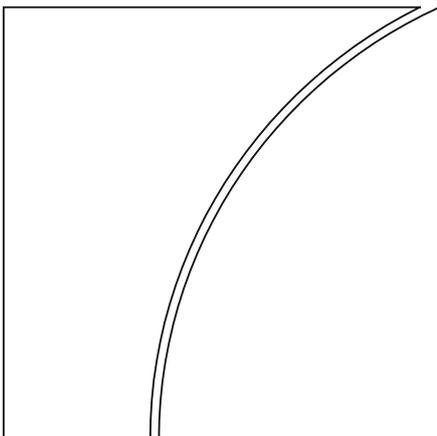


Basel Committee on Banking Supervision

Standards

Pillar 3 disclosure requirements – consolidated and enhanced framework

March 2017



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Pillar 3 disclosure requirements – consolidated and enhanced framework

Introduction

Following completion of the first phase of its review of the Pillar 3 framework, the Basel Committee on Banking Supervision (BCBS, the Committee) issued revised Pillar 3 disclosure requirements in January 2015 (“January 2015 standard”).¹ These requirements superseded the Pillar 3 disclosure requirements issued in 2004 (as amended in July 2009).

The Committee subsequently issued a consultative document on the second phase of its review of Pillar 3 in March 2016 (“March 2016 CD”).² The comment period for the consultation ended in June 2016. This standard sets out the disclosure requirements arising from the second phase of the review and reflects comments received from respondents in the consultation process.³ The disclosure requirements in this standard cover three elements:

- 1. Consolidation of all existing BCBS disclosure requirements into the Pillar 3 framework** – These disclosure requirements cover the composition of capital, the leverage ratio, the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR), the indicators for determining globally systemically important banks (G-SIBs), the countercyclical capital buffer, interest rate risk in the banking book and remuneration.
- 2. Two enhancements to the Pillar 3 framework** – This standard introduces a “dashboard” of a bank’s key prudential metrics which will provide users of Pillar 3 data with an overview of a bank’s prudential position, and a new disclosure requirement for those banks which record prudent valuation adjustments (PVAs) to provide users with a granular breakdown of how a bank’s PVAs are calculated.
- 3. Revisions and additions to the Pillar 3 standard arising from ongoing reforms to the regulatory policy framework** – This standard includes new disclosure requirements in respect of the total loss-absorbing capacity (TLAC) regime for G-SIBs issued in November 2015,⁴ and revised disclosure requirements for market risk arising from the revised market risk framework published by the Committee in January 2016.⁵

This standard does not include disclosure requirements arising from the Committee’s ongoing finalisation of the Basel III reforms. As discussed in Section 5.4, disclosure requirements agreed by the Committee following the issuance of this standard will be included within the scope of the third phase of the review of the Pillar 3 framework.

¹ BCBS, *Revised Pillar 3 disclosure requirements*, January 2015, www.bis.org/bcbs/publ/d309.pdf.

² BCBS, *Pillar 3 disclosure requirements – consolidated and revised framework*, March 2016, www.bis.org/bcbs/publ/d356.htm.

³ The Committee has agreed to defer issuing new disclosure requirements related to operational risk; see Section 3.3.

⁴ Financial Stability Board, *Principles on loss-absorbing and recapitalisation capacity of G-SIBs in resolution: total loss-absorbing capacity term sheet*, November 2015, www.financialstabilityboard.org/2015/11/total-loss-absorbing-capacity-tlac-principles-and-term-sheet/. See also the TLAC holdings standard issued by the Committee in October 2016, which applies to both G-SIBs and non-G-SIBs (www.bis.org/bcbs/publ/d387.htm).

⁵ BCBS, *Minimum capital requirements for market risk*, January 2016, www.bis.org/bcbs/publ/d352.pdf.

Part 1 of this standard provides further background to the disclosure requirements that are being introduced, including the changes that have been made to the disclosure requirements in response to the consultation process. Parts 2 to 14 set out the detailed disclosure requirements of the standard.

Part 1: New and revised Pillar 3 disclosure requirements

1. Consolidation of all existing and prospective BCBS disclosure requirements into the Pillar 3 framework

In the second phase of its review of the Pillar 3 framework, the Committee has reviewed the disclosure requirements in all existing Basel standards and consolidated them into the Pillar 3 framework.

Following this review, and in line with the proposals set out in the March 2016 CD, this standard consolidates the disclosure requirements issued in the following documents⁶ into the Pillar 3 framework:

- *Composition of capital disclosure requirements* (June 2012)
- *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement* (July 2013)
- *Basel III: A global regulatory framework for more resilient banks and banking systems – revised version* (June 2011) – section dealing with the geographical distribution of credit exposures subject to the countercyclical buffer
- *Basel III leverage ratio framework and disclosure requirements* (January 2014)
- *Liquidity Coverage Ratio disclosure standards* (January 2014)
- *Net Stable Funding Ratio disclosure standards* (June 2015)
- *Interest rate risk in the banking book* (April 2016)
- *Pillar 3 disclosure requirements for remuneration* (July 2011)

This standard does not make any fundamental changes to the disclosure requirements in the above documents, but changes have been made to the format and frequency of some of the disclosure requirements to align them with the January 2015 standard. Details of these changes are set out below.

1.1. Composition of capital and TLAC

The Committee issued the *Composition of capital disclosure requirements* in June 2012 (“2012 capital disclosure standard”) to enable users of Pillar 3 data to compare the regulatory capital available to banks across jurisdictions. This standard has focused on those disclosure requirements in the 2012 capital disclosure standard that are scheduled to be introduced on 1 January 2018 – the transitional disclosure requirements set out in the 2012 capital disclosure standard that are available to banks until 1 January 2018 remain unchanged.

As proposed in the March 2016 CD, the disclosure requirements set out in the 2012 capital disclosure standard have been reformatted to align them with the revised Pillar 3 framework (see Section 3.1 for related changes in disclosure requirements that reflect the TLAC regime for G-SIBs). This standard consolidates the following templates and table for the disclosure of a bank’s composition of capital into the Pillar 3 framework:

- **Template CC1** details the composition of a bank’s regulatory capital. It is consistent with Annex 1 in the 2012 capital disclosure standard, but includes an additional column to provide

⁶ All documents are available at www.bis.org/bcbs/publications.htm.

information on the linkages with the reconciliation disclosures in Template CC2 and additional rows for the Committee's TLAC holdings standard (October 2016).

- **Template CC2** provides users of Pillar 3 data with a reconciliation between the scope of a bank's accounting consolidation and the scope of its regulatory consolidation. It is unchanged from the corresponding template set out in Annex 2 of the 2012 capital disclosure standard.
- **Table CCA** is drawn from the table in Annex 3 of the 2012 capital disclosure standard and details the main features of a bank's regulatory capital instruments and other TLAC-eligible instruments,⁷ where applicable. This table should be posted on a bank's website, with the web link referenced in the bank's Pillar 3 report to facilitate users' access to the required disclosure. Table CCA represents the minimum level of disclosure that banks are required to report in respect of each regulatory capital instrument and, where applicable, other TLAC-eligible instruments issued.

Templates CC1 and CC2 and Table CCA should be published semiannually, with the first disclosure included in a bank's Pillar 3 report at its financial year-end 2018. In addition, Table CCA should be updated on the bank's website whenever it issues or repays a capital or TLAC-eligible instrument, or whenever there is a redemption, conversion, writedown or other material change in the nature of an existing instrument.

The detailed disclosure requirements on the composition of a bank's capital and TLAC are set out in "Part 4: Composition of capital and TLAC".

1.2. Disclosure requirements for macroprudential supervisory measures

This standard includes two disclosure requirements on macroprudential supervisory measures (Templates GSIB1 and CCyB1). Template GSIB1 will provide users of Pillar 3 data with details of the indicators used to assess how a G-SIB has been determined, and Template CCyB1 provides details of the calculation of a bank's countercyclical buffer, including details of the geographical breakdown of the bank's private sector credit exposures.

(a) G-SIB assessment methodology

In July 2013, the Committee issued an updated assessment methodology for G-SIBs that comprised 12 indicators, which are required to be made publicly available.

This standard consolidates the disclosure of these 12 indicators into the Pillar 3 framework by transposing them into Template GSIB1. National authorities retain the discretion to require G-SIBs to report a more detailed breakdown of the assessment indicators on the Committee's data hub using the existing template. Those banks which are required by their national authorities to disclose the full breakdown of their indicators, or choose to do so, should include the web link or other relevant reference in their Pillar 3 report to facilitate users' access to this information. The format of Template GSIB1 has been changed from "fixed" to "flexible" (as defined in the January 2015 standard), in order to enable banks to signpost the disclosure requirement on their website.

The disclosure requirements for the G-SIB indicators should be published annually and included in the bank's financial year-end Pillar 3 report. If needed, banks should restate figures to reflect final data submitted to the Committee and include a restated Template GSIB1 in the corresponding Pillar 3 report.

⁷ In this context, "other TLAC-eligible instruments" are instruments other than regulatory capital instruments issued by G-SIBs that meet the TLAC eligibility criteria.

(b) Geographical distribution of credit exposures subject to countercyclical buffer

The Committee set out details of the countercyclical buffer regime in December 2010 and issued an FAQ document in October 2015,⁸ which included a section on disclosure requirements of the calculation of the buffer.

This standard consolidates the disclosure requirement into the Pillar 3 framework through the introduction of a new template (Template CCyB1) that sets out details of the geographical breakdown of banks' private sector credit exposures relevant for the calculation of the countercyclical buffer. In response to comments received in the consultation, the template clarifies that the disclosures should be limited to jurisdictions where the bank has private sector credit exposures subject to a countercyclical buffer requirement.

Template CCyB1 should be published semiannually, with the first disclosure due in a bank's Pillar 3 report at its financial year-end 2017.

The detailed disclosure requirements for the G-SIB indicators and the geographical distribution of credit exposures subject to a countercyclical buffer requirement are set out in "Part 5: Macroprudential supervisory measures".

1.3. Disclosure requirements for the leverage ratio

The Committee issued its standard on the leverage ratio disclosure requirements in January 2014.⁹ This standard consolidates the leverage ratio disclosure requirements into the Pillar 3 framework through two new templates. Template LR1 provides a reconciliation of a bank's total assets as published in its financial statements to the leverage ratio exposure measure, and Template LR2 provides a breakdown of the components of the leverage ratio exposure measure.

The disclosure requirements are unchanged from those set out in the March 2016 CD, which proposed changes to the reporting frequency required in the leverage ratio standard issued in January 2014. The January 2014 standard required banks to publish the requisite disclosures at the same frequency as, and concurrent with, the publication of their financial statements (ie typically quarterly or semiannually). To ensure greater consistency and comparability of disclosure across banks, this standard requires both Templates LR1 and LR2 to be published on a quarterly basis, commencing at a bank's financial year-end 2017.

The detailed disclosure requirements for the leverage ratio are set out in "Part 6: Leverage ratio".

1.4. Disclosure requirements for the LCR and NSFR

The Committee issued disclosure requirements for the LCR¹⁰ and NSFR¹¹ in January 2014 and June 2015, respectively. This standard consolidates both disclosure requirements, without change from those proposed in the March 2016 CD.

⁸ BCBS, *Frequently asked questions on the Basel III countercyclical capital buffer*, October 2015, www.bis.org/bcbs/publ/d339.pdf.

⁹ BCBS, *Basel III leverage ratio framework and disclosure requirements*, January 2014, www.bis.org/publ/bcbs270.pdf.

¹⁰ BCBS, *Liquidity Coverage Ratio disclosure standards*, January 2014 (rev March 2014), www.bis.org/publ/bcbs272.pdf. There is a disclosure template for the LCR. Guidance is also provided on additional quantitative and qualitative information that banks may choose to disclose relating to, inter alia, their internal liquidity risk measurement and management framework.

¹¹ BCBS, *Net Stable Funding Ratio disclosure standards*, June 2015, www.bis.org/bcbs/publ/d324.pdf.

This standard transposes the quantitative disclosure template and the qualitative informational requirements set out in the LCR disclosure standards of January 2014 into a new template (Template LIQ1) and a new table (Table LIQA), respectively. The format of Table LIQA is “flexible” to enable a bank to disclose those elements of its liquidity risk management framework that it considers relevant to its business model and liquidity risk profile.

This standard also transposes the disclosure requirements issued by the Committee for the NSFR in June 2015 into a new template (Template LIQ2).

The disclosure standards for the LCR and NSFR issued in January 2014 and June 2015, respectively, required banks to publish the requisite disclosures at the same frequency as, and concurrent with, the publication of their financial statements (ie typically quarterly or semiannually). To ensure greater consistency and comparability of disclosure across banks, this standard requires:

- Template LIQ1 to be published quarterly commencing at a bank’s financial year-end 2017;
- Template LIQ2 to be published semiannually, with the first disclosure to be made in a bank’s first semiannual Pillar 3 report after 1 January 2018; and
- Table LIQA to be published annually.

The revised LCR and NSFR disclosure requirements are set out in “Part 7: Liquidity”.

1.5. Interest rate risk in the banking book (IRRBB)

The Committee issued a revised standard for IRRBB in April 2016,¹² which included enhanced disclosure requirements to promote greater consistency, transparency and comparability in the measurement and management of IRRBB. This standard consolidates those disclosure requirements into the Pillar 3 framework. Tables A and B in the revised IRRBB standards have been transposed into a new table (Table IRRBBA) and a new template (Template IRRBB1), respectively.

Banks are expected to implement the revised IRRBB standards, including the disclosure requirements, by 2018. For those banks with financial year-ends of 31 December, the first disclosure requirements under this standard would be required in 2018, based on information as at 31 December 2017. The disclosure requirements for IRRBB set out in Part 9 of the January 2015 standard remain in place until 30 December 2017, at which point they will be superseded by the disclosure requirements in this standard.

The disclosure requirements for IRRBB are set out in “Part 12: Interest rate risk in the banking book”.

1.6. Disclosure requirements for remuneration

This standard consolidates the existing qualitative disclosure requirements on remuneration issued in July 2011¹³ into a new table (Table REMA) to provide users of Pillar 3 data with a description of a bank’s remuneration policy. The existing quantitative disclosures are transposed into three new templates (Templates REM1, REM2 and REM3) to provide information on a bank’s fixed and variable remuneration awarded during the financial year, details of any special payments made, and information on a bank’s total outstanding deferred and retained remuneration, respectively.

The disclosure requirements should be published annually, with the first disclosures due in a bank’s Pillar 3 report at its financial year-end 2017. Comments received in the consultation noted that

¹² BCBS, *Interest rate risk in the banking book*, April 2016, <http://www.bis.org/bcbs/publ/d368.pdf>.

¹³ BCBS, *Pillar 3 disclosure requirements for remuneration*, July 2011, www.bis.org/publ/bcbs197.pdf.

the timing of the release of a bank's remuneration information may not be aligned with the publication of its annual report. When it is not possible for the remuneration disclosures to be made at the same time as the publication of a bank's annual report, this standard clarifies that the disclosures should be made as soon as possible thereafter.

The revised disclosure requirements for remuneration are set out in "Part 13: Remuneration".

2. Two enhancements to the revised Pillar 3 framework

This standard introduces two new disclosure requirements to enhance the Pillar 3 framework:

- (i) a "dashboard" of a bank's key prudential metrics to provide users of Pillar 3 data with an overview of the bank's prudential position; and
- (ii) a requirement for banks that record PVAs to provide users of Pillar 3 data with a granular breakdown of the PVAs are calculated.

2.1. Dashboard of key prudential metrics

This standard introduces two new disclosure templates (Templates KM1 and KM2) to provide users of Pillar 3 data with a set of key prudential metrics in a format that facilitates comparisons of a bank's performance and trends over time, improving market discipline in the process.

Template KM1 will provide users of Pillar 3 data with a time series set of key prudential metrics covering a bank's available capital (including buffer requirements and ratios), its risk-weighted assets (RWA), leverage ratio, LCR and NSFR. Template KM2 requires G-SIBs to disclose key metrics on TLAC. Both templates must be published quarterly.

As set out in the Committee's publication on the regulatory treatment of accounting provisions,¹⁴ the standard requires banks to publicly disclose whether they are applying a transitional arrangement for the impact of expected credit loss accounting on regulatory capital. If a transitional arrangement is applied, Template KM1 will provide users with information on the impact on the bank's regulatory capital and leverage ratios compared to the bank's "fully loaded" capital and leverage ratios had the transitional arrangement not been applied.

The detailed disclosure requirements for key prudential metrics are set out in "Part 2: Overview of risk management, key prudential metrics and RWA".

2.2. Disclosure requirements for PVAs

This standard introduces a new disclosure template (Template PV1) to be completed by those banks that record PVAs. Banks are already required to disclose the aggregate sum of their PVAs in the disclosure requirement for composition of capital.¹⁵ Template PV1 will provide users with a detailed breakdown of how the aggregate PVA has been derived.

In finalising Template PV1, the Committee considered the feedback from the consultation that there may be instances where the underlying exposures cannot be easily classified as a banking book or trading book exposure due to the varied implementation of PVA across jurisdictions. National

¹⁴ BCBS, *Regulatory treatment of accounting provisions – interim approach and transitional arrangements*, March 2017, www.bis.org/publ/bcbs401.pdf.

¹⁵ See BCBS, *Composition of capital disclosure requirements*, June 2012, www.bis.org/publ/bcbs221.pdf.

supervisors are thus allowed discretion to tailor the format of the template to reflect the implementation of PVA in their jurisdiction. While the breakdown between the banking book and the trading book has been retained, the template has been amended from the version in the March 2016 CD to provide banks with discretion in terms of allocating their PVAs between the banking book and the trading book. Where discretion has been exercised, the allocation methodology should be explained in the narrative commentary to the disclosure requirement.

In addition, Template PV1 has been amended from the version in the March 2016 CD to reclassify “investments and funding costs” and “unearned credit spreads” as valuation adjustments and not risk categories.

Template PV1 should be published annually by all banks that record PVAs.

The new disclosure requirements for PVAs are set out in “Part 3: Linkages between financial statements and regulatory exposures”.

3. Revisions and additions to the Pillar 3 framework arising from ongoing reforms to the regulatory policy framework

3.1. Disclosure requirements for TLAC of G-SIBs

In line with the TLAC regime for G-SIBs,¹⁶ this standard introduces the following four new templates, which are for completion by G-SIBs only:

- (i) Template KM2 sets out key metrics of the TLAC regime at a G-SIB’s resolution group level (see Section 2.1).
- (ii) Template TLAC1 provides details of the TLAC positions of G-SIB resolution groups. This disclosure requirement will apply from the conformance date of the TLAC regime, at which point it will become a required disclosure for all G-SIBs at the resolution group level.

The disclosure requirements in the March 2016 CD included information relating to both pre- and post-adjustments by a crisis management group (CMG)¹⁷ and noted that the Committee would consider the relevance of such disclosures when finalising the standard. In this regard, the templates in this standard reflect the Committee’s decision that:

- for the purpose of disclosure, only post-CMG-adjusted TLAC information is required. This is in line with the FSB TLAC Term Sheet and has resulted in the removal of some rows from the template; and
- multiple point of entry (MPE) G-SIBs would not be required to disclose TLAC information at the consolidated group level as such disclosure is not required under the FSB TLAC Term Sheet.

- (iii) Templates TLAC2 and TLAC3 present information on creditor rankings at the legal entity level for material subgroup entities (ie entities that are part of a material subgroup) which have issued internal TLAC to one or more resolution entities, and also for resolution entities. These templates provide information on the amount and residual maturity of TLAC and on the instruments issued by resolution entities and material subgroup entities that rank *pari passu*

¹⁶ Financial Stability Board, *Principles on loss-absorbing and recapitalisation capacity of G-SIBs in resolution: total loss-absorbing capacity term sheet*, November 2015, www.financialstabilityboard.org/2015/11/total-loss-absorbing-capacity-tlac-principles-and-term-sheet/.

¹⁷ The adjustments are explained in the FSB Term Sheet, Section 3, ultimate and penultimate paragraphs.

with, or junior to, TLAC instruments. In response to feedback received from the consultation, the measurement basis for these templates has been amended from carrying value to nominal value to reflect the relevant values at the point of bail-in. In addition, perpetual instruments are required to be disclosed separately. A number of minor clarifications have also been made to the instructions.

Template KM2 is to be published on a quarterly basis as it complements the dashboard of key metrics as set out in Section 2.1 above. Templates TLAC1, TLAC2 and TLAC3 should be published semiannually. Templates KM2, TLAC1, TLAC2 and TLAC3 become effective from the TLAC conformance date.

Banks should comply with the following to meet the disclosure requirements in this standard:

- (i) All banks should report their capital positions using Template CC1.
- (ii) G-SIBs should use Template TLAC1 to disclose their TLAC position at each resolution group level.¹⁸
- (iii) G-SIBs should use Templates TLAC2 and TLAC3 to disclose creditor ranking on both a resolution entity basis and a material subgroup entity basis.
- (iv) All banks should report the main features of their regulatory capital using Table CCA. For G-SIBs, the table should cover regulatory capital instruments and other TLAC-eligible instruments recognised as external TLAC resources by the issuing resolution entities.
- (v) Through the following three-step approach, all banks are required to show the link between the balance sheet in their published financial statements and the numbers disclosed in Template CC1:
 - Step 1: Disclose the reported balance sheet under the regulatory scope of consolidation in Template CC2. If the scopes of regulatory consolidation and accounting consolidation are identical for a particular banking group, banks should state in Template CC2 that there is no difference and move on to Step 2.

Where the accounting and regulatory scopes of consolidation differ, banks are required to disclose the list of those legal entities that are included within the accounting scope of consolidation, but excluded from the regulatory scope of consolidation or, alternatively, any legal entities included in the regulatory consolidation that are not included in the accounting scope of consolidation. This will enable users of Pillar 3 data to consider any risks posed by unconsolidated subsidiaries. If some entities are included in both the regulatory and accounting scopes of consolidation, but the method of consolidation differs between these two scopes, banks are required to list the relevant legal entities separately and explain the differences in the consolidation methods. For each legal entity that is required to be disclosed in this requirement, a bank must also disclose the total assets and equity on the entity's balance sheet and a description of the entity's principal activities.

- Step 2: Expand the lines of the balance sheet under the regulatory scope of consolidation in Template CC2 to display all of the components that are used in Template CC1. It should be noted that banks will only need to expand elements of the balance sheet to the extent necessary to determine the components that are used in Template CC1 (eg if all of the paid-in capital of the bank meets the requirements to be included in CET1, the bank would not need to expand this line). The level of disclosure should be proportionate to the complexity of the bank's balance sheet and its capital structure.

¹⁸ For single point of entry (SPE) G-SIBs, there is only one resolution group. This means that they only need to complete Template TLAC1 once to report their TLAC positions.

- Step 3: Map each of the components that are disclosed in Template CC2 in Step 2 to the composition of capital disclosure set out in Template CC1.

The detailed disclosure requirements for TLAC are set out in “Part 4: Composition of capital and TLAC”.

3.2. Market risk

The January 2015 standard set out the existing revised disclosure requirements for market risk. The Committee subsequently concluded its work on the fundamental review of the trading book and issued a revised market risk standard in January 2016.¹⁹

This standard introduces revised market risk disclosures to reflect the changes in the January 2016 market risk standard. The Committee has considered the responses to the market risk disclosure proposals that were issued in the March 2016 CD and has made the following changes to the disclosure templates:

- In response to concerns expressed about the potential for disclosure of proprietary information, Template MR1 has been simplified to require only the aggregate capital charge per risk class to be reported. Templates MR2 and MR3 have also been combined into one template (new Template MR2), streamlining the information to be disclosed. Requirements to report desk-level disclosure relating to capital requirements, expected shortfall and backtesting exceptions in the March 2016 CD have been removed.
- Tables MRA and MRB have been simplified; disclosure requirements that were considered to be unnecessarily detailed and not comparable across banks have been removed.
- The Committee has consolidated the qualitative information related to significant changes in RWA between reporting periods in Template MR3 and simplified the quantitative reporting of such changes.

The new market risk disclosure requirements set out in this standard should be implemented concurrently with the implementation of the revised market risk standard, ie from end-2019, at which point the new disclosure requirements will supersede those set out in the January 2015 standard.

The detailed disclosure requirements for market risk are set out in “Part 11: Market risk”.

3.3. Operational risk

The March 2016 CD included proposals for new operational risk disclosure templates based on the disclosures proposed in the consultative document on the Standardised Measurement Approach for operational risk published in March 2016.²⁰ Specifically, three new templates were proposed, which aimed to provide users with quantitative information on a bank’s incurred losses from operational risk over the previous three years. A new table was also proposed to provide users of Pillar 3 data with qualitative data on a bank’s operational risk management framework.

Respondents to the consultation indicated a preference for the revised operational risk framework to be finalised before new disclosure requirements are issued. The Committee has therefore agreed to defer issuing new disclosure requirements on operational risk to Phase III of the review of the Pillar 3 framework (see Section 5.3). In the interim, the original disclosure requirements for operational risk set out in the 2004 Pillar 3 framework remain applicable.

¹⁹ BCBS, *Minimum capital requirements for market risk*, January 2016, www.bis.org/bcbs/publ/d352.pdf.

²⁰ BCBS, *Standardised Measurement Approach for operational risk – consultative document*, March 2016, www.bis.org/bcbs/publ/d355.pdf.

4. General considerations and presentation

This standard applies the same scope of application, guiding principles and presentation of the disclosure requirements as set out in paragraphs 4 to 25 of the January 2015 standard. In response to feedback received from the consultation, the following additional clarifications build on the requirements within paragraphs 5 to 11 of the January 2015 standard:

- **Retrospective disclosures:** In templates which require the disclosure of data points for current and previous reporting periods, the disclosure of the data point for the previous period is not required when a metric for a new standard is reported for the first time unless this is explicitly stated in the disclosure requirement.
- **Disclosures of transitional metrics:** Unless otherwise specified in the disclosure templates, when a bank is under a transitional regime permitted by the standards, the transitional data should be reported unless the bank already complies with the fully-loaded requirements. Banks should clearly state whether the figures disclosed are computed on a transitional or fully-loaded basis. Where applicable, banks under a transitional regime may separately disclose fully-loaded figures in addition to transitional metrics.
- **Reporting periods:** Unless otherwise specified in the disclosure templates, the data required for annual, semiannual and quarterly disclosures should be for the corresponding 12-month, six-month and three-month period, respectively.
- **Electronic reporting:** Banks are encouraged to engage with their national supervisors on the provision of the quantitative disclosure requirements in this standard in a common electronic format that would facilitate the use of the data.

As noted above, the implementation dates of the disclosure requirements in this standard will come into force at different times. The implementation dates for each of the disclosure requirements in this standard have been set in line with the following general criteria:

- (i) Where the disclosure requirements are already in place, the implementation date has been set for a bank's 2017 financial year-end.
- (ii) Where the disclosure requirements are new and/or depend on the implementation of another policy framework, the implementation date for those disclosure requirements has been aligned with the implementation date of that framework.

A detailed breakdown of the proposed implementation dates of each of the disclosure requirements in this standard is set out in Section 6. In line with the approach adopted for the revised Pillar 3 standard, the Committee encourages early adoption by individual jurisdictions.

5. Third phase of the review of Pillar 3 (Phase III)

The Committee has commenced the third phase of its review of Pillar 3. The objective of Phase III is to develop:

- (i) disclosure requirements for standardised approach RWA to benchmark internally modelled capital requirements;
- (ii) disclosure requirements on asset encumbrance;
- (iii) disclosure requirements for operational risk; and
- (iv) disclosure requirements arising from ongoing policy reforms which have yet to be finalised.

These four elements are described in more detail below.

5.1. Use of standardised approach RWA to benchmark internally modelled capital requirements

The March 2016 CD consulted on disclosure proposals for benchmarking the outcomes of banks' internal models with hypothetical capital requirements calculated according to the standardised approach for credit, market and counterparty credit risk. The Committee has considered the responses from the consultation on this proposal and continues to see the benefits of such disclosures in reducing opacity around banks' internally modelled RWA and enhancing comparability across banks.

It was noted in the March 2016 CD that finalisation of these benchmark disclosure requirements was dependent upon the Committee concluding its work on the policy frameworks for standardised approaches, internal models for different risk categories and capital floors. The Committee will conclude its work on the benchmark disclosure requirements in Phase III.

5.2 Asset encumbrance disclosures

The Committee considers that disclosure by banks of the amount of their assets which are free from encumbrance and available to creditors would provide meaningful information to users of Pillar 3 data. The Committee has therefore agreed to incorporate an asset encumbrance disclosure in the third phase of its review of Pillar 3.

5.3 Operational risk disclosures

As noted in Section 3.3, the Committee agreed to defer finalisation of operational risk disclosures to the third phase of its review of Pillar 3 pending finalisation of the operational risk framework.

5.4 Disclosures arising from the Committee's ongoing reform agenda

Any disclosure requirements arising from finalisation of the Committee's reforms of the regulatory framework will be included within the scope of the third phase of the review of Pillar 3. For instance, there could be consequential changes to the existing credit risk disclosure requirements issued under the January 2015 standard, arising from the introduction of greater granularity to asset classes and recalibrated risk weights under the revised standardised approach for credit risk.

6. Schedule setting out the format and frequency of each disclosure requirement

The schedule below sets out whether the disclosure requirements in both the January 2015 standard and the second phase of the Pillar 3 review are required in a "fixed" or "flexible" format and the proposed frequency and timing of publication for each template and table.

	Tables and templates	Format	Frequency	Implementation date
Part 2 – Overview of risk management, key prudential metrics and RWA	KM1 – Key metrics (at consolidated group level)	Fixed	Quarterly	1 January 2018
	KM2 – Key metrics – TLAC requirements (at resolution group level)	Fixed	Quarterly	1 January 2019 ^a
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> OVA – Bank risk management approach	Flexible	Annual	End-2016
	OV1 – Overview of RWA	Fixed	Quarterly	Phase I: end-2016 Phase II: end-2018
Part 3 – Linkages between financial statements and regulatory exposures	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	Flexible	Annual	End-2016
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Flexible	Annual	End-2016
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> LIA – Explanations of differences between accounting and regulatory exposures amounts	Flexible	Annual	End-2016
	PV1 – Prudent valuation adjustments (PVA)	Fixed	Annual	End-2018
Part 4 – Composition of capital and TLAC	CC1 – Composition of regulatory capital	Fixed	Semiannual	End-2018
	CC2 – Reconciliation of regulatory capital to balance sheet	Flexible	Semiannual	End-2018
	CCA – Main features of regulatory capital instruments and of other TLAC-eligible instruments	Flexible	Semiannual	End-2018
	TLAC1 – TLAC composition for G-SIBs (at resolution group level)	Fixed	Semiannual	1 January 2019 ^a
	TLAC2 – Material subgroup entity – creditor ranking at legal entity level	Fixed	Semiannual	1 January 2019 ^a
	TLAC3 – Resolution entity – creditor ranking at legal entity level	Fixed	Semiannual	1 January 2019 ^a
Part 5 – Macroprudential supervisory measures	GSIB1 – Disclosure of G-SIB indicators	Flexible	Annual	End-2018
	CCyB1 – Geographical distribution of credit exposures used in the countercyclical buffer	Flexible	Semiannual	End-2017
Part 6 – Leverage ratio	LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure	Fixed	Quarterly	End-2017
	LR2 – Leverage ratio common disclosure template	Fixed	Quarterly	End-2017
Part 7 – Liquidity	LIQA – Liquidity risk management	Flexible	Annual	End-2017
	LIQ1 – Liquidity Coverage Ratio (LCR)	Fixed	Quarterly	End-2017
	LIQ 2 – Net Stable Funding Ratio (NSFR)	Fixed	Semiannual	1 January 2018

	Tables and templates	Format	Frequency	Implementation date
Part 8 – Credit risk	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CRA – General qualitative information about credit risk	Flexible	Annual	End-2016
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR1 – Credit quality of assets	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR2 – Changes in stock of defaulted loans and debt securities	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CRB – Additional disclosure related to the credit quality of assets	Flexible	Annual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CRC – Qualitative disclosure requirements related to credit risk mitigation techniques	Flexible	Annual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR3 – Credit risk mitigation techniques – overview	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CRD – Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk	Flexible	Annual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR4 – Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR5 – Standardised approach – exposures by asset classes and risk weights	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CRE – Qualitative disclosures related to IRB models	Flexible	Annual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR6 – IRB – credit risk exposures by portfolio and probability of default (PD) range	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR7 – IRB – effect on RWA of credit derivatives used as CRM techniques	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR8 – RWA flow statements of credit risk exposures under IRB	Fixed	Quarterly	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR9 – IRB – backtesting of PD per portfolio	Flexible	Annual	
See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CR10 – IRB (specialised lending and equities under the simple risk weight method)	Flexible	Semiannual		
Part 9 – Counterparty credit risk	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCRA – Qualitative disclosure related to counterparty credit risk	Flexible	Annual	End-2016

	Tables and templates	Format	Frequency	Implementation date
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR1 – Analysis of counterparty credit risk (CCR) exposure by approach	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR2 – Credit valuation adjustment (CVA) capital charge	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR3 – Standardised approach of CCR exposures by regulatory portfolio and risk weights	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR4 – IRB – CCR exposures by portfolio and PD scale	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR5 – Composition of collateral for CCR exposure	Flexible	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR6 – Credit derivatives exposures	Flexible	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR7 – RWA flow statements of CCR exposures under the Internal Model Method (IMM)	Fixed	Quarterly	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> CCR8 – Exposures to central counterparties	Fixed	Semiannual	
Part 10 – Securitisation	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> SECA – Qualitative disclosure requirements related to securitisation exposures	Flexible	Annual	End-2016
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> SEC1 – Securitisation exposures in the banking book	Flexible	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> SEC2 – Securitisation exposures in the trading book	Flexible	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> SEC3 – Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	Fixed	Semiannual	
	See January 2015 <i>Revised Pillar 3 disclosure requirements</i> SEC4 – Securitisation exposures in the banking book and associated capital requirements – bank acting as investor	Fixed	Semiannual	
Part 11 – Market risk	MRA – General qualitative disclosure requirements related to market risk	Flexible	Annual	Phase I: end-2016 Phase II: end-2019
	MR1 – Market risk under SA	Fixed	Semiannual	Phase I: end-2016 Phase II: end-2019
	MRB – Qualitative disclosures for banks using the IMA	Flexible	Annual	End-2019
	MRC – The structure of desks for banks using the IMA	Flexible	Semiannual	End-2019

	Tables and templates	Format	Frequency	Implementation date
	MR2 – RWA flow statements of market risk exposures under IMA (Phase I only) MR2 – Market risk IMA per risk type (Phase II only)	Fixed	Semiannual	Phase I: end-2016 Phase II: end-2019
	MR3 – IMA values for trading portfolios (Phase I only) MR3 – RWA flow statements of market risk exposures under IMA (Phase II only)	Fixed	Quarterly	Phase I: end-2016 Phase II: end-2019
	MR4 – Comparison of VaR estimates with gains/losses (Phase I only)	Flexible	Semiannual	Phase I: end-2016
Part 12 – Interest rate risk in the banking book	IRRBBA – IRRBB risk management objective and policies	Flexible	Annual	2018
	IRRBB1 – Quantitative information on IRRBB	Fixed	Annual	2018
Part 13 – Remuneration	REMA – Remuneration policy	Flexible	Annual	End-2017
	REM1 – Remuneration awarded during the financial year	Flexible	Annual	End-2017
	REM2 – Special payments	Flexible	Annual	End-2017
	REM3 – Deferred remuneration	Flexible	Annual	End-2017

^a Or otherwise applicable, depending on the TLAC regime entering into force.

Part 2: Overview of risk management, key prudential metrics and RWA

Template KM1: Key metrics (at consolidated group level)

Purpose: Provide an overview of a bank's prudential regulatory metrics.

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

Content: Key prudential metrics related to regulatory capital, leverage ratio and liquidity standards. Banks are required to disclose each metric's value using the corresponding standard's specifications for the reporting period-end (designated by T in the template below) as well as the four previous quarter-end figures (T-1 to T-4).

Frequency: Quarterly.

Format: Fixed. If banks wish to add rows to provide additional regulatory or financial metrics, they must provide definitions for these metrics and a full explanation of how the metrics are calculated (including the scope of consolidation and the regulatory capital used if relevant). The additional metrics must not replace the metrics in this disclosure requirement.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant change in each metric's value compared with previous quarters, including the key drivers of such changes (eg whether the changes are due to changes in the regulatory framework, group structure or business model).

Banks that apply transitional arrangement for ECL are expected to supplement the template with the key elements of the transition they use.

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)					
1a	Fully loaded ECL accounting model					
2	Tier 1					
2a	Fully loaded ECL accounting model Tier 1					
3	Total capital					
3a	Fully loaded ECL accounting model total capital					
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)					
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)					
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)					
6	Tier 1 ratio (%)					
6a	Fully loaded ECL accounting model Tier 1 ratio (%)					
7	Total capital ratio (%)					
7a	Fully loaded ECL accounting model total capital ratio (%)					
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)					

9	Countercyclical buffer requirement (%)					
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)					
12	CET1 available after meeting the bank's minimum capital requirements (%)					
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure					
14	Basel III leverage ratio (%) (row 2 / row 13)					
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)					
Liquidity Coverage Ratio						
15	Total HQLA					
16	Total net cash outflow					
17	LCR ratio (%)					
Net Stable Funding Ratio						
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio					

Instructions

Row number	Explanation
12	<i>CET1 available after meeting the bank's minimum capital requirements (as a percentage of risk-weighted assets):</i> it may not necessarily be the difference between row 5 and the Basel III minimum CET1 requirement of 4.5% because CET1 capital may be used to meet the bank's Tier 1 and/or total capital ratio requirements. See instructions to [CC1:68].
13	<i>Total Basel III leverage ratio exposure measure:</i> according to specifications set out in Part 6 on leverage ratio. The amounts may reflect end-of-period values or averages depending on local implementation.
15	<i>Total HQLA:</i> total adjusted value according to specifications set out in Part 7 on liquidity, using simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days).
16	<i>Total net cash outflow:</i> total adjusted value according to specifications set out in Part 7 on liquidity, using simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days).

Linkages across templates

Amount in [KM1:1/a] is equal to [CC1:29/a]

Amount in [KM1:2/a] is equal to [CC1:45/a]

Amount in [KM1:3/a] is equal to [CC1:59/a]

Amount in [KM1:4/a] is equal to [CC1:60/a]

Amount in [KM1:5/a] is equal to [CC1:61/a]

Amount in [KM1:6/a] is equal to [CC1:62/a]

Amount in [KM1:7/a] is equal to [CC1:63/a]

Amount in [KM1:8/a] is equal to [CC1:65/a]

Amount in [KM1:9/a] is equal to [CC1:66/a]

Amount in [KM1:10/a] is equal to [CC1:67/a]

Amount in [KM1:12/a] is equal to [CC1:68/a]

Amount in [KM1:13/a] is equal to [LR2:21/a]

Amount in [KM1:14/a] is equal to [LR2:22/a]

Amount in [KM1:15/a] is equal to [LIQ1:21/b]

Amount in [KM1:16/a] is equal to [LIQ1:22/b]

Amount in [KM1:17/a] is equal to [LIQ1:23/b]

Amount in [KM1:18/a] is equal to [LIQ2:14/e]

Amount in [KM1:19/a] is equal to [LIQ2:33/e]

Amount in [KM1:20/a] is equal to [LIQ2:34/e]

Template KM2: Key metrics – TLAC requirements (at resolution group level)

Purpose: Provide summary information about total loss-absorbing capacity (TLAC) available, and TLAC requirements applied, at resolution group level under the single point of entry (SPE) and multiple point of entry (MPE) approaches.

Scope of application: The template is mandatory for all resolution groups of G-SIBs.

Content: Key prudential metrics related to TLAC. Banks are required to disclose the figure as of the end of the reporting period (designated by T in the template below) as well as the previous four quarter-ends (designated by T-1 to T-4 in the template below). When the banking group includes more than one resolution group (MPE approach), this template is to be reproduced for each resolution group.

Frequency: Quarterly.

Format: Fixed.

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

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
Resolution group 1						
1	Total loss-absorbing capacity (TLAC) available					
2	Total RWA at the level of the resolution group					
3	TLAC as a percentage of RWA (row 1 / row 2) (%)					
4	Leverage ratio exposure measure at the level of the resolution group					
5	TLAC as a percentage of leverage ratio exposure measure (row 1 / row 4) (%)					
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?					
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?					
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)					

Linkages across templates

Amount in [KM2:1/a] is equal to [resolution group-level TLAC1:22/a]

Amount in [KM2:2/a] is equal to [resolution group-level TLAC1:23/a]

Aggregate amounts in [KM2:2/a] across all resolution groups will not necessarily equal or directly correspond to amount in [KM1:4/a]

Amount in [KM2:3/a] is equal to [resolution group-level TLAC1:25/a]

Amount in [KM2:4/a] is equal to [resolution group-level TLAC1:24/a]

Amount in [KM2:5/a] is equal to [resolution group-level TLAC1:26/a]

[KM2:6a] refers to the uncapped exemption in Section 11 of the FSB TLAC Term Sheet, for jurisdictions in which all liabilities excluded from TLAC specified in Section 10 are statutorily excluded from the scope of the bail-in tool and therefore cannot legally be written down or converted to equity in a bail-in resolution. Possible answers for [KM2:6a]: [Yes], [No].

[KM2:6b] refers to the capped exemption in Section 11 of the FSB TLAC Term Sheet, for jurisdictions where the resolution authority may, under exceptional circumstances specified in the applicable resolution law, exclude or partially exclude from bail-in all of the liabilities excluded from TLAC specified in Section 10, and where the relevant authorities have permitted liabilities that would otherwise be eligible to count as external TLAC but which rank alongside those excluded liabilities in the insolvency creditor hierarchy to contribute a quantum equivalent of up to 2.5% RWA (from 2019) or 3.5% RWA (from 2022). Possible answers for [KM2:6b]: [Yes], [No].

Amount in [KM2:6c/a] is equal to [resolution group-level TLAC1:14 divided by TLAC1:13]. This only needs to be completed if the answer to [KM2:6b] is [Yes].

Table OVA: Bank risk management approach

[See January 2015 *Revised Pillar 3 disclosure requirements*]

Template OV1: Overview of RWA

Purpose: Provide an overview of total RWA forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts.

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

Content: Risk-weighted assets and capital requirements under Pillar 1. Pillar 2 requirements should not be included.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to identify and explain the drivers behind differences in reporting periods T and T-1 where these differences are significant.

When minimum capital requirements in column (c) do not correspond to 8% of RWA in column (a), banks must explain the adjustments made. If the bank uses the Internal Model Method (IMM) for its equity exposures under the market-based approach, it must provide annually a description of the main characteristics of its internal model in an accompanying narrative.

		a	b	c
		RWA		Minimum capital requirements
		T	T-1	T
1	Credit risk (excluding counterparty credit risk)			
2	Of which: standardised approach (SA)			
3	Of which: foundation internal ratings-based (F-IRB) approach			
4	Of which: supervisory slotting approach			
5	Of which: advanced internal ratings-based (A-IRB) approach			
6	Counterparty credit risk (CCR)			
7	Of which: standardised approach for counterparty credit risk			
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)			
11	Equity positions under the simple risk weight approach			
12	Equity investments in funds – look-through approach			
13	Equity investments in funds – mandate-based approach			
14	Equity investments in funds – fall-back approach			
15	Settlement risk			
16	Securitisation exposures in banking book			
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)			
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)			
19	Of which: securitisation standardised approach (SEC-SA)			
20	Market risk			
21	Of which: standardised approach (SA)			
22	Of which: internal model approaches (IMA)			
23	Capital charge for switch between trading book and banking book			
24	Operational risk			
25	Amounts below the thresholds for deduction (subject to 250% risk weight)			
26	Floor adjustment			
27	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)			

Definitions and instructions

RWA: risk-weighted assets according to the Basel framework, including the 1.06 scaling factor, and as reported in accordance with the subsequent parts of this standard. Where the regulatory framework does not refer to RWA but directly to capital charges (eg for market risk and operational risk), banks should indicate the derived RWA number (ie by multiplying capital charge by 12.5).

RWA (T-1): risk-weighted assets as reported in the previous Pillar 3 report (ie at the end of the previous quarter).

Minimum capital requirement T: Pillar 1 capital requirements at the reporting date. This will normally be $RWA * 8\%$ but may differ if a floor is applicable or adjustments (such as scaling factors) are applied at jurisdiction level.

Row number	Explanation
1	<i>Credit risk (excluding counterparty credit risk)</i> : RWA and capital requirements according to the credit risk framework reported in Part 4 of the Pillar 3 framework; excludes all positions subject to the securitisation regulatory framework, including securitisation exposures in the banking book (which are reported in row 16) and capital requirements relating to a counterparty credit risk charge, which are reported in row 6.
2	<i>Of which: standardised approach</i> : RWA and capital requirements according to the credit risk standardised approach.
3 and 5	<i>Of which: (foundation/advanced) internal rating based approaches</i> : RWA and capital requirements according to the F-IRB approach and/or A-IRB approach.
4	<i>Of which: supervisory slotting approach</i> : RWA and capital requirements according to the supervisory slotting approach.
6 to 8	<i>Counterparty credit risk</i> : RWA and capital charges according to the counterparty credit risk framework, as reported in Part 5 of the Pillar 3 framework, excluding CVA as reported in row 10.
9	<i>Of which: other CCR</i> : RWA and capital charge requirements according to the counterparty credit risk framework, as reported in Part 5 of the Pillar 3 framework, excluding CVA as reported in row 10, which do not fall under rows 7 and 8.
10	<i>Credit valuation adjustment</i> : RWA and capital charge requirements according to the Basel III framework ²¹
11	<i>Equity positions under the simple risk weight approach</i> : the amounts in row 11 correspond to RWA where the bank applies the market-based approach (simple risk weight approach). The corresponding RWA are included in Template CR10 in Part 4 of the Pillar 3 framework and in row 11 of this template. Where the regulatory treatment of equities is in accordance with the standardised approach, the corresponding RWA are reported in Template CR4 in Part 4 of the Pillar 3 framework and included in row 2 of this template.
12	<i>Equity investments in funds – look-through approach</i> : RWA and capital requirements calculated in accordance with paragraphs 80(ii)–80(v) of the Basel framework as of 1 January 2017. ²²
13	<i>Equity investments in funds – mandate-based approach</i> : RWA and capital requirements calculated in accordance with paragraphs 80(vi) to 80(vii) of the Basel framework as of 1 January 2017. ²³
14	<i>Equity investments in funds – fall-back approach</i> : RWA and capital requirements calculated in accordance with paragraph 80(viii) of the Basel framework as of 1 January 2017. ²⁴
15	<i>Settlement risk</i> : the amounts correspond to the requirements in Annex 3 of the Basel framework and the third bullet point in paragraph 90 of the Basel III framework.
16 to 19	<i>Securitisation exposures in banking book</i> : the amounts correspond to capital requirements applicable to the securitisation exposures in the banking book (Part 6 of the Pillar 3 framework). The RWA amounts must be derived from the capital requirements (which includes the impact of the cap in accordance with paragraphs 88 and 89 of the Basel framework, and do not systematically correspond to RWA reported in Templates SEC3 and SEC4, which are before application of the cap).
20	<i>Market risk</i> : the amounts reported in row 20 correspond to the RWA and capital requirements in the market risk framework (Part 11 of the Pillar 3 framework). They also include capital charges for securitisation positions booked in the trading book but exclude the counterparty credit risk capital charges (reported in Part 5 of the Pillar 3 framework and row 6 of this template). The RWA for market risk correspond to the capital charge times 12.5.
21	<i>Of which: standardised approach</i> : RWA and capital requirements according to the market risk standardised approach, including capital requirements for securitisation positions booked in the trading book
22	<i>Of which: Internal Models Approach</i> : RWA and capital requirements according to the market risk IMA.
23	<i>Capital charge for switch between trading book and banking book</i> : outstanding accumulated capital surcharge imposed on the bank in accordance with paragraphs 27 and 28 when the total capital charge (across banking book and trading

²¹ See BCBS, *Basel III: A global regulatory framework for more resilient banks and banking systems*, December 2010 (rev June 2011), www.bis.org/publ/bcbs189.htm.

²² See revisions to the Basel framework published in BCBS, *Capital requirements for banks' equity investments in funds*, December 2013.

²³ Ibid.

²⁴ Ibid.

	book) of a bank is reduced as a result of the instruments being switched between the trading book and the banking book at the bank's discretion and after their original designation. The outstanding accumulated capital surcharge takes into account any adjustment due to run-off as the positions mature or expire, in a manner agreed with the supervisor.
24	<i>Operational risk</i> : the amounts corresponding to the Pillar 1 requirements in the Basel framework.
25	<i>Amounts below the thresholds for deduction (subject to 250% risk weight)</i> : the amounts correspond to items subject to a 250% risk weight according to paragraph 89 of Basel III. It includes significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and below the threshold for deduction, after application of the 250% risk weight.
26	<i>Floor adjustment</i> : this row must be used to disclose the impact of any Pillar 1 floor adjustment (eg a Basel I floor) on total RWA and total capital so that the total row reflects the total RWA and total capital requirements, including such an adjustment. Pillar 2 adjustments applied do not need to be disclosed here. Floors or adjustments applied at a more granular level (eg at risk category level) must be reflected in the capital requirements reported for this risk category.

Linkages across templates

Amount in [OV1:2/a] is equal to [CR4:14/e]

Amount in [OV1:3/a] and [OV1:5/a] is equal to the sum of [CR6: Total (all portfolios)/i] + [CR10: Specialised lending total RWA for HVCRE and other than HVCRE]

Amount in [OV1:6/a] is equal to the sum of [CCR1:6/f+CCR2:4/b+CCR8:1/b+CCR8:11/b].

Amount in [OV1:11/a] is equal to the sum of [CR10/Equities exposures Simple risk-weight approach/Total RWA] + the RWA corresponding to the internal model method for equity exposures in the banking book (paragraphs 346–349 of the Basel framework)

Amount in [OV1:16/c] is equal to the sum of [SEC3:1/n + SEC3:1/o + SEC3:1/p + SEC3:1/q] + [SEC4:1/n + SEC4:1/o + SEC4:1/p + SEC4:1/q]

Amount in [OV1:21/a] is equal to [MR1:12/a]

Amount in [OV1:22/a] is equal to [MR2:11]

Part 3: Linkages between financial statements and regulatory exposures

Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

[See January 2015 *Revised Pillar 3 disclosure requirements*]

Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

[See January 2015 *Revised Pillar 3 disclosure requirements*]

Template PV1: Prudent valuation adjustments (PVA)

Purpose: Provide a breakdown of the constituent elements of a bank's PVA according to the requirements of paragraphs 698 to 701 of Basel II (comprehensive version, June 2006), taking into account the guidance set out in *Supervisory guidance for assessing banks' financial instrument fair value practices*, April 2009 (in particular Principle 10).

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

Content: PVA for all assets measured at fair value (marked to market or marked to model) and for which PVA are required. Assets can be non-derivative or derivative instruments.

Frequency: Annual.

Format: Fixed. The row number cannot be altered. Rows which are not applicable to the reporting bank should be filled with "0" and the reason why they are not applicable should be explained in the accompanying narrative. National supervisors have the discretion to tailor the format of the template to reflect the implementation of PVA in their jurisdictions.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. In particular, banks are expected to detail "Other adjustments", where significant, and to define them when they are not listed in the Basel framework. Banks are also expected to explain the types of financial instruments for which the highest amounts of PVA are observed.

		a	b	c	d	e	f	g	h
		Equity	Interest rates	FX	Credit	Commodities	Total	Of which: In the trading book	Of which: In the banking book
1	Closeout uncertainty, of which:								
2	<i>Mid-market value</i>								
3	<i>Closeout cost</i>								
4	<i>Concentration</i>								
5	<i>Early termination</i>								
6	<i>Model risk</i>								
7	<i>Operational risk</i>								
8	<i>Investing and funding costs</i>								
9	<i>Unearned credit spreads</i>								
10	<i>Future administrative costs</i>								
11	<i>Other</i>								
12	Total adjustment								

Definitions and instructions

Rows

Row number	Explanation
3	<i>Closeout cost:</i> PVA required to take account of the valuation uncertainty to adjust for the fact that the position level valuations calculated do not reflect an exit price for the position or portfolio (for example, where such valuations are calibrated to a mid-market price).
4	<i>Concentration:</i> PVA over and above market price and closeout costs that would be required to get to a prudent exit price for positions that are larger than the size of positions for which the valuation has been calculated (ie cases where the aggregate position held by the institution is larger than normal traded volume or larger than the position sizes on which observable quotes or trades that are used to calibrate the price or inputs used by the core valuation model are based).
5	<i>Early termination:</i> PVA to take into account the potential losses arising from contractual or non-contractual early terminations of customer trades that are not reflected in the valuation.
6	<i>Model risk:</i> PVA to take into account valuation model risk which arises due to: (i) the potential existence of a range of different models or model calibrations which are used by users of Pillar 3 data; (ii) the lack of a firm exit price for the specific product being valued; (iii) the use of an incorrect valuation methodology; (iv) the risk of using unobservable and possibly

	incorrect calibration parameters; or (v) the fact that market or product factors are not captured by the core valuation model.
7	<i>Operational risk</i> : PVA to take into account the potential losses that may be incurred as a result of operational risk related to valuation processes.
8	<i>Investing and funding costs</i> : PVA to reflect the valuation uncertainty in the funding costs that other users of Pillar 3 data would factor into the exit price for a position or portfolio. It includes funding valuation adjustments on derivatives exposures.
9	<i>Unearned credit spreads</i> : PVA to take account of the valuation uncertainty in the adjustment necessary to include the current value of expected losses due to counterparty default on derivative positions, including the valuation uncertainty on CVAs.
10	<i>Future administrative costs</i> : PVA to take into account the administrative costs and future hedging costs over the expected life of the exposures for which a direct exit price is not applied for the closeout costs. This valuation adjustment has to include the operational costs arising from hedging, administration and settlement of contracts in the portfolio. The future administrative costs are incurred by the portfolio or position but are not reflected in the core valuation model or the prices used to calibrate inputs to that model.
11	<i>Other</i> : "Other" PVA which are required to take into account factors that will influence the exit price but which do not fall in any of the categories listed in paragraph 718(cix). These should be described by banks in the narrative commentary that supports the disclosure.

Linkages across templates

[PV1:12/f] is equal to [CC1:7/a].

Part 4: Composition of capital and TLAC

Template CC1: Composition of regulatory capital

Purpose: Provide a breakdown of the constituent elements of a bank's capital (after the transition period for the phasing-in of deductions ends on 1 January 2018).

Scope of application: The template is mandatory for all banks at the consolidated level. It must be completed from the earlier of: (i) when banks have fully applied the Basel III deductions in advance of 1 January 2018 (ie before the end of transition period); or (ii) the end of transition period. In the case of (i), banks must clearly disclose the fact that they are using this template because they have fully applied the Basel III deductions.

Content: Breakdown of regulatory capital according to the scope of regulatory consolidation

Frequency: Semiannual.

Format: Fixed.

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

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus		(h)
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)		
4	<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments		
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudent valuation adjustments		
8	Goodwill (net of related tax liability)		(a) minus (d)
9	Other intangibles other than mortgage servicing rights (net of related tax liability)		(b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		
11	Cash flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework ²⁵)		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined benefit pension fund net assets		
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in the common stock of banking, financial and insurance		

²⁵ See *Basel III Document – Revisions to the securitisation framework*, December 2014 (rev July 2016), www.bis.org/bcbs/publ/d374.pdf.

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	entities that are outside the scope of regulatory consolidation (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		(c) minus (f) minus 10% threshold
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		
23	Of which: significant investments in the common stock of financials		
24	Of which: mortgage servicing rights		
25	Of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	Total regulatory adjustments to Common Equity Tier 1		
29	Common Equity Tier 1 capital (CET1)		
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus		(i)
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>		
36	Additional Tier 1 capital before regulatory adjustments		
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments		
38	Reciprocal cross-holdings in additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation		
41	National specific regulatory adjustments		
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	Total regulatory adjustments to additional Tier 1 capital		
44	Additional Tier 1 capital (AT1)		
45	Tier 1 capital (T1 = CET1 + AT1)		
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>		
50	Provisions		
51	Tier 2 capital before regulatory adjustments		
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities		
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously		

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)		
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)		
59	Total regulatory capital (TC = T1 + T2)		
60	Total risk-weighted assets		
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		
62	Tier 1 (as a percentage of risk-weighted assets)		
63	Total capital (as a percentage of risk-weighted assets)		
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)		
65	Of which: capital conservation buffer requirement		
66	Of which: bank-specific countercyclical buffer requirement		
67	Of which: higher loss absorbency requirement		
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements		
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)		
70	National Tier 1 minimum ratio (if different from Basel III minimum)		
71	National total capital minimum ratio (if different from Basel III minimum)		
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)		
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	<i>Current cap on CET1 instruments subject to phase-out arrangements</i>		
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>		
82	<i>Current cap on AT1 instruments subject to phase-out arrangements</i>		
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>		
84	<i>Current cap on T2 instruments subject to phase-out arrangements</i>		
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>		

Instructions

- (i) Rows in italics will be deleted after all the ineligible capital instruments have been fully phased out (ie from 1 January 2022 onwards).
- (ii) The reconciliation requirements included in Template CC2 result in the decomposition of certain regulatory adjustments. For example, the disclosure template below includes the adjustment "Goodwill net of related tax liability". The reconciliation requirements will lead to the disclosure of both the goodwill component and the related tax liability component of this regulatory adjustment.
- (iii) Shading:

- Each dark grey row introduces a new section detailing a certain component of regulatory capital.
- Light grey rows with no thick border represent the sum cells in the relevant section.
- Light grey rows with a thick border show the main components of regulatory capital and the capital ratios.

Columns

Source: Banks are required to complete column (b) to show the source of every major input, which is to be cross-referenced to the corresponding rows in Template CC2. This is Step 3 as required under the three-step approach to reconciliation as explained and illustrated in paragraphs 23–6 and 44–5 (Annex 2) of *Composition of capital disclosure requirements*, (June 2012).

Rows

Set out in the following table is an explanation of each row of the template above. Regarding the regulatory adjustments, banks are required to report deductions from capital as positive numbers and additions to capital as negative numbers. For example, goodwill (row 8) should be reported as a positive number, as should gains due to the change in the own credit risk of the bank (row 14). However, losses due to the change in the own credit risk of the bank should be reported as a negative number as these are added back in the calculation of CET1.

Row number	Explanation
1	Instruments issued by the parent company of the reporting group that meet all of the CET1 entry criteria set out in paragraph 53 of Basel III. This should be equal to the sum of common stock (and related surplus only) and other instruments for non-joint stock companies, both of which must meet the common stock criteria. This should be net of treasury stock and other investments in own shares to the extent that these are already derecognised on the balance sheet under the relevant accounting standards. Other paid-in capital elements must be excluded. All minority interest must be excluded.
2	Retained earnings, prior to all regulatory adjustments. In accordance with paragraph 52 of Basel III, this row should include interim profit and loss that has met any audit, verification or review procedures that the supervisory authority has put in place. Dividends are to be removed in accordance with the applicable accounting standards, ie they should be removed from this row when they are removed from the balance sheet of the bank.
3	Accumulated other comprehensive income and other disclosed reserves, prior to all regulatory adjustments.
4	Directly issued capital instruments subject to phase-out from CET1 in accordance with the requirements of paragraph 95 of Basel III. This is only applicable to non-joint stock companies. Banks structured as joint stock companies must report zero in this row.
5	Common share capital issued by subsidiaries and held by third parties. Only the amount that is eligible for inclusion in group CET1 should be reported here, as determined by the application of paragraph 62 of Basel III (see Annex 3 of Basel III for example calculation).
6	Sum of rows 1 to 5.
7	Prudential valuation adjustments according to the requirements of paragraphs 698–701 of Basel II (comprehensive version, June 2006), taking into account the guidance set out in <i>Supervisory guidance for assessing banks' financial instrument fair value practices</i> , April 2009 (in particular Principle 10).
8	Goodwill net of related tax liability, as set out in paragraphs 67–8 of Basel III.
9	Other intangibles other than mortgage servicing rights (net of related tax liability), as set out in paragraphs 67–8 of Basel III.
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability), as set out in paragraph 69 of Basel III.
11	The element of the cash flow hedge reserve described in paragraphs 71–2 of Basel III.
12	Shortfall of provisions to expected losses as described in paragraph 73 of Basel III.
13	Securitisation gain on sale (as set out in paragraph 562 of the Basel II framework).
14	Gains and losses due to changes in own credit risk on fair valued liabilities, as described in paragraph 75 of Basel III.
15	Defined benefit pension fund net assets, the amount to be deducted as set out in paragraphs 76–7 of Basel III.
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet), as set out in paragraph 78 of Basel III.
17	Reciprocal cross-holdings in common equity, as set out in paragraph 79 of Basel III.
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued share capital, net of eligible short positions and amount above 10% threshold. Amount to be deducted from CET1 calculated in accordance with paragraphs 80–3 of Basel III.
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions and amount above 10% threshold. Amount to be deducted from CET1 calculated in accordance with paragraphs 84–8 of Basel III.
20	Mortgage servicing rights (amount above 10% threshold), amount to be deducted from CET1 in accordance with paragraphs 87–8 of Basel III.
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability), amount to be deducted from CET1 in accordance with paragraphs 87–8 of Basel III.
22	Total amount by which the three threshold items exceed the 15% threshold, excluding amounts reported in rows 19–21,

	calculated in accordance with paragraphs 87–8 of Basel III.
23	The amount reported in row 22 that relates to significant investments in the common stock of financials.
24	The amount reported in row 22 that relates to mortgage servicing rights.
25	The amount reported in row 22 that relates to deferred tax assets arising from temporary differences.
26	Any national specific regulatory adjustments that national authorities require to be applied to CET1 in addition to the Basel III minimum set of adjustments. Guidance should be sought from national supervisors.
27	Regulatory adjustments applied to CET1 due to insufficient additional Tier 1 capital (AT1) to cover deductions. If the amount reported in row 43 exceeds the amount reported in row 36, the excess is to be reported here.
28	Total regulatory adjustments to CET1, to be calculated as the sum of rows 7–22 plus rows 26–7.
29	CET1, to be calculated as row 6 minus row 28.
30	Instruments issued by the parent company of the reporting group that meet all of the AT1 entry criteria set out in paragraph 55 of Basel III and any related stock surplus as set out in paragraph 56 of Basel III. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include AT1 issued by an SPV of the parent company only if it meets the requirements set out in paragraph 65 of Basel III.
31	The amount in row 30 classified as equity under applicable accounting standards.
32	The amount in row 30 classified as liabilities under applicable accounting standards.
33	Directly issued capital instruments subject to phase-out from AT1 in accordance with the requirements of paragraph 94(g) of Basel III.
34	AT1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties, the amount allowed in group AT1 in accordance with paragraph 63 of Basel III (see Annex 3 of Basel III for example calculation).
35	The amount reported in row 34 that relates to instruments subject to phase-out from AT1 in accordance with the requirements of paragraph 94(g) of Basel III.
36	The sum of rows 30, 33 and 34.
37	Investments in own AT1 instruments, amount to be deducted from AT1 in accordance with paragraph 78 of Basel III.
38	Reciprocal cross-holdings in AT1 instruments, amount to be deducted from AT1 in accordance with paragraph 79 of Basel III.
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity, net of eligible short positions and amount above 10% threshold. Amount to be deducted from AT1 calculated in accordance with paragraphs 80–3 of Basel III.
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions. Amount to be deducted from AT1 in accordance with paragraphs 84–5 of Basel III.
41	Any national specific regulatory adjustments that national authorities require to be applied to AT1 in addition to the Basel III minimum set of adjustments. Guidance should be sought from national supervisors.
42	Regulatory adjustments applied to AT1 due to insufficient Tier 2 capital to cover deductions. If the amount reported in row 57 exceeds the amount reported in row 51, the excess is to be reported here.
43	The sum of rows 37–42.
44	AT1 capital, to be calculated as row 36 minus row 43.
45	Tier 1 capital, to be calculated as row 29 plus row 44.
46	Instruments issued by the parent company of the reporting group that meet all of the Tier 2 capital criteria set out in paragraph 58 of Basel III and any related stock surplus as set out in paragraph 59 of Basel III. All instruments issued by subsidiaries of the consolidated group should be excluded from this row. This row may include Tier 2 capital issued by an SPV of the parent company only if it meets the requirements set out in paragraph 65 of Basel III.
47	Directly issued capital instruments subject to phase-out from Tier 2 capital in accordance with the requirements of paragraph 94 (g) of Basel III.
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 32) issued by subsidiaries and held by third parties (amount allowed in group Tier 2), in accordance with paragraph 64 of Basel III.
49	The amount reported in row 48 that relates to instruments subject to phase-out from Tier 2 capital in accordance with the requirements of paragraph 94(g) of Basel III.
50	Provisions included in Tier 2, calculated in accordance with paragraphs 60–1 of Basel III.
51	The sum of rows 46–8 and row 50.
52	Investments in own Tier 2 instruments, amount to be deducted from Tier 2 capital in accordance with paragraph 78 of Basel III.
53	Reciprocal cross-holdings in Tier 2 capital instruments and other TLAC liabilities, amount to be deducted from Tier 2 capital in accordance with paragraph 79 of Basel III (as amended by the TLAC holdings standard).

54	Investments in the capital instruments and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity: amount in excess of the 10% threshold that is to be deducted from Tier 2 capital in accordance with paragraphs 80–3 of Basel III (as amended by the TLAC holdings standard). For non-G-SIBs, any amount reported in this row will reflect other TLAC liabilities not covered by the 5% threshold and that cannot be absorbed by the 10% threshold. For G-SIBs, the 5% threshold is subject to additional conditions; deductions in excess of the 5% threshold are reported instead in 54a.
54a	(This row is for G-SIBs only.) Investments in other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity, previously designated for the 5% threshold but no longer meeting the conditions under paragraph 80a of the TLAC holdings standard, measured on a gross long basis. The amount to be deducted will be the amount of other TLAC liabilities designated to the 5% threshold but not sold within 30 business days, no longer held in the trading book or now exceeding the 5% threshold (eg in the instance of decreasing CET1 capital). Note that, for G-SIBs, amounts designated to this threshold may not subsequently be moved to the 10% threshold. This row does not apply to non-G-SIBs, to whom these conditions on the use of the 5% threshold do not apply.
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions), amount to be deducted from Tier 2 capital in accordance with paragraphs 84–5 of Basel III.
56	Any national specific regulatory adjustments that national authorities require to be applied to Tier 2 capital in addition to the Basel III minimum set of adjustments. Guidance should be sought from national supervisors.
57	The sum of rows 52–6.
58	Tier 2 capital, to be calculated as row 51 minus row 57.
59	Total capital, to be calculated as row 45 plus row 58.
60	Total risk-weighted assets of the reporting group.
61	CET1 ratio (as a percentage of risk-weighted assets), to be calculated as row 29 divided by row 60 (expressed as a percentage).
62	Tier 1 ratio (as a percentage of risk-weighted assets), to be calculated as row 45 divided by row 60 (expressed as a percentage).
63	Total capital ratio (as a percentage of risk-weighted assets), to be calculated as row 59 divided by row 60 (expressed as a percentage).
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets). If an MPE G-SIB resolution entity is not subject to a buffer requirement at that scope of consolidation, then it should enter zero.
65	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the capital conservation buffer, ie banks will report 2.5% here.
66	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the bank-specific countercyclical buffer requirement.
67	The amount in row 64 (expressed as a percentage of risk-weighted assets) that relates to the bank's higher loss absorbency requirement, if applicable.
68	CET1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements. To be calculated as the CET1 ratio of the bank (row 61) less the ratio of RWA of any common equity used to meet the bank's CET1, Tier 1 and total minimum capital requirements. For example, suppose a bank has 100 RWA, 10 CET1 capital, 1.5 additional Tier 1 capital and no Tier 2 capital. Since it does not have any Tier 2 capital, it will have to earmark its CET1 capital to meet the 8% minimum capital requirement. The net CET1 capital left to meet other requirements (which could include Pillar 2, buffers or TLAC requirements) will be $10 - 4.5 - 2 = 3.5$.
69	National CET1 minimum ratio (if different from Basel III minimum). Guidance should be sought from national supervisors.
70	National Tier 1 minimum ratio (if different from Basel III minimum). Guidance should be sought from national supervisors.
71	National total capital minimum ratio (if different from Basel III minimum). Guidance should be sought from national supervisors.
72	Investments in the capital instruments and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation where the bank does not own more than 10% of the issued common share capital of the entity (in accordance with paragraphs 80–3 of Basel III, as amended by the TLAC holdings standard).
73	Significant investments in the common stock of financial entities, the total amount of such holdings that are not reported in row 19 and row 23.
74	Mortgage servicing rights, the total amount of such holdings that are not reported in row 20 and row 24.
75	Deferred tax assets arising from temporary differences, the total amount of such holdings that are not reported in row 21 and row 25.

76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach, calculated in accordance with paragraph 60 of Basel III, prior to the application of the cap.
77	Cap on inclusion of provisions in Tier 2 capital under the standardised approach, calculated in accordance with paragraph 60 of Basel III.
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to the internal ratings-based approach, calculated in accordance with paragraph 61 of Basel III, prior to the application of the cap.
79	Cap on inclusion of provisions in Tier 2 capital under the internal ratings-based approach, calculated in accordance with paragraph 61 of Basel III.
80	Current cap on CET1 instruments subject to phase-out arrangements; see paragraph 95 of Basel III.
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities); see paragraph 95 of Basel III.
82	Current cap on AT1 instruments subject to phase-out arrangements; see paragraph 94(g) of Basel III.
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities); see paragraph 94(g) of Basel III.
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements; see paragraph 94(g) of Basel III.
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities); see paragraph 94(g) of Basel III.

In general, to ensure that the templates remain comparable across jurisdictions there should be no adjustments to the version banks use to disclose their regulatory capital position. However, the following exceptions apply to take account of language differences and to reduce the reporting of unnecessary information:

- The template and explanatory table above can be translated by national authorities into the relevant national language(s) that implement the Basel standards. The translated version of the template will retain all of the rows included in the template.
- For the explanatory table, the national version can reference the national rules that implement the relevant sections of Basel III.
- Banks are not permitted to add, delete or change the definitions of any rows from the reporting template implemented in their jurisdiction. This is irrespective of the concession allowed in paragraph 17 of the revised Pillar 3 disclosure requirements issued in January 2015 that banks may delete the specific row/column from the template if such row/column is not considered to be relevant to the banks' activities or the required information would not be meaningful to the users, and will prevent a divergence of templates that could undermine the objectives of consistency and comparability.
- The national version of the template must retain the same row numbering used in the first column of the template above, such that users of Pillar 3 data can easily map the national templates to the common version above. However, the template includes certain rows that reference specific national regulatory adjustments (rows 26, 41 and 56). The relevant national authority should insert rows after each of these to provide rows for banks to disclose each of the relevant national specific adjustments (with the totals reported in rows 26, 41 and 56). The insertion of any rows must leave the numbering of the remaining rows unchanged, eg rows detailing national specific regulatory adjustments to CET1 could be labelled row 26a, row 26b etc, to ensure that the subsequent row numbers are not affected.
- In cases where the national implementation of Basel III applies a more conservative definition of an element listed in the template above, national authorities may choose between two approaches:
 - Approach 1: in the national version of the template, maintain the same definitions of all rows as set out in the template above, and require banks to report the impact of the more conservative national definition in the designated rows for national specific adjustments (ie rows 26, 41 and 56).
 - Approach 2: in the national version of the template, use the definitions of elements as implemented in that jurisdiction, clearly labelling them as being different from the Basel III minimum definition, and require banks to separately disclose the impact of each of these different definitions in the notes to the template.

The aim of both approaches is to provide all the information necessary to enable users of Pillar 3 data to calculate the capital of banks on a common basis.

Template CC2 – Reconciliation of regulatory capital to balance sheet

Purpose: Enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between a bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1.

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

Content: Carrying values (corresponding to the values reported in financial statements).

Frequency: Semiannual.

Format: Flexible (but the rows must align with the presentation of the bank's financial report).

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain any significant changes in the expanded balance sheet items over the reporting period and the key drivers of such change. Narrative commentary to significant changes in other balance sheet items could be found in Table LIA.

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Assets			
Cash and balances at central banks			
Items in the course of collection from other banks			
Trading portfolio assets			
Financial assets designated at fair value			
Derivative financial instruments			
Loans and advances to banks			
Loans and advances to customers			
Reverse repurchase agreements and other similar secured lending			
Available for sale financial investments			
Current and deferred tax assets			
Prepayments, accrued income and other assets			
Investments in associates and joint ventures			
Goodwill and intangible assets			
Of which: goodwill			(a)
Of which: other intangibles (excluding MSRs)			(b)
Of which: MSRs			(c)
Property, plant and equipment			
Total assets			
Liabilities			
Deposits from banks			
Items in the course of collection due to other banks			
Customer accounts			
Repurchase agreements and other similar secured borrowing			
Trading portfolio liabilities			
Financial liabilities designated at fair value			
Derivative financial instruments			
Debt securities in issue			
Accruals, deferred income and other liabilities			
Current and deferred tax liabilities			
Of which: DTLs related to goodwill			(d)
Of which: DTLs related to intangible assets (excluding MSRs)			(e)
Of which: DTLs related to MSRs			(f)
Subordinated liabilities			
Provisions			
Retirement benefit liabilities			
Total liabilities			
Shareholders' equity			
Paid-in share capital			
Of which: amount eligible for CET1			(h)
Of which: amount eligible for AT1			(i)
Retained earnings			

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Accumulated other comprehensive income			
Total shareholders' equity			

Columns

Banks are required to take their balance sheet in their published financial statements (numbers reported in column (a) above) and report the numbers when the regulatory scope of consolidation is applied (numbers reported in column (b) above). This is referred to as Step 1 under the three-step approach to reconciliation, as explained and illustrated in paragraphs 14–16 and 42 (Annex 2) of *Composition of capital disclosure requirements*, June 2012.

If there are rows in the balance sheet under the regulatory scope of consolidation that are not present in the published financial statements, banks are required to add these and give a value of zero in column (a).

If a bank's scope of accounting consolidation and its scope of regulatory consolidation are exactly the same, columns (a) and (b) should be merged and this fact should be clearly disclosed.

Rows

Similar to Template LI1, the rows in the above template should follow the balance sheet presentation used by the bank in its financial statements, on which basis the bank is required to expand the balance sheet to identify all the items that are disclosed in Template CC1 (referred to as Step 2 under the three-step approach to reconciliation, as explained and illustrated in paragraphs 17–22 and 43 (Annex 2) of *Composition of capital disclosure requirements*, June 2012). Set out above (ie items (a) to (i)) are some examples of items that may need to be expanded for a particular banking group. Disclosure should be proportionate to the complexity of the bank's balance sheet. Each item must be given a reference number/letter in column (c) that is used as cross-reference to column (b) of Template CC1.

Linkages across templates

- (i) The amounts in columns (a) and (b) in Template CC2 before balance sheet expansion (ie before Step 2) should be identical to columns (a) and (b) in Template LI1.
- (ii) Each expanded item is to be cross-referenced to the corresponding items in Template CC1.

Table CCA: Main features of regulatory capital instruments and of other TLAC-eligible instruments

Purpose: Provide a description of the main features of a bank's regulatory capital instruments and other TLAC-eligible instruments, as applicable, that are recognised as part of its capital base / TLAC resources.

Scope of application: The template is mandatory for all banks. In addition to completing the template for all regulatory capital instruments, G-SIB resolution entities should complete the template (including lines 3a and 34a) for all other TLAC-eligible instruments that are recognised as external TLAC resources by the resolution entities, starting from the TLAC conformance date. Internal TLAC instruments and other senior debt instruments are not covered in this template.

Content: Quantitative and qualitative information as required.

Frequency: Table CCA should be posted on a bank's website. It should be updated whenever the bank issues or repays a capital instrument (or other TLAC-eligible instrument where applicable), and whenever there is a redemption, conversion/writedown or other material change in the nature of an existing instrument. Updates should, at a minimum, be made semiannually. Banks should include the web link in each Pillar 3 report to the issuances made over the previous period.

Format: Flexible.

Accompanying information: Banks are required to make available on their websites the full terms and conditions of all instruments included in regulatory capital and TLAC.

		a Quantitative / qualitative information
1	Issuer	
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	
4	Transitional Basel III rules	
5	Post-transitional Basel III rules	
6	Eligible at solo/group/group and solo	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	
9	Par value of instrument	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20	Fully discretionary, partially discretionary or mandatory	
21	Existence of step-up or other incentive to redeem	
22	Non-cumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Writedown feature	
31	If writedown, writedown trigger(s)	
32	If writedown, full or partial	
33	If writedown, permanent or temporary	
34	If temporary write-own, description of writeup mechanism	
34a	Type of subordination	

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	
36	Non-compliant transitioned features	
37	If yes, specify non-compliant features	

Instructions

Banks are required to complete the template for each outstanding regulatory capital instrument and, in the case of G-SIBs, TLAC-eligible instruments (banks should insert "NA" if the question is not applicable).

Banks are required to report each instrument, including common shares, in a separate column of the template, such that the completed Table CCA would provide a "main features report" that summarises all of the regulatory capital and TLAC-eligible instruments of the banking group. G-SIBs disclosing these instruments should group them under three sections (horizontally along the table) to indicate whether they are for meeting (i) only capital (but not TLAC) requirements; (ii) both capital and TLAC requirements; or (iii) only TLAC (but not capital) requirements.

The list of main features represents a minimum level of required summary disclosure. In implementing this minimum requirement, each national authority is encouraged to add to this list if there are features that it are important to disclose in the context of the banks they supervise.

Rows

This table was developed in a spreadsheet that will be made available to banks on the Basel Committee's website. To complete most of the cells, banks simply need to select an option from a dropdown menu. Using the reference numbers in the left-hand column of the table above, the following table provides a more detailed explanation of what banks are required to report in each of the cells, and, where relevant, the list of options contained in the spreadsheet's dropdown menu.

Row number	Explanation	Format / list of options (where relevant)
1	Identifies issuer legal entity.	Free text
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Free text
3	Specifies the governing law(s) of the instrument	Free text
3a	Other TLAC-eligible instruments governed by foreign law (ie a law other than that of the home jurisdiction of a resolution entity) include a clause in the contractual provisions whereby investors expressly submit to, and provide consent to the application of, the use of resolution tools in relation to the instrument by the home authority notwithstanding any provision of foreign law to the contrary, unless there is equivalent binding statutory provision for cross-border recognition of resolution actions. Select "NA" where the governing law of the instrument is the same as that of the country of incorporation of the resolution entity.	Select from menu: [Contractual] [Statutory] [NA]
4	Specifies the regulatory capital treatment during the Basel III transitional phase (ie the component of capital from which the instrument is being phased out).	Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2]
5	Specifies regulatory capital treatment under Basel III rules not taking into account transitional treatment.	Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible]
6	Specifies the level(s) within the group at which the instrument is included in capital.	Select from menu: [Solo] [Group] [Solo and Group]
7	Specifies instrument type, varying by jurisdiction. Helps provide more granular understanding of features, particularly during transition.	Select from menu: menu options to be provided to banks by each jurisdiction
8	Specifies amount recognised in regulatory capital.	Free text
9	Par value of instrument.	Free text
10	Specifies accounting classification. Helps to assess loss absorbency.	Select from menu: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary]
11	Specifies date of issuance.	Free text
12	Specifies whether dated or perpetual.	Select from menu: [Perpetual] [Dated]
13	For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument, enter "no maturity".	Free text
14	Specifies whether there is an issuer call option.	Select from menu: [Yes] [No]
15	For instrument with issuer call option, specifies: (i) the first date of call if the instrument has a call option on a specific date (day, month and year); (ii) the instrument has a tax and/or regulatory event call; and (iii) the redemption price.	Free text
16	Specifies the existence and frequency of subsequent call dates, if applicable.	Free text
17	Specifies whether the coupon/dividend is fixed over the life of the instrument, floating over the life of the instrument, currently fixed but will move to a floating rate in the future, currently floating but will move to a fixed rate in the future.	Select from menu: [Fixed], [Floating] [Fixed to floating], [Floating to fixed]
18	Specifies the coupon rate of the instrument and any related index that the coupon/dividend rate references.	Free text
19	Specifies whether the non-payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (ie whether there is a dividend stopper).	Select from menu: [Yes] [No]

Row number	Explanation	Format / list of options (where relevant)
20	Specifies whether the issuer has full, partial or no discretion over whether a coupon/dividend is paid. If the bank has full discretion to cancel coupon/dividend payments under all circumstances, it must select "fully discretionary" (including when there is a dividend stopper that does not have the effect of preventing the bank from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (eg capital below a certain threshold), the bank must select "partially discretionary". If the bank is unable to cancel the payment outside of insolvency, the bank must select "mandatory".	Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory]
21	Specifies whether there is a step-up or other incentive to redeem.	Select from menu: [Yes] [No]
22	Specifies whether dividends/coupons are cumulative or non-cumulative.	Select from menu: [Non-cumulative] [Cumulative]
23	Specifies whether instrument is convertible or not.	Select from menu: [Convertible] [Non-convertible]
24	Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities should be listed. For each of the authorities it should be stated whether the legal basis for the authority to trigger conversion is provided by the terms of the contract of the instrument (a contractual approach) or statutory means (a statutory approach).	Free text
25	For conversion trigger separately, specifies whether the instrument will: (i) always convert fully; (ii) may convert fully or partially; or (iii) will always convert partially.	Free text referencing one of the options above
26	Specifies rate of conversion into the more loss-absorbent instrument.	Free text
27	For convertible instruments, specifies whether conversion is mandatory or optional.	Select from menu: [Mandatory] [Optional] [NA]
28	For convertible instruments, specifies instrument type convertible into.	Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other]
29	If convertible, specify issuer of instrument into which it converts.	Free text
30	Specifies whether there is a writedown feature.	Select from menu: [Yes] [No]
31	Specifies the trigger at which writedown occurs, including point of non-viability. Where one or more authorities have the ability to trigger writedown, the authorities should be listed. For each of the authorities it should be stated whether the legal basis for the authority to trigger conversion is provided by the terms of the contract of the instrument (a contractual approach) or statutory means (a statutory approach).	Free text
32	For each writedown trigger separately, specifies whether the instrument will: (i) always be written down fully; (ii) may be written down partially; or (iii) will always be written down partially.	Free text referencing one of the options above
33	For writedown instrument, specifies whether writedown is permanent or temporary.	Select from menu: [Permanent] [Temporary] [NA]
34	For instrument that has a temporary writedown, description of write-up mechanism.	Free text
34a	Type of subordination.	[Select from menu [Structural] [Statutory] [Contractual] [Exemption from subordination]
35	Specifies instrument to which it is most immediately subordinate. Where applicable, banks should specify the column numbers of the instruments in the completed main features template to which the instrument is most immediately subordinate. In the case of structural subordination, "NA" should be entered.	Free text
36	Specifies whether there are non-compliant features.	Select from menu: [Yes] [No]
37	If there are non-compliant features, asks bank/institution to specify which ones.	Free text

Template TLAC1: TLAC composition for G-SIBs (at resolution group level)

Purpose: Provide details of the composition of a G-SIB's TLAC.

Scope of application: This template is mandatory for all G-SIBs. It should be completed at the level of each resolution group within a G-SIB.

Content: Carrying values (corresponding to the values reported in financial statements).

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: G-SIBs are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of any such change(s). Qualitative narrative on the G-SIB resolution strategy, including the approach (single point of entry (SPE) or multiple point of entry (MPE)) and structure to which the resolution measures are applied, may be included to help understand the templates.

		a
		Amounts
	Regulatory capital elements of TLAC and adjustments	
1	Common Equity Tier 1 capital (CET1)	
2	Additional Tier 1 capital (AT1) before TLAC adjustments	
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties	
4	Other adjustments	
5	AT1 instruments eligible under the TLAC framework	
6	Tier 2 capital (T2) before TLAC adjustments	
7	Amortised portion of T2 instruments where remaining maturity > 1 year	
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	
9	Other adjustments	
10	T2 instruments eligible under the TLAC framework	
11	TLAC arising from regulatory capital	
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	
14	Of which: amount eligible as TLAC after application of the caps	
15	External TLAC instruments issued by funding vehicles prior to 1 January 2022	
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution	
17	TLAC arising from non-regulatory capital instruments before adjustments	
	Non-regulatory capital elements of TLAC: adjustments	
18	TLAC before deductions	
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)	
20	Deduction of investments in own other TLAC liabilities	
21	Other adjustments to TLAC	
22	TLAC after deductions	
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	
24	Leverage exposure measure	
	TLAC ratios and buffers	
25	TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	
26	TLAC (as a percentage of leverage exposure)	
27	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	
28	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	
29	Of which: capital conservation buffer requirement	
30	Of which: bank specific countercyclical buffer requirement	
31	Of which: higher loss absorbency requirement	

Instructions

For SPE G-SIBs, where the resolution group is the same as the regulatory scope of consolidation for Basel III regulatory capital, those rows

that refer to regulatory capital before adjustments coincide with information provided under Template CC1. For MPE G-SIBs, information is provided for each resolution group. Aggregation of capital and total risk-weighted assets (RWA) for capital purposes across resolution groups will not necessarily equal or directly correspond to values reported for regulatory capital and RWA under Template CC1.

The TLAC position related to the regulatory capital of the resolution group shall include only capital instruments issued by entities belonging to the resolution group. Similarly, the TLAC position is based on the RWA (adjusted as permitted under Section 3 of the FSB TLAC Term Sheet) and leverage ratio exposure measures calculated at the level of the resolution group. Regarding the shading:

- Each dark grey row introduces a new section detailing a certain component of TLAC.
- The light grey rows with no thick border represent the sum cells in the relevant section.
- The light grey rows with a thick border show the main components of TLAC.

The following table explains each row of the above template. Regarding the regulatory adjustments, banks are required to report deductions from capital or TLAC as positive numbers and additions to capital or TLAC as negative numbers. For example, the amortised portion of T2 where remaining maturity is greater than one year (row 7) should be reported as a negative number (as it adds back in the calculation of T2 instruments eligible as TLAC), while T2 capital ineligible as TLAC (row 8) should be reported as a positive number.

Row number	Explanation
1	CET1 of the resolution group, calculated in line with the Basel III and TLAC frameworks. National authorities may require this row to be reported net of an MPE G-SIB resolution entity's CET1 investments in other resolution groups (see Note).
2	Additional Tier 1 capital. This row will provide information on the AT1 of the resolution group, calculated in line with the Basel III and TLAC frameworks.
3	AT1 instruments issued out of subsidiaries to third parties that are ineligible as TLAC. According to Section 8c of the TLAC Term Sheet, such instruments could be recognised to meet minimum TLAC until 31 December 2021. An amount (equal to that reported in row 34 in Template CC1) should thus be reported only starting from 1 January 2022.
4	Other elements of AT1 that are ineligible as TLAC (excluding those already incorporated in row 3). For example, national authorities may include in this row deductions related to an MPE G-SIB resolution entity's AT1 investments in other resolution groups (see also Note).
5	AT1 instruments eligible under the TLAC framework, to be calculated as row 2 minus rows 3 and 4.
6	Tier 2 capital of the resolution group, calculated in line with the Basel III and TLAC frameworks.
7	Amortised portion of T2 instruments where remaining maturity is greater than one year. This row recognises that as long as the remaining maturity of a T2 instrument is above the one-year residual maturity requirement of the TLAC Term Sheet, the full amount may be included in TLAC, even if the instrument is partially derecognised in regulatory capital via the requirement to amortise the instrument in the five years before maturity. Only the amount not recognised in regulatory capital but meeting all TLAC eligibility criteria should be reported in this row.
8	T2 instruments issued out of subsidiaries to third parties that are ineligible as TLAC. According to Section 8c of the TLAC Term Sheet, such instruments could be recognised to meet minimum TLAC until 31 December 2021. An amount (equal to that reported in row 48 of Template CC1) should thus be reported only starting from 1 January 2022.
9	Other elements of T2 capital that are ineligible as TLAC (excluding those that are already incorporated in row 8). For example, some jurisdictions recognise an element of Tier 2 capital in the final year before maturity, but such amounts are ineligible as TLAC. Regulatory capital instruments issued by funding vehicles are another example. Also, national authorities may include in this row deductions related to an MPE G-SIB resolution entity's investments in the T2 instruments or other TLAC liabilities of other resolution groups (see Note).
10	T2 instruments eligible under the TLAC framework, to be calculated as: row 6 + row 7 – row 8 – row 9.
11	TLAC arising from regulatory capital, to be calculated as: row 1 + row 5 + row 10.
12	External TLAC instruments issued directly by the resolution entity and subordinated to excluded liabilities. The amount reported in this row must meet the subordination requirements set out in points (a) to (c) of Section 11 of the TLAC Term Sheet, or be exempt from the requirement by meeting the conditions set out in points (i) to (iv) of the same section.
13	External TLAC instruments issued directly by the resolution entity that are not subordinated to Excluded Liabilities but meet the other TLAC term sheet requirements. The amount reported in this row should be those subject to recognition as a result of the application of the penultimate and antepenultimate paragraphs of Section 11 of the TLAC term sheet. The full amounts should be reported in this row, ie without applying the 2.5% and 3.5% caps set out in the penultimate paragraph.
14	The amount reported in row 13 above after the application of the 2.5% and 3.5% caps set out in the penultimate paragraph of Section 11 of the TLAC term sheet.
15	External TLAC instrument issued by a funding vehicle prior to 1 January 2022. Amounts issued after 1 January 2022 are not eligible as TLAC and should not be reported here.
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution, subject to the conditions set out in the second paragraph of Section 7 of the TLAC Term Sheet.
17	Non-regulatory capital elements of TLAC before adjustments. To be calculated as: row 12 + row 14 + row 15 + row 16.
18	Total loss-absorbing capacity before adjustments. To be calculated as: row 11 + row 17.
19	Deductions of exposures between MPE G-SIB resolution groups that correspond to items eligible for TLAC (not applicable for SPE G-SIBs). All amounts reported in this row should correspond to deductions applied after the appropriate adjustments agreed by the crisis management group (CMG) (following the penultimate paragraph of Section 3 of the FSB TLAC Term Sheet, the CMG shall discuss and, where appropriate and consistent with the resolution strategy, agree on the allocation of the deduction). National authorities may include in this row an MPE G-SIB resolution entity's investments in other resolution groups (see Note).
20	Deductions of investments in own other TLAC liabilities; amount to be deducted from TLAC resources in accordance with paragraph 78 of Basel III (as amended by the TLAC holdings standard).
21	Other adjustments to TLAC.
22	TLAC of the resolution group (as the case may be) after deductions. To be calculated as: row 18 – row 19 – row 20 – row 21.

23	Total risk-weighted assets of the resolution group under the TLAC regime. For SPE G-SIBs, this information is based on the consolidated figure, so the amount reported in this row will coincide with that in row 60 of Template CC1.
24	Leverage exposure measure of the resolution group (denominator of leverage ratio).
25	TLAC ratio (as a percentage of risk-weighted assets for TLAC purposes), to be calculated as row 22 divided by row 23.
26	TLAC ratio (as a percentage of leverage exposure measure), to be calculated as row 22 divided by row 24.
27	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital requirements and TLAC requirement. To be calculated as the CET1 ratio, less any common equity (as a percentage of risk-weighted assets) used to meet CET1, Tier 1, total minimum capital and TLAC requirements. For example, suppose a resolution group (that is subject to regulatory capital requirements) has 100 RWA, 10 CET1 capital, 1.5 AT1 capital, no T2 capital and 9 non-regulatory-capital TLAC-eligible instruments. The resolution group will have to earmark its CET1 capital to meet the 8% minimum capital requirement and 18% minimum TLAC requirement. The net CET1 capital left to meet other requirements (which could include Pillar 2 or buffers) will be $10 - 4.5 - 2 - 1 = 2.5$.
28	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk-weighted assets). Calculated as the sum of: (i) the G-SIB's capital conservation buffer; (ii) the G-SIB's specific countercyclical buffer requirement calculated in accordance with paragraphs 142–5 of Basel III; and (iii) the higher loss absorbency requirement as set out in <i>Global systemically important banks: assessment methodology and the additional loss absorbency requirement: Rules text</i> , (November 2011). Not applicable to individual resolution groups of an MPE G-SIB, unless the relevant authority imposes buffer requirements at the level of consolidation and requires such disclosure.
29	The amount in row 28 (expressed as a percentage of risk-weighted assets) that relates to the capital conservation buffer, ie G-SIBs will report 2.5% here. Not applicable to individual resolution groups of an MPE G-SIB, unless otherwise required by the relevant authority.
30	The amount in row 28 (expressed as a percentage of risk-weighted assets) that relates to the G-SIB's specific countercyclical buffer requirement. Not applicable to individual resolution groups of an MPE G-SIB, unless otherwise required by the relevant authority.
31	The amount in row 28 (expressed as a percentage of risk-weighted assets) that relates to the higher loss absorbency requirement. Not applicable to individual resolution groups of an MPE G-SIB, unless otherwise required by the relevant authority.

Note: In the case of a resolution group of an MPE G-SIB, unless otherwise specified, the relevant national authority supervising the group can choose to require the group to calculate and report row 11 either: (i) **net** of its investments in the regulatory capital or other TLAC liabilities of other resolution groups (ie by deducting such investments in rows 1, 4 and 9 as applicable); or (ii) **gross**, in which case the investments will need to be deducted from TLAC resources in row 19 along with any investments in non-regulatory-capital elements of TLAC.

In general, to ensure that the templates remain comparable across jurisdictions, there should be no adjustments to the version that G-SIB resolution entities use to disclose their TLAC position. However, the following exceptions apply to take account of language differences and to reduce the reporting of unnecessary information:

- The template and explanatory table can be translated by the relevant national authorities into the relevant national language(s) that implement the standards in the FSB TLAC Term Sheet. The translated version of the template will retain all of the rows included in the template above.
- Regarding the explanatory table, the national version can reference the national rules that implement the relevant sections of the FSB TLAC Term Sheet.
- G-SIB resolution groups are not permitted to add, delete or change the definitions of any rows from the common reporting template implemented in their jurisdiction. This is irrespective of the concession allowed in paragraph 17 of the revised Pillar 3 disclosure requirements issued in January 2015 that banks may delete the specific row/column from the template if such row/column is not considered to be relevant to the G-SIBs' activities or the required information would not be meaningful to the users, and will prevent a divergence of templates that could undermine the objectives of consistency and comparability.
- The national version of the template must retain the same row numbering used in the first column of the template above, such that users of Pillar 3 data can easily map the national templates to the common version above. The insertion of any rows must leave the numbering of the remaining rows unchanged, eg rows detailing national specific regulatory adjustments to AT1 could be labelled row 3a, row 3b etc, to ensure that the subsequent row numbers are not affected.
- In cases where the national implementation of the FSB Term Sheet applies a more conservative definition of an element listed in the template above, national authorities may choose between one of two approaches:
 - Approach 1: in the national version of the template, maintain the same definitions of all rows as set out in the template above, and require G-SIBs to report the impact of the more conservative national definition in designated rows for specific national adjustments.
 - Approach 2: in the national version of the template, use the definitions of elements as implemented in that jurisdiction, clearly label them as being different from the TLAC definition, and require G-SIBs to separately disclose the impact of each of these different definitions in the notes to the template.

The aim of both approaches is to provide all the information necessary to enable users of Pillar 3 data to calculate the TLAC of G-SIBs on a common basis.

Template TLAC2 – Material subgroup entity – creditor ranking at legal entity level

Purpose: Provide creditors with information regarding their ranking in the liabilities structure of a material subgroup entity (ie an entity that is part of a material subgroup) which has issued internal TLAC to a G-SIB resolution entity.

Scope of application: The template is mandatory for all G-SIBs. It is to be completed in respect of every material subgroup entity within each resolution group of a G-SIB, as defined by the FSB TLAC term sheet, on a legal entity basis. G-SIBs should group the templates according to the resolution group to which the material subgroup entities belong (whose positions are represented in the templates) belong, in a manner that makes it clear to which resolution entity they have exposures.

Content: Nominal values.

Frequency: Semiannual.

Format: Fixed (number and description of each column under "Creditor ranking" depending on the liabilities structure of a material subgroup entity).

Accompanying narrative: Where appropriate, banks should provide bank- or jurisdiction-specific information relating to credit hierarchies.

		Creditor ranking						Sum of 1 to <i>n</i>
		1 (most junior)	1 (most junior)	2	2	...	<i>n</i> (most senior)	
1	Is the resolution entity the creditor/investor? (yes or no)					...		
2	Description of creditor ranking (free text)							
3	Total capital and liabilities net of credit risk mitigation					...		
4	Subset of row 3 that are excluded liabilities					...		
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)					...		
6	Subset of row 5 that are eligible as TLAC					...		
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years					...		
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years					...		
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years					...		
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities					...		
11	Subset of row 6 that is perpetual securities							

Explanations

- Different jurisdictions have different statutory creditor hierarchies. The number of creditor rankings (*n*) in the creditor hierarchy will depend on the set of liabilities of the entity. There is at least one column for

each creditor ranking. In cases where the resolution entity is a creditor of part of the total amount in the creditor ranking, two columns should be completed (both with the same ordinal ranking): one covering amounts owned by the resolution entity and the other covering amounts not owned by the resolution entity.

- Columns should be added until the most senior-ranking internal TLAC-eligible instruments, and all pari passu liabilities, have been reported. The table therefore contains all funding that is pari passu or junior to internal TLAC-eligible instruments, including equity and other capital instruments. Note that there may be some instruments that are eligible as internal TLAC despite ranking pari passu to excluded liabilities, as described in Section 11 of the FSB TLAC Term Sheet.
 - G-SIBs should provide a description of each creditor class ranking. This description can be in free form text. Typically the description should include a specification of at least one type of instrument that is within that creditor class ranking (eg common shares, Tier 2 instruments). This allows for the disclosure of the creditor hierarchy even if there is a range of different statutory creditor hierarchies in different jurisdictions, tranching that may exist within some jurisdictions' statutory hierarchies or which banks have established contractually with respect to the ranking of claims.
 - Instruments are not eligible as TLAC if they are subject to setoff or netting rights, under Sections 9 (paragraph (c)) and 19 of the FSB TLAC Term Sheet. However, where there are internal TLAC instruments that rank pari passu with excluded liabilities, these excluded liabilities should be reported in rows 3 and 4, net of credit risk mitigation, as they could be bailed in alongside TLAC. Collateralised loans should be excluded, except for any debt in excess of the value of the collateral. Instruments subject to public guarantee should be included as they can be bailed in (with investors compensated in accordance with the guarantee). Liabilities subject to setoff or netting rights should be included net of the firm's claims on the creditor.
 - Excluded liabilities in row 4 include all of the following: (i) insured deposits; (ii) sight deposits and short-term deposits (deposits with original maturity of less than one year); (iii) liabilities which are preferred to senior unsecured creditors under the relevant insolvency law; (iv) liabilities arising from derivatives or debt instruments with derivative-linked features, such as structured notes; (v) liabilities arising other than through a contract, such as tax liabilities; and (vi) any other liabilities that, under the laws governing the issuing entity, cannot be effectively written down or converted into equity by the relevant resolution authority.
 - Row 6 includes the subset of the amounts reported in row 5 that are internal TLAC-eligible according to Section 19 the FSB TLAC Term Sheet (eg those that have a residual maturity of at least one year, are unsecured and if redeemable are not redeemable without supervisory approval).
-

Template TLAC3 – Resolution entity – creditor ranking at legal entity level

Purpose: Provide creditors with information regarding their ranking in the liabilities structure of each G-SIB resolution entity.

Scope of application: The template is to be completed in respect of every resolution entity within the G-SIB, as defined by the TLAC standard, on a legal entity basis.

Content: Nominal values.

Frequency: Semiannual.

Format: Fixed (number and description of each column under “Creditor ranking” depending on the liabilities structure of a resolution entity).

Accompanying narrative: Where appropriate, banks should provide bank- or jurisdiction-specific information relating to credit hierarchies.

		Creditor ranking				Sum of 1 to <i>n</i>
		1 (most junior)	2	...	<i>n</i> (most senior)	
1	Description of creditor ranking (free text)					
2	Total capital and liabilities net of credit risk mitigation			...		
3	Subset of row 2 that are excluded liabilities			...		
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)			...		
5	Subset of row 4 that are <i>potentially</i> eligible as TLAC			...		
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years			...		
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years			...		
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years			...		
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities			...		
10	Subset of row 5 that is perpetual securities			...		

Definitions and instructions

This template is the same as Template TLAC 2 except that no information is collected regarding exposures to the resolution entity (since the template describes the resolution entity itself). This means that there will only be one column for each layer of the creditor hierarchy.

Row 5 represents the subset of the amounts reported in row 4 that are TLAC-eligible according to the FSB TLAC Term Sheet (eg those that have a residual maturity of at least one year, are unsecured and if redeemable are not redeemable without supervisory approval). For the purposes of reporting this amount, the 2.5% cap (3.5% from 2022) on the exemption from the subordination requirement under the penultimate paragraph of Section 11 of the TLAC Term Sheet should be disappplied. That is, amounts that are ineligible solely as a result of the 2.5% cap (3.5%) should be included in full in row 5 together with amounts that are receiving recognition as TLAC. See also the second paragraph in Section 7 of the FSB TLAC Term Sheet.

Part 5: Macroprudential supervisory measures

Template GSIB1 – Disclosure of G-SIB indicators

Purpose: Provide an overview of the indicators that feed into the Committee’s methodology for assessing the systemic importance of global banks.

Scope of application: The template is mandatory for banks which have been classified as G-SIBs in the previous year, where each bank has a leverage ratio exposure measure²⁶ exceeding EUR 200 billion²⁷ or the bank was included in the assessment sample by the relevant national authority based on supervisory judgment.²⁸

Content: At least the 12 indicators used in the assessment methodology of the G-SIB framework.²⁹

Frequency: Annual.³⁰ Or in circumstances when banks are required to restate figures to reflect final data submitted to the Committee.³¹ This template must also be included in the bank’s financial year-end Pillar 3 report.

Format: Flexible. The information disclosed must be fully consistent with the data submitted to the relevant supervisory authorities for subsequent remittance to the Committee in the context of its annual data collection exercise for the assessment and identification of G-SIBs.

Where jurisdictions require banks (or banks voluntarily choose) to disclose the full breakdown of the indicators, such disclosure must take place using the template and related instructions that sample banks use to report their data to the Committee’s data hub or as required by their local jurisdiction. The template format and its reporting instructions are available on the BIS website.³²

Accompanying narrative: Banks should indicate the annual reference date of the information reported as well as the date of first public disclosure. Banks should include a web link to the disclosure of the previous G-SIB assessment exercise.

Banks may supplement the template with a narrative commentary to explain any relevant qualitative characteristic deemed necessary for understanding the quantitative data. This information may include explanations about the use of estimates with a short explanation as regards the method used, mergers or modifications of the legal structure of the entity subjected to the reported data, the bucket to which the bank was allocated and changes in HLA requirements, or reference to the BCBS website for data on denominators, cutoff scores and buckets.

Regardless of whether Template GSIB1 is included in the annual Pillar 3 report, a bank’s annual Pillar 3 report as well as all the interim Pillar 3 reports should include a reference to the website where current and previous disclosures of Template GSIB1 can be found.

²⁶ For G-SIB assessment purposes, the applicable leverage ratio exposure measure definition is contained in the Basel III leverage ratio standard of January 2014.

²⁷ For application of this threshold, banks should use the applicable exchange rate information provided on the BCBS website at www.bis.org/bcbs/gsib/. The disclosure itself is made in the bank’s own currency.

²⁸ See paragraphs 26 and 42 of BCBS, *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*, July 2013, www.bis.org/publ/bcbs255.htm.

²⁹ See BCBS, *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*, July 2013, www.bis.org/publ/bcbs255.htm.

³⁰ National authorities may allow banks whose financial year ends on 30 June to report indicator values based on their position as at 31 December (ie interim rather than financial year-end data).

³¹ Restatements are only necessary if considered so by the national authority or on voluntary basis.

³² See www.bis.org/bcbs/gsib/reporting_instructions.htm.

	Category	Individual indicator	Values
1	Cross-jurisdictional activity	Cross-jurisdictional claims	
2		Cross-jurisdictional liabilities	
3	Size	Total exposures	
4	Interconnectedness	Intra-financial system assets	
5		Intra-financial system liabilities	
6		Securities outstanding	
7	Substitutability/	Assets under custody	
8	Financial institution infrastructure	Payment activity	
9		Underwritten transactions in debt and equity markets	
10	Complexity	Notional amount of over-the-counter (OTC) derivatives	
11		Level 3 assets	
12		Trading and available for sale (AFS) securities	

Definitions and instructions

The template must be completed according to the instructions and definitions for the corresponding rows in force at the disclosure's reference date, which is based on the Committee's G-SIB identification exercise.

Template CCyB1 – Geographical distribution of credit exposures used in the countercyclical capital buffer

Purpose: Provide an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the countercyclical buffer.

Scope of application: The template is mandatory for all banks subject to a countercyclical buffer requirement based on the jurisdictions in which they have private sector credit exposures subject to a countercyclical buffer requirement compliant with the Basel standards. Only banks with exposures to jurisdictions in which the countercyclical buffer rate is higher than zero should disclose this template.

Content: Private sector credit exposures and other relevant inputs necessary for the computation of the bank-specific countercyclical capital buffer rate.

Frequency: Semiannual.

Format: Flexible. Columns and rows might be added or removed to fit with the domestic implementation of the countercyclical buffer and thereby provide information on any variables necessary for its computation. A column or a row may be removed if the information is not relevant to the domestic implementation of the countercyclical buffer framework.

Accompanying narrative: For the purposes of the countercyclical capital buffer, banks should use, where possible, exposures on an “ultimate risk” basis. They should disclose the methodology of geographical allocation used, and explain the jurisdictions or types of exposures for which the ultimate risk method is not used as a basis for allocation. The allocation of exposures to jurisdictions should be made taking into consideration the clarifications provided by BCBS, *Frequently asked questions on the Basel III countercyclical capital buffer*, October 2015, www.bis.org/bcbs/publ/d339.pdf. Information about the drivers for changes in the exposure amounts and the applicable jurisdiction-specific rates should be summarised.

Geographical breakdown	a	b		c	d	e
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Risk-weighted assets	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values				
(Home) Country 1						
Country 2						
Country 3						
:						
Country N						
Sum						
Total						

Definitions and instructions

Unless otherwise provided for in the domestic implementation of the countercyclical capital buffer framework, private sector credit exposures relevant for the calculation of the countercyclical buffer (relevant private sector credit exposures) refer to exposures to private sector counterparties which attract a credit risk capital charge in the banking book, and the risk-weighted equivalent trading book capital charges for specific risk, the incremental risk charge and securitisation. Interbank exposures and exposures to the public sector are excluded, but non-bank financial sector exposures are included.

Country: country in which the bank has relevant private sector credit exposures, and which has set a countercyclical capital buffer rate greater than zero that was applicable during the reporting period covered by the template.

Sum: sum of private sector credit exposures or RWA for private sector credit exposures, respectively, in jurisdictions with a non-zero countercyclical buffer rate.

Total: total of private sector credit exposures or RWA for private sector credit exposures, respectively, across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical buffer rate or with a countercyclical buffer rate set at zero, and value of the bank specific countercyclical capital buffer rate and resulting countercyclical buffer amount.

Countercyclical capital buffer rate: Countercyclical capital buffer rate set by the relevant national authority in the country in question and in force during the period covered by the template. Countercyclical capital buffer rates that were set by the relevant national authority, but are not yet applicable in the country in question at the disclosure reference date (pre-announced rates) must not be reported.

Total exposure value: if applicable, total private sector credit exposures across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical buffer rate or with a countercyclical buffer rate set at zero.

Total RWA: if applicable, total value of risk-weighted assets for relevant private sector credit exposures, across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical buffer rate or with a countercyclical buffer rate set at zero.

Bank-specific countercyclical capital buffer rate: countercyclical capital buffer that varies between zero and 2.5% or, where appropriate, above 2.5% of total risk-weighted assets calculated in accordance with paragraphs 142–5 of *Basel III: A global regulatory framework for more resilient banks and banking systems* as a weighted average of the countercyclical buffer rates that are being applied in jurisdictions where the relevant credit exposures of the bank are located and reported in rows 1 to N. This figure (ie the bank-specific countercyclical capital buffer rate) may not be deduced from the figures reported in this template as private sector credit exposures in jurisdictions that do not have a CCyB rate, which form part of the equation for calculating the figure, are not required to be reported in this template.

Countercyclical capital buffer amount: amount of Common Equity Tier 1 held to meet the countercyclical capital buffer requirement determined in accordance with paragraphs 139 to 145 of *Basel III: A global regulatory framework for more resilient banks and banking systems*.

Linkages across templates

Amount in [CCyB1:Total/d] is equal to [KM1:9/a] for the semiannual disclosure of KM1, and to [KM1:9/b] in the quarterly disclosure of KM1

Amount in [CCyB1:Total/d] is equal to [CC1:66/a] (for all banks) or [G-SIB group level TLAC1:30/a] (for G-SIBs)

Part 6: Leverage ratio

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure (January 2014 standard)

Purpose: Reconcile the total assets in the published financial statements to the leverage ratio exposure measure.

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

Content: Quantitative information. The Basel III leverage ratio framework follows the same scope of regulatory consolidation as used for the risk-based capital framework. Disclosures should be reported on a quarter-end basis. However, banks may, subject to supervisory approval, use more frequent calculations (eg daily or monthly averaging), as long as they do so consistently.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are required to disclose and detail the source of material differences between their total balance sheet assets (net of on-balance sheet derivative and securities financing transaction (SFT) assets) as reported in their financial statements and their on-balance sheet exposures as set out in row 1 of Template LR2. Banks are required to include the basis for their disclosures (eg quarter-end, daily averaging or monthly averaging).

		a
1	Total consolidated assets as per published financial statements	
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
4	Adjustments for derivative financial instruments	
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	
7	Other adjustments	
8	Leverage ratio exposure measure	

Definitions and instructions

Row number	Explanation
1	The bank's total consolidated assets as per published financial statements.
2	Where a banking, financial, insurance or commercial entity is outside the regulatory scope of consolidation, only the amount of the investment in the capital of that entity (ie only the carrying value of the investment, as opposed to the underlying assets and other exposures of the investee) shall be included in the leverage ratio exposure measure. However, investments in those entities that are deducted from the bank's CET1 capital or from additional Tier 1 capital in accordance with paragraphs 84–9 of the Basel III framework may also be deducted from the leverage ratio exposure measure. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
3	This row shows the reduction of the consolidated assets for fiduciary assets that are recognised on the bank's balance sheet pursuant to the operative accounting framework and which meet the de-recognition criteria of IAS 39 / IFRS 9 or the IFRS 10 de-consolidation criteria. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.

4	Adjustments related to derivative financial instruments. The adjustment is the difference between the accounting value of the derivatives recognised as assets and the leverage ratio exposure value as determined by application of paragraphs 18–31 of the Basel III leverage ratio framework and disclosure requirements. If this adjustment leads to an increase in exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall disclose this as a negative amount.
5	Adjustments related to SFTs (ie repos and other similar secured lending). The adjustment is the difference between the accounting value of the SFTs recognised as assets and the leverage ratio exposure value as determined by application of paragraphs 32–7 of the Basel III leverage ratio framework and disclosure requirements. If this adjustment leads to an increase in the exposure, institutions shall disclose this as a positive amount. If this adjustment leads to a decrease in exposure, institutions shall disclose this as a negative amount.
6	The credit equivalent amount of off-balance sheet items determined by applying the relevant credit conversion factors (subject to a floor of 10%) to the nominal value of the off-balance sheet item. As these adjustments increase the total leverage ratio exposure measure, they shall be reported as a positive amount.
7	Any other adjustments. If these adjustments lead to an increase in the exposure, institutions shall report this as a positive amount. If these adjustments lead to a decrease in exposure, the institutions shall disclose this as a negative amount.
8	The leverage ratio exposure, which should be the sum of the previous items.
Linkages across templates	
[LR1:8/a] is equal to [LR2:21/a]	

Template LR2: Leverage ratio common disclosure template (January 2014 standard)

Purpose: Provide a detailed breakdown of the components of the leverage ratio denominator.

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

Content: Quantitative information. The disclosures should be on a quarter-end basis. However, banks may, subject to supervisory approval, use more frequent calculations (eg daily or monthly averaging), as long as they do so consistently.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks must describe the key factors that have had a material impact on the leverage ratio at the end of the reporting period compared to the end of the previous reporting period. Banks are required to include the basis for their disclosures (eg quarter-end, daily averaging or monthly averaging).

		a	b
		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		
2	(Asset amounts deducted in determining Basel III Tier 1 capital)		
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)		
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions		
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework		
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
8	(Exempted CCP leg of client-cleared trade exposures)		
9	Adjusted effective notional amount of written credit derivatives		
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
11	Total derivative exposures (sum of rows 4 to 10)		
Securities financing transaction exposures			
12	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions		
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
14	CCR exposure for SFT assets		
15	Agent transaction exposures		
16	Total securities financing transaction exposures (sum of rows 12 to 15)		
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount		
18	(Adjustments for conversion to credit equivalent amounts)		
19	Off-balance sheet items (sum of rows 17 and 18)		
Capital and total exposures			
20	Tier 1 capital		
21	Total exposures (sum of rows 3, 11, 16 and 19)		
Leverage ratio			
22	Basel III leverage ratio		

Definitions and instructions

SFTs: transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transactions depends on market valuations and the transactions are often subject to margin agreements.

Capital measure: The capital measure for the leverage ratio is the Tier 1 capital of the risk-based capital framework as defined in paragraphs 49–96 of the Basel III framework³³ taking account of the transitional arrangements.

Row number	Explanation
1	Banks must include all balance sheet assets in their exposure measure, including on-balance sheet derivatives collateral and collateral for SFTs, with the exception of on-balance sheet derivative and SFT assets that are included in rows 4–16.
2	Balance sheet assets deducted from Basel III Tier 1 capital (as set out in paragraphs 66–89 of the Basel III framework). For example, <ul style="list-style-type: none"> Where a banking, financial or insurance entity is not included in the regulatory scope of consolidation as set out in paragraph 8 of the Basel III leverage ratio framework and disclosure requirements, the amount of any investment in the capital of that entity that is totally or partially deducted from CET1 capital or from additional Tier 1 capital of the bank following the corresponding deduction approach in paragraphs 84–9 of the Basel III framework may also be deducted from the exposure measure. For banks using the internal ratings-based (IRB) approach to determining capital requirements for credit risk, paragraph 73 of the Basel III framework requires any shortfall in the stock of eligible provisions relative to expected losses to be deducted from CET1 capital. The same amount may be deducted from the exposure measure. As the adjustments in row 2 reduce the exposure measure, they shall be reported as negative figures.
3	Sum of rows 1 and 2.
4	Replacement cost (RC) associated with all derivatives transactions (including exposures resulting from direct transactions between a client and a CCP where the bank guarantees the performance of its clients' derivative trade exposures to the CCP). Where applicable, in accordance with the Basel III leverage ratio framework and disclosure requirements, net of cash variation margin received (as set out in paragraph 26 of the Basel III leverage ratio framework and disclosure requirements), and with bilateral netting (as set out in the Annex).
5	Add-on amount for the potential future exposure (PFE) of all derivative exposures calculated in accordance with paragraphs 19–21 and 31 of the Basel III leverage ratio framework and disclosure requirements.
6	Grossed-up amount of any collateral provided in relation to derivative exposures where the provision of that collateral has reduced the value of the balance sheet assets under the bank's operative accounting framework, in accordance with paragraph 24 of the Basel III leverage ratio framework and disclosure requirements.
7	Deductions of receivable assets in the amount of the cash variation margin provided in derivatives transactions where the posting of cash variation margin has resulted in the recognition of a receivable asset under the bank's operative accounting framework. As the adjustments in row 7 reduce the exposure measure, they shall be reported as negative figures.
8	Trade exposures associated with the CCP leg of derivatives transactions resulting from client-cleared transactions or which the clearing member, based on the contractual arrangements with the client, is not obligated to reimburse the client for any losses suffered due to changes in the value of its transactions in the event that a QCCP defaults. As the adjustments in row 8 reduce the exposure measure, they shall be reported as negative figures.
9	The effective notional amount of written credit derivatives which may be reduced by the total amount of negative changes in fair value amounts that have been incorporated into the calculation of Tier 1 capital with respect to written credit derivatives according to paragraph 30 of the Basel III leverage ratio framework and disclosure requirements.
10	This row includes: <ul style="list-style-type: none"> The amount by which the notional amount of a written credit derivative is reduced by a purchased credit derivative on the same reference name according to paragraph 30 of the Basel III leverage ratio framework and disclosure requirements. The deduction of add-on amounts for PFE in relation to written credit derivatives determined in accordance with paragraph 31 of the Basel III leverage ratio framework and disclosure requirements. As the adjustments in row 10 reduce the exposure measure, they shall be reported as negative figures.
11	Sum of rows 4–10.
12	The gross amount of SFT assets without recognition of netting, other than novation with QCCPs, determined in accordance with paragraph 33 of the Basel III leverage ratio framework and disclosure requirements, adjusted for any sales accounting transactions in accordance with paragraph 34 of the Basel III leverage ratio framework and disclosure requirements.
13	The cash payables and cash receivables of gross SFT assets with netting determined in accordance with paragraph 33(i), second bullet, of the Basel III leverage ratio framework and disclosure requirements. As these adjustments reduce the exposure measure, they shall be reported as a negative figure.
14	The amount of the counterparty credit risk add-on for SFTs determined in accordance with paragraph 33(ii) of the Basel III leverage ratio framework and disclosure requirements.
15	The amount for which the bank acting as an agent in an SFT has provided an indemnity or guarantee determined in

³³ Available at www.bis.org/pub/bcbs189.htm.

	accordance with paragraphs 35–7 of the Basel III leverage ratio framework and disclosure requirements.
16	Sum of rows 12–15.
17	Total off-balance sheet exposure amounts (excluding off-balance sheet exposure amounts associated with SFT and derivative transactions) on a gross notional basis, before any adjustment for credit conversion factors (CCFs).
18	Reduction in gross amount of off-balance sheet exposures due to the application of CCFs. This corresponds to the complement of CCFs of the standardised approach for credit risk under the Basel II framework, subject to a floor of 10%. The floor of 10% will affect 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. These may receive a 0% CCF under the risk-based capital framework. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
19	Sum of rows 17 and 18.
20	The amount of Tier 1 capital of the risk-based capital framework as defined in paragraphs 49 to 96 of the Basel III framework taking account of the transitional arrangements.
21	Sum of rows 3, 11, 16 and 19.
22	Basel III leverage ratio is defined as the Tier 1 capital measure of row 20 (the numerator) divided by the exposure (the denominator) of row 21, with this ratio expressed as a percentage.

Linkages across templates

[LR2:20/a] is equal to [KM1:2/a]

[LR2:21/a] is equal to [KM1:13/a]

[LR2:22/a] is equal to [KM1:14/a]

Part 7: Liquidity

Table LIQA – Liquidity risk management

Purpose: Enable users of Pillar 3 data to make an informed judgment about the soundness of a bank's liquidity risk management framework and liquidity position.

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

Content: Qualitative and quantitative information.

Frequency: Annual.

Format: Flexible. Banks may choose the relevant information to be provided depending upon their business models and liquidity risk profiles, organisation and functions involved in liquidity risk management.

Below are examples of elements that banks may choose to describe, where relevant:

Qualitative disclosures

- (a) Governance of liquidity risk management, including: risk tolerance; structure and responsibilities for liquidity risk management; internal liquidity reporting; and communication of liquidity risk strategy, policies and practices across business lines and with the board of directors.
- (b) Funding strategy, including policies on diversification in the sources and tenor of funding, and whether the funding strategy is centralised or decentralised.
- (c) Liquidity risk mitigation techniques.
- (d) An explanation of how stress testing is used.
- (e) An outline of the bank's contingency funding plans.

Quantitative disclosures

- (f) Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank.
 - (g) Concentration limits on collateral pools and sources of funding (both products and counterparties).
 - (h) Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.
 - (i) Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.
-

Template LIQ1: Liquidity Coverage Ratio (LCR)

Purpose: Present the breakdown of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the LCR standard.

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

Content: Data must be presented as simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days) in the local currency.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks must publish the number of data points used in calculating the average figures in the template.

In addition, a bank should provide sufficient qualitative discussion to facilitate users' understanding of its LCR calculation. For example, where significant to the LCR, banks could discuss:

- the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time;
- intra-period changes as well as changes over time;
- the composition of HQLA;
- concentration of funding sources;
- currency mismatch in the LCR; and
- other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits		
4	Less stable deposits		
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)		
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements		
12	Outflows related to loss of funding on debt products		
13	Credit and liquidity facilities		
14	Other contractual funding obligations		
15	Other contingent funding obligations		
16	TOTAL CASH OUTFLOWS		
Cash inflows			
17	Secured lending (eg reverse repos)		
18	Inflows from fully performing exposures		

19	Other cash inflows		
20	TOTAL CASH INFLOWS		
			Total adjusted value
21	Total HQLA		
22	Total net cash outflows		
23	Liquidity Coverage Ratio (%)		

General explanations

Figures entered in the template must be averages of the observations of individual line items over the financial reporting period (ie the average of components and the average LCR over the most recent three months of daily positions, irrespective of the financial reporting schedule). The averages are calculated after the application of any haircuts, inflow and outflow rates and caps, where applicable. For example:

$$Total \textit{ unweighted stable deposits}_{Qi} = \frac{1}{T} \times \sum_{t=1}^T (Total \textit{ unweighted stable deposits})_t$$

$$Total \textit{ weighted stable deposits}_{Qi} = \frac{1}{T} \times \sum_{t=1}^T (Total \textit{ weighted stable deposits})_t$$

where T equals the number of observations in period Q_i .

Weighted figures of HQLA (row 1, third column) must be calculated after the application of the respective haircuts but before the application of any caps on Level 2B and Level 2 assets. Unweighted inflows and outflows (rows 2–8, 11–15 and 17–20, second column) must be calculated as outstanding balances. *Weighted* inflows and outflows (rows 2–20, third column) must be calculated after the application of the inflow and outflow rates.

Adjusted figures of HQLA (row 21, third column) must be calculated after the application of both (i) haircuts *and* (ii) any applicable caps (ie cap on Level 2B and Level 2 assets). *Adjusted* figures of net cash outflows (row 22, third column) must be calculated after the application of both (i) inflow and outflow rates *and* (ii) any applicable cap (ie cap on inflows).

The LCR (row 23) must be calculated as the average of observations of the LCR:

$$LCR_{Qi} = \frac{1}{T} \times \sum_{t=1}^T LCR_t$$

Not all reported figures will sum exactly, particularly in the denominator of the LCR. For example, “total net cash outflows” (row 22) may not be exactly equal to “total cash outflows” minus “total cash inflows” (row 16 minus row 20) if the cap on inflows is binding. Similarly, the disclosed LCR may not be equal to an LCR computed on the basis on the average values of the set of line items disclosed in the template.

Definitions and instructions:

Columns

Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (ie cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

Rows

Row number	Explanation	Relevant paragraph(s) of LCR standards ³⁴
1	Sum of all eligible HQLA, as defined in the standard, before the application of any limits, excluding assets that do not meet the operational requirements, and including, where applicable, assets qualifying under alternative liquidity approaches.	28–68
2	Retail deposits and deposits from small business customers are the sum of stable deposits, less stable deposits and any other funding sourced from (i) natural persons and/or (ii) small business customers (as defined by paragraph 231 of the Basel II framework).	73–84, 89–92, 110
3	Stable deposits include deposits placed with a bank by a natural person and unsecured wholesale funding provided by small business customers, defined as “stable” in the standard.	73–8, 89–91
4	Less stable deposits include deposits placed with a bank by a natural person and unsecured wholesale funding provided by small business customers, not defined as “stable” in the standard.	73–4, 79–81, 89–91
5	Unsecured wholesale funding is defined as those liabilities and general obligations from customers other than natural persons and small business customers that are not collateralised.	93–111
6	Operational deposits include deposits from bank clients with a substantive dependency on the bank where deposits are required for certain activities (ie clearing, custody or cash management activities). Deposits in institutional networks of cooperative banks include deposits of member institutions with the central institution or specialised central service providers.	93–106
7	Non-operational deposits are all other unsecured wholesale deposits, both insured and uninsured	107–9
8	Unsecured debt includes all notes, bonds and other debt securities issued by the bank, regardless of the holder, unless the bond is sold exclusively in the retail market and held in retail accounts.	110

³⁴ See www.bis.org/publ/bcbs238.pdf.

9	Secured wholesale funding is defined as all collateralised liabilities and general obligations.	112–115
10	Additional requirements include other off-balance sheet liabilities or obligations	116–31
11	Outflows related to derivative exposures and other collateral requirements include expected contractual derivatives cash flows on a net basis. These outflows also include increased liquidity needs related to: downgrade triggers embedded in financing transactions, derivative and other contracts; the potential for valuation changes on posted collateral securing derivatives and other transactions; excess non-segregated collateral held at the bank that could contractually be called at any time; contractually required collateral on transactions for which the counterparty has not yet demanded that the collateral be posted; contracts that allow collateral substitution to non-HQLA assets; and market valuation changes on derivatives or other transactions.	116–23
12	Outflows related to loss of funding on secured debt products include loss of funding on: asset-backed securities, covered bonds and other structured financing instruments; and asset-backed commercial paper, conduits, securities investment vehicles and other such financing facilities.	124–5
13	Credit and liquidity facilities include drawdowns on committed (contractually irrevocable) or conditionally revocable credit and liquidity facilities. The currently undrawn portion of these facilities is calculated net of any eligible HQLA if the HQLA have already been posted as collateral to secure the facilities or that are contractually obliged to be posted when the counterparty draws down the facility.	126–31
14	Other contractual funding obligations include contractual obligations to extend funds within a 30-day period and other contractual cash outflows not previously captured under the standard.	132–3, 141
15	Other contingent funding obligations, as defined in the standard.	134–140
16	Total cash outflows: sum of rows 2–15.	
17	Secured lending includes all maturing reverse repurchase and securities borrowing agreements.	145–7
18	Inflows from fully performing exposures include both secured and unsecured loans or other payments that are fully performing and contractually due within 30 calendar days from retail and small business customers, other wholesale customers, operational deposits and deposits held at the centralised institution in a cooperative banking network.	153–4, 156–7
19	Other cash inflows include derivatives cash inflows and other contractual cash inflows.	155, 158–160
20	Total cash inflows: sum of rows 17–19	
21	Total HQLA (after the application of any cap on Level 2B and Level 2 assets).	28–54, Annex 1 in the standard
22	Total net cash outflows (after the application of any cap on cash inflows).	69
23	Liquidity Coverage Ratio (after the application of any cap on Level 2B and Level 2 assets and caps on cash inflows).	22

Template LIQ2: Net Stable Funding Ratio(NSFR)

Purpose: Provide details of a bank's NSFR and selected details of its NSFR components.

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

Content: Data must be presented as quarter-end observations in the local currency.

Frequency: Semiannual (but including two data sets covering the latest and the previous quarter-ends).

Format: Fixed.

Accompanying narrative: Banks should provide a sufficient qualitative discussion on the NSFR to facilitate an understanding of the results and the accompanying data. For example, where significant, banks could discuss:

- (a) the drivers of their NSFR results and the reasons for intra-period changes as well as the changes over time (eg changes in strategies, funding structure, circumstances); and
- (b) the composition of the bank's interdependent assets and liabilities (as defined in paragraph 45 of the NSFR document) and to what extent these transactions are interrelated.

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
<i>(In currency amount)</i>		No maturity ³⁵	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) item						
1	Capital:					
2	<i>Regulatory capital</i>					
3	<i>Other capital instruments</i>					
4	Retail deposits and deposits from small business customers:					
5	<i>Stable deposits</i>					
6	<i>Less stable deposits</i>					
7	Wholesale funding:					
8	<i>Operational deposits</i>					
9	<i>Other wholesale funding</i>					
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	<i>NSFR derivative liabilities</i>					
13	<i>All other liabilities and equity not included in the above categories</i>					
14	Total ASF					
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:					
18	<i>Performing loans to financial institutions</i>					

³⁵ Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities.

	<i>secured by Level 1 HQLA</i>					
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>					
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>					
21	<i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>					
22	<i>Performing residential mortgages, of which:</i>					
23	<i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>					
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>					
25	Assets with matching interdependent liabilities					
26	Other assets:					
27	<i>Physical traded commodities, including gold</i>					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					
29	<i>NSFR derivative assets</i>					
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>					
31	<i>All other assets not included in the above categories</i>					
32	Off-balance sheet items					
33	Total RSF					
34	Net Stable Funding Ratio (%)					

General instructions for completion of the NSFR disclosure template

Rows in the template are set and compulsory for all banks. Key points to note about the common template are:

- Dark grey rows introduce a section of the NSFR template.
- Light grey rows represent a broad subcomponent category of the NSFR in the relevant section.
- Unshaded rows represent a subcomponent within the major categories under ASF and RSF items.³⁶
- No data should be entered for the cross-hatched cells.
 - Figures entered in the template should be the quarter-end observations of individual line items.
 - Figures entered for each RSF line item should include both unencumbered and encumbered amounts.
 - Figures entered in unweighted columns are to be assigned on the basis of residual maturity and in accordance with paragraphs 18 and 29 of the NSFR rules text.

³⁶ As an exception, rows 21 and 23 are subcomponents of rows 20 and 22, respectively. Row 17 is the sum of rows 18, 19, 20, 22 and 24.

Definitions for each rows

Explanation of each row of the common disclosure template

Row number	Explanation	Relevant paragraph(s) of NSFR standards
1	Capital is the sum of rows 2 and 3.	
2	Regulatory capital before the application of capital deductions, as defined in paragraph 49 of the Basel III text. ³⁷	21(a), 24(d) and 25(a)
3	Total amount of any capital instruments not included in row 2.	21(b), 24(d) and 25(a)
4	Retail deposits and deposits from small business customers, as defined in the LCR paragraphs 73–84 and 89–92, are the sum of row 5 and 6.	
5	Stable deposits comprise “stable” (as defined in the LCR in paragraphs 75–8) non-maturity (demand) deposits and/or term deposits provided by retail and small business customers.	21(c) and 22
6	Less stable deposits comprise “less stable” (as defined in the LCR in paragraphs 79–81) non-maturity (demand) deposits and/or term deposits provided by retail and small business customers.	21(c) and 23
7	Wholesale funding is the sum of rows 8 and 9.	
8	Operational deposits: as defined in LCR paragraphs 93–104, including deposits in institutional networks of cooperative banks.	21(c), 24(b) and 25(a), including footnote 10.
9	Other wholesale funding includes funding (secured and unsecured) provided by non-financial corporate customer, sovereigns, public sector entities (PSEs), multilateral and national development banks, central banks and financial institutions.	21(c), 24(a), (c), and (d) and 25(a)
10	Liabilities with matching interdependent assets.	45
11	Other liabilities are the sum of rows 12 and 13.	
12	In the unweighted cells, report NSFR derivatives liabilities as calculated according to NSFR paragraphs 19 and 20. There is no need to differentiate by maturities. [The weighted value under NSFR derivative liabilities is cross-hatched given that it will be zero after the 0% ASF is applied.]	19, 20, 25(c)
13	All other liabilities and equity not included in above categories.	25(a), (b) and (d)
14	Total available stable funding (ASF) is the sum of all weighted values in rows 1, 4, 7, 10 and 11.	
15	Total HQLA as defined in the LCR paragraphs 49–68 (encumbered and unencumbered), without regard to LCR operational requirements and LCR caps on Level 2 and Level 2B assets that might otherwise limit the ability of some HQLA to be included as eligible in calculation of the LCR: (a) Encumbered assets including assets backing securities or covered bonds. (b) Unencumbered means free of legal, regulatory, contractual or other restrictions on the ability of the bank to liquidate, sell, transfer or assign the asset.	Footnote 12, 36(a) and (b), 37, 39(a), 40(a) and (b), 42(a) and 43(a)
16	Deposits held at other financial institutions for operational purposes as defined in the LCR paragraphs 93–104.	40(d)
17	Performing loans and securities are the sum of rows 18, 19, 20, 22 and 24.	
18	Performing loans to financial institutions secured by Level 1 HQLA, as defined in the LCR paragraphs 50(c), (d) and (e).	38, 40(c) and 43(c)
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions.	39(b), 40(c) and 43(c)
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs.	36(c), 40(e), 41(b), 42(b) and 43(a)
21	Performing loans to non-financial corporate clients, loans to retail and small	36(c), 40(e), 41(b) and 43(a)

³⁷ Capital instruments reported here should meet all requirements outlined in BCBS, *Basel III: A global regulatory framework for more resilient banks and banking systems*, June 2011, www.bis.org/publ/bcbs189.pdf, and should only include amounts after transitional arrangements have expired under fully implemented Basel III standards (ie as in 2022).

	business customers, and loans to sovereigns, central banks and PSEs with risk weight of less than or equal to 35% under the Standardised Approach.	
22	Performing residential mortgages.	40(e), 41(a), 42(b) and 43(a)
23	Performing residential mortgages with risk weight of less than or equal to 35% under the Standardised Approach.	40(e), 41(a) and 43(a)
24	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	40(e), 42(c) and 43(a)
25	Assets with matching interdependent liabilities.	45
26	Other assets are the sum of rows 27–31.	
27	Physical traded commodities, including gold.	42(d)
28	Cash, securities or other assets posted as initial margin for derivative contracts and contributions to default funds of CCPs.	42(a)
29	In the unweighted cell, report NSFR derivative assets, as calculated according to NSFR paragraphs 34 and 35. There is no need to differentiate by maturities. In the weighted cell, if NSFR derivative assets are greater than NSFR derivative liabilities, (as calculated according to NSFR paragraphs 19 and 20), report the positive difference between NSFR derivative assets and NSFR derivative liabilities.	34, 35 and 43(b)
30	In the unweighted cell, report derivative liabilities as calculated according to NSFR paragraph 19, ie before deducting variation margin posted. There is no need to differentiate by maturities. In the weighted cell, report 20% of derivatives liabilities' unweighted value (subject to 100% RSF).	19 and 43(d)
31	All other assets not included in the above categories.	36(d) and 43(c)
32	Off-balance sheet items.	46 and 47
33	Total RSF is the sum of all weighted value in rows 15, 16, 17, 25, 26 and 32.	
34	Net Stable Funding Ratio (%), as stated in paragraph 12 of this document.	9

Part 8: Credit risk

[See January 2015 Revised Pillar 3 disclosure requirements]

Part 9: Counterparty credit risk

[See January 2015 Revised Pillar 3 disclosure requirements]

Part 10: Securitisation

[See January 2015 Revised Pillar 3 disclosure requirements]

Part 11: Market risk

I. General information about market risk

Table MRA: General qualitative disclosure requirements related to market risk

Purpose: Provide a description of the risk management objectives and policies for market risk as defined in paragraph 1 of the market risk framework.

Scope of application: The table is mandatory for all banks that are subject to the market risk framework.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must describe their risk management objectives and policies for market risk according to the framework as follows:

(a) Strategies and processes of the bank, which must include an explanation and/or a description of:

- The bank's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the bank's market risks, including policies for hedging risk and the strategies/processes for monitoring the continuing effectiveness of hedges.
 - A general description of the desk³⁸ structure.
 - Types of instruments included in the desks or desk categories that are not covered by Table MRC.
 - Policies for determining whether a position is designated as trading, including the definition of stale positions and the risk management policies for monitoring those positions. In addition, banks should describe cases where instruments are assigned to the trading or banking book contrary to the general presumptions of their instrument category and the market and gross fair value of such cases, as well as cases where instruments have been moved from one book to the other since the last reporting period, including the gross fair value of such cases and the reason for the move.
-

(b) The structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the bank discussed in row (a) above.

(c) The scope and nature of risk reporting and/or measurement systems.

³⁸ As defined in the market risk framework.

II. Market risk under the standardised approach (SA)

Template MR1: Market risk under the SA

Purpose: Provide the components of the capital charge under the SA for market risk.

Scope of application: The template is mandatory for banks having part or all of their market risk charges measured according to the SA.

Content: Capital charge (as defined in Section B of the market risk framework).

Frequency: Semiannual.

Format: Fixed. Additional rows can be added for the breakdown of other risks.

Accompanying narrative: Banks must describe or provide a list of the desks which are under the SA for regulatory capital purposes. In addition, banks are expected to explain any changes in the scope of positions for which capital requirements are calculated using the SA.

		a
		Capital charge in SA
1	General interest rate risk	
2	Equity risk	
3	Commodity risk	
4	Foreign exchange risk	
5	Credit spread risk – non-securitisations	
6	Credit spread risk – securitisations (non-correlation trading portfolio)	
7	Credit spread risk – securitisation (correlation trading portfolio)	
8	Default risk – non-securitisations	
9	Default risk – securitisations (non-correlation trading portfolio)	
10	Default risk – securitisations (correlation trading portfolio)	
11	Residual risk add-on	
12	Total	

Linkages across templates

[MR1 12/a] is equal to [OV1 21/c]

III. Market risk under Internal Models Approach (IMA)

Table MRB: Qualitative disclosures for banks using the IMA

Purpose: Provide the scope, main characteristics and key modelling choices of the different models used for the capital charge computation of market risks using the IMA.	
Scope of application: The table is mandatory for all banks using the IMA to calculate the market risk capital requirements. To provide meaningful information to users on a bank's use of internal models, the bank must describe the main characteristics of the models used at the group-wide level (according to the scope of regulatory consolidation) and explain the extent to which they represent all the models used at the group-wide level. The commentary must include the percentage of capital requirements covered by the models described for each of the regulatory models (expected shortfall (ES), default risk charge (DRC) and stressed capital add-on for non-modellable risk factors (NMRFs)).	
Content: Qualitative information.	
Frequency: Annual.	
Format: Flexible.	
(A) For ES models, banks must provide the following information:	
(a)	A description of activities and risks covered by the ES models. Where applicable, banks must also describe the main activities and risks not included in ES regulatory calculations (due to lack of historical data or model constraints) and treated under other measures (such as specific treatments allowed in some jurisdictions).
(b)	The soundness criteria on which the internal capital adequacy assessment is based (eg forward-looking stress testing) and a description of the methodologies used to achieve a capital adequacy assessment that is consistent with the soundness standards.
(c)	A general description of the ES model(s). For example, banks may describe whether the model(s) is (are) based on historical simulation, Monte Carlo simulations or other appropriate analytical methods, and the observation period and weighting methods of data for the calculation of the current period ES.
(d)	Data updating frequency.
(e)	A description of the stress testing applied to the main significant portfolios that are modelled. For example, banks may describe the reduced set of risk factors used to calibrate the period of stress and the full set of risk factors, the share of the variations in the full ES that is explained by the reduced set of risk factors, and the observation horizon used to identify the most stressful 12 months.
(B) NMRFs	
(a)	Methodology used to achieve a capital assessment that is consistent with the required soundness standard.
(C) Banks using internal models to determine the DRC must provide the following information:	
(a)	A general description of the methodology: Information about the characteristics and scope of the value-at-risk (VaR) and whether different models are used for different exposure classes. For example, banks may describe the range of probability of default (PD) by obligors on the different types of positions, the approaches used to correct market-implied PDs as applicable, the treatment of netting, basis risk between long and short exposures of different obligors, mismatch between a position and its hedge and concentrations that can arise within and across product classes during stressed conditions.
(b)	The methodology used to achieve a capital assessment that is consistent with both the required soundness standard and paragraph 186 of the market risk framework.
(c)	The approaches used in the validation of the models and modelling processes, describing general approaches used (eg stress tests, sensitivity analysis, scenario analysis), and the types of assumptions and benchmarks on which they rely.

Table MRC: The structure of desks for banks using IMA

Purpose: Provide an overview of the structure of a bank’s trading desks relevant for the IMA.

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

Content: Qualitative information. Banks must separately disclose all the desks they believe are representative of their trading book under IMA and, at a minimum, the five desks with the highest aggregate standalone capital charge under IMA. Banks must tick the cell for each category of risk to which a desk gives rise and each category of products traded by a desk. When a desk gives rise to more than one type of risk, all the major risks generated by that desk should be ticked. Qualitative information may be provided on the different types of risks covered, especially for risks identified as “other”. When a desk trades more than one type of instrument, all the major types of instruments traded by that desk should be ticked.

Frequency: Semiannual.

Format: Flexible. Columns may be added, especially if the category of risk or trading product does not fit with one or some desk characteristics.

Accompanying narrative: Banks must decide which of their desks will be subject to the disclosure requirements in this table and in Template MR2 and explain the reasons for the selection and why it is representative of the bank’s trading book under IMA. Banks must provide information on the number of desks under IMA that are not individually disclosed in this table, as well as on the main risks and main products traded by those desks.

	a	b	b	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r
	Main risk types for each desk (category)						Main types of instruments traded by this desk (category)											Description of desk activity
	General interest rate	Equity	Commodities	FX	Credit spread	Other	Cash	Forwards	Futures	Plain vanilla options	Complex options	ABS	MBS	IR swaps	FX swaps	CDS	::	
Desk 1																		
Desk 2																		
...																		
Desk x																		

Template MR2: Market risk IMA per risk type

Purpose: Provide the components of the capital charge under the IMA for market risk by risk type.

Scope of application: The template is mandatory for banks using the IMA for part or all of their market risk for regulatory capital calculations.

Content: Capital charge calculation (as defined in paragraphs 187–94 of the market risk framework) at the group-wide level (according to the scope of regulatory consolidation).

Frequency: Semiannual based on data from the previous quarter where applicable.

Format: Fixed.

Accompanying narrative: Banks must report the components of their total capital charge that are included for their most recent measure and the components that are included for their average of the previous 60 days. Banks must also provide a comparison of VaR estimates with actual gains/losses experienced by the bank, with analysis of important “outliers” in backtest results.

		a	b	c	d	e
		Risk measure: for previous 60 days / 12 weeks:				Number of backtesting exceptions
		Most recent	Average	High	Low	99.0%
1	Unconstrained expected shortfall					
2	ES for the regulatory risk classes	General interest rate risk				
3		Equity risk				
4		Commodity risk				
5		Foreign exchange risk				
6		Credit spread risk				
7	Constrained expected shortfall (IMCC) (Rho*Unconstrained ES+(1-Rho)*aggregated risk class ES)					
8	Capital charge for non-modellable risk factors					
9	Default risk charge					
10	Subtotal: a=7+8+9, b=multiplier*7+8+9					
11	Total capital charge					
12	Standardised approach capital charge for the entire trading book (ie all trading desks, including those subject to IMA)					

Definitions and instructions

Row number	Explanation
1	<i>Unconstrained expected shortfall:</i> Expected shortfall (ES) as defined in paragraph 181 of the market risk framework, calculated without supervisory constraints on cross-risk factor correlations. Backtesting is based on daily VaR at the 99th percentile level of confidence of the unconstrained ES model on the full set of risk factors using the current observation period, as described in paragraph 183 of the market risk framework (ie 12 months).
7	<i>Constrained expected shortfall:</i> ES as defined in paragraph 181 of the market risk framework, calculated using empirical correlations recognised by banks across broad risk factor categories constrained by the supervisory aggregation scheme in accordance with paragraphs 188 and 189 of the market risk framework. The constrained ES disclosed should be the sum of partial expected shortfall charges (ie all other risk factors should be held constant) for the range of broad regulatory risk factor classes (interest rate risk, equity risk, foreign exchange risk, commodity risk and credit spread risk).
8	<i>Capital charge for non-modellable risk factors:</i> aggregate regulatory capital measure calculated in accordance with paragraph 190 of the market risk framework, for risk factors in model-eligible desks that are deemed non-modellable in accordance with paragraph 183 of the market risk framework.
9	<i>Default risk charge (DRC):</i> in accordance with paragraph 186 of the market risk framework, measure of the default risk of trading book positions, except those subject to standardised charges. This covers, inter alia, sovereign exposures (including those denominated in the sovereign’s domestic currency), equity positions and defaulted debt positions.
10	<i>Subtotal:</i> for column (a), the sub-total is the sum of rows 7 to 9. For column (b), the sum of the 12-week average value disclosed in rows 7–9 is multiplied by the applicable multiplication factor set in accordance with paragraph 189 of the market risk framework.

Row number	Explanation
11	<i>Total capital charge</i> : the highest amount between columns (a) and (b) in rows 7 and 9.
12	<i>Total standardised approach capital charge for the entire trading book (ie all trading desks, including those subject to IMA)</i> : the most recent standardised approach charge as calculated for the entire trading book (ie all trading desks subject to the standardised approach and no trading desks subject to IMA).

Linkages across templates

[MR2:11] is equal to [OV1:22/c]

Template MR3: RWA flow statements of market risk exposures under the IMA

Purpose: Flow statement explaining variations in market RWA determined under the Internal Models Approach (IMA).

Scope of application: The template is mandatory for banks using an IMA for their market risk exposures.

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

Frequency: Quarterly.

Format: Fixed format. The columns and rows 1 and 6 are fixed. Banks may add additional rows between rows 3 and 4 to disclose additional elements that contribute to RWA variations where information on changes in RWA is available. Categories for such changes are defined below as: movements in risk levels, model changes, regulatory changes, acquisitions and disposals, foreign exchange and other. In the absence of additional rows, banks are expected to describe the approximate changes in RWAs in the narrative section using the same categories previously described.

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

		a	b	c	d
		ES	NMRF	DRC	Total RWA
1	RWA at previous quarter-end				
2	<i>Regulatory adjustment</i>				
3	RWA at end of day previous quarter				
4	RWA at end of day previous current quarter				
5	<i>Regulatory adjustment</i>				
6	RWA at end of reporting period				

Definitions and instructions

Optional rows

Movement in risk levels: Changes due to movements in the nature or size of positions, other than those to be reported on rows 5 and 6.

Model changes: Significant updates to the model to reflect recent experience (eg recalibration), as well as significant changes in model scope, including when desks moved from the IMA to the SA or vice versa. If more than one model update has taken place, additional rows could be necessary.

Regulatory changes: Methodology changes to the calculations driven by regulatory policy changes.

Acquisitions and disposals: Modifications due to acquisition or disposal of business/product lines or entities.

Foreign exchange: Changes driven by foreign currency translation movements.

Other: this category must be used to capture changes that cannot be attributed to any other category.

Columns

ES / RWA at end of reporting period: Derived risk-weighted assets corresponding to the [capital charge reflecting the Regulatory ES as well as any additional capital charge on the supervisor's decision] x 12.5.

NMRF / RWA at end of reporting period: Derived risk-weighted assets corresponding to the [capital charge for non-modellable risks as well as any additional capital charge on the supervisor's decision] x 12.5.

DRC / RWA at end of reporting period: Derived risk-weighted assets corresponding to the [capital charge as well as any additional capital charge on the supervisor's decision] x 12.5.

Total RWA at end of reporting period: derived risk-weighted assets corresponding to the [total capital charge for market risk in the basis of IMA x 12.5]; this amount must reconcile with the amounts shown in template OV1.

If the derived RWA from the capital requirement for any of the columns (a)–(d) / rows (1) or (6) is not directly provided by the model, but is instead calculated from the 60-day average, the bank may add an additional row for regulatory adjustment in order to be able to provide the reconciliation required in Template MR2 as well as the key drivers' amounts in rows (2)–(6).

Linkages across templates

[MR3:1/d] is equal to [OV1:22/b]

[MR3:6/d] is equal to [OV1:22/a]

Part 12: Interest rate risk in the banking book

Table IRRBBA – IRRBB risk management objectives and policies

Purpose: Provide a description of the risk management objectives and policies concerning IRRBB.	
Scope of application: Mandatory for all banks within the scope of application set out in Section III of <i>interest rate risk in the banking book</i> (April 2016).	
Content: Qualitative and quantitative information. Quantitative information is based on the daily or monthly average of the year or on the data as at the reporting date.	
Frequency: Annual.	
Format: Flexible.	
Qualitative disclosure	
a	A description of how the bank defines IRRBB for purposes of risk control and measurement.
b	A description of the bank's overall IRRBB management and mitigation strategies. Examples are: monitoring of economic value of equity (EVE) and net interest income (NII) in relation to established limits, hedging practices, conduct of stress testing, outcome analysis, the role of independent audit, the role and practices of the ALCO, the bank's practices to ensure appropriate model validation, and timely updates in response to changing market conditions.
c	The periodicity of the calculation of the bank's IRRBB measures, and a description of the specific measures that the bank uses to gauge its sensitivity to IRRBB.
d	A description of the interest rate shock and stress scenarios that the bank uses to estimate changes in the economic value and in earnings.
e	Where significant modelling assumptions used in the bank's internal measurement systems (IMS) (ie the EVE metric generated by the bank for purposes other than disclosure, eg for internal assessment of capital adequacy) are different from the modelling assumptions prescribed for the disclosure in Template IRRBB1, the bank should provide a description of those assumptions and their directional implications and explain its rationale for making those assumptions (eg historical data, published research, management judgment and analysis).
f	A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment.
g	A high-level description of key modelling and parametric assumptions used in calculating Δ EVE and Δ NII in Table B, which includes: <ul style="list-style-type: none"> • For ΔEVE, whether commercial margins and other spread components have been included in the cash flows used in the computation and discount rate used. • How the average repricing maturity of non-maturity deposits has been determined (including any unique product characteristics that affect assessment of repricing behaviour). • The methodology used to estimate the prepayment rates of customer loans, and/or the early withdrawal rates for time deposits, and other significant assumptions. • Any other assumptions (including for instruments with behavioural optionalities that have been excluded) that have a material impact on the disclosed ΔEVE and ΔNII in Table B, including an explanation of why these are material. • Any methods of aggregation across currencies and any significant interest rate correlations between different currencies.
h	(Optional) Any other information which the bank wishes to disclose regarding its interpretation of the significance and sensitivity of the IRRBB measures disclosed and/or an explanation of any significant variations in the level of the reported IRRBB since previous disclosures.
Quantitative disclosures	
1	Average repricing maturity assigned to NMDs.
2	Longest repricing maturity assigned to NMDs.

Template IRRBB1 – Quantitative information on IRRBB

Purpose: Provide information on the bank's changes in economic value of equity and net interest income under each of the prescribed interest rate shock scenarios.

Scope of application: Mandatory for all banks within the scope of application set out in Section III of *interest rate risk in the banking book* (April 2016).

Content: Quantitative information.

Frequency: Annual, as at the bank's financial year-end.

Format: Fixed.

Accompanying narrative: Commentary on the significance of the reported values and an explanation of any material changes since the previous reporting period.

In reporting currency	ΔEVE		ΔNII	
	T	T-1	T	T-1
Parallel up				
Parallel down				
Steeper				
Flattener				
Short rate up				
Short rate down				
Maximum				
Period	T		T-1	
Tier 1 capital				

Definitions

For each of the supervisory prescribed interest rate shock scenarios, the bank must report for the current period and for the previous period:

- (i) the change in the economic value of equity based on its IMS, using a run-off balance sheet and an instantaneous shock or based on the result of the standardised framework as set out in Section IV if the bank has chosen to adopt the framework or has been mandated by its supervisor to follow the framework; and
- (ii) the change in projected NII over a forward-looking rolling 12-month period compared with the bank's own best estimate 12-month projections, using a constant balance sheet assumption and an instantaneous shock.

Part 13: Remuneration

Table REMA: Remuneration policy

Purpose: Describe the bank's remuneration policy as well as key features of the remuneration system to allow meaningful assessments by users of Pillar 3 data of banks' compensation practices.

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

Content: Qualitative information.

Frequency: Annual. If it is not possible to disclose the table together with annual financial statements, it should be disclosed as soon as possible thereafter.

Format: Flexible.

Banks must describe the main elements of their remuneration system and how they develop this system. In particular, the following elements, where relevant, should be described:

Qualitative disclosures

Information relating to the bodies that oversee remuneration. Disclosures should include:

- (a)
 - Name, composition and mandate of the main body overseeing remuneration.
 - External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.
 - A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.
 - A description of the types of employees considered as material risk-takers and as senior managers.

Information relating to the design and structure of remuneration processes. Disclosures should include:

- (b)
 - An overview of the key features and objectives of remuneration policy.
 - Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.
 - A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

- (c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include an overview of the key risks, their measurement and how these measures affect remuneration.

Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:

- (d)
 - An overview of main performance metrics for bank, top-level business lines and individuals.
 - A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.
 - A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the bank's criteria for determining "weak" performance metrics.

Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance. Disclosures should include:

- (e)
 - A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.
 - A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.

Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms. Disclosures should include:

- (f)
 - An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms).
 - A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description the factors that determine the mix and their relative importance.

Template REM1: Remuneration awarded during the financial year

Purpose: Provide quantitative information on remuneration for the financial year.

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

Content: Quantitative information.

Frequency: Annually. If it is not possible to disclose the template together with the annual financial statements, it should be disclosed as soon as possible thereafter.

Format: Flexible.

Accompanying narrative: Banks may wish to supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.

		a	b
	Remuneration amount	Senior management	Other material risk-takers
1	Fixed remuneration	Number of employees	
2		Total fixed remuneration (3 + 5 + 7)	
3		Of which: cash-based	
4		Of which: deferred	
5		Of which: shares or other share-linked instruments	
6		Of which: deferred	
7		Of which: other forms	
8		Of which: deferred	
9	Variable remuneration	Number of employees	
10		Total variable remuneration (11 + 13 + 15)	
11		Of which: cash-based	
12		Of which: deferred	
13		Of which: shares or other share-linked instruments	
14		Of which: deferred	
15		Of which: other forms	
16		Of which: deferred	
17	Total remuneration (2 + 10)		

Definitions and instructions

Senior management and other material risk-takers categories in columns (a) and (b) must correspond to the type of employees described in Table REMA.

Other forms of remuneration in rows 7 and 15 must be described in Table REMA and, if needed, in the accompanying narrative.

Template REM2: Special payments

Purpose: Provide quantitative information on special payments for the financial year.

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

Content: Quantitative information.

Frequency: Annual. If it is not possible to disclose the template together with the annual financial statements, it should be disclosed as soon as possible thereafter.

Format: Flexible.

Accompanying narrative: Banks may wish to supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.

Special payments	Guaranteed bonuses		Sign-on awards		Severance payments	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management						
Other material risk-takers						

Definitions and instructions

Senior management and other material risk-takers categories in rows 1 and 2 must correspond to the type of employees described in Table REMA.

Guaranteed bonuses are payments of guaranteed bonuses during the financial year.

Sign-on awards are payments allocated to employees upon recruitment during the financial year.

Severance payments are payments allocated to employees dismissed during the financial year.

Template REM3: Deferred remuneration

Purpose: Provide quantitative information on deferred and retained remuneration.

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

Content: Quantitative information (amounts).

Frequency: Annual. If it is not possible to disclose the Template together with annual financial statement, it should be disclosed as soon as possible thereafter.

Format: Flexible.

Accompanying narrative: Banks may wish to supplement the template with a narrative commentary to explain any significant movements over the reporting period and the key drivers of such movements.

	a	b	c	d	e
Deferred and retained remuneration	Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management					
Cash					
Shares					
Cash-linked instruments					
Other					
Other material risk-takers					
Cash					
Shares					
Cash-linked instruments					
Other					
Total					

Definitions

Outstanding exposed to ex post explicit adjustment: part of the deferred and retained remuneration that is subject to direct adjustment clauses (for instance, subject to malus, clawbacks or similar reversal or downward revaluations of awards).

Outstanding exposed to ex post implicit adjustment: part of the deferred and retained remuneration that is subject to adjustment clauses that could change the remuneration, due to the fact that they are linked to the performance of other indicators (for instance, fluctuation in the value of shares performance or performance units).

In columns (a) and (b), the amounts at reporting date (cumulated over the last years) are expected. In columns (c)–(e), movements during the financial year are expected. While columns (c) and (d) show the movements specifically related to column (b), column € shows payments that have affected column (a).