

Basel Committee on Banking Supervision

DIS

Disclosure requirements

DIS40

Credit risk

**Version effective as of
01 Jan 2022**

Updated cross references and other changes to take account of changes in the credit risk standard in the December 2017 Basel III publication.



BANK FOR INTERNATIONAL SETTLEMENTS

Introduction

40.1 The scope of DIS40 includes items subject to risk-weighted assets (RWA) for credit risk as defined in [RBC20.6\(1\)](#), ie excluding:

- (1) all positions subject to the securitisation regulatory framework, including those that are included in the banking book for regulatory purposes, which are reported in [DIS43](#).
- (2) capital requirements relating to counterparty credit risk, which are reported in [DIS42](#).

40.2 The disclosure requirements under this section are:

General information about credit risk:

- (1) Table CRA - General qualitative information about credit risk
- (2) Template CR1 - Credit quality of assets
- (3) Template CR2 - Changes in stock of defaulted loans and debt securities
- (4) Table CRB - Additional disclosure related to the credit quality of assets
- (5) Table CRB-A - Additional disclosure related to prudential treatment of problem assets

Credit risk mitigation:

- (6) Table CRC - Qualitative disclosure related to credit risk mitigation techniques
- (7) Template CR3 - Credit risk mitigation techniques - overview

Credit risk under standardised approach:

- (8) Table CRD - Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk
- (9) Template CR4 - Standardised approach - Credit risk exposure and credit risk mitigation effects
- (10) Template CR5 - Standardised approach - Exposures by asset classes and risk weights

Credit risk under internal risk-based approaches:

- (11) Table CRE - Qualitative disclosure related to internal ratings-based (IRB) models
- (12) Template CR6 - IRB - Credit risk exposures by portfolio and probability of default (PD) range
- (13) Template CR7 - IRB - Effect on RWA of credit derivatives used as credit risk mitigation (CRM) techniques
- (14) Template CR8 - RWA flow statements of credit risk exposures under IRB
- (15) Template CR9 - IRB - Backtesting of probability of default (PD) per portfolio
- (16) Template CR10 - IRB (specialised lending under the slotting approach)

FAQ

FAQ1 *How should the disclosure be made in Template CR3, in an example where a loan has multiple types of credit risk mitigation and is over-collateralised (eg a loan of 100 with land collateral of 120 as well as guarantees of 50)?*

When an exposure benefits from multiple types of credit risk mitigation mechanisms, the exposure value should be allocated to each mechanism by order of priority based on the credit risk mitigation mechanism which banks would apply in the event of loss. Disclosure should be limited to the value of the exposure (ie the amount of over-collateralisation does not need to be disclosed in the table). If the bank wishes to disclose information regarding the over-collateralisation, it may do so in the accompanying narrative. Refer to example in [DIS99.1](#).

FAQ2 *What are the values to be ascribed to collateral, guarantees and credit derivatives in Template CR3?*

Banks should disclose the amount of credit risk mitigation calculated according to the regulatory framework, including both the costs to sell and of haircut.

FAQ3 Where should exposures to central counterparties (CCPs) be included?

Exposures for trades, initial margins and default fund contributions are included in Template CCR8. Exposures stemming from loans to CCPs excluding initial margins and default fund contributions should be included within the credit risk framework considering the CCP as an asset class item. These loans should be included in the exposure class where the national implementation of the Basel framework allows exposures to CCPs to be included.

FAQ4 In Template CR7, what is the required disclosure if an exposure is only partially hedged by a credit derivative? For instance, consider a loan with nominal exposure of \$100, risk weight of 150% and therefore RWA of \$150. The bank buys a credit default swap with a \$30 nominal amount, and the risk weight of the protection provider is 50%. Which values should be entered in columns (a) and (b)?

Under the IRB approach, credit derivatives are recognised as CRM techniques for the F-IRB and A-IRB. In both cases, banks can reflect the risk mitigating effect of credit derivatives on an exposure by adjusting their PD or loss-given-default (LGD). Banks should disclose in column (a), the RWA of an exposure secured by a credit derivative calculated without reflecting the risk mitigating effect of credit derivatives (in the example, banks would disclose \$150). In column (b), the RWA of the same exposure calculated reflecting the risk mitigating effect of credit derivatives (in the example, banks would disclose $30 \cdot 50\% + 70 \cdot 150\% = 120$) should be disclosed.

FAQ5 Is the "weighted average PD" in column (d) of Template CR9 to be calculated based on the formula $\sum(PD_i \cdot EAD_i) / (\sum EAD_i)$?

"Weighted" means exposure at default (EAD)-weighted. For this purpose, the formula above is correct since the data will be comparable to those reported in column (i).

FAQ6

How should “defaulted obligors” be defined, for the purpose of Template CR9? For column (f) (number of obligors), please clarify how “obligors” are defined from a retail perspective. Should “end of the previous year” include only non-defaulted accounts at the beginning of the year, or both defaulted and non-defaulted accounts? Should “end of the year” include all active accounts at the end of the year? For column (g) (defaulted obligors in the year), please clarify whether it is related to accounts that defaulted during the year or from inception.

The definition of obligors or retail obligors is the same as for other obligors; any individual person or persons, or a small or medium-sized entity. Furthermore, where banks apply the “transaction approach”, each transaction shall be considered as a single obligor. A defaulted obligor is an obligor that meets the conditions set out in [CRE36.69](#) to [CRE36.76](#).

For column (f), the “end of the previous year” includes non-defaulted accounts at the beginning of the year of reference for disclosure. The “end of the year” includes all the non-defaulted accounts related to obligors already included in the “end of the previous year” plus all the new obligors acquired during the year of reference for disclosure which did not go into default during the year. Banks have discretion as to whether to include obligors who left during the year within the “end of the year” number.

For column (g), “defaulted obligors” includes: (i) obligors not in default at the beginning of the year who went into default during the year; and (ii) new obligors acquired during the year– through origination or purchase of loans, debt securities or off-balance sheet commitments – that were not in default, but which went into default during the year. Obligor under (ii) are also separately disclosed in column (h). The PD or PD range to be included in columns (d) and (e) is the one assigned at the beginning of the period for obligors that are not in default at the beginning of the period.

FAQ7

What considerations can institutions reference when disclosing a model performance test (backtesting) when the test is not aligned to the year-end disclosure timetable?

The frequency of the disclosure is not linked to the timing of the bank's backtesting. The annual disclosure frequency does not require a timetable of model backtesting that is calibrated on a calendar year basis. When the backtesting reference period is not calibrated on a calendar year basis, but on another time interval (for instance, a 12-month interval), "year" as used in columns (f), (g) and (h) of Template CR9 means "over the period used for the backtesting of a model". Banks must, however, disclose the time horizon (observation period /timetable) they use for their backtesting.

Table CRA: General qualitative information about credit risk

Purpose: Describe the main characteristics and elements of credit risk management (business model and credit risk profile, organisation and functions involved in credit risk management, risk management reporting).

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

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must describe their risk management objectives and policies for credit risk, focusing in particular on:

- (a) How the business model translates into the components of the bank's credit risk profile

 - (b) Criteria and approach used for defining credit risk management policy and for setting credit risk limits

 - (c) Structure and organisation of the credit risk management and control function

 - (d) Relationships between the credit risk management, risk control, compliance and internal audit functions

 - (e) Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors
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Template CR1: Credit quality of assets

Purpose: Provide a comprehensive picture of the credit quality of a bank's (on- and off-balance sheet assets).

Scope of application: The template is mandatory for all banks. Columns d, e and f are only applicable for banks that have adopted an ECL accounting model.

Content: Carrying values (corresponding to the accounting values reported in financial statements according to the scope of regulatory consolidation).

Frequency: Semiannual.

Format: Fixed. (Jurisdictions may require a more granular breakdown of asset classes, but rows 1 to 4 defined below are mandatory for all banks).

Accompanying narrative: Banks must include their definition of default in an accompanying narrative

	a	b	c	d	e	f	g
	Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net value (a+b-c)
	Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans						
2	Debt Securities						
3	Off-balance sheet exposures						
4	Total						

Definitions

Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure according to the Basel framework. On-balance sheet items include loans and debt securities. Off-balance sheet items must be measured according to the following criteria: (a) guarantees given - the maximum amount that the bank would have to pay if the guarantee were called. The amount must be gross of

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

Write-offs for the purpose of this template are related to a direct reduction of the carrying amount when the entity has no reasonable expectations of recovery.

Defaulted exposures: banks should use the definition of default that they also use for regulatory purposes. Banks must provide this definition of default in the accompanying narrative. For a bank using the standardised approach for credit risk, the default exposures in Templates CR1 and CR2 should correspond to exposures that are "past due for more than 90 days", as stated in [CRE20.104].

Non-defaulted exposures: any exposure not meeting the above definition of default.

Accounting provisions for credit losses: total amount of provisions, made via an allowance against impaired and not impaired exposures (may correspond to general reserves in certain jurisdictions or may be made via allowance account or direct reduction - direct write-down in some jurisdictions) according to the applicable accounting framework. For example, when the accounting framework is IFRS "impaired exposures" are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A. When the accounting framework is US GAAP, "impaired exposures" are those exposures for which credit losses are measured under ASC Topic 326 and for which the bank has recorded a partial write-off/write-down.

Banks must fill in column d to f in accordance with the categorisation of accounting provisions, distinguishing those meeting the conditions to be categorised in general provisions, as defined in [CAF 18](#) in their jurisdiction, and those that are categorised as specific provisions. This categorisation must be consistent with information provided in Table CRB.

Net values: Total gross value less allowances/impairments.

Debt securities: Debt securities exclude equity investments subject to the credit risk framework. However, banks may add a row between rows 2 and 3 for "other investment" (if needed) and explain in the accompanying narrative.

Linkages across templates

Amount in [CR1:1/g] is equal to the sum [CR3:1/a] + [CR3:1/b].

Amount in [CR1:2/g] is equal to the sum [CR3:2/a] + [CR3:2/b].

Amount in [CR1:4/a] is equal to [CR2:6/a], only when (i) there is zero defaulted off-balance sheet exposure or national supervisor has exercised discretion to include off-balance sheet exposures in Template CR2.

Template CR2: Changes in stock of defaulted loans and debt securities

Purpose: Identify the changes in a bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

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

Content: Carrying values.

National supervisors have discretion to decide whether off-balance sheet exposures should be included.

Frequency: Semiannual.

Format: Fixed. (Jurisdictions may require additional columns to provide a further breakdown of exposures by counterparty type).

Accompanying narrative: Banks should explain the drivers of any significant changes in the amounts of defaulted exposures from the previous reporting period and any significant movement between defaulted and non-defaulted loans.

Banks should disclose in their accompanying narrative whether defaulted exposures include off-balance sheet items.

		a
1	Defaulted loans and debt securities at end of the previous reporting period	
2	Loans and debt securities that have defaulted since the last reporting period	
3	Returned to non-defaulted status	
4	Amounts written off	
5	Other changes	
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	

Definitions

Defaulted exposure: such exposures must be reported net of write-offs and gross of (ie ignoring) allowances/impairments. For a bank using the standardised approach for credit risk, the default exposures in Templates CR1 and CR2 should correspond to exposures that are "past due for more than 90 days", as stated in [CRE20.104].

Loans and debt securities that have defaulted since the last reporting period: refers to any loan or debt securities that became marked as defaulted during the reporting period.

Return to non-defaulted status: refers to loans or debt securities that returned to non-default status during the reporting period.

Amounts written off: both total and partial write-offs.

Other changes: balancing items that are necessary to enable total to reconcile.

Table CRB: Additional disclosure related to the credit quality of assets

Purpose: Supplement the quantitative templates with information on the credit quality of a bank's assets.

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

Content: Additional qualitative and quantitative information (carrying values).

Frequency: Annual.

Format: Flexible.

Banks must provide the following disclosures:

Qualitative disclosures

The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes. When the accounting framework is IFRS 9, "impaired exposures" are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A. When the accounting framework is US GAAP, "impaired exposures" are those exposures for which credit losses are measured under ASC Topic 326 and for which the bank has recorded a partial write-off/write-down.

(a) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.

(b) Description of methods used for determining accounting provisions for credit losses. In addition, banks that have adopted an ECL accounting model must provide information on the rationale for categorisation of ECL accounting provisions in general and specific categories for standardised approach exposures.

(c) The bank's own definition of a restructured exposure. Banks should disclose the definition of restructured exposures they use (which may be a definition from the local accounting or regulatory framework).

Quantitative disclosures

(d) Breakdown of exposures by geographical areas, industry and residual maturity.

(e) Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related accounting provisions, broken down by geographical areas and industry.

(f) Ageing analysis of accounting past-due exposures.

(g) Breakdown of restructured exposures between impaired and not impaired exposures.

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

Purpose: To supplement the quantitative templates with additional information related to non-performing exposures and forbearance.

Scope of application: The table is mandatory for banks only when required by national supervisors at jurisdictional level.

Content: Qualitative and quantitative information (carrying values corresponding to the accounting values reported in financial statements but according to the regulatory scope of consolidation).

Frequency: Annual.

Format: Flexible.

Banks must provide the following disclosures:

Qualitative disclosures

(a) The bank's own definition of non-performing exposures. The bank should specify in particular if it is using the definition provided in the guidelines on prudential treatment of problem assets (hereafter in this table referred to as the "Guidelines")¹ and provide a discussion on the implementation of its definition, including the materiality threshold used to categorise exposures as past due, the exit criteria of the non-performing category (providing information on a probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the categorisation of corporate and retail loans.

(b) The bank's own definition of a forborne exposure. The bank should specify in particular if it is using the definition provided in the Guidelines and provide a discussion on the implementation of its definition, including the exit criteria of the restructured or forborne category (providing information on the probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the categorisation of corporate and retail loans.²

Quantitative disclosures

(c) Gross carrying value of total performing as well as non-performing exposures, broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures; national supervisors may require additional breakdowns of non-performing exposures, if needed, to enable an understanding of material differences in the level of risk or provision cover among different portfolios (eg retail exposures by secured by real estate/mortgages, revolving exposures, small and medium-sized enterprises (SMEs), other retail). Non-performing exposures should in addition be split into (i) defaulted exposures and/or impaired exposures;³ (ii) exposures that are not defaulted /impaired exposures but are more than 90 days past due; and (iii) other exposures where there is evidence that full repayment is unlikely without the bank's realisation of collateral (which would include exposures that are not defaulted/impaired and are not more than 90 days past due but for which payment is unlikely without the bank's realisation of collateral, even if the exposures are not past due).

Value adjustments and provisions⁴ for non-performing exposures should also be disclosed.

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

Value adjustments and provisions for non-performing exposures should also be disclosed.

Definitions

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

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

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

Footnotes

1 www.bis.org/bcbs/publ/d403.pdf

2 *Banks are allowed to (i) merge row (d) of Table CRB with row (b) of Table CRB-A and (ii) merge row (h) of Table CRB with row (d) of Table CRB-A if and only if the bank uses a common definition for restructured and forborne exposures. The bank should clarify in the disclosure that they are applying a common definition for restructured and forborne exposures. In such case, the bank should also specify in the accompanying narrative that it uses a common definition for restructured exposures and forborne exposures that therefore, information disclosed regarding requirements of row (b) and row (d) of Table CRB-A have been merged with the row (d) and row (h) of Table CRB, respectively.*

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

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

Table CRC: Qualitative disclosure related to credit risk mitigation techniques

Purpose: Provide qualitative information on the mitigation of credit risk.

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

Content: Qualitative information.

Frequency: Annual.

Format: Flexible

Banks must disclose:

(a) Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting.

(b) Core features of policies and processes for collateral evaluation and management.

Information about market or credit risk concentrations under the credit risk mitigation instruments used (ie by guarantor type, collateral and credit derivative providers).

(c) Banks should disclose a meaningful breakdown of their credit derivative providers, and set the level of granularity of this breakdown in accordance with [DIS10.12](#). For instance, banks are not required to identify their derivative counterparties nominally if the name of the counterparty is considered to be confidential information. Instead, the credit derivative exposure can be broken down by rating class or by type of counterparty (eg banks, other financial institutions, non-financial institutions).

Template CR3: Credit risk mitigation techniques - overview

Purpose: Disclose the extent of use of credit risk mitigation techniques.

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

Content: Carrying values. Banks must include all CRM techniques used to reduce capital requirements and disclose all secured exposures, irrespective of whether the standardised or IRB approach is used for RWA calculation.

Please refer to [DIS99.1](#) for an illustration on how the template should be completed.

Frequency: Semiannual.

Format: Fixed. (Jurisdictions may require additional sub-rows to provide a more detailed breakdown in rows but must retain the four rows listed below.) Where banks are unable to categorise exposures secured by collateral, financial guarantees or credit derivative into "loans" and "debt securities", they can either (i) merge two corresponding cells, or (ii) divide the amount by the pro-rata weight of gross carrying values; they must explain which method they have used.

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

		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans					
2	Debt securities					
3	Total					
4	Of which defaulted					

Definitions

Exposures unsecured- carrying amount: carrying amount of exposures (net of allowances /impairments) that do not benefit from a credit risk mitigation technique.

Exposures to be secured: carrying amount of exposures which have at least one credit risk mitigation mechanism (collateral, financial guarantees, credit derivatives) associated with them. The allocation of the carrying amount of multi-secured exposures to their different credit risk mitigation mechanisms is made by order of priority, starting with the credit risk mitigation mechanism expected to be called first in the event of loss, and within the limits of the carrying amount of the secured exposures.

Exposures secured by collateral: carrying amount of exposures (net of allowances/impairments) partly or totally secured by collateral. In case an exposure is secured by collateral and other credit risk mitigation mechanism(s), the carrying amount of the exposures secured by collateral is the remaining share of the exposure secured by collateral after consideration of the shares of the exposure already secured by other mitigation mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Exposures secured by financial guarantees: carrying amount of exposures (net of allowances /impairments) partly or totally secured by financial guarantees. In case an exposure is secured by financial guarantees and other credit risk mitigation mechanism, the carrying amount of the exposure secured by financial guarantees is the remaining share of the exposure secured by financial guarantees after consideration of the shares of the exposure already secured by other mitigation mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Exposures secured by credit derivatives: carrying amount of exposures (net of allowances /impairments) partly or totally secured by credit derivatives. In case an exposure is secured by credit derivatives and other credit risk mitigation mechanism(s), the carrying amount of the exposure secured by credit derivatives is the remaining share of the exposure secured by credit derivatives after consideration of the shares of the exposure already secured by other mitigation

mechanisms expected to be called beforehand in the event of a loss, without considering overcollateralisation.

Table CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk

Purpose: Supplement the information on a bank's use of the standardised approach with qualitative data on the use of external ratings.

Scope of application: The table is mandatory for all banks that: (a) use the credit risk standardised approach (or the simplified standardised approach); and (b) make use of external credit ratings for their RWA calculation.

In order to provide meaningful information to users, the bank may choose not to disclose the information requested in the table if the exposures and RWA amounts are negligible. It is however required to explain why it considers the information not to be meaningful to users, including a description of the portfolios concerned and the aggregate total RWA these portfolios represent.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

A. For portfolios that are risk-weighted under the standardised approach for credit risk, banks must disclose the following information:

- (a) Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period;
 - (b) The asset classes for which each ECAI or ECA is used;
 - (c) A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book (see [CRE21.12](#) to [CRE21.14](#)); and
 - (d) The alignment of the alphanumerical scale of each agency used with risk buckets (except where the relevant supervisor publishes a standard mapping with which the bank has to comply).
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Template CR4: Standardised approach - credit risk exposure and credit risk mitigation (CRM) effects

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

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

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

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

Content: Regulatory exposure amounts.

Frequency: Semiannual.

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

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes. Banks should describe the sequence in which CCFs, provisioning and credit risk mitigation measures are applied.

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks						
2	Non-central government public sector entities						

3	Multilateral development banks						
4	Banks						
	Of which: securities firms and other financial institutions						
5	Covered bonds						
6	Corporates						
	Of which: securities firms and other financial institutions						
	Of which: specialised lending						
7	Subordinated debt, equity and other capital						
8	Retail						
9	Real estate						
	Of which: general RRE						
	Of which: IPRRE						
	Of which: general CRE						
	Of which: IPCRE						
	Of which: land acquisition, development and construction						
10	Defaulted exposures						
11	Other assets						

12	Total					
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Definitions

Rows:

General residential real estate (General RRE): refers to regulatory residential real estate exposures that are not materially dependent on cash flows generated by the property as set out in [CRE20.82] and [CRE20.83], and any residential real estate exposures covered by [CRE20.89](1).

Income-producing residential real estate (IPRRE): refers to regulatory residential real estate exposures that are materially dependent on cash flows generated by the property as set out in [CRE20.84], and any residential real estate exposures covered by [CRE20.89](2).

General commercial real estate (General CRE): refers to regulatory commercial real estate exposures that are not materially dependent on cash flows generated by the property as set out in [CRE20.85] and [CRE20.86], and any commercial real estate exposures covered by [CRE20.89](1).

Income-producing commercial real estate (IPCRE): refers to regulatory commercial real estate exposures that are materially dependent on cash flows generated by the property as set out in [CRE20.87], and any commercial real estate exposures covered by [CRE20.89](2).

Land acquisition, development and construction: refers to exposures subject to the risk weights set out in [CRE20.90] and [CRE20.91].

Other assets: refers to assets subject to specific risk weight as set out in [CRE20.110].

Columns:

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

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

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

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

Linkages across templates:

Amount in [CR4:12/c] + [CR4:12/d] is equal to amount in [CR5:Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures 11/d].

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

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

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

Subject to supervisory approval of the immateriality of the asset class, banks that intend to adopt a ph approach may apply the standardised approach to certain asset classes. In circumstances where expos standardised approach may be considered to be negligible, and disclosure of this information would n users, the bank may choose not to disclose the template for the exposures treated under the standard explain why it considers the information not to be meaningful to users. The explanation must include a respective portfolios and the aggregate total of RWA from such exposures.

When the framework for equity investments in funds enters into force in the jurisdiction, corresponding template but only in Template OV1.

Content: Regulatory exposure amounts.

Frequency: Semiannual.

Format: Fixed. Jurisdictions may add rows and columns to reflect any differences in their implementat numbering of the prescribed rows must not be altered. Jurisdictions should not delete rows or column

Accompanying narrative: Banks are expected to supplement the template with a narrative comment: reporting period and the key drivers of such changes. Banks should describe the sequence in which CC measures are applied.

		0%	20%	50%	100%	150%	Other
1	Sovereigns and their central banks						

		20%	50%	100%	150%	Other
2	Non-central government public sector entities					

		0%	20%	30%	50%	100%	150%	Other
3	Multilateral development banks							

		20%	30%	40%	50%	75%	100%	150%	Other
4	Banks								

	Of which: securities firms and other financial institutions													
--	-------------------------------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--

		10%	15%	20%	25%	35%	50%	100%
5	Covered bonds							

		20%	50%	65%	75%	80%	85%	100%
6	Corporates							
	Of which: securities firms and other financial institutions							
	Of which: specialised lending							

		100%	150%	250% ⁵	400% ⁵
7	Subordinated debt, equity and other capital ⁶				

		45%	75%	100%
8	Retail			

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%
9	Real estate													
	Of which: general RRE													

Of which: no loan splitting applied													
Of which: loan splitting applied (secured)													
Of which: loan splitting applied (unsecured)													
Of which: IPRRE													
Of which: general CRE													
Of which: no loan splitting applied													
Of which: loan splitting applied (secured)													
Of which: loan splitting applied (unsecured)													
Of which: IPCRE													
Of which: land acquisition, development and construction													

		50%	100%	150%	
10	Defaulted exposures				

		0%	20%	100%	1250%
11	Other assets				

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk k

	Risk weight	a	b	Wei
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	
1	Less than 40%			
2	40-70%			
3	75%			
4	85%			
5	90-100%			
6	105-130%			
7	150%			
8	250%			
9	400%			
10	1,250%			
11	Total exposures			

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

Definitions

Loan splitting: refers to the approaches set out in [CRE20.83] and [CRE20.86].

Total credit exposure amount (post-CCF and post-CRM): the amount used for the capital requirement sheet amounts), therefore net of specific provisions (including partial write-offs) and after CRM the application of the relevant risk weights.

Defaulted exposures: correspond to the unsecured portion of any loan past due for more than 90 d borrower, as defined in [CRE20.104].

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

Other assets: refers to assets subject to specific risk weighting as set out in [CRE20.110].

Footnotes

- 5 *The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from 1 January 2022 (please see [CRE90.1] and [CRE90.2]). During this phase-in period, the risk weight for equity exposures will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Alternatively, national supervisors may require banks to apply the fully phased-in standardised approach treatment from the date of implementation of this standard. Accordingly, for disclosure purposes, banks that continue to apply the IRB approach during the phase-in period should report their equity exposures in either the 250% or the 400% column, according to whether the respective equity exposures are speculative unlisted equities or all other equities.*
- 6 *For disclosure purposes, banks that use the standardised approach for credit risk during the transitional period should report their equity exposures according to whether they would be classified as "other equity holdings" (250%) or "speculative unlisted equity" (400%). Risk weights disclosed for "speculative unlisted equity exposures" and "other equity holdings" should reflect the actual risk weights applied to these exposures in a particular year (please refer to the respective transitional arrangements set out in [CRE90.1]).*

Table CRE: Qualitative disclosure related to IRB models

Purpose: Provide additional information on IRB models used to compute RWA.

Scope of application: The table is mandatory for banks using A-IRB or F-IRB approaches for some or all of their exposures.

To provide meaningful information to users, the bank must describe the main characteristics of the models used at the group-wide level (according to the scope of regulatory consolidation) and explain how the scope of models described was determined. The commentary must include the percentage of RWA covered by the models for each of the bank's regulatory portfolios.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must provide the following information on their use of IRB models:

(a) Internal model development, controls and changes: role of the functions involved in the development, approval and subsequent changes of the credit risk models.

(b) Relationships between risk management function and internal audit function and procedure to ensure the independence of the function in charge of the review of the models from the functions responsible for the development of the models.

(c) Scope and main content of the reporting related to credit risk models.

Scope of the supervisor's acceptance of approach.

(d) The "scope of the supervisor's acceptance of approach" refers to the scope of internal models approved by the supervisors in terms of entities within the group (if applicable), portfolios and exposure classes, with a breakdown between foundation IRB (F-IRB) and advanced IRB (A-IRB), if applicable.

(e) For each of the portfolios, the bank must indicate the part of EAD within the group (in percentage of total EAD) covered by standardised, F-IRB and A-IRB approach and the part of portfolios that are involved in a roll-out plan.

(f) The number of key models used with respect to each portfolio, with a brief discussion of the main differences among the models within the same portfolios.

Description of the main characteristics of the approved models:

(i) definitions, methods and data for estimation and validation of PD (eg how PDs are estimated for low default portfolios; if there are regulatory floors; the drivers for differences observed between PD and actual default rates at least for the last three periods);

(g) and where applicable:

(ii) LGD (eg methods to calculate downturn LGD; how LGDs are estimated for low default portfolio; the time lapse between the default event and the closure of the exposure);

(iii) credit conversion factors, including assumptions employed in the derivation of these variables;

Template CR6: IRB - Credit risk exposures by portfolio and PD range

Purpose: Provide main parameters used for the calculation of capital requirements for IRB models. The parameters is to enhance the transparency of banks' RWA calculations and the reliability of regulatory

Scope of application: The template is mandatory for banks using either the F-IRB or the A-IRB approach exposures.

Content: Columns (a) and (b) are based on accounting carrying values and columns (c) to (l) are regulatory scope of regulatory consolidation.

Frequency: Semiannual.

Format: Fixed. The columns, their contents and the PD scale in the rows cannot be altered, but the portfolio set at the jurisdiction level to reflect exposure categories under local implementation of the IRB approach, both F-IRB and A-IRB approaches, it must disclose one template for each approach.

Accompanying narrative: Banks are expected to supplement the template with a narrative to explain RWAs.

		a	b	c	d	e	f	g	h
	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity
Portfolio X									
	0.00 to <0.15								
	0.15 to <0.25								
	0.25 to <0.50								
	0.50 to <0.75								
	0.75 to <2.50								
	2.50 to <10.00								

	10.00 to <100. 00								
	100.00 (Default)								
	Sub- total								
Total (all portfolios)									

Definitions

Rows

Portfolio X includes the following prudential portfolios for the FIRB approach: (i) Sovereign; (ii) Bank - Specialised Lending; (v) Purchased receivables, and the following prudential portfolios for the AIRB approach: (i) Corporate; (iv) Corporate - Specialised Lending; (v) Retail - qualifying revolving (QRRE); (vi) Retail - Retail - SME; (viii) Other retail exposures; (ix) Purchased receivables. Information on F-IRB and A-IRB is reported in two separate templates.

Default: The data on defaulted exposures may be further broken down according to jurisdiction's default exposures.

Columns

PD scale: Exposures shall be broken down according to the PD scale used in the template instead of the RWA calculation. Banks must map the PD scale they use in the RWA calculations into the PD scale provided in the template.

Original on-balance sheet gross exposure: amount of the on-balance sheet exposure gross of account the effect of credit risk mitigation techniques).

Off-balance sheet exposure pre conversion factor: exposure value without taking into account value added factors and the effect of credit risk mitigation techniques.

Average CCF: EAD post-conversion factor for off-balance sheet exposure to total off-balance sheet exposure.

EAD post-CRM: the amount relevant for the capital requirements calculation.

Number of obligors: corresponds to the number of individual PDs in this band. Approximation (rounded to the nearest integer).

Average PD: obligor grade PD weighted by EAD.

Average LGD: the obligor grade LGD weighted by EAD. The LGD must be net of any CRM effect.

Average maturity: the obligor maturity in years weighted by EAD; this parameter needs to be filled calculation.

RWA density: Total risk-weighted assets to EAD post-CRM.

EL: the expected losses as calculated according to [CRE33.8](#) to [CRE33.12](#) and [CRE35.2](#) to [CRE35.3](#).

Provisions: provisions calculated according to [CRE35.4](#).

Template CR7: IRB - Effect on RWA of credit derivatives used as CRM techniques

Purpose: Illustrate the effect of credit derivatives on the IRB approach capital requirements' calculations. The pre-credit derivatives RWA before taking account of credit derivatives mitigation effect has been selected to assess the impact of credit derivatives on RWA. This is irrespective of how the CRM technique feeds into the RWA calculation.

Scope of application: The template is mandatory for banks using the A-IRB and/or F-IRB approaches for some or all of their exposures.

Content: Risk-weighted assets (subject to credit risk treatment).

Frequency: Semiannual.

Format: Fixed.

Columns are fixed but the portfolio breakdown in the rows will be set at jurisdiction level to reflect exposure categories required under local implementation of IRB approaches.

Accompanying narrative: Banks should supplement the template with a narrative commentary to explain the effect of credit derivatives on the bank's RWAs.

		a	b
		Pre-credit derivatives RWA	Actual RWA
1	Sovereign - F-IRB		
2	Sovereign - A-IRB		
3	Banks - F-IRB		
4	Banks - A-IRB		
5	Corporate - F-IRB		
6	Corporate - A-IRB		
7	Specialised lending - F-IRB		
8	Specialised lending - A-IRB		
9	Retail - qualifying revolving (QRRE)		
10	Retail - residential mortgage exposures		
11	Retail -SME		

12	Other retail exposures		
13	Equity - F-IRB		
14	Equity - A-IRB		
15	Purchased receivables - F-IRB		
16	Purchased receivables - A-IRB		
17	Total		

Pre-credit derivatives RWA: hypothetical RWA calculated assuming the absence of recognition of the credit derivative as a CRM technique.

Actual RWA: RWA calculated taking into account the CRM technique impact of the credit derivative.

Template CR8: RWA flow statements of credit risk exposures under IRB

Purpose: Present a flow statement explaining variations in the credit RWA determined under an IRB approach.

Scope of application: The template is mandatory for banks using the A-IRB and/or F-IRB approaches.

Content: Risk-weighted assets corresponding to credit risk only (counterparty credit risk excluded). Changes in RWA amounts over the reporting period for each of the key drivers should be based on a bank's reasonable estimation of the figure.

Frequency: Quarterly.

Format: Fixed. Columns and rows 1 and 9 cannot be altered. Banks may add additional rows between rows 7 and 8 to disclose additional elements that contribute significantly to RWA variations.

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

		a
		RWA amounts
1	RWA as at end of previous reporting period	
2	Asset size	
3	Asset quality	
4	Model updates	
5	Methodology and policy	
6	Acquisitions and disposals	
7	Foreign exchange movements	
8	Other	
9	RWA as at end of reporting period	

Asset size: organic changes in book size and composition (including origination of new businesses and maturing loans) but excluding changes in book size due to acquisitions and disposal of entities.

Asset quality: changes in the assessed quality of the bank's assets due to changes in borrower risk, such as rating grade migration or similar effects.

Model updates: changes due to model implementation, changes in model scope, or any changes intended to address model weaknesses.

Methodology and policy: changes due to methodological changes in calculations driven by regulatory policy changes, including both revisions to existing regulations and new regulations.

Acquisitions and disposals: changes in book sizes due to acquisitions and disposal of entities.

Foreign exchange movements: changes driven by market movements such as foreign exchange movements.

Other: this category must be used to capture changes that cannot be attributed to any other category. Banks should add additional rows between rows 7 and 8 to disclose other material drivers of RWA movements over the reporting period.

Template CR9: IRB - Backtesting of probability of default (PD) per portfolio

Purpose: Provide backtesting data to validate the reliability of PD calculations. In particular, the template compares the PD used in IRB capital calculations with the effective default rates of bank obligors. A minimum five-year average annual default rate is required to compare the PD with a "more stable" default rate, although a bank may use a longer historical period that is consistent with its actual risk management practices.

Scope of application: The template is mandatory for banks using the A-IRB and/or F-IRB approaches. Where a bank makes use of a F-IRB approach for certain exposures and an A-IRB approach for others, it must disclose two separate sets of portfolio breakdown in separate templates.

To provide meaningful information to users on the backtesting of their internal models through this template, the bank must include in this template the key models used at the group-wide level (according to the scope of regulatory consolidation) and explain how the scope of models described was determined. The commentary must include the percentage of RWA covered by the models for which backtesting results are shown here for each of the bank's regulatory portfolios.

The models to be disclosed refer to any model, or combination of models, approved by the supervisor, for the generation of the PD used for calculating capital requirements under the IRB approach. This may include the model that is used to assign a risk rating to an obligor, and/or the model that calibrates the internal ratings to the PD scale.

Content: Modelling parameters used in IRB calculation.

Frequency: Annual.

Format: Flexible.

The portfolio breakdown in the rows will be set at jurisdiction level to reflect exposure categories required under local implementations of IRB approaches.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. Banks may wish to supplement the template when disclosing the amount of exposure and the number of obligors whose defaulted exposures have been cured in the year.

a	b	c	d	e	f	g	h	i
---	---	---	---	---	---	---	---	---

Portfolio X*	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
					End of previous year	End of the year			

* The dimension *Portfolio X* includes the following prudential portfolios for the F-IRB approach:

(i) Sovereign; (ii) Banks; (iii) Corporate; (iv) Corporate - Specialised lending; (v) Purchased receivables, and the following prudential portfolios for the A-IRB approach:

(i) Sovereign; (ii) Banks; (iii) Corporate; (iv) Corporate - Specialised Lending; (v) Retail - QRRE; (vi) Retail - Residential mortgage exposures; (vii) Retail - SME; (viii) Other retail exposures; (ix) Purchased receivables.

External rating equivalent: refers to external ratings that may, in some jurisdictions, be available for retail borrowers. This may, for instance, be the case for small or medium-sized entities (SMEs) that fit the requirements to be included in the retail portfolios which in some jurisdictions could

have an external rating, or a credit score or a range of credit scores provided by a consumer credit bureau. One column has to be filled in for each rating agency authorised for prudential purposes in the jurisdictions where the bank operates. However, where such external ratings are not available, they need not be provided.

Weighted average PD: the same as reported in Template CR6. These are the estimated PDs assigned by the internal model authorised under the IRB approaches. The PD values are EAD-weighted and the "weight" is the EAD at the beginning of the period.

Arithmetic average PD by obligors: PD within range by number of obligor within the range. The average PD by obligors is the simple average: Arithmetic average PD = sum of PDs of all accounts (transactions) / number of accounts.

Number of obligors: two sets of information are required: (i) the number of obligors at the end of the previous year; (ii) the number of obligors at the end of the year subject to reporting;

Defaulted obligors in the year: number of defaulted obligors during the year; *of which: new obligors defaulted in the year:* number of obligors having defaulted during the last 12-month period that were not funded at the end of the previous financial year;

Average historical annual default rate: the five-year average of the annual default rate (obligors at the beginning of each year that are defaulted during that year/total obligor hold at the beginning of the year) is a minimum. The bank may use a longer historical period that is consistent with the bank's actual risk management practices. The disclosed average historical annual default rate disclosed should be before the application of the margin of conservatism.

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

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

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

Content: Carrying values, exposure amounts and RWA.

Frequency: Semiannual.

Format: Flexible.

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

Specialised lending

Other than HVCRE

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

Default				-				
Total								
HVCRE								
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount	RWA	Expected losses	
Strong	Less than 2.5 years			70%				
	Equal to or more than 2.5 years			95%				
Good	Less than 2.5 years			95%				
	Equal to or more than 2.5 years			120%				
Satisfactory				140%				
Weak				250%				
Default				-				
Total								

Definitions

HVCRE: high-volatility commercial real estate.

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

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

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

Expected losses: amount of expected losses calculated according to [CRE33.8](#) to [CRE33.12](#).

PF: project finance.

OF: object finance.

CF: commodities finance.

IPRRE: income-producing residential real estate.
