Basel III monitoring (as of 30 June 2015): accompanied qualitative questionnaire for IRRBB

General questions	
Q-1	Some products might be rate-sensitive but contain non-rate sensitive options (eg linkage to inflation, equity, commodities or other price indices). Does your bank have these products? If yes, which products are those and are they regarded to be material, ie they form at least one percent of the total notional repricing cash flows? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, a list of those products and an indication of their materiality is given in the "remarks" column - 2: no, our bank does not have those products
Q-2	Has your bank been able to compute notional repricing cash flows as stated in the IRRBB consultative document directly or has your bank had to use a proxy (eg another kind of cash flows, extrapolate cash flows from sensitivities or other methods)? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: notional repricing cash flows - 2: contractual cash flows - 3: other kind of cash flows (eg cash flows based on a liquidity risk view, other bank-specific methods to slot cash flows based on an interest rate risk view) - 4: extrapolation (eg *reverse engineered* from sensitivity measures) - 5: a combination of 1 to 4 above. A description is given in the "remarks" column - 6: other. A description is given in the "remarks" column
Q-3	Does the bank envisage receiving/paying negative interest rates in assets and liabilities in the banking book, apart from the facility deposit with central banks? If yes, are retail and wholesale clients affected? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, for retail and wholesale clients - 2: yes, but only for retail clients - 3: yes, but only for wholesale clients - 4: no, we do not envisage receiving/paying negative interest rates in assets and liabilities in the banking book
Questions on panel B (Non-maturity deposits)	
Q-4	What are the main criteria (other than geographical location of the depositor or the currency of the deposit) used in your bank's internal interest rate measurement system (IMS) for segmenting non-maturity deposits (NMDs)?

	Answer options - 0: not applicable/our bank cannot respond to this question - 1: remunerated vs non-remunerated deposits - 2: segmentation by product categories (eg wage accounts, savings accounts) - 3: transactional vs non-transactional deposits - 4: retail vs wholesale deposits - 5: a combination of the segmentation criteria 1 to 4 above. A description is given in the "remarks" column - 6: no segmentation - 7: other. A description is given in the "remarks" column
Q-5	For the Time Series Approach (TIA), has your bank been able to apply the standardised fallback directly or has your bank had to *reverse engineer* a different internal methodology in order to determine the risk? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: direct application of the standardised fallback - 2: *reverse engineering* from a different internal methodology. A description is given in the "remarks" column
Q-6	How have pass-through rates (P) been determined by your bank under the TIA? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: quantitative analysis - 2: expert judgment - 3: combination of quantitative analysis and expert judgment - 4: other. A description is given in the "remarks" column
Q-7	Under the TIA in panel B, what time horizon has your bank considered for calculating the proportion of the shock passed onto a customer, ie for determining the pass-through rate (P), after an interest rate shock? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: less than three months - 2: three to nine months - 3: nine months to 15 months - 4: 15 months to 24 months - 5: more than 24 months - 6: other. A description is given in the "remarks" column
Q-8	Does the data history used in your bank for calibrating the TIA include both significant upward *and* downward shifts in interest rates? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no, only upward shifts are included - 3: no, only downward shifts are included - 4: other. A description is given in the "remarks" column

Q-9	For the Simplified TIA (alternative 2), banks have to slot deposit volumes by *deposits* for the comprehensive IRRBB QIS and not by *depositors* as stated in the IRRBB consultative document. Has this convention simplified reporting for this sub-panel for your bank? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, slotting volumes by deposits instead of depositors has simplified reporting for this subpanel. Our bank would otherwise not have been able to fill in the panel with reasonable efforts - 2: yes, it has simplified reporting for this subpanel, but our bank would have been able to slot by *depositor* with reasonable efforts as well - 3: slotting by deposits is as complex as slotting by depositors - 4: slotting by deposits instead of depositors increased the efforts for our bank - 5: other. A description is given in the "remarks" column
Questions on panel C (Term deposits)	
Q-10	Does your bank model rate-dependent redemption behaviour for term deposits subject to redemption risk in the IMS? If yes, what are reasonable variations around the mean in times of increasing/decreasing interest rates? Answer options - 0: not applicable/our bank cannot respond to this question - 1: yes, rate-dependent variations in early redemptions of around +/- 10% - 2: yes, rate-dependent variations in early redemptions of around +/- 20% - 3: yes, rate-dependent variations in early redemptions of around +/- 50% - 4: yes, rate-dependent variations in early redemptions are more than around +/- 50% - 5: yes, rate-dependent variations in early redemptions are not determinable - 6: no, term deposits subject to early redemption risk are assumed to be rate-independent and are not explicitly considered in our bank's IMS
Questions on panel D (Fixed rate loans)	
Q-11	Does your bank model rate-dependent prepayment behaviour in fixed rate loans subject to prepayment risk in the IMS? If yes, what are reasonable variations in prepayments around the mean? Answer options - 0: not applicable/our bank cannot respond to this question - 1: yes, rate-dependent variations in prepayments of around +/- 10% - 2: yes, rate-dependent variations in prepayments of around +/- 20% - 3: yes, rate-dependent variations in prepayments of around +/- 50% - 4: yes, rate-dependent variations in prepayments are more than around +/- 50% - 5: yes, rate-dependent variations in prepayments are not determinable - 6: no, fixed rate loans subject to prepayment risk are assumed to be rate-independent and are not explicitly considered in our bank's IMS
Q-12	For the purposes of the IMS, does your bank take prepayment risk associated with floating rate loans into account? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, but prepayment risk in floating rate loans has only a negligible impact on IRRBB risk measures

	- 2: yes, prepayment risk in floating rate loans has a material impact on IRRBB risk measures - 3: no
Questions on panel E (Loan commitments)	
Q-13	Are rate-sensitive loan commitments captured in your bank's IMS? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no
Questions on panel F (Other IRRBB exposures)	
Q-14	In case your bank has slotted notional repricing cash flows for products in panel F, are those considered material, ie constituting at least 1% of total notional repricing cash flows in panels A to F? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, only material products. A description of the products is given in the "remarks" column - 2: yes, only immaterial products. A description of the products is given in the "remarks" column - 3: yes, material and immaterial products. A description of the products is given in the "remarks" column - 4: no, our bank has not slotted any notional repricing cash flows in panel F
Questions on panel G (Automatic options)	
Q-15	Which methodology is used in your bank's IMS for computing the economic value of automatic interest rate options? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: only the options' current (intrinsic) value is employed - 2: re-valuation by a closed form solution formula (eg Black-Scholes) - 3: re-valuation by a Monte-Carlo simulation based approach - 4: re-valuation by a sensitivity approximation (eg linear or quadratic sensitivity, Taylor expansion) - 5: re-valuation by another approach. A description is given in the "remarks" column - 6: a combination of the methodologies in 1 to 5 above. A description is given in the "remarks" column
Q-16	For the purposes of *internal* capital allocation under an economic value (EV) measure, does your bank consider the economic value changes of bought *explicit* automatic interest rate options? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, both economic value declines *and* increases are considered - 2: yes, but only economic value increases are considered - 3: yes, but only economic value decreases are considered - 4: no, economic value changes are ignored

	- 5: other. A description is given in the "remarks" column
Q-17	For the purposes of *internal* capital allocation under an EV measure, does your bank consider the economic value changes of bought *embedded* automatic interest rate options? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, economic value declines *and* increases are considered - 2: yes, but only economic value increases are considered - 3: yes, but only economic value decreases are considered - 4: no, economic value changes are ignored - 5: other. A description is given in the "remarks" column
Q-18	For the purposes of *internal* capital allocation under EV measure, does your bank consider the economic value changes of sold *explicit* automatic interest rate options? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, economic value declines *and* increases are considered - 2: yes, but only economic value increases are considered - 3: yes, but only economic value decreases are considered - 4: no, economic value changes are neglected - 5: other. A description is given in the "remarks" column
Q-19	For the purposes of *internal* capital allocation under an EV measure, does your bank consider the economic value changes of sold *embedded* automatic interest rate options? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, economic value declines *and* increases are considered - 2: yes, but only economic value increases are considered - 3: yes, but only economic value decreases are considered - 4: no, economic value changes are neglected - 5: other. A description is given in the "remarks" column
Q-20	For the purposes of the internal earnings-based measure, does your bank consider explicit *and* embedded automatic interest rate options in the IMS? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, both explicit and embedded automatic interest rate options are considered for the purposes of the earnings-based measures in our bank's IMS - 2: no, only explicit automatic interest rate options are considered for the purposes of the earnings-based measures in our bank's IMS - 3: no, only embedded automatic interest rate options are considered for the purposes of the earnings-based measures in our bank's IMS - 4: no, both explicit and embedded automatic interest rate options are ignored for the purposes of the earnings-based measures in our bank's IMS - 5: other. A description is given in the "remarks" column
Q-21	For the purposes of the internal earnings-based measure, are all bought automatic interest rate options taken into account in your bank's IMS or only those bought

	automatic interest rate options that are hedging sold automatic interest rate options? If you have indicated that your bank ignores automatic interest rate options in earnings-based measures (answer option: 4 in Q-20), please answer this question with "0: not applicable/our bank cannot respond to this question". *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: all bought automatic interest rate options are considered in our bank's IMS - 2: only bought automatic interest rate options which are hedging sold interest rate options are considered in our bank's IMS
Q-22	In the IMS, does your bank consider an estimate of behavioural prepayments to determine the notional of embedded automatic interest rate options? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, over both floating rate assets and liabilities - 2: yes, but only over floating rate assets - 3: yes, but only over floating rate liabilities - 4: no - 5: other. A description is given in the "remarks" column
Questions on panel H (Basis risk)	
Q-23	What kind of basis risk is actively managed in your bank's IMS for IRRBB? *Answer options* - 0: not applicable - 1: tenor basis - 2: reference rate basis - 3: foreign exchange basis - 4: tenor basis/reference rate basis - 5: tenor basis/ foreign exchange basis - 6: reference rate basis/foreign exchange basis - 7: tenor basis/ reference rate basis/foreign exchange basis - 8: none - 9: other. A description is given in the "remarks" column
Q-24	How is the measurement of basis risk incorporated in your bank's IMS for IRRBB? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: incorporated in an EVE measure - 2: incorporated in an earnings-based measure - 3: incorporated in an EVE and the earnings-based measure - 4: incorporated as an add-on for IRRBB - 5: otherwise incorporated in the IMS for IRRBB. A description is given in the "remarks" column - 6: not incorporated
Questions on panel K (IMS)	
Q-25	What time horizon is your bank using for its earnings *stabilisation strategies*? *Answer options*

	- 0: not applicable/our bank cannot respond to this question - 1: earnings-based measures are not considered in our bank's IMS - 2: not more than 1 year - 3: 2 years - 4: 3 years - 5: 4 years - 6: 5 years - 7: more than 5 years
Q-26	Over what maximum maturity does your bank slot own equity liabilities for the purpose of the internal EV measures? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: own equity liabilities for EV measures are not considered in the IMS - 2: 1-3 years - 3: 3-5 years - 4: 5-7 years - 5: 7-10 years - 6: 10-15 years - 7: other. A description is given in the "remarks" column
Q-27	Does your bank model cost of own equity liabilities for the earnings measure in the IMS and which cost are given to the equity liability in the IMS? Indicate the level of cost in percent. If your does not consider own equity liabilities, the answer should be "0: not applicable/our bank cannot respond to this question". *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes, cost of capital: less than 2.5% - 2: yes, cost of capital: 2.5%-7.5% - 3: yes, cost of capital: 7.5%-12.5% - 4: yes, cost of capital: 12.5%-17.5% - 5: yes, cost of capital: more than 17.5%
Q-28	Does your bank consider commercial and other margins for IRRBB in the IMS for slotting (notional repricing) cash flows? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no
Q-29	The IRRBB consultative document requires banks to continue slotting commercial and other margins which do not reprice on principal amounts outstanding until their contractual maturity. Self-assess the impact on minimum capital requirements as defined in Subsection II.5.2. of the IRRBB consultative document (option 1) of retaining margins in the notional repricing cash flows. Answer with "0: not applicable/our bank cannot respond to this question" if you do not strip out commercial and other margins until the contractual maturity. *Answer options*

	- 0: not applicable/our bank cannot respond to this question - 1: the EVE measure is considerably overestimated (relatively more than 25% higher than without margins) - 2: the EVE measure might be overestimated - 3: the impact on the EVE measure is assumed to be negligible - 4: the EVE measure might be underestimated
Q-30	Does your bank use maturity buckets or tenor points (eg *vertex* method) for slotting notional repricing cash flows for IRRBB in the IMS? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: maturity buckets, ie notional repricing cash flows are fully assigned to the time interval where their tenors fall in - 2: tenor points, ie notional repricing cash flows are split and slotted onto two adjacent tenor points - 3: both, maturity buckets and tenor points - 4: other. A description is given in the "remarks" column
Q-31	For the purposes of the internal earnings measure, how does your bank treat *core* NMDs (stable and rate-insensitive) whose notional repricing cash flows are slotted to repricing buckets that are shorter than the time horizon of the earnings measure? Answer options - 0: not applicable/our bank cannot respond to this question - 1: core NMDs with an assumed maturity shorter than the time horizon of the earnings measure fully reprice their interest rate - 2: core NMDs with an assumed maturity shorter than the time horizon of the earnings measure partly reprice their interest rate - 3: core NMDs with an assumed maturity shorter than time horizon of the earnings measure do not reprice their interest rate - 4: other: A description is given in the "remarks" column
Q-32	Does your bank measure the value-at-risk (VaR) on EV/EVE in the IMS? The VaR can either be based on a historical simulation of interest rate changes or based on the distribution of rate-induced changes of the own equity. Answer options - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no - 3: other. A description is given in the "remarks" column
Questions on panel L (CSRBB) In the context of the questions in this section, please consider the following definition of credit spread risk in the banking book (CSRBB): *Any kind of asset spread risk of credit risky instruments which is not explained by general interest rate risk in the banking book (IRRBB) and which is not explained by the expected credit/jump to default risk.*	
Q-33	Does your bank explicitly model fluctuations in the abovementioned type of credit spreads for banking book products in the IMS? Answer options

	- 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no
Q-34	For which types of instruments does your bank model CSRBB in the IMS (notwithstanding, where applicable, modelling credit valuation adjustment (CVA) risk for counterparty credit risk (CCR))? If your bank has indicated in Q-33 that it does not consider CSRBB in the IMS (answer option: 2) or could not respond to Q-33 (answer option: 0), the answer should be “0: not applicable/our bank cannot respond to this question”. *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: loans - 2: debt securities - 3: securitisations and/or credit derivatives - 4: loans/debt securities - 5: loans/securitisations and/or credit derivatives - 6: debt securities/securitisations and/or credit derivatives - 7: loans/debt securities/securitisations and/or credit derivatives - 8: other. A description is given in the “remarks“ column
Q-35	For which asset class(es) does your bank model CSRBB in the IMS (notwithstanding, where applicable, modelling CVA risk for CCR)? If your bank has indicated in Q-33 that it does not consider CSRBB in the IMS (answer option: 2) or could not respond to Q-33 (answer option: 0), the answer should be “0: not applicable/our bank cannot respond to this question”. *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: retail - 2: corporate - 3: sovereign - 4: retail/corporate - 5: retail/sovereign - 6: corporate/sovereign - 7: retail/corporate/sovereign - 8: other. A description is given in the “remarks“ column
Q-36	What risk factors are the primary drivers of CSRBB in your bank’s IMS? If your bank has indicated in Q-33 that it does not consider CSRBB in the IMS (answer option: 2) or could not respond to Q-33 (answer option: 0), the answer should be “0: not applicable/our bank cannot respond to this question”. *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: credit quality/rating - 2: maturity - 3: industry sector - 4: a combination of 1 to 3 above. A description is given in the “remarks“ column

	- 5: other. A description is given in the “remarks“ column
Q-37	What data is used to calibrate the model/parameters of your banks’ IMS for CSRBB? If your bank has indicated in Q-33 that it does not consider CSRBB in the IMS (answer option: 2) or could not respond to Q-33 (answer option: 0), the answer should be “0: not applicable/our bank cannot respond to this question”. *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: internal data - 2: external data - 3: mixture of internal and external data - 4: other. A description is given in the “remarks“ column
Questions on panel M (Interest rate curves)	
Q-38	What interest rate curve does your bank use in the IMS for IRRBB to discount the notional repricing cash flows in the banking book? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: Government bonds yield curve - 2: (secured) interest rate swap and/or interbank curve - 3: interest rate curve bearing credit risk (ie a curve containing spread) - 4: other. A description is given in the “remarks“ column
Additional questions	
Q-39	If your bank indicated in question 5 the use of *reverse engineering* for the Time Series Approach (TIA) (answer option 2), in which buckets are the non-stable non-core deposits slotted? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: only overnight - 2: less than 1 month - 3: less than 3 months - 4: less than 6 months - 5: more than 6 months
Q-40	If your response to question Q-12 has been that repayment risk in floating rate loans has a material impact on the IRRBB measures (answer option 2), is prepayment risk for those floating rate notes considered in your bank’s IMS? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: no - 2: yes. Give in the remark column the prepayment rate considered in your IMS with some indication on order of magnitude

Q-41	Has your bank been able to fill in panel C in the requested manner? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no, but the optionalities in the scope of panel C are captured in another panel - 3: no, the optionalities in the scope of panel C are not captured in another panel, and they are considered to be *immaterial* in our bank's IMS - 4: no, the optionalities in the scope of panel C are not captured in another panel, but they are considered to be *material* in our bank's IMS
Q-42	Has your bank been able to fill in panel D in the requested manner? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no, but the optionalities in the scope of panel D are captured in another panel - 3: no, the optionalities in the scope of panel C are not captured in another panel, and they are considered to be *immaterial* in our bank's IMS - 4: no, the optionalities in the scope of panel C are not captured in another panel, but they are considered to be *material* in our bank's IMS
Q-43	Has your bank been able to fill in panel E in the requested manner? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no, but the optionalities in the scope of panel E are captured in another panel - 3: no, the optionalities in the scope of panel C are not captured in another panel, and they are considered to be *immaterial* in our bank's IMS - 4: no, the optionalities in the scope of panel C are not captured in another panel, but they are considered to be *material* in our bank's IMS
Q-44	Has your bank been able to fill in panel F in the requested manner? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no, but the optionalities in the scope of panel F are captured in another panel - 3: no, the optionalities in the scope of panel C are not captured in another panel, and they are considered to be *immaterial* in our bank's IMS - 4: no, the optionalities in the scope of panel C are not captured in another panel, but they are considered to be *material* in our bank's IMS

Q-45	Has your bank been able to fill in panel G in the requested manner? *Answer options* - 0: not applicable/our bank cannot respond to this question - 1: yes - 2: no, but the optionalities in the scope of panel G are captured in another panel - 3: no, the optionalities in the scope of panel C are not captured in another panel, and they are considered to be *immaterial* in our bank's IMS - 4: no, the optionalities in the scope of panel C are not captured in another panel, but they are considered to be *material* in our bank's IMS