

REPORTING GUIDE FOR GUIDELINES ON CAPITAL COMPONENTS

1.0 General Instructions

- 1.1 This reporting guidance is applicable to all Labuan banks licensed under Part VI of the Labuan Financial Services and Securities Act 2010 (LFSSA) in completing the statutory reporting under the *Guidelines on Capital Components*.
- 1.2 Worksheets C.1(Summary) to C.5(CapInst) should be completed by all Labuan banks based on the requirements outlined in the *Guidelines on Capital Components*. For ease of reference, the relevant paragraphs of the frameworks are reflected in the left column of each worksheet in the reporting form.
- 1.3 Labuan banks are required to complete the relevant forms in the softcopy format as provided by Labuan Financial Services Authority (Labuan FSA) on a quarterly basis for both entity¹ and consolidated reporting. The soft copy of the reporting forms have to be submitted to Industry Reporting/Regulatory Compliance Unit, no later than 15 days after the financial quarter-end reporting date via email (iru@labuanfsa.gov.my). Hardcopy submissions of the reporting forms are not required.
- 1.4 Labuan banks should not modify the reporting form in any way either by adding or removing rows, columns or worksheets; or changing the sequence of the worksheets; or changing the format, formulae and colours of the cells. Unless otherwise stated, all numbers should be reported as positive amounts (including deductions and items netted off).

¹ For entity level reporting, Labuan banks are required to select 'Global' for Level of Application in worksheet G.0(GenInfo).

- 1.5 The cells are shaded to denote the requirement/function of the cell.
- i. All cells shaded in green must be filled. Where not relevant, a value of '0' shall be keyed-in.
 - ii. Cells shaded in blue may be filled, and can be left unfilled where not relevant.
 - iii. Cells shaded in yellow have been pre-programmed with formulae.
- 1.6 All amounts are to be reported and rounded up to the nearest US Dollar (USD). Non-USD amounts must be translated into USD equivalents based on the prevailing exchange rates as at the reporting date.
- 1.7 Labuan FSA places significant emphasis on the accuracy of information submitted for the purposes of the Banking Capital Adequacy Framework. In this regard, the Principal Officer of the Labuan bank is primarily responsible and will be held accountable for the accuracy of the information provided in the reporting form to Labuan FSA under this framework.

2.0 Worksheets of the Reporting Forms for Components of Capital

2.1 The reporting form consists of the following worksheets:

i ***Capital Components***

The worksheets in this part should be completed by all Labuan banks, for both entity and consolidated level reporting.

Worksheet	Title
C.1(Summary)	Summary
C.2(CC)	Components of Capital
C.3(RegAdj)	Regulatory Adjustments
C.4(MI)	Minority Interest and Capital Instruments Issued Out of Consolidated Subsidiaries and Held by Third Parties

Worksheet	Title
C.5(CapInst)	Capital Instruments Meeting All Relevant Criteria for Inclusion

ii ***Capital Components for Islamic Window Operations***

The worksheets in this part should be completed by Labuan banks with Islamic window operations if the criteria as specified by Labuan FSA are not met.

Worksheet	Title
C.1i(Summary)	Summary
C.2i(CC)	Components of Capital
C.3i(RegAdj)	Regulatory Adjustments
C.5i(CapInst)	Capital Instruments Meeting All Relevant Criteria for Inclusion

3.0 Specific Instructions for Individual Worksheet

C.1(Summary) and C.1i(Summary): Summary

- 3.1 This worksheet reports the headline indicators of the overall Banking Capital Adequacy Framework, which include risk weighted assets (RWA), regulatory capital base and capital adequacy ratios.
- 3.2 The values in the RWA table should be filled based on the relevant outputs from the other reporting forms in the Banking Capital Adequacy Framework. The relevant cells, worksheets and reporting forms have been indicated as footnotes.

C.2(CC) and C.2i(CC): Components of Capital

- 3.3 The total principal amounts of Additional Tier 1 and Tier 2 capital instruments that meet all relevant criteria for inclusion, based on detailed instrument information entered in worksheets C.5(CapInst)/C.5i(CapInst).

3.4 The share premium attributable to Additional Tier 1 and Tier 2 capital instruments meeting all relevant criteria for inclusion shall be reported in cells D45 and D57 for worksheet C.2(CC) and cells D44 and D55 for C.2i(CC) worksheet respectively.

C.3(RegAdj) and C.3i(RegAdj): Regulatory Adjustments

3.5 The amount of common equity for purposes of calculating the 10% threshold is provided in cell C58 to assist Labuan banks in reporting the amount of all capital investments held in excess of 10% of the Labuan bank's common equity, as outlined in paragraph 26.2 (iii) of the *Guidelines on Capital Components*.

C.4(MI): Minority Interest and Capital Instruments Issued Out of Consolidated Subsidiaries and Held by Third Parties

3.6 This worksheet is applicable only for consolidated level reporting.

C.5(CapInst) and C.5i(CapInst): Capital Instruments Meeting All Relevant Criteria for Inclusion

3.7 In this worksheet, amounts reported for each capital instrument should exclude share premium amounts (Note: Share premium amounts shall be reported separately in cells D45 and D57 in worksheet C.2(CC) and cells D44 and D55 in worksheet C.2i(CC) for Additional Tier 1 and Tier 2 capital instruments respectively).

3.8 The effective maturity date refers to the first date of the incentive to be redeemed (e.g. step-up) that a capital instrument may have.

4.0 Capital Component Reporting Forms

4.1 The capital component reporting forms can be downloaded from Labuan FSA's website (www.labuanibfc.com).