Basel Committee on Banking Supervision

Instructions for the end-2014 G-SIB assessment exercise

30 January 2015
Contents

1. Introduction ............................................................................................................................................................................ 1

2. General Information ............................................................................................................................................................... 1
   2.1 Scope of consolidation and data quality .............................................................................................................................. 1
   2.2 Filling in the Data ............................................................................................................................................................... 2
   2.3 Automated Checks ............................................................................................................................................................ 2
   2.4 Estimated Values and Zeros ................................................................................................................................................... 2
   2.5 Negative Values ................................................................................................................................................................. 3
   2.6 Reporting Currency and Unit .............................................................................................................................................. 3
   2.7 Confidentiality ................................................................................................................................................................. 3
   2.8 Comments ........................................................................................................................................................................... 3
   2.9 Questions ............................................................................................................................................................................. 3
   2.10 Reporting Date and Year .................................................................................................................................................... 4
   2.11 Structure of the Excel Template ...................................................................................................................................... 4

3. Changes relative to the end-2013 exercise ........................................................................................................................... 4
   3.1 Items Updated ................................................................................................................................................................. 4
      3.1.1 Average Exchange Rates ........................................................................................................................................... 4
      3.1.2 Ancillary Items ............................................................................................................................................................ 4
      3.1.3 Memorandum Items .................................................................................................................................................... 4
   3.2 Items Added ......................................................................................................................................................................... 5
      3.2.1 General Information (Section 1) .................................................................................................................................... 5
      3.2.2 Ancillary Items (Section 15) ....................................................................................................................................... 5
      3.2.3 Memorandum Items (Sections 16-19) .......................................................................................................................... 5
   3.3 Items Removed ................................................................................................................................................................. 5
   3.4 Template Redesign ............................................................................................................................................................ 5

4. The Data Worksheet ................................................................................................................................................................. 6
   4.1 General Bank Data ............................................................................................................................................................ 6
   4.2 Size Indicator ........................................................................................................................................................................ 6
      4.2.1 Section 2: Total Exposures ............................................................................................................................................ 7
   4.3 Interconnectedness Indicators ............................................................................................................................................ 10
      4.3.1 Section 3: Intra-Financial System Assets ...................................................................................................................... 11
      4.3.2 Section 4: Intra-Financial System Liabilities ................................................................................................................ 13
      4.3.3 Section 5: Securities Outstanding .................................................................................................................................. 14
   4.4 Substitutability/Financial Institution Infrastructure Indicators ........................................................................................... 15
      4.4.1 Section 6: Payments Activity ....................................................................................................................................... 15

Instructions for the end-2014 G-SIB assessment exercise
Instructions for the end-2014 G-SIB assessment exercise

1. Introduction

The Basel Committee on Banking Supervision (“the Committee”) is conducting this data collection exercise as input into the methodology to assess the systemic importance of banks in a global context. This methodology for identifying global systemically important banks (G-SIBs) 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

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

3. For purposes of this exercise, all offices that are within the scope of the consolidated reporting group are to be reported on a consolidated basis. Unless the instructions specifically state otherwise, this consolidation shall be on a line-by-line basis. As part of the consolidation process, the results of all transactions and all intercompany balances between offices, subsidiaries, and other entities included in the scope of the consolidated reporting group are to be eliminated in the consolidation and must be excluded from the reported totals. 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.

4. While participation in portions of the exercise may be voluntary in some jurisdictions, the Committee expects a certain level of participation to ensure more robust results. The relevant supervisory authorities will be required to estimate values based on publicly available information if banks are unable to provide data themselves.

5. In accordance with the Committee’s standards, all banks with a leverage ratio exposure measure exceeding 200 billion euros are required to publicly disclose information containing at least the 12 indicators described in Appendix 5 within four months of the financial year end.³ The values reported in this exercise should precisely match any values that have been publicly disclosed. If any of the public figures are subsequently restated, a revised template must be submitted to the Secretariat on or before 31 July 2015.

¹ The document is available at [www.bis.org/publ/bcbs255.htm](http://www.bis.org/publ/bcbs255.htm).
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](http://www.bis.org/publ/bcbs255.htm).
6. 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, those labelled as “memorandum items” may be reported on a best-efforts basis.

2.2 Filling in the Data

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

8. Yellow cells are mandatory, while green cells are either best-efforts (data items) or optional (comments and remarks). Red cells will be completed by supervisory authorities. Respondents should only enter information in the yellow and green cells. It is important to note that any modification to the worksheets outside of these cells might render the workbook unusable both for the validation of the final results and the subsequent aggregation process. Note that data is required for all collected metrics other than the memorandum items, which are provided on a best-efforts basis. The automated formulas contained in the workbook will not register a value if any of the underlying data items are missing.

2.3 Automated Checks

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

- 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”).
- **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.
- Where data cells have been left empty, the checks column will display “Please enter a (value/date/code/name/rate)”.
- 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”.
- For some cells, the checks column will also test for logical errors. For example, item 3.c.(5) must be greater than or equal to item 3.c.(6). If this is not the case, then the checks column will display “< 3.c.(6)” to indicate that item 3.c.(5) is less than item 3.c.(6).

2.4 Estimated Values and Zeros

10. The reporting template provides a separate dropdown menu (see “Remarks” column) in every row. Reporting banks and/or supervisory authorities should use these dropdown menus to annotate data items with the following information:

- Where data constraints exist, banks may provide quantitative data on a “best-efforts” basis. In case of doubt, discuss with the relevant supervisory authority on how best 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.

- **Cells may be assigned a value of zero only 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”.

2.5 Negative Values

11. Negative values are only permitted for the following items: regulatory adjustments (item 2.m); total net revenue (item 14.e); and, foreign net revenue (item 14.f).

2.6 Reporting Currency and Unit

12. The reporting currency will be selected by the relevant supervisory authority. If an institution would prefer to report in a currency other than the one specified, contact the relevant supervisory authority for an updated template. The reporting currency should be used for all values in the workbook except for the payments data in sections 6, 15, and 18, which are reported using the original currency of the payment.

13. Banks should 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 sections 6, 15, and 18. When choosing the reporting unit, it should be considered that the worksheet shows all amounts as integers.

2.7 Confidentiality

14. The Committee or its Secretariat will not collect any data directly from banks. Therefore, banks in participating jurisdictions should contact the relevant supervisory authorities to discuss how the completed workbooks should be submitted. Supervisory authorities 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. In addition, given that the scores of banks in the end-2014 exercise are due to be calculated based on data that banks publically disclose, the 12 indicator values, along with the names of the banks used in calculating the sample totals, may be shared more widely.4

2.8 Comments

15. Comments on each item may be provided in the comments column. If considerable explanation is required, banks may choose to provide additional comments in a separate document.

2.9 Questions

16. Banks should direct all questions related to this exercise to the relevant supervisory authority. Where necessary, the agencies will coordinate with the Committee’s Secretariat to provide responses that are consistent across jurisdictions.

---

2.10 Reporting Date and Year

17. In general, all data should relate to the financial year end closest to end-December 2014, ie the financial year-end that falls in the period 1 July 2014–30 June 2015. However, supervisory authorities may allow banks whose financial year ends on 30 June to report data based on their position as at end-December 2014 (ie interim rather than financial year-end data). Supervisory authorities may also permit banks to report outside of their financial year-end as long as the reporting date is closer to end-December.

18. 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 2014, then the reporting year would be from 1 January 2014 through 31 December 2014. These items include payments activity (items 6.a-m, 15.f.(1)-(3), and 18.a.(1)-(15)), underwriting activity (items 8.a and 8.b), trading volumes (items 18.b-f), and CCP settlement volume (item 18.k). If the reporting group merged with another entity during the reporting year, the combined flow data for both institutions should be reported.

2.11 Structure of the Excel Template

19. 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.

3. Changes relative to the end-2013 exercise

3.1 Items Updated

3.1.1 Average Exchange Rates

20. The items in Section 20, which were previously provided by the respondent bank, will now be provided by the relevant supervisory authority. As a consequence, the reporting date and the reporting currency will also be specified by the relevant supervisory authority.

3.1.2 Ancillary Items

21. Items which have been designated for long-term monitoring have been labelled as ancillary items and grouped together in a new section under the Ancillary Data header (Section 15).

3.1.3 Memorandum Items

22. The non-permanent, best-efforts data items have been relabelled as memorandum items. These items include the book value of equities for which a market price is unavailable (item 17.a); foreign derivatives claims on an ultimate risk basis (item 19.a) and foreign derivative liabilities (aggregation of BIS locational statistics) (item 19.b).
3.2 Items Added

3.2.1 General Information (Section 1)
23. The following items have been added to the collection: date of public disclosure (item 1.b.(3)) and language of public disclosure (item 1.b.(4)).

3.2.2 Ancillary Items (Section 15)
24. Total exposures prior to regulatory adjustments (January 2014 definition) (item 15.a) has been added to the collection.

3.2.3 Memorandum Items (Sections 16-19)
25. The following items have also been included: total assets under the regulatory scope of consolidation (item 16.a); total assets under the accounting scope of consolidation (item 16.b); total assets of insurance subsidiaries gross of intragroup exposures (item 16.c); total assets of insurance subsidiaries net of non-insurance intragroup exposures (item 16.d); total off-balance-sheet assets of insurance subsidiaries gross of intragroup exposures (item 16.e); total off-balance-sheet assets of insurance subsidiaries net of non-insurance intragroup exposures (item 16.f); total exposures including investments in insurance subsidiaries outside the regulatory scope of consolidation (item 16.g); certificates of mutual banks (item 17.b); minority interest (item 17.c); payments made as a correspondent for other banks in: Australian dollars, Brazilian real, Canadian dollars, Swiss francs, Chinese yuan, Euros, British pounds, Hong Kong dollars, Indian rupee, Japanese yen, Swedish krona, United States dollars, Mexican pesos, New Zealand dollars, and Russian rubles (items 18.a.(1)-(15)); trading volume of securities issued by sovereigns (item 18.b); trading volume of securities issued by other public sector entities (item 18.c); trading volume of other fixed income securities (item 18.d); trading volume of listed equities (item 18.e); trading volume of all other securities (item 18.f); initial margin posted to central counterparties (CCPs) on behalf of clients (item 18.g); initial margin posted to CCPs for the reporting group’s own account (item 18.h); default fund contributions to CCPs (item 18.i); other facilities to CCPs (item 18.j); foreign liabilities on an immediate risk basis (including derivatives) (item 19.c); foreign derivative liabilities on an immediate risk basis (item 19.d); and, foreign debt security liabilities on an immediate risk basis (item 19.e).

3.3 Items Removed
26. The following items have been removed from the data collection: receivables for cash collateral posted in derivatives transactions (formerly item 2.n.(1)), net notional amount of credit derivatives (formerly item 2.n.(2)), net notional amount of credit derivatives for entities in item 2.l. (formerly item 2.n.(3)), on and off-balance sheet exposures between entities included in item 2.l. (formerly 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 (formerly item 2.n.(5)), and on and off-balance sheet exposures of entities consolidated for risk-based regulatory purposes to entities included in item 2.l. (formerly item 2.n.(6)).

3.4 Template Redesign
27. The revised template includes a separate column for supervisor comments and an updated colour scheme. Unique data identifiers, consisting of a four-digit series followed by a four-digit item number, have also been introduced in Column F. The series is shown at the top of each section (“GSIB”) and the item numbers appear next to each data entry. For example, the data identifier for the total exposures indicator (item 2.n) is GSIB1032. These identifiers will persist through multiple reporting periods even as the line items change rows within the worksheet.
4. The Data Worksheet

4.1 General Bank Data

28. The “General bank data” panel deals with general bank information and data reporting conventions.

Item 1.a: General information provided by the relevant supervisory authority

29. These items will be filled out by the relevant supervisory authority.

Item 1.b.(1): Reporting unit

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

Item 1.b.(2): Accounting standard

31. Select the accounting standard used (e.g., IFRS, US GAAP) from the dropdown menu.

Item 1.b.(3): Date of public disclosure (yyyy-mm-dd)

32. Specify the expected date on which the G-SIB indicator values will be publically disclosed.

Item 1.b.(4): Language of public disclosure

33. Specify in which languages the G-SIB indicator values will be publically disclosed.

Item 1.b.(5): Web address of public disclosure

34. Provide the web address where the G-SIB indicator values are being publically disclosed. Please report the exact web address of the bank’s public disclosure (i.e., do not simply provide the homepage of the bank). If the values have yet to be disclosed or the location is otherwise unknown, please provide as specific a web address as possible along with a short explanation in the comments. In cases where the web address is not fixed or the data is otherwise difficult to locate, respondents should provide a comment detailing exactly how to access the relevant information.

4.2 Size Indicator

35. 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. Total exposures (item 2.n) in the reporting template will NOT match cell J103 in the leverage ratio worksheet of version 2.7.2 of the Basel III implementation monitoring reporting template, as the formula has been updated since the December 2012 collection. Note that the size indicator represents a mixture of regulatory and accounting consolidation (see item 2.l). Also 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 total exposures measure captured in the exercise does not match what is reported on the current Basel III monitoring template because the requirements for the G-SIB assessment were set prior to the Committee adopting the January 2014 version of the leverage ratio. The calculation of the leverage ratio in the assessment of the systemic importance of banks will be amended in future exercises to be consistent with the final definition applied under the leverage ratio rules. Note that the current definition was designed to mirror what was captured on the December 2012 version (v.2.5) of the Basel III monitoring exercise, which does not reflect any instances where the national implementation differs from the Basel III standard.
4.2.1 Section 2: Total Exposures

36. 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*

37. 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 over-the-counter (OTC), on an exchange and through a central counterparty (CCP) should all be included.

38. 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.

39. 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)*

40. 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.

41. In situations where the relevant accounting standards require the bank to recognise as an asset the security received in an 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*

42. 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.

43. 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). Do not apply haircuts in assessing the gross fair value of non-cash collateral.

*Item 2.d: Other assets*

44. 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 any other accounting assets not included under the 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.
45. 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**

46. 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**

47. 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.

48. 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 closeout should be capped at unpaid premiums, while the add-on for sold CDS not subject to closeout 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.

49. When calculating the add-on for netted transactions ($A_{Net}$ 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 standard.

**Item 2.g: Notional amount of off-balance-sheet items with a 0% credit conversion factor**

50. Report the notional value of off-balance-sheet items that would be assigned a 0% credit conversion factor as defined in the standardised approach to credit risk in the Basel II framework. That is, commitments that are unconditionally cancellable at any time by the bank without prior notice, 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 item 2.g is not necessarily equal to the sum of items 2.g.(1) and 2.g.(2), since the former includes commitments that effectively provide for automatic cancellation due to the deterioration of a borrower’s creditworthiness but that are not unconditionally cancellable.

**Item 2.g.(1): Unconditionally cancellable credit cards commitments**

51. Report the notional value of credit cards commitments that are unconditionally cancellable at any time by the bank without prior notice that would receive a 0% credit conversion factor under the standardised approach to credit risk in the Basel II framework. Do not include credit card commitments that are automatically cancelled upon the deterioration of a borrower’s creditworthiness unless those commitments are also unconditionally cancellable.

**Item 2.g.(2): Other unconditionally cancellable commitments**

52. 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% credit conversion factor under the standardised approach to credit risk in the Basel II framework. Do not include commitments that are automatically cancelled upon the deterioration of a borrower’s creditworthiness unless those commitments are also unconditionally cancellable.
Item 2.h: Notional amount of off-balance-sheet items with a 20% credit conversion factor

53. Report the notional value of off-balance-sheet items that would be assigned a 20% credit conversion factor as defined in the standardised approach to credit risk (see paragraphs 83 and 85 of the Basel II framework and footnote to paragraph 83).

Item 2.i: Notional amount of off-balance-sheet items with a 50% credit conversion factor

54. Report the notional value of off-balance-sheet items that would be assigned a 50% credit conversion factor as defined in the standardised approach to credit risk (see paragraphs 83, 84(ii) and 84(iii) of the Basel II framework). This includes liquidity facilities and other commitments to securitisations incorporating the changes according to the Enhancements to the Basel II framework. That is, the credit conversion factor for all eligible liquidity facilities in the securitisation framework is 50% regardless of the maturity. Include off-balance-sheet exposures to originated securitisations 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% credit conversion factor

55. Report the notional value of off-balance-sheet items that would be assigned a 100% credit conversion factor as defined in the standardised approach to credit risk (see paragraphs 83(i), 83(ii), 84 and 84(i) of the Basel II framework). This includes liquidity facilities and other commitments to securitisations incorporating the changes according to the Enhancements. Include off-balance-sheet exposures to originated securitisations only if the securitisations have met the accounting criteria for derecognition (to avoid double counting).

Item 2.l: Entities that are consolidated for accounting purposes and not for risk-based regulatory purposes

56. 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 entity, the following criteria apply:

- The exposures of financial entities 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. For example, assume bank A has purchased 75% of investee B at book value and that investee’s equity is 4 (i.e. bank A’s investment value is 3 and there’s a minority interest of 1). Assume also 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%, i.e. 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).

- The exposures of securitisation entities 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.

---

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

7 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.”
The exposures of commercial entities 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 2.1(1): On-balance-sheet assets**

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

**Item 2.1(2): Potential future exposure of derivatives contracts**

58. 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 2.1(3): Unconditionally cancellable commitments**

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

**Item 2.1(4): Other off-balance-sheet commitments**

60. Report the notional value of other off-balance-sheet commitments for entities consolidated for accounting purposes but not for risk-based regulatory purposes.

**Item 2.1(5): Investment value in the consolidated entities**

61. 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**

62. Report the value of regulatory adjustments as captured in cell J125 of the leverage ratio worksheet in version 2.6 of 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 report the figure based on end-2014 data. Note that the reported value should not reflect any deviations from the Basel III standard that may have been adopted in the relevant national implementation. Report adjustments that reduce tier 1 capital as a positive value. If the adjustment increases tier 1 capital, report the value with a minus (-) sign.

### 4.3 Interconnectedness Indicators

63. 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. In determining whether a transaction is with other financial institutions (ie financial institutions outside of the reporting group), do not adopt a look-through approach. Instead, report figures based on the immediate counterparty. Note that only sections 3 and 4 relate 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**

64. Report all funds deposited with or lent to other financial institutions (i.e., 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 and posted collateral.

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

65. Report the total holdings of certificates of deposit due from other financial institutions as included in item 3.a. Certificates of deposit are time deposits where the bank issues a receipt for the funds specifying that they are payable on a specific date seven or more days in the future.

**Item 3.b: Unused portion of committed lines extended to other financial institutions**

66. Report the nominal value of the unused portion of all committed lines extended to other financial institutions. Include lines which are unconditionally cancellable.

**Item 3.c: Holdings of securities issued by other financial institutions**

67. 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. Report the historical cost of any equity securities without readily determinable fair values. Do not report products where the issuing institution does not back the performance of the asset (e.g., asset-backed securities). Include securities issued by equity-accounted associates and special purpose entities (SPEs) if they are not part of the consolidated entity for regulatory purposes.

68. If the breakdown is unavailable for one or more of these items, please fill the cell(s) for the non-available item(s) with a “0” and provide the available total in one of the other rows of the panel. The comments section for the item with the available total should state which subcategories have been included.

**Item 3.c.(1): Secured debt securities**

69. Report the total holdings of secured debt securities (e.g., covered bonds). Note that this item is not designed to capture collateralized trades. Instead, the item is capturing capital that has been raised through the issuance of secured debt.

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

70. Report the total holdings of senior unsecured debt securities.

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

71. Report the total holdings of subordinated debt securities.

**Item 3.c.(4): Commercial paper**

72. Report the total holdings of commercial paper of other financial institutions.

**Item 3.c.(5): Equity securities**

73. Report the total holdings of equity securities, including common and preferred shares, of other financial institutions. Include investments in mutual funds (e.g., equity, bond, hybrid, and money market funds).
funds) that are outside of the reporting group. Report the entire mutual fund investment (ie do not look through into the fund to determine the underlying holdings).

**Item 3.c.(6): Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)**

74. Report the fair value of the reporting group’s liabilities resulting from short positions held against the equity securities included in item 3.c.(5).

**Item 3.d: Net positive current exposure of securities financing transactions with other financial institutions**

75. 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.

76. 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 and do not apply haircuts in assessing the gross fair value of the non-cash collateral.

77. 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.(2).

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

**Item 3.e.(1): Net positive fair value**

78. Report the sum of net positive fair value over-the-counter 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). 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**

79. 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
80. Report total deposits, including certificates of deposit, due to (ie deposited by) depository institutions.

Item 4.b: Deposits due to non-depository financial institutions
81. Report total deposits, including certificates of deposit, due to non-depository financial institutions.

Item 4.c: Unused portion of committed lines obtained from other financial institutions
82. Report the nominal value of the unused portion of all committed lines obtained from other financial institutions (ie financial institutions outside of the reporting group). Include lines which are unconditionally cancellable.

Item 4.d: Net negative current exposure of securities financing transactions with other financial institutions
83. 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).
84. 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 and do not apply haircuts in assessing the gross fair value of the non-cash collateral.
85. 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.(2).

Item 4.e: Over-the-counter derivatives with other financial institutions that have a net negative fair value

Item 4.e.(1): Net negative fair value
86. Report the sum of net fair value over-the-counter 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). 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**

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

4.3.3 Section 5: Securities Outstanding

88. The components below should reflect the value of all outstanding securities that were issued by, or on behalf of, the reporting entity. Accordingly, securities should be reported regardless of whether or not they are held by other financial institutions. Do not report products where the reporting institution does not back the performance of the asset (eg asset-backed securities).

89. If the breakdown is unavailable for one or more of these items, please fill the cell(s) for the non-available item(s) with a “0” and provide the available total in one of the other rows of the panel. The comments section for the item with the available total should state which subcategories have been included.

**Item 5.a: Secured debt securities**

90. Report the book value of all outstanding secured debt securities (eg covered bonds) issued by the reporting group. Note that this item is not designed to capture collateralized trades. Instead, the item is capturing capital that has been raised through the issuance of secured debt.

**Item 5.b: Senior unsecured debt securities**

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

**Item 5.c: Subordinated debt securities**

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

**Item 5.d: Commercial paper**

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

**Item 5.e: Certificates of deposit**

94. Report the book value of all outstanding certificates of deposit issued by the reporting group. Certificates of deposit are time deposits where the bank issues a receipt for the funds specifying that they are payable on a specific date seven or more days in the future. Note that all certificates of deposit, including those captured in items 4.a and 4.b, should be reported.

**Item 5.f: Common equity**

95. Report the fair value (ie market value) of all outstanding common equity shares issued by the reporting group. Include shares issued by consolidated subsidiaries to third parties. 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 17.a. If there is no direct market price for the reporting group whatsoever, this item would be zero and the bank would report the share capital plus share premium in item 17.a.

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

96. Report the fair value (ie market value) of all outstanding preferred shares issued by the reporting group. Include shares issued by consolidated subsidiaries to third parties. 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 17.a.

4.4 Substitutability/Financial Institution Infrastructure Indicators

4.4.1 Section 6: Payments Activity

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

97. 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 (e.g., 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** (i.e., transactions made within or between entities within the reporting group). The bank’s own payments should be included as long as they were not made to another member of the reporting group. Payments may be recorded using either the trade date or the settlement date as long as the reporting remains consistent between periods. If both are readily available, the settlement date should be used. If precise totals are unavailable, known overestimates may be reported.

98. 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.

99. Only include outgoing payments (i.e., 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 (i.e., all wholesale payments made into large value payment systems or through an agent must be reported on a gross basis). Retail payments sent through large value payment systems or through an agent may be reported on a net basis.

100. Please report values in their original currencies, using the reporting unit specified in item 1.b.(1). The template will automatically convert the reported amounts from the various currencies into the reporting currency (item 1.a.(4)) using the annual average exchange rates provided in items 20.a-o.

4.4.2 Section 7: Assets Under Custody

*Item 7.a: Assets under custody*

101. Report the value of all assets, including cross-border assets, that the reporting group holds as a custodian on behalf of customers, including other financial institutions (i.e., financial institutions outside of the reporting group). Include such assets even if they are being held by a third party acting as a sub-custodian (e.g., 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, cash, or other assets for institutional and private investors. Assets held as collateral are not

---

8 For examples of large-value payment systems, refer to Payment, clearing and settlement systems in the CPSS countries, published by the Committee on Payment and Settlement Systems (CPSS). The November 2012 release is available at www.bis.org/publ/cpss105.htm.
generally considered assets under custody. Banks should only report the assets for which it provides custody and safekeeping services.

4.4.3 Section 8: Underwritten Transactions in Debt and Equity Markets

102. 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 (i.e., the bank is not obligated to purchase the remaining inventory), only include the securities that were actually sold. For transactions underwritten by multiple institutions, only include the portion attributable to the reporting group.

**Item 8.a: Equity underwriting activity**

103. Report the total value of all types of underwritten equity instruments underwritten during the reporting year, excluding intragroup 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 (e.g., 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.

104. 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**

105. Report the total value of all types of debt instruments underwritten during the reporting year, excluding intragroup and self-led transactions. This includes all types of underwriting transactions relating to debt securities. The value should include both secured debt instruments (e.g., covered bonds, asset-backed security (ABS) transactions, etc.) and unsecured debt instruments (e.g., medium term notes (MTNs)). 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.

106. Instruments that could be allocated to either item 8.a or 8.b (e.g., 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

107. 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. Note that there should be no double-counting between items 9.a and 9.b.
**Item 9.a: OTC derivatives cleared through a central counterparty**

108. Report the notional amount outstanding of OTC derivative positions which will be settled 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**

109. Report the notional amount outstanding of OTC derivative positions which will be 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**

110. 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)\(^9\) 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).\(^10\)

111. 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)**

112. 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)**

113. 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**

114. 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\(^11\). Include qualifying securities even if they do not fulfil the LCR operational requirements outlined in paragraphs 31–40.\(^12\)

---

\(^9\) For additional guidance on the Trading, AFS, DaFV, or HTM accounting categories, please refer to the IFRS definitions in Appendix 3


\(^11\) Ibid.

\(^12\) Ibid.
**Item 10.d: Trading and AFS securities that qualify as Level 2 assets, with haircuts**

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

4.5.3 Section 11: Level 3 Assets

**Item 11.a: Assets valued using Level 3 measurement inputs**

116. Report the gross fair 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.

117. 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. Only include the Level 3 estimates associated with Level 3 assets (ie if the asset qualifies as Level 1 or Level 2, the asset should not be included in the Level 3 total).

118. If the accounting standard designated in item 1.b.(2) 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 relevant supervisory authority may also be contacted for further guidance.

4.6 Cross-Jurisdictional Activity Indicators

4.6.1 Section 12: Cross-Jurisdictional Claims

119. 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 relevant supervisory authority for additional guidance.

**Item 12.a: Total foreign claims on an ultimate risk basis**

120. 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. 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

---

13 Ibid.
14 Ibid.
15 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.
from positions in derivative contracts. Since these data refer to consolidated activities, they exclude all intra-office claims.

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. 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. Intra-office liabilities should be excluded. If the reporting group is unable to compile the necessary data themselves, contact the relevant supervisory authority 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*).16

**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*).17 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*).18

4.7 Ancillary 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). For this item, conservative estimates (such as the accounting value) are permitted.

---

16 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.

17 Ibid.

18 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 14.b: Retail funding**

126. 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.\(^{19}\)

**Item 14.d: Total gross revenue**

127. Report the total gross revenue, which is defined as interest income plus noninterest income.\(^{20}\)

**Item 14.e: Total net revenue**

128. Report total net revenue, which is defined as interest income plus noninterest income minus interest expense.\(^{21}\)

**Item 14.f: Foreign net revenue**

129. 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.g: Gross value of cash lent and gross fair value of securities lent in SFTs**

130. 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**

131. 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**

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

\(^{19}\) The document is available at [www.bis.org/publ/bcbs128.htm](http://www.bis.org/publ/bcbs128.htm).

\(^{20}\) Ibid.

\(^{21}\) Ibid.

\(^{22}\) Noninterest income includes trading gains, investment income, commissions, fees and other operating income.
Item 14.j: Gross negative fair value of OTC derivatives transactions

133. 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

134. 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.(2). The jurisdiction should be determined using the physical address of the branch or subsidiary.

4.7.2 Section 15: Ancillary Items

135. The items in this section have been designated for long-term monitoring, as they may affect the formulation of the indicators in a future assessment. For more information, see Annex 6.

Item 15.a: Total exposures prior to regulatory adjustments (January 2014 definition).

136. Report total exposures as defined in the January 2014 Basel III leverage ratio framework prior to any regulatory adjustments.23 This value can be calculated using the “Leverage Ratio” tab of the December 2014 version of the Basel III monitoring workbook.24

Item 15.b: Total exposures for the calculation of the leverage ratio (January 2014 definition).

137. Report total exposures for the calculation of the leverage ratio as defined in the January 2014 Basel III leverage ratio framework.25 This value, which is net of regulatory adjustments, can be calculated using the “Leverage Ratio” tab of the December 2014 version of the Basel III monitoring workbook.26

Item 15.c: Loans obtained from other financial institutions

138. Report the amount of loans obtained from other financial institutions (ie financial institutions outside of the reporting group) which are not already being captured in items 4.a-e or items 5.a-g. If all loans are already being captured in these items, then a zero value should be reported.

Item 15.d: Certificates of deposit included in items 4.a and 4.b

139. Report the value of certificates of deposit included in items 4.a and 4.b. Certificates of deposit known to be held by financial institutions should be included in deposits due to depository financial institutions (item 4.a) and deposits due to non-depository financial institutions (item 4.b). Thus, this item can only be zero if the reporting group has no certificates of deposit known to be owned by financial institutions.

Item 15.e: Held-to-maturity securities

140. 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.

---

23 See Basel III leverage ratio framework and disclosure requirements at www.bis.org/publ/bcbs270.pdf.
24 The workbook and instructions for recent Basel III monitoring exercises are available at www.bis.org/bcbs/qis/.
25 See Basel III leverage ratio framework and disclosure requirements at www.bis.org/publ/bcbs270.pdf.
26 The workbook and instructions for recent Basel III monitoring exercises are available at www.bis.org/bcbs/qis/.
Items 15.f.(1)-(3): Payments made in the reporting year (excluding intragroup payments)

141. 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 over the reporting year in each indicated currency. For further detail, see the instructions for Section 6.

4.8 Memorandum Items

142. The items in the following sections should be reported on a best-efforts basis. As the data may inform potential changes to the assessment methodology, comments regarding data quality and availability are required.

4.8.1 Section 16: Size Items

Item 16.a: Total assets under the regulatory scope of consolidation

143. Report the total assets of the group as per the regulatory scope of consolidation. Please note in the comments section whether insurance subsidiaries are included within the regulatory scope. If they are, also specify the accounting method used (ie full consolidation or equity method).

Item 16.b: Total assets under the accounting scope of consolidation

144. Report the total assets of the group as per the accounting scope of consolidation.

Item 16.c: Total assets of insurance subsidiaries gross of intragroup exposures

145. Report the total gross assets of all insurance subsidiaries within: (i) the regulatory scope of consolidation; (ii) the accounting scope of consolidation; and (iii) both the regulatory and accounting scopes of consolidation. Report the value gross of intragroup exposures. For example, if a respondent has a €50 bank and a €30 insurance company with intragroup exposures of €2 (ie the bank owes the insurance sub €2), then the intragroup exposure would be ignored and the amount reported would be €30.

Item 16.d: Total assets of insurance subsidiaries net of non-insurance intragroup exposures

146. Report the total gross assets of all insurance subsidiaries within: (i) the regulatory scope of consolidation; (ii) the accounting scope of consolidation; and (iii) both the regulatory and accounting scopes of consolidation. Report the value net of exposures to the non-insurance portion of the reporting group. For example, if a respondent has a €50 bank and a €30 insurance company with intragroup exposures of €2 (ie the bank owes the insurance sub €2), then the amount to be reported would be €30 - €2 = €28. In the comments section, report the types of intragroup transactions that were netted out.

Item 16.e: Total off-balance-sheet assets of insurance subsidiaries gross of intragroup exposures

147. Report the total off-balance sheet assets of all insurance subsidiaries (as defined in item 16.c) gross of intragroup exposures.

Item 16.f: Total off-balance-sheet assets of insurance subsidiaries net of non-insurance intragroup exposures

148. Report the total off-balance sheet assets of insurance subsidiaries (as defined in item 16.d) net of non-insurance intragroup exposures. In the comments section, report the types of intragroup transactions that were netted out.
**Item 16.g: Total exposures including investments in insurance subsidiaries outside the regulatory scope of consolidation**

149. Report total exposures (as defined in item 15.a) along with any investments in insurance subsidiaries outside the regulatory scope of consolidation that were deducted from Tier 1 capital per paragraph 16 of the 2014 Basel leverage ratio framework. In the comments, please explain the method used to adjust the regulatory capital requirement to account for significant investments in the capital of non-consolidated insurance subsidiaries (e.g., a deduction treatment as per paragraphs 84 to 89 of the Basel III capital rules text or a consolidation approach).

4.8.2 **Section 17: Interconnectedness Items**

**Item 17.a: Book value of equities for which a market price is unavailable**

150. Report the book value of equities issued by the reporting group, including ordinary and preferred (premium) shares, for which a market price is unavailable. Include shares issued by consolidated subsidiaries to third parties. Do not include certificates of mutual banks. Do not include outstanding shares for which a market price is available, as these are captured separately in items 5.f and 5.g.

**Item 17.b: Certificates of mutual banks**


**Item 17.c: Minority interest**

152. Report the book value of non-controlling (minority) interests in consolidated subsidiaries (i.e., the portion of equity in a subsidiary not attributable to the reporting group).

4.8.3 **Section 18: Substitutability/Financial Infrastructure Items**

**Items 18.a.(1)-(15): Payments made as a correspondent**

153. Report the total gross value of all cash payments sent by the reporting group as a correspondent for other banks (i.e., banks outside of the reporting group) over the reporting year in each indicated currency. Include all such payments sent via large value payment systems and through an agent bank (e.g., using a correspondent or nostro account). Do not include transactions sent on behalf of entities within the reporting group. If precise totals are unavailable, known overestimates may be reported. Note that these values are a subset of the total payments made in the reporting year (see Section 6).

**Item 18.b: Trading volume of securities issued by sovereigns**

154. Report the total market value of all sovereign securities that were traded in the reporting year in outright transactions (i.e., exclude securities financing transactions, such as repurchase agreements). Include securities issued by sovereigns and their central banks along with any securities issued by the Bank for International Settlements, the International Monetary Fund, the European Central Bank, the European Stability Mechanism, and the European Financial Stability Facility. The value should include all trading regardless of whether it was conducted on behalf of clients, on the reporting group’s own accounts, or within some form of market-making arrangement.

---

27 See Basel III leverage ratio framework and disclosure requirements at www.bis.org/publ/bcbs270.pdf.
Item 18.c: Trading volume of securities issued by other public sector entities

155. Report the total market value of other public sector securities (ie other than those reported in item 18.b above) that were traded in the reporting year in outright transactions. Include securities issued or guaranteed by government agencies, government-sponsored agencies, multilateral development banks, and state and local governments (including political subdivisions of sovereign entities). The value should include all trading regardless of whether it was conducted on behalf of clients, on the reporting group's own accounts, or within some form of market-making arrangement.

Item 18.d: Trading volume of other fixed income securities

156. Report the total market value of other fixed income securities (ie other than those reported in items 18.b and 18.c above) that were traded in the reporting year in outright transactions (eg corporate bonds, syndicated corporate loans, covered bonds, convertible debt, and any securitized products not included in item 18.c). The value should include all trading regardless of whether it was conducted on behalf of clients, on the reporting group's own accounts, or within some form of market-making arrangement.

Item 18.e: Trading volume of listed equities

157. Report the total market value of all listed equities that were traded in the reporting year in outright transactions (ie exclude securities financing transactions, such as repurchase agreements). Some jurisdictions make a distinction between formal exchanges and other recognised trading platforms such as Multilateral Trading Facilities. For the purpose of this item, include all equities traded on any of these trading venues. The value should include all trading regardless of whether it was conducted on behalf of clients, on the reporting group's own accounts, or within some form of market-making arrangement.

Item 18.f: Trading volume of all other securities

158. Report the total market value of all securities traded in the reporting year in outright transactions that are not already reported in items 18.b-e (eg unlisted equity securities, preferred stock, and trust preferred securities). The value should include all trading regardless of whether it was conducted on behalf of clients, on the reporting group's own accounts, or within some form of market-making arrangement.

Item 18.g: Initial margin posted to central counterparties (CCPs) on behalf of clients

159. Report the gross amount of initial margin currently posted to CCPs on behalf of clients (ie the initial margin currently associated with client transactions). Include only the amount outstanding as of the reporting date (ie this is not a flow variable).

Item 18.h: Initial margin posted to CCPs for the reporting group's own account

160. Report the gross amount of initial margin currently posted to CCPs in connection with the reporting group's own account. Include only the amount outstanding as of the reporting date (ie this is not a flow variable). If the initial margin posted on behalf of clients cannot be distinguished from the initial margin posted for the reporting group's own account, report the total initial margin here and include a zero for item 18.g.

Item 18.i: Default fund contributions to CCPs

161. Report the gross amount of default fund contributions currently posted to CCPs. Include only the amount outstanding as of the reporting date (ie this is not a flow variable).
**Item 18.j: Other facilities to CCPs**

162. Report the drawn and undrawn gross amount of other financial resources provided to CCPs (i.e., resources other than those reported in items 18.g-i above). Include committed and uncommitted liquidity, credit, and repo facilities, along with lines of credit, guarantees, and any other financial resources. Report only the drawn and undrawn amounts as of the reporting date (i.e., this is not a flow variable). If margins, default fund contributions, and other forms of facilities to CCPs cannot be distinguished from one another, report the total amount here and include zeros for items 18.g-i.

**Item 18.k: Provision of settlement services in connection with centrally-cleared transactions**

163. Report the total value of outgoing payments made to effectuate cash or physical settlement at CCPs in the reporting year. This amount should include all initial margins, variation margin calls, and settlement payments sent in the reporting year regardless of whether it is made for the reporting group’s own account or on behalf of clients.

164. For example, assume that the reporting group initiates several derivative contracts for its own account and on behalf of its clients, which are all cleared through a CCP. At initiation, the reporting group makes payment to the CCP in the amount of 50 euros. As the market moves, the net value of the derivative contracts changes, which triggers variation margin (VM) calls. If the reporting group pays 3 euros in VM on day one, receives 5 euros in VM on day two, and receives a final settlement payment of 70 euros on day three, the reporting group shall report a total of 50+3=53 euros in outgoing payments.

4.8.4 Section 19: Cross-Jurisdictional Activity Items

**Item 19.a: Foreign derivative claims on an ultimate risk basis**

165. 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 borrowers in that location. Derivatives include forwards, swaps, and options related to foreign exchange, interest rate, equity, commodity, and credit instruments. Include purchased credit derivatives, such as credit default swaps and total return swaps, that hedge or offset credit protection sold or are held for trading purposes. Purchased credit derivatives are classified as held for trading if they were not obtained for the purposes of risk transfer (i.e., the firm does not own the underlying instrument). Include the notional amount of any credit protection that exceeds the value of the immediate claim it was purchased to guarantee. 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.

166. The positive fair values of derivative contracts may be offset against negative fair values if and only if the positions were executed with the same counterparty under a legally enforceable netting agreement. Otherwise, positive fair values must be reported gross. Only netting sets with a positive value should be included here. Netting sets where the net result is negative should be captured in item 19.b. Report derivative claims gross of any cash collateral.

**Item 19.b: Foreign derivative liabilities (aggregation of BIS locational statistics)**

167. Report the negative fair value of all derivative liabilities that 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. Include purchased credit derivatives, such as credit default swaps and total return swaps, that hedge or offset credit protection sold or are held for trading purposes. Purchased credit derivatives are classified as held for trading if they were not obtained for the purposes of risk transfer (i.e., the firm does not own the underlying instrument). 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.

168. The negative fair values of derivative contracts may be offset against positive fair values if and only if the positions were executed with the same counterparty under a legally enforceable netting agreement. Otherwise, negative fair values must be reported gross. Only netting sets with a negative value should be included here. Netting sets where the net result is positive should be captured in item 19.a. Report derivative liabilities gross of any cash collateral.

**Item 19.c: Foreign liabilities on an immediate risk basis (including derivatives)**

169. Report total foreign liabilities, including derivatives, on an immediate risk basis. Note that internationally active banks report total liabilities (i.e., domestic and foreign) to the central bank in their home jurisdiction for the compilation of the BIS consolidated international banking statistics.28

**Item 19.d: Foreign derivative liabilities on an immediate risk basis**

170. Report total foreign derivative liabilities on an immediate risk basis. Note that internationally active banks report total derivative liabilities (i.e., domestic and foreign) to the central bank in their home jurisdiction for the compilation of the BIS consolidated international banking statistics.29 Note also that this value is a subset of total foreign liabilities (item 19.c).

**Item 19.e: Foreign debt security liabilities on an immediate risk basis**

171. Report total foreign debt security liabilities on an immediate risk basis. Note that internationally active banks report total debt security liabilities (i.e., domestic and foreign) to the central bank in their home jurisdiction for the compilation of the BIS consolidated international banking statistics.30 Note also that this value is a subset of total foreign liabilities (item 19.c).

4.9 Annual Average Exchange Rates

4.9.1 Section 20: Average Exchange Rates

172. Note that this section will be filled out by the relevant supervisory authority. Please do not alter any of the prepopulated values.

173. Annual average exchange rates are provided by the BIS.31 The rates reported in this section must correspond to the date and currency specified in items 1.a.(3) and 1.a.(4). All values should convert the specified currency into the reporting currency (e.g., for item 20.a, a bank reporting in euros would provide the number of euros in one Australian dollar). The exchange rates provided must exactly match the BIS tables, which are rounded to nine decimal places.

---

29 Ibid.
30 Ibid.
31 The exchange rates for the current reporting year can be found at www.bis.org/bcbs/gsib.
4.10 Checks Summary

4.10.1 Section 21: Indicator Values

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

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

<table>
<thead>
<tr>
<th>Item reference for this exercise</th>
<th>Heading</th>
<th>Cell references from Basel III monitoring workbook</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.a.</td>
<td>Counterparty exposure of derivatives contracts</td>
<td>L9</td>
</tr>
<tr>
<td>2.b.</td>
<td>Gross value of securities financing transactions (SFTs)</td>
<td>K13</td>
</tr>
<tr>
<td>2.c.</td>
<td>Counterparty exposure of SFTs</td>
<td>L13</td>
</tr>
<tr>
<td>2.d.</td>
<td>Other assets</td>
<td>K16</td>
</tr>
<tr>
<td>2.d.(1)</td>
<td>Securities received in SFTs that are recognised as assets</td>
<td>K21</td>
</tr>
<tr>
<td>2.f.</td>
<td>Potential future exposure of derivative contracts</td>
<td>K36</td>
</tr>
<tr>
<td>2.g.</td>
<td>Notional amount of off-balance-sheet items with a 0% credit conversion factor</td>
<td>M43</td>
</tr>
<tr>
<td>2.g.(1)</td>
<td>Unconditionally cancellable credit cards commitments</td>
<td>M44</td>
</tr>
<tr>
<td>2.g.(2)</td>
<td>Other unconditionally cancellable commitments</td>
<td>M45</td>
</tr>
<tr>
<td>2.h.</td>
<td>Notional amount of off-balance-sheet items with a 20% credit conversion factor</td>
<td>M46</td>
</tr>
<tr>
<td>2.i.</td>
<td>Notional amount of off-balance-sheet items with a 50% credit conversion factor</td>
<td>M47</td>
</tr>
<tr>
<td>2.j.</td>
<td>Notional amount of off-balance-sheet items with a 100% credit conversion factor</td>
<td>M48</td>
</tr>
<tr>
<td>2.l.(1)</td>
<td>On-balance-sheet assets</td>
<td>J102 + K102 + L102</td>
</tr>
<tr>
<td>2.l.(2)</td>
<td>Potential future exposure of derivatives contracts</td>
<td>J107 + K107 + L107</td>
</tr>
<tr>
<td>2.l.(3)</td>
<td>Unconditionally cancellable commitments</td>
<td>J110 + K110 + L110</td>
</tr>
<tr>
<td>2.l.(4)</td>
<td>Other off-balance-sheet commitments</td>
<td>J111 + K111 + L111</td>
</tr>
<tr>
<td>2.l.(5)</td>
<td>Investment value in the consolidated entities</td>
<td>J114 + K114 + L114</td>
</tr>
<tr>
<td>2.m.</td>
<td>Regulatory adjustments</td>
<td>J125</td>
</tr>
</tbody>
</table>
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 an embedded 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;

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

(c) 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:

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

(b) 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

(c) 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 values for each of the 12 indicators used in the G-SIB assessment methodology. The July 2013 publication *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement* describes how these indicators are used to calculate the scores of individual banks.

The following table details the calculation of each of the 12 indicators using references to the individual data components described in Section 4 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 yearly average exchange rates. In applying the assessment methodology to calculate banks’ scores, the remaining indicators are converted to euro using the exchange rate applicable on 31 December 2014.

### Indicator-based measurement approach

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

32 The document is available at [www.bis.org/publ/bcbs255.htm](http://www.bis.org/publ/bcbs255.htm).

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

34 The average exchange rates used in the calculation of the payments indicator can be found at [www.bis.org/bcbs/gsib](http://www.bis.org/bcbs/gsib).
Appendix 6

Indicator changes to be implemented starting with the end-2015 exercise

This appendix describes the indicator calculation changes that will be implemented starting with the end-2015 data collection. Advanced notice of these changes is being provided to allow banks and supervisory authorities time to prepare for the revised reporting.

Leverage exposures definition

In January 2014, the Basel Committee published a revised Basel III leverage ratio framework that included a new total exposures definition. Starting with the end-2015 data collection, the revised exposures measure will be adopted as the basis for the total exposures indicator (see item 15.a).

Regulatory adjustments

In calculating the leverage ratio, items deducted from capital are also deducted from exposures. This leads to a smaller exposure measure for the purposes of the G-SIB assessment. Starting with the next collection, regulatory adjustments will no longer be deducted from the total exposures indicator (see item 15.a).

Loans obtained from other financial institutions

The intra-financial system assets (IFSA) and intra-financial system liabilities (IFSL) indicators are meant to capture the amount a bank lends to and borrows from other financial institutions (i.e., financial institutions outside the reporting group). Starting with the next collection, loans obtained from other financial institutions (item 15.c) will be included in the IFSL indicator.

Certificates of deposit

To avoid CDs being double-counted in both the IFSL and securities outstanding indicators, certificates of deposit (item 15.d) will be removed from the IFSL indicator starting with the end-2015 data collection.

Exchange rates in converting flow data

In the current methodology, banks report payment values in the original currencies, which are then converted to the reporting currency using annual average exchange rates. These average rates must match the values posted on the BIS website.

Starting with the next exercise, banks will be allowed to apply their internal exchange rates to the payments indicator data. Because of this, respondents will provide the payments values directly in the reporting currency. This will reduce the amount of data that needs to be collected, as the average exchange rates reported in Section 20 of the template will no longer be needed. This will also simplify the score calculation by allowing all twelve indicators to be converted into euros using a single end-December spot rate.


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