

TLTRO-III – TEMPLATE B

AGREED-UPON PROCEDURES IN ACCORDANCE WITH ISRS 4400 – ENGAGEMENTS TO PERFORM AGREED-UPON PROCEDURES REGARDING FINANCIAL INFORMATION

Preliminary activity

1. Obtain the description of the procedures in place within the Bank including the related controls addressing integrity, accuracy, completeness and consistency of the data reported against the pool of eligible assets.
2. Discuss with the Bank whether the design of the controls is addressing the objectives (integrity, accuracy, completeness and consistency of the data reported against the pool of eligible assets) of these procedures.

Outstanding amounts of eligible loans at the end of the reporting period

3. Obtain the database transmitted during the period of verification of items **4.1 Outstanding amounts on the balance sheet, 4.2 Outstanding amounts of loans securitised or otherwise transferred but not derecognised from the balance sheet and 4.3 Outstanding provisions against eligible loans** and compare the total amounts with those reported in the Template B.
4. (a) Obtain the regulatory reporting database as of reporting date sent by the Bank to the NCB and obtain the description and criteria of the filter utilized by the Bank to determine eligible amounts in accordance with the ECB guidelines;

(b) Verify whether the filter and the criteria used by the Bank comply with the ECB guidelines. Compare the total amounts obtained to those reported in the lines **4.1 Outstanding amounts on the Balance sheet, 4.2 Outstanding amounts of loans securitised or otherwise transferred but not derecognised from the balance sheet and 4.3 Outstanding provisions against eligible loans of the Template B**.
5. (a) Obtain the reconciliation between the data included in the regulatory reporting database and the outstanding amount of Loans to Customers as per the general ledger of the Bank at the reporting date.

(b) Discuss with management the reconciling items in excess of *XXX EUR* and describe reconciling items that are not addressed by the ECB guidelines.

Outstanding amounts of eligible loans at the end of the month preceding the start of the reporting period

6. For a sample of 5 individual credits, randomly selected through an automated spreadsheet tool, compare the amount, the “customer category” and the “loan purpose” as reported in line **1.1 Outstanding amounts on the balance sheet** of the Template B with the underlying documentation and data from loans applications of the Bank and verify their eligibility with the ECB guidelines.

7. For a sample of 10 individual loans, being the highest individual outstanding amounts, compare the amount, the “customer category” and the “loan purpose” as reported in line **1.2 Outstanding amounts of loans securitised or otherwise transferred but not derecognised from the balance sheet** of the Template B, with the underlying documentation and data from loans applications of the Bank, and verify their eligibility with the ECB guidelines.
8. For a sample of 5 individual loan provisions, being the highest individual outstanding provisions, compare the amounts, the “customer category” and the “loan purpose” reported in line **1.3 Outstanding provision against eligible loans** of the Template B with the underlying documentation and data from loans applications of the Bank and verify their eligibility with the ECB guidelines.

Eligible net lending in the reporting period

9. Obtain the database extracted from the loans applications of the Bank related to items **2.1 Gross lending, 2.2 Repayments** and compare the total amounts with those reported in the Template B.
10. (a) Obtain the reconciliation between the data included in the database mentioned above and the amount of Gross lending and Repayments as per the general ledger of the Bank at the reporting date.
 - (b) Discuss with management the reconciling items in excess of *XXX EUR* and describe reconciling items that are not addressed by the ECB guidelines.
11. For a sample of 10 individual credits, randomly selected through an automated spreadsheet tool, compare the amount, the “customer category” and the “loan purpose” reported in line **2.1 Gross lending** of the Template B with the underlying documentation and data from loans applications of the Bank and verify their eligibility with the ECB guidelines.
12. For a sample of 10 individual credits, randomly selected through an automated spreadsheet tool, compare the amount, the “customer category” and the “loan purpose” reported in line **2.2 Repayments** of the Template B with the underlying documentation and data from loans applications of the Bank and verify their eligibility with the ECB guidelines.

Adjustments to the outstanding amounts: reductions and increases – 3.1 Loan and purchases and other loan transfers during the reporting period & Adjustments to the outstanding amounts: reductions and increases – 3.2 Other adjustment

13. Obtain the database extracted from the loans applications of the Bank related to the lines **3.1A Net Flows of loans that are securitised with an impact on loan stocks, 3.1 B Net Flows of loans that are otherwise transferred with an impact on loan stocks and 3.1 C Net Flows of loans that are securitised or otherwise transferred without any impact on loan stocks** and compare the total amounts with those reported in the Template B.
14. Obtain the database extracted from the loans applications of the Bank related to the lines **3.2 A Revaluations owing to changes in exchanges rate, 3.2 B Write offs/write downs and 3.2 C Reclassifications** and compare the total amounts with those reported in the Template B.

15. Obtain the description of the extraction process of the databases and any filters applied in the extraction process and verify the consistency with the ECB guidelines.
16. For the population of lines **3.1. Loan sales and purchases and other loan transfers during the reporting period** and **3.2. Other adjustments** of the Template B, take a sample of 15 items (5 randomly selected through an automated spreadsheet tool and 10 highest in absolute value of individual amount). Compare the amounts reported in those lines with the underlying documentation and/or data from loans applications of the Bank and verify whether the extraction process of the databases and any filters applied in the extraction process and classification in the table are compliant with the ECB guidelines.

Other procedures

17. Verify that the Template B transmitted contains the same information (in terms of line items) compared to the standard forms included in the ECB guidelines.
18. Check the mathematical accuracy of the amounts reported in the Template B with the formulas indicated in the ECB guidelines.