

# **EBA - Template Instructions**

## **EU panels Basel III monitoring exercise**

---

End-December 2021 exercise (v.4.4 December 2021)

# Contents

---

<b>1. Introduction</b>	<b>6</b>
<b>2. EU General Info</b>	<b>7</b>
2.1 Panel A1: Identification data	7
2.2 Panel A2: Approaches to counterparty credit risk for derivatives	7
2.3 Panel A3: Approaches to CVA risk	7
<b>3. Credit risk reforms</b>	<b>9</b>
3.1 Overview	9
3.1.1 Scope of the Credit Risk Worksheets	9
3.2 Worksheet “Credit risk (SA)”	9
3.2.1 Column AI to AK of Panel A 1: EU-specific: transitional SA-CCR application for credit risk output floor	9
3.2.2 Panel B: Additional information for the purposes of calculating the impact of supporting factors	10
3.2.3 Panel B.1: SME supporting factor	10
3.2.4 Panel B.2: Infrastructure supporting factor and specialised lending	13
3.2.5 Panel C: Additional information for equity Exposures	15
3.3 Worksheet “Credit risk (IRB)”	18
3.3.1 Column CT to CY of Panel A: transitional SA-CCR application for credit risk output floor	19
3.3.2 Panel C: Additional information for the purpose of calculating the impact of the supporting factors	20
3.3.3 Panel C.1: SME supporting factor	20
3.3.4 Panel C.2: Infrastructure supporting factor (INF SF) and specialised lending	23
3.3.5 Panel D: EU Additional information on unrated corporates (EU banks only)	25
3.3.6 Panel E: Additional information for equity IRB Exposures	26
3.3.7 Panel F: Additional information for regional governments and local authorities (RGLA) as well as public sector entities (PSE)	29
3.4 Worksheet “EU RRE”	30
3.4.1 Panel A: Loss Rate	30
3.4.2 Panel B: IRBA exposure secured by real estate	31
3.4.3 Panels C to J	32
<b>4. CCR and CVA</b>	<b>33</b>
4.1 CCR and CVA worksheet	33
4.1.1 Column AA to AD of Panel A	33

4.2	EU CVA worksheet	33
4.2.1	Panel A: Size of derivatives business	34
4.2.2	Panel B: CVA capital requirements	35
4.3	EU CCR worksheet	45
4.3.1	Panel A: Approaches for counterparty credit risk and for credit risk of derivative exposures	45
4.3.2	Panel B: Derivative exposures subject to counterparty credit risk	47
4.3.3	Panel C: Derivative exposures under different current counterparty credit risk methods	49
4.4	EU CCP worksheet	52
4.4.1	Panel A: Central counterparties	52
4.4.2	Panel B: CCP exposure	54
4.4.3	Panel C: Revised CCP capital requirements and transfer costs in last resort scenario of loss of recognition of certain clearing activities (to be filled in only by clearing members)	59
<b>5.</b>	<b>FRTB</b>	<b>64</b>
5.1	EU TB SSRM worksheet	64
5.1.1	Panel A: Number of risk factors (or buckets)	64
5.1.2	Panel B1: Revised market risk requirements for non-modellable risk factors under the EBA SSRM methodology	65
5.1.3	Panel B2: Revised market risk requirements for modellable risk factors only under the EBA SSRM methodology	66
5.1.4	Panel C: Number of risk factors (or buckets) by SSRM method	67
<b>6.</b>	<b>Operational Risk</b>	<b>69</b>
6.1	EU specific operational risk treatment	69
<b>7.</b>	<b>Interest rate risk in the banking book (IRRBB)</b>	<b>70</b>
7.1	Introduction	70
7.2	General aspects	70
7.2.1	Structure of the comprehensive IRRBB QIS	70
7.2.2	Scope of the comprehensive IRRBB QIS	71
7.2.3	Scope of instruments	71
7.2.4	Categorisation of customers and instruments	73
7.2.5	Materiality of currencies	74
7.2.6	Interest Rate Scenarios	75
7.3	Panel A: Notional repricing cash flows except non-maturity deposits, automatic options, term deposits subject to early redemption risk, fixed rate loans subject to prepayments and fixed rate loan commitments, post eligible IRT	75
7.4	Panel B: NMDs	79
7.5	Panel C: Term deposits subject to early redemption risk	83
7.6	Panel D: Fixed rate loans subject to prepayment risk	85
7.7	Panel E: Fixed rate loan commitments (“pipelines”)	87
7.8	Panel F: Other IRRBB exposures	87
7.9	Panel G: Automatic interest rate options in the banking book	88
7.10	Panel H: Basis risk	91

7.11	Panel I: Components of EVE and Earnings sensitivities for QIS Approach	95
7.12	Panel J: Net interest profit (NIP) calculation	96
7.13	Panel K: Measures from the internal measurement system (IMS) for IRRBB	98
7.14	Panel L: Credit spread risk in the banking book (CSRBB)	100
7.15	IRRBB-specific Glossary	103

# Abbreviations

---

<b>EBA</b>	European Banking Authority
<b>BCBS</b>	Basel Committee on Banking Supervision
<b>CCPs</b>	Central counterparties
<b>CCR</b>	Counterparty credit risk
<b>CET1</b>	Common equity tier 1
<b>CfA</b>	Call for Advice
<b>C-QIS</b>	Comprehensive quantitative impact study
<b>CR</b>	Credit risk
<b>CRD IV</b>	Capital Requirements Directive – Directive 2013/36/EU
<b>CRE</b>	Commercial real estate
<b>CRR</b>	Capital Requirements Regulation – Regulation (EU) No 575/2013
<b>CVA</b>	Credit Value Adjustment
<b>GCRE</b>	General commercial real estate
<b>GRRE</b>	General residential real estate
<b>IPCRE</b>	Income-producing commercial real estate
<b>IPRRE</b>	Income-producing residential real estate
<b>IRB</b>	Internal Rating Based
<b>MREL</b>	Minimum requirement for own funds and eligible liabilities
<b>RRE</b>	Residential real estate
<b>RWA</b>	Risk weighted assets
<b>SA</b>	Standardised Approach
<b>SFT</b>	Securities financing transaction
<b>SME</b>	Small and medium enterprise
<b>TLAC</b>	Total loss absorbing capacity

# 1. Introduction

---

1. The European Banking Authority (EBA) regularly monitors the impact of the implementation of the Basel III standards on a sample of EU institutions. Such assessment is done on a biannual bases and the exercise is run in parallel with the monitoring exercise carried out by the Basel Committee on Banking Supervision (BCBS).<sup>1</sup>
2. The current QIS data collection (Reference date December 2021) includes additional templates and panels to collect additional information for EU banks. The purpose of these additional panels and templates is it to collect data on EU specificities existing in the current CRD IV-CRR framework or additional specific items which are part of the existing EU regulation or part of the European Commission's legislative proposal to amend the Capital Requirements Regulation (Regulation 2013/575/EU)<sup>2</sup>; the so-called and from now on CRR3 proposal. The intention of collecting this additional data is merely to better understand the impact of this specificities. No additional interpretation of the future implementation of Basel III in the EU should be done with these regards. The CRR3 proposal is currently ongoing its approval process and it should not be assumed that the future implementing regulation will exactly reflect the proposal. The measurement of some specificities in the EBA impact studies does not imply that the EBA assumes that the CRR3 proposal will be approved unchanged.
3. In particular, EU banks are required to fill in the EU-specific Worksheets "EU RRE", "EU CCR", "EU TB SSRM", "EU CVA", "EU CCP" and "EU General Info" and the EU-specific panels in "Credit risk (SA)", "Credit risk (IRB)" and "CCR and CVA".
4. The EBA is mindful of the burden placed on the institutions that participate in the data collection. Therefore, the additional information, to be completed on a best effort basis, has been designed so as to minimise the volume of requested data.
5. This document provides specific instructions on how to fill in the EU-specific information and it should be read in conjunction with the Basel III monitoring instructions.

---

<sup>1</sup> <https://www.bis.org/bcbs/qis/>

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0664>

## 2. EU General Info

---

### 2.1 Panel A1: Identification data

6. Panel A1 collects general information that will allow identifying the Bank for the purposes of using, where appropriate, the bank's reporting data in COREP.

Row	Column	Heading	Description
4	C	LEI code of the Bank	<b>All institutions should disclose in this cell the valid Legal Entity Identifier (LEI) of the bank</b>

---

7. It is very important to point out that the information regarding the LEI of the bank is strictly confidential and the EBA will treat it as such. Results will not be disclosed at bank level and the LEI and name of the participating bank will only be used internally by the EBA for using, where appropriate, the bank's reporting data in COREP. For the banks participating in the BCBS monitoring exercise, their relevant templates will be shared with BCBS for the purpose of EBA/BCBS monitoring exercise without, though, disclosing the LEI information to the BCBS.

### 2.2 Panel A2: Approaches to counterparty credit risk for derivatives

8. Panel A2 collects information on the approaches to counterparty credit risk for derivatives used under the current framework. Please note that following the implementation of the revised CCR approaches in the CRR that are applicable since 28 June 2021, the calculation of capital requirements under the current framework should equal the calculation of capital requirements for counterparty credit risk under the revised framework. This panel complements the information collected in the "General Info" worksheet, rows 18 to 22.

Row	Column	Heading	Description
7	C	Original Exposure Method (OEM) - CRR Article 282	Indicate whether the Original Exposure Method (OEM) as set out in CRR Article 282 is used to calculate the counterparty credit risk exposure amounts associated with derivatives contracts for a portion of the exposures reported in this study.
8	C	Simplified SA-CCR – CRR Article 281	Indicate whether the simplified SA-CCR as set out in CRR Article 281 is used to calculate the counterparty credit risk exposure amounts associated with derivatives contracts for a portion of the exposures reported in this study.

---

### 2.3 Panel A3: Approaches to CVA risk

9. Panel A3 collects information on the approaches to CVA risk used under the current framework. This panel complements the information collected in the "General Info" worksheet, rows 38 to 42.

Row	Column	Heading	Description
11	C	Alternative method - CRR Article 385, current framework	Indicate whether the Alternative Method based on Original Exposure Method (OEM) as set out in CRR Article 385 is used under the <b>current</b> framework to calculate own funds requirements for CVA risk for a portion of the exposures reported in this study.



## 3. Credit risk reforms

---

### 3.1 Overview

10. The EU-specific panels aim to assess various options and discretions included in the revised Basel III standards. These worksheets include EU-specific panels in order to collect information regarding specificities of the existing EU regulation compared to Basel framework related to CR SA and IRB. They also collect specific data on additional specific items which are part of CRR3 Proposal.
11. Only banks using the SA (as indicated in cell C11 of Worksheet “General Info”) have to fill in Worksheet “Credit risk (SA)”. Similarly, *only* banks using the IRB approach (as indicated in cells C12 and C13 of Worksheet “General Info”) need to complete Worksheet “Credit risk (IRB)”. IRB banks with partial use of the standardised approach have to complete both worksheets.

#### 3.1.1 Scope of the Credit Risk Worksheets

12. The scope of Credit risk worksheets is the same as described in the Basel instructions:
  - The scope of SA credit risk worksheets (“Credit risk (SA)”) is the current SA portfolio;
  - The scope of IRB credit risk worksheets (“Credit risk (IRB)”) is the current IRB portfolio: exposures moving to standardised approach due to substitution; equity exposures moving to standardised approach, equity exposures moving to standardised approach and remaining IRB exposures

### 3.2 Worksheet “Credit risk (SA)”

13. Column AI to AK of Panel A 1: collects information on the transitional arrangement for the application of the SA-CCR approach ( $\alpha=1$ ) in the credit risk SA output floor calculation.
14. Panel B 1: collects information allowing to measure the impact of the CRR2 proposed SME Supporting Factors under either the baseline or target scenarios.
15. Panel B 2: collects information allowing to measure the impact of the CRR2 proposed Infrastructure Lending Supporting Factors under either the baseline or target scenarios, and to measure CCR3 proposal for specialised lending
16. Panel C: collects information about the CRR3 Proposal for equity exposures.

#### 3.2.1 Column AI to AK of Panel A 1: EU-specific: transitional SA-CCR application for credit risk output floor

17. Article 465(4) of the CRR3 legislative proposal introduces a transitional implementation for the application of the SA-CCR approach in the credit risk output floor calculation. In this regard, exposures values of contracts listed in Annex II of the CRR that are calculated in accordance with the IMM approach for RWA that are not subject to a floor, should use the SA-CCR approach for the purpose of the floored RWA and set  $\alpha=1$  until 31 December 2029. The transitional SA-CCR approach ( $\alpha=1$ ) does not apply to exposures values of contracts listed in Annex II of the CRR that are

calculated under the SA-CCR for RWA calculation that is not subject to a floor, i.e. exposures for which institutions apply the SA-CCR in columns R to AC. Columns AI to AK of Panel A1 aim to collect information on the impact of the SA-CCR transitional arrangement for the output floor calculation.

18. Columns AI to AK of panel A1 **only apply to institutions that use the IMM approach** to calculate exposures of derivative transactions for the purpose of calculating RWA that are not subject to a floor under the credit risk SA in columns R to AC. All other institutions should leave the panel empty.

Column	Headings	Description
Full non-modelling approach Use of SA-CCR with alpha = 1 for CCR exposures calculated under the IMM for RWA not subject to a floor, and CR-SA for RWA calculation <b>Leave empty if IMM not applied</b>		
AI	Total exposures (post-CCF, post-CRM)	Non entry cell. Total credit exposure after application of CCF and CRM and applying the transitional SA-CCR approach (alpha = 1) for calculating exposures of derivative transactions that are calculated in accordance with the IMM approach for RWA not subject to a floor.  It is calculated automatically as the total exposure in column AF and substituting CCR exposures in column AG with the ones calculated using the transitional SA-CCR approach in column AJ.
AJ	of which: CCR	CCR exposures calculated with the transitional SA-CCR approach (alpha = 1) for exposures of derivative transactions that are calculated in accordance with the IMM approach for RWA not subject to a floor.
AK	RWA	Total RWA computed under the final Basel III SA to credit risk and related to the exposures in column AI.

### 3.2.2 Panel B: Additional information for the purposes of calculating the impact of supporting factors

19. This Panel, that includes two tables, is meant to assess the impact of the SME supporting factor (SME SF) as currently set out in Article 501 CRR2 (Panel B.1) and the supporting factor for infrastructure lending exposures<sup>3</sup> (infrastructure supporting factor, INF SF), as featured in Article 501a CRR2 (Panel B.2).<sup>4</sup> Panel B.2 also collects data to measure the impact of the CRR3 proposal for specialised lending.

#### 3.2.3 Panel B.1: SME supporting factor

20. In Panel B.1, banks are to report the breakdown of exposures to which the SME supporting factor may apply. Such breakdown is required within the following exposure classes (and sub-classes as applicable): corporates excluding SMEs, corporate SMEs, retail, exposures secured by real estate based on the exposure class classification as set out in the revised Basel III standards. The breakdown of exposures eligible for the SME supporting factor is required also for the exposure class 'Corporates excluding SME' because the definitions of SME applicable for the purposes of the exposure class classification and for the supporting factor eligibility are different. The row 'Other exposures [...]' (row 226) is meant to capture all the exposure classes of the SA other than those listed in the previous

<sup>4</sup>REGULATION (EU) 2019/876 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2019 amending Regulation (EU) No 575/2013: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R0876>

rows of Panel B.1. To be sure, the sum of exposure amounts reported in rows 193, 197, 201, 205, 226 should result in the **Total Standardised Approach amounts reported under row 143 of Panel A.**

21. Within each exposure class (and sub-class as applicable), including within the category ‘Other exposures’, banks should breakdown exposures compliant with the SME supporting factor as explained in the following table.

22. It should be noted that within each exposure class (and sub-class as applicable), including within the category ‘Other exposures’, the breakdown of exposures eligible for either the SME supporting factors (Art. 501 CRR2) or the CRR2 Infrastructure supporting factor (Art. 501a CRR2), reported in Panel B.2, is expected to be mutually exclusive, i.e. a given exposure should not be eligible for both the SME and infrastructure supporting factors.

Row	Heading	Description
195, 199, 203, 208, 212, 216, 220, 224, 228	exposures compliant with the criteria set in Art 501 (2) CRR2, of which amount owed is below EUR 2.5 m	Banks shall report in these rows exposures that <b>comply with criteria set in Article 501 CRR2 and for which the total amount owed (as defined by E* in Article 501 (1) CRR2) is below EUR 2.5 mln.</b> <u>Example:</u> If the total amount owed is EUR 1 million, the exposure will be reported in this row. If the amount owed is EUR 3 million, the exposure will not be reported in this row.
196, 200, 204, 209, 213, 217, 221, 225, 229	exposures compliant with the criteria set in Art 501 (2) CRR2, of which amount owed is above EUR 2.5 m	Banks shall report in these row exposures that <b>comply with criteria set in Article 501 CRR2 and for which the total amount owed (as defined by E* in Article 501 (1) CRR2) is above EUR 2.5 mln.</b> <u>Example:</u> If the total amount owed is EUR 1 million, the exposure will not be reported in this row. If the amount owed is EUR 3 million, the exposure will be <b>fully</b> reported in this row.
194, 198, 202, 207, 211, 215, 219, 223, 227	of which: exposures compliant with the criteria set in Art 501 (2) CRR2; of which;	These rows include formulas, computing the total of exposures compliant with Art 501(2) CRR2, as the sum of two subsets: <ul style="list-style-type: none"> <li>- Amount owed below EUR 2.5 mln</li> <li>- Amount owed above EUR 2.5 mln</li> </ul>

23. For all columns in this panel, the same definitions apply as for those in Panel A where the same heading is used.

24. The table below includes additional instructions related to columns:

Column	Heading	Description
D to L	Amounts applying national rules at the reporting date	Banks shall report in these columns amounts calculated in accordance with national rules at the reporting date, i.e. the CRR rules. This means that both the CRR2 SME supporting factor and the CRR2 INF supporting factor apply, as specified in the Regulation 2020/872 (quick fix) that frontloaded

Column	Heading	Description
		<p>the application of the SME and INF supporting factors due to the COVID-19 crisis;</p> <p>In columns dedicated to exposure amounts, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the Standardised Approach', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts in the rows dedicated to the breakdown on exposures that are compliant with Art. 501 CRR2.</p>
M to V	Amounts applying revised Basel III rules for SA and for CCR exposures (no supporting factors)	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, i.e. no supporting factors of any type shall apply.;</p> <p>In columns dedicated to exposure amounts and RWAs, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the Standardised Approach', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts and RWAs in the rows dedicated to the breakdown on exposures that are compliant with Art. 501 CRR2</p>
W to Z	Amounts applying revised Basel III rules for SA and for CCR exposures and including CRR2 SME Supporting Factor	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, applying in addition the CRR2 SME supporting factor to eligible exposures.</p> <p>Note that for retail exposures the applicable Basel III RW of 75% should apply on top of the CRR2 SME supporting factor.</p>
AA-AC	Full non-modelling approach <b>with</b> CRR2 SME supporting factor (output floor)	<p>Only standardised approaches should be applied for the calculation of exposures and RWA reported in this column ("full non-modelling approach"). Standardised approaches should be applied in accordance with the revised Basel III framework, applying in addition the CRR2 SME supporting factor to eligible exposures. Note that for retail exposures the applicable Basel III RW of 75% should apply on top of the CRR2 SME supporting factor.</p>
AD-AF	Full non-modelling approach. Use of SA-CCR with alpha = 1 for CCR exposures calculated under the IMM for RWA not subject to a floor, and CR-SA for RWA	<p>Only banks using IMM for counterparty credit risk shall fill in these columns.</p> <p>Banks should follow the same instructions as for columns AA to AC. The only difference should be how CCR exposures shall be calculated -&gt; SA-CCR with alpha = 1 (Please refer to section 3.2.1 for</p>

Column	Heading	Description
	calculation with SME CRR2 Supporting Factor (output floor)	specific instructions on this topic). Note that for retail exposures the applicable Basel III RW of 75% should apply on top of the CRR2 SME supporting factor.

### 3.2.4 Panel B.2: Infrastructure supporting factor and specialised lending

25. In Panel B.2, banks are to report the breakdown of exposures to which the INF supporting factor may apply. Such breakdown is required within the following exposure classes (and sub-classes as applicable): corporates excluding SMEs, corporate SMEs, specialised lending<sup>5</sup>. The row 'Other exposures [...]' (row 253) is meant to capture all the exposure classes of the SA other than those listed in the previous rows of Panel B.2. To be sure, the sum of exposures amounts reported in rows 236, 238, 240, 253 **should result in the Total Standardised Approach amounts reported under row 143 of Panel A.**

26. Within each exposure class (and sub-class as applicable), including within the category 'Other exposures', banks should breakdown exposures compliant with the INF supporting factor as explained in the following table. Additionally, the CRR3 proposal on specialised lending should be taken into consideration (Article 122a of the CRR3 proposal), in particular to identify which exposures are considered "high quality" in the subcategory of object finance.

27. It should be noted that within each exposure class (and sub-class as applicable), including within the category 'Other exposures', the breakdown of exposures eligible for either the SME supporting factors (Art. 501 CRR2) reported in Panel B.1 or the CRR2 Infrastructure supporting factor (Art. 501a CRR2) is expected to be mutually exclusive, i.e. a given exposure should not be eligible for both the SME and infrastructure supporting factors.

Row	Heading	Description
237, 239, 243, 245, 247, 249, 252, 254	exposures compliant with the criteria set in Art 501a CRR2 (INF SF)	Banks shall report in this row exposures that <b>comply with the criteria set in Art 501a of the CRR2.</b>
250	Specialised lending, object finance, of which: high quality	Banks shall report in this row exposures that are deemed <b>'high quality' according to the requirements in article 122a (3) (a) of the CRR3 Proposal</b>

28. For all columns in this panel, the same definitions apply as for those in Panel A where the same heading is used.

29. The table below includes additional instructions related to columns:

<sup>5</sup> Separate rows are provided for project finance, pre-operation, operational and operational (high quality) phases, object finance, and commodity finance. In general, it is expected that exposures subject to INF SF are those in project and object finance. Commodity finance was included for completeness, and to cover special cases when this exposures class could qualify for the INF SF.

Column	Heading	Description
D to L	Amounts applying national rules at the reporting date	<p>Banks shall report in these columns amounts calculated in accordance with national rules at the reporting date, i.e. the CRR rules. This means that both the CRR2 SME supporting factor and the CRR2 INF supporting factors apply, as specified in the Regulation 2020/872 (quick fix) that frontloaded the application of the Infrastructure supporting factor due to the COVID-19 crisis;</p> <p>In columns dedicated to exposure amounts, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the Standardised Approach', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts in the rows dedicated to the breakdown on exposures that are compliant with Art. 501a CRR2.</p>
M to V	Amounts applying revised Basel III rules for SA and for CCR exposures (no supporting factors)	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, i.e. no supporting factors of any type shall apply.;</p> <p>In columns dedicated to exposure amounts and RWAs, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the Standardised Approach', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts and RWAs in the rows dedicated to the breakdown on exposures that are compliant with Art. 501a CRR2.</p>
W to Z	Amounts applying revised Basel III rules for SA and for CCR exposures including CRR2 Infrastructure Supporting Factors and CRR3 proposal on Specialised lending	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, applying in addition the CRR2 Infrastructure supporting factor. For object finance exposures classified as "high quality" following article 122a of the CRR3 proposal, banks shall calculate amounts applying the RW as defined in such article (applying in addition the CRR2 Infrastructure supporting factor if applicable).</p>
AA-AC	Full non-modelling approach <b>with</b> CRR2 INF supporting factors and CRR3 proposal on Specialised lending (output floor)	<p>Only standardised approaches should be applied for the calculation of exposures and RWA reported in this column ("full non-modelling approach"). Standardised approaches should be applied in accordance with the revised Basel III framework, applying in addition the CRR2 SME supporting factor. For object finance exposures classified as "high quality" following article 122a of the CRR3 proposal, banks shall calculate amounts applying the RW as defined in such article (applying in addition the CRR2 Infrastructure supporting factor if applicable).</p>
AD-AF	Full non-modelling approach Use of SA-CCR with alpha = 1 for CCR exposures calculated under the IMM for	<p>Only banks using IMM for counterparty credit risk shall fill in these columns.</p> <p>Banks should follow the same instructions as for columns Z to AB. The only difference should be how CCR exposures shall be calculated -&gt; SA-</p>

Column	Heading	Description
	RWA not subject to a floor, and CR-SA for RWA calculation with CRR2 INF Supporting Factor and CRR3 proposal on Specialised lending (output floor)	CCR with alpha = 1 (Please refer to 3.2.1 for specific instructions on this topic).

### 3.2.5 Panel C: Additional information for equity Exposures

30. This Panel aims at assessing an CRR3 proposal treatment of equity exposures in the credit risk portfolio. By breaking down existing Basel III categories of equity exposures, this panel distinguishes which equity exposures could benefit from a preferential risk-weight with the application of the CRR3 Proposal. Following the more detailed instructions below, banks should make reference to article 49, article 133 and article 495a of the CRR3 proposal.

31. This Panel is dedicated to exposures currently treated in SA. Exposures treated as IRB and moving to SA are reported in the Credit Risk IRB panels accordingly.

Row	Heading	Description
		This line is calculated as the sum of the lines below corresponding to speculative unlisted (262), exposures to certain legislative programs (263), and others (265).
261	Equity exposures	The total exposures amounts in this line should match the total exposures to <b>equities (excluding equity investments in funds) aligned with what is reported in panel A, hence, following the definitions in the revised Basel III framework.</b> However, RWAs amounts under the revised Basel III framework may not coincide with the amounts reported in panel A, as banks are requested to apply a different risk-weight to the specific subcategories in this panel.
262	speculative unlisted	This line is linked to the corresponding line in panel A. The amounts in this line represent equity exposures that are classified as “speculative unlisted” following the definitions in the revised Basel III framework.
263	exposures to certain legislative programs;	This line is linked to the corresponding line in panel A. The amounts in this line represent equity exposures that are classified as “exposures to certain legislative programs” following the definitions in the revised Basel III framework.
264	others of which ;	This line is calculated as the sum of the lines below corresponding to: <ul style="list-style-type: none"> <li>- ‘Equity exposures to central banks’ (266),</li> <li>- ‘Intragroup equity exposures and equity holdings within institutional protection schemes (IPS) new 49 (4) CRR3 Proposal’ (267),</li> </ul>

Row	Heading	Description
		<ul style="list-style-type: none"> <li>- 'Equity exposures benefiting from grandfathering in Art. 495a (3) of the CRR3 proposal (Long term &gt; 6 years)' (268), and</li> <li>- Other equity exposures (250% RW) (270).</li> </ul> <p>The total exposures amounts in this line should match the total exposures to others equities (excluding equity investments in funds) aligned with what is reported in line 90 of panel A, hence. However, RWAs amounts under the revised Basel III framework may not coincide with the amounts reported in panel A, as banks are requested to apply a different risk-weight to the specific subcategories in this panel.</p>
265	Equity exposures to Central banks	Banks shall report here a subset of equity exposures that represent exposures to Central banks and that that are assign a 100% risk-weight. in article 133(6) of the CRR proposal.
266	Intragroup equity exposures and equity holdings within institutional protection schemes (IPS) (article 49 (2) and (3))	<p>Banks shall report here a subset of equity exposures that represent exposures to financial sector entities included in the same scope of prudential consolidation (group) and that are not deducted from capital or – subject to supervisory approval – to institutions falling within the same institutional protection scheme (IPS). It is expected that at the highest level of consolidation, intragroup equity exposures shall net out and not be visible in the template. Banks shall report in this category all IPS exposures and intra-group exposures that qualifies under Art 49(2) and (3) of the CRR and do not net out at consolidated level.</p> <p>Exposures reported under this line are assign a 100% risk-weight in the new Article 49 (4) of the CRR3 Proposal</p>
267	Equity exposures benefiting from grandfathering in Art. 495a (3) of the CRR3 proposal (Long term > 6 years)	Banks shall report here a subset of equity exposures that may benefit from the grandfathering provision in Art. 495a (3) of the CRR3 proposal. Banks should report here only those exposures for which they may choose to apply the grandfathering provision (i.e. banks are not expected to apply the provision if the current applicable risk-weight is higher than the applicable risk-weight in the CRR3 proposal).
268	of which holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR	<p>Banks shall report here a subset of exposures reported in line 267.</p> <p>The subset of exposures should include holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR which may benefit from the grandfathering provision in Art. 495a (3) of the CRR3 proposal. Banks should report here only those exposures for which they may choose to apply the grandfathering provision (i.e. banks are not expected to apply the provision if the current applicable risk-weight is higher than the applicable risk-weight in the CRR3 proposal).</p> <p>.</p>



Row	Heading	Description
269	Other equity exposures (250% RW)	Banks shall report here all other equity exposures that have not been reported as 'Equity exposures to Central banks', 'Intragroup equity exposures and equity holdings within institutional protection schemes (IPS) (article 49 (2) and (3))' or 'Equity exposures benefiting from grandfathering in Art. 495a (3) of the CRR3 proposal (Long term > 6 years)' and that are assign a 250% risk-weight in the CRR3 proposal.
270	of which: Equity exposures for which a 250% RW applies following the second subparagraph of Article 133 (4) of the CRR3 proposal	Banks shall report here a subset of the exposures reported in line 269.  This subset should include those equity exposures that, while falling under the definitions in the first subparagraph of article 133 (4) of the CRR3 proposal, they are eligible to a 250% risk-weight because they are also compliant with the second subparagraph and with paragraph 3 of the same article: "By way of derogation from the first subparagraph, long-term equity investment, including investments in equities of corporate clients with which the institution has or intends to establish a long-term business relationship as well as venture capital firms and debt-equity swaps for corporate restructuring purposes shall be assigned a <b>risk weight in accordance with paragraph 3 or 5, as applicable</b> . For the purposes of this Article, a long-term equity investment is an equity investment that is held for three years or longer or incurred with the intention to be held for three years or longer as approved by the institution's senior management."
271	of which: Equity Exposures that are holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR	Banks shall report here a subset of exposures reported in line 269.  The subset of exposures should include holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR <b>excluding those that benefit from the grandfathering provision in Art. 495a (3) of the CRR3 proposal</b> and are reported in line 268.

Column	Heading	Description
D and E	Amounts applying national rules at the reporting date	Banks shall report in these columns amounts calculated in accordance with national rules at the reporting date, i.e. the CRR rules.

Column	Heading	Description
E to H	Amounts applying revised Basel III rules for SA and for CCR exposures - applying CRR3 proposal for equity exposures	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework but applying the treatment for equity exposures if eligible as specified in the CRR3 proposal. In particular, banks should reflect the applicable risk-weights as defined in Article 133, article 495a (3) and article 49 (4) of the CRR3 proposal as eligible for each line in the panel.</p> <p>Banks shall <b>not</b> apply the transitional provisions included in article 495 (1) and (2) of the CRR3.</p>
I to K	Output floor - applying CRR3 proposal for equity exposures	Banks shall report in these columns amounts calculated in accordance with the non-modelling approach of the revised Basel III framework but applying the treatment for equity exposures if eligible as specified in the CRR3 proposal. In particular, banks should reflect the applicable risk-weights as defined in Article 133, article 495a (3) and article 49 (4) of the CRR3 proposal as eligible for each line in the panel.
L to M	EU-specific: transitional SA-CCR application for credit risk output floor	<p>Only banks using IMM for counterparty credit risk shall fill in these columns.</p> <p>Banks should follow the same instructions as for columns I to K. The only difference should be how CCR exposures shall be calculated -&gt; SA-CCR with <math>\alpha = 1</math> (Please refer to section 3.2.1 for specific instructions on this topic).</p>

### 3.3 Worksheet “Credit risk (IRB)”

32.The additional EU-specific panels in this worksheet aims at assessing alternative scenarios/calibrations under the revised framework. In particular:

- Column CT to CY of Panel A: collects information on the transitional arrangement for the application of the SA-CCR approach ( $\alpha=1$ ) in the credit risk IRB output floor calculation.
- Panel C: collects information allowing to measure the impact of the CRR2 SME Supporting Factors under either the baseline or target scenarios (Panel C1) and allowing to measure the impact of the CRR2 Infrastructure Lending Supporting Factors under either the baseline or target scenarios considering the CCR3 proposal for specialised lending.
- Panel D: collects information about the output floor transitional arrangement applicable to unrated corporates as included in the CRR3 Proposal.
- Panel E: collects information about the CRR3 Proposal for equity exposures
- Panel F: collects additional information on public sector entities (PSEs) and to regional governments and local authorities (RGLAs)

### 3.3.1 Column CT to CY of Panel A: transitional SA-CCR application for credit risk output floor

#### Transitional SA-CCR application for credit risk output floor

33. The credit risk (IRB) EU-specific panels (columns CT to CY) **only apply to institution using the IMM approach** to calculate CCR exposures of derivative transactions for the purpose of calculating RWA that are not subject to a floor under the credit risk IRB approach. All other institutions should leave the panels empty. In this regard, required data for columns CT to CY are conditional on the approaches entered in Panel A2b of the “General Info” worksheet; therefore, this should be completed first.
34. Also according to Article 465(4) of the CRR3 legislative proposal, the transitional SA-CCR approach (alpha=1) does not apply to exposures values of contracts listed in Annex II of the CRR that are calculated under the SA-CCR for the RWA calculation that is not subject to a floor, i.e. exposure, for which institutions apply the SA-CCR in columns AP to CK. Columns CT and CV of panel A aim to collect information on the impact of the SA-CCR transitional arrangement for the output floor calculation.

Column	Headings	Description
Full non-modelling approach		
Use of SA-CCR with alpha = 1 for CCR exposures calculated under the IMM for the RWA not subject to a floor, and CR-SA for RWA calculation		
<b>Leave empty if IMM not applied</b>		
CT	Total exposures (post-CCF, post-CRM)	Non entry cell. Total credit exposure after application of CCF and CRM and applying the transitional SA-CCR approach (alpha = 1) for calculating exposures of derivative transactions that are calculated in accordance with the IMM approach for RWA not subject to a floor.  It is calculated automatically for IMM banks as the total output floor exposure in column CO and substituting CCR exposures in column CP with the ones calculated using the transitional SA-CCR approach in column CU.
CU	of which: CCR	CCR exposures calculated with the transitional SA-CCR approach (alpha = 1) for exposures of derivative transactions that are calculated in accordance with the IMM approach for RWA not subject to a floor.
CV	RWA	Total RWA computed under the final Basel III SA to credit risk for the exposures reported in column CT.

#### Keeping revised CCR approaches (incl. IMM) for credit risk output floor

6. Columns CW to CY collect information on the impact of employing the credit risk SA rather than the IRB approach to risk weight derivative exposures in the calculation of the credit risk output floor. The reported data in this panel are calculated using the revised CCR approaches used by the institution in columns AP to CK (i.e. IMM and/or standardised CCR approaches) for the calculation of exposures, and the credit risk SA for the calculation of RWA. Institutions that use the SA-CCR to calculate derivative exposures for the RWA not subject to a floor should apply the same SA-CCR approach, i.e. using an alpha=1.4.

Column	Headings	Description
Partly non-modelling approach Keeping revised CCR approaches (incl. IMM), and CR-SA for RWA calculation <b>Leave empty if IMM not applied</b>		
CW	Total exposures (post-CCF, post-CRM)	Non entry cell. Total credit exposure after application of CCF and CRM and applying the revised CCR approach(es) for calculating exposures of derivative transactions, i.e. applying the same approaches to calculate exposures as used for RWA not subject to a floor.  It is calculated automatically for IMM banks as the sum of the previous columns of total exposure values (AU + CE) under the revised framework.
CX	of which: CCR	Non entry cell. CCR exposures applying the revised CCR approach(es) for calculating exposures of derivative transactions, i.e. applying the same approaches to calculate exposures as used for RWA not subject to a floor.  It is calculated automatically for IMM banks as the sum of the previous columns of CCR exposure values (AQ + CA) under the revised framework.
CY	RWA	Total RWA computed under the final Basel III SA to credit risk for the exposures reported in column CW.

### 3.3.2 Panel C: Additional information for the purpose of calculating the impact of the supporting factors

35. This panel is meant to assess the impact of the SME supporting factor (SME SF) as currently set out in Article 501 CRR2<sup>6</sup> as well as the supporting factor for infrastructure lending exposures<sup>7</sup> (infrastructure supporting factor, INF-SF) as featured in Article 501a CRR2.<sup>8</sup> This Panel collects data aimed at assessing the impact on the IRB exposures of an alternative Basel III target scenario modified to include the CRR2 SME supporting factor.

#### 3.3.3 Panel C.1: SME supporting factor

36. In Panel C.1 banks are to report the breakdown of exposures to which the SME supporting factor may apply. Such breakdown is required within the following exposure classes (and sub-classes as applicable): large and mid-market general corporates, SME treated as corporates, retail residential mortgages, qualifying revolving retail exposures, other retail, eligible purchase receivables based on the exposure class classification as set out in the revised Basel III standards. The breakdown of exposures eligible for the SME supporting factor is required also for the exposure class 'large and mid-market general corporates' because the definitions of SME applicable for the purposes of the exposure class classification and for the supporting factor eligibility are different. The row 'Other exposures [...]' (row 112) is meant to capture all the exposure classes of the IRB other than those listed in the previous rows of Panel C.1. To be sure, the sum of exposure amounts reported in rows

<sup>6</sup>REGULATION (EU) 2019/876 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2019 amending Regulation (EU) No 575/2013: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R0876>

118, 122, 126, 130, 134, 138, 142 **should result in the Total IRB amounts reported in row 65 of Panel A.**

37. Within each exposure class (and sub-class as applicable), including within the category ‘Other exposures [...]’, banks should breakdown exposures compliant with the CRR2 SME supporting factor as explained in the following table.

38. It should be noted that, within each exposure class (and sub-class as applicable), including within the category ‘Other exposures [...]’, the breakdown of exposures eligible for either the SME supporting factors (Art. 501 CRR2) or the CRR2 Infrastructure supporting factor (Art. 501a CRR2), as reported in Panel C.2, is expected to be mutually exclusive, i.e. a given exposure should not be eligible for both the SME and infrastructure supporting factors.

Row	Heading	Description
120, 128, 136, 144	124, 132, 140, exposures compliant with the criteria set in Art 501 (2) CRR2, of which amount owed is below EUR 2.5 m	Banks shall report in these rows exposures that <b>comply with criteria set in Article 501 CRR2 and for which the total amount owed (as defined by E* in Article 501 (1) CRR2) is below EUR 2.5 mln.</b>  <u>Example:</u> If the total amount owed is EUR 1 million, the exposure will be reported in this row. If the amount owed is EUR 3 million, the exposure will not be reported in this row.
121, 129, 137, 145	125, 133, 141, exposures compliant with the criteria set in Art 501 (2) CRR2, , of which amount owed is above EUR 2.5 m	Banks shall report in these row exposures that <b>comply with criteria set in Article 501 CRR2 and for which the total amount owed (as defined by E* in Article 501 (1) CRR2) is above EUR 2.5 mln.</b>  <u>Example:</u> If the total amount owed is EUR 1 million, the exposure will not be reported in this row. If the amount owed is EUR 3 million, the exposure will be reported in this row.
119, 127, 135, 143	123, 131, 139, of which: exposures compliant with the criteria set in points (a) and (b) of Art 501 (2) CRR2; of which;	These rows include formulas, computing the total of exposures compliant with Art 501(2) CRR2, as the sum of two subsets:  - Amount owed below EUR 2.5 mln - Amount owed above EUR 2.5 mln

39. For all columns in this panel, the same definitions apply as for those in Panel A where the same heading is used.

40. The table below includes additional instructions related to columns:

Column	Heading	Description
C to L	Amounts applying national rules at the reporting date	Banks shall report in these columns amounts calculated in accordance with national rules at the reporting date, i.e. the CRR rules. This means that both the CRR2 SME supporting factor and the CRR2 INF supporting factor apply, as specified in the Regulation 2020/872 (quick fix) that frontloaded the application of the SME supporting factor due to the COVID-19 crisis;

Column	Heading	Description
		In columns dedicated to exposure amounts, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the IRB', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts in the rows dedicated to the breakdown on exposures that are compliant with CRR2 Art. 501.
		Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, i.e. no supporting factors of any type shall apply.;
M to AF	Amounts applying revised Basel III rules for IRB, SA and for CCR exposures (no supporting factors)	Banks shall report amounts separately for IRB exposures remaining under IRB in the revised framework and those migrating to CR SA; In columns dedicated to exposure amounts and RWAs, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the IRB', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts and RWAs in the rows dedicated to the breakdown on exposures that are compliant with CRR2 Art. 501.
AG to AN	Amounts applying revised Basel III rules for IRB, SA and for CCR exposures and including CRR2 SME Supporting Factor	Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, applying in addition the CRR2 SME supporting factor to eligible exposures; Banks shall report amounts separately for IRB exposures remaining under IRB in the revised framework and those migrating to CR SA. Note that for retail exposures migrating to SA, the applicable Basel III RW of 75% should apply on top of the CRR2 SME supporting factor.
AO-AQ	Output floor including CRR2 SME supporting factors	Banks shall report in these columns amounts calculated in accordance with the non-modelling approach of the revised Basel III framework, applying in addition the CRR2 SME supporting factor to eligible exposures. Note that for retail exposures the applicable Basel III RW of 75% should apply on top of the CRR2 SME supporting factor.
AR-AU	Full non-modelling approach Use of SA-CCR with alpha = 1 for CCR exposures calculated under the IMM for RWA not subject to a floor, and CR-SA for RWA calculation with CRR2 SME supporting factor	Only banks using IMM for counterparty credit risk shall fill in these columns. Banks should follow the same instructions as for columns AO to AQ. The only difference should be how CCR exposures shall be calculated -> SA-CCR with alpha = 1 (Please refer section 3.3.2 for specific instructions on this topic). Note that for retail exposures the applicable Basel III RW of 75% should apply on top of the CRR2 SME supporting factor.

### 3.3.4 Panel C.2: Infrastructure supporting factor (INF SF) and specialised lending

41. In Panel C.2 banks are to report the breakdown of exposures to which the INF SF may apply.

42. Such breakdown is required within the following exposure classes (and sub-classes as applicable): large and mid-market general corporates, specialised lending, SME treated as corporates based on the exposure class classification, as set out in the revised Basel III standards. The row 'Other exposures [...]' (row 129) is meant to capture all the exposure classes of the IRB other than those listed in the previous rows of Panel C.2. To be sure, the sum of exposure amounts reported in rows 153, 155, 157, 159 should result in the Total IRB amounts reported in row 65 of Panel A.

43. Within each exposure class (and sub-class as applicable), including within the category 'Other exposures [...]', banks should breakdown exposures compliant with the INF supporting factor as explained in the following table.

44. It should be noted that, within each exposure class (and sub-class as applicable), including within the category 'Other exposures [...]', the breakdown of exposures eligible for either the SME supporting factors (Art. 501 CRR2), reported in Panel C.1, or the CRR2 Infrastructure supporting factor (Art. 501a CRR2) is expected to be mutually exclusive, i.e. a given exposure should not be eligible for both the SME and infrastructure supporting factors.

Row	Heading	Description
154,156,158,160	of exposures compliant with the criteria set in Art 501a (INF SF) which: with the criteria set in CRR2	Banks shall report in this row exposures that <b>comply with the criteria set in Art 501a of the CRR2.</b>

45. For all columns in this panel, the same definitions apply as for those in Panel A where the same heading is used.

46. The table below includes additional instructions related to columns:

Column	Heading	Description
C to L	Amounts applying national rules at the reporting date	<p>Banks shall report in these columns amounts calculated in accordance with national rules at the reporting date, i.e. the CRR rules. This means that both the CRR2 SME supporting factor and the CRR2 Infrastructure supporting factor apply, although a given exposure should not be eligible for both the SME and infrastructure supporting factors, as specified in the Regulation 2020/872 (quick fix) that frontloaded the application of the Infrastructure supporting factor due to the COVID-19 crisis;</p> <p>In columns dedicated to exposure amounts, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the IRB', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts in the rows</p>

Column	Heading	Description
		dedicated to the breakdown on exposures that are compliant with CRR2 Art. 501a.
M to AF	Amounts applying revised Basel III rules for SA and for CCR exposures (no supporting factors)	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, i.e. no supporting factors of any type shall apply. The CRR III proposal on Specialised lending.</p> <p>Banks shall report amounts separately for IRB exposures remaining under IRB in the revised framework and those migrating to CR SA;</p> <p>In columns dedicated to exposure amounts and RWAs, the rows corresponding to exposure classes (and sub-classes as applicable), including the category 'Other Exposures under the IRB', are formulas linked to Panel A of the worksheet. Banks shall only report exposure amounts and RWAs in the rows dedicated to the breakdown on exposures that are compliant with CRR2 Art. 501a.</p>
AG to AN	Amounts applying revised Basel III rules for SA and for CCR exposures and including CRR2 Infrastructure Supporting Factor and CRR3 proposal on Specialised lending	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework, applying in addition the CRR2 Infrastructure supporting factor to eligible exposures.</p> <p>Banks shall report amounts separately for IRB exposures remaining under IRB in the revised framework and those migrating to CR SA. When reporting amounts migrating to CR SA (columns AK to AN), banks should consider the CRR3 proposal on specialised lending (Article 122a of the CRR3 proposal), in particular to identify which exposures are considered for the "high quality" and calculate RWAs amounts applying the risk-weight as defined in such article</p>
AO-AQ	Output floor including CRR2 Infrastructure supporting factor and the CRR3 proposal on Specialised lending.	<p>Banks shall report in these columns amounts calculated in accordance with the non-modelling approach of the revised Basel III framework, applying in addition the CRR2 Infrastructure supporting factors to eligible exposures.</p> <p>For object finance exposures classified as "high quality" following article 122a of the CRR3 proposal, banks shall calculate amounts applying the risk-weight as defined in such article (applying in addition the CRR2 Infrastructure supporting factor if applicable).</p>
AR-AU	EU-specific: transitional SA-CCR application for credit risk output floor including CRR2 Infrastructure supporting factor and the CRR3 proposal on Specialised lending.	<p>Only banks using IMM for counterparty credit risk shall fill in these columns.</p> <p>Banks should follow the same instructions as for columns AO to AQ. The only difference should be how CCR exposures shall be calculated -&gt; SA-CCR with alpha = 1 (Please refer section 3.3.2 for specific instructions on this topic). For object finance exposures classified as "high quality" following article 122a of the CRR3 proposal, banks shall calculate amounts applying the risk-weight as defined in such article (applying in addition the CRR2 Infrastructure supporting factor if applicable).</p>



### 3.3.5 Panel D: EU Additional information on unrated corporates (EU banks only)

47. This Panel aims at collecting the necessary information to assess the output floor impact as a result of applying the transitional treatment to exposures to corporates as defined in article 465 (3) of the CRR3 proposal. Corporate exposures under the IRB approach should be reflected in this panel as if the following non-modelling approaches apply:
48. For rated corporates, the regulatory approach that is adopted in jurisdictions where the use of ratings is allowed should be applied. For this type of exposure, there should be no difference between the non-modellable RWAs amounts reported in this panel and the non-modellable RWAs amounts included in the Output floor columns in panel A. (Note that the only difference would be that the breakdown differs to the breakdown in Panel A).
49. For unrated corporates, the specific transitional treatment as defined in article 465 (3) of the CRR III proposal should apply. In particular, unrated corporate exposures should be classified according to their PD level and non-modellable RWA should be calculated applying the specific 65% RW to those exposures with a PD below 0.5% (in opposition to the 100% RW applicable under the Basel III framework which is applied to the non-modellable RWAs reported in panel A).
50. For all columns in this panel, the same definition applies as for those in panel A where the same heading is used. However, RWAs reported under columns “RWA with COM CRR3 proposal of unrated corporates” should be calculated applying a 65% RW to those unrated exposures with PD < 0.5%. Columns G-I, should be filled only by banks using IMM for counterparty credit risk. shall fill in these columns. In these columns, CCR exposures shall be calculated -> SA-CCR with alpha = 1 (Please refer section 3.3.2 for specific instructions on this topic).

Row	Heading	Description
167	Corporates (excluding SMEs) as per CR SA classification	Banks shall report here exposures which are treated under the IRB approach but would be classified as Corporates (excluding small and medium-sized enterprises – SMEs) according to CR SA.
168	Rated corporate exposures	Banks shall report here a subset of exposures reported in line 167, for which a credit assessment by a nominated ECAI is available.
169	Unrated corporate exposures	Banks shall report here a subset of exposures reported in line 167, for which a credit assessment by a nominated ECAI is <b>not</b> available.
170	Unrated corporate exposures / PD <= 0.5%	Banks shall report here a subset of exposures reported in line 169 (corporates exposures (excluding SMEs) for which a credit assessment by a nominated ECAI is <b>not</b> available) that have a probability of default (PD) of less or equal to 0.5%
171	Of which: listed corporates	Banks shall report here a subset of exposures reported in line 170. The subset of exposures reported here should be those exposures for which a credit assessment by a nominated ECAI is <b>not</b> available and have a probability of default (PD) of less or

Row	Heading	Description
		equal to 0.5%. Moreover, the corporate entity (or its parent company) must have securities outstanding on a recognised securities exchange
172	Unrated corporate exposures / PD > 0.5%	Banks shall report here a subset of exposures reported in line 169 ( corporates exposures (excluding SMEs)for which a credit assessment by a nominated ECAI is <b>not</b> available) that have a probability of default (PD) of more than 0.5%.

### 3.3.6 Panel E: Additional information for equity IRB Exposures

51. This Panel aims at assessing an CRR3 proposal treatment of equity exposures in the credit risk portfolio. By breaking down existing Basel III categories of equity exposures, this panel distinguishes which equity exposures could benefit from a preferential risk-weight with the application of the CRR3 Proposal. Following the more detailed instructions below, banks should make reference to article 49, article 133 and article 495a of the CRR3 proposal.

52. This Panel is dedicated to exposures currently treated in IRB that are moving to SA under the revised Basel III framework.

Row	Heading	Description
		This line is calculated as the sum of the lines below corresponding to speculative unlisted (180), exposures to certain legislative programs (181), and others (182).
179	Equity exposures	The total exposures amounts in this line should match the total exposures to <b>equities (excluding equity investments in funds) aligned with what is reported in panel A, hence, following the definitions in the revised Basel III framework.</b> However, RWAs amounts under the revised Basel III framework may not coincide with the amounts reported in panel A, as banks are requested to apply a different risk-weight to the specific subcategories in this panel.
180	speculative unlisted	This line is linked to the corresponding line in panel A. The amounts in this line represent equity exposures that are classified as “speculative unlisted” following the definitions in the revised Basel III framework.
181	exposures to certain legislative programs;	This line is linked to the corresponding line in panel A. The amounts in this line represent equity exposures that are classified as “exposures to certain legislative programs” following the definitions in the revised Basel III framework.
182	others of which ;	This line is calculated as the sum of the lines below corresponding to: <ul style="list-style-type: none"> <li>- ‘Equity exposures to central banks’ (183),</li> <li>- ‘Intragroup equity exposures and equity holdings within institutional protection schemes (IPS) new 49 (4) CRR3 Proposal’ (184),</li> </ul>

Row	Heading	Description
		<ul style="list-style-type: none"> <li>- 'Equity exposures benefiting from grandfathering in Art. 495a (3) of the CRR3 proposal (Long term &gt; 6 years)' (185), and</li> <li>- Other equity exposures (250% RW) (187).</li> </ul> <p>The total exposures amounts in this line should match the total exposures to others equities (excluding equity investments in funds) aligned with what is reported in line 54 of panel A, hence. However, RWAs amounts under the revised Basel III framework may not coincide with the amounts reported in panel A, as banks are requested to apply a different risk-weight to the specific subcategories in this panel.</p>
183	Equity exposures to Central banks	Banks shall report here a subset of equity exposures that represent exposures to Central banks and that that are assign a 100% risk-weight. in article 133(6) of the CRR proposal.
184	Intragroup equity exposures and equity holdings within institutional protection schemes (IPS) (article 49 (2) and (3))	<p>Banks shall report here a subset of equity exposures that represent exposures to financial sector entities included in the same scope of prudential consolidation (group) and that are not deducted from capital or – subject to supervisory approval – to institutions falling within the same institutional protection scheme (IPS). It is expected that at the highest level of consolidation, intragroup equity exposures shall net out and not be visible in the template. Banks shall report in this category all IPS exposures and intra-group exposures that qualifies under Art 49(2) and (3) of the CRR and do not net out at consolidated level.</p> <p>Exposures reported under this line are assign a 100% risk-weight in the new Article 49 (4) of the CRR3 Proposal</p>
185	Equity exposures benefiting from grandfathering in Art. 495a (3) of the CRR3 proposal (Long term > 6 years)	Banks shall report here a subset of equity exposures that may benefit from the grandfathering provision in Art. 495a (3) of the CRR3 proposal. Banks should report here only those exposures for which they may choose to apply the grandfathering provision (i.e. banks are not expected to apply the provision if the current applicable risk-weight is higher than the applicable risk-weight in the CRR3 proposal).
186	of which holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR	<p>Banks shall report here a subset of exposures reported in line 185.</p> <p>The subset of exposures should include holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR which may benefit from the grandfathering provision in Art. 495a (3) of the CRR3 proposal. Banks should report here only those exposures for which they may choose to apply the grandfathering provision (i.e. banks are not expected to apply the provision if the current applicable risk-weight is higher than the applicable risk-weight in the CRR3 proposal).</p> <p>.</p>

Row	Heading	Description
187	Other equity exposures (250% RW)	Banks shall report here all other equity exposures that have not been reported as 'Equity exposures to Central banks', 'Intragroup equity exposures and equity holdings within institutional protection schemes (IPS) (article 49 (2) and (3))' or 'Equity exposures benefiting from grandfathering in Art. 495a (3) of the CRR3 proposal (Long term > 6 years)' and that are assign a 250% risk-weight in the CRR3 proposal.
188	of which: Equity exposures for which a 250% RW applies following the second subparagraph of Article 133 (4) of the CRR3 proposal	Banks shall report here a subset of the exposures reported in line 187.  This subset should include those equity exposures that, while falling under the definitions in the first subparagraph of article 133 (4) of the CRR3 proposal, they are eligible to a 250% risk-weight because they are also compliant with the second subparagraph and with paragraph 3 of the same article: "By way of derogation from the first subparagraph, long-term equity investment, including investments in equities of corporate clients with which the institution has or intends to establish a long-term business relationship as well as venture capital firms and debt-equity swaps for corporate restructuring purposes shall be assigned a <b>risk weight in accordance with paragraph 3 or 5, as applicable</b> . For the purposes of this Article, a long-term equity investment is an equity investment that is held for three years or longer or incurred with the intention to be held for three years or longer as approved by the institution's senior management."
189	of which: Equity Exposures that are holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR	Banks shall report here a subset of exposures reported in line 187.  The subset of exposures should include holdings of CET1 and AT1 instruments exempted from deduction according to Art 49(1) CRR <b>excluding those that benefit from the grandfathering provision in Art. 495a (3) of the CRR3 proposal</b> and are reported in line 186.

Column	Heading	Description
C and D	Amounts applying national rules at the reporting date	Banks shall report in these columns amounts calculated in accordance with national rules at the reporting date, i.e. the CRR rules.

Column	Heading	Description
E to G	Amounts applying revised Basel III rules for SA and for CCR exposures - applying CRR3 proposal for equity exposures	<p>Banks shall report in these columns amounts calculated in accordance with the revised Basel III framework but applying the treatment for equity exposures if eligible as specified in the CRR3 proposal. In particular, banks should reflect the applicable risk-weights as defined in Article 133, article 495a (3) and article 49 (4) of the CRR3 proposal as eligible for each line in the panel.</p> <p>Banks shall <b>not</b> apply the transitional provisions included in article 495 (1) and (2) of the CRR3.</p>
H to J	Output floor - applying CRR3 proposal for equity exposures	Banks shall report in these columns amounts calculated in accordance with the non-modelling approach of the revised Basel III framework but applying the treatment for equity exposures if eligible as specified in the CRR3 proposal. In particular, banks should reflect the applicable risk-weights as defined in Article 133, article 495a (3) and article 49 (4) of the CRR3 proposal as eligible for each line in the panel.
K to M	EU-specific: transitional SA-CCR application for credit risk output floor	<p>Only banks using IMM for counterparty credit risk shall fill in these columns.</p> <p>Banks should follow the same instructions as for columns I to K. The only difference should be how CCR exposures shall be calculated -&gt; SA-CCR with alpha = 1 (Please refer to section 3.2.1 for specific instructions on this topic).</p>

### 3.3.7 Panel F: Additional information for regional governments and local authorities (RGLA) as well as public sector entities (PSE)

53. Currently, exposures to public sector entities (PSEs) and to regional governments and local authorities (RGLAs) can be treated either as exposures to central governments or as exposures to institutions. Those treated as exposures to institutions would need to be migrated to the F-IRB approach under the revised Basel III standards and hence be subject to the modelling constraints, whereas exposures treated as exposures to central governments would not.

54. This panel aims at measuring the impact of the alternative treatment for regional governments and local authorities (hereafter RGLA) as well as public sector entities (hereafter PSE). A new 'PSE-RGLA' exposure class is created and all exposures to those entities will be assigned (irrespective of their current treatment as sovereign exposures or as institution exposures), and to apply to this new exposure class the same rules that are applicable to the general corporates exposure class, as provided in a new Article 151(11). In particular, the input floors applicable to corporate exposures would apply in the same manner to exposures belonging to the PSE-RGLA exposure in the Basel III class. Noting that the non-modelled RWAs for these exposure classes would remain unchanged as the ones reported in Panel A.

Row	Heading	Description
196	Banks	Should be reported here the amount corresponding to what is reported in Panel A row 39
197, 201	of which RGLA and PSE exposures	Exposures compliant with the criteria set in Art 150 and 151 (8) for which internal models can be used to calculate own funds requirements for credit risk, implementing the Basel III standards. Specifically, the use of the advanced IRB (A-IRB) approach
198	Banks, of which: RGLA	Exposures currently treated as banks that are exposures to regional governments and local authorities <b>not qualified</b> as General government exposure
199	Banks, of which: PSE	Exposures currently treated as banks that are exposures to public sector entities <b>not qualified</b> as General government exposure
200	Sovereigns	Should be reported here the amount corresponding to what is reported in Panel A row 38
202	Sovereigns, of which: RGLA	Exposures currently treated as sovereigns that are exposures to regional governments and local authorities that <b>do qualify</b> as General Government exposure
203	Sovereigns, of which: PSE	Exposures currently treated as sovereigns to public sector entities that <b>do qualify</b> as General Government exposure

### 3.4 Worksheet “EU RRE”

55. The Art. 465 (5) of the CRR3 Proposal introduces a transitional arrangement for the output floor for exposure secured by real estate if institutions pass the so-called “super hard test”. This template aims to assess the impact of such transitional arrangement.

#### 3.4.1 Panel A: Loss Rate

56. Panel A aims to assess whether the institution passes the super hard test defined in CRR III Art. 465 (5) 2<sup>nd</sup> subparagraph lit. (b) in order to apply the risk weights of CRR III Art. 465 (5) 1<sup>st</sup> subparagraph lit. (a) and (b). Data needed to evaluate the passing of these requirements are collected in this panel.

57. Institutions should report in this panel exposures secured by real estate where the **residential real estate is located in the jurisdiction of the institution**. Exposures located in other EU jurisdictions should be reported in panels C to J.

58. The following table provides instructions on how the different lines in the panel should be understood:

Row	Heading	Description
7	Exposures secured by residential real estate	Banks shall report here all IRBA-exposure that is secured by residential real estate (i.e. up to 100% of the property value).

Row	Heading	Description
8	Losses for exposure $\leq$ 55% of property value	Banks shall report here the losses suffered on the exposure reported in the line above but only those which are allocated to the part up to 55% of the property value.
9	Overall loss Rate	Automatically calculated 6-year average of losses related to IRBA exposure secured by real estate on a property value $\leq$ 55%. Not to be filled by banks.
10	Super hard test	Automatically calculated, can be “passed” or “failed” depending on whether the requirement that the Overall loss Rate calculated in the line above should be $\leq$ 0.25%, as described in CRR III Art. 465 (5) 2 <sup>nd</sup> subparagraph (b). Not to be filled by banks.

59. The information is requested for the six years prior to the reference date of the exercise (December 2021)

### 3.4.2 Panel B: IRBA exposure secured by real estate

60. Panel B collects RWA amounts under different scenarios related to the passing of the hard test and the super hard test. The following two scenarios are measured:

- Assuming the discretion in Article 465 (5) 1<sup>st</sup> subparagraph is exercised in the Member State of the institution, the super hard test is passed (CRR III Art. 465 (5) 2<sup>nd</sup> subparagraph lit. (b) is passed) and applying the risk weights defined in CRR III Art. 465 (5) 1<sup>st</sup> subparagraph
- Assuming the super hard test failed

61. Institutions should report in this panel exposures secured by real estate where the residential **real estate is located in the jurisdiction of the institution**. Exposures located in other EU jurisdictions should be reported in panels C to J.

62. The following table provides instructions on how the rows and columns in the panel should be understood:

Row	Heading	Description
17-30	Asset classes	Banks shall report all IRBA exposures and RWA following the asset class breakdown of the CR SA template.

Column	Heading	Description
C to D	Full non-modelling approaches Assuming CRR III Art. 465 (5) 2 <sup>nd</sup> subparagraph (b) passed	Banks shall report in these columns all IRBA exposure secured by real estate and the calculated RWA in accordance with the applicable non-modelling approach of the revised Basel III framework but applying risk weights as required in Art. 465 (5) 1 <sup>st</sup> subparagraph (a) and (b) and subparagraph 3 of the CRR3 Proposal.

Column	Heading	Description
E to F	Full non-modelling approaches Assuming CRR III Art. 465 (5) 2nd subparagraph (b) failed	Banks shall report in these columns exposure secured by real estate and the calculated RWA in accordance with the applicable non-modelling approach of the revised Basel III framework.

### 3.4.3 Panels C to J

63. Differently to panels A and B, institutions should report in these panels exposures secured by real estate where the residential **real estate is not located in the jurisdiction of the institution** but in a different country that are part of the European Union. Each combination of panels (Loss rate panel and IRBA Exposure secured by real estate panel) should be filled with exposures secured by real estate where the residential real estate is located in a given country. For each panel, institution should select from the drop-down menu the name of the country where the residential real estate is located.

64. These panels are to be reported on a voluntary basis and banks are strongly advised to fill them in if they have significant exposures secured by real estate where the residential real estate is not located in the jurisdiction of the institution but in a different country that are part of the European Union.

65. Panels C-J replicate the structure of panel A and B. Banks should follow the instructions to complete panel A and B to complete panels C to J.

Row	Heading	Description
34, 67, 100, 133	Country	Select from the drop-down menu the name of the country the residential real estate is located in.



# 4. CCR and CVA

---

## 4.1 CCR and CVA worksheet

### 4.1.1 Column AA to AD of Panel A

66. Column AA to AD of Panel A ('Exposures subject to counterparty credit risk') collect additional information on the treatment of SFT exposures in order to isolate the impact of the minimum haircut floors as defined by the comprehensive approach for collateralised transactions (CA(SH)) and applicable in the Basel Framework (2023). The additional columns aim to improve the comparability and the reliability of the information reported in the CCR panel, to address comparability issues regarding the measurement of the reform's impact on the SFT portfolio.

Column	Heading	Description
AA; AB	Revised credit risk framework applying the revised rules to determine CCR exposures (internal models and standardised approaches): SFT exposures – Minimum Haircut Floor not applied	Report total SFT exposures and RWA applying the revised credit risk and revised CCR exposure framework as in columns Q and R, however, without applying minimum haircut floors for SFT exposures.
AC; AD	CR SA approaches of revised credit risk framework using CCR SA approaches only for all transactions (CA(SH)) - SFT exposures – Minimum Haircut Floor not applied	Report SFT exposures and RWA applying the frameworks for credit risk and CCR exposure calculation using standardised approaches only to determine exposures and risk weights as in columns W and X, however, without applying minimum haircut floors for SFT exposures.

## 4.2 EU CVA worksheet

67. The "EU CVA" worksheet collects data on the impact of the revisions to the minimum capital requirements for credit valuation adjustment (CVA) risk, taking into account EU specificities. In particular, the worksheet collects additional information on the impact of exemptions listed in Article 382(3) and 382(4) of the CRR and the application of the proportionality principle under the CVA framework.

**68. Required data for CVA are conditional on the approaches entered in panel A3 of the "General Info" worksheet and panel A3 of the "EU General Info" worksheet; therefore, this should be completed first.**

69. Mandatory (yellow) cells in the "EU CVA" worksheet are to be left blank, if a certain approach (e.g. CVA Alternative Method) is not used by a bank. A zero should only be filled in if these are real zeros, i.e. if the bank uses the approach in general, but the capital requirements are zero as of date of the exercise.

#### 4.2.1 Panel A: Size of derivatives business

70. Panel A collects information on the size of derivative business.

71. For the purpose of this data collection, banks should use the **eligibility criteria of the Original exposure method (OEM) specified in Article 273a CRR<sup>9</sup>** to assess if they are eligible to calculate their CVA capital requirements using the simplified approach (i.e. as 100% of the bank's capital requirement for counterparty credit risk), **instead** of the materiality threshold specified in MAR50.9 (2020 version) of the final CVA framework<sup>10</sup> (i.e. aggregate notional amount of non-centrally cleared derivatives is less than or equal to 100 billion euro).

72. In particular, a bank should be considered eligible for the simplified approach if the size of its on- and off-balance-sheet derivative business is equal to or less than both of the following thresholds:

- 5 % of the institution's total assets;
- EUR 100 million.

Row	Column	Heading	Description
18	D	Size of the derivative business	Article 273a(3) CRR All on- and off-balance sheet derivatives shall be included, except credit derivatives that are recognised as internal hedges against non-trading book credit risk exposures.
19	D	Total assets	The total assets in accordance with the applicable accounting standards. For consolidated reporting the institution shall report the total assets following the prudential scope of consolidation in accordance with Section 2 of Chapter 2 of Title II of Part One CRR.
20	D	Size of the derivative business as percentage of total assets	Non-data entry cell. Calculated automatically as D18/D19. Ratio to be calculated taking the size of the derivative business divided by total assets.
21	D	Possibility to use CCR capital requirement: Are the conditions of Article 273a (2) CRR met?	Non-data entry cell. This cell checks whether the institution meets the conditions of Article 273a (2) CRR (ie size of derivative business is equal or less than EUR 100 million and 5% of institution's total assets)
22	D	Intention to use CCR capital requirement	Non-data entry cell. The institution's intention to use CCR capital requirement as its CVA capital requirement, calculated automatically as "CCR and CVA"!G73.
23	D	Calculation using CCR capital requirement	Non-data entry cell. This cell indicates whether the CCR capital requirement is to be used as its CVA capital requirement or not. If an institution which can use the CCR capital requirement does not indicate its intention to use it, a warning (ie "Fill in cell above") will be displayed.

<sup>9</sup> This is in line with the second reform scenario requested in the August 2020 European Commission's Call for Advice to the EBA on Basel III, see [Call for advice to the EBA on the implementation of the final Basel III reforms in light of the impact of the COVID-19 pandemic](#). This choice should not be considered as pre-empting any future legislation on the implementation of the final Basel III standards in the EU.

<sup>10</sup> [BCBS \(2020\), Targeted revisions to the credit valuation adjustment risk framework](#)

## 4.2.2 Panel B: CVA capital requirements

73. Panel B collects information on the CRR and CVA capital requirements for **different scope of transactions**, as those are determined in rows 33-45. In particular, institutions are asked to calculate their CRR and CVA capital requirements for the following sets of transactions:

- CRR scope as defined in Article 382 of CRR (rows 33-34);
- CRR exemptions as defined in Article 382(3) and 382(4) of CRR (rows 35-42), separately for each exemption;<sup>11</sup>
- Final Basel III scope as defined in MAR50.5 (2023 version) (rows 43-44);
- Fair-valued SFTs for accounting purposes (row 45).

74. The scope of transactions determined by each row should be used consistently when calculating the different metrics outlined in each column (e.g. CCR EAD, CCR and CVA capital requirements) under both the current and revised frameworks.

75. All marginal impacts for exempted transactions should be expressed in absolute amounts and not percentages. In addition, when including an exempted counterparty in the scope of the CVA risk charge, institutions should consider all transactions with exempted counterparties as unhedged (i.e. CVA hedges are not recognised), even if they in fact have existing credit derivatives or similar instruments held as of the reporting date.

Row	Column	Heading	Description
33	D-AR	Total transactions in the scope of the CVA risk charge under the CRR framework	<p>The scope of transactions should consist of all transactions under CRR Article 382 and as reported in COREP C 25.00.</p> <p>It is reminded that, where computations are performed on the basis of the consolidated situation of the reporting institution (e.g. group), the consolidated portfolio of all OTC derivative transactions between all members of that group and an external counterparty (i.e. a counterparty which is not a member of the group) should be considered. Since intragroup transactions (i.e. between two members of the group) are removed as part of the consolidation process, those transactions are mechanically removed from the scope of the CVA charge.</p> <p>SFTs shall be included in scope if the competent authority determines that the institution's CVA risk exposures arising from those transactions are material according to Article 382(2) of the CRR.</p> <p>Specifically, institutions should exclude from the calculations transactions exempted under Article 382(3)</p>

<sup>11</sup> See the [EBA Report on CVA risk \(2015\)](#) and the [EBA Policy Advice on CVA risk \(2019\)](#) for further details on the exemptions.

Row	Column	Heading	Description
			and 382(4) of the CRR for both current and revised frameworks.
34	D-AR	Of which: derivatives only	The scope of transactions should consist of all transactions reported in row 33, <b>excluding SFTs</b> (i.e. derivatives only).
35	D-AR	Total transactions in the scope of the CVA risk charge under the current Basel III framework (i.e. all CRR exemptions defined in Article 382 are reintegrated to the CRR scope)	The scope of transactions should consist of all transactions reported row 33, <b>disregarding</b> the exemption for client's transactions with a clearing member mentioned in article 382(3) and all exemptions listed in article 382(4) of the CRR. Specifically, the aforementioned transactions currently excluded from the CVA capital requirements calculation pursuant to these articles should be <b>reintegrated</b> for the purpose of this row. With regard to the exemption in Article 382(3), banks should re-integrate in scope the same transactions that are re-integrated for the purposes of row 36.
36	D-AR	Marginal impact of reintegration of clients' transactions (Article 382(3) CRR)	<p>Marginal impact of reintegrating transactions between a client and a clearing member, when the clearing member is acting as an intermediary between the client and a qualifying central counterparty, which are exempted under Article 382(3) to the scope of row 33. Clients should not re-integrate those transactions when the transaction meet the requirements in Article 305(2), (3) and (4) of the CRR.</p> <p>The marginal impact should be calculated as follows:</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33;</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33 after reintegrating transactions between a client and a clearing member, when the clearing member is acting as an intermediary between the client and a qualifying central counterparty. Clients should not re-integrate those transactions when the transaction meet the requirements in Article 305(2), (3) and (4) of the CRR;</p> <p>Calculate the marginal impact as the difference between point 2 and 1.</p> <p>For example, a value of 1000, would indicate that the respective figure (e.g. EAD or capital requirement) given in row 33 would increase by 1000 due to the reintegration of client's transactions exempted under Article 382(3).</p> <p>Values should be reported in absolute amounts (i.e. not in percentage).</p>
37	D-AR	Marginal impact of reintegration of transactions	Marginal impact of reintegrating <b>transactions with non-financial counterparties</b> exempted under Article

Row	Column	Heading	Description
		with non-financial counterparties (Article 382(4)(a) CRR)	<p>382(4)(a) to the scope of row 33. The marginal impact should be calculated as follows:</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33;</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33 after reintegrating transactions with non-financial counterparties exempted under Article 382(4)(a);</p> <p>Calculate the marginal impact as the difference between point 2 and 1.</p> <p>For example, a value of 1000, would indicate that the respective figure (e.g. EAD or capital requirement) given in row 33 would increase by 1000 due to the reintegration of transactions with non-financial counterparties exempted under Article 382(4)(a).</p> <p>Values should be reported in absolute amounts (i.e. not in percentage).</p>
38	D-AR	Of which: Marginal impact of reintegration of transactions with EU non-financial counterparties only	<p>Marginal impact of reintegrating <b>transactions with EU non-financial counterparties</b> exempted under Article 382(4)(a) to the scope of row 33. The marginal impact should be calculated as follows:</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33;</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33 after reintegrating transactions with EU non-financial counterparties exempted under Article 382(4)(a);</p> <p>Calculate the marginal impact as the difference between point 2 and 1.</p> <p>For example, a value of 1000, would indicate that the respective figure (e.g. EAD or capital requirement) given in row 33 would increase by 1000 due to the reintegration of transactions with EU non-financial counterparties exempted under Article 382(4)(a).</p> <p>Values should be reported in absolute amounts (i.e. not in percentage).</p> <p>As marginal impacts are not additive, row 37 is not necessarily the sum of row 38 and row 39.</p>
39	D-AR	Of which: Marginal impact of reintegration of transactions with third country non-financial counterparties only	<p>Marginal impact of reintegrating <b>transactions with non-financial counterparties established in a third country</b> exempted under Article 382(4)(a) to the scope of row 33. The marginal impact should be calculated as follows:</p>

Row	Column	Heading	Description
			<p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33;</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33 after reintegrating transactions with non-financial counterparties established in a third country exempted under Article 382(4)(a);</p> <p>Calculate the marginal impact as the difference between point 2 and 1.</p> <p>For example, a value of 1000, would indicate that the respective figure (e.g. EAD or capital requirement) given in row 33 would increase by 1000 due to the reintegration of transactions with non-financial counterparties established in a third country exempted under Article 382(4)(a).</p> <p>Values should be reported in absolute amounts (i.e. not in percentage).</p> <p>As marginal impacts are not additive, row 37 is not necessarily the sum of row 38 and row 39.</p>
40	D-AR	Marginal impact of reintegration of intragroup transactions (Article 382(4)(b) CRR)	<p>Marginal impact of reintegrating <b>intragroup transactions</b> exempted under Article 382(4)(b) and in accordance with EBA Q&amp;A 2015_1929 to the scope of row 33. The marginal impact should be calculated as follows:</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33;</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33 after reintegrating intragroup transactions exempted under Article 382(4)(b) and in accordance with EBA Q&amp;A 2015_1929. In particular, intragroup transactions of an EU subsidiary of a non-EU parent institution with that non-EU parent institution established in a third country are exempted of CVA charge only if the Commission has adopted an implementing act under Article 13(2) of EU regulation 648/2012 in respect of that third country. Equivalence decisions covering only Article 11 of EU regulation 648/2012 do not trigger an exemption of CVA charge.</p> <p>Calculate the marginal impact as the difference between point 2 and 1.</p> <p>For example, a value of 1000, would indicate that the respective figure (e.g. EAD or capital requirement) given in row 33 would increase by 1000 due to the reintegration of intragroup transactions exempted under Article 382(4)(b) and in accordance with EBA Q&amp;A 2015_1929.</p>

Row	Column	Heading	Description
			Values should be reported in absolute amounts (i.e. not in percentage).
41	D-AR	Marginal impact of reintegration of transactions with pension funds counterparties (Article 382(4)(c) CRR)	<p>Marginal impact of reintegrating <b>transactions with pension funds counterparties</b> exempted under Article 382(4)(c) to the scope of row 33. The marginal impact should be calculated as follows:</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33;</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33 after reintegrating transactions with pension funds counterparties exempted under Article 382(4)(c);</p> <p>Calculate the marginal impact as the difference between point 2 and 1.</p> <p>For example, a value of 1000, would indicate that the respective figure (e.g. EAD or capital requirement) given in row 33 would increase by 1000 due to the reintegration of transactions with pension funds counterparties exempted under Article 382(4)(c).</p> <p>Values should be reported in absolute amounts (i.e. not in percentage).</p>
42	D-AR	Marginal impact of reintegration of transactions with sovereign counterparties (Article 382(4)(d) CRR)	<p>Marginal impact of reintegrating <b>transactions with sovereign counterparties</b> exempted under Article 382(4)(d) to the scope of row 33. The marginal impact should be calculated as follows:</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33;</p> <p>Calculate the relevant metric (e.g. EAD or capital requirement) for the scope of transactions referred to in row 33 after reintegrating transactions with sovereign counterparties exempted under Article 382(4)(d);</p> <p>Calculate the marginal impact as the difference between point 2 and 1.</p> <p>For example, a value of 1000, would indicate that the respective figure (e.g. EAD or capital requirement) given in row 33 would increase by 1000 due to the reintegration of transactions with sovereign counterparties exempted under Article 382(4)(d).</p> <p>Values should be reported in absolute amounts (i.e. not in percentage).</p>
43	D-AR	Total transactions in the scope of the CVA risk charge under the final Basel framework	The scope of transactions should consists of all covered transactions as specified and defined in MAR50.5 (2023 version). Due to the fact that the figures shall be calculated following the Final Basel III scope for the CVA framework, institutions should disregard the CRR

Row	Column	Heading	Description
			<p>exemptions under Article 382(3) for client's transactions with a clearing member and exemptions under Article 382(4) of the CRR. Specifically, the aforementioned transactions currently excluded from the CVA capital requirements calculation under Article 382(3) and 382(4) CRR should be reintegrated.</p> <p>With respect to SFTs, MAR50.5 specifies that SFTs that are fair-valued by a bank for accounting purposes are to be included in scope of the CVA risk framework if the supervisor determines that the bank's CVA loss exposures arising from SFT transactions are material. Institutions should therefore coordinate with their respective competent authority and exclude from the scope fair-valued SFTs if the competent authority determines that the bank's CVA loss exposures arising from SFT transactions should be considered non-material.</p>
44	D-AR	Of which: derivatives only	The scope of transactions should consist of all transactions reported in row 43, <b>excluding fair-valued SFTs</b> (i.e. derivatives only).
45	D-AR	Total SFTs that are fair-valued for accounting purposes	The scope of transactions should consist of <b>all</b> SFTs that are fair-valued by the bank for accounting purposes, irrespectively of whether their supervisor has determined that the bank's CVA loss exposures arising from SFT transactions are material or not.

76. Institutions should provide data for the above set of transactions computed according to:

- The **current framework (columns D to M) as specified in the CRR**. In particular, the current methods available to calculate CCR and CVA capital requirements, including the current credit risk and Credit Risk Mitigation (CRM) framework, should be applied.
- The **revised framework (columns N to AR) as specified in the final Basel III framework and final CVA framework published (version 2020)**. In particular, the revised CVA framework, as well as the revised rules for credit risk and CRM framework should be used. For calculating CCR exposures, the same rules as in column D to M apply. Banks that do not adopt the IMM are expected to apply the SA-CCR.

77. In case a bank is eligible (i.e. meets the OEM eligibility criteria under Article 273a(2)) and intends to set its CVA capital requirement equal to 100% of the bank's capital requirement for counterparty credit risk (CCR), the bank can choose to report data only in columns N-O under the revised framework. A bank which can use CCR RWA **must** indicate its intention to or not to use CCR RWA in panel B1 of the "CCR and CVA" worksheet. For such a bank, if the cell is left blank, a check warning will be displayed and its CVA capital requirement is not calculated.

78. In case a bank calculates its CVA capital requirement using the BA-CVA exclusively, then either data for columns P or R-T is required under the revised framework. A bank that uses the reduced version



of BA-CVA must fill in column P. A bank that uses the full version of BA-CVA must fill in column R-T. Please note that a bank must **not** report values in both set of columns for full and reduced BA-CVA – (P and R-T).

79. A bank that uses the full BA-CVA approach is required to complete both column R (K\_reduced (assuming hedges are not recognised)) and column S (K\_hedged (assuming recognition of all eligible hedges)). While K\_hedged acknowledges that a bank might have eligible hedges which can be recognised in the CVA capital requirement position, K\_reduced is required to account for potentially imperfectly hedged or unhedged positions.

80. If a bank calculates its CVA capital requirement using the SA-CVA, data for columns W-AI is required. Such an institution is allowed to exclude a part of its CVA-relevant positions from the calculation under the SA-CVA; however, these positions (ie carved out netting sets) have to be calculated using the BA-CVA (in either, but not both, column AK or columns AM-AO). Please note that a bank using the SA-CVA must **not** report values in columns P and R-T; only banks that use the BA-CVA (full or reduced) for their entire CVA portfolios are to provide data in column P or columns R-T.

Row	Column	Heading	Description
33-45	D	CCR Exposures under current framework	Total exposure values for counterparty credit risk under CRR.
33-45	E	CCR capital requirements under current framework	Total capital requirements for counterparty credit risk under CRR. Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	F	CVA capital requirements under Alternative method (Article 385 CRR)	Capital requirements for CVA risk using the Alternative Method under Article 385 CRR and the current framework for CRR. Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts. For row 33 this should correspond to COREP 25.00_R040_C090.
33-45	G	Check: Filled in consistent with flag settings	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using the CVA Alternative method.
33-45	H	Capital requirements under Standardised method (Article 384 CRR)	Capital requirements for CVA risk using the Standardised Method under Article 384 CRR and the current framework for CRR. Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts. For row 33 this should correspond to C25.00_R030_C090.
33-45	I	Check: Filled in consistent with flag settings	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using the CVA Standardised method.

Row	Column	Heading	Description
33-45	J	Capital requirements under Advanced method (Article 383 CRR)	<p>Capital requirements for CVA risk using the advanced method under Article 383 CRR and the current framework for CCR, which is the IMM approach.</p> <p>Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.</p> <p>For row 33 this should correspond to C25.00_R020_C090.</p>
33-45	K	Check: Filled in consistent with flag settings	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using the Advanced method.
33-45	L	Total CVA capital requirements	Non-data entry cell. Total CVA capital requirements under the current framework. Calculation will only populate using values reported in columns F, H and J for those approaches to CVA risk capital requirements that the bank indicates it uses per rows 38 and/or 39 on the 'General Info' worksheet and row 11 on the 'EU General Info'.
33-45	M	Check: Col L Total not calculated due to missing flags in General Info rows 38 and 39 or in EU General Info row 11	Non-data entry cell. This cell indicates "Fail" if the bank provides a value in columns F, H, and/or J but did not indicate its use of the associated approach for CVA risk capital requirements in rows 38 and/or 39 on the 'General Info' worksheet or row 11 on 'EU General Info' worksheet.
33-45	N	CCR Exposures under revised framework	Non-data entry cell. Following the implementation of the revised CCR approaches in the CRR that are applicable since 28 June 2021, the total exposure values for counterparty credit risk under the revised framework should equal the total exposure values for counterparty credit risk under the current framework.
33-45	O	CCR requirements capital under revised framework	Total capital requirements for counterparty credit risk under the final Basel III framework.
33-45	P	CVA capital requirement under the reduced BA-CVA: K-reduced (assuming hedges are not recognised)	<p>Capital requirement for CVA risk under the reduced version of the BA-CVA approach, which does not take into account CVA risk hedges. This parameter should be calculated in accordance with MAR50.14 to MAR50.16 (2023 version) of the Basel consolidated framework.</p> <p>Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.</p>
33-45	Q	Check: Filled in consistent with flag settings	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using the reduced version of BA-CVA.

Row	Column	Heading	Description
33-45	R	CVA capital requirement under the full BA-CVA: K-reduced (assuming hedges are not recognised)	Part of the capital requirement for CVA risk under the full BA-CVA approach, which does not take into account CVA risk hedges. This parameter should be calculated in accordance with MAR50.14 to MAR50.16 (2023 version) of the Basel consolidated framework. Institutions which only apply the reduced version of the BA-CVA shall leave this column blank (i.e. no zero shall be included here) and complete column P instead.  Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	S	CVA capital requirement under the full BA-CVA: K-hedged (assuming recognition of all eligible hedges)	Part of the capital requirement that fully recognises eligible hedges in accordance with criteria presented in MAR50.17 to MAR50.19 (2023 version). The parameter should be calculated in accordance with MAR50.21–23 (2023 version).  Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	T	CVA capital requirement under the full BA-CVA: Total	Non-data entry cell. Total CVA capital requirement under the full BA-CVA.
33-45	U	Check: Filled in consistent with flag settings	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using the full version of BA-CVA.
33-45	V	Check: K_reduced and K_hedged in columns R-S should be larger than 0 and not equal	Non-data entry cell.
33-45	W, Y, AA, AC, AE, AG	CVA capital requirement under the SA-CVA (for netting sets under the SA-CVA approach): Delta risks	Capital requirements for delta risk by risk type, calculated according to MAR50.27 to MAR50.77 (2023 version) of the Basel consolidated framework.  Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	X, Z, AD, AF, AH	CVA capital requirement under the SA-CVA (for netting sets under the SA-CVA approach): Vega risks	Capital requirements for vega risk, by risk type, calculated according to MAR50.27 to MAR50.77 (2023 version) of the Basel consolidated framework.  Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	AI	CVA capital requirement under the SA-CVA (for netting sets	Non-data entry cell. Total CVA capital requirement under the SA-CVA (for netting sets under the SA-CVA approach).

Row	Column	Heading	Description
		under the SA-CVA approach): K-full	
33-45	AJ	Check: Filled in consistent with flag settings	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using SA-CVA.
33-45	AK	CVA capital requirement under the SA-CVA (for netting sets carved out of the SA-CVA that use the reduced BA-CVA approach) K-reduced (assuming hedges are not recognised)	This panel is for a bank that uses the SA-CVA but uses the reduced BA-CVA for the netting sets that are carved out.  Capital requirement for CVA risk under the reduced version of the BA-CVA approach, which does not take into account CVA risk hedges. This parameter should be calculated in accordance with MAR50.14 to MAR50.16 (2023 version).  Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	AL	Check: Filled in consistent with flag settings	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using the reduced version of BA-CVA for the carved-out netting sets.
33-45	AM	CVA capital requirement under the SA-CVA (for netting sets carved out of the SA-CVA that use the full BA-CVA approach): K-reduced (assuming hedges are not recognised)	This column is for a bank that uses the SA-CVA but uses the full BA-CVA for the netting sets that are carved out.  Part of the capital requirement for CVA risk under the full BA-CVA approach, which does not take into account CVA risk hedges. This parameter should be calculated in accordance with MAR50.14 to MAR50.16 (2023 version).  Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	AN	CVA capital requirement under the SA-CVA (for netting sets carved out of the SA-CVA that use the full BA-CVA approach): K-hedged (assuming recognition of all eligible hedges)	This column is for a bank that uses the SA-CVA but uses the full BA-CVA for the netting sets that are carved out.  Part of the capital requirement that fully recognises eligible hedges in accordance with criteria presented in MAR50.17 to MAR50.19 (2023 version). The parameter should be calculated in accordance with MAR50.21 to MAR50.23 (2023 version) of the Basel consolidated framework.  Banks must report capital requirements (i.e. RWA divided by 12.5), <b>not</b> RWA amounts.
33-45	AO	CVA capital requirement under the SA-CVA (for netting sets carved out of the SA-	Non-data entry cell. Total CVA capital requirement under the full BA-CVA for the carved-out netting sets.

Row	Column	Heading	Description
		CVA that use the full BA-CVA approach): K-full	
33-45	AP	Check: Filled in consistent with flag	Non-data entry cell. It displays a warning if the bank provides data but did not report that it is using the full version BA-CVA for the carved-out netting sets.
33-45	AQ	Check: K_reduced (column AM) and K_hedged (column AN) in should be larger than 0 and not equal	Non-data entry cell.
33-45	AR	Overall capital requirements for CVA	Non-data entry cell. Total CVA capital requirement.

### 4.3 EU CCR worksheet

81. Article 514(1) of the CRR requests the EBA to report to the European Commission on the impact and the relative calibration of the Standardised Approach to Counterparty Credit Risk (SA-CCR), the simplified SA-CCR and the Original Exposure Method (OEM), i.e. the approaches set out in Sections 3, 4 and 5 of Chapter 6 of Title II of Part 3 of the CRR to calculate the exposure values of derivative transactions. To that end, the “EU CCR” worksheet collects data for the purpose of addressing the mandate.

82. Panel A of worksheet “EU CCR” collects data on the current and previous CCR approaches used to calculate exposure values for derivative transactions and current credit risk approaches used to calculate RWA for derivative transactions. Panel B collects information about the impact of implementing the revised CCR approaches applicable since 28 June 2021 compared to the CCR approaches used prior to CRR2 coming into force (i.e. before that the amendments introduced by Regulation (EU) 2019/876 to Regulation (EU) No 575/2013 came into force). Panel C collects information about the relative calibration of the current CCR approaches to calculate exposure values of derivative transactions. Both for Panel B and Panel C, the credit risk approaches (i.e. SA or IRB) used to calculate the risk weights for CCR derivative exposures are those employed under current national rules only, i.e. no information is collected regarding the CCR exposures under the revised credit risk framework.

#### 4.3.1 Panel A: Approaches for counterparty credit risk and for credit risk of derivative exposures

83. The required data in Panel B and Panel C are conditional on the approaches used for the calculation of exposure and RWA values of derivative transactions as reported in Panel A of the “EU CCR” template, which partly reflects information provided in the “General Info” and “EU General Info” worksheets and is supplemented with additional information.

84. SA-CCR and Simplified SA-CCR have been introduced by the CRR2, replacing the Mark-to-market Method (MtM) and the Standardised Method (SM). In addition, the CRR2 introduced amendments to the OEM. SA-CCR, Simplified SA-CCR and the revised OEM are applicable from 28 June 2021 and therefore are expected to be applied under the current framework of standardised CCR approaches for the data collection with reference date 31 December 2021. “Previous framework” refers to MtM, SM and OEM prior to the CRR2 amendments to the standardised CCR approaches.

Row	Column	Heading	Description
<b>1) CCR approaches for derivative exposures</b>			
Indicate the relevant approaches used under the current rules (CRR2 as applicable since 28 June 2021) and previous rules (CRR prior to the amendments applicable since 28 June 2021) selecting “yes” or “no” on the dropdown menu in the yellow cells of rows 7 to 12.			
7	C	IMM	Non-data entry cell. Indicate whether, under current rules, the IMM according to Section 6 of Chapter 6 of Title II of Part Three of the CRR2 is used to calculate the CCR exposure values associated with derivative contracts. It refers to the entry in ‘General Info!C19’.
8	C	SA-CCR	Non-data entry cell. Indicate whether, under current rules, the SA-CCR according to Section 3 of Chapter 6 of Title II of Part Three of the CRR2 is used to calculate the CCR exposure values associated with derivative contracts. It refers to the entry in ‘General Info!C22’.
9	C	Simplified SA-CCR	Non-data entry cell. Indicate whether, under current rules, the simplified SA-CCR according to Section 4 of Chapter 6 of Title II of Part Three of the CRR2 is used to calculate the CCR exposure values associated with derivative contracts. It refers to the entry in ‘EU General Info!C8’.
10	C	OEM	Non-data entry cell. Indicate whether, under current rules, the original exposure method (OEM) according to Section 5 of Chapter 6 of Title II of Part Three of the CRR2 is used to calculate the CCR exposure values associated with derivative contracts. It refers to the entry in ‘EU General Info!C7’.
7	D	IMM	Indicate whether before the amendments to the CCR approaches introduced by the CRR2 (i.e. before 28 June 2021), the internal model method (IMM) according to Section 6 of Chapter 6 of Title II of Part Three of the CRR was used to calculate the CCR exposure values associated with derivative contracts.
10	D	OEM	Indicate whether before the amendments to the CCR approaches introduced by the CRR2 (i.e. before 28 June 2021), the OEM according to Section 4 of Chapter 6 of Title II of Part Three of the CRR was used to calculate the CCR exposure values associated with derivative contracts.
11	D	Markt-to-Market Method	Indicate whether before the amendments to the CCR approaches introduced by the CRR2 (i.e. before 28 June 2021), the MtM according to Section 3 of Chapter 6 of Title II of Part Three of the CRR was used to calculate the CCR exposure values associated with derivative contracts.
12	D	Standardised Method	Indicate whether before the amendments to the CCR approaches introduced by the CRR2 (i.e. before 28 June 2021), the SM according to Section 5 of Chapter 6 of Title II of Part Three of the CRR was used to calculate the CCR exposure values associated with derivative contracts.
<b>2) Credit risk approaches for derivative counterparty credit risk</b>			
Indicate the relevant credit risk approaches under the current rules for derivative exposures by selecting “yes” or “no” on the dropdown menu in rows 15 and 16.			
15	C	CR-IRB	Indicate whether the IRB approach is used to calculate capital requirements for CCR for derivative transactions under the current framework.
16	C	CR-SA	Indicate whether the SA is used to calculate capital requirements for CCR for derivative transactions under the current framework.

85. Mandatory (yellow) cells associated to a particular current CCR approach (as allocated in the relevant rows) in Panel B and Panel C of the “EU CCR” worksheet are to be left blank, if that particular approach is not currently used by a bank. A zero should only be filled in if these are real zeros, i.e. if the bank uses the approach in general, but the exposures, RWA or capital requirements are zero as of date of the exercise. The reported values (including zeros) should correspond to the setting of the respective

flags for credit risk and counterparty credit risk approaches in Panel A. In particular, if the flag for a given CCR approach for calculating exposures of derivative transactions under the current or previous framework, or a given credit risk approach for calculating RWAs of derivative exposures under the current framework, is set to “Yes”, the respective cells in Panel B and Panel C should be filled in. If the flag for a given approach is set to “No”, the respective cells associated to this particular CCR approach (as allocated in the relevant rows) should be left blank.

#### **4.3.2 Panel B: Derivative exposures subject to counterparty credit risk**

86. Panel B collects information on CCR exposures of derivative transactions, including exposures to CCPs (and exposures to clients when acting as CCP clearing member as well as CCP-related exposures where the institution is a client according to Article 305 CRR). This panel is split in two parts: the first one (columns D to M) collects exposures values and RWA amounts that arise from CCR exposures calculated under the current CCR approaches (i.e. the CCR approaches employed after 28 June 2021 due to the introduction of the CRR2), while the second part (columns N to W) collects exposure values and RWA amounts calculated under the previous CCR approaches (i.e. the CCR approaches employed before 28 June 2021 and the introduction of the CRR2). In both parts, the credit risk approaches (i.e. SA or IRB) to calculate risk weights for those exposures are those employed under current national rules only, i.e. no information is collected regarding the CCR exposures under the revised credit risk framework. The panel should exclude default fund contributions to CCPs.
87. In this regard, Panel B aims to collect information on the impact of the current CCR approaches for derivative transactions relative to the previous CCR approaches applied prior to the amendments to the CRR as applicable as of 28 June 2021. In this panel, information should be provided in relation to exposures and RWA for derivative transactions based on the existing/current treatment of netting sets (rows) broken down by the previous method(s) under which those netting sets have been treated (columns). Total current exposure and RWA (row 62, column H and M) and current exposure and RWA under IMM (row 22, column H and M) should equal the values reported for those exposures/RWA (row 21 and 51, column C and D) of the “CCR and CVA” worksheet (please refer to the check in row 63).
88. To complete the second part of Panel B (columns N to W), institutions are required to run calculations using previous CCR approaches that may have been shut down after 28 June 2021. As a consequence of this, it is recognized that institutions may eventually face difficulties or may not be able to provide calculations using those old approaches. In this regard, institutions are asked to provide their calculations on a best effort basis, leveraging on the calculation engines for those old approaches if they are still available to the institution.
89. It is important to note that OEM in row 52 refers to the OEM approach according to Section 5 of Chapter 6 of Title II of Part Three of the CRR2 as applicable since 28 June 2021, whereas OEM in column G, L, Q and V refer to the OEM approach according to Section 4 of Chapter 6 of Title II of Part Three of the CRR applicable prior to 28 June 2021.
90. Rows associated to CCR methods that are not currently employed by the institution are not to be filled out, i.e. the cells associated to those rows are to be left blank. For example, an institution that only uses the SA-CCR to calculate exposures and RWA of derivative transactions should leave blank

the rows 22 to 31, and 42 to 61. Likewise, columns of Panel B referring to CCR methods that were not employed by the institution prior to 28 June 2021 are also to be left blank. For example, an institution that only used the MtM method prior to 28 June 2021 should only fill out columns E, J, O, and T of Panel B.

91. In accordance with Article 273(1) of the CRR, institutions may use in combination the methods set out in section 3 to 6 on a permanent basis within a group, whereas a single institution shall not use in combination the methods set out in section 3 to 6 on a permanent basis.

92. The below examples illustrate how exposures and RWA may be reported.

**Example 1:** Reporting on a group level, exposures of derivative transaction's netting sets currently assigned to the IMM approach were previously (prior to 28 June 2021) calculated with the IMM and MtM approaches, whereas exposures of derivative transaction's netting sets currently assigned to the SA-CCR were previously (prior to 28 June 2021) calculated with the MtM approach only. RWA arising from those derivatives are calculate using the current SA for credit risk only.

In Panel A the flags of the CCR approaches used by the institution respectively under the current and previous CCR frameworks should be set to "Yes" (in this example cells C7, C8, D7 and D11). The flags for all other CCR approaches that are not employed by the institution under the current and previous frameworks should be set to "No". Likewise, the flags of the CR approaches used by the institution under the current framework should be set to "Yes" in Panel A (in this example cell C16, whereas C15 should be set to "No" as the institution does not employ the IRB to calculate RWA of derivative exposures under the current framework).

In Panel B, the exposures and RWA for the netting sets currently calculated using the IMM and previously calculated under the IMM and MtM approaches should be reported respectively in column D, I, N, S (for IMM) and E, J, O, T (for MtM) and row 25, 28, 31. The exposures and RWA for the netting sets currently calculated using the SA-CCR and previously calculated under the MtM approach should be reported in column E, J, O, T and row 35, 38, and 41. The other (yellow) cells in Panel B in the "EU CCR" worksheet should be left blank in this example.

To clarify, in this example cell E22 and J22 should report respectively the exposure values and RWA calculated with the IMM for those netting sets that were previously assigned to the MtM approach (and which are now under IMM). On the contrary cell O22 and T22 should report respectively the exposure values and RWA calculated with the MtM approach for those same netting sets. Likewise, cell D22 and I22 should report respectively the exposure values and RWA calculated with IMM of those netting sets that were previously assigned to the IMM approach (and which are now still under IMM). Cell N22 and S22 should report respectively the exposure values and RWA calculated with the IMM approach for those same netting sets, and therefore these cells are expected to equal cell D22 and I22 respectively as CRR2 did not modify the IMM approach.

With regard to the netting sets under SA-CCR, cell E32 and J32 should report respectively the exposure values and RWA calculated with SA-CCR of those netting sets that were previously assigned to the MtM approach (and which are now under SA-CCR). On the contrary cell O32 and T32 should report respectively the exposure values and RWA calculated with the MtM approach for those same netting sets.

**Example 2:** Reporting on a group level, exposures of derivative transaction's netting sets currently all assigned to the SA-CCR have previously (prior to 28 June 2021) been calculated with the MtM and SM approaches. RWA arising from those derivatives are calculated using the IRB and SA approaches for credit risk under the current framework.

In Panel A, the flags of the CCR approaches used by the institution respectively under the current and



previous CCR frameworks should be set to “Yes” (in this example cells C8, D11 and D12). The flags for all other CCR approaches that are not employed by the institution under the current and previous frameworks should be set to “No”. Likewise, the flags of the CR approaches used by the institution under the current framework should be set to “Yes” in Panel A (in this example cells C15 and C16).

In Panel B, the exposures and RWA for the netting sets currently calculated using the SA-CCR and previously calculated under the MtM approach should be reported in column E, J, O, T and row 34, 35, 37, 38, 40 and 41 (depending on if SA or IRB for credit risk are applied to calculate RWA). Exposures and RWA for nettings sets currently calculated using the SA-CCR and previously calculated under the SM approach should be reported in column F, K, P and U and row 34, 35, 37, 38, 40 and 41 (depending on if SA or IRB for credit risk are applied to calculate RWA). The other (yellow) cells in Panel B on the “EU CCR” worksheet should be left blank in this example.

To clarify, in this example cell E32 and J32 should report respectively the exposure values and RWA calculated with SA-CCR of those netting sets that were previously assigned to the MtM approach (and which are now under SA-CCR). On the contrary cell O32 and T32 should report respectively the exposure values and RWA calculated with the MtM approach for those same netting sets. Likewise, cell F32 and K32 should report respectively the exposure values and RWA calculated with SA-CCR of those netting sets that were previously assigned to the SM approach (and which are now under SA-CCR). On the contrary cell P32 and U32 should report respectively the exposure values and RWA calculated with the SM approach for those same netting sets.

93. Banks should report the derivative transaction’s netting sets for the respective approaches providing a breakdown (i) for over-collateralised, collateralised and uncollateralised netting sets (with all netting sets allocated to exactly one of these options) in accordance to section 10.1 of the Instructions for Basel III monitoring v.4.4; and (ii) a further breakdown according to the credit risk approach (e.g. SA or IRB) that is currently used for the respective netting set/counterparty.

#### **4.3.3 Panel C: Derivative exposures under different current counterparty credit risk methods**

94. Panel C aims to collect information on the CCR exposures and RWA of derivative transaction calculated using the current CCR approaches used by the institution and using alternative CCR approaches available under the current framework. This information is intended to assess the relative calibration of the current CCR approaches in accordance with the mandate in Article 514(1) of the CRR2.
95. As for Panel B, the information on CCR exposures of derivative transactions should include exposures to CCPs (and exposures to clients when acting as CCP clearing member). In addition, the credit risk approaches (i.e. SA or IRB) to calculate risk weights of derivative exposures are those employed under current national rules only, i.e. no information is collected regarding the CCR exposures under the revised credit risk framework. The panel should exclude default fund contributions to CCPs.
96. Similarly to Panel B, the rows of Panel C identify portfolios of transactions assigned to different CCR approaches under the current CCR framework employed by the institution (column D and E). Reporting entities are requested to calculate the exposure values and RWA arising from those portfolios (rows) using different CCR approaches (column F to K) available under the current framework. Rows associated to CCR approaches that the reporting entity is not employing should be left blank.

97. Panel C requires information proportional to the size and complexity of the reporting entity. Entities that are currently using less sophisticated CCR approaches to calculate exposures of derivative transaction should not report information for CCR approaches deemed more sophisticated. The reporting cascade is outlined in the following table:

Current approach	Alternative approach		
	SA-CCR	Simplified SA-CCR	OEM
Column D and E	Column F and G	Column H and I	Column J and K
IMM	YES	YES	YES
SA-CCR	NO	YES	YES
Simplified SA-CCR	NO	NO	YES
OEM	NO	NO	NO

98. In particular:

- Column D and E collect information on exposures and RWA of derivative transactions when applying the CCR method(s) currently used by the institution.
- Column F and G collect information on exposures and RWA of derivative transactions applying the SA-CCR method according to Section 3 of Chapter 6 of Title II of Part Three of the CRR2. Only institution that currently employ the IMM approach should fill in these columns.
- Column H and I collect information on exposures and RWA of derivative transactions applying the simplified SA-CCR method according to Section 4 of Chapter 6 of Title II of Part Three of the CRR2. Only institution that currently employ the IMM or SA-CCR approaches should fill in these columns.
- Column J and K collect information on exposures and RWA of derivative transactions applying the OEM method according to Section 5 of Chapter 6 of Title II of Part Three of the CRR2. Only institution that currently employ the IMM, SA-CCR or simplified SA-CCR approaches should fill in those columns.

99. It is important to note that OEM in rows 81, 125 and 153 and in column J and K of Panel C refer in all cases to the OEM approach according to Section 5 of Chapter 6 of Title II of Part Three of the CRR2 as applicable since 28 June 2021.

100. The data are collected in three subpanels by 1) collateralization, 2) counterparty and 3) current credit risk approach.

Row	Heading	Description
69, 89, 141	Under IMM	Netting sets of derivative transactions for which the institution employs the IMM to calculate their capital requirements for CCR. The total value as reported in these cells are expected to be equal across these rows in the three different tables of Panel C.
73, 101, 145	Under SA-CCR	Netting sets of derivative transactions for which the institution employs the SA-CCR to calculate their capital requirements for CCR. The total value as reported in these cells are expected to be equal across these rows in the three different tables of Panel C.
77, 113, 149	Under Simplified SA-CCR	Netting sets of derivative transactions for which the institution employs the Simplified SA-CCR to calculate their capital requirements for CCR. The total value as reported in these cells are expected to be equal across these rows in the three different tables of Panel C.

81, 125, 153	Under OEM	Netting sets of derivative transactions for which the institution employs the OEM to calculate their capital requirements for CCR. The total value as reported in these cells are expected to be equal across these rows in the three different tables of Panel C.
<b>1) By collateralisation</b>		
70, 74, 78, 82	Overcollateralised	Over-collateralised netting sets of derivative transactions, as defined in section 10.1 of the Instructions for Basel III monitoring v.4.4.
71, 75, 79, 83	Collateralised	Collateralised netting sets of derivative transactions as defined in section 10.1 of the Instructions for Basel III monitoring v.4.4.
72, 76, 80, 84	Uncollateralised	Uncollateralised netting sets of derivative transactions as defined in section 10.1 of the Instructions for Basel III monitoring v.4.4.
<b>2) By counterparty</b>		
89-135	Qualifying central counterparties (QCCP); Non-qualifying central counterparties (Non-QCCP); Central Banks; General Governments; Credit institutions; Investment firms; Other financial corporations (excluding investment firms); Non-financial counterparties; of which: Non-financial counterparties which do not exceed the EMIR clearing threshold; Other	Netting sets of derivative transactions broken down depending on the type of counterparty: - QCCP: when the counterparty is a qualifying central counterparty (CCP) as defined in Article 4(1)(88) of the CRR; - Non-QCCP: when the counterparty is a non-qualifying CCP; - Central Banks; - General Governments; - Credit institutions; - Investment firms as defined in point (2) of Article 4(1) CRR; - Other financial corporations (excluding investment firms) - Non-financial counterparties, as defined in point (9) of Article 2 of Regulation (EU) No 648/2012, or non-financial counterparties established in a third country. - of which: non-financial counterparties, as defined in point (9) of Article 2 of Regulation (EU) No 648/2012, or non-financial counterparties established in a third country, which do not exceed the clearing threshold as specified in Article 10(3) and (4) of that Regulation. - Other: any other counterparty not classified in one of the above categories.  The assignment of counterparties to the different types of counterparty should be made consistently with the allocation made for the purposes of Annex 1 template 34.6 of the EBA ITS on supervisory reporting (COREP). In particular the proposed counterparty types reference FINREP economic sector classes (see Part 3 Annex V), and non-financial counterparties mentioned in Article 382(4)(a) of the CRR.
<b>3) By current credit risk approach</b>		
142, 146, 150, 154	CR-IRB	Exposures and RWA of netting sets of derivative transactions treated under the relevant CCR approach for exposure calculation and the credit risk IRB approach according to the current national framework for RWA calculation.
143, 147, 151, 155	CR-SA	Exposures and RWA of netting sets of derivative transactions treated under the relevant CCR approach for exposure calculation and the credit risk SA approach according to the current national framework for RWA calculation.

101. The below examples illustrate how exposures and RWA may be reported.

**Example 1:** *Exposures of derivative transaction's netting sets are currently calculated by the institution using the IMM and SA-CCR.*

The institution should only fill in rows pertaining to the IMM and SA-CCR (e.g. rows 69 to 76, 89 to 111, 141 to 147). All other rows are to be left blank.

In columns D and E and rows 69-72, 89-99 and 141-143 exposure values and RWA for the derivatives currently assigned to the IMM should be reported calculated using the IMM and the credit risk approaches (SA or/and IRB) employed by the institution under current national rules.

In columns D and E and rows 73-76, 101-111 and 145-147 exposure values and RWA for the derivatives currently assigned to the SA-CCR should be reported calculated using the SA-CCR and the credit risk approaches (SA or/and IRB) employed by the institution under current national rules.

In columns F and G and rows 69-72, 89-99 and 141-143 exposure values and RWA for the derivatives currently assigned to the IMM should be reported calculated using the SA-CCR and the credit risk approaches (SA or/and IRB) employed by the institution under current national rules.

Cells in columns F and G should be left blank for rows 73-76, 101-111 and 145-147 (SA-CCR).

In columns H and I and rows 69-72, 89-99 and 141-143 exposure values and RWA for the derivatives currently assigned to the IMM should be reported calculated using the Simplified SA-CCR and the credit risk approaches (SA or/and IRB) employed by the institution under current national rules.

In columns H and I and rows 73-76, 101-111 and 145-147 exposure values and RWA for the derivatives currently assigned to the SA-CCR should be reported using the Simplified SA-CCR and the credit risk approaches (SA or/and IRB) employed by the institution under current national rules.

In columns J and K and rows 69-72, 89-99 and 141-143 exposure values and RWA for the derivatives currently assigned to the IMM should be reported calculated using the OEM and the credit risk approaches (SA or/and IRB) employed by the institution under current national rules.

In columns J and K and rows 73-76, 101-111 and 145-147 exposure values and RWA for the derivatives currently assigned to the SA-CCR should be reported using the using the OEM and the credit risk approaches (SA or/and IRB) employed by the institution under current national rules.

## 4.4 EU CCP worksheet

1. The “EU CCP” worksheet collects information on reporting entities’ exposures in cleared derivative instruments to individual CCPs, i.e. to contracts and transactions listed in Annex II of the CRR and credit derivatives (Article 301 (1)(a) of the CRR) for as long as they are outstanding with CCPs, and derivative exposures from CCP-related transactions, in accordance with Article 300 (2) of the CRR, for which the own funds requirements are calculated in accordance with Section 9 of Chapter 6 of Title II of Part Three of the CRR.

### 4.4.1 Panel A: Central counterparties

22. The data collected in the “EU CCP” worksheet refer to reporting entities’ information in relation to cleared derivative instruments to individual CCPs. CCPs included in the sample were chosen based on their systemic importance for the EU (e.g. Tier 2 CCPs), on their importance in the global clearing of derivatives corresponding to the three clearing services assessed by ESMA<sup>12</sup> as being of substantial systemic importance to the EU or to one or more of its Member States (i.e. interest rate derivatives denominated in EUR and in PLN, as well as credit derivatives denominated in EUR), and on their general importance in terms of global market share for cleared derivatives. Those CCPs include six third country CCPs (TC CCPs) and four CCPs established in the EU (Table 1). Panel A collects information about the relationship between the reporting entity and each of the ten CCPs. Further,

---

<sup>12</sup> Esma concludes Tier 2 CCP assessment under Article 25(2c) of EMIR (ESMA, December 2021): ‘In particular, the assessment identified three clearing services as being of substantial systemic importance to the EU or to one or more of its Member States. These are SwapClear of LCH Ltd for the clearing of interest rate derivatives denominated in Euro and Polish zloty, as well as the Credit Default Swaps service (CDS) and the Short-Term Interest Rate Derivatives service (STIR) of ICE Clear Europe Ltd, in both cases for euro-denominated products.’

the clearing member and the main client of the clearing member are identified, where relevant. Information reported in the “EU CCP” worksheet should only relate to the CCPs listed in Table 1.

Table 1 List of CCPs for worksheet “EU CCPs”

Name of CCP	LEI of CCP	Country of establishment of CCP	Reporting obligation	Panel
LCH Limited (LCH)	F226TOH6YD6XJB17KS62	United Kingdom	C7	Panel B1, Panel C1 and Panel C2 (clearing members only)
ICE Clear Europe Limited (ICEU)	5R6J7JCQRIPQR1EEP713	United Kingdom	D7	Panel B2, Panel C3 and Panel C4 (clearing members only)
Chicago Mercantile Exchange, Inc. (CME)	SNZ2OJLFK8MNNCLQOF39	United States	E7	Panel B3
Eurex Clearing AG	529900LN3S50JPU47S06	Germany	F7	Panel B4
LCH SA	R1I04YJ0079SMW VCHB58	France	G7	Panel B5
KDPW CCP	2594000K576D5CQXI987	Poland	H7	Panel B6
Japan Securities Clearing Corporation (JSCC)	549300JHM7D8P3TS4S86	Japan	I7	Panel B7
OTC Clearing Hong Kong Limited (OTC HK)	213800CKBBZUAHHARH83	Hong Kong	J7	Panel B8
ICE Clear Credit LLC (ICC)	T33OE4AS4QXS2TT7X50	United States	K7	Panel B9
BME Clearing	5299009QA8BBE2O0B349	Spain	L7	Panel B10

2. Institutions should first report row 7 of column C to L to identify the relationship with the CCP identified in row 4. After filling in row 7 the Memo Box (row 16) shows if further information in relation to this CCP should be reported and the relevant cells and panels that should be filled in. If the reporting entity has no relation to the CCP identified in row 4, no further information in relation to this CCP are required.

Row	Column	Heading	Description
7	C-L	Do you clear transaction with this CCP? (drop down)	Select from the drop-down menu the relationship with the CCP identified in row 4. The reporting entity is: <ul style="list-style-type: none"> <li>a clearing member according to Article 2(14) EMIR; Please also select this, if the reporting entity is a consolidated group that clears derivatives with that CCP through a legal entity (i.e. henceforth referred to as ‘official clearing member’) that is part of the group.</li> <li>a client of a clearing member according to Article 2(15) EMIR</li> <li>a client that has established indirect clearing arrangements with a clearing member in accordance with Article 4(3) EMIR</li> <li>none of the above (select ‘No’).</li> </ul>
8	C-L	if yes, as part of <b>indirect clearing arrangements:</b> Name of the client having direct access to the clearing member	If row 7 ‘Yes, as client that has established indirect clearing arrangements with a clearing member in accordance with Article 4(3) EMIR’, report the name of the legal entity that is the client having direct access to the clearing member through which the CCP-related derivative transactions with the CCP identified in row 4 are cleared. Otherwise, leave empty.
9	C-L	if yes, as part of <b>indirect clearing arrangements:</b> LEI of the client having direct	If row 7 ‘Yes, as client that has established indirect clearing arrangements with a clearing member in accordance with Article 4(3) EMIR’, report the LEI code of the

		access to the clearing member	legal entity of the client having direct access to the clearing member through which the CCP-related derivative transactions with the CCP identified in row 4 are cleared. Otherwise, leave empty.
10	C-L	if yes, as <b>clearing member</b> : How is the official clearing member reached? (drop down)	If row 7 'Yes, as clearing member according to Article 2(14) EMIR' select from the drop-down: <ul style="list-style-type: none"> <li>'Reporting entity is clearing member' if the legal entity reporting is the official clearing member registered at the CCP (see list of clearing members disclosed by the CCP) identified in row 4.</li> <li>'Intragroup transaction' if the official clearing member registered at the CCP (see list of clearing members disclosed by the CCP) identified in row 4 is not the reporting entity itself but is a legal entity within the group.</li> </ul> Otherwise, leave empty.
11	C-L	If yes, name of official clearing member (if within the group, legal entity within the group)	Indicate the name of the legal entity that is the official clearing member registered at the CCP (i.e. list of clearing members disclosed by the CCP) identified in row 4, including for clearing members reporting the name of the legal entity acting as the group's clearing member for the CCP identified in row 4 (or, where relevant, reporting themselves). If row 7 'No', please leave empty.
12	C-L	If yes, LEI of official clearing member (if within the group, legal entity within the group)	Indicate the LEI code of the legal entity that is the official clearing member registered at the CCP identified in row 4, including for clearing members reporting the LEI of the legal entity acting as the group's clearing member for the CCP identified in row 4 (or, where relevant, reporting their own LEI). If row 7 'No', please leave empty.
13	C-L	If yes, country of official clearing member (drop down)	Select the two-letter country code from the drop-down menu for the legal entity that is the official clearing member registered at the CCP identified in row 4, including for clearing members reporting the country of establishment of the legal entity acting as the group's clearing member for the CCP identified in row 4 (or, where relevant, their own country of establishment). If row 7 'No', please leave empty.

#### 4.4.2 Panel B: CCP exposure

3. Panels B1 to B10 aim to collect information on the exposures and capital requirements for derivative transactions with each of the ten CCPs. Please refer to the memo box (either in row 16 or above each subpanel) for reporting obligations of each of the subpanels. If the reporting entity has no exposures in cleared derivative instruments to the CCP of the relevant subpanel 1 to 10, it should leave the subpanel empty.
4. The reporting scope includes exposures where an institution acts as a clearing member, either for its own purposes or as a financial intermediary between a client and a CCP. The reporting entity should report total exposures and own funds requirements for its derivative exposures to a CCP resulting from both house trades and client trades. Further, where the reporting entity is a client of a clearing member, it should report exposures and own funds requirements for its CCP-related transactions with the clearing member.
5. Derivative transactions that are executed (i) on a third country market not considered as a regulated market in accordance with Article 2a of (EMIR) (over-the counter third-country exchange, 'OTC TC'), (ii) on a regulated market as within the meaning of Article 4(1)(21) of Directive 2014/65/EU (MiFID

ii) or on a third country market considered as equivalent to a regulated market in accordance with Article 19(6) of MiFID ('RM') or (iii) neither on an OTC TC nor on a RM ('OTC bilateral'), are in scope of Panel B. Note, however, that Panel B explicitly distinguishes only between 'OTC bilateral' (as specified above) and 'other' (meaning exchange-traded derivatives, where RM and OTC TC are not further distinguished).

6. Derivative transactions in relation to clearing activities and services that are not authorised in accordance with Article 14 of EMIR (for EU CCPs) or not recognised in accordance with Article 25 of EMIR (for TC CCPs) should be filled in, if such transactions exist, and should be considered as transactions with a non-qualifying CCP, since in accordance with Article 4(88) of the CRR qualifying central counterparty ('QCCP') means 'a central counterparty that has been either authorised in accordance with Article 14 of Regulation (EU) No 648/2012 or recognised in accordance with Article 25 of that Regulation'. Table 2 shows for each CCP in scope of the 'EU CCP' worksheet whether the derivative transactions of the underlying risk category are authorised or recognised.<sup>13</sup> Risk categories, for which derivative transactions are not authorised or recognised, and should therefore be treated as transactions with a non-qualifying CCP, are marked in purple in Panel B.

Table 2 Classes of financial derivative instruments covered by CCP's authorisation or recognition (marked with 'X'), by CCP

Risk Category	LCH Ltd	ICE EU Ltd	CME	Eurex	LCH SA	KDPW	JSCC	OTC CHK	ICC	BME
Interest Rate: OTC bilateral	X		X	X		X	X	X		X
Interest Rate: Other	X	X	X	X		X				
Credit: OTC		X			X		X		X	
Credit: Other										
FX	X	X	X	X	X	X	X	X		
Equity	X	X	X	X	X	X	X			X
Commodity		X	X	X	X		X			X

7. Column C to L refer to CCP trade exposures. Column C refers to the number of transactions subject to capital requirements for exposures to the relevant CCP identified in the subpanel B1 to B10. The numbers should not comprise in or out-flows but should correspond to the overall positions in the CCR portfolio at the reporting date. Furthermore, a derivative instrument that is split into two or more legs (at least) for the sake of modelling shall still be considered as one single transaction.
8. Columns D to H refer to the notional amounts for derivatives before any netting and without any adjustments in accordance with Article 279b of the CRR. The notional amount should be reported by residency of the end-counterparty to the derivative transactions (columns D to G). 'Rest of the world' includes all transactions not with end-counterparties in the EU (column D), the UK (column E) or the US (column F). The total notional amount should be reported in column H; it should be equal to the sum of columns D to G in the case of OTC bilateral derivatives. Please note that information on residency of the end-counterparty might not be available for exchange-traded derivatives. In that

<sup>13</sup> See [https://www.esma.europa.eu/sites/default/files/library/third-country\\_ccps\\_recognised\\_under\\_emir.pdf](https://www.esma.europa.eu/sites/default/files/library/third-country_ccps_recognised_under_emir.pdf) (for TC CCPs derivative transactions recognised by ESMA) and [https://www.esma.europa.eu/sites/default/files/library/ccps\\_authorized\\_under\\_emir.pdf](https://www.esma.europa.eu/sites/default/files/library/ccps_authorized_under_emir.pdf) (for EU CCPs derivative transactions authorised by ESMA).

case, columns D to G should be left empty and only the total notional amount should be reported in column H.

9. Column I refers to the current market value (CMV) defined as the net market value of the portfolio of transactions gross of any collateral held or posted, where both positive and negative market values are used in computing the CMV (Article 272 (12) of the CRR).
10. Column J refers to the net variation margin amounts (VM) posted or received, computed in accordance with Article 276 of the CRR.
11. Column K refers to the market value of collateral posted as initial margin (IM) as defined in point (140) of Article 4(1) of the CRR for the corresponding derivative transactions. In addition, provisions under Article 301(2) of the CRR apply. In particular, IM shall not include contributions to a CCP for mutualised loss-sharing arrangements (i.e. in cases where a CCP uses IM to mutualise losses among the clearing members, it shall be treated as a default fund exposure). The total IM amount posted to the CCP should be broken down for each row of corresponding set of derivative transactions, on a best effort basis, with the sum of these broken-down IM amounts equalling to the total IM amount.
12. Column L refers to the total exposure value for trade exposures for derivative transactions with the relevant CCP identified in subpanel B1 to B10, calculated in accordance with Sections 1 to 8 of Chapter 6 of Title II of the CRR, as set out in Article 306(3) of the CRR.
13. Column M refers to the total contribution to the default fund of the relevant CCP identified in the subpanel B1 to B10 for the corresponding derivative transactions. The total default fund contribution (DFC) to the CCP should be broken down for each row of corresponding set of derivative transactions, on a best effort basis, with the sum of these broken-down DFC amounts equalling to the total DFC amount.
14. Column N refers to the own funds requirements for trade exposures calculated in accordance with Section 9 of Chapter 6 of Title II of Part Three of the CRR.
15. Column O refers to the own funds requirements for contributions to the default fund resulting from derivative transactions calculated according to Section 9 of Chapter 6 of Title II of Part Three of the CRR.
16. Column P refers to the total capital requirements for CCP exposures determined in accordance with Section 9 of Chapter 6 of Title II of Part Three of the CRR.
17. Column Q refers to the capital requirements for credit valuation adjustment risk (CVA) determined in accordance with Title VI of Part Three of the CRR, where applicable.

Row	Column	Heading	Description
<b>1) CCP exposure:</b> Report the trade exposures, default fund contributions and capital requirements for derivative transactions with the relevant CCP identified in subpanel B1 to B10			
23; 40; 45; 47; 48/ 59; 76; 81; 83; 84/ 95; 112; 117; 119; 120/ 131; 148; 153; 155; 156/ 167; 184; 189; 191; 192/	C-I; K; M	Interest rate/ credit/ FX/	Derivative transactions of the reporting entity subject to clearing by the CCP (directly or indirectly) should be broken down by the following asset classes: interest rate, credit, foreign exchange (FX), equity and commodity.



203; 220; 225; 227; 228/ 239; 256; 261; 263; 264/ 275; 292; 297; 299; 300/ 311; 328; 333; 335; 336/ 347; 364; 369; 371; 372		Equity/ Commodity derivatives	If the reporting entity has no derivative transactions for a certain asset class a zero should be filled in.  Total interest rate and credit derivatives are automatically calculated, i.e. no entry cells.
24/ 60/ 96/ 132/ 168/ 204/ 240/ 276/ 312/ 348	C-I; K; M	OTC bilateral denominated in EUR	Interest rate derivative transactions executed OTC bilateral that are denominated in EURO.
26/ 62/ 98/ 134/ 170/ 206/ 242/ 278/ 314/ 350	C-I; K; M	Other denominated in EUR	Interest rate derivative transactions executed OTC TC or on regulated markets that are denominated in EURO.
28/ 64/ 100/ 136/ 172/ 208/ 244/ 280/ 316/ 352	C-I; K; M	OTC bilateral denominated in PLN	Interest rate derivative transactions executed OTC bilateral that are denominated in Polish zloty.
30/ 66/ 102/ 138/ 174/ 210/ 246/ 282/ 318/ 354	C-I; K; M	Other denominated in PLN	Interest rate derivative transactions executed OTC TC or on regulated markets that are denominated in Polish zloty.
32/ 68/ 104/ 140/ 176/ 212/ 248/ 284/ 320/ 356	C-I; K; M	OTC bilateral denominated in other EU/EEA currencies	Interest rate derivative transactions executed OTC bilateral that are denominated in another currency used in a country of the EU or EEA other than EURO or Polish zloty.
34/ 70/ 106/ 142/ 178/ 214/ 250/ 286/ 322/ 358	C-I; K; M	Other denominated in other EU/EEA currencies	Interest rate derivative transactions executed OTC TC or on regulated markets that are denominated in another currency used in a country of the EU or EEA other than EURO or Polish zloty.
36/ 72/ 108/ 144/ 180/ 216/ 252/ 288/ 324/ 360	C-I; K; M	Other OTC bilateral	All other interest rate derivative transactions executed OTC bilateral that are not reported in rows above
38/ 74/ 110/ 146/ 182/ 218/ 254/ 290/ 326/ 362	C-I; K; M	Other	All other interest rate derivative transactions executed OTC TC or on regulated markets that are not reported in rows above.
41/ 77/ 113/ 149/ 185/ 221/ 257/ 293/ 329/ 365	C-I; K; M	OTC denominated in EUR	Credit derivative transactions executed OTC that are denominated in EURO.
43/ 79/ 115/ 151/ 187/ 223/ 259/ 295/ 331/ 367	C-I; K; M	Other	All other credit derivative transactions that are not reported as transactions executed OTC and denominated in EURO.
25; 27; 29; 31; 33; 35; 37; 39; 42; 44; 46/ 61; 63; 65; 67; 69; 71; 73; 75; 78; 80; 82/ 97; 99; 101; 103; 105; 107; 109; 111; 114; 116; 118/ 133; 135; 137; 139; 141; 143; 145; 147; 150; 152; 154/ 169; 171; 173; 175; 177; 179; 181; 183; 186; 188; 190/ 205; 207; 209; 211; 213; 215; 217; 219; 222; 224; 226/ 241; 243; 245; 247; 249; 251; 253; 255; 258; 260; 262/	C-I; K; M	of which: subject to clearing obligation	Derivative transactions that are subject to clearing obligations in accordance with Article 4 of EMIR.

277; 279; 281; 283; 285; 287; 289; 291; 294; 296; 298/ 313; 315; 317; 319; 321; 323; 325; 327; 330; 332; 334/ 349; 351; 353; 355; 357; 359; 361; 363; 366; 368; 370			
50/ 86/ 122/ 158/ 194/ 230/ 266/ 302/ 338/ 374	C to Q	Own trades	Derivative transactions of the reporting entity subject to clearing by the CCP (directly or indirectly) entered into for the own purposes of the reporting entity.  If not applicable a zero should be filled in.
51/ 87/ 123/ 159/ 195/ 231/ 267/ 303/ 339/ 375	C to Q	Client trades	Derivative CCP-related transactions of the reporting entity subject to clearing by the CCP entered into as a result of a contractual arrangement with a client.  If not applicable a zero should be filled in.
49/ 85/ 121/ 157/ 193/ 229/ 265/ 301/ 337/ 373	C to Q	Total	No entry cell: automatic calculated as the sum of Own trades and Client trades values.

#### Qualitative questions

52/ 88/ 124/ 160/ 196/ 232/ 268/ 304/ 340/ 376	C	Main CCR approach used to calculate trade exposure for this CCP (drop down)	Choose from the drop-down menu the current CCR approach used to calculate derivative trade exposures: <ul style="list-style-type: none"> <li>SA-CCR according to Section 3 of Chapter 6 of Title II of Part Three of the Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2).</li> <li>Simplified SA-CCR according to Section 4 of Chapter 6 of Title II of Part Three of the CRR2.</li> <li>Original exposure method (OEM) according to Section 5 of Chapter 6 of Title II of Part Three of the CRR2.</li> <li>Internal model method (IMM) according to Section 6 of Chapter 6 of Title II of Part Three of the CRR.</li> </ul>
53/ 89/ 125/ 161/ 197/ 233/ 269/ 305/ 341/ 377	C	Approach used to calculate own funds for exposure to this CCP (drop down)	Choose from the drop-down menu the approach used to calculate the own funds requirements for exposure to the CCP identified in subpanel B1 to B10:  If institution is a <b>client of a clearing member</b> : <ul style="list-style-type: none"> <li>Article 305 (1) CRR applies: capital requirements calculated according to Section 1 to 8 of Chapter 6 of the CRR, with Section 4 of Chapter 4 of this Title and with Title VI, as applicable.</li> <li>Article 305 (2) CRR: capital requirements of trade exposures are calculated according to Article 306 of the CRR (risk weight of 2%).</li> <li>Article 305 (3) CRR: capital requirements of trade exposures are calculated according to Article 306 of the CRR, but with a risk weight of 4 %.</li> </ul> If institution is a <b>clearing member</b> : Article 303 of the CRR applies.

#### 4.4.3 Panel C: Revised CCP capital requirements and transfer costs in last resort scenario of loss of recognition of certain clearing activities (to be filled in only by clearing members)

18. Panel C should only be filled in by reporting entities that are clearing members, i.e. if row 7 = 'Yes, as clearing member according to Article 2(14) EMIR'. All other reporting entities should leave Panel C and its subpanels empty.

19. On the 17<sup>th</sup> December 2021, the ESMA published a statement on its assessment of the risks to the financial stability of the EU and its Member States of certain clearing services offered by LCH Limited and ICE Clear Europe Ltd.<sup>12</sup>, and proposed measures to mitigate such risks. In this regard, Panel C aims to collect data to measure the impact of a last resort scenario, i.e. the potential loss of recognition of those clearing services of LCH Limited (Panel C1 and C2) and ICE Clear Europe Ltd (Panel C3 and C4), hereafter '**alternative impact scenario**'.

20. The following clearing services are considered to be of substantial **systemic importance**:

- Clearing services offered by LCH Limited for Euro denominated OTC interest rate derivatives (subpanel C1);
- Clearing services offered by LCH Limited for Polish zloty denominated OTC interest rate derivatives (subpanel C2);
- Clearing services offered by ICE Clear Europe Ltd. for Euro denominated OTC Credit Default Swaps derivatives (subpanel C3);
- Clearing services offered by ICE Clear Europe Ltd. for Euro denominated short-term interest rate derivatives (subpanel C4);

21. Clearing members that do not have any trades related to the de-recognised clearing services identified in subpanel C1 to C4 do not need to report the corresponding subpanel.

22. Under the **alternative impact scenario**, those systemically important clearing services become, one by one, de-recognised and the corresponding CCP becomes non-qualifying for those clearing services, while other derivatives transactions with that CCP are not impacted and may remain with the corresponding CCP and continue to be treated under qualifying CCP treatment (reporting entities are, however, free to assume that they would transfer more derivatives transactions than the ones subject to derecognition). Reporting entities should report the impact of the resulting changes to the portfolio composition that they would apply under the corresponding scenario and, where relevant, of applying rules for non-qualifying CCPs to the de-recognised systemically important clearing services of LCH Limited (Panel C1 and C2) and ICE Clear Europe Ltd (Panel C3 and C4). It is expected that:

- reporting entities transfer transactions related to those de-recognised systemically important clearing services to another CCP located in the EU (referred to in the template as EU CCP1 and – where relevant – EU CCP2). It is assumed that no derivative transaction would be transferred to a Third-Country CCP;

- transactions subject to the clearing obligation in accordance with Article 4 of EMIR and for which the clearing obligation is not met anymore after de-recognition of the clearing service, are transferred. For transactions that are not subject to the clearing obligation or in the case that the clearing obligation can still be met after de-recognition, the reporting entity may either keep the transactions at the CCP it is currently trading with and apply the rules for capital requirements for exposures to non-qualifying CCPs, or may transfer those transactions to another CCP located in the EU.

23. The reporting entity should provide information on the total capital requirements and capital requirements for CVA risk for the portfolio of transactions of the TC CCP (LCH Limited or ICE Clear Europe Limited) and the EU CCP(s) **before any transfer has occurred** (column C and D; as in Panel B ‘CCP exposure’) and the same information assuming that the alternative impact scenario has been implemented and a transfer has occurred (column E and F) as of the reporting reference date, i.e. 31 December 2021. Further, a breakdown between own trades and client’s trades should be reported. Reporting entities should provide the information under the alternative impact scenario assuming that the concerned EU CCPs have filled in potential products gaps in their product offering at the reporting reference date, i.e. they are able to execute derivative transactions transferred to them from LCH Limited or ICE Clear Europe Ltd.

24. In addition to the capital requirements reported in subpanel ‘a’, in subpanel ‘b’ reporting entities should provide information on the costs of such transfer of transactions to another CCP located in the EU. For transaction that are outstanding as of 31 December 2021 (legacy trades), it is assumed that the transfer of transactions can be executed during a transition period of two years, i.e. between 1<sup>st</sup> January 2022 and 31 December 2023. All costs occurring during this period should be pre-empted and should be included in the cost calculation. To that end, the costs related to all transfers of transactions that are expected to occur during that transition period should be included in the cost calculation as of 31 December 2021. New trades as of 1<sup>st</sup> January 2022 that are subject to the clearing obligation should be cleared with a QCCP (no transition period for new trades). At the end of the 2-year transition period, any relevant trades outstanding with LCH Limited and/or ICE Clear Europe Ltd. are subject to the non-qualifying CCP treatment (where relevant, the clearing obligation needs to be met). It is considered that banks are ready to trade with the relevant EU CCP for new trades from 1<sup>st</sup> January 2022 and had reasonable time to prepare. The EBA recognised that the exact estimation of transfer costs might not be possible. Subpanels ‘b’ should therefore be reported on a best effort basis.

Row	Column	Heading	Description
<b>a) Please provide information on capital requirements under the current regulatory framework and when applying the alternative impact scenario. Subcategories that are not applicable to the reporting entity should be filled in with zero.</b>			
384/ 425/ 465/ 506	C to F	LCH Limited/ ICE Clear Europe Limited; of which	Non-entry cell. Sum of client and own trades. Trades which are currently (panels C and D) with the third-country CCP (‘LCH Ltd’ or ‘ICE Clear Europe Limited’) or which are expected, under the alternative impact scenario, to remain with it after the derecognition of the clearing service identified in subpanel C1 to C4 (panels E and F).

387/ 428/ 468/ 509	C to F	EU CCP 1; of which	<p>Non-entry cell. Sum of client and own trades.</p> <p>EU CCP 1 is the main EU CCP to which derecognised transactions are expected to be transferred under the alternative impact scenario (identified as EU CCP Number 1 in the subpanel below).</p> <p>Trades which are currently (panels C and D) with EU CCP 1 or which are expected, under the alternative impact scenario, to move to EU CCP 1 after the derecognition of the clearing service identified in subpanel C1 to C4 (panels E and F).</p>
390/ 431/ 471/ 512	C to F	EU CCP 2 (if applicable); of which	<p>Non-entry cell. Sum of client and own trades.</p> <p>EU CCP 2 is the second EU CCP to which derecognised transactions are expected to be transferred under the alternative impact scenario if applicable (identified as EU CCP Number 2 in the subpanel below).</p> <p>Trades which are currently (panels C and D) with EU CCP 2 or which are expected, under the alternative impact scenario, to move to EU CCP 2 after the derecognition of the clearing service identified in subpanel C1 to C4 (panels E and F).</p>
385; 388; 391/ 426; 429; 432/ 466; 469; 472/ 507; 510; 513	C to F	Own trades	<p>Derivative transactions of the reporting entity subject to clearing by the CCP (directly or indirectly) entered into for the own purposes of the reporting entity.</p> <p>The current capital requirements for TC CCP derivative exposures (i.e. blue Panels) are automatically filled in as the reported values reported in Panel B1 and Panel B2, respectively. For EU CCP(s) that are in the scope of Panel B, the current capital requirements should also reflect the reported values in Panel B.</p>
386; 389; 392/ 427; 430; 433/ 467; 470; 473/ 508; 511; 514	C to F	Client trades	<p>Derivative CCP-related transactions of the reporting entity subject to clearing by the CCP entered into as a result of a contractual arrangement with a client.</p> <p>The current capital requirements for TC CCP derivative exposures (i.e. blue Panels) are automatically filled in as the reported values reported in Panel B1 and Panel B2, respectively. For EU CCP(s) that are in the scope of Panel B, the current capital requirements should also reflect the reported values in Panel B.</p>
393/ 434/ 474/ 515	C to F	Total	No entry cell: automatic calculated as the sum of LCH Limited or ICE Clear Europe Limited and EU CCP 1 and EU CCP 2 (where applicable).
384 to 393/ 425 to 434 / 465 to 474/ 506 to 515	C	Total CCP capital requirement calculated under the current framework	Capital requirements for CCP derivative exposure determined in accordance with Section 9 of Chapter 6 of Title II of Part Three of the CRR.
384 to 393/ 425 to 434 / 465 to 474/ 506 to 515	D	CVA charge for capital requirement under the current framework	Capital requirements for credit valuation adjustment risk (CVA) determined in accordance with Title VI of Part Three of the CRR, where applicable.
384 to 393/ 425 to 434 / 465 to 474/ 506 to 515	E	Total CCP capital requirement calculated under the current framework  For alternative impact scenario corresponding to the derecognised clearing service identified in subpanel C1 to C4	Capital requirements for CCP derivative exposures determined in accordance with Section 9 of Chapter 6 of Title II of Part Three of the CRR, assuming that the clearing services identified in subpanel C1 to C4 have been derecognised and the transfer to the EU CCP(s) has occurred as explained under the alternative impact scenario.

384 to 393/ 425 to 434 / 465 to 474/ 506 to 515	F	CVA charge for capital requirement under the current framework  For alternative impact scenario corresponding to the derecognised clearing service identified in subpanel C1 to C4	Capital requirements for credit valuation adjustment risk (CVA) determined in accordance with Title VI of Part Three of the CRR, assuming that the clearing services identified in subpanel C1 to C4 have been derecognised and the transfer to the EU CCP(s) has occurred as explained under the alternative impact scenario.
--	---	--	--

**Qualitative information:** Provide further qualitative information on transactions of systemic important clearing services that remain at the current TC CCP and on transactions of systemic important clearing services that move to an EU CCP.

395/ 435/ 476/ 516	C	Explanation for transactions of systemic important clearing services with clearing obligation that can remain under the current TC CCP under the alternative impact scenarios.	Please provide an explanation about derivative transactions of systemic important clearing services that are subject to the clearing obligation and that can remain under the current TC CCP under the alternative impact scenario, and on how this is achieved.  Leave empty if not applicable.
396/ 436/ 477/ 517	C	Name of EU CCP 1 to which derivative transactions are transferred	Please provide the name of the main EU CCP to which transactions would be transferred under the alternative impact scenario identified in subpanel C1 to C4.
397/ 437/ 478/ 518	C	LEI of EU CCP 1 to which derivative transactions are transferred	Please provide the LEI of the main EU CCP to which transactions would be transferred under the alternative impact scenario identified in subpanel C1 to C4.
398/ 438/ 479/ 519	C	Name of EU CCP 2 to which derivative transactions are transferred	Please provide the name of the second EU CCP to which transactions would be transferred under the alternative impact scenario identified in subpanel C1 to C4, if applicable.
399/ 439/ 480/ 520	C	LEI of EU CCP 2 to which derivative transactions are transferred	Please provide the LEI of the second EU CCP to which transactions would be transferred under the alternative impact scenario identified in subpanel C1 to C4, if applicable.

**b) Transfer cost of alternative implementation scenario, on a best effort basis.**

404 to 408/ 444 to 448/ 485 to 489/ 525 to 529	D	One-off costs of transferring derivatives activities to EU CCP(s)	One-off costs for transferring the trades related to the derecognised clearing service as identified in subpanel C1 to C4 that are recorded before the transition period, to EU CCP(s). Those costs should be broken down by : - initial CCP membership costs; - initial operational costs (including IT costs); - initial legal costs; - other initial costs.
408/ 448/ 489/ 529	C	One-off costs; of which: other initial costs	Free entry cell: provide information about other one-off costs.
409 to 414/ 449 to 454/ 490 to 495/ 530 to 535	D	Transfer costs of transferring derivatives activities to EU CCP(s)	Transfer costs for transferring the trades related to the derecognised clearing service as identified in subpanel C1 to C4 that are recorded during the transition period, to EU CCP(s). Those costs should be broken down by: - costs linked to switch trades (basis between current CCP and the new EU CCP; additional spread charged by intermediaries to enter switch trades); - costs linked to needs for increased collateral amounts for IM or DFC and to losses in margin savings from cross-currency margining or cross-product margining; - operational costs (including IT costs); - legal costs; - other transfer costs.

414/ 454/ 495/ 535	C	Other transfer costs	Free entry cell: provide information about other transfer costs.
415 to 418/ 455 to 458/ 496 to 499/ 536 to 539	D	Expected future costs of transferring derivatives activities to EU CCP(s)	Expected future costs (positive or negative) for transferring the trades related to the derecognised clearing service as identified in subpanel C1 to C4, after the end of the transition period. Those costs should be broken down by: <ul style="list-style-type: none"> <li>- Expected regular costs: resulting from potential differences between the current CCP and the new EU CCP (in terms of membership costs or fees);</li> <li>- One-off future costs: resulting from costs linked to potential legacy portfolios held at the current TC CCP until maturity;</li> <li>- Other expected future costs</li> </ul>
418/ 458/ 499/ 539	C	Other expected future costs.	Free entry cell: provide information about other expected future costs.
419/ 459/ 500/ 540	D	Total transfer costs	Non entry cell. Sum of one-off, transfer and expected future costs.

## 5. FRTB

---

### 5.1 EU TB SSRM worksheet

102. The “EU TB SSRM” worksheet collects additional information on the application of the EBA Stress Scenario Risk Measure (SSRM) methodology described in the Final Draft RTS on the calculation of the SSRM under Article 325bk(3) of Regulation (EU) No 575/2013 (Capital Requirements Regulation 2 – CRR2) – herein RTS on SSRM.<sup>14</sup>
103. **This worksheet is applicable to IMA banks only.**
104. The scope of trading desks considered for filling in this worksheet must be identical to the scope of trading desks used to calculate IMA capital requirement in worksheet “TB” panel B2b. Further, data reported in this worksheet must be as of the same date as data reported in worksheet “TB” panel B2b.
105. When completing this worksheet, banks should assume that all IMA trading desks are in the BT and PLA test green zone.

#### 5.1.1 Panel A: Number of risk factors (or buckets)

106. Institutions may calculate an at a risk factor level or bucket level in accordance with Article 1 and 2 of the RTS on SSRM, respectively.
107. Institutions are required to count the number of risk factors (or buckets), first on the scope of the risk factors (or buckets) that are considered by the institution as modellable (columns F-I), and second on the scope of the risk factors (or buckets) that are considered by the institution as non-modellable (columns J-M). Regarding modellable risk factors, institutions should report the number of risk factors or buckets, as if those were subject to the SSRM charge – although in a real world, those risk factors would not be subject to that charge. Institutions can decide to compute the SSRM for those risk factors at bucket level where they would be allowed to do so in accordance with the RTS on SSRM.
108. Where institutions calculate a stress scenario risk measure (SSRM) at a risk factor level in accordance with Article 1, the number of risk factors should be reported in columns F, G, J, K, broken down by the number of risk factors that are parameters of a curve/surface (columns F, J) or not (columns G, K).
109. Where institutions calculate a stress scenario risk measure (SSRM) at a bucket level in accordance with Article 2, the number of buckets should be reported in columns H and L.
110. The number of risk factors (or buckets) shall be broken down by risk class and where relevant specifying whether the risk factor is reflecting only idiosyncratic risk).

---

<sup>14</sup> [Final Draft RTS on the calculation of the stress scenario risk measure under Article 325bk\(3\) of Regulation \(EU\) No 575/2013 \(Capital Requirements Regulation 2 – CRR2\)](#)



Row	Column	Heading	Description
			Institutions are required to count the number of risk factors (or buckets), first on the scope of the risk factors (or buckets) that are considered by the institution as modellable (columns F-I), and second on the scope of the risk factors (or buckets) that are considered by the institution as non-modellable (columns J-M).
			The number of risk factors (or buckets) shall be broken down by risk class (and where relevant specifying whether the risk factor is reflecting only idiosyncratic risk): interest rate risk, credit spread risk idiosyncratic, credit risk non-idiosyncratic, equity risk idiosyncratic, equity risk non-idiosyncratic, commodity risk and foreign exchange risk.
8-15	F, J	Number of risk factors, SSRM at risk factor level, Risk factor is parameter for curve or surface	Number of risk factors for which the SSRM is computed at risk factor level and are parameters for curve or surface.
8-15	G, K	Number of risk factors, SSRM at risk factor level, Risk factor is not parameter for curve or surface	Number of risk factors for which the SSRM is computed at risk factor level and are <b>not</b> parameters for curve or surface.
8-15	H, L	Number of buckets, SSRM at bucket level, Regulatory buckets	Number of buckets for which the SSRM is computed at bucket level.

### 5.1.2 Panel B1: Revised market risk requirements for non-modellable risk factors under the EBA SSRM methodology

111. This panel collects information on the SSRM charge for **non-modellable risk factors (or buckets)**. Banks must calculate the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM in two variants:
- **Columns F to L:** Assuming an adjusted liquidity horizon of 10 (i.e. institutions shall not use the LH\_adj as defined in that Article but assume LH\_adj = 10 instead);
  - **Columns M to S:** Using the actual adjusted liquidity horizon, LH\_adj as prescribed in that Article.
112. For reporting purposes, institutions shall first use the stepwise method referred to in Article 1 and Article 2 of the RTS on SSRM to identify whether the extreme scenario of future shock obtained in accordance with that method occurs at: (i) CS\_up, (ii) 0.8\*CS\_up or 0.8\*CS\_down, or (iii) CS\_down. This allows institutions to identify, for each risk class (and where relevant adjusted to reflect idiosyncratic risk) which row (i) – (iii) to fill in the template, including for the cases where the direct method is used.
113. Institutions shall then calculate the extreme scenario of future shock by either:
- applying the direct method referred to in Article 1 and Article 2 of the RTS on SSRM, i.e. regardless of the fact that for determining the appropriate row (i) – (iii) the stepwise method was used according to the previous paragraph, the institution obtains an extreme scenario of future shock with the direct method, or
  - using the extreme scenario of future shock calculated with the stepwise method when applying the previous paragraph.

114. Finally, institutions shall calculate the rescaled SSRM corresponding to that extreme scenario of future shock in accordance with Article 12 of the RTS on SSRM.

115. The rescaled stress scenario risk measure described in Article 12 shall be also broken down by the level at which the extreme scenarios of future shock is developed and applied, i.e. risk factor level (columns F, G, I, J, M, N, P, Q) or bucket level (columns H, K, O, R). At risk factor level, institutions must further distinguish between risk factors that are parameters of a curve or a surface and those that are not.

Row	Column	Heading	Description
Banks must report the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM for <b>non-modellable risk factors (or buckets) only</b> under two variants: <ul style="list-style-type: none"> <li>assuming an adjusted liquidity horizon of 10, i.e. institutions shall not use the LH_adj as defined in that Article but assume instead LH_adj = 10 (columns F to L), or</li> <li>using the actual adjusted liquidity horizon, LH_adj as prescribed in that Article (columns M to S).</li> </ul> The rescaled stress scenario risk measure shall be broken down by: <ul style="list-style-type: none"> <li>risk class (and where relevant specifying whether the risk factor is reflecting only idiosyncratic risk): interest rate risk, credit spread risk idiosyncratic, credit risk non-idiosyncratic, equity risk idiosyncratic, equity risk non-idiosyncratic, commodity risk and foreign exchange risk; and</li> <li>where the extreme scenario future shocks occurs at: (i) CS_up, (ii) 0.8*CS_up or 0.8*CS_down, or (iii) CS_down.</li> </ul>			
24-27, 32-35, 40-51	F, M	$\sum(RSS_k)$ , SSRM at risk factor level, Risk factor is parameter for curve or surface	The sum of the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across non-modellable risk factors that are parameters for curve or surface, where the SSRM is calculated at risk factor level.
24-27, 32-35, 40-51	G, N	$\sum(RSS_k)$ , SSRM at risk factor level, Risk factor is not parameter for curve or surface	The sum of the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across non-modellable risk factors that are <b>not</b> parameters for curve or surface, where the SSRM is calculated at risk factor level.
24-27, 32-35, 40-51	H, O	$\sum(RSS_k)$ , SSRM at bucket level, Regulatory bucket	The sum of the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across non-modellable buckets, where the SSRM is calculated at bucket level.
24-51	I, P	$\sum(RSS_k^2)$ , SSRM at risk factor level, Risk factor is parameter for curve or surface	The sum of the squared rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across non-modellable risk factors that are parameters for curve or surface, where the SSRM is calculated at risk factor level.
24-51	J, Q	$\sum(RSS_k^2)$ , SSRM at risk factor level, Risk factor is not parameter for curve or surface	The sum of the squared rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across non-modellable risk factors that are <b>not</b> parameters for curve or surface, where the SSRM is calculated at risk factor level.
24-51	K, R	$\sum(RSS_k^2)$ , SSRM at bucket level, Regulatory bucket	The sum of the squared rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across non-modellable buckets, where the SSRM is calculated at bucket level.
52	L, S	Total OFR - SSRM	Non-data entry cell. Total own fund requirements for non-modellable risk factors based on the SSRM methodology.

### 5.1.3 Panel B2: Revised market risk requirements for modellable risk factors only under the EBA SSRM methodology

116. This panel collects information on SSRM charge solely for **modellable risk factors (or buckets)**, as if the capital requirements for these risk factors (or buckets) were calculated by using the EBA SSRM methodology.

117. The institution shall follow the same instructions provided for filling in Panel B1.

Row	Column	Heading	Description
<p>Banks must report the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM for <b>modellable risk factors (or buckets) only</b>, as if the capital requirements for these risk factors and/(or buckets) were calculated by using the EBA SSRM methodology, under two variants:</p> <ul style="list-style-type: none"> <li>assuming an adjusted liquidity horizon of 10, i.e. institutions shall not use the LH_adj as defined in that Article but assume instead LH_adj = 10 (columns F to L), or</li> <li>using the actual adjusted liquidity horizon, LH_adj as prescribed in that Article (columns M to S).</li> </ul> <p>The rescaled stress scenario risk measure shall be broken down by:</p> <ul style="list-style-type: none"> <li>risk class (and where relevant specifying whether the risk factor is reflecting only idiosyncratic risk): interest rate risk, credit spread risk idiosyncratic, credit risk non-idiosyncratic, equity risk idiosyncratic, equity risk non-idiosyncratic, commodity risk and foreign exchange risk; and</li> <li>where the extreme scenario future shocks occurs at: (i) CS_up, (ii) 0.8*CS_up or 0.8*CS_down, or (iii) CS_down.</li> </ul>			
59-62, 67-70, 75-86	F, M	$\sum(RSS_k)$ , SSRM at risk factor level, Risk factor is parameter for curve or surface	The sum of the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across modellable risk factors that are parameters for curve or surface, where the SSRM is calculated at risk factor level.
59-62, 67-70, 75-86	G, N	$\sum(RSS_k)$ , SSRM at risk factor level, Risk factor is not parameter for curve or surface	The sum of the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across modellable risk factors that are <b>not</b> parameters for curve or surface, where the SSRM is calculated at risk factor level.
59-62, 67-70, 75-86	H, O	$\sum(RSS_k)$ , SSRM at bucket level, Regulatory bucket	The sum of the rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across modellable buckets, where the SSRM is calculated at bucket level.
59-86	I, P	$\sum(RSS_k^2)$ , SSRM at risk factor level, Risk factor is parameter for curve or surface	The sum of the squared rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across modellable risk factors that are parameters for curve or surface, where the SSRM is calculated at risk factor level.
59-86	J, Q	$\sum(RSS_k^2)$ , SSRM at risk factor level, Risk factor is not parameter for curve or surface	The sum of the squared rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across modellable risk factors that are <b>not</b> parameters for curve or surface, where the SSRM is calculated at risk factor level.
59-86	K, R	$\sum(RSS_k^2)$ , SSRM at bucket level, Regulatory bucket	The sum of the squared rescaled stress scenario risk measure described in Article 12 of the RTS on SSRM across modellable buckets, where the SSRM is calculated at bucket level.
87	L, S	Total OFR - SSRM	Non-data entry cell. Total own fund requirements for modellable risk factors based on the SSRM methodology.

#### 5.1.4 Panel C: Number of risk factors (or buckets) by SSRM method

118. Panel C collects additional information on the different methods (direct, historical, asymmetrical sigma, fallback as referred to in Article 1 of the RTS on SSRM) used for the calculation of the SSRM for non-modellable risk factors in Panel B1 and modellable risk factors in Panel B2.

119. For each method, institutions are required to count the number of risk factors (or buckets), first on the scope of the risk factors (or buckets) that are considered by the institution as modellable (columns F-I), and second on the scope of the risk factors (or buckets) that are considered by the institution as non-modellable (columns J-M). Regarding modellable risk factors, institutions should report the number of risk factors or buckets, as if those were subject to the SSRM charge – although in a real world, those risk factors would not be subject to that charge. Institutions can decide to compute the SSRM for those risk factors at bucket level where they would be allowed to do so in accordance with the RTS on SSRM.

120. Where institutions calculate a stress scenario risk measure (SSRM) at a risk factor level in accordance with Article 1 of the RTS on SSRM, the number of risk factors should be reported in columns F, G, J, K, broken down by the number of risk factors that are parameters of a curve/surface (columns F, J) or not (columns G, K).

121. Where institutions calculate a stress scenario risk measure (SSRM) at a bucket level in accordance with Article 2 of the RTS on SSRM, the number of buckets should be reported in columns H and L.

122. The number of risk factors (or buckets) shall be broken down by the different methods (direct, historical, asymmetric sigma, fallback) used for the calculation of the SSRM for non-modellable risk factors in Panel B1 and modellable risk factors in Panel B2.

Row	Column	Heading	Description
Institutions are required to count the number of risk factors (or buckets), first on the scope of the risk factors (or buckets) that are considered by the institution as modellable (columns F-I), and second on the scope of the risk factors (or buckets) that are considered by the institution as non-modellable (columns J-M).			
The number of risk factors (or buckets) shall be broken down by the different methods (direct, historical, asymmetric sigma, fallback) used for the calculation of the SSRM for non-modellable risk factors in Panel B1 and modellable risk factors in Panel B2: direct method, historical method, asymmetrical sigma method, fallback method. For the different methods, see Article 1 of the RTS on SSRM.			
93-97	F, J	Number of risk factors, SSRM at risk factor level, Risk factor is parameter for curve or surface	Number of risk factors for which the SSRM is computed at risk factor level and are parameters for curve or surface.
93-97	G, K	Number of risk factors, SSRM at risk factor level, Risk factor is not parameter for curve or surface	Number of risk factors for which the SSRM is computed at risk factor level and are <b>not</b> parameters for curve or surface.
93-97	H, L	Number of buckets, SSRM at bucket level, Regulatory buckets	Number of buckets for which the SSRM is computed at bucket level

# 6. Operational Risk

---

## 6.1 EU specific operational risk treatment

123. In order to build the BI and the loss data set, used for the calculation of the operational risk requirements in the revised framework, those amounts from foreign subsidiaries denominated in a foreign currency should be converted into domestic currency by using the same exchange rate that is used to convert them in the banking organisation's financial statements (FINREP) of the period the profit and loss items were accounted for.

# 7. Interest rate risk in the banking book (IRRBB)

---

## 7.1 Introduction

This exercise aims to assess the impact of a variety of policy approaches and aspects under consideration of the EBA. The policy under development will comprise different approaches for calibrating the large decline in Earnings/NII and for testing the EVE SOT and different approaches for defining standardized methodologies for EVE and Earnings/NII. This comprehensive IRRBB QIS has a fact-finding character that will inform the development of preferred approaches for the future RTSs and Guidelines and do not necessarily reflect any future policy choices.

IRRBB is defined in the Glossary as the *current or prospective risk to both the bank's capital and earnings arising from adverse movements in risk-free interest rates, which affect the bank's banking book exposures.*

Note that the IRRBB QIS is not a *compliance exercise* where banks seek for supervisory approvals, but a *best effort*-based exercise to test the likely impact of a proposed new policy. In particular, for the purposes of this QIS, banks are permitted to use their internal models or approaches even if they differ from the prescribed models or approaches in the instructions or in the Glossary, under the condition that they can map their internal outcomes in a way consistent with the QIS requirements<sup>15</sup> including parameter constraints. In any case, banks should liaise with their supervisors to assess the reasonableness of the reported figures.

Section 6.15 provides a description/definition of several terms used in the IRRBB instructions. Some definitions or specifications are solely intended for the purposes of this IRRBB QIS exercise and do not necessarily reflect any future policy choices.

## 7.2 General aspects

### 7.2.1 Structure of the comprehensive IRRBB QIS

The comprehensive IRRBB QIS contains the following:

- input worksheets (with yellow and green cells)  
"IRRBB exposures";  
"IRRBB results";  
"IRRBB IMS & CSRBB";

---

<sup>15</sup> This applies also to the proposed client and product segmentations for the non-maturity deposits (NMDs) in panel B and the *behavioural* panels (panels C to E) below.

In the input worksheets, all yellow cells must be filled in unless the bank is not able to provide the requested data. Where the bank has no positions, input cells should be filled in with zeros with the exception of drop-down boxes which must remain empty in case none of the options apply (eg in case of no further currencies in panel A1 or panel I). Unless stated differently in the current instructions (eg in case of several items in panel G and H4 on *automatic interest rate options*), banks must report positive numbers in the (yellow or green) input cells.

Banks must report in the reporting currency and in the unit defined in panel A1 of the "General info".

Banks should use interest spot rates as they were at the 31 December 2021 reference date, sourced from their internal systems. These spot rates should reflect an appropriate general 'risk-free' yield curve (e.g. OIS swap rate curve). For each currency, one single curve should be used for the valuation and repricing of positions, in accordance with paragraph 115 (n) of IRRBB EBA GL.

### 7.2.2 Scope of the comprehensive IRRBB QIS

The comprehensive IRRBB QIS follows the same scope as the 20<sup>th</sup> Basel III monitoring exercise, ie *group consolidated* reporting for the end-December 2020 reporting date.

### 7.2.3 Scope of instruments

For the purpose of this comprehensive IRRBB QIS, banks must project all future notional repricing cash flows arising from the following *interest rate-sensitive* positions in the banking book associated with:

- *assets*, which are not deducted from Common Equity Tier 1 (CET1) capital and excluding (i) fixed assets such as real estate or intangible assets; as well as (ii) equity exposures in the banking book as defined in article 133 CRR;
- *liabilities* (including all non-remunerated deposits), other than CET1 instruments and other perpetual own funds without any call dates; and
- *off-balance sheet items* (OBS)<sup>16</sup>

onto 20 predefined *time buckets* (indexed numerically by *k*) into which they fall according to their *repricing* dates.

Small trading book positions (article 94 CRR) should also be included unless its interest rate risk is captured in another risk measure. From now all the references to banking book positions also include small trading book positions provided that banks chose to apply the option set in article 94 CRR.

---

<sup>16</sup> OBS are categorised in Annex 1 CRR

In line with subsection IV.5 of the IRRBB BCBS Standards<sup>17</sup>, *automatic interest rate options* whether explicit or embedded,<sup>18</sup> are *stripped out* from their host contracts and ignored from the notional repricing cash flow slotting. Instead, those instruments must be reported according to a market valuation approach in panel G as set out in subsection IV.5 of the IRRBB BCBS Standards.

A *notional repricing cash flow*, in line with subsection IV.2.1 paragraph 102 of the IRRBB BCBS Standards,  $CF(k)$  is defined as:

- any repayment or redemption of principal;
- any repricing of principal; repricing is said to occur at the earliest date at which either the bank or its counterparty is entitled to unilaterally change the interest rate, or at which the rate on a floating rate instrument changes automatically in response to a change in an external benchmark; or
- any interest payment on a tranche of principal that has not yet been repaid or repriced; spread components (including commercial and other margins) of interest payments on a tranche of principal that has not yet been repaid and which do not reprice must be slotted until their contractual maturity irrespective of whether the non-amortised principal has been repriced or not.

The date of each repayment, repricing or interest payment is referred to as its *repricing date*.

The scope of instruments should include interest rate sensitive *held to collect (HTC) and held to collect and sell (HTCS)* instruments whether accounted for at amortised costs or at fair value. Floating rate instruments are assumed to reprice fully at the first reset date. Hence, the entire principal amount is to be slotted into the time bucket in which that date falls with no additional slotting of notional repricing cash flows to later time buckets (other than the spread component which is not repriced).

Institutions with an NPE ratio<sup>19</sup> of 2% or higher should include NPEs as general interest rate sensitive instruments whose modelling should reflect expected cash flows and their timing. NPEs should be included net of provisions.

All *notional repricing cash flows* must be reported *post* recognition of *eligible* internal risk transfer (IRT) for IRRBB. Banks must to the extent possible use the banking book – trading book boundary definition currently implemented in their home jurisdiction (including current standards on eligible IRTs for IRRBB<sup>20</sup>) consistently across all panels.

---

<sup>17</sup> BCBS standards on Interest rate risk in the banking book of April 2016

<sup>18</sup> These include any behavioural option position with a non-retail customer other than NMDs, which may change the pattern of notional repricing cash.

<sup>19</sup> Ratio of non-performing exposures (non-performing debt securities and loans and advances/total gross debt securities and loans and advances) calculated at the level of the institution.

<sup>20</sup> According to CRR article 106



Any *equity risk sensitive components* embedded in products or instruments (including deposits) are excluded from the scope of IRRBB for the purpose of this QIS.<sup>21</sup>

Interest rate-sensitive products which are linked to inflation require an assumption on the evolution of the interest rate-insensitive component. As the QIS shall be conducted on a best effort basis, simple but prudent assumptions are recommended. For instance, the current/last observed value, forecasts of an economic research institute or other generally accepted market practices (eg forward inflation expectation curves) can be employed. However, the evolution shall be conducted for the baseline interest rate scenario and retained in all interest rate shock scenarios, ie it is not permitted to assume another evolution of the variable in an interest rate shock scenario than under the baseline scenario.

In case of hedges, in order to determine whether cash flows / impacts corresponding to the hedged item and hedging item should be considered as fair value in panels A / G, banks are requested to refer to the description of “fair value in hedges” in the glossary.

#### **7.2.4 Categorisation of customers and instruments**

The proposed treatments for the following panels are subject to the boundaries between *retail vs wholesale customers*:

- i) *non-maturity deposits* (NMDs) in panel B of the “IRRBB exposures” worksheet and as set out in subsection IV.3 of the IRRBB BCBS Standards;
- ii) *term deposits subject to early redemption risk* in panel C of the “IRRBB exposures” worksheet and as set out in subsection IV.4 of the IRRBB BCBS Standards paragraphs 125-129;
- iii) *fixed rate loans subject to prepayment risk* in panel D of the “IRRBB exposures” worksheet and as set out in subsection IV.4 of the IRRBB BCBS Standards paragraphs 120-124;
- iv) *fixed rate loan commitments and other items subject to behavioural risk* in panel E & F of the “IRRBB exposures” worksheet;

To categorise customers accordingly for the purpose of the comprehensive IRRBB QIS, the following steps should apply:

- i) *behavioural products*, ie products such as (a) loans subject to *uncompensated* prepayments; (b) fixed rate loan commitments; and (c) term deposits unless:
  - a. the depositor has no legal right to withdraw the deposit; or

---

<sup>21</sup> Note that equity risk in the banking book is included in the CRR minimum capital requirements for credit risk.

- b. an early withdrawal results in a significant penalty that at least compensates for the economic cost of breaking the contract (ie the loss of interest between the date of withdrawal and the contractual maturity date);<sup>22</sup>
- ii) *among the behavioural products in (i) above as well as for NMDs, identify those customers which are non-retail/wholesale vs retail (note that apart from NMDs, products to wholesale counterparties do not fall within the scope of behavioural products) according to the following guidance<sup>23</sup>:*
- a. all financial customers are considered wholesale;
  - b. retail customers are customers to which an exposure would qualify as an exposure to the retail exposure that meet the definition set out in article 411(2) CRR: “retail deposit means a liability to a natural person or to an SME, where the SME would qualify for the retail exposure class under the Standardised or IRB approaches for credit risk, or a liability to a company which is eligible for the treatment set out in Article 153(4) CRR and where the aggregate deposits by all such enterprises on a group basis do not exceed EUR 1 million.”
- iii) *non-optional components of products that do not fall within the scope of behavioural products mentioned below must be allocated to panel A of the “IRRBB exposures” worksheet. Automatic embedded optionalities to be stripped out and treated as automatic interest rate options must be allocated to panel G of the “IRRBB exposures” worksheet.*

### **7.2.5 Materiality of currencies**

Banks must report on a currency-by-currency basis. To the extent possible institutions should comply with the definition of material currency set out in paragraph 115 (l) of IRRBB EBA GL, considering each currency where the assets or liabilities denominated in that currency amount to 5% or more of the total non-trading book financial assets (excluding tangible assets) or liabilities, or less than 5% if the sum of assets or liabilities included in the calculation is lower than 90% of total non-trading book financial assets (excluding tangible assets) or liabilities (material positions).

Banks must complete the detailed panels (panels A to H) separately for items denominated in the bank’s reporting currency (to be reported in the rows with ‘reporting currency’) and for items denominated in the bank’s second most material currency (to be reported in the rows with ‘currency 2’). The calculations of EVE and Earnings/NII sensitivities for the two major currencies are not requested in the “IRRBB results” worksheet. Banks must perform their own calculations for any further currency positions up to 5 material currencies and other directly in the same worksheet. Banks must make the computation for the remaining significant currencies and must also complete and include the computation for all other currencies represented in the banking book.

<sup>22</sup> Where penalties only partially compensate for the economic cost of breaking the contract the bank has to treat the term deposits as having early redemption risk.

<sup>23</sup> Apart from NMDs, where a wholesale customer has a behavioural option that may change the pattern of notional repricing cash flows, such options must be included within the category of automatic interest rate options (panel G)

If an institution has more than five material currencies it should also report the aggregate sensitivity of EVE and Earnings/NII, according to the rule set in paragraph 115 (m) of the EBA/GL/2018/02<sup>24</sup> (henceforth IRRBB EBA GL), for the other material currencies.

### 7.2.6 Interest Rate Scenarios

The first six interest rate shock scenarios are the ones set out in paragraph 114<sup>25</sup> of IRRBB EBA GL for the appropriate currency used for measuring EVE under the standard EVE outlier test are:

- (0) Baseline
- (1) parallel shock up;
- (2) parallel shock down;
- (3) steepener shock (short rates down and long rates up);
- (4) flattener shock (short rates up and long rates down);
- (5) short rates shock up;
- (6) short rates shock down.

In addition, it is requested to compute an additional parallel shock down scenario (“2 unconstrained”). This IR shock is the same as scenario 2 above except that it should disregard the maturity dependent floor set out in paragraph 115 (k) of IRRBB EBA GL. Any instrument-specific interest rate floors shall continue to apply.

The shock applied regarding the scenarios for basis risk (scenario 7 and 8) is described in the instructions for panel H.

## 7.3 Panel A: Notional repricing cash flows except non-maturity deposits, automatic options, term deposits subject to early redemption risk, fixed rate loans subject to prepayments and fixed rate loan commitments, post eligible IRT

In panel A, banks are requested to report the notional repricing cash flows i) including commercial margins and ii), if possible, excluding commercial margins<sup>26</sup>, arising from banking book products which are not subject to behavioural optionality without considering automatic options<sup>27</sup>. For cash flows including commercial margins, a subset of instruments with a reference term (RT) below 1 year is requested, as defined in the Glossary.

---

<sup>24</sup> <https://www.eba.europa.eu/regulation-and-policy/supervisory-review/guidelines-on-technical-aspects-of-the-management-of-interest-rate-risk-arising-from-non-trading-activities-under-the-supervisory-review-process>

<sup>25</sup> Detailed in Annex III of IRRBB EBA GL taking into account the lower bound defined in paragraph 115 (k) of IRRBB EBA GL

<sup>26</sup> Cash flows excluding commercial margins should be reported on a best effort basis.

<sup>27</sup> These exclude non-maturity deposits (NMDs), automatic options, term deposits subject to early redemption risk, fixed rate loans subject to prepayments and fixed rate loan commitments. These products are captured in panels B to G of this QIS.

All incoming and outgoing notional repricing cash flows must be stated with a positive sign. If negative coupons in incoming cash flows result on aggregate in negative numbers in any tenor, negative cash flows should be reported in the outgoing panels to keep the sign convention. Vice versa for negative coupons for outgoing cash flows.

Wholesale term deposits and loans should generally be reported in panel A. Banks should strip out the option value that the wholesale customer holds to early withdraw its deposit or to early prepay the loan and report this as an automatic option in panel G. Banks that are not able to strip out the option may report the early redemption and prepayments embedded in wholesale instruments under panel C and D.

Items that are micro-hedged, such as debt instruments, should, if possible on a best effort basis, be reported separately from the hedging instruments. Hence, a fixed rate debt asset hedged with an interest rate swap (henceforth IRS) should be reported in the following way:

- a. Debt instrument: incoming cash flows according to their maturity structure.
- b. Floating leg: incoming cash flows according to their repricing structure.
- c. Fixed leg: outgoing cash flows according to their maturity structure.

The weighted average reference term, as defined in the Glossary, should be reported for repricing instruments in the time buckets up to 1 year, weighted on the basis of the principal amounts of the cash flows. In order to calculate this weighted average, banks must consider the following:

- i) Fixed instruments: the average original maturity of the instruments maturing in the corresponding bucket weighted by the corresponding repricing principal amount. For fixed instruments the concept “reference term” is the same as the concept “original maturity” (see the Glossary).
- ii) Floating instruments: the average reference term of the instruments repricing in the corresponding bucket weighted by the corresponding principal amount. For floating instruments, the concept “reference term” is the relevant tenor of the reference rate. For example, for a floating loan repricing every 6 months at 12M EURIBOR the reference term will be 12M. Similarly, for a floating loan repricing every 12 months at 3M EURIBOR the reference term will be 3 months. .

All positions must be reported in the reporting currency and unit specified on the “General Info” worksheet. All foreign currency amounts must be converted to the reporting currency at the FX spot rate on the reporting date.

If instruments in the scope of panel A include positions with embedded automatic interest rate options, the optionality (whether sold or bought) should be disregarded (*stripped out*) for the purpose of slotting notional repricing cash flows in this panel. For example, a floating rate loan or debt security with a floor would be treated as if there were no floor; hence it would be treated as if it fully repriced at the next reset date, and its full outstanding balance would be slotted in the corresponding time bucket. Similarly, a callable bond issued by a bank at a fixed coupon would be

treated as if it matured at its longest contractual term, ignoring the call option. The stripped out embedded automatic interest rate options have to be captured under panel G of automatic interest rate options.

Derivatives without optionality (e.g. IRS), are split into incoming and outgoing positions in the relevant underlying. The amounts considered are principal amounts of the underlying or of the notional underlying as well as interest payments. Futures and forward contracts including forward rate agreements are treated as a combination of incoming and outgoing positions. For instance, a long three-month future is an outgoing cash flow at maturity of the future and an incoming cash flow three months later. Swaps are treated as two notional positions with relevant cash flows based on whether legs are fixed or floating. The separate legs of the cross-currency swaps are to be allocated in the relevant maturity ladders for the respective currencies.

In addition to being reported in panels A1a and A2a together with not fair valued instruments, cash flows of instruments in the scope of panel A that are valued at fair value, either through other comprehensive income or through profit and losses, are also collected separately in panels A1b and A2b (which are panels dedicated to fair valued instruments). Note that instruments that are originally accounted at amortized cost but the interest rate changes affect the accounted value of the instrument because of the accounting hedge framework should be included in the panels for fair value instruments (e.g. cash flows hedges through Interest Rate Swaps).

Row	Column	Heading	Description
Panel A1a): Incoming notional repricing cash flows on instruments that are fair valued and not fair valued			
6–17	B	Currency	Banks must provide their two most important material currencies in descending order of importance, with the appropriate ISO three-character designator for that currency. These major currencies will feed automatically through subsequent panels.
6, 12	E–X	Time bucket intervals (ON: overnight, M: months, Y: years)	Incoming notional repricing cash flows (including commercial margins) in each time bucket for the appropriate currency associated with banking book positions
6, 12	Y	Weighted average yield	Weighted average coupon in basis points (current risk free rate and commercial margin) applied to positions in panel A1a) before maturity inside of a horizon of 1 year
6, 12	Z	New business commercial margin	Weighted average commercial margin in basis points (coupon minus current risk free rate)) considered for positions in panel A1a) maturing inside of a horizon of 1 year

Row	Column	Heading	Description
7,13	E-M	Time bucket intervals (ON: overnight, M: months, Y: years)	Incoming notional repricing cash flows (including commercial margins) in each time bucket for the appropriate currency associated with banking book positions if the reference term (in years <sup>28</sup> ) of those instruments is below or equal to one year.
8, 14	E-X	Time bucket intervals (ON: overnight, M: months, Y: years)	Incoming notional repricing cash flows (excluding commercial margins) in each time bucket for the appropriate currency associated with banking book positions. The bank shall leave this row blank in case it is not able to remove the commercial margin (banks that exclude the margin currently for the purposes of the SOT on EVE are considered to be capable of removing the commercial margin – paragraph 115 (i) of EBA/GL/2018/02).
11,17	E-M	Time bucket intervals (ON: overnight, M: months, Y: years)	Weighted Average reference term (in years) for the appropriate currency of all incoming principal amounts slotted in each time bucket for instruments with a reference term above one year.
<b>Panel A1b): Incoming notional repricing cash flows on instruments that are fair valued</b>			
21-22	E-X	Time bucket intervals (ON: overnight, M: months, Y: years)	For the appropriate currency, incoming notional repricing cash flows (including commercial margins) in each time bucket for the appropriate currency associated with banking book positions accounted at fair value
<b>Panel A2a): Outgoing notional repricing cash flows on instruments that are fair valued and not fair valued</b>			
27, 33	E-X	Time bucket intervals (ON: overnight, M: months, Y: years)	Outgoing notional repricing cash flows including commercial margins in each time bucket for the appropriate currency associated with banking book positions
27, 33	Y	Weighted average yield in bps	Weighted average coupon in basis points (current risk free rate and commercial margin) applied to positions in panel A2a) before maturity inside of a horizon of 1 year
27, 33	Z	New business commercial margin in bps	Weighted average commercial margin in basis points (coupon minus current risk free rate) considered for positions in panel A2a) maturing inside of a horizon of 1 year
28, 34	E-M	Time bucket intervals (ON: overnight, M: months, Y: years)	Outgoing notional repricing cash flows (including commercial margins) in each time bucket for the appropriate currency associated with banking book positions if the reference term (in years) of those instruments is below or equal to one year.

<sup>28</sup> The years should be reported as a number. This means that 1 year and 6 months should for example be reported as approximately 1.5.

Row	Column	Heading	Description
29, 35	E-X	Time bucket intervals (ON: overnight, M: months, Y: years)	Outgoing notional repricing cash flows (excluding commercial margins) in each time bucket for the appropriate currency associated with banking book positions. The bank shall leave this row blank in case it is not able to remove the commercial margin (banks that exclude the margin currently for the purposes of the SOT on EVE are considered to be capable of removing the commercial margin—paragraph 115 (i) of IRRBB EBA GL.
32, 38	E-M	Time bucket intervals (ON: overnight, M: months, Y: years)	Weighted Average reference term (in years) for the appropriate currency of all outgoing principal amounts slotted in each time bucket for instruments with a reference term above one year.
<b>Panel A2b): Outgoing notional repricing cash flows on instruments that are fair valued</b>			
42-43	E-X	Time bucket intervals (ON: overnight, M: months, Y: years)	For the appropriate currency, incoming notional repricing cash flows (including commercial margins) in each time bucket for the appropriate currency associated with banking book positions accounted at fair value

## 7.4 Panel B: NMDs

Panels B1a–c ask for cash flows arising from NMDs. NMDs are defined as liabilities of banks in which the bank has the right to change the interest rate and the depositor is free to withdraw at any time since they have no contractually agreed maturity date.

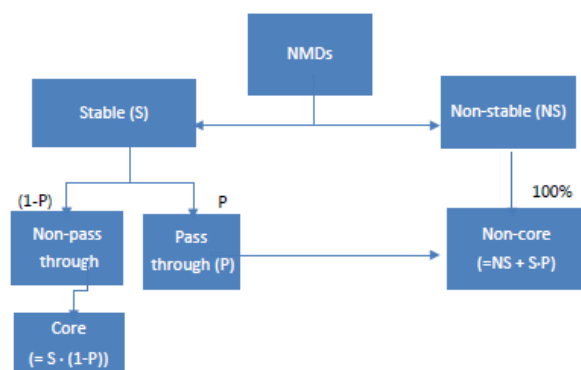
Banks have to slot undiscounted notional repricing cash flows under the baseline scenario to 19 time buckets for up to their two most important currencies. In panels B1a to B1c, banks have to segment NMDs in three categories: retail transactional, retail non-transactional and wholesale as defined in the Glossary and Section 6.2.4. The effect of embedded legal, contractual or implied floors should be disregarded when slotting the repricing cash flows. In other words, the effect of a floor should be *stripped out* from the host contract and ignored for the purposes of the notional repricing cash flow slotting in this panel.

Banks are requested to provide data on the QIS Approach. Banks are requested to slot notional repricing cash flows for the baseline, up and down IR scenarios.

Under the QIS approach and based on the definition in the Glossary, banks are requested to distinguish between the stable and non-stable parts of NMDs. All non-stable NMDs should be considered as non-core. The stable subset of NMDs is further broken down into a core component and a non-core component. Banks should determine the portion of core- and non-core stable NMDs using the pass-through rate concept or their internal concept. The non-core portion corresponds to the share of the market interest rate change that is passed on to the customer in order to

maintain the same level of stable deposits. The core portion of stable deposits corresponds to the remainder, as shown in figure x1. Definitions on stable, core, and pass through rate are in the Glossary. If institutions do not use the pass-through-concept they should incorporate their internal concept and derive as provided in the Glossary.

**Figure 1: separation of NMDs for the QIS approach**



The notional repricing cash flows of NMDs should be slotted in the respective time buckets. All non-core deposits should be slotted in the overnight (ON) bucket. When aggregating the results of the overall volume of core deposits, using the two-step approach from figure x1, banks are subject to the prescribed caps from table x1. The proportion of core deposits is calculated as *Proportion of total NMDs that are stable deposits \* (1- pass-through rate on stable deposits)*.

**Example of QIS approach:**

NMD (wholesale): EUR 100

**Bank internally derived figures**

Stable (S): EUR 70, Non-Stable (NS): EUR 30

Pass-through rate: 21.5%

Non-Pass-Through:  $70 * (1 - 21.5\%) = \text{EUR } 55$

Core: EUR 55; Non-Core:  $30 + (70 - 55) = \text{EUR } 45$

Maturity of core = 5years

**Wrong slotting for QIS approach:**

EUR 45: O/N ; EUR 55: 5 yrs. (violation of: proportion and maturity cap)

**Correct slotting for QIS approach:**

EUR 50: O/N ; EUR 50: max. 4 yrs.

**Table 1: caps on core deposits and average maturity by category**



	<b>Cap on the proportion of core deposits (% of total NMD)</b>	<b>Cap on average maturity of core deposits (years)</b>
Retail - transactional	90%	5
Retail – non-transactional	70%	4.5
Wholesale	50%	4

Banks are also requested to provide scenario-specific internal parameter estimates. If cash flows do not differ for the scenario, banks have to fill in the same cash flow for all scenarios. This allows to quantify the difference in the assumed behaviour under the baseline scenario as well as under the two abovementioned interest rate shock scenarios.

Banks must report information about the percentage of the total amount of NMDs with embedded floors (for example, floor at 0%). This floor may stem from legal provisions, contractual or implied conditions. The value of these floors should be included as specified in panel G.

Row	Column	Heading	Description
<b>Panel B1a: Data on retail transactional NMDs</b>			
<b>QIS Approach</b>			
52-57	E–X	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency and scenario arising from retail transactional NMDs should be slotted in these cells in accordance with the QIS Approach. As the ON bucket may include amounts arising from core and non-core NMDs, the column F asks for the core NMD part ( <i>of which</i> ).
52-57	Y	Proportion of stable deposits	For the appropriate currency and scenario, the bank’s estimate of the proportion of the volume of retail transactional NMDs representing stable retail transactional NMDs subject to the QIS Approach. Values are expected to be between 0 and 1.
52-57	Z	Pass-through rate of stable deposits	For the appropriate currency and scenario, the estimate of the pass-through rates on stable retail transactional NMDs in accordance with the QIS Approach resulting from a change in market interest rates is requested. Values are expected to be between 0 and 1. <sup>29</sup>
52-57	AA	Average applied maturity of core deposits	For the appropriate currency and scenario, the bank’s average applied maturity [in years] of core retail transactional NMDs in accordance with the QIS Approach should be inserted.

<sup>29</sup> With 1 meaning that the entirety of a market interest rate change would pass onto the customers to maintain the same level of stable deposit balances (i.e., the whole volume is considered as non-core).

Row	Column	Heading	Description
54, 57	AB	Proportion of deposits with embedded legal, contractual or implied floors	For the appropriate currency and the downward scenario (2), the proportion of the volume of retail transactional NMDs with embedded legal, contractual or implied floors over the total retail transactional NMDs amount under the QIS Approach. Values are expected to be between 0 and 1.
54, 57	AC	Weighted average strike of option of the deposits that have embedded legal, contractual or implied floors (bps)	For the appropriate currency and the downward scenario (2), the average strike of option reported in rows 54, 57 and column AB of retail transactional NMDs that have embedded legal, contractual or implied floors (bps) weighted by the notional repricing cash flows
<b>Panel B1b: Data on retail non-transactional NMD</b>			
<b>QIS Approach Panel</b>			
79-84	E-X	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency and scenario arising from retail non-transactional NMDs should be slotted in these cells in accordance with the QIS Approach. As the ON bucket may include amounts arising from core and non-core NMDs, the column F asks for the core NMD part ( <i>of which</i> ).
79-84	Y	Proportion of stable deposits	For the appropriate currency and scenario, the bank's estimate of the proportion of the volume of retail non-transactional NMDs representing stable retail non-transactional NMDs subject to the QIS Approach. Values are expected to be between 0 and 1.
79-84	Z	Pass-through rate of stable deposits	For the appropriate currency and scenario, the estimate of the pass-through rates on stable retail non-transactional NMDs in accordance with the QIS Approach resulting from a change in market interest rates is requested. Values are expected to be between 0 and 1. <sup>29</sup>
79-84	AA	Average applied maturity of core deposits	For the appropriate currency and scenario, the bank's average applied maturity [in years] of core retail non-transactional NMDs in accordance with the QIS Approach should be inserted.
81, 84	AB	Proportion of deposits with embedded legal, contractual or implied floors	For the appropriate currency and the downward scenario (2), proportion of the volume of retail non-transactional NMDs with embedded legal, contractual or implied floors over the total retail non-transactional NMDs amount under the QIS Approach. Values are expected to be between 0 and 1.

Row	Column	Heading	Description
81, 84	AC	Weighted average strike of option of the deposits that have embedded legal, contractual or implied floors (bps)	For the appropriate currency and the downward scenario (2), the average strike of option reported in rows 81 and 84 and column AB of retail non-transactional NMDs that have embedded legal, contractual or implied floors (bps) weighted by the notional repricing cash flows
<b>Panel B1c: Data on wholesale NMDs</b>			
<b>QIS Approach</b>			
106-111	E-X	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency and scenario arising from wholesale NMDs should be slotted in these cells in accordance with the QIS Approach. As the ON bucket may include amounts arising from core and non-core NMDs, the column F asks for the core NMD part ( <i>of which</i> ).
106-111	Y	Proportion of stable deposits	For the appropriate currency and scenario, the bank's estimate of the proportion of the volume of wholesale transactional NMDs representing stable wholesale NMDs subject to the QIS Approach. Values are expected to be between 0 and 1.
106-111	Z	Pass-through rate of stable deposits	For the appropriate currency and scenario, the estimate of the pass-through rates on stable wholesale NMDs in accordance with the QIS Approach resulting from a change in market interest rates is requested. Values are expected to be between 0 and 1. <sup>29</sup>
106-111	AA	Average applied maturity of core deposits	For the appropriate currency and scenario, the bank's average applied maturity [in years] of core wholesale NMDs in accordance with the QIS Approach should be inserted.
108, 111	AB	Proportion of deposits with embedded legal, contractual or implied floors	For the appropriate currency and for the downward scenario (2), the proportion of the volume of wholesale NMDs with embedded legal, contractual or implied floors over the total retail transactional NMDs amount under the QIS Approach. Values are expected to be between 0 and 1.
108, 111	AC	Weighted average strike of option of the deposits that have embedded legal, contractual or implied floors (bps)	For the appropriate currency and for the downward scenario (2), the average strike of option reported in rows 108 and 111 and column AB of wholesale NMDs that have embedded legal, contractual or implied floors (bps) weighted by the notional repricing cash flows

## 7.5 Panel C: Term deposits subject to early redemption risk

*Term deposits* lock in a fixed rate for a fixed term, and would usually be hedged on that basis. However, for the purpose of IRRBB QIS, term deposits may only be treated as fixed rate liabilities and slotted in the time buckets of panel A2 in line with the maturity date when:

- the depositor has no legal right to withdraw its deposit; or
- an early withdrawal results in a significant penalty that at least compensates for the loss of interest between the date of withdrawal and the contractual maturity date and the economic cost of breaking the contract.<sup>30</sup>

If neither of these conditions is met, the depositor is deemed to hold an option to withdraw freely and the term deposit should be regarded as subject to *early redemption risk* and slotted in panels C1 to C2. For term deposits with automatic rollover features, the rollover option should be ignored and the associated notional repricing cash flows slotted up to the next rollover date.

Banks are being asked to provide information about their notional repricing cash flows under the QIS approach (panel C1). They should report notional repricing cash flows including or excluding commercial margins consistent with their current practice in reporting their IRRBB outlier test.

Under the QIS approach (panel C1), banks should determine a term deposit redemption ratio (TDRR) for the baseline scenario, which should reflect the ratio of historically redeemed term deposits to all outstanding term deposits subject to early redemption risk. This ratio is applicable to each homogeneous portfolio of term deposits in currency (*c*) and is used to slot the notional repricing cash flows. Term deposits which are expected to be redeemed early are slotted in the overnight (ON) bucket. The currency-specific TDRR is adjusted for scenario 1 and 2 using a scalar. In scenario 1 (parallel up), the TDRR is multiplied by 1.2. In scenario 2 (parallel down), the TDRR is multiplied by 0.8. The methodology of the QIS approach is also set out in the BCBS IRRBB 2016 standards, paragraphs 125-129.

Row	Column	Heading	Description
135-140	E-W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency, under each interest rate shock scenario defined in column D, are to be slotted according to the QIS approach of term deposits with early redemption risk.

<sup>30</sup> Note that this restriction holds for the full amount of the deposit, ie deposits may not be split into a part covered by the penalty and treated as a fixed rate liability, and another part not covered by the penalty and treated like a term deposit subject to early redemption risk as set out in subsection IV.4 of the IRRBB BCBS Standards paragraphs 125-129.

Row	Column	Heading	Description
135, 138	X	Term deposit redemption rate (TDRR)	For the baseline interest rate scenario and for the appropriate currency, provide the applied term deposit redemption rate (TDRR). Where different values of TDRR are estimated for each homogeneous portfolio as part of a bank's total outstanding amount of term deposits subject to early redemption risk, the bank should report an average TDRR based on weighting by the outstanding amount of each homogeneous portfolio. Values are expected to be between 0 and 1.
137, 140	Y	Proportion of deposits with embedded legal, contractual or implied floors	For the appropriate currency and for the downward scenario (2), the proportion of deposits with embedded floors over the total term deposits amount under the QIS Approach. Values are expected to be between 0 and 1 (e.g. "1" would imply an early redemption amount equal to the outstanding amount).
137, 140	Z	Weighted average strike of option of the deposits that have embedded legal, contractual or implied floors (bps)	For the appropriate currency and for the downward scenario (2), the average strike of option reported in rows 137, 140 column Y of term deposits (bps) weighted by the notional repricing cash flows

## 7.6 Panel D: Fixed rate loans subject to prepayment risk

The ability of a borrower to prepay a fixed rate loan is an important behavioural option. Such loans are referred to as *prepayment-exposed loan products*. Prepayments, or parts thereof, for which the economic cost is not charged to the borrower, are referred to as *uncompensated prepayments*. For fixed rate loans subject to prepayments where the economic cost of prepayments is never charged, or only charged for prepayments above a certain threshold, the QIS approach set out below must be used to assign notional repricing cash flows. Instruments for which the economic cost from prepayments is fully charged to the borrower shall be considered in Panel A.

Products other than fixed rate loans can also be subject to prepayment risk. Their notional repricing cash flows fall within the scope of panel D as they meet the criteria above.

Note that the economic effect of a renegotiation is the same as of a prepayment. Thus, from an interest rate repricing perspective a renegotiation should be assumed to be similar to a prepayment and must be converted into a prepayment and reported accordingly (ie in panel D).

Banks are asked to provide information about their notional repricing cash flows under the QIS approach (panel D1). The notional repricing cash flows should be reported i) including commercial margins, and ii) excluding commercial margins, if possible. In addition, the weighted average

reference term, as defined in the Glossary, should be reported with reference to the principal amount. Institutions shall include penalty fees paid by the borrower as repricing cash flows

Under the QIS approach (panel D1), banks should determine a currency-specific conditional prepayment rate (CPR) for the baseline scenario, which should reflect the ratio of historical prepaid fixed rate loans to all outstanding fixed rate loans subject to prepayment risk. The currency-specific CPR is adjusted for scenario 1 and 2 using a scalar. In scenario 1 (parallel up), the CPR is multiplied by 0.8. In scenario 2 (parallel down constrained), the CPR is multiplied by 1.2. The methodology of the QIS approach is also set out in the BCBS IRRBB 2016 standards, paragraphs 120-124.

Row	Column	Heading	Description
154 - 159	E-W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows (including commercial margins) for the appropriate currency, for each interest rate shock scenario defined in column D, are to be slotted according to the QIS approach of fixed rate loans subject to prepayment risk.
154, 157	X	Baseline conditional prepayment rate (CPR)	For the baseline interest rate scenario and for the appropriate currency, provide the applied conditional prepayment rate (CPR) according to the QIS approach. Where different values of CPR are estimated for each homogeneous portfolio as part of a bank's total outstanding amount of fixed rate loans subject to prepayment risk, the bank should report an average CPR based on weighting by the outstanding amount of each homogenous portfolio. Values are expected between 0 and 1 (e.g. "1" would imply a prepayment amount equal to the outstanding amount).
154, 157	Y	Weighted average yield in bps	Weighted average coupon in basis points (current risk free rate and commercial margin) applied to positions in panel D1 before maturity inside of a horizon of 1 year
154, 157	Z	New business commercial margin in bps	Weighted average commercial margin in basis points (coupon minus current risk free rate) considered for positions in panel D1 maturing inside of a horizon of 1 year
160 - 165	E-W	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows (excluding commercial margins) for the appropriate currency, for each interest rate shock scenario defined in column D, are to be slotted according to the QIS approach of fixed rate loans subject to prepayment risk. The bank shall leave this row blank in case it is not able to remove the commercial margin (banks that exclude the margin currently for the purposes of the SOT on EVE are considered to be capable of removing the commercial margin – paragraph 115 (i) of IRRBB EBA GL.

Row	Column	Heading	Description
172 - 177	E-M	Time bucket intervals (ON: overnight, M: months, Y: years)	Weighted average reference term for the appropriate currency and for the QIS Approach of all fixed rate loans subject to prepayment risk in each time bucket as defined above

## 7.7 Panel E: Fixed rate loan commitments (“pipelines”)

Under a fixed rate loan commitment, a borrower is entitled to draw down a credit line up to a specified amount, at a fixed rate, for a specified term, at any time within the specified period. Fixed rate loan commitments (“pipelines”) are, in effect, off-balance sheet contracts concluded with prospective borrowers. Effective hedging of those commitments depends on accurately predicting and measuring the pull-through ratios (PTR), ie the draw-down rates of the commitments.

For loan commitments to corporates, drawdowns strongly reflect characteristics of automatic interest rate options. On the other hand, fixed rate loan commitments, for example retail mortgages (i.e. pipelines) are impacted by other drivers, such as the individual borrower characteristics, geographical location, and therefore resemble instruments with embedded behavioral optionality.

Banks are being asked to provide information about their EV and NII impact for the two main currencies when the interest rate risk is material according to their internal models and therefore, the sensitivity of these instruments is modelled under the IRRBB scope.

Row	Column	Heading	Description
208-221	D	EVE impact	Banks must provide the gains and losses in economic value for fixed rate loan commitments for the appropriate currency and the IR scenario.
208-210, 215-217	E	NII impact	Banks must provide the gains and losses in net interest income for fixed rate loan commitments for the appropriate currency and the IR scenario for a one-year horizon.

## 7.8 Panel F: Other IRRBB exposures

Panels F1a and F1b ask for notional repricing cash flows of banking book positions which are not captured in panels A to E and G. An example may include *non-maturity assets (NMAs)*.

Banks are being asked to provide information about their EV and NII impact for the two main currencies when the interest rate risk is material according to their internal models and therefore, the sensitivity of these instruments is modelled under the IRRBB scope.

Row	Column	Heading	Description
226-239	D	EVE impact	Banks must provide the gains and losses in economic value for Other items subject to behavioural risk for the appropriate currency and the IR scenario.
226-228, 233-235	E	NII impact	Banks must provide the gains and losses in net interest income for Other items subject to behavioural risk for the appropriate currency and the IR scenario for a one-year horizon.

## 7.9 Panel G: Automatic interest rate options in the banking book

Panel G collects information on automatic interest rate options – any interest rate derivative that cannot be reported as incoming and outgoing cash flows in Panel A – , ie financial options that holders will, in case it is beneficial to them, almost certainly exercise. In particular, it asks for data on *sold* and *bought* automatic interest rate options, subdivided further into *explicit* and *embedded*. Moreover, data is collected on those bought (explicit and embedded) interest rate options that are used for hedging sold interest rate options.<sup>31</sup>

Explicit sold interest rate options to be included are in particular: (i) sold floors, (ii) sold caps and (iii) sold (receiver and payer) swaptions.

Embedded sold interest rate options to be included are: (i) sold caps over floating rate assets (loans and debt securities); (ii) fixed rate debt securities with a prepayment option for the issuer; (iii) sold floors over floating rate debt securities issued; (iii) sold floors over Non-maturity deposits and term deposits including legal and implied floors and (iv) fixed rate debt securities issued with a prepayment option for the investor. Moreover, stripped out options from wholesale customers pertaining to (v) term deposits subject to early redemption risk; as well as to (vi) fixed rate loans subject to prepayment risk must be included in this panel. For this purpose, the boundary definition for the consideration of wholesale customers applies (see paragraph 7.1 and footnote 1)

For embedded options over floating rate loans, unless included in Panel D for meeting the criterion set out in Section 6.6, where prepayments of the loan could occur, the contractual maturity of the loan must be used for valuating the options, ie assumptions on prepayments are not allowed. For the valuation of embedded sold options of wholesale term deposits subject to early redemption risk and of wholesale fixed rate loans subject to prepayment risk, the strike rate should reflect the contractual interest rate (including margins), and the underlying rate of the option should be the market interest rate (including margins) of new term deposits subject to early redemption risk or, respectively, fixed rate loans subject to prepayment risk with a maturity equal to their residual contractual maturity.

<sup>31</sup> For instance, if a bank owns floating rate loans with embedded bought floors and the bank sells explicit floors for a given amount N with a strike similar to the embedded bought floor, the amount N of embedded bought floors can be considered hedging the explicit sold floors.



Explicit bought interest rate options to be included are in particular: (i) bought floors, (ii) bought caps and (iii) bought (receiver and payer) swaptions.

Embedded bought interest rate options to be included are: (i) bought floors over floating rate assets (loans or debt securities); (ii) fixed rate debt securities assets with prepayment option for the bank; (iii) bought caps over floating rate debt securities issued; and (iv) fixed rate debt securities issued with prepayment option for the bank.

For embedded bought options over floating rate loans (embedded bought floors) where prepayments could occur, the contractual maturity of the loan must be used for valuating the options, ie assumptions on prepayments are not allowed.

Please note that options embedded in monetary policy instruments, such as the central bank deposit facility or funding received from the central bank should also be taken into account.

In case of implied cap and floors, as defined in the Glossary, banks should follow their internal IRRBB approach and policies. For example, if the institution does not foresee to pass through negative rates to clients in the downward IR scenario (2), a 0% floor embedded in retail deposits applied in the baseline IR scenario should be treated as an automatic option and reported in panel G in the row "Embedded sold options".

The economic value of interest rate options is requested in columns I and K to X. It should be calculated by an internally validated pricing model used in a bank's IMS. However, banks may use approximations instead of a full re-valuation to the extent that approximations have reasonable values for the considered interest rate shock scenarios. For computing the economic value under interest rate scenarios with a volatility increased by 25% in columns R to X, the increase in the volatility is to be understood as a *relative* increase (eg an initial volatility of 10% would be increased to 12.5%).

The accounting value of the interest rate options under the baseline interest rate scenario that is reflected in the CET1 is requested in column J and refers to the reporting date.

For embedded options, only if the value of the automatic embedded interest rate options is stripped from the host instruments, banks are required to also include them in the Current accounting value and in the value reflected in capital.

The contribution of the payoff of automatic interest rate options to the one-year NII in case the option is exercised under the baseline interest rate scenario and under the first three interest rate shock scenarios is requested in columns Y to AB. Note that premiums paid (for bought interest rate options) or received (for sold interest rate options) are out of the scope of this panel.

The changes in options valued at fair value under the baseline interest rate scenario and under the first three interest rate shock scenarios should be reported in columns AK to AN excluding the options maturing within the 1 year time horizon. Note that embedded options that are not

accounted at fair value should not be reported here (for example, floors embedded in loans or NMDs under IFRS 9).

Row	Column	Heading	Description
– 247-253, 261	– G	Notional of the option	Refers to the sum of the notional amounts of the underlying by automatic interest rate option types for the appropriate currency. For embedded automatic interest rate options, the nominal value is the outstanding amount of the underlying asset or liability in which an interest rate option is embedded.
247-253, 255-261	H	Current accounting value	Refers to the current value at which the automatic interest rate option is included in the official consolidated financial statements (balance sheet) for the appropriate currency. Apply a negative sign if automatic interest rate options in the appropriate currency are a net liability for the bank.
247-253, 255-261	I	Economic value under baseline interest rate scenario	Refers to economic value of automatic interest rate options under the baseline interest rate scenario at the reporting date of the template as reflected in the market price or following the pricing model of the bank's IMS for the appropriate currency. Apply a negative sign if automatic interest rate options in the appropriate currency together have a net negative economic value for the bank.
247-253, 255-261	J	Value reflected in capital	Part of the accounting value of automatic interest rate options that are reflected in the CET1 for the appropriate currency. Where subject to fair value accounting, this number will typically equate the economic value change of the option during its life, ie it can be given by the difference between the current economic value of the option and the option's value at inception. Apply a negative sign if the value reflected in capital for the appropriate currency is negative.
247-253, 255-261	K–Q	Economic value under IR scenarios (stable volatility)	Total economic value of interest rate options under interest rate shock scenarios 1 to 6 (including 2_unconstrained) as computed according to the pricing models of the bank's IMS for the appropriate currency. A stable volatility must be used for this calculation, what means that the option's volatility for the baseline interest rate scenario shall be also applied for the interest rate shock scenarios. Apply a negative sign if automatic interest rate options in the appropriate currency together have a net negative economic value for the bank.

Row	Column	Heading	Description
247-253, 255-261	R-X	Economic value under IR scenarios and volatility up by 25%	Total economic value of interest rate options under the interest rate curve described in interest rate shock scenarios 1 to 6 (including 2_unconstrained) as computed according to the pricing models of the bank's IMS for the appropriate currency. The volatility used to make the calculations must be 25% higher (in relative terms) than initially. In case the bank only considers the intrinsic value for valuating options, the numbers reported in the columns K-Q would be the same as the numbers reported in the columns R-X. Apply a negative sign if automatic interest rate options in the appropriate currency together have a net negative economic value for the bank.
247-253, 255-261	Y-AB	Contribution of the payoff of the options to the 1 Year NII under interest rate scenarios	Refers to the contribution of the payoff resulting from exercising of interest rate options at their maturity to the NII measure in the following year (12 months) under the baseline interest rate scenario and under the interest rate shock scenarios 1 to 2 (including 2_unconstrained) for the appropriate currency. In case of options related to underlying instruments, the bank will only take into account the payoff resulting from the floorlets and caplets maturing (repricing) within the next 12-month period. Apply a negative sign if the contribution is negative (leading to cash outflows for the bank).
247-253, 255-261	AK-AN	Fair value under interest rate scenarios (without instruments maturity below 1 year)	Refers to the fair value of automatic options under interest rate scenarios (without instruments maturity below 1 year) This amount shall be reported under the baseline interest rate scenario and under the interest rate shock scenarios 1 to 2 (including 2_unconstrained) for the appropriate currency. Apply a negative sign if the fair value is negative for the bank.

## 7.10 Panel H: Basis risk

Banks can have floating rate positions to more than one reference rate within the same currency, as well as to different settings of the same reference rate (e.g. EURIBOR 1m vs EURIBOR 3m). Dislocations between these rates can occur which could lead to significant losses, a risk commonly known as basis risk.

In panel H, banks should provide information about their net notional repricing cash flows exposed to basis risks and give internal estimates of basis risk shock parameters, and impact of basis risk in automatic options. In the context of Panels H1 to H4, instruments exposed to basis risk are floating rate instruments indexed to a reference rate different than the risk free interest rate benchmark of the relevant currency (e.g. RFR Euro or to a lesser extent €STR for EUR currency, for instance).

In panel H1 banks should provide the total notional repricing cash flows of instruments exposed to basis risks with a repricing maturity of less than 1 year for the major currencies. Notional repricing cash flows are defined in subsection V.2.1 on paragraph 102 of the IRRBB BCBS Standards

If instruments in the scope of panel H1 include positions with embedded automatic interest rate options, the optionality (whether sold or bought) should be disregarded (or stripped out) for the purpose of slotting notional repricing cash flows in this panel. The stripped out embedded automatic interest rate options have to be captured under panel H4 of automatic interest rate options.

All incoming and outgoing notional repricing cash flows in panel H1 must be stated with a positive sign. If negative coupons in incoming cash flows result on aggregate in negative numbers in any tenor, negative cash flows should be reported in the outgoing panels to keep the sign convention. Vice versa for negative coupons for outgoing cash flows.

For the notional repricing cash flows in the scope as pointed out above, banks should provide a breakdown according to the different categories of reference rates that may cause basis risk. In particular, for panel H1, notional repricing cash flows should be broken into interbank<sup>32</sup> rates for four repricing terms (1M, 3M, 6M, 12M), policy rates<sup>33</sup> and other rates. Banks shall map this on a best efforts basis.

Row	Column	Heading	Description
269– 274, 281-286	F-K	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency in column B and appropriate reference rate category in columns C and D, where the cash flow represents a long position for the bank.
275– 280, 287-292	F-K	Time bucket intervals (ON: overnight, M: months, Y: years)	Notional repricing cash flows for the appropriate currency in column B and appropriate reference rate in columns C and D, where the cash flow represents a short positions for the bank.

Panel H2 should be used to provide the interest rate shocks used for internal basis risk estimates. Please report the most conservative shock scenarios for each category of reference rates. And if you provide different shock sizes in a given scenario for the different tenors then provide the average over all tenors.

---

<sup>33</sup> Policy rates refer to central bank policy rates.

Row	Column	Heading	Description
272–283	U	Shock size (in percentage points; 100 basis points = 1%) – Tightening	For the appropriate currency, the internal estimate of the shock size (potentially averaged over all tenors) for each reference rate category. Tightening shock.
272–283	V	Shock size(in percentage points; 100 basis points = 1%) – Widening	For the appropriate currency, the internal estimate of the shock size (potentially averaged over all tenors) for each reference rate category. Widening shock.

Panels H3 should be used to provide information on the list of top 5 reference rates for the bank

Row	Column	Heading	Description
272–281	Y	List of top 5 reference rates for the bank	List of top 5 reference rates for the bank different than the risk free interest rate benchmark of the relevant currency (e.g RFR Euro or to a lesser extent €STR for EUR currency).
272–281	Z	Notional amount repricing below 1 year	Notional amount of instruments repricing below 1 year

Panel H4 collects information on automatic optionality for the basis risk scenarios (scenario 7 and 8). In particular, it asks for data on *sold* and *bought* automatic interest rate options, subdivided further into *explicit* and *embedded*. Moreover, data is collected on those bought (explicit and embedded) interest rate options that are used for hedging sold interest rate option.

For the purposes of panel H4, the shocks in scenarios (7) and (8) are provided in the below figure.

Reference rate	Scenario 7 (tightening spread)	Scenario 8 (widening spread)
Interbank 1M basis	-30 bps	+54 bps
Interbank 3M basis	-30 bps	+74 bps
Interbank 6M basis	-30 bps	+86 bps
Interbank 12M basis	-30 bps	+98 bps
Policy rate	-30 bps	+45 bps
Other	-30 bps	+80 bps

Instructions to complete this panel should follow the instructions provided for panel G from the perspective of only capturing the effect that the basis risk shock would have in automatic options subject to basis risk (automatic options linked to floating rate instruments indexed to a reference rate different than the risk free interest rate benchmark of the relevant currency (e.g RFR Euro or to a lesser extent €STR for EUR currency, for instance).

Row	Column	Heading	Description
306-310, 312-316	I	Notional of the option	Refers to the sum of the notional amounts of the underlying by automatic interest rate option types for the appropriate currency. For embedded automatic interest rate options, the nominal value is the outstanding amount of the underlying asset or liability in which an interest rate option is embedded.
306-310, 312-316	J	Current accounting value	Refers to the current value at which the automatic interest rate option is included in the official consolidated financial statements (balance sheet) for the appropriate currency. Apply a negative sign if automatic interest rate options in the appropriate currency are a net liability for the bank.
306-310, 312-316	K	Economic value under baseline interest rate scenario	Refers to economic value of automatic interest rate options under the baseline interest rate scenario at the reporting date of the template as reflected in the market price or following the pricing model of the bank's IMS for the appropriate currency. Apply a negative sign if automatic interest rate options in the appropriate currency together have a net negative economic value for the bank.
306-310, 312-316	L	Value reflected in capital	Part of the accounting value of automatic interest rate options that are reflected in the CET1 for the appropriate currency. Where subject to fair value accounting, this number will typically equate the economic value change of the option during its life, ie it can be given by the difference between the current economic value of the option and the option's value at inception. Apply a negative sign if the value reflected in capital for the appropriate currency is negative.
306-310, 312-316	M-O	Contribution of the payoff of the options to the 1 Year NII under interest rate scenarios	Refers to the contribution of the payoff resulting from exercising of interest rate options at their maturity to the NII measure in the following year (12 months) under the baseline interest rate scenario and under the interest rate shock scenario 7 and 8 for the appropriate currency. In case of options related to underlying loans, the bank will only take into account the payoff resulting from the floorlets and caplets maturing (repricing) within the next 12 month period. Apply a negative sign if the contribution is negative (leading to cash outflows for the bank).

Row	Column	Heading	Description
306-310, 312-316	V-X	Fair value under interest rate scenarios (without instruments maturity below 1 year)	Refers to the fair value under interest rate scenarios (without instruments maturity below 1 year) This amounts shall be reported under the baseline interest rate scenario and under the interest rate shock scenario 7 and 8 for the appropriate currency. Apply a negative sign if the fair value is negative for the bank.

## 7.11 Panel I: Components of EVE and Earnings sensitivities for QIS Approach

Panel I in tab “IRRBB results” enables an overview of the results of the constituent parts which are necessary to calculate the EVE and Earning results based on the QIS approach. Panel I.1 should be completed following the QIS Approach taking into account all the considerations set out in the QIS instructions. The calculations under panel I are not necessary for the two most material currencies, as the EBA will use the input received from the other panels to compute the possible impact of the scenarios.

As further currencies (from the third most important currency onwards) might be required to cover at least 90% of a bank’s total (banking book) consolidated assets or liabilities (see subsection 1.2.3), banks need to calculate the impacts under the QIS approach. The results of this calculation are to be entered under panel I.

Banks should calculate the loss in economic value as well as the loss in economic value for automatic option risk for the six prescribed supervisory shocks, and in addition for the unconstrained parallel down shock.

Banks should also calculate the change in the general NII measure and in the pay-off of the options for a one-year horizon under a constant balance sheet assumption for the first two prescribed supervisory shocks, and in addition for the unconstrained parallel down shock and the basis shock.

For an Earnings view, banks are requested to calculate and report the fair value changes of instruments under scope accounted at fair value excluding instruments maturing within the 1-year time horizon considered for NII for the first two prescribed supervisory shocks, and in addition for the unconstrained parallel down shock and the basis risk shocks.

Row	Column	Heading	Description
9-12	C	Currency	Further currencies to cover at least 90% of a bank’s total consolidated assets or liabilities, in the form of the appropriate ISO three-character designator for that currency

Row	Column	Heading	Description
9-12	D-J	Loss in economic value under interest rate scenarios	Banks must provide the losses in economic value under various interest rate shock scenarios according to the QIS Approach
9-12	K-Q	Loss in economic value for automatic option risk under interest rate scenarios	Banks must provide the losses in economic value for automatic interest rate option risk under the seven interest rate shock scenarios
9-12	R-V	Change in the one year general NII measure under interest rate scenarios	Banks must provide the change in the one-year general NII measure under the five interest rate shock scenarios.
9-12	AG-AK	Change in payoff of the options to the 1 year NII loss measure under interest rate scenarios	Banks must provide the payoff of the options to the one-year NII measure under the five interest rate shock scenarios
9-12	AV-AZ	Fair value changes under interest rate scenarios (without instruments maturity below 1 year)	Banks must provide the fair value changes of the instruments under scope that are accounted for at fair value excluding instruments maturing with the 1-year horizon under the five interest rate shock scenarios

## 7.12 Panel J: Net interest profit (NIP) calculation

NIP is a proxy for expected banking book earnings based on locked-in margins in the near future after adjusting for expenses and costs associated with banking book activities

Panel J asks for data on historical realised profits associated with *banking book* exposures for the years 2018 to 2021.

Row	Column	Heading	Description
27-30	C	Annual NII in the banking book	The realised annual net interest income generated by the banking book. Interest income from assets allocate to the banking book minus interest expense on liabilities allocated to the banking book.
27-30	D	Annual impairments on banking book items	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss (financial assets measured at cost, AFS financial assets, loans and receivables, and held to maturity).



Row	Column	Heading	Description
27–30	F	Annual overhead costs and expenses	Aggregate and slot in the following costs and expenses: Administrative expenses (staff expenses and other administrative expenses) Depreciation (property, plant and equipment; Investment properties; other intangible assets) Provision or (-) reversals of provisions Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates) Impairments or (-) reversal of impairment on non-financial assets Negative goodwill recognised in profit or loss Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates Profit or (-) loss from non-current asset and disposal groups classified as held for sale not qualifying as discontinued operations
27–30	G	Total net operating income	Total net operating income, as defined in the operative accounting standards, including : net interest income, net of commission and fee income as well as expenses, and net gains and losses on financial instruments.
27–30	H	Annual gross income	Gross income defined in paragraph 650 of the Basel II framework for operational risk, which is defined as net interest income plus net non-interest income (as defined by national supervisors and/or national accounting standards). This measure should: (i) be gross of any provisions (eg for unpaid interest); (ii) be gross of operating expenses, including fees paid to outsourcing service providers; (iii) exclude realised profits/losses from the sale of securities in the banking book; and (iv) exclude extraordinary or irregular items as well as income derived from insurance. In contrast to fees paid for services that are outsourced, fees received by banks that provide outsourcing services shall be included in the definition of gross income. Realised profits/losses from securities classified as “held to maturity” and “available for sale”, which typically constitute items of the banking book (under certain accounting standards), are also excluded from the definition of gross income.
27–30	I	Annual gross income from trading	Gross income mapped to activities generating trading income (including fees) in the operational risk framework.
27–30	J	Total assets banking book (end of year)	Total assets assigned to the banking book according to the internal guidelines.

Row	Column	Heading	Description
27–30	K	Total liabilities banking book (end of year)	Total liabilities assigned to the banking book according to the internal guidelines.
27–30	L	Total assets (end of year)	Total assets according to consolidated accounts at end of year.

### 7.13 Panel K: Measures from the internal measurement system (IMS) for IRRBB

This panel asks banks to provide their estimates of the level of *economic value of equity* (EVE) and *net interest income* (NII) under the baseline scenario, aggregated for all currencies considered in the IMS. The level of economic value should also be provided under each of the six regulatory interest rate scenarios and the level of Earnings/NII under the two first regulatory scenarios, the unconstrained downward and the basis risk scenarios.

When computing the EVE and the Earnings/NII levels, banks will follow their own internal assumptions regarding, among other things, the composition of notional repricing cash flows (including or excluding spreads and margins), the bucketing structure (time buckets or tenor points) and currency aggregation.

When calculating the EVE and Earnings/NII level estimates from the IMS, banks should consider three different specifications on the treatment of balance sheet and own equity, namely:

1. Level of EVE and Earnings/NII under a constant balance sheet as defined in the Glossary, prohibition of incorporating own equity: Regarding Earnings risk metric, three kind of measures are requested:
  - a. Level of Net Interest Income;
  - b. Level of Net Interest Income along with Fair value instruments;
  - c. Level of Net Interest Income along with Fair value and fees and commissions that are attributable for interest rate changes: only when banks are managing IRRBB taking into account fees and commissions for calculating the Earnings risk metric;
2. Level of EV allowance for incorporating own equity: only when banks are managing IRRBB including own equity.
3. Level of NII under a dynamic balance sheet assumption, as defined in the Glossary: only when banks have developed NII risk metrics applying a dynamic balance sheet assumption and use these metrics for IRRBB management.

Assumption of a *constant balance sheet* means the following:

- For the computation of the EVE level, a run-off profile is used.
- For the computation of the NII level, a constant balance sheet means all instruments maturing or repricing will be again originated at the same conditions as the maturing instruments with

regards to the currency, amount and repricing period. However, the new exposures will be repriced at a new yield curve prevailing either in the baseline interest rate scenario or in one of the interest rate shock scenarios given the margin of new productions at the reporting date. The customer behaviour does not change under different interest rate shock scenarios.

Assumption of a *dynamic balance sheet* solely concerns the Earnings and means that banks will take new production and changes in customer behaviour according to current internal practices in different interest rate shock scenarios into account. Moreover, banks can modify the repricing balance sheet structure of those instruments replacing maturing instruments during the risk horizon of the NII according to their corporate plans.

Incorporating its *own equity* means that banks may consider in their EV level estimation the amount of equity that is funding a part of the assets in the banking book. For that, the bank needs to assume a repricing maturity for its own equity. An alternative way of incorporating a bank's own equity is to exclude assets in the amount funded by the equity.

Where assumptions state that banks shall assume a dynamic balance sheet or that they are allowed to incorporate their own equity, they will do so only in cases where they already incorporate a dynamic balance sheet and/or their own equity (specification 2 and/or 3) into their IMS. Consequently, only columns D and E are mandatory in this panel.

Data as of the reporting date shall be used for calculating the EV(E) and the Earnings level. Note that in this panel only the levels of EVE and NII are requested, and not the changes that might be induced by interest rate shock scenarios. The NII level shall be given for the period 31 December 2021 to 30 December 2022. Positive value estimates of the EVE and NII level under each interest rate shock scenario must be reported with a positive sign, whereas negative value estimates are to be reported with a negative sign.

Panel K asks for results under banks' IMS under the three specifications.

Row	Column	Heading	Description
6, 7, 10, 11, 14, 15, 18, 19, 22-26, 29	D	Constant balance sheet, no own equity – EVE/NII	For the appropriate scenario, EVE and NII level estimates under rule of under own currency aggregation criterion considered in the IMS. The NII estimate shall be given for the subsequent year. The NII should include negative interest rates on customers' accounts.
7, 11, 15, 19, 26, 29	E	Constant balance sheet, no own equity - NII incl. Fair value	For the appropriate scenario, NII and fair value level estimates under own currency aggregation criterion considered in the IMS. The Earnings estimate shall be given for the subsequent year. The fair value refers to the annual change of the market value of banking book instruments accounted at fair value. <sup>34</sup>

<sup>34</sup> Also see in the glossary the entry on fair value in hedges.

Row	Column	Heading	Description
7, 11, 15, 19, 26, 29	F	Constant balance sheet, no own equity - NII incl. Fair value and Fees/commission that are attributable to IR changes	For the appropriate scenario, NII, fees/commissions and fair value level estimates under own currency aggregation criterion considered in the IMS. The Earnings estimate shall be given for the subsequent year.
6, 10, 14, 18, 22-25	G	Constant balance sheet, own equity	EVE level estimates under own currency aggregation criterion considered in the IMS considered in the IMS under the baseline scenario and under each interest rate shock scenario
7, 11, 15, 19, 26, 29	H	Dynamic balance sheet, no own equity - NII incl. Fair value	For the appropriate scenario, NII level estimates under own currency aggregation criterion considered in the IMS. The Earnings estimate shall be given for the subsequent year.

## 7.14 Panel L: Credit spread risk in the banking book (CSRBB)

Panel L should be completed based on the current monitoring of exposures by institutions.

Panel L aims at collecting data to highlight the ongoing works engaged by the European Banking Authority (EBA) to comply with the mandate received from Capital Requirement Directive (EU) 2019/876, Art. 84(6)(c) on the identification of credit spread risk in the banking book (CSRBB), the assessment and monitoring of relative exposures under Pillar II requirement.

Banking Book exposures are presumptively considered in the panel, while Trading Book exposures are excluded. Small trading book positions (i.e. covered by Article 94 CRR) should also be included.

Credit derivatives to be reported include nth-to-default credit derivatives and credit derivatives where the underlying untranching exposures are a basket of reference names.

The issuer's sector (sovereign, financial, corporate or other) should be used to make the classifications for debt security exposures.

Banks are invited to report the exposures under the fair value accounting approach or under the amortized cost accounting approach, considering their current applicable accounting standard (IFRS GAAP or national GAAP).

Non-performing exposures should be excluded from the data reported under Panel L.

For the purpose of reporting Securities Financing Transactions (SFTs):

- i. for repos, the collateral leg will be reported in the row dedicated to "debt securities", "securitisations", etc.;
- ii. for reverse-repos, the cash leg will be captured in the row dedicated to "loans".

Column	Heading	Description
F - I	fair value accounting	Amounts to fair value accounting, under the current applicable accounting standard of the institution.
J - M	amortised cost accounting	Amounts to amortised cost accounting, under the current applicable accounting standard of the institution.
F; J	Exposure amount	Amount of the exposure as considered in the Balance sheet of the institution, considered as of 31 <sup>st</sup> December 2020, under the applicable accounting methodology and standard (IFRS GAAP or national GAAP). Amounts should be reported on a gross basis, not considering provisions, depreciations or credit risk mitigation (CRM) techniques. Exposures should not be weighted under any risk assessment framework. For off-balance sheet commitments (i.e. credit facility, liquidity facility and similar transactions), no Credit Conversion Factor (CCF) should apply to the reported exposure amount.
G; K	of which: pricing is based on "direct market observation"	Share of the "Exposure amount". Instruments whose pricing is based on "direct market observation" (i.e. instruments that can be priced using quoted prices, or quoted prices of financial instruments with similar characteristics (yield curve, notch) generally corresponding to Level 1 (mark-to-market), Level 2 (markto-model)).
H; L	of which: pricing is not based on "direct market observation"	Share of the "Exposure amount". Instruments whose pricing is not based on "direct market observation" (i.e. instruments that can be priced using pricing models or discounted cash flows generally corresponding to Level 1 (mark-to-market), Level 2 (markto-model)).
I; M	Percentage of sales (%)	Weighted average sold volumes of the portfolio in the last 3 years, considering the yearly sold volume vs. the yearly start of year exposure. This is the sum of sold volumes in the last 3 years divided by the sum of the starting balances in these years. Institutions should report values in percentage terms (between 0 and 100).

Column	Heading	Description
N,O	Sensitivity to a 1 basis point increase (CS01)	Institutions should report the impact of a 1 basis point parallel upward shift of the credit spread curve on the present value of the respective exposures.
P	Banks' internal assessment of the degree of exposure towards CSRBB (%)	Institutions should indicate whether (i.e. what percentage : between 0% and 100%) they consider items as CSR relevant, from a qualitative point of view

Row	Heading	Description
38	Loans	Report secured and unsecured loans.
39; 49	Debt securities	Report held securities.
40	Of which, sovereign	Report the share of "debt securities" issued by sovereign counterparties
41	Of which, financial (incl. central banks)	Report the share of "debt securities" issued by financial counterparties (including central banks)
42	Of which, corporate	Report the share of "debt securities" issued by corporate counterparties
43; 50	Covered bonds	Report Covered Bonds (CB).
44; 51	Securitisation exposures	Report Asset Back-Securities (ABS) and other securitisations.
45; 52	Credit derivatives	Report the gross position (not considering netting set compensation agreement) of credit derivatives.
46; 53	Other derivatives	Report the gross position (not considering netting set compensation agreement) of derivatives other than credit derivatives.
47	Other assets	Report other asset exposures presumptively sensitive to CSRBB risk and specify in the qualitative questionnaire how you proceeded in your analyse.
54	Other liabilities	Report other liability exposures presumptively sensitive to CSRBB risk and specify in the qualitative questionnaire how you proceeded in your analyse.

## 7.15 IRRBB-specific Glossary

Glossary A-Z	Definition / description of concept
<b>Automatic optionality</b>	<p>Refers to interest rate options whose exercise is purely driven by interest rate (financial factors) that holders will, in case it is beneficial for them, almost certainly exercise.</p> <p>The optionality can be either “explicit”, arising from interest rate option products in the non-trading book (i.e. interest rate floors, caps, swaptions, etc.), or “embedded”, arising from optionality embedded in non-trading book instruments (i.e. contractual de facto floors or legal floors in retail deposits or mortgages).</p>
<b>Prepayment risk</b>	<p>Risk arising from loans with a contractual maturity term or with step-up clauses that enable the borrower at different time periods to modify the speed and level of prepayment</p>
<b>Early redemption risk</b>	<p>Risk arising from term deposits with a contractual maturity term or with step-up clauses that enable the depositor at different time periods to modify the speed of redemption</p>
<b>Fair value in hedges</b>	<p>the instruments that should be considered as fair value include:</p> <ul style="list-style-type: none"> <li>i. Banking book assets and liabilities accounted at fair value through other comprehensive income and accounted at fair value through profit and loss.</li> <li>ii. Interest rate derivatives designed as fair value and cash flow hedges hedging items valued at fair value (point i.).. and forecast transactions (e.g. interest rate forward)</li> <li>iii. Interest rate derivatives designed as fair value hedges hedging amortized cost items. For this purpose, hedged items should also be taking into account.</li> <li>iv. The ineffective part of interest rate derivatives treated as cash flows value hedges hedging amortized cost items still being the underlying risk interest rate risk (e.g. hedging derivative notional is greater than hedged item remaining balance).</li> <li>v. Interest rate derivatives not designated as accounted hedges (including economic hedges).</li> </ul>
<b>Option risk</b>	<p>Option risk covers the risk raised by automatic optionality and behavioural optionality.</p>
<b>Behavioural optionality</b>	<p>The optionality is arising from clients’ behaviour. Behavioural options’ exercise can be driven by changes in interest rates, or by personal choices not necessarily financially rational and circumstances (moving out, divorce, etc.). It refers to optionality typically embedded in instruments such as mortgages, current accounts, savings and deposit accounts, where the customer has the flexibility to alter the contractual cash-flows, even if there are penalty fees (i.e. loan prepayments, loan drawdowns, deposit withdrawal, etc.)</p>

<b>Retail deposit</b>	A liability to a natural person or to an SME, where the natural person or the SME would qualify for the retail exposure class under the Standardised or IRB approaches for credit risk, or a liability to a company which is eligible for the treatment set out in Article 153(4) CRR and where the aggregate deposits by all such enterprises on a group basis do not exceed EUR 1 million.
<b>Retail deposits held in a transactional account</b>	Retail deposits should be considered as held in a transactional account when regular transactions are carried out in that account (eg when salaries are regularly credited) or when the deposit is non-interest bearing even in high interest rate environment.
<b>Stable vs non-stable deposits</b>	Non-Maturity Deposits (NMDs) balance are separated into a stable and non-stable part. The stable NMD portion is the portion that is found to remain undrawn with a high degree of likelihood.
<b>Core vs non-core deposits</b>	Core deposits are the proportion of stable NMDs that do not reprice or which have a limited elasticity to interest rate changes that could be modelled by banks (i.e. deposits that are stable and unlikely to reprice even under significant changes in interest rate environment). Non-core deposits are identified as the remainder of the NMDs that are not core.
<b>Earnings view</b>	Measures the changes in expected future profitability within a given time horizon resulting from interest rate movements. Refers to the combined effect – as a minimum – of NII (meaning the interest income minus interest expenses generated by all non-trading book interest rate sensitive instruments – on and off balance sheet) plus the effect of the market value changes of instruments at fair value (cf EBA GL 2018) – depending on accounting treatment – either shown in the profit and loss account or directly in equity (e.g. via other comprehensive income). Earnings view covers a short to medium term time horizon, and encompasses both the increase / reduction in earnings and capital resulting from interest rate moves.
<b>Economic value (EV) view</b>	Measures the changes in the net present value of the non-trading book interest rate sensitive instruments over their remaining maturity – resulting from interest rate movements (long term time horizon), i.e. until all positions have completely run off.
<b>Embedded gains/losses</b>	Embedded gains and losses refer to the difference between the current balance sheet carrying value (i.e. the book value) and the fair value amount of balance sheet items.
<b>Interest rate sensitive instrument</b>	Financial products (assets, liabilities and off-balance sheet items), in the non-trading book, excluding assets deducted from CET1 capital, e.g. real estate or intangible assets or equity exposures in the non-trading book. As an example, interest rate changes can alter financial products' level and timing of contractual cash flows by altering the level of interest they pay/receive, by modifying their duration/amortisation profile, etc.
<b>IRRBB risk measure(s)</b>	Refers to a set of indicators measuring the potential changes in future profitability as a result of adverse interest rate movements, on long-term (EV) and on short-term (NII/Earnings) – which are used by institutions as part of their day to day ALM and ICAAP (including determining their capital needs resulting from IRRBB)



<b>IRRBB risk</b>	The current or prospective risk to both the bank's capital and earnings arising from adverse movements in risk-free interest rates, which affect the bank's banking book exposures.
<b>Gap risk</b>	Risk resulting from the term structure of interest rate sensitive instruments that arises from differences in the timing of their rate changes, covering changes to the term structure of interest rates occurring consistently across the yield curve (parallel risk) or differentially by period (non-parallel risk).
<b>Conditional cash flow modelling</b>	Cash flow modelling under the assumption that the timing and amount of cash flows is dependent on the specific interest rate scenario.
<b>Unconditional cash flow modelling</b>	Cash flow modelling under the assumption that the timing and amount of cash flows is independent of the specific interest rate scenario.
<b>Run-off balance sheet</b>	A balance sheet where existing positions mature and are not replaced.
<b>Dynamic balance sheet</b>	A balance sheet incorporating future business expectations, adjusted for the relevant scenario in a consistent manner.
<b>Constant balance sheet</b>	In accordance with the IRRBB EBA GL, a balance sheet including off-balance-sheet items in which the total size and composition are maintained by replacing maturing or repricing cash flows with new cash flows that have identical features with regard to the currency, amount and repricing period.
<b>Commercial margin</b>	Commercial margins and other spreads can be specific add-ons to the risk free rate or built into an administered rate (a rate set by and under the absolute control of the bank).
<b>Basis risk</b>	(Reference rate) basis risk describes the risk arising from the fact that different items, or products, on a bank's balance sheet, even if perfectly matched in terms of re-pricing maturity, may nevertheless still re-price differently because they are explicitly or implicitly linked to different external rate indexes (e.g. Prime rate assets hedged with Euribor based liabilities).
<b>Credit spread risk from non-trading book activities (CSRBB)</b>	In accordance with the IRRBB EBA GL (para 7) the risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of credit-risky instruments inducing fluctuations in the price of credit risk, liquidity premium and other potential components, which is not explained by IRRBB or by expected credit/(jump-to-) default risk. This definition does not presume the future amendments that could be considered in the future Guidelines on CSRBB.
<b>Pass-through rate</b>	Pass-through rate refers to the proportion of a market interest rate change that the bank will pass onto its customers in order to maintain the same level of stable deposit balances. Equivalently, it represents the proportion of stable deposits that reprice due to the market rate change.
<b>QIS approach</b>	Approach developed in order to fulfil the QIS template and only for QIS purposes
<b>Unconstrained internal estimates</b>	Institutions' approach in order to internally manage IRRBB without any constraint set out in the Standards, Guidelines or in the regulation for IRRBB.

<b>Reference term (RT)</b>	<p>The reference term (or RT) is the maturity that is relevant for determining the applicable interest rate once an instrument reprices.</p> <p>Fixed instruments: For fixed instruments the concept “reference term” is the same as the concept “original maturity” For example, for a fixed loan repricing in 6 months with an original maturity of 5 years, the reference term will be 5 years.</p> <p>Floating instruments: For floating instruments, the concept “reference term” is the relevant tenor of the reference rate. For example, for a floating loan repricing every 6 months at 12M EURIBOR the reference term will be 12M. Similarly, for a floating loan repricing every 12 months at 3M EURIBOR the reference term will be 3 months.</p>
<b>Non-performing exposures</b>	As defined in Annex V of Regulation (EU) 680/2014
<b>Fixed rate loan commitments</b>	It is a loan for which an institution committed to an agreed fixed rate; however for a limited period, the customer has the right to choose the draw down date.
<b>Other items subject to behavioural risk</b>	Any interest rate sensitive instruments in the non-trading book for which the customer has an option, which, if exercised, will alter the level and / or the timing of the instrument’s cash flows. The customer’s choice to exercise the option is likely to be influenced by circumstantial drivers, e.g. changes in interest rates, and structural drivers linked to personal choices and circumstances (divorce, death, moving out, employment changes, etc.).
<b>Contractual interest rates caps and floors</b>	A binding contractual provision that indicates the upper (lower) limits of interest rate that can be charged on an outstanding nominal amount.
<b>Legal interest rate caps and floors</b>	A legally binding upper (lower) limits of interest rate that can be charged on an outstanding nominal amount dictated or imposed (for example, after loan origination) by national regulatory or legal arrangements or special practices. These can include national conventions, institutional arrangements and specific deposit or lending products offered at national level.
<b>Implied interest rate caps and floors</b>	An upper (lower) limit of interest rate that can be charged on an outstanding nominal amount that is ‘implied’ or otherwise determined by e.g. expert judgement, banks or industry practices. Such caps or floors are not stipulated by a contract or otherwise dictated (cf definitions of Contractual and Legal interest rate caps and floors).