Basel Committee
on Banking Supervision

Instructions for the end-2012 data collection exercise of the Macroprudential Supervision Group

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BANK FOR INTERNATIONAL SETTLEMENTS

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1. Introduction

The Basel Committee on Banking Supervision ("the Committee")[1] is conducting this data collection exercise as input into the methodology to assess the systemic importance of banks in a global context. This methodology was outlined in the November 2011 document entitled *Global systemically important banks: assessment methodology and the additional loss absorbency requirement*.[2] This work falls under the aegis of the Financial Stability Board (FSB) and responds to the decision by the G20 leaders to develop a methodology comprising both quantitative and qualitative indicators that can contribute to the assessment of the systemic importance of financial institutions at a global level.[3]

The remainder of this document is organised as follows: Part 2 discusses general information such as the scope of the exercise, the process, and the overall structure of the quantitative questionnaire. Part 3 and 4 provide specific details regarding the data collected in the template. This includes specific data definitions and how to interpret the built-in data checks.

2. General Information

2.1 Scope of the Exercise

While participation in the exercise is voluntary in some jurisdictions, the Committee expects a certain level of participation to ensure more robust results. Supervisors will be required to estimate values based on publicly available information if banks are unable to provide data themselves. Where applicable and unless noted otherwise, group data should be reported using **regulatory consolidation**. Therefore, insurance or other non-banking activities should only be included insofar as they are included in the regulatory consolidation of the group. While the Committee aims at achieving the best possible data quality, this exercise should be completed on a best-efforts basis.

2.2 Filling in the Data

It is important that banks only use the latest available version of the workbook obtained from their respective national supervisory authority to submit their returns. National supervisory authorities may also provide additional instructions if deemed necessary.

[1] The Basel Committee on Banking Supervision is a committee of banking supervisory authorities which was established by the central bank Governors of the Group of Ten countries in 1975. It consists of senior representatives of bank supervisory authorities and central banks from Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. It usually meets at the Bank for International Settlements (BIS) in Basel, Switzerland, where its permanent Secretariat is located.

[2] The document is available at www.bis.org/publ/bcbs207.htm.

[3] See *Reducing the moral hazard posed by systemically important financial institutions – FSB Recommendations and Time Lines* (20 October 2010) endorsed by the G20.

Data should only be entered in the yellow shaded cells. It is important to note that any modification to the worksheets outside the yellow shaded cells might render the workbook unusable both for the validation of the final results and the subsequent aggregation process.

Data is required for all collected metrics. The automated formulas contained in the workbook will not register a value if any of the underlying data items is missing.

The reporting template provides a separate dropdown menu (see "Checks" column) in every row. Reporting banks and/or national supervisors should **use these dropdown menus to annotate data items** with the following information:

1. Where data constraints exist, 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 estimates have been used, the respective dropdown menu in the "Checks" column should be set to "Estimated value" and a short explanation regarding the method used should be provided in the comments column.**

2. **Cells may be assigned a value of zero if one of the following two cases applies:**

   (i) **The reporting group's activity regarding the requested metric is truly zero.** In this case, the dropdown cell in the "Checks" column should be set to "Confirmed zero".

   (ii) **The requested value cannot be provided due to insufficient data granularity, but has been included in a separate line within the same panel.** In this case, the dropdown cell in the "Checks" should be set to "Lack of breakdown" and information regarding the location of the aggregate figure should be provided in the comments column.

3. **The third designation, "NSA confirmed value", should only be used by national supervisory authorities (NSAs).**

Besides this explanatory role, the dropdown menus also function as basic data **consistency checks.** Where data items are not appropriately reported, they may indicate the following corrective actions:

1. **Most of the yellow shaded cells in the template only allow for positive (or in some cases negative) values.** Should a sign error occur, the respective dropdown cell will show a message indicating the required reporting format (eg "no negative values please").

2. **Under no circumstances should text (eg "n/a" or "none") be entered into a data cell.** The addition of informative text is always welcome, however, in the accompanying comments column.

3. **Where data cells have been left empty, the dropdown will show "please enter a value".**

Institutions are free to choose the reporting currency used. This currency should be selected in the corresponding dropdown menu in the "General bank data" section of the worksheet. Supervisors will provide the relevant exchange rate for converting the reporting currency to euros. **The reporting currency should be used for all values in the workbook except for the payments data in panel D1, which are reported using the original currency of the payment.**

Banks should also indicate the unit used for reporting (1, 1,000 or 1,000,000). **The same unit should be used for all amounts throughout the workbook. This applies also to the payments data in panel D1.** When choosing the reporting unit, it should be considered that the worksheet shows all amounts as integers.

2.3 Process

The Committee or its Secretariat will not collect any data directly from banks. Therefore, banks in participating jurisdictions should contact their supervisory agency to discuss how the completed workbooks should be submitted. National supervisors will forward the relevant raw data to the Secretariat of the Committee where **they will be treated as confidential**. **The raw data will be collected and shared on a non-anonymised basis with a small working group of the Committee's Macroprudential Supervision Group.**[4]

Banks should direct all questions related to this exercise to their national supervisory authorities. Where necessary, the agencies will coordinate their responses through the Secretariat of the Committee to provide responses that are consistent across jurisdictions.

If considerable explanation is required, banks may choose to provide additional comments in a separate document. The "old" Microsoft Office document types (.doc, .xls) should be used for supplemental submissions rather than the "new" Office 2007/2008 types (.docx, .xlsx).

2.4 Reporting Date

If possible, all data should be reported as of end-December 2012. If data for this reporting date are not available, suitable alternatives should be discussed with the relevant national supervisor.

2.5 Structure of the Excel Questionnaire

The Excel workbook includes a worksheet for data input and a worksheet detailing the overall indicator values as calculated from the submitted data. Both worksheets include built-in consistency checks for data validation. Please review these checks prior to submitting the completed template.

3. The Data Worksheet

3.1 Panel A: General Bank Data

The "General bank data" section (Panel A of the "Data" worksheet) deals with general bank information and data reporting conventions.

Items 1a-1h: General bank data

Item	Heading	Description
1a	Country code	To be filled in by national supervisor.
1b	Bank name	To be filled in by national supervisor.
1c	Conversion rate (to euros)	To be filled in by national supervisor.
1d	Submission date (yyyy-mm-dd)	To be filled in by national supervisor.
1e	Reporting date (yyyy-mm-dd)	Date as of which all data are reported in the worksheet.
1f	Reporting currency (ISO code) *(dropdown menu)*	Three-character ISO code of the currency in which all data are reported (eg USD, EUR).
1g	Unit (1, 1000, 1000000) *(dropdown menu)*	Units (ones, thousands, or millions) in which results are reported.
1h	Accounting standard *(dropdown menu)*	Indicate the accounting standard used (eg IFRS, US GAAP).

[4] This working group is made up of representatives from France, Germany, Italy, Japan, the United States and the BIS.

3.2 Panel B: Size Indicator

The size indicator detailed below is intended to match the total exposures value defined for use in the Basel III leverage ratio.[5] As such, **total exposures (item 3r) in the MPG reporting template should equal cell J123 in the leverage ratio worksheet of version 2.5 of the Basel III implementation monitoring reporting template**. Note that all positions should be included, regardless of whether they are included in the trading or banking book. Appendix 1 provides further detail on the cross-references to the Basel III implementation monitoring reporting template.

3.2.1 Section 2: On-Balance Sheet Items

Section 2 collects exposure amounts for on-balance sheet items.

Items 2a-2f: On-balance sheet items

Item	Heading	Description
2a	Counterparty exposure of derivatives contracts - Method 1	Report the counterparty risk exposure of derivatives after applying the regulatory netting standards based on the Basel II framework (not the accounting rules for netting). Data should not include any other credit risk mitigation effects. Derivatives traded OTC, on an exchange, and through a CCP should all be included. Collateral received (whether cash or non-cash) should not be netted against the (net) derivatives position.[6] Where the applicable accounting standards permits a bank to net payables (to return cash collateral) from the corresponding derivative asset, the bank should first gross-up the derivative asset before calculating the net replacement cost in the formula in paragraphs 186 and 187 of the Basel II framework (which provides the formula to calculate the counterparty credit risk under the Current Exposure Method). Using this same formula, all banks should set the value of the volatility adjusted collateral amount (CA) to zero. 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.
2b	Counterparty exposure of derivatives contracts - Method 2	Report the counterparty risk exposure of derivatives using Basel II netting standards. Cash collateral received for daily margining under a qualifying Basel II netting agreement should be applied to reduce the net exposure amount (no netting is permitted for other collateral received or initial margin). Derivatives traded OTC, on an exchange and through a CCP should all be included.

[5] The calculation of the leverage ratio remains under review during the parallel run period. The final calculation in the assessment of the systemic importance of banks will be consistent with that applied under the leverage ratio rules.

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

Item	Heading	Description
2c	Gross value of securities financing transactions (SFTs)	Report the gross value (net of specific provisions and valuation adjustments) of SFTs[7] assuming no accounting netting or credit risk mitigation effects. SFT assets should be reported with no recognition of accounting netting of (cash) payables against (cash) receivables as permitted under relevant accounting standards.[8] In situations where the relevant accounting standards require the bank to recognize as an asset the security received in a SFT, the value of such a security must be reported in item 2f. SFTs traded OTC, on an exchange, and through a CCP should all be included.
2d	Counterparty exposure of SFTs	Report the counterparty exposure of SFTs. Data should not include any other credit risk mitigation effects. SFTs traded OTC, on an exchange and through a CCP should all be included. For SFTs, the counterparty 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[9], less the total fair value amount of cash and securities received from the counterparty for those transactions, floored at zero.[10,11] 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).

7 SFTs include transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transaction depends on market valuations and the transaction itself is often subject to margin agreements.

8 Assuming in transaction 1 banks A and B enter into a repo-style transaction – under a Basel II netting agreement – where bank A lends to B $1,020 in security X and receives $1,000 in cash (repo for bank A, reverse repo for bank B). In this case, bank A will report zero as SFT exposures (since the cash payable of $1,000 – a liability – is not included in the exposure measure of the leverage ratio), while bank B will report the cash receivable of $1,000. Bank A must report in other assets both the value of security X lent in the repo transaction ($1,020) and the value of cash received ($1,000), while bank B's other assets will be affected by the decrease in cash of $1,000.

Assuming in transaction 2 banks A and B enter in another transaction where bank B lends to A $765 in security Y and receives $750 in cash (reverse repo for bank A, repo for bank B). In this case, bank A will report $750 as cash receivable (without offsetting against the cash payable of $1000) while bank B will continue to report $1,000 (ie with no netting against the cash payable of $750). In other assets, bank A will report both the value of the security lent ($1,020) and the total net amount of cash borrowed ($250), while bank B will report the value of the security lent ($765) as well as a net decrease in cash of $250.

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

10 Banks should apply the following part of the formula as set forth in paragraph 176: $E^* = \max \{0, [(\Sigma(E) - \Sigma(C)]\}$. Therefore, for the scope of the leverage ratio the haircuts for Es (net position in a given security) and Efx (net position in a currency) should not be considered.

11 In the example provided earlier, for Transaction 1 Bank A will report $20 as SFT exposures (the difference between the security receivable of $1,020 and the cash payable of $1,000), while Bank B will report zero (as the cash receivable of $1,000 is fully offset by the security payable of $1,020).

In Transaction 2, Bank A will report $5 as SFT exposures (the difference between (i) the cash receivable of $750 plus the security receivable of $1,020, and (ii) the cash payable of $1,000 plus the security payable of $765), while Bank B will report $0 since the cash receivable of $1,000 plus the security receivable of $765 is less than the cash payable of $750 plus the security payable of $1,020.

Item	Heading	Description
2e	Other assets	Report the value of any other assets not specifically identified in any of the rows above (eg liquid assets as defined under the liquidity coverage ratio, exposures to own securitisations that meet the accounting criteria for derecognition and which are not consolidated on the bank's balance sheet, securitised exposures that do not meet the accounting criteria for derecognition or which are consolidated on the bank's balance sheet, failed and unsettled transactions, and more in general any other accounting assets not included under derivatives or SFT items). This includes any instrument (including cash) borrowed or lent through an SFT when it is reported on the accounting balance sheet. Report the data using the sum of accounting values (net of specific provisions and valuation adjustments), assuming no accounting netting or credit risk mitigation effects (ie gross values).
2f	Securities received in SFTs that are recognised as assets	Report the value of securities received in an SFT that are recognised as an asset under the applicable accounting standards. 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.

3.2.2 Section 3: Derivatives and Off-Balance Sheet Items

Section 3 collects exposure amounts for derivatives, off-balance sheet items, and entities consolidated for accounting purposes but not for risk-based regulatory purposes.

Items 3a-3h: Derivatives and off-balance sheet items

Item	Heading	Description
3a	Potential future exposure of derivative contracts - Method 1	Report the potential future exposure of derivatives when applying the current exposure method and Basel II netting standards. Data should not include any credit risk mitigation effect other than the regulatory netting. The add-on for credit derivatives should be calculated according to the full text of paragraph 707, 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 707 should be applied to all credit derivatives, whether they are included in the banking book or in the trading book. When calculating the add-on for netted transactions (ANet in the formula in paragraph 96(iv) of Annex IV of the Basel II framework), banks should not consider in the net replacement cost of the collateral received, irrespective of the treatment of the collateral by the applicable accounting standards.

Item	Heading	Description
3b	Potential future exposure of derivative contracts - Method 2	Report the potential future exposure of derivatives when applying the current exposure method and Basel II netting standards. Data should not include any credit risk mitigation effect other than the regulatory netting. When applying paragraph 707 of the Basel II framework to calculate the add-on for credit derivatives, the treatment provided by the footnote should not be applied. Therefore, for all sold CDS banks should calculate the add-on at 5% or 10% depending on the nature (qualifying or not-qualifying) of the reference obligation. Paragraph 707 should be applied to all credit derivatives, whether they are included in the banking book or in the trading book. When calculating the add-on for netted transactions (ANet in the formula in paragraph 96(iv) of Annex IV of the Basel II framework), banks should not consider in the net replacement cost of the collateral received, irrespective of the treatment provided by the applicable accounting standards.
3c	Notional amount of off-balance sheet items with a 0% CCF	Report the notional value of off-balance sheet items that would be assigned a 0% credit conversion factor (CCF) 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). Please note that rows 3d and 3e do not total row 3c since the latter includes commitments that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness but that are not UCC.
3d	Unconditionally cancellable credit cards commitments	Report the notional value of 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.
3e	Other unconditionally cancellable commitments	Report the notional value of 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.
3f	Notional amount of off-balance sheet items with a 20% CCF	Report the notional value of off-balance sheet items that would be assigned a 20% CCF as defined in the standardised approach to credit risk (see paragraphs 83 and 85 of the Basel II framework and footnote to paragraph 83).
3g	Notional amount of off-balance sheet items with a 50% CCF	Report the notional value of off-balance sheet items that would be assigned a 50% CCF 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. OBS exposures to originated securitisations should be included only if the securitisations have met the accounting criteria for derecognition (to avoid double counting).

Item	Heading	Description
3h	Notional amount of off-balance sheet items with a 100% CCF	Report the notional value of off-balance sheet items that would be assigned a 100% CCF 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. OBS exposures to originated securitisations should be included only if the securitisations have met the accounting criteria for derecognition and are not consolidated on the bank's balance sheet (to avoid double counting).

Items 3j-3q: Entities that are consolidated for accounting purposes and not for risk-based regulatory purposes

Report the exposures of entities (financial, securitisation, and commercial) that are consolidated for accounting purposes and not for risk-based regulatory purposes. In determining the exposure measure of each type of entities, the following criteria apply.

1. Financial entities' exposures should be determined in accordance with paragraphs 157 to 164 of the Basel III standards, and then pro-rated for their inclusion in the leverage ratio exposure measure according to paragraph 156.[12] Assuming bank A has purchased 75% of investee B at book value, and that Investee's equity is 4 (ie the bank A's investment value is 3 and there's a minority interest of 1). Assuming that investee B's total exposure amount (determined according to paragraphs 157 to 164 of the Basel III standards) is 40, and that 2.2 of A's investment in B must be deducted from the common equity tier 1 capital of bank A according to paragraphs 84 to 89 of the Basel III standards. Based on these assumptions, the proportion of the investee's capital (net of minority interests) that is included in bank A's capital is 26.7% – ie 1 – [2.2 / (4 – 1)]. Accordingly, bank A should include 26.7% of the investee's exposure measure, which is 10.7 (26.7% of 40).
2. Securitisation entities' exposures should be determined in accordance with paragraphs 157 to 164 of the Basel III standards, and then included in the leverage ratio exposure measure in their entirety.
3. Commercial entities' exposures should be determined in accordance with paragraphs 157 to 164 of the Basel III standards, and then included in the leverage ratio exposure measure in their entirety.

Item	Heading	Description
3j	On-balance sheet assets	Report the total on-balance sheet assets for entities consolidated for accounting purposes but not for risk-based regulatory purposes.
3k	Potential future exposure of derivatives contracts	Report the potential future exposure of derivatives when applying the current exposure method and Basel II netting standards for entities consolidated for accounting purposes but not for risk-based regulatory purposes.
3m	Unconditionally cancellable commitments	Report the notional value of unconditionally cancellable commitments for entities consolidated for accounting purposes but not for risk-based regulatory purposes.

[12] Paragraph 156 states: "According to the treatment outlined in paragraphs 84 to 89, where a financial entity is included in the accounting consolidation but not in the regulatory consolidation, the investments in the capital of these entities are required to be deducted to the extent that they exceed certain thresholds. To ensure that the capital and exposure are measured consistently for the purposes of the leverage ratio, the assets of such entities included in the accounting consolidation should be excluded from the exposure measure in proportion to the capital that is excluded under paragraphs 84 to 89."

Item	Heading	Description
3n	Other off-balance sheet commitments	Report the notional value of other off-balance sheet commitments for entities consolidated for accounting purposes but not for risk-based regulatory purposes.
3p	Investment value in the consolidated entities	Report the accounting value of the investment in the consolidated entities. For financial entities, only the portion of the investment not deducted from banks' capital should be included. For the investments in securitisation and commercial entities, the full investment value should be included.
3q	Regulatory adjustments	This includes the amount of regulatory adjustments from Tier 1 as reported in the "DefCapB3" worksheet of the Basel III implementation monitoring reporting template and cell J122 of the leverage ratio worksheet in the same template. Please be sure to take the figure for end-2012 (ie use v.2.5.x of the template). These are the adjustments to Tier 1 and CET1 capital under the fully phased-in Basel III framework.

3.3 Panel C: Interconnectedness Indicators

For the purpose of the interconnectedness indicators, financial institutions are defined as including banks (and other deposit-taking institutions), bank holding companies, securities dealers, insurance companies, mutual funds, hedge funds, pension funds, investment banks, and central counterparties (CCPs). Central banks and other public sector bodies (eg multilateral development banks) are excluded, but state-owned commercial banks are included. Section 4 and 5 are both related to intra-financial activity. Section 6 is related to all the securities issued by the bank.

3.3.1 Section 4: Intra-Financial System Assets

Items 4a-4b: Funds deposited and undrawn committed lines

Item	Heading	Description
4a	Funds deposited with or lent to other financial institutions	Report all funds deposited with or lent to other financial institutions (ie financial institutions outside of the reporting group). Lending should include all forms of term/revolving lending, acceptances of other banks, and other extensions of credit to financial institutions. Deposits should include balances due from financial institutions. Do not include margin accounts.
4b	Undrawn committed lines extended to other financial institutions	Report the nominal value of all undrawn committed lines extended to other financial institutions.

Items 4c-4i: Holdings of securities issued by other financial institutions

This item should reflect all holdings of securities issued by other financial institutions. Total holdings should be reported at fair value for securities classified as held-for-trading and available-for-sale; held-to-maturity securities should be reported at amortized cost.

Item	Heading	Description
4c	Secured debt securities	Report the total holdings of secured debt securities (eg covered bonds).
4d	Senior unsecured debt securities	Report the total holdings of senior unsecured debt securities.
4e	Subordinated debt securities	Report the total holdings of subordinated debt securities.

Item	Heading	Description
4f	Commercial paper	Report the total holdings of commercial paper of unaffiliated financial institutions.
4g	Certificates of deposit	Report the total holdings of certificates of deposit due from unaffiliated financial institutions.
4h	Stock (including par and surplus of common and preferred shares)	Report total equity holdings including common and preferred shares.
4i	Offsetting short positions in relation to the specific stock holdings included in item 4h	Report the fair value of the reporting group's liabilities resulting from short positions held against the stock holdings included in item 4h.

If the breakdown is unavailable for one or more of these values, please fill the cell(s) for the non-available value(s) with a "0", set the dropdown cell(s) in the "Checks" column to "Lack of breakdown" and provide the available total in one of the other rows of the panel. The comments section for the row with the available total should state which subcategories have been included.

Item 4j: Net positive current exposure of securities financing transactions with other financial institutions

This item should include the following:

(a) Net positive reverse repurchase agreement exposure, where the value of the cash provided exceeds the fair value of the securities received.

(b) Net positive repurchase agreement exposure, where the fair value of the securities provided exceeds the value of the cash received.

(c) Net positive securities lending exposure, where the fair value of securities lent exceeds the value of cash collateral received (or the fair value of non-cash collateral received).

(d) Net positive securities borrowing exposure, where the value of cash collateral provided (or the fair value of non-cash collateral provided) exceeds the fair value of securities borrowed.

The reported value is not intended to reflect amounts recorded on the balance sheet. Rather, it represents the single legally owed amount per netting set. Netting should only be used where the transactions are covered by a legally enforceable netting agreement (see paragraph 173 under the Basel II framework). Where these criteria are not met, the gross balance sheet amount should be reported. Do not include conduit lending transactions.

Where balance sheet amounts must be used (ie for transactions that are not under an eligible netting agreement), banks should report on the basis of the accounting standard they have specified in Panel A, item 1h.

Items 4k-4n: Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value

Item	Heading	Description
4k	Net positive fair value (include collateral held if it is within the master netting agreement)	Report the sum of net positive fair value OTC derivative exposures netted only where legally enforceable and in accordance with Basel II regulatory netting rules (ie designated, legally enforceable, netting sets or groups). Only netting sets with a positive value should be included here. Netting sets where the net result is negative should be captured in item 5e. Basel II defines netting sets in Annex 4 of the Basel II framework. Include collateral held only if it is within the master netting agreement (ie pursuant to legally enforceable Credit Support Annexes (CSAs)). If applicable, net opposing collateral positions (eg initial margin posted with variation margin held). Deduct the net collateral position from the underlying obligation only if it reduces the overall exposure. If the net collateral exceeds the payment obligation due to the bank, record a fair value of zero for the netting set.
4m	Potential future exposure	Report the amount of potential future exposure (PFE), calculated using the current exposure method, for the derivatives included in item 4k. Include the PFE for any netting sets with a fair value of zero.
4n	Fair value of collateral that is held outside of the master netting agreements	Report the fair value of collateral held in relation to the OTC contracts reported in item 4k that is not under a legally enforceable Credit Support Annex (CSA). Do not net against collateral provided, unless it is legally nettable.

3.3.2 Section 5: Intra-Financial System Liabilities

Items 5a-5c: Deposits by financial institutions

Item	Heading	Description
5a	Deposits due to depository institutions	Report total deposits due to (ie deposited by) depository institutions.
5b	Deposits due to non-depository financial institutions	Report total deposits due to non-depository financial institutions.
5c	Undrawn committed lines obtained from other financial institutions	Report the nominal value of all undrawn committed lines obtained from other financial institutions.

Item 5d: Net negative current exposure of securities financing transactions with other financial institutions

This item should include the following:

(a) Net negative reverse repurchase agreement exposure, where the fair value of securities received exceeds the value of the cash provided.

(b) Net negative repurchase agreement exposure, where the value of the cash received exceeds the fair value of the securities provided.

(c) Net negative securities lending exposure, where the value of cash collateral received (or the fair value of non-cash collateral received) exceeds the fair value of securities lent.

(d) Net negative securities borrowing exposure, where the fair value of securities borrowed exceeds the value of cash collateral provided (or the fair value of non-cash collateral provided).

The reported value is not intended to reflect amounts recorded on the balance sheet. Rather, it represents the single legally owed amount per netting set. Netting should only be used where the transactions are covered by a legally enforceable netting agreement (see paragraph 173 of the Basel II framework). Where these criteria are not met, the gross balance sheet amount should be reported. Do not include conduit lending transactions.

Where balance sheet amounts must be used (ie for transactions that are not under an eligible netting agreement), banks should report on the basis of the accounting standard they have specified in Panel A, item 1h.

Items 5e-5g: OTC derivatives with other financial institutions that have a net negative fair value

Item	Heading	Description
5e	Net negative fair value (include collateral provided if it is within the master netting agreement)	Report the sum of net fair value OTC derivative liabilities netted only where legally enforceable and in accordance with Basel II regulatory netting rules (ie designated, legally enforceable, netting sets or groups). Only netting sets with a negative value should be included here. Netting sets where the net result is positive should be captured in item 4k. Basel II defines netting sets in Annex 4 of the Basel II framework. Include collateral provided only if it is within the master netting agreement (ie pursuant to legally enforceable Credit Support Annexes (CSAs)). If applicable, net opposing collateral positions (eg initial margin held with variation margin posted). Deduct the net collateral position from the underlying obligation only if it reduces the overall exposure. If the net collateral exceeds the payment obligation owed to the counterparty, record a fair value of zero for the netting set.
5f	Potential future exposure	Report the amount of the PFE, calculated using the current exposure method, for the derivatives included in item 5e.
5g	Fair value of collateral that is provided outside of the master netting agreements	Report the fair value of collateral posted in relation to the negative OTC contracts reported in item 5e that is not under a legally enforceable Credit Support Annex (CSA). Do not net against collateral taken, unless it is legally nettable.

3.3.3 Section 6: Securities Outstanding

Items 6e-6h: Securities outstanding

The components below should reflect the value of outstanding securities issued by the reporting entity. Please do not distinguish between intra-financial and other activity.

Item	Heading	Description
6a	Secured debt securities	Report the value of all outstanding secured debt securities (eg covered bonds).
6b	Senior unsecured debt securities	Report the value of all outstanding senior unsecured debt securities.
6c	Subordinated debt securities	Report the value of all outstanding subordinated debt securities.
6d	Commercial paper	Report the total holdings of all outstanding commercial paper issued by the reporting group.
6e	Certificates of deposit	Report the value of all outstanding certificates of deposit issued by the reporting group.
6f	Equity market capitalization	Report the equity market capitalization as of December 31. The equity market capitalization for a given day is defined as the closing share price multiplied by the number of shares outstanding on that day.
6h	Book value of equity	Report the book value of equity, including ordinary and preferred (premium) shares. Do not include certificates of mutual banks.

If the breakdown is unavailable for one or more of these values, please fill the cell(s) for the non-available value(s) with a "0", set the dropdown cell(s) in the "Checks" column to "Lack of breakdown" and provide the available total in one of the other rows of this panel. The comments section for the row with the available total should state which subcategories have been included.

3.4 Panel D: Substitutability/Financial Institution Infrastructure Indicators

3.4.1 Section 7: Payments Activity

Items 7a-7m: Payments made in the reporting year

Report the total gross value of all cash payments sent by the reporting group via large value funds transfer systems, along with the gross value of all cash payments sent through an agent bank (eg using a correspondent or nostro account), over the calendar year in each indicated currency.

Payments should be reported regardless of purpose, location, or settlement method. This includes, but is not limited to, cash payments associated with derivatives, securities financing transactions, and foreign exchange transactions. Do not include the value of any non-cash items settled in connection with these transactions. Include cash payments made on behalf of the reporting entity as well as those made on behalf of customers (including financial institutions and other commercial customers). Do not include payments made through retail payment systems.

Only include outgoing payments (ie exclude payments received). Include the amount of payments made into CLS. Other than CLS payments, do not net any outgoing wholesale payment values, even if the transaction was settled on a net basis (ie all wholesale payments made into large value funds transfer systems or through an agent must be reported on a gross basis). Retail payments sent through large value funds transfer systems or through an agent may be reported on a net basis. If precise gross totals are unavailable, known overestimates may be reported.

Please report values in their original currencies, using the reporting unit specified in Panel A, item 1g. The template will automatically convert the reported amounts from the various currencies into millions of euros using the average 2012 exchange rates provided by the Bank for International Settlements.[13]

Items 7p-7aa: Intragroup payments made in the reporting year

Of the values reported in items 7a-7m, provide separately the subset of intragroup transactions (ie transactions made within or between entities within the reporting group) that were sent in the reporting year through a large value funds transfer system or an agent bank (eg when a payment is sent to a subsidiary through an external institution). Note that these numbers should be a subset of the numbers reported in items 7a-7m.

Items 7ad-7ar: Payments made as a correspondent for other banks

Of the values reported in items 7a-7m, provide separately the subset of payments which were sent in the reporting year as a correspondent for other banks. Do not include transactions on behalf of entities within the reporting group. Note that these numbers should be a subset of the numbers reported in items 7a-7m.

[13] The exchange rates for the current reporting year can be found at www.bis.org/bcbs/gsib.

3.4.2 Section 8: Assets Under Custody

Item 8a: Value of assets held as a custodian on behalf of customers

Report the value of all assets, including cross-border assets, that the reporting group held as a custodian on behalf of customers, including other financial firms (ie financial institutions other than the reporting group). Do not include any assets under management or assets under administration which are not also classified as assets under custody. For the purposes of this report, a custodian is defined as a bank or other organization that manages or administers the custody or safekeeping of stock certificates, debt securities, or other assets for institutional and private investors.

3.4.3 Section 9: Underwritten Transactions in Debt and Equity Markets

Include all underwriting where the bank is obligated to purchase unsold securities. When the underwriting is on a best-efforts basis (ie the bank is not obligated to purchase the remaining inventory), only include the securities that were actually sold.

Item 9a: Equity underwriting activity

Report the total value of all types of underwritten equity instruments, excluding transactions with subsidiaries and/or affiliates and self-led transactions. This includes all types of equity market transactions such as initial public offerings, additional offerings of common stocks, units, depositary receipts (eg American depositary receipts (ADRs) and Global depositary receipts (GDRs)), and rights offerings. Also include equity-linked transactions such as convertible bonds, convertible preferred bonds, and exchangeable bonds. Include all types of transactions at all maturities. Do not differentiate transactions between front-end, back-end, and best-effort transactions. Do not differentiate with regard to maturity, currency, or market of issuance.

Equity securities with embedded derivatives should be included, while stand-alone derivatives underwriting should be excluded. With regards to the delineation between securities with embedded derivatives and stand-alone derivatives, use the already existing definitions in IFRS or US GAAP. In case the reporting is based on a national accounting standard where the distinction does not exist, the IFRS definition should be used (see Appendix 2 for further guidance).

Item 9b: Debt underwriting activity

Report the total value of all types of debt instruments underwritten, excluding intra-group or self-led transactions. This includes all types of underwriting transactions relating to debt securities. The value should include both secured debt instruments (eg covered bonds, asset-backed security (ABS) transactions, etc.) and unsecured debt instruments. Include all types of transactions at all maturities. Do not differentiate transactions between front-end, back-end, and best-effort transactions. Do not differentiate with regard to maturity, currency, or market of issuance. Do not differentiate between sovereign and corporate debt. Debt securities with embedded derivatives should also be included. For more detail on embedded derivatives, refer to the instructions for item 9a.

Instruments that could be allocated to either item 9a or 9b (eg bonds with warrants attached) **should not be double-counted**. Reporting institutions may set the delineation at their own discretion and, if necessary, provide a short explanation in the comments column.

3.5 Panel E: Complexity Indicators

3.5.1 Section 10: Notional Amount of Over-the-Counter (OTC) Derivatives

This indicator is designed to measure the scope of the reporting group's engagement in OTC derivatives transactions and should include all types of risk categories and instruments. For a detailed overview of instrument types and risk categories, see table 19 of the Statistical Annex of the *BIS Quarterly Review*. Collateral should not be deducted when reporting the notional derivative values. Note that the sum of items 10a and 10b should equal the value reported in table 19 of the BIS Quarterly Review.

Item 10a: OTC derivatives cleared through a central counterparty

Report the notional amount outstanding of OTC derivative positions which were cleared through a central counterparty. Include all types of risk categories and instruments (eg foreign exchange, interest rate, equity, commodities, and credit default swaps (CDS)).

Item 10b: OTC derivatives settled bilaterally

Report the notional amount outstanding of OTC derivative positions which were settled bilaterally (ie without the use of a central counterparty). Include all types of risk categories and instruments (eg foreign exchange, interest rate, equity, commodities, and CDS).

3.5.2 Section 11: Trading and Available-for-Sale Securities

This indicator seeks to capture the value of securities (ie bonds and shares) that, if sold quickly during periods of severe market stress, are more likely to incur larger fire-sale discounts or haircuts to compensate for high market risk. It is measured as the total amount of securities in the held-for-trading (HFT) and available-for-sale (AFS)[14] accounting categories less the subset of securities held in those categories that are eligible for classification as high quality liquid assets (HQLA) according to the Basel III Liquidity Coverage Ratio (LCR).[15]

Item 11a-11p: Trading and AFS securities

Appendix 1 provides cross-references to the end-2012 Basel III implementation monitoring template (version 2.5.x). If the reporting entity does not participate in the Basel III monitoring exercise, the national supervisor should be contacted for further guidance.

All values reported should be at the reporting date and provided on a gross long basis (ie short positions should not be netted against long positions).

Item	Heading	Description
11a	Held-for-trading securities (HFT)	Report the market value of all securities classified as HFT, which includes any securities for which the fair value option is elected (designated at fair value (DaFV)). Securities that are intended to be held principally for the purpose of selling them in the near term should be classified as trading assets. Trading activity includes active and frequent buying and selling of securities for the purpose of generating profits on short-term fluctuations in price. Securities held for trading purposes must be reported at fair value. Do not include loans, derivatives, and non-tradable assets (eg receivables).
11b	Available-for-sale securities (AFS)	Report the market value of all securities classified as AFS. All securities not categorized as trading securities, or held-to-maturity (HTM) should be reported as AFS. Do not include loans, derivatives, and non-tradable assets (eg receivables).

14 For additional guidance on the Trading, AFS, DaFV, or HTM accounting categories, please refer to the IFRS definitions in Appendix 3

15 See *Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools* at www.bis.org/publ/bcbs238.pdf.

Item	Heading	Description
11d	Trading and AFS securities that qualify as Level 1 assets	Report the market value of all trading and AFS securities that qualify as Level 1 assets according to paragraphs 50(c), 50(d) and 50(e) of the Basel III LCR.[16] Include qualifying securities even if they do not fulfil the LCR operational requirements outlined in paragraphs 31– 40.[17]
11e	Trading and AFS securities that qualify as Level 2 assets, with haircuts	Report the value, after applying haircuts, of all trading and AFS securities that qualify as Level 2 assets according to paragraphs 52 and 54 of the Basel III LCR.[18] Include qualifying securities even if they do not fulfil the LCR operational requirements outlined in paragraphs 31–40.[19] Level 2A, Level 2B RMBS, and Level 2B non-RMBS assets should be reported with haircuts of 15%, 25%, and 50%, respectively.
11g	Total stock of Level 1 assets, subject to operational requirements	Report the market value of all Level 1 assets as defined in paragraphs 50(c), 50(d) and 50(e) of the Basel III LCR.[20] This value can be found in cell H19 of the "LCR" worksheet of the Basel III implementation monitoring reporting template.
11h	Securities in item 11g that are trading or AFS securities	Report the market value of Level 1 assets that are designated as trading or AFS securities. This value should be a subset of item 11g.
11i	Total stock of Level 2 assets, with haircuts and subject to operational requirements	Report the value, after applying haircuts, of all Level 2 assets as defined in paragraphs 52 and 54 of the Basel III LCR and observing the operational requirements outlined in paragraphs 31-40.[21] Level 2A, Level 2B RMBS, and Level 2B non-RMBS assets should be reported with haircuts of 15%, 25%, and 50%, respectively. The values can be found in cells H32, H40, and H43 of the "LCR" worksheet of the Basel III implementation monitoring reporting template.
11j	Securities in item 11i that are trading or AFS securities	Report the value, after applying haircuts, of all Level 2 assets that are designated as trading or AFS securities. This value should be a subset of item 11j.
11k	Adjustment to stock of HQLA due to caps on Level 2B and total Level 2 assets	Report the total adjustment to the stock of HQLA due to the caps on Level 2B assets and total Level 2 assets. These values can be found in cells cell H48 and H49 of the "LCR" worksheet of the Basel III implementation monitoring reporting template.
11p	Held-to-maturity securities	Report the market value of all securities classified as held-to-maturity (HTM). This item includes all debt securities that an institution has the positive intent and ability to hold to maturity.

3.5.3 Section 12: Level 3 Assets

Item 12a: Assets valued using Level 3 measurement inputs

Report the value of all assets that are priced on a recurring basis using Level 3 measurement inputs. Internationally-recognised accounting standards commonly use a three-level fair value hierarchy that prioritizes inputs used to measure fair value based on observability.

16 Ibid.

17 Ibid.

18 Ibid.

19 Ibid.

20 Ibid.

21 Ibid.

Level 3 fair value measurement inputs, while not readily observable in the market, are used to develop an exit price for the asset (or liability) from the perspective of a market participant. Therefore, Level 3 fair value measurement inputs should reflect the reporting group's own assumptions about the assumptions that a market participant would use in pricing an asset (or liability) and should be based on the best information available under the given circumstances. The level in the fair value hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, then this is considered a Level 3 measurement.

If the accounting standard designated in item 1h does not have an equivalent definition of Level 3 assets, consult Appendix 4 for guidance on the fair value hierarchy according to IFRS 7. The national supervisor may also be contacted for further guidance.

3.6 Panel F: Cross-Jurisdictional Activity Indicators

3.6.1 Section 13: Cross-Jurisdictional Claims

This indicator uses data that internationally active banks report to the central banks in their home jurisdiction for the compilation of the BIS consolidated international banking statistics (see Column S of Table 9C of the Statistical Annex of the *BIS Quarterly Review*). Banks report these figures quarterly for the consolidated position of their institution.

If the reporting group is unable to compile the necessary data, contact the national supervisor for additional guidance.

Item 13a: Total foreign claims on an ultimate risk basis

Report the value of all claims over all sectors that, on an ultimate-risk basis, are cross-border claims, local claims of foreign affiliates in foreign currency, or local claims of foreign affiliates in local currency.[22] Cross-border claims extend from an office in one country to a borrower in another country. Local claims of foreign affiliates in foreign and local currency extend from the local office of the bank to borrowers in that location.

Claims include deposits and balances placed with other banks, loans and advances to banks and non-banks, and holdings of securities and participations. Since these data refer to consolidated activities, they exclude all intra-office claims.

3.6.2 Section 14: Cross-Jurisdictional Liabilities

This indicator combines data reported as part of the BIS locational banking statistics with figures that are reported for the BIS consolidated banking statistics. To match the treatment in the cross-jurisdictional assets indicator, the liabilities of all offices (ie headquarters, branches, and subsidiaries in different jurisdictions) to entities outside the home market are included along with liabilities to nonresidents within the home country. Intra-office liabilities are excluded.

Since the BIS consolidated banking statistics dataset does not include a concept similar to foreign claims for liabilities, individual figures reported to different central banks for the locational BIS statistics need to be aggregated and then combined with information on intra-office liabilities.

If the reporting group is unable to compile the necessary data themselves, contact the national supervisor for additional guidance.

[22] For a full description of the data, definitions, and coverage, see *Guidelines to the international consolidated banking statistics* at www.bis.org/statistics/consbankstatsguide.pdf.

Item 14a: Foreign liabilities (excluding local liabilities in local currency)

Report the sum of all foreign liabilities. Figures are reported by offices in each individual jurisdiction to the relevant central bank for the compilation of the BIS consolidated international banking statistics (see column "Total positions, Liab." in Table 8A of the Statistical Annex of the *BIS Quarterly Review*).[23]

Item 14b: Any foreign liabilities to related offices included in item 14a

Report the value of any liabilities included in item 14a that are to the reporting group's own foreign offices. Figures are reported by offices in each individual jurisdiction to the relevant central bank for the compilation of the BIS consolidated international banking statistics (see column "Total positions, of which: vis-à-vis related offices, Liab." in Table 8A of the Statistical Annex of the *BIS Quarterly Review)*.[24] Note that this figure should be a subset of item 14a.

Item 14c: Local liabilities in local currency

Report the value of all foreign-office liabilities in local currency. This figure is reported by internationally active banks to the central bank in their home jurisdiction for the compilation of the BIS consolidated international banking statistics (see Column M of Table 9A of the Statistical Annex of the BIS *BIS Quarterly Review*).[25]

3.7 Panel G: Ancillary Indicators (Section 15)

Item 15a: Total liabilities

Report total liabilities, excluding own funds and capital as well as various incurred costs that are still due (eg income tax payable, wages payable, etc).

Item 15b: Retail funding

Report total deposits less the sum of (i) deposits from depository institutions, (ii) deposits from central banks, and (iii) deposits and certificates of deposit not held by retail customers or small businesses.

Item 15d: Foreign net revenue

Report the net revenue from all foreign offices. For purposes of this item, a foreign office of a reporting group is a branch or consolidated subsidiary located outside of the organization's home country (ie the country where the reporting group is headquartered). Branches or consolidated subsidiaries located in territories or possessions of the home country are considered foreign offices. Net revenue is defined as interest income plus noninterest income minus interest expense.[26]

Item 15e: Total net revenue

Report total net revenue, which is defined as interest income plus noninterest income minus interest expense.[27]

[23] For a full description of the data, definitions, and coverage, see *Guidelines to the international locational banking statistics* at www.bis.org/statistics/locbankstatsguide.pdf.

[24] Ibid.

[25] For a full description of the data, definitions, and coverage, see *Guidelines to the international consolidated banking statistics* at www.bis.org/statistics/consbankstatsguide.pdf.

[26] Noninterest income includes trading gains, investment income, commissions, fees, and other operating income.

[27] Ibid.

Item 15f: Total gross revenue

Report the total gross revenue, which is defined as interest income plus noninterest income.[28]

Item 15g: Peak equity market capitalization

Report the peak equity market capitalization over the reporting period (ie over the 12 months preceding the reporting date specified in Panel A, item 1e). The peak equity market capitalization for a given day is defined as the closing share price multiplied by the number of shares outstanding on that day.

Item 15h: Gross value of cash lent and gross fair value of securities lent in securities financing transactions (SFTs)

Report the gross value of all cash lent and the gross fair value of all securities lent in SFTs. The reported value should not include any counterparty netting and should only represent transactions completed by the reporting group on its own behalf. The value should capture the gross value of the outgoing legs of all SFTs, including any variation margin provided. Do not include any conduit lending transactions.

Item 15i: Gross value of cash borrowed and gross fair value of securities borrowed in SFTs

Report the gross value of all cash borrowed and the gross fair value of all securities borrowed in SFTs. The reported value should not include any counterparty netting and should only represent transactions completed by the reporting group on its own behalf. The value should capture the gross value of the incoming legs of all SFTs, including any variation margin held. Do not include any conduit lending transactions.

Item 15j: Gross positive fair value of over-the-counter (OTC) derivatives transactions

Report the gross positive fair value of all OTC derivative transactions. The reported value should not include any counterparty netting.

Item 15k: Gross negative fair value of OTC derivatives transactions

Report the gross negative fair value of all OTC derivative transactions. The reported value should not include any counterparty netting.

Item 15m: Number of jurisdictions

Report the number of countries, including the home jurisdiction, where the reporting group has either a branch or a subsidiary. The jurisdiction should be determined using the physical address of the branch or subsidiary.

Item 15n: Unsecured settlement/clearing lines provided

Report the total amount of committed, unsecured intraday credit lines extended to the reporting group's customers. This should include, but is not limited to, lines extended for cash overdrafts, securities clearing, and transaction lines (eg FX settlement limits). As this item is limited to intraday credit lines, exclude any lines with maturities exceeding one day.

[28] Ibid.

4. The Checks Worksheet

4.1 Panel H: Indicator Subscores

The indicator subscores section of the “Checks” worksheet displays the totals for each of the twelve indicators used in the G-SIB assessment methodology, both in the reported currency/unit combination and in millions of euros. The values are calculated from the data submitted in the “Data” worksheet. **Note that an indicator will only be calculated if all of the associated input cells in the “Data” worksheet are free of errors in the data checks column.**

There is a column in Panel H for providing explanations of significant scoring jumps or data discrepancies in comparison to the previous data collection exercise.

4.2 Panel J: Checks Column

This panel checks for data errors in each section. Note that missing data in panel A could cause data errors elsewhere in the template. Please review these checks prior to submitting the completed template.

Appendix 1

Cross references to Basel III implementation monitoring reporting template

The relevant worksheets from the Basel III implementation monitoring reporting template are “Leverage ratio” and ‘’LCR’’. The following table identifies the relevant cells from that exercise that can be used to complete the template for this exercise.

Item reference for this exercise		Heading	Cell references from Basel III implementation monitoring reporting template	
Panel	Item		Worksheet	Cells
B	2a	Counterparty exposure of derivatives contracts - Method 1	Leverage Ratio	L9
B	2b	Counterparty exposure of derivatives contracts - Method 2	Leverage Ratio	M9
B	2c	Gross value of securities financing transactions (SFTs)	Leverage Ratio	K13
B	2d	Counterparty exposure of SFTs	Leverage Ratio	L13
B	2e	Other assets	Leverage Ratio	K16
B	2f	Securities received in SFTs that are recognised as assets	Leverage Ratio	K21
B	3a	Potential future exposure of derivative contracts - Method 1	Leverage Ratio	K36
B	3b	Potential future exposure of derivative contracts - Method 2	Leverage Ratio	L36
B	3c	Notional amount of off-balance sheet items with a 0% CCF	Leverage Ratio	M43
B	3d	Unconditionally cancellable credit cards commitments	Leverage Ratio	M44
B	3e	Other unconditionally cancellable commitments	Leverage Ratio	M45
B	3f	Notional amount of off-balance sheet items with a 20% CCF	Leverage Ratio	M46
B	3g	Notional amount of off-balance sheet items with a 50% CCF	Leverage Ratio	M47
B	3h	Notional amount of off-balance sheet items with a 100% CCF	Leverage Ratio	M48
B	3j	On-balance sheet assets	Leverage Ratio	J102 + K102 + L102
B	3k	Potential future exposure of derivatives contracts	Leverage Ratio	J107 + K107 + L107
B	3m	Unconditionally cancellable commitments	Leverage Ratio	J109 + K109 + L109
B	3n	Other off-balance sheet commitments	Leverage Ratio	J110 + K110 + L110
B	3p	Investment value in the consolidated entities	Leverage Ratio	J113 + K113 + L113
B	3q	Regulatory adjustments	Leverage Ratio	J122

Item reference for this exercise		Heading	Cell references from Basel III implementation monitoring reporting template	
Panel	Item		Worksheet	Cells
E	11g	Total stock of Level 1 assets, subject to operational requirements	LCR	H19
E	11i	Total stock of Level 2 assets, with haircuts and subject to operational requirements	LCR	H32 + H40 + H43
E	11k	Adjustment to stock of HQLA due to caps on Level 2B and total Level 2 assets	LCR	H48 + H49

Appendix 2

Guidance on definition of derivatives and embedded derivatives

The following guidance is taken from “International Accounting Standard 39 – Financial Instruments: Recognition and Measurement”.

9 – Definition of a derivative

A ***derivative*** is a financial instrument or other contract within the scope of this Standard (see paragraphs 2–7) with all three of the following characteristics:

(a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the ‘underlying’);

(b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

(c) it is settled at a future date.

10,11 – Definition of a derivative

An ***embedded derivative*** is a component of a hybrid (combined) instrument that also includes a non-derivative host contract—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

Appendix 3

Guidance on definitions of four categories of financial instruments

The following guidance is taken from "International Accounting Standard 39 – Financial Instruments: Recognition and Measurement".

9 – Definitions of four categories of financial instruments

A ***financial asset or financial liability at fair value through profit and loss*** is a financial asset or financial liability that meets either of the following conditions.

a) It is classified as held for trading. A financial asset or financial liability is classified as held for trading if:

   i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

   ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

   iii) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

b) Upon initial recognition it is designated by the entity as at fair value through profit and loss. An entity may use this designation only when permitted by paragraph 11A, or when doing so results in more relevant information, because either

   i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

   ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel (as defined in IAS 24 *Related Party Disclosures* (as revised in 2003)), for example the entity's board of directors and chief executive officer.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity (see Appendix A paragraphs AG16–AG25) other than:

a) those that the entity upon initial recognition designates as at fair value through profit and loss;

a) those that the entity designates as available for sale; and

b) those that meet the definition of loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit and loss;

b) those that the entity upon initial recognition designates as available for sale; or

c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

An interest acquired in a pool of assets that are not loans or receivables (for example, an interest in a mutual fund or a similar fund) is not a loan or receivable.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as

a) loans and receivables,

b) held-to-maturity investments or

c) financial assets at fair value through profit and loss.

Appendix 4

Guidance on definition of Level 3 assets and liabilities

The following guidance is taken from "International Financial Reporting Standard 7 – Financial Instruments: Disclosures".

27A

To make the disclosures required by paragraph 27B an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

d) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

e) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and

f) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.