA's sequential numbering (i.e. MRL01, MRL02...)</p>
999	<p>Unique Identifier</p> <p>An International Securities Identification Number (ISIN) uniquely identifies a security. Its structure is defined in ISO 6166.</p> <p>If an ISIN is not available, please provide the relevant unique identifier. An example may be the Market Identifier Code (ISO 10382), CUSIP (Committee on Uniform Securities Identification Procedures) a nine-character alphanumeric code mainly used for US and Canadian securities, SEDOL (Stock Exchange Daily Official List) – security identifiers used in UK and Ireland for clearing purposes. These are assigned by the London Stock Exchange.</p> <p>If all not available, please indicate N/A.</p>