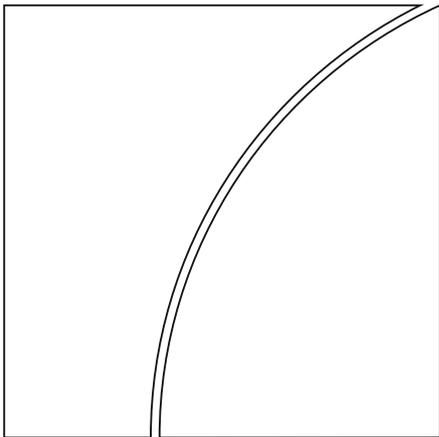


Basel Committee on Banking Supervision



Explanatory note on the revised minimum capital requirements for market risk

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Explanatory note on the revised minimum capital requirements for market risk

1. Introduction

The revised capital standard for market risk is a key outstanding element of the post-crisis reforms by the Basel Committee on Banking Supervision. It was endorsed for publication by its oversight body, the Governors and Heads of Supervision (GHOS), in January 2016.¹ This explanatory note outlines the rationale for the revisions as well as the key features and capital impact of the revised market risk framework.

In summary, the revisions focus on three key areas:

- (a) *Revised boundary*: The boundary between the banking book and trading book has been revised to reduce incentives for a bank to arbitrage its regulatory capital requirements between the two regulatory books, while continuing to respect banks' risk management practices. Notably, stricter limits along with capital disincentives are applied to the transfer of instruments between the banking book and trading book.
- (b) *Revised internal models approach*: The enhancements to the internal models approach for market risk have three main aims: (i) more coherent and comprehensive risk capture that takes better account of "tail risks" and market illiquidity risk; (ii) a more granular model approval process whereby internal models are approved for use at the trading desk level; and (iii) constraints on the capital-reducing effects of hedging and portfolio diversification.
- (c) *Revised standardised approach*: The standardised approach for market risk has been revised so that it remains suitable for banks with limited trading activity while also sufficiently risk sensitive to serve as a credible fallback for, as well as a floor to, the internal models approach. This is particularly relevant for banks whose internal models are found to be inadequate in certain areas by their supervisors and, as a consequence, are not permitted to be used to determine regulatory capital requirements. A key change to the standardised approach is the greater reliance on risk sensitivities as inputs into capital charge calculations. This means that a common risk data infrastructure would be able to support both the revised internal model and the standardised approaches, thus facilitating the use of the standardised approach as a fallback and floor to internal models.

2. Background and rationale

Significant weaknesses in the Basel capital framework for trading activities resulted in materially undercapitalised trading book exposures prior to the 2007–08 period of the financial crisis.

To deal with the most pressing deficiencies, the Basel Committee introduced a set of revisions to the market risk framework in July 2009 as part of the "Basel 2.5" package of reforms.² At the time, the Committee recognised that a number of structural flaws in the market risk framework – the regime that

¹ Basel Committee on Banking Supervision, *Minimum capital requirements for market risk*, January 2016.

² Basel Committee on Banking Supervision, *Revisions to the Basel II market risk framework (updated as of 31 December 2010)*, February 2011, www.bis.org/publ/bcbs193.pdf.

had been in place since January 1996 – remained unaddressed.³ In response, it undertook the *Fundamental review of the trading book* to improve the overall design and coherence of the capital standard for market risk, drawing on the experience of “what went wrong” in the build-up to the crisis.⁴

2.1 Main deficiencies in the pre-crisis framework

The deficiencies in the pre-crisis framework included an inadequate definition of the regulatory boundary between the banking book and trading book, which proved to be a key source of weakness in the design of the trading book regime. In addition, risk measurement methodologies were insufficiently robust. In particular, the models-based capital framework for market risk relied (and still relies) heavily on risk drivers determined by banks, which has not always led to sufficient capital for the banking system as a whole.

2.2 Basel 2.5 reforms and remaining issues

The Basel 2.5 reforms included requirements for banks to hold additional capital against default risk and ratings migration risk (ie the risk that a rating change triggers significant mark-to-market losses). The reforms also required banks to calculate an additional value-at-risk (VaR) capital charge calibrated to stressed market conditions (“stressed VaR”). Basel 2.5 also removed most securitisation exposures from internal models and, instead, required such exposures to be treated as if held in the banking book. Although a material enhancement, Basel 2.5 did not address all of the structural shortcomings with the market risk framework. Notably:

- *Issues with the regulatory boundary were not fully addressed.* The July 2009 revisions made only minor amendments to the specification of instruments that should be excluded from, or included in, the trading book. A key determinant of the current boundary is banks’ intent to trade, an inherently subjective criterion made even more difficult to enforce by the lack of sufficient restrictions on misinterpretation or capital arbitrage between the regulatory books.
- *Several weaknesses with the VaR-based framework.* The metric used to capitalise trading book exposures is currently a value-at-risk (VaR) measure. Weaknesses in the VaR-based framework include:
 - (a) *Inability to adequately capture credit risk inherent in trading exposures.* It is widely recognised that the VaR metric does not adequately capture exposures to credit risk. Conversely, the rapid growth in the market for traded credit in the early 2000s meant that banks held large exposures to undercapitalised credit-related instruments in their regulatory trading book.
 - (b) *Incentives for banks to take on tail risk.* By not looking beyond the 99th percentile, the current VaR metric – and hence regulatory capital requirements – fail to capture “tail risks”. This exposes the banking system to perverse incentives. In the pre-crisis phase, providing insurance against certain tail events was recognised as a “risk-less” strategy based on prevailing regulatory requirements at the time. This resulted in large unexpected losses when these tail events did occur.⁵ Over a sustained period, banks posted daily trading losses many times greater than their VaR estimates and far more frequently than expected.

³ Basel Committee on Banking Supervision, *Amendment to the Capital Accord to incorporate market risks*, January 1996, www.bis.org/publ/bcbs24.pdf.

⁴ The Basel Committee has since published three consultative documents on the trading book review: *Fundamental review of the trading book*, May 2012, www.bis.org/publ/bcbs219.htm; *Fundamental review of the trading book: A revised market risk framework*, October 2013, www.bis.org/publ/bcbs265.htm; and *Fundamental review of the trading book: Outstanding issues*, December 2014, www.bis.org/bcbs/publ/d305.htm.

⁵ Increasing exposures to “super senior” securitisation tranches was one example of the build-up of exposures to tail events not adequately captured by the regulatory capital framework.

- (c) *Inability to capture the risk of market illiquidity.* The current framework is based on the assumption that individual banks can exit or hedge their trading book exposures over a 10-day period without affecting market prices. However, when the banking system as a whole holds similar exposures in a traded asset market, that market is likely to rapidly turn illiquid in times of banking system stress. At the height of the crisis, banks were unable to exit or hedge positions in certain asset markets that had suddenly become illiquid, resulting in substantial mark-to-market losses. This was the case, most prominently, with the markets for several structured credit products.
- (d) *Generous recognition of the risk-reducing effects of hedging and diversification.* The entire framework was based on estimates of correlations derived from historical data under "normal" market conditions. Hedging benefits that were assumed to hold under those conditions proved illusory as correlation assumptions broke down over the period of market stress.
- *Need for more coherent and comprehensive risk capture.* The current framework is not based on any overarching view on how risks from trading activities should be categorised and captured to ensure that the outputs reflect credible and intuitive capital outcomes. For instance, under Basel 2.5, market illiquidity risk is factored into the capital treatment of credit exposures, but is not captured within stressed VaR (which still assumes a static 10-day horizon for exiting all risk positions).
- *The current standardised approach is not a credible fallback to the internal models approach.* The design of the current market risk framework does not embed a clear link between the models-based and standardised approaches either in terms of calibration or the conceptual approach to risk measurement. Although the problems highlighted by the crisis were largely with the internal models approach, a number of important shortcomings have also been found in the current standardised approach. These include a lack of risk sensitivity, limited recognition of hedging and diversification benefits and an inability to sufficiently capture risks associated with more complex instruments. As a consequence, a key weakness of the design of the current framework is the lack of a credible threat for the withdrawal of internal model approval, which in turn hinders supervisory efforts to improve banks' risk management practices.

3. Key elements of the revised market risk framework

3.1 The revised boundary

The revised boundary is designed to reduce incentives for arbitrage between the regulatory banking and trading books, while continuing to respect banks' risk management practices. The key enhancements include:

- (a) *Additional guidance on the appropriate contents of the trading book.* The definition of the trading book is supplemented with a list of instruments presumed to be in the trading book. Importantly, a bank must receive explicit supervisory approval for any deviations from this list of instruments.
- (b) *Reducing the ability to arbitrage the boundary.* A strict limit on the movement of instruments between the banking book and trading book is introduced. If the capital charge on an instrument is reduced as a result of switching (in the rare instances where this is allowed), the difference in charges measured at the point of the switch is imposed on the bank as a fixed, additional (and disclosed) Pillar 1 capital charge.
- (c) *Enhanced supervisory powers and reporting requirements.* The revised standard provides supervisors with the discretion to initiate a switch from the trading book to the banking book or vice versa if an instrument is deemed to be improperly designated. Banks must also prepare,

evaluate and make available to supervisors reports on their boundary determination and compliance, inventory ageing, daily limits, intraday limits (for banks with active intraday trading) and assessments of market liquidity.

- (d) *Clearer treatment of internal risk transfers across the regulatory boundary.* The current boundary specifies the treatment of internal risk transfers of credit risk but is silent with respect to other risk classes. To promote consistency and comparability in regulatory practices across jurisdictions, limits are introduced on the internal risk transfers of equity risk and interest rate risk from the banking book to the trading book for regulatory capital purposes.

3.2 The revised internal models approach

The key enhancements under the revised internal models approach can be broadly categorised into the following: (i) more coherent and comprehensive risk capture; (ii) an enhanced model approval process; and (iii) added constraints on the effects of hedging and portfolio diversification.

Coherent and comprehensive risk capture

The revised internal models approach replaces VaR and stressed VaR with a single Expected Shortfall (ES) metric.

- ES measures the riskiness of a position by considering both the size and the likelihood of losses above a certain confidence level. This ensures capture of tail risks that are not accounted for in the existing VaR measures.
- Consistent with the direction taken in Basel 2.5, ES must be calibrated to a period of significant financial market stress. To reduce the computational burden of searching for stress periods over the full set of ES model risk factors, the revised standard allows for maximum stress to be calculated on a reduced set of bank-selected risk factors, provided that these factors explain at least 75% of the variation in the ES model with a full set of risk factors.
- To factor in the risk of market illiquidity in the revised internal models framework, the concept of varying liquidity horizons is introduced in the ES measure. For the purpose of the revised standard, "liquidity horizon" is defined as the time required to exit or hedge a risk position without materially affecting market prices in stressed market conditions.⁶

More granular model approval process

The revised framework allows for a more granular model review process and breaks internal model approvals down to the level of the regulatory trading desk. A bank supervisor could approve – as well as remove – the use of internal models for each desk, in contrast to the current framework where supervisory approval/removal of internal models is possible only at the bank-wide level. This makes it easier for supervisors to take decisions on disallowing the use of internal models when such action is appropriate.

Banks also need to demonstrate proficiency in modelling profit and loss (P&L) with an appropriate degree of accuracy. In order to qualify as a model-eligible desk, a trading desk needs to comply with model validation criteria. Otherwise, the desk must be capitalised under the standardised approach. ES model approval for each desk is premised on two quantitative validation criteria:

⁶ The revised standard specifies how risk factors should be scaled up (from a 10-day base horizon) to one of five prescribed liquidity horizon categories: 10-day, 20-day, 40-day, 60-day or 120-day. For example, to reflect the greater liquidity risk in certain complex credit products, the liquidity horizon for this risk factor is set to 120 days.

- *Profit and loss (P&L) attribution.* A test to determine whether the P&L based on risk factors included in the trading desk's risk management model captures the material drivers of actual P&L.
- *Backtesting.* A test to determine how well the risks in an internal model are captured.

Within a model-eligible trading desk, the bank must also identify which risk factors in its model are "modellable" and which are "non-modellable" according to a set of conditions determined in the framework. The policy intention is for banks to model risk factors only when there is adequate observable data to do so prudently. Risk factors that do not meet these conditions are deemed to be non-modellable and must be capitalised individually using a separate stressed capital add-on from the ES approach used for modellable risk factors.

Constraints on the effects of hedging and portfolio diversification

The following changes serve to constrain the capital-reducing effects of hedging and portfolio diversification in the internal models approach:

- The current VaR-based regulatory models for market risk allow for unconstrained recognition of diversification benefits. In contrast, the total ES capital charge for modellable risk factors is calculated as an equal-weighted average of: (i) an "unconstrained" bank-wide ES charge with diversification benefit recognised across all risk classes; and (ii) a set of "constrained" partial ES charges – one for each of the broad regulatory risk classes (interest rate risk, equity risk, FX risk, commodity risk, and credit spread risk) – added up as a simple sum with no cross-risk class diversification benefit recognised.
- One of the main observations from the Committee's review of the variability of market risk-weighted assets was that the more complex IRC models were a relatively large source of unwarranted variation.⁷ In response, the revised framework replaces the IRC with a Default Risk Charge (DRC) model. As a standalone modelled approach, the IRC effectively disallows diversification effects between certain credit-related risks (default and migration risk) and other risks. Under the revised framework, the DRC model will capture default risk exclusively (ie separate from all market risks, including credit spread risk). As a further constraint, the DRC places limitations on the types of risk factors and correlations that can be used within the model.

3.3 The revised standardised approach

The proposed revisions to the standardised approach have been guided by several overarching objectives. First, the approach must provide a method for calculating capital requirements for banks with a level of trading activity that does not require sophisticated measurement of market risk. Second, it provides a fallback in the event that a bank's internal model is deemed inadequate, including the potential use as an add-on or floor to an internal models-based charge. Finally, the approach should facilitate consistent and comparable reporting of market risk across banks and jurisdictions. The revised standardised approach will also capture the risks from securitisation exposures in the trading book, which are fully removed from the scope of internal models for market risk.

Closer calibration between the revised standardised and internal model approaches

To ensure a closer calibration between the standardised and internal model approaches, a number of improvements to the internal models approach have also been embedded into the revised standardised approach. The standardised "bucket" risk weights within each risk class under the standardised approach have been calibrated to stressed market conditions using an ES methodology, while the concept of varying

⁷ Basel Committee on Banking Supervision, *Regulatory consistency assessment programme (RCAP) – Analysis of risk-weighted assets for market risk*, January 2013, www.bis.org/publ/bcbs240.htm

liquidity horizons which has been incorporated into the revised internal models approach is also mirrored in the calibration of the standardised risk weights.

An important change in the revised standardised approach is its greater reliance on risk sensitivities as inputs into capital charge calculations; inputs that are integral to the pricing and risk management models of trading-active banks. A direct consequence is that a common risk data infrastructure would be able to support both the revised internal model and standardised approaches, thus facilitating the use of the standardised approach as a fallback and floor to internal models.

The rest of this section outlines the three main components of the revised standardised approach: (i) the sensitivities-based method; (ii) standardised default risk charge; and (iii) residual risk add-on.

Sensitivities-based method

The most substantive component of the revised standardised approach is the *sensitivities-based method* for capturing three risk sensitivities, namely, "delta", "vega" and "curvature" risks.⁸ The use of sensitivities is already a feature of the current standardised approach for market risk, which allows for its use in the treatment of some risk asset classes (eg the duration method for interest rate risk) and of certain instruments. The revised methodology builds on these existing features and extends the use of sensitivities to a much broader set of risk factors:⁹

- (i) Instruments are first mapped to a set of regulatory prescribed risk factors to which shocks are applied to calculate a capital charge for the individual risk factors. The bank would use sensitivities derived from its pricing models to determine the size of its risk positions with respect to each risk factor.
- (ii) The risk-weighted sensitivities are aggregated within each bucket, using regulator-prescribed correlations applied within a regulator-prescribed aggregation formula.
- (iii) The resulting "bucket-level" capital charges are then aggregated using identical techniques from the previous step to determine the "risk class-level" capital charge.
- (iv) The aggregate capital charge under the sensitivities-based method is the simple sum of each risk-class level capital charge.

Standardised Default Risk Charge

The second component of the revised standardised approach is the *standardised Default Risk Charge* ("standardised DRC"). The standardised DRC as a whole is calibrated to the credit risk treatment in the banking book to reduce the potential discrepancy in capital requirements for similar risk exposures across the banking book and trading book. The framework for default risk requires that positions are first allocated to default risk bucket categories (eg corporates, sovereigns, local governments/municipalities for non-securitisation exposures). The standardised DRC allows for some limited hedging recognition within each bucket category, but not across different bucket categories.

Residual Risk Add-on

The third and final component of the revised standardised approach is the *Residual Risk Add-on*. This captures any other risks beyond the main risk factors already captured in the sensitivities-based method or standardised DRC. It provides for a simple and conservative capital treatment for the more

⁸ Delta risk measures the change in price resulting from a small price or rate shock to the value of each relevant risk factor. Vega risk is the risk due to variations in the volatility for options – computed as the product of the vega of a given option and its implied volatility; and curvature risk captures the additional risk due to movement in the delta when the price changes.

⁹ Risk factor sensitivities are grouped together by common characteristics into buckets, which are component sub-categories within each risk class. For example, the price sensitivity of Google stock is a *risk factor* that would fall under the technology *bucket* in the Equity *risk class*.

sophisticated/complex instruments that would otherwise not be captured in a practical manner under the other two components of the revised standardised approach.

The Residual Risk Add-on is the simple sum of gross notional amounts of the instruments bearing residual risks, multiplied by a risk weight of 1.0% for instruments with an exotic underlying and a risk weight of 0.1% for instruments bearing other residual risks.

4. Impact analysis

The Committee has conducted four separate quantitative impact studies (QIS) on the revised market risk framework over a two-year period. Calibration work was finalised based on end-June 2015 data. The Committee has made several calibration refinements following the analysis on both sets of data. These refinements have led to an overall reduction in the capital impact of the revised market risk framework. That is, the calibration of the revised market risk framework published in January 2016 produces a lower overall capital requirement than earlier draft versions of the framework.

On the whole, based on data provided by banks as of end-June 2015, the revised framework produces market risk risk-weighted assets (RWAs) that account for less than 10% of total RWAs, compared to approximately 6% under the current framework. Compared to the current framework, the revised market risk capital standard is likely to result in an approximate median (weighted average) increase of 22% (40%) in total market risk capital requirements (ie including securitisation and non-securitisation exposures within the scope of the market risk framework).

The impact estimates based on the January 2016 revisions to the market risk framework do not take account of any adjustments that banks may make over the next few years. When the Basel 2.5 market risk reforms were finalised in July 2009, the results of the related impact study indicated an average (median) increase of 223.7% (102.0%) in market risk capital requirements and 11.5% in overall Basel capital requirements. That is, QIS estimates at the time suggested that total market risk capital requirements as a proportion of overall Basel capital requirements would increase from a 7.3% to 19%.¹⁰ Subsequent to these high QIS estimates, however, bank data provided as of end-June 2014 showed that total market risk capital requirements formed a 5.7% share of overall Basel III capital requirements.

A separate impact analysis was performed on non-securitisation exposures and securitisation exposures in the trading book. As securitisation exposures in the trading book are out of scope of internal models and capitalised only under the revised standardised approach, the comparison of current to revised capital charges could only be conducted at the exposure level in the trading book. The impact analysis for non-securitisation exposures was broken down by standardised and internal model approaches.

The analysis on end-June 2015 data shows that non-securitisation exposures comprise 72% of overall revised market risk capital charges. Securitisation exposures make up the remaining 28% proportion, of which 5% is attributable to correlation trading portfolio (CTP) securitisations¹¹ and 23% to all other securitisation exposures in the trading book.

¹⁰ Basel Committee on Banking Supervision, *Analysis of the trading book quantitative impact study*, October 2009, www.bis.org/publ/bcbs163.htm.

¹¹ Correlation trading portfolio ("CTP") refers to securitisation exposures that meet these criteria: (a) the positions are neither resecuritisation positions, nor derivatives of securitisation exposures that do not provide a pro-rata share in the proceeds of a securitisation tranche; and (b) all reference entities are single-name products, including single-name credit derivative contracts, for which a liquid two-way market exists. Positions which reference an underlying exposure that is treated as a retail exposure, a residential mortgage loan or a commercial mortgage loan, or positions which reference a claim on a special purpose entity are excluded.

4.1 Non-securitisation exposures

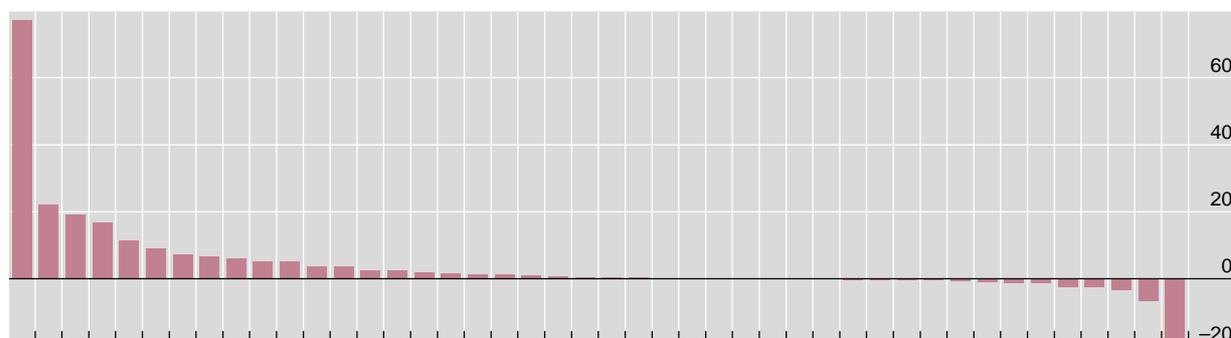
The starting point for capital impact analysis on non-securitisation exposures in the trading book was data provided by banks as of end-December 2014.¹² Based on a sample of 44 banks that provided reliable end-December 2014 data, the change in total non-securitisation market risk capital charges was found to be equivalent, on average, to a 4.7% share of the overall Basel III minimum capital requirement (ie for credit risk, operational risk and market risk combined). This is illustrated in Graph 1. The impact presented in Graph 1 does not take into account subsequent calibration refinements made by the Committee based on a more recent study that relied on end-June 2015 bank data, which have led to an overall reduction in the average capital impact of the revised market risk framework.

¹² Basel Committee on Banking Supervision. *Fundamental review of the trading book – interim impact analysis*, November 2015, www.bis.org/bcbs/publ/d346.htm.

Change in total market risk capital charges as a percentage of total Basel III minimum capital requirement based on December 2014 data

In per cent

Graph 1



Note: Sample (x axis) = 44 banks; weighted mean = 4.7%.

With first bank from the left of the graph excluded: sample (x axis) = 43 banks; weighted mean = 2.3%.

Source: Basel Committee on Banking Supervision.

The analysis in the following two tables is based on end-June 2015 data and takes into account the final calibration refinements that were agreed by the Committee in December 2015. Broadly, the rationale behind these changes are motivated by one of the following objectives: (i) an appropriate distribution of capital charges within each component of the revised capital requirements for market risk; (ii) a credible calibration between the revised standardised and revised internal model approaches; and (iii) ensuring that the revised market risk capital requirements do not over-penalise specific traded asset markets across jurisdictions.

Table 1 presents the impact analysis for non-securitisation exposures. Compared with the current market risk framework, the revised market risk standard would result in a median increase of 27% in the total capital requirement for market risk. Capital charges under the total revised internal models approach is 28% higher than under current internal model-based approaches. This is based on a sample of 12 banks with large trading books and high data quality. Based on a broader sample of 44 banks, there is a 3% decrease in the median level of capital requirements under the revised internal models. Compared with the current standardised approach for market risk, the total revised standardised approach results in an 80% median increase in capital charges.

Comparison of revised with current market risk capital charges (non-securitisation exposures)

In per cent

Table 1

$[(\text{Revised capital charge} / \text{Current capital charge}) - 1]$	25th percentile	75th percentile	Median	Sample size
Internal models approach (partial sample)	-20	45	28	12
Internal models approach (full sample)	-35	45	-3	44
Standardised approach	55	135	80	21
Total	-28	100	27	39

Notes: The revised internal models approach comprises the expected shortfall method (*ES*), default risk charge model (*DRC* model) and the stressed capital add-on (*SES*) for non-modellable risk factors. The revised standardised approach comprises the sensitivities-based method, standardised default risk charge (*standardised DRC*) and the residual risk add-on (*RRAO*).

Calibration of the revised internal models approach relied on the partial sample ($n = 12$) instead of the full sample ($n = 44$), owing to better data quality in the partial sample.

Median, instead of weighted mean, was the focus of impact analyses. This is due to the presence of outlier bank data which were retained in the overall sample.

Source: Basel Committee on Banking Supervision.

Table 2 sets out a comparison between the revised standardised approach and the revised internal model approach.¹³ Based on a sample of banks that were able to provide complete data on both the revised standardised and internal model approaches, market risk capital charges under the revised standardised approach are 1.4 times those of the revised internal models approach (ie 40% higher) for the median bank.

¹³ The comparison of the revised standardised with the internally modelled default risk charges is excluded from the analysis in Table 2. The architecture of default risk charges for the trading book resembles that of credit (default) risk charges in the banking book. Similar to the current framework, at national discretion banks may apply a 0% risk weight for sovereign default risk under the revised standardised approach for market risk.

Capital charges under the revised standardised approach as a proportion of the revised internal models approach (non-securitisation exposures)

Breakdown by risk class

Table 2

<i>[Revised standardised / Revised internal models]</i>	25th percentile	75th percentile	Median	Standard deviation	Sample size
Interest rate risk	0.8	2.6	1.3	3.9	16
Credit spread risk: non-securitisations	0.7	2.6	1.2	1.7	14
Foreign exchange risk	0.6	3.0	1.2	3.9	15
Equity risk	1.0	2.2	1.5	1.2	12
Commodity risk	0.9	2.6	1.4	2.1	10
Total	0.9	3.0	1.4	1.9	16

Source: Basel Committee on Banking Supervision.

4.2 Securitisation exposures

Table 3 sets out a comparison between the revised and the current market risk capital charges for securitisation exposures in the trading book. The analysis is based on end-June 2015 data and takes into account the final calibration refinements that were agreed by the Committee in December 2015. On a weighted average, the capital charge for securitisation exposures (excluding the correlation trading portfolio) under the revised market risk framework is 22% higher than under the current market risk capital standard. The capital charge for correlation trading portfolio securitisation exposures under the revised framework is 70% higher compared with the current market risk framework.

Comparison of revised with current capital charges for securitisation exposures

In per cent

Table 3

<i>(Revised approach / Current approach) - 1</i>	25th percentile	75th percentile	Weighted mean	Sample size
Securitisations (excluding CTP)	-25	250	22	19
Correlation trading portfolio (CTP) securitisations	-	-	70	12

Notes: QIS analysis on securitisation exposures relied on an "aggregate bank" weighted mean measure, owing to greater homogeneity of the bank samples used.

Source: Basel Committee on Banking Supervision.