Basel Committee
on Banking Supervision

Consultative Document

Pillar 3 disclosure requirements – updated framework

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BANK FOR INTERNATIONAL SETTLEMENTS

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Introduction

The Basel Committee on Banking Supervision (BCBS) issued its revised Pillar 3 disclosure requirements in January 2015 (hereafter the "January 2015 standard").[1] The January 2015 standard superseded the Pillar 3 disclosure requirements issued in 2004 (as amended in July 2009) and completed the first phase of the Committee's review of the Pillar 3 framework.

The Committee issued further revisions to the Pillar 3 disclosure requirements in March 2017 (hereafter the "March 2017 standard").[2] The March 2017 standard completed the second phase of the Committee's review of the Pillar 3 framework. It comprised three elements: (i) consolidation of all existing and prospective BCBS disclosure requirements into the Pillar 3 framework; (ii) introduction of two new disclosure requirements – a dashboard of a bank's key prudential metrics and a disclosure requirement for banks which record prudent valuation adjustments; and (iii) revisions and additions to the Pillar 3 standard arising from changes to the regulatory policy framework. These include new disclosure requirements in respect of the total loss-absorbing capacity (TLAC) regime for global systemically important banks (G-SIBs) issued in November 2015,[3] and revised disclosure requirements for market risk arising from the revised market risk framework published by the Committee in January 2016.[4]

The March 2017 standard also highlighted the elements that would comprise the third phase of the Committee's review of the Pillar 3 framework. This Consultative Document sets out the proposals for the third phase review of the Pillar 3 framework, which covers the following elements:

1. Revisions and additions to the Pillar 3 framework arising from finalisation of the Basel III framework

This Consultative Document sets out additional disclosure requirements to the Pillar 3 framework arising from the finalisation of the Basel III post-crisis regulatory reforms in December 2017 (hereafter the "finalised Basel III framework" in the Consultative Document).[5] These include:

- revised disclosure requirements for credit risk (including disclosures for prudential treatment of problem assets);
- revised disclosure requirements for operational risk;
- revised disclosure requirements for leverage ratio;
- revised disclosure requirements for credit valuation adjustment (CVA);

[1] *Revised Pillar 3 disclosure requirements*, January 2015, www.bis.org/bcbs/publ/d309.pdf.

[2] *Pillar 3 disclosure requirements – consolidated and enhanced framework*, March 2017, http://www.bis.org/bcbs/publ/d400.htm.

[3] *Principles on loss-absorbing and recapitalisation capacity of G-SIBs in resolution: total loss-absorbing capacity term sheet*, November 2015, http://www.fsb.org/wp-content/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf. See also the TLAC holdings standard issued by the Committee in October 2016, www.bis.org/bcbs/publ/d387.htm.

[4] *Minimum capital requirements for market risk*, January 2016, http://www.bis.org/bcbs/publ/d352.pdf.

[5] *Basel III: Finalising post-crisis regulatory reforms*, December 2017, https://www.bis.org/bcbs/basel3.htm.

- new disclosure requirements to benchmark the risk-weighted asset (RWA) outcomes of banks' internal models with RWA calculated according to the standardised approaches; and
- revised disclosure requirements for overview templates on risk management, RWA and key prudential metrics.

2. New disclosure requirements on asset encumbrance

The Committee views disclosure of information by banks on encumbered and unencumbered asset breakdowns as meaningful to users of Pillar 3 data, providing a preliminary overview on the extent to which a bank's assets remain available to creditors in the event of insolvency. The Committee is thus proposing the introduction of a new template which would require banks to disclose information on their encumbered and unencumbered assets.

3. New disclosure requirements on capital distribution constraints

The Committee is also proposing disclosure requirements to provide users of Pillar 3 data with information on the capital ratio of a bank that would result in national supervisors imposing constraints on capital distributions. The disclosure would primarily enable users of Pillar 3 data to make more informed decisions about the risks of coupon cancellation for capital instruments, thereby potentially enhancing both price discovery and market stability.

The Committee is mindful that the proposed disclosure could, under certain circumstances, lead to a bank disclosing its Pillar 2 requirements, which could be deemed by supervisors to be sensitive information. The template thus sets out that the disclosure would be mandatory for banks only when required by their national supervisors.

4. Amendments to the scope of application of disclosures on the composition of regulatory capital

Template CC1 in the March 2017 standard details the composition of a bank's regulatory capital. The Committee is seeking feedback on the advantages and disadvantages of expanding the scope of application of disclosures on the composition of regulatory capital to resolution groups, relative to retaining the current scope of application to the consolidated group.

The above proposals are described more fully below in Part 1. Parts 2 to 10 of this Consultative Document set out the detailed new and revised disclosure requirements.

Question 1: What are respondents' views on the proposed disclosure requirements set out within the Consultative Document?

Question 2: What are respondents' views on the advantages and disadvantages of expanding the scope of application of Template CC1 to resolution groups, relative to retaining its current scope of application to the consolidated group?

The Committee welcomes comments from both Pillar 3 users and preparers on the proposals described in this Consultative Document by 25 May 2018 via the following link: www.bis.org/bcbs/commentupload.htm. All comments will be published on the Bank for International Settlements website unless a respondent specifically requests confidential treatment. When providing comments, respondents are encouraged to indicate clearly the proposed template to which the comments relate, where relevant.

Part 1: Proposals for revised and new disclosure requirements

Part 1 sets out the scope of, and rationale for, the disclosure requirements considered in the third phase review of the Pillar 3 framework. As noted above, the review comprises four elements, which are explained in greater detail below.

1. Revisions and additions to the Pillar 3 framework arising from finalisation of the Basel III post-crisis regulatory reforms

1.1 Revised and additional disclosure requirements for credit risk

The Committee has revised both the standardised approach (SA) and the internal ratings-based (IRB) approach for credit risk under the finalised Basel III framework. The revisions to the SA increase the granularity and risk sensitivity of the framework and reduce the mechanistic reliance on credit ratings. The revisions to the IRB approach remove the use of the advanced IRB (A-IRB) approach for asset classes which are inherently difficult to model, and introduce floored values for IRB parameters that are estimated by banks as inputs to the calculation of their RWA. These include probability of default (PD) floors for both the foundation IRB (F-IRB) and A-IRB approaches, and loss-given-default (LGD) and exposure-at-default (EAD) floors for the A-IRB approach.

As a consequence of the revisions to the SA and IRB frameworks, amendments need to be made to the credit risk templates introduced in the January 2015 and March 2017 standards. Specifically, **Template CR4** (SA – credit risk exposure and credit risk mitigation effect) and **Template CR5** (SA – exposures by asset classes and risk weights) have been amended to reflect the addition of new asset classes (eg introduction of specialised lending asset classes) and updates to risk weights under the revised SA. To provide greater consistency with existing disclosure of credit conversion factors (CCF) for the IRB approaches in the existing Template CR6 (IRB – Credit risk exposures by portfolio and PD range), Template CR5 has also been enhanced to include disclosure requirements for CCF under the SA. **Template CR10** (IRB – specialised lending and equities under the simple risk-weight method) has been amended to remove the disclosure of equity exposures under the IRB approach's simple risk-weight method because such exposures can apply the SA only under the finalised Basel III framework.

In addition to the above-mentioned changes to the existing credit risk templates that reflect revisions to the SA and IRB frameworks, further amendments to the credit risk disclosure requirements are proposed to reflect new disclosure requirements arising from the guidelines on prudential treatment of problem assets issued by the Committee (hereafter "the Guidelines").[6]

It is recommended in the Guidelines that banks use the definitions provided therein for Pillar 3 disclosure on asset quality. Therefore, in addition to the existing Table CRB (Additional disclosure related to the credit quality of assets), a new **Table CRB-A** (Additional disclosure related to prudential treatment of problem assets) has been developed, applicable to banks only when required by their national supervisor, to capture the following disclosures:

(i) The definition used for non-performing exposures (NPEs) and forborne exposures using either the bank's own definition or, as applicable, the definitions within the Guidelines. If the bank's own definition is used, banks would be able to explain the specifics of the definition they are using instead (or as directed by the national supervisor).

[6] *Prudential treatment of problem assets – definitions of non-performing exposures and forbearance*, April 2017, https://www.bis.org/bcbs/publ/d403.pdf.

(ii) Totals for gross carrying value of performing and non-performing exposures and associated accumulated provisions for non-performing impaired exposures, broken down by debt securities, loans and off-balance sheet exposures. Loans should be further disaggregated at least by corporate and retail exposures.

(iii) For NPEs, a further split is suggested for (a) defaulted exposures and/or impaired exposures; (b) exposures that are not defaulted/impaired but are more than 90 days past due; and (c) other exposures for which full repayment is unlikely.

(iv) For forborne exposures, a further split is suggested for (a) performing and non-performing forborne exposures and (b) impaired and non-impaired forborne exposures.

The proposed disclosure requirements are set out below in **Part 2**. When implemented, they will supersede the corresponding disclosure requirements set out in the January 2015 standard. The disclosure requirements' frequency of reporting is not affected by the above revisions.

1.2 Revised disclosure requirements for operational risk

The operational risk framework has been streamlined under the finalised Basel III framework. The advanced measurement approach (AMA) for calculating operational risk capital requirements and the existing three standardised approaches have been replaced with a single risk-sensitive standardised approach to be used by all banks. The revised standardised approach for operational risk determines a bank's operational risk capital requirements based on two components: (i) a financial statement-based measure of a bank's activity and (ii) a measure of a bank's historical losses. Conceptually, it assumes that operational risk increases at a rate commensurate with a bank's activity, and banks which have experienced greater operational risk losses historically are assumed to be more likely to experience operational risk losses in the future.

The Committee has developed one new table (Table ORA) and three new disclosure templates (Templates OR1, OR2 and OR3) to reflect the revised standardised approach for operational risk:

- **Table ORA** (General qualitative information on bank's operational risk framework) requires the qualitative disclosure of a bank's operational risk management framework, including information on a bank's (i) policies, frameworks and guidelines for the management of operational risk; (ii) operational risk measurement system; and (iii) risk mitigation and risk transfer used in its management of operational risk.
- **Template OR1** (Historical losses) requires banks to disclose aggregate operational losses incurred over the past 10 years, based on the account date of incurred losses. The revised standardised approach for operational risk provides that the minimum threshold for including a loss event in the data collection and calculation of average annual losses is €20,000. At national discretion, supervisors may increase the threshold to €100,000. Template OR1 requires banks to disclose losses based on both thresholds and is applicable even for banks whose national supervisor has set the value of the internal loss multiplier (ILM) to one (ie the operational risk capital requirements would be based only on the business indicator component).
- **Template OR2** (Business indicator and subcomponents) requires the banks to disclose their business indicator (BI) and its subcomponents, including any divested activities which have been excluded from the business indicator component (BIC). Under the revised standardised approach for operational risk, banks may request supervisory approval to exclude divested activities from the calculation of the business indicator component, but such exclusions must be disclosed under the Pillar 3 framework.
- **Template OR3** (Minimum required operational risk capital) provides summary information of the banks' operational risk capital computations by requiring the disclosure of the BIC and the

ILM used and the resulting computation of minimum regulatory capital requirements for operational risk.

The new disclosure requirements are set out below in **Part 3**. When implemented, they will supersede the existing operational risk disclosure requirements set out in the June 2004 Pillar 3 framework.

1.3 Revised disclosure requirements for leverage ratio[7]

The finalised Basel III framework revised the leverage ratio standard, introducing a leverage ratio buffer requirement for G-SIBs. To reflect this revision, changes have been made to **Templates LR1** (Summary comparison of accounting assets vs leverage ratio exposure measure) and **Template LR2** (Leverage ratio common disclosure template), which were issued in the March 2017 standard.

The new disclosure requirements[8] are set out below in **Part 4**. When implemented, they will supersede the existing disclosure requirements in the March 2017 standard.

1.4 Revised disclosure requirements for credit valuation adjustments (CVA)

The finalised Basel III framework simplified the measure of CVA risk by developing two simpler approaches, the standardised approach (SA-CVA) and the basic approach (BA-CVA). The BA-CVA relies on exposures that are computed by banks for the purpose of determining their minimum capital requirements for counterparty credit risk, and the SA-CVA relies on CVA sensitivities to a set of risk factors.

The Committee considers it important to provide users of Pillar 3 data with information on the calculation of a bank's CVA capital charge. It proposes to introduce two new qualitative disclosure requirements (Tables CVAA and CVAB) and four new quantitative disclosure requirements (Templates CVA1, CVA2, CVA3 and CVA4), to be completed by banks based on the approach used to compute capital requirements for CVA:

- **Table CVAA** (General qualitative disclosure requirements related to CVA) – The table is mandatory for all banks and requires a bank to provide a qualitative description of its risk management objectives and policies for CVA risk.
- **Template CVA1** (The reduced basic approach for CVA (BA-CVA)) – The table is mandatory for banks having part or all of their CVA risk charges measured according to the reduced version of BA-CVA and requires a bank to disclose, quantitatively, the components of the capital charge under the BA-CVA.
- **Template CVA2** (The full BA-CVA) – The table is mandatory for banks having part or all of their CVA risk charges measured according to the full version of BA-CVA and requires a bank to disclose, quantitatively, the components of the capital charge under the BA-CVA.
- **Table CVAB** (Qualitative disclosures for banks using the SA-CVA), **Templates CVA3** (The standardised approach for CVA) and **CVA4** (RWA flow statements of CVA risk exposures under the SA) – This set of disclosures is mandatory for banks using the SA-CVA and requires a bank to disclose qualitative information regarding the scope, main characteristics and modelling choices used for the sensitivity computation of CVA risks (Table CVAB), the components of the

7 The Committee continues to review incentives that banks have to "window-dress" their balance sheets at period-ends by making changes to their balance sheets. While not covered in this Consultative Document, such review could potentially result in additional changes to the relevant disclosure requirements.

8 See also Template KM1 in Section 1.6.

capital charge under the SA-CVA (Template CVA3) and flow statements explaining variations in capital requirements for CVA risk determined under the SA-CVA (Template CVA4).

When the above disclosure requirements are implemented, they will supersede the existing disclosure requirement in Template CCR2 set out in the January 2015 standard. The templates will not apply to banks which have chosen to set their CVA capital equal to 100% of their capital requirement for counterparty credit risk.[9] The new disclosure requirements are set out below in **Part 5**.

1.5 New disclosure requirements for standardised approach RWA to benchmark internally modelled capital requirements

In the second phase of the Pillar 3 review, the Committee consulted on disclosure requirements for benchmarking the RWA calculated under banks' internal models with those calculated according to the standardised approaches. Final proposals for the disclosure requirements were not included in the March 2017 standard, as they were dependent upon finalisation of the Basel III post-crisis regulatory reforms.

The finalised Basel III framework sets out that banks must disclose information related to the calculation of their RWA under internally modelled and standardised approaches.

The Committee proposes to introduce two new disclosure requirements, Templates BEN1 and BEN2, to reflect this. **Template BEN1** requires the disclosure of RWA calculated according to the standardised approaches as benchmarks to internally modelled RWA at risk level. **Template BEN2** further elaborates on the comparison between RWA computed under the standardised and the internally modelled approaches by focusing on RWA for credit risk at asset class and sub-asset class levels. The new disclosure requirements are set out in **Part 6**. A numerical illustration of how Template BEN1 should be completed is set out below.

Numerical illustration of disclosure of Template BEN1

		a	b	c	d
		RWA			
		Actual RWA calculated under internal models-based approaches	Corresponding standardised approach RWA for column (a)	Actual RWA calculated under standardised approaches	RWA under full standardised approach for benchmarking
1	Credit risk (excluding counterparty credit risk)	50	100	10	110
2	Counterparty credit risk	10	15	0	15
3	Credit valuation adjustment			5	5
4	Securitisation exposures in the banking book	5	8	5	13
5	Market risk	15	30	25	55
6	Operational risk			30	30
7	Residual RWA			10	10
8	Total	80 (a)	153 (b)	85 (c)	238 (d) = (b) + (c)

9 The finalised Basel III framework allows any bank whose aggregate notional amount of non-centrally cleared derivatives is less than or equal to €100 billion to set its CVA capital equal to 100% of the bank's capital requirement for counterparty credit risk.

In the example, the bank has computed an RWA of 80 for its exposures subject to internally modelled approaches, which, if computed using the corresponding standardised approaches, would result in an RWA of 153. The bank has also computed an RWA of 85 for its exposures subject to the standardised approaches. When combined, it results in a benchmarking RWA of 238 (153 + 85).

1.6 Revised disclosure requirements on overview of risk management, key prudential metrics and RWA

Revisions will also be made to the following templates, arising from the list of changes above:

- **Template OV1** (Overview of RWA), introduced in the January 2015 Phase I standard and enhanced in the March 2017 Phase II standard, has been revised to require the disclosure of the level of aggregate capital floor applied by the bank and the resultant floor adjustment (before and after the application of the transitional cap).
- **Template KM1** (Key metrics), introduced in the March 2017 standard, has been updated to require the disclosure of (i) leverage ratios (including and excluding the impact of any applicable temporary exemption of central bank reserves) and (ii) the disclosure of capital ratios that exclude the output floor in the computation of RWA.

  The new disclosure requirements are set out in **Part 7**.

2. New disclosure requirements on asset encumbrance

Transactions conducted by banks could possibly give rise to encumbered assets, for instance:

- secured financing transactions, including repurchase contracts and arrangements, securities lending, collateral swaps and other forms of secured lending;
- collateral agreements, eg collateral placed for the market value of derivative transactions;
- collateral placed for financial guarantees received – when there is no impediment to withdrawal of collateral for the unused part of the guarantee, only the used amount of the guarantee gives rise, on a pro rata basis, to the encumbrance of assets;
- collateral placed with clearing systems, central counterparties and other infrastructure institutions as a condition for access to service (including default funds and initial margins);
- underlying assets from securitisation structures, where the financial assets have not been de-recognised from the bank's financial assets; and
- assets in cover pools used for covered bond issuance.

The Committee views disclosure of information by banks on encumbered and unencumbered asset breakdowns as meaningful to users of Pillar 3 data, providing a preliminary overview on the extent to which a bank's assets remain available to creditors in the event of insolvency. The Committee is, however, mindful that the disclosure of assets encumbered due to the banks' transaction with central banks could be sensitive and that such disclosure should not create friction in central banks' monetary operations or provision of liquidity to banks.

Template ENC (Asset encumbrance) would require banks to disclose information on their encumbered and unencumbered assets. The template includes a column, which jurisdictions may include at their discretion, that would require banks to report separately all assets currently used in central bank facilities, irrespective of whether those assets are considered to be encumbered or unencumbered as defined in the disclosure requirement. In jurisdictions which decide not to include the optional column in the disclosure requirements, banks should group any assets used in central bank facilities with other encumbered and unencumbered assets, as appropriate.

The details of the disclosure requirement are set out below in **Part 8**.

3. New disclosure requirements on capital distribution constraints (CDC)

The Basel III framework requires a capital conservation buffer (CCB) of 2.5% of Common Equity Tier (CET1), as well as a G-SIB buffer (where applicable) and/or a countercyclical buffer, which are to be established above a bank's regulatory minimum capital requirements. The framework also requires supervisors to impose CDC on banks when their capital level falls into the capital buffer range, in a manner that increases as the bank's capital is depleted.[10]

The Committee is proposing to introduce a new disclosure template to provide users of Pillar 3 data with information on the capital ratio of a bank which, if breached, would result in national supervisors imposing CDC. The disclosure would enable market participants to make more informed decisions about the risks of coupon cancellation for capital instruments, thereby potentially enhancing both price discovery and market stability.

The new **Template CDC** (Capital distribution constraints) requires banks to disclose the CET1 capital ratios that would trigger CDC, one factoring in CET1 capital used to meet other minimum regulatory capital ratios and one without. In the case of G-SIBs, the disclosure extends to the leverage ratio.[11] The table below provides a numerical illustration of how a bank would disclose its CET1 capital ratios under such a requirement. It assumes a bank that has a CET1 capital ratio of 10%, currently meets the Basel III minimum of 4.5% CET1, has a CCB of 2.5% CET1 and does not have any countercyclical capital buffer or G-SIB buffer requirements. The bank also uses CET1 capital of 1% of its RWA to meet its Basel III minimum of 6% Tier 1 capital ratio. Under the disclosure requirement, the bank will disclose a CDC trigger of 7% (4.5% + 2.5%) in row 1, which does not consider CET1 capital that the bank has used to meet its minimum Tier 1 capital requirement. The bank will disclose a CDC trigger of 8% (4.5% + 2.5% + 1%) in row 2; this reflects the "true" CDC trigger by incorporating the CET1 capital which the bank has used to meet other minimum regulatory capital ratios. By comparing the disclosures in both rows 1 and 2, users of Pillar 3 data will be able to see that the difference of 1% arises because the bank has used its CET1 capital to meet other minimum regulatory capital ratios. As the actual capital ratios disclosed in column (b) are greater than the minimum requirements provided in column (a), users of Pillar 3 data will know that CDC are not triggered for such bank. The details of the disclosure requirement are set out below in **Part 9**.

The Committee is mindful that the disclosure, under certain circumstances, could lead to a bank disclosing its Pillar 2 requirements, which could be deemed by its national supervisor to be sensitive information. In this regard, the template would be mandatory for banks only when required by their national supervisor.

10 *Basel III: A global regulatory framework for more resilient banks and banking systems*, December 2010, http://www.bis.org/publ/bcbs189.pdf.

11 Under the finalised Basel III framework, G-SIBs are subject to a leverage ratio buffer requirement. The leverage ratio buffer requirement will include minimum capital conservation ratios divided into five ranges. CDC will be imposed on a G-SIB which does not meet its leverage ratio buffer requirement.

Numerical illustration of disclosure of Template CDC			
		(a)	(b)
		CET1 capital ratio that would trigger capital distribution constraints (%)	Current CET1 capital ratio (%)
1	CET1 minimum plus Basel III buffers (excluding CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	7%	10%
2	CET1 minimum plus Basel III buffers (including CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	8%	

4. Amendments to the scope of application of disclosures on the composition of regulatory capital

In March 2017, the Committee published revised disclosure requirements on the composition of regulatory capital (Template CC1). Existing disclosure requirements were reformatted to align them with the revised Pillar 3 framework, with only limited changes to link to other templates and to reflect the Committee's TLAC holdings standard.[12] Template CC1 is mandatory for all banks at the consolidated level. Template CC1 is reproduced in **Part 10**.

In its Consultative Document of March 2016, the Committee proposed applying similar disclosure requirements on the composition of capital to each resolution group within a G-SIB.[13] Under the current standard, resolution groups must provide information on the composition of their TLAC, but not on the full composition of regulatory capital. The Committee seeks feedback on the advantages and disadvantages of expanding the scope of Template CC1 to cover not only the regulatory consolidated group level but also each resolution group level.

On the one hand, expanding the scope of Template CC1 would reflect the fact that the TLAC requirements have been designed to fit with the Basel III capital framework. The TLAC ratio partially includes Basel capital resources. The current disclosures of resolution groups (in Template TLAC1) show regulatory capital after regulatory adjustments, but not the detailed composition and calculation of each tier of capital (as in Template CC1). Disclosure of such information by resolution groups may help investors understand the capital positions of resolution groups. It would also facilitate comparison between resolution groups.

On the other hand, the scope of consolidation of a resolution group may not be the same as that applied to banking groups under the Basel framework, particularly in terms of the coverage of group entities (which applies both to multiple-point-of-entry (MPE) and to single-point-of-entry (SPE) resolution strategies, given the different treatment of insurance subsidiaries under both frameworks). In this case, requiring a resolution group to disclose Template CC1 would be artificial, as there is no regulatory capital requirement applied to it at that level. It may also result in a higher disclosure burden for G-SIBs with an MPE resolution strategy compared with those relying on an SPE resolution strategy.

[12] *TLAC holdings*, October 2016, http://www.bis.org/publ/bcbsd387.pdf.

[13] In that Consultative Document, the requirements now published in Template CC1 were subsumed in Template TLAC1, which applied only to G-SIBs and covered the composition of regulatory capital and TLAC resources.

The Committee is particularly interested in feedback from both preparers and users of Pillar 3 data on the advantages and disadvantages of expanding the scope of application of Template CC1 to resolution groups, relative to retaining its current scope of application to the consolidated group.

5. General considerations and presentation

This section sets out some general considerations and presentation extracted from the January 2015 standard and March 2017 standard applicable for the Pillar 3 framework. Please refer to the January 2015 standard and March 2017 for the full set of general considerations and presentation.

5.1 General considerations

5.1.1 Scope of application

Unless otherwise specified, all disclosure requirements proposed in this Consultative Document apply to internationally active banks at the top consolidated level. Where there are exceptions to this general scope of application, they are noted in the scope of application field that precedes all templates and tables.

5.1.2 Frequency and timing of disclosures

The reporting frequencies for the new disclosure requirements described in this Consultative Document are set out in the schedule in Section 7. In line with the January 2015 standard and March 2017 standard, the frequencies vary between quarterly, semiannual and annual reporting. This is a minimum standard of disclosure frequency, and banks may choose (or may be required by their supervisors) to disclose information more frequently.

A bank's Pillar 3 report must be published concurrently with its financial report for the corresponding period. If a Pillar 3 disclosure is required to be published for a period when a bank does not produce any financial report, the disclosure requirement must be published as soon as practicable. However, the time lag must not exceed that allowed to the bank for its regular financial reporting period-ends (eg if a bank reports only annually and its annual financial statements are made available five weeks after the end of the annual reporting period-end, interim Pillar 3 disclosures on a quarterly and/or semiannual basis must be available within five weeks after the end of the relevant quarter or semester).

The March 2017 standard builds on the following points, in terms of the frequency and timing of disclosures:

- **Retrospective disclosures:** In templates which require the disclosure of data points for current and previous reporting periods, the disclosure of the data point for the previous period is not required when a metric for a new standard is reported for the first time unless this is explicitly stated in the disclosure requirement.
- **Disclosures of transitional metrics:** Unless otherwise specified in the disclosure templates, when a bank is under a transitional regime permitted by the standards, the transitional data should be reported unless the bank already complies with the fully loaded requirements. Banks should clearly state whether the figures disclosed are computed on a transitional or fully loaded basis. Where applicable, banks under a transitional regime may separately disclose fully loaded figures in addition to transitional metrics.

- **Reporting periods:** Unless otherwise specified in the disclosure templates, the data required for annual, semiannual and quarterly disclosures should be for the corresponding 12-month, six-month and three-month period, respectively.
- **Electronic reporting:** Banks are encouraged to engage with their national supervisors on the provision of the quantitative disclosure requirements in this standard in a common electronic format that would facilitate the use of the data.

5.1.3 Implementation

A detailed breakdown of the proposed implementation dates of each of the disclosure requirements set out in this Consultative Document appears in the schedule in Section 7. The Committee encourages earlier implementation by large internationally active banks.

5.1.4 Assurance of Pillar 3 data

The information provided by banks in the new disclosure requirements must be subject, at a minimum, to the same level of internal review and internal control processes as the information provided by banks for their financial reporting (ie the level of assurance must be the same as for information provided within the management discussion and analysis part of the financial report).

Banks must establish a formal board-approved disclosure policy for Pillar 3 information that sets out the internal controls and procedures for disclosure of such information. The key elements of this policy should be described in the year-end Pillar 3 report or cross-referenced to another location where they are available. The board of directors and senior management are responsible for establishing and maintaining an effective internal control structure over the disclosure of financial information, including Pillar 3 disclosures. They must also ensure that appropriate review of the disclosures takes place. One or more senior officers of a bank, ideally at board level or equivalent, must attest in writing that Pillar 3 disclosures have been prepared in accordance with the board-agreed internal control processes.

5.1.5 Proprietary and confidential information

The Committee believes that the disclosure requirements set out below strike an appropriate balance between the need for meaningful disclosure and the protection of proprietary and confidential information. In exceptional cases, disclosure of certain items required by Pillar 3 may reveal the position of a bank or contravene its legal obligations by making public information that is proprietary or confidential in nature. In such cases, a bank does not need to disclose those specific items, but must disclose more general information about the subject matter of the requirement instead. It must also explain in the narrative commentary on the disclosure requirement the fact that the specific items of information have not been disclosed and the reasons for this.

5.2 Presentation of disclosure requirements

5.2.1 Templates and tables

The disclosure requirements are presented in the form of either templates or tables. Templates must be completed with quantitative data in accordance with the definitions provided. Tables generally relate to qualitative requirements, but quantitative information is also required in some instances. Banks may choose the format they prefer when presenting the information requested in tables.

5.2.2 Format of templates (fixed/flexible)

When the format of the template is described as <u>fixed</u>, banks must complete the fields in accordance with the instructions given. If a row/column is not considered to be relevant to a bank's activities, or the required information would not be meaningful to users (eg immaterial from a quantitative perspective), the bank may delete the specific row/column from the template, but the numbering of the subsequent rows and columns must not be altered. Banks may add extra rows and extra columns to fixed-format templates if they wish to provide additional detail to a disclosure requirement, but the numbering of prescribed rows and columns in the template must not be altered.

Where the format of a template/table is described as flexible, banks may present the required information either in the format provided in this document or in one that better suits the bank. The format for the presentation of qualitative information in tables is not prescribed. However, where a customised presentation of the information is used, the bank must provide information comparable to that specified in the disclosure requirement (ie at a similar level of granularity as if the template/table were completed as presented in this document).

5.2.3 Signposting

Banks may disclose in a document separate from their Pillar 3 report (eg in a bank's annual report or through published regulatory reporting) the templates/tables with a flexible format, and the fixed-format templates where the criteria in the following paragraph are met. In such circumstances, the bank must signpost clearly in its Pillar 3 report where the disclosure requirements have been published. This signposting in the Pillar 3 report must include:

- the title and number of the disclosure requirement;
- the full name of the separate document in which the disclosure requirement has been published;
- a web link, where relevant; and
- the page and paragraph number of the separate document where the disclosure requirements can be located.

The disclosure requirements for templates with a fixed format may be disclosed by banks in a document other than the Pillar 3 report, provided all of the following criteria are met:

- the information contained in the signposted document is equivalent in terms of presentation and content to that required in the fixed template and allows users to make meaningful comparisons with information provided by banks disclosing the fixed-format templates;
- the information contained in the signposted document is based on the same scope of consolidation as the one used in the disclosure requirement;
- the disclosure in the signposted document is mandatory; and
- the national supervisor responsible for ensuring the implementation of the Basel standards is subject to legal constraints in its ability to require the reporting of duplicative information.

Banks may make use of signposting only if the level of assurance on the reliability of data in the separate document is equivalent to, or greater than, the internal assurance level required for the Pillar 3 report.

5.2.4 Qualitative narrative accompanying the disclosure requirements

Banks are expected to supplement the quantitative information provided in both fixed and flexible templates with a narrative commentary to explain at least any significant changes between reporting periods and any other issues that management considers to be of interest to market participants. The form which this additional narrative takes is at the bank's discretion. The disclosure of such additional information will provide market participants with a broader picture of a bank's risk position and promote market discipline.

6. List of format and frequency of each disclosure requirement

The list below sets out whether the disclosure requirements in this Consultative Document are required in a fixed or flexible format and the proposed frequency of publication of each template and table.

	Tables and templates	Format	Frequency	Implementation date
Part 2 – Credit risk	CRB-A – Additional disclosure related to prudential treatment of problem assets	Flexible	Annual	End-2019
	CR4 – Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects	Fixed	Semiannual	Phase I: End-2016 Phase III: 1 January 2022
	CR5 – Standardised approach – exposures by asset classes and risk weights	Fixed	Semiannual	Phase I: End-2016 Phase III: 1 January 2022
	CR10 – IRB (specialised lending under the slotting approach)	Flexible	Semiannual	Phase I: End-2016 Phase III: 1 January 2022
Part 3 – Operational risk	ORA – General qualitative information on a bank's operational risk framework	Flexible	Annual	1 January 2022
	OR1 – Historical losses	Fixed	Annual	1 January 2022
	OR2 – Business indicator and subcomponents	Fixed	Annual	1 January 2022
	OR3 – Minimum required operational risk capital	Fixed	Annual	1 January 2022
Part 4 – Leverage ratio	LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure	Fixed	Quarterly	Phase II: End-2017 Phase III: 1 January 2022
	LR2 – Leverage ratio common disclosure template	Fixed	Quarterly	Phase II: End-2017 Phase III: 1 January 2022
Part 5 – Credit valuation adjustments	CVA-A – General qualitative disclosure requirements related to CVA *Supersedes Template CCR2 in the January 2015 standard*	Flexible	Annual	Phase I: End-2016 Phase III: 1 January 2022
	CVA-B – Qualitative disclosures for banks using the SA-CVA *Supersedes Template CCR2 in the January 2015 standard*	Flexible	Annual	Phase I: End-2016 Phase III: 1 January 2022
	CVA1 – The reduced basic approach for CVA (BA-CVA) *Supersedes Template CCR2 in the January 2015 standard*	Fixed	Semiannual	Phase I: End-2016 Phase III: 1 January 2022
	CVA2 – The full basic approach for CVA (BA-CVA) *Supersedes Template CCR2 in the January 2015 standard*	Fixed	Semiannual	Phase I: End-2016 Phase III: 1 January 2022
	CVA3 – The standardised approach for CVA (SA-CVA) *Supersedes Template CCR2 in the January 2015 standard*	Fixed	Semiannual	Phase I: End-2016 Phase III: 1 January 2022
	CVA4 – RWA flow statements of CVA risk exposures under the SA *Supersedes Template CCR2 in the January 2015 standard*	Fixed	Quarterly	Phase I: End-2016 Phase III: 1 January 2022
Part 6 – Benchmarking	BEN1 – Benchmarking RWA calculated according to the standardised approaches and impact of capital floor on modelled approaches	Fixed	Quarterly	1 January 2022
	BEN2 – Benchmarking RWA calculated according to the standardised approaches for credit risk (excluding counterparty credit risk) at asset class level	Fixed	Semiannual	1 January 2022
Part 7 – Overview of risk management, key prudential metrics and RWA	OV1 – Overview of RWA	Fixed	Quarterly	Phase I: End-2016 Phase II: End-2018 Phase III: 1 January 2022
	KM1 – Key metrics (at consolidated group level)	Fixed	Quarterly	Phase II: 1 January 2018

	Tables and templates	Format	Frequency	Implementation date
				Phase III: 1 January 2022
Part 8 –Asset encumbrance	ENC – Asset encumbrance	Fixed	Semiannual	End-2019
Part 9 – Capital distribution constraints	CDC – Capital distribution constraints	Flexible	Annual	End-2019[14]
Part 10 - Composition of capital and TLAC	CC1 – Composition of regulatory capital	Fixed	Semi-annual	End-2018[15]

[14] Notwithstanding the implementation date of end-2019 for Template CDC, row 3 (Leverage ratio) of Template CDC needs to be disclosed only from January 2022 onwards.

[15] The Committee may consider changing the implementation date of Template CC1 if amendments are made to the scope of application of the disclosure, following the consultation.

Part 2: Credit risk

Table CRB-A – Additional disclosure related to prudential treatment of problem assets

Purpose: To supplement the quantitative templates with additional information related to non-performing exposures and forbearance.
Scope of application: The table is mandatory for banks only when required by national supervisors at jurisdictional level.
Content: Qualitative and quantitative information (carrying-values corresponding to the accounting values reported in financial statements but according to the regulatory scope of consolidation).
Frequency: Annual.
Format: Flexible.

Banks must provide the following disclosures:	
Qualitative disclosures	
(a)	The bank's own definition of non-performing exposures. The bank should specify in particular if it is using the definition provided in the guidelines on prudential treatment of problem assets (hereafter in this table referred to as the "Guidelines")[1] and provide a discussion on the implementation of its definition, including the materiality threshold used to categorise exposures as past due, the exit criteria of the non-performing category (providing information on a probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the categorisation of corporate and retail loans.
(b)	The bank's own definition of a forborne exposure. The bank should specify in particular if it is using the definition provided in the Guidelines and provide a discussion on the implementation of its definition, including the exit criteria of the restructured or forborne category (providing information on the probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the catagorisation of corporate and retail loans.
Quantitative disclosures	
(c)	Gross carrying value of total performing as well as non-performing exposures, broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures; national supervisors may require additional breakdowns of non-performing exposures, if needed, to enable an understanding of material differences in the level of risk or provision cover among different portfolios (eg retail exposures by secured by real estate/mortages, revolving exposures, small and medium-sized enterprises (SMEs), other retail). Non-performing exposures should in addition be split into: (i) defaulted exposures and/or impaired exposures;[2] (ii) exposures that are not defaulted/impaired exposures but are more than 90 days past due; and (iii) other exposures where there is evidence that full repayment is unlikely without the bank's realisation of collateral (which would include exposures that are not defaulted/impaired and are not more than 90 days past due but for which payment is unlikely without the bank's realisation of collateral, even if the exposures are not past due). Value adjustments and provisions[3] for non-performing exposures should also be disclosed.

[1] https://www.bis.org/bcbs/publ/d403.pdf.

[2] When the accounting framework is IFRS 9, "impaired exposures" are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A. When the accounting framework is US GAAP, "impaired exposures" are those exposures for which credit losses are measured under ASC Topic 326 and for which the bank has recorded a partial write-off/writedown.

[3] Please refer to paragraph 33 of the Guidelines, where it is stated: "these value adjustments and provisions refer to both the allowance for credit losses and direct reductions of the outstanding of an exposure to reflect a decline in the counterparty's creditworthiness". For banks not applying the Guidelines, please refer to the definition of accounting provisions included in Template CR1, which is in line with paragraph 33 of the Guidelines.

(d)	Gross carrying values of restructured/forborne exposures broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures; supervisors may require a more detailed breakdown, if needed, to enable an understanding of material differences in the level of risk among different portfolios (eg retail exposures secured by real estate/mortages, revolving exposures, SMEs, other retail). Exposures should, in addition, be split into performing and non-performing, and impaired and not impaired exposures. Value adjustments and provisions for non-performing exposures should also be disclosed.

Definitions

Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure according to the finalised Basel III framework. On-balance sheet items include loans and debt securities. Off-balance sheet items must be measured according to the following criteria:

(a) Guarantees given – the maximum amount that the bank would have to pay if the guarantee were called. The amount must be gross of any credit conversion factor (CCF) or credit risk mitigation (CRM) techniques.

(b) Irrevocable loan commitments – the total amount that the bank has committed to lend. The amount must be gross of any CCF or CRM techniques. Revocable loan commitments must not be included. The gross value is the accounting value before any allowance/impairments but after considering write-offs. Banks must not take into account any CRM technique.

Template CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

Purpose: To illustrate the effect of CRM (comprehensive and simple approach) on capital requirement calculations under the standardised approach for credit risk. RWA density provides a synthetic metric on the riskiness of each portfolio.

Scope of application: The template is mandatory for banks using the standardised approach for credit risk, regardless of whether a jurisdiction allows the use of external credit ratings for regulatory capital purposes.

Subject to supervisory approval of the immateriality of the asset class, banks that intend to adopt a phased rollout of the IRB approach may apply the standardised approach to certain asset classes. In circumstances where exposures and RWA amounts subject to the standardised approach may be considered to be negligible, and disclosure of this information to users would not provide any meaningful information, the bank may choose not to disclose the template for the exposures treated under the standardised approach. The bank must, however, explain why it considers the information not to be meaningful to users. The explanation must include a description of the exposures included in the respective portfolios and the aggregate total of RWA from such exposures.

When the framework for equity investments in funds enters into force in the jurisdiction, corresponding requirements must not be reported in this template but in Template OV1.

Content: Regulatory exposure amounts.

Frequency: Semiannual.

Format: Fixed. The columns cannot be altered. The rows reflect the asset classes as defined under the finalised Basel III framework. Jurisdictions may add or delete rows to reflect any differences in their implementation of the standardised approach, but the numbering of the prescribed rows must not be altered.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes.

		a	b	c	d	e	f
		Exposures before CCF and CRM		**Exposures post-CCF and post-CRM**		**RWA and RWA density**	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks						
2	Non-central government public sector entities						
3	Multilateral development banks						
4	Banks						
	Of which: securities firms and other financial institutions						
5	Covered bonds						
6	Corporates						

	Of which: securities firms and other financial institutions						
	Of which: specialised lending						
7	Subordinated debt, equity and other capital						
8	Retail						
9	Real estate						
	Of which: general RRE						
	Of which: IPRRE						
	Of which: general CRE						
	Of which: IPCRE						
	Of which: land acquisition, development and construction						
10	Defaulted exposures						
11	Other assets						
12	**Total**						

Definitions

Unless otherwise specified, the paragraph references correspond to the section on standardised approach for credit risk under the finalised Basel III framework.

Rows:

General residential real estate (General RRE): refers to exposures secured by residential real estate where repayment is not materially dependent on cash flows generated by property as set out in paragraphs 63 to 66 of the finalised Basel III framework.

Income-producing residential real estate (IPRRE): refers to exposures secured by residential real estate where repayment is materially dependent on cash flows generated by property as set out in paragraphs 67 and 68 of the finalised Basel III framework.

General commercial real estate (General CRE): refers to exposures secured by commercial real estate where repayment is not materially dependent on cash flows generated by property as set out in paragraphs 69 to 72 of the finalised Basel III framework.

Income-producing commercial real estate (IPCRE): refers to exposures secured by commercial real estate where repayment is materially dependent on cash flows generated by property as set out in paragraph 73 of the finalised Basel III framework.

Land acquisition, development and construction: refers to exposures subject to specific risk weight as set out in paragraphs 74 and 75 of the finalised Basel III framework.

Other assets: refers to assets subject to specific risk weight as set out in paragraphs 95 to 97 of the finalised Basel III framework.

Columns:

Exposures before credit conversion factors (CCF) and CRM – On-balance sheet amount: Banks must disclose the regulatory exposure amount (net of specific provisions, including partial write-offs) under the regulatory scope of consolidation gross of (ie before taking into account) the effect of CRM techniques.

Exposures before CCF and CRM – Off-balance sheet amount: Banks must disclose the exposure value, gross of CCFs and the effect of CRM techniques under the regulatory scope of consolidation.

Exposures post-CCF and post-CRM: This is the amount to which the capital requirements are applied. It is a net credit equivalent amount, after CRM techniques and CCF have been applied.

RWA density: Total risk-weighted assets/exposures post-CCF and post-CRM (ie column (e) / (column (c) + column (d))), expressed as a percentage.

Template CR5: Standardised approach – exposures by asset classes and risk weights

Purpose: To present the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardised approach).

Scope of application: The template is mandatory for banks using the standardised approach.

Subject to supervisory approval of the immateriality of the asset class, banks that intend to adopt a phased rollout of the internal ratings-based (IRB) approach may apply the standardised approach to certain asset classes. In circumstances where exposures and RWA amounts subject to the standardised approach may be considered to be negligible, and disclosure of this information would not provide any meaningful information to users, the bank may choose not to disclose the template for the exposures treated under the standardised approach. The bank must, however, explain why it considers the information not to be meaningful to users. The explanation must include a description of the exposures included in the respective portfolios and the aggregate total of RWA from such exposures.

When the framework for equity investments in funds enters into force in the jurisdiction, corresponding requirements must not be reported in this template but only in Template OV1.

Content: Regulatory exposure amounts.

Frequency: Semiannual.

Format: Fixed. Jurisdictions may add rows and columns to reflect any differences in their implementation of the standardised approach, but the numbering of the prescribed rows must not be altered. Jurisdictions should not delete rows or columns.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks							

		20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
2	Non-central government public sector entities						

		0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
3	Multilateral development banks								

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4	Banks									
	Of which: securities firms and other financial institutions									

		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
5	Covered bonds									

		20%	50%	65%	75%	80%	85%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	Corporates											
	Of which: securities firms and other financial institutions											
	Of which: specialised lending											

		100%	150%	250%[1]	400%[1]	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Subordinated debt, equity and other capital[2]						

		45%	75%	100%	Other	Total credit exposure amount (post CCF and post-CRM)
8	Retail					

[1] The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from the date of implementation set out in paragraph 42 of the IRB section under the finalised Basel III framework. During this phase-in period, the risk weight for equity exposures will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Alternatively, national supervisors may require banks to apply the fully phased-in standardised approach treatment from the date of implementation of this standard. Accordingly, for disclosure purposes, banks that continue to apply the IRB approach during the phase-in period should report their equity exposures in either the 250% or the 400% column, according to whether the respective equity exposures are speculative unlisted equities or all other equities.

[2] For disclosure purposes, banks that use the standardised approach for credit risk during the transitional period should report their equity exposures according to whether they would be classified as "other equity holdings"(250%) or "speculative unlisted equity"(400%). Risk weights disclosed for "speculative unlisted equity exposures" and "other equity holdings" should reflect the actual risk weights applied to these exposures in a particular year (please refer to the respective transitional arrangements set out in footnote 29 of the section on the standardised approach for credit risk under the finalised Basel III framework).

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate																				
	Of which: general RRE																				
	Of which: no loan splitting applied																				
	Of which: loan splitting applied (secured)																				
	Of which: loan splitting applied (unsecured)																				
	Of which: IPRRE																				
	Of which: general CRE																				
	Of which: no loan splitting applied																				
	Of which: loan splitting applied (secured)																				
	Of which: loan splitting applied (unsecured)																				
	Of which: IPCRE																				
	Of which: land acquisition, development and construction																				

		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures					

	0%	20%	100%	1250%	Other	Total

							credit exposure amount (post-CCF and post-CRM)
11	Other assets						

Risk weight	*On-balance sheet gross exposure*	*Off-balance sheet gross exposure (pre-CCF)*	*Weighted average CCF**	*Exposure (post-CCF and post-CRM)*
Less than 40%				
40–70%				
75%				
85%				
90–100%				
105–130%				
150%				
250%				
400%				
1,250%				
Total exposures				

** Weighting is based on off-balance sheet gross exposure (pre-CCF).*

Definitions

Unless otherwise specified, the paragraph references correspond to the section on the standardised approach for credit risk under the finalised Basel III framework.

Loan splitting: refers to the approaches set out in paragraph 65 and 71 of the finalised Basel III framework.

Total credit exposure amount (post-CCF and post-CRM): the amount used for the capital requirements calculation (for both on- and off-balance sheet amounts), therefore net of specific provisions (including partial write-offs) and after CRM techniques and CCF have been applied but before the application of the relevant risk weights.

Defaulted exposures: correspond to the unsecured portion of any loan past due for more than 90 days or represent an exposure to a defaulted borrower, as defined in paragraph 90 of the finalised Basel III framework.

Equity investments in funds: When the framework for banks' equity investments in funds enters into force in the jurisdiction, corresponding requirements must not be reported in this template but only in Template OV1.

Other assets: refers to assets subject to specific risk weighting as set out in paragraphs 95 to 97 of the finalised Basel III framework.

Template CR10: IRB (specialised lending under the slotting approach)

Purpose: To provide quantitative disclosures of banks' specialised lending exposures using the supervisory slotting approach.

Scope of application: The template is mandatory for banks using the supervisory slotting approach. The breakdown by regulatory categories included in the template is indicative, as the data included in the template are provided by banks according to applicable domestic regulation.

Content: Carrying values, exposure amounts and RWA.

Frequency: Semiannual.

Format: Flexible.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

Specialised lending											
Other than HVCRE											
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	Less than 2.5 years			50%							
	Equal to or more than 2.5 years			70%							
Good	Less than 2.5 years			70%							
	Equal to or more than 2.5 years			90%							
Satisfactory				115%							
Weak				250%							
Default				–							
Total											
HVCRE											
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
Strong	Less than 2.5 years			70%							

	Equal to or more than 2.5 years			95%			
Good	Less than 2.5 years			95%			
	Equal to or more than 2.5 years			120%			
Satisfactory				140%			
Weak				250%			
Default				–			
Total							

Definitions

HVCRE: high-volatility commercial real estate.

On-balance sheet amount: banks must disclose the amount of exposure (net of allowances and write-offs) under the regulatory scope of consolidation.

Off-balance sheet amount: banks must disclose the exposure value without taking into account conversion factors and the effect of credit risk mitigation techniques.

Exposure amount: the amount relevant for the capital requirement's calculation, therefore after CRM techniques and CCF have been applied.

Expected losses: amount of expected losses calculated according to paragraphs 144 to 146 of the section on IRB for credit risk of the finalised Basel III framework.

PF: project finance.

OF: object finance.

CF: commodities finance.

IPRRE: income-producing residential real estate.

Part 3: Operational risk

Table ORA: General qualitative information on a bank's operational risk framework

Purpose: To describe the main characteristics and elements of a bank's operational risk management framework.
Scope of application: The table is mandatory for all banks.
Content: Qualitative information.
Frequency: Annual.
Format: Flexible.

Banks must describe:	
(a)	Their policies, frameworks and guidelines for the management of operational risk.
(b)	The structure and organisation of their operational risk management and control function.
(c)	Their operational risk measurement system.
(d)	The scope and main context of their reporting framework on operational risk to executive management and to the board of directors.
(e)	The risk mitigation and risk transfer used in the management of operational risk.

Template OR1: Historical losses

Purpose: To disclose aggregate operational losses incurred over the past 10 years, based on the accounting date of the incurred losses. This disclosure informs the operational risk capital calculation. The general principle on retrospective disclosure set out in Section 5.1.2 does not apply for this template. From the implementation date of the template onwards, disclosure of all prior periods is required, unless firms have been permitted by their supervisor to use fewer years in their capital calculation on a transitional basis.
Scope of application: The table is mandatory for: (i) all banks that are in the second or third business indicator (BI) bucket, regardless of whether their supervisor has exercised the national discretion to set the internal loss multiplier (ILM) equal to one; and (ii) all banks in the first BI bucket which have received supervisory approval to include internal loss data to calculate their operational risk capital requirements.
Content: Quantitative information.
Frequency: Annual.
Format: Fixed.
Accompanying narrative: Banks are expected to supplement the template with narrative commentary explaining the rationale for new loss exclusions since the previous disclosure. In addition, banks must describe recent large losses from operational risk, their context and management. If recoveries are material, banks should make additional disclosures regarding such recoveries, including their amount. Banks should disclose any other material information that would help inform users as to its historical losses.

		a	b	c	d	e	f	g	h	i	j	k
		T	T–1	T–2	T–3	T–4	T–5	T–6	T–7	T–8	T–9	Ten-year average
Using €20,000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions)											
2	Total amount of excluded operational risk losses											
3	Total number of operational risk losses											
4	Total amount of operational losses net of recoveries and net of excluded losses											
Using €100,000 threshold												
5	Total amount of operational losses net of recoveries (no exclusions)											
6	Total amount of excluded operational risk losses											
7	Total number of operational risk losses											
8	Total amount of operational losses net of recoveries and net of excluded losses											
Details of operational risk capital calculation												
9	Are losses used to calculate the ILM											

	(yes/no)?	
10	If “no” in row 9, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	
11	Loss event threshold: €20,000 or €100,000 for the operational risk capital calculation if applicable	

Definitions

Row 1: Based on a loss event threshold of €20,000, the total loss amount net of recoveries resulting from loss events above the loss event threshold for each of the last 10 reporting periods. Losses excluded from the operational risk capital calculation must still be included in this row.

Row 2: Based on a loss event threshold of €20,000, the total net loss amounts above the loss threshold excluded (eg due to divestitures) for each of the last 10 reporting periods.

Row 3: Based on a loss event threshold of €20,000, the total number of operational risk losses.

Row 4: Based on a loss event threshold of €20,000, the total amount or operational risk losses net of recoveries and excluded losses.

Row 5: Based on a loss event threshold of €100,000, the total loss amount net of recoveries resulting from loss events above the loss event threshold for each of the last 10 reporting periods. Losses excluded from the operational risk capital calculation must still be included in this row.

Row 6: Based on a loss event threshold of €100,000, the total net loss amounts above the loss threshold excluded (eg due to divestitures) for each of the last 10 reporting periods.

Row 7: Based on a loss event threshold of €100,000, the total number of operational risk losses.

Row 8: Based on a loss event threshold of €100,000, the total amount or operational risk losses net of recoveries and excluded losses.

Row 9: Indicate whether the bank uses operational risk losses to calculate the ILM. Banks using ILM=1 due to national discretion should answer no.

Row 10: Indicate whether internal loss data are not used in the ILM calculation due to non-compliance with the minimum loss data standards as referred to paragraphs 17 and 18 of the operational risk section of the finalised Basel III framework. The application of any resulting multipliers must be disclosed in row 2 of Template OR3 and accompanied by a narrative.

Row 11: The loss event threshold used in the actual operational risk capital calculation (ie €20,000 or €100,000) if applicable.

Columns: For rows 1 to 8, T denotes the end of the annual reporting period, T–1 the previous year-end, etc. Column (k) refers to the average annual losses net of recoveries and excluded losses over 10 years.

Notes:

Loss amounts and the associated recoveries should be reported in the year in which they were recorded in financial statements.

Template OR2: Business Indicator and subcomponents

Purpose: To disclose the business indicator (BI) and its subcomponents, which inform the operational risk capital calculation. The general principle on retrospective disclosure set out in Section 5.1.2 does not apply for this template. From the implementation date of this template onwards, disclosure of all prior periods is required.
Scope of application: The table is mandatory for all banks.
Content: Quantitative information.
Frequency: Annual.
Format: Fixed.
Accompanying narrative: Banks are expected to supplement the template with narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. Additional narrative is required for those banks that have received supervisory approval to exclude divested activities from the calculation of the BI.

		a	b	c
	BI and its subcomponents	T	T–1	T–2
1	Interest, lease and dividend component			
1a	Interest and lease income			
1b	Interest and lease expense			
1c	Interest earning assets			
1d	Dividend income			
2	Services component			
2a	Fee and commission income			
2b	Fee and commission expense			
2c	Other operating income			
2d	Other operating expense			
3	Financial component			
3a	Net P&L on the trading book			
3b	Net P&L on the banking book			
4	BI			
5	Business indicator component (BIC)			

Disclosure on the BI:

		a
6a	BI gross of excluded divested activities	
6b	Reduction in BI due to excluded divested activities	

Definitions

Row 1: The interest, leases and dividend component (ILDC) = Min [Abs (Interest income – Interest expense); 2.25%* Interest-earning assets] + Dividend income. In the formula, all the terms are calculated as the average over three years: T, T–1 and T–2.

The interest-earning assets (balance sheet item) are the total gross outstanding loans, advances, interest-bearing securities (including government bonds) and lease assets measured at the end of each financial year.

Row 1a: Interest income from all financial assets and other interest income (includes interest income from financial and operating leases and profits from leased assets).

Row 1b: Interest expenses from all financial liabilities and other interest expenses (includes interest expense from financial and operating leases, losses, depreciation and impairment of operating leased assets).

Row 1c: Total gross outstanding loans, advances, interest-bearing securities (including government bonds) and lease assets measured at the end of each financial year.

Row 1d: Dividend income from investments in stocks and funds not consolidated in the bank's financial statements, including dividend income from non-consolidated subsidiaries, associates and joint ventures.

Row 2: Service component (SC) = Max (Fee and commission income; Fee and commission expense) + Max (Other operating income; Other operating expense). In the formula, all the terms are calculated as the average over three years: T, T–1 and T–2.

Row 2a: Income received from providing advice and services. Includes income received by the bank as an outsourcer of financial services.

Row 2b: Expenses paid for receiving advice and services. Includes outsourcing fees paid by the bank for the supply of financial services, but not outsourcing fees paid for the supply of non-financial services (eg logistical, IT, human resources).

Row 2c: Income from ordinary banking operations not included in other BI items but of a similar nature (income from operating leases should be excluded).

Row 2d: Expenses and losses from ordinary banking operations not included in other BI items but of a similar nature and from operational loss events (expenses from operating leases should be excluded).

Row 3: Financial component (FC) = Abs (Net P&L Trading Book) + Abs (Net P&L Banking Book). In the formula, all the terms are calculated as the average over three years: T, T–1 and T–2.

Row 3a: This comprises (i) net profit/loss on trading assets and trading liabilities (derivatives, debt securities, equity securities, loans and advances, short positions, other assets and liabilities); (ii) net profit/loss from hedge accounting; and (iii) net profit/loss from exchange differences.

Row 3b: This comprises (i) net profit/loss on financial assets and liabilities measured at fair value through profit and loss; (ii) realised gains/losses on financial assets and liabilities not measured at fair value through profit and loss (loans and advances, assets available for sale, assets held to maturity, financial liabilities measured at amortised cost); (iii) net profit/loss from hedge accounting; and (iv) net profit/loss from exchange differences.

Row 4: The BI is the sum of the three components: ILDC, SC and FC.

Row 5: The BIC is calculated by multiplying the BI by a set of regulatory determined marginal coefficients (αi). The marginal coefficients increase with the size of the BI: 12% for BI ≤ €1bn; 15% for €1bn < BI ≤ €30bn; and 18% for BI > €30bn.

Disclosure on BI should be reported by banks that have received supervisory approval to excluded divested activities from the calculation of the BI.

Row 6a: The BI reported in this row includes divested activities.

Row 6b: Difference between BI gross of divested activities (row 6a) and BI net of divested activities (row 4).

Columns: T denotes the end of the annual reporting period, T–1 the previous year-end, etc.

Linkages across templates

[OR2:5/a] is equal to [OR3:1]

Template OR3: Minimum required operational risk capital

Purpose: To disclose operational risk regulatory capital requirements.
Scope of application: The table is mandatory for all banks.
Content: Quantitative information.
Frequency: Annual.
Format: Fixed.

1	Business indicator component (BIC)	
2	Internal loss multiplier (ILM)	
3	Minimum required operational risk capital (ORC)	
4	Operational risk RWA	

Definitions

Row 1: The BIC used for calculating minimum regulatory capital requirements for operational risk.

Row 2: The ILM used for calculating minimum regulatory capital requirements for operational risk. Where national jurisdictions choose to exclude losses from the operational risk calculation, the ILM is set equal to one.

Row 3: Minimum Pillar 1 operational risk capital requirements. For banks using operational risk losses to calculate the ILM, this should correspond to the BIC times the ILM. For banks not using operational risk losses to calculate the ILM, this corresponds to the BIC.

Row 4: Converts the minimum Pillar 1 operational risk capital requirement into RWA.

Part 4: Leverage ratio

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

Purpose: To reconcile the total assets in the published financial statements with the leverage ratio exposure measure.
Scope of application: The table is mandatory for all banks.
Content: Quantitative information. The Basel III leverage ratio framework follows the same scope of regulatory consolidation as used for the risk-based capital framework. Disclosures should be reported on a quarter-end basis. However, banks may, subject to approval from or due to requirements specified by their national supervisor, use more frequent calculations (eg daily or monthly averaging). Banks are required to include the basis for their disclosures (eg quarter-end, daily averaging or monthly averaging, or a combination thereof).
Frequency: Quarterly.
Format: Fixed.
Accompanying narrative: Banks are required to disclose and detail the source of material differences between their total balance sheet assets, as reported in their financial statements, and their leverage ratio exposure measure.

		a
1	Total consolidated assets as per published financial statements	
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	
4	Adjustments for temporary exemption of central bank reserves (if applicable)	
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustments for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	
12	Other adjustments	
13	**Leverage ratio exposure measure**	

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on leverage ratio under the finalised Basel III framework.

Row number	Explanation
1	The bank's total consolidated assets as per published financial statements.

2	Where a banking, financial, insurance or commercial entity is outside the regulatory scope of consolidation, only the amount of the investment in the capital of that entity (ie only the carrying value of the investment, as opposed to the underlying assets and other exposures of the investee) shall be included in the leverage ratio exposure measure. However, investments in those entities that are deducted from the bank's CET1 capital or from Additional Tier 1 capital in accordance with paragraphs 84 to 89 of the Basel III framework may also be deducted from the leverage ratio exposure measure. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
3	This row shows the reduction of the leverage ratio exposure measure due to the exclusion of securitised exposures that meet the operational requirements for the recognition of risk transference according to paragraph 24 of the standard *Revisions to the securitisation framework* (revised July 2016). As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
4	Adjustments related to the temporary exclusion of central bank reserves from the leverage ratio exposure measure, if enacted by the supervisor to facilitate the implementation of monetary policies as per paragraph 26 of the finalised Basel III framework. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
5	This row shows the reduction of the consolidated assets for fiduciary assets that are recognised on the bank's balance sheet pursuant to the operative accounting framework and which meet the de-recognition criteria of IAS 39 / IFRS 9 or the IFRS 10 de-consolidation criteria. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting. The adjustment reflects (i) the reverse out of any offsetting between cash receivables for unsettled sales and cash payables for unsettled purchases of financial assets that may be recognised under the applicable accounting framework, and (ii) the offset between those cash receivables and cash payables that are eligible per the criteria specified in paragraph 30 of the finalised Basel III framework. If this adjustment leads to an increase in exposure, it shall be reported as a positive amount. If this adjustment leads to a decrease in exposure, it shall be reported as a negative amount.
7	Adjustments for eligible cash-pooling transactions. The adjustment is the difference between the accounting value of cash-pooling transactions and the treatments specified in paragraph 31 of the finalised Basel III framework. If this adjustment leads to an increase in exposure, it shall be reported as a positive amount. If this adjustment leads to a decrease in exposure, it shall be reported as a negative amount.
8	Adjustments related to derivative financial instruments. The adjustment is the difference between the accounting value of the derivatives recognised as assets and the leverage ratio exposure value as determined by application of paragraphs 32 to 49 of the finalised Basel III framework. If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall disclose this as a negative amount.
9	Adjustments related to Securities Financing Transactions (SFTs) (ie repurchase agreements and other similar secured lending). The adjustment is the difference between the accounting value of the SFTs recognised as assets and the leverage ratio exposure value as determined by application of paragraphs 50 to 56 of the finalised Basel III framework. If this adjustment leads to an increase in the exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall disclose this as a negative amount.
10	The credit equivalent amount of off-balance sheet items determined by applying the relevant credit conversion factors to the nominal value of the off-balance sheet item, as specified in Annex paragraphs 8 to 16 of the finalised Basel III framework. As these amounts increase the total leverage ratio exposure measure, they shall be reported as a positive amount.
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital. This adjustment reduces the leverage ratio exposure measure by the amount of prudent valuation adjustments and by the amount of specific and general provisions that have reduced Tier 1 capital as determined by paragraph 22 and paragraphs 29 and 59, respectively, of the finalised Basel III framework. This adjustment shall be reported as a negative amount.
12	Any other adjustments. If these adjustments lead to an increase in the exposure, institutions shall report this as a positive amount. If these adjustments lead to a decrease in exposure, the institutions shall disclose this as a negative amount.
13	The leverage ratio exposure, which should be the sum of the previous items.

Linkages across templates

[LR1:13/a] is equal to [LR2:24/a] (depending on basis of calculation)

Template LR2: Leverage ratio common disclosure template

Purpose: To provide a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

Scope of application: The table is mandatory for all banks.

Content: Quantitative information. Disclosures should be on a quarter-end basis. However, banks may, subject to approval from or due to requirements specified by their national supervisor, use more frequent calculations (eg daily or monthly averaging). Banks are required to include the frequency of calculation for their disclosures (eg quarter-end, daily averaging or monthly averaging, or a combination thereof).

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks must describe the key factors that have had a material impact on the leverage ratio for this reporting period compared with the previous reporting period.

		a	b
		T	T–1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework		
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)		
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)		
7	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of rows 1 to 6)		
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		
9	Add-on amounts for potential future exposure associated with *all* derivatives transactions		
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**Total derivative exposures (sum of rows 8 to 12)**		
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
17	Agent transaction exposures		
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**		
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount		
20	(Adjustments for conversion to credit equivalent amounts)		
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	**Off-balance sheet items (sum of rows 19 to 21)**		
Capital and total exposures			

23	**Tier 1 capital**		
24	**Total exposures (sum of rows 7, 13, 18 and 22)**		
Leverage ratio			
25	**Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**		
26	**Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)**		
27	**National minimum leverage ratio requirement**		
28	**Applicable leverage buffers**		

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on the leverage ratio under the finalised Basel III framework.

SFTs: transactions such as repurchase agreements, reverse repurchase agreements, securities lending and borrowing, and margin lending transactions, where the value of the transactions depends on market valuations and the transactions are often subject to margin agreements.

Capital measure: The capital measure for the leverage ratio is the Tier 1 capital of the risk-based capital framework as defined in paragraphs 49 to 96 of the Basel III framework taking account of the transitional arrangements.

Row number	Explanation
1	Banks must include all balance sheet assets in their exposure measure, including on-balance sheet derivatives collateral and collateral for SFTs, with the exception of on-balance sheet derivative and SFT assets that are included in rows 8 to 18. Derivatives and SFTs collateral refer to either collateral received or collateral provided (or any associated receivable asset) accounted as a balance sheet asset. Amounts are to be reported in accordance with paragraphs 28, 30 and 31 and, where applicable, paragraphs 24 and 26 of the finalised Basel III framework.
2	Grossed-up amount of any collateral provided in relation to derivative exposures where the provision of that collateral has reduced the value of the balance sheet assets under the bank's operative accounting framework, in accordance with paragraph 38 of the finalised Basel III framework.
3	Deductions of receivable assets in the amount of the cash variation margin provided in derivatives transactions where the posting of cash variation margin has resulted in the recognition of a receivable asset under the bank's operative accounting framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
4	Adjustment for securities received under a securities financing transaction where the bank has recognised the securities as an asset on its balance sheet. These amounts are to be excluded from the exposure measure in accordance with paragraph 51 (i) of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
5	Amounts of general and specific provisions that are deducted from Basel III Tier 1 capital which may be deducted from the exposure measure in accordance with paragraph 29 of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
6	All other balance sheet asset amounts deducted from Tier 1 capital and other regulatory adjustments associated with on-balance sheet assets as specified in paragraph 22 of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
7	Sum of rows 1 to 6.
8	Replacement cost (RC) associated with all derivatives transactions (including exposures resulting from direct transactions between a client and a CCP where the bank guarantees the performance of its clients' derivative trade exposures to the CCP). Where applicable, in accordance with the finalised Basel III framework, net of cash variation margin received (as set out in paragraph 40 of the finalised Basel III framework), and with bilateral netting (as set out in Annex paragraphs 4 and 5 of the finalised Basel III framework). This amount should be reported with the 1.4 alpha factor applied as specified in paragraph 34 of the finalised Basel III framework.
9	Add-on amount for the potential future exposure (PFE) of all derivative exposures calculated in accordance with paragraph 34 and Annex paragraph 3 of the revised Basel III leverage ratio framework. This amount should be reported with the 1.4 alpha factor applied as specified in paragraph 34 of the finalised Basel III framework.
10	Trade exposures associated with the CCP leg of derivatives transactions resulting from client-cleared transactions or which the clearing member, based on the contractual arrangements with the client, is not obligated to reimburse the client in respect of any losses suffered due to changes in the value of its transactions in the event that a qualifying central counterparty (QCCP) defaults. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
11	The effective notional amount of written credit derivatives which may be reduced by the total amount of negative changes in fair value amounts that have been incorporated into the calculation of Tier 1 capital with respect to written credit derivatives according to paragraph 45 of the finalised Basel III framework.

12	This row comprises: • The amount by which the notional amount of a written credit derivative is reduced by a purchased credit derivative on the same reference name according to paragraph 45 of the finalised Basel III framework. • The deduction of add-on amounts for PFE in relation to written credit derivatives determined in accordance with paragraph 49 of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
13	Sum of rows 8 to 12.
14	The gross amount of SFT assets without recognition of netting, other than novation with QCCPs, determined in accordance with paragraph 51 of the finalised Basel III framework, adjusted for any sales accounting transactions in accordance with paragraph 52 of the finalised Basel III framework.
15	The cash payables and cash receivables of gross SFT assets with netting determined in accordance with paragraph 51 (i), second bullet, of the finalised Basel III framework. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
16	The amount of the counterparty credit risk add-on for SFTs determined in accordance with paragraph 51 (ii) of the finalised Basel III framework.
17	The amount for which the bank acting as an agent in a SFT has provided an indemnity or guarantee determined in accordance with paragraphs 53 to 56 of the finalised Basel III framework.
18	Sum of rows 14 to 17.
19	Total off-balance sheet exposure amounts (excluding off-balance sheet exposure amounts associated with SFT and derivative transactions) on a gross notional basis, before any adjustment for credit conversion factors (CCFs).
20	Reduction in gross amount of off-balance sheet exposures due to the application of CCFs as specified in Annex paragraphs 9 to 16 of the finalised Basel III framework. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
21	Amounts of specific and general provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital, the absolute value of which is not to exceed the sum of rows 19 and 20. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
22	Sum of rows 19 to 21.
23	The amount of Tier 1 capital of the risk-based capital framework as defined in paragraphs 49 to 96 of the Basel III framework taking account of the transitional arrangements.
24	Sum of rows 7, 13, 18 and 22.
25	The Basel III leverage ratio is defined as the Tier 1 capital measure divided by the exposure measure, with this ratio expressed as a percentage.
26	If a bank's leverage ratio exposure measure is subject to a temporary exemption of central bank reserves, this ratio is defined as the Tier 1 capital measure divided by the sum of the exposure measure and the amount of the central bank reserves exemption, with this ratio expressed as a percentage. If the bank's leverage ratio exposure measure is not subject to a temporary exemption of central bank reserves, this ratio will be identical to the ratio reported in row 25.
27	The minimum leverage ratio requirement applicable to the bank. This number will be higher than 3% in the case of a bank belonging to a jurisdiction which has exercised the discretion to exempt central bank reserves from the computation of the leverage ratio requirement.
28	Total applicable leverage buffers. To include the G-SIB leverage ratio buffer requirement and any other applicable buffers.

Linkages across templates (valid only if the relevant rows are all disclosed on a quarter-end basis)

[LR2:23/a] is equal to [KM1:2/a]

[LR2:24/a] is equal to [KM1:13/a]

[LR2:25/a] is equal to [KM1:14/a]

[LR2:26/a] is equal to [KM1:14b/a]

Part 5: Credit valuation adjustments

I. General information about CVA

Table CVAA: General qualitative disclosure requirements related to CVA

Purpose: To provide a description of the risk management objectives and policies for CVA risk.
Scope of application: The table is mandatory for all banks having their CVA risk charges measured according to the BA-CVA or the SA-CVA.
Content: Qualitative information.
Frequency: Annual.
Format: Flexible.

Banks must describe their risk management objectives and policies for CVA risk as follows:	
(a)	Strategies and processes of the bank, which must include an explanation and/or a description of the bank's strategic objectives in undertaking covered transactions activities, as well as the processes implemented to identify, measure, monitor and control the bank's CVA risks, including policies for hedging CVA risk and the strategies/processes for monitoring the continuing effectiveness of hedges.
(b)	The scope and nature of risk reporting and/or measurement systems.
(c)	Whether the bank is eligible and has chosen to set its capital requirement for CVA at 100% of the bank's capital requirement for counterparty credit risk as applicable under the section on minimum capital requirements for CVA risk of the finalised Basel III framework.

II. CVA risk under the reduced basic approach (reduced BA-CVA)

Template CVA1: The reduced basic approach for CVA (BA-CVA)

Purpose: To provide the components of the capital charge under the BA-CVA for CVA risk.
Scope of application: The template is mandatory for banks having part or all of their CVA risk charges measured according to the reduced BA-CVA. The template should be fulfilled with only the amounts obtained from the netting set which are under the reduced BA-CVA.
Content: Capital charge.
Frequency: Semiannual.
Format: Fixed.
Accompanying narrative: Banks must describe the types of hedges they use even if they are not taken into account under the reduced BA-CVA.

		a	b
		Components	Capital charge in BA-CVA
1	Aggregation of systematic components of CVA risk		
2	Aggregation of idiosyncratic components of CVA risk		
3	**Total**		

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on minimum capital requirements for CVA risk under the finalised Basel III framework.

Row number	Explanation
1	*Aggregation of systematic components of CVA risk:* Capital requirement under perfect correlation assumption ($\sum_c SCVA_c$) as per paragraph 12 of the finalised Basel III framework.
2	*Aggregation of idiosyncratic components of CVA risk:* Capital requirement under zero correlation assumption ($\sqrt{\sum_c SCVA_c^{\,2}}$) as per paragraph 12 of the finalised Basel III framework.
3	*Total:* $K_{reduced}$ as per paragraph 12 of the finalised Basel III framework.

Linkages across templates

[CVA1:3/b] is equal to [OV1:10/c]

III. CVA risk under the full basic approach (full BA-CVA)

Template CVA2: The full basic approach for CVA (BA-CVA)

Purpose: To provide the components of the capital charge under the BA-CVA for CVA risk.
Scope of application: The template is mandatory for banks having part or all of their CVA risk charges measured according to the full version of the BA-CVA. The template should be fulfilled with only the amounts obtained from the netting set which are under the full BA-CVA.
Content: Capital charge.
Frequency: Semiannual.
Format: Fixed. Additional rows can be inserted for the breakdown of other risks.
Accompanying narrative: Banks must describe the types of hedges they used (cf the definition of "eligible hedges" in paragraphs 15 to 17 of the section on minimum capital requirements for CVA risk under the finalised Basel III framework).

		a	b
		Components	Capital charge in BA-CVA
1	Aggregation of systematic components of unhedged CVA risk		
2	Aggregation of idiosyncratic components of unhedged CVA risk		
3	K Reduced		
4	Aggregation of systematic components of hedged CVA risk – bank's counterparties and single name hedges		
5	Aggregation of index hedges		
6	Aggregation of idiosyncratic components of hedged CVA risk		
7	Aggregation of misaligned components of indirect hedges		
8	K Hedged		
9	**Total**		

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on minimum capital requirements for CVA risk under the finalised Basel III framework.

Row number	Explanation
1	*Aggregation of systematic components of unhedged CVA risk:* Capital requirement for unhedged CVA risk under perfect correlation assumption ($\sum_c SCVA_c$) as per paragraph 12.
2	*Aggregation of idiosyncratic components of unhedged CVA risk:* Capital requirement for unhedged CVA risk under zero correlation assumption ($\sqrt{\sum_c SCVA_c^{\ 2}}$) as per paragraph 12.
3	*K Reduced:* $K_{reduced}$ as per paragraph 12 of the CVA risk framework.
4	*Aggregation of systematic components of hedged CVA risk – bank's counterparties and single name hedges:* ($\sum_c (SCVA_c - SNH_c)$) as per paragraph 19.
5	*Aggregation of index hedges:* IH as per paragraph 22.
6	*Aggregation of idiosyncratic components of hedged CVA risk:* Aggregation of idiosyncratic components of hedged CVA risk arising from the bank's counterparties and single-name hedges ($\sqrt{\sum_c (SCVA_c - SNH_c)^2}$) as per paragraph 19.
7	*Aggregation of indirect hedges misaligned components of indirect hedges:* Aggregation of the components of indirect hedges that are not aligned with counterparties' credit spreads ($\sqrt{\sum_c HMA_c}$) as per paragraph 19.
8	*K Hedged:* K_{hedged} as per paragraph 19 of the CVA risk framework.
9	*Total:* K_{full} as per paragraph 18 of the CVA risk framework.

Linkages across templates: [CVA2:8/b] is equal to [OV1:10/c]

IV. CVA risk under the standardised approach (SA-CVA)

Table CVAB: Qualitative disclosures for banks using the SA-CVA

Purpose: To provide the scope, the main characteristics and the key modelling choices used for the sensitivity computation of CVA risks.
Scope of application: The table is mandatory for all banks using the SA-CVA to calculate the CVA risk capital requirements.
Content: Qualitative information.
Frequency: Annual.
Format: Flexible.

(A) For regulatory CVA calculations, banks must provide the following information:	
(a)	An exhaustive list and description of the inputs used in the calculation of regulatory CVA (such as the term structure of market-implied PD, market-consensus expected LGD and simulated paths of discounted future exposure).
(b)	A description of the proxy spread methodology used by the bank (such as when it is applied regarding liquidity criteria of the credit default swap market, the algorithms using measures of credit quality, industries and regions, the mapping to single liquid reference, or the more fundamental analyses).
(c)	A description of the cases where the margin period of risk is longer than the supervisory floor.
(d)	A description of the adjustments of the front office/accounting CVA which have been necessary in order to arrive at the prudential CVA.
(e)	A description of the cases where a market implied calibration of volatilities and correlations has not been possible, and replaced by a historical calibration.
(B) Banks must provide the following information on their CVA risk management framework:	
(a)	A description of their CVA risk management framework.
(b)	A description of how senior management is involved in the CVA risk management framework.
(c)	An overview of the governance of the CVA risk management framework (documentation, independent control unit, independent review, independence of the data acquisition from the lines of business).

Template CVA3: The standardised approach for CVA (SA-CVA)

Purpose: To provide the components of the capital charge under the SA-CVA for CVA risk.

Scope of application: The template is mandatory for banks having part or all of their CVA risk charges measured according to the SA-CVA.

Content: Capital charge.

Frequency: Semiannual.

Format: Fixed. Additional rows can be inserted for the breakdown of other risks.

Accompanying narrative: Banks must describe the types of hedges they used (cf the definition of "eligible hedges" in paragraphs 36 to 38 of the section on minimum capital requirements for CVA risk under the finalised Basel III framework)

		a	b
		Total capital charge	Number of counterparties
1	Interest rate risk		
2	Foreign exchange risk		
3	Reference credit spread risk		
4	Equity risk		
5	Commodity risk		
6	Counterparty credit spread risk		
7	**Total (sum of rows 1 to 6)**		
8	*Of which: counterparties with liquid credit spreads*		
9	*Of which: counterparties with proxied credit spreads*		

Linkages across templates

[CVA3:7/a] is equal to [OV1:10/c]

Template CVA4: RWA flow statements of CVA risk exposures under SA-CVA

Purpose: Flow statement explaining variations in capital requirements for CVA risk determined under the SA-CVA.

Scope of application: The template is mandatory for banks using the SA-CVA.

Content: Capital requirements for CVA risk. Changes in capital requirement amounts over the reporting period for each of the key drivers should be based on a bank's reasonable estimation of the figure.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. Factors behind changes could include movements in risk levels, scope changes (eg movement of netting sets between SA-CVA and BA-CVA), acquisition and disposal of business/product lines or entities or foreign currency translation movements.

		a
		Total RWA for CVA risk
1	**Capital requirements for CVA at previous quarter-end**	
2	**Capital requirements for CVA at end of reporting period**	

Linkages across templates

[CVA4 :1/a] is equal to [OV1:10/b]

[CVA4:2/a] is equal to [OV1:10/a]

Part 6: Benchmarking

Template BEN1 – Benchmarking RWA calculated according to the standardised approaches and internally modelled approaches

Purpose: To benchmark full standardised risk-weighted assets (RWA) against modelled RWA that banks have supervisory approval to use in accordance with the finalised Basel III framework. The disclosure provides users with useful comparisons between modelled and standardised RWA, and also provides the full standardised RWA amount to which the floor in the Basel framework is applied.
Scope of application: The template is mandatory for all banks using internal models.
Content: RWA.
Frequency: Quarterly.
Format: Fixed.
Accompanying narrative: Banks are expected to explain the main drivers of difference (eg asset class or sub-asset class of a particular risk category, key assumptions underlying parameter estimations, national implementation differences) between the internally modelled RWA disclosed that are used to calculate their capital ratios and RWA disclosed under the full standardised approach that would be used should the banks not be allowed to use internal models. Explanation should be specific and, where appropriate, might be supplemented with quantitative information. In particular, banks are expected to explain in detail the extent to which they are using each of the three potential approaches (SEC-ERBA, SEC-SA and 1,250% risk weight) for calculating SA RWA for securitisation exposures, and the reasons for this. Banks should explain the main drivers of differences between SA RWA calculated under each of these approaches separately compared with the equivalent internally modelled RWA.

		a	b	c	d
		RWA			
		Actual RWA calculated under internal models-based approaches	Corresponding standardised approach RWA for column (a)	Actual RWA calculated under standardised approaches	RWA under full standardised approach for benchmarking
1	Credit risk (excluding counterparty credit risk)				
2	Counterparty credit risk				
3	Credit valuation adjustment				
4	Securitisation exposures in the banking book				
5	Market risk				
6	Operational risk				
7	Residual RWA				
8	Total				

Definitions and instructions

Rows:

Credit risk (excluding counterparty credit risk) (row 1):

Definition of standardised approach: The standardised approach for credit risk. When calculating the degree of credit risk mitigation, banks must use the simple approach or the comprehensive approach with standard supervisory haircuts. This also includes failed trades and non-delivery-versus-payment transactions as set out in Annex 3 of the Basel II framework (June 2006).

The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from the date of implementation of the finalised Basel III framework. During the phase-in period, the risk weight for equity exposures used to calculate the RWA reported in column (a) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Column (b) should reflect the corresponding RWA for these exposures based on the phased-in standardised approach.

Actual RWA calculated under internal models based approaches (row 1a): For exposures where the RWA is not computed based on the standardised approach described above (ie subject to the credit risk IRB approaches (Foundation Internal Ratings-Based (F-IRB), Advanced Internal Ratings-Based (A-IRB) and supervisory slotting approaches of the credit risk framework). The row excludes all positions subject to the securitisation regulatory framework, including securitisation exposures in the banking book (which are reported in row 4) and capital requirements relating to a counterparty credit risk charge, which are reported in row 2.

Corresponding standardised approach RWA (row 1b): RWA which would otherwise result from applying the above-described standardised approach to the exposures in row 1a.

Actual RWA calculated under standardised approaches (row 1c): RWA for exposures where the bank has applied the standardised approach described above.

RWA under full SA for benchmarking (row 1d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the sum of RWA reported in rows 1b and 1c.

Counterparty credit risk (row 2):

Definition of standardised approach: To calculate the exposure for derivatives, banks must use the standardised approach for measuring counterparty credit risk (SA-CCR). The exposure amounts must then be multiplied by the relevant borrower risk weight using the standardised approach for credit risk to calculate RWA under the standardised approach for credit risk.

Actual RWA calculated under internal models based approaches (row 2a): For exposures where the RWA is not computed based on the standardised approach described above.

Corresponding standardised approach RWA (row 2b): RWA which would otherwise result from applying the above-described standardised approach to the exposures in row 2a.

Actual RWA calculated under standardised approaches (row 2c): RWA for exposures where the bank has applied the standardised approach described above

RWA under full SA for benchmarking (row 2d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the sum of RWA reported in rows 2b and 2c.

Credit valuation adjustment (row 3):

Definition of standardised approach: The standardised approach for CVA (SA-CVA), the basic approach (BA-CVA) or 100% of a bank's counterparty credit risk capital requirements (depending on which approach the bank uses for CVA risk).

Actual RWA calculated under standardised approaches (row 3c) and RWA under full SA for benchmarking (row 3d): RWA according to the standardised approach described above.

Securitisation exposures in the banking book (row 4):

Definition of standardised approach: The external ratings-based approach (SEC-ERBA), the standardised approach (SEC-SA) or a risk-weight of 1,250%.

Actual RWA calculated under internal models based approaches (row 4a): For exposures where the RWA is computed based on the SEC-IRBA or SEC-IAA.

Corresponding standardised approach RWA (row 4b): RWA which would otherwise result from applying the above-described standardised approach to the exposures in row 4a.

Actual RWA calculated under standardised approaches (row 4c): RWA for exposures where the bank has applied the SEC-ERBA, the SEC-SA or a 1,250% risk weight.

RWA under full SA for benchmarking (row 4d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the sum of RWA reported in rows 4b and 4c.

Market risk (row 5):

Definition of standardised approach: The standardised approach for market risk. The SEC-ERBA, SEC-SA or a risk weight of 1,250% must also be used when determining the default risk charge component for securitisations held in the trading book.

Actual RWA calculated under internal models based approaches (row 5a): For exposures where the RWA is not computed based on the standardised approach described above.

Corresponding standardised approach RWA (row 5b): RWA which would otherwise result from applying the above-described standardised approach to the exposures in row 5a.

Actual RWA calculated under standardised approaches (row 5c): RWA for exposures where the bank has applied the standardised approach described above.

RWA under full SA for benchmarking (row 5d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the sum of RWA reported in rows 5b and 5c.

Operational risk (row 6):

Definition of standardised approach: The standardised approach for operational risk.

Actual RWA calculated under standardised approaches (row 6c) and RWA under full SA for benchmarking (row 6d): RWA according to the revised standardised approach for operational risk.

Residual RWA (row 7):

Actual RWA calculated under standardised approaches (row 7c) and RWA under full SA for benchmarking (row 7d): RWA not captured within rows 1 to 6 (ie the RWA arising from equity investments in funds (rows 11 to 14 in Template OV1), settlement risk (row 15 in Template OV1), capital charge for switch between trading book and banking book (row 23 in Template OV1) and amounts below the thresholds for deduction (row 25 in Template OV1)).

Total (row 8):

Actual RWA calculated under internal models-based approaches (row 8a): The total sum of rows 1a, 2a, 4a and 5a.

Corresponding standardised approach RWA for column (a) (row 8b): The total sum of rows 1b, 2b, 4b and 5b.

Actual RWA calculated under standardised approaches (row 8c): The total sum of rows 1c, 2c, 3c, 4c, 5c, 6c and 7c.

RWA under full standardised approach for benchmarking (row 8d): The total sum of rows 1d, 2d, 3d, 4d, 5d, 6d and 7d.

Linkages across templates

[BEN1:1/a+1/c] is equal to [OV1:1/a]

[BEN1:2/a+2/c] is equal to [OV1:6/a]

[BEN1:3/c] is equal to [OV1:10/a]

[BEN1:4/a+4/c] is equal to [OV1:16/a]

[BEN1:5/a+5/c] is equal to [OV1:20/a]

BEN1:5/d] is equal to [MR2:12/a]

[BEN1:6/c] is equal to [OV1:24/a]

Template BEN2 – Benchmarking RWA calculated according to the standardised approach for credit risk (excluding counterparty credit risk) at asset class level

Purpose: To benchmark risk-weighted assets (RWA) calculated according to the standardised approach (SA) for credit risk at the asset class level as a benchmark against the corresponding RWA figure calculated using the approaches (including both the standardised and IRB approach for credit risk and the supervisory slotting approach) that banks have supervisory approval to use in accordance with the Basel regulatory framework for credit risk

Scope of application: The template is mandatory for all banks using internal models for credit risk.

Content: RWA.

Frequency: Semiannual.

Format: Fixed. The columns are fixed, but the portfolio breakdowns in the rows will be set at jurisdiction level to reflect the exposure classes required under national implementation of IRB and SA. Banks are encouraged to add rows to show where significant differences occur.

Accompanying narrative: Banks are expected to explain the main drivers of differences between the internally modelled amounts disclosed that are used to calculate their capital ratios and amounts disclosed should the banks apply the standardised approach. Where differences are attributable to mapping between IRB and SA, banks are encouraged to provide explanation and estimated materiality.

		a	b	c	d
		RWA			
		Actual RWA calculated under internal models-based approaches	Corresponding standardised approach RWA for column (a)	Actual RWA calculated under standardised approaches	RWA under full standardised approach for benchmarking
1	Sovereign				
	Of which: categorised as MDB/PSE in SA				
2	Banks and other financial institutions				
3	Equity[21]				
4	Purchased receivables				
5	Corporates				
	Of which: F-IRB is applied				
	Of which: A-IRB is applied				
6	Retail				
	Of which: qualifying revolving retail				
	Of which: other retail				
	Of which: retail residential mortgages				
7	Specialised lending				
	Of which: income-producing real estate and high volatility commercial real estate				

21 The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from the date of implementation of the revised Basel III framework. During the phase-in period, the risk weight for equity exposures (to be reported in column (a)) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Column (b) should reflect the corresponding RWA for these exposures based on the phased-in standardised approach. After the phase-in period, columns (a) and (b) for equity exposures should both be empty.

8	Others (including funds)				
9	Total				

Definitions and instructions

Columns:

Actual RWA calculated under internal models based approaches (column (a)): Represents the portion of RWA according to the IRB approach for credit risk in accordance with the Basel regulatory framework for risk-based capital requirements and the supervisory slotting approach.

Corresponding standardised approach RWA for column (a) (column (b)): RWA equivalent as derived under the standardised approach.

Actual RWA calculated under standardised approaches (column (c)): Represents the portion of RWA where a bank with supervisory approval to use IRB approach uses the standardised approach for certain exposure (ie partial use) and in cases where the Basel risk-based framework allows or requires use of the standardised approach.

RWA under full SA for benchmarking (column (d)): Total RWA assuming the full standardised approach applied at asset class level. Represents the sum of columns (b) and (c). Disclosed numbers for each asset class are calculated purely for benchmarking purposes and do not represent requirements under the Basel regulatory framework.

Part 7: Overview of risk management, key prudential metrics and RWA

Template OV1: Overview of RWA

Purpose: To provide an overview of total RWA forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts.

Scope of application: The template is mandatory for all banks.

Content: RWA and capital requirements under Pillar 1. Pillar 2 requirements should not be included.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to identify and explain the drivers behind differences in reporting periods T and T–1 where these differences are significant.

When minimum capital requirements in column (c) do not correspond to 8% of RWA in column (a), banks must explain the adjustments made. If the bank uses the internal model method (IMM) for its equity exposures under the market-based approach, it must provide annually a description of the main characteristics of its internal model.

		a	b	c
		RWA		Minimum capital requirements
		T	T–1	T
1	Credit risk (excluding counterparty credit risk)			
2	Of which: standardised approach (SA)			
3	Of which: foundation internal ratings-based (F-IRB) approach			
4	Of which: supervisory slotting approach			
5	Of which: advanced internal ratings-based (A-IRB) approach			
6	Counterparty credit risk (CCR)			
7	Of which: standardised approach for counterparty credit risk			
8	Of which: IMM			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)			
11	Equity exposures in the banking book			
12	Equity investments in funds – look-through approach			
13	Equity investments in funds – mandate-based approach			
14	Equity investments in funds – fall-back approach			
15	Settlement risk			
16	Securitisation exposures in banking book			
17	Of which: securitisation IRB approach (SEC-IRBA)			
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)			
19	Of which: securitisation standardised approach (SEC-SA)			
20	Market risk			
21	Of which: standardised approach (SA)			
22	Of which: internal model approach (IMA)			
23	Capital charge for switch between trading book and banking book			
24	Operational risk			
25	Amounts below the thresholds for deduction (subject to 250% risk weight)			

26	Aggregate capital floor applied			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)			

Definitions and instructions

RWA: risk-weighted assets according to the Basel framework, including the 1.06 scaling factor, and as reported in accordance with the subsequent parts of this standard. Where the regulatory framework does not refer to RWA but directly to capital charges (eg for market risk and operational risk), banks should indicate the derived RWA number (ie by multiplying capital charge by 12.5).

RWA (T–1): risk-weighted assets as reported in the previous Pillar 3 report (ie at the end of the previous quarter).

Minimum capital requirement T: Pillar 1 capital requirements at the reporting date. This will normally be RWA * 8% but may differ if a floor is applicable or adjustments (such as scaling factors) are applied at jurisdiction level.

Row number	Explanation
1	*Credit risk (excluding counterparty credit risk):* RWA and capital requirements according to the credit risk framework in the finalised Basel III framework reported in Part 8 of the Pillar 3 framework; excludes all positions subject to the securitisation regulatory framework, including securitisation exposures in the banking book (which are reported in row 16) and capital requirements relating to a counterparty credit risk charge (which are reported in row 6).
2	*Of which: standardised approach:* RWA and capital requirements according to the credit risk standardised approach.
3 and 5	*Of which: (foundation/advanced) internal rating based approaches:* RWA and capital requirements according to the F-IRB approach and/or A-IRB approach.
4	*Of which: supervisory slotting approach:* RWA and capital requirements according to the supervisory slotting approach.
6 to 8	*Counterparty credit risk:* RWA and capital charges according to the counterparty credit risk framework in the finalised Basel III framework, as reported in Part 9 of the Pillar 3 framework, excluding CVA as reported in row 10.
9	*Of which: other CCR:* RWA and capital charge requirements according to the counterparty credit risk framework in the finalised Basel III framework, as reported in Part 9 of the Pillar 3 framework, excluding CVA as reported in row 10, which do not fall under rows 7 and 8.
10	*Credit valuation adjustment:* RWA and capital charge requirements according to the finalised Basel III framework.
11	*Equity exposure in the banking books: RWA and capital requirements according to the credit risk framework*. Where the regulatory treatment of equities is in accordance with the standardised approach, the corresponding RWA are reported in Template CR4 in Part 8 of the Pillar 3 framework and included in row 2 of this template. See paragraph 42 and footnote 9 for RWA regarding equities in the IRB approach during the phase-in period.
12	*Equity investments in funds – look-through approach:* RWA and capital requirements calculated in accordance with paragraphs 80 (ii) to 80 (v) of the Basel framework as of 1 January 2017.[22]
13	*Equity investments in funds – mandate-based approach:* RWA and capital requirements calculated in accordance with paragraphs 80 (vi) to 80 (vii) of the Basel framework as of 1 January 2017.[23]
14	*Equity investments in funds – fall-back approach:* RWA and capital requirements calculated in accordance with paragraph 80 (viii) of the Basel framework as of 1 January 2017.[24]
15	*Settlement risk:* the amounts correspond to the requirements in Annex 3 of the Basel framework and the third bullet point in paragraph 90 of the Basel III framework.
16 to 19	*Securitisation exposures in banking book:* the amounts correspond to capital requirements applicable to the securitisation exposures in the banking book (Part 10 of the Pillar 3 framework). The RWA amounts must be derived from the capital requirements (which include the impact of the cap in accordance with paragraphs 88 and 89 of the Basel III revision to the securitisation framework, and do not systematically correspond to the RWA reported in Templates SEC3 and SEC4, which are before application of the cap).
20	*Market risk:* the amounts reported in row 20 correspond to the RWA and capital requirements in the market risk framework (Part 11 of the Pillar 3 framework). They also include capital charges for securitisation positions booked in the trading book but exclude the counterparty credit risk capital charges (reported in Part 9 of the Pillar 3 framework and row 6 of this template). The RWA for market risk correspond to the capital charge times 12.5.
21	*Of which: standardised approach:* RWA and capital requirements according to the market risk standardised approach, including capital requirements for securitisation positions booked in the trading book.
22	*Of which: Internal Models Approach:* RWA and capital requirements according to the market risk IMA.
23	*Capital charge for switch between trading book and banking book*: outstanding accumulated capital surcharge imposed on the bank in accordance with paragraphs 27 and 28 of the market risk framework when the total capital charge (across banking book and trading book) of a bank is reduced as a result of the instruments being switched between the trading book and the banking book at the bank's discretion and after their original designation. The outstanding accumulated

[22] See revisions to the Basel framework published in BCBS, *Capital requirements for banks' equity investments in funds*, December 2013.

[23] Ibid.

[24] Ibid.

	capital surcharge takes into account any adjustment due to run-off as the positions mature or expire, in a manner agreed with the supervisor.
24	*Operational risk:* the amounts corresponding to the minimum capital requirements for operational risk in the finalised Basel III framework.
25	*Amounts below the thresholds for deduction (subject to 250% risk weight):* the amounts correspond to items subject to a 250% risk weight according to paragraph 89 of the Basel III framework. They include significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and below the threshold for deduction, after application of the 250% risk weight.
26	*Aggregate capital floor applied:* the aggregate capital floor (expressed as a percentage) applied by the bank in its computation of the floor adjustment value in rows 27 and 28.
27	*Floor adjustment (before the application of transitional cap):* the impact of the capital floor before the application of the transitional cap, based on the aggregate capital floor applied in row 26, in terms of the increase in RWA.
28	*Floor adjustment (after the application of transitional cap):* the impact of the capital floor after the application of the transitional cap, based on the aggregate capital floor applied in row 26, in terms of the increase in RWA. The figure disclosed in this row takes into account the transitional cap (if any) applied by the bank's national supervisor, which will limit the increase in RWA to 25% of the bank's RWA before the application of the aggregate capital floor.
29	The bank's total RWA.

Linkages across templates

Amount in [OV1:2/a] is equal to [CR4:12/e]

Amount in [OV1:3/a] and [OV1:5/a] is equal to the sum of [CR6: Total (all portfolios)/i] + [CR10: Specialised lending total RWA for HVCRE and other than HVCRE]

Amount in [OV1:6/a] is equal to the sum of [CCR1:6/f+CCR2:4/b+CCR8:1/b+CCR8:11/b]

Amount in [OV1:16/c] is equal to the sum of [SEC3:1/n + SEC3:1/o + SEC3:1/p + SEC3:1/q] + [SEC4:1/n + SEC4:1/o + SEC4:1/p + SEC4:1/q]

Amount in [OV1:21/a] is equal to [MR1:12/a]

Amount in [OV1:22/a] is equal to [MR2:11]

Template KM1: Key metrics (at consolidated group level)

Purpose: To provide an overview of a bank's prudential regulatory metrics.

Scope of application: The template is mandatory for all banks.

Content: Key prudential metrics related to risk-based capital ratios, leverage ratio and liquidity standards. Banks are required to disclose each metric's value using the corresponding standard's specifications for the reporting period-end (designated by T in the template below) as well as the four previous quarter-end figures (T–1 to T–4). All metrics are intended to reflect actual bank values for (T), with the exception of "fully loaded ECL" metrics, the leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) and metrics designated as "pre-floor" which may not reflect actual values.

Frequency: Quarterly.

Format: Fixed. If banks wish to add rows to provide additional regulatory or financial metrics, they must provide definitions for these metrics and a full explanation of how the metrics are calculated (including the scope of consolidation and the regulatory capital used if relevant). The additional metrics must not replace the metrics in this disclosure requirement.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change in each metric's value compared with previous quarters, including the key drivers of such changes (eg whether the changes are due to changes in the regulatory framework, group structure or business model).

Banks that apply transitional arrangement for ECL are expected to supplement the template with the key elements of the transition they use.

		a	b	c	d	e
		T	T–1	T–2	T–3	T–4
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)					
1a	Fully loaded ECL accounting model					
2	Tier 1					
2a	Fully loaded ECL accounting model Tier 1					
3	Total capital					
3a	Fully loaded ECL accounting model total capital					
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)					
4a	Total risk-weighted assets (pre-floor)					
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)					
5a	Fully loaded ECL accounting model CET1 (%)					
5b	CET1 ratio (%) (pre-floor ratio)					
6	Tier 1 ratio (%)					
6a	Fully loaded ECL accounting model Tier 1 ratio (%)					
6b	Tier 1 ratio (%) (pre-floor ratio)					
7	Total capital ratio (%)					
7a	Fully loaded ECL accounting model total capital ratio (%)					
7b	Total capital ratio (%) (pre-floor ratio)					
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)					

9	Countercyclical buffer requirement (%)					
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)					
12	CET1 available after meeting the bank's minimum capital requirements (%)					
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure					
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)					
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)					
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)					
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets (HQLA)					
16	Total net cash outflow					
17	LCR ratio (%)					
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio					

Instructions

Row number	Explanation
4a	For *pre-floor total RWA*, the disclosed amount should exclude any adjustment made to total RWA from the application of the capital floor.
5a, 6a, 7a, 14a	For fully loaded ECL ratios (%) in rows 5a, 6a, 7a and 14a, the denominator (RWA, Basel III leverage ratio exposure measure) is also "Fully loaded ECL", ie as if ECL transitional arrangements were not applied.
5b, 6b, 7b	For *pre-floor risk based ratios* in rows 5b, 6b and 7b, the disclosed ratios should exclude the impact of the capital floor in the calculation of RWA.
12	*CET1 available after meeting the bank's minimum capital requirements (as a percentage of RWA)*: it may not necessarily be the difference between row 5 and the Basel III minimum CET1 requirement of 4.5% because CET1 capital may be used to meet the bank's Tier 1 and/or total capital ratio requirements. See instructions to [CC1:68/a].
13	*Total Basel III leverage ratio exposure measure:* according to specifications set out in Part 6 on the leverage ratio. The amounts may reflect period-end values or averages depending on local implementation.
15	*Total HQLA:* total adjusted value according to the specifications set out in Part 7 on liquidity, using simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days).
16	*Total net cash outflow:* total adjusted value according to the specifications set out in Part 7 on liquidity, using simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days).

Linkages across templates

Amount in [KM1:1/a] is equal to [CC1:29/a]

Amount in [KM1:2/a] is equal to [CC1:45/a]

Amount in [KM1:3/a] is equal to [CC1:59/a]

Amount in [KM1:4/a] is equal to [CC1:60/a] and is equal to [OV1.29/a]

Amount in [KM1:4a/a] is equal to ([OV1.29/a] – [[OV1.28/a])

Amount in [KM1:5/a] is equal to [CC1:61/a]

Amount in [KM1:6/a] is equal to [CC1:62/a]

Amount in [KM1:7/a] is equal to [CC1:63/a]

Amount in [KM1:8/a] is equal to [CC1:65/a]

Amount in [KM1:9/a] is equal to [CC1:66/a]

Amount in [KM1:10/a] is equal to [CC1:67/a]

Amount in [KM1:12/a] is equal to [CC1:68/a]

Amount in [KM1:13/a] is equal to [LR2:24/a] (only if the same calculation basis is used)

Amount in [KM1:14/a] is equal to [LR2:25/a] (only if the same calculation basis is used)

Amount in [KM1:14b/a] is equal to [LR2:26/a] (only if the same calculation basis is used)

Amount in [KM1:15/a] is equal to [LIQ1:21/b]

Amount in [KM1:16/a] is equal to [LIQ1:22/b]

Amount in [KM1:17/a] is equal to [LIQ1:23/b]

Amount in [KM1:18/a] is equal to [LIQ2:14/e]

Amount in [KM1:19/a] is equal to [LIQ2:33/e]

Amount in [KM1:20/a] is equal to [LIQ2:34/e]

Part 8: Asset encumbrance

Template ENC: Asset encumbrance

Purpose: To provide the amount of encumbered and unencumbered assets.

Scope of application: The template is mandatory for all banks.

Content: Carrying amount for encumbered and unencumbered assets on the balance sheet using period-end values. Banks must use the specific definition of "encumbered assets" set out in the instructions below in making the disclosure. The scope of consolidation for the purposes of this disclosure requirement should be a bank's regulatory scope of consolidation, but including its securitisation exposures.

Frequency: Semiannual

Format: Fixed.

Banks should always complete columns (d), (h) and (i). Supervisors may separately, require the breakdown of column (d) by types of transaction (illustrated with examples as per columns (a), (b) and (c) below), and/or require the breakdown of column (h) into categories of unencumbered assets (illustrated with examples as per columns (e), (f) and (g) below). Supervisors may also provide guidance on the treatment of some assets as encumbered or unencumbered (eg central bank facilities, assets that secure transactions or facilities in excess of minimum requirements).

Irrespective of whether breakdowns of banks' encumbered and unencumbered assets by transaction type and category are required, supervisors may require banks to disclose, separately, assets supporting central bank facilities. This is illustrated by the "optional" column in the template below.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain (i) any significant change in the amount of encumbered and unencumbered assets from the previous disclosure; (ii) as applicable, any definition of the amounts of encumbered and/or unencumbered assets broken down by types of transaction/category; and (iii) any other relevant information necessary to understand the context of the disclosed figures. When a separate column for central bank facilities is used, banks should describe the types of assets and facilities included in this column.

	a	b	c	d		e	f	g	h	i
	Encumbered assets				**[Optional]** Central bank facilities	**Unencumbered assets**				**Total**
	Transaction Type 1 [eg covered bonds]	Transaction Type 2 [eg securitisations]	Transaction Type 3 [eg other]	Total		Category 1 [eg readily available for encumbrance]	Category 2 [eg other assets that are capable of being encumbered]	Category 3 [eg cannot be encumbered]	Total	
The assets on the balance sheet would be disaggregated; there can be as much disaggregation as desired										

Definitions

The definitions are specific to this template and are not applicable for other parts of the Basel framework.

Encumbered assets: Encumbered assets are assets which the bank is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations. When the optional column on central bank facilities is used, encumbered assets exclude central bank facilities.

Unencumbered assets: Unencumbered assets are assets which do not meet the definition of encumbered. When the optional column on central bank facilities is used, unencumbered assets exclude central bank facilities.

Central bank facilities: Assets in use to secure transactions, or remaining available to secure transactions, in any central bank facility, including facilities used for monetary policy, liquidity assistance or any other and ad hoc funding facilities.

Instructions

Total (in column (i)): Sum of encumbered and unencumbered assets, and central bank facilities where relevant. The scope of consolidation for the purposes of this disclosure requirement should be based on a bank's regulatory scope of consolidation, but including its securitisation exposures.

Part 9: Capital distribution constraints

Template CDC: Capital distribution constraints

Purpose: To provide disclosure of the capital ratio(s) that trigger capital distribution constraints as required under the Basel framework (ie risk-based, leverage, etc) to allow meaningful assessment by market participants of the likelihood of capital distributions becoming restricted.

Scope of application: The table is mandatory for banks only when required by national supervisors. Where applicable, the template may include additional rows to accommodate other national requirements that could trigger capital distribution constraints.

Content: Quantitative information. Includes the CET1 capital ratio that would trigger capital distribution constraints when considering (i) only CET1 capital that banks must maintain to meet the minimum CET1 capital ratio, applicable risk-based buffer requirements (ie capital conservation buffer, G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required); (ii) only CET1 capital that banks must maintain to meet the minimum regulatory capital ratios (including CET1 capital used to meet Tier 1 capital, total capital and TLAC[25] requirements), applicable risk-based buffer requirements (ie capital conservation buffer, G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required); and (iii) the leverage ratio inclusive of leverage ratio buffer requirement.

Frequency: Annual.

Format: Flexible. Jurisdictions may add rows to supplement the disclosure to include other requirements that trigger capital distribution constraints.

Accompanying narrative: In cases where capital distribution constraints have been imposed, banks should describe the constraints imposed. In addition, banks shall provide a link to the supervisors' or regulators' website, where the characteristics of the relevant jurisdictions' national requirements governing capital distribution constraints are set out (eg stacking hierarchy of buffers, relevant time frame between breach of buffer and application of constraints, definition of earnings and distributable profits used to calculate restrictions). Further, banks may choose to provide any additional information they consider to be relevant for understanding the stated figures.

		(a)		(b)
		CET1 capital ratio / leverage ratio that would trigger capital distribution constraints (%)		**Current CET1 capital ratio / leverage ratio (%)**
1	**CET1 minimum plus Basel III buffers (excluding CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)**			
2	**CET1 minimum plus Basel III buffers (including CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)**			
3	***[Applicable only for G-SIBs]*** ***Leverage ratio***			

25 The TLAC holdings standard states that Common Equity Tier 1 must first be used to meet the minimum capital and TLAC requirements if necessary (including the 6% Tier 1, 8% total capital and 18% TLAC requirements), before the remainder can contribute to the capital conservation buffer.

Instructions

Row number	Explanation
1	*CET1 minimum plus Basel III buffers (excluding CET1 capital used to meet other minimum regulatory capital/TLAC ratios):* CET1 capital ratio which would trigger capital distribution constraints, should the bank's CET1 capital ratio fall below this level. The ratio takes into account only CET1 capital that banks must maintain to meet the minimum CET1 capital ratio (4.5%), applicable risk-based buffer requirements (ie capital conservation buffer (2.5%), G-SIB surcharge (for G-SIBs) and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required). The ratio does not take into account instances where the bank has used its CET1 capital to meet its other minimum regulatory ratios (ie Tier 1 capital, total capital and/or TLAC requirements), which could increase the CET1 capital ratio which the bank has to meet in order to prevent capital distribution constraints from being triggered.
2	*CET1 minimum plus Basel III buffers (including CET1 capital used to meet other minimum regulatory capital/TLAC ratios):* CET1 capital ratio which would trigger capital distribution constraints, should the bank's CET1 capital ratio fall below this level. The ratio takes into account only CET1 capital that banks must maintain to meet the minimum regulatory capital ratios (ie CET1, Tier 1, total capital requirements and TLAC requirements), applicable risk-based buffer requirements (ie capital conservation buffer (2.5%), leverage ratio buffer requirement (for G-SIBs) and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required).
3	*Leverage ratio: Leverage* ratio which would trigger capital distribution constraints, should the bank's leverage ratio fall below this level.

Linkages across templates

Amount in [CDC1:1/b] is equal to [KM1:5/a]

Amount in [CDC1:3/b] is equal to [KM1:14/a]

Part 10: Template CC1 (reproduced from March 2017 standard)

Template CC1: Composition of regulatory capital

Purpose: Provide a breakdown of the constituent elements of a bank's capital (after the transition period for the phasing-in of deductions ends on 1 January 2018).
Scope of application: The template is mandatory for all banks at the consolidated level. It must be completed from the earlier of: (i) when banks have fully applied the Basel III deductions in advance of 1 January 2018 (ie before the end of transition period); or (ii) the end of transition period. In the case of (i), banks must clearly disclose the fact that they are using this template because they have fully applied the Basel III deductions.
Content: Breakdown of regulatory capital according to the scope of regulatory consolidation
Frequency: Semiannual.
Format: Fixed.
Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such change.

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus		(h)
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)		
4	*Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)*		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	**Common Equity Tier 1 capital before regulatory adjustments**		
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudent valuation adjustments		
8	Goodwill (net of related tax liability)		(a) minus (d)
9	Other intangibles other than mortgage servicing rights (net of related tax liability)		(b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		
11	Cash flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework[26])		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined benefit pension fund net assets		
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in the common stock of banking, financial and insurance		

[26] See *Basel III document – Revisions to the securitisation framework*, December 2014 (rev July 2016), www.bis.org/bcbs/publ/d374.pdf.

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
	entities that are outside the scope of regulatory consolidation (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		(c) minus (f) minus 10% threshold
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		
23	Of which: significant investments in the common stock of financials		
24	Of which: mortgage servicing rights		
25	Of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	**Total regulatory adjustments to Common Equity Tier 1**		
29	**Common Equity Tier 1 capital (CET1)**		
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus		(i)
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	*Directly issued capital instruments subject to phase-out from additional Tier 1*		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	*Of which: instruments issued by subsidiaries subject to phase-out*		
36	Additional Tier 1 capital before regulatory adjustments		
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments		
38	Reciprocal cross-holdings in additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation		
41	National specific regulatory adjustments		
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	**Total regulatory adjustments to additional Tier 1 capital**		
44	**Additional Tier 1 capital (AT1)**		
45	**Tier 1 capital (T1 = CET1 + AT1)**		
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	*Directly issued capital instruments subject to phase-out from Tier 2*		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	*Of which: instruments issued by subsidiaries subject to phase-out*		
50	Provisions		
51	**Tier 2 capital before regulatory adjustments**		
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities		
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously		

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
	designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)		
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
57	**Total regulatory adjustments to Tier 2 capital**		
58	**Tier 2 capital (T2)**		
59	**Total regulatory capital (TC = T1 + T2)**		
60	**Total risk-weighted assets**		
	Capital ratios and buffers		
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**		
62	**Tier 1 (as a percentage of risk-weighted assets)**		
63	**Total capital (as a percentage of risk-weighted assets)**		
64	**Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**		
65	Of which: capital conservation buffer requirement		
66	Of which: bank-specific countercyclical buffer requirement		
67	Of which: higher loss absorbency requirement		
68	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**		
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)		
70	National Tier 1 minimum ratio (if different from Basel III minimum)		
71	National total capital minimum ratio (if different from Basel III minimum)		
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	*Current cap on CET1 instruments subject to phase-out arrangements*		
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*		
82	*Current cap on AT1 instruments subject to phase-out arrangements*		
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*		
84	*Current cap on T2 instruments subject to phase-out arrangements*		
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*		

Instructions

(i) Rows in italics will be deleted after all the ineligible capital instruments have been fully phased out (ie from 1 January 2022 onwards).

(ii) The reconciliation requirements included in Template CC2 result in the decomposition of certain regulatory adjustments. For example, the disclosure template below includes the adjustment "Goodwill net of related tax liability". The reconciliation requirements will lead to the disclosure of both the goodwill component and the related tax liability component of this regulatory adjustment.

(iii) Shading:

- Each dark grey row introduces a new section detailing a certain component of regulatory capital.
- Light grey rows with no thick border represent the sum cells in the relevant section.
- Light grey rows with a thick border show the main components of regulatory capital and the capital ratios.

Columns

Source: Banks are required to complete column (b) to show the source of every major input, which is to be cross-referenced to the corresponding rows in Template CC2. This is Step 3 as required under the three-step approach to reconciliation as explained and illustrated in paragraphs 23–6 and 44–5 (Annex 2) of *Composition of capital disclosure requirements*, (June 2012).

Rows

Set out in the following table is an explanation of each row of the template above. Regarding the regulatory adjustments, banks are required to report deductions from capital as positive numbers and additions to capital as negative numbers. For example, goodwill (row 8) should be reported as a positive number, as should gains due to the change in the own credit risk of the bank (row 14). However, losses due to the change in the own credit risk of the bank should be reported as a negative number as these are added back in the calculation of CET1.

Row number	Explanation
1	Instruments issued by the parent company of the reporting group that meet all of the CET1 entry criteria set out in paragraph 53 of Basel III. This should be equal to the sum of common stock (and related surplus only) and other instruments for non-joint stock companies, both of which must meet the common stock criteria. This should be net of treasury stock and other investments in own shares to the extent that these are already derecognised on the balance sheet under the relevant accounting standards. Other paid-in capital elements must be excluded. All minority interest must be excluded.
2	Retained earnings, prior to all regulatory adjustments. In accordance with paragraph 52 of Basel III, this row should include interim profit and loss that has met any audit, verification or review procedures that the national supervisor has put in place. Dividends are to be removed in accordance with the applicable accounting standards, ie they should be removed from this row when they are removed from the balance sheet of the bank.
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.
4	Directly issued capital instruments subject to phase-out from CET1 in accordance with the requirements of paragraph 95 of Basel III. This is only applicable to non-joint stock companies. Banks structured as joint stock companies must report zero in this row.
5	Common share capital issued by subsidiaries and held by third parties. Only the amount that is eligible for inclusion in group CET1 should be reported here, as determined by the application of paragraph 62 of Basel III (see Annex 3 of Basel III for example calculation).
6	Sum of rows 1 to 5.
7	Prudential valuation adjustments according to the requirements of paragraphs 698–701 of Basel II (comprehensive version, June 2006), taking into account the guidance set out in *Supervisory guidance for assessing banks' financial instrument fair value practices*, April 2009 (in particular Principle 10).
8	Goodwill net of related tax liability, as set out in paragraphs 67–8 of Basel III.
9	Other intangibles other than mortgage servicing rights (net of related tax liability), as set out in paragraphs 67–8 of Basel III.
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability), as set out in paragraph 69 of Basel III.
11	The element of the cash flow hedge reserve described in paragraphs 71–2 of Basel III.
12	Shortfall of provisions to expected losses as described in paragraph 73 of Basel III.
13	Securitisation gain on sale (as set out in paragraph 562 of the Basel II framework).
14	Gains and losses due to changes in own credit risk on fair valued liabilities, as described in paragraph 75 of Basel III.
15	Defined benefit pension fund net assets, the amount to be deducted as set out in paragraphs 76–7 of Basel III.
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet), as set out in paragraph 78 of Basel III.
17	Reciprocal cross-holdings in common equity, as set out in paragraph 79 of Basel III.
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued share capital, net of eligible short positions and amount above 10% threshold. Amount to be deducted from CET1 calculated in accordance with paragraphs 80–3 of Basel III.
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions and amount above 10% threshold. Amount to be deducted from CET1 calculated in accordance with paragraphs 84–8 of Basel III.
20	Mortgage servicing rights (amount above 10% threshold), amount to be deducted from CET1 in accordance with paragraphs 87–8 of Basel III.
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability), amount to be deducted from CET1 in accordance with paragraphs 87–8 of Basel III.
22	Total amount by which the three threshold items exceed the 15% threshold, excluding amounts reported in rows 19–21,

	calculated in accordance with paragraphs 87–8 of Basel III.
23	The amount reported in row 22 that relates to significant investments in the common stock of financials.
24	The amount reported in row 22 that relates to mortgage servicing rights.
25	The amount reported in row 22 that relates to deferred tax assets arising from temporary differences.
26	Any national specific regulatory adjustments that national authorities require to be applied to CET1 in addition to the Basel III minimum set of adjustments. Guidance should be sought from national supervisors.
27	Regulatory adjustments applied to CET1 due to insufficient additional Tier 1 capital (AT1) to cover deductions. If the amount reported in row 43 exceeds the amount reported in row 36, the excess is to be reported here.
28	Total regulatory adjustments to CET1, to be calculated as the sum of rows 7–22 plus rows 26–7.
29	CET1, to be calculated as row 6 minus row 28.
30	Instruments issued by the parent company of the reporting group that meet all of the AT1 entry criteria set out in paragraph 55 of Basel III and any related stock surplus as set out in paragraph 56 of Basel III. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include AT1 issued by an SPV of the parent company only if it meets the requirements set out in paragraph 65 of Basel III.
31	The amount in row 30 classified as equity under applicable accounting standards.
32	The amount in row 30 classified as liabilities under applicable accounting standards.
33	Directly issued capital instruments subject to phase-out from AT1 in accordance with the requirements of paragraph 94(g) of Basel III.
34	AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties, the amount allowed in group AT1 in accordance with paragraph 63 of Basel III (see Annex 3 of Basel III for example calculation).
35	The amount reported in row 34 that relates to instruments subject to phase-out from AT1 in accordance with the requirements of paragraph 94(g) of Basel III.
36	The sum of rows 30, 33 and 34.
37	Investments in own AT1 instruments, amount to be deducted from AT1 in accordance with paragraph 78 of Basel III.
38	Reciprocal cross-holdings in AT1 instruments, amount to be deducted from AT1 in accordance with paragraph 79 of Basel III.
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity, net of eligible short positions and amount above 10% threshold. Amount to be deducted from AT1 calculated in accordance with paragraphs 80–3 of Basel III.
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions. Amount to be deducted from AT1 in accordance with paragraphs 84–5 of Basel III.
41	Any national specific regulatory adjustments that national authorities require to be applied to AT1 in addition to the Basel III minimum set of adjustments. Guidance should be sought from national supervisors.
42	Regulatory adjustments applied to AT1 due to insufficient Tier 2 capital to cover deductions. If the amount reported in row 57 exceeds the amount reported in row 51, the excess is to be reported here.
43	The sum of rows 37–42.
44	AT1 capital, to be calculated as row 36 minus row 43.
45	Tier 1 capital, to be calculated as row 29 plus row 44.
46	Instruments issued by the parent company of the reporting group that meet all of the Tier 2 capital criteria set out in paragraph 58 of Basel III and any related stock surplus as set out in paragraph 59 of Basel III. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include Tier 2 capital issued by an SPV of the parent company only if it meets the requirements set out in paragraph 65 of Basel III.
47	Directly issued capital instruments subject to phase-out from Tier 2 capital in accordance with the requirements of paragraph 94 (g) of Basel III.
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 32) issued by subsidiaries and held by third parties (amount allowed in group Tier 2), in accordance with paragraph 64 of Basel III.
49	The amount reported in row 48 that relates to instruments subject to phase-out from Tier 2 capital in accordance with the requirements of paragraph 94(g) of Basel III.
50	Provisions included in Tier 2, calculated in accordance with paragraphs 60–1 of Basel III.
51	The sum of rows 46–8 and row 50.
52	Investments in own Tier 2 instruments, amount to be deducted from Tier 2 capital in accordance with paragraph 78 of Basel III.
53	Reciprocal cross-holdings in Tier 2 capital instruments and other TLAC liabilities, amount to be deducted from Tier 2 capital in accordance with paragraph 79 of Basel III (as amended by the TLAC holdings standard).

54	Investments in the capital instruments and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity: amount in excess of the 10% threshold that is to be deducted from Tier 2 capital in accordance with paragraphs 80–3 of Basel III (as amended by the TLAC holdings standard). For non-G-SIBs, any amount reported in this row will reflect other TLAC liabilities not covered by the 5% threshold and that cannot be absorbed by the 10% threshold. For G-SIBs, the 5% threshold is subject to additional conditions; deductions in excess of the 5% threshold are reported instead in 54a.
54a	(This row is for G-SIBs only.) Investments in other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity, previously designated for the 5% threshold but no longer meeting the conditions under paragraph 80a of the TLAC holdings standard, measured on a gross long basis. The amount to be deducted will be the amount of other TLAC liabilities designated to the 5% threshold but not sold within 30 business days, no longer held in the trading book or now exceeding the 5% threshold (eg in the instance of decreasing CET1 capital). Note that, for G-SIBs, amounts designated to this threshold may not subsequently be moved to the 10% threshold. This row does not apply to non-G-SIBs, to whom these conditions on the use of the 5% threshold do not apply.
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions), amount to be deducted from Tier 2 capital in accordance with paragraphs 84–5 of Basel III.
56	Any national specific regulatory adjustments that national authorities require to be applied to Tier 2 capital in addition to the Basel III minimum set of adjustments. Guidance should be sought from national supervisors.
57	The sum of rows 52–6.
58	Tier 2 capital, to be calculated as row 51 minus row 57.
59	Total capital, to be calculated as row 45 plus row 58.
60	Total risk-weighted assets of the reporting group.
61	CET1 ratio (as a percentage of risk-weighted assets), to be calculated as row 29 divided by row 60 (expressed as a percentage).
62	Tier 1 ratio (as a percentage of risk-weighted assets), to be calculated as row 45 divided by row 60 (expressed as a percentage).
63	Total capital ratio (as a percentage of risk-weighted assets), to be calculated as row 59 divided by row 60 (expressed as a percentage).
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets). If an MPE G-SIB resolution entity is not subject to a buffer requirement at that scope of consolidation, then it should enter zero.
65	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the capital conservation buffer, ie banks will report 2.5% here.
66	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the bank-specific countercyclical buffer requirement.
67	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the bank's higher loss absorbency requirement, if applicable.
68	CET1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements. To be calculated as the CET1 ratio of the bank (row 61) less the ratio of RWA of any common equity used to meet the bank's CET1, Tier 1 and total minimum capital requirements. For example, suppose a bank has 100 RWA, 10 CET1 capital, 1.5 additional Tier 1 capital and no Tier 2 capital. Since it does not have any Tier 2 capital, it will have to earmark its CET1 capital to meet the 8% minimum capital requirement. The net CET1 capital left to meet other requirements (which could include Pillar 2, buffers or TLAC requirements) will be 10 – 4.5 – 2 = 3.5.
69	National CET1 minimum ratio (if different from Basel III minimum). Guidance should be sought from national supervisors.
70	National Tier 1 minimum ratio (if different from Basel III minimum). Guidance should be sought from national supervisors.
71	National total capital minimum ratio (if different from Basel III minimum). Guidance should be sought from national supervisors.
72	Investments in the capital instruments and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued common share capital of the entity (in accordance with paragraphs 80–3 of Basel III, as amended by the TLAC holdings standard).
73	Significant investments in the common stock of financial entities, the total amount of such holdings that are not reported in row 19 and row 23.
74	Mortgage servicing rights, the total amount of such holdings that are not reported in row 20 and row 24.
75	Deferred tax assets arising from temporary differences, the total amount of such holdings that are not reported in row 21 and row 25.
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach, calculated in accordance with paragraph 60 of Basel III, prior to the application of the cap.

77	Cap on inclusion of provisions in Tier 2 capital under the standardised approach, calculated in accordance with paragraph 60 of Basel III.
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to the internal ratings-based approach, calculated in accordance with paragraph 61 of Basel III, prior to the application of the cap.
79	Cap on inclusion of provisions in Tier 2 capital under the internal ratings-based approach, calculated in accordance with paragraph 61 of Basel III.
80	Current cap on CET1 instruments subject to phase-out arrangements; see paragraph 95 of Basel III.
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities); see paragraph 95 of Basel III.
82	Current cap on AT1 instruments subject to phase-out arrangements; see paragraph 94(g) of Basel III.
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities); see paragraph 94(g) of Basel III.
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements; see paragraph 94(g) of Basel III.
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities); see paragraph 94(g) of Basel III.

In general, to ensure that the templates remain comparable across jurisdictions there should be no adjustments to the version banks use to disclose their regulatory capital position. However, the following exceptions apply to take account of language differences and to reduce the reporting of unnecessary information:

- The template and explanatory table above can be translated by national authorities into the relevant national language(s) that implement the Basel standards. The translated version of the template will retain all of the rows included in the template.
- For the explanatory table, the national version can reference the national rules that implement the relevant sections of Basel III.
- Banks are not permitted to add, delete or change the definitions of any rows from the reporting template implemented in their jurisdiction. This is irrespective of the concession allowed in paragraph 17 of the revised Pillar 3 disclosure requirements issued in January 2015 that banks may delete the specific row/column from the template if such row/column is not considered to be relevant to the banks' activities or the required information would not be meaningful to the users, and will prevent a divergence of templates that could undermine the objectives of consistency and comparability.
- The national version of the template must retain the same row numbering used in the first column of the template above, such that users of Pillar 3 data can easily map the national templates to the common version above. However, the template includes certain rows that reference specific national regulatory adjustments (rows 26, 41 and 56). The relevant national authority should insert rows after each of these to provide rows for banks to disclose each of the relevant national specific adjustments (with the totals reported in rows 26, 41 and 56). The insertion of any rows must leave the numbering of the remaining rows unchanged, eg rows detailing national specific regulatory adjustments to CET1 could be labelled row 26a, row 26b etc, to ensure that the subsequent row numbers are not affected.
- In cases where the national implementation of Basel III applies a more conservative definition of an element listed in the template above, national authorities may choose between two approaches:
  - Approach 1: in the national version of the template, maintain the same definitions of all rows as set out in the template above, and require banks to report the impact of the more conservative national definition in the designated rows for national specific adjustments (ie rows 26, 41 and 56).
  - Approach 2: in the national version of the template, use the definitions of elements as implemented in that jurisdiction, clearly labelling them as being different from the Basel III minimum definition, and require banks to separately disclose the impact of each of these different definitions in the notes to the template.

  The aim of both approaches is to provide all the information necessary to enable users of Pillar 3 data to calculate the capital of banks on a common basis.