Basel Committee
on Banking Supervision

Instructions for the end-2013 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 is conducting this data collection exercise as input into the methodology to assess the systemic importance of banks in a global context. This methodology is outlined in the July 2013 document entitled *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*.[1] It falls under the aegis of the Financial Stability Board 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.[2]

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. Parts 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 consolidation and data quality

While participation in the exercise may be 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.

In accordance with the Basel Committees standards, most participating banks are expected to publically disclose information containing at least the 12 indicators described in Appendix 5 within four months of the financial year end or at the latest by 31 July 2014.[3] The values reported in this exercise should precisely match any values that have been publically disclosed. If any of the public figures are subsequently restated, a revised template must be submitted to the Secretariat on or before 31 July 2014.

The Committee expects the indicator totals and their subcomponents to be of high quality. To achieve this, banks should have an internal process for checking and validating each item. While the Committee aims at achieving the best possible data quality for all items, ancillary data items may be reported on a best-efforts basis.

1 The document is available at www.bis.org/publ/bcbs255.htm.

2 See *Reducing the moral hazard posed by systemically important financial institutions – FSB Recommendations and Time Lines* (20 October 2010) available at www.financialstabilityboard.org/publications/r_101111a.pdf.

3 See paragraphs 42-45 of *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement* (July 2013), available at www.bis.org/publ/bcbs255.htm.

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.

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.

Automated data **consistency checks** are displayed in the "Checks" column. Where data items are not appropriately reported, the following corrective actions may be displayed:

1. **Most of the yellow shaded cells in the template only allow for positive values.** Should a sign error occur, the checks column will show a message indicating the required reporting format (eg "No negatives please").
2. **Under no circumstances should text (eg "n/a" or "none") be entered into a data cell.** If text is detected, the checks column will display "No text please." The addition of informative text is always welcome, however, in the accompanying comments column.
3. **Where data cells have been left empty, the checks column will display "Please enter a value."**
4. **If a zero value is entered and the remarks column is not set to "Confirmed zero," then the checks column will display "Please confirm zero."** Conversely, if a nonzero value is entered and the remarks column is set to "Confirmed zero," then the checks column will display "Value not zero."
5. **For some cells, the checks column will also test for logical errors.** For example, item 3.c.(6) must be greater than or equal to item 3.c.(7). If this is not the case, the checks column will display "< 3.c.(7)" to indicate that 3.c.(6) is less than 3.c.(7).

The reporting template provides a separate dropdown menu (see "Remarks" 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 "Remarks" 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 the reporting group's activity regarding the requested metric is truly zero.** In this case, the dropdown cell in the "Remarks" column should be set to "Confirmed zero".
3. **The third designation, "Confirmed by NSA", should only be used by national supervisory authorities (NSAs).**

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 section 6, 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 also applies to the payments data in section 6.** 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] In addition, given that the scores of banks in the end-2013 exercise are due to be calculated based on data that banks publically disclose, the 12 indicator values together with the list of banks that form the sample used to calculate banks scores may be shared more widely.

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

If considerable explanation is required, banks may choose to provide additional comments in a separate document.

2.4 Reporting Date and Year

In general, all data should relate to the financial year end closest to end-December 2013, ie the financial year-end that falls in the period 1 July 2013–30 June 2014. However, national authorities may allow banks whose financial year ends on 30 June to report data based on their position as at end-December 2013 (ie interim rather than financial year-end data).

Certain data items ask for aggregated activity over the reporting year, which is defined as the twelve months immediately preceding the reporting date. For example, if the reporting date is end-December 2013, then the reporting year would be from 1 January 2013 through 31 December 2013.

2.5 Structure of the Excel Questionnaire

The Excel workbook consists of a single worksheet for data input. A summary section at the end of the worksheet details the overall indicator values as calculated from the submitted data. The worksheet also includes built-in consistency checks for data validation. Please review these checks prior to submitting the completed template.

[4] This working group is currently comprised of representatives from France, Germany, Italy, Japan, the United States and the Bank for International Settlements.

3. Changes relative to the end-2012 exercise

3.1 Items Updated

Certificates of Deposit as a Subset of Total Deposits

Certificates of deposit (item 3.a.(1)) was moved to be a subset of funds deposited with or lent to other financial institutions (item 3.a).

Securities Outstanding

Several clarifications were added to the securities outstanding indicator (eg that the book value of debt securities should be reported as opposed to the fair value).

Book value of Equity

The book value of equity (item 5.h.(1)) has been updated to capture only the book value of equities for which a market price is unavailable.

Small Business Customers

A definition of small business customers in the retail funding indicator (item 14.b) has been provided.

3.2 Items Added

Indicator Data

The following items have been added to the collection: location of public disclosure (item 1.b.(6)), common equity (item 5.f), preferred shares and any other forms of subordinated funding not captured in item 5.c. (item 5.g) and payments activity indicator (item 6.n).

Ancillary Data

The following ancillary items have also been added: Receivables for cash collateral posted in derivatives transactions (item 2.n.(1)), Net notional amount of credit derivatives (item 2.n.(2)), Net notional amount of credit derivatives for entities in item 2.l. (item 2.n.(3)), On and off-balance sheet exposures between entities included in item 2.l. (item 2.n.(4)), On and off-balance sheet exposures of entities included in item 2.l. to entities consolidated for risk-based regulatory purposes (item 2.n.(5)), On and off-balance sheet exposures of entities consolidated for risk-based regulatory purposes to entities included in item 2.l. (item 2.n.(6)), Funds borrowed from other financial institutions (item 4.f.(1)), Certificates of deposit included in items 4.a and 4.b (item 4.f.(2)), Mexican peso (item 6.m.(1)), New Zealand dollar (item 6.m.(2)), Russian ruble (item 6.m.(3)), Foreign derivative claims on an ultimate risk basis (item 12.b.(1)) and foreign derivative liabilities on an ultimate risk basis (item 13.c.(1)).

3.3 Items Removed

Indicator Data

The following items have been removed from the collection: the items used to calculate the HQLA adjustment in the trading and AFS securities indicator (formerly items 11g through 11m), peak equity market capitalisation (formerly item 15g) and unsecured settlement/clearing lines provided (formerly item 15n).

Ancillary Data

The following ancillary items have also been removed: intragroup payments (formerly items 7p through 7aa), payments made as a correspondent for other banks (formerly items 7ad through 7ar) and the fair value of collateral that is held outside of the master netting agreements (formerly items 4n and 5g),

3.4 Template Redesign

The template has a new numbering scheme and has been condensed into a single input worksheet. Ancillary items are clearly labelled and indicator formulas are explicitly written next to the line item names. Since end-December exchange rates will be applied to all data regardless of the reporting date, the year-end euro conversion rate is now automatically provided once the reporting currency is selected.

3.5 Embedded error checks

The error checks column has been redesigned to provide a wider range of error messages along with a higher degree of customisation for individual line items. In addition to testing for basic errors (eg non-numerical values, negatives and blanks), certain cells also check for logical errors (eg when a value is smaller than one of its reported subcomponents).

4. The Data Worksheet

4.1 General Bank Data

The "General bank data" panel deals with general bank information and data reporting conventions.

Item 1.a: General information provided by the national supervisor

These items will be filled out by the national supervisory authorities.

Item 1.b.(1): Reporting date (yyyy-mm-dd)

Select the date as of which all data are reported in the worksheet.

Item 1.b.(2): Reporting currency

Select the three-character ISO code of the currency in which all data are reported from the dropdown menu (eg USD, EUR).

Item 1.b.(3): Euro conversion rate

Exchange rates are provided by the Bank for International Settlements.[5] The appropriate end-December conversion rate will be automatically inserted once the reporting currency (item 1.b.(2)) is selected.

Item 1.b.(4): Reporting unit

Select the reporting units (ones, thousands, or millions) in which results are reported from the dropdown menu.

Item 1.b.(5): Accounting standard

Select the accounting standard used (eg IFRS, US GAAP) from the dropdown menu.

Item 1.b.(6): Location of public disclosure

Specify the location where the G-SIB indicator values are being publically disclosed. If the information is available on the Web, please include the relevant URL.

4.2 Size Indicator

The size indicator detailed below is intended to match the total exposures value defined for use in the Basel III leverage ratio as of December 2012.[6] **Total exposures (item 2.o) in the MPG reporting template will NOT match cell J128 in the leverage ratio worksheet of version 2.6 of the Basel III implementation monitoring reporting template, as the formula has been updated since the December 2012 collection**. 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.

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

[6] The calculation of the leverage ratio in the assessment of the systemic importance of banks may be amended in future exercises to be consistent with the final definition applied under the leverage ratio rules.

4.2.1 Section 2: Total Exposures

Section 2 collects exposure amounts for on and off-balance sheet items, derivatives and entities consolidated for accounting purposes but not for risk-based regulatory purposes.

Item 2.a: 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. 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.

Item 2.b: Gross value of securities financing transactions (SFTs)

Report the gross value (net of specific provisions and valuation adjustments) of SFTs 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.

In situations where the relevant accounting standards require the bank to recognise as an asset the security received in a SFT, the value of such a security must be reported in item 2.d.(1). SFTs traded OTC, on an exchange and through a CCP should all be included.

Item 2.c: 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, less the total fair value amount of cash and securities received from the counterparty for those transactions, floored at zero. 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).

Item 2.d: 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).

Item 2.d.(1): 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.

Item 2.f: 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 2.g: 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.

Item 2.g.(1): 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.

Item 2.g.(2): 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.

Item 2.h: 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).

Item 2.i: 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 to the Basel II framework*.[7] That is, the CCF for all eligible liquidity facilities in the securitisation framework is 50% regardless of the maturity.

Off-balance sheet (OBS) exposures to originated securitisations should be included only if the securitisations have met the accounting criteria for derecognition (to avoid double counting).

Item 2.j: 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).

Item 2.l: 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.[8] 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.

7 The document is available at www.bis.org/publ/bcbs157.pdf.

8 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."

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 2.l.(1): On-balance sheet assets

Report the total on-balance sheet assets for entities consolidated for accounting purposes but not for risk-based regulatory purposes.

Item 2 l.(2): 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.

Item 2 l.(3): Unconditionally cancellable commitments

Report the notional value of unconditionally cancellable commitments for entities consolidated for accounting purposes but not for risk-based regulatory purposes.

Item 2 l.(4): 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.

Item 2 l.(5): 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.

Item 2.m: Regulatory adjustments

Report the value of regulatory adjustments as captured in cell J125 of the leverage ratio worksheet in the Basel III implementation monitoring reporting template. This value includes adjustments to Tier 1 and CET1 capital under the fully phased-in Basel III framework. Please be sure to take the figure for end-2013 (ie use v.2.6.x of the template).

Item 2.n.(1): Receivables for cash collateral posted in derivatives transactions

Report the net receivables for cash collateral posted by the bank as a result of the bank's net liability for qualifying derivatives transactions that are covered by written, legally enforceable netting agreements where the derivative exposures are marked-to-market on a daily basis and are subject to daily margin maintenance requirements (variation margins). Banks that are permitted under the applicable accounting standards to net the receivable for cash collateral posted against the related derivative liability (negative fair value) and that elect to do so, must reverse out the netting and report the net cash receivable. Thus, this item should capture the value of all cash collateral posted in derivatives transactions that reduced the bank's on-balance sheet assets under the applicable accounting framework.

Item 2.n.(2): Net notional amount of credit derivatives

Report the total notional amount of credit protection sold less the amount of qualifying credit protection bought. A purchased credit derivative qualifies for deduction if it covers the same underlying reference name as the protection sold and has a maturity equal to or greater than the maturity of that protection (ie there is no maturity mismatch between the written and purchased protection). Reference names are the same only if they refer to the same legal entity and level of seniority. Include credit derivatives from both the banking book and the trading book.

Protection purchased on a pool of reference entities may offset protection sold on individual reference names if the protection purchased is economically equivalent to buying protection separately on each of the individual names in the pool (this would, for example, be the case if a bank were to buy protection on an entire securitisation structure to offset protection sold on a single tranche of the same securitisation). If a bank purchases protection on a pool of reference names, but the credit protection does not cover the entire pool (ie the protection covers only a subset of the pool, as in the case of an n-th to default credit derivative or a tranche of a securitisation), then offsetting is not permitted for protection sold on individual reference names. However, such purchased protection may offset sold protection on a pool, only if the purchased protection covers the entirety of the subset of the pool on which protection has been sold. In other words, offsetting may only be recognised when the pool of reference entities and the level of subordination in both transactions are identical.

Item 2.n.(3): Net notional amount of credit derivatives for entities in item 2.l.

Report the net notional amount of credit derivatives for entities consolidated for accounting purposes but not for risk-based regulatory purposes. The net exposure should be determined according to the criteria detailed in item 2.n.(2).

Item 2.n.(4): On and off-balance sheet exposures between entities included in item 2.l.

Report the on- and off-balance sheet exposures of each entity to other entities consolidated for accounting purposes but not for risk-based regulatory purposes. The exposure should be determined according to the criteria detailed in items 2.a through 2.j, with one exception: unconditionally cancellable commitments should be included after applying a 10% credit conversion factor.

Item 2.n.(5): On and off-balance sheet exposures of entities included in item 2.l. to entities consolidated for risk-based regulatory purposes

Report the on- and off-balance sheet exposures of each entity consolidated for accounting purposes but not for risk-based regulatory purposes, to entities consolidated for risk based-regulatory purposes. The exposure should be determined according to the criteria detailed in items 2.a through 2.j, with one exception: unconditionally cancellable commitments should be included after applying a 10% credit conversion factor.

Item 2.n.(6): On and off-balance sheet exposures of entities consolidated for risk-based regulatory purposes to entities included in item 2.l.

Report the on- and off-balance sheet exposures of each entity consolidated for risk based-regulatory purposes to entities consolidated for accounting purposes but not for risk-based regulatory purposes. The exposure should be determined according to the criteria detailed in items 2.a through 2.j, with one exception: unconditionally cancellable commitments should be included after applying a 10% credit conversion factor. Exposures to financial entities must be pro-rated according to paragraph 156 (see instructions for item 2.l).

Item 2.n.(7): Total exposures for the calculation of the leverage ratio (January 2014 definition).

Report total exposures as defined in the January 2014 Basel III leverage ratio framework.[9] This value can be calculated using the December 2013 version (v2.7) of the Basel III monitoring workbook (see cell J103 of the "Leverage Ratio" tab).[10]

9 See *Basel III leverage ratio framework and disclosure requirements* at www.bis.org/publ/bcbs270.pdf.

10 The workbook and instructions for the December 2013 Basel II monitoring exercise are available at www.bis.org/bcbs/qis/.

4.3 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. Sections 3 and 4 are both related to intra-financial activity. Section 5 captures the securities issued by the bank.

4.3.1 Section 3: Intra-Financial System Assets

Item 3.a: 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. Do not include commercial paper, which is reported in item 3.c.(4). Deposits should include balances due from financial institutions. Include certificates of deposit but do not include margin accounts.

Item 3.a.(1): Certificates of deposit

Report the total holdings of certificates of deposit due from unaffiliated financial institutions as included in item 3.a.

Item 3.b: Undrawn committed lines extended to other financial institutions

Report the nominal value of all undrawn committed lines extended to other financial institutions.

Item 3.c: 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 amortised cost. Do not report products where the issuing institution does not back the performance of the asset (eg asset-backed securities).

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" 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 3.c.(1): Secured debt securities

Report the total holdings of secured debt securities (eg covered bonds).

Item 3.c.(2): Senior unsecured debt securities

Report the total holdings of senior unsecured debt securities.

Item 3.c.(3): Subordinated debt securities

Report the total holdings of subordinated debt securities.

Item 3.c.(4): Commercial paper

Report the total holdings of commercial paper of unaffiliated financial institutions.

Item 3.c.(5): Stock (including par and surplus of common and preferred shares)

Report total equity holdings including common and preferred shares.

Item 3.c.(6): Offsetting short positions in relation to the specific stock holdings included in item 3.c.(5)

Report the fair value of the reporting group's liabilities resulting from short positions held against the stock holdings included in item 3.c.(5).

Item 3.d: 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 item 1.b.(5).

Item 3.e: Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value

Item 3.e.(1): 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 4.e.(1). 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.

Item 3.e.(2): Potential future exposure

Report the amount of potential future exposure (PFE), calculated using the current exposure method, for the derivatives included in item 3.e.(1). Include the PFE for any netting sets with a fair value of zero.

4.3.2 Section 4: Intra-Financial System Liabilities

Item 4.a: Deposits due to depository institutions

Report total deposits due to (ie deposited by) depository institutions.

Item 4.b: Deposits due to non-depository financial institutions

Report total deposits due to non-depository financial institutions.

Item 4.c: Undrawn committed lines obtained from other financial institutions

Report the nominal value of all undrawn committed lines obtained from other financial institutions.

Item 4.d: 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 item 1.b.(5).

Item 4.e: OTC derivatives with other financial institutions that have a net negative fair value

Item 4.e.(1): 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 3.e.(1). 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.

Item 4.e.(2): Potential future exposure

Report the amount of the PFE, calculated using the current exposure method, for the derivatives included in item 4.e.(1).

Item 4.f.(1): Funds borrowed from other financial institutions

Report the amount of funds borrowed from other financial institutions (ie financial institutions outside of the reporting group). Include funds borrowed from both depository and non-depository institutions. Do not include commercial paper.

Item 4.f.(2): Certificates of deposit included in items 4.a and 4.b

Report the value of certificates of deposit included in items 4.a and 4.b.

4.3.3 Section 5: 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. Do not report products where the reporting institution does not back the performance of the asset (eg asset-backed securities).

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" 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 5.a: Secured debt securities

Report the book value of all outstanding secured debt securities (eg covered bonds) issued by the reporting group.

Item 5.b: Senior unsecured debt securities

Report the book value of all outstanding senior unsecured debt securities issued by the reporting group.

Item 5.c: Subordinated debt securities

Report the book value of all outstanding subordinated debt securities issued by the reporting group.

Item 5.d: Commercial paper

Report the book value of all outstanding commercial paper issued by the reporting group.

Item 5.e: Certificates of deposit

Report the book value of all outstanding certificates of deposit issued by the reporting group.

Item 5.f: Common equity

Report the fair value of all outstanding common equity shares issued by the reporting group. Do not include certificates of mutual banks. Also, do not include outstanding shares for which a market price is unavailable, as these are captured separately in item 5.h.(1).

Item 5.g: Preferred shares and any other forms of subordinated funding not captured in item 5.c.

Report the fair value of all outstanding preferred shares issued by the reporting group. Also include any other forms of subordinated funding not captured in item 5.c. Do not include outstanding shares for which a market price is unavailable, as these are captured separately in item 5.h.(1).

Item 5.h.(1): Book value of equities for which a market price is unavailable

Report the book value of equities, including ordinary and preferred (premium) shares, for which a market price is unavailable. Do not include certificates of mutual banks.

4.4 Substitutability/Financial Institution Infrastructure Indicators

4.4.1 Section 6: Payments Activity

Items 6.a-6.m: Payments made in the reporting year (excluding intragroup payments)

Report the total gross value of all cash payments sent by the reporting group via large value payment systems, along with the gross value of all cash payments sent through an agent bank (eg using a correspondent or nostro account), over the reporting year in each indicated currency. All payments sent via an agent bank should be reported, regardless of how the agent bank actually settles the transaction. **Do not include intragroup transactions** (ie transactions made within or between entities within the reporting group). If precise totals are unavailable, known overestimates may be reported.

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 payment systems or through an agent must be reported on a gross basis). <u>Retail payments sent through large value payment systems or through an agent may be reported on a net basis.</u>

Please report values in their original currencies, using the reporting unit specified in item 1.b.(4). The template will automatically convert the reported amounts from the various currencies into the reporting currency (item 1.b.(2)) using the annual average exchange rates provided in items 15.a through 15.o.

4.4.2 Section 7: Assets Under Custody

Item 7.a: Assets under custody indicator

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). Include such assets even if they are being held by unaffiliated institutions (eg central securities depositories, payment systems, central banks and sub-custodians). Do not include any assets under management or assets under administration which are not also classified as assets under custody. For the purposes of this report, a custodian is defined as a bank or other organisation that manages or administers the custody or safekeeping of stock certificates, debt securities, or other assets for institutional and private investors.

4.4.3 Section 8: Underwritten Transactions in Debt and Equity Markets

Include all underwriting over the reporting year where the bank was 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 8.a: Equity underwriting activity

Report the total value of all types of underwritten equity instruments underwritten during the reporting year, 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 8.b: Debt underwriting activity

Report the total value of all types of debt instruments underwritten during the reporting year, 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 8.a.

Instruments that could be allocated to either item 8.a or 8.b (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.

4.5 Complexity Indicators

4.5.1 Section 9: 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 9.a and 9.b should equal the value reported in table 19 of the *BIS Quarterly Review*.

Item 9.a: 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 9.b: 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).

4.5.2 Section 10: 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)[11] accounting categories less the subset of securities held in those categories that meet the definition of Level 1 and Level 2 assets as defined in the Basel III Liquidity Coverage Ratio (LCR).[12]

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). Thus, for long and short positions in the same CUSIP, report the long position prior to any CUSIP netting.

Item 10.a: Held-for-trading securities (HFT)

Report the fair 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).

Item 10.b: Available-for-sale securities (AFS)

Report the fair value of all securities classified as AFS. All securities not categorised as trading securities, or held-to-maturity (HTM) should be reported as AFS. Do not include loans, derivatives and non-tradable assets (eg receivables).

Item 10.c: Trading and AFS securities that qualify as Level 1 assets

Report the fair 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.[13] Include qualifying securities even if they do not fulfil the LCR operational requirements outlined in paragraphs 31– 40.[14]

Item 10.d: Trading and AFS securities that qualify as Level 2 assets, with haircuts

Report the fair 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.[15] Include qualifying securities even if they do not fulfil the LCR operational requirements outlined in paragraphs 31– 40.[16] Level 2A, Level 2B RMBS and Level 2B non-RMBS assets should be reported with haircuts of 15%, 25% and 50%, respectively.

Item 10.e.(1): Held-to-maturity securities

Report the book 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.

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

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

13 Ibid.

14 Ibid.

15 Ibid.

16 Ibid.

4.5.3 Section 11: Level 3 Assets

Item 11.a: 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 prioritises inputs used to measure fair value based on observability.

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 categorised 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 1.b.(5) 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.

4.6 Cross-Jurisdictional Activity Indicators

4.6.1 Section 12: 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 12.a: 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.[17] 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. Do not include claims from positions in derivative contracts. Since these data refer to consolidated activities, they exclude all intra-office claims.

Item 12.b.(1): Foreign derivative claims on an ultimate risk basis

Report the positive fair value of all derivative claims 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. 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

[17] 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.

borrowers in that location. Derivatives include forwards, swaps and options related to foreign exchange, interest rate, equity, commodity and credit instruments. Purchased credit derivatives, such as credit default swaps and total return swaps, should only be reported if they are classified as held for trading. Sold credit derivatives are classified as guarantees and thus should not be reported. Note that all derivatives instruments with a positive fair value should be treated as claims.

The reporting of "net positions" is allowed only if the applicable national accounting standard allows netting of multiple matching swaps (by currency and maturity) with the same counterparty that are covered under a legally enforceable netting agreement.

4.6.2 Section 13: 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 non-residents within the home country. Do not include intra-office liabilities.

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.

Item 13.a: Foreign liabilities (excluding local liabilities in local currency)

Report the sum of all foreign liabilities, excluding liabilities from positions in derivative contracts. 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*).[18]

Item 13.a.(1): Any foreign liabilities to related offices included in item 13.a

Report the value of any liabilities included in item 13.a 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)*.[19] Note that this figure should be a subset of item 13.a.

Item 13.b: Local liabilities in local currency

Report the value of all foreign-office liabilities in local currency, excluding liabilities from positions in derivative contracts. 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 Quarterly Review*).[20]

[18] 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.

[19] Ibid.

[20] 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 13.c.(1): Foreign derivative liabilities on an ultimate risk basis

Report the negative fair value of all derivative liabilities that, on an ultimate-risk basis, are cross-border liabilities, local liabilities of foreign affiliates in foreign currency, or local liabilities of foreign affiliates in local currency. Derivatives include forwards, swaps and options related to foreign exchange, interest rate, equity, commodity and credit instruments. Purchased credit derivatives, such as credit default swaps and total return swaps, should only be reported if they are classified as held for trading. Sold credit derivatives are classified as guarantees and thus should not be reported. Note that all derivative instruments with a negative fair value should be treated as liabilities.

The reporting of "net positions" is allowed only if the applicable national accounting standard allows netting of multiple matching swaps (by currency and maturity) with the same counterparty that are covered under a legally enforceable netting agreement.

4.7 Additional Indicators

4.7.1 Section 14: Ancillary Indicators

Item 14.a: 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 14.b: Retail funding

Report total deposits less the sum of deposits from depository institutions, deposits from central banks, and any other deposits (including certificates of deposit) not held by retail customers or small businesses. Small business customers are those customers with less than €1 million in consolidated deposits that are managed as retail customers and are generally considered as having similar liquidity risk characteristics to retail accounts. For more information, see the Basel II framework – *International Convergence of Capital Measurement and Capital Standards*, paragraph 231, June 2006.[21]

Item 14.d: 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 organisation'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.[22]

Item 14.e: Total net revenue

Report total net revenue, which is defined as interest income plus noninterest income minus interest expense.[23]

Item 14.f: Total gross revenue

Report the total gross revenue, which is defined as interest income plus noninterest income.[24]

[21] The document is available at www.bis.org/publ/bcbs128.htm.

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

[23] Ibid.

[24] Ibid.

Item 14.g: Gross value of cash lent and gross fair value of securities lent in SFTs

Report the gross value of all cash lent and the gross fair value of all securities lent in securities financing transactions (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 14.h: 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 14.i: 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 14.j: 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 14.k: Number of jurisdictions

Report the number of countries, including the home jurisdiction, where the reporting group has either a branch or a subsidiary that is consolidated under the accounting standard specified in item 1.b.(5). The jurisdiction should be determined using the physical address of the branch or subsidiary.

4.8 Annual Average Exchange Rates

4.8.1 Section 15: Average Exchange Rates

Annual average exchange rates are provided by the BIS.[25] Report the rates corresponding to the date and currency specified in items 1.b.(1) and 1.b.(2). All values should convert the specified currency into the reporting currency (eg for item 15.a, a bank reporting in euros would provide the number of euros in one Australian dollar). The exchange rates provided should exactly match the BIS tables, which are rounded to **six decimal places**. In the case that this section was filled out in advance by the national supervisory authorities, please do not change any of the values.

4.9 Checks Summary

4.9.1 Section 16: Summary

This section 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. **Note that an indicator will only be calculated if all of the associated input cells are free of errors in the data checks column.**

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

The checks column specifies which sections contain data errors. Note that missing data in section 1 (General information) can cause data errors elsewhere in the template. Please review all checks prior to submitting the completed template.

The section also includes a comments column for providing explanations of significant changes in indicator values when compared to the previous data collection exercise.

Appendix 1

Cross references to the June 2013 version of the Basel III monitoring workbook

Below are references to the "Leverage Ratio" tab in the June 2013 version (v.2.6) of the Basel III monitoring workbook. The instructions for the relevant cells from that exercise can be referenced in completing the template for this exercise.

Item reference for this exercise	Heading	Cell references from Basel III monitoring workbook
2.a.	Counterparty exposure of derivatives contracts (method 1)	L9
2.b.	Gross value of securities financing transactions (SFTs)	K13
2.c.	Counterparty exposure of SFTs	L13
2.d.	Other assets	K16
2.d.(1)	Securities received in SFTs that are recognised as assets	K21
2.f.	Potential future exposure of derivative contracts (method 1)	K36
2.g.	Notional amount of off-balance sheet items with a 0% CCF	M43
2.g.(1)	Unconditionally cancellable credit cards commitments	M44
2.g.(2)	Other unconditionally cancellable commitments	M45
2.h.	Notional amount of off-balance sheet items with a 20% CCF	M46
2.i.	Notional amount of off-balance sheet items with a 50% CCF	M47
2.j.	Notional amount of off-balance sheet items with a 100% CCF	M48
2.l.(1)	On-balance sheet assets	J102 + K102 + L102
2.l.(2)	Potential future exposure of derivatives contracts	J107 + K107 + L107
2.l.(3)	Unconditionally cancellable commitments	J110 + K110 + L110
2.l.(4)	Other off-balance sheet commitments	J111 + K111 + L111
2.l.(5)	Investment value in the consolidated entities	J114 + K114 + L114
2.m.	Regulatory adjustments	J125
2.n.(1)	Receivables for cash collateral posted in derivatives transactions	K20
2.n.(2)	Notional amount of credit derivatives	N89
2.n.(3)	Notional amount of written credit derivatives for entities in item 2.l.	J108 + K108 + L108
2.n.(4)	On and off-balance sheet exposures between entities included in item 2.l.	J115 + K115 + L115
2.n.(5)	On and off-balance sheet exposures of entities included in item 2.l. to entities consolidated for risk-based regulatory purposes	J116 + K116 + L116
2.n.(6)	On and off-balance sheet exposures of entities consolidated for risk-based regulatory purposes to other entities included in item 2.l.	J126

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.

Appendix 5

Calculation of the 12 indicators

This appendix describes how the data is combined to calculate the raw domestic currency values for each of the 12 indicators used in the assessment methodology. The assessment methodology, which is set out in the July 2013 publication *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*[26], describes how these indicators are used to calculate the scores of individual banks.[27]

The following table details the calculation of each of the 12 indicators used in the assessment methodology, with reference to the individual data components described in Section 3 of this report. All indicator totals are expressed in terms of the reporting currency except for payments activity, which is expressed in euro by applying the yearly average exchange rates for 2013. In applying the assessment methodology to calculate banks' scores, the remaining indicators are converted to euro using the exchange rate applicable on 31 December 2013.

Indicator-based measurement approach

Category	Individual indicator	Calculation
Cross-jurisdictional activity	Cross-jurisdictional claims	12a
	Cross-jurisdictional liabilities	Max[13a-13a(1),0]+13b
Size	Total exposures as defined for use in the Basel III leverage ratio	2a+2b+2c+Max[2d-2d(1),0]+2f+2g -[2g(1)+2g(2)]*0.9+2h+2i+2j+2l(1) +2l(2)+[2l(3)+2l(4)]*0.1-2l(5) -2m
Interconnectedness	Intra-financial system assets	3a+3b+3c(1)+3c(2)+3c(3)+3c(4) +Max[3c(5)-3c(6),0]+3d+3e(1)+3e(2)
	Intra-financial system liabilities	4a+4.b+4.c+4.d+4.e(1)+4.e.(2)
	Securities outstanding	5a+5b+5c+5d+5e+5f+5g
Substitutability/financial institution infrastructure	Assets under custody	7a
	Payments activity[28]	6a*AUDEUR+6b*BRLEUR+6c*CADEUR +6d*CHFEUR+6e*CNYEUR+6f +6g*GBPEUR+6h*HKDEUR+6i*INREUR +6j*JPYEUR+6k*SEKEUR +6l*USDEUR
	Underwritten transactions in debt and equity markets	8a+8b
Complexity	Notional amount of over-the-counter (OTC) derivatives	9a+9b
	Level 3 assets	11a
	Trading and available-for-sale securities	Max[10a+10b-10c-10d,0]

[26] The document is available at www.bis.org/publ/bcbs255.htm.

[27] Note that the overall scores of individual banks are rounded to the nearest whole basis point prior to bucket allocation.

[28] The exchange rates used in the calculation of payments activity are the average exchanges rates for 2013, which can be can be found at www.bis.org/bcbs/gsib