Basel Committee
on Banking Supervision

Instructions for Basel III monitoring

August 2015

BANK FOR INTERNATIONAL SETTLEMENTS

This publication is available on the BIS website (www.bis.org/bcbs/qis/).

Grey underlined text in this publication shows where hyperlinks are available in the electronic version.

ISSN 92-9197- 870-1 (print)

ISSN 92-9131- 870-1 (online)

Contents

1. Introduction ... 1

2. General ... 2

2.1 Scope of the exercise ... 2

2.2 Filling in the data ... 2

2.3 Process ... 4

2.4 Reporting date ... 4

2.5 Structure of the Excel questionnaire ... 5

3. General information ... 5

3.1 General bank data (panel A) ... 5

3.2 Current capital (panel B) ... 7

3.3 Capital distribution data (panel C) ... 8

4. Risk-weighted assets, exposures and fully phased-in eligible capital ... 10

4.1 Overall capital requirements and actual capital ratios (worksheet "Requirements") ... 10

4.2 Definition of capital ... 11

5. Leverage ratio ... 14

5.1 Introduction ... 14

5.2 On-balance sheet items (panel A) ... 15

5.3 Derivatives and off-balance sheet items (panel B) ... 21

5.4 On- and off-balance sheet items – additional breakdown of exposures (panel C) ... 24

5.5 Reconciliation (panel D) ... 26

5.6 Adjusted notional exposures for written credit derivatives (panel E) ... 27

5.7 Calculation of the Basel III leverage ratio (panel F) ... 28

5.8 Alternative methods for derivative exposures (panel G) ... 29

5.9 Alternative currency criteria for eligible cash variation margin in derivative transactions (panel H) ... 32

5.10 Memo items related to initial margin for centrally cleared derivative transactions (panel I) ... 34

5.11 Business model categorisation (panel J) ... 35

5.12 Trade vs settlement date accounting (panel K) ... 38

5.13 EU-specific (panel K) ... 39

6. Liquidity ... 40

6.1 Liquidity coverage ratio (LCR) ... 40

6.2 Net Stable Funding Ratio (NSFR) ... 85

7. Interest rate risk in the banking book (IRRBB) ... 112

7.1 Introduction 112
7.2 General aspects 113
7.3 Panel A: Notional repricing cash flows except non-maturity deposits, automatic options, term deposits subject to early redemption risk, fixed rate loans subject to prepayments and fixed rate loan commitments, post eligible IRT 117
7.4 Panel B: NMDs 118
7.5 Panel C: Term deposits subject to early redemption risk 125
7.6 Panel D: Fixed rate loans subject to prepayment risk 127
7.7 Panel E: Fixed rate loan commitments ("pipelines") 128
7.8 Panel F: Other IRRBB exposures 130
7.9 Panel G: Automatic interest rate options in the banking book 131
7.10 Panel H: Basis risk 133
7.11 Panel I: Components of IRRBB minimum capital requirements 135
7.12 Panel J: Net interest profit (NIP) calculation 136
7.13 Panel K: Measures from the internal measurement system (IMS) for IRRBB 138
7.14 Panel L: Credit spread risk in the banking book (CSRBB) 139
7.15 Panel M: Term structure of continuously compounded (quasi) risk-free interest rates and FX rates 141

8. Large exposures – CCP review clause 142
8.1 Introduction 142
8.2 Scope of exposures included 142
8.3 Nature of counterparties 143
8.4 Exposure values 145

9. Operational risk 154
9.1 Panel A "Balance sheet and other items" 155
9.2 Panel B "Income statement" 155
9.3 Panel C. "Operational risk losses" 158
9.4 Panel D: "Capital requirements" 159
9.5 Panel E: "Capital calculation" 160

10. Sovereign exposures worksheet 162
10.1 Common features 162
10.2 Definitions to be used under the harmonised definitions 165

Annex 1: Changes compared to versions 3.0.x of the reporting template 168

Annex 2: Tentative schedule for upcoming Basel III monitoring exercises 169

Annex 3: Mapping of PDs to external rating grades 170

Quantitative Impact Study Working Group of the Basel Committee on Banking Supervision

Chairman	Mr Martin Birn, Secretariat of the Basel Committee on Banking Supervision, Bank for International Settlements, Basel	

Argentina	Ms Verónica Balzarotti	Central Bank of Argentina
Australia	Mr David Connolly	Australian Prudential Regulation Authority
Belgium	Ms Claire Renoirte	National Bank of Belgium
Brazil	Mr Joao Resende	Central Bank of Brazil
Canada	Mr Matthew Gordon	Office of the Superintendent of Financial Institutions
China	Ms Jin Wang	China Banking Regulatory Commission
France	Ms Dominique Durant	French Prudential Supervisory Authority
Germany	Ms Dorothee Holl	Deutsche Bundesbank
India	Mr Santosh Pandey	Reserve Bank of India
Indonesia	Mr Boyke W Suadi	Indonesia FSA (OJK)
Italy	Mr Francesco Piersante	Bank of Italy
Japan	Mr Kentaro Ide	Bank of Japan
	Mr Takahiro Ito	Financial Services Agency
Korea	Mr KyungHwan Sohn	Financial Supervisory Service
Luxembourg	Ms Natalia Katilova	Surveillance Commission for the Financial Sector
Mexico	Mr Jonás Bernes	National Banking and Securities Commission
Netherlands	Mr Ron Jongen	Netherlands Bank
Russia	Mr Aleksandr Stezhkin	Central Bank of the Russian Federation
Saudi Arabia	Mr Syed Mehdi Hassan	Saudi Arabian Monetary Agency
Singapore	Ms Sandy Ho	Monetary Authority of Singapore
South Africa	Mr Jaco Vermeulen	South African Reserve Bank
Spain	Ms Beatriz Domingo	Bank of Spain
Sweden	Mr Andreas Borneus	Finansinspektionen
	Ms Amelie Stierna	Sveriges Riksbank
Switzerland	Mr Uwe Steinhauser	Swiss Financial Market Supervisory Authority FINMA
Turkey	Mr Erhan Cetinkaya	Banking Regulation and Supervision Agency
United Kingdom	Mr Pavel Izmaylov	Prudential Regulation Authority

United States	Mr Eric Kennedy	Board of Governors of the Federal Reserve System
	Ms Eva Shi	Federal Reserve Bank of New York
	Ms Andrea Plante	Federal Deposit Insurance Corporation
	Mr Andrew Carayiannis	
	Mr Benjamin Pegg	Office of the Comptroller of the Currency
European Central Bank	Mr Gernot Stania	ECB Single Supervisory Mechanism
Observers	Mr Lampros Kalyvas	European Banking Authority
	Mr Gintaras Griksas	European Commission
Secretariat	Mr Davy Reinard *Ms Marie-Céline Bard* *Ms Sarah Bell*	Bank for International Settlements

Instructions for Basel III monitoring

1. Introduction

The Basel Committee on Banking Supervision ("the Committee") is monitoring the impact of *Basel III: A global regulatory framework for more resilient banks and banking systems* ("the Basel III standards"), the *Basel III leverage ratio framework and disclosure requirements* ("the Basel III leverage ratio framework"), *Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools* ("the Basel III LCR standards") and *Basel III: The Net Stable Funding Ratio* ("Basel III NSFR standards")[1] on participating banks. The exercise will be repeated semi-annually with end-December and end-June reporting dates.

In addition to these recurring items, worksheets have been added to collect data on four ongoing policy initiatives of the Committee, interest rate risk in the banking book,[2] operational risk,[3] the treatment of large exposures[4] and the treatment of exposures to sovereigns.

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 3.1.0 or later of the reporting template which should be used for the 30 June 2015 reporting date. Changes compared to the previous version of the reporting template are highlighted in the Annex.

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 the definition of capital, capital requirements and the floors based on the standardised approaches including the new standardised approach to operational risk. Sections 5 and 6 discuss the Basel III leverage ratio and liquidity, respectively. Section 7 presents the worksheets for collecting data on interest rate risk in the banking book while Section 8 describes the worksheet for the collection of data relevant to the Committee's work on large exposures. Section 9 introduces the worksheets to collect data on operational risk and Section 10 introduces the sovereign exposures worksheet.

1 Basel Committee on Banking Supervision, *Basel III: A global regulatory framework for more resilient banks and banking systems (revised June 2011)*, June 2011, www.bis.org/publ/bcbs189.htm; Basel Committee on Banking Supervision, *Basel III leverage ratio framework and disclosure requirements*, January 2014, www.bis.org/publ/bcbs270.htm; Basel Committee on Banking Supervision, *Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools*, January 2013, www.bis.org/publ/bcbs238.htm; Basel Committee on Banking Supervision, *Basel III: The Net Stable Funding Ratio, October* 2014, www.bis.org/bcbs/publ/d295.htm.

2 See Basel Committee on Banking Supervision, *Interest rate risk in the banking book*, June 2015, www.bis.org/bcbs/publ/d319.pdf.

3 Basel Committee on Banking Supervision, *Operational risk – Revisions to the simpler approaches – consultative document*, October 2014, www.bis.org/publ/bcbs291.htm.

4 Basel Committee on Banking Supervision, *Supervisory framework for measuring and controlling large exposures*, April 2014, www.bis.org/publ/bcbs283.pdf.

2. General

2.1 Scope of the exercise

Participation in the monitoring exercise is voluntary. The Committee expects both large internationally active banks and smaller institutions to participate in the study, as all of them will be 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 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

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 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*, www.bis.org/publ/bcbs293.htm.

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.**

Cell colours used in the Basel III monitoring reporting template

Colour	Worksheet(s)	Content
Yellow	All	Input cell.
Green	Requirements	To be completed if requested by the national supervisor or in order to calculate the capital ratios in panel C.
	DefCap	To be filled in if necessary based on the national implementation of the definition of capital.
	DefCap-MI	Worksheet is optional, can be used by banks to generate inputs for the "DefCap" worksheet.
	Leverage Ratio	Additional information needed to monitor the leverage ratio and its components during the transition period, in accordance with the transitional arrangements set out in paragraphs 165 to 167 of the Basel III standards. Banks are encouraged to fill in green cells on a best-efforts basis as well.
	LCR, NSFR	To be completed if requested by the national supervisor in light of national discretion choices.
	IRRBB, large exposures, sovereign exposures, op risk	Additional information to be completed on a best efforts basis.
Pink	All	To be completed by the supervisor.
White, orange	All	Calculation result. Must not be changed.

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.[11]

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 should 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.[12]

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

2.4 Reporting date

If possible, and unless the national supervisor has provided different guidance, generally all data should be reported as of end-December or end-June, as applicable. If data availability does not allow a bank to use these reporting dates or if the financial year differs from the calendar year, suitable alternatives should be discussed with the relevant national supervisor.

[11] Depending on the regional options of the operating system used, it might be necessary to use a different decimal symbol. It might also be necessary to switch off the option "Enable automatic percent entry" in the Tools/Options/Edit dialog of Excel if percentages cannot be entered correctly.

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

2.5 Structure of the Excel questionnaire

The Excel workbook consists of 18 worksheets. All banks participating in the impact study should generally complete them. Some banks may be directed by their supervisor to complete only certain parts of the workbook. Finally, the “Checks” worksheet provides an overview of all the checks included on the other worksheets. The worksheets requiring data input are the following:

- The worksheet “General Info” is intended to capture **general information** regarding the bank, eligible capital and deductions as well as capital distribution data. This worksheet should be completed by all banks.
- The worksheet “Requirements” captures overall capital requirements and actual capital ratios. This worksheet should be completed by all banks.
- The “DefCap” worksheet is related to the **definition of capital**. It captures more detailed information on the Basel III definition of capital and its impact on risk-weighted assets. The “DefCap-MI” worksheet helps banks with the calculation of regulatory adjustments for minority interest which is an input required on the “DefCap” worksheet; providing data on this worksheet is optional.
- The **leverage ratio** worksheet (“Leverage Ratio”) captures data necessary for the calculation of the leverage ratio.
- The **liquidity** worksheets (“LCR” and “NSFR”) are intended to capture key data regarding the liquidity coverage ratio and net stable funding ratio measures.
- The **“large exposures”** worksheet is intended to capture data regarding large exposures to CCPs.
- The **”sovereign exposures”** worksheet is intended to capture data regarding the banks’ exposures to sovereigns.
- The **“OpRisk”** worksheet captures key data regarding operational risk.
- The **”IRRBB”** worksheets are intended to capture key data regarding interest rate risk in the banking book.

3. General information

The “General Info” worksheet gathers basic information that is needed to process and interpret the survey results. Banks only providing data for liquidity, the fundamental review of the trading book or the standardised approach to credit risk are only required to fill in panels A and B.

3.1 General bank data (panel A)

Panel A of the “General Info” worksheet deals with bank and reporting data conventions.

Row	Column	Heading	Description
A1)	**Reporting data**		
5	C	Country code	Leave blank
6	C	Region code	Leave blank
7	C	Bank number	Leave blank
8	C	CMG-relevant	Leave blank
9	C	Data validation only	Leave blank

Row	Column	Heading	Description
10	C	Bank is a single legal entity	Leave blank
11	C	Bank is a subsidiary of a banking group	Leave blank
12	C	Bank is a subsidiary with a non-EU parent (EU only)	Leave blank
13	C	Bank type	Leave blank
14	C	Bank group	Leave blank
15	C	Bank type (numeric)	Leave blank
16	C	G-SIB surcharge	Leave blank
17	C	Domestic surcharges, CET1 capital	Leave blank
18	C	Domestic surcharges, Tier 1 capital	Leave blank
19	C	Domestic surcharges, total capital	Leave blank
20	C	Conversion rate (in euros/reporting currency)	Leave blank
21	C	Submission date (yyyy-mm-dd)	Leave blank
22	C	Use capital data	Leave blank
23	C	Comparable to the previous period	Leave blank
24	C	Use Leverage ratio data	Leave blank
25	C	Comparable to the previous period	Leave blank
26	C	Use LCR data	Leave blank
27	C	Comparable to the previous period	Leave blank
28	C	Use NSFR data	Leave blank
29	C	Comparable to the previous period	Leave blank
30	C	Use IRRBB data	Leave blank
31	C	Comparable to the previous period	Leave blank
32	C	Use operational risk data	Leave blank
33	C	Comparable to the previous period	Leave blank
34	C	Use large exposures data	Leave blank
35	C	Comparable to the previous period	Leave blank
36	C	Use sovereign exposures data	Leave blank
37	C	Comparable to the previous period	Leave blank
38	C	Reporting date (yyyy-mm-dd)	Date as of which all data are reported in worksheets.
39	C	Reporting currency (ISO code)	**Three-character** ISO code of the currency in which all data are reported (eg USD, EUR).

Row	Column	Heading	Description
40	C	Unit (1, 1000, 1000000)	Units (single currency units, thousands, millions) in which results are reported.
41	C	Accounting standard	Indicate the accounting standard used.
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 43 to 46. 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).			
43	C	Basel I	Indicate whether Basel I is used to calculate capital requirements for a portion of the exposures reported in this study.
44	C	Basel II/III standardised approach	Indicate whether the standardised approach of Basel II or III is used to calculate capital requirements for a portion of the exposures reported in this study.
45	C	Basel II/III FIRB approach	Indicate whether the foundation IRB approach of Basel II or III is used to calculate capital requirements for a portion of the exposures reported in this study.
46	C	Basel II/III AIRB approach	Indicate whether the advanced IRB approach of Basel II or III is used to calculate capital requirements for a portion of the exposures reported in this study.
A3)	**Accounting information**		
48	C	Accounting total assets	Total assets following the relevant accounting balance sheet (considering the regulatory consolidation).

3.2 Current capital (panel B)

Panel B of the "General Info" worksheet deals with information on eligible capital and deductions. While the relevant amounts under the fully phased-in Basel III standards and under the fully phased-in national implementation of these standards are calculated automatically based on input on the "DefCap" worksheet, banks should enter the capital amounts eligible at the reporting date in column C according to the national implementation of the Basel standards. This calculation should be conducted in the same way as the calculation of eligible capital for solvency reporting to the national supervisory agency at the reporting date.

The regulatory adjustments should be assigned to the tier of capital **from which they are actually taken**. For example, if a bank has not enough additional Tier 2 capital to make all those regulatory adjustments which can be made to Tier 2 capital, the adjustment should be reported as an adjustment to the relevant higher tier of capital.

Row	Column	Heading	Description
Total Common Equity Tier 1 capital For reporting dates on which the bank is not yet subject to Basel III, those elements of Tier 1 capital which are **not** subject to a limit under the national implementation of Basel I or Basel II should be reported in column C of these rows.			
55	C	Prior to regulatory adjustments, national rules as at reporting date	Amount of gross Common Equity Tier 1 capital. This line should not include any regulatory adjustments.

Row	Column	Heading	Description
56	C	Regulatory adjustments, national rules as at reporting date	Enter all regulatory adjustments to Common Equity Tier 1 capital elements. Banks should generally **not** report regulatory adjustments in this row that are applied to total Tier 1 capital as these should generally be reported in row 59. The only exception to this is in cases where the deductions in row 59 would otherwise exceed the Additional Tier 1 instruments reported in row 58.
Additional Tier 1 capital For reporting dates on which the bank is not yet subject to Basel III, those elements of Tier 1 capital which are subject to a limit under the national implementation of Basel I or Basel II (eg hybrid capital) should be reported in column C of these rows.			
58	C	Prior to regulatory adjustments, national rules as at reporting date	Enter the amount of gross Additional Tier 1 capital. This line should not include any regulatory adjustments.
59	C	Regulatory adjustments, national rules as at reporting date	Enter all regulatory adjustments to Additional Tier 1 capital elements. If the sum of the regulatory adjustments exceeds the amount reported in row 58 the excess should be reported in row 56 (ie the regulatory adjustments reported in row 59 must not exceed the capital reported in row 58).
Tier 2 capital			
63	C	Prior to regulatory adjustments, national rules as at reporting date	Enter the amount of gross Tier 2 capital. This line should not include any regulatory adjustments.
64	C	Regulatory adjustments, national rules as at reporting date	Enter all regulatory adjustments to Tier 2 capital elements and to total capital elements. If the sum of the regulatory adjustments exceeds the amount reported in row 63 the excess should be reported in row 59 (ie the regulatory adjustments reported in row 64 must not exceed the capital reported in row 63).
Tier 3 capital			
66	C	Tier 3 capital	Enter the amount of Tier 3 capital. For banks which are subject to Basel III at the reporting date, this cell should be 0.

3.3 Capital distribution data (panel C)

Panel C of the "General Info" worksheet deals with data on banks' income, capital distributions and capital raised. All data should be provided for the six-month period ending on the reporting date. Distributions should be reported in the period in which they are recognised on the balance sheet.

Row	Column	Heading	Description
Income			
71	C	Profit after tax	Enter the total amount of profit (loss) after tax. This should include profits attributable to minority shareholders.

Row	Column	Heading	Description
72	C	Profit after tax prior to the deduction of relevant (ie expensed) distributions below	Enter the total amount of profit (loss) after tax including profits attributable to minority shareholders, but prior to the relevant distributions listed in the section below. The **relevant** distributions are only those which were included in the income statement in such a way as to reduce profit after tax as set out in row 81 (ie items that were expensed), and thus the relevant distributions are not necessarily the sum of the items listed below. The line seeks to collect the profit after tax which would have been reported had none of the distributions listed below been paid. As such any tax impact of making such payments should also be reversed in this line.
Distributions			
74	C	Common share dividends	Enter the total common share dividend payments. The amount entered should be the amount paid in cash, not stock.
75	C	Other coupon/dividend payments on Tier 1 instruments	Enter the total coupon/dividend payments paid to other Tier 1 instruments. The amount entered should be the amount paid in cash, not stock. It should include both amounts which were reported in the income statement as an interest expense and amounts which were reported as a distribution of profits.
76	C	Common stock share buybacks	Enter the total common stock share buybacks (effective amounts).
77	C	Other Tier 1 buyback or repayment (gross)	Enter the total gross buyback or repayment of other Tier 1 instruments (effective amounts).
78	C	Discretionary staff compensation/bonuses	Enter the total amount of discretionary staff bonuses and other discretionary staff compensation. These amounts should be included if and when they result in a reduction of Tier 1 capital. For purposes of the Basel III monitoring exercise, discretionary staff bonuses and other discretionary compensation include all variable compensation to staff that the bank is not contractually obliged to make. Banks should only include such amounts if they result in a reduction in Tier 1 capital or would have resulted in an increase in Tier 1 capital if they had not been made. For example, under US GAAP, a bank is required to classify as a liability certain shares that give employees the right to require their employer to repurchase shares in exchange for cash equal to the fair value of the shares. As such discretionary compensation results in a reduction in GAAP equity and consequently Tier 1 capital, it would be included in row 88 of the "General Info" worksheet. Similarly, discretionary compensation made out of retained net income would have resulted in an increase in Tier 1 capital if it had not been made and therefore should also be included in row 88. By contrast, compensation to employees in the form of newly issued shares may in certain circumstances result in an increase in the number of outstanding shares with no change in GAAP equity and consequently no reduction in Tier 1 capital. These amounts should not be included in row 88 of the "General Info" worksheet.
79	C	Tier 2 buyback or repayment (gross)	Enter the total gross buyback or repayment of Tier 2 instruments (effective amounts).

Row	Column	Heading	Description
Capital raised (gross) Since these are cells to report newly issued capital amounts, the amounts of capital raised must always be positive or zero. Banks should apply the Basel III definition of capital in all reporting periods. **Even if Basel III is not yet in force in a jurisdiction at the reporting date, all amounts in rows 78 to 80 should be reported based on Basel III definitions, including the 13 January 2011 press release on loss absorbency at the point of non-viability.** **Profit retention should not be included in the amounts of capital raised reported in this panel.**			
81	C	CET1	Enter the total gross Common Equity Tier 1 capital issued.
82	C	Additional Tier 1	Enter the total gross Additional Tier 1 capital issued.
83	C	Tier 2	Enter the total gross Tier 2 capital issued.

4. Risk-weighted assets, exposures and fully phased-in eligible capital

4.1 Overall capital requirements and actual capital ratios (worksheet "Requirements")

The "Requirements" worksheet deals with overall capital requirements and actual capital ratios. **It is not strictly required to fill in the green cells on this worksheet unless a bank has been asked to do so by their supervisor. However, filling in the green cells allows for calculation of the capital ratios in panel C of the "Requirements" worksheet which is a useful check.**

Row	Column	Heading	Description
A) Risk-weighted assets according to the framework in place at the reporting date In rows 6 to 8, banks have to report in column C risk-weighted assets for their exposures subject to the Basel I credit risk framework, in column D risk-weighted assets from the Basel II/III standardised approach to credit risk and in column E risk-weighted assets from the foundation or advanced internal ratings-based approach. The yellow cells for all approaches a bank is using according to the information provided in rows 43 to 46 of the "General Info" worksheet must be filled in completely. For example, a bank using the IRB approach and partial use of the standardised approach must fill in both columns D and E. If a bank does not have a particular portfolio, risk-weighted assets should be reported as 0. **The sets of exposures for which RWA are reported in columns C, D and E must be mutually exclusive.** Risk-weighted assets should reflect the 1.06 scaling factor to IRB credit risk-weighted assets where relevant and, unless noted otherwise, be calculated using the standards in place at the reporting date.			
6	C–E	Credit risk (including CCR and non-trading credit risk); of which:	Overall credit risk-weighted assets including counterparty credit risk exposures and non-trading credit risk, but not including CVA capital charges or exposures to CCPs, after applying the 1.06 scaling factor to IRB credit risk-weighted assets.
7	C–E	Counterparty credit risk exposures (not including CVA charges or charges for exposures to CCPs)	Of the amount reportable in row 6, risk-weighted assets for counterparty credit risk exposures.
8	D, E	Securitisations	Of the amount reported in row 6, risk-weighted assets for securitisation exposures.
13	C	Qualifying central counterparties; Trade exposures (including client cleared trades); RWA	This includes any risk-weighted assets for trade exposures under Method 1 or Method 2, including RWA for SFT cleared through QCCPs. Of note, this includes risk-weighted assets for QCCPs subject to Method 2 where the cap of 20% of trade exposures is binding. Banks should enter a 0 in years in which this capital charge is not yet in force.

Row	Column	Heading	Description
14	C	Qualifying central counterparties; Default fund exposures; RWA	This includes any risk-weighted assets for default fund contributions to QCCPs. Of note, this excludes risk-weighted assets for QCCPs subject to Method 2 where the cap of 20% of trade exposures is binding. Banks should enter a 0 in years in which this capital charge is not yet in force.
16	C	CVA capital charge (risk-weighted asset equivalent); Advanced CVA risk capital charge	Risk-weighted asset equivalent of the advanced CVA risk capital charge (ie the advanced CVA risk capital charge times 12.5). Banks should enter a 0 in years in which this capital charge is not yet in force.
17	C	CVA capital charge (risk-weighted asset equivalent); Standardised CVA risk capital charge	Risk-weighted asset equivalent of the standardised CVA risk capital charge (ie the standardised CVA risk capital charge times 12.5). Banks should enter a 0 in years in which this capital charge is not yet in force.
17	D	CVA capital charge (risk-weighted asset equivalent); standardised CVA risk capital charge	The **exposure amount** subject to the standardised CVA risk capital charge under Basel III as per paragraph 99 of the Basel III document which is externally rated.
17	E	CVA capital charge (risk-weighted asset equivalent); standardised CVA risk capital charge	The **exposure amount** subject to the standardised CVA risk capital charge under Basel III as per paragraph 99 of the Basel III document which is unrated.
18	C	Market risk	Total market risk capital requirements. The capital charge **should** be converted to risk-weighted assets.
19	C	Operational risk	Total operational risk capital requirements. The capital charge **should** be converted to risk-weighted assets.
20	C	Settlement risk	Risk-weighted assets for settlement risk. The capital charge **should** be converted to risk-weighted assets.
21	C	Other Pillar 1 requirements	Risk-weighted assets for other **Pillar 1** capital requirements according to national discretion. The capital charge **should** be converted to risk-weighted assets. If no such requirements exist, 0 should be entered.
B)	**RWA effects from Basel III definition of capital and other national phase-in arrangements**		
27	C	RWA impact of applying future definition of capital rules	RWA impact of applying fully the phased-in national implementation of the Basel III definition of capital. If items which will be deducted in the fully phased-in treatment are currently risk-weighted, this amount should be reported as a **negative** number.
29	C	RWA impact of national phase-in arrangements for CVA if any	Incremental RWA impact of full implementation of the national CVA capital requirements. If the CVA capital requirements have already been fully phased-in, banks should report 0.
30	C	RWA impact of any other national phase-in arrangements	Incremental RWA impact of full implementation of the national implementation of Basel III capital requirements. If the capital requirements have already been fully phased-in or no phase-in agreements exist, banks should report 0.

4.2 Definition of capital

The “DefCap” worksheet collects the data necessary to calculate the definition of capital under the fully phased-in nationally implemented rules (“2022 national implementation”, column D) and according to the fully phased-in Basel III standards (“2022 Basel III pure”, column E).

The column headers in row 3 inform participating banks which of the columns they have to fill in depending on their jurisdiction. If one of the cells shows "No", then both the green and the yellow cells in that column can be left empty.

All data should be provided in the yellow and, where relevant, green cells and the **data provided should reflect the application of the final Basel III standards or fully phased-in national rules and not the transitional arrangements (eg those set out in paragraphs 94 to 96 of the Basel III framework).**

To be reported in the Basel III pure column of this worksheet instruments must comply with both the relevant entry criteria set out in the December 2010 Basel III standards and the 13 January 2011 press release on loss absorbency at the point of non-viability.

While some additional guidance on completing the worksheets is set out below, the worksheets themselves include detailed descriptions of each item to be provided and references to the relevant paragraphs of the Basel III standards. The instructions for completing the worksheets are therefore the combination of the Basel III standards, national rules, the descriptions included in the worksheets themselves and the additional guidance below.

4.2.1 Panel A: Provisions and expected losses

The data collected in panel A are the provisions and expected losses for exposures in the IRB portfolios, for exposures subject to the standardised approach and for exposures subject to the Basel I approach to credit risk, respectively. The "2022 national implementation" column provides two additional cells which should only be filled in by IRB banks in the EU where a separate calculation is conducted for defaulted and non-defaulted assets. As with all other sections, banks should contact their national supervisory agency if they are unclear as to how to complete this panel.

4.2.2 Panels B1, C1 and D1: Positive elements of capital

Panels B1, C1 and D1 collect the positive elements of capital (eg issued instruments and related reserves) that meet the criteria set out in the national rules and the Basel III standards, respectively, for inclusion in Common Equity Tier 1, Additional Tier 1 and Tier 2 capital.

Amounts are to be reported gross of all regulatory adjustments and follow the measurement approach that applies under the relevant accounting standards (ie reported amounts should equal the amounts reported on the balance sheet in respect of each item). This means that retained earnings and other reserves should include interim/final profits and losses to the extent that they are permitted or required to be included on the balance sheet under the prevailing accounting standards (eg if a bank reports its capital position for 30 June, this should be based on its balance sheet on 30 June, which will reflect profits earned and losses incurred up to and including 30 June). Similarly retained earnings and other reserves should exclude dividends only to the extent that these are required to be excluded from the relevant balance sheet under the prevailing accounting standards.

Banks must report data on shares and capital instruments issued by the parent of the consolidated group separately from data on shares and capital instruments issued by subsidiaries of the consolidated group. Shares and capital instruments issued by the parent of the consolidated group should be reported in rows 25, 66 and 84. These rows should not include any capital that has been issued out of subsidiaries of the group irrespective of whether the capital represents equity accounted instruments that appear in the consolidated accounts as minority interest or liability accounted instruments that appear as liabilities. The only exception to this rule is where capital has been raised by the parent of the consolidated group through an SPV that meets the criteria set out in paragraph 65 of the Basel III standards. Such amounts may be included in rows 66 and 84 as appropriate.

Shares and capital instruments issued by subsidiaries[13] of the consolidated group that are held by third parties should be reported in rows 29, 67 and 85. The amount to be included in each cell should exclude amounts in accordance with the procedure set out in paragraphs 62 to 65 of the Basel III standards.

4.2.3 Panels B2, C2 and D2: Regulatory adjustments

Panels B2, C2 and D2 collect the data necessary to calculate the various regulatory adjustments required by paragraphs 66 to 89 of the Basel III standards and the related national rules. Set out below is some additional guidance on certain of the regulatory adjustments to supplement the information provided in the relevant section of the Basel III standards, the related national rules and the description provided in the "DefCap" worksheet.

In addition to the regulatory adjustments under the fully phased-in national rules (column D) and the fully phased-in Basel III framework (column E), banks should also enter the marginal impact on risk-weighted assets if they would apply Basel III pure rather than the national implementation. For example, if a country is risk weighting a certain item while Basel III requires deduction, the relevant cell in column F should include the risk-weighted asset amount under the national rules as a **negative** number. Alternatively, if the national rules for a line item are exactly equivalent to the Basel III standard, banks should enter zero in the relevant cell of column F.

Cells D47 to D50 and D61 are only mandatory for banks in the EU and capture optional deductions for certain items which are subject to a 1,250% risk weighting treatment under the Basel III standards. For these items, the risk-weighted asset impact in column F is calculated automatically.

Furthermore, column D of rows 51, 62, 78 and 98 captures deductions according to national rules which are not based on the Basel III standards. The risk-weighted asset amount applicable under the Basel III framework if these items were not deducted should be entered in the relevant cell of column F (as a **positive** number).

4.2.4 Panel E: Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and below the threshold for deduction

For investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and below the threshold for deduction, banks should report both the amount and the related risk-weighted asset amount in panel E. The risk-weighted asset amount should **also** be included in the relevant item on the "Requirements" worksheet.

4.2.5 Capital issued out of subsidiaries to third parties (paragraphs 62 to 65)

The "DefCap-MI" worksheet can be used to calculate the amount of each subsidiary's capital that will be permitted to be included in the consolidated capital of the group and the amount that will be excluded due to the application of paragraphs 62 to 65 of the Basel III standards. Annex 4 of the Basel III standards sets out an illustrative example of the treatment of capital issued out of subsidiaries.

The amounts reported in respect of each consolidated subsidiary that has issued capital instruments to third parties should reflect the application of the final standards set out in paragraphs 49 to 90 of the Basel III standards to that subsidiary and not the transitional arrangements set out in paragraphs 94 to 96.

[13] Subsidiaries includes all consolidated subsidiaries of the group, irrespective of whether they are fully owned or partially owned.

For each subsidiary that has issued capital to third parties, the relevant data can be included in the green cells in the "DefCap-MI" worksheet. A separate column can be completed for each subsidiary. The aggregated amount to be included in consolidated capital in respect of all consolidated subsidiaries of the group is calculated automatically in cells D29, D30 and D31. These amounts should be reported in the "DefCap" worksheet in cells E32, E70 and E88 respectively. Alternatively, banks can also calculate the relevant numbers outside the reporting template without filling in the "DefCap-MI" worksheet.

5. Leverage ratio

5.1 Introduction

The "Leverage Ratio" worksheet collects data on the exposure measure of the Basel III leverage ratio (the denominator of the ratio) as defined by the Basel III leverage ratio framework and the *Frequently asked questions on the Basel III leverage ratio framework* (referred to as "the FAQs on the Basel III leverage ratio framework").[14]

As for other parts of the reporting template, exposures are to be reported in the worksheet on a group-wide consolidated basis for all entities which are consolidated by the bank for *risk-based regulatory purposes*.

Yellow cells are fundamental to the calculation of the Basel III leverage ratio based on the design agreed by the Group of Governors and Heads of Supervision on 12 January 2014 and will serve as the basis for testing during the parallel run period. The yellow cells are in (i) panel A, which covers on-balance sheet items; (ii) panel B, which covers the add-on for potential future exposure for derivatives calculated in accordance with paragraphs 19 to 21 of the Basel III leverage ratio framework and off-balance sheet items calculated in accordance with paragraph 39 of the Basel III leverage ratio framework; (iii) panel E, which includes data on the offsetting of credit derivatives in accordance with paragraphs 29 to 31 of the Basel III leverage ratio framework.

The green cells collect additional information necessary to monitor the Basel III leverage ratio and its components during the transition period. Green cells are in (i) panels A, B, and E as described above; (ii) panel C, which provides an additional breakdown of on- and off-balance sheet exposures, according to their risk weights under the Basel II framework;[15] (iii) panel D, which allows for a reconciliation of accounting standards; (iv) panel G which requests data on alternative methods for calculating derivative exposures; (v) panel H, which requests additional data on cash variation margin associated with derivative transactions subject to *currency mismatches*; (vi) panel I, which requests additional data on initial margin associated with centrally cleared derivative transactions; (vii) panel J, which provides additional data for the purposes of the categorisation of business models; (viii) panel K, which includes additional data on trade and settlement date accounting; and (ix) panel L, which is EU-specific and refers to the application of the Original Exposure Method (OEM) to derivative exposures.

Data on the capital measure of the Basel III leverage ratio (the numerator of the ratio) are collected in the "General Info" and "DefCap" worksheets.

[14] Basel Committee on Banking Supervision, *Frequently asked questions on the Basel III leverage ratio framework*, www.bis.org/publ/bcbs293.htm.

[15] References to the Basel II framework include the July 2009 Basel II enhancements.

The Basel III leverage ratio standards ensure consistency between the capital and exposure measures in the design of the leverage ratio, and paragraph 16 of the Basel III leverage ratio framework by stating that any deductions from regulatory capital may also be made from the exposure measure. However, when reporting data for the "Leverage Ratio" worksheet, banks should not make these deductions from the exposure measure as these will be made during the calculation phase, in panel F.

The worksheet should be compiled on a quarterly basis [16] by including end-of-quarter exposures (cf Basel III leverage ratio framework, paragraph 53). **The data for the most recent quarter, ending as of the reporting date, should be entered in columns J through N (labelled "Reporting date"); the data for the preceding quarter should be entered in columns D through H (labelled "Previous quarter").**

5.2 On-balance sheet items (panel A)

In panel A for on-balance sheet items, there are four columns for the exposure value of derivatives, securities financing transactions (SFTs) and other assets. The first three columns require, respectively, the accounting value, the gross value, and – for SFT and derivatives only – the counterparty credit risk exposure according to the Basel II framework. The fourth column applies to SFT exposures only and asks for the adjusted gross SFT assets.

5.2.1 Accounting values as reported in the banks' financial statements

Column D (and J) requires data as reported in the banks' financial statements prepared in accordance with the applicable accounting standards. Data in these columns should correspond to figures as reported in the financial statements (considering the regulatory scope of consolidation). These data should be net of specific provisions and valuation adjustments and include the effects of balance sheet offsetting as a result of netting agreements and credit risk mitigation only when permitted under the applicable accounting standards.

Derivatives

Rows 10, 11 and 12 collect data on the positive fair values of derivatives, as reported on the bank's financial statement, which may reflect the effect of balance sheet offsetting as a result of netting agreements and credit risk mitigation only when permitted under the applicable accounting standards.

Securities financing transactions (SFT)[17]

Rows 16 and 17 collect data on the on-balance sheet amounts for SFTs, as reported in accordance with the applicable accounting standards separating out those agent transactions eligible for the exceptional treatment as set out in paragraphs 36 and 37 of the Basel III leverage ratio framework from all other SFT assets. Amounts may reflect the effect of balance sheet offsetting as a result of netting agreements and credit risk mitigation only when permitted under the applicable accounting standards.

5.2.2 Gross values

Column E (and K) requires data to be entered using the sum of accounting values (net of specific provisions and valuation adjustments), assuming no accounting netting or credit risk mitigation effects

[16] Since the Basel III monitoring exercise is carried out on a semiannual basis, each exercise will collect data covering the two quarters included in the relevant six-month period.

[17] SFTs as defined by the Basel II framework include transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transactions depends on the market valuations and the transactions are often subject to margin agreements.

(ie gross values).[18] Items that are not eligible for accounting netting or subject to credit risk mitigation should be the same as those reported in column D (and J).

Derivatives

Rows 10, 11 and 12 include gross value of **all** derivative exposure amounts,[19] assuming no accounting netting and no credit risk mitigation effects.

The amount of any derivatives collateral provided other than initial margin for client-cleared derivative transactions with a *qualifying* CCP (QCCP), and eligible cash variation margin as defined in paragraphs 25 and 26 of the Basel III leverage ratio framework, where the provision of that collateral has reduced the value of the balance sheet under the applicable accounting framework should be reported in row 21. Similarly, the receivable assets for eligible cash variation margin *provided* in derivative transactions according to paragraphs 25 and 26 of the Basel III leverage ratio framework, taking into account the clarification regarding the interpretation of the *currency of settlement* requirement as set out in Q1 of the FAQs on the Basel III leverage ratio framework are to be reported in row 22 if the bank is required under the applicable accounting standard to recognise these receivable assets. Initial margin *provided* to the QCCP as a result of client-cleared derivative transactions with a QCCP where the bank acts as a clearing member and exempts such initial margin from the leverage ratio exposure measure in accordance with paragraph 27 of the Basel III leverage ratio framework is to be reported in row 23 (note additional memo items regarding initial margin in panel I of the template).

SFT

Rows 16 and 17 require SFT assets to be reported with no recognition of the accounting netting of (cash) payables against (cash) receivables as currently permitted under the applicable accounting standards separating out those agent transactions eligible for the exceptional treatment as set out in paragraphs 36 and 37 of the Basel III leverage ratio framework from all other SFT assets.

If the applicable accounting standards require a bank to recognise the security received in an SFT as an asset, the asset amount must be reported in row 24.[20] Where SFTs are treated like a sale of asset under the bank's applicable accounting framework, the exposure amount for this SFT is to be reported in row 25 as if it had been treated like a financing transaction according to subparagraphs (i) and (ii) of paragraph 33 of the Basel III leverage ratio framework.

5.2.3 Counterparty credit risk exposure after applying the regulatory netting standards

Column F (and L) requires reporting of the counterparty credit risk exposure of derivatives[21] and SFTs after applying the regulatory netting standards based on the Basel II framework (not the accounting rules for netting as applied under column D (and J)).[22] Data should not include any other credit risk mitigation effects.[23]

[18] For example, if a bank is permitted to net cash collateral against the net derivatives exposure amount under the applicable accounting standards (as reported in columns D and J), then the bank must take that cash collateral out (ie gross up its exposure amount) for purposes of columns E and K.

[19] Including derivatives that are treated off-balance sheet under the applicable accounting standards.

[20] For example, under US GAAP, a security transferor must recognise a security received in a securities lending transaction as an asset if the transferor has the right to hypothecate the security but has not done so.

[21] Including derivatives that are treated off-balance sheet under the applicable accounting standards.

[22] Banks should always apply Basel II standards for netting (even if they are currently applying the Basel I framework).

[23] This does not relate to the deduction of securities and cash received in a SFT according to paragraph 33(ii) of the Basel III leverage ratio framework.

Derivatives

In row 9 banks are required to report the replacement cost of all their derivative positions gross of cash variation margin, gross of all client-cleared trade exposures (including positions resulting from guarantees provided by clearing members) and using Basel II netting standards, including positions resulting from paragraph 28 of the Basel III leverage ratio framework. Collateral received should not be netted against the (net) derivatives position.[24]

If a derivatives transaction is not covered under a qualifying Basel II netting agreement, the derivative exposure amount should be reported on a gross basis, the same as the amount reported in column E (and K).

Row 13 asks for the amount of cash variation margin received and eligible for offsetting against the replacement cost portion of the derivative exposures according to paragraphs 25 and 26 of the Basel III leverage ratio framework, taking into account the clarification regarding the interpretation of the currency of settlement requirement as set out in Q1 of the FAQs on the Basel III leverage ratio framework.

Row 14 asks for the replacement cost portion of exempted trade exposures to a *qualifying* CCP (QCCP) from client-cleared derivatives transactions, where the bank acting as clearing member is not obligated to reimburse the client for any losses suffered due to changes in the value of its transactions in the event the QCCP defaults as set out in paragraph 27 of the Basel III leverage ratio framework.

SFT

For SFT, the counterparty credit risk exposure value is determined as the total fair value amount of securities and cash lent to a counterparty for all transactions included in a qualifying Basel II netting agreement[25], less the total fair value amount of cash and securities received from the counterparty for those transactions, floored at zero.[26]

Where no qualifying Basel II netting agreement is in place, the counterparty exposure value of SFT must be calculated on a transaction by transaction basis (that is, each SFT is treated as its own netting set) as set out in in paragraph 33(ii), second bullet of the Basel III leverage ratio framework.

These amounts have to be reported in rows 16 and 17 separating out those agent transactions eligible for the exceptional treatment as set out in paragraphs 36 and 37 of the Basel III leverage ratio framework from all other SFT assets.

5.2.4 Adjusted gross SFT assets

Row 17 of column G (and M) requires banks to report the adjusted gross SFT asset amounts for all SFTs other than the SFT agent transactions eligible for the exceptional treatment as set out in paragraphs 36 and 37 of the Basel III leverage ratio framework, according to paragraph 33 (i), second bullet of the Basel III leverage ratio framework.

5.2.5 Description of the data

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

24 A net derivatives position is the (positive) difference between positive and negative fair values of derivatives in a netting set.

25 A qualifying netting agreement is a netting agreement that meets the requirements under paragraphs 173 and 174 of the Basel II framework.

26 Banks should apply the following part of the formula as set forth in paragraph 33(ii), first bullet of the Basel III leverage ratio framework: $E^*=\max\{0,[(\sum E_i - \sum C_i]\}$.

Row	Column	Heading	Description
8	D, E, J, K	Derivatives	Non entry cells: Items in rows 10 to 12 provide a breakdown of derivatives and should sum to total derivatives.
8	F, L	Derivatives	Non entry cells: The replacement costs associated with all derivatives transactions as they enter the Basel III leverage ratio exposure measure.
9	F, L	Replacement cost associated with all derivatives transactions (gross of variation margin)	The replacement cost of derivatives using Basel II netting standards, with no recognition of collateral (whether cash or non-cash), see paragraphs 19, 20, 21, 23 and 28 of the Basel III leverage ratio framework. Derivatives traded OTC, on an exchange and through a CCP should all be included.
10	D, E, J, K	Credit derivatives (protection sold)	Positive fair values of written credit derivatives (ie where the bank is providing credit protection to a counterparty). Columns D and J must be reported on a net basis (ie reflecting the effect of netting agreements and credit risk mitigation when permitted under the applicable accounting standards); columns E and K must be reported on a gross basis.
11	D, E, J, K	Credit derivatives (protection bought)	Positive fair values of purchased credit derivatives (ie where the bank is buying credit protection from a counterparty). Columns D and J must be reported on a net basis (ie reflecting the effect of netting agreements and credit risk mitigation when permitted under the applicable accounting standards); columns E and K must be reported on a gross basis.
12	D, E, J, K	Financial derivatives	Positive fair values of financial derivatives (eg interest rates derivatives, FX and gold derivatives, equities derivatives, etc). Columns D and J must be reported on a net basis (ie reflecting the effect of netting agreements and credit risk mitigation when permitted under the applicable accounting standards); columns E and K must be reported on a gross basis.
13	F, L	Eligible cash variation margin offset against derivatives market values	Cash variation margin received eligible for offsetting against the replacement cost portion of the derivatives exposures according to paragraphs 25 and 26 of the Basel III leverage ratio framework, taking into account the clarification regarding the interpretation of the currency of settlement requirement as set out in Q1 of the FAQs on the Basel III leverage ratio framework. The amount reported must also be included in the gross replacement costs reported in row 9.
14	F, L	Exempted CCP leg of client-cleared trade exposures (replacement costs)	The replacement cost portion of exempted trade exposures to a QCCP from client-cleared derivatives transactions, where the bank acting as clearing member is not obligated to reimburse the client for any losses suffered due to changes in the value of its transactions in the event that the QCCP defaults, see paragraph 27 of the Basel III leverage ratio framework. The amount reported must also be included in the gross replacement costs reported in row 9.
15	D, E, J, K	Securities financing transactions	Non entry cells: Items in rows 16 and 17 provide a breakdown of SFTs and should sum to total SFTs.
15	F, L	Securities financing transactions	Non entry cells: Sum of counterparty credit risk exposure of SFT covered and not covered by eligible netting agreements, see paragraph 33(ii) of the Basel III leverage ratio framework. SFT traded OTC, on an exchange and through a CCP should all be included.

Row	Column	Heading	Description
15	G, M	Securities financing transactions	Non entry cells: Sum of the adjusted gross SFT assets, see paragraph 33(i), second bullet of the Basel III leverage ratio framework. SFT traded OTC, on an exchange and through a CCP should all be included.
16	D, E, J, K	SFT agent transactions eligible for the exceptional treatment	Only SFT agent transactions where the bank acting as agent provides an indemnity or guarantee to a customer or counterparty that is limited to the difference between the value of the security or cash the customer has lent and the value of collateral the borrower has provided are eligible for this exceptional treatment, see paragraphs 36 and 37 of the Basel III leverage ratio framework. Columns D and J must be reported net of specific provisions and valuation adjustments and include the effects of netting agreements and credit risk mitigation only as per the relevant accounting standards. Columns E and K must be reported with no recognition of accounting netting of (cash) payables against (cash) receivables as permitted under relevant accounting standards. The securities lent in a SFT that remain recognised on the balance sheet must not be included here but in row 19. The value of securities received in a SFT that are recognised as an asset under the applicable accounting standard must be reported in row 24. The securities lent in a SFT that are derecognised due to a sales accounting transaction must not be included here but in row 25. SFT traded OTC, on an exchange and through a CCP should all be included.
16	F, L	SFT agent transactions eligible for the exceptional treatment	The exposure measure of eligible SFT agent transactions calculated by applying subparagraph (ii) of paragraph 33 of the Basel III leverage ratio framework.
17	D, E, J, K	Other SFTs	SFTs other than SFT agent transactions reported in row 16. Columns D and J must be reported net of specific provisions and valuation adjustments and include the effects of netting agreements and credit risk mitigation only as per the relevant accounting standards. Columns E and K must be reported with no recognition of accounting netting of (cash) payables against (cash) receivables as permitted under relevant accounting standards. The securities lent in a SFT that remain recognised on the balance sheet must not be included here but in row 19. The value of securities received in a SFT that are recognised as an asset under the applicable accounting standard must be reported in row 24. The securities lent in a SFT that are derecognised due to a sales accounting transaction must not be included here but in row 25. SFT traded OTC, on an exchange and through a CCP should all be included.
17	F, L	Other SFTs	The counterparty credit risk exposure of all SFTs other than SFT agent transactions reported in row 16 calculated according to subparagraph (ii) of paragraph 33 of the Basel III leverage ratio framework.

Row	Column	Heading	Description
17	G, M	Other SFTs	The adjusted gross SFT assets of all SFTs other than SFT agent transactions reported in row 16 calculated according to subparagraph (i) of paragraph 33 of the Basel III leverage ratio framework.
18	E, K	Other assets	Non entry cells: Other assets as adjusted for the purposes of the Basel III leverage ratio.
19	D, E, J, K	Accounting other assets	Any other assets not specifically identified in any of the rows 8 to 17 above (ie any other accounting assets not included under derivatives or SFT items, eg accounting receivables for cash variation margin provided where recognised under operative accounting framework, liquid assets as defined under the liquidity coverage ratio, failed and unsettled transactions). This includes any instrument (including cash) borrowed or lent through an SFT when it is reported on the accounting balance sheet.
20	E, K	Adjustments to accounting other assets for the purposes of the leverage ratio	Non entry cells: adjustments to accounting other assets for the purposes of the Basel III leverage ratio.
21	E, K	Grossed-up assets for derivatives collateral provided	The amount of any derivatives collateral provided where the provision of that collateral has reduced the value of the balance sheet assets under the applicable accounting framework, see paragraph 24 of the Basel III leverage ratio framework. However, initial margin for client-cleared derivative transactions with a qualifying CCP (QCCP) and eligible cash variation margin, as defined in paragraphs 25 and 26 of the Basel III leverage ratio framework, must not be included.
22	E, K	Receivables for eligible cash variation margin provided in derivatives transactions	The receivables for eligible cash variation margin *provided* in derivatives transactions if the bank is required, under the applicable accounting standards, to recognise these receivables as an asset, see paragraphs 25 and 26 of the Basel III leverage ratio framework, taking into account the clarification regarding the interpretation of the currency of settlement requirement as set out in Q1 of the FAQs on the Basel III leverage ratio framework. The amount reported must also be included in the accounting other assets reported in row 19.
23	E, K	Exempted CCP leg of client-cleared trade exposures (initial margin)	The initial margin portion of exempted trade exposures to a QCCP from client-cleared derivatives transactions, where the bank acting as clearing member is not obligated to reimburse the client for any losses suffered due to changes in the value of its transactions in the event that the QCCP defaults, see paragraph 27 of the Basel III leverage ratio framework, taking into account the clarification regarding the interpretation of the currency of settlement requirement as set out in Q1 of the FAQs on the Basel III leverage ratio framework. The amount reported should also be included in the accounting other assets reported in row 19.
24	E, K	Securities received in a SFT that are recognised as an asset	Securities received in a SFT that are recognised as an asset under the applicable accounting standards and therefore included in row 19, see paragraph 33 of the Basel III leverage ratio framework.
25	E, K	Adjustments for SFT sales accounting transactions	The value of securities lent in a SFT that are derecognised due to a sales accounting transaction, see paragraph 34 of the Basel III leverage ratio framework.

Row	Column	Heading	Description
26	E, K	Fiduciary assets	Fiduciary assets that are included in row 19 and that meet the IAS 39 criteria for derecognition and, where applicable, IFRS 10 for deconsolidation, see footnote 4 to paragraph 15 of the Basel III leverage ratio framework.
27	D, E, F, G, J, K, L, M	Totals	This is a non-data entry row.
29	F, G, L, M	Memo item: SFT exposures to QCCPs from client-cleared transactions	The SFT exposures to QCCPs from client-cleared SFT transactions, where the bank acting as clearing member is not obligated to reimburse the client for any losses suffered due to changes in the value of its transactions in the event that the QCCP defaults. These exposures must be included in rows 16 and 17.
31	E, K	Check row	This is a non-data entry row. It checks that the sum of single values included in the accounting other assets is lower or equal to the accounting other assets.

5.3 Derivatives and off-balance sheet items (panel B)

In panel B for derivatives and off-balance sheet items, there are three columns. The first two columns apply to derivatives solely and require, respectively, the potential future exposure (PFE) assuming no netting or credit risk mitigation, and the PFE with Basel II netting standards. The third column refers to both derivatives and off-balance sheet items and requires the notional values of those exposures.

The PFE and notional amounts excluded from panel B according to paragraph 27 of the Basel III leverage ratio framework must be reported in row 43.

5.3.1 Potential future exposure of derivatives measured using the current exposure method without the effect of Basel II netting

Column D (and J) requires potential future exposure of all derivatives, irrespective of whether or not they are centrally cleared, as well as exposures arising from the application of paragraph 28 of the Basel III leverage ratio framework, measured using the current exposure method (CEM) without the effect of Basel II netting.[27] Data in these columns only include the add-on for potential future exposure, since the total replacement cost is already captured in the on-balance sheet panel A. Data on the add-on for derivatives having a negative fair value (thus not reported in panel A) should be included as well.

When compiling the separate line items referred to as “Credit derivatives protection sold” the following criteria should be applied: For sold CDS subject to close out, the full text of paragraph 3 of the Annex of the Basel III leverage ratio framework should be applied; therefore, the add-on should be capped at unpaid premiums. For sold CDS not subject to close out, the treatment provided by the footnote in paragraph 3 of the Annex of the Basel III leverage ratio framework should not be applied and the add-on of 5% or 10% – depending on the nature (qualifying or non-qualifying) of the reference obligation – should always be calculated.[28]

[27] See also Annex IV of the Basel II framework.

[28] The footnote in paragraph 3 of the Annex of the Basel III leverage ratio framework states the following: “The protection seller of a credit default swap shall only be subject to the add-on factor where it is subject to closeout upon the insolvency of the protection buyer while the underlying is still solvent. Add-on should then be capped to the amount of unpaid premiums.”

Paragraph 3 of the Annex of the Basel III leverage ratio framework should be applied to all credit derivatives, whether they are included in the banking book or in the trading book.

Data should be reported gross of any netting agreement and credit risk mitigation effect (in line with the criteria for compiling column E (and K) in panel A). All banks should calculate the potential future exposure using the current exposure method, even if they do not apply such a method under the counterparty credit risk framework. For derivatives traded on an exchange or through a CCP the current exposure method is always applied, irrespectively of whether or not an exposure value of zero for counterparty credit risk is attributed under the Basel II framework.

Banks may choose to not include the individual add-on amount relating to a written credit derivative which is not offset by purchased protection with the characteristics described in Section 5.6, letter (c) of the present instructions.

5.3.2 Potential future exposure of derivatives with the effect of the Basel II netting

Column E (and K) requires potential future exposure of derivatives with the effect of the Basel II netting as set out in paragraphs 8 to 11 of the Annex of the Basel III leverage ratio framework. As noted above, banks should always apply the CEM netting standards as defined in the Basel II framework, irrespective of their actual approach to credit risk. Data should not include any credit risk mitigation effect other than the said Basel II netting.

The add-on for credit derivatives should be calculated according to the full text of paragraph 3 of the Annex of the Basel III leverage ratio framework, including the footnote. This implies that the add-on of sold CDS subject to close out should be capped at unpaid premiums, while the add-on for sold CDS not subject to close out should not be included.

Paragraph 3 of the Annex of the Basel III leverage ratio framework should be applied to all credit derivatives, whether they are included in the banking book or in the trading book.

Banks may choose not to include the individual add-on amount relating to a written credit derivative which is not offset by purchased protection following the criteria described in Section 5.6, letter (c) of the present instructions.[29]

When calculating the add-on for netted transactions (A_{Net} in the formula in paragraph 10 of Annex of the Basel III leverage ratio framework) and irrespective of the treatment of the collateral by the applicable accounting standards, banks must not recognise the collateral received in the calculation of the net replacement cost.

5.3.3 Notional amounts

Column F (and L) requires banks to report the notional amounts of derivatives and off-balance sheet items.

5.3.4 Description of the data

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

[29] In these cases, where effective bilateral netting contracts are in place, and when calculating $A_{Net}=0.4*A_{Gross}+0.6*NGR*A_{Gross}$, A_{Gross} may be reduced by the individual add-on amounts (ie notionals multiplied by the appropriate add-on factors) which relate to written credit derivatives whose notional values are included as exposures of the Basel III leverage ratio. No adjustments should be made to NGR. Where effective bilateral netting contracts are not in place, the add-on can be set to zero in order to avoid double counting. See paragraph 31 of the Basel III leverage ratio framework.

Row	Column	Heading	Description
B1)	**Derivatives**		
38	E, K	Potential future exposure for derivatives entering the leverage ratio exposure measure	Non entry cell: Provides for the total PFE entering the exposure measure related to derivative transactions according to paragraphs 19 to 28 of the Basel III leverage ratio framework.
39	E, K	Derivatives	Potential future exposure of derivatives when applying the current exposure method and Basel II netting standards.
39	D, F, J, L	Derivatives	Non entry cells: Items in rows 40 to 42 provide a breakdown of derivatives which should sum up to total derivatives.
40	D, F, J, L	Credit derivatives (protection sold)	Potential future exposure with no netting or CRM (columns D and J) or notional amount (columns F and L) for credit derivatives sold subject to close out, including the full treatment set out in paragraph 3 of the Annex of the Basel III leverage ratio framework (capping add-on at unpaid premiums). Where the effective notional amount of written credit derivatives is included in the exposure measure and not offset pursuant to paragraph 30 of Basel III leverage ratio framework, banks may choose to set the individual potential future exposure amounts relating to those written credit derivatives to zero.
41	D, F, J, L	Credit derivatives (protection bought)	Potential future exposure with no netting or CRM (columns D and J) or notional amount (columns F and L) of purchased credit derivatives (ie where the bank is buying credit protection from a counterparty)
42	D, F, J, L	Financial derivatives	Potential future exposure with no netting or CRM (columns D and J) or notional amount (columns F and L) of financial derivatives.
43	D, J	Exempted CCP leg of client-cleared trade exposures (potential future exposure)	Potential future exposure using the current exposure method and assuming no netting or CRM associated with exempted CCP leg of client-cleared trade exposures (potential future exposure fulfilling the exemption criteria laid down in paragraph 27 of the Basel III leverage ratio framework).
43	E, F, K, L	Exempted CCP leg of client-cleared trade exposures (potential future exposure)	Potential future exposure of derivatives when applying the current exposure method and Basel II netting standards (columns E and K), or notional amount (columns F and L) for exempted CCP leg of client-cleared trade exposures according to paragraph 27 of the Basel III leverage ratio framework.
B2)	**Off-balance sheet items**		
45	F, L	Off-balance sheet items with a 0% CCF in the RSA; of which:	Off-balance sheet items that would be assigned a 0% credit conversion factor as defined in the standardised approach to credit risk in the Basel II framework. That is commitments that are unconditionally cancellable at any time by the bank without prior notice (UCC), or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness (see paragraph 83 of the Basel II framework and the footnote to this paragraph). Note that rows 46 and 47 do not sum up to row 45 since the latter includes commitments that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness but that are not UCCs.

Row	Column	Heading	Description
46	F, L	Unconditionally cancellable credit cards commitments	Credit cards commitments that are unconditionally cancellable at any time by the bank without prior notice (UCC) that would receive a 0% CCF under the standardised approach to credit risk. Credit card commitments that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness but that are not UCC should not be included in this row.
47	F, L	Other unconditionally cancellable commitments	Other commitments that are unconditionally cancellable at any time by the bank without prior notice, that would receive a 0% CCF under the standardised approach to credit risk. Commitments that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness but that are not UCC should not be included in this row.
48	F, L	Off-balance sheet items with a 20% CCF in the RSA	Off-balance sheet items that would be assigned a 20% credit conversion factor as defined in the standardised approach to credit risk (see paragraphs 83 and 85 of the Basel II framework and the footnote to paragraph 83).
49	F, L	Off-balance sheet items with a 50% CCF in the RSA	Off-balance sheet items that would be assigned a 50% credit conversion factor as defined in the standardised approach to credit risk (see paragraphs 83, 84(ii) and 84(iii) of the Basel II framework). This includes liquidity facilities and other commitments to securitisations incorporating the changes according to the Enhancements. That is the CCF for all eligible liquidity facilities in the securitisation framework is 50% regardless of the maturity.
50	F, L	Off-balance sheet items with a 100% CCF in the RSA	Off-balance sheet items that would be assigned a 100% credit conversion factor as defined in the standardised approach to credit risk (see paragraphs 83(i), 83 (ii), 84 and 84(i) of the Basel II framework. This includes liquidity facilities and other commitments to securitisations incorporating the changes according to the Enhancements.
51	F, L	Total off-balance sheet items	This is a non-data entry row.
53	F, L	Check row	This is a non-data entry row. It checks that the unconditionally cancellable commitments do not exceed the off-balance sheet items with a 0% CCF.

5.4 On- and off-balance sheet items – additional breakdown of exposures (panel C)

Panel C provides an additional breakdown for on- and off-balance sheet exposures belonging to the banking book, according to the risk weights applied under the Basel II framework.[30]

Banks adopting the standardised approach for credit risk should report each exposure according to the regulatory risk weight as provided by the Basel II framework (under the standardised

[30] Transactions subject to the treatment for counterparty credit risk (see Annex 4 of the Basel II framework) should be included irrespective of whether they are classified in the banking or in the trading book.

approach or the securitisation framework).[31,32] For banks adopting the internal ratings-based approach, for exposure (other than those for which specific regulatory risk weights are provided for – eg specialised lending exposures under the supervisory slotting criteria approach, securitisations exposures with an external credit assessment, equity exposures under the simple risk weight method, etc) belonging to each borrower grade, the risk weight should be derived by dividing the risk weighted exposure obtained from the risk-weight formula or the supervisory formula (for credit risk or securitisations exposures, respectively) by the EAD after recognition of eligible credit risk mitigation techniques. Under the internal ratings-based approach, exposures classified as in default should be excluded from the rows 60 to 67 and included in row 68.

Exposures deducted from the regulatory capital should be considered as being applied a 1250% risk weight.[33]

The exposure value of on-balance sheet items (columns D and J) should correspond to the solvency-based value under the Basel II framework,[34] after recognition of eligible credit risk mitigation techniques (eg EAD for the internal ratings-based approach). Off-balance sheet items (columns E and K) should be reported as for their notional value multiplied by the regulatory CCF[35] under the Basel II framework.

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

Row	Column	Heading	Description
59	D, E, J, K	Total on- and off-balance sheet exposures belonging to the banking book (breakdown according to the effective risk weight):	This is a non-data entry row.
60	D, E, J, K	= 0%	Exposures with effective risk weight of 0%.
61	D, E, J, K	> 0 and ≤ 12%	Exposures with effective risk weights exceeding 0% but not more than 12%.
62	D, E, J, K	> 12 and ≤ 20%	Exposures with effective risk weights exceeding 12% but not more than 20%.
63	D, E, J, K	> 20 and ≤ 50%	Exposures with effective risk weights exceeding 20% but not more than 50%.
64	D, E, J, K	> 50 and ≤ 75%	Exposures with effective risk weights exceeding 50% but not more than 75%.
65	D, E, J, K	> 75 and ≤ 100%	Exposures with effective risk weights exceeding 75 but not more than 100%.

31 For exposures supported by credit risk mitigation techniques implying the substitution of the risk weighting of the counterparty with the risk weighting of the guarantee (eg financial collateral under the simple approach), banks should refer to the risk weight after the substitution effect.

32 Banks currently adopting the Basel I framework should refer to the risk weights currently applied for the calculation of the credit risk capital requirement; for reporting purposes, the exposures should be mapped to the risk weights buckets as provided in this panel.

33 Deductions from the capital base under Annex 1a part C of the Basel II framework as well as regulatory adjustments under paragraphs 66 to 88 of the Basel III standards should not be included in panel C. Exposures for which the Basel II framework allows the option of being deducted or risk weighted (eg certain securitisation exposures) should be included in panel C with a 1250% risk weight even if they are deducted from the capital base.

34 Or under the Basel I framework, if currently applied by a bank, in which case the bank should correspondingly apply the Basel I standards for netting.

35 The applicable CCF should be based on the approach to credit risk used by the bank (eg standardised approach or internal ratings-based approach).

Row	Column	Heading	Description
66	D, E, J, K	> 100 and ≤ 425%	Exposures with effective risk weights exceeding 100% but not more than 425%.
67	D, E, J, K	> 425 and ≤ 1250%	Exposures with effective risk weights exceeding 425% but not more than 1250%.
68	D, E, J, K	Defaulted exposures under the IRB approach	Exposures classified as in default under the internal ratings-based approach.

5.5 Reconciliation (panel D)

Panel D on reconciliation is a summary table that seeks to ensure the data is entered correctly and consistently. The reconciliation is between total accounting balance sheet exposures and total exposures after the effects of accounting netting (and other credit risk mitigation effects), or the effects of derivatives treated off-balance sheet under the applicable accounting standards and recognised with their gross values in panel A, have been eliminated. The adjusted non-netted values will provide a consistent comparison of exposures across accounting standards.

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

Row	Column	Heading	Description
74	D	Accounting total assets, previous quarter	Total assets following the relevant accounting balance sheet (considering the regulatory consolidation). The figure should be the same as the total value in cell D27.
74	J	Accounting total assets, reporting date	This is a non-data entry row. Total assets following the relevant accounting balance sheet (considering the regulatory consolidation) should be entered in cell C48 of the "General Info" worksheet. The figure should be the same as the total value in cell J27.
75	D, J	Check row	This is a non-data entry row. It checks that the total assets figure in panel D is the same as reported in panel A.
76	D, J	Reverse out on-balance sheet netting	Enter the amount of on-balance sheet netting (ie netting of loans against deposits) following the relevant accounting standards. This figure should equal the difference between the gross (column E (and K)) and the netted figures (column D (and J)) in panel A for the other assets (row 19).
77	D, J	Reverse out derivatives netting and other derivatives adjustments	Enter the amount of derivatives netting and the gross value of derivatives that are treated off-balance sheet and therefore included in column E (and K), where applicable, following the relevant accounting standards. This figure should equal the difference between the gross (column E (and K)) and the accounting figures (column D (and J)) in panel A for derivatives (row 8).
78	D, J	Reverse out SFT netting	Enter the amount of netting related to SFT following the relevant accounting standards. This figure should equal the difference between the gross (column E (and K)) and the netted figures (column D (and J)) in panel A for SFT (row 15).
79	D, J	Reverse out other netting and other adjustments	Adjustment to the accounting other assets for the purpose of the Basel III leverage ratio. This should correspond to row 20.
80	D, J	Totals	This is a non-data entry row.
81	D, J	Check row	This is a non-data entry row. It checks that the total assets figure calculated in row 80 is the same as the total of gross values in panel A (row 27).

5.6 Adjusted notional exposures for written credit derivatives (panel E)

In panel E for the additional treatment for written credit derivatives exposure[36], there are three columns.

(a) Column D (and J) requires the effective notional amounts[37] for written credit derivatives, capped at maximum potential loss as defined in paragraph 30 of the Basel III leverage ratio framework.

(b) Column E (and K) requires the effective notional amounts capped at maximum potential loss, for credit derivatives bought on the same reference name as the written credit derivatives.

(c) Column F (and L) requires the effective notional amounts capped at maximum potential loss, for credit derivatives bought on the same reference name, where in the addition the maturity of the protection bought is equal to or greater than the maturity of the protection sold.

Reference names are considered the same if the conditions in footnote 14 of the Basel III leverage ratio framework are met.

Assuming Bank A has sold credit protection on $100 of Corporate X debt for five years, and purchased credit protection on the same debt through the following transactions: (i) $40 for five years; (ii) $40 for two years; (iii) $20 for six months, and assuming Bank A has not entered in other credit derivatives transactions, the notional amounts of credit protection written and purchased under the criteria described above are the following:

	Capped notional amount	Capped notional amount (same reference name)	Capped notional amount (same reference name with no maturity mismatch)
Credit derivatives (protection sold)	100		
Credit derivatives (protection bought)	100	100	40

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

Row	Column	Heading	Description
87	D, J	Credit derivatives:	This is a non-data entry row.
88	D, J	Credit derivatives (protection sold)	Capped notional value of written credit derivatives (ie where the bank is providing credit protection to a counterparty) as set out in paragraph 30 of the Basel III leverage ratio framework.
89	D, J	Credit derivatives (protection bought)	Capped notional value of purchased credit derivatives (ie where the bank is buying credit protection from a counterparty) as set out in paragraph 30 of the Basel III leverage ratio framework.

36 Both credit derivatives belonging to the banking book and to the trading book should be reported.

37 That is reflecting the true exposure of contracts that are leveraged or otherwise enhanced by the structure of the transaction as provided in footnote 13 of the Basel III leverage framework.

Row	Column	Heading	Description
89	E, K	Credit derivatives (protection bought)	Capped notional value of purchased credit derivatives (ie where the bank is buying credit protection from a counterparty) as set out in paragraph 30 of the Basel III leverage ratio framework, on the same underlying reference names as those credit derivatives written by the bank as defined in footnote 14 of the Basel III leverage ratio framework. Hence, the value should not be greater than the value entered in cell D89 (and J89) for each reference name.
89	F, L	Credit derivatives (protection bought)	Capped notional value of purchased credit derivatives (ie where the bank is buying credit protection from a counterparty) on the same underlying reference names as those credit derivatives written by the bank, where the maturity of the purchased protection is equal to or greater than the maturity of the sold protection. Hence, the value should not be greater than the value entered in cell E89 (and K89) for each reference name.
90	E, F, K, L	Credit derivatives (protection sold less protection bought)	This is a non-data entry row. It calculates the difference between written and purchased credit derivatives on the same underlying reference names, for each of the two hypotheses for the offsetting as described above.
92	D, J	Check row	This is a non-data entry row. It checks that the notional amount of written credit derivatives is the same as or less than that in panel B.
93	D, J	Check row	This is a non-data entry row. It checks that the notional amount of purchased credit derivatives is the same as or less than that in panel B.
94	D, E, F, J, K, L	Check row	This is a non-data entry row. It checks that the notional amount of purchased credit derivatives for each of the two hypotheses for the offsetting as described above is consistently filled-in.

5.7 Calculation of the Basel III leverage ratio (panel F)

Panel F provides with the calculation of the Basel III leverage ratio, on the basis of the exposures data reported in the "Leverage Ratio" worksheet as well as of other relevant data as reported in the "General Info" and the "DefCap" worksheets (ie Tier 1 capital, regulatory adjustments).

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

Row	Column	Heading	Description
100	D, J	Tier 1 capital	This is a non-data entry row. It includes the amount of 2022 Basel III pure Tier 1 capital as reported in cell E61 of the "General Info" worksheet (numerator of the Basel III leverage ratio).
101	D, J	Total exposures	This is a non-data entry row. It calculates the total exposures to be included in the denominator of the Basel III leverage ratio (before the deduction of regulatory adjustments).
101	E, K	Data complete	This is a non-data entry row. It checks that all required exposure amounts entering the Basel III leverage ratio calculation are reported in previous panels.
102	D, J	Regulatory adjustments	This is a non-data entry row. It includes the amount of regulatory adjustments from Tier 1 as reported in the "DefCap" worksheet.

103	D, J	Total exposures for the calculation of the leverage ratio	This is a non-data entry row. It calculates the total exposures to be used for calculating the Basel III leverage ratio.
104	D, J	Basel III leverage ratio	This is a non-data entry row. It calculates the Basel III leverage ratio on the basis of the previous values.

5.8 Alternative methods for derivative exposures (panel G)

Panel G requests for additional data on alternative methods for calculating the Basel III leverage ratio exposure value for derivative transactions. The information is crucial to perform required analyses.[38] The methods are represented by the *Standardised approach for measuring counterparty credit risk exposures* as published by the Committee in March 2014 (hereafter referred to as "SA-CCR without modification" and the "SA-CCR document"),[39] and a modified version of the SA-CCR according to the criteria laid down in the current instructions (hereafter referred to as "modified SA-CCR").

The scope of derivatives transactions for the calculations in panel G is the same as the one used for the calculation of the Basel III leverage ratio exposure measure (ie *excluding* the CCP-leg of clearing members' client-cleared trade exposures to a QCCP as set out in paragraph 27 of the Basel III leverage ratio framework).

5.8.1 Derivative exposures according to the SA-CCR without modification

Column D (and J) requires derivative exposures of transactions already included in panels A and B to be calculated according to the SA-CCR without modification.

Replacement cost

In row 110 banks are required to report the replacement cost (RC) of their derivative transactions calculated according to paragraphs 130 to 145 of the SA-CCR document. The alpha factor of 1.4 should not apply to the RC calculated and reported here as will be automatically considered in the analyses.

Further rows 111 to 114 request data on respectively:

(a) the impact on the RC of the bank's derivative transactions of respectively the:

- (i) collateral *provided* by the bank and included in rows 18 or 21 (cells D111 and J111); and
- (ii) non-cash collateral *provided* by the bank and included in rows 18 or 21 (cells D112 and J112);

(b) *receivables* for cash collateral provided and taken into account in C or NICA according to the SA-CCR document (cells D113 and J113);

(c) collateral *provided* that is both included in rows 18 or 21 and taken into account in C or NICA according to the SA-CCR document (cells D114 and J114).

[38] In case banks are **not able** to report the data requested, cells shall be left blank.

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

Potential future exposure

In row 117 banks are required to report the potential future exposure (PFE) of their derivative transactions calculated according to paragraphs 146 to 187 of the SA-CCR document. The alpha factor of 1.4 should not apply to the PFE calculated and reported here as it will be automatically considered in the analyses.

5.8.2 Derivative exposures according to a modified SA-CCR

Column E (and K) requires the derivative exposures of transactions already included in panels A and B to be calculated according to a modified version of the SA-CCR according to the criteria laid down below.

Replacement cost

Cells E110 and K 110 are non-data entry cells (relevant data are gathered from panel A).

Potential future exposure

Data on PFE add-on have to be reported according to three alternative criteria:

- in cells E117 and K117 the PFE of all the bank's derivative transactions is computed, including those for which variation margin is exchanged, by applying the maturity factors for unmargined transactions provided in the SA-CCR document (see paragraphs 154, 155 and 164 of the SA-CCR document) only. Furthermore, the PFE multiplier must be set to one for all derivative transactions. All other criteria provided by the SA-CCR document, including the methodology for offsetting long and short positions within each hedging set and for aggregating the trade-level add-ons within each asset class have to be applied. This row is the the sum of
    - PFE of all *margined* netting sets as requested in cells E115 and K115, where banks are required to calculate the PFE by applying the maturity factors for *unmargined* transactions provided in the SA-CCR document (see paragraphs 154, 155 and 164); furthermore, the PFE multiplier must be set to one for all derivatives;
    - PFE of all *unmargined* netting sets as requested in cells E116 and K116, where banks are required to calculate the PFE by applying the maturity factors for unmargined transactions provided in the SA-CCR document (see paragraphs 154, 155 and 164); furthermore, the PFE multiplier must be set to one for all derivatives.
- in cells E120 and K120 banks are requested to calculate and report the PFE of all derivatives transactions (margined and unmargined) calculated according to paragraphs 146 to 187 of the SA-CCR document with the only modification to set the PFE multiplier to one (paragraph 149). So all other criteria provided by the SA-CCR document, including the maturity factors for margined and unmargined transactions, the methodology for offsetting long and short positions within each hedging set and for aggregating the trade-level add-ons within each asset class have to be applied. Hence, the PFE reported here should include adjustments reflecting the appropriate time risk horizons for different types of derivative transactions (margined and unmargined) by calculating the relevant maturity factor according to paragraph 164 of the SA-CCR document;
- in cells E123 and K123 banks are requested to calculate and report the sum of gross add-ons without any recognition of netting and by applying the maturity factors for unmargined transactions throughout. To calculate the gross add-ons, banks are requested, for each derivative transaction, to multiply (i) the absolute value of the supervisory delta (paragraph 159 of the SA-CCR document); (ii) the adjusted notional amount (paragraphs 157 and 158 of the SA-CCR document); (iii) the supervisory factor (paragraph 183 of the SA-CCR document); and (iv) the unmargined maturity factor (first bullet of paragraph 164 of the SA-CCR document). The resulting trade-level gross add-ons are then summed up. This calculation is equivalent to

replacing all the aggregation formulas specified in paragraphs 168 to 179 of the SA-CCR document by simple gross sums.

The alpha factor of 1.4 should not apply to the PFE calculated and reported here as it will be automatically considered in the analyses.

5.8.3 Description of the data

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

Row	Column	Heading	Description
110	D, J	Replacement cost (RC)	RC of derivative transactions calculated according to paragraphs 130 to 145 of the SA-CCR document.
110	E, K	Replacement cost (RC)	Non-data entry cells (relevant data are gathered from panel A).
111	D, J	Impact on the RC of collateral provided by the bank and included in rows 18 or 21	The difference between un-modified RC under SA-CCR, which includes collateral provided by the bank, and the RC without taking into account any collateral provided by the bank that is already included in rows 18 or 21. This row is introduced to correct for double counting of collateral provided.
112	D, J	Impact on the RC of non-cash collateral provided by the bank and included in rows 18 or 21	Similar to row 111 but restricting the impact to non-cash collateral. That is, the difference between RC under SA-CCR, which includes collateral provided by the bank, and the RC without taking into account any non-cash collateral provided by the bank that is already included in rows 18 or 21.
113	D, J	Receivables for cash collateral provided and taken into account in C or NICA	Receivables for cash collateral provided by the bank that is both included in row 18 and taken into account in the calculation of C or NICA in SA-CCR. The eligibility criteria of the Basel III leverage ratio framework are not applied, ie it includes any cash collateral or cash variation margin whether it meets the criteria in paragraph .25 or not.
114	D, J	Collateral provided that is both included in rows 18 or 21 and taken into account in C or NICA	The gross value of all collateral provided by the bank that is both included in row 18 or 21 and taken into account in the calculation of C or NICA in SA-CCR.
115	E, K	Potential future exposure of all margined netting sets w/o collateral: with maturity factor changed	PFE of derivative transactions for *margined* netting sets, calculated by applying the SA-CCR with the modification that (i) the maturity factor for *unmargined* transactions has to be used (first bullet of paragraph 164) ; and (ii) the PFE multiplier has to be set to one (paragraph 149).
116	E, K	Potential future exposure of all unmargined netting sets w/o collateral	PFE of derivative transactions for unmargined netting sets, calculated by applying the SA-CCR with the modification that • the PFE multiplier has to be set to one (paragraph 149).
117	D, J	Potential future exposure:	Potential future exposure of derivative transactions calculated according to paragraphs 146 to 187 of the SA-CCR document without modification.
117	E, K	Potential future exposure:	Non-data entry cell. It is the sum of the PFE of all margined and unmargined netting sets without collateral as requested in rows 115 and 116.

Row	Column	Heading	Description
118	D, E, J, K	of which: PFE of centrally cleared client trades	This is an "of which" item of row 117 and intends to capture PFE on centrally cleared client trades, where the bank acts as clearing member.
119	D, E, J, K	Check row	This is a non-data entry row. It checks that the PFE of centrally cleared client trades is not greater than the PFE of all derivative transactions.
120	E, K	Potential future exposure: with maturity factor unchanged and w/o collateral	It is the PFE of all derivative transactions (margined and unmargined) calculated according to paragraphs 146 to 187 of the SA-CCR document, with following modification: • the PFE multiplier has to be set to one (paragraph 149). Hence, the PFE reported here should include adjustments reflecting the appropriate time risk horizons for different types of derivative transactions (margined and unmargined) by calculating the relevant maturity factor according to paragraph 164 of the SA-CCR document.
121	E, K	of which: PFE of centrally cleared client trades	This is an "of which" item of row 120 and intends to capture PFE on centrally cleared client trades, where the bank acts as clearing member.
122	E, K	Check row	This is a non-data entry row. It checks that for PFE calculated with maturity factor unchanged and multiplier set to one, the amount associated with centrally cleared client trades is not greater than the amount associated with all derivative transactions.
123	E, K	Sum of trade-level gross add-ons	Potential future exposure of derivative transactions calculated: • by multiplying, for each individual derivative transaction, (i) the absolute value of the supervisory delta (paragraph 159 of the SA-CCR document); (ii) the adjusted notional amount (paragraphs 157 and158 of the SA-CCR document); (iii) the supervisory factor (paragraph 183 of the SA-CCR document); and (iv) the unmargined maturity factor (first bullet of paragraph 164 of the SA-CCR document); and then • by summing up the resulting trade-level add-ons.
124	E, K	of which: PFE of centrally cleared client trades	This is an "of which" item of row 123 and intends to capture PFE on centrally cleared client trades, where the bank acts as clearing member
125	E, K	Check row	This is a non-data entry row. It checks that the PFE of centrally cleared client trades is not greater than sum of trade-level gross add-ons.
126	D, E, J, K	Check row	This is a non-data entry row. It checks that the potential future exposure amounts with netting are not greater than the sum of trade-level gross add-ons.

5.9 Alternative currency criteria for eligible cash variation margin in derivative transactions (panel H)

Panel H requests for additional data on alternative interpretations of the currency criterion as set out in paragraph 25(iii) of the Basel III leverage ratio framework for eligible cash variation margin *received* or *posted* in relation to derivative transactions (see paragraphs 25 and 26 of the Basel III leverage ratio framework). In case banks are **not able** to report the data requested, cells shall be left blank.

The data included in rows 13 and 22 of panel A (where applicable under the operative accounting framework) of the template as well as row 144 for US-GAAP banks only should reflect the interpretation given in Q1 of the FAQs on the Basel III leverage ratio framework. According to the said FAQ Q1 the variation margin in every currency specified in the derivative contract, governing qualifying master netting agreement, or the credit support annex to the qualifying master netting agreement meets the currency criterion.

Panel H requests data on two alternative currency criteria:

- **Currency criterion 1**: for cash variation margin to be eligible, it must offset derivative market values whose associated cash flows will be settled in the same currency (currency of settlement). Hence, for each cash variation margin received (posted) in any currency X, banks have to determine whether the netting set contains a positive (negative) derivative market value in this given currency X. If it is the case, the cash variation margin meets the currency criterion.
- **Currency criterion 2**: for cash variation margin to be eligible, the cash flows of all derivative contracts in the netting set must be settled in the currency of the variation margin. This implies that for netting sets involving derivatives to be settled in more than one currency, no variation margin is eligible.

For example, a netting set may contain a positive replacement value of 100 units to be settled in USD and a negative replacement value of -80 units to be settled in EUR. The net replacement value is 20 units in USD. Under criterion 1, 20 units of cash variation margin in USD would be eligible to reduce the net replacement value to zero. Under criterion 2, no cash variation margin would be eligible in this example (as it contains more than one currency for the settlement of the derivatives in the netting set).

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

Row	Column	Heading	Description
133	D, J	Eligible cash variation margin received and offset against market values of derivative transactions (criterion 1)	Same as row 13 but applying stricter currency **criterion 1** specified above (as opposed to the interpretation specified in Q1 of the FAQs on the Basel III leverage ratio framework).
134	D, J	Eligible cash variation margin received and offset against market values of derivative transactions (criterion 2)	Same as row 13 but applying stricter currency **criterion 2** specified above (as opposed to the interpretation specified in Q1 of the FAQs on the Basel III leverage ratio framework).
135	D, J	Check row	This is a non-data entry row. It checks that eligible cash variation margin received and offset against the market values of the derivative transactions under the eligibility criterion 1 cannot be greater than under the criterion specified in Q1 of the FAQs on the Basel III leverage ratio framework and as reported in row 13.
136	D, J	Check row	This is a non-data entry row. It checks that eligible cash variation margin received and offset against the market values of the derivative transactions under the eligibility criterion 2 cannot be greater than under the criterion specified in Q1 of the document FAQs on the Basel III leverage ratio framework and as reported in row 13.
137	D, J	Check row	This is a non-data entry row. It checks that eligible cash variation margin received and offset against the market values of the derivative transactions under the eligibility criterion 2 cannot be greater than under the criterion 1.
139	D, J	Receivables for eligible cash variation margin provided in derivatives transactions (criterion 1)	Same as row 22, where applicable under the operative accounting framework, , or row 144 for US-GAAP banks but applying stricter currency **criterion 1** specified above (as opposed to the interpretation specified in Q1 of the FAQs on the Basel III leverage ratio framework).

Row	Column	Heading	Description
140	D, J	Receivables for eligible cash variation margin provided in derivatives transactions (criterion 2)	Same as row 22, where applicable under the operative accounting framework, , or row 144 for US-GAAP banks but applying stricter currency **criterion 2** specified above (as opposed to the interpretation specified in Q1 of the FAQs on the Basel III leverage ratio framework).
141	D, J	Check row	This is a non-data entry row. It checks that the amount of receivables for eligible cash variation margin provided for derivative transactions under criterion 1 cannot be greater than under the criterion specified in Q1 of the FAQs on the Basel III leverage ratio framework and as reported in row 22, or row 144 for US-GAAP banks.
142	D, J	Check row	This is a non-data entry row. It checks that the amount of receivables for eligible cash variation margin provided for derivative transactions under criterion 2 cannot be greater than under the criterion specified in Q1 of the FAQs on the Basel III leverage ratio framework and as reported in row 22, or row 144 for US-GAAP banks.
143	D, J	Check row	This is a non-data entry row. It checks that that the amount of receivables for eligible cash variation margin provided for derivative transactions under criterion 2 cannot be greater than under criterion 1.
144	D, J	Eligible cash variation margin provided in derivatives transactions of US-GAAP banks	Amount of eligible cash variation margin provided in derivatives transactions, see paragraphs 25 and 26 of the Basel III leverage ratio framework, taking into account the clarification regarding the interpretation of the currency of settlement requirement as set out in Q1 of the FAQs on the Basel III leverage ratio framework. Under US-GAAP, the provision of that cash variation margin has reduced the value of the balance sheet assets (cf. paragraph 24 of the Basel III leverage ratio framework), but has not been grossed up in row 21 due to the eligibility criteria met.

5.10 Memo items related to initial margin for centrally cleared derivative transactions (panel I)

Panel I requests additional data *on initial margin* that a **clearing member** (CM) bank collects from its clients for centrally cleared derivative transactions. **By construction, a bank that is not a CM or a bank that is a CM but does not engage in clearing of client derivative transactions should report zero amounts in all the cells of panel I**.[40]

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

Row	Column	Heading	Description
150	D, J	Initial margin in the form of securities that a bank receives from clients for centrally cleared derivative transactions	These cells include initial margin in the form of securities that a bank receives from clients for centrally cleared transactions.

[40] In case banks are **not able** to report the data requested, cells shall be left blank.

Row	Column	Heading	Description
151	D, J	a. Amount of the cash initial margin that the bank passes on to an account in the name of the CCP	Report the amount of the cash initial margin that the bank passes on to a QCCP (eg deposits into a QCCP account). Provide additional details of this amount in rows 152 and 153.
152	D, J	i. Amount of the cash initial margin that remains on the bank's balance sheet	Report the amount of the cash initial margin that the bank passes on to a QCCP, but which continues to remain on the bank's balance sheet.
153	D, J	ii. Amount of the cash initial margin that is off the bank's balance sheet but continues to create an off-balance sheet exposure of the bank	Report the amount of the cash initial margin that the bank passes on to a QCCP and which is off the bank's balance sheet, but continues to create an off-balance sheet exposure of the bank. For example, this may be the case if a bank provides a guarantee to the client with regard to the value of the initial margin that is passed on to the QCCP.
154	D, J	b. Amount of the cash initial margin that is segregated from the bank's other assets	Report the amount of the cash initial margin (that the bank does not pass on to a QCCP) that is segregated from the bank's other assets. That is, the contractual provisions relating to this segregated cash initial margin mean that it may not be used, pledged or re-hypothecated by the bank for its own business purposes. However, such segregated margin may be used in accordance with the applicable customer protection rules, subject to the prior agreement with the clearing client.
155	D, J	c. Amount of the cash initial margin that is not segregated from the bank's other assets	Report the portion of the cash initial margin (that the bank does not pass on to a QCCP) that is not segregated from the bank's other assets, as described in row 154.
156	D, J	Initial margin in the form of cash that a bank receives from clients for centrally cleared derivative transactions	This is a non-data entry row. It calculates the full amount of initial margin in the form of cash that a bank receives from clients for centrally cleared transactions, regardless whether such initial margin is included on the bank's balance sheet. The breakout of this amount is included in rows 151, 154 and 155.
157	D, J	a. Initial margin in the form of securities that a bank includes in its total Basel III leverage ratio exposure measure	Report the amount of client initial margin in the form of securities associated with centrally cleared client derivative transactions that a bank includes in its total Basel III leverage ratio exposure measure.
158	D, J	b. Initial margin in the form of cash that a bank includes in its total Basel III leverage ratio exposure measure	Report the amount of client initial margin in the form of cash associated with centrally cleared client derivative transactions that a bank includes in its total Basel III leverage ratio exposure measure.
159	D, J	Initial margin that a bank includes in its total Basel III leverage ratio exposure measure	This is a non-data entry row. It calculates the amount of the initial margin received from the bank's clients for centrally cleared transactions (in the form of cash or securities) that the bank includes in its total Basel III leverage ratio exposure measure. The breakout of this amount is included rows 157and 158.

5.11 Business model categorisation (panel J)

Panel J provides additional data for the purposes of the categorisation of business models. The definitions for the line items correspond as far as possible with those provided in the Basel II framework (cross references as provided below).

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

Row	Column	Heading	Description
165	J	Total exposures; of which:	This is a non-data entry row. Rows 166, 169 and 195 provide a breakdown of total exposures.
166	J	Total trading book exposures; of which:	This is a non-data entry row. Items in rows 167 and 168 provide a breakdown of the Basel III leverage ratio exposure amount for exposures that meet the definition in paragraphs 685 to 689(iii) of the Basel II framework.
167	J	Derivatives, SFTs	Basel III leverage ratio exposure amount for derivatives and SFT that belong to the trading book according to paragraphs 685 to 689(iii) of the Basel II framework.
168	J	Other trading book exposures	Basel III leverage ratio exposure amount for instruments that belong to the trading book according to paragraphs 685 to 689(iii) of the Basel II framework other than derivatives and SFT.
169	J	Total banking book exposures; of which:	This is a non-data entry row. Items in rows 170 to 172 provide a breakdown of the Basel III leverage ratio exposure amount for all exposures that do not meet the definition in paragraphs 685 to 689(iii) of the Basel II framework.
170	J	Derivatives, SFTs	Basel III leverage ratio exposure amount for derivatives and SFT.
171	J	Investments in covered bonds	Basel III leverage ratio exposure amount for covered bonds.
172	J	Other banking book exposures; of which:	This is a non-data entry row. Items in rows 173, 180, 181, 186 and 192 provide a breakdown of the Basel III leverage exposure amount of banking book exposures other than derivatives, SFT and covered bonds.
173	J	Sovereigns; of which:	This is a non-data entry row. Basel III leverage ratio exposure amount for exposures which meet the definition in paragraph 229 of the Basel II framework, as well as Basel III leverage ratio exposures that meet the definition of claims on domestic PSEs and of exposures to MDBs in paragraph 230 of the Basel II framework. Items in rows 174, 178 and 179 provide a breakdown of the sovereign exposures.
174	J	Public sector entities (PSEs); of which:	Basel III leverage ratio exposure amount for exposures to PSEs referred to in paragraphs 229 and 230 of the Basel II framework.
175	J	PSE guaranteed by central government	Basel III leverage ratio exposure amount for PSE exposures guaranteed by central government (of which item, also to be included in row 174).
176	J	PSEs not guaranteed by central government but treated as a sovereign under paragraph 229 of the Basel II framework	Basel III leverage ratio exposure amount for PSEs not guaranteed by central government but treated as a sovereign under paragraph 229 of the Basel II framework (of which item, also to be included in row 174).
177	J	Check row	This is a non-data entry row. It checks that the sum of the exposure amounts in rows 175 and 176 is smaller than or equal the amount of total PSE exposures.
178	J	MDBs	Basel III leverage ratio exposure amount for exposures to MDBs referred to in paragraphs 229 and 230 of the Basel II framework.
179	J	Other sovereign exposures	Basel III leverage ratio exposure amount for sovereigns exposures, excluding exposures to PSEs and MDBs.

Row	Column	Heading	Description
180	J	Banks	Basel III leverage ratio exposure amount for exposures which meet the definition in paragraph 230 of the Basel II framework, excluding exposures to PSEs and MDBs.
181	J	Retail exposures; of which:	This is a non-data entry row. Items in rows 182 to 185 provide a breakdown of Basel III leverage ratio exposure amount for exposures which meet the definition in paragraphs 231 to 234 of the Basel II framework.
182	J	Residential real estate exposures	Basel III leverage ratio exposure amount for exposures which meet the definition in the second bullet of paragraph 231 of the Basel II framework.
183	J	SME exposures	Basel III leverage ratio exposure amount for exposures which meet the definition in the third bullet of paragraph 231 and in paragraph 232 of the Basel II framework.
184	J	Qualifying revolving retail exposures	Basel III leverage ratio exposure amount for exposures which meet the definition in paragraph 234 of the Basel II framework.
185	J	Other retail exposures	Basel III leverage ratio exposure amount for retail exposures other than residential real estate, SME and qualifying revolving retail exposures.
186	J	Corporate ; of which:	This is a non-data entry row. Items in rows 187 and 188 provide a breakdown of Basel III leverage ratio exposure amount for exposures which meet the definition in paragraphs 218 to 228 of the Basel II framework.
187	J	Financial	Basel III leverage ratio exposure amount for corporate exposures which meet the definition in paragraph 102 of the Basel III framework, excluding exposures to banks.
188	J	Non-financial; of which:	This is a non-data entry row. Items in rows 189 to 191 provide a breakdown of non-financial exposures.
189	J	SME exposures	Basel III leverage ratio exposure amount for exposures which meet the definition in paragraph 273 of the Basel II framework excluding exposures that meet the definition in paragraphs 231, third bullet, and 232.
190	J	Commercial real estate	Basel III leverage ratio exposure amount for commercial real estate exposures which meet the definition in paragraphs 219 to 228 of the Basel II framework.
191	J	Other corporate non-financial	Basel III leverage ratio exposure amount for non-financial corporate exposures which meet the definition in paragraphs 219 to 228 of the Basel II framework, other than SME and commercial real estate exposures.
192	J	Other exposures (eg equity and other non-credit obligation assets); of which:	Basel III leverage ratio exposure amount for banking book exposures other than sovereigns, banks, retail and corporate exposures.
193	J	Securitisation exposures	Basel III leverage ratio exposure amount for securitisation exposures (of which item, also to be included in row 192).
194	J	Check row	This is a non-data entry row. It checks that the exposure amount for securitisation exposures is smaller than or equal the amount of total other exposures.
195	J	Exposure amounts resulting from the additional treatment for credit derivatives	Basel III leverage ratio exposure amount for capped notional amounts for credit derivatives (panel E).
196	J	Check row	This is a non-data entry row. It checks that total in row 165 equals total exposures in panels A, B and E.

Row	Column	Heading	Description
198	J	Memo item: Trade finance exposures	Basel III leverage ratio exposure amount for issued and confirmed import and export letters of credit which are short-term and self-liquidating, and similar transactions. Trade finance exposures should also be included in one of the rows 166 to 193.

Banks should report all exposure values consistent with the calculations for the purposes of the Basel III leverage ratio in the rest of this worksheet. As a result, row 165 should equal total exposures in panels A, B and E. Unless mentioned otherwise, the input rows in this panel are mutually exclusive. Rows 165, 166, 169, 172, 173, 181, 186 and 188 are non-data entry rows, and rows 177, 194 and 196 include checks.

5.12 Trade vs settlement date accounting (panel K)

Panel K requests additional data on criteria applied by banks under the applicable accounting standards to account for regular way sales or purchases of securities that have not been settled yet at the reporting date. In particular, banks are required to specify whether they apply the trade or the settlement date accounting and, in the former case, whether they are allowed to net cash receivables for securities sold against cash payables for securities purchased. Banks are also required to provide quantitative data to assess the impact of different accounting practices on their Basel III leverage ratio exposure measure.[41]

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

Row	Column	Heading	Description
204	J	Application of the settlement or trade date accounting, the latter with or w/o netting of cash receivables (for securities sold) and cash payables (for securities purchased) according to the applicable accounting standards	Banks are requested to select the applicable accounting treatment from one of the options provided in the drop-down list: - Trade date accounting without netting; - Trade date accounting with netting; - Settlement date accounting.
206	K, L	Trade date accounting w/o netting: amount of cash receivables and payables that are reported on the balance sheet	For banks adopting trade date accounting **without netting** of cash receivables associated with securities sold against cash payables associated with securities purchased, report the amount of cash receivables and payables associated with securities sold and purchased that are reported on the balance sheet. Banks should provide the amount of receivables in column K and payables in column L. This row is not relevant to banks applying settlement date accounting.

[41] In case banks are **not able** to report the data requested, cells shall be left blank.[42] Financial institutions, in this context, include banks, securities firms and insurance companies.

Row	Column	Heading	Description
207	K	Trade date accounting with netting: amount of the net cash receivables reported on the balance sheet	For banks adopting trade date accounting **with netting** of cash receivables associated with securities sold against cash payables associated with securities purchased, report the amount of net cash receivables that are reported on the balance sheet. This cell is not relevant for banks with a balance sheet position of net cash payables. Further, information on net cash payables is required in cell L209 below. This cell is not relevant to banks applying settlement date accounting.
208	L	Trade date accounting with netting: amount of the cash payables that has been used to net the cash receivables on the balance sheet	For banks adopting trade date accounting **with netting** of cash receivables associated with securities sold against cash payables associated with securities purchased, report the amount of cash payables that has been used to net the cash receivables on the balance sheet. This cell is not relevant to banks applying settlement date accounting.
209	L	Trade date accounting with netting: amount of the cash payables in excess of cash receivables that has been reported on the balance sheet	For banks adopting trade date accounting **with netting** of cash receivables associated with securities sold against cash payables associated with securities purchased, report the amount of cash payables in excess of cash receivables. This amount should be the net cash payables reported on the balance sheet. This cell is not relevant to banks applying settlement date accounting.
210	K, L	Settlement date accounting: amount of cash associated with securities sold or purchased to be received or paid on the settlement date	For banks adopting settlement date accounting, report the amount of cash associated with securities sold or purchased due to be received or paid on the settlement date. Banks should provide the amount of receivables in column K and payables in column L. This row is not relevant to banks applying trade date accounting, with or without netting.

5.13 EU-specific (panel K)

This panel should only be completed by banks in the European Union.

The data item described below refers to the same derivative exposures reported in the main Basel III leverage ratio reporting template of the Basel III monitoring exercise. However, instead of applying the CEM of the Basel II framework, institutions shall apply the *Original Exposure Method* (OEM) as set forth in Article 275 of the *Capital Requirements Regulation* (CRR), as published in the *Official Journal of the European Union* in June 2013, to determine the values reported in cell J216. Institutions that do not use the OEM shall leave cell J216 blank.

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

Row	Column	Heading	Description
216	J	Exposure value when applying the Original Exposure Method	This cell provides the leverage ratio exposure value of derivatives calculated according to the Original Exposure Method set forth in Article 275 of the CRR as published in the Official Journal of the European Union in June 2013.
217	J	Check row	This is a non-data entry row. It checks that J216 does not exceed L39.

6. Liquidity

This chapter of the Instructions regards the LCR and NSFR. The data collection is predominantly aimed at monitoring the LCR as specified in *Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools*, published by the Committee in January 2013 and the NSFR as specified in *Basel III: The Net Stable Funding Ratio*, published by the Committee in October 2014. These documents are referred to in the remainder of this chapter as the "Basel III LCR standards" and "Basel III NSFR standards", respectively.

Purpose of this exercise is to collect information that enables the Committee to monitor banks migration towards compliance with the LCR and NSFR as specified in the Basel III LCR standards and Basel III NSFR standards, respectively.

The liquidity data are collected in two templates: one for the LCR and one for the NSFR. The template for the LCR is built up the same way as the LCR section in the Basel III LCR standards.

All specifications and criteria specified in the Basel III LCR standards and the Basel III NSFR standards apply. The instructions indicate which paragraph of these documents the data requested refer to. If the instruction contradicts these documents, the standards overrule the instructions. Where the instructions provide further specification on the requested data beyond the standards, however, these instructions should be followed.

The template should be filled in on a consolidated basis following the existing scope of application set out in Part I (Scope of Application) of the Basel II framework (Basel III LCR standards paragraph 164). Consistent with all other worksheets, data for the "LCR" and "NSFR" worksheets should be reported in the most convenient currency. The currency which has been used should be recorded in the "General Info" worksheet (see Section 2.2).

6.1 Liquidity coverage ratio (LCR)

The LCR has two components:

(a) The value of the stock of high-quality liquid assets (HQLA) in stressed conditions (see sub-section 6.1.1 below); and

(b) Total net cash outflows, calculated according to the scenario parameters set by the supervisors. The term "total net cash outflows" is defined as "total expected cash outflows" (see sub-section 6.1.2 below) minus "total expected cash inflows" (see sub-section 6.1.3 below) in the specified stress scenario for the subsequent 30 calendar days (the stressed period).

6.1.1 Liquid assets (panel A)

Operational requirements (paragraphs 28 to 40 in the Basel III LCR standards)**:** All assets in the stock are subject to the following operational requirements. These operational requirements are designed to ensure that the stock of HQLA is managed in such a way that the bank can, and is able to demonstrate that it can, immediately use the stock of assets as a source of contingent funds that is available for the bank to convert into cash through outright sale or repo, to fill funding gaps between cash inflows and outflows at any time during the 30 day stress period, with no restriction on the use of the liquidity generated.

All assets in the stock should be unencumbered, per the definition below. Banks should exclude from the stock those assets that, although meeting the definition of "unencumbered" specified below, the bank would not have the operational capability to monetise to meet outflows during the stressed period. Operational capability to monetise assets requires having procedures and appropriate systems in place, including providing the function noted below with access to all necessary information to execute monetisation of any asset at any time. Monetisation of the asset must be executable, from an operational perspective, in the standard settlement period for the asset class in the relevant jurisdiction.

All assets accounted for in this section should be under the control of the function charged with managing the liquidity of the bank (eg the treasurer), meaning the function has the continuous authority, and legal and operational capability, to monetise any asset in the stock. Control must be evidenced either by maintaining assets in a separate pool managed by the function with the sole intent for use as a source of contingent funds, or by demonstrating that the function can monetise the asset at any point in the 30 day stress period and that the proceeds of doing so are available to the function throughout the 30 day stress period without directly conflicting with a stated business or risk management strategy. For example, an asset should not be included in the stock if the sale of that asset, without replacement throughout the 30 day period, would remove a hedge that would create an open risk position in excess of internal limits.

A bank is permitted to hedge the market risk associated with ownership of the stock of liquid assets and still include the assets in the stock. If it chooses to hedge the market risk, the bank should take into account (in the market value applied to each asset) the cash outflow that would arise if the hedge were to be closed out early (in the event of the asset being sold).

In accordance with Principle 9 of the *Sound Principles* a bank "should monitor the legal entity and physical location where collateral is held and how it may be mobilised in a timely manner". Specifically it should have a policy in place that identifies legal entities, geographical locations, currencies and specific custodial or bank accounts where HQLA are held. In addition the bank should determine whether any such assets should be excluded for operational reasons and, therefore, have the ability to determine the composition of its stock on a daily basis.

Qualifying HQLA that are held to meet statutory liquidity requirements at the legal entity or sub-consolidated level (where applicable) may only be included in the stock at the consolidated level to the extent that the related risks (as measured by the legal entity's or sub-consolidated group's net cash outflows in the LCR) are also reflected in the consolidated LCR. Any surplus of HQLA held at the legal entity can only be included in the consolidated stock if those assets would also be freely available to the consolidated (parent) entity in times of stress.

In assessing whether assets are freely transferable for regulatory purposes, banks should be aware that assets may not be freely available to the consolidated entity due to regulatory, legal, tax, accounting or other impediments. Assets held in legal entities without market access should only be included to the extent that they can be freely transferred to other entities that could monetise the assets.

In certain jurisdictions, large, deep and active repo markets do not exist for eligible asset classes, and therefore such assets are likely to be monetised through outright sale. In these circumstances, a bank should exclude from the stock of HQLA those assets where there are impediments to sale, such as large fire-sale discounts which would cause it to breach minimum solvency requirements, or requirements to hold such assets, including, but not limited to, statutory minimum inventory requirements for market-making.

Banks should not include in the stock of HQLA any assets, or liquidity generated from assets, they have received under right of rehypothecation, if the beneficial owner has the contractual right to withdraw those assets during the 30 day stress period.

Assets received as collateral for derivatives transactions that are not segregated and legally able to be rehypothecated may be included in the stock of HQLA provided that the bank records an appropriate outflow for the associated risks as set out in the Basel III LCR standards paragraph 116.

As part of the stock, the liquid assets cannot be counted as cash inflows even if they mature within 30 days (ie no double-counting is allowed).

Definition of unencumbered: free of legal, regulatory, contractual or other restrictions on the ability of the bank to liquidate, sell, transfer, or assign the asset. An asset in the stock should not be pledged by the bank (either explicitly or implicitly) to secure, collateralise or credit-enhance any transaction, nor be designated to cover operational costs (such as rents and salaries). However, assets that the bank received as collateral in reverse repo and securities financing transactions can be considered as part of the stock if they are held at the bank, have not been rehypothecated, and are legally and contractually available for the bank's use. In addition, assets which qualify for the stock of HQLA that have been prepositioned or deposited with, or pledged to, the central bank or a public sector entity (PSE) but have not been used to generate liquidity may be included in the stock. If a bank has deposited, pre-positioned or pledged Level 1, Level 2 and other assets in a collateral pool and no specific securities are assigned as collateral for any transactions, it may assume that assets are encumbered in order of increasing liquidity value in the LCR, ie assets ineligible for the LCR are assigned first, followed by Level 2B, then other Level 2 and finally Level 1. This determination must be made in compliance with any requirements, such as concentration or diversification, of the central bank or PSE.

Criteria of liquid assets: To qualify as a "high quality liquid asset", assets should be liquid in markets during a time of stress and, with the exception of Level 2B assets, ideally be central bank eligible. Such assets should generally possess the fundamental and market-related characteristics specified in paragraphs 24(i) and 24(ii) of the Basel III LCR standards. Securities that can be included in the stock of HQLA should meet the following common criteria (note that additional security-specific criteria are included in the individual line item descriptions):

- they should neither be issued by, nor be an obligation of, a financial institution[42] or any of its affiliated entities (except in the case of covered bonds and RMBS which should not be issued by the bank itself or any of its affiliated entities);
- they should be traded in large, deep and active repo or cash markets characterised by a low level of concentration;
- they should have a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions; and
- with the exception of Level 2B assets, they should ideally be central bank eligible.[43]

Row	Heading	Description	Basel III LCR standards reference
A)a)	**Level 1 assets**		
6	Coins and banknotes	Coins and banknotes currently held by the bank that are immediately available to meet obligations. Deposits placed at, or receivables from, other institutions should be reported in the inflows section.	50(a)
7	Total central bank reserves; of which:	Total amount held in central bank reserves (including required reserves) including banks' overnight deposits with the central bank, and term deposits with the central bank that: (i) are explicitly and contractually repayable on notice from the depositing bank; or (ii) that constitute a loan against which the bank can borrow on a term basis or on an overnight but automatically renewable basis (only where the bank has an existing deposit with the relevant central bank). Other term deposits with central banks are not eligible for the stock of HQLA; however, if the term expires within 30 days, the term deposit could be considered as an inflow (reported in line 305).	50(b), footnote 12

[42] Financial institutions, in this context, include banks, securities firms and insurance companies.

[43] Central bank eligibility alone is not a sufficient basis for determining which assets qualify as HQLA.

Row	Heading	Description	Basel III LCR standards reference
8	part of central bank reserves that can be drawn in times of stress	Total amount held in central bank reserves and overnight and term deposits at the same central bank (as reported in line 7) which can be drawn down in times of stress. Amounts required to be installed in the central bank reserves within 30 days should be reported in line 166 of the outflows section. **Please refer to the instructions from your supervisor for the specification of this item.**	50(b), footnote 13
Securities with a 0% risk weight:			
11	issued by sovereigns	Marketable debt securities issued by sovereigns, receiving a 0% risk weight under the standardised approach to credit risk of the Basel II framework (paragraph 53).	50(c)
12	guaranteed by sovereigns	Marketable debt securities guaranteed by sovereigns, receiving a 0% risk weight under the standardised approach to credit risk of the Basel II framework (paragraph 53).	50(c)
13	issued or guaranteed by central banks	Marketable debt securities issued or guaranteed by central banks, receiving a 0% risk weight under the standardised approach to credit risk of the Basel II framework (paragraph 53).	50(c)
14	issued or guaranteed by PSEs	Marketable debt securities issued or guaranteed by public sector entities, receiving a 0% risk weight under the standardised approach to credit risk of the Basel II framework (paragraphs 57 and 58).	50(c)
15	issued or guaranteed by BIS, IMF, ECB and European Community or MDBs	Marketable debt securities issued or guaranteed by the Bank for International Settlements, the International Monetary Fund, the European Central Bank (ECB) and European Community. or multilateral development banks (MDBs), receiving a 0% risk weight under the standardised approach to credit risk of the Basel II framework (paragraphs 56 and 59).	50(c)
For non-0% risk-weighted sovereigns:			
17	sovereign or central bank debt securities issued in domestic currency by the sovereign or central bank in the country in which the liquidity risk is taken or in the bank's home country	Debt securities issued by the sovereign or central bank in the domestic currency of that country, that are not eligible for inclusion in line items 11 or 13 because of the non-0% risk weight of that country. Banks are only permitted to include debt issued by sovereigns or central banks of their home jurisdictions or, to the extent of the liquidity risk taken in other jurisdictions, of those jurisdictions.	50(d)
18	domestic sovereign or central bank debt securities issued in foreign currencies, up to the amount of the bank's stressed net cash outflows in that specific foreign currency stemming from the bank's operations in the jurisdiction where the bank's liquidity risk is being taken	Debt securities issued by the domestic sovereign or central bank in foreign currencies (that are not eligible for inclusion in line items 11 or 13 because of the non-0% risk weight), up to the amount of the bank's stressed net cash outflows in that specific foreign currency stemming from the bank's operations in the jurisdiction where the bank's liquidity risk is being taken.	50(e)
Total Level 1 assets:			
19	Total stock of Level 1 assets	Total outright holdings of Level 1 assets plus all borrowed securities of Level 1 assets	49

Row	Heading	Description	Basel III LCR standards reference
20	Adjustment to stock of Level 1 assets	Adjustment to the stock of Level 1 assets for purpose of calculating the caps on Level 2 and Level 2B assets.	Annex 1
21	Adjusted amount of Level 1 assets	Adjusted amount of Level 1 assets used for the purpose of calculating the adjustment to the stock of HQLA due to the cap on Level 2 assets in line item 50 and the cap on Level 2B assets in line item 49.	Annex 1
A)b)	**Level 2A assets**		
Securities with a 20% risk weight:			
25	issued by sovereigns	Marketable debt securities issued by sovereigns, receiving a 20% risk weight under the standardised approach to credit risk of the Basel II framework (paragraph 53), satisfying all the conditions listed in paragraph 52(a) of the Basel III LCR standards, and not included in lines 17 or 18.	52(a)
26	guaranteed by sovereigns	Marketable debt securities guaranteed by sovereigns, receiving a 20% risk weight under the standardised approach to credit risk of the Basel II framework (paragraph 53), satisfying all the conditions listed in paragraph 52(a) of the Basel III LCR standards.	52(a)
27	issued or guaranteed by central banks	Marketable debt securities issued or guaranteed by central banks, receiving a 20% risk weight under the standardised approach to credit risk of the Basel II framework (paragraph 53), satisfying all the conditions listed in paragraph 52(a) of the Basel III LCR standards, and not included in lines 17 or 18.	52(a)
28	issued or guaranteed by PSEs	Marketable debt securities issued or guaranteed by PSEs, receiving a 20% risk weight under the standardised approach to credit risk of the Basel II framework (paragraphs 57 and 58), satisfying all the conditions listed in paragraph 52(a) of the Basel III LCR standards.	52(a)
29	issued or guaranteed by MDBs	Marketable debt securities issued or guaranteed by multilateral development banks, receiving a 20% risk weight under the standardised approach to credit risk of the Basel II framework (paragraph 59), satisfying all the conditions listed in paragraph 52(a) of the Basel III LCR standards.	52(a)
Non-financial corporate bonds:			
30	rated AA- or better	Non-financial corporate bonds (including commercial paper) (i) having a long-term credit assessment by a recognised ECAI of at least AA- or in the absence of a long term rating, a short-term rating equivalent in quality to the long-term rating or (ii) not having a credit assessment by a recognised ECAI but are internally rated as having a probability of default (PD) corresponding to a credit rating of at least AA-, satisfying the conditions listed in paragraph 52(b) of the Basel III LCR standards.	52(b)
Covered bonds (not self-issued):			
31	rated AA- or better	Covered bonds, not self-issued, (i) having a long-term credit assessment by a recognised ECAI of at least AA- or in the absence of a long term rating, a short-term rating equivalent in quality to the long-term rating or (ii) not having a credit assessment by a recognised ECAI but are internally rated as having a probability of default (PD) corresponding to a credit rating of at least AA-, satisfying the conditions listed in paragraph 52(b) of the Basel III LCR standards.	52(b)

Row	Heading	Description	Basel III LCR standards reference
Total Level 2A assets:			
32	Total stock of Level 2A assets	Total outright holdings of Level 2A assets plus all borrowed securities of Level 2A assets, after applying haircuts	52(a),(b)
33	Adjustment to stock of Level 2A assets	Adjustment to the stock of Level 2A assets for purpose of calculating the caps on Level 2 and Level 2B assets.	Annex 1
34	Adjusted amount of Level 2A assets	Adjusted amount of Level 2A assets used for the purpose of calculating the adjustment to the stock of HQLA due to the cap on Level 2 assets in line item 50 and the cap on Level 2B assets in line item 49.	Annex 1
A)c) Level 2B assets **Please refer to the instructions from your supervisor for the specification of items in the Level 2B assets subsection.** In choosing to include any Level 2B assets in Level 2, national supervisors are expected to ensure that (i) such assets fully comply with the qualifying criteria set out Basel III LCR standards, paragraph 54; and (ii) banks have appropriate systems and measures to monitor and control the potential risks (eg credit and market risks) that banks could be exposed to in holding these assets.			
37	Residential mortgage backed securities (RMBS), rated AA or better	RMBS that satisfy all of the conditions listed in paragraph 54(a) of the Basel III LCR standards.	54(a)
38	Non-financial corporate bonds, rated BBB- to A+	Non-financial corporate debt securities (including commercial paper) rated BBB- to A+ that satisfy all of the conditions listed in paragraph 54(b) of the Basel III LCR standards.	54(b)
39	Non-financial common equity shares	Non-financial common equity shares that satisfy all of the conditions listed in paragraph 54(c) of the Basel III LCR standards.	54(c)
40	Sovereign or central bank debt securities, rated BBB- to BBB+	Sovereign or central bank debt securities, rated BBB- to BBB+, that are not already included in lines 17 or 18, per FAQ 3(a) in Basel Committee on Banking Supervision, *Frequently Asked Questions on Basel III's January 2013 Liquidity Coverage Ratio*, April 2014, www.bis.org/publ/bcbs284.htm.	BCBS FAQ 3(a)
Total Level 2B assets:			
41	Total stock of Level 2B RMBS assets	Total outright holdings of Level 2B RMBS assets plus all borrowed securities of Level 2B RMBS assets, after applying haircuts.	54(a)
42	Adjustment to stock of Level 2B RMBS assets	Adjustment to the stock of Level 2B RMBS assets for purpose of calculating the caps on Level 2 and Level 2B assets.	Annex 1
43	Adjusted amount of Level 2B RMBS assets	Adjusted amount of Level 2B RMBS assets used for the purpose of calculating the adjustment to the stock of HQLA due to the cap on Level 2 assets in line item 50 and the cap on Level 2B assets in line item 49.	Annex 1
44	Total stock of Level 2B non-RMBS assets	Total outright holdings of Level 2B non-RMBS assets plus all borrowed securities of Level 2B non-RMBS assets, after applying haircuts.	54(b),(c)
45	Adjustment to stock of Level 2B non-RMBS assets	Adjustment to the stock of Level 2B non-RMBS assets for purpose of calculating the caps on Level 2 and Level 2B assets.	Annex 1
46	Adjusted amount of Level 2B non-RMBS assets	Adjusted amount of Level 2B non-RMBS assets used for the purpose of calculating the adjustment to the stock of HQLA due to the cap on Level 2 assets in line item 50 and the cap on Level 2B assets in line item 49.	Annex 1

Row	Heading	Description	Basel III LCR standards reference
47	Adjusted amount of Level 2B (RMBS and non-RMBS) assets	Sum of adjusted amount of Level 2B RMBS assets and adjusted amount of Level 2B non-RMBS assets	Annex 1
49	Adjustment to stock of HQLA due to cap on Level 2B assets	Adjustment to stock of HQLA due to 15% cap on Level 2B assets.	47, Annex 1
50	Adjustment to stock of HQLA due to cap on Level 2 assets	Adjustment to stock of HQLA due to 40% cap on Level 2 assets.	51, Annex 1
A)d)	**Total stock of HQLA**		
53	Total stock of HQLA	Total stock of HQLA after taking haircuts and the adjustment for the caps on Level 2 and Level 2B assets into account.	
57	Assets held at the entity level, but excluded from the consolidated stock of HQLA	Any surplus of liquid assets held at the legal entity that is excluded (ie not reported in lines above) from the consolidated stock because of reasonable doubts that they would be freely available to the consolidated (parent) entity in times of stress. Eligible liquid assets that are held by a legal entity being consolidated to meet its local LCR requirements (where applicable) can be included in the consolidated LCR to the extent that such liquid assets are used to cover the total net cash outflows of that entity, notwithstanding that the assets are subject to liquidity transfer restrictions. If the liquid assets held in excess of the total net cash outflows of the legal entity are not transferable, such surplus liquidity should be excluded from the standard and reported in this line. For practical reasons, the liquidity transfer restrictions to be accounted for in the consolidated ratio are confined to existing restrictions imposed under applicable laws, regulations and supervisory requirements. Banks should report the market value of Level 1 assets excluded in column D, the market value of Level 2A assets excluded in column E, the market value of Level 2B RMBS assets excluded in column F and the market value of Level 2B non-RMBS assets excluded in column G.	36–37, 171–172
58	of which, can be included in the consolidated stock by the time the standard is implemented	Any assets reported in row 57 but which the bank believes will, through management actions executed prior to the implementation date of the standard, meet the eligibility requirements for the stock of liquid assets.	
60	Assets excluded from the stock of HQLA due to operational restrictions	Level 1 and Level 2 assets held by the bank that are not included in the stock of HQLA (ie not reported in lines above), because of the operational restrictions noted in paragraphs 31-34 and 38-40 of the Basel III LCR standards. Banks should report the market value of Level 1 assets excluded in column D, the market value of Level 2A assets excluded in column E, the market value of Level 2B RMBS assets excluded in column F and the market value of Level 2B non-RMBS assets excluded in column G.	31–34, 38–40
61	of which, can be bought back into the qualifying stock by the time the standard is implemented	Any assets reported in row 60 but which the bank believes will, through management actions executed prior to the implementation date of the standard, meet the eligibility requirements for the stock of liquid assets.	

<table>
<tr><th>Row</th><th>Heading</th><th>Description</th><th>Basel III LCR standards reference</th></tr>
<tr><td colspan="4">A)e) Treatment for jurisdictions with insufficient HQLA
Please refer to the instructions from your supervisor for the specification of this subsection.
Some jurisdictions may not have sufficient supply of Level 1 assets (or both Level 1 and Level 2 assets) in their domestic currency to meet the aggregate demand of banks with significant exposures in this currency (note that an insufficiency in Level 2 assets alone does not qualify for the alternative treatment). To address this situation, the Committee has developed alternative treatments for the holdings in the stock of HQLA, which are expected to apply to a limited number of currencies and jurisdictions.
Eligibility for such alternative treatment will be judged on the basis of qualifying criteria set out in Annex 2 of the Basel III LCR standards and will be determined through an independent peer review process overseen by the Committee. The purpose of this process is to ensure that the alternative treatments are only used when there is a true shortfall in HQLA in the domestic currency relative to the needs in that currency.
There are three potential options for this treatment (line items 68 to 72). If your supervisor intends to adopt this treatment, it is expected that they provide specific instructions to the banks under its supervision for reporting the relevant information under the option it intends to use. To avoid double-counting, if an asset has already been included in the eligible stock of HQLA, it should not be reported under these options.</td></tr>
<tr><td colspan="4">Option 1 – Contractual committed liquidity facilities from the relevant central bank, with a fee
These facilities should not be confused with regular central bank standing arrangements. In particular, these facilities are contractual arrangements between the central bank and the commercial bank with a maturity date which, at a minimum, falls outside the 30-day LCR window. Further, the contract must be irrevocable prior to maturity and involve no ex-post credit decision by the central bank.
Such facilities are only permissible if there is also a fee for the facility which is charged regardless of the amount, if any, drawn down against that facility and the fee is set so that banks which claim the facility line to meet the LCR, and banks which do not, have similar financial incentives to reduce their exposure to liquidity risk. That is, the fee should be set so that the net yield on the assets used to secure the facility should not be higher than the net yield on a representative portfolio of Level 1 and Level 2 assets, after adjusting for any material differences in credit risk.</td></tr>
<tr><td>68</td><td>Option 1 – Contractual committed liquidity facilities from the relevant central bank</td><td>Only include the portion of facility that is secured by available collateral accepted by the central bank, after haircut specified by the central bank. Please refer to the instructions from your supervisor for the specification of this item.</td><td>58</td></tr>
<tr><td colspan="4">Option 2 – Foreign currency HQLA to cover domestic currency liquidity needs
For currencies that do not have sufficient HQLA, supervisors may permit banks that evidence a shortfall of HQLA in the domestic currency (which would match the currency of the underlying risks) to hold HQLA in a currency that does not match the currency of the associated liquidity risk, provided that the resulting currency mismatch positions are justifiable and controlled within limits agreed by their supervisors.
To account for foreign exchange risk associated with foreign currency HQLA used to cover liquidity needs in the domestic currency, such liquid assets should be subject to a minimum haircut of 8% for major currencies that are active in global foreign exchange markets. For other currencies, supervisors should increase the haircut to an appropriate level on the basis of historical (monthly) exchange rate volatilities between the currency pair over an extended period of time. If the domestic currency is formally pegged to another currency under an effective mechanism, the haircut for the pegged currency can be lowered to a level that reflects the limited exchange rate risk under the peg arrangement. Haircuts for foreign currency HQLA used under Option 2 would apply only to HQLA in excess of a threshold specified by supervisors which is not greater than 25% that are used to cover liquidity needs in the domestic currency.</td></tr>
<tr><td>70</td><td>Level 1 assets</td><td>Subject to the limit mentioned above, the aggregate amount of the excess of Level 1 assets in a given foreign currency or currencies that can be used to cover the associated liquidity need of the domestic currency. Please refer to the instructions from your supervisor for the specification of this item.</td><td>59</td></tr>
<tr><td>71</td><td>Level 2 assets</td><td>Subject to the limit mentioned above, the aggregate amount of the excess of Level 2 assets in a given foreign currency or currencies that can be used to cover the associated liquidity need of the domestic currency. Please refer to the instructions from your supervisor for the specification of this item.</td><td>59</td></tr>
</table>

Row	Heading	Description	Basel III LCR standards reference
Option 3 – Additional use of Level 2 assets with a higher haircut This option addresses currencies for which there are insufficient Level 1 assets, as determined by the qualifying principles and criteria, but where there are sufficient Level 2A assets. In this case, supervisors may choose to allow banks that evidence a shortfall of liquid assets in the domestic currency (to match the currency of the liquidity risk incurred) to hold additional Level 2A assets in the stock. These additional Level 2A assets should be subject to a minimum 20% – ie 5% higher than the 15% haircut applicable to Level 2A assets that are included in the 40% cap. Any Level 2B assets held by the bank would remain subject to the cap of 15%, regardless of the amount of other Level 2 assets held.			
72	Option 3 – Additional use of Level 2 assets with a higher haircut	Assets reported in lines 25 to 31 that are **not** counted towards the regular stock of HQLA because of the cap on Level 2 assets. **Please refer to the instructions from your supervisor for the specification of this item.**	62
Total usage of alternative treatment			
73	Total usage of alternative treatment (post-haircut) before applying the cap	Sum of the usage of alternative treatment should be equal to total outright holdings and all borrowed securities under different options. **Please refer to the instructions from your supervisor for the specification of this item.**	
74	Cap on usage of alternative treatment	**Please refer to the instructions from your supervisor for the specification of this item.**	
75	Total usage of alternative treatment (post-haircut) after applying the cap	The lower of the cap and eligible alternative treatment (post-haircut) before applying the cap. **Please refer to the instructions from your supervisor for the specification of this item.**	
A)f)	**Total stock of HQLA plus usage of alternative treatment**		
78	Total stock of HQLA plus usage of alternative treatment	Sum of stock of HQLA and usage of alternative treatment after cap.	

6.1.2 Outflows, Liquidity Coverage Ratio (LCR) (panel B1)

This section calculates the total expected cash outflows in the LCR stress scenario for the subsequent 30 calendar days. They are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or to be drawn down (Basel III LCR standards paragraph 69).

Where there is potential that an item could be reported in multiple outflow categories, (eg committed liquidity facilities granted to cover debt maturing within the 30 calendar day period), a bank only has to assume up to the maximum contractual outflow for that product (Basel III LCR standards paragraph 72).

Row	Heading	Description	Basel III LCR standards reference
a)	**Retail deposit run-off**		
Retail deposits are defined as deposits placed with a bank by a natural person. Deposits from legal entities, sole proprietorships and partnerships are captured in wholesale deposit categories. Retail deposits reported in lines 88 to 108 include demand deposits and term deposits maturing in or with a notice period up to 30 days. Term deposits with a residual contractual maturity greater than 30 days which may be withdrawn within 30 days without entailing a significant withdrawal penalty materially greater than the loss of interest, should be considered to mature within the 30-day horizon and should also be included in lines 88 to 108 as appropriate. If a portion of the term deposit can be withdrawn without incurring such a penalty, only that portion should be treated as a demand deposit. The remaining balance of the deposit should be treated as a term deposit. Notes, bonds and other debt securities sold exclusively to the retail market and held in retail accounts can be reported in the appropriate retail deposit category (Basel III LCR standards paragraph 110). To be treated in this manner, it is not sufficient that the debt instruments are specifically designed and marketed to retail customers. Rather there should be limitations placed such that those instruments cannot be bought and held by parties other than retail customers. Per paragraph 76 of the Basel III LCR standards, an "effective deposit insurance scheme" refers to a scheme (i) that guarantees that it has the ability to make prompt payouts, (ii) for which the coverage is clearly defined and (iii) of which public awareness is high. The deposit insurer in an effective deposit insurance scheme has formal legal powers to fulfil its mandate and is operationally independent, transparent and accountable. A jurisdiction with an explicit and legally binding sovereign deposit guarantee that effectively functions as deposit insurance can be regarded as having an effective deposit insurance scheme.			
84	Total retail deposits; of which	Total retail deposits as defined above.	73–84
85	Insured deposits; of which:	The portion of retail deposits that are fully insured by an effective deposit insurance scheme.	75–78
86	in transactional accounts; of which:	Total insured retail deposits in transactional accounts (eg accounts where salaries are automatically credited).	75, 78
87	eligible for a 3% run-off rate; of which:	The amount of insured transactional retail deposits that are in jurisdictions where the supervisor chooses to apply a 3% run-off rate given the deposits are fully insured by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards. **Please refer to the instructions from your supervisor for the specification of these items.**	78
88	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 87, the amount that **are** in the reporting bank's home jurisdiction.	78
89	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 87, the amount that **are not** in the reporting bank's home jurisdiction.	78
90	eligible for a 5% run-off rate; of which:	The amount of insured transactional retail deposits that are in jurisdictions where the supervisor does **not** choose to apply a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	75
91	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 90, the amount that **are** in the reporting bank's home jurisdiction.	75
92	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 90, the amount that **are not** in the reporting bank's home jurisdiction.	75
93	in non-transactional accounts with established relationships that make deposit withdrawal highly unlikely; of which:	Total insured retail deposits in non-transactional accounts where the customer has another relationship with the bank that would make deposit withdrawal highly unlikely.	75, 78

Row	Heading	Description	Basel III LCR standards reference
94	eligible for a 3% run-off rate; of which:	The amount of insured non-transactional established relationship retail deposits that are in jurisdictions where the supervisor chooses to apply a 3% run-off rate given the deposits are fully insured by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards. **Please refer to the instructions from your supervisor for the specification of these items.**	78
95	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 94, the amount that **are** in the reporting bank's home jurisdiction.	78
96	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 94, the amount that **are not** in the reporting bank's home jurisdiction.	78
97	eligible for a 5% run-off rate; of which:	The amount of insured non-transactional established relationship retail deposits that are in jurisdictions where the supervisor does not choose to apply a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	75
98	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 97, the amount that **are** in the reporting bank's home jurisdiction.	75
99	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 97, the amount that **are not** in the reporting bank's home jurisdiction.	75
100	in non-transactional and non-relationship accounts	Insured retail deposits in non-transactional accounts where the customer does **not** have another relationship with the bank that would make deposit withdrawal highly unlikely.	79
101	Uninsured deposits	The portion of retail deposits that are non-maturing or mature within 30 days that are not fully insured by an effective deposit insurance scheme (ie all retail deposits not reported in lines 88 to 100, excluding any deposits included in lines 103 to 105).	79
102	Additional deposit categories with higher run-off rates as specified by supervisor	Other retail deposit categories, as defined by the supervisor. These amounts should **not** be included in the lines above.	79
103	Category 1	As defined by supervisor	79
104	Category 2	As defined by supervisor	79
105	Category 3	As defined by supervisor	79
106	Term deposits (treated as having >30 day remaining maturity); of which	Retail deposits with a residual maturity or withdrawal notice period greater than 30 days where the depositor has no legal right to withdraw deposits within 30 days, or where early withdrawal results in a significant penalty that is materially greater than the loss of interest.	82–84
107	With a supervisory run-off rate	As defined by supervisor.	84
108	Without supervisory run-off rate	All other term retail deposits treated as having > 30 day remaining maturity as defined in line 106.	82

b) Unsecured wholesale funding run-off

Unsecured wholesale funding is defined as liabilities and general obligations that are raised from non-natural persons (ie legal entities, including sole proprietorships and partnerships) and are **not** collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution, excluding derivatives.

Wholesale funding included in the LCR is defined as all funding that is callable within the LCR's 30-day horizon or that has its earliest possible contractual maturity date within this horizon (such as maturing term deposits and unsecured debt securities) as well as funding with an undetermined maturity. This includes all funding with options that are exercisable at the investor's discretion within the 30-day horizon. It also includes funding with options exercisable at the

Row	Heading	Description	Basel III LCR standards reference
bank's discretion where the bank's ability not to exercise the option is limited for reputational reasons. In particular, where the market expects certain liabilities to be redeemed before their legal final maturity date and within the 30-day horizon, such liabilities should be included in the appropriate outflows category. Small business customers Unsecured wholesale funding provided by small business customers consists of deposits and other extensions of funds made by non-financial small business customers. "Small business customers" are defined in line with the definition of loans extended to small businesses in paragraph 231 of the Basel II framework that are managed as retail exposures and are generally considered as having similar liquidity risk characteristics to retail accounts, provided the total aggregated funding raised from the small business customer is less than €1 million (on a consolidated basis where applicable) (Basel III LCR standards paragraph 90). "Aggregated funding" means the gross amount (ie not netting any form of credit extended to the legal entity) of all forms of funding (eg deposits or debt securities or similar derivative exposure for which the counterparty is known to be a small business customer) (Basel III LCR standards footnote 41). Applying the limit on a consolidated basis means that where one or more small business customers are affiliated with each other, they may be considered as a single creditor such that the limit is applied to the total funding received by the bank from this group of customers (Basel III LCR standards footnote 41). Where a bank does not have any exposure to a small business customer that would enable it to use the definition under paragraph 231 of the Basel II framework, the bank may include such a deposit in this category provided that the total aggregate funding raised from the customer is less than €1 million (on a consolidated basis where applicable) and the deposit is managed as a retail deposit. This means that the bank treats such deposits in its internal risk management systems consistently over time and in the same manner as other retail deposits, and that the deposits are not individually managed in a way comparable to larger corporate deposits. Term deposits from small business customers with a residual contractual maturity of greater than 30 days which can be withdrawn within 30 days without a significant withdrawal penalty materially greater than the loss of interest should be considered to fall within the 30-day horizon and should also be included in lines 117 to 137 as appropriate. If a portion of the term deposit can be withdrawn without incurring such a penalty, only that portion should be treated as a demand deposit. The remaining balance of the deposit should be treated as a term deposit.			
112	Total unsecured wholesale funding		85–111
113	Total funding provided by small business customers; of which:	Total small business customer deposits as defined above.	89–92
114	Insured deposits; of which:	The portion of deposits or other forms of unsecured wholesale funding which are provided by non-financial small business customers and are non-maturing or mature within 30 days that are fully insured by an effective deposit insurance scheme.	89, 75–78
115	in transactional accounts; of which:	Total insured small business customer deposits in transactional accounts (eg accounts where salaries are paid out from).	89, 75, 78
116	eligible for a 3% run-off rate; of which:	The amount of insured transactional small business customer deposits that are in jurisdictions where the supervisor chooses to apply a 3% run-off rate given the deposits are fully insured by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards. **Please refer to the instructions from your supervisor for the specification of these items.**	89, 78
117	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 116, the amount that **are** in the reporting bank's home jurisdiction.	89, 78
118	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 116, the amount that **are not** in the reporting bank's home jurisdiction.	89, 78
119	eligible for a 5% run-off rate; of which:	The amount of insured transactional small business customer deposits that are in jurisdictions where the supervisor does not choose to apply a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	89, 75

Row	Heading	Description	Basel III LCR standards reference
120	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 119, the amount that **are** in the reporting bank's home jurisdiction.	89, 75
121	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 119, the amount that **are not** in the reporting bank's home jurisdiction.	89, 75
122	in non-transactional accounts with established relationships that make deposit withdrawal highly unlikely; of which:	Total insured small business customer deposits in non-transactional accounts where the customer has another relationship with the bank that would make deposit withdrawal highly unlikely.	89, 75, 78
123	eligible for a 3% run-off rate; of which:	The amount of insured non-transactional established relationship small business customer deposits that are in jurisdictions where the supervisor chooses to apply a 3% run-off rate given the deposits are fully insured by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards. **Please refer to the instructions from your supervisor for the specification of these items.**	89, 78
124	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 123, the amount that **are** in the reporting bank's home jurisdiction.	89, 78
125	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 123, the amount that **are not** in the reporting bank's home jurisdiction.	89, 78
126	eligible for a 5% run-off rate; of which:	The amount of insured non-transactional established relationship small business customer deposits that are in jurisdictions where the supervisor does not choose to apply a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	89, 75
127	are in the reporting bank's home jurisdiction	Of the deposits referenced in line 126, the amount that **are** in the reporting bank's home jurisdiction.	89, 75
128	are not in the reporting bank's home jurisdiction	Of the deposits referenced in line 126, the amount that **are not** in the reporting bank's home jurisdiction.	89, 75
129	in non-transactional and non-relationship accounts	Insured small business customer deposits in non-transactional accounts, where the customer does not have another relationship with the bank that would make deposit withdrawal highly unlikely.	89, 79
130	Uninsured deposits	The portion of small business customer deposits that are non-maturing or mature within 30 days, that are not fully insured by an effective deposit insurance scheme (ie all small business customer deposits not reported in lines 117 to 129, excluding any reported in lines 132 to 134).	89, 79
131	Additional deposit categories with higher run-off rates as specified by supervisor	Other small business customer deposits, as defined by supervisor. Amounts in these categories should not be included in the lines above.	89, 79
132	Category 1	As defined by supervisor.	89, 79
133	Category 2	As defined by supervisor.	89, 79
134	Category 3	As defined by supervisor.	89, 79
135	Term deposits (treated as having >30 day maturity); of which:	Small business customer deposits with a residual maturity or withdrawal notice period of greater than 30 days where the depositor has no legal right to withdraw deposits within 30 days, or if early withdrawal is allowed, would result in a significant penalty that is materially greater than the loss of interest.	92, 82-84

Row	Heading	Description	Basel III LCR standards reference
136	With a supervisory run-off rate	As defined by supervisor.	92, 84
137	Without supervisory run-off rate	All other term small business customer deposits treated as having > 30 day remaining maturity as defined in line 135.	92, 82

Unsecured wholesale funding generated by clearing, custody and cash management activities ("operational deposits"):

Reported in lines 140 to 154 are portions of deposits and other extensions of funds from financial and non-financial wholesale customers (excluding deposits less than €1 million from small business customers which are reported in lines 117 to 137) generated out of clearing, custody and cash management activities ("operational deposits"). These funds may receive a 25% run-off factor only if the customer has a substantive dependency with the bank and the deposit is required for such activities.

Qualifying activities in this context refer to clearing, custody or cash management activities that meet the following criteria:

- The customer is reliant on the bank to perform these services as an independent third party intermediary in order to fulfil its normal banking activities over the next 30 days. For example, this condition would not be met if the bank is aware that the customer has adequate back-up arrangements.
- These services must be provided under a legally binding agreement to institutional customers.
- The termination of such agreements shall be subject either to a notice period of at least 30 days or significant switching costs (such as those related to transaction, information technology, early termination or legal costs) to be borne by the customer if the operational deposits are moved before 30 days.

Qualifying operational deposits generated by such an activity are ones where:

- The deposits are by-products of the underlying services provided by the banking organisation and not sought out in the wholesale market in the sole interest of offering interest income.
- The deposits are held in specifically designated accounts and priced without giving an economic incentive to the customer (not limited to paying market interest rates) to leave any excess funds on these accounts. In the case that interest rates in a jurisdiction are close to zero, it would be expected that such accounts are non-interest bearing.

Any excess balances that could be withdrawn and would still leave enough funds to fulfil these clearing, custody and cash management activities do not qualify for the 25% factor. In other words, only that part of the deposit balance with the service provider that is proven to serve a customer's operational needs can qualify as stable. Excess balances should be treated in the appropriate category for non-operational deposits. If banks are unable to determine the amount of the excess balance, then the entire deposit should be assumed to be excess to requirements and, therefore, considered non-operational.

Deposits arising out of correspondent banking or from the provision of prime brokerage services (as defined in Basel III LCR standards footnote 42) should not be reported in these lines rather as non-operational deposits in lines 157 to 164 as appropriate (Basel III LCR standards paragraph 99) and lines 170 and 172, respectively.

A clearing relationship, in this context, refers to a service arrangement that enables customers to transfer funds (or securities) indirectly through direct participants in domestic settlement systems to final recipients. Such services are limited to the following activities: transmission, reconciliation and confirmation of payment orders; daylight overdraft, overnight financing and maintenance of post-settlement balances; and determination of intra-day and final settlement positions. (Basel III LCR standards, paragraph 101)

A custody relationship, in this context, refers to the provision of safekeeping, reporting, processing of assets or the facilitation of the operational and administrative elements of related activities on behalf of customers in the process of their transacting and retaining financial assets. Such services are limited to the settlement of securities transactions, the transfer of contractual payments, the processing of collateral, and the provision of custody related cash management services. Also included are the receipt of dividends and other income, client subscriptions and redemptions. Custodial services can furthermore extend to asset and corporate trust servicing, treasury, escrow, funds transfer, stock transfer and agency services, including payment and settlement services (excluding correspondent banking), and depository receipts. (Basel III LCR standards, paragraph 102)

A cash management relationship, in this context, refers to the provision of cash management and related services to customers. Cash management services, in this context, refers to those products and services provided to a customer to manage its cash flows, assets and liabilities, and conduct financial transactions necessary to the customer's ongoing operations. Such services are limited to payment remittance, collection and aggregation of funds, payroll administration, and control over the disbursement of funds. (Basel III LCR standards, paragraph 103)

Row	Heading	Description	Basel III LCR standards reference
138	Total operational deposits; of which:	The portion of unsecured operational wholesale funding generated by clearing, custody and cash management activities as defined above.	93–104
139	provided by non-financial corporates	Such funds provided by non-financial corporates. Funds from small business customers that meet the requirements outlined in paragraphs 90 and 91 of the Basel III LCR standards should not be reported here but are subject to lower run-off rates in rows 117 to 130.	93–104
140	insured, with a 3% run-off rate	The portion of such funds provided by non-financial corporates that **are** fully covered by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards and are in jurisdictions where the supervisor chooses to prescribe a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104
141	insured, with a 5% run-off rate	The portion of such funds provided by non-financial corporates that **are** fully covered by an effective deposit insurance scheme but that are not prescribed a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104
142	uninsured	The portion of such funds provided by non-financial corporates that **are not** fully covered by an effective deposit insurance scheme.	93–103
143	provided by sovereigns, central banks, PSEs and MDBs	Such funds provided by sovereigns, central banks, PSEs and multilateral development banks.	93–104
144	insured, with a 3% run-off rate	The portion of such funds provided by sovereigns, central banks, PSEs and multilateral development banks that **are** fully covered by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards and are in jurisdictions where the supervisor chooses to prescribe a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104
145	insured, with a 5% run-off rate	The portion of such funds provided by sovereigns, central banks, PSEs and multilateral development banks that **are** fully covered by an effective deposit insurance scheme but that are not prescribed a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104
146	uninsured	The portion of such funds provided by sovereigns, central banks, PSEs and multilateral development banks that **are not** fully covered by an effective deposit insurance scheme.	93–103
147	provided by banks	Such funds provided by banks.	93–104
148	insured, with a 3% run-off rate	The portion of such funds provided by banks that **are** fully covered by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards and are in jurisdictions where the supervisor chooses to prescribe a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104

Row	Heading	Description	Basel III LCR standards reference
149	insured, with a 5% run-off rate	The portion of such funds provided by banks that **are** fully covered by an effective deposit insurance scheme but that are not prescribed a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104
150	uninsured	The portion of such funds provided by banks that **are not** fully covered by an effective deposit insurance scheme.	93–103
151	provided by other financial institutions and other legal entities	Such funds provided by financial institutions (other than banks) and other legal entities.	93–104
152	insured, with a 3% run-off rate	The portion of such funds provided by financial institutions (other than banks) and other legal entities that **are** fully covered by an effective deposit insurance scheme that meets the conditions outlined in paragraph 78 of the Basel III LCR standards and are in jurisdictions where the supervisor chooses to prescribe a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104
153	insured, with a 5% run-off rate	The portion of such funds provided by financial institutions (other than banks) and other legal entities that **are** fully covered by an effective deposit insurance scheme but that are not prescribed a 3% run-off rate. **Please refer to the instructions from your supervisor for the specification of these items.**	104
154	uninsured	The portion of such funds provided by financial institutions (other than banks) and other legal entities that **are not** fully covered by an effective deposit insurance scheme.	93–103

Non-operational deposits in lines 157 to 164 include all deposits and other extensions of unsecured funding not included under operational deposits in lines 140 to 154, excluding notes, bonds and other debt securities, covered bond issuance or repo and secured funding transactions (reported below). Deposits arising out of correspondent banking or from the provision of prime brokerage services (as defined in the Basel III LCR standards, footnote 42) should **not** be included in these lines (Basel III LCR standards, paragraph 99).

Customer cash balances arising from the provision of prime brokerage services, including but not limited to the cash arising from prime brokerage services as identified in Basel III LCR standards, paragraph 99, should be considered separate from any required segregated balances related to client protection regimes imposed by national regulations, and should not be netted against other customer exposures included in this standard. These offsetting balances held in segregated accounts are treated as inflows in Basel III LCR standards, paragraph 154 and should be excluded from the stock of HQLA (Basel III LCR standards, paragraph 111).

155	Total non-operational deposits; of which	The portion of unsecured wholesale funding not considered as "operational deposits" as defined above.	105–109
156	provided by non-financial corporates; of which:	Total amount of such funds provided by non-financial corporates.	107–108
157	where entire amount is fully covered by an effective deposit insurance scheme	Amount of such funds provided by non-financial corporates where the entire amount of the deposit **is** fully covered by an effective deposit insurance scheme.	108
158	where entire amount is not fully covered by an effective deposit insurance scheme	Amount of such funds provided by non-financial corporates where the entire amount of the deposit **is not** fully covered by an effective deposit insurance scheme.	107
159	provided by sovereigns, central banks, PSEs and MDBs; of which:	Such funds provided by sovereigns, central banks (other than funds to be reported in line item 166), PSEs, and multilateral development banks.	107-108
160	where entire amount is fully covered by an effective deposit insurance scheme	Amount of such funds provided by sovereigns, central banks, PSEs and MDBs where the entire amount of the deposit **is** fully covered by an effective deposit insurance scheme.	108

Row	Heading	Description	Basel III LCR standards reference
161	where entire amount is not fully covered by an effective deposit insurance scheme	Amount of such funds provided by sovereigns, central banks, PSEs and MDBs where the entire amount of the deposit **is not** fully covered by an effective deposit insurance scheme.	107
162	provided by members of institutional networks of cooperative (or otherwise named) banks	An institutional network of cooperative (or otherwise named) banks is a group of legally autonomous banks with a statutory framework of cooperation with common strategic focus and brand where specific functions are performed by central institutions or specialised service providers. Central institutions or specialised central service providers of such networks should report in this line the amount of deposits placed by network member institutions (that are not reported in line items 149 or 150 and that are) (a) due to statutory minimum deposit requirements which are registered at regulators or (b) in the context of common task sharing and legal, statutory or contractual arrangements so long as both the bank that has received the monies and the bank that has deposited participate in the same institutional network's mutual protection scheme against illiquidity and insolvency of its members. Deposits from network member institutions that are neither included in line items 149 or 150, nor placed for purposes as referred to in letters (a) and (b) above, are to be reported in line items 163 or 164. Banks that are not the central institutions or specialised central service provider of such network should report zero in this line.	105
163	provided by other banks	Such funds provided by other banks, not reported in line 162.	109
164	provided by other financial institutions and other legal entities	Such funds provided by financial institutions other than banks and by other legal entities not included in the categories above. Funding from fiduciaries, beneficiaries, conduits and special purpose vehicles and affiliated entities should also be reported here.	109
Notes, bonds and other debt securities issued by the bank are included in line 165 regardless of the holder, unless the bond is sold exclusively in the retail market and held in retail accounts (including small business customers treated as retail), in which case the instruments can be reported in the appropriate retail or small business customer deposit category in lines 88 to 108 or lines 117 to 137, respectively. Outflows on covered bonds should be reported in line 228.			
165	Unsecured debt issuance	Outflows on notes, bonds and other debt securities, excluding on bonds sold exclusively to the retail or small business customer markets, and excluding outflows on covered bonds.	110
166	Additional balances required to be installed in central bank reserves	Amounts to be installed in the central bank reserves within 30 days. Funds reported in this line should not be included in line 160 or 161. **Please refer to the instructions from your supervisor for the specification of this item.**	Extension of 50(b)
169	Of the non-operational deposits reported above, amounts that could be considered operational in nature but per the standards have been excluded from receiving the operational deposit treatment due to:		

Row	Heading	Description	Basel III LCR standards reference
170	correspondent banking activity	Amounts in accounts with a clearing, custody or cash management relationship but which have been excluded from the operational deposit category because the account is a correspondent banking account. Correspondent banking refers to arrangements under which one bank (correspondent) holds deposits owned by other banks (respondents) and provides payment and other services in order to settle foreign currency transactions (eg so-called nostro and vostro accounts used to settle transactions in a currency other than the domestic currency of the respondent bank for the provision of clearing and settlement of payments).	99, footnote 42
172	prime brokerage services	Amounts in accounts with a clearing, custody or cash management relationship but which have been excluded from the operational deposit category because the account holder is a prime brokerage client of the reporting institution. Prime brokerage is a package of services offered to large active investors, particularly hedge funds.	99, footnote 42
174	excess balances in operational accounts that could be withdrawn and would leave enough funds to fulfil the clearing, custody and cash management activities	Amounts in accounts with a clearing, custody or cash management relationship but which have been excluded from the operational deposit category because these funds are excess balances and could be withdrawn and would leave enough funds to fulfil the clearing, custody and cash management activities.	96

c) Secured funding run-off

Secured funding is defined as those liabilities and general obligations that are collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution. In this section any transaction in which the bank has received a collateralised loan in cash, such as repo transactions, expiring within 30 days should be reported. Collateral swaps where the bank receives a collateralised loan in the form of other assets than cash, should not be reported here, but in panel C below.

Additionally, collateral lent to the bank's customers to effect short positions should be treated as a form of secured funding. A customer short position in this context describes a transaction where a bank's customer sells a security it does not own, and the bank subsequently obtains the same security from internal or external sources to make delivery into the sale. Internal sources include the bank's own inventory of collateral as well as rehypothecatable Level 1 or Level 2 collateral held in other customer margin accounts. The contingent risk associated with non-contractual obligations where customer short positions are covered by other customers' collateral that does not qualify as Level 1 or Level 2 should be reported in line 264. External sources include collateral obtained through a securities borrowing, reverse repo, or like transaction.

If the bank has deposited both liquid and non-liquid assets in a collateral pool and no assets are specifically assigned as collateral for the secured transaction, the bank may assume for this monitoring exercise that the assets with the lowest liquidity get assigned first: assets that are not eligible for the stock of liquid assets are assumed to be assigned first. Only once all those assets are fully assigned should Level 2B assets be assumed to be assigned, followed by Level 2A assets. Only once all Level 2 assets are assigned should Level 1 assets be assumed to be assigned.

A bank should report all outstanding secured funding transactions with remaining maturities within the 30 calendar day stress horizon, including customer short positions that do not have a specified contractual maturity. The amount of funds raised through the transaction should be reported in column D ("amount received"). The value of the underlying collateral extended in the transaction should be reported in column E ("market value of extended collateral"). Both values are needed to calculate the caps on Level 2 and Level 2B assets and both should be calculated at the date of reporting, not the trade or settlement date of the transaction.

Please refer to the instructions from your supervisor for the specification of items related to Level 2B assets in this subsection.

Row	Heading	Description	Basel III LCR standards reference
178	Transactions conducted with the bank's domestic central bank; of which:	In column D: Amount raised in secured funding or repo transactions with the bank's domestic central bank that mature within 30 days. In column E: The market value of the collateral extended on these transactions.	114–115
179	Backed by Level 1 assets; of which:	In column D: Amount raised in secured funding or repo transactions with the bank's domestic central bank that mature within 30 days and are backed by Level 1 assets. In column E: The market value of the Level 1 asset collateral extended on these transactions.	114–115
180	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 179, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 1 assets where these assets would otherwise qualify to be reported in panel Aa of the "LCR" worksheet (if they were not already securing the particular transaction in question), because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 1 asset collateral extended on these transactions.	114–115
182	Backed by Level 2A assets; of which:	In column D: Amount raised in secured funding or repo transactions with the bank's domestic central bank that mature within 30 days and are backed by Level 2A assets. In column E: The market value of the Level 2A asset collateral extended on these transactions.	114–115
183	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 182, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 2A assets where these assets would otherwise qualify to be reported in panel Ab of the "LCR" worksheet (if they were not already securing the particular transaction in question) because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 2A asset collateral extended on these transactions.	114–115
185	Backed by Level 2B RMBS assets; of which:	In column D: Amount raised in secured funding or repo transactions with the bank's domestic central bank that mature within 30 days and are backed by Level 2B RMBS assets. In column E: The market value of the Level 2B RMBS asset collateral extended on these transactions.	114–115

Row	Heading	Description	Basel III LCR standards reference
186	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 185, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 2B RMBS assets where these assets would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (if they were not already securing the particular transaction in question) because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 2B RMBS asset collateral extended on these transactions.	114–115
188	Backed by Level 2B non-RMBS assets; of which:	In column D: Amount raised in secured funding or repo transactions with the bank's domestic central bank that mature within 30 days and are backed by Level 2B non-RMBS assets. In column E: The market value of the Level 2B non-RMBS asset collateral extended on these transactions.	114–115
189	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 188, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 2B non-RMBS assets where these assets would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (if they were not already securing the particular transaction in question) because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 2B non-RMBS asset collateral extended on these transactions.	114–115
191	Backed by other assets	In column D: Amount raised on secured funding or repo transactions with the bank's domestic central bank that mature within 30 days and are backed by all other assets (ie other than Level 1 or Level 2 assets). In column E: The market value of the other asset collateral extended on these transactions.	114–115
192	Transactions not conducted with the bank's domestic central bank and backed by Level 1 assets; of which:	In column D: Amount raised in secured funding or repo transactions that are not conducted with the bank's domestic central bank and that mature within 30 days and are backed by Level 1 assets. In column E: The market value of the Level 1 asset collateral extended on these transactions.	114–115
193	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 192, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 1 assets where these assets would otherwise qualify to be reported in panel Aa of the "LCR" worksheet (if they were not already securing the particular transaction in question), because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 1 asset collateral extended on these transactions.	114–115

Row	Heading	Description	Basel III LCR standards reference
195	Transactions not conducted with the bank's domestic central bank and backed by Level 2A assets; of which:	In column D: Amount raised in secured funding or repo transactions that are not conducted with the bank's domestic central bank and that mature within 30 days and are backed by Level 2A assets. In column E: The market value of the Level 2A asset collateral extended on these transactions.	114–115
196	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 195, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 2A assets where these assets would otherwise qualify to be reported in panel Ab of the "LCR" worksheet (if they were not already securing the particular transaction in question) because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 2A asset collateral extended on these transactions.	114–115
198	Transactions not conducted with the bank's domestic central bank and backed by Level 2B RMBS assets; of which:	In column D: Amount raised in secured funding or repo transactions that are not conducted with the bank's domestic central bank and that mature within 30 days and are backed by Level 2B RMBS assets. In column E: The market value of the Level 2B RMBS asset collateral extended on these transactions.	114–115
199	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 198, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 2B RMBS assets where these assets would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (if they were not already securing the particular transaction in question) because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 2B RMBS asset collateral extended on these transactions.	114–115
201	Transactions not conducted with the bank's domestic central bank and backed by Level 2B non-RMBS assets; of which:	In column D: Amount raised in secured funding or repo transactions that are not conducted with the bank's domestic central bank and that mature within 30 days and are backed by Level 2B non-RMBS assets. In column E: The market value of the Level 2B non-RMBS asset collateral extended on these transactions.	114–115
202	Counterparties are domestic sovereigns, MDBs or domestic PSEs with a 20% risk weight; of which:	In column D: Secured funding transactions with domestic sovereign, multilateral development banks or domestic PSEs that are backed by Level 2B non-RMBS assets. PSEs that receive this treatment should be limited to those that are 20% or lower risk weighted. In column E: The market value of collateral extended on these transactions.	114–115

Row	Heading	Description	Basel III LCR standards reference
203	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 202, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 2B non-RMBS assets where these assets would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (if they were not already securing the particular transaction in question) because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 2B non-RMBS asset collateral extended on these transactions.	114–115
205	Counterparties are not domestic sovereigns, MDBs or domestic PSEs with a 20% risk weight; of which:	In column D: Secured funding transactions with counterparties other than domestic sovereign, multilateral development banks or domestic PSEs with a 20% risk weight that are backed by Level 2B non-RMBS assets. In column E: The market value of collateral extended on these transactions.	114–115
206	Transactions involving eligible liquid assets	In column D: Of the amount reported in line 205, that which is raised in secured funding or repo transactions that mature within 30 days and are backed by Level 2B non-RMBS assets where these assets would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (if they were not already securing the particular transaction in question) because: (i) they would be held unencumbered; and (ii) they would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column E: The market value of the Level 2B non-RMBS asset collateral extended on these transactions.	114–115
208	Transactions not conducted with the bank's domestic central bank and backed by other assets (non-HQLA); of which:	In column D: Amount raised in secured funding or repo transactions that are not conducted with the bank's domestic central bank and that mature within 30 days and are backed by other assets (non-HQLA). In column E: The market value of the other (non-HQLA) asset collateral extended on these transactions.	114–115
209	Counterparties are domestic sovereigns, MDBs or domestic PSEs with a 20% risk weight; of which:	In column D: Secured funding transactions with domestic sovereign, multilateral development banks or domestic PSEs that are backed by other assets (non-HQLA). PSEs that receive this treatment should be limited to those that are 20% or lower risk weighted. In column E: The market value of collateral extended on these transactions.	114–115
210	Counterparties are not domestic sovereigns, MDBs or domestic PSEs with a 20% risk weight; of which:	In column D: Secured funding transactions with counterparties other than domestic sovereign, multilateral development banks or PSEs that are backed by other assets (non-HQLA). In column E: The market value of collateral extended on these transactions.	114–115

Row	Heading	Description	Basel III LCR standards reference
d)	**Additional requirements**		
214	Derivatives cash outflow	Banks should calculate, in accordance with their existing valuation methodologies, expected contractual derivative cash inflows and outflows. Cash flows may be calculated on a net basis (ie inflows can offset outflows) by counterparty, only where a valid master netting agreement exists. The sum of all net cash outflows should be reported here. The sum of all net cash inflows should be reported in line 316. Banks should exclude from such calculations those liquidity requirements that would result from increased collateral needs due to market value movements (to be reported in line 222) or falls in value of collateral posted (reported in line 217 and line 218). Options should be assumed to be exercised when they are 'in the money' to the option buyer. Where derivative payments are collateralised by HQLA, cash outflows should be calculated net of any corresponding cash or collateral inflows that would result, all other things being equal, from contractual obligations for cash or collateral to be provided to the bank, if the bank is legally entitled and operationally capable to re-use the collateral in new cash raising transactions once the collateral is received. This is in line with the principle that banks should not double count liquidity inflows and outflows. **Note that cash flows do not equal the marked-to-market value, since the marked-to-market value also includes estimates for contingent inflows and outflows and may include cash flows that occur beyond the 30-day horizon.** It is generally expected that a positive amount would be provided for both this line item and line 316 for institutions engaged in derivatives transactions.	116, 117
215	Increased liquidity needs related to downgrade triggers in derivatives and other financing transactions	The amount of collateral that would need to be posted for or contractual cash outflows generated by any downgrade up to and including a 3-notch downgrade of the bank's long-term credit rating. Triggers linked to a bank's short-term rating should be assumed to be triggered at the corresponding long-term rating in accordance with published ratings criteria. The impact of the downgrade should consider impacts on all types of margin collateral and contractual triggers which change rehypothecation rights for non-segregated collateral.	118
216	Increased liquidity needs related to the potential for valuation changes on posted collateral securing derivative and other transactions:		119
217	Cash and Level 1 assets	Current market value of relevant collateral posted as margin for derivatives and other transactions that, if they had been unencumbered, would have been eligible for inclusion in line items 6 to 18.	

Row	Heading	Description	Basel III LCR standards reference
218	For other collateral (ie all non-Level 1 collateral)	Current market value of relevant collateral posted as margin for derivatives and other transactions other than those included in line item 217 (all non-Level 1 collateral). This amount should be calculated net of collateral received on a counterparty basis (provided that the collateral received is not subject to restrictions on reuse or rehypothecation). Any collateral that is in a segregated margin account can only be used to offset outflows that are associated with payments that are eligible to be offset from that same account.	
219	Increased liquidity needs related to excess non-segregated collateral held by the bank that could contractually be called at any time by the counterparty	The amount of non-segregated collateral that the reporting institution currently has received from counterparties but could under legal documentation be recalled because the collateral is in excess of that counterparty's current collateral requirements.	120
220	Increased liquidity needs related to contractually required collateral on transactions for which the counterparty has not yet demanded the collateral be posted	The amount of collateral that is contractually due from the reporting institution, but for which the counterparty has not yet demanded the posting of such collateral.	121
221	Increased liquidity needs related to contracts that allow collateral substitution to non-HQLA assets	The amount of HQLA collateral that can be substituted for non-HQLA without the bank's consent that has been received to secure transactions and that has not been segregated (eg otherwise included in HQLAs, as secured funding collateral or in other bank operations).	122
222	Increased liquidity needs related to market valuation changes on derivative or other transactions	Any potential liquidity needs deriving from full collateralisation of mark-to-market exposures on derivative and other transactions. Unless its national supervisor has provided other instructions, banks should calculate any outflow generated by increased needs related to market valuation changes by identifying the largest absolute net 30-day collateral flow realised during the preceding 24 months, where the absolute net collateral flow is based on both realised outflows and inflows. Inflows and outflows of transactions executed under the same master netting agreement can be treated on a net basis.	123
223	Loss of funding on ABS and other structured financing instruments issued by the bank, excluding covered bonds	Balances of term asset-backed securities and other structured financing instruments, excluding covered bonds (which should be reported in line 228), issued by the bank that mature in 30 days or less. To the extent that sponsored conduits/SPVs are required to be consolidated under liquidity requirements, their assets and liabilities should be taken into account.	124

Row	Heading	Description	Basel III LCR standards reference
224	Loss of funding on ABCP, conduits, SIVs and other such financing activities; of which:	All funding on asset-backed commercial paper, conduits, securities investment vehicles and other such financing facilities maturing or returnable within 30 days. Banks having structured financing facilities that include the issuance of short-term debt instruments, such as asset backed commercial paper, should report the potential liquidity outflows from these structures. These include, but are not limited to, (i) the inability to refinance maturing debt, and (ii) the existence of derivatives or derivative-like components contractually written into the documentation associated with the structure that would allow the "return" of assets in a financing arrangement, or that require the original asset transferor to provide liquidity, effectively ending the financing arrangement ("liquidity puts") within the 30-day period. Where the structured financing activities are conducted through a special purpose entity (such as a special purpose vehicle, conduit or SIV), the bank should, in determining the HQLA requirements, look through to the maturity of the debt instruments issued by the entity and any embedded options in financing arrangements that may potentially trigger the "return" of assets or the need for liquidity, irrespective of whether or not the SPV is consolidated.	125
225	debt maturing ≤ 30 days	Portion of the funding specified in line 224 maturing within 30 days.	125
226	with embedded options in financing arrangements	Portion of the funding specified in line 224 **not** maturing within 30 days but with embedded options that could reduce the effective maturity of the debt to 30 days or less.	125
227	other potential loss of such funding	Portion of the funding specified in line 224 that is not included in line 225 or 226.	125
228	Loss of funding on covered bonds issued by the bank	Balances of covered bonds, issued by the bank that mature in 30 days or less.	124

Credit and liquidity facilities are defined as explicit contractual agreements or obligations to extend funds at a future date to retail or wholesale counterparties. For the purpose of the standard, these facilities only include contractually irrevocable ("committed") or conditionally revocable agreements to extend funds in the future (Basel III LCR standards, paragraph 126).

Unconditionally revocable facilities that are unconditionally cancellable by the bank (in particular, those without a precondition of a material change in the credit condition of the borrower) are excluded from this section and should be reported in lines 254 to 266, as appropriate (Basel III LCR standards, paragraph 126).

The currently undrawn portion of these facilities should be reported. The reported amount may be net of any HQLAs eligible for the stock of HQLAs, if the HQLAs have already been posted as collateral by the counterparty to secure the facilities or that are contractually obliged to be posted when the counterparty will draw down the facility (eg a liquidity facility structured as a repo facility), if the bank is legally entitled and operationally capable to re-use the collateral in new cash raising transactions once the facility is drawn, and there is no undue correlation between the probability of drawing the facility and the market value of the collateral. The collateral can be netted against the outstanding amount of the facility to the extent that this collateral is not already counted in the stock of HQLAs (Basel III LCR standards, paragraph 127).

A liquidity facility is defined as any committed, undrawn back-up facility that would be utilised to refinance the debt obligations of a customer in situations where such a customer is unable to rollover that debt in financial markets (eg pursuant to a commercial paper programme, secured financing transactions, obligations to redeem units, etc).

The amount of a commitment to be treated as a liquidity facility is the amount of the currently outstanding debt issued by the customer (or proportionate share, if a syndicated facility) maturing within a 30 day period that is backstopped by the facility. The portion of a liquidity facility that is backing debt that does not mature within the 30-day window is excluded from the scope of the definition of a facility. Any additional capacity of the facility (ie the remaining commitment) would be treated as a committed credit facility and should be reported as such.

General working capital facilities for corporate entities (eg revolving credit facilities in place for general corporate and/or working capital purposes) will not be classified as liquidity facilities, but as credit facilities.

Row	Heading	Description	Basel III LCR standards reference
Notwithstanding the above, any facilities provided to hedge funds, money market funds and special purpose funding vehicles, for example SPEs (as defined in the Basel III LCR standards, paragraph 125) or conduits, or other vehicles used to finance the banks own assets, should be captured in their entirety as a liquidity facility and reported in line 239. For that portion of financing programs that are captured in the Basel III LCR standards, paragraphs 124 and 125 (ie are maturing or have liquidity puts that may be exercised in the 30-day horizon), banks that are providers of associated liquidity facilities do not need to double count the maturing financing instrument and the liquidity facility for consolidated programs.			
229	Undrawn committed credit and liquidity facilities to retail and small business customers	Balances of undrawn committed credit and liquidity facilities extended by the bank to natural persons and small business customers, as defined above.	131(a)
230	Undrawn committed credit facilities to		
231	non-financial corporates	Balances of undrawn committed credit facilities extended by the bank to non-financial institution corporations (excluding small business customers). The amount reported in this line should also include any 'additional capacity' of liquidity facilities (as defined above) provided to non-financial corporates.	131(b)
232	sovereigns, central banks, PSEs and MDBs	Balances of undrawn committed credit facilities extended by the bank to sovereigns, central banks, PSEs, multilateral development banks and any other entity not included in other drawdown categories. The amount reported in this line should also include any 'additional capacity' of liquidity facilities (as defined above) provided to sovereigns, central banks, PSEs, multilateral development banks.	131(b)
233	Undrawn committed liquidity facilities to		
234	non-financial corporates	The amount of undrawn committed liquidity facilities should be the amount of currently outstanding debt (or proportionate share if a syndicated facility) issued by non-financial institution corporations (excluding small business customers) maturing within a 30 day period that is backstopped by the facility. Any 'additional capacity' of liquidity facilities (as defined above) provided to non-financial corporates should not be reported here, rather should be reported in line 231.	131(c)
235	sovereigns, central banks, PSEs and MDBs	The amount of undrawn committed liquidity facilities should be the amount of currently outstanding debt (or proportionate share if a syndicated facility) issued by sovereigns, central banks, PSEs, or multilateral development banks maturing within a 30 day period that is backstopped by the facility. Any 'additional capacity' of liquidity facilities (as defined above) provided to sovereigns, central banks, PSEs, or multilateral development banks should not be reported here, rather should be reported in line 232.	131(c)
236	Undrawn committed credit and liquidity facilities provided to banks subject to prudential supervision	Balances of undrawn committed credit and liquidity facilities extended to banks that are subject to prudential supervision.	131(d)

Row	Heading	Description	Basel III LCR standards reference
237	Undrawn committed credit facilities provided to other FIs	Balances of undrawn committed credit facilities extended by the bank to other financial institutions (including securities firms, insurance companies, fiduciaries and beneficiaries). The amount reported in this line should also include any 'additional capacity' of liquidity facilities (as defined above) provided to other financial institutions (including securities firms, insurance companies, fiduciaries and beneficiaries).	131(e)
238	Undrawn committed liquidity facilities provided to other FIs	The amount of undrawn committed liquidity facilities should be the amount of currently outstanding debt (or proportionate share if a syndicated facility) issued by to other financial institutions (including securities firms, insurance companies, fiduciaries and beneficiaries) maturing within a 30 day period that is backstopped by the facility. Any 'additional capacity' of liquidity facilities (as defined above) provided to other financial institutions (including securities firms, insurance companies, fiduciaries and beneficiaries) should not be reported here, rather should be reported in line 237.	131(f)
239	Undrawn committed credit and liquidity facilities to other legal entities	Balances of undrawn committed credit and liquidity facilities extended to other legal entities, including hedge funds, money market funds and special purpose funding vehicles, for example SPEs (as defined in the Basel III LCR standards, paragraph 125) or conduits, or other vehicles used to finance the banks own assets (not included in lines 229 to 238).	131(g)
Other contractual obligations to extend funds			
241	Other contractual obligations to extend funds to:	Any contractual lending obligations not captured elsewhere in the standard.	132-133
242	financial institutions	Any contractual lending obligations to financial institutions not captured elsewhere.	132
243	retail clients	The full amount of contractual obligations to extend funds to retail clients within the next 30 calendar days (not netted for the assumed roll-over on the inflows in line 302).	133
244	small business customers	The full amount of contractual obligations to extend funds to small business customers within the next 30 calendar days (not netted for the assumed roll-over on the inflows in line 303).	133
245	non-financial corporates	The full amount of contractual obligations to extend funds to non-financial corporate clients within the next 30 calendar days (not netted for the assumed roll-over on the inflows in line 304).	133
246	other clients	The full amount of contractual obligations to extend funds to other clients within the next 30 calendar days (not netted for the assumed roll-over on the inflows in line 310).	133
247	retail, small business customers, non-financials and other clients	The amounts of contractual obligations to extend funds to retail, small business customers, non-financial corporate and other clients within the next 30 calendar days (lines 243 to 246) are added up in this line. The roll-over of funds that is implicitly assumed in the inflow section (lines 302, 303, 304 and 310) are then subtracted. If the result is positive, it is included here as an outflow in column H. Otherwise, the outflow included here is zero.	133

Row	Heading	Description	Basel III LCR standards reference
Other contingent funding obligations (treatment determined by national supervisor) These contingent funding obligations may be either contractual or non-contractual and are not lending commitments. Non-contractual contingent funding obligations include associations with, or sponsorship of, products sold or services provided that may require the support or extension of funds in the future under stressed conditions. Non-contractual obligations may be embedded in financial products and instruments sold, sponsored, or originated by the institution that can give rise to unplanned balance sheet growth arising from support given for reputational risk considerations (Basel III LCR standards, paragraph 135). Stressed conditions in this context refer to the scenario as described in paragraph 19 of the Basel III LCR standards. Banks should report the full amount of any exposure and national supervisors should set appropriate outflow rates for their jurisdictions.			
254	Non-contractual obligations related to potential liquidity draws from joint ventures or minority investments in entities	Non contractual contingent funding obligations related to potential liquidity draws from joint ventures or minority investments in entities, which are not consolidated per paragraph 164 of the Basel III LCR standards, where there is the expectation that the bank will be the main liquidity provider when the entity is in need of liquidity. The amount included should be calculated in accordance with the methodology agreed by the bank's supervisor. **Please refer to the instructions from your supervisor for the specification of this item.**	137
255	Unconditionally revocable "uncommitted" credit and liquidity facilities	Balances of undrawn credit and liquidity facilities where the bank has the right to unconditionally revoke the undrawn portion of these facilities.	140
256	Trade-finance related obligations (including guarantees and letters of credit)	Trade finance instruments consist of trade-related obligations directly underpinned by the movement of goods or the provision of services. Amounts to be reported here include items such as: • outstanding documentary trade letters of credit, documentary and clean collection, import bills, and export bills; and • outstanding guarantees directly related to trade finance obligations, such as shipping guarantees. Lending commitments, such as direct import or export financing for non-financial corporate firms, are excluded from this treatment and reported in lines 229 to 239.	138, 139
257	Guarantees and letters of credit unrelated to trade finance obligations	The outstanding amount of letters of credit issued by the bank and guarantees unrelated to trade finance obligations described in line 256.	140
258	Non-contractual obligations:		
259	Debt-buy back requests (incl related conduits)	Potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities. In case debt amounts qualify for both line 259 and line 263, please enter them in just one of these lines.	140
260	Structured products	Structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs).	140
261	Managed funds	Managed funds that are marketed with the objective of maintaining a stable value such as money market mutual funds or other types of stable value collective investment funds etc.	140
262	Other non-contractual obligations	Any other non-contractual obligation not entered above.	140

Row	Heading	Description	Basel III LCR standards reference
263	Outstanding debt securities with remaining maturity > 30 days	For issuers with an affiliated dealer or market maker, there may be a need to include an amount of the outstanding debt securities (unsecured and secured, term as well as short term) having maturities greater than 30 calendar days, to cover the potential repurchase of such outstanding securities. In case debt amounts qualify for both line 259 and line 263, please enter them in just one of these lines.	140
264	Non contractual obligations where customer short positions are covered by other customers' collateral	Amount of contingent obligations related to instances where banks have internally matched client assets against other clients' short positions where the collateral does not qualify as Level 1 or Level 2, and the bank may be obligated to find additional sources of funding for these positions in the event of client withdrawals. Instances where the collateral qualifies as Level 1 or Level 2 should be reported in the appropriate line of the secured funding section (lines 192 to 206).	140
265	Bank outright short positions covered by a collateralised securities financing transaction	Amount of the bank's outright short positions that are being covered by collateralised securities financing transactions. Such short positions are assumed to be maintained throughout the 30-day period and receive a 0% outflow. The corresponding collateralised securities financing transactions that are covering such short positions should be reported in lines 291 to 296 or 406 to 430.	147
266	Other contractual cash outflows (including those related to unsecured collateral borrowings and uncovered short positions)	Any other contractual cash outflows within the next 30 calendar days should be captured in this standard, such as such as outflows to cover unsecured collateral borrowings, uncovered short positions, dividends or contractual interest payments, **with explanation given in an accompanying note to your supervisor** as to what comprises the amounts included in this line. This amount should exclude outflows related to operating costs.	141, 147

6.1.3 Inflows, Liquidity Coverage Ratio (LCR) (panel B2)

<table>
<tr><th>Row</th><th>Heading</th><th>Description</th><th>Basel III LCR standards reference</th></tr>
<tr><td colspan="4">Total expected contractual cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in under the scenario up to an aggregate cap of 75% of total expected cash outflows (Basel III LCR standards, paragraph 69).
Items must not be double counted – if an asset is included as part of the "stock of HQLA" (ie the numerator), the associated cash inflows cannot also be counted as cash inflows (ie part of the denominator) (Basel III LCR standards, paragraph 72).
When considering its available cash inflows, the bank should only include contractual inflows (including interest payments) from outstanding exposures that are fully performing and for which the bank has no reason to expect a default within the 30-day time horizon (Basel III LCR standards, paragraph 142). Pre-payments on loans (not due within 30 days) should not be included in the inflows.
Contingent inflows are not included in total net cash outflows (Basel III LCR standards, paragraph 142).</td></tr>
<tr><td colspan="4">a) Secured lending including reverse repos and securities borrowing
Secured lending is defined as those loans that the bank has extended and are collateralised by legal rights to specifically designated assets owned by the borrowing institution, which the bank use or rehypothecate for the duration of the loan, and for which the bank can claim ownership to in the case of default by the borrower. In this section any transaction in which the bank has extended a collateralised loan in cash, such as reverse repo transactions, expiring within 30 days should be reported. Collateral swaps where the bank has extended a collateralised loan in the form of other assets than</td></tr>
</table>

Row	Heading	Description	Basel III LCR standards reference
cash, should not be reported here, but in panel C below. A bank should report all outstanding secured lending transactions with remaining maturities within the 30 calendar day stress horizon. The amount of funds extended through the transaction should be reported in column D ("amount extended"). The value of the underlying collateral received in the transactions should be reported in column E ("market value of received collateral"). Both values are needed to calculate the caps on Level 2 and Level 2B assets and both should be calculated at the date of reporting, not the date of the transaction. Note that if the collateral received in the form of Level 1 or Level 2 assets is not rehypothecated and is legally and contractually available for the bank's use it should be reported in the appropriate lines of the stock of HQLA section (lines 11 to 40) as well as in this subsection (see paragraph 31 of the Basel III LCR standards). **Please refer to the instructions from your supervisor for the specification of items related to Level 2B assets in this subsection.**			
274	Reverse repo and other secured lending or securities borrowing transactions maturing ≤ 30 days	All reverse repo or securities borrowing transactions maturing within 30 days, in which the bank has extended cash and obtained collateral.	145–146
275	Of which collateral **is not** re-used (ie is not rehypothecated) to cover the reporting institution's outright short positions	Such transactions in which the collateral obtained is not re-used (ie is not rehypothecated) to cover the reporting institution's outright short positions. If the collateral is re-used, the transactions should be reported in lines 291 to 296.	145–146
276	Transactions backed by Level 1 assets	All such transactions in which the bank has obtained collateral in the form of Level 1 assets. These transactions are assumed to roll-over in full, not giving rise to any cash inflows. In column D: The amounts extended in these transactions. In column E: The market value of the Level 1 collateral received in these transactions.	145–146
277	Transactions involving eligible liquid assets	Of the transactions backed by Level 1 assets, those where the collateral obtained is reported in panel Aa of the "LCR" worksheet as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column D: The amounts extended in these transactions. In column E: The market value of the Level 1 collateral received in these transactions.	145–146
279	Transactions backed by Level 2A assets; of which:	All such transactions in which the bank has obtained collateral in the form of Level 2A assets. These are assumed to lead to a 15% cash inflow due to the reduction of funds extended against the collateral. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2A collateral received in these transactions.	145–146
280	Transactions involving eligible liquid assets	Of the transactions backed by Level 2A assets, those where the collateral obtained is reported in panel Ab of the "LCR" worksheet as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2A collateral received in these transactions.	145–146

Row	Heading	Description	Basel III LCR standards reference
282	Transactions backed by Level 2B RMBS assets; of which:	All such transactions in which the bank has obtained collateral in the form of Level 2B RMBS assets. These are assumed to lead to a 25% cash inflow due to the reduction of funds extended against the collateral. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2B RMBS collateral received in these transactions.	145–146
283	Transactions involving eligible liquid assets	Of the transactions backed by Level 2B RMBS assets, those where the collateral obtained is reported in panel Ac of the "LCR" worksheet as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2B RMBS collateral received in these transactions.	145–146
285	Transactions backed by Level 2B non-RMBS assets; of which:	All such transactions in which the bank has obtained collateral in the form of Level 2B non-RMBS assets. These are assumed to lead to a 50% cash inflow due to the reduction of funds extended against the collateral. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2B non-RMBS collateral received in these transactions.	145–146
286	Transactions involving eligible liquid assets	Of the transactions backed by Level 2B non-RMBS assets, those where the collateral obtained is reported in panel Ac of the "LCR" worksheet as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2B non-RMBS collateral received in these transactions.	145–146
288	Margin lending backed by non-Level 1 or non-Level 2 collateral	Collateralised loans extended to customers for the purpose of taking leveraged trading positions ("margin loans") made against non-HQLA collateral. These are assumed to lead to a 50% cash inflow. In column D: The amounts extended in these transactions. In column E: The market value of the collateral received in these transactions.	145–146
289	Transactions backed by other collateral	All such transactions (other than those reported in line 288) in which the bank has obtained collateral in another form than Level 1 or Level 2 assets. These are assumed not to roll over and therefore lead to a 100% cash inflow. In column D: The amounts extended in these transactions. In column E: The market value of the collateral received in these transactions.	145–146

Row	Heading	Description	Basel III LCR standards reference
290	Of which collateral is re-used (ie is rehypothecated) to cover the reporting institution's outright short positions	If the collateral obtained in these transactions **is** re-used (ie rehypothecated) to cover the reporting institution's outright short positions that could be extended beyond 30 days, it should be assumed that the transactions will be rolled-over and will not give rise to any cash inflows. This reflects the need to continue to cover the short position or to repurchase the relevant securities. Institutions should only report reverse repo amounts in these cells where it itself is short the collateral. If the collateral is not re-used, the transaction should be reported in lines 275 to 289.	145–146
291	Transactions backed by Level 1 assets	All such transactions in which the bank has obtained collateral in the form of Level 1 assets. In column D: The amounts extended in these transactions. In column E: The market value of the Level 1 collateral received in these transactions.	145–146
292	Transactions backed by Level 2A assets	All such transactions in which the bank has obtained collateral in the form of Level 2A assets. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2A collateral received in these transactions.	145–146
293	Transactions backed by Level 2B RMBS assets	All such transactions in which the bank has obtained collateral in the form of Level 2B RMBS assets. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2B RMBS collateral received in these transactions.	145–146
294	Transactions backed by Level 2B non-RMBS assets	All such transactions in which the bank has obtained collateral in the form of Level 2B non-RMBS assets. In column D: The amounts extended in these transactions. In column E: The market value of the Level 2B non-RMBS collateral received in these transactions.	145–146
295	Margin lending backed by non-Level 1 or non-Level 2 collateral	Collateralised loans extended to customers for the purpose of taking leveraged trading positions ("margin loans") made against non-HQLA collateral. In column D: The amounts extended in these transactions. In column E: The market value of the collateral received in these transactions.	145–146
296	Transactions backed by other collateral	All such transactions (other than those reported in line 295) in which the bank has obtained collateral in another form than Level 1 or Level 2 assets. In column D: The amounts extended in these transactions. In column E: The market value of collateral received in these transactions.	145–146

Row	Heading	Description	Basel III LCR standards reference
b)	**Other inflows by counterparty**		
Contractual inflows (including interest payments and instalments) due in ≤ 30 days from fully performing loans, not reported in lines 276 to 296. These include maturing loans that have already been agreed to roll over. The agreed roll-over should also be reported in lines 242 to 246 as appropriate. Inflows should only be taken at the latest possible date, based on the contractual rights available to counterparties. For revolving credit facilities, this assumes that the existing loan is rolled over and that any remaining balances are treated in the same way as a committed facility according to Basel III LCR standards, paragraph 131. Inflows from loans that have no specific maturity (ie have non-defined or open maturity) should not be included; therefore, no assumptions should be applied as to when maturity of such loans would occur. An exception to this, as noted below, would be minimum payments of principal, fee or interest associated with an open maturity loan, provided that such payments are contractually due within 30 days.			
302	Retail customers	All payments (including interest payments and instalments) from retail customers on fully performing loans not reported in lines 276 to 296 that are contractually due within the 30-day horizon. Only contractual payments due should be reported, eg required minimum payments of principal, fee or interest, and not total loan balances of undefined or open maturity.	153
303	Small business customers	All payments (including interest payments and instalments) from small business customers on fully performing loans not reported in lines 276 to 296 that are contractually due within the 30-day horizon. Only contractual payments due should be reported, eg required minimum payments of principal, fee or interest, and not total loan balances of undefined or open maturity.	153
304	Non-financial corporates	All payments (including interest payments and instalments) from non-financial corporates on fully performing loans not reported in lines 276 to 296 that are contractually due within the 30-day horizon. Only contractual payments due should be reported, eg required minimum payments of principal, fee or interest, and not total loan balances of undefined or open maturity.	154
305	Central banks	All payments (including interest payments and instalments) from central banks on fully performing loans. Central bank reserves (including required reserves) including banks' overnight deposits with the central bank, and term deposits with the central bank that: (i) are explicitly and contractually repayable on notice from the depositing bank; or (ii) that constitute a loan against which the bank can borrow on a term basis or on an overnight but automatically renewable basis (only where the bank has an existing deposit with the relevant central bank), should be reported in lines 7 or 8 and not here. If the term of other deposits (not included in lines 7 or 8) expires within 30 days, it should be included in this line.	154
306	Financial institutions, of which	All payments (including interest payments and instalments) from financial institutions on fully performing loans not reported in lines 276 to 296 that are contractually due within the 30-day horizon. Only contractual payments due should be reported, eg required minimum payments of principal, fee or interest, and not total loan balances of undefined or open maturity.	154
307	operational deposits	All deposits held at other financial institutions for operational activities, as outlined in the Basel III LCR standards, paragraphs 93 to 104, such as for clearing, custody, and cash management activities.	156

Row	Heading	Description	Basel III LCR standards reference
308	deposits at the centralised institution of an institutional network that receive 25% run-off	For banks that belong to a cooperative network as described in paragraphs 105 and 106 of the Basel III LCR standards, this item includes all (portions of) deposits (not included in line item 307) held at the centralised institution in the cooperative banking network that are placed (a) due to statutory minimum deposit requirements which are registered at regulators, or (b) in the context of common task sharing and legal, statutory or contractual arrangements. These deposits receive a 25% run-off at the centralised institution.	157
309	all payments on other loans and deposits due in ≤ 30 days	All payments (including interest payments and instalments) from financial institutions on fully performing unsecured and secured loans, that are contractually due within the 30-day horizon, and the amount of deposits held at financial institutions that is or becomes available within 30 days, and that are not included in lines 307 or 308. Banks may also recognise in this category inflows from the release of balances held in segregated accounts in accordance with regulatory requirements for the protection of customer trading assets, provided that these segregated balances are maintained in Level 1 or Level 2 assets. This inflow should be calculated in line with the treatment of other related outflows and inflows covered in this standard.	154
310	Other entities	All payments (including interest payments and instalments) from other entities (including sovereigns, multilateral development banks, and PSEs) on fully performing loans that are contractually due within 30 days, not included in lines 302 to 309.	154

Row	Heading	Description	Basel III LCR standards reference
c)	**Other cash inflows**		
316	Derivatives cash inflow	Banks should calculate, in accordance with their existing valuation methodologies, expected contractual derivative cash inflows and outflows. Cash flows may be calculated on a net basis (ie inflows can offset outflows) by counterparty, only where a valid master netting agreement exists. The sum of all net cash inflows should be reported here. The sum of all net cash outflows should be reported in line 214. Banks should exclude from such calculations those liquidity requirements that would result from increased collateral needs due to market value movements (to be reported in line 222) or falls in value of collateral posted (reported in line 217 and line 218). Options should be assumed to be exercised when they are 'in the money' to the option buyer. Where derivatives are collateralised by HQLA, cash inflows should be calculated net of any corresponding cash or contractual collateral outflows that would result, all other things being equal, from contractual obligations for cash or collateral to be posted by the bank, given these contractual obligations would reduce the stock of HQLA. This is in line with the principle that banks should not double count liquidity inflows and outflows. **Note that cash flows do not equal the marked-to-market value, since the marked-to-market value also includes estimates for contingent inflows and outflows and may include cash flows that occur beyond the 30-day horizon.** It is generally expected that a positive amount would be provided for both this line item and line 214 for institutions engaged in derivatives transactions.	158, 159
317	Contractual inflows from securities maturing ≤ 30 days and not included anywhere above	Contractual inflows from securities, including certificates of deposit, maturing ≤ 30 days that are not already included in any other item of the LCR framework, provided that they are fully performing (ie no default expected). Level 1 and Level 2 securities maturing within 30 days should be included in the stock of liquid assets in panel A, provided that they meet all operational and definitional requirements outlined in the Basel III LCR standards.	155
318	Other contractual cash inflows	Any other contractual cash inflows to be received ≤ 30 days that are not already included in any other item of the LCR framework. Inflow percentages should be determined as appropriate for each type of inflow by supervisors in each jurisdiction. Cash inflows related to non-financial revenues are **not** to be included, since they are not taken into account in the calculation of LCR. Any non-contractual contingent inflows should not be reported, as they are not included in the LCR. **Please provide your supervisor with an explanatory note on any amounts included in this line.**	160
Cap on cash inflows In order to prevent banks from relying solely on anticipated inflows to meet their liquidity requirement, and also to ensure a minimum level of HQLA holdings, the amount of inflows that can offset outflows is capped at 75% of total expected cash outflows as calculated in the standard. This requires that a bank must maintain a minimum amount of stock of HQLA equal to 25% of the total net cash outflows (Basel III LCR standards, paragraph 144).			
324	Cap on cash inflows	The cap on cash inflows is equal to 75% of total cash outflows.	69, 144

Row	Heading	Description	Basel III LCR standards reference
325	Total cash inflows after applying the cap	The amount of total cash inflows after applying the cap is the lower of the total cash inflows before applying the cap and the level of the cap.	69, 144

6.1.4 Collateral swaps (panel C)

Any transaction maturing within 30 days in which non-cash assets are swapped for other non-cash assets, should be reported in this panel. "Level 1 assets" in this section refers to Level 1 assets other than cash. **Please refer to the instructions from your supervisor for the specification of items related to Level 2B assets in this subsection.**

Row	Heading	Description	Basel III LCR standards reference
330	Collateral swaps maturing ≤ 30 days	Any transaction maturing within 30 days in which non-cash assets are swapped for other non-cash assets.	48, 113, 146, Annex 1
331	Of which the borrowed assets are not re-used (ie are not rehypothecated) to cover short positions	Such transactions in which the collateral obtained is not re-used (ie is not rehypothecated) in transactions to cover short positions. If the collateral is re-used, the transaction should be reported in lines 406 to 430.	48, 113, 146, Annex 1
332	Level 1 assets are lent and Level 1 assets are borrowed; of which:	Such transactions in which the bank has swapped Level 1 assets (lent) for other Level 1 assets (borrowed).	48, 113, 146, Annex 1
333	Involving eligible liquid assets	Of the transactions where Level 1 assets are lent and Level 1 assets are borrowed, those where: (i) the Level 1 collateral borrowed is reported in panel Aa of the "LCR" worksheet (which should also be reported in E333), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 1 collateral lent would otherwise qualify to be reported in panel Aa of the "LCR" worksheet (which is the value that should be reported in D333), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
335	Level 1 assets are lent and Level 2A assets are borrowed; of which:	Such transactions in which the bank has swapped Level 1 assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
336	Involving eligible liquid assets	Of the transactions where Level 1 assets are lent and Level 2A assets are borrowed, those where: (i) the Level 2A collateral borrowed is reported in panel Ab of the "LCR" worksheet (which should also be reported in E336), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 1 collateral lent would otherwise qualify to be reported in panel Aa of the "LCR" worksheet (which is the value that should be reported in D336), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
338	Level 1 assets are lent and Level 2B RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 1 assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
339	Involving eligible liquid assets	Of the transactions where Level 1 assets are lent and Level 2B RMBS assets are borrowed, those where: (i) the Level 2B RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E339), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 1 collateral lent would otherwise qualify to be reported in panel Aa of the "LCR" worksheet (which is the value that should be reported in D339), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
341	Level 1 assets are lent and Level 2B non-RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 1 assets (lent) for Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
342	Involving eligible liquid assets	Of the transactions where Level 1 assets are lent and Level 2B non-RMBS assets are borrowed, those where: (i) the Level 2B non-RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E342), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 1 collateral lent would otherwise qualify to be reported in panel Aa of the "LCR" worksheet (which is the value that should be reported in D342), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
344	Level 1 assets are lent and other assets are borrowed; of which:	Such transactions in which the bank has swapped Level 1 assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
345	Involving eligible liquid assets	Of the transactions where Level 1 assets are lent and other assets are borrowed, those where: (a) the Level 1 collateral lent would otherwise qualify to be reported in panel Aa of the "LCR" worksheet (value to be reported in D345), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards); **and** (b) the collateral borrowed is non-Level 1 and non-Level 2 assets (which is the value that should be reported in E345).	48, 113, 146, Annex 1
347	Level 2A assets are lent and Level 1 assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2A assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1
348	Involving eligible liquid assets	Of the transactions where Level 2A assets are lent and Level 1 assets are borrowed, those where: (i) the Level 1 collateral borrowed is reported in panel Aa of the "LCR" worksheet (which should also be reported in E348), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2A collateral lent would otherwise qualify to be reported in panel Ab of the "LCR" worksheet (which is the value that should be reported in D348), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
350	Level 2A assets are lent and Level 2A assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2A assets (lent) for other Level 2A assets (borrowed).	48, 113, 146, Annex 1
351	Involving eligible liquid assets	Of the transactions where Level 2A assets are lent and Level 2A assets are borrowed, those where: (i) the Level 2A collateral borrowed is reported in panel Ab of the "LCR" worksheet (which should also be reported in E351), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2A collateral lent would otherwise qualify to be reported in panel Ab of the "LCR" worksheet (which is the value that should be reported in D351), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
353	Level 2A assets are lent and Level 2B RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2A assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
354	Involving eligible liquid assets	Of the transactions where Level 2A assets are lent and Level 2B RMBS assets are borrowed, those where: (i) the Level 2B RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E354), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2A collateral lent would otherwise qualify to be reported in panel Ab of the "LCR" worksheet (which is the value that should be reported in D354), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
356	Level 2A assets are lent and Level 2B non-RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2A assets (lent) for other Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
357	Involving eligible liquid assets	Of the transactions where Level 2A assets are lent and Level 2B non-RMBS assets are borrowed, those where: (i) the Level 2B non-RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E357), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2A collateral lent would otherwise qualify to be reported in panel Ab of the "LCR" worksheet (which is the value that should be reported in D357), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
359	Level 2A assets are lent and other assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2A assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1
360	Involving eligible liquid assets	Of the transactions where Level 2A assets are lent and other assets are borrowed, those where: (i) the Level 2A collateral lent would otherwise qualify to be reported in panel Ab of the "LCR" worksheet (which is the value that should be reported in D360), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards); **and** (ii) the collateral borrowed is non-Level 1 and non-Level 2 assets (which is the value that should be reported in E360).	48, 113, 146, Annex 1
362	Level 2B RMBS assets are lent and Level 1 assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
363	Involving eligible liquid assets	Of the transactions where Level 2B RMBS assets are lent and Level 1 assets are borrowed, those where: (i) the Level 1 collateral borrowed is reported in panel Aa of the "LCR" worksheet (which should also be reported in E363), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D363), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
365	Level 2B RMBS assets are lent and Level 2A assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1
366	Involving eligible liquid assets	Of the transactions where Level 2B RMBS assets are lent and Level 2A assets are borrowed, those where: (i) the Level 2A collateral borrowed is reported in panel Ab of the "LCR" worksheet (which should also be reported in E366), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D366), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
368	Level 2B RMBS assets are lent and Level 2B RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
369	Involving eligible liquid assets	Of the transactions where Level 2B RMBS assets are lent and Level 2B RMBS assets are borrowed, those where: (i) the Level 2B RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E369), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D369), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
371	Level 2B RMBS assets are lent and Level 2B non-RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for other Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
372	Involving eligible liquid assets	Of the transactions where Level 2B RMBS assets are lent and Level 2B non-RMBS assets are borrowed, those where: (i) the Level 2B non-RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E372), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D372), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
374	Level 2B RMBS assets are lent and other assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1
375	Involving eligible liquid assets	Of the transactions where Level 2B RMBS assets are lent and other assets are borrowed, those where: (i) the Level 2B RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D375), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards); **and** (ii) the collateral borrowed is non-Level 1 and non-Level 2 assets (which is the value that should be reported in E375).	48, 113, 146, Annex 1
377	Level 2B non-RMBS assets are lent and Level 1 assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1
378	Involving eligible liquid assets	Of the transactions where Level 2B non-RMBS assets are lent and Level 1 assets are borrowed, those where: (i) the Level 1 collateral borrowed is reported in panel Aa of the "LCR" worksheet (which should also be reported in E378), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B non-RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D378), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
380	Level 2B non-RMBS assets are lent and Level 2A assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
381	Involving eligible liquid assets	Of the transactions where Level 2B non-RMBS assets are lent and Level 2A assets are borrowed, those where: (i) the Level 2A collateral borrowed is reported in panel Ab of the "LCR" worksheet (which should also be reported in E381), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B non-RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D381), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
383	Level 2B non-RMBS assets are lent and Level 2B RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
384	Involving eligible liquid assets	Of the transactions where Level 2B non-RMBS assets are lent and RMBS assets are borrowed, those where: (i) the RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E384), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B non-RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D384), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
386	Level 2B non-RMBS assets are lent and Level 2B non-RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for other Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
387	Involving eligible liquid assets	Of the transactions where Level 2B non-RMBS assets are lent and Level 2B non-RMBS assets are borrowed, those where: (i) the Level 2B non-RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E387), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the Level 2B non-RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D387), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards).	48, 113, 146, Annex 1
389	Level 2B non-RMBS assets are lent and other assets are borrowed; of which:	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
390	Involving eligible liquid assets	Of the transactions where Level 2B non-RMBS assets are lent and other assets are borrowed, those where: (i) the Level 2B non-RMBS collateral lent would otherwise qualify to be reported in panel Ac of the "LCR" worksheet (which is the value that should be reported in D390), if they were not already securing the particular transaction in question (ie would be unencumbered and would meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards); **and** (ii) the collateral borrowed is non-Level 1 and non-Level 2 assets (which is the value that should be reported in E390).	48, 113, 146, Annex 1
392	Other assets are lent and Level 1 assets are borrowed; of which:	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1
393	Involving eligible liquid assets	Of the transactions where other assets are lent and Level 1 assets are borrowed, those where: (i) the Level 1 collateral borrowed is reported in panel Aa of the "LCR" worksheet (which should also be reported in E393), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the collateral lent is non-Level 1 and non-Level 2 assets (which is the value that should be reported in D393).	48, 113, 146, Annex 1
395	Other assets are lent and Level 2A assets are borrowed; of which:	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1
396	Involving eligible liquid assets	Of the transactions where other assets are lent and Level 2A assets are borrowed, those where: (i) the Level 2A collateral borrowed is reported in panel Ab of the "LCR" worksheet (which should also be reported in E396), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the collateral lent is non-Level 1 and non-Level 2 assets (which is the value that should be reported in D396).	48, 113, 146, Annex 1
398	Other assets are lent and Level 2B RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
399	Involving eligible liquid assets	Of the transactions where other assets are lent and Level 2B RMBS assets are borrowed, those where: (i) the Level 2B RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E399), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the collateral lent is non-Level 1 and non-Level 2 assets (which is the value that should be reported in D399).	48, 113, 146, Annex 1
401	Other assets are lent and Level 2B non-RMBS assets are borrowed; of which:	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
402	Involving eligible liquid assets	Of the transactions where other assets are lent and Level 2B non-RMBS assets are borrowed, those where: (i) the Level 2B non-RMBS collateral borrowed is reported in panel Ac of the "LCR" worksheet (which should also be reported in E402), as the assets meet the operational requirements for HQLA as specified in paragraphs 28 to 40 of the Basel III LCR standards; **and** (ii) the collateral lent is non-Level 1 and non-Level 2 assets (which is the value that should be reported in D402).	48, 113, 146, Annex 1
404	Other assets are lent and other assets are borrowed	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1
405	Of which the borrowed assets are re-used (ie are rehypothecated) in transactions to cover short positions	If the collateral obtained in these transactions is re-used (ie rehypothecated) to cover short positions that could be extended beyond 30 days, it should be assumed that the transactions will be rolled-over and will not give rise to any cash inflows. This reflects the need to continue to cover the short position or to repurchase the relevant securities. If the collateral is not re-used, the transaction should be reported in lines 332 to 404.	48, 113, 146, Annex 1
406	Level 1 assets are lent and Level 1 assets are borrowed	Such transactions in which the bank has swapped Level 1 assets (lent) for other Level 1 assets (borrowed).	48, 113, 146, Annex 1
407	Level 1 assets are lent and Level 2A assets are borrowed	Such transactions in which the bank has swapped Level 1 assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1
408	Level 1 assets are lent and Level 2B RMBS assets are borrowed	Such transactions in which the bank has swapped Level 1 assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
409	Level 1 assets are lent and Level 2B non-RMBS assets are borrowed	Such transactions in which the bank has swapped Level 1 assets (lent) for Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
410	Level 1 assets are lent and other assets are borrowed	Such transactions in which the bank has swapped Level 1 assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1
411	Level 2A assets are lent and Level 1 assets are borrowed	Such transactions in which the bank has swapped Level 2A assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1
412	Level 2A assets are lent and Level 2A assets are borrowed	Such transactions in which the bank has swapped Level 2A assets (lent) for other Level 2A assets (borrowed).	48, 113, 146, Annex 1
413	Level 2A assets are lent and Level 2B RMBS assets are borrowed	Such transactions in which the bank has swapped Level 2A assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
414	Level 2A assets are lent and Level 2B non-RMBS assets are borrowed	Such transactions in which the bank has swapped Level 2A assets (lent) for Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
415	Level 2A assets are lent and other assets are borrowed	Such transactions in which the bank has swapped Level 2A assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1

Row	Heading	Description	Basel III LCR standards reference
416	Level 2B RMBS assets are lent and Level 1 assets are borrowed	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1
417	Level 2B RMBS assets are lent and Level 2A assets are borrowed	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1
418	Level 2B RMBS assets are lent and Level 2B RMBS assets are borrowed	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for other Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
419	Level 2B RMBS assets are lent and Level 2B non-RMBS assets are borrowed	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
420	Level 2B RMBS assets are lent and other assets are borrowed	Such transactions in which the bank has swapped Level 2B RMBS assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1
421	Level 2B non-RMBS assets are lent and Level 1 assets are borrowed	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1
422	Level 2B non-RMBS assets are lent and Level 2A assets are borrowed	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1
423	Level 2B non-RMBS assets are lent and Level 2B RMBS assets are borrowed	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
424	Level 2B non-RMBS assets are lent and Level 2B non-RMBS assets are borrowed	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for other Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
425	Level 2B non-RMBS assets are lent and other assets are borrowed	Such transactions in which the bank has swapped Level 2B non-RMBS assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1
426	Other assets are lent and Level 1 assets are borrowed	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 1 assets (borrowed).	48, 113, 146, Annex 1
427	Other assets are lent and Level 2A assets are borrowed	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 2A assets (borrowed).	48, 113, 146, Annex 1
428	Other assets are lent and Level 2B RMBS assets are borrowed	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 2B RMBS assets (borrowed).	48, 113, 146, Annex 1
429	Other assets are lent and Level 2B non-RMBS assets are borrowed	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for Level 2B non-RMBS assets (borrowed).	48, 113, 146, Annex 1
430	Other assets are lent and other assets are borrowed	Such transactions in which the bank has swapped other assets than Level 1 or Level 2 assets (lent) for other assets than Level 1 or Level 2 assets (borrowed).	48, 113, 146, Annex 1

6.2 Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ratio has been developed to ensure a stable funding profile in relation to the characteristics of the composition of an institution's assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. This metric establishes a minimum level of stable funding based on the liquidity characteristics of an institution's on- and off-balance sheet items over a one year horizon.

The NSFR is defined as the ratio of the amount of available stable funding to the amount of required stable funding. *Available* stable funding is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of such funding *required* of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet exposures.

Banks should report their NSFR using the same scope of application as for the Liquidity Coverage Ratio. All references to LCR definitions in the NSFR refer to the definitions in the LCR standard published by the Basel Committee. Supervisors who have chosen to implement a more stringent definition in their domestic LCR rules than those set out in the Basel Committee LCR standard have discretion over whether to apply this stricter definition for the purposes of implementing the NSFR requirements in their jurisdiction.

The template asks banks to allocate their liabilities and capital as reported on their balance sheet to the specific Available Stable Funding (ASF) categories outlined below. Banks should allocate the assets reported on their balance sheet to specific Required Stable Funding (RSF) categories according to:

(i) their remaining maturity;

(ii) whether they are unencumbered or encumbered; and,

(iii) if they are encumbered, the duration of the encumbrance.

Treatment of securities financing transactions

Use of balance sheet and accounting treatments should generally result in banks **excluding,** from their assets, securities which they have borrowed in securities financing transactions (such as reverse repos and collateral swaps) where they do not have beneficial ownership. In contrast, banks should **include** securities they have lent in securities financing transactions (such as repos or collateral swaps) where they retain beneficial ownership.

Banks should also exclude any securities they have received through collateral swaps if these securities do not appear on their balance sheets.

Where banks have encumbered securities in repos or other securities financing transactions, but have retained beneficial ownership and those assets remain on the bank's balance sheet, the bank should allocate such securities to the appropriate RSF category.

Securities financing transactions with a single counterparty may be measured net when calculating the NSFR, provided that the netting conditions set out in Paragraph 33(i) of the Basel III Leverage ratio framework are met.

Treatment of encumbrance

In accordance with the principle that a bank cannot derive liquidity benefit from assets that they have encumbered, banks are required to identify whether specific assets have been encumbered and for what duration. For each category of assets, banks should report in separate lines the balances of encumbered and unencumbered assets in the appropriate column, depending on the residual maturity of the asset.

Assets encumbered for exceptional central bank liquidity operations[44] where national supervisors and central banks have agreed to a reduced RSF factor (not lower than the RSF factor applied to the equivalent asset that is unencumbered) should report such values separately as described below.

Further details of how encumbrance is to be reported are included at the start of section 6.2.2.

Treatment of derivatives payables and derivatives receivables

A bank will usually have both derivatives liabilities (ie payables) and derivative assets (ie receivables) on its balance sheet. Derivative liabilities are calculated first based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a negative value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 8 and 9 of the annex of the Basel III leverage ratio framework, the replacement cost for the set of derivative exposures covered by the contract will be the net replacement cost. In calculating NSFR derivative liabilities, collateral posted in the form of variation margin in connection with derivatives contracts, regardless of the asset type, must be deducted from the negative replacement cost amount.[45,46]

Derivative assets are calculated first based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a positive value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 8 and 9 of the annex of the Basel III leverage ratio framework, the replacement cost for the set of derivative exposures covered by the contract will be the net replacement cost.

In calculating NSFR derivatives assets, collateral received in connection with derivatives contracts may not offset the positive replacement cost amount, regardless of whether or not netting is permitted under the bank's operative accounting or risk-based framework, unless it is received in the form of cash variation margin and meets the conditions as specified in paragraph 25 of the Basel III Leverage ratio framework or further specified in any related FAQ.[47] Any remaining balance sheet liability associated with (a) variation margin received that does not meet the criteria above or (b) initial margin received may not offset derivative assets and should be assigned a 0% ASF factor.

6.2.1 Available stable funding (panel A)

The available amount of stable funding is calculated by first assigning the **carrying value** of an institution's capital and liabilities to the categories below, which are also listed in Table 1, page 6 of the Basel III NSFR standards.[48] Carrying value represents the amount at which a liability or equity instrument is recorded before the application of any regulatory deductions, filters or other adjustments and is the amount prior to the application of any ASF factors.

Some amendments have been made to the definitions in the Basel III NSFR standards to take into account the collection of data in maturity buckets.

44 In general, exceptional central bank liquidity operations are considered to be non-standard, temporary operations conducted by the central bank in order to achieve its mandate in a period of market-wide financial stress and/or exceptional macroeconomic challenges.

45 NSFR derivative liabilities = (derivative liabilities) – (total collateral posted as variation margin on derivative liabilities)

46 To the extent the bank's accounting framework reflects on balance sheet, in connection with a derivatives contract, an asset associated with collateral posted as variation margin that is deducted from the replacement cost amount for purposes of the NSFR, that asset should not be included in the calculation of a bank's RSF to avoid any double counting.

47 NSFR derivative assets = (derivative assets) – (cash collateral received as variation margin on derivative assets)

48 www.bis.org/bcbs/publ/d295.htm.

- Institutions should report all capital and liabilities to the appropriate columns based on maturity.
- When determining the maturity of an instrument, investors are assumed to redeem a call option at the earliest possible date. For funding with options exercisable at the bank's discretion supervisors should take into account reputational factors that may limit a bank's ability not to exercise the option.[49] In particular, where the market expects certain liabilities to be redeemed before their legal final maturity date, banks and supervisors should assume such behaviour for the purpose of the NSFR and include these liabilities in the corresponding ASF category. For long-dated liabilities, only the portion of cash flows falling at or beyond the six-month and one-year time horizons should be treated as having an effective residual maturity of six months or more and one year or more, respectively.
- For retail and small business customers the same methodology for determining maturity should be followed in the NSFR as in the LCR.
- Deposits with a fixed term should be allocated to the appropriate maturity bucket; non-maturity (demand) deposits should be reported in the column for less than six months.

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
6	Tier 1 and 2 capital (Basel III 2022), before the application of capital deductions and excluding the proportion of Tier 2 instruments with residual maturity of less than one year	The total amount of regulatory capital, before the application of capital deductions, as defined in paragraph 49 of the Basel III capital standards, excluding the proportion of Tier 2 instruments with residual maturity of less than one year. Amounts reported here should only include amounts after transitional arrangements have expired under fully implemented Basel III standards (ie as in 2022). Standards governing Tier 1 and Tier 2 capital are described in the Basel III capital standards.	21(a)
8	Capital instruments not included above with an effective residual maturity of one year or more	The total amount of any capital instrument not included in line 6 that has an effective residual maturity of one year or more but excluding any instruments with explicit or embedded options that, if exercised, would reduce the expected maturity to less than one year.	21(b)
9	"Stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers	"Stable" non-maturity (demand) deposits and/or term deposits (as defined in the LCR in paragraphs 75 to 78) provided by retail customers and small business customers. Term deposits, regardless of the residual contractual maturity, which may be withdrawn early without entailing a withdrawal penalty significantly greater than the loss of interest should be reported in the <6 months column.	21(c), 22

[49] This could reflect a case where a bank may imply that it would be subject to funding risk if it did not exercise an option on its own funding.

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
11	"Less stable" (as defined in the LCR) demand and/or term deposits from retail and small business customers	"Less stable" (as defined in the LCR in paragraphs 79 to 81) non-maturity (demand) deposits and/or term deposits provided by retail and small business customers. Term deposits, regardless of the residual contractual maturity, which may be withdrawn early without entailing a withdrawal penalty significantly greater than the loss of interest should be reported in the <6 months column.	21(c), 23
13	Unsecured funding from non-financial corporates	Unsecured funding, non-maturity deposits and/or term deposits provided by non-financial corporates (excluding small business customers).	21(c), 24(a)
14	Of which is an operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by non-financial corporates with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
15	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by non-financial corporates without operational relationships, as defined in the LCR.	107–108 (Basel III LCR standards)
16	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by non-financial corporates.	
20	Unsecured funding from central banks	Unsecured funding, non-maturity deposits and/or term deposits provided by central banks.	21(c), 24(b), 24(d), 25(a)
21	Of which is an operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by central banks with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
22	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by central banks without operational relationships, as defined in the LCR.	107–108 (Basel III LCR standards)
23	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by central banks.	
25	Unsecured funding from sovereigns, PSEs, MDBs and NDBs	Unsecured funding, non-maturity deposits and/or term deposits provided by sovereigns, public sector entities (PSEs), multilateral development banks (MDBs) and national development banks (NDBs). Banks should include in this line unsecured funding received from the Bank for International Settlements, the International Monetary Fund and the European Commission.	21(c), 24(c)
26	Of which is an operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by sovereigns, PSEs, MDBs and NDBs with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
27	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the portion of unsecured deposits provided by sovereigns, PSEs, MDBs and NDBs without operational relationships, as defined in the LCR.	107–108 (Basel III LCR standards)
28	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by sovereigns, PSEs, MDBs and NDBs.	

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
32	Unsecured funding from other legal entities (including financial corporates and financial institutions)	The total amount of unsecured borrowings and liabilities (including term deposits) not reported in rows 13 to 28, comprising funding from other legal entities (including financial corporates and financial institutions (other than banks that are members of the same cooperative network of banks).	21(c), 24(b), 24(d), 25(a)
33	Of which is an operational deposit (as defined in the LCR)	Banks should report the total amount of unsecured deposits provided by other legal entities with operational relationships, as defined in the LCR.	93–104 (Basel III LCR standards)
34	Of which is a non-operational deposit (as defined in the LCR)	Banks should report the total amount of unsecured deposits provided by other legal entities without operational relationships, as defined in the LCR.	109 (Basel III LCR standards)
35	Of which is non-deposit unsecured funding	Banks should report any non-deposit unsecured funding provided by other legal entities (including financial corporates and financial institutions). Banks should report here any non-deposit unsecured funding for which a counterparty cannot be determined (and is thus not reported in lines 16, 23, and/or 28) such as unsecured debt issuance.	
39	Deposits from members of the same cooperative network of banks subject to national discretion as defined in FN 10	In accordance with footnote 10 of the Basel III NSFR standards, this section should only be used to report deposits that exist between banks within the same cooperative network, provided they are either (a) required by law in some jurisdictions to be placed at the central organisation and are legally constrained within the cooperative bank network as minimum deposit requirements, or (b) in the context of common task sharing and legal, statutory or contractual arrangements, so long as the bank that has received the monies and the bank that has deposited participate in the same institutional network's mutual protection scheme against illiquidity and insolvency of its members. If deposits are placed in the context of (a) above, then banks should allocate the total amount of deposits received from members of their institutional network of cooperative banks according to underlying funding source in Panel D (lines 277 to 294 below), and the total balance reported in those lines should equal the balance reported here. If deposits are placed in the context of (b) above, then banks should report balances in this row but **do not** need to report balances in Panel D (lines 277 to 294 below). Any deposits that are operational deposits according to paragraphs 93 to 104 of the Basel III LCR standards or other deposits from members of their institutional networks of cooperative networks would be reported in line 41.	105(a) (Basel III LCR standards), footnote 10, 21(c)

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
41	Other deposits from members of a cooperative network of banks	Banks should report any deposits from banks that are members of the same cooperative network of banks that are operational deposits according to paragraphs 93 to 104 of the Basel III LCR standards or other deposits from members of their cooperative networks that are not included in line 39.	
42	Secured borrowings and liabilities (including secured term deposits): of which are from:	The total amount of secured borrowings and liabilities (including term deposits). Secured funding is defined as those liabilities and general obligations that are collateralised by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution.	21(c), 24, 25(a)
43	Retail and small business customers	The amount of secured borrowings and liabilities (including term deposits) from retail and small business customers.	
44	Non-financial corporates	The amount of secured borrowings and liabilities (including term deposits) from non-financial corporates.	
45	Central banks	The amount of secured borrowings and liabilities (including term deposits) from central banks.	
46	Sovereigns/PSEs/MDBs/NDBs	The amount of secured borrowings and liabilities (including term deposits) from sovereigns/PSEs and multilateral and national development banks.	
47	Other legal entities (including financial corporates and financial institutions)	The amount of secured borrowings and liabilities (including term deposits) from other legal entities (including financial corporates and financial institutions).	
49	Derivative Liabilities, gross of variation margin posted	Report derivative liabilities based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a negative value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 8 and 9 of the annex of the Basel III leverage ratio framework, the replacement cost for the set of derivative exposures covered by the contract will be the net replacement cost. The value reported here should be gross of variation margin posted. That is, it should represent derivative liabilities prior to the deduction of variation margin posted.	19
50	Of which are derivative liabilities where the counterparty is exempt from BCBS-IOSCO margin requirements; of which:	Report derivative liabilities (as described above), gross of variation margin posted, where the counterparty is exempt from BCBS-IOSCO margin requirements, as laid out in paragraph 2(c) of the *BCBS-IOSCO margin requirements for non-centrally cleared derivatives*.[50]	
51	Non-financial entities that are not systemically important	Derivative liabilities with non-financial entities that are not systemically important and are exempt from BCBS-IOSCO margin requirements.	

[50] Basel Committee on Banking Supervision and Board of the International Organization of Securities Commissions, *Margin requirements for non-centrally cleared derivatives*, September 2013, www.bis.org/publ/bcbs261.htm.

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
52	Sovereigns/Central Banks/MDBs/BIS	Derivative liabilities with sovereign/Central Bank/MDB/BIS counterparties exempt from BCBS-IOSCO margin requirements.	
54	Total variation margin posted	All collateral posted in the form of variation margin in connection with derivative contracts, regardless of asset type. To the extent the bank's accounting framework reflects on balance sheet, in connection with a derivatives contract, an asset associated with collateral posted as variation margin that is deducted from the replacement cost amount for purposes of the NSFR, that asset should not be included in RSF items below to avoid any double counting.	
55	Of which is posted to counterparties exempted from BCBS-IOSCO margin requirements; of which:	All collateral posted in the form of variation margin in row 54 above that is posted to counterparties exempt from BCBS-IOSCO margin rules, as laid out in paragraph 2(c) of the BCBS-IOSCO Margin requirements for non-centrally cleared derivatives.	
56	Non-financial entities that are not systemically important	Variation margin posted to non-financial entities that are not systemically important and are exempt from BCBS-IOSCO margin requirements.	
57	Sovereigns/Central Banks/MDBs/BIS	Variation margin posted to sovereign/Central Bank/MDB/BIS counterparties exempt from BCBS-IOSCO margin requirements.	
59	NSFR derivative liabilities (derivative liabilities less total collateral posted as variation margin on derivative liabilities)	Non-entry field. In calculating NSFR derivative liabilities, collateral posted in the form of variation margin in connection with derivatives contracts, regardless of the asset type, is deducted from the negative replacement cost amount or the negative net replacement cost where applicable.[51]	19, 20, FN 6
60	Total initial margin received	All cash, securities or other assets received as initial margin for all derivative contracts (eg, including any independent amount received in relation to OTC contracts).	
61	Of which, initial margin received in the form of cash	Cash received as initial margin for derivative contracts	
62	Of which, initial margin received in the form of Level 1 securities	Initial margin received, in the form of Level 1 securities for derivative contracts	
63	Of which, initial margin received in the form of all other collateral	Initial margin received, in the form of collateral other than cash or Level 1 securities included above in rows 61 to 62.	

[51] NSFR derivative liabilities = (derivative liabilities) – (total collateral posted as variation margin on derivative liabilities)

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
65	Total initial margin received, in the form of any collateral type, according to residual maturity of associated derivative contract(s)	All cash, securities or other assets received as initial margin for derivative contracts. Report initial margin balances in this category according to the residual maturity of the derivative contract(s) directly associated with the initial margin. In the case of pooled collateral, report the maturity of initial margin balances according to the maturity of the derivative contract with the longest term in the applicable netting set that contributes to an initial margin requirement. Contracts that are fully offsetting (ie long and short positions in identical contracts) and do not contribute to an initial margin requirement may be excluded from the determination of maturity. The sum of this category should equal total initial margin received in row 60 above.	
67	Initial margin received, in the form of any collateral type, from counterparties exempt from BCBS-IOSCO margin requirements; of which:	Cash, securities or other assets received as initial margin for derivative contracts from counterparties exempt from BCBS-IOSCO margin requirements for non-centrally cleared derivatives.	
68	Non-financial entities that are not systemically important	Cash, securities or other assets received as initial margin for derivative contracts from non-financial entities that are not systemically important and are exempt from BCBS-IOSCO margin requirements.	
69	Sovereigns/Central Banks/MDBs/BIS	Cash, securities or other assets received as initial margin for derivative contracts from sovereign/Central Bank/MDB/BIS counterparties exempt from BCBS-IOSCO margin requirements.	
72	Deferred tax liabilities (DTLs)	The amount of deferred tax liabilities, reported according to the nearest possible date in which such liabilities could be realised.	25(b)
73	Minority interest	The amount of minority interest, reported according to the term of the instrument, usually in perpetuity.	25(b)
74	Trade date payables	The amount of payables arising from purchases of financial instruments, foreign currencies and commodities that (i) are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transaction, or (ii) have failed to, but are still expected to, settle.	25(d)

Row	Heading	Description	Basel III NSFR standards reference (unless otherwise noted)
75	Interdependent liabilities	National supervisors have discretion in limited circumstances to determine interdependent assets and liabilities in accordance with paragraph 45 of Basel III NSFR standards. Report here liability items which, on the basis of contractual arrangements, are interdependent on corresponding assets report in line 249 below such that: the liability cannot fall due while the asset remains on the balance sheet, the principal payment flows from the asset cannot be used for something other than repaying the liability, and the liability cannot be used to fund other assets. For interdependent items, supervisors may adjust RSF and ASF factors so that they are both 0%, subject to the following criteria: • The individual interdependent asset and liability items must be clearly identifiable. • The maturity and principal amount of both the liability and its interdependent asset should be the same. • The bank is acting solely as a pass-through unit to channel the funding received (the interdependent liability) into the corresponding interdependent asset. • The counterparties for each pair of interdependent liabilities and assets should not be the same.	45
76	All other liability and equity categories not included above	All other liabilities of the institution (not otherwise reported in above categories) should be accounted for in this row at their carrying value. The value of short positions and open maturity positions should be reported in the < 6 month column. Note: deductions from capital should not be included in the amount reported in this line item, and should instead be reported according to the instructions in line 247 below.	21(c), 24(d), 25(a), 25(b)

6.2.2 Required stable funding (panel B)

The amount of required stable funding (RSF) is measured using assumptions on the broad characteristics of the liquidity risk profile of an institution's assets and off-balance sheet exposures. The amount of required stable funding is calculated by first assigning the **carrying value** of an institution's assets to the categories below, which are also listed in Table 2, page 11 of the Basel III NSFR standards. The amount assigned to each category is then multiplied by an RSF factor and the total RSF is the sum of the weighted amounts added to the amount of off-balance sheet activity (or potential liquidity exposure) multiplied by its associated RSF factor.

The RSF factor applied to the reported values of each asset or off-balance sheet exposure is intended to approximate the amount of a particular asset that would have to be funded, either because it will be rolled over or because it could not be monetised through sale or used as collateral in a secured borrowing transaction over the course of one year without significant expense. Under the standard, such amounts are expected to be supported by stable funding.

In completing this section of the template banks should allocate the assets recorded on their balance sheet to the appropriate RSF category. For purposes of determining its required stable funding, an institution should (i) include financial instruments, foreign currencies and commodities for which a purchase order has been executed, and (ii) exclude financial instruments, foreign currencies and commodities for which a sales order has been executed, even if such transactions have not been reflected in the balance sheet under a settlement-date accounting model, provided that (i) such transactions are not reflected as derivatives or secured financing transactions in the institution's balance sheet, and (ii) the effects of such transactions will be reflected in the institution's balance sheet when settled.

Treatment of encumbrance

Where indicated, banks should report assets according to:

(i) whether they are encumbered or unencumbered; and,

(ii) if they are encumbered, according to the period of encumbrance.

(iii) In determining encumbrance where it is not tied to specific assets, eg the encumbrance is allocated against a pool of assets that includes different RSF categories, the bank should assume that the highest RSF factor assets are encumbered first.

Where a bank has rehypothecated assets in which it has both positions it owns outright and borrowed positions, a bank should assume it has encumbered the borrowed securities first, unless it has an internal process for making this allocation, or it has applied a different methodology for determining the encumbrance of positions in the LCR. For example, if for the LCR the bank assumes positions held outright are encumbered before borrowed positions in order to recognise inflows from maturing borrowed positions, then the bank must use an equivalent approach for these transactions in the NSFR. For their encumbered assets, banks should first report their value in the appropriate column **according to residual maturity** at the carrying value on the balance sheet, and not the value assigned to it for the purposes of the encumbrance transaction. If the bank is required to over-collateralise transactions, for example due to the application of haircuts, or to achieve a desired credit-rating on a funding instrument, then these excess assets should be reported as encumbered.

The bank should then report that same value **according to the remaining period of encumbrance** in the same column of the appropriate row beneath. Banks should consider whether specific assets have a remaining term of encumbrance period (or residual encumbrance period) that is longer than the maturity of the asset, eg where in practice there is a requirement to encumber additional assets at the contracted maturity date of the currently encumbered asset. For example, if debt is secured on loans of a shorter maturity and the bank will be required to pledge additional collateral to maintain appropriate collateralisation levels, as may be the case with mortgage-backed securities.

For example, if a bank had a non-financial corporate loan that had a value of 50 with a residual maturity of 10 months, 25 of which were encumbered for a remaining period of two months, and 25 of which were encumbered for a remaining period of for seven months, it would complete the template as follows:

	Amount		
	< 6 months	≥ 6 months to < 1 year	≥1 year
Loans to non-financial corporate clients with residual maturities less than one year			
Unencumbered			
Encumbered, of which:			
Remaining period of encumbrance < 6 months		25	
Remaining period of encumbrance ≥ 6 months to < 1 year		25	
Remaining period of encumbrance ≥ 1 year			

Assets encumbered for exceptional central bank liquidity operations [52] where national supervisors and central banks have agreed to a reduced RSF factor (not lower than the RSF factor applied to the equivalent asset that is unencumbered) should report such values separately in panel E of the NSFR template. Values reported in panel E should not be included in Required Stable Funding section in panel B to avoid double counting.

<table>
<tr><th>Row</th><th>Heading</th><th>Description</th><th>Basel III NSFR standards reference</th></tr>
<tr><td colspan="4">B) Required stable funding
The required amount of stable funding is calculated by first assigning the carrying value of an institution's assets to the categories below, which are also listed in Table 2, page 11 of the Basel III NSFR standards. The amount assigned to each category is to be multiplied by an RSF factor and the total RSF is the sum of the weighted amounts.
Of note, definitions in the NSFR mirror those in the LCR, unless otherwise specified. In addition, for purposes of calculating the NSFR, HQLA is defined as all HQLA (defined in LCR paragraphs 24 to 68) without regard to LCR operational requirements (defined in LCR paragraphs 28 to 43) and LCR caps on Level 2 and Level 2B assets that may limit the ability of some HQLA to be included as eligible HQLA in the calculation of the LCR.
Assets that are deducted from capital should be reported in the relevant asset categories below.
Treatment of maturity
• Institutions should allocate all assets to the appropriate columns based on their residual maturity or liquidity value.
• When determining the maturity of an instrument, investors are assumed to exercise any option to extend maturity.
• For assets with options exercisable at the bank's discretion, supervisors should take into account reputational factors that may limit a bank's ability not to exercise the option.[53] In particular, where the market expects certain assets to be extended in their maturity, banks and supervisors should assume such behaviour for the purpose of the NSFR and include these assets in the corresponding RSF category.
• For amortising loans, the portion that comes due within the one-year horizon can be treated in the less than one year residual maturity categories.</td></tr>
<tr><td colspan="4">B1) On-balance sheet items</td></tr>
<tr><td>84</td><td>Coins and banknotes</td><td>Coins and banknotes currently held and immediately available to meet obligations.
Banks should not report loans to counterparties in this row.</td><td>36(a)</td></tr>
</table>

[52] In general, exceptional central bank liquidity operations are considered to be non-standard, temporary operations conducted by the central bank in order to achieve its mandate in a period of market-wide financial stress and/or exceptional macroeconomic challenges.

[53] This could reflect a case where a bank may imply that it would be subject to funding risk if it did not exercise an option to extend the maturity of its own assets.

Row	Heading	Description	Basel III NSFR standards reference
85	Total central bank reserves	Total amount held in central bank reserves (including required and excess reserves) including banks' overnight deposits with the central bank, and term deposits with the central bank.	36(b)
86	Of which are required central bank reserves	Total amount held in central bank reserves related to minimum deposit requirements. Supervisors may agree with the relevant central bank on the RSF factor to be assigned to required reserves, based in particular on consideration of whether or not the reserve requirement must be satisfied at all times and thus the extent to which reserve requirements in that jurisdiction exist on a longer-term horizon and therefore require associated stable funding. **Please refer to the instructions from your supervisor for the specification of this item.**	FN17
88	Securities held where the institution has an offsetting reverse repurchase transaction when the security on each transaction has the same unique identifier (eg ISIN number or CUSIP) and such securities are reported on the balance sheet of the reporting institution	This category is only applicable for jurisdictions whereby accounting standards would require both the reverse repo transaction and the collateral to be reported on-balance sheet. Where this is the case, banks should report in this category, any securities reported on their balance sheet that are borrowed in reverse repurchase transactions. Reverse repo transactions that appear on their balance sheets as secured cash loans and deposits placed should not be reported in this category, rather should be reported with loans to financial institutions in rows 102 to 120. Securities in default should not be reported in this category, rather these should be reported in line 211.	
89	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
90	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
91	Remaining period of encumbrance < 6 months	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
92	Remaining period of encumbrance ≥ 6 months to < 1 year		
93	Remaining period of encumbrance ≥ 1 year		

Row	Heading	Description	Basel III NSFR standards reference
94	Deposits held at other banks which are members of the same cooperative network of banks and which are subject to national discretion according to FN 10	In accordance with footnote 10 of the Basel III NSFR standards, this section should only be used to report deposits that exist between banks within the same cooperative network, provided they are received in the context of common task sharing and legal, statutory or contractual arrangements, and so long as the bank that has received the monies and the bank that has deposited participate in the same institutional network's mutual protection scheme against illiquidity and insolvency of its members. Such deposits can be assigned an ASF up to the RSF factor assigned by regulation for the same deposits to the depositing bank, not to exceed 85%. Deposits reported in this category should not be reported in any other RSF category. This category **does not** apply to banks in jurisdictions where deposits are required by law to be placed at the central organisation and are legally constrained within the cooperative bank network as minimum deposit requirements. Accordingly, banks that complete Panel D below, as specified in the instructions for row 39 above, **should not** report balances here.	FN 10, 43(c)
96	Other deposits at other banks which are members of the same cooperative network of banks; of which:	In accordance with footnote 10 of the Basel III NSFR standards, this section should only be used to report other deposits that exist between banks within the same cooperative network, provided they are received in the context of common task sharing and legal, statutory or contractual arrangements, which do not satisfy the conditions set forth in line 95 above. Deposits reported in this category should not be reported in any other RSF category. This category **does not** apply to banks in jurisdictions where deposits are required by law to be placed at the central organisation and are legally constrained within the cooperative bank network as minimum deposit requirements. Banks that complete Panel D below, as specified in the instructions for row 39 above, **should not** report balances here.	
97	Unencumbered	Banks should report in this row all such **unencumbered** deposits in the appropriate column according to their residual maturity.	
98	Encumbered, of which:	Banks should report in these rows all such **encumbered** deposits, regardless of counterparty, in the appropriate column according to their residual maturity.	
99	Remaining period of encumbrance < 6 months	For each cell containing deposits that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
100	Remaining period of encumbrance ≥ 6 months to < 1 year		
101	Remaining period of encumbrance ≥ 1 year		

Row	Heading	Description	Basel III NSFR standards reference
102	Loans to financial institutions, of which:	Loans to all financial institutions. Non-performing loans should not be included in this category, rather these should be reported in line 211. Deposits held at financial institutions for operational purposes should not be reported here and should instead be reported in line 139.	31, 38, 39(b), 40(c), 43(a), 43(c)
103	Loans to financial institutions secured by Level 1 collateral and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan, of which:	All loans to financial institutions where the loan is secured against Level 1 assets, as defined in LCR paragraph 50, **and** where the bank has the ability to freely rehypothecate the received collateral for the life of the loan. Report loans to financial institutions secured by Level 1 assets where the bank **does not** have the ability to freely rehypothecate the received collateral for the life of the loan in line 109 below.	31, 38, 40(c), 43(a), 43(c)
104	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
105	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
106	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
107	Remaining period of encumbrance ≥ 6 months to < 1 year		
108	Remaining period of encumbrance ≥ 1 year		
109	All other secured loans to financial institutions, of which:	All other secured loans to financial institutions, including both loans secured against collateral other than Level 1 assets **and** loans secured by Level 1 assets where the bank **does not** have the ability to freely rehypothecate the received collateral for the life of the loan.	31, 39(b), 40(c), 43(a), 43(c)
110	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity. This includes both unencumbered loans secured against collateral other than Level 1 assets **and** unencumbered loans secured by Level 1 assets where the bank **does not** have the ability to freely rehypothecate the received collateral for the life of the loan.	
111	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity. This includes both encumbered loans secured against collateral other than Level 1 assets **and** encumbered loans secured by Level 1 assets where the bank **does not** have the ability to freely rehypothecate the received collateral for the life of the loan.	

Row	Heading	Description	Basel III NSFR standards reference
112	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
113	Remaining period of encumbrance ≥ 6 months to < 1 year		
114	Remaining period of encumbrance ≥ 1 year		
115	Unsecured loans to financial institutions, of which:	All loans to financial institutions that are unsecured.	31, 39(b), 40(c), 43(a), 43(c)
116	Unencumbered	Banks should report in these rows all such **unencumbered** loans in the appropriate column according to their residual maturity.	
117	Encumbered, of which:	Banks should report in all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	
118	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
119	Remaining period of encumbrance ≥ 6 months to < 1 year		
120	Remaining period of encumbrance ≥ 1 year		
121	Securities eligible as Level 1 HQLA for the LCR, of which:	Securities that, if unencumbered, would qualify as Level 1 liquid assets according to paragraph 50 of the Basel III LCR standards. Securities that would otherwise qualify according to that paragraph, but are excluded for operational or other reasons, are reported in this category. Coins and banknotes, and central bank reserves should be reported in lines 84, 85 and 86 respectively and not in this category. Securities in default should not be included in this category; rather these should be reported in line 211.	31, 37, 40(b), 43(a)
122	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
123	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
124	Remaining period of encumbrance < 6 months	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
125	Remaining period of encumbrance ≥ 6 months to < 1 year		
126	Remaining period of encumbrance ≥ 1 year		

Row	Heading	Description	Basel III NSFR standards reference
127	Securities eligible for Level 2A HQLA for the LCR, of which:	Securities that, if unencumbered, would qualify as Level 2A liquid assets, according to paragraph 52 of the Basel III LCR standards. Securities that would otherwise qualify according to that paragraph, but are excluded for exceeding the 40% cap, or for operational or other reasons, are reported in this category. Securities in default should not be included in this category; rather these should be reported in line 211.	31, 39(a), 40(b), 43(a)
128	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
129	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
130	Remaining period of encumbrance < 6 months	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
131	Remaining period of encumbrance ≥ 6 months to < 1 year		
132	Remaining period of encumbrance ≥ 1 year		
133	Securities eligible for Level 2B HQLA for the LCR, of which:	Securities that, if unencumbered, would qualify as Level 2B liquid assets, according to paragraph 54 of the Basel III LCR standards. Securities that would otherwise qualify according to that paragraph, but are excluded for exceeding the 15% or 40% caps, or for operational or other reasons, are reported in this category. Securities in default should not be included in this category; rather these should be reported in line 211.	31, 40(a), 40(b), 43(a)
134	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
135	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
136	Remaining period of encumbrance < 6 months	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
137	Remaining period of encumbrance ≥ 6 months to < 1 year		
138	Remaining period of encumbrance ≥ 1 year		
139	Deposits held at financial institutions for operational purposes, of which:	Deposits held at financial institutions, including banks subject to prudential supervision, for operational purposes, as defined in LCR paragraphs 93 to 104.	31, 40(d), 43(a)
140	Unencumbered	Banks should report in this row all such **unencumbered** deposits in the appropriate column according to their residual maturity.	

Row	Heading	Description	Basel III NSFR standards reference
141	Encumbered, of which:	Banks should report these rows all such **encumbered** deposits, regardless of counterparty, in the appropriate column according to their residual maturity.	
142	Remaining period of encumbrance < 6 months	For each cell containing deposits that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
143	Remaining period of encumbrance ≥ 6 months to < 1 year		
144	Remaining period of encumbrance ≥ 1 year		
145	Loans to non-financial corporate clients with a residual maturity of less than one year; of which:	Loans to non-financial corporate clients having a residual maturity of less than one year. Non-performing loans should not be included in this category, rather these should be reported in line 211. Performing loans to non-financial corporate clients with a residual maturity of less than one year and with a greater than 35% risk weight under the Basel II standardised approach for credit risk should be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 43(a)
146	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
147	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	
148	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
149	Remaining period of encumbrance ≥ 6 months to < 1 year		
150	Remaining period of encumbrance ≥ 1 year		

Row	Heading	Description	Basel III NSFR standards reference
151	Loans to central banks with a residual maturity of less than one year; of which:	Loans to central banks having a residual maturity of less than one year that do not qualify to meet local reserve requirements. Balances (including term placements) that qualify toward reserve requirements should be considered as "total central bank reserves" and reported in row 85, even if these balances are in excess of the required level of reserves. Non-performing loans should not be included in this category, rather these should be reported in line 211. Performing loans to central banks with a residual maturity of less than one year and a greater than 35% risk weight under the Basel II standardised approach for credit risk should be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 36(c), 40(c), 43(a)
152	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
153	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	
154	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
155	Remaining period of encumbrance ≥ 6 months to < 1 year		
156	Remaining period of encumbrance ≥ 1 year		
157	Loans to sovereigns, PSEs, MDBs and NDBs with a residual maturity of less than one year; of which:	Loans to sovereigns, PSEs, MDBs and NDBs having a residual maturity of less than one year. Loans to the Bank for International Settlements, the International Monetary Fund and the European Commission should also be reported in this category. Non-performing loans should not be included in this category; rather these should be reported in line 211. Performing loans to sovereigns, PSEs, MDBs and NDBs with a residual maturity of less than one year and a greater than 35% risk weight under the Basel II standardised approach for credit risk should be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 41, 43(a)
158	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
159	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	

Row	Heading	Description	Basel III NSFR standards reference
160	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
161	Remaining period of encumbrance ≥ 6 months to < 1 year		
162	Remaining period of encumbrance ≥ 1 year		
163	Residential mortgages of any maturity that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk, of which:	Residential mortgages of any maturity that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk. Non-performing residential mortgages should not be reported in this category; rather these should be reported in line 211. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 41(a), 43(a)
164	Unencumbered	Banks should report in this row all such **unencumbered** mortgages in the appropriate column according to their residual maturity.	
165	Encumbered, of which:	Banks should report in these rows all such **encumbered** mortgages, regardless of counterparty, in the appropriate column according to their residual maturity.	
166	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
167	Remaining period of encumbrance ≥ 6 months to < 1 year		
168	Remaining period of encumbrance ≥ 1 year		
169	Other loans, excluding loans to financial institutions, with a residual maturity of one year or greater, that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk, of which:	Include balances of all other loans, excluding loans to financial institutions, with a residual maturity of one year or more, that would qualify for the 35% or lower risk weight under the Basel II standardised approach for credit risk. Non-performing loans should not be reported in this category; rather these should be reported in line 211. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 41(b), 43(a)
170	Unencumbered	Banks should report in t all such **unencumbered** loans in the appropriate column according to their residual maturity.	
171	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	

Row	Heading	Description	Basel III NSFR standards reference
172	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
173	Remaining period of encumbrance ≥ 6 months to < 1 year		
174	Remaining period of encumbrance ≥ 1 year		
175	Loans to retail and small business customers (excluding residential mortgages reported above) with a residual maturity of less than one year; of which:	Loans to retail (eg natural persons) and small business customers (as defined in the LCR) having a residual maturity of less than one year. Non-performing loans should not be reported in this category, rather these should be reported in line 211. Performing loans to retail and small business customers with a residual maturity of less than one year with a greater than 35% risk weight under the Basel II standardised approach for credit risk should also be reported in this category and not in line 181. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 43(a)
176	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
177	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	
178	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
179	Remaining period of encumbrance ≥ 6 months to < 1 year		
180	Remaining period of encumbrance ≥ 1 year		
181	Performing loans (except loans to financial institutions and loans reported in above categories) with risk weights greater than 35% under the Basel II standardised approach for credit risk; of which:	Performing loans, not captured by one of the above categories, with a greater than 35% risk weight under the Basel II standardised approach for credit risk, excluding loans to financial institutions. Non-performing loans should not be reported in this category, rather these should be reported in line 211. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	31, 40(e), 42(b), 43(a), FN19
182	Unencumbered	Banks should report in this row all such **unencumbered** loans in the appropriate column according to their residual maturity.	
183	Encumbered, of which:	Banks should report in these rows all such **encumbered** loans, regardless of counterparty, in the appropriate column according to their residual maturity.	

Row	Heading	Description	Basel III NSFR standards reference
184	Remaining period of encumbrance < 6 months	For each cell containing loans that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
185	Remaining period of encumbrance ≥ 6 months to < 1 year		
186	Remaining period of encumbrance ≥ 1 year		
187	Non-HQLA exchange traded equities, of which:	Exchange traded equities that do not qualify as Level 2B assets. This includes exchange traded FI equities as well as exchange traded non-FI equities that do not meet all of the requirements outlined in paragraph 54(c) of the Basel III LCR standards. Amounts related to non-HQLA exchange traded equities that are deducted from capital should not be reported here, rather these should be reported in the ≥ 1 year column in row 247.	31, 42(c), 43(a)
188	Unencumbered	Banks should report in this row all such **unencumbered** equities in the appropriate column according to their residual maturity.	
189	Encumbered, of which:	Banks should report in these rows all such **encumbered** equities, regardless of counterparty, in the appropriate column according to their residual maturity.	
190	Remaining period of encumbrance < 6 months	For each cell containing equities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
191	Remaining period of encumbrance ≥ 6 months to < 1 year		
192	Remaining period of encumbrance ≥ 1 year		
193	Non-HQLA securities not in default, of which:	Securities that are not eligible for HQLA treatment as defined by Basel III LCR standards, other than non-HQLA exchange traded equities, which should be reported in line 187, and which are not in default. Securities in default should not be reported in this category; rather these should be reported in line 211.	31, 40(e), 42(c), 43(a)
194	Unencumbered	Banks should report in this row all such **unencumbered** securities in the appropriate column according to their residual maturity.	
195	Encumbered, of which:	Banks should report in these rows all such **encumbered** securities, regardless of counterparty, in the appropriate column according to their residual maturity.	
196	Remaining period of encumbrance < 6 months	For each cell containing securities that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
197	Remaining period of encumbrance ≥ 6 months to < 1 year		
198	Remaining period of encumbrance ≥ 1 year		
199	Physical traded commodities including gold, of which:	Total balance of physical traded commodities including gold should be reported in the ≥ 1 year maturity column.	31, 42(d), 43(a)

Row	Heading	Description	Basel III NSFR standards reference
200	Unencumbered	Banks should report in this row all such **unencumbered** physical traded commodities including gold.	
201	Encumbered, of which:	Banks should report in these rows all such **encumbered** physical traded commodities including gold, regardless of counterparty.	
202	Remaining period of encumbrance < 6 months	For each cell containing physical traded commodities including gold that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
203	Remaining period of encumbrance ≥ 6 months to < 1 year		
204	Remaining period of encumbrance ≥ 1 year		
205	Other short-term unsecured instruments and transactions with a residual maturity of less than one year, of which are:	Banks should report the balances of other short-term unsecured instruments with outstanding maturities of less than one year. Such instruments include but are not limited to: short-term government and corporate bills, notes, and obligations; commercial paper; negotiable CDs; bankers' acceptances; money market mutual funds. **Banks should not report in this row any central bank reserves, Level 1, Level 2A and Level 2B assets, unsecured interbank and other money market placements (eg federal funds or euro currencies sold) or instruments in default. These are reported elsewhere on the template.**	31, 40(e), 43(a)
206	Unencumbered	Banks should report in this row all such **unencumbered** instruments and transactions in the appropriate column according to their residual maturity.	
207	Encumbered, of which:	Banks should report in these rows all such **encumbered** instruments and transactions, regardless of counterparty, in the appropriate column according to their residual maturity.	
208	Remaining period of encumbrance < 6 months	For each cell containing instruments that have been encumbered, banks should **in addition** allocate them to a cell in one of the three rows directly below **according to the remaining period of encumbrance**. Attention is drawn to the worked example at the start of this section.	
209	Remaining period of encumbrance ≥ 6 months to < 1 year		
210	Remaining period of encumbrance ≥ 1 year		
211	Defaulted securities and non-performing loans	All defaulted securities and non-performing loans should be reported in this line and **not** in one of the above categories. Performing loans are considered to be those that are not past due for more than 90 days in accordance with paragraph 75 of the Basel II framework. Conversely, non-performing loans are considered to be loans that are more than 90 days past due.	43(c), FN19

Row	Heading	Description	Basel III NSFR standards reference
213	Derivative assets, gross of variation margin received	Report derivative assets based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a positive value. When an eligible bilateral netting contract is in place that meets the conditions as specified in paragraphs 8 and 9 of the annex of the Basel III Leverage ratio framework, the replacement cost for the set of derivative exposures covered by the contract will be the net replacement cost. The value reported here should be gross of variation margin received. That is, it should represent derivative assets prior to the deduction of variation margin received.	
214	Of which are derivative assets where the counterparty is exempt from BCBS-IOSCO margin requirements; of which:	Derivative assets (as described above), gross of variation margin received, where the counterparty is exempt from BCBS-IOSCO margin requirements, as laid out in paragraph 2(c) of the *BCBS-IOSCO Margin requirements for non-centrally cleared derivatives*[54].	
215	Non-financial entities that are not systemically important	Derivative assets with non-financial entities that are not systemically important and are exempt from BCBS-IOSCO margin requirements.	
216	Sovereigns/Central Banks/MDBs/BIS	Derivative assets with sovereign/Central Bank/MDB/BIS counterparties exempt from BCBS-IOSCO margin requirements.	
218	Variation margin received, of which:	Collateral received in the form of variation margin in connection with derivatives contracts.	
219	Cash variation margin received, meeting conditions as specified in paragraph 25 of the Basel III Leverage Ratio Framework and Disclosure Requirements	Collateral received in the form of cash variation margin in connection with derivatives contracts meeting the conditions as specified in paragraph 25 of the *Basel III Leverage Ratio Framework and Disclosure Requirements* or further specified in any related FAQ.	
221	Of which is received from counterparties exempted from BCBS-IOSCO margining requirements; of which:	Cash variation margin meeting the conditions as specified in paragraph 25 of the *Basel III Leverage Ratio Framework and Disclosure Requirements* or further specified in any related FAQ that is received from counterparties exempt from BCBS-IOSCO margin requirements, as laid out in paragraph 2(c) of the BCBS-IOSCO margining requirements for non-centrally cleared derivatives.	
222	Non-financial entities that are not systemically important	Cash variation margin received from non-financial entities that are not systemically important and are exempt from BCBS-IOSCO margin requirements.	
223	Sovereigns/Central Banks/MDBs/BIS	Cash variation margin received from sovereign/Central Bank/MDB/BIS counterparties exempt from BCBS-IOSCO margin requirements.	
225	Other variation margin received	All other collateral received in the form of variation margin in connection with derivatives contracts that is not reported in line 219 above.	

[54] Basel Committee on Banking Supervision and Board of the International Organization of Securities Commissions, *Margin requirements for non-centrally cleared derivatives*, September 2013, www.bis.org/publ/bcbs261.htm.

Row	Heading	Description	Basel III NSFR standards reference
226	Of which is received from counterparties exempted from BCBS-IOSCO margining requirements	Other collateral not included in line 219 above that is received as variation margin from counterparties exempt from BCBS-IOSCO margining rules, as laid out in paragraph 2(c) of the BCBS-IOSCO margining requirements for non-centrally cleared derivatives.	
227	Non-financial entities that are not systemically important	Other variation margin received from non-financial entities that are not systemically important and are exempt from BCBS-IOSCO margin requirements.	
228	Sovereigns/Central Banks/MDBs/BIS	Other variation margin received from sovereign/Central Bank/MDB/BIS counterparties exempt from BCBS-IOSCO margin requirements.	
230	NSFR derivative assets (derivative assets less cash collateral received as variation margin on derivative assets)	Non-entry field. In calculating NSFR derivatives assets, collateral received in connection with derivatives contracts may not offset the positive replacement cost amount, regardless of whether or not netting is permitted under the bank's operative accounting or risk-based framework, unless it is received in the form of cash variation margin and meets the conditions as specified in paragraph 25 of the *Basel III Leverage Ratio Framework and Disclosure Requirements* or further specified in any related FAQ.[55]	35, FN 16
231	Required stable funding associated with derivative liabilities	Non-entry field. In accordance with paragraph 43(d), the value here equals 20% of derivative liabilities (ie negative replacement cost amounts or negative net replacement cost where applicable) before deducting variation margin posted.	43(d)
232	Total initial margin posted	All cash, securities or other assets posted as initial margin for derivative contracts (eg, including any independent amount received in relation to OTC contracts).	
233	Of which, is initial margin posted on bank's own behalf, of which:	All cash, securities or other assets posted as initial margin for derivative contracts taken on the bank's own behalf. This would not include initial margin posted on behalf of a customer, which should be reported in line 237 below. Where securities or other assets posted as initial margin for derivative contracts would otherwise be included in a category receiving a higher RSF factor, they should be reported within that category and not here. Do not include here cash or other assets provided to contribute to the default fund of a CCP, which should be reported in line 245 below.	42(a)
234	Initial margin posted in the form of cash	Cash posted as initial margin for derivative contracts taken on the bank's own behalf. This would not include initial margin posted on derivative contracts taken on behalf of a customer, which should be reported in line 237 below.	
235	Initial margin posted in the form of Level 1 securities	Initial margin posted in the form of Level 1 securities for derivative contracts taken on the bank's own behalf. This would not include initial margin posted on derivative contracts taken on behalf of a customer, which should be reported in line 237 below.	

[55] NSFR derivative assets = (derivative assets) – (cash collateral received as variation margin on derivative assets)

Row	Heading	Description	Basel III NSFR standards reference
236	Initial margin posted in the form of all other collateral	Initial margin posted in the form of collateral other than cash or Level 1 securities taken on the bank's own behalf and included in above in rows 234 to 235. This would not include initial margin posted on derivative contracts taken on behalf of a customer, which should be reported in line 237 below.	
237	Of which, is initial margin posted on behalf of a customer	Cash, securities or other assets posted as initial margin posted on behalf of a customer, where the bank does not guarantee performance of the third party. Balances reported here should not be included in lines 234 to 236 above.	FN 18
239	Initial margin posted on bank's own behalf, in the form of any collateral type, according to residual maturity of associated derivative contract(s)	All cash, securities or other assets posted as initial margin for derivative contracts taken on the bank's own behalf. Report initial margin balances in this category according to the residual maturity of the derivative contract(s) directly associated with the initial margin. In the case of pooled collateral, report the maturity of initial margin balances according to the maturity of the derivative contract with the longest term in the applicable netting set that contributes to an initial margin requirement. Contracts that are fully offsetting (ie long and short positions in identical contracts) and do not contribute to an initial margin requirement may be excluded from the determination of maturity. This category would not include initial margin posted on derivative contracts taken on behalf of a customer. The sum of this category should be equal to the sum of rows 234 to 236 above.	
241	Initial margin posted on bank's own behalf, in the form of any collateral type, to counterparties exempt from BCBS-IOSCO margin requirements; of which:	Cash, securities or other assets posted as initial margin for derivative contracts taken on bank's own behalf to counterparties exempt from BCBS-IOSCO margin requirements for non-centrally cleared derivatives. This category would not include initial margin posted on derivative contracts taken on behalf of a customer.	
242	Non-financial entities that are not systemically important	Cash, securities or other assets posted as initial margin for derivative contracts to non-financial entities that are not systemically important and are exempt from BCBS-IOSCO margin requirements.	
243	Sovereigns/Central Banks/MDBs/BIS	Cash, securities or other assets posted as initial margin for derivative contracts to sovereign/Central Bank/MDB/BIS counterparties exempt from BCBS-IOSCO margin requirements.	
245	Cash or other assets provided to contribute to the default fund of a CCP	Cash or other assets provided to contribute to the default fund of a CCP. Do not include here cash, securities or other assets posted as initial margin for derivative contracts, which should be included in categories above.	42(a)
246	Required stable funding associated with initial margin posted and cash or other assets provided to contribute to the default fund of a CCP	Non-entry field. In accordance with paragraph 42(a), required stable funding associated with initial margin posted and cash or other assets provided to contribute to the default fund of a CCP.	42(a)
247	Items deducted from regulatory capital	Includes all items deducted from Basel III regulatory capital.	43(c)

Row	Heading	Description	Basel III NSFR standards reference
248	Trade date receivables	The amount of receivables arising from sales of financial instruments, foreign currencies and commodities that (i) are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transaction, or (ii) have failed to, but are still expected to, settle.	36(d)
249	Interdependent assets	National supervisors have discretion in limited circumstances to determine interdependent assets and liabilities in accordance with paragraph 45 of Basel III NSFR standards. Report here asset items which, on the basis of contractual arrangements, are interdependent on corresponding liabilities report above in line 75 such that: the liability cannot fall due while the asset remains on the balance sheet, the principal payment flows from the asset cannot be used for something other than repaying the liability, and the liability cannot be used to fund other assets. For interdependent items, supervisors may adjust RSF and ASF factors so that they are both 0%, subject to the following criteria: • The individual interdependent asset and liability items must be clearly identifiable. • The maturity and principal amount of both the liability and its interdependent asset should be the same. • The bank is acting solely as a pass-through unit to channel the funding received (the interdependent liability) into the corresponding interdependent asset. • The counterparties for each pair of interdependent liabilities and assets should not be the same.	45
251	All other assets not included in above categories that qualify for 100% treatment	Include the carrying value of all other assets not included in the above categories.	43(c)
B2)	**Off-balance sheet items**		
255	Irrevocable and conditionally revocable liquidity facilities	Balances of undrawn committed liquidity facilities extended by the bank that are either irrevocable or conditionally revocable.	47
256	Irrevocable and conditionally revocable credit facilities	Balances of undrawn committed credit facilities extended by the bank that are either irrevocable or conditionally revocable.	47
257	Unconditionally revocable liquidity facilities	Balances of undrawn liquidity facilities where the bank has the right to unconditionally revoke the undrawn portion of these facilities.	47
258	Unconditionally revocable credit facilities	Balances of undrawn credit facilities where the bank has the right to unconditionally revoke the undrawn portion of these facilities.	47
259	Trade finance-related obligations (including guarantees and letters of credit)	Balances of trade finance-related obligations (including guarantees and letters of credit)	47
260	Guarantees and letters of credit unrelated to trade finance obligations	Balances of guarantees and letters of credit unrelated to trade finance obligations.	47
261	Non-contractual obligations, such as:		

Row	Heading	Description	Basel III NSFR standards reference
262	Debt-buy back requests (incl related conduits)	Potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities.	47
263	Structured products	Structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs).	47
264	Managed funds	Managed funds that are marketed with the objective of maintaining a stable value such as money market mutual funds or other types of stable value collective investment fund, etc.	47
265	Other non-contractual obligations	Other non-contractual obligations not entered above.	47
266	All other off balance-sheet obligations not included in the above categories	All other off balance-sheet obligations not reported in lines 255 to 265 above. **Please refer to the instructions from your supervisor for the specification of this item.**	47

6.2.3 For completion only by banks in jurisdictions where deposits between banks within the same cooperative network are required by law to be placed at the central organisation and are legally constrained within the cooperative bank network as minimum deposit requirements (panel D)

Panel D is only intended for banks in jurisdictions where deposits between banks within the same cooperative network are required by law to be placed at the central organisation and are legally constrained within the cooperative bank network as minimum deposit requirements, and where such banks are applying the treatment in footnote 10 of the Basel III NSFR standards.

- The reporting institution must be the centralised institution of a cooperative network which has supervisory approval to use this treatment. **All other banks should leave this section blank.**
- This section should only be used to report deposits that exist between banks within the same cooperative network, provided they are required by law to be placed at the central organisation and are legally constrained within the cooperative bank network as minimum deposit requirements.
- The total amount of funding reported in this section should be equal to that reported in line 39 above.

  This section **should not** be used by banks within the same cooperative network where deposits are placed in the context of common task sharing and legal, statutory or contractural arrangements.

Row	Heading	Description	Basel III NSFR standards reference
277–294	Categories are identical to those reported in Panel A	Category definitions are identical to rows 6 to 76 with the exception of rows 42 to 47 where all secured borrowings and liabilities may be reported and, unlike the first panel, there is no qualification on the type of assets used as collateral.	FN 10

6.2.4 For completion only by banks with assets encumbered for exceptional central bank liquidity operations, where the supervisor and central bank have agreed to a reduced RSF factor (Panel E)

Panel E collects data on assets that are encumbered for exceptional central bank liquidity operations. In accordance with paragraph 31 and FN 15 of the Basel III NSFR standards, this section should only include those balances where the supervisor and central bank have agreed to a reduced RSF factor. All other banks should leave this section blank. Values reported in this section should not be reported in Panel B(1) above to avoid double counting.

Row	Heading	Description	Basel III NSFR standards reference
302–378	Categories are identical to those reported in Panel B	Category definitions are identical to rows 88 to 205.	31, FN 15

7. Interest rate risk in the banking book (IRRBB)

7.1 Introduction

This exercise focuses on assessing the policy proposal set out in the consultative document *Interest rate risk in the banking book*[56] (henceforth *IRRBB consultative document*). The IRRBB consultative document presents both a Pillar 1 **and** a Pillar 2 option for the regulatory treatments of IRRBB. As a result this comprehensive IRRBB QIS is also conducted on a *Pillar-agnostic* basis.

The objectives of the IRRBB QIS are to:

- test the proposed standardised fallback as set out in the IRRBB consultative document including the proposed standardised parameter values (eg stability rates (SR), pass-through rates (P), pull-through ratios (PTR), term deposit redemption rates (TDRR));
- measure the outcome of internal estimate approaches and test the proposed values for the constraints (eg caps and floors);
- measure the outcome of the *internal interest rate risk measurement systems* (IMS) as set out in Principle 4 in subsection III.3 of the IRRBB consultative document;
- collect additional, qualitative information through a *qualitative questionnaire* to gain a better understanding of banks' modelling assumptions, parameter estimates, product segmentations, internal practices, pricing/cost thresholds, etc.

The proposed framework set out in the IRRBB consultative document applies primarily to large internationally active banks. The Committee is cognisant of the fact that the framework may apply to a broader set of institutions in some jurisdictions so that the scope of this QIS will be the same as for the general Basel III monitoring exercise. Further, additional banks not participating in the regular Basel III monitoring exercise may participate on an ad hoc basis.[57]

[56] See Basel Committee on Banking Supervision, *Interest rate risk in the banking book*, June 2015, www.bis.org/bcbs/publ/d319.pdf.

[57] See also Section 7.2.2 below for further information.

IRRBB is defined in subsection I.4.1 of the IRRBB consultative document as the *current or prospective risk to both the bank's capital and earnings arising from adverse movements in risk-free interest rates, which affect the bank's banking book exposures*. For the purposes of IRRBB, banks should to the extent possible use the banking book – trading book boundary definition currently implemented in their home jurisdiction (including current standards on eligible *internal risk transfer* (IRT) for IRRBB) consistently across all panels.

Note that the IRRBB QIS is not a *compliance exercise* where banks seek for supervisory approvals, but a *best effort*-based exercise to test the likely impact of a proposed new policy. In particular, for the purposes of this QIS, banks are permitted to use their internal models or approaches even if they differ from the prescribed models or approaches in the IRRBB consultative document provided they can map their internal outcomes in a way consistent with the QIS requirements[58] including parameter constraints. In any case, banks should liaise with their supervisors to assess the reasonableness of the reported figures.

Some definitions or specifications which are not included in the IRRBB consultative document are solely intended for the purposes of this QIS exercise and do not necessarily reflect any future policy choices.

7.2 General aspects

7.2.1 Structure of the comprehensive IRRBB QIS

The comprehensive IRRBB QIS contains the following:

- input worksheets (with yellow and green cells)
    - "IRRBB exposures";
    - "IRRBB capital requirements";
    - "IRRBB IMS";
    - "IRRBB scenarios";
    - "IRRBB questions"
- which are supported by the calculation worksheets (white cells)
    - "IRRBB calc";
    - "Parameters"; and
    - "IRRBB parameters"

for the various automated calculations in the Basel III monitoring templates (eg interest rate shock scenarios, minimum IRRBB capital requirements).

All yellow cells must be filled in unless the bank is not able to provide the requested data (eg a bank must leave input cells empty in the respective input cells of panel D3 in case it has no internal estimates of conditional prepayments for fixed rate loans). Where the bank has no positions, input cells should be filled in with zeros with the exception of drop-down boxes which must remain empty in case none of the options apply (eg in case of no further currencies in panel A1 or panel I). Unless stated differently in the current instructions (eg in case of *Value reflected in capital* in panel G on *automatic interest rate options*), banks must report positive numbers in the (yellow or green) input cells.

[58] This applies also to the proposed client and product segmentations for the non-maturity deposits (NMDs) in panel B and the *behavioural* panels (panels C to E) below.

Banks must report in the reporting currency and in the unit defined in panel A1 of the "General Info" worksheet. The exchange rates used must be reported in column W of the "IRRBB scenarios" worksheet.

7.2.2 Scope of the comprehensive IRRBB QIS

The comprehensive IRRBB QIS follows the same scope as the Basel III monitoring exercise, ie *group consolidated* reporting for the end-June 2015 reporting date (or any other reporting date in line with the current QIS exercise in jurisdictions where another corresponding reporting date is used or where the financial year differs from the calendar year).[59]

Banks not participating in the Basel III monitoring exercise on a regular basis but willing to participate in the comprehensive IRRBB QIS may be exempted from reporting to all or part of the following worksheets: "Leverage ratio", "LCR", "NSFR", "Large exposures", "Sovereign exposures" and "OpRisk". Those banks should contact their national supervisors to clarify the scope of their reporting.

7.2.3 Scope of instruments

In line with subsection II.2.1 of the IRRBB consultative document and for the purpose of this comprehensive IRRBB QIS, banks must project all future notional repricing cash flows arising from the following *interest rate-sensitive* positions in the banking book associated with:

- *assets*, which are not deducted from Common Equity Tier 1 (CET1) capital and excluding (i) fixed assets such as real estate or intangible assets; as well as (ii) equity exposures in the banking book as defined in paragraphs 235 to 238 on the internal ratings-based (IRB) approach in the Basel II framework;
- *liabilities* (including all non-remunerated deposits), other than liabilities constituting CET1 in the Basel III framework;[60] and
- *off-balance sheet items* (OBS)[61]

onto 19 predefined *time buckets* (indexed numerically by k) into which they fall according to their *repricing* dates.

In line with subsection II.2.7 of the IRRBB consultative document, *automatic interest rate options* whether explicit or embedded,[62] are *stripped out* from their host contracts and ignored from the notional repricing cash flow slotting. Instead, those instruments must be reported according to a market valuation approach in panel G as set out in subsection II.2.7 of the IRRBB consultative document.

A *notional repricing cash flow* $\mathrm{CF}(k)$ is defined as:

- any repayment or redemption of principal;
- any repricing of principal; repricing is said to occur at the earliest date at which either the bank or its counterparty is entitled to unilaterally change the interest rate, or at which the rate on a floating rate instrument changes automatically in response to a change in an external benchmark; or

[59] See also Section 2.4.

[60] For the purposes of the IRRBB QIS only the CET1 capital ratio will be considered as opposed to subsection II.2.1 of the IRRBB consultative document which also include separate calculations for Tier 1 and total capital ratios.

[61] OBS are defined in paragraphs 82 to 89 of the Basel II framework.

[62] These include any behavioural option positions with non-retail customer that may change the pattern of notional repricing cash.

- any interest payment on a tranche of principal that has not yet been repaid or repriced; spread components (including commercial and other margins) of interest payments on a tranche of principal that has not yet been repaid and which do not reprice must be slotted until their contractual maturity irrespective of whether the non-amortised principal has been repriced or not.

  The date of each repayment, repricing or interest payment is referred to as its *repricing date*.

The scope of instruments includes interest rate sensitive *available-for-sale* (AFS) debt securities whether accounted for at amortised costs or at fair value. In particular, the inclusion of fair value AFS debt securities is justified by the fact that any positive or negative revaluation reserves (or *accumulated other comprehensive income* (AOCI)) are likely to be reflected in the discounted cash flow approach in panel A (and respectively under the treatment for automatic interest rate options in panel G if embedded in the AFS security instrument). Floating rate instruments are assumed to reprice fully at the first reset date. Hence, the entire principal amount is to be slotted into the time bucket in which that date falls with no additional slotting of notional repricing cash flows to later time buckets (other than the spread component which is not repriced). No adjustments can be made to account for credit risk (eg discounting for credit risk or *non-performing loans* (NPL)).

All *notional repricing cash flows* must be reported *post* recognition of *eligible* internal risk transfer (IRT) for IRRBB. Banks must to the extent possible use the banking book – trading book boundary definition currently implemented in their home jurisdiction (including current standards on eligible IRTs for IRRBB) consistently across all panels.

Any *equity risk sensitive components* embedded in products or instruments (including deposits) are excluded from the scope of IRRBB for the purpose of this QIS.[63]

7.2.4 Categorisation of customers

The proposed treatments for

(i) *non-maturity deposits* (NMDs) in panel B of the "IRRBB exposures" worksheet and as set out in subsection II.2.5 of the IRRBB consultative document;

(ii) *term deposits subject to early redemption risk* in panel C of the "IRRBB exposures" worksheet and as set out in subsection II.2.6 of the IRRBB consultative document;

(iii) *fixed rate loans subject to prepayment risk* in panel D of the "IRRBB exposures" worksheet and as set out in subsection II.2.6 of the IRRBB consultative document;

(iv) *fixed rate loan commitments* in panel E of the "IRRBB exposures" worksheet and as set out in subsection II.2.6 of the IRRBB consultative document;

are subject to the boundaries between *retail* vs *wholesale* customers. To categorise customers accordingly for the purpose of the comprehensive IRRBB QIS, the following steps should apply:

(i) *behavioural products*, ie products such as (a) fixed rate loans subject to *uncompensated* prepayments; (b) fixed rate loan commitments; and (c) term deposits unless:

   (a) the depositor has no legal right to withdraw the deposit; or

   (b) an early withdrawal results in a significant penalty that at least compensates for the economic cost of breaking the contract (ie the loss of interest between the date of withdrawal and the contractual maturity date);[64]

[63] Note that equity risk in the banking book is included in the Basel II minimum capital requirements for credit risk.

will fall within the scope of subsection II.2.6 or, for non-retail customers respectively, of subsection II.2.7 of the IRRBB consultative document;

(ii) among the *behavioural* products in (i) above as well as for NMDs, identify those customers which are non-retail/wholesale vs retail according to the following guidance:

(a) all *financial* customers are considered wholesale;

(b) *retail* customers are customers defined as (i) belonging to the *retail asset class* as set out in paragraphs 231 to 233 in the Basel II framework in case of loans/assets and for interest rate sensitive OBS items; or as (ii) on the liability side, liabilities that are defined as *retail deposits* according to paragraph 73 of the Basel III LCR framework;

(c) loans/assets to *small and medium sized enterprises* (SMEs) may be treated as *retail customers* if they meet the criteria for the firm-size adjustment for SMEs under the internal ratings based approach (IRB) aproach as set out in paragraphs 273 and 274 of the Basel II framework; deposits made by small business customers as defined in paragraph 231 of the Basel II framework and managed as retail exposures may be treated as retail deposits provided the total aggregated liabilities raised from one small business customer is less than the equivalent of €1 million.

(iii) non-optional components of products that do not fall within the scope of subsection II.2.6 or respectively of subsection II.2.7. of the IRRBB consultative document must be allocated to panel A of the "IRRBB exposures" worksheet. Embedded optionalities to be stripped out and treated as automatic interest rate options according to subsection II.2.7 of the IRRBB consultative document must be allocated to panel G of the "IRRBB exposures" worksheet.

7.2.5 Materiality of currencies

Banks must report on a currency-by-currency basis. To the extent possible and in order to enable among others a calibration of capital requirements thresholds, currency positions in the banking book representing more than 2.5% of the bank's *consolidated* (banking book) assets or liabilities must be reported. A minimum of 90% of the bank's *consolidated* (banking book) assets or liabilities should be covered by this QIS exercise. In the computation of these thresholds, banks include the underlying nominal values of OBS exposures.

Banks must complete the detailed panels for their six most important currencies in descending order of importance. The calculations of capital measures as set out in subsection II.3 to subsection II.5 of the IRRBB consultative document are automated in the "IRRBB capital requirements" worksheet for those six major currencies. Banks must then perform their own calculations for any further currency positions directly in the same worksheet. Banks must make the computation for the remaining significant currencies and must also complete and include the computation for all other currencies represented in the banking book.

[64] Where penalties only partially compensate for for the economic cost of breaking the contract the bank has to treat the term deposits as having early redemption risk.

7.3 Panel A: Notional repricing cash flows except non-maturity deposits, automatic options, term deposits subject to early redemption risk, fixed rate loans subject to prepayments and fixed rate loan commitments, post eligible IRT

In panel A, banks are requested to report the notional repricing cash flows arising from banking book products which are amenable to standardisation[65] according to subsections II.2.3 and II.2.4 of the IRRBB consultative document, *post* eligible IRTs for IRRBB for each currency in which the bank has a material exposure, ie any currency that represents more than 2.5% of its *consolidated* (banking book) assets or liabilities up to the six most important currencies. Each row must be labelled with the appropriate ISO three-character designator for that currency. All incoming and outgoing notional repricing cash flows must be stated with a positive sign.

All positions must be reported in the reporting currency and unit specified on the "General Info" worksheet. All foreign currency amounts must be converted to the reporting currency at the spot rate on the reporting date. The exchange rates used are to be inserted in panel M1 in the "IRRBB scenarios" worksheet.

Instruments in the scope of panel A include positions with embedded automatic interest rate options, where the optionality (whether sold or bought) should be ignored (or *stripped out*) for the purpose of slotting notional repricing cash flows. For example, a floating rate loan or debt security with a floor would be treated as if there were no floor; hence it would be treated as if it fully repriced at the next reset date, and its full outstanding balance would be slotted in the corresponding time bucket. Similarly, a callable bond issued by a bank at a fixed coupon would be treated as if it matured at its longest contractual term, ignoring the call option. The stripped out embedded automatic interest rate options have to be captured under panel G of automatic interest rate options (see subsection II.2.4, p 19 of the IRRBB consultative document).

Non-optionality (or *linear*) derivatives are converted into incoming and outgoing positions in the relevant underlying. The amounts considered are principal amounts of the underlying or of the notional underlying as well as interest payments. Futures and forward contracts including forward rate agreements are treated as a combination of incoming and outgoing positions. For instance, a long three-month future is an outgoing cash flow at maturity of the future and an incoming cash flow three months later. Swaps are treated as two notional positions with relevant cash flows based on whether legs are fixed or floating. The separate legs of the cross-currency swaps are to be allocated in the relevant maturity ladders for the currencies concerned.

Row	Column	Heading	Description
Panel A1: Incoming notional repricing cash flows			
6–11	C	Currency	Banks must select their six most important currencies in descending order of importance. These major currencies will feed automatically through subsequent panels.
6–11	D–V	Time bucket intervals (ON: overnight, M: months, Y: years)	Incoming notional repricing cash flows in each time bucket for the appropriate currency associated with banking book positions.
Panel A2: Outgoing notional repricing cash flows			
15–20	D–V	Time bucket intervals (ON: overnight, M: months, Y: years)	Outgoing notional repricing cash flows in each time bucket for the appropriate currency associated with banking book positions.

65 These exclude non-maturity deposits (NMDs), automatic options, term deposits subject to early redemption risk, fixed rate loans subject to prepayments and fixed rate loan commitments. These products are captured in panels B to G of this QIS.

7.4 Panel B: NMDs

In panel B1, banks have to indicate what approach they consider most likely to be using when calculating minimum IRRBB capital requirements for non-maturity deposits (NMDs) if the proposed framework were an applicable standard today. The chosen approach will be used for the calculation of the minimum IRRBB capital requirements in the "IRRBB capital requirements" worksheet.

In line with subsection II.2.5 of the IRRBB consultative document, available options are the Time Series Approach (TIA), the Simplified Time Series Approach alternative 1 (STIA alternative 1) and the Simplified Time Series Approach alternative 2 (STIA alternative 2). It should be noted that irrespective of this choice, all panels B2a to B2c and B3 covering the three NMD approaches are required to be filled in. Banks not able to provide estimates according to the TIA must in all cases fill in column AD on *Total NMD amount*.

Row	Column	Heading	Description
25–30	E	Approach for slotting	The NMD slotting approach (TIA, STIA alternative 1 and STIA alternative 2) to be used for calculating minimum IRRBB capital requirement for each of the six most important currencies (rows 25 to 30) is to be given.

Panels B2a–c and B3 ask for cash flows arising from NMDs. NMDs are defined as liabilities of banks in which the bank has the right to change the interest rate and the depositor is free to withdraw at any time since they have no contractually agreed maturity date (see Section II.2.5, p 19 of the IRRBB consultative document).

Banks have to slot undiscounted notional repricing cash flows under the baseline scenario to 19 time buckets for up to their six most important currencies. In panels B2a to B2c, banks have to segment NMDs in three categories: retail transactional, retail non-transactional and wholesale. Moreover, for non-remunerated deposits, a subset of retail transactional NMDs, data is requested (panel B2a). *Non-remunerated deposits* are required to have been *non-remunerated* since inception.

Banks are requested to provide data on both the (simplified) Time Series Approach (as set out in subsection II.2.5, pp 20–22 of the IRRBB consultative document) and unconstrained internal estimates.

For the TIA, banks have to distil the stable and rate-insensitive part of NMDs, ie the core NMDs. For that, they need to apply a two-step procedure requiring the calculation of the (i) proportion of stable deposits; and (ii) the pass-through rates of stable deposits under consideration of prescribed caps and floors (Table 4 in subsection II.2.5, p 21 of the IRRBB consultative document). Non-remunerated deposits are a subset of all retail transactional deposits (see subsection II.2.5, p 20 of the IRRBB consultative document). Since caps and floors are applied at the category level (ie retail transactional NMDs), the specific values of non-remunerated deposits can exceed the caps and floors of all retail transactional deposits, ie they can lie between 0 and 1 (to the extent that the average level of retail transactional NMDs remains compliant with the corresponding caps and floors).

The definitions of stable deposits and pass-through rates comply with the ones from the IRRBB consultative document (see subsection II.2.5, pp 20–21 of the IRRBB consultative document). *Stable deposits* are the portion of NMD balances that have demonstrated or are expected to demonstrate high levels of long term stability regardless of the interest rate environment. To put it differently, the proportion of stable deposits reflects rate-independent fluctuations of NMD balances. *Pass-through rates* refer to the proportion of a market interest rate change that the bank will pass onto its customers in order to maintain the same level of stable deposit balances. Banks must measure pass-through rates in response to a shift in interest rates over the time horizon they deem most relevant or until the full effect of the market rate move has been passed through to the customers according to banks' internal estimates. However, it should be noted that the definition is of a theoretical nature and does not necessarily match historical pass-through rates of deposits. Finally, the resulting core NMDs can either be slotted according to the uniform or the discretionary approach, considering some restrictions (subsection II.2.5, p 22 of the IRRBB consultative document), whereas the remaining part, the non-core NMDs, is slotted into the overnight bucket.

The proportion of stable deposits should be provided for each of the three categories. As not all notional repricing cash flows (or, more precisely, the positions generating them) within one of these categories might have the same stability behaviour, an average of these values is required to be calculated. For that, each proportion of stable deposits should be weighted by its corresponding sum of notional repricing cash flows.

The following example illustrates the calculation: A bank has two products in the retail transactional category, each generating a notional repricing cash flow of €1,000. The proportions of stable deposits are assumed to be 40% for product 1 and 60% for product 2. Then, the average proportion of stable deposits is:

$$40\% \cdot 1{,}000/(1{,}000+1{,}000)+60\% \cdot 1{,}000/(1{,}000+1{,}000)=50\%.$$

The approach for calculating the pass-through rate works similarly: Within each category, banks might have calculated several pass-through rates which are required to be aggregated for calculating the category's (average) pass-through rate. For that, each pass-through rate needs to be weighted by the notional repricing cash flows of the corresponding stable deposits. In continuing the example, it is assumed that product 1 has a pass-through rate of 70% and product 2 has a pass-through rate of 80%. Then, the average pass-through rate is given by:

$$70\% \cdot 400/(400+600)+80\% \cdot 600/(400+600)=76\%.$$

In case that a bank is not able to assign notional repricing cash flows corresponding to certain proportions of stable deposits and/or pass-through rates, the weighting can be simplified. This can be achieved by, for example, using notional amounts or the sum of notional repricing cash flows for weighting of both the proportion of stable deposits and the pass-through rates.

Furthermore, the panels ask for average maturities and maximum applied maturities. The average maturity should be calculated as a notional repricing cash flow weighted number of core deposits and given in years. In case of the discretionary or the internal estimates approach, each time bucket's midpoint (eg first bucket: 15 days or 0.00278 years) should be used for the calculation. For the uniform approach, the average applied maturity equals three years. The maximum applied maturity is simply the upper bound of the time bucket with the highest maturity which contains non-zero cash flows. For example, in case of the uniform approach, it should be six years as the bucket spanning cash flows with a maturity between five and six years is the one with the highest maturity and non-zero cash flows.

For applying the alternative 1 of the STIA, banks have to calculate the total NMD amount as of the reporting date.

Under the unconstrained internal estimates, banks are asked to slot notional repricing cash flows for the baseline scenario without any restrictions. This implies, that the caps and floors on proportions of stable deposits and/or pass-through rates as well as the cap on maturity can be exceeded or, respectively, fallen short of. Typically, the NMD parameters are estimated at a bank's individual product level which might deviate from the proposed segments (retail transactional/non-transactional and wholesale). In this case, banks are required to (i) assign their products (and thus the parameter estimates) to one of the three proposed segments; and then (ii) calculate the parameter values by considering each products proportion of notional repricing cash flows to a segment's total notional repricing cash flows.

In case that a bank is not able to apply the proposed NMD categories, all deposits should be slotted to the category deemed to be most relevant for the bank. This might be the case under the TIA and/or under the unconstrained internal estimates.

Banks are also requested to provide scenario-specific internal parameter estimates. This allows to quantify the difference in the assumed behaviour under the baseline scenario as well as under the six interest rate shock scenarios.

Row	Column	Heading	Description
Panel B2a: Data on **retail transactional** NMDs			
35–40	F–R	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency arising from retail transactional NMDs under the baseline interest rate scenario subject to the Time Series Approach should be slotted in these cells. As the ON bucket may include amounts arising from core and non-core NMDs, the column G asks for the core NMD part (*of which*).
35–40	Z	Proportion of stable deposits	For the appropriate currency, the bank's estimate of the proportion of stable retail transactional NMDs subject to the Time Series Approach is requested.
35–40	AA	Pass-through rate of stable deposits	For the appropriate currency, the estimate of the pass-through rates on stable retail transactional NMDs subject to the Time Series Approach resulting from a change in market interest rates is requested.
35–40	AB	Average applied maturity of core deposits	For the appropriate currency, the bank's average applied maturity [in years] of core retail transactional NMDs subject to the Time Series Approach should be inserted.
35–40	AC	Maximum maturity applied on core deposits	For the appropriate currency, the bank's maximum applied maturity [in years] of core retail transactional NMDs subject to the Time Series Approach should be inserted.
35–40	AD	Total NMD amount	The total amount of retail transactional NMDs as of the reporting date.
41	F–R	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows arising from non-remunerated deposits (subset of retail transactional NMDs) subject to the Time Series Approach should be slotted in these cells. The amounts shall be aggregated across the six most important currencies. As the ON bucket may include amounts arising from core and non-core NMDs, the column G asks for the core NMD part (*of which*).
41	Z	Proportion of stable deposits	The bank's estimate of the proportion of stable non-remunerated deposits (subset of retail transactional NMDs) subject to the Time Series Approach is requested. The value shall be calculated by a cash flow weighted average across the six most important currencies.
41	AA	Pass-through rate of stable deposits	The bank's estimate of the pass-through rates on stable non-remunerated deposits (subset of retail transactional NMDs) subject to the Time Series Approach resulting from a change in market interest rates is requested. The value shall be calculated by a cash flow weighted average across the six most important currencies.
41	AB	Average applied maturity of core deposits	The bank's average applied maturity [in years] of core non-remunerated deposits (subset of core retail transactional NMDs) subject to the Time Series Approach should be inserted. The value shall be calculated by a cash flow weighted average across the six most important currencies.

Row	Column	Heading	Description
41	AC	Maximum maturity applied on core deposits	The bank's maximum applied maturity [in years] of core non-remunerated deposits (subset of core retail transactional NMDs) subject to the Time Series Approach should be inserted.
41	AD	Total NMD amount	The total amount of non-remunerated deposits (subset of retail transactional NMDs) as of the reporting date.
45–50	F–Y	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency arising from retail transactional NMDs under the baseline interest rate scenario subject to unconstrained internal estimates should be slotted in these cells. As the ON bucket may include amounts arising from core and non-core NMDs, the column G asks for the core NMD part (*of which*).
45–50	Z	Proportion of stable deposits	For the appropriate currency, the bank's unconstrained internal estimate of the proportion of stable retail transactional NMDs under the baseline interest rate scenario subject to the Time Series Approach is requested.
45–50	AA	Scenario-implied average pass-through rate of stable deposits	For the appropriate currency, the bank's unconstrained internal estimate of the pass-through rates on stable retail transactional NMDs under the baseline interest rate scenario subject to the Time Series Approach resulting from a change in market interest rates is requested.
45–50	AB	Average applied maturity of core deposits	For the appropriate currency, the bank's unconstrained internal estimate of the average applied maturity [in years] of core retail transactional NMDs under the baseline interest rate scenario should be inserted.
45–50	AC	Maximum maturity applied on core deposits	For the appropriate currency, the bank's unconstrained internal estimate of the maximum applied maturity [in years] of core retail transactional NMDs under the baseline interest rate scenario should be inserted.
51	Z	Proportion of stable deposits	The bank's unconstrained internal estimate of the proportion of stable non-remunerated deposits (subset of retail transactional NMDs) is requested. The value shall be calculated by a cash flow weighted average across the six most important currencies.
51	AA	Scenario-implied average pass-through rate of stable deposits	The bank's unconstrained internal estimate of the pass-through rates on stable non-remunerated deposits (subset of retail transactional NMDs) resulting from a change in market interest rates is requested. The value shall be calculated by a cash flow weighted average across the six most important currencies.
51	AB	Average applied maturity of core deposits	The bank's average applied maturity [in years] of core non-remunerated deposits (subset of core retail transactional NMDs) subject the bank's unconstrained internal estimate should be inserted. The value shall be calculated by a cash flow weighted average across the six most important currencies.
51	AC	Maximum maturity applied on core deposits	The bank's maximum applied maturity [in years] of core non-remunerated deposits (subset of core retail transactional NMDs) subject to the bank's unconstrained internal estimate should be inserted.
52–57	Z	Proportion of stable deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the stable retail transactional NMDs should be inserted.

Row	Column	Heading	Description
52–57	AA	Scenario-implied average pass-through rate of stable deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the scenario-implied average pass-through rates on stable retail transactional NMDs resulting from a change in market interest rates is requested. The average refers to scenario-implied differing movements of interest rates for various maturities.
52–57	AB	Average applied maturity of core deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the average applied maturity [in years] of core retail transactional NMDs should be inserted.
52–57	AC	Maximum maturity applied on core deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the maximum maturity [in years] applied on core retail transactional NMDs should be inserted.
Panel B2b: Data on **retail non-transactional** NMD			
61–66	F–Y	Time bucket intervals (ON: overnight, M: months, Y: years	Notional repricing cash flows for the appropriate currency arising from retail non-transactional NMDs subject to the Time Series Approach should be slotted in these cells. As the ON bucket may include amounts arising from core and non-core NMDs, the column G asks for the core NMD part (*of which*).
61–66	Z	Proportion of stable deposits	For the appropriate currency, the bank's estimate of the proportion of stable retail non-transactional NMDs subject to the Time Series Approach is requested.
61–66	AA	Pass-through rate of stable deposits	For the appropriate currency, the bank's estimate of the pass-through on stable retail non-transactional NMDs subject to the Time Series Approach resulting from a change in market interest rates is requested.
61–66	AB	Average applied maturity of core deposits	For the appropriate currency, the bank's average applied maturity [in years] of core retail non-transactional NMDs subject to the Time Series Approach should be inserted.
61–66	AC	Maximum maturity applied on core deposits	For the appropriate currency, the bank's maximum applied maturity [in years] of core retail non-transactional NMDs subject to the Time Series Approach should be inserted.
61–66	AD	Total NMD amount	The total amount of retail non-transactional NMDs as of the reporting date.
70–75	F–Y	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency arising from retail non-transactional NMDs under the baseline scenario subject to unconstrained internal estimates should be slotted in these cells. As the ON bucket may include amounts arising from core and non-core NMDs, the column G asks for the core NMD part (*of which*).
70–75	Z	Proportion of stable deposits	For the appropriate currency, the bank's unconstrained internal estimate of the proportion of stable retail non-transactional NMDs under the baseline scenario subject to the Time Series Approach is requested.
70–75	AA	Scenario-implied average pass-through rate of stable deposits	For the appropriate currency, the bank's unconstrained internal estimate of the pass-through on stable retail non-transactional NMDs under the baseline scenario subject to the Time Series Approach resulting from a change in market interest rates is requested.

Row	Column	Heading	Description
70–75	AB	Average applied maturity of core deposits	For the appropriate currency, the bank's unconstrained internal estimate of the average applied maturity [in years] of core retail non-transactional NMDs under the baseline scenario should be inserted.
70–75	AC	Maximum maturity applied on core deposits	For the appropriate currency, the bank's unconstrained internal estimate of the maximum applied maturity [in years] of core retail non-transactional NMDs under the baseline interest rate scenario should be inserted.
76–81	Z	Proportion of stable deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the stable retail non-transactional NMDs should be inserted.
76–81	AA	Scenario-implied average pass-through rate of stable deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the scenario-implied average pass-through rates on stable retail non-transactional NMDs resulting from a change in market interest rates is requested. The average refers to scenario-implied differing movements of interest rates for various maturities.
76–81	AB	Average applied maturity of core deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the average applied maturity [in years] of core retail non-transactional NMDs should be inserted.
76–81	AC	Maximum maturity applied on core deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the maximum maturity [in years] applied on core retail non-transactional NMDs should be inserted.
Panel B2c: Data on **wholesale** NMDs			
85–90	F–Y	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency arising from wholesale NMDs subject to the Time Series Approach should be slotted in these cells. As the ON bucket may include amounts arising from core and non-core NMDs, the column G asks for the core NMD part (*of which*).
85–90	Z	Proportion of stable deposits	For the appropriate currency, the bank's estimate of the proportion of stable wholesale NMDs subject to the Time Series Approach is requested.
85–90	AA	Pass-through rate of stable deposits	For the appropriate currency, the bank's estimate of the pass-through rates on stable wholesale NMDs subject to the Time Series Approach resulting from a change in market interest rates is requested.
85–90	AB	Average applied maturity of core deposits	For the appropriate currency, the bank's average applied maturity [in years] of core wholesale NMDs subject to the Time Series Approach should be inserted.
85–90	AC	Maximum maturity applied on core deposits	For the appropriate currency, the bank's maximum applied maturity [in years] of core wholesale NMDs subject to the Time Series Approach should be inserted.
85–90	AD	Total NMD amount	The total amount of wholesale NMDs as of the reporting date.
94–99	F–Y	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency arising from wholesale NMDs under the baseline interest rate scenario subject to unconstrained internal estimates should be slotted in these cells. As the ON bucket may include amounts arising from core and non-core NMDs, the column G asks for the core NMD part (*of which*).

Row	Column	Heading	Description
94–99	Z	Proportion of stable deposits	For the appropriate currency, the bank's unconstrained internal estimate of the proportion of stable wholesale NMDs under the baseline interest rate scenario subject to the Time Series Approach is requested.
94–99	AA	Scenario-implied average pass-through rate of stable deposits	For the appropriate currency, the bank's unconstrained internal estimate of the pass-through rates on stable wholesale NMDs under the baseline scenario subject to the Time Series Approach resulting from a change in market interest rates is requested.
94–99	AB	Average applied maturity of core deposits	For the appropriate currency, the bank's unconstrained internal estimate of the average applied maturity [in years] of core wholesale NMDs under the baseline scenario should be inserted.
94–99	AC	Maximum maturity applied on core deposits	For the appropriate currency, the bank's unconstrained internal estimate of the maximum applied maturity [in years] of core wholesale NMDs under the baseline scenario should be inserted.
100–105	Z	Proportion of stable deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the stable wholesale NMDs should be inserted.
100–105	AA	Scenario-implied average pass-through rate of stable deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the scenario-implied average pass-through rates on stable wholesale NMDs resulting from a change in market interest rates is requested. The average refers to scenario-implied differing movements of interest rates for various maturities.
100–105	AB	Average applied maturity of core deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the average applied maturity [in years] of core wholesale NMDs should be inserted.
100–105	AC	Maximum maturity applied on core deposits	For the main currency and for the appropriate interest rate shock scenario, the bank's unconstrained internal estimate of the maximum maturity [in years] applied on core wholesale NMDs should be inserted.

Panel B3 asks for data on the STIA – alternative 2 (see subsection II.2.5, pp 22–23 of the IRRBB consultative document). Banks have to segment their total amount of NMDs as of the reporting date in retail and wholesale deposits and, in addition, to provide a breakdown with regard to various deposit volumes. However, banks may alternatively slot their notional repricing cash flows by *depositor* in accordance with subsection II.2.5 of the IRRBB consultative document.

Each non-euro deposit needs to be converted in an equivalent euro deposit using the exchange rates as specified in the "IRRBB scenarios" worksheet. For each retail deposit, the first €20,000 are needed to be slotted in column D (≤ €20,000 EUR (equiv.)). Following that, the part between €20,000 and €100,000 is slotted in column E (> 20,000 EUR to ≤ 100,000 EUR (equiv.)). The part between €100,000 and €500,000 is captured in column F (> 100,000 EUR to ≤ 500,000 EUR (equiv.)). Parts exceeding €500,000 are captured in column G (> 500,000 EUR (equiv.)). Wholesale deposits are treated in the same way. This means that the first €500,000 of each wholesale deposit are slotted in column H and the part exceeding €500,000 is captured in column I. The following example describes this procedure: Given is a retail deposit of €220,000. Then, an amount of €20,000 would be slotted in column D, an amount of €80,000 would be slotted in column E and the remaining €120,000 are required to be assigned in column F (and not for the full amount of €220,000).

Row	Column	Heading	Description
110–115	D	≤ 20,000 EUR (equiv.)	For the appropriate currency, the sum of the first €20,000 equivalents of each retail deposit is needed to be inserted.
110–115	E	> 20,000 EUR to ≤ 100,000 EUR (equiv.)	For the appropriate currency, the sum of the amounts ranging between €20,000 and €100,000 equivalents of each retail deposit is needed to be inserted.
110–115	F	> 100,000 EUR to ≤ 500,000 EUR (equiv.)	For the appropriate currency, the sum of the amounts ranging between €100,000 and €500,000 equivalents of each retail deposit is needed to be inserted.
110–115	G	> 500,000 EUR (equiv.)	For the appropriate currency, the sum of the amounts exceeding €500,000 equivalents of each retail deposit is needed to be inserted.
110–115	H	≤ 500,000 EUR (equiv.)	For the appropriate currency, the sum of the first €500,000 equivalents of each wholesale deposit is needed to be inserted.
110–115	I	> 500,000 EUR (equiv.)	For the appropriate currency, the sum of the amounts exceeding €500,000 equivalents of each wholesale deposit is needed to be inserted.

7.5 Panel C: Term deposits subject to early redemption risk

Term deposits lock in a fixed rate for a fixed term, and would usually be hedged on that basis. However, for the purposes of IRRBB and according to subsection II.2.6 of the IRRBB consultative document, term deposits may only be treated as fixed rate liabilities and slotted in the time buckets of panel A2 up to their corresponding maturity date when:

- the depositor has no legal right to withdraw its deposit; or
- an early withdrawal results in a significant penalty that at least compensates for the loss of interest between the date of withdrawal and the contractual maturity date and the economic cost of breaking the contract.[66]

If neither of these conditions is met, the depositor is deemed to hold an option to withdraw freely and the term deposit should be regarded as subject to *early redemption risk* (see subsection II.2.6, pp 26–27 of the IRRBB consultative document) and slotted in panels C1 to C3. For term deposits with automatic rollover features, the rollover option should be ignored and the associated notional repricing cash flows slotted up to the next rollover date.

Banks are being asked to provide information about their notional repricing cash flows according to contractual repricing dates (panel C1), under the standardised fallback (panel C2) and, where possible, under the internal estimates approach (panel C3). The standardised fallback requires banks to provide an estimate of the currency-specific *term deposit redemption rate* (TDRR) for the baseline interest rate scenario (either based on own internal estimates or, where applicable, as prescribed by national supervisors as set out in subsection II.2.6 of the IRRBB consultative document) in panel C2 which will be adjusted by scalars under each interest rate shock scenario. Furthermore, banks can also use an internal estimate approach, which requires them to calculate the *internally measured redemption speed* (IMRS) for the baseline and for the six interest rate shock scenarios. In column Y in

66 Note that this restriction holds for the full amount of the deposit, ie deposits may not be split into a part covered by the penalty and treated as a fixed rate liability, and another part not covered by the penalty and treated like a term deposit subject to early redemption risk as set out in subsection II.2.6 of the IRRBB consultative document.

panel C2 banks shall indicate which approach (standardised fallback or internal estimates approach) should be used for calculating the minimum IRRBB capital requirements.

Panel C1 asks for contractual notional repricing cash flows, ie assuming that no early redemptions occur.

Row	Column	Heading	Description
121–126	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency associated with term deposits that are subject to early redemption risk. The cash flows should be slotted into time buckets according to their respective contractual maturities.

Panel C2 requests notional repricing cash flows under the standardised fallback, ie banks have to apply the methodology as set out in subsection II.2.6, pp 26–27 of the IRRBB consultative document. In particular, banks have to provide a weighted average of their currency-specific TDRR for the baseline interest rate scenario as given by the ratio of historical redeemed term deposits to all outstanding term deposits subject to early redemption risk and, then, to apply scenario-specific scalars as given in Table 12 on p 26 of the IRRBB consultative document for calculating scenario-dependent redemption rates.

Row	Column	Heading	Description
130–171	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency, under each interest rate shock scenario defined in column D, are to be slotted according to the standardised fallback of term deposits with early redemption risk.
130, 137, 144, 151, 158, 165	X	Baseline term deposit redemption rate (TDRR)	For the baseline interest rate scenario and for the appropriate currency, provide the applied term deposit redemption rate (TDRR). Where different values of TDRR are estimated for each homogeneous portfolio as part of a bank's total outstanding amount of term deposits subject to early redemption risk, the bank should report an average TDRR based on weighting by the outstanding amount of each homogeneous portfolio.
130, 137, 144, 151, 158, 165	Y	Standardised for capital requirements calculation?	Select from the drop-down list the approach the bank would most likely be using if it were to apply the framework for the given currency today, ie whether they would apply (i) the standardised fallback ('Yes'); or (ii) the internal estimates approach ('No') for calculating the minimum IRRBB capital requirements. The chosen approach will be used for the calculation of the minimum IRRBB capital requirements in the "IRRBB capital requirements" worksheet.

In panel C3, banks shall provide notional repricing cash flows under their internal estimates approach as set out in subsection II.2.6, p 28 of the IRRBB consultative document. The notional repricing cash flows in the baseline interest rate scenario under the internal estimates approach are assumed to be equal to those under the standardised fallback (to be reported in panel C2). The IMRS should be based on the ratio of historical redeemed term deposits to all outstanding term deposits subject to early redemption risk.

Row	Column	Heading	Description
176–181, 183–188, 190–195, 197–202, 204–209, 211–216	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency, for each interest rate shock scenario defined in column D, are to be slotted according to the internal estimates approach (using IMRSs) for term deposits subject to early redemption risk.
176–181, 183–188, 190–195, 197–202, 204–209, 211–216	X	Average internally measured redemption speed (IMRS)	For each interest rate shock scenario defined in column D and for the appropriate currency, the average IMRS shall be given. Where different values of IMRS are estimated for each homogeneous portfolio as part of a bank's total outstanding amount of term deposits subject to early redemption risk, the bank should report an average IMRS based on weighting by the outstanding amount of each homogeneous portfolio.

7.6 Panel D: Fixed rate loans subject to prepayment risk

The ability of a borrower to prepay a fixed rate loan is an important behavioural option. Such loans are referred to as *prepayment-exposed loan products*. Prepayments, or parts thereof, for which the economic cost is not charged to the borrower, are referred to as *uncompensated prepayments*. For loan products where the economic cost of prepayments is never charged, or only charged for prepayments above a certain threshold, the standardised or internal estimates approach for fixed rate loans subject to prepayments set out below must be used to assign notional repricing cash flows.

Products other than fixed rate loans can also be subject to prepayment risk. Their notional repricing cash flows fall within the scope of panel D as they meet the criteria above. Moreover, banks are requested to indicate in the qualitative questionnaire which positions (besides fixed rate loans) are exposed to prepayment risk.

Banks are being asked to provide information about their notional repricing cash flows according to contractual repricing dates (panel D1), under the standardised fallback (panel D2) and, where possible, under the internal estimates approach (panel D3). The standardised fallback requires banks to provide an estimate of the currency-specific conditional prepayment rate (CPR) for the baseline interest rate scenario (either based on own internal estimates or, where applicable, as prescribed by national supervisors as set out in subsection II.2.6 of the IRRBB consultative document) which will be adjusted by scalars under each interest rate shock scenario. Furthermore, banks can also use an internal estimate approach, which requires them to calculate the *internally measured prepayment speed* (IMPS) for the baseline (to be reported in panel D2) and for the six interest rate shock scenarios. In column Y in panel D2 banks shall indicate which approach (standardised fallback or internal estimates approach) should be used for calculating the minimum IRRBB capital requirements.

Panel D1 asks for total outstanding notional repricing cash flows.

Row	Column	Heading	Description
222–227	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency associated with fixed rate loans that are subject to prepayment risk. The cash flows should be slotted into time buckets according to their respective contractual maturities.

Panel D2 requests notional repricing cash flows under the standardised fallback, ie banks have to apply the methodology as set out in subsection II.2.6, pp 24–25 of the IRRBB consultative document. In particular, banks have to provide a currency-specific conditional prepayment rate (CPR) for the baseline interest rate scenario as given by the ratio of historical prepaid fixed rate loans to all outstanding fixed rate loans subject to prepayment risk and, then, to apply scenario-specific scalars as given in Table 8 on p 24 of the IRRBB consultative document for calculating scenario-specific prepayment rates.

Row	Column	Heading	Description
231–272	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency, for each interest rate shock scenario defined in column D, are to be slotted according to the standardised fallback of fixed rate loans subject to prepayment risk.
231, 238, 245, 252, 259, 266	X	Baseline conditional prepayment rate (CPR)	For the baseline interest rate scenario and for the appropriate currency, provide the applied conditional prepayment rate (CPR). Where different values of CPR are estimated for each homogeneous portfolio as part of a bank's total outstanding amount of fixed rate loans subject to prepayment risk, the bank should report an average CPR based on weighting by the outstanding amount of each homogenous portfolio.
231, 238, 245, 252, 259, 266	Y	Standardised for capital requirements calculation?	Select from the drop-down list the approach the bank would most likely be using if it were to apply the framework for the given currency today, ie whether they would apply (i) the standardised fallback ('Yes'); or (ii) the internal estimates approach ('No') for calculating the minimum IRRBB capital requirements. The chosen approach will be used for the calculation of the minimum IRRBB capital requirements in the "IRRBB capital requirements" worksheet.

In panel D3, banks shall provide notional repricing cash flows under their internal estimates approach as set out in subsection II.2.6, p 28 of the IRRBB consultative document. The notional repricing cash flows in the baseline interest rate scenario under the internal estimates approach are assumed to be equal to those under the standardised fallback (to be reported in panel D2). The internal estimate of the IMPS should be based on the ratio of historical prepaid fixed rate loans to all outstanding fixed rate loans subject to prepayment risk.

Row	Column	Heading	Description
277–282, 284–289, 291–296, 298–303, 305–310, 312–317	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency, for each interest rate shock scenario defined in column D, are to be slotted according to the internal estimates approach (using IMPSs) for fixed rate loans subject to prepayment risk.
277–282, 284–289, 291–296, 298–303, 305–310, 312–317	X	Average internal estimates of measured prepayment speed (IMPS)	For each interest rate shock scenario defined in column D and for the appropriate currency, the average IMPS shall be given. Where different values of IMPS are estimated for each homogeneous portfolio as part of a bank's total outstanding amount of fixed rate loans subject to prepayment risk, the bank should report an average IMPS based on weighting by the outstanding amount of each homogenous portfolio.

7.7 Panel E: Fixed rate loan commitments ("pipelines")

Under a fixed rate loan commitment a borrower is entitled to draw down a credit line up to a specified amount, at a fixed rate, for a specified term, at any time within the specified period. Fixed rate loan commitments ("pipelines") are, in effect, OBS contracts concluded with prospective borrowers. Effective hedging of those commitments depends on accurately predicting and measuring the pull-through ratios

(PTR), ie the draw-down rates of the commitments. If market interest rates decrease and resulting drawdowns are less than expected, the bank may, for example, not be able to meet its forward sales commitments to investors and, as a result, might be forced to purchase needed loans (or hedges) in the secondary market at unfavourable prices or pay a fee.

Banks are being asked to provide information about their notional repricing cash flows under the standardised fallback (panels E1) and, where possible, under the internal estimates approach (panels E2).

Irrespective of the approach, the sub-panels on fixed rate loan commitments are separated into *outgoing* notional repricing cash flows (ie the drawdowns according to the pull-though ratios) and the *incoming* notional repricing cash flows reflecting the interest rate shock scenario-dependent notional repricing cash flows associated with the resulting future loans. For the purpose of determining the EVE loss measure, it is assumed that the future loans remain on the bank's balance sheet (ie abstracting from any possible forward sales of the loans). Finally, any hedges must be reflected in any of the other panels of the "IRRBB exposures" worksheet (eg in panel G if hedged through an automatic interest rate option, in panel A if hedged through an interest rate swap).

The EVE loss measure of the OBS item after an interest rate shock scenario is the difference of the discounted value of *incoming* minus the discounted value of *outgoing* notional repricing cash flows before and after the interest rate shock scenario.

The standardised fallback panel E1a requires banks to provide (i) in column Y the committed amount of fixed rate loans as of the reporting date; and (ii) the expected drawdown amounts as given by notional repricing cash flows in columns E to W for the baseline interest rate scenario (either based on their own internal estimates or, where applicable, as prescribed by national supervisors as set out in subsection II.2.6 of the IRRBB consultative document). These amounts will be linearly scaled by scenario-dependent pull-through ratios according to the scalars computed in column X. In particular, interest rate shock scenarios with increased interest rates will go along with increased pull-through ratios.

Furthermore, banks can also use an internal estimates approach, which requires them to determine incoming and outgoing notional repricing cash flows for the baseline and for each interest rate shock scenario. The *internally measured pull-through ratios* (IMPTRs) can be obtained implicitly by the ratio of the drawdown amount and the committed amount. In column Z in panel E1a banks shall indicate which approach (standardised fallback or internal estimates approach) they consider most likely be using when calculating minimum IRRBB capital requirements for fixed rate loan commitments if the proposed framework were an applicable standard today. The chosen approach will be used for the calculation of the minimum IRRBB capital requirements in the "IRRBB capital requirements" worksheet.

Panel E1a asks for the outgoing notional repricing cash flows under the standardised fallback. In particular, data for the baseline interest rate scenario for each time bucket per currency and the total committed amount per currency is required. The expected drawdown amounts for the interest rate shock scenarios for each time bucket and currency will be calculated automatically.

Row	Column	Heading	Description
324, 331, 338, 345, 352, 359	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Outgoing notional repricing cash flows as given by expected drawdown amounts for the appropriate currency are to be slotted according to the standardised fallback of fixed rate loan commitments for the baseline interest rate scenario.
324, 331, 338, 345, 352, 359	Y	Committed amount	Enter the amount as of the reporting date of committed fixed rate loans.

Row	Column	Heading	Description
324, 331, 338, 345, 352, 359	Z	Standardised for capital requirements calculation?	Select from the drop-down list the approach the bank would most likely be using if it were to apply the framework for the given currency today, ie whether they would apply (i) the standardised fallback ('Yes'); or (ii) the internal estimates approach ('No') for calculating the minimum IRRBB capital requirements. The chosen approach will be used for the calculation of the minimum IRRBB capital requirements in the "IRRBB capital requirements" worksheet.

Panel E1b requests incoming notional repricing cash flows (ie the future loans) under the standardised fallback, ie the calculations shall be based on the average cumulative expected pull-through ratios of panel E1a.

Row	Column	Heading	Description
369–410	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Incoming notional repricing cash flows arising from the committed fixed rate loans as of the reporting date for the appropriate currency are to be slotted according to the standardised fallback of fixed rate loan commitments for the baseline and for each interest rate shock scenario.

Panel E2a asks for outgoing notional repricing cash flows under the internal estimates approach. The notional repricing cash flows in the baseline interest rate scenario (to be reported in panel E1a) under the internal estimates approach are assumed to be equal as under the under the standardised fallback and under the internal estimates approach.

Row	Column	Heading	Description
416–421, 423–428, 430–435, 437–442, 444–449, 451–456	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Outgoing notional repricing cash flows as given by expected drawdown amounts for the appropriate currency are to be slotted according to the internal estimates approach of fixed rate loan commitments for each interest rate shock scenario.

Panel E2b ask for incoming notional repricing cash flows under the internal estimates approach ie the calculations shall be based on the average cumulative *internally measured pull-through rates* (IMPTR) of panel E2a.

Row	Column	Heading	Description
461–466, 468–473, 475–480, 482–487, 489–494, 496–501	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Incoming notional repricing cash flows arising from the fixed rate loan commitments as of the reporting date for the appropriate currency are to be slotted according to the internal estimates approach of fixed rate loan commitments for each interest rate shock scenario.

7.8 Panel F: Other IRRBB exposures

Panels F1a and F1b ask for notional repricing cash flows of banking book positions which are (i) *less* or *not amenable* to standardisation and (ii) which are not captured in panels A to E and G. An example may include *non-maturity assets* (NMAs).

The data to be entered in this panel are assumed to be *scenario-dependent*. As some positions are deemed to be scenario-independent, banks shall use the same notional repricing cash flow structure for both the baseline interest rate scenario as well as for each interest rate shock scenario for these positions. For modelling the uncertainty regarding the repricing date or the cash flow amount of these positions, banks are allowed to use internal estimates without any restrictions. Moreover, banks are requested to list the products slotted in panel F in the qualitative questionnaire.

Row	Column	Heading	Description
Panel F1a: Incoming notional repricing cash flows			
507–548	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Incoming notional repricing cash flows for the appropriate currency, for the baseline interest rate scenario as well as for each interest rate shock scenario defined in column D, are to be slotted for other IRRBB exposures.
Panel F1b: Outgoing notional repricing cash flows			
553–594	E–W	Time bucket intervals (ON: overnight, M: months, Y: years)	Outgoing notional repricing cash flows for the appropriate currency, for the baseline interest rate scenario as well as for each interest rate shock scenario defined in column D, are to be slotted for other IRRBB exposures.

7.9 Panel G: Automatic interest rate options in the banking book

Panel G collects information on automatic interest rate options, ie financial options that holders will, in case it is beneficial for them, almost certainly exercise.[67] In particular, it asks for data on *sold* and *bought* automatic interest rate options, subdivided further into *explicit* and *embedded*. Moreover, data is collected on those bought (explicit and embedded) interest rate options that are used for hedging sold interest rate option.[68]

Explicit sold interest rate options to be included are in particular: (i) sold floors, (ii) sold caps and (iii) sold (receiver and payer) swaptions.

Embedded sold interest rate options to be included are: (i) sold caps over floating rate assets (loans and debt securities); (ii) fixed rate debt securities with a prepayment option for the issuer; (iii) sold floors over floating rate debt securities issued and (iv) fixed rate debt securities issued with a prepayment option for the investor. Moreover, stripped out options from wholesale customers pertaining to (v) term deposits subject to early redemption risk; as well as to (vi) fixed rate loans subject to prepayment risk must be included in this panel. For this purpose, the boundary definition for the consideration of wholesale customers applies (see Section 7.2.3).

For embedded sold options over floating rate loans (embedded sold caps) where prepayments of the loan could occur, the contractual maturity of the loan must be used for valuating the options, ie assumptions on prepayments are not allowed. For the valuation of embedded sold options of wholesale term deposits subject to early redemption risk and of wholesale fixed rate loans subject to prepayment risk, the strike rate should reflect the contractual interest rate (including margins), and the underlying rate of the option should be the market interest rate (including margins) of new term deposits subject to early redemption risk or, respectively, fixed rate loans subject to prepayment risk with a maturity equal to their residual contractual maturity.

67 See also subsection II.2.7 of the IRRBB consultative document for further details.

68 For instance, if a bank owns floating rate loans with embedded bought floors and the bank sells explicit floors for a given amount N with a strike similar to the embedded bought floor, the amount N of embedded bought floors can be considered hedging the explicit sold floors.

Explicit bought interest rate options to be included are in particular: (i) bought floors, (ii) bought caps and (iii) bought (receiver and payer) swaptions.

Embedded bought interest rate options to be included are: (i) bought floors over floating rate assets (loans or debt securities); (ii) fixed rate debt securities assets with prepayment option for the bank; (iii) bought caps over floating rate debt securities issued; and (iv) fixed rate debt securities issued with prepayment option for the bank.

For embedded bought options over floating rate loans (embedded bought floors) where prepayments could occur, the contractual maturity of the loan must be used for valuating the options, ie assumptions on prepayments are not allowed.

The economic value of interest rate options is requested in columns I and K to V. It should be calculated by an internally validated pricing model used in a bank's IMS. However, banks may use approximations instead of a full re-valuation to the extent that approximations have reasonable values for the considered interest rate shock scenarios. For computing the economic value under interest rate scenarios with a volatility increased by 25% in columns Q to V, the increase in the volatility is to be understood as a *relative* increase (eg an initial volatility of 10% would be increased to 12.5%).

The accounting value of the interest rate options under the baseline interest rate scenario that is reflected in the CET1 is requested in column J and refers to the reporting date.

The contribution of the payoff of automatic interest rate options to the one-year NII in case the option is exercised under the baseline interest rate scenario and under the first two interest rate shock scenarios is requested in columns W to Y. Note that premiums paid (for bought interest rate options) or received (for sold interest rate options) are out of the scope of this panel.

With the exception of *Value reflected in capital* which could be negative, all cells in this panel have to be filled in, ie they have to contain either a positive number or a zero the bank's most important currencies. Thus, if there are no positions, a zero value must be filled in instead of leaving the cell blank.

Row	Column	Heading	Description
602–606, 608–612, 614–618, 620–624, 626–630, 632–636	G	Notional of the option	Refers to the sum of the notional amounts of the underlying by automatic interest rate option types for the appropriate currency. For embedded automatic interest rate options, the nominal value is the outstanding amount of the underlying asset or liability in which an interest rate option is embedded.
602–606, 608–612, 614–618, 620–624, 626–630, 632–636	H	Current accounting value	Refers to the current value at which the automatic interest rate option is included in the official consolidated financial statements (balance sheet) for the appropriate currency.
602–606, 608–612, 614–618, 620–624, 626–630, 632–636	I	Economic value under baseline interest rate scenario	Refers to economic value of automatic interest rate options under the baseline interest rate scenario at the reporting date of the template as reflected in the market price or following the pricing model of the bank's IMS for the appropriate currency.
602–606, 608–612, 614–618, 620–624, 626–630, 632–636	J	Value reflected in capital	Part of the accounting value of automatic interest rate options that are reflected in the CET1 for the appropriate currency. Where subject to fair value accounting, this number will typically equate the economic value change of the option during its life, ie it can be given by the difference between the current economic value of the option and the option's value at inception.

Row	Column	Heading	Description
602–606, 608–612, 614–618, 620–624, 626–630, 632–636	K–P	Economic value under IR scenarios (stable volatility)	Total economic value of interest rate options under interest rate shock scenarios 1 to 6 as computed according to the pricing models of the bank's IMS for the appropriate currency. A stable volatility must be used for this calculation, what means that the option's volatility for the baseline interest rate scenario shall be also applied for the interest rate shock scenarios.
602–606, 608–612, 614–618, 620–624, 626–630, 632–636	Q–V	Economic value under IR scenarios and volatility up by 25%	Total economic value of interest rate options under the interest rate curve described in interest rate shock scenarios 1 to 6 as computed according to the pricing models of the bank's IMS for the appropriate currency. The volatility used to make the calculations must be 25% higher (in relative terms) than initially. In case the bank only considers the intrinsic value for valuating options, the numbers reported in the columns K–P would be the same as the numbers reported in the columns Q–V.
602–606, 608–612, 614–618, 620–624, 626–630, 632–636	W–Y	Contribution (in absolute value) of the payoff of the options to the 1 Year NII under interest rate scenarios	Refers to the contribution (in absolute value) of the payoff resulting from exercising of interest rate options at their maturity to the NII measure in the following year (12 months) under the baseline interest rate scenario and under the interest rate shock scenarios 1 to 2 for the appropriate currency. In case of options related to underlying loans, the bank will only take into account the payoff resulting from the floorlets and caplets maturing (repricing) within the next 12 month period.

7.10 Panel H: Basis risk

Banks can have positions (i) to more than one reference rate curve within the same currency; as well as (ii) to different tenors of the same reference rate curve. Dislocations between these rates can occur what could lead to significant losses, a risk commonly known as basis risk (see subsection II.4.3 of the IRRBB consultative document).

In this panel, banks should provide information about their net notional repricing cash flows exposed to basis risks and give internal estimates of basis risk shock parameters.

In panel H1, banks should select the approach to the basis risk shock parameters to be used for the basis risk add-on to the NII measure calculation, ie whether to use the standardised basis risk shock parameters in Table 13 of the IRRBB consultative document or to use the internal estimates of historic basis risk shock scenarios as set out in subsection II.4.3.

Row	Column	Heading	Description
644–649	E	Non-parallel gap risk basis	Select from the drop-down list the approach the bank would most likely be using if it were to apply the framework for the given currency today, ie whether they would apply (i) the standardised shock parameters; or (ii) the internal estimates of shock parameters for calculating the minimum IRRBB capital requirements. The chosen approach will be used for the calculation of the minimum IRRBB capital requirements in the "IRRBB capital requirements" worksheet.
644–649	F	Reference rate basis	Select from the drop-down list the approach the bank would most likely be using if it were to apply the framework for the given currency today, ie whether they would apply (i) the internal estimates of shock parameters; or (ii) the standardised shock parameters for calculating the minimum IRRBB capital requirements. The chosen approach will be used for the calculation of the minimum IRRBB capital requirements in the "IRRBB capital requirements" worksheet.

Panels H2 and H4 should be used to provide the total net notional repricing cash flows exposed to basis risks. The scope of considered net notional repricing cash flows is the same as for the NII measure, ie cash flows as entered in panels A to F[69] with a repricing maturity of less than one year for the major currencies have to be taken into account. The scope might be affected by the employed approach (standardised fallback or internal estimates approach). Moreover, in cases of scenario-dependent net notional repricing cash flows (panels C to F), the notional repricing cash flows in the baseline interest rate scenario fall within the scope of basis risk. Cash flows that might arise from automatic interest rate options are out of scope and must not feature here. Notional repricing cash flows are defined in subsection II.2.1 on p 13 of the IRRBB consultative document. The netting approach of notional repricing cash flows for the basis risk NII add-on is described in subsection II.4.3 on pp 32–33 of the IRRBB consultative document.

For the net notional repricing cash flows in the scope as pointed out above, banks should provide a breakdown according to the different reference rates that may cause basis risk. In particular, for panel H2, notional repricing cash flows should be broken down by interbank[70] and repo rates[71] for five repricing terms given by rate reset tenors (ON, 1M, 3M, 6M, 12M). Note that the reference is the rate reset tenor and **not** the remaining contractual maturity. Moreover, for panel H4, notional repricing cash flows should be broken down by references to (i) administered rates;[72] (ii) government bond yields; (iii) policy rates; (iv) interbank rates; and (v) repo rates. Incoming notional repricing cash flows are to be reported with a positive sign, whereas outgoing notional repricing cash flows are to be reported with a negative sign.

Panels H3 and H5, should be used to provide the pair-wise interest rate shock parameters based on internal estimates. The internal estimates are calculated by considering the 99th percentile of the three-month moving average between the respective rates in the basis measured over the past 10

69 To be more precise, panels A1/A2 (including also those floating rate assets/liabilities with embedded automatic interest rate options), panels B2a to B2c (columns F, H–L), panel C2 (C3), panel D2 (D3), panel E1a/E1b (E2a/E2b), panel F1a/F1b are in the scope. NMDs and other net notional repricing cash flows that are sensitive to short-term interest rates must be included in the basis risk calculation.

70 This is the rate at which banks lend to each other on an unsecured basis. For major currencies such as the USD, GBP, JPY or EUR this will be the Libor or Euribor rates.

71 This is the rate at which banks lend to each other on a secured/collateralised basis.

72 Administered rate refers to interest rates that are set by the bank itself. The inclusion of administered rate as a reference rate is to reflect the occasional constraints faced by banks in freely changing these rates.

years. The three-month moving average is used to smooth the difference between the rates. This analysis results in a 9.75 year distribution of rates differences for which a 99th percentile is calculated (see subsection II.4.3, p 32 of the IRRBB consultative document).

Panel H2 asks for non-parallel gap risk basis. The net notional repricing cash flows for each repricing tenor in which the bank has an exposure in interbank offered and repo rates shall be provided.

Row	Column	Heading	Description
655–684	F, I	Net notional repricing cash flow amount	For the appropriate currency, the net notional repricing cash flows for interbank rates and for repo rates according to various rate reset tenors (ON, 3M, 6M, 9M, 12M) shall be provided.

In panel H3, the bank should provide an internal estimate of non-parallel gap risk basis risk shock parameters.

Row	Column	Heading	Description
655–678	P–S, W–Z	Shock parameters (in percentage points; 100 basis points = 1%)	For the appropriate currency, the internal estimate of the basis shock parameter for each pair of matching notional repricing cash flows shall be provided.

Panel H4 asks for a breakdown of net notional repricing cash flows according to various reference rates.

Row	Column	Heading	Description
691–720	F	Net notional cash flow amount	For the appropriate currency, the net notional repricing cash flows, associated to various reference rates (column D) shall be provided.

In panel H5 the firm should provide an internal estimate of reference rate basis shock parameters.

Row	Column	Heading	Description
691–714	P–S	Shock parameters (in percentage points; 100 basis points = 1%)	For the appropriate currency, the internal estimate of the basis shock parameter for each pair of matching notional repricing cash flows shall be provided.

7.11 Panel I: Components of IRRBB minimum capital requirements

Panel I enables an overview of the results of the constituent parts which are necessary to calculate the minimum capital requirement for IRRBB as set out in subsections II.2.3 to II.2.5 of the IRRBB consultative document.

For the six most important currencies, the calculation is automated. As further currencies might be required to cover at least 90% of a bank's total (banking book) consolidated assets or liabilities (see subsection 7.2.3 of the current Basel III monitoring instructions), the results of this calculation are to be entered under panel I. It is recommended to create a copy of the worksheets and to incorporate the results from the second worksheet in panel I of the original worksheet starting from the seventh most important currency in panel I. It is not necessary to provide intermediate results of panels A to H for more than six currencies.

In rows 49 to 52, the minimum IRRBB capital requirements under the four options as set out in subsection II.5 of the IRRBB consultative document are computed.

The *net interest profit* (NIP) is a proxy for expected banking book earnings based on locked-in margins in the near future after adjusting for expenses and costs associated with banking book activities (see also Section 7.12). Since the NIP is subtracted from the IRRBB minimum capital requirements associated with the change to EVE and earnings, it functions as a risk-sensitive threshold (see subsection II.5.5, p 36 in the IRRBB consultative document). In case a bank can fill in panel J, the minimum of (i) the average of the last three year's annual adjusted gross income; and (ii) last year's (ie the year 2014) annual adjusted gross income are to be taken. The adjusted annual gross income is given by the annual gross income (column G) minus the annual gross income from trading (column H) and minus the annual overhead costs and expenses (column E). For calculating the average, the arithmetic mean of the years 2012 to 2014 (rows 56–58) has to be computed. As the holding period is assumed to be six months, the annual values are required to be scaled down by multiplying with 50%. In case a bank is not able to fill in panel J, an own proxy for its expected banking book earnings based on locked-in margins can be employed. The minimum value to be entered is zero, ie losses will not be considered.

Row	Column	Heading	Description
4	C	NIP	The six months NIP to be considered for calculating the minimum IRRBB capital requirements is to be inserted. The minimum value to be entered is zero.

IRRBB exposures in further currencies have to be considered to cover at least 90% of a bank's total consolidated assets or liabilities (see Section 7.2.3).

Row	Column	Heading	Description
15–45	C	Currency	Drop-down box for further currencies to cover at least 90% of a bank's total consolidated assets or liabilities.
15–45	D–I	Loss in economic value under interest rate scenarios	Banks must provide the losses in economic value under various interest rate shock scenarios in according with the calculations in the IRRBB consultative document.
15–45	J–O	Loss in economic value for automatic option risk under interest rate scenarios	Banks must provide the losses in economic value for automatic interest rate option risk under the six interest rate shock scenarios.
15–45	P–Q	Change in the one year general NII measure under interest rate scenarios	Banks must provide the change in the one-year general NII measure under the six interest rate shock scenarios.
15–45	R	Change in the NII measure for reference rate basis risk	Banks must provide the changes in the NII measure for reference rate basis risk.
15–45	S	Change in the NII measure for tenor basis risk	Banks must provide the changes in the NII measure for tenor basis risk.
15–45	T–U	Change in the total NII measure under interest rate scenarios	Banks must provide the changes in the total NII measure under the six interest rate shock scenarios
15–45	V–W	Payoff of the options to the one year NII measure under interest rate scenarios	Banks must provide the payoff of the options to the one-year NII measure under the six interest rate shock scenarios

7.12 Panel J: Net interest profit (NIP) calculation

NIP is a proxy for expected banking book earnings based on locked-in margins in the near future after adjusting for expenses and costs associated with banking book activities as set out in Annex 3 of the IRRBB consultative document. Under option 4 for calculating the minimum IRRBB capital requirements, NIP serves as a risk-sensitive proxy for the threshold for minimum IRRBB capital requirements (see subsection II.5.5, p 36 of the IRRBB consultative document).

Panel J asks for data on historical realised profits associated with *banking book* exposures for the years 2012 to 2014.

Row	Column	Heading	Description
56–58	C	Annual NII in the banking book	The realised annual net interest income generated by the banking book. Interest income from assets allocate to the banking book minus interest expense on liabilities allocated to the banking book.
56–58	D	Annual impairments on banking book items	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss (financial assets measured at cost, AFS financial assets, loans and receivables, and held to maturity).
56–58	E	Annual overhead costs and expenses	Aggregate and slot in the following costs and expenses: • Administrative expenses (staff expenses and other administrative expenses) • Depreciation (property, plant and equipment; Investment properties; other intangible assets) • Provision or (-) reversals of provisions • Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates) • Impairments or (-) reversal of impairment on non-financial assets • Negative goodwill recognised in profit or loss • Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates • Profit or (-) loss from non-current asset and disposal groups classified as held for sale not qualifying as discontinued operations
56–58	F	Total net operating income	Total net operating income, as defined in the operative accounting standards, including: net interest income, net of commission and fee income as well as expenses, and net gains and losses on financial instruments.
56–58	G	Annual gross income	Gross income defined in paragraph 650 of the Basel II framework for operational risk, which is defined as net interest income plus net non-interest income (as defined by national supervisors and/or national accounting standards). This measure should: (i) be gross of any provisions (eg for unpaid interest); (ii) be gross of operating expenses, including fees paid to outsourcing service providers; (iii) exclude realised profits/losses from the sale of securities in the banking book; and (iv) exclude extraordinary or irregular items as well as income derived from insurance. In contrast to fees paid for services that are outsourced, fees received by banks that provide outsourcing services shall be included in the definition of gross income. Realised profits/losses from securities classified as "held to maturity" and "available for sale", which typically constitute items of the banking book (under certain accounting standards), are also excluded from the definition of gross income.
56–58	H	Annual gross income from trading	Gross income mapped to activities generating trading income (including fees) in the operational risk framework.
56–58	I	Total assets banking book (end of year)	Total assets assigned to the banking book according to the internal guidelines.
56–58	J	Total liabilities banking book (end of year)	Total liabilities assigned to the banking book according to the internal guidelines.

Row	Column	Heading	Description
56–58	K	Total assets (end of year)	Total assets according to consolidated accounts at end of year.

7.13 Panel K: Measures from the internal measurement system (IMS) for IRRBB

This panel covers the Pillar 2 requirements set out in Principle 4 of subsection III.3 of the IRRBB consultative document and asks banks to provide their estimates of the level of *economic value of equity* (EVE) and *net interest income* (NII) under the baseline scenario (panel M1, "IRRBB scenarios" worksheet) and under each of the interest rate shock scenarios (panels M2 to M7, "IRRBB scenarios" worksheet), aggregated for all currencies considered in the IMS. When computing the EVE and the NII levels, banks will follow their own internal assumptions regarding, among other things, the composition of notional repricing cash flows (including or excluding spreads and margins), the bucketing structure (time buckets or tenor points) and currency aggregation.

When calculating the EVE and NII level estimates from the IMS, banks should consider three different specifications on the treatment of balance sheet and own equity, namely:

1. static balance sheet, prohibition of incorporating own equity;
2. static balance sheet, allowance for incorporating own equity;
3. dynamic balance sheet, prohibition of incorporating own equity.

The terms *static* and *dynamic* balance sheet refer to the effect of interest rate scenarios on the volume of the balance sheet and are characterised by assumptions about (i) future production; and (ii) changes in customer behaviour (such as changes in the interest rate sensitivity of non-maturing deposits, prepayments and loan commitments).

Assumption of a *static balance sheet* means the following:

- For the computation of the EVE level, a static balance sheet means a run-off profile where no new production is included and the customer behaviour is not affected by different interest rate scenarios. The assumptions about the interest rate sensitivity of non-maturing deposits, prepayments and loan commitments remain unchanged under different interest rate scenarios as well.
- For the computation of the NII level, a static balance sheet means a constant balance sheet where all instruments maturing or repricing will be again originated at the same conditions as the maturing instruments with regards to volume and margins. However, the new exposures will be repriced at a new yield curve prevailing either in the baseline interest rate scenario or in one of the interest rate shock scenarios given the margin of new productions at the reporting date. The customer behaviour does not change under different interest rate shock scenarios.

Assumption of a *dynamic balance sheet* solely concerns the NII and means that banks will take new production and changes in customer behaviour according to current internal practices in different interest rate shock scenarios into account. Moreover, banks can modify the repricing balance sheet structure of those instruments replacing maturing instruments during the risk horizon of the NII according to their corporate plans.

Incorporating its *own equity* means that banks may consider in their EVE level estimation the amount of equity that is funding a part of the assets in the banking book. For that, the bank needs to assume a repricing maturity for its own equity. An alternative way of incorporating a bank's own equity is to exclude assets in the amount funded by the equity.

Where assumptions state that banks shall assume a dynamic balance sheet or that they are allowed to incorporate their own equity, they will do so only in cases where they already incorporate a dynamic balance sheet and/or their own equity (specification 2 and/or 3) into their IMS for calculating internal capital requirements for IRRBB. Consequently, only column D is mandatory in this panel. Banks which do not incorporate dynamic balance sheets into their IMS should leave the corresponding column F empty. Similarly, banks which do not incorporate own equity into their IMS should leave the corresponding column E empty.

Data as of the reporting date shall be used for calculating the EVE and the NII level. Note that in this panel only the levels of EVE and NII are requested, and not the changes that might be induced by interest rate shock scenarios. The NII level shall be given for each year separately and not on a cumulative basis, ie for the periods 30 June 2015 to 29 June 2016 (first year), 30 June 2016 to 29 June 2017 (second year), etc. Note that the risk horizon for the EVE level should be six months as for the standardised framework (ie the holding period of the global interest rate shock scenario calibration). Positive value estimates of the EVE and NII level under each interest rate shock scenario must be reported with a positive sign, whereas negative value estimates are to be reported with a negative sign.

Panel K asks for results under banks' IMS under the three specifications.

Row	Column	Heading	Description
5–39	D	Static balance sheet, no own equity	EVE and NII level estimates under specification 1 of aggregated material currencies considered in the IMS under the baseline scenario and under each interest rate shock scenario. The NII estimate shall be given for the subsequent four years.
5, 10, 15, 20, 25, 30, 35	E	Static balance sheet, own equity	EVE level estimates under specification 2 of aggregated material currencies considered in the IMS under the baseline scenario and under each interest rate shock scenario
6–9, 11–14, 16–19, 21–24, 26–29, 31–34, 36–39	F	Dynamic balance sheet, no own equity	NII level estimates for the subsequent four years under specification 3 of aggregated material currencies considered in the IMS under the baseline scenario and under each interest rate shock scenario.

7.14 Panel L: Credit spread risk in the banking book (CSRBB)

This panel covers the Pillar 2 requirements set out in Principle 1 of subsection III.3 of the IRRBB consultative document on the identification of credit spread risk in the banking book (CSRBB). In line with the said Principle 1, CSRBB is broadly defined as *any kind of asset spread risk of credit risky instruments which is not explained by general interest rate risk in the banking book (IRRBB) and which is not explained by the expected credit/jump to default risk*.

Instruments which are subject to the Basel II credit risk framework should be considered in this panel. In particular, the panel asks for the *total non-securitisation exposures and non-credit derivatives* exposures as well as the following *mutually exclusive* product categories (i) credit derivatives, which are not used for structuring securitisation exposures; and (ii) securitisation exposures. Moreover, data on debt securities, as a subset of *total non-securitisation exposures and non-credit derivatives* exposures, which are neither credit derivatives, nor securitisation exposures, is requested with a further breakdown according to the accounting treatments.

Debt securities are generically defined as *any non-derivatives financial securities with fixed or determinable payments representing a creditor relationship*.[73] *Securitisation exposures* are defined in line with Part 2, Section IV of the Basel II framework as amended by the Basel III framework.[74]

In the Basel II framework, credit protection sold through credit derivatives is treated as a direct credit substitute applying a credit conversion factor (CCF) of 100% on the underlying notional amount.[75] Therefore, for the purpose of this comprehensive IRRBB QIS, sold credit protection through credit derivatives (eg through CDS) must be included in the exposure measure for CSRBB in the same way as under the regulatory treatment of credit risk in the banking book, ie based on the underlying notional amount.

Credit derivatives to be reported separately also include nth-to-default credit derivatives and credit derivatives where the underlying *untranched* exposures are a basket of reference names. Counterparty credit risk (CCR) exposures associated with derivatives (and material SFT exposures) are excluded.[76]

The issuer's credit quality (investment grade or high yield/non-rated) and sector (sovereign, financial, corporate or other) should be used to make the classifications for this panel. If external ratings are available, they should be taken. Otherwise, internal ratings may be used as a substitute, and banks should apply the mapping of PDs to external rating grades as set out in Annex 3 of the current Basel III monitoring instructions.

The bank's internal assessment of exposures towards CSRBB (column I) should be consistent with the internal Pillar 2 materiality assessment of CSRBB, ie taking into account the amount of exposures as well as a measure of *sensitivity* to CSRBB.

Row	Column	Heading	Description
45	I	Banks' internal assessment of exposure towards CSRBB (low – medium – high)	Banks' internal assessment of its exposures in investment grade total non-securitisation exposures and non-credit derivatives towards its level of CSRBB regardless the specific sector.
46–51	F	Total exposure amounts under the credit risk framework	Exposure amounts (post-CCF/post-CRM) for various sectors (rows 46 to 49) in investment grade total non-securitisation exposures and non-credit derivatives, respectively for securitisation exposures (row 50) and net sold credit derivatives (row 51) of investment grade credit quality.
46–49	G	of which: fair value accounting	Exposure amounts (post-CCF/post-CRM) in investment grade debt securities subject to fair value accounting.
46–49	H	of which: amortised cost accounting	Exposure amounts (post-CCF/post-CRM) in investment grade debt securities subject to amortised cost accounting.

73 This includes Sharia law compliant *Sukuks*.

74 See Basel Committee on Banking Supervision, *Basel III document – Revisions to the securitisation framework,* December 2014, www.bis.org/bcbs/publ/d303.pdf.

75 Paragraph 83(i) of the Basel II framework stipulates *direct credit substitutes, eg general guarantees of indebtedness (including standby letters of credit serving as financial guarantees for loans and securities) and acceptances (including endorsements with the character of acceptances) will receive a credit conversion factors (CCF) of 100%.*

76 CCR exposures related to OTC derivatives and *material* SFT exposures are subject to minimum capital requirements for the risk of *credit valuation adjustments* (CVA) according to Annex 4 of the Basel II framework as amended and to be reported in panel A of the "Requirements" worksheet.

Row	Column	Heading	Description
46–51	I	Banks' internal assessment of exposure towards CSRBB (low – medium – high)	Banks' internal assessment of its exposures in various sectors (rows 46 to 49) of investment grade total non-securitisation exposures and non-credit derivatives, respectively for securitisation exposures (row 50) and net sold credit derivatives (row 51) towards their level of CSRBB.
52	I	Banks' internal assessment of exposure towards CSRBB (low – medium – high)	Banks' internal assessment of its exposures in high yield and non-rated total non-securitisation exposures and non-credit derivatives towards its level of CSRBB regardless the specific sector.
53–58	F	Total exposure amounts under the credit risk framework	Exposure amounts (post-CCF/post-CRM) for various sectors (rows 53 to 56) in high yield and non-rated total non-securitisation exposures and non-credit derivatives, respectively for securitisation exposures (row 57) and net sold credit derivatives (row 58) of high yield and not rated grade credit quality.
53–56	G	of which: fair value accounting	Exposure amounts (post-CCF/post-CRM) of high yield and non-rated debt securities subject to fair value accounting.
53–56	H	of which: amortised cost accounting	Exposure amounts (post-CCF/post-CRM) of high yield and non-rated debt securities subject to amortised cost accounting.
53–58	I	Banks' internal assessment of exposure towards CSRBB (low – medium – high)	Banks' internal assessment of its exposures in various sectors (rows 53 to 56) of high yield and non-rated total non-securitisation exposures and non-credit derivatives, respectively for securitisation exposures (row 57) and net sold credit derivatives (row 58) towards their level of CSRBB.

7.15 Panel M: Term structure of continuously compounded (quasi) risk-free interest rates and FX rates

Banks are invited to provide term structures of continuously compounded (quasi) risk-free interest rates and FX rates. Interest rate curves that are representative of a risk-free zero coupon rate (eg secured interest rate swap curve) should be employed. This includes government bond yields and secured swap/interbank rates. Both the interest rate term structures and the exchange rates shall be taken as of the reporting date. The entered interest rate curves will be used as the baseline interest rate scenario (panel M1) and for calculating automatically the interest rate shock scenarios (panels M2 to M7). The exchange rates are those that have been used to convert IRRBB exposures into the reporting currency.

As interest rates are usually not continuously compounded and not available for the requested maturities as given by the mid points of time buckets, some transformations will be required. Discrete interest rates can be converted to continuously compounded interest rates by using the formula $r_c(T)=\ln\left(1+r_d(T)\right)$, where $r_c(T)$ denotes the continuously compounded interest rate for the period $\left[0,T\right]$ and $r_d(T)$ the discrete interest rate for the period $\left[0,T\right]$. Matching the maturities can be achieved by linearly weighting two interest rates, one with a higher and one with a lower maturity, as the maturity of any of the mid points of the time buckets. The interest rate for the maturity of the 6th bucket midpoint, 10.5 months *(T)*, needs to be matched. Interest rates for maturities of nine months (the lower maturity, T_l) and 12 months (the upper maturity, T_u) could be observed. Then, the following operation is required:

$$r_c(10.5/12)=\left(T_u-T\right)\Big/\left(T_u-T_l\right)\cdot r_c\left(\frac{9}{12}\right)+\left(T-T_l\right)\Big/\left(T_u-T_l\right)\cdot r_c\left(\frac{12}{12}\right)=0.5\cdot r_c\left(\frac{9}{12}\right)+0.5\cdot r_c\left(\frac{12}{12}\right).$$

Panel M1 asks for the term structure of interest rate curves and for exchange rates.

Row	Column	Heading	Description
6–42	D–V	Mid points of time buckets	Banks must provide, for the appropriate currency, the term structures of continuously compounded (quasi) risk-free interest rates as of the reporting date.
6–42	W	Conversion rates applied	Banks must provide, for the each currency, the exchange rates applied, as of the reporting date, to convert the IRRBB exposures into the reporting currency.

8. Large exposures – CCP review clause

8.1 Introduction

The Committee is undertaking an exercise to assess the necessity of a specific treatment for exposures to CCPs, as announced in paragraph 84 of the April 2014 *Supervisory framework for measuring and controlling large exposures* ("the framework").[77] The instructions in this document must be read in combination with this framework.

8.2 Scope of exposures included

For the purposes of this exercise a bank is asked to report all exposures to a counterparty identified as CCPs when their value are larger than 5% of Basel III-eligible Tier 1 capital (after regulatory adjustments).

Exposures to entities in the same group as the reporting banks (ie intra-group exposures) should **not** be reported in this exercise. For the purposes of this exercise, intra-group exposures are defined in accordance with the scope of regulatory consolidation defined within the Basel II framework, which determines that all banking and other relevant financial activities (defined as excluding insurance activities), both regulated and unregulated, conducted within a group containing an internationally active bank will be captured through consolidation. Thus, majority-owned or -controlled banking entities, securities entities (where subject to broadly similar regulation or where securities activities are deemed banking activities) and other financial entities should generally be fully consolidated. A bank should treat exposures to entities not included within the scope of regulatory consolidation as outlined here as third party exposures and therefore report these accordingly within the questionnaire.

Any exposures that would normally be deducted from a bank's capital under the risk-based Basel capital framework should **not** be reported (it is set out in paragraph 31 of the framework that deducted exposures should not be subject to the large exposure limit). However, exposures that are subject to a 1250% risk-weighted should be reported (see footnote 8 in the framework).

[77] Basel Committee on Banking Supervision, *Supervisory framework for measuring and controlling large exposures*, April 2014, www.bis.org/publ/bcbs283.pdf.

8.3 Nature of counterparties

8.3.1 Groups of connected counterparties

In the framework it is set out that an exposure to a group of counterparties with mutual relationships or dependencies that imply they are all likely to fail simultaneously should be subject to the large exposure limit. A group of counterparties may be connected because of relationships of control or economic dependencies between them. Paragraphs 19 to 28 of the framework outline the approach to identifying groups of connected counterparties.

Banks are asked to follow the guidance in the framework to identify exposures to groups of connected counterparties. In the questionnaire a bank is asked to state whether an exposure to a specific counterparty is an exposure to a group of connected counterparties or to an individual counterparty ("Yes" if it is a group of connected counterparties and "No" if it is not).[78] Banks are also asked to highlight the reason why they have grouped a set of connected counterparties (control relationships, economic dependencies, or both). For the purposes of this exercise, it is particularly useful to highlight the reasons to connect or not CCPs taking into account the rules set out in the framework.

Reporting banks' attention is drawn on the fact that paragraph 86 sets out that the concept of connected counterparties does not apply in the context of exposures to CCPs that are specifically related to clearing activities (trade exposures, initial margin, default fund contributions and equity stakes). See box 1 below.

An individual counterparty or a group of connected counterparties

Row	Heading	Paragraph	Definition
3	Counterparty reference number		Non-entry column.
4	Is the counterparty a group of connected counterparties?	19–28	Answer "Yes" if the counterparty is a group of connected counterparties according to the guidance provided in the framework (see paragraphs 19 to 28 in the framework). Answer "No" if the counterparty is an individual counterparty.
5	Reasons for grouping counterparties	19–28	If the answer in row D is "Yes", state the reasons for grouping the set of counterparties: control relationships; economic dependencies; or both. If the answer in row D is "No", leave this row blank.

8.3.2 Counterparty types

The framework outlines a review clause for the treatment of exposures to CCPs (see paragraphs 84 to 89 of the framework). To gather information relevant to these specific exposures, and for identifying the types of the counterparties, the type of counterparty codes shown below should be reported.

A bank should specify the type of counterparty for each exposure it reports to its national supervisory agency in this exercise. If a bank is uncertain about the type of certain counterparties (eg whether a CCP is a Q-CCP or a Non-Q-CCP) it should discuss this with its national supervisory authority.

Any exposure to a counterparty other than a CCP should **not** be reported (see Section II.E).

[78] A bank should **not** report separately each of the individual exposures to counterparties that comprise a group of connected counterparties.

In the case of an exposure to a group of connected counterparties, when all of the counterparties within a group are of the same type, a bank should report the code for that type. When the counterparties within a group are of different types a bank should report the type that corresponds to the main activity of this group.

Counterparty types

Category	Sub-category	Code	Definition
CCPs	Q-CCP	B1	A qualifying central counterparty (Q-CCP) is a licensed CCP that is based and prudentially supervised in a jurisdiction where the relevant regulator or overseer has established, and publicly indicated that it applies to the CCP, on an ongoing basis, domestic rules and regulations that are consistent with the CPSS-IOSCO International Principles for Financial Market Infrastructures.
	Non-Q-CCP	B2	A central counterparty that does not meet the criteria to be a Q-CCP

Box 1

Reporting of exposures to CCPs

1. A bank should first identify all its exposures to a CCP that related to clearing activities and report them in a specific column using counterparty code B1 (for a Q-CCP) or B2 (for a non Q-CCP);

2. If the bank has other exposures to this CCP (ie non-related to clearing), it should look for connections amongst counterparties and establish a group of connected counterparties where relevant.

   2a. If the CCP is not connected to any other counterparties, report these exposures in the same column as the one used for the exposures related to clearing activities (in point 1 above).

   2b. If the CCP is connected to other counterparties, report these exposures in another column together with exposures to other counterparties in this group of connected counterparties and use the counterparty code corresponding to the main activity in this group of connected counterparties (using B1 or B2 if the main activity of the group is the one of the CCP).

8.3.3 Counterparties within accounting consolidation but outside regulatory consolidation

As explained in Section 8.2, exposures to counterparties that are within the scope of regulatory consolidation should not be reported in this exercise but exposures to counterparties that are outside of the scope of regulatory consolidation but within the scope of accounting consolidation should be reported in accordance with the criteria for defining exposures that should be reported set out in Section 8.2.

If a specific counterparty is one that is outside of the scope of regulatory consolidation but within the scope of accounting consolidation, a bank should answer “Yes” in row 7 (although this situation is unlikely to exist for CCPs normally included in the scope of regulatory consolidation).

A bank should **not** connect counterparties that are outside of the scope of regulatory consolidation but within the scope of accounting consolidation to form groups of connected counterparties even if the criteria set out in paragraphs 19 to 28 of the framework are satisfied for these counterparties.

A counterparty is within the scope of accounting consolidation

Row	Heading	Paragraph	Definition
7	Is the counterparty outside of the scope of regulatory consolidation but within the scope of accounting consolidation?	–	Answer Yes if the counterparty is outside of the scope of regulatory consolidation but within the scope of accounting consolidation. Answer No otherwise.

8.4 Exposure values

In this part of the questionnaire data on exposure values should be reported. Exposure values should be calculated in accordance with the exposure measures set out in the framework. Exposure values should be reported in terms of the currency units specified on the "General Info" worksheet (ie exposure values should not be reported as percentages of capital). Each column will record the information related to all the exposures that the reporting bank has with a particular counterparty.

8.4.1 Total exposures

This part of the questionnaire shows a bank's overall exposures to a specific counterparty before and after credit risk mitigation is taken into account. Entries in rows 9 and 10 will be functions of entries in other rows and hence these rows should be left blank.

Banks are asked to report the total values of exposures to counterparties under current large exposures regulations in their jurisdiction.

Calculated rows

Row	Heading	Paragraph	Definition
8	Total exposure (gross of CRM)	36–41	Total exposure **before** the impact of credit risk mitigation (CRM) is taken into account and substitution of exposures. **Non-entry row**. (Entries in this row will be functions of entries in other rows.)
9	Total exposure (net of CRM)	36–41	Total exposure **after** the impact of CRM is taken into account and substitution of exposures if the substitution approach is used. **Non-entry row**. (Entries in this row will be functions of entries in other rows.)
10	Total exposure under current large exposure rules	–	Total exposure using large exposures rules that apply in your jurisdiction at the time of the reporting date. This should be net of credit risk mitigation in accordance with these rules. Leave blank if current large exposures rules do not apply to an exposure.

8.4.2 CCP exposures related to clearing

This section of the questionnaire collects the information on a bank's exposures to the central counterparties (CCPs) that are related to clearing activities. The envisaged treatment of these exposures (which is subject to a review clause) is presented in the framework (see paragraphs 84 to 89 of the framework).

A bank should break down exposures to a specific CCP following the indications in paragraph 89 of the framework. In addition, a bank is asked to provide data for two other forms of exposure to a CCP (initial margin if bankruptcy remote and committed default fund contributions).

Other exposures a bank may have to a CCP should be reported in the relevant rows elsewhere in the questionnaire (eg if a bank provides a loan to a CCP in its banking book it should report the value of that loan in row 14). All other exposures that do not fit under rows in this section of the template should be reported in other rows of the templates.

Regarding the counterparty type to be used, if a bank is a clearing member of a CCP, or acts through a clearing member (ie has indirect access) and its exposures to which are treated as exposures to the CCP for the purposes of calculating capital requirements for these exposures, the CCP exposures should be included in a specific column as an exposure to a CCP (the national supervisory agency can specify whether the CCP is a Q-CCP or non-Q-CCP). For a bank that acts through a clearing member and its exposures to which are not treated as exposure to the CCP for the purposes of calculating capital requirements for these exposures, these exposures should be included in a column for exposures to the counterparty acting as its clearing member, alongside any other exposures a bank may have to that specific counterparty.

Definitions of the elements of a bank's exposure to a CCP that are requested can be found in the document *Capital requirements for bank exposures to central counterparties*.[79] This document modifies Annex 4 of the Basel II framework.

Exposures to CCPs related to clearing activities (paragraphs 84 to 89)

Row	Heading	Paragraph	Definition
13	Trade exposures	87	Value of trade exposures to a CCP. The exposure value of trade exposures should be calculated in line with the definition used for determining capital requirements, in accordance with Annex 4 of the Basel II framework. A bank should use whichever method (ie IMM, Standardised Method, CEM or SA-CCR in anticipation of the upcoming framework) it uses for the purposes of calculating capital requirements.
14	Segregated initial margin	87	Value of initial margin posted to a CCP if it is bankruptcy remote from a CCP (ie segregated from a CCP's own accounts). The nominal value should be reported here for information; it will not enter in the calculation as the exposure value is zero for large exposures purposes.
15	Non-segregated initial margin		Value of initial margin posted to a CCP if it is not bankruptcy remote from a CCP. The exposure value is the same as that used for the purposes of calculating capital requirements.
16	Pre-funded default fund contribution (funded)	87	Nominal amount of the funded contribution. (The exposure value of unfunded default fund contributions is 0.)
17	Equity stakes	87	Nominal amount.

Other exposures to CCPs have to be reported in other rows of the template according to their nature (see paragraph 89 of the framework).

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

8.4.3 Total of exposures to CCPs unrelated to clearing activities

8.4.3.1 Banking book on balance sheet non-derivatives

In this part of the questionnaire, a bank is asked to report the values of the elements of its exposure to a specific counterparty that are in the banking book and that do not relate to off-balance sheet commitments and derivative positions.

For banks using the standardised approach for credit risk, exposure values should be calculated in the same way as they would under the standardised approach for the purposes of calculating capital requirements; ie exposure values should be net of specific provisions and value adjustments (see paragraph 32 and footnote 9 of the framework).

For banks using the internal ratings-based approach for credit risk, exposure values should be exposures at default (EAD) but banks are asked to net from these specific provisions and value adjustments to ensure consistency with the exposure values calculated by banks using the standardised approach (see paragraph 32 and footnote 9 of the framework). However, should the netting of specific exposures and value adjustments be operationally burdensome for banks using the internal ratings-based approach for credit risk, they may report gross exposure values instead.

Banks are asked to decompose balance sheet exposures into elements in the form of loans to a counterparty, investments in debt securities issued by a counterparty, and investments in equities issued by a counterparty.[80] An "Other" category should be used for other forms of exposure that do not fall into loans, debt securities or equities categories.

Banking book on balance sheet non-derivatives

Row	Heading	Paragraph	Definition
20	Total exposure		Sum of loans, debt securities, equities and other exposures in the banking book to a counterparty. Non-entry row.
21	Loans	32	For a bank using the standardised approach for credit risk: exposure value net of specific provisions and value adjustments. For banks using the internal ratings-based approach for credit risk: exposure at default net of specific provisions and value adjustments or exposure at default (if netting of specific provisions and value adjustments is too operationally burdensome).
22	Debt securities	32	For a bank using the standardised approach for credit risk: exposure value net of specific provisions and value adjustments. For banks using the internal ratings-based approach for credit risk: exposure at default net of specific provisions and value adjustments or exposure at default (if netting of specific provisions and value adjustments is too operationally burdensome).

80 Other securities (eg preference shares) should be included in either the debt or the equity categories in accordance with the rules in the Basel II framework .

23	Equities	32	For a bank using the standardised approach for credit risk: exposure value net of specific provisions and value adjustments. For banks using the internal ratings-based approach for credit risk: exposure at default net of specific provisions and value adjustments or exposure at default (if netting of specific provisions and value adjustments is too operationally burdensome).
24	Other	32	For a bank using the standardised approach for credit risk: exposure value net of specific provisions and value adjustments. For banks using the internal ratings-based approach for credit risk: exposure at default net of specific provisions and value adjustments or exposure at default (if netting of specific provisions and value adjustments is too operationally burdensome).

8.4.3.2 Banking book off-balance sheet commitments

In this part of the questionnaire, a bank is asked to report the values of the elements of its exposure to a specific counterparty that are in the banking book and in the form of off-balance sheet commitments. Banks are asked to report the values of these exposures under the set of credit conversion factors (CCFs) applicable for the standardised approach for credit risk in the Basel II framework, with a 10% floor.

Banking book off-balance sheet commitments

Row	Heading	Paragraph	Definition
26	Exposure value after applying CCFs of the framework	35	Apply CCFs to off-balance sheet items as set out in paragraphs 82 to 86 of the Basel II framework, but replace 0% CCF with a 10% CCF.

8.4.3.3 Trading book

In this part of the questionnaire, a bank is asked to report the values of the elements of its exposure to a specific counterparty that are in the trading book.

A bank is asked to report the total exposure value of the elements of its exposure to a specific counterparty that are in the trading book before **and** after offsetting of long and short positions in accordance with the approach set out in the framework (see paragraphs 51 to 59 of the framework). Banks are allowed to offset long and short positions in the same issue (ie in the same instrument) and long positions in an issue can be offset against short positions in more junior issues of the same issuer. If the net position in one exposure type is short a bank should report a zero value.

A bank is also asked to report values of positions in debt securities and equities issued by a counterparty where a bank has invested in these claims directly. The measures of these exposures should be the market value of the positions. For example, there may be long positions that can be netted with short positions resulting from option positions.

A bank is asked to report values of positions in claims issued by a counterparty where a bank has invested in these claims indirectly.

- For swaps, futures and forwards on a claim issued by a specific counterparty, a bank should use the decomposition into individual legs for the purposes of calculating capital requirements in the Basel II framework and report the long position as the exposure.
- For credit derivatives that represent sold credit protection on a claim issued by a specific counterparty, the exposure to the counterparty is the amount due to be paid to the buyer of

the protection in case the trigger event occurs minus the absolute value of the credit protection plus the market value of the credit derivative to the seller in the event that this value is positive (see paragraphs 48 and footnote 19 of the framework).

- For credit-linked notes, a bank acting as protection seller should consider positions both in the bond of the note issuer and in the underlying referenced by the note (see paragraph 48).
- For options for which a claim to a specific counterparty is the underlying in the option contracts, a bank should use the measures set out in paragraphs 47 and footnote 18 in the framework.

Any other exposures in the trading book that do not fit into any of the above categories should be reported in the 'Other' row.

Trading book

Row	Heading	Paragraph	Definition
28	Total exposure (after offsetting)	44–59	Sum of net exposures after each long position in an issue has been offset against short positions in more junior issues or issues of equal seniority.
29	Total exposure (before offsetting)	44–59	Sum of gross exposures before offsetting (ie sum of long positions).
30	Debt securities	46	Market value of holdings (see paragraph 709(i)–(iii) of the Basel II framework.
31	Equity	46	Market value of holdings (see paragraph 718(xix) of the Basel II framework).
Underlying in:			
33	Forwards, swaps, futures	47	See paragraph 718(xi)–(xii) of the Basel II framework.
34	Options	49	Sum of values of long and short call options, long and short put options, using the following formulae: Long call option = market value of the option Short put option = strike price of the option – market value of the option Short call option = -1*market value of the option Long put option = -1*(strike price of the option – market value of the option)
35	Credit derivatives	48	See paragraphs 706 to 708 of the Basel II framework.
36	Credit-linked notes	48	See paragraph 718 of the Basel II framework.
37	Other		For any other trading book exposures not covered in items above that could generate losses in the event of the failure of a counterparty and are not investments in index positions, securitisations, hedge funds, or collective investment undertakings, use the value of the exposure that would be lost in the event of the failure of the counterparty (assuming a 100% loss-given-default).

8.4.3.4 Counterparty credit risk

In this part of the questionnaire banks are asked to report elements of exposures to specific counterparties that arise from these being counterparties in derivative trades and in securities financing transactions (SFTs). (SFTs are repurchase agreements, reverse repurchase agreements, securities lending, securities borrowing and margin lending transactions.)

It is set out in the framework that banks should use the standardised approach for counterparty credit risk (SA-CCR) to calculate the exposure values for instruments that give rise to counterparty credit risk (see paragraph 33 of the framework). As this framework will enter into force in 2017, banks are allowed to report in this part the exposure amount either according to the SA-CCR method or according to **whichever** method they currently use to measure exposure amount or EAD for instruments with counterparty credit risk for the purposes of calculating capital requirements. Thus, depending on which method a bank chooses, it should report its exposure to a specific counterparty arising from derivative trades with that counterparty using the exposure amount or EAD under SA-CCR, current exposure method, the standardised method or the internal models method.

For SFTs, the framework provides for the use of the comprehensive approach with supervisory haircuts to measure exposures associated with SFTs. If, for risk-based capital requirements purposes, a bank uses one of the other permitted methods for calculating these exposures, a bank is also asked to report the value of these exposures using whichever method it uses for calculating capital requirements.

N.B. Collateral: Whether a bank uses the current exposure method, the standardised method or the internal models method, the counterparty credit risk exposure to derivatives counterparties that it reports in this section should be reported net of collateral. As a result, a bank should **not** account for the same collateral again in Section VI.H ("Credit risk mitigation"). However, a bank **should** account for an exposure to an issuer of securities serving as collateral in these exposures in Section VI.I ("Exposures to a CRM provider").

Similarly, because exposures to SFT counterparties calculated using the comprehensive approach with supervisory haircuts are calculated net of collateral, a bank should **not** account for the same collateral again in Section VI.H ("Credit risk mitigation"). However, a bank **should** account for the exposure to the issuer of the securities serving as collateral in these exposures in Section VI.I ("Exposures to a CRM provider").

Counterparty credit risk

Row	Heading	Paragraph	Definition
39	Total exposure		Sum of counterparty credit risk exposures to a counterparty. Non-entry row.
Derivatives			
41	SA-CCR	33	Value of counterparty credit risk exposure to a counterparty using the standardised approach for counterparty credit risk (SA-CCR) if available. If **not** available, this is a **non-entry row**.
42	IMM		Value of counterparty credit risk exposure to a counterparty using the internal models method (IMM) if IMM is used to calculate capital requirements for these exposures. If SA-CCR calculation is available and if IMM is **not** used to calculate capital requirements for these exposures, this is a **non-entry row**.
43	Standardised Method		Value of counterparty credit risk exposure to a counterparty using the standardised method if the standardised method is used to calculate capital requirements for these exposures. If the standardised method is **not** used to calculate capital requirements for these exposures, this is a **non-entry row**.
44	CEM		Value of the counterparty credit risk exposure to a counterparty using the current exposure method (CEM) if CEM is used to calculate capital requirements for these exposures. If CEM is **not** used to calculate capital requirements for these exposures, this is a **non-entry row**.
45	Notional value	-	The aggregate notional value of all derivative positions with this counterparty.

SFTs using:			
47	Comprehensive approach and supervisory haircuts	59–62	Value of exposures to a counterparty arising from securities financing transactions (SFTs) using the comprehensive approach for collateralised transactions with supervisory haircuts.
48	Simple approach	59–62	Value of exposures to a counterparty arising from SFTs using the simple approach for collateralised transactions if the simple approach is used to measure these exposures for the purposes of calculating capital requirements. If the simple approach for collateralised transactions is **not** used to calculate capital requirements for these exposures, this is **non-entry row**.
49	VaR	59–62	Value of exposures to a counterparty arising from SFTs using the value-at-risk (VaR) method if the VaR method is used to measure these exposures for the purposes of calculating capital requirements. If the VaR approach for collateralised transactions is **not** used to calculate capital requirements for these exposures, this is a **non-entry row**.
50	Comprehensive approach and internal model haircuts	59–62	Value of exposures to a counterparty arising from SFTs using the comprehensive approach for collateralised transactions with internal model-based haircuts if the comprehensive approach for collateralised transactions with internal model-based haircuts is used to measure these exposures for the purposes of calculating capital requirements. If the comprehensive approach for collateralised transactions with internal model-based haircuts is **not** used to calculate capital requirements for these exposures, this is a **non-entry row**.
51	IMM		Value of exposures to a counterparty arising from SFTs using the internal models method (IMM) if the IMM is used to measure these exposures for the purposes of calculating capital requirements. If the IMM is **not** used to calculate capital requirements for these exposures, this is a **non-entry row**.

8.4.3.5 Credit risk mitigation

This section of the questionnaire collects data on effects of credit risk mitigation (CRM) on exposure values. The purpose of this section is to get information on the amounts by which exposures to counterparties are reduced by the different forms of CRM.

Banks are asked to report data on the amount by which an exposure to a specific counterparty is reduced due to the use of CRM techniques, both unfunded and funded, in accordance with the framework.

Banks are asked to report data on the effects of unfunded CRM on an exposure to a specific counterparty, using guarantees (row 55) and using credit derivatives (row 56).

Banks are also asked to report data on the effects of funded CRM (ie financial collateral) on an exposure to a specific counterparty. Under the provisions in the framework:

- if a bank applies the simple approach for the purposes of determining capital requirements it should use this method for determining the effect of funded CRM on an exposure to a specific counterparty – a bank that uses the simple approach is asked to report the value of the portion of a claim collateralised by the market value of the recognised financial collateral (row 58);

- if a bank applies the comprehensive approach for the purposes of determining capital requirements it should use this method for determining the effect of funded CRM on an exposure to a specific counterparty using the set of supervisory haircuts (row 59).

The value of the effects of CRM a bank should include in this section of the template should be calculated following the general CRM framework set out in paragraphs 109 to 120 of the Basel II framework.

Credit risk mitigation

Row	Heading	Paragraph	Definition
53	Total value	36–42	The total effect of CRM on the value of a bank's exposure to a specific counterparty. Non-entry row.
55	Value of credit risk mitigation using unfunded credit risk protection – using guarantees	42	The amount by which an exposure to a specific counterparty is reduced by the use of an eligible guarantee. The value should be calculated as it would be for the purposes of calculating capital requirements.
56	Value of credit risk mitigation using unfunded credit risk mitigation – using credit derivatives	42	The amount by which an exposure to a specific counterparty is reduced by the use of credit derivatives. The value should be calculated as it would be for the purposes of calculating capital requirements.
58	Value of credit risk mitigation using financial collateral under the simple approach	42	The amount by which an exposure to a specific counterparty is reduced by the value of eligible financial collateral. The value should be calculated as it would be for the purposes of calculating capital requirements. A bank need only fill in this row if it uses the substitution approach (in the simple approach to financial collateral) for the purposes of calculating capital requirements.
59	Value of credit risk mitigation using financial collateral under the Hybrid Approach – using supervisory haircuts	42	The amount by which an exposure to a specific counterparty is reduced by the value of eligible financial collateral less supervisory haircuts. The value should be calculated as it would be for the purposes of calculating capital requirements but using supervisory haircuts. A bank need only fill in this row if it uses the comprehensive approach to financial collateral for the purposes of calculating capital requirements.

8.4.3.6 Exposures to a CRM provider

In the framework it is set out that when a bank reduces its total exposure to a specific counterparty because of CRM it assigns the reduction in this exposure to the providers of the CRM (see paragraph 43 of the framework), **except** when the provider of the CRM is exempted from the scope of the exercise (eg sovereign exposures, cash deposited at a bank by the counterparty).[81] For example, if a bank's exposure to counterparty 1 is secured by *x* worth of collateral in the form of debt securities issued by counterparty 2, then a bank reduces its exposure to counterparty 1 by *x* but increases its exposure to counterparty 2 by *x*.

[81] There is an exception to the general treatment set out in paragraph 57 of the framework. However, this exception only applies when the counterparty is not a financial entity, which cannot be the case according to the scope of this exercise.

In this part of the questionnaire banks are asked to report the exposures assigned to a counterparty that provides CRM. The section follows the structure of the credit risk mitigation section of the questionnaire.

If one considered all of a bank's counterparty exposures, the total value of exposures to CRM providers should equal the total value of the reductions in exposures due to CRM. However, this will not necessarily be the case in the data submitted under this exercise because of the scope of exposures that should be reported (see Section II.E of these instructions). For instance, if an exposure to a counterparty is reduced by financial collateral comprised of bonds issued by a central government, the exposure assigned to that government as a provider of CRM should **not** be reported in this exercise because sovereign exposures are not meant to be reported.

A bank must substitute an exposure to a CRM provider for the reduction in an exposure to a specific counterparty due to CRM both if it uses the substitution or the comprehensive approach to financial collateral for purposes of calculating capital requirements.

The value of the exposures a bank should include in this section of the template should be calculated following the general CRM framework set out in paragraphs 109 to 120 of the Basel II framework.

Exposures to a CRM provider

Row	Heading	Paragraph	Definition
61	Total exposure	43	Total exposure to a specific counterparty due to it providing CRM. Non-entry row.
Value of credit risk mitigation using unfunded credit protection			
62	using guarantees	42	The amount by which a bank is exposed to a specific counterparty because that counterparty provides eligible guarantees for other exposures. The value of this exposure is the total amount of protection provided to a bank by a specific counterparty through guarantees that is taken into account for the purposes of calculating a bank's capital requirements.
63	using credit derivatives	43 and 56	The amount by which a bank is exposed to a specific counterparty because that counterparty provides credit protection in the form of credit derivatives for other exposures. The value of this exposure is the total amount of protection provided to a bank by a specific counterparty through the use of credit derivatives that is taken into account for the purposes of calculating a bank's capital requirements.
Value of credit risk mitigation using financial collateral under:			
66	Substitution approach		The amount by which a bank is exposed to a specific counterparty because claims issued by that counterparty serve as financial collateral against other exposures. The value of this exposure is the total amount of protection provided to a bank by a specific counterparty through the use of financial collateral that is taken into account for the purposes of calculating a bank's capital requirements. A bank need only fill in this row if it uses the substitution approach (in the simple approach to financial collateral) for the purposes of calculating capital requirements.

67	Hybrid approach using supervisory haircuts		The amount by which a bank is exposed to a specific counterparty because claims issued by that counterparty serve as financial collateral against other exposures. The value of this exposure is the total amount of protection provided to a bank by a specific counterparty through the use of financial collateral that is taken into account for the purposes of calculating a bank's capital requirements (using supervisory haircuts). A bank need only fill in this row if it uses the comprehensive approach to financial collateral for the purposes of calculating capital requirements.

8.4.3.7 *Exposures to a provider of a position hedge*

In this section banks are asked to report exposures to a provider of a credit derivative that is a hedge for position in the trading book (see paragraph 56 of the framework). That is, if a bank hedges a position, the value of this position is reduced by the value of the hedge but in doing so a new exposure to the provider of the credit derivative (the CCP), with the value equal to that of the hedge, is created.

For example, suppose that a bank has a trading book position representing 100 of credit protection sold by Counterparty 1 against Company A. The bank then hedges its exposure to Company A by buying 100 of credit protection against Company A from Counterparty 2 (a CCP). The bank would use row 95 to report its exposure to Counterparty 2 (CCP) arising from the credit protection it has purchased.

Exposures to a provider of a position hedge

Row	Heading	Paragraph	Definition
69	Value of hedge using credit derivatives	52, 53 and 56	The value of the exposure to the seller of a credit derivative that is a hedge to a trading book position. This is the amount of exposure that is netted from other trading book positions.

9. Operational risk

The "OpRisk" worksheet collects data to support the current work of the Committee on operational risk, including that aiming at revising the standardised approaches and the Advanced Measurement Approaches. Even though some of the data requested in this survey have been already collected in the past, the Committee believes it is appropriate to have a comprehensive data collection on proxy indicators and operational risk losses, after the publication of the consultative document on the review of the standardised approaches in October 2014 and the progress in the internal discussion on the future of the internal models for operational risk.

The "OpRisk" worksheet collects data on five panels: balance sheet and other items (panel A), income statement (panel B), operational risk losses (panel C), capital requirements (Panel D) and capital calculation (Panel E).

Panels from A to D shoud be completed by all the banks on a best effort basis, regardless the method adopted for regulatory purposes (ie AMA, TSA/ASA, BIA). Panel E should be filled by AMA banks only. If the information is not available or not applicable, the corresponding cell should be left empty.

As for other parts of the Basel III monitoring template, the data in the "OpRisk" worksheet should be reported on a group-wide consolidated basis as of for all entities which are consolidated by the bank for risk-based regulatory purposes.

Data should be reported in the most convenient currency (to be recorded in the "General Info" worksheet) as of end-December of the reference years. For each reference year, year T refers to the fiscal years closed in the period from end-September T to end-June T+1. For example the reference year 2012 encompasses all the fiscal years closed between end-September 2012 and end-June 2013.

9.1 Panel A "Balance sheet and other items"

Panel A collects information on specific items of the balance sheet and a few other items.

Row	Column	Heading	Description
7	I–M	Number of employees	Headcount of employees. The number should include temps and outsourced resources but not consultants.
8	I–M	Total Assets	Total on-balance sheet assets
9	I–M	Interest-earning Assets	Total on-balance sheet assets generating interest income
10	I–M	Interest-bearing Liabilities	Total on-balance sheet liabilities bearing interest expenses
11	I–M	Tangible Assets	Assets classified as "Property, plant and equipment" and Investment property. It also includes assets subject to operating lease and assets obtained by taking possession of collateral that remains recognised in the balance sheet at the reference date ("Foreclosure")
12	I–M	Assets under custody	Assets, including cross-border assets, that the bank holds as a custodian on behalf of customers, including other financial institutions (ie financial institutions outside of the reporting group). Include such assets even if they are being held by a third party acting as a sub-custodian (eg central securities depositories, payment systems, central banks and sub-custodians). Do not include any assets under management or assets under administration which are not also classified as assets under custody. To fill this item, please follow the "Instructions for the end-2014 G-SIB assessment exercise" of January 2015 at www.bis.org/bcbs/gsib/instr_end14_gsib.pdf, para 4.4.1, Section 7
13	I–M	Assets under management and/or administration	Assets under management and Assets under administration which the bank does not hold as a custodian
14	I–M	Payments activity	Total payments made in the reporting year excluding intragroup payments. To fill this item, please follow the "Instructions for the end-2014 G-SIB assessment exercise" of January 2015 at www.bis.org/bcbs/gsib/instr_end14_gsib.pdf, para 4.4.1, Section 6.

9.2 Panel B "Income statement"

Panel B collects information on specific items of the income statement.

Row	Column	Heading	Description	Sub-items
18	I–M	Gross Income	Gross income as defined in paragraph 650 of the Basel II framework. The definition used for regulatory purposes or as defined by the relevant national supervisor should be adopted (for instance, in EU the "Relevant Indicator" definition should be used).	
19	I–M	Interest income	Interest income coming from all financial assets, both primary financial instruments (included either in trading or non-trading books) and hedge accounting derivatives, as well as other interest income (eg from financial leasing).	Interest income from loans and advances, available for sales, held to maturity. fair value option, held for trading Interest income from hedge accounting derivatives Other interest income
20	I–M	Interest expenses	Interest expense coming from all financial liabilities, both primary financial instruments (included either in trading or non-trading books) and hedge accounting derivatives, as well as other interest expenses (eg from financial leasing).	Interest expenses from deposits Interest expenses from debt securities issued Interest expenses from hedge accounting derivatives Other interest expenses
21	I–M	Fee and commission income	Income received for providing fee-based advices and services referring to both on-balance and off-balance sheet activities. The item includes income received by the bank as outsourcer of financial services.	Fee and commission income from: • Securities (issuance/origination or reception/transmission/ execution of orders on behalf of customers) • Clearing and settlement • Asset management • Custody • Fiduciary transactions • Payment services • Structured finance • Servicing from securitisation activities • Loan commitments and guarantees given • Foreign transactions
22	I–M	Fee and commission Expenses	Expenses paid for receiving fee-based advices and services referring to both on-balance and off-balance sheet activities. The item includes outsourcing fees paid by the bank for the supply of financial services (eg clearing and settlement, custody, etc) but not outsourcing fees paid for the supply of non-financial services (eg. logistical, IT, human resources)	Fee and commission expenses from: • Clearing and settlement • Custody • Servicing fees for securitisation activities • Loan commitments and guarantees received • Foreign transactions
23	I–M	Net profit (loss) on financial operations (trading book)	To distinguish trading from non-trading books items, the same criteria as those adopted to fill the TB worksheets should be followed	Net gains/losses on financial assets and liabilities held for trading (derivatives, debt securities, equity securities, loans and advances, short

Row	Column	Heading	Description	Sub-items
24	I–M	Net profit (loss) on financial operations (non-trading book)	(see Section 7)	positions, other assets and liabilities) Net gains/losses on financial assets or liabilities measured at fair value through profit or loss Realised net gains/losses on financial assets and liabilities not measured at fair value through profit or loss (available for sale financial assets, loans and advances, held to maturity investments, financial liabilities measured at amortized cost) Net gains and losses from hedge accounting Net exchange differences
25	I–M	Other operating income	Income from ordinary banking operations not classified in other BI's items but of similar nature	Rental income from investment properties Income from operating leasing Gains from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (IFRS 5.37)
26	I–M	Other operating expenses	Expenses and losses from: i) ordinary banking operations not classified in other BI's items but of similar nature; ii) operational risk events (not provisioned for in previous financial years)	Expenses for operating leasing Losses from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (IFRS 5.37) Direct charges to the P&L and costs incurred as a consequence of operational risk events (eg fines, penalties and litigation settlements), which have not been provisioned for in previous financial years
27	I–M	Dividend income	Dividend income from investment in stocks and funds not consolidated in the bank's financial statements, including that from non-consolidated subsidiaries, associates and joint ventures.	
28	I–M	Administrative expenses	Expenses related to general operations and overall administration of a bank's businesses	Staff expenses Outsourcing fees paid for the supply of non-financial services (ie logistical, IT, human resources) Other administrative expenses, including expenses for IT, utilities, telephone, travel, office supplies, postage, etc.
29	I–M	Administrative expenses, of which: Staff expenses	Total compensation paid, including salaries, benefits, bonuses, pension and similar expenses	

Row	Column	Heading	Description	Sub-items
30	I–M	Administrative expenses, of which: Investment in Business Continuity and Disaster Recovery	Expenses supported to implement or enhance systems of business continuity and disaster recovery	

The following sub-items should not contribute to any of the items requested in panel B:

- Income and expenses from insurance or reinsurance business;
- Premium paid and reimbursement/payment received for insurance or reinsurance policies purchased;
- Recovery of administrative expenses, including recovery of payments on behalf of customers (eg taxed debited to customers);
- Expenses on share capital repayable on demand;
- Net gains/losses on derecognition of financial assets, non-financial assets, liabilities not measured at fair value through profit or loss;
- Depreciation/amortisation (eg on properties, tangible assets, intangible assets);
- Provisions/reversal of provisions (eg on pensions, commitments and guarantees given, legal issues);
- Impairment/reversal of impairment (eg on financial assets, non-financial assets, investments in subsidiaries, joint ventures and associates);
- Negative goodwill recognised in profit or loss;
- Share of the profit or loss of investments in subsidiaries, joint ventures and associates;
- Income tax, corporate tax (tax based on profits, including those current tax and deferred tax).

9.3 Panel C. “Operational risk losses”

Panel C collects aggregated data on the number and amount of operational risk losses, split by event types, which are eligible for AMA capital calculation (eg pure operational risk losses, boundaries with market risks). Therefore all the losses that are, or might be, used in an AMA regulatory capital should be included into this Section. The BCBS AMA supervisory guidelines as of June 2011 should be referred to for collection, treatment and reporting of these losses. In particular:

- The losses should be **reported** on the basis of the discovery date or accounting date of the loss event
- The losses caused by a common operational risk event or by multiple events linked to a single root-event should be grouped and reported as a single loss;
- In each reporting year, the loss adjustments of single or linked events discovered (accounted) since 1 January 2005 should be reported;
- Data should be gross of any recoveries due to insurance and other risk mitigants.

Row	Column	Heading	Description
35–40, 54–57, 69–72, 84–87, 99–102, 114–117, 129–132, 144–147	D–M	Number of loss events ≥ € 10,000 € 20,000 € 100,000 € 1,000,000 € 10,000,000 (whole bank only) € 100,000,000 (whole bank only)	Number of internal loss events greater than or equal to: € 10,000; € 20,000; € 100,000; € 1,000,000; € 10,000,000 (whole bank only); € 100,000,000 (whole bank only) in the reference year. The data should be reported for the whole bank and split by event type. The total number of internal loss events from the threshold value to infinite should be reported.
42–47, 59–62, 74-77, 89–92, 104–107, 119–122, 134–137, 149–152	D–M	Total amount of losses ≥ € 10,000 € 20,000 € 100,000 € 1,000,000 € 10,000,000 (whole bank only) € 100,000,000 (whole bank only)	Total amount of internal losses greater than or equal to: € 10,000; € 20,000; € 100,000; € 1,000,000; € 10,000,000 (whole bank only); € 100,000,000 (whole bank only) in the reference year. The data should be reported for the whole bank and by event type. The total amount of internal losses from the threshold value to infinite should be reported.
49, 64, 79, 94, 109, 124, 139, 154	D–M	Maximum loss (in this year)	Maximum single internal loss in the reference year. The data should be reported for the whole bank and split by event type
50, 65, 80, 95, 110, 125, 140, 155	D–M	Sum of the five largest losses (in this year)	Sum of the five largest internal losses in the reference year. The data should be reported for the whole bank and split by event type
51, 66, 81, 96, 111, 126, 141, 156	D–M	Up to date sum of the five largest losses	Sum of the five largest internal losses between 2005 and the reference year (including 2005 and the reference year). The data should be reported for the whole bank and split by event type
53, 68, 83, 98, 113, 128, 143, 158	D–M	Threshold applied in loss data collection	Minimum threshold applied in the collection of the internal losses. In case there are different thresholds for loss data collection, the highest applicable threshold should be indicated.

9.4 Panel D: "Capital requirements"

Panel D collects specific information on the capital requirements for regulatory purposes.

Row	Column	Heading	Description
162	K–M	Approach to operational risk (Basel II/III)	Approach to operational risk used at the consolidated level at the reference end-year.

Row	Column	Heading	Description
164	K–M	RWA for operational risk (after application of the regulatory add-ons and before the application of the transitional floors); of which: Basic Indicator Approach (BIA)	Risk-weighted assets for operational risk (after application of the regulatory add-ons and before application of the transitional floors, where applicable) of the parts under the Basic Indicator Approach for the year-ends from 2012 to 2014. The capital charge should be converted to risk-weighted assets.
165	K–M	RWA for operational risk (after application of the regulatory add-ons and before the application of the transitional floors); of which: Standardised Approach (TSA)	Risk-weighted assets for operational risk after application of the regulatory add-ons and before application of the transitional floors, where applicable) of the parts under the Standardised Approach for the year-ends from 2012 to 2014. The capital charge should be converted to risk-weighted assets.
166	K–M	RWA for operational risk (after application of the regulatory add-ons and before the application of the transitional floors); of which: Alternative Standardised Approach (ASA)	Risk-weighted assets for operational risk (after application of the regulatory add-ons and before application of the transitional floors, where applicable) of the parts under the Alternative Standardised Approach for the year-ends from 2012 to 2014. The capital charge should be converted to risk-weighted assets.
167	K–M	RWA for operational risk (after application of the regulatory add-ons and before the application of the transitional floors); of which: Advanced Measurement Approaches (AMA)	Risk-weighted assets for operational risk (after application of the regulatory add-ons and before application of the transitional floors, where applicable) of the parts under the Advanced Measurement Approach for the year-ends from 2012 to 2014. The capital charge should be converted to risk-weighted assets.
168	K–M	Regulatory add-ons	Risk-weighted assets of the parts under the Advanced Measurement Approach for the year-ends from 2012 to 2014 corresponding to the regulatory add-ons that have been applied by the supervisory agency.
169	K–M	Total Risk-Weighted Assets (after application of the regulatory add-ons and before application of the transitional floors)	Risk-weighted assets for Pillar 1 risks (after application of the regulatory add-ons and before application of the transitional floors, where applicable) for the year-ends from 2012 to 2014. The capital charge should be converted to risk-weighted assets.

9.5 Panel E: "Capital calculation"

Panel E collects additional data related to the capital calculation performed through internal-based models. The panel should be filled by AMA banks only.

Row	Column	Heading	Description
175	L–M	AMA RWA before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants: At the regulatory percentile (99.9%)	Risk-weighted assets for operational risk at the 99.9% percentile (before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants) for the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. The capital charge should be converted to risk-weighted assets.
176	L–M	AMA RWA before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants: At the 99.5% percentile	Risk-weighted assets for operational risk at the 99.5% percentile (before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants) for the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. The capital charge should be converted to risk-weighted assets.
177	L–M	AMA RWA before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants: At the 99% percentile	Risk-weighted assets for operational risk at the 99% percentile (before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants) for the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. The capital charge should be converted to risk-weighted assets.
178	L–M	AMA RWA before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants: At the 97.5% percentile	Risk-weighted assets for operational risk at the 97.5% percentile (before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants) for the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. The capital charge should be converted to risk-weighted assets.
179	L–M	AMA RWA before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants: At the 95% percentile	Risk-weighted assets for operational risk at the 95% percentile (before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants) for the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. The capital charge should be converted to risk-weighted assets.
180	L–M	AMA RWA before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants: At the 90% percentile	Risk-weighted assets for operational risk at the 90% percentile (before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants) for the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. The capital charge should be converted to risk-weighted assets.
181	L–M	AMA RWA before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants: At the 80% percentile	Risk-weighted assets for operational risk at the 80% percentile (before the recognition of Expected Losses, Diversification, Insurance and other risk mitigants) for the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. The capital charge should be converted to risk-weighted assets.
184	L–M	AMA RWA reduction (at the regulatory percentile of 99.9%) due to: Expected Losses	Risk-weighted assets reduction due to expected losses of the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. Only banks whose reduction has been recognised by the supervisory agency should fill this cell.
185	L–M	AMA RWA reduction (at the regulatory percentile of 99.9%) due to: Diversification	Risk-weighted assets reduction due to diversification of the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. Only banks whose reduction has been recognised by the supervisory agency should fill this cell.

Row	Column	Heading	Description
186	L–M	AMA RWA reduction (at the regulatory percentile of 99.9%) due to: Insurance and other risk mitigants	Risk-weighted assets reduction due to insurance and other risk mitigants of the parts under the Advanced Measurement Approach for the year-ends 2013 and 2014. Only banks whose reduction has been recognised by the supervisory agency should fill this cell.

10. Sovereign exposures worksheet

The Committee has initiated a review of the existing regulatory treatment of sovereign risk and will consider potential policy options. The review will be conducted in a careful, holistic and gradual manner.

As part of this review, data on banks' sovereign exposures is being collected. The purpose of this data collection is to assist the Committee in its analytical work, and does not prejudge or point towards any policy option decision or discussion.

Given that the existing definition of sovereign entities may differ across jurisdictions, data is being is asked for using two different sets of definitions:

1. harmonised definitions (the upper panel of the worksheet "Sovereign exposures" entitled "Using harmonised definitions (rows 9 to 42)"), ie using definitions of different types of sovereigns as outlined below; and
2. definitions presently applicable in your jurisdiction (the lower panel of the worksheet "Sovereign exposures" entitled "Using definitions as specified in your jurisdictions (rows 47 to 74)")

In some jurisdictions, it is possible that the existing definitions are the same as the harmonised definitions. In this case, please report data in both panels (in the extreme identical data).

It is important to stress that the definitions and granularity used in this data collection do not imply the same set of definitions and granular differentiation will be used in any potential future revisions to the regulatory treatment of sovereign exposures. This data collection is for analytical purposes only. Any policy proposals will be developed at a later stage, duly consulted and subject to a rigorous Quantitative Impact Study.

10.1 Common features

All features are applicable under both the harmonised definitions (panel of harmonised definitions), and existing definitions, (panel of definitions as specified in your jurisdictions). The difference lies in how the different sovereign entities are defined.

10.1.1 Collected data for respective entities

- direct exposures to these entities, including counterparty credit risk of trading book positions;
- (indirect) exposures protected by these entities (in the form of guarantees, credit derivatives etc);
- (indirect) exposures collateralised by instruments issued by these entities (in the form of shares, bonds etc).
- trading-book position risk in instruments issued by entities assigned as "sovereigns" for specific risk.

10.1.2 Requested information (columns), separate for standardised approach and IRB approach for the banking book data:

- risk-weighted exposure amounts;
- exposure amounts prior to adjustments (such as credit conversion factor (CCF) for off-balance sheet items, credit risk mitigation (CRM) techniques, ie reduction for collateral under standardised approach).
- final exposure amount to which the risk weight is applied (ie after the application of CCF and CRM).

10.1.3 Requested major categories

Please report the data on the following categories and sub-categories:

1. Sovereigns and their central governments
2. Central banks
3. International organisations treated like sovereigns and multilateral development banks (MDBs)
4. Non-central government public sector entities (PSEs), and subdivided into.
    - (i) State and provincial governments in federal sovereigns;

      N.B. Sub-category 4.(i) is only applicable for the harmonised definitions, as federal sovereigns are not defined in the present Basel text.
    - (ii) Other regional governments and local authorities;
    - (iii) Administrative bodies responsible to central governments, to regional governments and/or to local authorities; and other non-commercial undertakings owned by central or regional governments or local authorities
5. Commercial undertakings set up, owned, controlled or supported by entities belonging to category 1, 2 or 3, and subdivided into
    - (i) banks;
    - (ii) non-bank financial sector entities;
    - (iii) non-financial sector entities

10.1.4 Further general breakdown of data

In several of these categories the data should be submitted with a further breakdown into the following categories.

1. The total exposures in this category using the proposed definitions below and regardless of whether the category is treated as sovereign exposure or not under the existing definitions used in the jurisdiction.
2. As a subset of the exposures in (1.) above, the exposures where the legal entity (owner) has an exposure to a domestic issuer.
3. As a subset of the exposures in (2.) above, exposures denominated in domestic currency.
4. As a subset of the exposures in (3.) above, exposures where the jurisdiction of the legal entity (owner) is different from that of the group.
5. As a subset of the exposures in (1.) above, exposures risk-weighted like sovereigns based on paragraph 58. This includes:

(i) exposures to entities risk weighted like sovereigns because of specific revenue raising powers and specific institutional arrangements the effect of which is to reduce their risks of default to that of the sovereign (see footnote to paragraph 58 Basel II) and

(ii) entities risk weighted like sovereigns because of the extent of guarantees/support provided by the central government (see footnote to paragraph 58 Basel II);

6. As a subset of the exposures in (1.) above, the exposures risk-weighted as if denominated and funded in domestic currency (standardised approach) according to Basel II paragraph 54.

An example may clarify the different items. Assume a US reporting banking group (ie bank holding company) with a subsidiary in the US and in Japan. Differentiating between a) the legal domicile of the reporting banking group (ie in the example the US), b) the legal domicile of the subsidiary, c) the legal domicile of the obligor, guarantor or issuer and d) the currency of denomination of the exposure, we get eight possible cases, as described in the table below.

Eight illustrative cases

Case	Banking group	Legal entity	Obligor/guarantor/issuer	Currency
A	US	US	US	USD
B	US	US	US	JPY
C	US	US	Japan	USD
D	US	US	Japan	JPY
E	US	Japan	US	USD
F	US	Japan	US	JPY
G	US	Japan	Japan	USD
H	US	Japan	Japan	JPY

Using these illustrative cases, exposures to US treasuries (denominated in USD) and held by the US legal entity would fall under case A, while exposures to the same securities held by the Japanese subsidiary would fall under case E. However, if the Japanese operations are in the form of a Japanese branch to the US bank, the domicile of the legal entity would be the US and the exposure would fall under case A. Furthermore, exposures to a Japanese entity (ie where it is the obligor/guarantor/issuer), denominated in USD and held by the US legal entity would fall under case C while the same exposure held by the Japanese subsidiary would fall under case G.

In the breakdown above, (1.) should include all the exposures listed above and (2.) should include all the entries where the domicile of the legal entity is the same as that of the obligor/guarantor/issuer, ie cases A, B, G and H. As a subset of (2.), the third break down, (3.), should include the cases where the currency is the home currency of the obligor/guarantor/issuer, ie cases A and H. As a subset of (3.), the fourth break down, (4.), should include only case H above.

Items 5) and 6) above focuses on the exposures that *are* treated as sovereign exposures under the present rules as outlined in paragraphs 58 and 54 respectively in the Basel II standards. According to paragraph 54, if a Japanese bank has an exposure to the Japanese state, denominated *and funded* in JPY, the Japanese authorities can allow the Japanese bank to apply a lower risk weight to this exposure. If the Japanese authorities grant this permission, the US authorities may (but are not obliged to) allow a US banking group's exposure to the Japanese state if denominated *and funded* in JPY the same lower risk weight. Any amounts following this treatment should be reported under item 6).

10.2 Definitions to be used under the harmonised definitions

In the panel "harmonised definitions rows", the following definitions should be used. The use of "harmonised" definitions is intended solely for the purpose of this exercise and does not prejudge any potential future considerations of the regulatory treatment of sovereign exposures.

10.2.1 Sovereigns

For this exercise and in the panel of harmonised definitions, banks should report exposures on a harmonised basis. The following characteristics should be used to distinguish central governments from other entities that can be treated as sovereigns under the present definitions, These characteristic of central governments include:

1. A central government represents a sovereign jurisdiction and is not subordinated to another government (in contrast to regional governments) and is independent in the exercise of its constitutional authority.
2. A sovereign can decide to be part of an international treaty or member of an international organisation of other sovereign states such as the UN.
3. A sovereign (as represented by the parliament) has the right to levy taxes.
4. A sovereign (as represented by the parliament) typically has the ability and right to enact new laws. In many cases, this even extends to laws that change the rights of existing creditors.
5. A central government also typically does not fall under the domestic insolvency procedures.

Applying a narrow definition of central government based on these characteristics, for the purpose of this exercise only, ensures that the central government category is reported on a consistent basis across all countries. For the purpose of this data collection, EU member states and their central banks (as well as the ECB) are treated like sovereigns and central banks respectively.

In the case of federal sovereigns, exposures to states and provincial governments should not be reported under the sovereign category but under the separate sub-category under the category Public sector entities. The items should be broken down according to the general breakdown as described in Section 10.1.

10.2.2 Central banks

Central banks are characterised in that they have the right to issue legal tender. For the purpose of this data collection, both the central banks in the EU member states and the ECB should be treated like central banks.

In some jurisdictions, the central banks issues government debt on behalf of the central government. If the obligor is the central government and the central bank acts as agent for the central government the resulting exposure should be treated as an exposure to the central government rather than to the central bank.

The items should be broken down according to the general breakdown as described in Section 10.1.

10.2.3 Some International organisations and multilateral development banks (MDBs)

This category covers: exposures to selected international organisations treated like sovereigns (referred to in paragraph 56 of Basel II (BIS, IMF, EU)) and multilateral development banks (MDBs, in particular the MDBs in the footnote to paragraph 59 of the Basel II framework). These are specified in paragraph 56 the Basel II framework and footnote 24 to paragraph 59, as well as in certain amendments.[82] The entire list now consists of 20 different organisations.[83]

The reporting should include direct and indirect exposures to:

- International organisations meeting the criteria for a 0% risk weighted under paragraph 56 of the Basel II framework (except the ECB which should be treated as a central bank);
- MDBs meeting the criteria for a 0% risk weighted under paragraph 59 of the Basel II framework (in particular the MDBs in footnote 24 to paragraph 59 of the Basel II framework and in amendments from 2006, 2010 and 2014).

10.2.4 Non-central government Public sector entities

All entities treated as non-central government PSE under paragraphs 57 and 58 of the Basel II framework, in particular those falling under one of the categories in footnote 23. There are three sub-categories:

1.1. State and provincial governments in federal sovereigns;

N.B. Sub-category 4.1. is only applicable for the harmonised definitions, as federal sovereigns are not defined in the present Basel framework.

In this context federal sovereigns are defined as:

"A federation, also known as a federal state, is a political entity characterized by a union of partially self-governing states or regions under a central (federal) government. In a federation, the self-governing status of the component states, as well as the division of power between them and the central government, are typically constitutionally entrenched and may not be altered by a unilateral decision of either party, the states or the federal political body."[84]

1.2. Regional governments and local authorities;

Regional government and local authorities are characterised by the following criteria:

(d) They are responsible for an area that is a subset of the area for which a central government is responsible (to distinguish them from central governments, and in the case of federal sovereigns from states and provinces).

(e) They have taxing powers (to distinguish them from administrative bodies, non-commercial undertakings and commercial undertakings).

[82] See www.bis.org/publ/bcbs_nl10.htm, www.bis.org/publ/bcbs_nl15.htm, and www.bis.org/publ/bcbs_nl17.htm.

[83] The list includes the Bank for International Settlements, the International Monetary Fund, the European Central Bank and the European Community, the World Bank Group comprised of the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC), the Asian Development Bank (ADB), the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IADB), the European Investment Bank (EIB), the European Investment Fund (EIF), the Nordic Investment Bank (NIB), the Caribbean Development Bank (CDB), the Islamic Development Bank (IDB), and the Council of Europe Development Bank (CEDB), the Multilateral Investment Guarantee Agency (MIGA), Stability Mechanism (ESM) and European Financial Stability Facility (EFSF). These provisions are also applicable to International Finance Facility for Immunization (IFFIm) given that, among fulfilling other criteria set out in paragraph 59 of the Basel II framework, (1) The World Bank acts as its Treasury Manager responsible for managing IFFIm's funding, liquidity and other treasury operations; (2) IFFIm has received a AAA rating from Moody's Investors Service, Standard & Poor's and Fitch Ratings; and (3) Its donor structure is comprised of sovereigns that have made legally binding grant commitments to IFFIm. The majority of the donors have long-term issuer credit assessments of AAA.

[84] According to the Forum of Federations (www.forumfed.org), the following jurisdictions are considered federal sovereigns: Argentina, Australia, Austria, Belgium, Bosnia and Herzegovina, Comoros, Brazil, Canada, Ethiopia, Germany, India, Malaysia, Mexico, Micronesia, Nepal, Nigeria, Pakistan, Russia, St. Kitts and Nevis, South Africa, Spain, Switzerland, United Arab Emirates, United States of America and Venezuela.

1.3. Administrative bodies responsible to central governments, to regional governments or to local authorities; and other non-commercial undertakings owned by central or regional governments or local authorities (eg other than those considered as commercial undertakings[85] which can be the case eg where dedicated to support the generation of profit for the entities that have set up,, own or control or sponsor the undertaking);

Administrative bodies and non-commercial undertakings are characterised by the following criteria:

(a) They have no taxing powers (to distinguish them from regional governments and local authorities as well as in the case of federal sovereigns from states and provinces).

(b) They do not perform commercial activities.

Where relevant for these sub-categories the breakdown should follow the breakdown as described in Section 10.1.

10.2.5 Commercial undertakings set up, owned, controlled or supported by entities belonging to category 1, 2, 3 or 4

All commercial undertakings not belonging to category 1, 2, 3 or 4 but set up, owned, controlled or supported by entities belonging to category 1, 2, 3 or 4 (commercial undertakings identified eg as entities functioning as corporates in competitive markets [cf. point "commercial undertakings [...]" in the footnote to paragraph 58 of the Basel II framework) which can be the case eg where dedicated to support the generation of profit for the entities that have set up, own or control or sponsor the undertaking).

In this context and on a voluntary basis, please report as sub-categories, depending on what type of commercial undertaking it refers to the following:

1.4 Commercial undertakings in the form of banks;

1.5 Commercial undertakings in the form of non-bank financial sector entities;

1.6 Commercial undertakings in the form om non-financial sector entities

No further break down (as described under the heading "Common features" on page 1) is necessary for the commercial undertaking.

85 See points 'administrative bodies [...]" and "commercial undertakings [...]" in footnote 23 to Basel II, 58.

Annex 1: Changes compared to versions 3.0.x of the reporting template

Compared to the versions 3.0.x of the reporting template which were used for reporting of data as of 31 December 2014, the following main changes have been implemented:

- Some changes have been included in rows 293 and 295 of the "NSFR" worksheet.
- Worksheets on large exposures, exposures to sovereigns, operational risk and interest rate risk in the banking book have been added.
- The worksheets for the QIS on the fundamental review of the trading book, floors, the review of the standardised approach to credit risk and TLAC have been removed.

Annex 2: Tentative schedule for upcoming Basel III monitoring exercises

Basel III monitoring as of end-June 2015[1]

September 2015	Deadline for data submission to national supervisors.
March 2016	Publication of results

[1] Or equivalent in countries with financial years which differ from the calendar year.

Basel III monitoring as of end-December 2015[1]

early February 2016	Circulation of Basel III monitoring reporting templates to banks.
End-March 2016	Deadline for data submission to national supervisors.
September 2016	Publication of results

[1] Or equivalent in countries with financial years which differ from the calendar year.

Annex 3: Mapping of PDs to external rating grades

Implied PDs

In per cent

Letter rating[86]	PD
AAA	0.006
AA+	0.010
AA	0.016
AA-	0.025
A+	0.041
A	0.065
A-	0.105
BBB+	0.169
BBB	0.272
BBB-	0.437
BB+	0.703
BB	1.130
BB-	1.818
B+	2.923
B	4.702
B-	7.561
CCC/C	27.000

86 The use of Standard & Poor's credit ratings is an example only; those of some other external credit assessment institutions could equally well be used. The ratings used throughout this document, therefore, do not express any preferences or determinations on external assessment institutions by the Committee.