Basel Committee on
Banking Supervision

DIS

Disclosure requirements

DIS99

Worked examples

Version effective as of
15 Dec 2019

First version in the format of the consolidated framework.

BANK FOR INTERNATIONAL SETTLEMENTS

Interpretation of the effective date - illustration

99.1 The following table illustrates the application of paragraph DIS10.4 by specifying the first applicable fiscal period for disclosure requirements according to their frequency, using as example a bank with a fiscal year coinciding with the calendar year (case 1), a bank with a fiscal year ending in October of the same calendar year (case 2), and a bank with a fiscal year ending in March of the following calendar year (case 3).

(1) Banks with fiscal year from 1 January to 31 December:

(a) The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal quarter, ending in 31 March of that calendar year. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 31 December of a given year will be the fourth fiscal quarter, ending in 31 December of that calendar year.

(b) The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal semester, ending in 31 June of that calendar year. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 31 December of a given year will be the second fiscal semester, ending in 31 December of that calendar year.

(c) The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 1 January of a given year will be the fiscal year starting in 1 January of that calendar year. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 31 December of a given year will be the fiscal year ending in that same 31 December of that calendar year.

(2) Banks with fiscal year from 1 November of the previous calendar year to 31 October:

(a) The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal quarter, ending in 31 January of that calendar year. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 31 December of a given year will be the first fiscal quarter, ending in 31 January of the following calendar year.

(b) The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 1 January of a given year will be the first fiscal semester, ending in 31 April of that calendar year. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 31 December of a given year will be the first fiscal semester, ending in 31 April of the following calendar year.

(c) The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 1 January of a given year will be the fiscal year starting in 1 November of the previous calendar year. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 31 December of a given year will be the fiscal year ending in 31 October of the following calendar year.

(3) Banks with fiscal year from 1 April to 31 March of the next calendar year:

(a) The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 1 January of a given year will be the fourth fiscal quarter, ending in 31 March of that calendar year. The first fiscal quarter subject to quarterly disclosure requirements with an "effective as of" date of 31 December of a given year will be the third fiscal quarter, ending in 31 December of that calendar year.

(b) The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 1 January of a given year will be the second fiscal semester, ending in 31 March of that calendar year. The first fiscal semester subject to semiannual disclosure requirements with an "effective as of" date of 31 December of a given year will be the second fiscal semester, ending in 31 March of the following calendar year.

(c) The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 1 January of a given year will be the fiscal year starting in 1 April of the previous calendar year. The first fiscal year subject to annual disclosure requirements with an "effective as of" date of 31 December of a given year will be the fiscal year ending in 31 March of the following calendar year.

Template CR3 – illustration

99.2 The following scenarios illustrate how Template CR3 should be completed.

		a	b	c	d	e
		Unsecured exposures: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
(i)	One secured loan of 100 with collateral of 120 (after haircut) and guarantees of 50 (after haircut), if bank expects that guarantee would be extinguished first	0	100	50	50	0
(ii)	One secured loan of 100 with collateral of 120 (after haircut) and guarantees of 50 (after haircut), if bank expects that collateral would be extinguished first	0	100	100	0	0
(iii)	Secured exposure of 100 partially secured: 50 by collateral (after haircut), 30 by financial guarantee (after haircut), none by credit derivatives	0	100	50	30	0
(iv)	One unsecured loan of 20 and one secured loan of 80. The secured loan is over-collateralised: 60 by collateral (after haircut), 90 by guarantee (after haircut), none by credit derivatives. If bank expects that collateral would be extinguished first.	20	80	60	20	0
	One unsecured loan of 20 and one secured loan of 80.					

(v)	The secured loan is under-collaterised: 50 by collateral (after haircut), 20 by guarantee (after haircut), none by credit derivatives.	20	80	50	20	0

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.

Template CCR5 - illustration

99.3 The case below illustrates the cash and security legs of two securities lending transactions in Template CCR5:

(1) Repo on foreign sovereign debt with $50 cash received and $55 collateral posted

(2) Reverse repo on domestic sovereign debt with $80 cash paid and $90 collateral received

	e	f
	Collateral used in securities financing transactions (SFTs)	
	Fair value of collateral received	Fair value of posted collateral
Cash - domestic currency		80
Cash - other currencies	50	
Domestic sovereign debt	90	
Other sovereign debt		55
-		
Total	140	135

Template MR2 – illustration

99.4 The table below shows how for Template MR2, the bank may add an additional row for regulatory adjustment in order to provide the reconciliation required as well as the key drivers' amounts, if the derived risk-weighted assets (RWA) from the capital requirement is calculated from the 60-day average.

		a	b	c	d
		Value-at-risk (VaR)	VaR	VaR	VaR
		Case 1	Case 2	Case 3	Case 4
1	RWA at previous quarter-end	60-day average	End-of-day value	60-day average	End-of-day value
a	Regulatory adjustment	Δ 60-day average/end of period		Δ 60-day average/end of period	
b	RWA at previous quarter-end (end of day)	End-of-day value		End-of-day value	
2	Movement in risk levels				
3	Model updates/changes				
4	Methodology and policy				
5	Acquisitions and disposals				
6	Foreign exchange movement				
7	Others				
8a	*RWA at end of reporting period (end of day)*	End-of-day value	End-of-day value		
8b	Regulatory adjustment	Δ 60-day average/end of period	Δ 60-day average/end of period		
8c	RWA at end of reporting period	60-day average	60-day average	End-of-day value	End-of-day value