Basel Committee on Banking Supervision

Standards

Pillar 3 disclosure requirements – updated framework

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Pillar 3 disclosure requirements – updated framework

Introduction

The Basel Committee on Banking Supervision (BCBS) issued its revised Pillar 3 disclosure requirements in January 2015 (hereafter the "January 2015 standard").[1] The January 2015 standard superseded the Pillar 3 disclosure requirements issued in 2004 (as amended in July 2009) and completed the first phase of the Committee's review of the Pillar 3 framework.

The Committee issued further revisions to the Pillar 3 disclosure requirements in March 2017 (hereafter the "March 2017 standard").[2] The March 2017 standard completed the second phase of the Committee's review of the Pillar 3 framework. It comprised three elements: (i) consolidation of all existing and prospective BCBS disclosure requirements into the Pillar 3 framework; (ii) introduction of two new disclosure requirements – a dashboard of a bank's key prudential metrics and a disclosure requirement for banks which record prudent valuation adjustments; and (iii) revisions and additions to the Pillar 3 standard arising from changes to the regulatory policy framework. These include new disclosure requirements in respect of the total loss-absorbing capacity (TLAC) regime for global systemically important banks (G-SIBs) issued in November 2015,[3] and revised disclosure requirements for market risk arising from the revised market risk framework published by the Committee in January 2016.[4]

The Committee subsequently issued a consultative document on the third phase of its review of Pillar 3 in February 2018 ("February 2018 CD").[5] The comment period for the consultation ended in May 2018. This standard sets out the disclosure requirements arising from the third phase of the review and reflects comments received from respondents in the consultation process. The disclosure requirements in this standard cover three elements:

1. **Revisions and additions to the Pillar 3 framework arising from finalisation of the Basel III post-crisis regulatory reforms in December 2017** – These include the revised disclosure requirements for credit risk, operational risk, leverage ratio, credit valuation adjustment (CVA) and overview templates on risk management, risk-weighted assets (RWA) and key prudential metrics. It also covers new disclosure requirements to compare RWA outcomes of banks' internal models with RWA calculated according to the full standardised approaches.

2. **New disclosure requirements on asset encumbrance** – This standard introduces new disclosure requirements which require banks to disclose information on their encumbered and unencumbered assets. The Committee views disclosure of information by banks on encumbered and unencumbered asset breakdowns as meaningful to users of Pillar 3 data, providing a preliminary overview of the extent to which a bank's assets remain available to creditors in the event of insolvency.

3. **New disclosure requirements on capital distribution constraints** – This standard includes new disclosure requirements to provide users of Pillar 3 data with information on the capital ratio of a bank that would result in national supervisors imposing constraints on capital distributions. The

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

[2] *Pillar 3 disclosure requirements – consolidated and enhanced framework*, March 2017, www.bis.org/bcbs/publ/d400.htm.

[3] *Principles on loss-absorbing and recapitalisation capacity of G-SIBs in resolution: total loss-absorbing capacity term sheet*, November 2015, www.fsb.org/wp-content/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf. See also the TLAC holdings standard issued by the Committee in October 2016, www.bis.org/bcbs/publ/d387.htm.

[4] *Minimum capital requirements for market risk*, January 2016, www.bis.org/bcbs/publ/d352.pdf.

[5] BCBS, *Pillar 3 disclosure requirements – updated framework*, February 2018, www.bis.org/bcbs/publ/d432.htm.

disclosure will primarily enable users of Pillar 3 data to make more informed decisions about the risks of coupon cancellation for capital instruments, thereby potentially enhancing both price discovery and market stability. This disclosure is mandatory for banks only when required by their national supervisor at the jurisdictional level.

Section 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. Sections 2 to 9 set out the standard's detailed disclosure requirements.

Section 1: New and revised Pillar 3 disclosure requirements

1. Revisions and additions to the Pillar 3 framework arising from the finalisation of the Basel III post-crisis regulatory reforms

This standard sets out additional disclosure requirements to the Pillar 3 framework arising from the finalisation of the Basel III post-crisis regulatory reforms in December 2017 (hereafter the "finalised Basel III framework").[6]

1.1. Revised and additional disclosure requirements for credit risk

The Committee has revised both the standardised approach (SA) and the internal ratings-based (IRB) approach for credit risk under the finalised Basel III framework. The revisions to the SA increase the granularity and risk sensitivity of the framework and reduce the mechanistic reliance on credit ratings. The revisions to the IRB approach remove the use of the advanced IRB (A-IRB) approach for asset classes which are inherently difficult to model, and introduce floored values for IRB parameters that are estimated by banks as inputs to the calculation of their RWA.

This standard amends the credit risk templates introduced in the January 2015 and March 2017 standards to reflect the revisions to the SA and IRB frameworks. Specifically, **Template CR4** (SA – credit risk exposure and credit risk mitigation effect) and **Template CR5** (SA – exposures by asset classes and risk weights) have been amended to reflect the addition of new asset classes (eg introduction of specialised lending asset classes) and updates to risk weights under the revised SA. To provide greater consistency with existing disclosure of credit conversion factors (CCF) for the IRB approaches in the existing Template CR6 (IRB – Credit risk exposures by portfolio and PD range), Template CR5 has also been enhanced to include disclosure requirements for CCF under the SA. **Template CR10** (IRB – specialised lending and equities under the simple risk weight method) has been amended to remove the disclosure of equity exposures under the IRB approach's simple risk weight method because such exposures can apply the SA only under the finalised Basel III framework.

Further to the above-mentioned changes, the standard introduces an additional new **Table CRB-A** (Additional disclosure related to prudential treatment of problem assets) to reflect new disclosure requirements, when required at the jurisdictional level. The table is based on the guidelines on prudential treatment of problem assets issued by the Committee (hereafter "the Guidelines").[7] The Guidelines recommend that banks use the definitions provided therein for Pillar 3 disclosure on asset quality. Notwithstanding, jurisdictions may opt to implement Table CRB-A without implementing the Guidelines. The new Table CRB-A captures the following disclosures:

(i) The definition used for non-performing exposures (NPEs) and forborne exposures using either the bank's own definition or, as applicable, the definitions within the Guidelines. If the bank's own definition is used, banks would be able to explain the specifics of the definition they are using instead (or as directed by the national supervisor).

(ii) Totals for gross carrying value of performing and non-performing exposures and associated accumulated provisions for non-performing impaired exposures, broken down by debt securities,

[6] *Basel III: Finalising post-crisis regulatory reforms, December 2017,* www.bis.org/bcbs/basel3.htm.

[7] *Prudential treatment of problem assets – definitions of non-performing exposures and forbearance*, April 2017, www.bis.org/bcbs/publ/d403.pdf.

loans and off-balance sheet exposures. Loans should be further disaggregated at least by corporate and retail exposures.

(iii) For NPEs, a further split for (a) defaulted exposures and/or impaired exposures; (b) exposures that are not defaulted/impaired but are more than 90 days past due; and (c) other exposures for which full repayment is unlikely.

(iv) For forborne exposures, a further split for (a) performing and non-performing forborne exposures and (b) impaired and non-impaired forborne exposures.

The proposed disclosure requirements are set out below in **Section 2**. When implemented, they will supersede any corresponding disclosure requirements set out in the January 2015 standard.

1.2. Revised disclosure requirements for operational risk

The operational risk framework has been streamlined under the finalised Basel III framework. The advanced measurement approach (AMA) for calculating operational risk capital requirements and the existing three standardised approaches have been replaced with a single risk-sensitive standardised approach to be used by all banks. Paragraph 32 of the operational risk standard within the finalised Basel III framework also sets out that:

"All banks with a BI greater than €1bn, or which use internal loss data in the calculation of operational risk capital, are required to disclose their annual loss data for each of the ten years in the ILM calculation window. This includes banks in jurisdictions that have opted to set ILM equal to one. Loss data is required to be reported on both a gross basis and after recoveries and loss exclusions. All banks are required to disclose each of the BI sub-items for each of the three years of the BI component calculation window."

In this regard, this standard introduces one new table (Table ORA) and three new disclosure templates (Templates OR1, OR2 and OR3) to reflect the revised standardised approach for operational risk:

- **Table ORA** (General qualitative information on a bank's operational risk framework) requires the qualitative disclosure of a bank's operational risk management framework.
- **Template OR1** (Historical losses) requires banks to disclose aggregate operational losses incurred over the past 10 years, based on the accounting date of incurred losses.
- **Template OR2** (Business indicator and subcomponents) requires banks to disclose their business indicator (BI) and its subcomponents, including any divested activities which have been excluded from the business indicator component (BIC). Under the revised standardised approach for operational risk, banks may request supervisory approval to exclude divested activities from the calculation of the business indicator component, but such exclusions must be disclosed under the Pillar 3 framework.
- **Template OR3** (Minimum required operational risk capital) provides summary information of the banks' operational risk capital computations by requiring the disclosure of the BIC and the ILM used and the resulting computation of minimum regulatory capital requirements for operational risk.

Respondents expressed concerns regarding the operational risk disclosure requirements, in particular the disclosure of historical losses in Template OR1. Respondents added that including information regarding legal reserves/provisions made within the historical losses to be disclosed could be highly problematic because such information could potentially compromise a bank's legal position.

This standard addressed the concerns expressed by stating explicitly within Template OR1 that, pertaining to the accompanying narrative, banks should disclose any other material information, in aggregate, that would help inform users as to its historical losses or its recoveries, with the exception of confidential and proprietary information, including information about legal reserves.

The new disclosure requirements are set out below in **Section 3**. When implemented, they will supersede the existing operational risk disclosure requirements set out in the June 2004 Pillar 3 framework.

1.3. Revised disclosure requirements for leverage ratio

The finalised Basel III framework revised the leverage ratio standard, including the introduction of a leverage ratio buffer requirement for G-SIBs. This standard makes changes to reflect this revision in **Template LR1** (Summary comparison of accounting assets vs leverage ratio exposure measure) and **Template LR2** (Leverage ratio common disclosure template), which were issued in the March 2017 standard.

The new disclosure requirements[8] are set out below in **Section 4**. When implemented, they will supersede the existing disclosure requirements in the March 2017 standard.

It should be noted that heightened volatility in various segments of money markets and derivatives markets around key reference dates (eg quarter-end dates) has alerted the Committee to potential regulatory arbitrage by banks. A particular concern is "window dressing", in the form of temporary reductions of transaction volumes in key financial markets around reference dates resulting in the reporting and public disclosure of elevated leverage ratios. The Committee will continue to carefully monitor potential window dressing behaviour by banks and will consider additional measures, including Pillar 1 (minimum capital requirements) and Pillar 3 (disclosure) requirements.[9]

1.4. Revised disclosure requirements for credit valuation adjustments (CVA)

The finalised Basel III framework simplified the measure of CVA risk by developing two simpler approaches, the standardised approach (SA-CVA) and the basic approach (BA-CVA). To provide users with Pillar 3 data with information on the calculation of a bank's CVA RWA, this standard introduces two new qualitative disclosure requirements (Tables CVAA and CVAB) and four new quantitative disclosure requirements (Templates CVA1, CVA2, CVA3 and CVA4), to be completed by banks based on the approach used to compute RWA for CVA:

- **Table CVAA** (General qualitative disclosure requirements related to CVA) – The table is mandatory for all banks and requires a bank to provide a qualitative description of its risk management objectives and policies for CVA risk. For banks which have chosen to set their CVA capital equal to 100% of their capital requirement for counterparty credit risk, only Table CVAA will apply.[10]
- **Template CVA1** (The reduced basic approach for CVA (BA-CVA)) – The table is mandatory for banks having part or all of their CVA risk charges measured according to the reduced version of BA-CVA and requires a bank to disclose, quantitatively, the aggregation of the systematic and idiosyncratic components used for the computation of RWA under the BA-CVA.
- **Template CVA2** (The full basic approach for CVA (BA-CVA)) – The table is mandatory for banks having part or all of their CVA RWA measured according to the full version of BA-CVA and

[8] See also Template KM1 in Section 1.6.

[9] https://www.bis.org/publ/bcbs_nl20.htm

[10] The finalised Basel III framework allows any bank whose aggregate notional amount of non-centrally cleared derivatives is less than or equal to €100 billion to set its CVA capital equal to 100% of the bank's capital requirement for counterparty credit risk.

requires a bank to disclose, quantitatively, the components used for the computation of RWA under the BA-CVA.

- **Table CVAB** (Qualitative disclosures for banks using the SA-CVA), **Templates CVA3** (The standardised approach for CVA (SA-CVA)) and **CVA4** (RWA flow statements of CVA risk exposures under the SA-CVA) – This set of disclosures is mandatory for banks using the SA-CVA and requires a bank to disclose qualitative information regarding the main characteristics of the bank's CVA risk management framework (Table CVAB), the components used for the computation of RWA under the SA-CVA (Template CVA3) and flow statements explaining variations in RWA for CVA risk determined under the SA-CVA (Template CVA4).

Respondents expressed concerns over the increased disclosure burden, due to the level of granularity in the CVA disclosure requirements proposed within the February 2018 CD. Respondents also provided feedback on certain areas of the proposed disclosure requirements which could be considered proprietary in nature. This standard addressed such concerns by revising the originally proposed disclosure requirements in the following ways:

- Qualitative disclosures of items that may be considered proprietary, including (i) CVA risk management strategies and (ii) the scope and nature of the risk reporting and/or measurement systems, have been removed from Table CVAA.
- The extent of disclosure required within Template CVA 2 has been reduced significantly to require only disclosures of systematic and idiosyncratic components at the aggregate level.
- Requirements relating to the qualitative disclosure of the SA-CVA calculation process have been removed from Table CVAB.
- Requirements to disclose the (i) breakdowns of SA-CVA RWA for counterparties with liquid and proxied credit spreads and (ii) an accompanying narrative disclosure of the types of hedges used by the bank have been removed from Template CVA3.

When the above disclosure requirements are implemented, they will supersede the existing disclosure requirement in Template CCR2 set out in the January 2015 standard. The new disclosure requirements are set out below in **Section 5**.

1.5. New disclosure requirements to compare modelled and standardised RWA

The finalised Basel III framework requires banks to disclose two sets of risk-weighted capital ratios: (i) ratios that exclude the capital floor in the calculation of risk-weighted assets; and (ii) ratios that include the capital floor in the calculation of risk-weighted assets. In addition, banks must disclose more granular information related to the calculation of their risk-weighted assets under internally-modelled and standardised approaches.

This standard introduces two new disclosure requirements, Templates CMS1 and CMS2. **Template CMS1** requires the disclosure of RWA calculated according to the full standardised approach as compared to actual RWA at risk level. **Template CMS2** further elaborates on the comparison between RWA computed under the standardised and the internally modelled approaches by focusing on RWA for credit risk at asset class and sub-asset class levels.

Respondents commented that diversification and netting benefits, in the context of market risk and counterparty credit risk, need to be considered in the design of the template.[11] Template CMS1 within

[11] Specifically, respondents commented that for market risk, when calculating exposure for netting sets (such as where eligible ISDA contracts are established with counterparties), if a bank is currently required to use both the internal model method and standardised methodologies on transactions within a netting set, full netting would not be achievable. However, if all such netting set exposures are to be treated under the standardised approach, then it would be eligible for full regulatory netting.

the standard has been revised to incorporate diversification and netting benefits. In the example below, the bank has $80 and $85 of RWA arising from its exposures computed using internally modelled approaches and standardised approaches, respectively. Without taking into consideration the effects of the capital floor, the bank computes a capital requirement based on total RWA of $165. The full standardised RWA (taking into account diversification and netting effects), which the bank should use to compute its capital requirement for the purpose of the capital floor, is $238.

	Template CMS1	a	b	c	d
		Risk-weighted assets (RWA)			
		RWA for modelled approaches that banks have supervisory approval to use	**RWA for portfolios where standardised approaches are used**	**Total Actual RWA (a + b)** (ie RWA which banks report as current requirements)	**RWA calculated using full standardised approach** (ie RWA used in capital floor computation)
1	Credit risk (excluding counterparty credit risk)	50	10	60	110
2	Counterparty credit risk (CCR)	10	0	10	15
3	Credit valuation adjustment (CVA)		5	5	5
4	Securitisation exposures in the banking book	5	5	10	13
5	Market risk	15	25	40	55
6	Operational risk		30	30	30
7	Residual RWA		10	10	10
8	Total	80	85	165	238

The new disclosure requirements are set out in **Section 6**.

1.6. Revised disclosure requirements on overview of risk management, key prudential metrics and RWA

This standard also revised the following templates, arising from the list of changes above:

- **Template OV1** (Overview of RWA), introduced in the January 2015 Phase I standard and enhanced in the March 2017 Phase II standard, has been revised to require the disclosure of the level of aggregate capital floor applied by the bank and the resultant floor adjustment (before and after the application of the transitional cap).
- **Template KM1** (Key metrics), introduced in the March 2017 standard, has been updated to require the disclosure of (i) leverage ratios (including and excluding the impact of any applicable temporary exemption of central bank reserves) and (ii) the disclosure of capital ratios that exclude the output floor in the computation of RWA.

  The new disclosure requirements are set out in **Section 7**.

2. New disclosure requirements on asset encumbrance

This standard introduces a new template, **Template ENC** (Asset encumbrance), which requires banks to disclose information on their encumbered and unencumbered assets.[12] The template includes a column, which jurisdictions may include at their discretion, that would require banks to report separately all assets currently used in central bank facilities, irrespective of whether those assets are considered to be encumbered or unencumbered as defined in the disclosure requirement. In jurisdictions that decide not to include the optional column in the disclosure requirements, banks should group any assets used in central bank facilities with other encumbered and unencumbered assets, as appropriate.

In view of respondents' comments that the illustrative breakdowns within the template could create an expectation about the necessity of such breakdowns, they have been removed from the template. It will be up to the discretion of the national supervisors to require such breakdowns to be disclosed.

In addition, respondents commented about the lack of clarity regarding the difference in the asset encumbrance figures disclosed in Template ENC and those in the existing liquidity disclosures. The definition of "encumbered assets" in Template ENC is different to that under the Liquidity Coverage Ratio for on-balance sheet assets.[13] Specifically, the definition of "encumbered assets" in Template ENC excludes the aspect of asset monetisation. For an unencumbered asset to qualify as high-quality liquid assets, the LCR requires a bank to have the ability to monetise that asset during the stress period such that the bank can meet net cash outflows. The adoption of the definition serves to provide a preliminary overview on the extent to which a bank's assets remain available to creditors in the event of an insolvency (ie from a credit perspective). The template clarifies that the definition is specific for the purpose of the disclosure and is not applicable for other parts of the Basel framework.

The details of the disclosure requirement are set out below in **Section 8**.

3. New disclosure requirements on capital distribution constraints

The Basel III framework requires a capital conservation buffer (CCB) of 2.5% of Common Equity Tier 1 (CET1), as well as a G-SIB buffer (where applicable) and/or a countercyclical buffer, which are to be established above a bank's regulatory minimum capital requirements. The framework also requires

[12] Transactions conducted by banks could possibly give rise to encumbered assets, for instance:

- secured financing transactions, including repurchase contracts and arrangements, securities lending, collateral swaps and other forms of secured lending;
- collateral agreements, eg collateral placed for the market value of derivative transactions;
- collateral placed for financial guarantees received – when there is no impediment to withdrawal of collateral for the unused part of the guarantee, only the used amount of the guarantee gives rise, on a pro rata basis, to the encumbrance of assets;
- collateral placed with clearing systems, central counterparties and other infrastructure institutions as a condition for access to service (including default funds and initial margins);
- underlying assets from securitisation structures, where the financial assets have not been de-recognised from the bank's financial assets; and
- assets in cover pools used for covered bonds issuance.

[13] Under Template ENC, "encumbered assets" are assets that the bank is restricted or prevented from liquidating, selling, transferring or assigning, due to regulatory, contractual or other limitations.

supervisors to impose capital distribution constraints (CDC) on banks when their capital level falls into the capital buffer range, in a manner that increases as the bank's capital is depleted.[14]

This standard introduces a new disclosure template, **Template CDC** (Capital distribution constraints), which requires banks to disclose the CET1 capital ratios that would trigger CDC. One ratio would take into account CET1 capital used to meet other minimum regulatory capital ratios and one ratio would only set forth the minimum CET1 requirement. In the case of G-SIBs, the disclosure extends to the leverage ratio.[15] The disclosure is intended to enable market participants to make more informed decisions about the risks of coupon cancellation for capital instruments, thereby potentially enhancing both price discovery and market stability. The table below provides a numerical illustration of how a bank would disclose its CET1 capital ratios under such a requirement. It assumes a bank that has a CET1 capital ratio of 10%, currently meets the Basel III minimum of 4.5% CET1, has a CCB of 2.5% CET1 and does not have any countercyclical capital buffer or G-SIB buffer requirement. The bank also uses CET1 capital of 1% of its RWA to meet its Basel III minimum of 6% Tier 1 capital ratio. Under the disclosure requirement, the bank will disclose a CDC trigger of 7% (4.5% + 2.5%) in row 1, which does not consider CET1 capital that the bank has used to meet its minimum Tier 1 capital requirement. The bank will disclose a CDC trigger of 8% (4.5% + 2.5% + 1%) in row 2; this reflects the "true" CDC trigger by incorporating the CET1 capital which the bank has used to meet other minimum regulatory capital ratios. By comparing the disclosures in both rows 1 and 2, users of Pillar 3 data will be able to see that the difference of 1% arises because the bank has used its CET1 capital to meet other minimum regulatory capital ratios. As the actual capital ratios disclosed in column (b) are greater than the minimum requirements provided in column (a), users of Pillar 3 data will know that CDC are not triggered for such bank.

The details of the disclosure requirement are set out below in **Section 9**. The template is mandatory for banks only when required by their national supervisor at the jurisdictional level.

[14] *Basel III: A global regulatory framework for more resilient banks and banking systems*, December 2010, www.bis.org/publ/bcbs189.pdf.

[15] Under the finalised Basel III framework, G-SIBs are subject to a leverage ratio buffer requirement. The leverage ratio buffer requirement will include minimum capital conservation ratios divided into five ranges. CDC will be imposed on a G-SIB which does not meet its leverage ratio buffer requirement.

Numerical illustration of disclosure of Template CDC			
		(a)	(b)
		CET1 capital ratio that would trigger capital distribution constraints (%)	Current CET1 capital ratio (%)
1	CET1 minimum requirement plus Basel III buffers (not taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	7%	10%
2	CET1 capital plus Basel III buffers (taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	8%	

4. Scope of application of disclosures on the composition of regulatory capital

Template CC1 in the March 2017 standard details the composition of a bank's regulatory capital and is mandatory for all banks at the consolidated level. The February 2018 CD sought feedback on the advantages and disadvantages of expanding the scope of application of Template CC1 to resolution groups, relative to retaining the current scope of application to the consolidated group.

Respondents did not favour expanding the scope of application of Template CC1 to resolution groups. Reasons cited include how disclosure at the resolution group level would be artificial given the application of capital requirements at the consolidated group level and the higher disclosure burden for G-SIBs with a multiple point-of-entry (MPE) resolution strategy as compared to those relying on a single point-of-entry (SPE) resolution strategy.

In view of the feedback received, the scope of application of Template CC1 is retained at the consolidation group level. Individual jurisdictions may, however, choose to go beyond the scope of application set out for Template CC1.

5. Implementation dates for the proposed disclosure requirements

The schedule below sets out the format ("fixed" or "flexible"), the proposed frequency and timing of publication for the disclosure requirements in the January 2015 standard, the March 2017 standard and this standard.

Pertaining to this standard, respondents requested that the implementation deadline be delayed. Reasons cited include wanting more time to put in place the relevant IT systems in order to generate the disclosures. In this regard, the implementation deadline for Table CRB-A (Additional disclosure related to prudential treatment of problem assets), Template ENC (Asset encumbrance) and Template CDC (Capital distribution constraints) has been extended from end-2019 to end-2020. The implementation deadline for the disclosure requirements related to the finalised Basel III framework remains unchanged at 1 January 2022, to align with the implementation of the framework.

	Tables and templates	Format	Frequency	Implementation date
Overview of risk management, key prudential metrics and RWA	KM1 – Key metrics (at consolidated group level)	Fixed	Quarterly	Phase II: 1 January 2018 Phase III: 1 January 2022
	KM2 – Key metrics – TLAC requirements (at resolution group level)	Fixed	Quarterly	Phase II: 1 January 2019[16]
	OVA – Bank risk management approach	Flexible	Annual	Phase I: end-2016
	OV1 – Overview of RWA	Fixed	Quarterly	Phase I: end-2016 Phase II: end-2018 Phase III: 1 January 2022
Linkages between financial statements and regulatory exposures	LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	Flexible	Annual	Phase I: end-2016
	LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Flexible	Annual	Phase I: end-2016
	LIA – Explanations of differences between accounting and regulatory exposures amounts	Flexible	Annual	Phase I: end-2016
	PV1 – Prudent valuation adjustments (PVA)	Fixed	Annual	Phase II: end-2018
Composition of capital and TLAC	CC1 – Composition of regulatory capital	Fixed	Semiannual	Phase II: end-2018
	CC2 – Reconciliation of regulatory capital to balance sheet	Flexible	Semiannual	Phase II: end-2018
	CCA – Main features of regulatory capital instruments and of other TLAC-eligible instruments	Flexible	Semiannual	Phase II: end-2018
	TLAC1 –TLAC composition for G-SIBs (at resolution group level)	Fixed	Semiannual	Phase II: 1 January 2019[16]
	TLAC2 – Material subgroup entity – creditor ranking at legal entity level	Fixed	Semiannual	Phase II: 1 January 2019[16]
	TLAC3 – Resolution entity – creditor ranking at legal entity level	Fixed	Semiannual	Phase II: 1 January 2019[16]
Macroprudential supervisory measures	GSIB1 – Disclosure of G-SIB indicators	Flexible	Annual	Phase II: end-2018
	CCyB1 – Geographical distribution of credit exposures used in the countercyclical buffer	Flexible	Semiannual	Phase II: end-2017
Leverage ratio	LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure	Fixed	Quarterly	Phase II: end-2017 Phase III: 1 January 2022
	LR2 – Leverage ratio common disclosure template	Fixed	Quarterly	Phase II: end-2017 Phase III: 1 January 2022
Liquidity	LIQA – Liquidity risk management	Flexible	Annual	Phase II: end-2017
	LIQ1 – Liquidity Coverage Ratio (LCR)	Fixed	Quarterly	Phase II: end-2017

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

	Tables and templates	Format	Frequency	Implementation date
	LIQ 2 – Net Stable Funding Ratio (NSFR)	Fixed	Semiannual	Phase II: 1 January 2018
Credit risk	CRA – General qualitative information about credit risk	Flexible	Annual	Phase I: end-2016
	CR1 – Credit quality of assets	Fixed	Semiannual	Phase I: end-2016[17]
	CR2 – Changes in stock of defaulted loans and debt securities	Fixed	Semiannual	Phase I: end-2016
	CRB – Additional disclosure related to the credit quality of assets	Flexible	Annual	Phase I: end-2016[17]
	CRBA – Additional disclosure related to the prudential treatment of problem assets	Flexible	Annual	Phase III: end-2020
	CRC – Qualitative disclosure requirements related to credit risk mitigation techniques	Flexible	Annual	Phase I: end-2016
	CR3 – Credit risk mitigation techniques – overview	Fixed	Semiannual	Phase I: end-2016
	CRD – Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk	Flexible	Annual	Phase I: end-2016
	CR4 – Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects	Fixed	Semiannual	Phase I: end-2016 Phase III: 1 Jan 2022
	CR5 – Standardised approach – exposures by asset classes and risk weights	Fixed	Semiannual	Phase I: end-2016 Phase III: 1 Jan 2022
	CRE – Qualitative disclosures related to IRB models	Flexible	Annual	Phase I: end-2016
	CR6 – IRB – credit risk exposures by portfolio and probability of default (PD) range	Fixed	Semiannual	Phase I: end-2016
	CR7 – IRB – effect on RWA of credit derivatives used as CRM techniques	Fixed	Semiannual	Phase I: end-2016
	CR8 – RWA flow statements of credit risk exposures under IRB	Fixed	Quarterly	Phase I: end-2016
	CR9 – IRB – backtesting of PD per portfolio	Flexible	Annual	Phase I: end-2016
	CR10 – IRB (specialised lending and equities under the simple risk weight method)	Flexible	Semiannual	Phase I: end-2016 Phase III: 1 Jan 2022
Counterparty credit risk	CCRA – Qualitative disclosure related to counterparty credit risk	Flexible	Annual	Phase I: end-2016
	CCR1 – Analysis of counterparty credit risk (CCR) exposure by approach	Fixed	Semiannual	
	Will be replaced under Phase III CCR2 – Credit valuation adjustment (CVA) capital charge	Fixed	Semiannual	

17 As the application of ECL accounting models and introduction of any transitional arrangements take effect from 1 January 2018, the additional amendments to the templates introduced in the Committee's technical amendment in August 2018 (www.bis.org/bcbs/publ/d435.pdf) will come into effect from 1 January 2019.

	Tables and templates	Format	Frequency	Implementation date
	CCR3 – Standardised approach of CCR exposures by regulatory portfolio and risk weights	Fixed	Semiannual	
	CCR4 – IRB – CCR exposures by portfolio and PD scale	Fixed	Semiannual	
	CCR5 – Composition of collateral for CCR exposure	Flexible	Semiannual	
	CCR6 – Credit derivatives exposures	Flexible	Semiannual	
	CCR7 – RWA flow statements of CCR exposures under the Internal Model Method (IMM)	Fixed	Quarterly	
	CCR8 – Exposures to central counterparties	Fixed	Semiannual	
CVA	CVAA – General qualitative disclosure requirements related to CVA	Flexible	Annual	Phase III: 1 Jan 2022
	CVAB – Qualitative disclosures for banks using the SA-CVA	Flexible	Annual	
	CVA1 – The reduced basic approach for CVA (BA-CVA)	Fixed	Semiannual	
	CVA2 – The full basic approach for CVA (BA-CVA)	Fixed	Semiannual	
	CVA3 – The standardised approach for CVA (SA-CVA)	Fixed	Semiannual	
	CVA4 – RWA flow statements of CVA risk exposures under the SA	Fixed	Quarterly	
Securitisation	SECA – Qualitative disclosure requirements related to securitisation exposures	Flexible	Annual	Phase I: end-2016
	SEC1 – Securitisation exposures in the banking book	Flexible	Semiannual	
	SEC2 – Securitisation exposures in the trading book	Flexible	Semiannual	
	SEC3 – Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	Fixed	Semiannual	
	SEC4 – Securitisation exposures in the banking book and associated capital requirements – bank acting as investor	Fixed	Semiannual	
Market risk	MRA – General qualitative disclosure requirements related to market risk	Flexible	Annual	Phase I: end-2016 Phase II: 1 Jan 2022
	MR1 – Market risk under SA	Fixed	Semiannual	Phase I: end-2016 Phase II: 1 Jan 2022
	MRB – Qualitative disclosures for banks using the IMA	Flexible	Annual	Phase I: end-2016 Phase II: 1 Jan 2022
	MRC – The structure of desks for banks using the IMA	Flexible	Semiannual	Phase II: 1 Jan 2022
	MR2 – RWA flow statements of market risk exposures under IMA (Phase I only) MR2 – Market risk IMA per risk type (Phase II only)	Fixed Fixed	Quarterly Semiannual	Phase I: end-2016 Phase II: 1 Jan 2022
	MR3 – IMA values for trading portfolios (Phase I only)	Fixed	Semiannual	Phase I: end-2016

	Tables and templates	Format	Frequency	Implementation date
	MR3 – RWA flow statements of market risk exposures under IMA (Phase II only)	Fixed	Quarterly	Phase II: 1 Jan 2022
	MR4 – Comparison of VaR estimates with gains/losses (Phase I only)	Flexible	Semiannual	Phase I: end-2016
Interest rate risk in the banking book	IRRBBA – IRRBB risk management objective and policies	Flexible	Annual	Phase II: 2018
	IRRBB1 – Quantitative information on IRRBB	Fixed	Annual	Phase II: 2018
Remuneration	REMA – Remuneration policy	Flexible	Annual	Phase II: end-2017
	REM1 – Remuneration awarded during the financial year	Flexible	Annual	Phase II: end-2017
	REM2 – Special payments	Flexible	Annual	Phase II: end-2017
	REM3 – Deferred remuneration	Flexible	Annual	Phase II: end-2017
Operational risk	ORA – General qualitative information on a bank's operational risk framework	Flexible	Annual	Phase III: 1 January 2022
	OR1 – Historical losses	Fixed	Annual	Phase III: 1 January 2022
	OR2 – Business indicator and subcomponents	Fixed	Annual	Phase III: 1 January 2022
	OR3 – Minimum required operational risk capital	Fixed	Annual	Phase III: 1 January 2022
Comparison of modelled and standardised RWA	CMS1 – Comparison of modelled and standardised RWA at risk level	Fixed	Quarterly	Phase III: 1 January 2022
	CMS2 – Comparison of modelled and standardised RWA for credit risk at asset class level	Fixed	Semiannual	Phase III: 1 January 2022
Asset encumbrance	ENC – Asset encumbrance	Fixed	Semiannual	Phase III: end-2020
Capital distribution constraints	CDC – Capital distribution constraints	Fixed	Annual	Phase III: end-2020[18]

[18] Notwithstanding the implementation date of end-2020 for Template CDC, row 3 (Leverage ratio) of Template CDC needs to be disclosed only from January 2022 onwards.

Section 2: Revised and additional disclosure requirements for credit risk

Table CRB-A – Additional disclosure related to prudential treatment of problem assets

Purpose: To supplement the quantitative templates with additional information related to non-performing exposures and forbearance.
Scope of application: The table is mandatory for banks only when required by national supervisors at jurisdictional level.
Content: Qualitative and quantitative information (carrying values corresponding to the accounting values reported in financial statements but according to the regulatory scope of consolidation).
Frequency: Annual.
Format: Flexible.

Banks must provide the following disclosures:	
Qualitative disclosures	
(a)	The bank's own definition of non-performing exposures. The bank should specify in particular if it is using the definition provided in the guidelines on prudential treatment of problem assets (hereafter in this table referred to as the "Guidelines")[19] and provide a discussion on the implementation of its definition, including the materiality threshold used to categorise exposures as past due, the exit criteria of the non-performing category (providing information on a probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the categorisation of corporate and retail loans.
(b)	The bank's own definition of a forborne exposure. The bank should specify in particular if it is using the definition provided in the Guidelines and provide a discussion on the implementation of its definition, including the exit criteria of the restructured or forborne category (providing information on the probation period, if relevant), together with any useful information for users' understanding of this categorisation. This would include a discussion of any differences or unique processes for the catagorisation of corporate and retail loans.[20]
Quantitative disclosures	
(c)	Gross carrying value of total performing as well as non-performing exposures, broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures; national supervisors may require additional breakdowns of non-performing exposures, if needed, to enable an understanding of material differences in the level of risk or provision cover among different portfolios (eg retail exposures by secured by real estate/mortages, revolving exposures, small and medium-sized enterprises (SMEs), other retail). Non-performing exposures should in addition be split into (i) defaulted exposures and/or impaired exposures;[21] (ii) exposures that are not defaulted/impaired exposures but are more than 90 days past due; and (iii) other exposures where there is evidence that full repayment is unlikely without the bank's realisation of collateral (which would include exposures that are not defaulted/impaired and are not more than 90 days past due but for which payment is unlikely without the bank's realisation of collateral, even if the exposures are not past due).

19 www.bis.org/bcbs/publ/d403.pdf.

20 Banks are allowed to (i) merge row (d) of Table CRB with row (b) of Table CRB-A and (ii) merge row (h) of Table CRB with row (d) of Table CRB-A if and only if the bank uses a common definition for restructured and forborne exposures. The bank should clarify in the disclosure that they are applying a common definition for restructured and forborne exposures. In such case, the bank should also specify in the accompanying narrative that it uses a common definition for restructured exposures and forborne exposures that therefore, information disclosed regarding requirements of row (b) and row (d) of Table CRB-A have been merged with the row (d) and row (h) of Table CRB, respectively.

21 When the accounting framework is IFRS 9, "impaired exposures" are those that are considered "credit-impaired" in the meaning of IFRS 9 Appendix A. When the accounting framework is US GAAP, "impaired exposures" are those exposures for which credit losses are measured under ASC Topic 326 and for which the bank has recorded a partial write-off/writedown.

	Value adjustments and provisions[22] for non-performing exposures should also be disclosed.
(d)	Gross carrying values of restructured/forborne exposures broken down first by debt securities, loans and off-balance sheet exposures. Loans should be further broken down by corporate and retail exposures; supervisors may require a more detailed breakdown, if needed, to enable an understanding of material differences in the level of risk among different portfolios (eg retail exposures secured by real estate/mortages, revolving exposures, SMEs, other retail). Exposures should, in addition, be split into performing and non-performing, and impaired and not impaired exposures. Value adjustments and provisions for non-performing exposures should also be disclosed.

Definitions

Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure according to the finalised Basel III framework. On-balance sheet items include loans and debt securities. Off-balance sheet items must be measured according to the following criteria:

(a) Guarantees given – the maximum amount that the bank would have to pay if the guarantee were called. The amount must be gross of any credit conversion factor (CCF) or credit risk mitigation (CRM) techniques.

(b) Irrevocable loan commitments – the total amount that the bank has committed to lend. The amount must be gross of any CCF or CRM techniques. Revocable loan commitments must not be included. The gross value is the accounting value before any allowance/impairments but after considering write-offs. Banks must not take into account any CRM technique.

[22] Please refer to paragraph 33 of the Guidelines, where it is stated: "these value adjustments and provisions refer to both the allowance for credit losses and direct reductions of the outstanding of an exposure to reflect a decline in the counterparty's creditworthiness". For banks not applying the Guidelines, please refer to the definition of accounting provisions included in Template CR1, which is in line with paragraph 33 of the Guidelines.

Template CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

Purpose: To illustrate the effect of CRM (comprehensive and simple approach) on capital requirement calculations under the standardised approach for credit risk. RWA density provides a synthetic metric on the riskiness of each portfolio.

Scope of application: The template is mandatory for banks using the standardised approach for credit risk, regardless of whether a jurisdiction allows the use of external credit ratings for regulatory capital purposes.

Subject to supervisory approval of the immateriality of the asset class, banks that intend to adopt a phased rollout of the IRB approach may apply the standardised approach to certain asset classes. In circumstances where exposures and RWA amounts subject to the standardised approach may be considered to be negligible, and disclosure of this information to users would not provide any meaningful information, the bank may choose not to disclose the template for the exposures treated under the standardised approach. The bank must, however, explain why it considers the information not to be meaningful to users. The explanation must include a description of the exposures included in the respective portfolios and the aggregate total of RWA from such exposures.

When the framework for equity investments in funds enters into force in the jurisdiction, corresponding requirements must not be reported in this template but in Template OV1.

Content: Regulatory exposure amounts.

Frequency: Semiannual.

Format: Fixed. The columns cannot be altered. The rows reflect the asset classes as defined under the finalised Basel III framework. Jurisdictions may add or delete rows to reflect any differences in their implementation of the standardised approach, but the numbering of the prescribed rows must not be altered.

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. Banks should describe the sequence in which CCFs, provisioning and credit risk mitigation measures are applied.

		a	b	c	d	e	f
		Exposures before CCF and CRM		**Exposures post-CCF and post-CRM**		**RWA and RWA density**	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks						
2	Non-central government public sector entities						
3	Multilateral development banks						
4	Banks						
	Of which: securities firms and other financial institutions						
5	Covered bonds						
6	Corporates						

	Of which: securities firms and other financial institutions						
	Of which: specialised lending						
7	Subordinated debt, equity and other capital						
8	Retail						
9	Real estate						
	Of which: general RRE						
	Of which: IPRRE						
	Of which: general CRE						
	Of which: IPCRE						
	Of which: land acquisition, development and construction						
10	Defaulted exposures						
11	Other assets						
12	**Total**						

Definitions

Unless otherwise specified, the paragraph references correspond to the section on standardised approach for credit risk under the finalised Basel III framework.

Rows:

General residential real estate (General RRE): refers to exposures secured by residential real estate where repayment is not materially dependent on cash flows generated by property as set out in paragraphs 63 to 66 of the finalised Basel III framework.

Income-producing residential real estate (IPRRE): refers to exposures secured by residential real estate where repayment is materially dependent on cash flows generated by property as set out in paragraphs 67 and 68 of the finalised Basel III framework.

General commercial real estate (General CRE): refers to exposures secured by commercial real estate where repayment is not materially dependent on cash flows generated by property as set out in paragraphs 69 to 72 of the finalised Basel III framework.

Income-producing commercial real estate (IPCRE): refers to exposures secured by commercial real estate where repayment is materially dependent on cash flows generated by property as set out in paragraph 73 of the finalised Basel III framework.

Land acquisition, development and construction: refers to exposures subject to specific risk weight as set out in paragraphs 74 and 75 of the finalised Basel III framework.

Other assets: refers to assets subject to specific risk weight as set out in paragraphs 95 to 97 of the finalised Basel III framework.

Columns:

Exposures before credit conversion factors (CCF) and CRM – On-balance sheet amount: Banks must disclose the regulatory exposure amount (net of specific provisions, including partial write-offs) under the regulatory scope of consolidation gross of (ie before taking into account) the effect of CRM techniques.

Exposures before CCF and CRM – Off-balance sheet amount: Banks must disclose the exposure value, gross of CCFs and the effect of CRM techniques under the regulatory scope of consolidation.

Exposures post-CCF and post-CRM: This is the amount to which the capital requirements are applied. It is a net credit equivalent amount, after CRM techniques and CCF have been applied.

RWA density: Total risk-weighted assets/exposures post-CCF and post-CRM (ie column (e) / (column (c) + column (d))), expressed as a percentage.

Linkages across templates:

Amount in [CR4:12/c] + [CR4:12/d] is equal to amount in [CR5:Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures 11/d].

Template CR5: Standardised approach – exposures by asset classes and risk weights

Purpose: To present the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardised approach).

Scope of application: The template is mandatory for banks using the standardised approach.

Subject to supervisory approval of the immateriality of the asset class, banks that intend to adopt a phased rollout of the internal ratings-based (IRB) approach may apply the standardised approach to certain asset classes. In circumstances where exposures and RWA amounts subject to the standardised approach may be considered to be negligible, and disclosure of this information would not provide any meaningful information to users, the bank may choose not to disclose the template for the exposures treated under the standardised approach. The bank must, however, explain why it considers the information not to be meaningful to users. The explanation must include a description of the exposures included in the respective portfolios and the aggregate total of RWA from such exposures.

When the framework for equity investments in funds enters into force in the jurisdiction, corresponding requirements must not be reported in this template but only in Template OV1.

Content: Regulatory exposure amounts.

Frequency: Semiannual.

Format: Fixed. Jurisdictions may add rows and columns to reflect any differences in their implementation of the standardised approach, but the numbering of the prescribed rows must not be altered. Jurisdictions should not delete rows or columns.

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. Banks should describe the sequence in which CCFs, provisioning and credit risk mitigation measures are applied.

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks							

		20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
2	Non-central government public sector entities						

		0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
3	Multilateral development banks								

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4	Banks									
	Of which: securities firms and other financial institutions									

		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
5	Covered bonds									

		20%	50%	65%	75%	80%	85%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	Corporates											
	Of which: securities firms and other financial institutions											
	Of which: specialised lending											

		100%	150%	250%[1]	400%[1]	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Subordinated debt, equity and other capital[2]						

		45%	75%	100%	Other	Total credit exposure amount (post CCF and post-CRM)
8	Retail					

[1] The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from the date of implementation set out in paragraph 42 of the IRB section under the finalised Basel III framework. During this phase-in period, the risk weight for equity exposures will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Alternatively, national supervisors may require banks to apply the fully phased-in standardised approach treatment from the date of implementation of this standard. Accordingly, for disclosure purposes, banks that continue to apply the IRB approach during the phase-in period should report their equity exposures in either the 250% or the 400% column, according to whether the respective equity exposures are speculative unlisted equities or all other equities.

[2] For disclosure purposes, banks that use the standardised approach for credit risk during the transitional period should report their equity exposures according to whether they would be classified as "other equity holdings" (250%) or "speculative unlisted equity" (400%). Risk weights disclosed for "speculative unlisted equity exposures" and "other equity holdings" should reflect the actual risk weights applied to these exposures in a particular year (please refer to the respective transitional arrangements set out in footnote 29 of the section on the standardised approach for credit risk under the finalised Basel III framework).

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate																				
	Of which: general RRE																				
	Of which: no loan splitting applied																				
	Of which: loan splitting applied (secured)																				
	Of which: loan splitting applied (unsecured)																				
	Of which: IPRRE																				
	Of which: general CRE																				
	Of which: no loan splitting applied																				
	Of which: loan splitting applied (secured)																				
	Of which: loan splitting applied (unsecured)																				
	Of which: IPCRE																				
	Of which: land acquisition, development and construction																				

		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures					

		0%	20%	100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Other assets						

	Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures				
		a	b	c	d
	Risk weight	***On-balance sheet exposure***	***Off-balance sheet exposure (pre-CCF)***	***Weighted average CCF****	***Exposure (post-CCF and post-CRM)***
1	*Less than 40%*				
2	*40–70%*				
3	*75%*				
4	*85%*				
5	*90–100%*				
6	*105–130%*				
7	*150%*				
8	*250%*				
9	*400%*				
10	*1,250%*				
11	***Total exposures***				
	** Weighting is based on off-balance sheet exposure (pre-CCF).*				

Definitions

Unless otherwise specified, the paragraph references correspond to the section on the standardised approach for credit risk under the finalised Basel III framework.

Loan splitting: refers to the approaches set out in paragraph 65 and 71 of the finalised Basel III framework.

Total credit exposure amount (post-CCF and post-CRM): the amount used for the capital requirements calculation (for both on- and off-balance sheet amounts), therefore net of specific provisions (including partial write-offs) and after CRM techniques and CCF have been applied but before the application of the relevant risk weights.

Defaulted exposures: correspond to the unsecured portion of any loan past due for more than 90 days or represent an exposure to a defaulted borrower, as defined in paragraph 90 of the finalised Basel III framework.

Equity investments in funds: When the framework for banks' equity investments in funds enters into force in the jurisdiction, corresponding requirements must not be reported in this template but only in Template OV1.

Other assets: refers to assets subject to specific risk weighting as set out in paragraphs 95 to 97 of the finalised Basel III framework.

Template CR10: IRB (specialised lending under the slotting approach)

Purpose: To provide quantitative disclosures of banks' specialised lending exposures using the supervisory slotting approach.

Scope of application: The template is mandatory for banks using the supervisory slotting approach. The breakdown by regulatory categories included in the template is indicative, as the data included in the template are provided by banks according to applicable domestic regulation.

Content: Carrying values, exposure amounts and RWA.

Frequency: Semiannual.

Format: Flexible.

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.

Specialised lending											
Other than HVCRE											
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	Less than 2.5 years			50%							
	Equal to or more than 2.5 years			70%							
Good	Less than 2.5 years			70%							
	Equal to or more than 2.5 years			90%							
Satisfactory				115%							
Weak				250%							
Default				–							
Total											
HVCRE											
Regulatory categories	Residual maturity	On-balance	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses

		sheet amount					
Strong	Less than 2.5 years			70%			
	Equal to or more than 2.5 years			95%			
Good	Less than 2.5 years			95%			
	Equal to or more than 2.5 years			120%			
Satisfactory				140%			
Weak				250%			
Default				–			
Total							

Definitions

HVCRE: high-volatility commercial real estate.

On-balance sheet amount: banks must disclose the amount of exposure (net of allowances and write-offs) under the regulatory scope of consolidation.

Off-balance sheet amount: banks must disclose the exposure value without taking into account conversion factors and the effect of credit risk mitigation techniques.

Exposure amount: the amount relevant for the capital requirement's calculation, therefore after CRM techniques and CCF have been applied.

Expected losses: amount of expected losses calculated according to paragraphs 144 to 146 of the section on IRB for credit risk of the finalised Basel III framework.

PF: project finance.

OF: object finance.

CF: commodities finance.

IPRRE: income-producing residential real estate.

Section 3: Revised disclosure requirements for operational risk

Table ORA: General qualitative information on a bank's operational risk framework

Purpose: To describe the main characteristics and elements of a bank's operational risk management framework.
Scope of application: The table is mandatory for all banks.
Content: Qualitative information.
Frequency: Annual.
Format: Flexible.

Banks must describe:	
(a)	Their policies, frameworks and guidelines for the management of operational risk.
(b)	The structure and organisation of their operational risk management and control function.
(c)	Their operational risk measurement system (ie the systems and data used to measure operational risk in order to estimate the operational risk capital charge).
(d)	The scope and main context of their reporting framework on operational risk to executive management and to the board of directors.
(e)	The risk mitigation and risk transfer used in the management of operational risk. This includes mitigation by policy (such as the policies on risk culture, risk appetite, and outsourcing), by divesting from high-risk businesses, and by the establishment of controls. The remaining exposure can then be absorbed by the bank or transferred. For instance, the impact of operational losses can be mitigated with insurance.

Template OR1: Historical losses

Purpose: To disclose aggregate operational losses incurred over the past 10 years, based on the accounting date of the incurred losses. This disclosure informs the operational risk capital calculation. The general principle on retrospective disclosure set out in the first bullet point of Section 4 of the March 2017 Pillar 3 standard does not apply for this template. From the implementation date of the template onwards, disclosure of all prior periods is required, unless firms have been permitted by their supervisor to use fewer years in their capital calculation on a transitional basis.
Scope of application: The table is mandatory for: (i) all banks that are in the second or third business indicator (BI) bucket, regardless of whether their supervisor has exercised the national discretion to set the internal loss multiplier (ILM) equal to one; and (ii) all banks in the first BI bucket which have received supervisory approval to include internal loss data to calculate their operational risk capital requirements.
Content: Quantitative information.
Frequency: Annual.
Format: Fixed. National supervisors may prescribe further guidance regarding the disclosure of the total number of exclusions in rows 4 and 9.
Accompanying narrative: Banks are expected to supplement the template with narrative commentary explaining the rationale in aggregate, for new loss exclusions since the previous disclosure. Banks should disclose any other material information, in aggregate, that would help inform users as to its historical losses or its recoveries, with the exception of confidential and proprietary information, including information about legal reserves.

		a	b	c	d	e	f	g	h	i	j	k
		T	T–1	T–2	T–3	T–4	T–5	T–6	T–7	T–8	T–9	Ten-year average
Using €20,000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions)											
2	Total number of operational risk losses											
3	Total amount of excluded operational risk losses											
4	Total number of exclusions											
5	Total amount of operational losses net of recoveries and net of excluded losses											
Using €100,000 threshold												
6	Total amount of operational losses net of recoveries (no exclusions)											
7	Total number of operational risk losses											
8	Total amount of excluded operational risk losses											

9	Total number of exclusions											
10	Total amount of operational losses net of recoveries and net of excluded losses											
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?											
12	If “no” in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?											
13	Loss event threshold: €20,000 or €100,000 for the operational risk capital calculation if applicable											

Definitions

Row 1: Based on a loss event threshold of €20,000, the total loss amount net of recoveries resulting from loss events above the loss event threshold for each of the last 10 reporting periods. Losses excluded from the operational risk capital calculation must still be included in this row.

Row 2: Based on a loss event threshold of €20,000, the total net loss amounts above the loss threshold excluded (eg due to divestitures) for each of the last 10 reporting periods.

Row 3: Based on a loss event threshold of €20,000, the total number of operational risk losses.

Row 4: Based on a loss event threshold of €20,000, the total number of exclusions.

Row 5: Based on a loss event threshold of €20,000, the total amount or operational risk losses net of recoveries and excluded losses.

Row 6: Based on a loss event threshold of €100,000, the total loss amount net of recoveries resulting from loss events above the loss event threshold for each of the last 10 reporting periods. Losses excluded from the operational risk capital calculation must still be included in this row.

Row 7: Based on a loss event threshold of €100,000, the total net loss amounts above the loss threshold excluded (eg due to divestitures) for each of the last 10 reporting periods.

Row 8: Based on a loss event threshold of €100,000, the total number of operational risk losses.

Row 9: Based on a loss event threshold of €100,000, the total number of exclusions.

Row 10: Based on a loss event threshold of €100,000, the total amount or operational risk losses net of recoveries and excluded losses.

Row 11: Indicate whether the bank uses operational risk losses to calculate the ILM. Banks using ILM=1 due to national discretion should answer no.

Row 12: Indicate whether internal loss data are not used in the ILM calculation due to non-compliance with the minimum loss data standards as referred to paragraphs 17 and 18 of the operational risk section of the finalised Basel III framework. The application of any resulting multipliers must be disclosed in row 2 of Template OR3 and accompanied by a narrative.

Row 13: The loss event threshold used in the actual operational risk capital calculation (ie €20,000 or €100,000) if applicable.

Columns: For rows 1 to 10, T denotes the end of the annual reporting period, T–1 the previous year-end, etc. Column (k) refers to the average annual losses net of recoveries and excluded losses over 10 years.

Notes:

Loss amounts and the associated recoveries should be reported in the year in which they were recorded in financial statements.

Template OR2: Business Indicator and subcomponents

Purpose: To disclose the business indicator (BI) and its subcomponents, which inform the operational risk capital calculation. The general principle on retrospective disclosure set out in the first bullet point of Section 4 of the March 2017 Pillar 3 standard does not apply for this template. From the implementation date of this template onwards, disclosure of all prior periods is required.
Scope of application: The table is mandatory for all banks.
Content: Quantitative information.
Frequency: Annual.
Format: Fixed.
Accompanying narrative: Banks are expected to supplement the template with narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes. Additional narrative is required for those banks that have received supervisory approval to exclude divested activities from the calculation of the BI.

		a	b	c
	BI and its subcomponents	T	T–1	T–2
1	Interest, lease and dividend component			
1a	Interest and lease income			
1b	Interest and lease expense			
1c	Interest earning assets			
1d	Dividend income			
2	Services component			
2a	Fee and commission income			
2b	Fee and commission expense			
2c	Other operating income			
2d	Other operating expense			
3	Financial component			
3a	Net P&L on the trading book			
3b	Net P&L on the banking book			
4	BI			
5	Business indicator component (BIC)			

Disclosure on the BI:

		a
6a	BI gross of excluded divested activities	
6b	Reduction in BI due to excluded divested activities	

Definitions

Row 1: The interest, leases and dividend component (ILDC) = Min [Abs (Interest income – Interest expense); 2.25%* Interest-earning assets] + Dividend income. In the formula, all the terms are calculated as the average over three years: T, T–1 and T–2.

The interest-earning assets (balance sheet item) are the total gross outstanding loans, advances, interest-bearing securities (including government bonds) and lease assets measured at the end of each financial year.

Row 1a: Interest income from all financial assets and other interest income (includes interest income from financial and operating leases and profits from leased assets).

Row 1b: Interest expenses from all financial liabilities and other interest expenses (includes interest expense from financial and operating leases, losses, depreciation and impairment of operating leased assets).

Row 1c: Total gross outstanding loans, advances, interest-bearing securities (including government bonds) and lease assets measured at the end of each financial year.

Row 1d: Dividend income from investments in stocks and funds not consolidated in the bank's financial statements, including dividend income from non-consolidated subsidiaries, associates and joint ventures.

Row 2: Service component (SC) = Max (Fee and commission income; Fee and commission expense) + Max (Other operating income; Other operating expense). In the formula, all the terms are calculated as the average over three years: T, T–1 and T–2.

Row 2a: Income received from providing advice and services. Includes income received by the bank as an outsourcer of financial services.

Row 2b: Expenses paid for receiving advice and services. Includes outsourcing fees paid by the bank for the supply of financial services, but not outsourcing fees paid for the supply of non-financial services (eg logistical, IT, human resources).

Row 2c: Income from ordinary banking operations not included in other BI items but of a similar nature (income from operating leases should be excluded).

Row 2d: Expenses and losses from ordinary banking operations not included in other BI items but of a similar nature and from operational loss events (expenses from operating leases should be excluded).

Row 3: Financial component (FC) = Abs (Net P&L Trading Book) + Abs (Net P&L Banking Book). In the formula, all the terms are calculated as the average over three years: T, T–1 and T–2.

Row 3a: This comprises (i) net profit/loss on trading assets and trading liabilities (derivatives, debt securities, equity securities, loans and advances, short positions, other assets and liabilities); (ii) net profit/loss from hedge accounting; and (iii) net profit/loss from exchange differences.

Row 3b: This comprises (i) net profit/loss on financial assets and liabilities measured at fair value through profit and loss; (ii) realised gains/losses on financial assets and liabilities not measured at fair value through profit and loss (loans and advances, assets available for sale, assets held to maturity, financial liabilities measured at amortised cost); (iii) net profit/loss from hedge accounting; and (iv) net profit/loss from exchange differences.

Row 4: The BI is the sum of the three components: ILDC, SC and FC.

Row 5: The BIC is calculated by multiplying the BI by a set of regulatory determined marginal coefficients (αi). The marginal coefficients increase with the size of the BI: 12% for BI ≤ €1bn; 15% for €1bn < BI ≤ €30bn; and 18% for BI > €30bn.

Disclosure on BI should be reported by banks that have received supervisory approval to excluded divested activities from the calculation of the BI.

Row 6a: The BI reported in this row includes divested activities.

Row 6b: Difference between BI gross of divested activities (row 6a) and BI net of divested activities (row 4).

Columns: T denotes the end of the annual reporting period, T–1 the previous year-end, etc.

Linkages across templates

[OR2:5/a] is equal to [OR3:1/a]

Template OR3: Minimum required operational risk capital

Purpose: To disclose operational risk regulatory capital requirements.

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

Content: Quantitative information.

Frequency: Annual.

Format: Fixed.

		a
1	Business indicator component (BIC)	
2	Internal loss multiplier (ILM)	
3	Minimum required operational risk capital (ORC)	
4	Operational risk RWA	

Definitions

Row 1: The BIC used for calculating minimum regulatory capital requirements for operational risk.

Row 2: The ILM used for calculating minimum regulatory capital requirements for operational risk. Where national jurisdictions choose to exclude losses from the operational risk calculation, the ILM is set equal to one.

Row 3: Minimum Pillar 1 operational risk capital requirements. For banks using operational risk losses to calculate the ILM, this should correspond to the BIC times the ILM. For banks not using operational risk losses to calculate the ILM, this corresponds to the BIC.

Row 4: Converts the minimum Pillar 1 operational risk capital requirement into RWA.

Section 4: Revised disclosure requirements for leverage ratio

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

Purpose: To reconcile the total assets in the published financial statements with 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 approval from or due to requirements specified by their national supervisor, use more frequent calculations (eg daily or monthly averaging). Banks are required to include the basis for their disclosures (eg quarter-end, daily averaging or monthly averaging, or a combination thereof).
Frequency: Quarterly.
Format: Fixed.
Accompanying narrative: Banks are required to disclose and detail the source of material differences between their total balance sheet assets, as reported in their financial statements, and their leverage ratio exposure measure.

		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 securitised exposures that meet the operational requirements for the recognition of risk transference	
4	Adjustments for temporary exemption of central bank reserves (if applicable)	
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustments for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	
12	Other adjustments	
13	**Leverage ratio exposure measure**	

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on leverage ratio under the finalised Basel III framework.

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 to 89 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 leverage ratio exposure measure due to the exclusion of securitised exposures that meet the operational requirements for the recognition of risk transference according to paragraph 24 of the standard *Revisions to the securitisation framework* (revised July 2016). As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
4	Adjustments related to the temporary exclusion of central bank reserves from the leverage ratio exposure measure, if enacted by the supervisor to facilitate the implementation of monetary policies as per paragraph 26 of the finalised Basel III framework. As these adjustments reduce the total leverage ratio exposure measure, they shall be reported as a negative amount.
5	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.
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting. The adjustment reflects (i) the reverse-out of any offsetting between cash receivables for unsettled sales and cash payables for unsettled purchases of financial assets that may be recognised under the applicable accounting framework, and (ii) the offset between those cash receivables and cash payables that are eligible per the criteria specified in paragraph 30 of the finalised Basel III framework. If this adjustment leads to an increase in exposure, it shall be reported as a positive amount. If this adjustment leads to a decrease in exposure, it shall be reported as a negative amount.
7	Adjustments for eligible cash-pooling transactions. The adjustment is the difference between the accounting value of cash-pooling transactions and the treatments specified in paragraph 31 of the finalised Basel III framework. If this adjustment leads to an increase in exposure, it shall be reported as a positive amount. If this adjustment leads to a decrease in exposure, it shall be reported as a negative amount.
8	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 32 to 49 of the finalised Basel III framework. 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.
9	Adjustments related to Securities Financing Transactions (SFTs) (ie repurchase agreements 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 50 to 56 of the finalised Basel III framework. 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.
10	The credit equivalent amount of off-balance sheet items determined by applying the relevant credit conversion factors to the nominal value of the off-balance sheet item, as specified in Annex paragraphs 8 to 16 of the finalised Basel III framework. As these amounts increase the total leverage ratio exposure measure, they shall be reported as a positive amount.
11	Adjustments for prudent valuation adjustments and specific and general provisions that have reduced Tier 1 capital. This adjustment reduces the leverage ratio exposure measure by the amount of prudent valuation adjustments and by the amount of specific and general provisions that have reduced Tier 1 capital as determined by paragraph 22 and paragraphs 29 and 59, respectively, of the finalised Basel III framework. This adjustment shall be reported as a negative amount.
12	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.
13	The leverage ratio exposure, which should be the sum of the previous items.

Linkages across templates

[LR1:13/a] is equal to [LR2:24/a] (depending on basis of calculation)

Template LR2: Leverage ratio common disclosure template

Purpose: To provide a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

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

Content: Quantitative information. Disclosures should be on a quarter-end basis. However, banks may, subject to approval from or due to requirements specified by their national supervisor, use more frequent calculations (eg daily or monthly averaging). Banks are required to include the frequency of calculation for their disclosures (eg quarter-end, daily averaging or monthly averaging, or a combination thereof).

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks must describe the key factors that have had a material impact on the leverage ratio for this reporting period compared with the previous reporting period.

		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	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework		
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)		
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)		
7	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of rows 1 to 6)		
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		
9	Add-on amounts for potential future exposure associated with *all* derivatives transactions		
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**Total derivative exposures (sum of rows 8 to 12)**		
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
17	Agent transaction exposures		
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**		
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount		
20	(Adjustments for conversion to credit equivalent amounts)		
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	**Off-balance sheet items (sum of rows 19 to 21)**		

Capital and total exposures			
23	**Tier 1 capital**		
24	**Total exposures (sum of rows 7, 13, 18 and 22)**		
Leverage ratio			
25	**Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**		
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	**National minimum leverage ratio requirement**		
27	**Applicable leverage buffers**		

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on the leverage ratio under the finalised Basel III framework.

SFTs: transactions such as repurchase agreements, reverse repurchase agreements, securities 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 to 96 of the Basel III framework[25] 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 8 to 18. Derivatives and SFTs collateral refer to either collateral received or collateral provided (or any associated receivable asset) accounted as a balance sheet asset. Amounts are to be reported in accordance with paragraphs 28, 30 and 31 and, where applicable, paragraphs 24 and 26 of the finalised Basel III framework.
2	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 38 of the finalised Basel III framework.
3	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 this row reduce the exposure measure, they shall be reported as negative figures.
4	Adjustment for securities received under a securities financing transaction where the bank has recognised the securities as an asset on its balance sheet. These amounts are to be excluded from the exposure measure in accordance with paragraph 51(i) of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
5	Amounts of general and specific provisions that are deducted from Basel III Tier 1 capital which may be deducted from the exposure measure in accordance with paragraph 29 of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
6	All other balance sheet asset amounts deducted from Tier 1 capital and other regulatory adjustments associated with on-balance sheet assets as specified in paragraph 22 of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
7	Sum of rows 1 to 6.
8	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 finalised Basel III framework, net of cash variation margin received (as set out in paragraph 40 of the finalised Basel III framework), and with bilateral netting (as set out in Annex paragraphs 4 and 5 of the finalised Basel III framework). This amount should be reported with the 1.4 alpha factor applied as specified in paragraph 34 of the finalised Basel III framework.
9	Add-on amount for the potential future exposure (PFE) of all derivative exposures calculated in accordance with paragraph 34 and Annex paragraph 3 of the revised Basel III leverage ratio framework. This amount should be reported with the 1.4 alpha factor applied as specified in paragraph 34 of the finalised Basel III framework.
10	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 in respect of

[25] 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.

	any losses suffered due to changes in the value of its transactions in the event that a qualifying central counterparty (QCCP) defaults. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
11	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 45 of the finalised Basel III framework.
12	This row comprises: • 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 45 of the finalised Basel III framework. • The deduction of add-on amounts for PFE in relation to written credit derivatives determined in accordance with paragraph 49 of the finalised Basel III framework. As the adjustments in this row reduce the exposure measure, they shall be reported as negative figures.
13	Sum of rows 8 to 12.
14	The gross amount of SFT assets without recognition of netting, other than novation with QCCPs, determined in accordance with paragraph 51 of the finalised Basel III framework, adjusted for any sales accounting transactions in accordance with paragraph 52 of the finalised Basel III framework.
15	The cash payables and cash receivables of gross SFT assets with netting determined in accordance with paragraph 51(i), second bullet, of the finalised Basel III framework. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
16	The amount of the counterparty credit risk add-on for SFTs determined in accordance with paragraph 51(ii) of the finalised Basel III framework.
17	The amount for which the bank acting as an agent in a SFT has provided an indemnity or guarantee determined in accordance with paragraphs 53 to 56 of the finalised Basel III framework.
18	Sum of rows 14 to 17.
19	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).
20	Reduction in gross amount of off-balance sheet exposures due to the application of CCFs as specified in Annex paragraphs 9 to 16 of the finalised Basel III framework. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
21	Amounts of specific and general provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital, the absolute value of which is not to exceed the sum of rows 19 and 20. As these adjustments reduce the exposure measure, they shall be reported as negative figures.
22	Sum of rows 19 to 21.
23	The amount of Tier 1 capital of the risk-based capital framework as defined in paragraphs 49 to 96 of the Basel III framework[26] taking account of the transitional arrangements.
24	Sum of rows 7, 13, 18 and 22.
25	The Basel III leverage ratio is defined as the Tier 1 capital measure divided by the exposure measure, with this ratio expressed as a percentage.
25a	If a bank's leverage ratio exposure measure is subject to a temporary exemption of central bank reserves, this ratio is defined as the Tier 1 capital measure divided by the sum of the exposure measure and the amount of the central bank reserves exemption, with this ratio expressed as a percentage. If the bank's leverage ratio exposure measure is not subject to a temporary exemption of central bank reserves, this ratio will be identical to the ratio reported in row 25.
26	The minimum leverage ratio requirement applicable to the bank. This number will be higher than 3% in the case of a bank belonging to a jurisdiction which has exercised the discretion to exempt central bank reserves from the computation of the leverage ratio requirement.
27	Total applicable leverage buffers. To include the G-SIB leverage ratio buffer requirement and any other applicable buffers.

Linkages across templates (valid only if the relevant rows are all disclosed on a quarter-end basis)

[LR2:23/a] is equal to [KM1:2/a]

[LR2:24/a] is equal to [KM1:13/a]

[LR2:25/a] is equal to [KM1:14/a]

[LR2:25a/a] is equal to [KM1:14b/a]

[26] 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.

Section 5: Revised disclosure requirements for CVA

I. General information about CVA

Table CVAA: General qualitative disclosure requirements related to CVA

Purpose: To provide a description of the risk management objectives and policies for CVA risk.
Scope of application: The table is mandatory for all banks that are subject to CVA capital requirements, including banks which are qualified and have elected to set its capital requirement for CVA at 100% of its counterparty credit risk charge.
Content: Qualitative information.
Frequency: Annual.
Format: Flexible.

Banks must describe their risk management objectives and policies for CVA risk as follows:	
(a)	An explanation and/or a description of the bank's processes implemented to identify, measure, monitor and control the bank's CVA risks, including policies for hedging CVA risk and the processes for monitoring the continuing effectiveness of hedges.
(b)	Whether the bank is eligible and has chosen to set its capital requirement for CVA at 100% of the bank's capital requirement for counterparty credit risk as applicable under the section on minimum capital requirements for CVA risk of the finalised Basel III framework.

II. CVA risk under the reduced basic approach (reduced BA-CVA)

Template CVA1: The reduced basic approach for CVA (BA-CVA)

Purpose: To provide the components used for the computation of RWA under the reduced BA-CVA for CVA risk.
Scope of application: The template is mandatory for banks having part or all of their RWA for CVA risk measured according to the reduced BA-CVA. The template should be completed with only the amounts obtained from the netting sets which are under the reduced BA-CVA.
Content: RWA.
Frequency: Semiannual.
Format: Fixed.
Accompanying narrative: Banks must describe the types of hedge they use even if they are not taken into account under the reduced BA-CVA.

		a	b
		Components	BA-CVA RWA
1	Aggregation of systematic components of CVA risk		
2	Aggregation of idiosyncratic components of CVA risk		
3	**Total**		

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on minimum capital requirements for CVA risk under the finalised Basel III framework.

Row number	Explanation
1	*Aggregation of systematic components of CVA risk:* RWA under perfect correlation assumption ($\sum_c SCVA_c$) as per paragraph 12 of the finalised Basel III framework.
2	*Aggregation of idiosyncratic components of CVA risk:* RWA under zero correlation assumption ($\sqrt{\sum_c SCVA_c^{\ 2}}$) as per paragraph 12 of the finalised Basel III framework.
3	*Total:* $K_{reduced}$ as per paragraph 12 of the finalised Basel III framework multiplied by 12.5.

Linkages across templates

[CVA1:3/b] is equal to [OV1:10/a] if the bank only uses the reduced BA-CVA for all CVA risk exposures.

III. CVA risk under the full basic approach (full BA-CVA)

Template CVA2: The full basic approach for CVA (BA-CVA)

Purpose: To provide the components used for the computation of RWA under the full BA-CVA for CVA risk.
Scope of application: The template is mandatory for banks having part or all of their RWA for CVA risk measured according to the full version of the BA-CVA. The template should be fulfilled with only the amounts obtained from the netting sets which are under the full BA-CVA.
Content: RWA.
Frequency: Semiannual.
Format: Fixed. Additional rows can be inserted for the breakdown of other risks.

		a
		BA-CVA RWA
1	K Reduced	
2	K Hedged	
3	**Total**	

Definitions and instructions

Unless otherwise specified, the paragraph references correspond to the section on minimum capital requirements for CVA risk under the finalised Basel III framework.

Row number	Explanation
1	*K Reduced:* $K_{reduced}$ as per paragraph 12 of the CVA risk framework.
2	*K Hedged:* K_{hedged} as per paragraph 19 of the CVA risk framework.
3	*Total:* K_{full} as per paragraph 18 of the CVA risk framework multiplied by 12.5.

Linkages across templates: [CVA2:3/a] is equal to [OV1:10/a] if the bank only uses the full BA-CVA for all CVA risk exposures.

IV. CVA risk under the standardised approach (SA-CVA)

Table CVAB: Qualitative disclosures for banks using the SA-CVA

Purpose: To provide the main characteristics of the bank's CVA risk management framework.
Scope of application: The table is mandatory for all banks using the SA-CVA to calculate their RWA for CVA risk.
Content: Qualitative information.
Frequency: Annual.
Format: Flexible.

Banks must provide the following information on their CVA risk management framework:	
(a)	A description of the bank's CVA risk management framework.
(b)	A description of how senior management is involved in the CVA risk management framework.
(c)	An overview of the governance of the CVA risk management framework (eg documentation, independent control unit, independent review, independence of the data acquisition from the lines of business).

Template CVA3: The standardised approach for CVA (SA-CVA)

Purpose: To provide the components used for the computation of RWA under the SA-CVA for CVA risk.
Scope of application: The template is mandatory for banks having part or all of their RWA for CVA risk measured according to the SA-CVA.
Content: RWA.
Frequency: Semiannual.
Format: Fixed. Additional rows can be inserted for the breakdown of other risks.

		a	b
		SA-CVA RWA	Number of counterparties
1	Interest rate risk		
2	Foreign exchange risk		
3	Reference credit spread risk		
4	Equity risk		
5	Commodity risk		
6	Counterparty credit spread risk		
7	**Total (sum of rows 1 to 6)**		

Linkages across templates

[CVA3:7/a] is equal to [OV1:10/a] if the bank only uses the SA-CVA for all CVA risk exposures.

Template CVA4: RWA flow statements of CVA risk exposures under SA-CVA

Purpose: Flow statement explaining variations in RWA for CVA risk determined under the SA-CVA.

Scope of application: The template is mandatory for banks using the SA-CVA.

Content: RWA for CVA 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.

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. Factors behind changes could include movements in risk levels, scope changes (eg movement of netting sets between SA-CVA and BA-CVA), acquisition and disposal of business/product lines or entities or foreign currency translation movements.

		a
1	**Total RWA for CVA at previous quarter-end**	
2	**Total RWA for CVA at end of reporting period**	

Linkages across templates

[CVA4:1/a] is equal to [OV1:10/b]

[CVA4:2/a] is equal to [OV1:10/a]

Section 6: Disclosure requirements to compare modelled and standardised RWA

Template CMS1 – Comparison of modelled and standardised RWA at risk level

Purpose: To compare full standardised risk-weighted assets (RWA) against modelled RWA that banks have supervisory approval to use in accordance with the finalised Basel III framework. The disclosure also provides the full standardised RWA amount to which the floor in the Basel framework is applied.

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

Content: RWA.

Frequency: Quarterly.

Format: Fixed.

Accompanying narrative: Banks are expected to explain the main drivers of difference (eg asset class or sub-asset class of a particular risk category, key assumptions underlying parameter estimations, national implementation differences) between the internally modelled RWA disclosed that are used to calculate their capital ratios and RWA disclosed under the full standardised approach that would be used should the banks not be allowed to use internal models. Explanation should be specific and, where appropriate, might be supplemented with quantitative information. In particular, if the RWA for securitisation exposures in the banking book are a main driver of the difference, banks are expected to explain the extent to which they are using each of the three potential approaches (SEC-ERBA, SEC-SA and 1,250% risk weight) for calculating SA RWA for securitisation exposures.

		a	b	c	d
		RWA			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA (a + b) (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (ie RWA used in capital floor computation)
1	Credit risk (excluding counterparty credit risk)				
2	Counterparty credit risk				
3	Credit valuation adjustment				
4	Securitisation exposures in the banking book				
5	Market risk				
6	Operational risk				
7	Residual RWA				
8	Total				

Definitions and instructions

Rows:

Credit risk (excluding counterparty credit risk, credit valuation adjustments and securitisation exposures in the banking book) (row 1):

Definition of standardised approach: The standardised approach for credit risk. When calculating the degree of credit risk mitigation, banks must use the simple approach or the comprehensive approach with standard supervisory haircuts. This also includes failed trades and non-delivery-versus-payment transactions as set out in Annex 3 of the Basel II framework (June 2006).

The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from the date of implementation of the finalised Basel III framework. During the phase-in period, the risk weight for equity exposures used to calculate the RWA reported in column (a) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk.

RWA for modelled approaches that banks have supervisory approval to use (cell 1/a): For exposures where the RWA is not computed based on the standardised approach described above (ie subject to the credit risk IRB approaches (Foundation Internal Ratings-Based (F-IRB), Advanced Internal Ratings-Based (A-IRB) and supervisory slotting approaches of the credit risk framework). The row excludes all positions subject to the securitisation regulatory framework, including securitisation exposures in the banking book (which are reported in row 4) and capital requirements relating to a counterparty credit risk charge, which are reported in row 2.

RWA for portfolios where standardised approaches are used (cell 1/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 1/c): The sum of cells 1/a and 1/b.

RWA calculated using full standardised approach (cell 1/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 1/c.

Counterparty credit risk (row 2):

Definition of standardised approach: To calculate the exposure for derivatives, banks must use the standardised approach for measuring counterparty credit risk (SA-CCR). The exposure amounts must then be multiplied by the relevant borrower risk weight using the standardised approach for credit risk to calculate RWA under the standardised approach for credit risk.

RWA for modelled approaches that banks have supervisory approval to use (cell 2/a): For exposures where the RWA is not computed based on the standardised approach described above.

RWA for portfolios where standardised approaches are used (cell 2/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 2/c): The sum of cells 2/a and 2/b.

RWA calculated using full standardised approach (cell 2/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 2/c.

Credit valuation adjustment (row 3):

Definition of standardised approach: The standardised approach for CVA (SA-CVA), the basic approach (BA-CVA) or 100% of a bank's counterparty credit risk capital requirements (depending on which approach the bank uses for CVA risk).

Total actual RWA (cell 3/c) and RWA calculated using full standardised approach (cell 3/d): RWA according to the standardised approach described above.

Securitisation exposures in the banking book (row 4):

Definition of standardised approach: The external ratings-based approach (SEC-ERBA), the standardised approach (SEC-SA) or a risk weight of 1,250%.

RWA for modelled approaches that banks have supervisory approval to use (cell 4/a): For exposures where the RWA is computed based on the SEC-IRBA or SEC-IAA.

RWA for portfolios where standardised approaches are used (cell 4/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 4/c): The sum of cells 4/a and 4/b.

RWA calculated using full standardised approach (cell 4/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 4/c.

Market risk (row 5):

Definition of standardised approach: The standardised approach for market risk. The SEC-ERBA, SEC-SA or a risk weight of 1,250% must also be used when determining the default risk charge component for securitisations held in the trading book.

RWA for modelled approaches that banks have supervisory approval to use (cell 5/a): For exposures where the RWA is not computed based on the standardised approach described above.

RWA for portfolios where standardised approaches are used (cell 5/b): RWA which result from applying the above-described standardised approach.

Total actual RWA (cell 5/c): The sum of cells 5/a and 5/b.

RWA calculated using full standardised approach (cell 5/d): RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 5/c.

Operational risk (row 6):

Definition of standardised approach: The standardised approach for operational risk.

Total actual RWA (cell 6/c) and RWA calculated using full standardised approach (cell 6/d): RWA according to the revised standardised approach for operational risk.

Residual RWA (row 7):

Total actual RWA (cell 7/c) and RWA calculated using full standardised approach (cell 7/d): RWA not captured within rows 1 to 6 (ie the RWA arising from equity investments in funds (rows 12 to 14 in Template OV1), settlement risk (row 15 in Template OV1), capital charge for switch between trading book and banking book (row 23 in Template OV1) and amounts below the thresholds for deduction (row 25 in Template OV1)).

Total (row 8):

RWA for modelled approaches that banks have supervisory approval to use (cell 8/a): The total sum of cells 1/a, 2/a, 4/a and 5/a.

RWA for portfolios where standardised approaches are used (cell 8/b): The total sum of cells 1/b, 2/b, 3/b, 4/b, 5/b, 6/b and 7/b.

Total actual RWA (cell 8/c): The bank's total RWA before the output floor adjustment. *The total sum of cells 1/c, 2/c, 3/c, 4/c, 5/c, 6/c and 7/c.*

RWA calculated using full standardised approach (cell 8/d): The total sum of cells 1/d, 2/d, 3/d, 4/d, 5/d, 6/d and 7/d. Disclosed numbers are calculated purely for comparison purposes and do not represent requirements under the Basel regulatory framework.

Linkages across templates

[CMS1: 1/c] is equal to [OV1:1/a]

[CMS1: 2/c] is equal to [OV1:6/a]

[CMS1:3/c] is equal to [OV1:10/a]

[CMS1: 4/c] is equal to [OV1:16/a]

[CMS1: 5/c] is equal to [OV1:20/a]

[CMS1:5/d] is equal to [MR2:12/a] multiplied by 12.5

[CMS1:6/c] is equal to [OV1:24/a]

Template CMS2 – Comparison of modelled and standardised RWA for credit risk at asset class level

Purpose: To compare risk-weighted assets (RWA) calculated according to the standardised approach (SA) for credit risk at the asset class level against the corresponding RWA figure calculated using the approaches (including both the standardised and IRB approach for credit risk and the supervisory slotting approach) that banks have supervisory approval to use in accordance with the Basel regulatory framework for credit risk
Scope of application: The template is mandatory for all banks using internal models for credit risk. Similar to row 1 of Template CMS1, it excludes counterparty credit risk, credit valuation adjustments and securitisation exposures in the banking book.
Content: RWA.
Frequency: Semiannual.
Format: Fixed. The columns are fixed, but the portfolio breakdowns in the rows will be set at jurisdiction level to reflect the exposure classes required under national implementation of IRB and SA. Banks are encouraged to add rows to show where significant differences occur.
Accompanying narrative: Banks are expected to explain the main drivers of differences between the internally modelled amounts disclosed that are used to calculate their capital ratios and amounts disclosed should the banks apply the standardised approach. Where differences are attributable to mapping between IRB and SA, banks are encouraged to provide explanation and estimated materiality.

		a	b	c	d
		RWA			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardised approach	Total Actual RWA (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (ie RWA used in capital floor computation)
1	Sovereign				
	Of which: categorised as MDB/PSE in SA				
2	Banks and other financial institutions				
3	Equity[27]				
4	Purchased receivables				
5	Corporates				
	Of which: F-IRB is applied				
	Of which: A-IRB is applied				
6	Retail				
	Of which: qualifying revolving retail				
	Of which: other retail				
	Of which: retail residential mortgages				

27 The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from the date of implementation of the revised Basel III framework. During the phase-in period, the risk weight for equity exposures (to be reported in column (a)) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Column (b) should reflect the corresponding RWA for these exposures based on the phased-in standardised approach. After the phase-in period, columns (a) and (b) for equity exposures should both be empty.

7	Specialised lending				
	Of which: income-producing real estate and high volatility commercial real estate				
8	Others				
9	Total				

Definitions and instructions

Columns:

RWA for modelled approaches that banks have supervisory approval to use *(column (a)):* Represents the portion of RWA according to the IRB approach for credit risk in accordance with the Basel regulatory framework for risk-based capital requirements and the supervisory slotting approach.

Corresponding standardised approach RWA for column (a) *(column (b)):* RWA equivalent as derived under the standardised approach.

Total actual RWA (column (c)): Represents the sum of the RWA for modelled approaches that banks have supervisory approval to use and the RWA *under standardised approaches*.

RWA calculated using full standardised approach (column (d)): Total RWA assuming the full standardised approach applied at asset class level. Disclosed numbers for each asset class are calculated purely for comparison purposes and do not represent requirements under the Basel regulatory framework.

Linkages across templates

[CMS2:9/a] is equal to [CMS1:1/a]

[CMS2:9/c] is equal to [CMS1:1/c]

[CMS2:9/d] is equal to [CMS1:1/d]

Section 7: Disclosure requirements on overview of risk management, key prudential metrics and RWA

Template OV1: Overview of RWA

Purpose: To 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: RWA 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.

		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: IMM			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)			
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period			
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 IRB 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 approach (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	Aggregate capital floor applied			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)			

Definitions and instructions

RWA: risk-weighted assets according to the Basel framework 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	*Credit risk (excluding counterparty credit risk):* RWA and capital requirements according to the credit risk framework in the finalised Basel III 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	*Of which: standardised approach:* RWA and capital requirements according to the credit risk standardised approach.
3 and 5	*Of which: (foundation/advanced) internal rating based approaches:* RWA and capital requirements according to the F-IRB approach and/or A-IRB approach.
4	*Of which: supervisory slotting approach:* RWA and capital requirements according to the supervisory slotting approach.
6 to 8	*Counterparty credit risk:* RWA and capital charges according to the counterparty credit risk framework in the finalised Basel III framework, excluding CVA as reported in row 10.
9	*Of which: other CCR:* RWA and capital charge requirements according to the counterparty credit risk framework in the finalised Basel III framework, excluding CVA as reported in row 10, which do not fall under rows 7 and 8.
10	*Credit valuation adjustment:* RWA and capital charge requirements according to the finalised Basel III framework.
11	*Equity positions under the simple risk weight approach and internal models method:* the amounts in row 11 correspond to RWA where the bank applies the simple risk weight approach or the internal model method, which remain available during the five-year linear phase-in arrangement.[28] Equity positions under the PD/LGD approach during the five-year linear phase-in arrangement should be reported in row 3. Where the regulatory treatment of equities is in accordance with the standardised approach, the corresponding RWA are reported in Template CR4 and included in row 2 of this template.
12	*Equity investments in funds – look-through approach:* RWA and capital requirements calculated in accordance with paragraphs 80(ii) to 80(v) of the Basel framework as of 1 January 2017.[29]
13	*Equity investments in funds – mandate-based approach:* RWA and capital requirements calculated in accordance with paragraphs 80(vi) to 80(vii) of the Basel framework as of 1 January 2017.[30]
14	*Equity investments in funds – fall-back approach:* RWA and capital requirements calculated in accordance with paragraph 80(viii) of the Basel framework as of 1 January 2017.[31]
15	*Settlement risk:* 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	*Securitisation exposures in banking book:* the amounts correspond to capital requirements applicable to the securitisation exposures in the banking book. The RWA amounts must be derived from the capital requirements (which include the impact of the cap in accordance with paragraphs 88 and 89 of the Basel III revision to the securitisation framework, and do not systematically correspond to the RWA reported in Templates SEC3 and SEC4, which are before application of the cap).
20	*Market risk:* the amounts reported in row 20 correspond to the RWA and capital requirements in the market risk framework. They also include capital charges for securitisation positions booked in the trading book but exclude the counterparty credit risk capital charges (reported in row 6 of this template). The RWA for market risk correspond to the capital charge times 12.5.
21	*Of which: standardised approach:* RWA and capital requirements according to the market risk standardised approach, including capital requirements for securitisation positions booked in the trading book.
22	*Of which: Internal Models Approach:* RWA and capital requirements according to the market risk IMA.
23	*Capital charge for switch between trading book and banking book*: outstanding accumulated capital surcharge imposed on the bank in accordance with paragraphs 27 and 28 of the market risk framework when the total capital charge (across banking book and trading 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	*Operational risk:* the amounts corresponding to the minimum capital requirements for operational risk in the finalised Basel III framework.
25	*Amounts below the thresholds for deduction (subject to 250% risk weight):* the amounts correspond to items subject to a 250% risk weight according to paragraph 89 of the Basel III framework. They include 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	*Aggregate capital floor applied:* the aggregate capital floor (expressed as a percentage) applied by the bank in its computation of the floor adjustment value in rows 27 and 28.
27	*Floor adjustment (before the application of transitional cap):* the impact of the capital floor before the application of the transitional cap, based on the aggregate capital floor applied in row 26, in terms of the increase in RWA.
28	*Floor adjustment (after the application of transitional cap):* the impact of the capital floor after the application of the transitional cap, based on the aggregate capital floor applied in row 26, in terms of the increase in RWA. The figure disclosed in this row takes into account the transitional cap (if any) applied by the bank's national supervisor, which will limit the increase in RWA to 25% of the bank's RWA before the application of the aggregate capital floor.
29	The bank's total RWA.

Linkages across templates

Amount in [OV1:2/a] is equal to [CR4:12/e]

Amount in [OV1:3/a] and [OV1:5/a] is equal to the sum of [CR6: Total (all portfolios)/i]

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

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/c] is equal to [MR1:12/a]

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

[28] See paragraph 42 footnote 9 of the Internal ratings-based approach for credit risk in BCBS, *Basel III: Finalising post-crisis reforms*, December 2017.

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

[30] Ibid.

[31] Ibid.

Template KM1: Key metrics (at consolidated group level)

Purpose: To 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 risk-based capital ratios, 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). All metrics are intended to reflect actual bank values for (T), with the exception of "fully loaded expected credit losses (ECL)" metrics, the leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) and metrics designated as "pre-floor" which may not reflect actual values.

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)					
4a	Total risk-weighted assets (pre-floor)					
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)					
5a	Fully loaded ECL accounting model CET1 (%)					
5b	CET1 ratio (%) (pre-floor ratio)					
6	Tier 1 ratio (%)					
6a	Fully loaded ECL accounting model Tier 1 ratio (%)					
6b	Tier 1 ratio (%) (pre-floor ratio)					
7	Total capital ratio (%)					
7a	Fully loaded ECL accounting model total capital ratio (%)					
7b	Total capital ratio (%) (pre-floor 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 (%) (including the impact of any applicable temporary exemption of central bank reserves)					
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)					
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)					
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets (HQLA)					
16	Total net cash outflow					
17	LCR ratio (%)					
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio					

Instructions

Row number	Explanation
4a	For *pre-floor total RWA*, the disclosed amount should exclude any adjustment made to total RWA from the application of the capital floor.
5a, 6a, 7a, 14a	For fully loaded ECL ratios (%) in rows 5a, 6a, 7a and 14a, the denominator (RWA, Basel III leverage ratio exposure measure) is also "Fully loaded ECL", ie as if ECL transitional arrangements were not applied.
5b, 6b, 7b	For *pre-floor risk based ratios* in rows 5b, 6b and 7b, the disclosed ratios should exclude the impact of the capital floor in the calculation of RWA.
12	*CET1 available after meeting the bank's minimum capital requirements (as a percentage of RWA)*: 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/a].
13	*Total Basel III leverage ratio exposure measure:* The amounts may reflect period-end values or averages depending on local implementation.
15	*Total HQLA:* total adjusted value using simple averages of daily observations over the previous quarter (ie the average calculated over a period of, typically, 90 days).
16	*Total net cash outflow:* total adjusted value 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] and is equal to [OV1.29/a]

Amount in [KM1:4a/a] is equal to ([OV1.29/a] – [[OV1.28/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 [LR2:24/a] (only if the same calculation basis is used)

Amount in [KM1:14/a] is equal to [LR2:25/a] (only if the same calculation basis is used)

Amount in [KM1:14b/a] is equal to [LR2:25a/a] (only if the same calculation basis is used)

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]

Section 8: Asset encumbrance

Template ENC: Asset encumbrance

Purpose: To provide the amount of encumbered and unencumbered assets.

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

Content: Carrying amount for encumbered and unencumbered assets on the balance sheet using period-end values. Banks must use the specific definition of "encumbered assets" set out in the instructions below in making the disclosure. The scope of consolidation for the purposes of this disclosure requirement should be a bank's regulatory scope of consolidation, but including its securitisation exposures.

Frequency: Semiannual

Format: Fixed.

Banks should always complete columns (a), (c) and (d). Supervisors may separately, require the breakdown of column (a) by types of transaction, and/or require the breakdown of column (c) into categories of unencumbered assets. Supervisors may also provide guidance on the treatment of some assets as encumbered or unencumbered (eg central bank facilities, assets that secure transactions or facilities in excess of minimum requirements).

Irrespective of whether breakdowns of banks' encumbered and unencumbered assets by transaction type and category are required, supervisors may require banks to disclose, separately, assets supporting central bank facilities. This is illustrated by the "optional" column in the template below.

In jurisdictions where supervisors do not require banks to disclose assets supporting central bank facilities using the optional column, banks should group any assets used in central bank facilities with other encumbered and unencumbered assets, as appropriate.

Accompanying narrative: Banks are expected to supplement the template with a narrative commentary to explain (i) any significant change in the amount of encumbered and unencumbered assets from the previous disclosure; (ii) as applicable, any definition of the amounts of encumbered and/or unencumbered assets broken down by types of transaction/category; and (iii) any other relevant information necessary to understand the context of the disclosed figures. When a separate column for central bank facilities is used, banks should describe the types of assets and facilities included in this column.

	a	b	c	d
	Encumbered assets	**[Optional]** Central bank facilities	**Unencumbered assets**	**Total**
The assets on the balance sheet would be disaggregated; there can be as much disaggregation as desired				

Definitions

The definitions are specific to this template and are not applicable for other parts of the Basel framework.

Encumbered assets: Encumbered assets are assets that the bank is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations. When the optional column on central bank facilities is used, encumbered assets exclude central bank facilities. The definition of "encumbered assets" in Template ENC is different than that under the Liquidity Coverage Ratio for on-balance sheet assets. Specifically, the definition of "encumbered assets" in Template ENC excludes the aspect of asset monetisation. For an unencumbered asset to qualify as high-quality liquid assets, the LCR requires a bank to have the ability to monetise that asset during the stress period such that the bank can meet net cash outflows.

Unencumbered assets: Unencumbered assets are assets which do not meet the definition of encumbered. When the optional column on central bank facilities is used, unencumbered assets exclude central bank facilities.

Central bank facilities: Assets in use to secure transactions, or remaining available to secure transactions, in any central bank facility, including facilities used for monetary policy, liquidity assistance or any other and ad hoc funding facilities.

Instructions

Total (in column (d)): Sum of encumbered and unencumbered assets, and central bank facilities where relevant. The scope of consolidation for the purposes of this disclosure requirement should be based on a bank's regulatory scope of consolidation, but including its securitisation exposures.

Section 9: Capital distribution constraints

Template CDC: Capital distribution constraints

Purpose: To provide disclosure of the capital ratio(s) below which capital distribution constraints are triggered as required under the Basel framework (ie risk-based, leverage, etc) to allow meaningful assessment by market participants of the likelihood of capital distributions becoming restricted.

Scope of application: The table is mandatory for banks only when required by national supervisors at a jurisdictional level.[32] Where applicable, the template may include additional rows to accommodate other national requirements that could trigger capital distribution constraints.

Content: Quantitative information. Includes the CET1 capital ratio that would trigger capital distribution constraints when taking into account (i) CET1 capital that banks must maintain to meet the minimum CET1 capital ratio, applicable risk-based buffer requirements (ie capital conservation buffer, G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required); (ii) CET1 capital that banks must maintain to meet the minimum regulatory capital ratios and any CET1 capital used to meet Tier 1 capital, total capital and TLAC[33] requirements, applicable risk-based buffer requirements (ie capital conservation buffer, G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required); and (iii) the leverage ratio inclusive of leverage ratio buffer requirement.

Frequency: Annual.

Format: Fixed. Jurisdictions may add rows to supplement the disclosure to include other requirements that trigger capital distribution constraints.

Accompanying narrative: In cases where capital distribution constraints have been imposed, banks should describe the constraints imposed. In addition, banks shall provide a link to the supervisor's or regulator's website, where the characteristics of the relevant jurisdictions' national requirements governing capital distribution constraints are set out (eg stacking hierarchy of buffers, relevant time frame between breach of buffer and application of constraints, definition of earnings and distributable profits used to calculate restrictions). Further, banks may choose to provide any additional information they consider to be relevant for understanding the stated figures.

		a		b
		CET1 capital ratio that would trigger capital distribution constraints (%)		**Current CET1 capital ratio (%)**
1	CET1 minimum requirement plus Basel III buffers (not taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)			
2	CET1 capital plus Basel III buffers (taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)			

[32] Notwithstanding the implementation date of end-2020 for Template CDC, row 3 (Leverage ratio) needs to be disclosed only from January 2022 onwards.

[33] The TLAC holdings standard states that Common Equity Tier 1 must first be used to meet the minimum capital and TLAC requirements if necessary (including the 6% Tier 1, 8% total capital and 18% TLAC requirements), before the remainder can contribute to the capital conservation buffer.

		Leverage ratio that would trigger capital distribution constraints (%)		Current leverage ratio (%)
3	*[Applicable only for G-SIBs]* *Leverage ratio*			

Instructions

Row number	Explanation
1	*CET1 minimum plus Basel III buffers (not taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios):* CET1 capital ratio which would trigger capital distribution constraints, should the bank's CET1 capital ratio fall below this level. The ratio takes into account only CET1 capital that banks must maintain to meet the minimum CET1 capital ratio (4.5%), applicable risk-based buffer requirements (ie capital conservation buffer (2.5%), G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required). The ratio does not take into account instances where the bank has used its CET1 capital to meet its other minimum regulatory ratios (ie Tier 1 capital, total capital and/or TLAC requirements), which could increase the CET1 capital ratio which the bank has to meet in order to prevent capital distribution constraints from being triggered.
2	*CET1 minimum plus Basel III buffers (taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios):* CET1 capital ratio which would trigger capital distribution constraints, should the bank's CET1 capital ratio fall below this level. The ratio takes into account CET1 capital that banks must maintain to meet the minimum regulatory ratios (ie CET1, Tier 1, total capital requirements and TLAC requirements), applicable risk-based buffer requirements (ie capital conservation buffer (2.5%), G-SIB surcharge and countercyclical capital buffer) and Pillar 2 capital requirements (if CET1 capital is required).
3	*Leverage ratio:* Leverage ratio which would trigger capital distribution constraints, should the bank's leverage ratio fall below this level.

Linkages across templates

Amount in [CDC:1/b] is equal to [KM1:5/a]

Amount in [CDC:3/b] is equal to [KM1:14/a]