Basel Committee
on Banking Supervision

Instructions for Basel III monitoring ad hoc exercise

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Instructions for Basel III monitoring

1. Introduction

The Basel Committee on Banking Supervision ("the Committee") is monitoring the impact of Basel III[1] on a semi-annual basis. The exercise is being repeated semi-annually with end-December and end-June reporting dates. For the end-December 2015 reporting date, the exercise also included worksheets to collect data on five ongoing policy initiatives of the Committee. This ad-hoc exercise aims at collecting data on Total Loss Absorbing Capacity (TLAC) which will be included in the periodic exercise going forward, as well as two ongoing policy initiatives, namely (i) the proposed revisions to the Basel III leverage ratio exposure measure;[2] and (ii) the changes to the internal ratings-based (IRB) approaches to credit risk.[3]

The Committee will treat all individual bank data collected in this exercise strictly confidential and will not attribute them to individual banks.

The descriptions of data items in these instructions intend to facilitate the completion of the monitoring questionnaire and are not to be construed as an official interpretation of other documents published by the Committee.

This version of the instructions refers to versions 3.3.0 or later of the reporting template which should be used for the ad-hoc exercise on the 31 December 2015 reporting date.

The remainder of this document is organised as follows. Sections 2 and 3 discuss general issues such as the scope of the exercise, the process and the overall structure of the quantitative questionnaire. Section 4 discusses the worksheets for data collection on TLAC. Sections 5, 6, 7, and 8 discuss the Basel III leverage ratio, general information on the credit risk, the IRB approaches to credit risk and the fundamental review of the trading book, respectively.

2. General

2.1 Scope of the exercise

Participation in the monitoring exercise is voluntary. Given the Committee will use the data from the additional exercise jointly with the regular Basel III monitoring exercise on end-December 2015 data, **participation to this ad hoc data collection exercise is limited to banks which also participate in the regular exercise** for the same period and as published on the BIS website.[4] The Committee expects both large internationally active banks and smaller institutions to participate in the study, as all of them will be

1 Basel Committee on Banking Supervision, *Basel III: A global regulatory framework for more resilient banks and banking systems*, www.bis.org/publ/bcbs189.htm.

2 Basel Committee on Banking Supervision, *Revisions to the Basel III leverage ratio framework – consultative document*, April 2016, www.bis.org/bcbs/publ/d365.htm.

3 Basel Committee on Banking Supervision, Reducing variation in credit risk-weighted assets – constraints on the use of internal model approaches – consultative document, March 2016, www.bis.org/bcbs/publ/d362.htm.

4 See www.bis.org/bcbs/qis/index.htm.

materially affected by some or all of the revisions of the various standards. Where applicable and unless noted otherwise, data should be reported for consolidated[5] groups.

The monitoring exercise is mainly targeted at banks under the Basel II/III frameworks.[6] However, as outlined in the remainder of these instructions some parts of the questionnaire are only relevant to banks applying a particular approach. **Unless stated otherwise,** banks should calculate capital requirements based on the **national implementation** of the Basel II framework,[7] referred to as "Basel II" or "Basel III" in this document. **Unless stated otherwise**, the changes to the risk-weighted asset calculation of the Basel II framework introduced in 2009 which are collectively referred to as "Basel 2.5" (*Revisions to the Basel II market risk framework*[8] ("the Revisions") and *Enhancements to the Basel II framework*[9] ("the Enhancements")) and through the Basel III framework should be reflected to the extent they are part of the applicable regulatory framework at the reporting date.

When providing data on Basel III, banks should also take into account the frequently asked questions (FAQs) on capital, counterparty credit risk and the leverage ratio published by the Committee.[10]

This data collection exercise should be completed on a best-efforts basis. Ideally, banks should include all their assets in this exercise. However, due to data limitations, inclusion of some assets (for example the portfolio of a minor subsidiary) may turn out to be an unsurpassable hurdle. In these cases, banks should consult their relevant national supervisor to determine how to proceed.

2.2 Filling in the data

The Basel III monitoring workbook available for download on the Committee's website is for information purposes only. While the structure of the workbooks used for the Basel III monitoring exercise is the same in all participating countries, **it is important that banks only use the workbook obtained from their respective national supervisory agency to submit their returns**. Only these workbooks are adjusted to reflect the particularities of the regulatory frameworks in participating countries. National supervisory agencies may also provide additional instructions if deemed necessary.

Data should only be entered in the yellow and green shaded cells. There are also some pink cells which will be completed by the relevant national supervisory agency. **It is important to note that any modification to the worksheets might render the workbook unusable both for the validation of the final results and the subsequent aggregation process.**

5 This refers to the consolidation for regulatory rather than accounting purposes.

6 If Basel I figures are used, they should be calculated based on the national implementation, referred to as "Basel I" in this document (in which case the bank should set the flag in cell C44 of the "General Info" worksheet to "Yes"). In some countries supervisors may have implemented additional rules beyond the 1988 Accord or may have made modifications to the Accord in their national implementation, and these should be considered in the calculation of "Basel I" capital requirements for the purposes of this exercise. See Basel Committee on Banking Supervision, *International convergence of capital measurement and capital standards (updated to April 1998)*, 1998, www.bis.org/publ/bcbsc111.htm.

7 Basel Committee on Banking Supervision, *Basel II: International convergence of capital measurement and capital standards: a revised framework - comprehensive version*, June 2006, www.bis.org/publ/bcbs128.htm.

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

9 Basel Committee on Banking Supervision, *Enhancements to the Basel II framework*, July 2009, www.bis.org/publ/bcbs157.htm.

10 Basel Committee on Banking Supervision, *Basel III definition of capital – Frequently asked questions*, December 2011, www.bis.org/publ/bcbs211.htm; Basel Committee on Banking Supervision, *Basel III counterparty credit risk – Frequently asked questions*, December 2012, www.bis.org/publ/bcbs237.htm; Basel Committee on Banking Supervision, *Frequently asked questions on the Basel III leverage ratio framework*, April 2016, www.bis.org/bcbs/publ/d364.htm.

Cell colours used in the Basel III monitoring reporting template

Colour	Worksheet(s)	Content
Yellow	All	Input cell.
Green	All except leverage ratio	Additional information to be completed on a best efforts basis.
	Leverage Ratio	Additional information needed to inform specific policy requests related to the proposed revisions to the Basel III leverage ratio. Banks are encouraged to fill in green cells on a best-efforts basis as well.
Pink	All	To be completed by the supervisor.
White, orange	All	Calculation result. Must not be changed.
Grey	All	Blank cell

Where information is not available, the corresponding cell should be left empty. No text such as "na" should be entered in these cells. Also, banks must not fill in any arbitrary numbers to avoid error messages or warnings which may be provided by their supervisors. However, leaving a cell empty could trigger exclusion from some or all of the analyses if the respective item is required, ie it should be aimed at providing data for **all yellow** cells. The automated calculations in the workbook indicate whether or not a certain item can be calculated using the data provided. The national supervisor will provide guidance on which of the **green** cells should be filled in by a particular bank.

Data can be reported in the most convenient currency. The currency which has been used should be recorded in the "General Info" worksheet. Supervisors will provide the relevant exchange rate for converting the reporting currency to euros. If 1,000 or 1,000,000 currency units are used for reporting, this should also be indicated in this worksheet. When choosing the reporting unit, it should be considered that the worksheet shows all amounts as integers. **The same currency and unit should be used for all amounts throughout the workbook**, irrespective of the currency of the underlying exposures.

Percentages should be reported as decimals and will be converted to percentages automatically. For example, 1% should be entered as 0.01.

Banks using the Basel II internal ratings-based (IRB) approaches should, where applicable, report risk-weighted assets after applying the scaling factor of 1.06 to credit risk-weighted assets.

The reporting template includes checks in several of the worksheets. If one of these checks shows "No" or "Fail", please refer to the explanatory text and the formula in the check cell and correct the input data to which the check refers. An overview of the results of all checks is provided on the "Checks" worksheet.

The Committee is aware that some banks might not yet have implemented some of the models and processes required for the calculations. In such cases banks may provide quantitative data on a "best-efforts" basis. In case of doubt, they should discuss with the relevant national supervisor how to proceed. Where the approach used for the Basel III monitoring differs materially from the final implementation, this should be explained in a separate note.

Unless noted otherwise, banks should only report data for the approach they are currently using or are intending to use. Cells provided for various approaches are in general intended to facilitate partial use and do **not** require banks to conduct alternative calculations for the same set of exposures.

2.3 Process

The Basel Committee or its Secretariat will not collect any data directly from banks. Therefore, banks in participating countries must contact their supervisory agency to discuss how the completed workbooks should be submitted. National supervisors will forward the relevant data to the Secretariat of the Basel

Committee where individual bank data will be treated strictly confidential and will not be attributed to individual banks.

Similarly, banks should direct all questions related to this study, the related rules, standards and consultative documents to their national supervisory agencies. Where necessary, they will coordinate their responses through the Secretariat of the Basel Committee to provide responses that are consistent across countries. A document with responses to frequently asked questions will be maintained on the Basel Committee's website.[11]

Banks should specify any instance where they had to deviate from the instructions provided in an additional document.

2.4 Reporting date

All data for the current ad hoc additional QIS data collection exercise should be reported as of the same date as the regular Basel III monitoring exercise, generally end-December 2015.

2.5 Structure of the Excel questionnaire

The worksheets requiring data input are the following:

- The worksheet "General Info" is intended to capture general information regarding the bank, the applied approaches and options. This worksheet should be completed by all banks.
- The "TLAC" worksheet should be completed by all participating G-SIBs as well as all other banks which have been asked to do so by their national supervisory authority.
- The worksheets "Leverage ratio", "EAD CCF", "CCR" and "CRM" should be completed by all banks.
- The "IRB" worksheets should be completed by all banks which are currently applying the internal ratings-based approach to credit risk for some or all of their credit risk exposures. That said, *exposures* currently under the FIRB are not subject to the "AIRB Input Floors" and "AIRB LGD Downturn" worksheets, while all exposures under the AIRB (including retail exposures, where applicable) are.
- The "TB" worksheets should generally be completed by all banks subject to trading book capital requirements. Additional detail is provided in Section 8.

3. General information

The "General Info" worksheet gathers basic information that is needed to process and interpret the survey results. Panel A, deals with bank and reporting data conventions.

Row	Column	Heading	Description
A1)	Reporting data		
5	C	Country code	Leave blank
6	C	Bank number	Leave blank
7	C	Bank is a single legal entity	Leave blank
8	C	Bank is a subsidiary of a banking group	Leave blank

[11] www.bis.org/bcbs/qis/.

Row	Column	Heading	Description
9	C	Bank is a subsidiary with a non-EU parent (EU only)	Leave blank
10	C	Bank group	Leave blank
11	C	Conversion rate (in euros/reporting currency)	Leave blank
12	C	Submission date (yyyy-mm-dd)	Leave blank
13	C	Use TLAC data	Leave blank
14	C	Comparable to the previous period	Leave blank
15	C	Use additional leverage ratio data	Leave blank
16	C	Comparable to the previous period	Leave blank
17	C	Use EAD CCF data	Leave blank
18	C	Comparable to the previous period	Leave blank
19	C	Use CCR Impact data	Leave blank
20	C	Comparable to the previous period	Leave blank
21	C	Use CRM data	Leave blank
22	C	Comparable to the previous period	Leave blank
23	C	Use IRB Current data	Leave blank
24	C	Comparable to the previous period	Leave blank
25	C	Use IRB Proposed data	Leave blank
26	C	Comparable to the previous period	Leave blank
27	C	Use IRB Portfolio Migration data	Leave blank
28	C	Comparable to the previous period	Leave blank
29	C	Use AIRB Input Floors data	Leave blank
30	C	Comparable to the previous period	Leave blank
31	C	Use AIRB LGD Downturn data	Leave blank
32	C	Comparable to the previous period	Leave blank
33	C	Use FIRB Parameters data	Leave blank
34	C	Comparable to the previous period	Leave blank
35	C	Use Other IRB Changes data	Leave blank
36	C	Comparable to the previous period	Leave blank
37	C	Use IRB Questions	Leave blank
38	C	Comparable to the previous period	Leave blank

Row	Column	Heading	Description
39	C	Use Trading Book data	Leave blank
40	C	Comparable to the previous period	Leave blank
41	C	Use Trading Book SA Current data	Leave blank
42	C	Comparable to the previous period	Leave blank
43	C	Use Trading Book SA FRTB data	Leave blank
44	C	Comparable to the previous period	Leave blank
45	C	Reporting date (yyyy-mm-dd)	Date as of which all data are reported in worksheets.
46	C	Reporting currency (ISO code)	**Three-character** ISO code of the currency in which all data are reported (eg USD, EUR).
47	C	Unit (1, 1000, 1000000)	Units (single currency units, thousands, millions) in which results are reported.
A2) Approaches to credit risk Banks using more than one approach to calculate risk-weighted assets for credit risk should select **all** those approaches in rows 50 to 54. However, if a bank uses the foundation IRB approach for all non-retail portfolios subject to the PD/LGD approach and the IRB approach to retail for the retail portfolio, "foundation IRB" should be selected as the only IRB approach (and additionally Basel I or the standardised approach if applicable). If an IRB bank has only a retail portfolio and no other exposures subject to a PD/LGD approach, then "advanced IRB" should be selected as the only IRB approach (and additionally Basel I or the standardised approach if applicable).			
50	C	Basel I	Indicate whether Basel I is used to calculate capital requirements for a portion of the exposures reported in this study.
51	C	Basel II/III standardised approach	Indicate whether the standardised approach of Basel II/ III is used to calculate capital requirements for a portion of the exposures reported in this study.
52	C	Basel II/III FIRB approach	Indicate whether the foundation IRB approach of Basel II/ III is used to calculate capital requirements for a portion of the exposures reported in this study.
53	C	If yes: explicit maturity adjustment	If the foundation IRB approach of Basel II/ III is used, indicate whether the explicit maturity adjustment (paragraph 318 of the Basel II framework) is used for a portion of the exposures reported in this study.
54	C	Basel II/III AIRB approach	Indicate whether the advanced IRB approach of Basel II/III is used to calculate capital requirements for a portion of the exposures reported in this study.
56	C	Simple approach for financial collateral	Indicate whether the simple approach for financial collateral as set out in paragraphs 182 to 187 of the Basel II framework is used to calculate capital requirements for a portion of the exposures reported in this study.
57	C	Comprehensive approach for financial collateral	Indicate whether the comprehensive approach for financial collateral (paragraphs 130 to 138 and 147 to 181(i) of the Basel II framework) is used to calculate capital requirements for a portion of the exposures reported in this study.
58	C	if yes: own estimates of haircuts	If the comprehensive approach for financial collateral is used, indicate whether own estimates of haircuts (paragraphs 154 to 165 of the Basel II framework) are used to calculate capital requirements for a portion of the exposures reported in this study.

Row	Column	Heading	Description
59	C	if yes: repo VaR	If the comprehensive approach for financial collateral is used, indicate whether repo VaR (paragraphs 138 and 178 to 181(i) of the Basel II framework) is used to calculate capital requirements for a portion of the exposures reported in this study.
60	C	if yes: carve-out for repo style transactions	If the comprehensive approach for financial collateral is used, indicate whether the carve-out for repo style transactions (paragraphs 170 to 172 of the Basel II framework) is used to calculate capital requirements for a portion of the exposures reported in this study.
62	C	Permanent partial use of equity exposures in the banking book	Indicate whether some equity exposures in the banking book are subject to some form of permanent partial use as set out in paragraphs 356 to 358 of the Basel II framework.
63	C	if yes: for equity holdings in entities whose debt obligations receive a zero risk weight under the standardised approach to credit risk	Indicate whether some equity exposures in the banking book are subject to a permanent partial use based on the basis of that the corresponding debt obligations receive a zero risk weight under the standardised approach to credit risk as set out in paragraph 356 of the Basel II framework.
64	C	if yes: equity holding made under legislative programmes	Indicate whether some equity exposures in the banking book are subject to a permanent partial use following legislative programmes to promote specific sectors as set out paragraph 357 of the Basel II framework.
65	C	if yes: exclusion based on materiality	Indicate whether some equity exposures in the banking book are subject to a permanent partial use based on materiality as set out in paragraph 358 of the Basel II framework.
66	C	Grandfathering of equity exposures in the banking book	Indicate whether some equity exposures in the banking book are subject to the grandfathering provisions as set out in paragraphs 267 to 269 of the Basel II framework.
67	C	Simple risk weight method for equity exposures in the banking book	Indicate whether the simple risk weight method as set out in paragraphs 344 and 345 of the Basel II framework is used for at least some equity exposures in the banking book.
68	C	Internal models method for equity exposures in the banking book	Indicate whether the internal models method as set out in paragraphs 346 to 349 of the Basel II framework is used for at least some equity exposures in the banking book.
69	C	PD/LGD approach for equity exposures in the banking book	Indicate whether the PD/LGD approach as set out in paragraphs 350 to 355 of the Basel II framework is used for at least some equity exposures in the banking book.
70	C	Supervisory slotting criteria approach for project finance (PF) exposures	Indicate whether the supervisory slotting approach as set out in paragraphs 275 to 279, 378 and Annex 6 of the Basel II framework is used for project finance (PF) exposures as defined in paragraphs 221 and 222 of the Basel II framework.
71	C	Supervisory slotting criteria approach for object finance (OF) exposures	Indicate whether the supervisory slotting approach as set out in paragraphs 275 to 279, 378 and Annex 6 of the Basel II framework is used for object finance (OF) exposures as defined in paragraph 223 of the Basel II framework.
72	C	Supervisory slotting criteria approach for commodity finance (CF) exposures	Indicate whether the supervisory slotting approach as set out in paragraphs 275 to 279, 378 and Annex 6 of the Basel II framework is used for commodity finance (CF) exposures as defined in paragraphs 224 and 225 of the Basel II framework.
73	C	Supervisory slotting criteria approach for income-producing real estate (IPRE) exposures	Indicate whether the supervisory slotting approach as set out in paragraphs 275 to 279, 378 and Annex 6 of the Basel II framework is used for income-producing real estate (IPCRE) exposures as defined in paragraph 226 of the Basel II framework.

Row	Column	Heading	Description
74	C	Supervisory slotting criteria approach for high-volatility commercial real estate (HVCRE) exposures	Indicate whether the supervisory slotting approach as set out in paragraphs 280 to 282, 379 and Annex 6 of the Basel II framework is used for high-volatility commercial real estate (HVCRE) exposures as defined in paragraphs 227 and 228 of the Basel II framework.
75	C	Eligible purchased corporate receivables	Indicate whether the treatment for purchased corporate receivables as set out in paragraphs 255, 363, 365 to 368 of the Basel II framework is used.
76	C	Eligible purchased retail receivables	Indicate whether the treatment for purchased retail receivables as set out in paragraphs 255, 363 and 364 of the Basel II framework is used.
77	C	Double default for corporate exposures	Indicate whether the double default treatment as set out in paragraphs 284(i) to 284(iii) of the Basel II framework is used for at least some corporate exposures.
78	C	Double default for retail exposures	Indicate whether the double default treatment as set out in paragraphs 284(i) to 284(iii) of the Basel II framework is used for at least some retail exposures according to paragraph 307 (i), lit (c) of the Basel II framework.
79	C	Recognition of conditional guarantees	Indicate whether conditional guarantees are recognised in accordance with paragraph 848 of the Basel II framework is used at least for some of the exposures (in case of the Advanced IRRB only).
80	C	Current Exposure Method	Indicate whether the Current Exposure Method (CEM) as set out in paragraphs 91 to 96(v) of Annex 4 of the Basel II framework.is used to calculate the counterparty credit risk (CCR) exposure amounts associated with derivative contracts for a portion of the exposures reported in this study.
81	C	Standardised Method	Indicate whether the Standardised Method (SM) as set out in paragraphs 69 to 90 of Annex 4 of the Basel II framework.is used to calculate the CCR exposure amounts associated with derivative contracts for a portion of the exposures reported in this study.
82	C	Internal Model Method	Indicate whether the Internal Model Method (IMM) as set out in paragraphs 25 to 68 of Annex 4 of the Basel II framework is used to calculate the CCR exposure amounts associated with derivative contracts and/or securities financing transactions (SFTs) for a portion of the exposures reported in this study.
83	C	Approach to CCR for non-centrally cleared OTC derivatives	Indicate whether SA-CCR or CEM has been used to calculate CCR for non-centrally cleared OTC derivatives in the context of the exercise on the standardised approach to credit risk in the banking book.
85	C	Use of cross-product netting rules	Indicate whether the bank makes use of the cross-product netting rules as set out in paragraphs 10 to 19 of Annex 4 of the Basel II framework (under IMM only).

Row	Column	Heading	Description
A3)	Approaches to market risk		
Banks using more than one approach to calculate minimum capital requirements for market risk currently as well as in future under the *Minimum capital requirements for market risk*[12] (hereinafter: FRTB) should select **all** those approaches in rows 88 to 91 respectively.			
87	C	FRTB definition of TB-BB boundary	Indicate whether the bank has used the trading book – banking book boundary ("boundary") as defined in paragraphs 8 to 20 of the document *Minimum capital requirements for market risk* to complete the "TB", "TB SA Current" and "TB SA FRTB" worksheets. In case it uses the current definition it should indicate "No".
88	C	Current standardised measurement method (SMM)	Indicate whether the bank uses the standardised measurement method (SMM) under the current market risk framework for at least some of the positions subject to minimum capital requirements for market risk.
89	C	Current internal models approach (IMA)	Indicate whether the bank uses the internal models approach (IMA) under the current market risk framework for at least some of the positions subject to minimum capital requirements for market risk.
90	C	FRTB standardised approach	Indicate whether the bank has assumed to be using the standardised approach (SA) as set out in the FRTB for at least some of the positions subject to minimum capital requirements for market risk to complete the "TB and "TB SA FRTB" worksheets.
91	C	FRTB internal models approach (IMA)	Indicate whether the bank has assumed to be using the internal models approach (IMA) as set out in the FRTB for at least some of the positions subject to minimum capital requirements for market risk to complete the "TB and "TB SA FRTB" worksheets.

4. Additional information on TLAC

In order to analyse the impact of total loss absorbing capacity (TLAC) requirements on participating banks, **the "TLAC" worksheet should be completed by all participating G-SIBs as well as all other banks which have been asked to do so by their national supervisory authority**. Data should be provided for the entire banking group at the consolidated level, ie the TLAC resources should include all TLAC qualifying resources across all resolution groups within the G-SIB (after the application of the applicable deductions for inter-resolution group holdings).

[12] Basel Committee on Banking Supervision, *Minimum capital requirements for market risk*, January 2016, www.bis.org/bcbs/publ/d352.htm.

Row	Column	Heading	Description
A)	Adjustments to regulatory capital for TLAC calculation purposes		
4	D	Amortised portion of Tier 2 instruments where remaining maturity > 1 year	This row recognises that as long as the remaining maturity of a Tier 2 instrument is above the one-year residual maturity requirement of the TLAC term sheet, the full amount may be included in TLAC, even if the instrument is partially derecognised in regulatory capital via the requirement to amortise the instrument in the five years before maturity. Only the amount not recognised in regulatory capital but meeting all TLAC eligibility criteria should be reported in this row.
6	D	Additional Tier 1 instruments issued out of subsidiaries to third parties	Additional Tier 1 instruments issued out of subsidiaries to third parties that are ineligible as TLAC. According to Section 8c of the TLAC term sheet such instruments could be recognised to meet minimum TLAC until 31 December 2021. A positive amount should thus be reported only starting from 1 January 2022.
7	D	Tier 2 instruments issued out of subsidiaries to third parties	Tier 2 instruments issued out of subsidiaries to third parties that are ineligible as TLAC. According to Section 8c of the TLAC term sheet such instruments could be recognised to meet minimum TLAC until 31 December 2021. A positive amount should thus be reported only starting from 1 January 2022.
8	D	all other	All elements of regulatory capital, other than reported in rows 6 and 7 above that are ineligible as TLAC. For example, some jurisdictions recognise an element of Tier 2 capital in the final year before maturity, but such amounts are ineligible as TLAC. Regulatory capital instruments issued by funding vehicles is another example.
B)	Non-regulatory capital elements of TLAC and adjustments		
13	D	External TLAC instruments issued directly by the G-SIB and subordinated to Excluded Liabilities	External TLAC instruments issued directly by the G-SIB or resolution entity (as the case may be) and subordinated to Excluded Liabilities. To be reported here instruments must meet the subordination requirements set out in points (a) to (c) of Section 11 of the TLAC term sheet, or be exempt from this requirement by meeting the conditions set out in points (i) to (iv) of the same section.
14	D	External TLAC instruments issued directly by the G-SIB which are not subordinated to Excluded Liabilities but meet all other TLAC term sheet requirements	External TLAC instruments issued directly by the G-SIB or resolution entity (as the case may be) that are not subordinated to Excluded Liabilities but meet the other TLAC term sheet requirements. The amount reported here should be subject to recognition as a result of the application of the penultimate and antepenultimate paragraphs of Section 11 of the TLAC term sheet. The full amounts should be reported in this row, ie without applying the 2.5% and 3.5% caps set out the penultimate paragraph.
15	D	of which: amount eligible as TLAC after application of the caps	The amount reported in row 14 above after the application of the 2.5% and 3.5% caps set out in the penultimate paragraph of Section 11 of the TLAC term sheet.
17	D	External TLAC instruments issued by funding vehicles prior to 1 January 2022	External TLAC instrument issued by a funding vehicle prior to 1 January 2022.
18	D	Eligible ex ante commitments to recapitalise a G-SIB in resolution	Eligible ex ante commitments that meet the conditions set out in the second paragraph of Section 7 of the TLAC term sheet.

5. Additional information on the Basel III leverage ratio

The "Leverage ratio: additional data" worksheet collects information relevant to the proposed changes in the consultative document *Revisions to the Basel III leverage ratio framework* (hereafter: consultative document or CD).[13]

5.1 On-balance sheet exposures, treatment of provisions/loan-loss reserves for on-balance sheet exposures and prudential valuation adjustments (panel A)

Panel A collects information on components of on-balance sheet exposures which are subject to proposed changes under the consultative document, namely:

- eligible general provisions/general loan-loss reserves associated with on-balance sheet exposures and prudential valuation adjustments that the consultative document proposes be deducted from the leverage ratio exposure measure; and
- cash pooling transactions where debit balances may be offset by credit balances according to paragraph 17 of the consultative document.

Row	Column	Heading	Description
7	D, I	Deduction of eligible general provisions and general loan loss reserves from on-balance sheet exposures	Per paragraph 10 of the consultative document, the amount of any general provisions or general loan loss reserves (as defined in paragraph 60 of the Basel III framework) associated with on-balance sheet exposures which have reduced Tier 1 capital.
8	D, I	Deduction of eligible prudential value adjustments (PVAs)	Per paragraph 12 of the consultative document, the amount of prudent valuation adjustments (PVA) for exposures to less liquid positions that are deducted from Tier 1 capital per paragraph 718 (cxii) of the Basel II framework as amended by the standard *Minimum capital requirements for market risk*.
9	D, I	Cash pooling transactions – Gross value	The gross amount of a bank's credit (ie asset side, pre-extinguishment of eligible debits and credit) of all cash pooling transactions (ie those that meet and those that do not meet the criteria of paragraph 17 of the consultative document),
9	E, J	Cash pooling transactions – Net value	The net amount of a bank's credit (ie post-extinguishment of eligible debit and credit balances) of all cash pooling transactions (ie those that meet and those that do not meet the criteria of paragraph 17 of the consultative document),
9	F, K	Cash pooling transactions – Exposure	Amounts for all cash pooling transactions (ie those that meet and those that do not meet the criteria of paragraph 17 of the consultative document) as included for purposes of the Basel III leverage ratio calculation on the regular Basel III implementation monitoring submission for 31 December 2015.
10	D, I	Of which: cash pooling transactions that meet the criteria of para 17 – Gross value	Per paragraph 17 of the consultative document, the gross amount of a bank's credit (ie the asset side, pre-extinguishment of eligible debits and credits) of eligible cash pooling transactions.

[13] Basel Committee on Banking Supervision, *Revisions to the Basel III leverage ratio framework – Consultative Document*, April 2016, www.bis.org/bcbs/publ/d365.htm.

Row	Column	Heading	Description
10	E, J	Of which: cash pooling transactions that meet the criteria of para 17 – Net value	Per paragraph 17 of the consultative document, the net amount of a bank's credit (ie post-extinguishment of eligible debit and credit balances) of eligible cash pooling transactions.
10	F, K	Of: which cash pooling transactions that meet the criteria of para 17 – Exposure	Cash pooling amounts that meet the conditions in paragraph 17 of the consultative document and as reported for purposes of the Basel III leverage ratio calculation on the regular Basel III implementation monitoring submission for 31 December 2015.

5.2 Off-balance sheet items (panel B)

Panel B collects information on the notional amounts of off-balance sheet (OBS) items grouped by associated credit conversion factor (CCF) as proposed in the consultative document. All OBS items are to be reported on a notional basis, ie prior to the application of the associated CCF. In addition, the panel collects information on eligible specific and general provisions associated with off-balance sheet items.

Row	Column	Heading	Description
16	D, I	Off-balance sheet items with a [10-20]% CCF in the LR CD	Notional amount of OBS items specified in paragraph 13 of the Annex to the consultative document.
17	D, I	Off-balance sheet items with a 20% CCF in the LR CD	Notional amount of OBS items specified in paragraph 12 of the Annex to the consultative document.
18	D, I	Off-balance sheet items with a 50% CCF in the LR CD	Notional amount of OBS items specified in paragraph 11 of the Annex to the consultative document.
19	D, I	Off-balance sheet items with a [50-75]% CCF in the LR CD	Notional amount of OBS items specified in paragraph 10 of the Annex to the consultative document.
20	D, I	Off-balance sheet items with a 100% CCF in the LR CD including Option A for unsettled financial asset purchases	Notional amount of all OBS items specified in paragraph 9 of the Annex to the consultative document, including application of Option A in the case of unsettled financial asset purchases.
21	D, I	Reported unsettled financial asset purchases as OBS items with a 100% CCF?	Yes/no question on whether the bank reported unsettled financial asset purchases as OBS items with a 100% CCF, without applying the offsetting under Option B, for purposes of its Basel III leverage ratio calculation on the regular Basel III implementation monitoring submission for 31 December 2015.
22	D, I	Off-balance sheet items with a 100% CCF in the LR CD including Option B for unsettled financial asset purchases	Notional amount of all OBS items specified in paragraph 9 of the Annex to the consultative document, including application of Option B in the case of unsettled financial asset purchases.
23	D, I	Off-balance sheet securitisation exposures	Off-balance sheet securitisation exposures specified in paragraph 15 of the Annex to the consultative document.
24	D, I	Deduction of eligible specific and general provisions from off-balance sheet items	Per paragraph 45 of the consultative document, the amount of specific and general provisions associated with OBS items reported in rows 15 through 20 and 22 through 23 that may be deducted from the post-CCF amounts of OBS items for purposes of the leverage ratio exposure measure.

5.3 Alternative methods for derivative exposures (panel C)

Panel C collects information on the impact of a currency mismatch haircut on eligible cash variation margin (CVM) for the purposes of calculating the replacement cost (RC) for derivatives under application of the modified standardised approach for measuring counterparty credit risk (CCR) exposures (modified SA-CCR). As specified in paragraph 2 of the Annex to the consultative document, both CVM received and provided are subject to the same haircuts as applied for risk-based capital ratio purposes if there is a currency mismatch between the CVM and the termination currency of the netting set (ie the currency in which the bank would submit its claim upon a counterparty default). Consistent with the proposal in the consultative document *Revisions to the Standardised Approach for credit risk*, the haircut should be set at 8% for derivative transactions with a 10-days margin period of risk (MPOR). For derivative transactions where a 5-day or a 20-day MPOR apply, the 10-day FX haircut value should be adjusted according to paragraphs 168 and 169 of the Basel II framework.[14]

Row	Column	Heading	Description
29	D, I	Replacement cost (RC) without application of FX haircuts for currency mismatch on cash variation margin	Replacement cost according to paragraph 2 of the Annex to the consultative document where both CVM received and provided **are not** subject to the same haircuts as applied for risk-based capital ratio purposes if there is a currency mismatch between the CVM and the termination currency of the netting set (ie the currency in which the bank would submit its claim upon a counterparty default).
30	D, I	Replacement cost (RC) with application of FX haircuts for currency mismatch on cash variation margin	Replacement cost according to paragraph 2 of the Annex to the consultative document where both CVM received and provided **are** subject to the same haircuts as applied for risk-based capital ratio purposes if there is a currency mismatch between the CVM and the termination currency of the netting set (ie the currency in which the bank would submit its claim upon a counterparty default).

5.4 Adjusted notional exposures for written credit derivatives (panel D)

Panel D collects information on the impact of the additional criteria specified in paragraph 31 of the consultative document regarding the eligibility of credit protection purchased through credit derivatives to reduce the effective notional amount of written credit derivatives in the leverage ratio exposure measure.

Regarding the scope of instruments to be reported in this panel, banks must apply the proposed definition for written credit derivatives as set out in paragraphs 31 and 32 of the consultative document.

14 Or equivalently, paragraphs 151 and 158 of the document: Basel Committee on Banking Supervision, *Revisions to the Standardised Approach for credit risk – second consultative document*, December 2015, www.bis.org/bcbs/publ/d347.htm.

Row	Column	Heading	Description
37	D, I	Credit derivatives (protection sold); Capped notional amount; Total	Capped notional of written credit derivatives as set out in paragraph 31 of the consultative document prior to excluding any exempted legs associated with client-cleared trades or the provision of clearing services in a multi-level client services structure.
37	E, J	Credit derivatives (protection sold); Capped notional amount; Of which: exempted legs associated with client-cleared trades or the provision of clearing services in a multi-level client services structure	Capped notional of written credit derivatives that meet the conditions of paragraph 31 of the consultative document to be excluded from the calculation of the Basel III leverage ratio exposure measure as exempted legs associated with client-cleared trades or the provision of clearing services in a multi-level client services structure.
38	D, I	Credit derivatives (protection bought); Capped notional amount; Total	Capped notional of credit protection purchased through credit derivatives.
38	F, K	Credit derivatives (protection bought); Capped notional amount; same reference name (non-exempted)	Capped notional of credit protection purchased through credit derivatives that feature the same reference name as written credit derivatives and which are not excluded according to paragraph 31 (as in columns E and J).
38	G, L	Credit derivatives (protection bought); Capped notional amount; non-exempted: meeting all criteria of para 31	Capped notional of credit protection purchased through credit derivatives that meet all criteria of paragraphs 31 and 32 of the consultative document to serve as offset for written credit derivatives and which are not excluded according to paragraph 31 (as in columns E and J).
39	F, K	Credit derivatives (protection sold less protection bought); Capped notional amount; same reference name (non-exempted)	Non-data entry cell. Calculates the difference between written and purchased credit protection on the same underlying names, regardless of the other criteria of paragraph 31 of the consultative document.
39	G, L	Credit derivatives (protection sold less protection bought); Capped notional amount (meeting all criteria of para 31)	Non-data entry cell. Calculates the difference between written and purchased credit protection on the same underlying names, based upon all criteria of paragraph 31 and 32 of the consultative document.
40	E, F, G, J, K, L	Check row	This is a non-data entry row. It checks that the notional amount of credit derivatives as described above is consistently filled-in.

5.5 Derivatives clearing services within a multi-level client structure (panel E)

Panel E collects information on the amounts of replacement cost (RC) and potential future exposure (PFE) associated with derivative transactions whereby the bank provides clearing services in a multi-level client structure that may be excluded from the calculation of the unmodified and modified standardised approach for measuring counterparty credit risk exposures (SA-CCR) for purposes of the Basel III leverage ratio exposure measure per paragraphs 27 and 29 of the consultative document.

This panel concerns only banks which provide derivatives clearing services within a multi-level client structure as defined in Annex 4 of the Basel II framework.

Row	Column	Heading	Description
45	D, I	SA-CCR without modification; Exempted leg of derivatives for which the bank provides clearing services within a multi-level client structure: replacement cost (RC)	Amount of replacement cost per SA-CCR without modification associated with the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document.
45	E, J	Modified SA-CCR; Exempted leg of derivatives for which the bank provides clearing services within a multi-level client structure: replacement cost (RC)	Amount of replacement cost per modified SA-CCR associated with the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document (ie using the modified SA-CCR as set out in paragraph 20 and paragraph 2 of the Annex of the consultative document).
46	D, I	SA-CCR without modification; Of which: associated with entities affiliated with the bank outside the scope of regulatory consolidation for which the bank acts as a clearing member	Amount of replacement cost per **SA-CCR without modification** for the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document that are associated with entities affiliated with the bank but that are outside the scope of regulatory consolidation and for which the bank acts as a clearing member per paragraph 29 of the consultative document.
46	E, J	Modified SA-CCR; Of which: associated with entities affiliated with the bank outside the scope of regulatory consolidation for which the bank acts as a clearing member	Amount of replacement cost per **modified SA-CCR** for the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document that are associated with entities affiliated with the bank but that are outside the scope of regulatory consolidation and for which the bank acts as a clearing member per paragraph 29 of the consultative document.
46	F, K	Checks row	Checks that the total amounts are less than the "of which".
47	D, I	SA-CCR without modification; Exempted leg of derivatives for which the bank provides clearing services within a multi-level client structure: potential future exposure (PFE)	Amount of PFE per SA-CCR without modification associated with the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document.
47	E, J	Modified SA-CCR; Exempted leg of derivatives for which the bank provides clearing services within a multi-level client structure: potential future exposure (PFE)	Amount of PFE per modified SA-CCR associated with the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document.
48	D, I	SA-CCR without modification; Of which: associated with entities affiliated with the bank outside the scope of regulatory consolidation for which the bank acts as a clearing member	Amount of PFE per **SA-CCR without modification** for the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document that are associated with entities affiliated with the bank but that are outside the scope of regulatory consolidation and for which the bank acts as a clearing member per paragraph 29 of the consultative document.

Row	Column	Heading	Description
48	E, J	Modified SA-CCR; Of which: associated with entities affiliated with the bank outside the scope of regulatory consolidation for which the bank acts as a clearing member	Amount of PFE per **modified SA-CCR** for the legs of derivative exposures which may be excluded per paragraph 27 of the consultative document that are associated with entities affiliated with the bank but that are outside the scope of regulatory consolidation and for which the bank acts as a clearing member per paragraph 29 of the consultative document.
48	F, K	Checks row	Checks that the total amounts are less than the "of which".
49	D, E, I, J	Exemption applied in previous reporting for the SA-CCR or modified SA-CCR	Yes/no question regarding whether the amounts of RC and PFE for the legs of derivative exposures associated with the bank's provision of clearing services within multi-level client structures have already been excluded in the bank's calculation of the Basel III leverage ratio in its Basel III implementation monitoring submission for 31 December 2015.

5.6 Pending settlement transactions (panel F)

Panel F collects information from banks that utilise either trade date or settlement date accounting on the impact of Options A and B of paragraph 16 of the consultative document for measuring the amount of *regular-way purchases or sales of financial assets* (hereafter: pending settlement transactions) for purposes of the Basel III leverage ratio exposure measure. For purposes of reporting, banks that utilise trade date accounting should determine the gross amount of cash receivables (reversing out any offsetting between cash receivables for unsettled sales and cash payables for unsettled purchases recognised under the applicable accounting framework) per Option A and take into account the impact of any offsetting per the criteria specified in paragraph 16 Option B of the consultative document. Banks using settlement date accounting should report the exposure amount associated with unsettled financial asset purchases (ie the commitment to pay) offset by any cash to be received for unsettled financial asset sales provided the conditions in Option B of paragraph 9 of the Annex of the consultative document are met.

Row	Column	Heading	Description
55	D, I	Trade date accounting Option A: amount of gross cash receivables without any offsetting	For banks that utilise trade date accounting, the amount of gross cash receivables without taking into account offsetting (including accounting offsetting).
56	D, I	Settlement date accounting Option A: amount of gross commitments to pay for unsettled purchases	For banks that utilise settlement date accounting, the amount of gross commitments to pay for unsettled purchases.
57	D, I	Trade date accounting Option B: amount of gross cash receivables less offsetting specified in Option B	For banks that utilise trade date accounting, the amount of gross cash receivables taking into account offsetting only per the criteria in paragraph 16 Option B (ie not the offsetting that may be permitted under the bank's accounting framework).
58	D, I	Banks using settlement date accounting Option B: amount of gross commitments to pay for unsettled purchases less cash to be received for unsettled sales (ie offsetting specified in Option B)	For banks that utilise settlement date accounting, the amount of gross commitments to pay for unsettled purchases less cash to be received for unsettled sales in accordance with the criteria set out in paragraph 9, Option B of the Annex to the consultative document.

5.7 Securities financing transactions (panel G)

Panel G collects information from banks that have exposures to securities financing transactions (SFTs) that have no explicit maturity date but which can be unwound at any time by either party to the transaction (ie *open repos*) in order to assess the materiality of the impact of their ineligibility for netting within the Basel III leverage ratio framework.

Row	Column	Heading	Description
63	D, I	SFTs reported on row 15 of Basel III monitoring template in the form of open repos; Accounting balance sheet value	Accounting balance sheet value of open repos included in the bank's calculation of the Basel III leverage ratio on the Basel III implementation monitoring submission for 31 December 2015.
63	E, J	SFTs reported on row 15 of Basel III monitoring template in the form of open repos; Gross value (assuming no netting or CRM)	Gross value of open repos included in the bank's calculation of the Basel III leverage ratio on the Basel III implementation monitoring submission for 31 December 2015.
63	F, K	SFTs reported on row 15 of Basel III monitoring template in the form of open repos; Counterparty credit risk exposure	Counterparty credit risk exposure associated with open repos included in the bank's calculation of the Basel III leverage ratio on the Basel III implementation monitoring submission for 31 December 2015.
63	G, L	SFTs reported on row 15 of Basel III monitoring template in the form of open repos; Adjusted gross SFT assets	Adjusted gross amount of receivables associated with open repos included in the bank's calculation of the Basel III leverage ratio on the Basel III implementation monitoring submission for 31 December 2015.
63	H, M	SFTs reported on row 15 of Basel III monitoring template in the form of open repos; Adjusted gross SFT assets assuming open repos were to be measured net when all other criteria of para 37 are met	Adjusted gross amount of receivables offset by payables associated with open repos assuming open repos were eligible for SFT netting provided all criteria of paragraph 37 of the consultative document are met *except* the requirement that transactions have the same explicit final settlement date.
64	D, I	Check row	Check that the accounting value is not greater than the gross value.

5.8 Additional data on the Basel III leverage ratio and risk-weighted capital requirements for types of derivatives counterparties (panel H)

This panel collects additional data on net income, initial margin (IM), the Basel III leverage exposure measure and risk-weighted capital requirements for a sample of derivative counterparties as well the portfolio totals. **Subpanels H1) and H2) concern only banks engaging in client derivative clearing business as clearing member (CM) as set out in Subsection II.1.2 of the preamble to the consultative document.**

The sample consists of top five derivative counterparties by IM received for eight counterparty types (ie bank, insurance, corporate, investment fund (including, but not limited to, hedge funds), pension fund, asset manager, retail, and sovereign), as defined for risk-based capital ratio purposes, within three portfolio categories: exchange traded (ETD), over-the-counter (OTC) and bilateral derivatives (which includes trades with non-qualifying central counterparties). For convenience, this panel is split into three subpanels H1 (ETD trades), H2 (OTC trades) and H3 (bilateral). In the case of bilateral trades, if the bank has fewer than five counterparties from which IM is received, remaining rows should be completed for top counterparties as determined by their associated Basel III leverage ratio exposure measure as calculated per the **current** Basel III leverage ratio framework.

In case of ETD and OTC derivatives cleared through a qualifying central counterparty (QCCP), the template covers **only the client leg**. In this case, the client is the intended counterparty. This includes trades under the agency model where a client enters directly into a trade with a QCCP and the CM bank guarantees the client's performance to the QCCP (as set out in paragraph 28 of the consultative document). Thus panels H1 and H2 are not relevant to a bank that is not a CM. In case of multi-level client structures, the intended counterparty is the client (which may contain a group of sub-accounts of the client) to which the clearing member bank has a direct exposure.

Note that the minimum capital requirements arising from default fund (DF) contributions are **not** covered in this panel. Similarly, minimum capital requirements for market risk are not captured in this panel.

Column D captures data on net income from a portfolio of derivatives trades with a counterparty. Columns E to H capture data on initial margin, columns I to K capture the Basel III leverage exposure measure using three different methods and columns L to M capture two types of risk-weighted capital requirements. Column N captures qualitative information on enforceability of netting and collateral agreements. Rows 110, 154 and 198 capture the total amounts for ETD, OTC and bilateral portfolios across all counterparties respectively.

Columns E to M are to be reported as of the reporting date whereas column D (net income) should be total net income over the quarter before the reporting date. Given the difficulties in measuring net income, particularly for bilateral trades, this column could be completed on a best efforts basis.

Note that all client data is to be reported on an **anonymous basis** (ie the generic counterparty categories in column C are not to be replaced with specific counterparty names).

The following table provides a description of the data to be entered in each row and column.

Row	Column	Heading	Description
70-109, 114-153, 158-197	D	Net income from derivatives trades with this counterparty	The measure of income, net of operating costs, and post-tax. This should include revenues arising from clearing fees charged to counterparty, ancillary revenues from associated financing and execution, and costs such as fees charged by the CCP to the clearing member for their client trades. This measure should exclude any fees charged to counterparty that are solely for the DF contribution.
70-109, 114-153, 158-197	E	Initial margin required by bank from this counterparty	Initial margin required by the bank from this counterparty. This is the net independent collateral amount, or NICA set out for SA-CCR (the Standardised Approach to Counterparty Credit Risk, paragraphs 142 and 143) in the risk-weighted framework.
70-109, 114-153, 158-197	F	Initial margin received by bank from this counterparty, of which cash	The cash initial margin received from this counterparty by the bank. This is net of any unsegregated cash initial margin posted to the counterparty in the context of bilateral trades.
70-109, 114-153, 158-197	G	Initial margin received by bank from this counterparty, of which non-cash before haircut	The non-cash initial margin received from this counterparty by the bank before applying any haircut. This is net of any unsegregated non-cash initial margin posted to the counterparty in the context of bilateral trades.
70-109, 114-153, 158-197	H	Initial margin received by bank from this counterparty, of which non-cash after haircut	The amount of cash initial margin that would be an acceptable substitute for the non-cash initial margin received from this counterparty. This amount is net of any unsegregated initial margin posted to the counterparty in the context of bilateral trades, similarly reported as after haircut.

Row	Column	Heading	Description
70-109, 114-153, 158-197	I	Leverage exposure measure (including exposures captured under paragraph 28) using CEM	The replacement cost and potential future exposure of derivatives set out in paragraphs 19 to 28 and the Annex of the current Basel III leverage ratio framework (BCBS 270). The replacement cost is after recognition of eligible cash variation margin offset. Note that the resulting replacement cost is floored at zero.
70-109, 114-153, 158-197	J	Leverage exposure measure (including exposures captured under paragraph 28) using SA-CCR without an IM offset to PFE	1.4 times the sum of replacement cost and potential future exposure of derivatives, calculated according to Annex paragraphs 1 through 3 of the Basel III leverage ratio framework consultative document.
70-109, 114-153, 158-197	K	Leverage exposure measure (including exposures captured under paragraph 28) using SA-CCR with an IM offset to PFE	1.4 times the sum of replacement cost and potential future exposure of derivatives, calculated according to Annex paragraphs 1 through 3 of the Basel III leverage ratio framework consultative document but the multiplier is **not** fixed at 1.
70-109, 114-153, 158-197	L	Risk-weighted capital requirements: Counterparty credit risk using SA-CCR	The capital requirements arising from counterparty credit risk, calculated under SA-CCR (the Standardised Approach to Counterparty Credit Risk) in the risk-weighted framework.
70-109, 114-153, 158-197	M	Risk-weighted capital requirements: Credit valuation adjustments (CVA) using the standardised method	The capital requirements arising from CVA risk, calculated under the Standardised Method of the Basel III CVA risk charge in the risk-weighted framework, as applied for risk-weighting purposes.
70-109, 114-153, 158-197	N	Enforceability of netting and collateral agreements	Please select an option from the drop-down list: • Netting • Collateral • Both • Neither
110	D to M	ETD derivatives portfolio total across all counterparties (client leg only)	This row captures total amounts (as described in columns D to M above) for the client leg of ETD derivatives portfolio across all clients.
154	D to M	OTC derivatives portfolio total across all counterparties (client leg only)	This row captures total amounts (as described in columns D to M above) for the client leg of OTC derivatives portfolio across all clients.
198	D to M	Bilateral derivatives portfolio total across all counterparties	This row captures total amounts (as described in columns D to M above) for the bilateral derivatives portfolio across all derivatives counterparties.

6. General information on credit risk

The following three worksheets collect general information on credit risk over and above the data collected in the Basel III monitoring exercise circulated end-January 2016. Although they test proposals contained with the consultation document on *Reducing variation in credit risk weighted assets – constraints on the use of internal model approaches* (hereafter, the "IRB CD")[15], they have an impact on exposures under the standardised approach and so must be completed by **all banks**.

15 Basel Committee on Banking Supervision, *Reducing variation in credit risk-weighted assets – constraints on the use of internal model approaches – consultative document*, March 2016, www.bis.org/bcbs/publ/d362.htm.

- **EAD CCF**: This worksheet collects information on the impact of the proposals set out in Section 4.3 of the IRB CD that relate to the calculation of EAD and CCFs, and information on the impact of the floor on EAD set out in Table 2 of the IRB CD.
- **CCR**: This worksheet aims at assessing the impact of the revisions to the counterparty credit risk (CCR) framework for both derivatives and securities financing transactions (SFTs), and for cross product netting sets (as set out in paragraphs 10 to 19 of Annex 4 of the Basel II framework), namely:
  - for derivatives: (i) the impact of the implementation of the standardised approach for measuring counterparty credit risk exposures (SA-CCR); and (ii) the impact of the proposed SA-CCR floor on the Internal Models Method (IMM).
  - for SFTs: (i) removing the own estimates of haircuts option under the comprehensive approach (CA) for financial collateral as set out in paragraph 154 to 165 of the Basel II framework; (ii) the impact of the proposed floor on the Internal Models Method (IMM).

  The worksheet separately collects this information under the current credit risk framework (ie current standardised approach and IRB framework) in panel A and under the proposed new credit risk framework (ie proposed revised standardised approach [16] and IRB approach after implementation of the IRB CD proposals) in panel B. Finally, the "CCR" worksheet also requests additional information on exposures to qualifying and non-qualifying central counterparties (CCPs) under the interim requirements and the final standards in panel C.
- **CRM:** This worksheet collects information that will be used to assess the statement in the IRB CD that the Committee will consider the appropriateness of the 0% LGD floor on exposures fully secured by eligible financial collateral (together with the corresponding zero exposure value that can be obtained under the standardised approach).

Unless stated otherwise, all exposure amounts/EAD should be reported taking into account the effect of guarantees and credit derivatives, and should hence be reported post substitution of the original obligor by the protection provider.

6.1 Worksheet "EAD CCF"

This worksheet tests the impact of the revised commitment definition for exposures subject to the standardised approach for credit risk (panel A). This part of the worksheet is relevant for **all** banks. It also tests the following proposed changes to the IRB framework in isolation (panel B):

- Proposals set out in Section 4.3 of the IRB CD (exposures at default (EAD) and credit conversion factors), with the exception of condition (i) in the second bullet point in Section 4.3 of the IRB CD;[17] and
- The proposed 50% floor on EAD under the AIRB as set out in Table 2 of Section 3 of the IRB CD.

  In this section, the above will be referred to as the "EAD proposals".

[16] Basel Committee on Banking Supervision, *Revisions to the Standardised Approach for credit risk – second consultative document*, December 2015, www.bis.org/bcbs/publ/d347.htm.

[17] Condition (i) has the effect of removing EAD modeling for portfolios that are migrated to the standardised approach under the IRB CD (eg exposures to banks and financial institutions). However, given that the intention of this worksheet is to test the proposals in isolation (ie assuming no portfolio migrations) condition (i) should not be applied. Accordingly, this spreadsheet collects information also for all IRB exposures (eg including banks and financial exposures).

NB: Both standardised exposures of banks that apply the IRB approach (ie under partial use) *and* the standardised exposures of banks only applying the standardised approach should be reported in panel A. Also for the purposes of completing this data collection exercise, sovereign exposures should be excluded from both panel A and panel B.

Banks should use the top of the range CCF values where the proposed revisions to the standardised approach for credit risk contains ranges.[18]

Panel A: Standardised approach exposures (excluding sovereign exposures)

This panel tests the impact on exposures currently subject to the standardised approach for credit risk of the proposed clarification of the word "commitment" that is set out at the bottom of page 11 of the IRB CD. This clarification applies to exposures under the standardised and IRB approaches. The effect of the clarification on exposures under the IRB approach should be reported as part of the "revised" columns in panel B. The effect of this on exposures under the standardised approach for credit risk should be reported in panel A.

For the purposes of panel A the columns are defined according to the following table. Columns C to E collect data on current standardised approach exposures under the revised standardised approach, **excluding** the updated definition of "commitment". Columns G to H collect data on the current standardised approach exposures under the revised standardised approach, **including** the updated definition "commitment".

Column	Description
C	The total notional amount (post CRM, **pre**-CCF) currently subject to a CCF under the standardised approach.
D	The total current exposure amount (post CRM) for exposures that are currently subject to a CCF under the standardised approach.
E	The total current RWA for exposures that are currently subject to the standardised approach.
G	The total exposure amount (post CRM) for exposures that are currently subject to the standardised approach, after application of the revised definition of commitment (bottom of page 11 of the IRB CD).
H	The total RWA amount for exposures that are currently subject to the standardised approach, after application of the revised definition of commitment (bottom of page 11 of the IRB CD).).

Panel B: IRB exposures (excluding sovereign exposures)

The rows of the panel ask banks to report IRB amounts (post-CRM) according to the facility categories specified in the proposed new standardised approach. The amounts that banks are asked to report in each of the columns for each of the rows is set out in the table below.

Note that the columns that collect data on current amounts (ie D to F and K to M) are current FIRB and AIRB amounts, split according to the facility categories in the proposed revised standardised approach. The columns that collect data on revised amounts (ie G to I and N to S) are the current amounts after application of the EAD proposals in isolation (with and without application of the 50% floor based on the CCFs under the revised standardised approach for credit risk respectively).

[18] See Section 1.7, Table A of document: Basel Committee on Banking Supervision, *Revisions to the Standardised Approach for credit risk – second consultative document*, December 2015, www.bis.org/bcbs/publ/d347.htm.

Column	Description
C	The total notional amount (post CRM, **pre**-CCF) currently subject to the FIRB approach for each of the facilities (across all approaches to EAD determination), using the facility breakdown specified in the proposed revised standardised approach for credit risk (ie the rows).
D	The total current EAD for the facility category for exposures that are currently subject to the FIRB approach and the supervisory slotting criteria approach.
E	The total current RWA for the facility category for exposures that are currently subject to the FIRB approach and the supervisory slotting criteria approach.
F	The total current EL amounts for the facility category for exposures that are currently subject to the FIRB approach and the supervisory slotting criteria approach.
G	The total EAD under the IRB CD for the facility category for exposures that are currently subject to the FIRB approach and the supervisory slotting criteria approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach.
H	The total RWA under the IRB CD for the facility category for exposures that are currently subject to the FIRB approach and the supervisory slotting criteria approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach.
I	The total EL amounts under the IRB CD for the facility category for exposures that are currently subject to the FIRB approach and the supervisory slotting criteria approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach.
J	The total notional amount (post CRM, **pre**-CCF) currently subject to the AIRB approach for each of the facilities (across all approaches to EAD determination), using the facility breakdown specified in the proposed revised standardised approach.
K	The total current EAD for the facility category for exposures that are currently subject to the AIRB approach.
L	The total current RWA for the facility category for exposures that are currently subject to the AIRB approach.
M	The total current EL amounts for the facility category for exposures that are currently subject to the AIRB approach.
N	The total EAD for the facility category for exposures that are currently subject to the AIRB approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach and excluding the proposed 50% floor.
O	The total RWA for the facility category for exposures that are currently subject to the AIRB approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach and excluding the proposed 50% floor.
P	The total EL amount for the facility category for exposures that are currently subject to the AIRB approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach and excluding the proposed 50% floor.
Q	The total EAD for the facility category for exposures that are currently subject to the AIRB approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach and including the proposed 50% floor.
R	The total RWA for the facility category for exposures that are currently subject to the AIRB approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach and including the proposed 50% floor.
S	The total EL amount for the facility category for exposures that are currently subject to the AIRB approach, after application of the EAD proposals using, where relevant, the top of the range CCF values in the proposed revised standardised approach and including the proposed 50% floor.

6.2 Worksheet “CCR”

This worksheet collects information on revisions to the CCR framework (panels A and B) and requests for additional data (panel C) on default fund and trade exposures to central counterparties (CCPs). It considers the impact of the implementation of the standardised approach to measuring counterparty credit risk (SA-CCR) and the calibration of floors, including the floor on the Internal Models Method (IMM). **This worksheet should be completed by all banks**, irrespective of whether they use the standardised approach or the IRB approach for credit risk.

The information on CCR exposures to both derivative transactions and securities financing transactions (SFTs) **other than to CCPs** is collected in the first two **panels A and B**. These panels collect **total** exposures, RWA and EL amounts that arise from CCR exposures under both the IRB approaches **and** the standardised approaches. Panel A collects amounts based on the current credit risk framework (ie current IRB approaches and current standardised approach). Panel B collects amounts based on the proposed new credit risk framework (ie IRB after the IRB CD proposals and standardised after the revised standardised approach CD proposals).

It is important to note that the information collected in **panels A** and **B** is based on the existing treatment of netting sets. That is, each **netting set** must be assigned to a set of **columns** based on its current treatment and is only reported in those assigned columns in both panels. For example, columns C to H relate to netting sets of derivatives exposures. If a particular netting set is currently subject to the Current Exposure Method (CEM) or the standardised method (SM) then it should be reported in columns C to E only. Similarly, if a particular derivatives netting set is currently subject to IMM, it should always only be reported in columns F to H (unless it is a cross-product netting set in which case it should be reported in columns U to W). For example, row 10 for columns F to H will show the exposure, RWA and EL amounts for these netting sets that are currently subject to IMM if they were subject to SA-CCR instead.

The rows in each of the panels A and B request information under different combination of approaches to calculating the exposure amounts or EAD as well as to the calculating RWA and EL amounts, where applicable.

Regarding SFTs, columns I to K and L to N respectively comprise netting sets under the supervisory haircuts option and own estimates of haircuts option under the comprehensive approach (CA) for financial collateral (as set out in paragraph 154 to 165 of the Basel II framework). Banks under the standardised approach for credit risk using the simple approach for financial collateral as set out in paragraphs 182 to 187 of the Basel II framework should report the figures of the corresponding netting sets under columns I to K. Columns O to Q comprises netting sets under the repo VaR option as set out in paragraphs 133 and 178 to 181(i) of the Basel II framework.[19] Finally, where a bank uses the IMM for SFTs, figures need to be reported in columns R to T, except in the case of cross product netting sets in which case they should be reported in U to W.

Panel C collects data on default fund contributions and trade exposures associated to both derivative transactions as well as SFTs to **qualifying and non-qualifying CCPs** as well as the corresponding RWA under the following set of cases:

(i) For non-qualifying CCPs, the *interim requirements* as set out in document *Capital requirements for bank exposures to central counterparties* published in July 2012,[20] where the trade exposures are risk-weighted based on the current standardised approach for credit risk, and CCR exposure amounts for trade exposures are calculated based on the currently used methods:

- for derivative transactions: CEM/SM (row 30) or IMM (row 29); and

[19] This includes any other non-IMM and non-own estimates modelling approach, ie other than the own estimates of haircuts option under the comprehensive approach for financial collateral or the IMM (eg under the AIRB approach).

[20] See Basel Committee on Banking Supervision, *Capital requirements for bank exposures to central counterparties*, July 2012, www.bis.org/publ/bcbs227.htm.

- for SFTs: CA using supervisory haircuts (CA(SH))[21] (row 30); or the CA using the own estimates approach (CA(OE)), the repo VaR, the IMM or any other models (row 29).

(ii) For non-qualifying CCPs, the *final standard* as set out in document *Capital requirements for bank exposures to central counterparties* published in April 2014,[22] where the trade exposures are risk-weighted according to the revised standardised approach as set out in document *Revisions to the standardised approach for credit risk*[23] and the CCR exposure amounts for trade exposures are calculated based on the:

(a) SA-CCR for derivative transactions (or respectively CA(SH) for SFTs) (row 34); and/or the IMM for derivative transactions (or CA(OE), the repo VaR, the IMM or any other models for SFTs) (row 33) as applied by the bank; and

(b) SA-CCR and CA(SH) applied to **all** trade exposures alternatively for derivative transactions and SFTs respectively (row 35). That is, banks must report in row 35 the exposures reported in rows 33 and 34 recalculated using only SA-CCR and CA(SH).

(iii) For qualifying CCPs, the *final standard* as set out in document *Capital requirements for bank exposures to central counterparties* published in April 2014,[24] where the CCR exposure amounts for trade exposures are calculated based on the:

(a) SA-CCR for derivative transactions (or respectively CA(SH) for SFTs) (row 39) and/or the IMM for derivative transactions (or respectively CA(OE), the repo VaR, the IMM or any other models for SFTs) (rows 38) applied by the bank;

(b) SA-CCR and CA(SH) applied to **all** trade exposures alternatively for derivative transactions and SFTs respectively (row 40). That is, banks must report in row 40 the exposures reported in rows 38 and 39, with the amounts in row 38 recalculated using only SA-CCR and CA(SH).

6.3 Worksheet "CRM"

This worksheet collects information that will be used to assess the statement in the IRB CD that the Committee will consider the appropriateness of the 0% LGD floor on exposures fully secured by eligible financial collateral (together with the corresponding zero exposure value that can be obtained under the standardised approach).

Panels A and B request data only on exposures that are **fully** secured by eligible financial collateral, that is, exposure for which LGD* or E* will be zero in the proposed framework. **Panel A** collects data on repo-style transactions eligible for the zero haircut (repo *carve out*) treatment under paragraph 170 of the Basel II framework. **Panel B** collects data on all other exposure that are fully secured by eligible financial collateral.

It is important to note the following:

[21] Banks under the standardised approach for credit risk using the simple approach for financial collateral as set out in paragraphs 182 to 187 of the Basel II framework should always report under the CA(SH) in this panel.

[22] See Basel Committee on Banking Supervision, *Capital requirements for bank exposures to central counterparties – final standard*, April 2014, www.bis.org/publ/bcbs282.htm.

[23] See Basel Committee on Banking Supervision, *Revisions to the Standardised Approach for credit risk – second consultative document*, December 2015, www.bis.org/bcbs/publ/d347.htm.

[24] See Basel Committee on Banking Supervision, *Capital requirements for bank exposures to central counterparties – final standard*, April 2014, www.bis.org/publ/bcbs282.htm.

- The exposure values to be reported must be reported post-CRM besides **the effects of financial collateral**. That is, the intention is to collect data on the size of the exposures if none of the eligible financial collateral is recognised.
- Columns L and M must be completed for **all** exposures on the standardised approach, this includes both: (i) exposures migrating to the revised standardised approach as a result of the IRB CD (as in panels A to C of the "IRB Proposed" worksheet); **and** (ii) exposures that are already on the standardised approach (either through partial use or through the use of standardised approach only).
- Where banks are required to report RWA and EL amounts, these amounts should be calculated assuming the implementation of the same baseline proposal as for panel A of the "IRB proposed" worksheet, with the exception that the LGD floor for exposures secured by financial collateral is set at 5%, rather than 0%.[25]

7. IRB approaches to credit risk

7.1 Overview

This section describes the worksheets that will be used to assess the impact of the proposals set out in the consultation document on *Reducing variation in credit risk weighted assets – constraints on the use of internal model approaches* (hereafter, the "IRB CD").[26] **Credit risk exposures in the worksheets refer to all exposures in the banking book and to counterparty credit risk (CCR) exposures in the trading book. Moreover, with the exception of panel A in the "IRB Current" worksheet, banks should assume agreed but yet implemented policies (ie (i) equity investments in funds; (ii) standardised approach for measuring counterparty credit risk (SA-CCR); and (iii) the final standard as set out in document *Capital requirements for bank exposures to central counterparties* published in April 2014[27]) are in effect.**

All worksheets under this section should be completed before considering any output floors (eg Basel I floor) the bank is currently subject to in its jurisdiction unless stated otherwise. Unless stated otherwise, all exposure amounts/EAD should be reported taking into account the effect of guarantees and credit derivatives, and should hence be reported post substitution of the original obligor by the protection provider.

The following is a brief summary of the worksheets to give a picture of how the various elements fit together.

Overview worksheets

- **IRB Current**: This worksheet collects information on current credit risk exposures subject to the current foundation internal ratings-based (FIRB) and advanced internal ratings-based (AIRB) approaches. Panel A requests for data for exposures under the IRB approach applying current **national rules**, including but not limited to implementation and levels of the input floors, in place

[25] Please note that the 5% number is not a proposal; it is an arbitrary number that facilitates consideration of a range of values.

[26] Basel Committee on Banking Supervision, *Reducing variation in credit risk-weighted assets – constraints on the use of internal model approaches – consultative document*, March 2016, www.bis.org/bcbs/publ/d362.htm.

[27] See Basel Committee on Banking Supervision, *Capital requirements for bank exposures to central counterparties – final standard*, April 2014, www.bis.org/publ/bcbs282.htm.

at the reporting date, thereby forming a good basis for reconciliation with national regulatory reporting as an anchor point. Moreover, panel B requests the same data but assuming that the following agreed final standards are in effect: (i) equity investments in funds;[28] (ii) standardised approach to counterparty credit risk (SA-CCR); and (iii) the final standards on capital requirements for bank exposures to CCPs.[29]

- **IRB Proposed**: This worksheet collects information on the impact of the full set of proposed changes to the IRB approaches set out in the IRB CD. That is, the proposals in the consultation document are to be applied simultaneously for the purposes of this worksheet (for those instances where the Committee is considering options in the consultation document, a baseline approach to be used for this worksheet is described). This worksheet also collects information on variants to the baseline and other issues, such as output floors and the relative calibration of the IRB approaches and the proposed revised standardised approach.[30] The purpose of the variants to the baseline is to facilitate a sensitivity analysis, such that the Committee can estimate the impact of various floor combinations within the range that banks are asked to report.

Specific policy area worksheets

The following worksheets are designed to test the impact of parts of the IRB CD proposals **in isolation**. That is, they must be completed without applying other elements of the IRB CD proposal. The cumulative impact of all IRB CD proposals will be assessed by using the overview worksheets described above, which require banks to apply all IRB CD proposals simultaneously. The cumulative impact cannot be assessed by adding the impacts of each of the proposed policy changes in isolation because certain proposals are interdependent.

- **Portfolio Migration**: This worksheet collects information needed to assess the impact of the portfolio migration of (sub-)asset classes or portfolios of exposures across regulatory approaches as proposed in Sections 2.2 and 2.3 of the IRB CD. In particular, these sections of the IRB CD propose to remove the AIRB and FIRB for certain assets, and thus migrate exposures from one regulatory treatment to another. It will also be used for assessing the relative calibrations of the existing IRB approaches and the proposed revised standardised approach for credit risk.
- **AIRB Input Floors**: This worksheet tests the impact on current AIRB exposures of the implementation of the exposure level parameter floors set out in Table 2 of the IRB CD as well as the sensitivity to alternative floor values, taking account of the formula set out in Section 4.2.4. It tests the impact of only the PD and LGD floors; the EAD floors are considered on a separate worksheet.
- **AIRB LGD Downturn**: This worksheet collects information on the impact of possible formulations of the proposals set out in Section 4.2.3 of the IRB CD. These proposals require banks to separately estimate for unsecured exposures the long-run average LGD and an add-on to reflect the impact of downturn conditions. The IRB CD states that the downturn add-on component may be subject to a floor or, alternatively, a fixed supervisory-specified value. Various values are tested in this worksheet.
- **FIRB Parameters**: This worksheet collects information on the impact on FIRB exposures of the PD floors set out in Table 2 of the IRB CD and the proposed changes to the supervisory haircuts and LGD values for secured exposures set out in Section 4.2.2 of the IRB CD.

[28] Basel Committee on Banking Supervision, Capital requirements for banks' equity investments in funds - final standard, December 2013, www.bis.org/publ/bcbs266.htm.

[29] Basel Committee on Banking Supervision, *The standardised approach for measuring counterparty credit risk exposures*, March 2014, www.bis.org/publ/bcbs279.htm.

[30] Basel Committee on Banking Supervision, *Revisions to the Standardised Approach for credit risk – second consultative document*, December 2015, www.bis.org/bcbs/publ/d347.htm.

- **Other IRB changes**: This worksheet collects the impact of various other changes proposed in the IRB CD, including the changes set out in Section 4.1 (probability of default), Section 4.4 (maturity) and Section 4.5 (credit risk mitigation).
- **IRB Questions:** This worksheet is a placeholder in case the Committee decides to ask banks closed form questions during the QIS process, eg about assumptions/proxies used in completing the template.

7.2 Worksheet "IRB Current"

The "IRB Current" worksheet collects information on current credit risk exposures subject to the current FIRB and AIRB approaches using in:

(i) panel A the current national rules in place at the date of reporting, thereby forming a good basis for reconciliation with national regulatory reporting as an anchor point; and

(ii) panel B assuming that the following agreed final standards are in effect: (a) equity investments in funds; (b) standardised approach for measuring counterparty credit risk (SA-CCR); and (c) the final standard as set out in document *Capital requirements for bank exposures to central counterparties* published in April 2014.[31,32]

It requires the reporting of information according to the following exposure classes (as defined under the Basel II framework).[33] The first set of row references in the following table relates to panel A, while the second set of row references relates to panel B.

Row	Description
6 to 9, 43 to 46	Large and mid-market **general** corporates. These rows report all exposures to corporates with the following **exceptions**: specialised lending (SL) exposures, small-and medium-sized entities (SME) exposures that are treated as corporates, financial institutions that are treated as corporates and corporate eligible purchased receivables under the IRB approach (paragraphs 255, 363, 365 to 368 of the Basel II framework). The exposures must be split into the following three segments or (sub-)asset classes: • Exposures to corporates belonging to consolidated groups with total assets exceeding €50 billion. • Exposures to corporates belonging to consolidated groups with (i) total assets less than or equal to €50 billion; and (ii) annual revenues greater than €200 million. • Exposures to corporates belonging to consolidated groups with (i) total assets less than or equal to €50 billion; and (ii) annual revenues less than or equal to €200 million. In all cases above, the thresholds apply at the reporting date using the applicable exchange rate at that date and based on total assets or total revenues numbers reported in the most recent set of audited financial statements of the consolidated group to which the corporate belongs.
10 to 12, 47 to 49	All exposures that are currently within the Basel II IRB definition of specialised lending (ie Project Finance, Object Finance, Commodities Finance, Income-Producing Real Estate and High-Volatility Commercial Real Estate). The amounts subject to the FIRB and AIRB approaches must be reported in rows 11 and 48 respectively and the amounts subject to the supervisor slotting criteria approach must be reported in row 12 and 49 respectively.
13, 50	SME treated as corporate exposures. All exposures included in the IRB corporate asset class that benefit from the firm-size adjustment for SME must be reported here. That is, all exposures that benefit from the treatment outlined in paragraphs 273 and 274 of Basel II.

31 See Basel Committee on Banking Supervision, *Capital requirements for bank exposures to central counterparties – final standard*, April 2014, www.bis.org/publ/bcbs282.htm.

32 In case any of the standards are already implemented in the jurisdiction of the bank, they should also be reported in panel A accordingly.

33 See Basel Committee on Banking Supervision, *International Convergence of Capital Measurements and Capital Standards*, June 2006, Section III.B.1, www.bis.org/publ/bcbs128.pdf.

Row	Description
14, 51	All exposures to financial institutions treated as corporate exposures should be reported here. This will include financial institutions that are treated as corporates due to the application of paragraphs 65 and 66 of Basel II. It includes exposures to insurance companies.
15, 52	Sovereign exposures should be reported here (see Basel II paragraph 229).
16, 53	Bank exposures should be reported here (see Basel II paragraph 230).
17 to 27, 54 to 64	All retail exposures should be reported in these rows, consisting of: (i) retail residential mortgages (see Basel II paragraph 231, 233 and 328); (ii) other retail (see Basel II paragraph 231 and 233); (iii) qualifying revolving retail exposures (QRRE) (see Basel II paragraph 234 and 329); and (iv) SME exposures that meet the conditions to be considered retail exposures. The "other retail" exposures (rows 18 and 55) should be split by exposures that are fully unsecured (rows 19 and 56), and those exposures that are secured by collateral other than residential real estate (rows 22 and 59). QRRE exposures (rows 25 and 62) should be split by "transactors" and "revolvers", as defined footnote 12 of the IRB CD.
28 to 30, 65 to 67	All exposures to equities (as defined in paragraph 235 to 238 of the Basel II framework) should be reported in these rows. Rows 28 and 65 are for equity exposures that are treated according to one of the approaches as set out in paragraphs 253 and 254 of the Basel II framework. Rows 29 and 66 are for equity exposures that are grandfathered and hence treated according to the standardised approach to credit risk as set out in paragraph 267 to 269 of the Basel II framework. Row 30 request data for equity exposures in funds where the bank does not use the IRB look-through approach as set in paragraph 360 of the Basel II framework (consistent with panel A);[34] and row 67 requests data where the bank does not use the IRB look-through approach as set out in document *Capital requirements for banks' equity investments in funds* (www.bis.org/publ/bcbs266.pdf) (consistent with panel B). Where the bank uses the IRB look-through approach it must report the numbers in the corresponding rows that reflect the asset classes of the underlying exposures. Note that any partial use associated with equity exposures based on either on the grandfathering provisions as set out in paragraph 267 to 269 of the Basel II framework or based on the exclusions to the market-based and PD/LGD approaches as set out in paragraphs 356 to 358 should have been reported in the "BB SA general" worksheet of the regular Basel III monitoring template for the end-December 2015 data collection.
31 to 33, 68 to 70	All eligible purchased receivables (see Basel II paragraphs 239, 255 and 363), split into corporate receivables (Basel II paragraphs 241 to 243 and 365 to 368; rows 32 and 69); and retail receivables (Basel II paragraphs 240 and 364; rows 33 and 70). RWAs and EL amounts should include credit as well as dilution risk (see Basel II paragraphs 369 to 370).
34 to 35, 71 to 72	Rows 34 and 35 and row 71 to 72 are to be used for all other IRB exposures that are not reported in any of the rows above, including *unassigned* exposures and fixed assets. Row 35 is for the amounts reported in row 34 that do not relate to credit obligations (eg fixed assets, non-guaranteed residual values of leasing contracts).

The above groups of exposures must be further split into those exposures currently subject to FIRB (reported in columns C to E) and exposures currently subject to AIRB (reported in columns F to H). Total IRB exposures are reported in columns I to K. In most cases the total exposures are calculated automatically as the sum of exposures reported as FIRB and AIRB. However, banks must report directly in columns I to K their specialised lending exposures that are subject to the supervisory slotting criteria approach (rows 12 and 49), their grandfathered equities exposures and equity investments in funds not subject to the IRB look-through (rows 29 and 30 as well as rows 66 and 67) and their exposures to other assets, including non-credit obligations (rows 34 and 35 as well as rows 71 and 72).

Banks must report in columns L to O of panel A data on specific and general provisions, for both non-defaulted and defaulted assets. This information is needed to calculate the provision shortfall (excess) that must be deducted (added) from capital (to capital). The shortfall/excess is given by the difference between eligible provisions and expected losses; expected losses are impacted by the IRB proposed revisions, while the accounting provisions remain unchanged. Note that the bank should use internal rules for attributing general provisions across IRB and Standardised approaches as well as across exposures or

34 In case the standard *Capital requirements for banks' equity investments in funds* (www.bis.org/publ/bcbs266.pdf) is already implemented in the jurisdiction of the bank already then the bank should report the same figures in panels A and B.

asset classes or, as a fallback, attribute on a pro-rata of credit RWA basis (see also paragraphs 42, 43 and 380 to 383 of the Basel II framework and paragraph 60 of the Basel III framework for the definition of *general provisions*). In case the operative accounting framework allows for general provisions for defaulted assets these have to be reported in column O.

The data to be reported for each asset class and for each approach (FIRB, AIRB and total IRB) are set out in the following table:

Column	Description
EAD (post-CRM)	Exposure-at-default after application of credit conversion factor and credit risk mitigation.
RWA	Total risk-weighted assets related to the exposures (EAD) above, after application of credit risk mitigation.
EL amounts	Total expected loss amounts related to the exposures above.

7.3 Worksheet "IRB Proposed"

This worksheet collects data assuming implementation of the full set of proposed changes to the IRB approaches set out in the IRB CD. That is, the proposals in the IRB CD are to be applied simultaneously for the purposes of this worksheet.

Panel A (Baseline proposal)

The following should be used as a baseline proposal in completing panel A:

- The proposed migrations set out in Sections 2.2 and 2.3 of the IRB CD.
- The parameter floors set out in Table 2 of Section 3 of the IRB CD.
- All proposals set out in Section 4 of the IRB CD (parameter estimation practices), with the exception that in Section 4.2.3, the second paragraph should be ignored (this relates to possible floors or fixed values for the downturn add-on component of LGD, which do not form part of the baseline proposal, ie banks should use their own estimates of the add-on component).
- The reported values for the standardised approach should be those that arise from the application of the proposals set out in the most recent Basel Committee consultation document on the standardised approach (SA CD).[35] In cases where ranges are provided in the SA CD for credit conversion factors, the top end of the range should be used.

The rows (ie asset classes) are defined in the same way as described in Section 7.2 of the instructions above for the "IRB Current" worksheet. Two specificities however apply:

(i) regarding the treatment of specialised lending exposures, banks should to the extent possible assume that all specialised lending exposures currently under FIRB or AIRB (ie under row 48 in the "IRB Current" worksheet) migrate to the supervisory slotting criteria approach in row 12 in case of panel A (and equivalent rows in the panels below) of the "IRB Proposed" worksheet; where banks cannot slot, these exposures should be reported under the proposed revised standardised approach, ie in cells R11 and S11 respectively in panel A; and

(ii) regarding the migration of eligible corporate purchased receivables, banks should to the extent possible identify migration of the obligors in the underlying exposures of purchased corporate receivables and reflect these in the reported RWAs and, where applicable, EL amounts; if a bank cannot identify the underlying migrations for all or parts of the exposures (eg due to the

[35] Basel Committee on Banking Supervision, *Revisions to the Standardised Approach for credit risk – second consultative document*, December 2015, www.bis.org/bcbs/publ/d347.htm.

application of the *top down procedure* prescribed in Paragraph 365 of the Basel II framework), it should apply the same approach as under the "IRB Current" worksheet but applying all other changes in the IRB CD (eg input floors).

The columns are also defined in the same way as under the "IRB Current" worksheet, with the exception that the provisions columns have been removed and a number of columns with consistency checks have been added.

Relative to the "IRB Current" worksheet, certain columns have also been added, as set out in the following table:

Column	Description
R–S	These columns collect the EAD and RWA for exposures that have migrated from the IRB to the standardised approach for credit risk as a result of the portfolio migration proposals set out in Sections 2.2 and 2.3 of the IRB CD. The EAD and RWA shall be calculated using the proposed revised standardised approach for credit risk as set out in the SA CD. However, regarding the EAD, as set out in footnote 10 of the IRB CD, this does not preclude the use of IMM to estimate exposures. Existing SA exposures should **not** be reported here.
T–U	These columns collect the EAD and RWA for current IRB exposures on the assumption that they all migrate to the SA (SA CD version) and that all CCR exposure modelling is removed (ie IMM, repo VaR, own estimates of haircuts under the comprehensive approach for financial collateral, any other internal modelling approach), such that CCR is calculated using only the standardised approach methods, ie the SA-CCR for derivative exposures and the comprehensive approach for financial collateral using supervisory haircut values for SFTs. Existing SA exposures should **not** be reported here. The data reported in these columns will help assess the impact of output floors.
V–Z	These columns collect the EAD, RWA and EL amounts for AIRB exposures under the assumption that they all migrate to FIRB, where this approach is available. The FIRB used here shall include the changes set out in the baseline proposal described above, with the exception of the portfolio migration. Only current AIRB exposures should be reported here (ie existing FIRB exposures should **not** be reported here). The data reported in these columns will further help inform the calibration and sensitivity analysis on the FIRB approach.

Panel B (Less conservative scenario)

This panel should be completed in the same way as panel A with the exception of the assumed input floors. The input floors to be used are those included in "Baseline PD and LGD variant 1". These can be found on the "AIRB Input Floors" worksheet, and are set out in the table below:

		Baseline PD (bp)	LGD variant 1 (%)
Corporate	Fully unsecured exposures	5	15
	Unsecured portion of secured exposure	5	15
	Exposures secured by financial collateral	5	0
	Exposures secured by CRE/RRE	5	10
	Exposures secured by receivables	5	10
	Exposures secured by other physical collateral	5	15
Retail: Mortgages		5	10
Retail: QRRE	QRRE transactors	5	40
	QRRE revolvers	10	40
Retail: Other retail	Fully unsecured exposures	5	20
	Unsecured portion of secured exposure	5	20
	Exposures secured by financial collateral	5	0
	Exposures secured by CRE/RRE	5	10
	Exposures secured by receivables	5	10
	Exposures secured by other physical collateral	5	15

Panel C (More conservative scenario)

This panel should be completed in the same way as panel A with the exception of the assumed input floors. The input floors to be used are those included in "PD variant 2 and LGD variant 3". These can be found on the "AIRB Input Floors" worksheet, and are set out in the table below:

		PD variant 2 (bp)	LGD variant 3 (%)
Corporate	Fully unsecured exposures	10	50
	Unsecured portion of secured exposure	10	50
	Exposures secured by financial collateral	10	0
	Exposures secured by CRE/RRE	10	20
	Exposures secured by receivables	10	20
	Exposures secured by other physical collateral	10	25
Retail: Mortgages		40	30
Retail: QRRE	QRRE transactors	20	70
	QRRE revolvers	70	70
Retail: Other retail	Fully unsecured exposures	20	50
	Unsecured portion of secured exposure	20	50
	Exposures secured by financial collateral	20	0
	Exposures secured by CRE/RRE	20	20
	Exposures secured by receivables	20	20
	Exposures secured by other physical collateral	20	25

Panel D (Variants on the revenue threshold)

This panel collects information on the impact of using variants to the revenue threshold that applies to corporate exposures under the IRB CD. In panel D1 banks should report the same exposures as reported in rows 6 to 9 (ie under the baseline proposed PD and LGD floors), but with the exception that the revenue threshold that applies is EUR 100mn rather than EUR 200mn. Similarly, in panel D2 banks should report the same exposures as reported in rows 6 to 9, but with a revenue threshold of EUR 300mn applied instead.

7.4 Worksheet "IRB Portfolio Migration"

Section 2 of the IRB CD proposes to remove the AIRB and FIRB for certain assets and thus migrate exposures from one regulatory treatment to another. This worksheet collects information on the effect of the proposals on portfolio migrations set out in Sections 2.2 and 2.3 of the IRB CD.

There are four sets of columns, all of which set out EAD[36], RWA and EL amounts. The first two sets of columns are provided for comparison purposes and are calculated automatically:

- Columns C to E display the amounts for current IRB exposures (AIRB and FIRB). These are taken automatically from the "IRB Current" worksheet.
- Columns F to H display the amounts for the IRB exposures (AIRB and FIRB) under the full set of proposed changes in the IRB CD. These are taken automatically from the "IRB Proposed" worksheet.
- Columns I to K display the amounts for the IRB exposures assuming the migration proposed in Sections 2.2 and 2.3 of the IRB CD, but assuming that no other elements of the IRB CD proposal are applied. For many of the asset classes reported in rows 5 to 15, there is (i) either no migration proposed in the IRB CD, in which case the amounts are calculated automatically from "IRB Current"; or (ii) the exposures migrate to the revised SA (the current SA must be applied to sovereign exposures since they are out of scope of the revised SA), in which case the amounts are calculated automatically from "IRB Proposed" as these are unaffected by the other IRB changes. The only amounts that banks are required to report relate to rows 7, 9 and 15.
- Columns L to N display the amounts for exposures currently on the AIRB, assuming that they all migrate to the FIRB and that no other elements of the IRB CD proposals are applied (ie it displays current AIRB exposures under the current FIRB requirements). This will aid consideration of the relative calibrations of the existing AIRB, FIRB and standardised approaches. It excludes current FIRB exposures.

7.5 Worksheet "AIRB input floors"

This worksheet tests the impact on current AIRB exposures of the implementation of the exposure level parameter floors set out in Table 2 of Section 3 of the IRB CD, taking account of the formula set out in Section 4.2.4 which calculates the LGD floors for exposures that are not fully secured. It tests the impact of only the PD and LGD floors (eg not considering the migration of exposures set out in the Section 2.2 of CD). However, the EAD floor is not applied here as it is considered on a separate worksheet ("EAD CCF").

NB: When referring to corporate exposures in the "AIRB input floors" worksheet all corporate exposures should be included, ie including general corporates, specialised lending exposures not treated under the supervisory slotting criteria approach, SMEs treated as corporates, financial institutions treated as corporates and corporate eligible purchased receivables.

The rows in the worksheet correspond to the different asset classes set out in Table 2 of Section 3 of the IRB CD. The first panel collects information on the current AIRB treatment while the other panels test the impact of a range of input floors. Panel A should reflect the current national implementation of the IRB approach, including but not limited to implementation and levels of the input floors,

36 Please note that when assessing migration in isolation, the EAD may change due to changes in the treatment of the CCFs across approaches.

For each panel the following definitions apply:

- For corporate and other retail exposures (ie excluding retail residential mortgages and retail QRRE) the "fully unsecured exposures" (eg rows 7 and 19 in panel A) must only include exposures which are fully unsecured (ie they must not include the unsecured elements of secured exposures).
- For corporate and other retail exposures the "unsecured portion of secured exposures" (eg rows 8 and 20 in panel A) must be determined using the value of E_u in the formula set out in Section 4.2.4 of the IRB CD. See example provided at the end of this section.
- For corporate and other retail exposures the amounts that relate to the secured portion of secured exposures (eg rows 9 to 12 and 21 to 24 in panel A) must also be determined using the formula set out in Section 4.2.4 of the IRB CD. That is E_s should be calculated using this formula and reported in the row corresponding to the relevant form of collateral (see example provided at the end of this section).
- Collateral eligible to be recognised under the existing AIRB approach but not under the FIRB approach can be recognised for the calculation of RWA and EL amounts, but not for the purposes of calculating the floor. The portions of exposures secured by such collateral must be reported in the "unsecured portion of secured exposures". This follows the formula set out in Section 4.2.4 of the IRB CD, where collateral not recognised under FIRB implicitly receive a 100% haircut for the purpose of calculating the AIRB LGD floor.
- For retail (residential) mortgages (eg row 14 in panel A) the full amount of the exposure should be reported (both secured and unsecured portion).
- For retail QRRE (eg rows 16 and 17 in panel A) the full amount of the exposures should be reported, segmenting between QRRE *transactors* and *revolvers* as defined in footnote 12 of the IRB CD. By definition, if QRRE exposures cannot be identified as QRRE transactors, they are classified as QRRE revolvers.

The amounts to be reported in each column are described below:

Column	Description
C	The PD floors to be applied to the exposures reported in each section.
D	The LGD floors to be applied to the exposure reported in each section.
E	Current AIRB exposures (post-CRM and post-CCF).
F	The total amount of AIRB exposures (post- CRM and post-CCF) for which the risk weight is affected by the application of the floors listed in columns C and D.
G	Current AIRB RWA in respect of the exposures reported in column E applying the AIRB input floors listed in columns C and D.
H	Current AIRB EL amount in respect of the exposures reported in column E applying the AIRB input floors listed in columns C and D.

Example of floor calculation and reporting of partially secured exposures

Consider a €100 corporate exposure (E) secured by the following pool of collateral:

- €100 of real estate collateral;
- €50 of other physical collateral; and
- €50 of other collateral recognised under AIRB but not under FIRB.

Following the formula in 4.2.4 of the IRB CD the:

- E_s relative to real estate collateral will be equal to €50 (collateral value after FIRB haircut:

(1-50%) · €100);

- *Es* relative to other physical collateral will be equal to €25 (collateral value after FIRB haircut: (1-50%) · €50); and
- *Es* relative to the other collateral will be equal to zero (given the implicit 100% haircut since the collateral type is not recognised under FIRB).

E_u will be equal to €25 (E minus the sum of the E_s). In this case, the portion secured on real estate accounts for 50% of the exposure (€50/€100); the portion secured on other physical collateral accounts for 25% of the exposure (€25/€100); and the unsecured portion accounts for the remaining 25% of the exposure. Therefore, the overall AIRB LGD floor is 18.75% (ie the weighted sum of the proportions of E_s and E_u, weighted by the respective AIRB LGD floors: 50% · 15% + 25% · 20% + 25% · 25%).

Regarding the reporting of amounts listed in columns E to H of the worksheet, the amounts should be allocated to the rows according to the percentage of the exposures that are unsecured and secured after applying the FIRB haircuts. For example, if we assume that the floored RWA for the secured exposure are €9, then:

- €2.25 (=€9 · €25/€100) should be reported in the "Unsecured portion of secured exposure" row;
- €4.5 (=€9 · €50/€100) should be reported in the "Exposures secured by CRE/RRE" row; and
- the remaining €2.25 (=€9 · €25/€100) should be reported in the "Exposures secured by other physical collateral" row.

7.6 Worksheet "AIRB LGD Downturn"

This worksheet collects information on the impact of possible formulations of the proposals set out in Section 4.2.3 of the IRB CD in isolation. It both validates the current requirement for banks to calculate the downturn LGD component per paragraph 468 of the Basel II framework and tests the options of floors to the downturn add-on component as well as of fixed supervisor-specified add-ons. These **proposals only apply to fully unsecured AIRB exposures**, and require banks to separately estimate (**for non-defaulted exposures**): (i) the long run average LGD; and (ii) an add-on to reflect the impact of downturn conditions. The LGD parameter used for RWA calculation is then the sum of these two components. In addition, the downturn add-on component may be subject to a floor or a fixed supervisory-specified value. The downturn add-on component is either subject to a 5% or a 10% floor on the downturn component or applies a fixed supervisory-specified value of 5% or 10%.

The rows in this worksheet are the same as those described in the instructions to the "IRB Current" worksheet, with the difference that the amounts reported should only relate to unsecured exposures.

The columns collect information under different assumptions. Columns C and E collect data under the current framework in accordance with the requirements of paragraph 468 of the Basel II framework (therefore, banks do not necessarily need to separate the downturn add-on in the LGD estimation). Column G requires banks to estimate the downturn add-on component as currently estimated and report the exposure-weighted value in percentage points over the portfolio. Columns H to M collect data assuming that the proposed treatment of downturn LGD is implemented, and a floor of 5% or 10% is applied to the downturn add-on. Columns N to U collect data assuming that the proposed treatment of downturn LGD is implemented, and a fixed downturn add-on of 5% or 10% is applied. The specific amounts to be reported in each column are described below:

Column	Description
C, E	RWA and EL amounts under the current treatment of downturn LGD estimation in accordance with the requirements of paragraph 468 of the Basel II framework.
G	Bank's estimate of the downturn add-on component in percentage points averaged (exposure-weighted) over the corresponding (sub-) asset class or portfolio.
H, I	RWA and EL amounts under the proposed treatment of downturn LGD estimation, if the downturn add-on component is subject to a 5% floor.
J, K	RWA and EL amounts under the proposed treatment of downturn LGD estimation, if the downturn add-on component is subject to a 10% floor.
N, O	RWA and EL amounts under the proposed treatment of downturn LGD estimation, if the downturn add-on component is fixed at 5%.
R, S	RWA and EL amounts under the proposed treatment of downturn LGD estimation, if the downturn add-on component is fixed at 10%.

7.7 Worksheet "FIRB parameters"

This worksheet collects information on the impact on FIRB exposures of (a) a range of PD floors, including those set out in Table 2 of the IRB CD; and (b) the proposed changes to the supervisory haircuts and LGD values for secured exposures set out in Section 4.2.2 of the IRB CD. The worksheet contains three different panels, corresponding to different PD floor values (ie current 3 basis points in panel A, 5 basis points as the baseline in panel B and 10 basis points in panel C) to test the baseline proposal and the sensitivity to the baseline proposal.

The exposures in this worksheet correspond to the exposure asset classes set out in Table 2 of the IRB CD for which the FIRB is applicable (ie corporate exposures). Only exposures currently treated under the FIRB approach should be reported here. Corporate exposures are further segmented between secured and unsecured exposures, as described further below:

- *Fully unsecured exposures:* only fully unsecured exposures should be reported here (ie they should not include the unsecured portion of secured exposures).
- *Unsecured portion of secured exposure*: the unsecured portion of secured exposures should be reported here. The unsecured portion is to be calculated as defined in the formula set out in Section 4.2.2 of the IRB CD, ie it is the value of E_U in the formula.
- *Exposures secured by financial collateral:* the secured portion of exposures secured by financial collateral should be reported here. The value to be reported is as defined in the formula set out in Section 4.2.2 of the IRB CD, ie it is the value of E_S in the formula.
- *Exposures secured by CRE/RRE:* the secured portion of exposures secured by commercial or residential real estate should be reported here. The value to be reported is as defined in the formula set out in Section 4.2.2 of the IRB CD, ie it is the value of E_S in the formula.
- *Exposures secured by receivables:* the secured portion of exposures secured by receivables should be reported here. The value to be reported is as defined in the formula set out in Section 4.2.2 of the IRB CD, ie it is the value of E_S in the formula.
- *Exposures secured by other physical collateral:* the secured portion of exposures secured by other physical collateral should be reported here. The value to be reported is as defined in the formula set out in Section 4.2.2 of the IRB CD, ie it is the value of E_S in the formula.

The collateral types refer to the eligible collateral recognised under the existing FIRB approach. Only exposures secured by collateral recognised under the existing FIRB approach should be included in the "secured" rows.

The amounts to be reported in each column are described below:

Column	Description
C	Current FIRB exposures (post-CRM and post-CCF).
D	The total amount of FIRB exposures (post CRM and post-CCF) for which the risk weight is affected by the application of the PD floor specified in the panel.
F	FIRB RWA, based on the haircuts and LGD values in the current framework plus the PD floor as specified in the panel.
G	Current FIRB EL amounts, based on the haircuts and LGD values in the current framework plus the PD floor as specified in the panel.
H	FIRB RWA in respect of the exposures reported in each row, after the application of the changes proposed in Section 4.2.2 of the IRB CD (eg the increased supervisory haircuts and lower secured LGD, and revised formula) and a PD floor as specified in the panel.
I	Current FIRB EL amounts in respect of the exposures reported in each row, after the application of the changes proposed in Section 4.2.2 of the IRB CD (eg the increased supervisory haircuts and lower secured LGD, and revised formula) and a PD floor as specified in the panel.

The above information is collected three times in the worksheet (ie by panel).

7.8 Worksheet "Other IRB changes"

This worksheet collects the data needed to quantify the impact of various changes proposed in the IRB CD, which are not captured in any other worksheet, including the changes set out in Section 4.1 (probability of default), Section 4.4 (maturity) and Section 4.5 (credit risk mitigation). The template specifies the relevant paragraphs of the IRB CD in each case. It is to be completed in isolation from any of the other changes proposed in the IRB CD (eg no migration of portfolios to the standardised approach should be assumed, no input floors).

For each row, the amounts reported in the proposed revisions columns should give the RWA and EL amounts after the application of the policy proposal described in that row in isolation from any impact of proposals described in other rows in this worksheet. For exposures (post-CRM) reported in column C, only current EAD must be reported by banks.

7.9 Worksheet "IRB Questions"

This worksheet is a placeholder in case we wish to ask closed form questions on the IRB and possibly CCR, eg about assumptions/proxies used in completing the template.

8. Fundamental Review of the Trading Book (FRTB)

The "TB" panels in the questionnaire focus on the trading book and, regarding FX and commodity risks, trading and banking book positions. **Both banks with internal models approval and those only using the standardised measurement method are expected to participate in this part of the data collection exercise.**

All the computations related to the TB worksheets should be completed based on the revised trading book – banking book boundary definition (short: "boundary") as defined in paragraphs 8 to 20 of the revised market risk framework *Minimum capital requirements for market risk*[37] (hereafter: "FRTB"), on

[37] Basel Committee on Banking Supervision, *Minimum capital requirements for market risk*, January 2016, www.bis.org/bcbs/publ/d352.htm.

a best-efforts basis. If applying the revised boundary is deemed not to be feasible within the timeframe envisaged for this exercise, the current boundary can be used as a proxy. **Only one boundary definition should be used across all calculations** (ie either the revised *or* the current boundary definition should be used).

- The "TB" worksheet gathers data on the overall capital requirements of the FRTB. All of the computations must be done on the same global trading book (ideally the trading book as defined by the revised boundary, or the trading book as defined by the current boundary as a fallback proxy). The global trading book must encompass the universe of "non-securitisations", "securitisations (non CTP)", and "correlation trading portfolio" exposures.

  If proxies are used in the calculations, this must be indicated clearly in a supplemental document to the template submission.

- The worksheets "TB SA Current" and "TB SA FRTB" should be completed by banks which have been asked to do so by their national supervisor.

Banks should indicate in cell C87 of the "General Info" worksheet the boundary definition (cell C87) as well as the current and FRTB approaches used (cells C88 to C91).

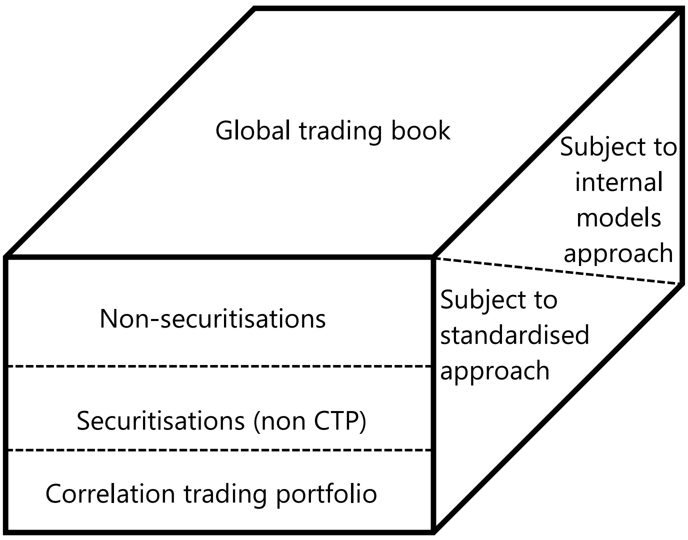
8.1 Worksheet "TB"

8.1.1 Sub-trading books

The sub-portfolios to which the new risk measures apply may differ from the current sub-portfolios. One example is the scope of internal models permission (which will be trading desk based under the FRTB). Another example are the securitisations trading portfolios (non-correlation trading portfolio and correlation trading portfolio (CTP)) which under the FRTB are both subject to the standardised approach.

As a consequence, assessing the impact of the FRTB makes it necessary to gather risk measure computations at various portfolio levels.

We therefore define the following six portfolios:



Global trading book includes all the instruments which are not in the banking book.

The global trading book for the universe of trading book positions in this QIS should include securitisation positions and their hedges, as well as the entire CTP and its hedges**.** The global trading book can be divided in two, depending on the type of approaches used to compute the minimum capital requirements for market risk:

1. *Subject to internal models approach:* the share of the global trading book that currently has internal models permission. Currently, internal models permission can be granted by risk factor while under the FRTB it is granted at the trading desk level. If a given trading desk currently has internal models permission only for some risk factors but not for others (eg it has permission to use the internal models approach (IMA) for FX but not for specific interest rate risk), this trading desk should be considered under internal models permission for the purpose of this QIS, and internal value-at-risk (VaR) or expected shortfall (ES) measures may be used instead of regulatory risk measures in that case. More generally, all desks where the bank can reasonably assume that they will qualify for internal models approval under the FRTB should be included.
2. *Under the standardised approach:* the share of the global trading book which is not subject to the internal models approach for the purposes of this QIS.

8.1.2 Panel A: Firm-wide market risk capital charge (non-securitisations, securitisations (non-CTP), and securitisations (CTP)) portfolios

Panel A1: Current

Row	Column	Heading	Description
6	C	Standardised measurement method – applicable to all banks IMA banks must only include risks that are not modelled	Overall minimum capital requirements based on the current standardised measurement method as applicable at the reporting date. The minimum capital requirements should be inclusive of all risks that enter the standardised current minimum capital requirements. IMA banks must only include positions that are not subject to the IMA (ie partial use).
7	C	Internal models approach – standardised measurement method banks should enter zero	Minimum capital requirements currently under the IMA. Banks only using the standardised measurement method banks should enter zero.
8	C	Total current capital charge for market risk	Non-input cell: sum of rows 6 and 7.

Panel A2: FRTB

Row	Column	Heading	Description
11	C	Standardised approach	Non-input cell.
12	C	Internal models approach	Non-input cell.
13	C	Total FRTB capital charge for market risk	Non-input cell.

8.1.3 Panel B: Granular FRTB

Panel B1: SBA for all desks

Panel B1 should be completed by **all** banks. IMA banks should complete this panel assuming they apply the SBA to both their modelled and non-modelled desks.

Row	Column	Heading	Description
18	C	SBM (delta, vega, and curvature) – both non-securitisations and securitisations – (inclusive of diversification effect from GIRR)	The firm-wide level enhanced delta plus minimum capital requirements for all **securitisation and non-securitisation** desks.
19	C	Non-securitisations	Non-input cell: sum of rows 20 to 22.
20	C	SBM (delta, vega, and curvature)	The firm-wide level enhanced delta plus minimum capital requirements for **all** non-securitisation desks**, both modelled and non-modelled**.
21	C	Residual risk add-on	The firm-wide level minimum capital requirements for the residual risk add-on, **only** for the **non-securitisation** desks.
22	C	DRC	The firm-wide level standardised approach minimum capital requirements for default risk, **only** for the **non-securitisation** desks.
23	C	Securitisations (both CTP and non-CTP)	Non-input cell: sum of rows 24 to 26.
24	C	SBM (delta, vega, and curvature)	The firm-wide level minimum capital requirements for enhanced delta plus risk charge for the **securitisation** desks**, both modelled and non-modelled**. This should be calculated consistent with paragraph 55 of the revised market risk framework.
25	C	Residual risk add-on	The firm-wide level minimum capital requirements for residual risk add-on, **only** for the **securitisation** desks.
26	C	DRC	The firm-wide level minimum capital requirements for the default risk charge under the standardised approach **only** for the **securitisation** desks.
27	C	Total SBA	Non-input cell.

Panel B2: Data for IMA banks only

Panel B2 should be completed by IMA banks only.

Row	Column	Heading	Description
30	C	IMA for modelled desks – applicable to IMA banks only	Non-input cell: sum of rows 31 to 33.
31	C	IMCC (across all asset classes, with full diversification)	Firm-wide stressed expected shortfall (IMCC) per paragraphs 181 and 189 of the revised market risk framework. The Expected Shortfall (ES) calculated for this purpose should factor varying liquidity horizons in risk factors and assume the multiplication factor m_c = 1.5. The calculation must be computed across all asset classes with full recognition of diversification effects.
32	C	Non-modellable risk factors	The firm-wide level sum of minimum capital requirements emerging from the stress scenario add-ons for the non-modellable risk factors.
33	C	DRC	The firm-wide level minimum requirements for default risk under the IMA.
34	C	SBA for modelled desks	Non-input cell: sum of rows 35 to 37.
35	C	SBM (delta, vega, and curvature)	The firm-wide level minimum capital requirements for the enhanced delta plus risk, **only** for the desks that **are** modelled.

Row	Column	Heading	Description
36	C	Residual risk add-on	The firm-wide level minimum capital requirements for residual risk add-on, **only** for the desks that **are** modelled.
37	C	DRC	The firm-wide level minimum capital requirements for default risk under the standardised approach, **only** for the desks that **are** modelled.
38	C	SBA for non-modelled desks	Non-input cell. FRTB SBA minimum capital requirements, only for non-modelled desks.
39	C	SBM (delta, vega, and curvature) – both non-securitisations and securitisations – (inclusive of diversification effect from GIRR)	The firm-wide level minimum capital requirements for the enhanced delta plus risk, for the **securitisation and non-securitisation** desks that **are not** modelled.
40	C	Non-securitisations	Non-input cell: sum of rows 51, 52, and 53.
41	C	SBM (delta, vega, and curvature)	The firm-wide level minimum capital requirements for the enhanced delta plus risk, **only** for the non-securitisation desks that **are not** modelled. This should be calculated consistent with paragraph 55 of the revised market risk framework.
42	C	Residual risk add-on	The firm-wide level minimum capital requirements for the residual risk add-on, **only** for the **non-securitisation** desks that **are not** modelled
43	C	DRC	The firm-wide level minimum capital requirements for the default risk under the standardised approach, **only** for the **non-securitisation** desks that **are not** modelled.

8.2 The current standardised approach: worksheet "TB SA Current

This worksheet gathers data on the current minimum capital requirements under the standardised approach for the global trading book. All its components are covered by this worksheet. The minimum capital requirements in the summary table are the total minimum capital requirements for market risk for the positions where the bank only uses the standardised approach. This worksheet may be based on regulatory reporting data.

Row	Column	Heading	Description
22–23	C	Standardised measurement method, general interest rate risk GIRR (by methodology)	Minimum capital requirements for **general** interest rate risk (GIRR) based on the standardised measurement method as applicable at the reporting date depending on which approach is used (among the maturity and the duration based approaches). Computations should be done only once (ie banks are not supposed to compute their minimum capital requirements twice, based on each of the methods: instead, the total minimum capital requirements for GIRR is to be the sum of the minimum capital requirements computed for all methods). If banks are not using an approach, they should enter 0 in the related cells. The minimum capital requirements should be inclusive of all risks covered by the standardised measurement method for GIRR.

Row	Column	Heading	Description
25–27	C	Standardised measurement method, specific interest rate risk	Minimum capital requirements for **specific** interest rate risk based on the standardised measurement method as applicable at the reporting date by type of instrument (non-securitisation, securitisation non-correlation trading, securitisation correlation trading). The minimum capital requirements should be inclusive of all risks covered by the standardised measurement method for specific interest rate risk.
28	C	Particular approach for debt position risk in CIUs	Minimum capital requirements for debt risk in CIUs not already included in other reporting cells.
30–33	C	Standardised measurement method, additional requirements for option risks for debt instruments (by methodologies)	Minimum capital requirements for **non-delta** risks in debt option positions depending on which approach is used (among the simplified approach, the delta-plus approach, and the scenario approach). **Delta equivalent positions should be included in the calculation of the minimum capital requirements for general and specific debt instruments.** Computations should be done only once (ie banks are not supposed to compute three times their capital charge, based on each of the methods: instead, the total capital on options risk is to be the sum of the capital computed for all methods). If banks are not using an approach, they should enter 0 in the related cells.
37–38	C	Standardised measurement method, specific equity position risk	Minimum capital requirements for **general and specific equity** position risk based on the standardised measurement method as applicable at the reporting date. The minimum capital requirements should be inclusive of all risks covered by the standardised measurement method for specific equity position risk.
39	C	Particular approach for debt position risk in CIUs	Minimum capital requirements for equity risk in CIUs not already included in other reporting cells.
41–44	C	Standardised measurement method, additional requirements for option risks for equity instruments (by methodologies)	Minimum capital requirements for **non-delta risks** in equity option positions depending on which approach is used (among the simplified approach, the delta-plus approach, and the scenario approach). **Delta equivalent positions should be included in the calculation of the minimum capital requirements for general and specific equity instruments**. Computations should be done only once (ie banks are not supposed to compute three times their minimum capital requirements, based on each of the methods: instead, the total minimum capital requirements for options risk is to be the sum of the minimum capital requirements computed for all methods). If banks are not using an approach, they should enter 0 in the related cells.
48–50	C	Standardised measurement method, foreign exchange risk	Minimum capital requirements for foreign exchange position risk based on the standardised measurement method as applicable at the reporting date. **There is a cell for the EU specific treatment for "closely correlated currencies", banks not affected by this provision shall report zero in this cell**. The minimum capital requirements should be inclusive of all foreign exchange risks, **including those stemming from CIUs**.

Row	Column	Heading	Description
52–55	C	Standardised measurement method, additional requirements for option risks for FX instruments (by methodologies)	Minimum capital requirements for non-delta risks in FX option positions depending on which approach is used (among the simplified approach, the delta-plus approach, and the scenario approach). Delta equivalent positions should be included in the calculation of the minimum capital requirements for FX. Computations should be done only once (ie banks are not supposed to compute three times their minimum capital requirements, based on each of the methods: instead, the total minimum capital requirements for options risk is to be the sum of the minimum capital requirements computed for all methods). If banks are not using an approach, they should enter 0 in the related cells.
58	C	Standardised measurement method, commodities risk	Minimum capital requirements for commodities position risk based on the standardised measurement method as applicable at the reporting date. The minimum capital requirements should be inclusive commodities risks.
60–63	C	Standardised measurement method, additional requirements for option risks for commodity instruments (by methodologies)	Minimum capital requirements for non-delta risks in commodity option positions depending on which approach is used (among the simplified approach, the delta-plus approach, and the scenario approach). Delta equivalent positions should be included in the calculation of the minimum capital requirements for commodity. Computations should be done only once (ie banks are not supposed to compute three times their minimum capital requirements, based on each of the methods: instead, the total minimum capital requirements on options risk is to be the sum of the minimum capital requirements computed for all methods). If banks are not using an approach, they should enter 0 in the related cells.

8.3 The new standardised approach: worksheet "TB SA FRTB"

This worksheet gathers data on the standardised approach for the global trading book. All its components are covered by this worksheet. The minimum capital requirements in the summary table would be the total minimum capital requirements for market risk for the positions where the bank only uses the standardised approach. The scope of the positions included should be exactly the same as the one applied in the "TB SA Current" worksheet.

Row	Column	Heading	Description
A) General interest rate risk (GIRR)			
22–24	F	Standardised measurement method, **Delta** general interest rate risk GIRR	Scenario-related risk charges for **delta general interest rate** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
26–28	F	Standardised measurement method, **Vega** general interest rate risk GIRR	Scenario-related risk charges for **vega general interest rate** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
30–32	F	Standardised measurement method, **Curvature** general interest rate risk GIRR	Scenario-related risk charges for **curvature general interest rate** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
B) Credit spread risk (CSR): non-securitisations			
38–40	F	Standardised measurement method, **Delta** CSR non-securitisations	Scenario-related risk charges for **delta CSR non-securitisations** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).

Row	Column	Heading	Description
42–44	F	Standardised measurement method, **Vega** CSR non-securitisations	Scenario-related risk charges for **vega CSR non-securitisations** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
46–48	F	Standardised measurement method, **Curvature** CSR non-securitisations	Scenario-related risk charges for **curvature CSR non-securitisations** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
C) Credit spread risk (CSR): Correlation trading portfolio			
54–56	F	Standardised measurement method, **Delta** CSR Correlation trading portfolio	Scenario-related risk charges for **delta CSR Correlation trading portfolio** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
58–60	F	Standardised measurement method, **Vega** Correlation trading portfolio	Scenario-related risk charges for **vega CSR Correlation trading portfolio** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
62–64	F	Standardised measurement method, **Curvature** Correlation trading portfolio	Scenario-related risk charges for **curvature CSR Correlation trading portfolio** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
D) Credit spread risk (CSR): Securitisations (non CTP)			
70–72	F	Standardised measurement method, **Delta** CSR Securitisations (non CTP)	Scenario-related risk charges for **delta CSR Securitisations (non CTP)** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
74–76	F	Standardised measurement method, **Vega** Securitisations (non CTP)	Scenario-related risk charges for **vega CSR Securitisations (non CTP)** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
78–80	F	Standardised measurement method, **Curvature** Securitisations (non CTP)	Scenario-related risk charges for **curvature CSR Securitisations (non CTP)** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
E) Equity risk			
86–88	F	Standardised measurement method, **Delta** Equity	Scenario-related risk charges for **delta Equity** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
90–92	F	Standardised measurement method, **Vega** Equity	Scenario-related risk charges for **vega Equity** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
94–96	F	Standardised measurement method, **Curvature** Equity	Scenario-related risk charges for **curvature Equity** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
F) Commodity risk			
102–104	F	Standardised measurement method, **Delta** Commodity	Scenario-related risk charges for **delta Commodity** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
106–108	F	Standardised measurement method, **Vega** Commodity	Scenario-related risk charges for **vega Commodity** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
110–112	F	Standardised measurement method, **Curvature** Commodity	Scenario-related risk charges for **curvature Commodity** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).
G) FX risk			
118–120	F	Standardised measurement method, **Delta** FX	Scenario-related risk charges for **delta FX** risk considering 'high', 'medium' and 'low' correlations (paragraph 54 of the FRTB text).

Row	Column	Heading	Description
122–124	F	Standardised measurement method, **Vega** FX	Scenario-related risk charges for **vega FX** risk considering ‘high’, ‘medium’ and ‘low’ correlations (paragraph 54 of the FRTB text).
126–128	F	Standardised measurement method, **Curvature** FX	Scenario-related risk charges for **curvature FX** risk considering ‘high’, ‘medium’ and ‘low’ correlations (paragraph 54 of the FRTB text).
H) Default Risk non-securitisations			
138–146	F–Q	Standardised measurement method, **Default risk** non-securitisations	Jump-to-Default amount per type of Counterparty (Corporate, Sovereign and/or Municipalities), Seniority (equity, Senior), Direction (long/short) and credit quality.
I) Default Risk securitisations non-CTP			
170–214	F–X	Standardised measurement method, **Default risk** securitisations non-CTP	Jump-to-Default amount and capital charge for non-CTP securitisations per type of Methodology (IRBA, ERBA, SA), Direction (long/short), type of Securitisation and region.
J) Default Risk securitisations correlation trading portfolio			
226–277	F–X	Standardised measurement method, **Default risk** securitisations CTP	Jump-to-Default amount and capital charge for CTP securitisations per type of Methodology (IRBA, ERBA, SA), Direction (long/short), type of Underlying credit index and type of tranche.
K) Residual risk add-on (RRAO) – by type of instruments			
289	F	RRAO for exotic underlying	Notional of instruments with exotic underlying according to paragraph 58(d)
291–292	F	RRAO for other residual risks	Notional of instruments with other residual risks according to paragraph 58(e)(i) and 58(e)(ii)