

INTRODUCTION

The present explanatory notes to the templates which comprise the COmmon REPorting of the solvency ratio by credit institutions (COREP), provide a comprehensive view of the content of each template. The structure of the notes is the following. First, the purpose and the scope of each template are provided together with a detailed explanation of the contents per columns and rows. Second, the interrelations among the different templates are carefully described in order to provide the overall picture of COREP.

The information contained in the explanatory notes should be complemented with the legal references and the comments attached to the templates as published on the CEBS website on 26 January 2005, where more detailed explanations on each concept or an appropriate legal reference are provided. The legal references point to the article or annex either of Directive 2000/12/EC re-cast or Directive 93/6/EEC re-cast¹ deemed to be more informative on the content of each item but this does not preclude the taking into account of other parts of both Directives. Additionally, some relations between the different columns in the templates can be found in the calculation formulae included in the corresponding labels.

The COREP framework can be applied for the solvency reporting on a *solo*, *sub consolidated* or *consolidated basis*, taking into account that some items should be left blank if they do not apply (see the explanatory notes to the CA template below).

CA - Capital Adequacy Summary

This template provides detailed information on the composition and calculation process of banks' own funds. A distinction between capital amounts eligible for the inclusion in Original Own Funds (Tier I), Additional Own Funds (Tier II) and Own Funds specific to cover Market Risk (Tier III) is required. The template also takes into account the deductions to the respective classes of own funds as well as the effects of national or international accounting standards. It also contains summarized information on Pillar 1 capital requirements, Pillar 2 extra capital requirements and certain memorandum items (the latter consisting in data on surplus/deficit of regulatory own funds, on the solvency ratio and on internal assessment of capital and the corresponding surplus/deficit).

A) CONTENTS

Scope of the template: The template is applicable to all institutions regardless whether they report on a solo or on a consolidated basis and irrespective of the accounting standards followed. Rows which do not apply either to the level of consolidation or the accounting standard used (national or international) are to be left empty by the reporting bank.

By columns: the legal references for the items listed by rows and additional guidance for the calculation process are provided.

By rows:

- **Detailed information on the composition of banks' own funds (rows 1 to 107):**

Rows 1 to 33 contain the positions which make up Original Own Funds (Tier I). It is important to note that some rows are only applicable to banks reporting on a consolidated basis, for example rows 11 to 14. While row 25 specifically refers to national accounting standards, rows 21 to 24 deal with the so called "prudential filters" in order to eliminate the effects of certain valuation rules of IAS-type accounting standards from Original Own Funds. Countries which have introduced limits for the inclusion of

¹ Both Directives are mentioned as already re-cast Directives although their approval is still pending

innovative capital instruments on a national basis may use rows 27 to 30 to reflect these limits in their reporting requirements.

Rows 35 to 67 list the items eligible for inclusion in Additional Own Funds, including deductions. This category is subdivided between Core Additional Own Funds (Upper Tier II) and Supplementary Additional Own Funds (Lower Tier II), the latter being included into Own Funds only up to 50% of the amount of Original Own Funds. Again, there are rows which only have to be filled in if a certain accounting standard is followed (rows 36 and 37). Moreover, banks using the Internal Ratings Based Approach for the calculation of their risk weighted assets have to fill in rows 40 and 43.

Rows 69 to 81 contain the deductions to be made from Original and Additional Own Funds. As a subtotal, row 76 shows the amount of capital which is relevant for the calculation of the large exposure limits and the limit for qualifying participating interest in non-financial institutions, while row 82 shows the capital amount available to back a bank's risk weighted assets.

The deductions in rows 78 and 79 are shown to make clear that these amounts are only deducted after total own funds (see line 76) calculation, as otherwise they would interfere with large exposure rules and limits on qualified participating interest in non financial institutions.

For the coverage of banks' market risk positions, eligible Own Funds specific to cover Market Risk (Tier III) are calculated in rows 83 to 92.

Row 93 shows the Own Funds available to a bank to cover its risk weighted assets and its market risk positions.

Additionally, there are some memorandum items in rows 94 to 107 of which the most important one is the calculation of the provisions excess or shortfall *versus* the expected loss under the Internal Ratings based Approach.

- **Pillar 1 and pillar 2 capital requirements (rows 108 to 171)**

The first sub-block of information relates to Pillar 1 capital requirements (rows 108-151) and summarises the capital requirements for credit, market and operational risks computed through other templates of the reporting framework (see relations in point B).

Concerning credit risk, the respective capital requirements are, firstly, broken down by the relevant approach (Standardised and IRB) and, secondly, by exposure classes (for the Standardised Approach the relevant exposures classes are identified in rows 111-117; for the IRB approaches such classes are identified in rows 119-122 and 124-129). For the purpose of this reporting framework, exposure classes are based on the seven classes foreseen under the IRB approach in article 86, paragraph 1 of the re-casting Directive 2000/12/EC.

Regarding market risk, capital requirements are also broken down by the relevant approaches (Standardised and Internal Models). Additionally, institutions should report the capital requirements for trading book positions exceeding large exposure limits (row 142) and for trading book settlement risk (row 143).

Relating operational risk, data on capital requirements is broken down by the relevant approaches used (BIA, STA, ASA and AMA).

The second sub-block relates to Pillar 2 extra capital requirements (row 152). In this row institutions should report the amount of additional own funds imposed by competent authorities in application of the measure foreseen in article 136, paragraph 1, letter (a) of the re-casting Directive 2000/12/EC.

Under the third sub-block (rows 153-171), the surplus/deficit of regulatory own funds and the solvency ratio are computed and, additionally, institutions should report their internal assessment of capital needs broken down by the various categories of risk.

B) RELATIONS WITH OTHER TEMPLATES

Data from the CA IAS template, which show details on the application of the so called "prudential filters", is required to fill in rows 21 to 24 and row 37. Banks using IAS-type accounting standards as a basis for their supervisory reports are required to apply these filters, in the terms established by their competent authorities, in order to take account of the effects of certain valuation rules.

The details on the capital requirements for the different risks and approaches can be found in the corresponding detailed templates.

C) CROSS RELATIONSHIPS

Internal Relationships

- In order to allow for an easy calculation of own funds, the different steps of the calculation process are given in column two of the template where necessary. In the same vein, the computation formulae of the overall capital requirements (Pillar 1) and some memorandum items in this template are also given in column two, where necessary.

Relationships with other templates

SA:

- See explanatory notes for the SA template.

IRB:

- The amount of eligible IRB provision excess (row 43) can be calculated by the difference between the total of columns 13 and 14 of the IRB template for the total exposures under the FIRB/AIRB approach. The positive difference between the columns mentioned may be included into a bank's Additional Own Funds up to 0,6 % of the bank's risk weighted assets calculated under the IRB approach which can also be found in the total of column 10 of the IRB template for Total exposures under the FIRB/AIRB approach. If the result of the calculation explained above is negative, the full amount of the provision shortfall has to be deducted from Own Funds and reported in row 79.
- For other relations see explanatory notes for the IRB template.

IRB EQU1, IRB EQU2, IRB EQU3, SA SEC 1, SA SEC2, IRB SEC 1, IRB SEC 2 MKR-IM, OPR:

- See explanatory notes for those templates.

FIRB CRM:

- For the exposure class "other non-credit obligation assets", the capital requirement (item 128) is the exposure value (column 19 of the FIRB CRM template) of that exposure class times 0.08 when the "Total" exposure type is considered.

CA IAS - IMPACT OF IAS-TYPE VALUATION RULES ON OWN FUNDS AND REGULATORY ADJUSTMENTS

This template contains information on the application by supervisors of some regulatory adjustments (prudential filters) for regulatory capital as proposed by the CEBS. The objective of these filters is to counterbalance what are considered as undesirable effects of the new International Financial Reporting Standards (IFRS) rules and other similar local rules on the quality of regulatory capital.

A) CONTENTS

Scope of the template: The template is devised to be filled in by those banks subject to prudential filters. This may be the case not only when they are subject to the IFRS rules, but also when, for consistency purposes, national authorities consider the need to apply those prudential filters to the institutions following national GAAP to the extent they are similar to the IFRS.

By columns, the impact categories detail the different filters considered by CEBS. To this end and taking into account that the rules may be different for net unrealised gains and losses, a distinction between both impacts has been included for each filter. No specific definition of the term "net" has been stated. All these features should allow the template to deal with a wide range of different options in order to accomplish further changes and variations with respect to the current guidelines issued by CEBS. Accordingly, the prudential filters considered are those applied to: (i) the revaluation reserves on available for sale assets, including the impact of the related cash flow hedges, with a breakdown by those asset categories whose filters may follow different patterns (equities, loans and receivables, and other); (ii) the revaluation reserves from fair valuing the property plant and equipment, on the one hand, and the investment property, on the other hand; (iii) the impacts of the use of the fair value option on financial instruments that should be disclosed by institutions to their supervisors and that are potentially subject to prudential filters, being split into assets and liabilities subject and not subject to the institutions' own credit risk; and (iv) the revaluation reserves from fair valuing the cash flow hedges other than those on available for sale assets.

The last column shows, for each row, the difference between the aggregated amounts under the net gains labels and the aggregated amounts under the net losses labels. This difference may be positive or negative for any row.

By rows, it is possible to distinguish two main groups: a first one related to the main relevant components of original own funds and a second group regarding the amounts that, for regulatory purposes, are transferred to additional own funds from the elements included in the first group. Within the first group three main relevant categories have been distinguished: eligible reserves (with a further distinction between reserves and minority interest), profit and losses brought forward as a result of the application of the final profit or loss, and interim profits or material losses.

For all the relevant categories (and sub-categories) of the first group an identical structure with three rows has been followed. The first row shows the IAS-type accounting effects/impacts that, as a result of the IFRS accounting rules, are included in the respective component of the original own funds listed in the CA template. All the figures included in the first row are positive or zero, with the exception of the last column where any sign is possible. The second row, the adjustments, provides the key information on the results of the application of the prudential filters. Anytime the filters are effective the adjustments will be negative (-) to show the amounts that are removed, being transferred or not to the additional own funds. Nonetheless, the total net adjustments to any component of the original own funds (last column) may be, as usual, positive or negative. When the net total adjustment is positive it means that, under special circumstances, the original own funds increase after the application of the prudential filters, while the opposite, that may be the normal case, occurs when the net total adjustment is negative. The third row shows the amounts kept in the original own funds. These remaining impacts may be positive or zero with the exception of the last column that may also be negative. Positive figures in this third row mean that the filter has only a partial effect on the original own funds.

In the case of the second group, the amounts transferred to additional own funds from the elements included in the original own funds, all the figures are positive or zero with the exception of the last column where it may be negative under special circumstances.

B) RELATIONS WITH OTHER TEMPLATES

The components of the original own funds listed in the CA template may include the impact of the IAS-type valuation rules subject to prudential filters. In order to take account of the adjustments due to the prudential filters three adjustments to the original own funds in the CA template are directly linked to total net adjustments in this template. A fourth global adjustment in the CA template, now applicable to the additional own funds, is also directly linked to a total net adjustment.

C) CROSS RELATIONSHIPS

Internal Relationships

- **By rows**, the figures in column "total net" are the difference (positive or negative) between, on the one hand, the aggregation of the net gains amounts and, on the other hand, the aggregation of the net losses amounts.
- **By columns**, within the first group of rows (numbered 1 to 3), for each structure of the relevant categories and sub-categories the amounts in the third rows are the result of the aggregation of the amounts in the previous two rows with their correspondent sign ($\text{row.3} = \text{row.1} + \text{row.2}$). Part of the adjustments made to the original own funds may be transferred to additional own funds. These amounts are shown in the second group of rows, should be equal to or lower than the respective total adjustments to the original own funds and are aggregated in just one row ($4 = 4.1+4.2+4.3$) to be linked to the CA template.

Relationships with other templates

The following relationships are applicable

CA:

- Figure in row 1.2 and column Total Net (G-L) of CA IAS is equal to the figure in row 22 of the CA template
- Figure in row 2.2 and column Total Net (G-L) of CA IAS is equal to the figure in row 23 of the CA template
- Figure in row 3.2 and column Total Net (G-L) of CA IAS is equal to the figure in row 24 of the CA template
- Figure in row 4 and column Total Net (G-L) of CA IAS is equal to the figure in row 37 of the CA template

SA - STANDARDIZED APPROACH: CAPITAL REQUIREMENTS

This template contains information on the calculation process of the Pillar 1 credit risk capital requirements under the standardized approach and detailed information of the distribution of exposures per risk weights. The effect of credit conversion factors on off balance sheet exposures is also detailed.

A) CONTENTS

Scope of the template: This template can be applied to all exposure classes and sub-classes under the Standardized approach. For exposure types, information can be provided at an aggregated level or by the different exposure types. See legal references & comments for more details on the available exposure classes and exposure types.

By columns, the most relevant information as to the exposures requested in the SA CRM template is broken down in this template per risk weights in order to have information on the overall impact of provisions and CRM techniques per risk weight and assess the inherent quality of the portfolio.

Information on the effects of value adjustments and provisions on the "original credit & counterparty risk exposure pre credit conversion factor" is provided in columns 2 and 3.

The full impact of credit risk mitigation techniques is taken into account in column 4 (fully adjusted exposure value).

After applying the CRM techniques, the appropriate credit conversion factor must be applied to the fully adjusted exposure value for off-balance sheet items. A breakdown of the adjusted exposure by CCF for off balance sheet exposures is provided in the columns 5, 6, 7 and 8.

Column 9 contains the amount of the "Exposure value" subject to capital requirements.

The "risk weighted exposure amount" (column 10) results from multiplying the corresponding risk weight (information provided by rows) by the exposure value (provided in column 9).

In order to have the capital requirements (column 11), the amount in the column 10 is multiplied by the required minimum capital ratio.

Regarding memorandum items, the "IAS related adjustments to the exposure value" includes any adjustment already included in the "original credit & counterparty risk exposure pre credit conversion factor" made in order to mirror the impact on the exposure value of the prudential filters treatment on own funds, as stated in the CEBS press release of 21st of December. The "number of obligors" included in each risk weight provides information on the concentration of exposures in the different risk categories.

By rows, the template provides a breakdown of the information according to the different risk weights relevant for the SA.

A further breakdown is also provided for some types of exposures (e.g. past due, unrated exposures, exposures secured by commercial or residential real estate), within the appropriate risk weight classes (i.e. 50%, 100% or 150%) because they have a specific treatment in the Directive. The last row contains items which have specific risk weights defined according to national discretions.

B) RELATIONS WITH OTHER TEMPLATES

The SA template gives some details on the computation of the SA capital requirement for credit risk included in the CA template.

The detailed analysis of the impact of credit risk mitigation (CRM) technique on the capital requirements under the standardized approach is provided in the SA CRM template

C) CROSS RELATIONSHIPS

Some cross checks (not included below) are already included in the calculation formulae embedded in the labels of some columns.

Internal Relationships

- The values of column 10 "risk weighted exposure amount" must be equal to the column 9 "exposure value" multiplied by the risk weight of the corresponding row.
- For all columns the initial "Total" row is computed as the sum of all risk weight categories.
- The exposure class total is equal to the sum of all the exposure sub-classes included in it: e.g. the exposure class "Central Government and Central Banks"

must be the sum of the two sub-classes "Regional Governments and Local Authorities" and "Other Central Government and Central Banks (not included above)".

Relationships with other templates

The following relationships are applicable for each specific combination of exposure classes and exposure types (an example is provided for the CA template).

CA:

The amount of the first row ("total") and column 11 ("capital requirements") for the exposure classes: "Total exposures under the Standardized approach", "central governments and central banks", "Institutions", "corporate", "retail", "equity" and "other items", will match respectively with the amount reported in the items 110, 111, 112, 113, 114, 115, 116 of CA template.

SA CRM:

The SA CRM template will match the correspondent total amounts (first row) under the same column in the SA template:

- "Original credit & counterparty risk exposure pre credit conversion factor".
- "Value adjustments and provisions associated with the original exposure".
- "Exposure net of value adjustments and provisions".
- "Fully adjusted exposure value".
- "Exposure Value".

IRB - IRB APPROACH CAPITAL REQUIREMENTS

This template contains information on the input parameters necessary for the calculation of the capital requirements for credit and counterparty risk under the Internal Ratings Based approach and the final capital charges (including a specific item for dilution risk for purchased receivables). Additionally, information on the expected loss amounts and value adjustments and provisions is provided for the excess/ shortfall computation.

A) CONTENTS

Scope of the template: This template can be applied to all exposure classes and sub-classes under both the Advanced and Foundation IRB approaches but specialized lending treated under the slotting criteria which are reported in a specific template (IRB SLOTT). For exposure types, information can be provided at an aggregated level or by the different exposure types.

By columns, the first block of information of this template provides information on the "internal rating system": obligors classified according to their average PD ordered in a descending order by credit worthiness and the associated PD ranges and PD averages. In order to have information on the overall impact of the CRM techniques per obligor grade levels and assess the inherent quality of the portfolio, the most relevant information as to the exposures requested in the FIRB CRM and/or AIRB CRM templates is broken down in this template per obligor grades.

Once the exposure value is distributed in the different obligor grades, aggregated information is required on the other parameters that are taken into account for the capital requirements: "exposure weighted average LGD*" and the "exposure weighted average maturity value". For exposures in default, provisions in Annex 7, part 4, paragraph 79 about LGD estimates should be taken into account.

In columns 10 and 11 the final risk weighted exposure amounts and capital requirements can be found.

Memorandum items include information on the expected loss amount and the amounts of value adjustments and provisions necessary for the excess/shortfall computation. The "IAS related adjustments to the exposure value" includes any adjustment already included in the "original credit & counterparty risk exposure pre credit conversion factor" made in order to mirror the impact on the exposure value of the prudential filters treatment on own funds, as stated in the CEBS press release of 21st of December. The "number of obligors" included in each obligor grade provides information on the granularity or concentration of exposures in the different obligor grades.

By rows, the template provides a breakdown of the information according to the different obligor grades. According to Annex 7, part 2, paragraph 4 of Directive 2000/12/EC re-cast, the PD of obligors in default shall be 100%. No upper limit to the number of obligor grades is imposed (the 25 figure is just for presentation). The last but one row includes information on the exposures treated under the alternative treatment for real estate collateral (based on a risk weight approach and not on PD/LGD).

Shadowed cells in the exposures treated under the alternative treatment for real estate collateral reflects the nature of this method based on a risk weight and not on PD/LGD.

B) RELATIONS WITH OTHER TEMPLATES

The calculation process of the "original Credit & counterparty risk exposure pre credit conversion factor", "exposure after netting and CRM redistribution effect" and the "exposure value" at the "total" row level can be found in the FIRB CRM and AIRB CRM templates.

The information about the "expected loss" and the "value adjustments and provisions" will feed the computation of the provisions' excess or shortfall in the CA template.

The information about the total capital requirements is to be summarized in the CA template.

C) CROSS RELATIONSHIPS

Internal Relationships

- The total row is computed as the sum of all the previous rows for each column from 5 to 7 and from 10 to 16
- For computing the total row, exposure-weighted average values are to be provided for columns 4, 8 and 9.

Relationships with other templates

CA:

- The total capital requirement for the following exposure classes: "total exposures under the FIRB approach", "Central governments and Central banks (FIRB), Institutions (FIRB), Corporate (FIRB), for the "total" exposure type, will match respectively items 118, 119,120,121 of the CA template.
- The total capital requirement for the following exposure classes: "total exposures under the AIRB approach", "Central governments and Central banks (AIRB), Institutions (AIRB), Corporate (AIRB), Retail for the "total" exposure type, will match respectively items 123, 124,125,126, 127 of the CA template.
- The "expected loss" and "value adjustments and provisions" information will be included in the computation of the provisions' excess or shortfall in the CA template. See more details in the explanatory note of the CA template.

FIRB CRM:

- See explanatory notes for the FIRB CRM template.

AIRB CRM:

- See explanatory notes for the AIRB CRM template.

IRB SLOTT - CAPITAL REQUIREMENTS SPECIALIZED LENDING SLOTTING CRITERIA

This specific IRB template provides detailed information on the capital requirements' computation for those specialized lending exposures to which the slotting criteria is applied (available for AIRB and FIRB banks)², by distributing the exposure value according to the relevant risk weights. Additionally, information on the expected loss amounts and value adjustments and provisions is provided for the excess/ shortfall computation.

A) CONTENTS

Scope of the template: This template can be applied to "total" remaining maturities and additionally to remaining maturity "less than 2.5 years" and "greater or equal to 2.5 years".

By columns, the first block of information of this template provides information on the "exposure value" subject to the slotting criteria and the corresponding "risk weighted exposure amounts" and "capital requirement"

Memorandum items include information on the expected loss and the amounts of value adjustments and provisions necessary for the excess/shortfall computation. The "IAS related adjustments to the exposure value" includes any adjustment already included in the "original credit & counterparty risk exposure pre credit conversion factor" made in order to mirror the impact on the exposure value of the prudential filters treatment on own funds, as stated in the CEBS press release of 21st of December. The "number of obligors" included in each risk weight provides information on the concentration of exposures in the different risk weights.

By rows, the template provides a breakdown of the information according to the different relevant risk weights

B) RELATIONS WITH OTHER TEMPLATES

The calculation process of the "exposure value" at the "total" row level can be found in the FIRB CRM and AIRB CRM templates.

The information about the "expected loss" and the "value adjustments and provisions" will feed the computation of the provisions' excess or shortfall in the CA template.

The information about the total capital requirements is to be included in the IRB templates corresponding to "specialized lending", "corporate" and "total exposures subject to FIRB and/or AIRB approach".

C) CROSS RELATIONSHIPS**Internal Relationships**

- The total row is computed as the sum of all the previous rows for all columns.

² Institutions that are able and allowed to use their own PD and / or LGD estimates for their Specialised Lending exposures should report them in the IRB template.

Relationships with other templates

CA:

- The “expected loss” and “value adjustments and provisions” information will be included in the computation of the provisions’ excess or shortfall in the CA template. See more details in the explanatory note of the CA template.

The following relationships are applicable for each specific combination of exposure classes and exposure types.

FIRB CRM:

- See explanatory notes for the FIRB CRM template.

AIRB CRM:

- See explanatory notes for the AIRB CRM template.

IRB EQU1- EQUITY PD/LGD APPROACH

This template contains information on the capital requirements for credit risk under the PD/LGD approach for equity exposures and on the input parameters necessary for their calculation.

Additionally, information on the expected loss amounts is provided for the computation of the associated deduction from own funds.

A) CONTENTS

Scope of the template: This template can be applied to all “equity types” treated under the PD/LGD approach and it might be required for each different “equity type”.

By columns, the first block of information of this template provides information on the “internal rating system”: obligors classified according to their average PD ordered in a descending order by credit worthiness and the associated PD ranges and PD averages. In order to assess the risk quality of the equity portfolio, information on the exposure value and its distribution per LGDs is requested.

These elements are also input parameters necessary for the risk weighted exposure amounts and capital requirements’ calculation which can be found afterwards.

Memorandum items include information on the capital requirements that would have been raised in the absence of re-scaling factors and the provisions capping risk weighted exposure amounts. Information on the expected loss is requested for the purpose of the deduction from own funds laid down in article 57 letter (q) of Directive 2000/12/EC re-cast. Information on value adjustments and provisions is requested for assessing risk coverage and not for calculating excess/shortfall (which is not available for equity positions). The “IAS related adjustments to the exposure value” includes any adjustment already included in the “original credit & counterparty risk exposure pre credit conversion factor” made in order to mirror the impact on the exposure value of the prudential filters treatment on own funds, as stated in the CEBS press release of 21st of December.

By rows, the template provides a breakdown of the information according to the different obligor grades. According to Annex 7, part 2, paragraph 4 of Directive 2000/12/EC re-cast Directive 2000/12/ EC, the PD of obligors in default shall be 100%. No upper limit to the number of obligor grades is imposed (the 25 figure is just for presentation)

B) RELATIONS WITH OTHER TEMPLATES

The calculation process of the "exposure value" at the "total" row level can be found in the FIRB CRM template in the row corresponding to the PD/LG method for equity exposures.

The information about the total capital requirements will be summarized in the CA template.

C) CROSS RELATIONSHIPS

Internal Relationships

- The total row is computed as the sum of all the previous rows for columns 5 to 15 but 7.
- Exposure-weighted average values are to be provided for the "total" row of columns 4 and 7.

Relationships with other templates

CA:

- The total capital requirement for the total equity type will enter in the computation of item 122 of the CA template.

FIRB CRM:

- See explanatory notes for the FIRB CRM template.

IRB EQU 2 - EQUITY: SIMPLE RISK WEIGHT APPROACH

This template contains information on the calculation of the capital requirements for credit risk under the simple risk weight approach for equity exposures.

Additionally, information on the expected loss amounts is provided for the computation of the associated deduction from own funds.

A) CONTENTS

Scope of the template: This template will be applied to the total equity exposures subject to this approach.

By columns, the template provides information on the exposure value subject to this approach and the corresponding risk weighted exposure amounts and capital requirements.

Memorandum items include information on the expected loss that is requested for the purpose of the deduction from own funds laid down in Article 57(q) of Directive 2000/12/EC re-cast. Information on value adjustments and provisions is requested for assessing risk coverage and not for calculating excess/shortfall (which is not available for equity positions). The "IAS related adjustments to the exposure value" includes any adjustment already included in the "original credit & counterparty risk exposure pre credit conversion factor" made in order to mirror the impact on the exposure value of the prudential filters treatment on own funds, as stated in the CEBS press release of 21st of December.

By rows, the template provides a breakdown of the information according to the different risk weights.

B) RELATIONS WITH OTHER TEMPLATES

The calculation process of the "exposure value" at the "total" row level can be found in the FIRB CRM template in the row corresponding to the simple risk weight approach for equity exposures.

The information about the total capital requirements will be summarized in the CA template.

C) CROSS RELATIONSHIPS

Internal Relationships

- For all columns, the total row is computed as the sum of all the previous rows.

Relationships with other templates

CA:

- The total capital requirement will enter in the computation of item 122 of the CA template.

FIRB CRM:

- See explanatory notes for the FIRB CRM template.

IRB EQU 3 - EQUITY EXPOSURES: INTERNAL MODELS APPROACH

This template contains information on the calculation of the capital requirements for credit risk under the internal models approach for equity exposures based on Value at Risk (VaR) figures.

A) CONTENTS

Scope of the template: This template can be applied to all equity exposures treated under the internal models approach.

By columns, the template provide the exposure value subject to this approach. In the second column the amount of exposure value subject to the lower limit to its risk weighted exposure amount as laid down in Annex 7, part 1, paragraph 23 of Directive 2000/12/EC re-cast is requested.

The Value at Risk figure corresponding to the exposure value is also requested. Finally the risk weighted exposure amounts and capital requirements are also provided taking into account the PD/LGD lower limit mentioned above.

Information on value adjustments and provisions is requested for assessing risk coverage and not for calculating excess/shortfall (which is not available for equity positions). The "IAS related adjustments to the exposure value" includes any adjustment already included in the "original credit & counterparty risk exposure pre credit conversion factor" made in order to mirror the impact on the exposure value of the prudential filters treatment on own funds, as stated in the CEBS press release of 21st of December.

B) RELATIONS WITH OTHER TEMPLATES

The calculation process of the "exposure value" can be found in the FIRB CRM template in the row corresponding to the internal models approach for equity exposures.

The information about the total capital requirements will be summarized in the CA template.

C) CROSS RELATIONSHIPS

Relationships with other templates

CA:

- The total capital requirement will enter in the computation of item 122 of the CA template.

FIRB CRM:

- See explanatory notes for the FIRB CRM template.

SA SEC 1, SA SEC2, IRB SEC 1, IRB SEC 2 SECURITISATION SA AND IRB SHEETS: DETAILS FOR TRADITIONAL AND SYNTHETIC SECURITISATIONS.

This template contains detailed information on the information disclosed in the four main templates on securitisation. Since they share many features, the four sheets are presented together and the differences highlighted. The simplest template, SA SEC 1, corresponds to securitisation exposures on traditional ("cash") deals applying the standardised approach and presents the more detailed description. Then, we present the template SA SEC 2 that corresponds to securitisation exposures on synthetic deals under the standardised approach, and we highlight the existing differences with previous SA SEC 1. Finally, we move to the advanced approaches, IRB SEC 1 and IRB SEC 2, which correspond to traditional and synthetic deals respectively, again showing only the particularities of these sheets with respect to the previous ones.

A) CONTENTS

A1. SA SEC 1 TEMPLATE

Scope of the template: all securitisation positions held by credit institutions using the Standardised Approach in their calculation of capital requirements of the portfolio of class being securitised³. This includes originating credit institutions holding positions in the securitization, investing banks on securitization exposures and any institution providing credit protection to a securitisation position. SA SEC 1 Template will have to be completed for exposures in traditional (cash) securitisations defined as those complying with the operational requirements established in paragraph 1, part 4, annex IX of Directive 2000/12/EC re-cast .

By columns, the first block, columns (1) to (7) of the template, has been designed to reach the exposure value that will eventually receive a credit conversion factor and a risk weight. First of all, institutions are asked to report the nominal value of retained or purchased securitisation exposures in column (2). Originators, however, must previously report the nominal amount of each originated tranche as well as the nominal amount of underlying exposures in the pool (column (1)) just for informational reasons. The next step is to apply any existing value adjustments (specific provisions) in order to obtain the "Exposure net of value adjustments" (column (4)). Finally, the impact of credit risk mitigation techniques⁴ on the securitisation exposures is captured in columns (5) and (6), so that we can reach the "Exposure value after CRM techniques" (column (7)).

On a second block of columns (8) to (14), credit conversion factors are applied when relevant (off-balance sheet items and early amortisation clauses in securitisations of

³ As specified on Article 94 Directive 2000/12/EC re-cast.

⁴ Value of credit protection, funded and unfunded, applied to the securitisation position in line with Annex IX, Part 4, paragraph 33.

revolving exposures). The figure in column (7) should be distributed from columns (8) to (13) according to the CCF used. Column (14), "Adjusted exposure" presents the sum of all exposures after applying the corresponding CCF.

In the next block of information, credit institutions must indicate the amount to be deducted from own funds (columns (15) and (16)) and that amount will not be used for calculation of risk weighted assets. Both amounts should be subtracted from the figure in column (14) "Adjusted exposure" (or column (7) "Exposure after CRM techniques" if column (14) were not applicable). The resulting figure is the one that must be distributed according to risk weights in the final block.

According to this, the final block, columns (17) to (23), provides a distribution according to the risk weighting that must be applied. Credit institutions are given the choice among the set of "Rated Exposures above BB" risk weights (columns (17) to (20)), 1250% (column (21) to be used only in case institutions have not opted for deduction), and look through approaches (columns (22) and (23)). The last column of the template (24) indicates the total "risk weighted assets" obtained from columns (17) to (23).

By rows, the template provides a breakdown according to the sort of capital requirement treatment the exposure receives.

On the first block of rows (1) to (14), on-balance sheet securitisation exposures must be reported. They are divided according to whether an investing bank (rows (1)-(7)) or an originating bank (rows (8)-(14)) holds them. As a second criterion for distribution, several categories are provided according to the seniority and the rated/unrated condition of the tranche. The seniority condition foresees three different type of tranches: senior tranches (the most senior tranche in a securitisation), first losses positions (credit enhancements to which a 1250% risk weight applies) and mezzanine tranches (all the rest).

On a second block of information, rows (15) to (19), off-balance sheet securitisation exposures shall be reported. According to paragraph 2(c), part 4, Annex IX of Directive 2000/12/EC re-cast, any off-balance sheet securitisation position shall obtain its exposure value as its nominal value multiplied by a credit conversion factor. In the securitisation context, these off-balance sheet exposures include the undrawn portion of commitments given to the structure as well as interest rate or currency swaps (valued according to Annex III of Directive 2000/12/EC re-cast). Additionally, banks may be asked to report this information according to whether the exposures have been granted to own or third party securitisations, or to ABCP programs or others.

The final row of the templates, Row (20) applies only to originators in revolving exposure securitisations containing early amortisation clauses that result in an additional capital requirement as specified in section 2.5, part 4, Annex IX of Directive 2000/12/EC re-cast. The institution must specify the notional amount of investors' interest.

The final block of rows present a summary of the whole template and only concern to column (24). Row (21) provides the sum of risk weighted amounts reported in column (24), rows (1), (8), (15) and (20). Row (22) asks for this amount expressed as a capital figure, while row (23) asks for the total capital requirement after applying the maximum amount established in paragraph 9, part 4, Annex IX of Directive 2000/12/EC re-cast.

Shadowed cells in securitisation templates indicate specific values or methodologies that are not applicable according to the securitisation rules in Directive 2000/12/EC re-cast. In column (1), rows (1) to (7) and rows (15) to (20) are shadowed since this column is only intended for originators to declare the full originated structure. Investors are not supposed to know the full structure of the securitisations in which they hold exposures. Thus, investors should directly report in column (2).

Columns (8) to (14) correspond to credit conversion factors and thus, are only applicable to off-balance sheet exposures and securitisations with qualifying early amortisation clauses (as previously indicated). For this reason, rows (1) to (14) have been shadowed. Furthermore, rows (15) to (19) in columns (8) and (12) have been shadowed because those credit conversion factors are only applicable for early amortisation clauses.

On the other hand, several cells have been shadowed in columns (17) to (23), which correspond to the different existing methodologies for applying risk weights. In particular, columns (17) to (20) correspond to rated exposures, which imply rows belonging to unrated exposures have been shadowed. On the other hand, row (20) indicating the 350% risk weight is only applicable to investors (in the July 2004 version of Directive 2000/12/EC re-cast) and thus, originator rows have been shadowed. Finally, the look-through approaches (columns (22) and (23)) are applicable only for unrated exposures.

The last block of cells that have been shadowed correspond to row (20), columns (17 to 21). These belong to additional capital requirements computed on the investor's interest of an originator in a securitisation of revolving exposures. The treatment specifies that the risk weight applied will be the one corresponding to the underlying portfolio of assets (thus, look-through approach).

A.2 SA SEC 2 TEMPLATE

Scope of the template: all securitisation positions held by credit institutions using the Standardised Approach in their calculation of capital requirements of the class of assets being securitized and when these exposures are held in synthetic securitisations (defined as those complying with the operational requirements established in paragraph 2, part 4, annex IX of Directive 2000/12/EC re-cast).

By columns, similarly to SA SEC 1, the first block (columns (1) to (10)) has been designed to reach the exposure value that will eventually receive a credit conversion factor and a risk weight. Most of these columns are identical to SA SEC 1; however, a new subset of columns (2) to (5) has been introduced in order to allow the originator to provide detailed information on the creation of tranches (resp. the credit risk mitigation on the underlying exposures) in synthetic deals.

The columns have been named "Credit protection to the underlying assets" and originators will have to fill in them according to whether funded or unfunded protection has been obtained on the underlying pool. The funded protection columns ((2) and (3)) refer to any case where credit linked notes have been issued and thus, are not restricted to cases where an SPV exists. In column (2), institutions should provide the nominal amount of the CLN notes issued or, if a different figure, the current value of the "collateral" backing these notes. In all cases, the institution must indicate in column (3) the amount of CLN that has been retained or repurchased. On the other hand, column (4) must be used to identify the amount that receives unfunded protection. Finally, column (5) must be computed as footnote (d) specifies and is equivalent to column (2) of the SA SEC 1 template.

The following blocks of columns: credit conversion factors (11) to (17), deductions (18-19), and distribution according to the risk weighting (columns (20) to (27)), work identically to those in SA SEC 1. Finally, two additional columns have been added (28) for synthetic deals that will capture any additional capital charges arising from maturity mismatches according to section 3.1, part 2, annex IX, of Directive 2000/12/EC re-cast.

By rows, the breakdown is identical to that in SA SEC 1.

Shadowed cells in columns (1) and (11) to (26) are justified according to the treatment specified in SA SEC 1, columns (1) and (8) to (23). In template SA SEC 2, there are only

three new columns (2) to (4) shadowed identically than column (1). The reason, as specified previously is that these columns are only intended for originators.

A.3 IRB SEC 1 TEMPLATE

Scope of the template: all securitisation positions held by credit institutions using IRB approaches in their calculation of capital requirements of the class of assets being securitised⁵. This includes originating credit institutions holding positions in the securitization, investing banks on securitization exposures and any institution providing credit protection to a securitization position. IRB SEC 1 template will have to be completed for exposures in traditional (cash) securitisations defined as those complying with the operational requirements established in paragraph 1, part 4, annex IX of Directive 2000/12/EC re-cast.

By columns,

Similarly to SA SEC 1, the first block, columns (1) to (5) of the template, has been designed to reach the exposure value that will eventually receive a credit conversion factor and a risk weight. However, "value adjustments" (columns (3) and (4) of SA SEC 1) have been omitted in this part of the template since, under IRB rules, the exposures must be taken "gross" of specific provisions.

Columns (6) to (14) work identically to columns (8) to (16) in SA SEC 1, assigning credit conversion factors and then providing information on deductions.

The next block of information, columns (15) to (29) assign risk weights to the exposures. The system is equivalent to the one used for standardised templates but the range of options has increased in order to capture all the approaches available under IRB. According to this, institutions must identify the exposures under the RBA approach that are rated above BB, exposures under the SF approach, those that receive a 1250% risk weight (if not opted for deduction), look-through approaches and, finally, the IAA approach. With respect to IAA, although the final risk weight is mapped to the RBA table, we ask institutions to identify them separately (columns (28) and (29)) to be able to keep a track on them.

According the treatment in paragraph 73(a), part 4, annex IX of Directive 2000/12/EC re-cast, once the total risk weighted assets are computed (column (30)) the institution must apply any existing "value adjustments (specific provisions)" (column (31) in order to finally obtain the "Risk weighted assets after all adjustments".

By rows

Rows are identical to those in SA SEC 1.

Shadowed cells

All shadowed cells from column (1) to (12) work as specified under SA SEC 1.

Shadowed cells from column (15) to (29) correspond to the scope of application of the different existing methodologies for applying risk weights under IRB. In particular, columns (15) to (22) correspond to rated exposures above BB, and thus, those rows belonging to unrated exposures have been shadowed. Next, the SF approach is applicable only for unrated exposures. Then, the look-through approach under IRB rules is only available to off-balance sheet items and on an "exceptional basis". Finally, the IAA is an approach specifically designed for certain off-balance sheet exposures in ABCP programs.

⁵ As specified on Article 94 of Directive 2000/12/EC re-cast.

A.4 IRB SEC 2 TEMPLATE

Scope of the template: all securitisation positions held by credit institutions using IRB approaches in their calculation of capital requirements of the class of assets being securitised and when their exposures are held in synthetic securitisations (defined as those complying with the operational requirements established in paragraph 2, part 4, annex IX of Directive 2000/12/EC re-cast)

By columns, IRB SEC 2 is a mixture of the elements that have been previously mentioned when we introduced synthetic deals and IRB deals. In particular, columns (1) to (5) work identically than (1) to (5) in SA SEC 2; columns (6) to (17) work identically than columns (8) to (19) in SA SEC 2; columns (18) to (33) that distribute the exposure according to risk weights work identically than (15) to (30) in IRB SEC 1; column (34) is identical to column (26) in SA SEC 2; and finally columns (35) and (36) work as columns (31) and (32) in IRB SEC 1.

By rows, the breakdown is identical to that in SA SEC 2.

Shadowed cells from columns (1) to (15) follow the same justification as shadowed cells in columns (1) to (17) in the SA SEC 2 template. Shadowed cells columns (18) to (32) of IRB SEC 2 are shadowed as specified in columns (15) to (29) of IRB SEC 1.

B) RELATIONS WITH OTHER TEMPLATES (FOR ALL SECURITISATION SHEETS)

The total capital requirements obtained in this template must be the same that appear in the CA template, Pillar I requirements section. On the other hand, deductions in the securitisation templates are captured also in the CA sheet. See details below.

In the OTH 5 SEC template, originators provide detailed information on the deals for which they still hold an exposure. This information must be consistent with the one reported under the "originator" and "off-balance sheet items provided to own securitisation" rows for the four templates.

C) CROSS RELATIONSHIPS (FOR ALL SECURITISATION SHEETS)

Internal Relationships

SA SEC 1:

- For investor and originator rows, i.e. rows (1)-(14) we have column equality $(7) = (15) + (16) + (17) + (18) + (19) + (20) + (21) + (22)$. For rows with information about off-balance sheet items and early amortisation clauses of securitisations of revolving exposures, i.e. rows (15)-(20) we have column equality $(14) = (15) + (16) + (17) + (18) + (19) + (20) + (21) + (22)$.
- With respect to rows, row (1) is the sum of rows (2) to (7) for all columns. Row (8) is the sum of rows (9) to (14) for all columns but column (1), where the total nominal amount of underlying facilities in the pool shall be written. Finally, row (15) is summary row for rows (16) and (18).

SA SEC 2

- We have the same equivalences for columns than in the SA SEC 1, but adding 3 to the number of the column. Equivalences respect to rows (1) to (14) are the same. Row (15) is the sum of rows (16) and (17).

IRB SEC 1

- For investor and originator rows, i.e. rows (1)-(14) we have column equality $(5) = (13) + (14) + (15) + (16) + (17) + (18) + (19) + (20) + (21) + (22) + (23) + (24) + (26) + (28)$. For rows with information about off-balance sheet items and

early amortisation clauses of securitisations of revolving exposures, i.e. rows (15)-(20) we have column equality $(12) = (13) + (14) + (15) + (16) + (17) + (18) + (19) + (20) + (21) + (22) + (23) + (24) + (26) + (28)$.

- With respect to rows, row (1) is the sum of rows (2) to (7) for all columns. Row (8) is the sum of rows (9) to (14) for all columns but column (1), where the total nominal amount of underlying facilities in the pool shall be written. Finally, row (15) is summary row for rows (16) and (18).

IRB SEC 2

- We have the same equivalences for columns than in the IRB SEC 1 template, but adding 3 to the number of the column. Equivalences respect to rows (1) to (14) are the same. Row (15) is the sum of rows (16) and (17).

Relationships with other templates (correspondences with all SA SEC 1 and 2, and IRB SEC 1 and 2)

CA:

- Row (17) of CA template corresponds to capitalised FMI from securitisations, an amount that must be deducted from Reserves. This amount must equal to the sum of amounts appearing in column (16) of SA SEC 1 template, plus all amounts in column (19) of SA SEC 2 template, plus figure in row (22) column (14) of IRB SEC 1, and figure in row (20) column (17) of IRB SEC 2.
- Row (78) of CA template refers to any securitisation exposures that will have to be deducted from capital (50% from Original Own Funds and 50% from Additional Own Funds as specified in article 66(2) of Directive 2000/12/EC re-cast). These are the exposures for which the institution has not decided to apply a 1250% risk weight factor. This amount should equal to the sum of amounts appearing in column (15) of SA SEC 1 template, plus all amounts in column (18) of SA SEC 2 template, plus figure in row (22) column (13) of IRB SEC 1, and figure in row (20) column (16) of IRB SEC 2.
- Row (117) in the Pillar 1 Capital Requirements section of CA template, identifies the credit risk capital requirements for securitisation positions under Standardised approaches. This amount corresponds to the cell in column (24) and row (23), "Total capital requirements after cap" of SA SEC 1 template plus cell in column (29) and row (21), "Total capital requirements after cap" of SA SEC 2 template.
- Finally, Row (129) in the Pillar 1 Capital Requirements section of CA template, identifies the credit risk capital requirements for securitisation positions under IRB approaches. This amount corresponds to the cell in column (32) and row (23), "Total capital requirements after cap" of IRB SEC 1 template plus cell in column (36) and row (21), "Total capital requirements after cap" of IRB SEC 2 template.

OTH 5 SEC:

Since template OTH 5 SEC provides detailed information on all the securitisation exposures of an originating bank it only has correspondences with SA SEC 1 and 2, IRB SEC 1 and 2 templates.

- Sum of all amounts reported in column (6) of OTH 5 SEC ("current nominal amount of securitised assets") must correspond with the sum of the figures provided in row (8), column (1) of templates SA SEC 1, SA SEC 2, IRB SEC 1, IRB SEC 2.
- For each of the next columns in OTH 5 SEC, the sum of all amounts across rows must be computed (thus obtaining the "totals"). The resulting figure must meet the following equalities:

- "total" column (15) of OTH 5 SEC = [row (9) + row (10) figures in column (2) of SA SEC 1] + [row (9) + row (10) figures in column (5) of SA SEC 2] + [row (9) + row (10) figures in column (2) of IRB SEC 1] + [row (9) + row (10) figures in column (5) of IRB SEC 2]
- "total" column (16) of OTH 5 SEC = [row (11) + row (12) figures in column (2) of SA SEC 1] + [row (11) + row (12) figures in column (5) of SA SEC 2] + [row (11) + row (12) figures in column (2) of IRB SEC 1] + [row (11) + row (12) figures in column (2) of IRB SEC 2]
- "total" column (17) of OTH 5 SEC = [row (13) + row (14) figures in column (2) of SA SEC 1] + [row (13) + row (14) figures in column (5) of SA SEC 2] + [row (13) + row (14) figures in column (2) of IRB SEC 1] + [row (13) + row (14) figures in column (5) of IRB SEC 2]
- "total" column (18)+column (19)+column (20) of OTH 5 SEC=[row (16), column (2) of SA SEC 1] + [row (16), column (5) of SA SEC 2] + [row (16), column (2) of IRB SEC 1] + [row (16), column (5) of IRB SEC 2]
- "total" column (21) of OTH 5 SEC = [row (20), column (2) of SA SEC 1] + [row (18), column (5) of SA SEC 2] + [row (20), column (2) of IRB SEC 1] + [row (18), column (5) of IRB SEC 2]
- "total" column (22) of OTH 5 SEC = [row (23), column (24) of SA SEC 1] + [row (21), column (29) of SA SEC 2] + [row (23), column (32) of IRB SEC 1] + [row (21), column (36) of IRB SEC 2]
- "total" column (23) of OTH 5 SEC = + [row (8) + row (16) + row (20), in columns (15) and (16) of SA SEC 1] + [row (8) + row (16) + row (18), in columns (15) and (16) of SA SEC 1] + [row (8) + row (16) + row (20), in columns (13) and (14) of IRB SEC 1] + [row (8) + row (16) + row (18), in columns (16) and (17) of IRB SEC 2]

SA CRM - STANDARDISED APPROACH: DETAILS OF EXPOSURE VALUE AND CREDIT RISK MITIGATION TECHNIQUES
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This template contains detailed information on the calculation process of the "exposure value" treated under the standardized approach stemming from the "original credit & counterparty risk exposure pre credit conversion factor" and the impact of the different types of credit risk mitigation (CRM) on the computation of the "exposure value".

A) CONTENTS

Scope of the template: All the aggregated exposure types and also it may be required for the different individual exposure types (see legal references & comments).

By columns, the first block of information of this template (columns 1 to 19) provides a comprehensive and systematic analysis of the effects of value adjustments and provisions, netting agreements and redistribution effects that impact the "original credit and counterparty risk exposure".

The distinction between the amounts of "unfunded credit protection" and "funded credit protection" (only when the simple method for financial collateral is applied) that originate the redistribution effect has been included.

The redistribution effect lies on the principle that the covered portion of the exposures will be reallocated from the original obligor (outflow) to the risk mitigant provider (inflow). As a consequence, the covered part of the exposure will be reallocated to the exposure class and risk weight or PD (obligor grade) of the mitigant provider⁶ depending on the approach applied.

⁶ A particular case is when the full redistribution is deemed not to be warranted according to annex 8, part 3, paragraph 91 or annex 7, part 2, paragraphs 6 and 21 of re-casting Directive 2000/12/EC, then the exposure

According to the principle above, not only inflows and outflows between different exposure classes should be reported; also inflows and outflows among the same exposure class (when the covered exposure and the mitigant belong to the same exposure class) should be provided, both within the same exposure class. Since the exposure class of the mitigant may be treated under a different approach to that of the covered exposure (the standardized approach in the case of this template), different columns have been included in order to give the opportunity to collect this particular information.

After accounting for the redistribution effects, the "net exposure after netting and CRM redistribution effects" (column 19) provides intermediate amounts of exposures that may be subject to the impact of "funded credit protection" under the comprehensive method. The aforesaid impact considers both, the direct volatility adjustments increasing the net exposures and, on the other hand, the adjusted value of the financial collateral that reduces the net exposures. Additionally, memorandum items on the adjustments made to the financial collateral have been included in order to assess their relative importance and allow to recover the value of the financial collateral previous to the adjustments.

Having considered all the applicable adjustments and CRM techniques the "fully adjusted exposure value" (column 26) emerges. And finally, once the impact of the credit conversion factor on off-balance sheet items is taken into account, the amount of the "exposure value" subject to capital requirements is provided (column 27).

By rows, the template provides a breakdown of the information according to the different exposure classes and sub-classes relevant for the Standardized Approach.

B) RELATIONS WITH OTHER TEMPLATES

The amount of the exposures considered in the key columns is broken down by risk weights in the SA template. These columns are: 1 (original credit & counterparty risk exposure pre credit conversion factor), 2 (value adjustments and provisions associated with the original exposure), 3 (exposure net of value adjustments and provisions), 26 (fully adjusted exposure value) and 27 (exposure value).

The information about the redistribution effect of CRM techniques is complemented by the comprehensive view included in the CRM I-O template.

C) CROSS RELATIONSHIPS

Some cross checks (not included below) are already included in the calculation formulae embedded in the labels of some columns.

Internal Relationships

- The column "outflows within SA" matches with "inflows within the SA" at the total row level for each exposure type.
- For all columns the final Total row is computed as the sum of all exposure classes.
- Exposure classes' totals are computed as the sum of all the exposure sub-classes included in it.

Relationships with other templates

The following relationships are applicable for each specific combination of exposure classes and exposure types.

SA:

SA CRM template will match the correspondent total amounts (first row) under the same column in the SA template:

- "Original credit & counterparty risk exposure pre credit conversion factor".
- "Value adjustments and provisions associated with the original exposure".
- "Exposure net of value adjustments and provisions".
- "Fully adjusted exposure value".
- "Exposure value".

FIRB CRM:

- See explanatory notes for the FIRB CRM template.

AIRB CRM:

- See explanatory notes for the FIRB CRM template.

CRM I-O:

- For all the aggregated exposures types, the "total outflows" (column 9) for each exposure class matches the correspondent amount in CRM I-O (column 8) for the standardised approach and total CRM technique.

FIRB CRM - FOUNDATION AND EQUITY IRB APPROACH: DETAILS OF EXPOSURE VALUE AND CREDIT RISK MITIGATION TECHNIQUES

This template contains detailed information on the calculation process of the "exposure value" treated under the Foundation⁷ and Equity IRB approaches stemming from the "original credit & counterparty risk exposure pre credit conversion factor" and the impact of the different types of Credit Risk Mitigation (CRM) either on the computation of the "exposure value" or affecting the Loss Given Default (LGD) values.

A) CONTENTS

Scope of the template: All the aggregated exposure types and also it may be required for the different individual exposure types (see legal references & comments).

By columns, the first block of information of this template (columns 1 to 19) provides a comprehensive and systematic analysis of the different elements that impact the "original credit and counterparty risk exposure" in order to reach the "exposure value":

The first of these elements is the impact of netting agreements. Secondly, there is a detailed analysis of the redistribution effect of CRM techniques. The distinction between the adjusted values of "unfunded credit protection" and "other funded credit protection" that originate these redistributions has been included.

The redistribution effect lies on the principle that the covered portion of the exposures will be reallocated from the original obligor (outflow) to the risk mitigant provider (inflow). As a consequence, the covered part of the exposure will be reallocated to the exposure class and risk weight or PD (obligor grade) of the mitigant provider⁸ depending on the approach applied.

⁷ Foundation IRB Approach stands for credit institutions that do not qualify for the use of own estimates of LGD and/or conversion factors in the sense of article 84 paragraph 4 of Directive 2000/12

⁸ A particular case is when the full redistribution is deemed not to be warranted according to annex 8, part 3, paragraph 91 or annex 7, part 2, paragraphs 6 and 21 of re-casting Directive 2000/12/EC, then the exposure

According to the principle above, not only inflows and outflows between different exposure classes should be reported; also inflows and outflows among the same exposure class (when the covered exposure and the mitigant belong to the same exposure class) should be provided, both within the same exposure class. Since the exposure class of the mitigant may be treated under a different approach to that of the covered exposure (the FIRB and equity approaches in the case of this template), different columns have been included in order to give the opportunity to collect this particular information.

After accounting for the redistribution effect, the "exposure after netting and CRM redistribution effect" (column 16), provides intermediate amounts of exposures that after considering the impact of credit conversion factors on off-balance sheet items and deducting the capital requirements for dilution risks (only for purchase receivables' exposures) lead to the "exposure value" subject to capital requirements.

In the second main block of information (columns 20 to 34), the amounts of "funded credit protection" that affect LGD estimates and the exposures collateralised by real estate that use the alternative treatment are provided. The impact of CRM techniques affecting LGD estimates is measured by two statistics (percentiles) of the distribution of LGDs. These percentiles will reflect the LGD value for which a percentage (not yet specified) of the exposure value has an LGD lower to the reported percentile. The percentiles to be reported should be calculated for the distribution of LGDs and exposure values relevant for each exposure class.

By rows, the template provides a breakdown of the information according to the exposure classes and sub-classes relevant for the FIRB and equity approaches.

Shadowed cells in the Specialized Lending Slotting criteria are included to indicate that the effect of any credit risk mitigation technique has to be taken into account directly via the risk weighting assignment of these exposures and not affecting the exposure value.

Shadowed cells in the PD/LGD method indicate that LGDs are fixed to specific values (90% and 65%) that can not be modified by credit risk mitigation techniques. In the simple risk weight approach CRM techniques affecting LGD estimates do not apply as there is no LGD to be affected in that method. The same comment applies for the internal models approach. For this approach the VaR figure should capture any potential CRM technique used.

B) RELATIONS WITH OTHER TEMPLATES

The amount of the exposures considered in the key columns is broken down by obligor grades in the IRB template. These columns are: 1 (original credit & counterparty risk exposure pre credit conversion factor), 16 (exposure after netting and CRM redistribution effect) and 19 (exposure value).

The information about the redistribution effect of CRM techniques is complemented by the comprehensive view included in the CRM I-O template.

The information about the distribution of LGD estimates in columns 32 and 33 can be complemented with the "exposure weighted average LGD" included in the IRB template.

The exposure value for the exposure class "other non-credit obligation assets" matches multiplied by the solvency percentage (8%) with the capital requirements for this asset class.

will be reallocated to the exposure class of the mitigant provider and the PD (obligor grade) deemed appropriate.

C) CROSS RELATIONSHIPS

Some cross checks (not included below) are already included in the calculation formulae embedded in the labels of some columns.

Internal Relationships

- The Total bottom line for the column "outflows within the FIRB and Equity approach" matches with "inflows within the FIRB and Equity approaches" for each exposure type.
- For all columns, except those on "Information about the distribution of LGD estimates", the Total row is computed as the sum of all exposure classes. For the columns on "Information about the distribution of LGD estimates" the Total row should be calculated as the distribution of LGD for the total exposures under the FIRB and equity approaches.
- Exposure classes' totals are computed as the sum of all the exposure sub-classes included in it, except for those on "information about the distribution of LGD estimates". In this case, the row for the total exposure class should be calculated as the distribution of LGD under that specific exposure class.

Relationships with other templates

The following relationships are applicable for each specific combination of exposure classes and exposure types.

SA:

- See explanatory notes for the SA template.

IRB :

FIRB CRM template will match the correspondent total amounts (last row) under the same column in the IRB template:

- "Original Credit & counterparty risk exposure pre credit conversion factor"
- "Exposure after netting and CRM redistribution effect"
- "Exposure value".

IRB EQU 1, IRB EQU 2, IRB EQU 3:

The "exposure value" for each equity method will match the total row of the same column in the corresponding IRB EQU template.

IRB SLOTT:

FIRB CRM template will match the correspondent total amounts (last row) under the same column in the IRB SLOTT template:

- "Exposure value".

AIRB CRM:

- See explanatory notes for the AIRB CRM template.

SA CRM:

- The column "outflows from the FIRB and Equity approaches to standardized approach" matches at the total row level with the column "inflow to the SA from foundation and equity IRB " in the SA CRM template.
- The column "inflows to the FIRB and Equity Approaches from Standardized Approach" matches at the total row level with the column "outflow SA to foundation IRB" in the SA CRM template.

CRM I-O :

- For all the aggregated exposures types, the "total outflows" (column 6) for each exposure class matches the correspondent amount in CRM I-O (column 8) for the FIRB approach and total CRM technique.

AIRB CRM - ADVANCED IRB APPROACH AND RETAIL: DETAILS OF EXPOSURE VALUE AND CREDIT RISK MITIGATION TECHNIQUES

This template contains detailed information on the calculation process of the "Exposure Value" treated under the advanced IRB approach⁹ stemming from the "Original Credit & Counterparty Risk Exposure pre Credit Conversion Factor" and the impact of the different types of Credit Risk Mitigation (CRM) either on the computation of the "Exposure Value" or affecting the Loss Given Default (LGD) values.

A) CONTENTS

Scope of the template: All the aggregated exposure types and also it may be required for the different individual exposure types (see legal references & comments).

By columns, the first block of information of this template (columns 1 to 19) provides a comprehensive and systematic analysis of the different elements that impact the "original credit and counterparty risk exposure" in order to reach the "exposure value":

The first of these elements is the impact of netting agreements. Secondly, there is a detailed analysis of the redistribution effect of CRM techniques. The distinction between the nominal amounts of "unfunded credit protection" and "other funded credit protection" that originate these redistributions has been included.

The redistribution effect lies on the principle that the covered portion of the exposures will be reallocated from the original obligor (outflow) to the risk mitigant provider (inflow). As a consequence, the covered part of the exposure will be reallocated to the exposure class and risk weight or PD (obligor grade) of the mitigant provider¹⁰ depending on the approach applied.

According to the principle above, not only inflows and outflows between different exposure classes should be reported; also inflows and outflows among the same exposure class (when the covered exposure and the mitigant belong to the same exposure class) should be provided, both within the same exposure class. Since the exposure class of the mitigant may be treated under a different approach to that of the covered exposure (the AIRB Approach in the case of this template), different columns have been included in order to give the opportunity to collect this particular information.

After accounting for the redistribution effect, the "exposure after netting and CRM redistribution effect" (column 16), provides intermediate amounts of exposures that after considering the impact of credit conversion factors on off-balance sheet items and deducting the capital requirements for dilution risks (only for purchase receivables' exposures) lead to the "exposure value" subject to capital requirements.

Due to the flexibility allowed under the AIRB approach, and unlike the FIRB approach, there is an option for the institutions (subject to supervisory approval) to take into account the impact of "unfunded credit protection" and/or "other funded credit

⁹ Advanced IRB Approach stands for credit institutions that qualifies for the use of own estimates of LGD and/or conversion factors in the sense of article 84 paragraph 4 of Directive 2000/12

¹⁰ A particular case is when the full redistribution is deemed not to be warranted according to annex 8, part 3, paragraph 91 or annex 7, part 2, paragraphs 6 and 21 of re-casting Directive 2000/12/EC, then the exposure will be reallocated to the exposure class of the mitigant provider and the PD (obligor grade) deemed appropriate.

protection" either through the redistribution effect adjusting PD estimates, or affecting the LGD estimates.

In the second main block of information (columns 20 to 33), the amounts of " unfunded credit protection" and/or "funded credit protection" that affect LGDs are provided. The impact of CRM techniques affecting LGD estimates is measured by two statistics (percentiles) of the distribution of LGDs. These percentiles will reflect the LGD value for which a percentage (not yet specified) of the exposure value has an LGD lower to the reported percentile. The percentiles to be reported should be calculated for the distribution of LGDs and exposure values relevant for each exposure class.

By rows, the template provides a breakdown of the information according to the exposure classes and sub-classes relevant for the AIRB approach.

B) RELATIONS WITH OTHER TEMPLATES

The amount of the exposures considered in the key columns is broken down by obligor grades in the IRB template. These columns are: 1 (original credit & counterparty risk exposure pre credit conversion factor), 16 (exposure after netting and CRM redistribution effect) and 19 (exposure value).

The information about the redistribution effect of CRM techniques is complemented by the comprehensive view included in the CRM I-O template.

The information about the distribution of LGD estimates in columns 32 and 33 can be complemented with the "exposure weighted average LGD" included in the IRB template.

C) CROSS RELATIONSHIPS

Note that some cross checks not included in this document are already included in the calculation formulae embedded in the labels of some columns.

Internal Relationships

- The Total bottom line for the column "outflows within the AIRB approach" matches with "inflows within AIRB" for each exposure type.
- For all columns, except those on "Information about the distribution of LGD estimates", the Total row is computed as the sum of all exposure classes. For the columns on "Information about the distribution of LGD estimates" the Total row should be calculated as the distribution of LGD for the total exposures under the AIRB approach.
- Exposure classes' totals are computed as the sum of all the exposure sub-classes included in it, except for those on "information about the distribution of LGD estimates". In this case, the row for the total exposure class should be calculated as the distribution of LGD under that specific exposure class.

Relationships with other templates

The following relationships are applicable for each specific combination of exposure classes and exposure types.

IRB :

AIRB CRM template will match the correspondent total amounts (last row) under the same column in the IRB template:

- "Original Credit & counterparty risk exposure pre credit conversion factor"
- "Exposure after netting and CRM redistribution effect"
- "Exposure value".

IRB SLOTT:

AIRB CRM template will match the correspondent total amounts (last row) under the same column in the IRB SLOTT template:

- "Exposure value".

FIRB CRM:

- The column "outflows from the AIRB approach to foundation and equity IRB" matches at the Total row level with the column "inflow to the Foundation and equity IRB Approaches from Advanced IRB" in the FIRB CRM template.
- The column "inflows to the AIRB approach from foundation and equity IRB" matches at the Total row level with the column "outflow from foundation and equity to advanced IRB" in the FIRB CRM template .

SA CRM:

- The column "outflows from the AIRB approach to standardized approach" correspond at the Total row level with the column "inflow to SA from advanced IRB" in the SA CRM template.
- The column "inflows to the AIRB approach from standardized approach" correspond at the Total row level with the column "outflow SA to advanced IRB" in the SA CRM template.

CRM I-O :

- For all the aggregated exposures types, the "total outflows" (column 6) for each exposure class matches the correspondent amount in CRM I-O (column 8) for the AIRB approach and total CRM technique.

CRM I-O BREAKDOWN BY CRM PROVIDERS OF THE OUTFLOWS ASSOCIATED WITH CRM TECHNIQUES HAVING A REDISTRIBUTION EFFECT ON THE EXPOSURE VALUE

This template contains additional information to that provided in the SA CRM, FIRB CRM and AIRB CRM templates on the redistribution effects on exposure values caused by certain credit risk mitigation techniques. It shows the transition of exposures from one exposure class to another due to the use of these CRM techniques.

A) CONTENTS

Scope of the template: The information contained in this template may required for the different approaches for the outflows (the approach used for the original exposure before considering the redistribution effect) and for each CRM technique that cause the redistribution.

By columns, the template provides the different exposure classes where the CRM provider is classified. Therefore these are the exposure classes into which the inflow are classified. The approach used for these exposure classes can be different to that used for the outflow.

By rows, the template provides the different exposure classes where the original exposure is classified.

The structure of the matrix shows the reassignment of exposures among exposure classes due to the redistribution effect. See explanatory notes to SA CRM, FIRB CRM and AIRB CRM templates for further details on the redistribution effect.

B) RELATIONS WITH OTHER TEMPLATES

This template provides information on the exposure class into which the outflows included in SA CRM, FIRB CRM and AIRB CRM templates are finally reclassified.

C) CROSS RELATIONSHIPS

Note that some cross checks not included in this document are already included in the calculation formulae embedded in the labels of some columns.

Internal Relationships

Not available

Relationships with other templates

SA:

See explanatory notes on the SA CRM template.

FIRB CRM:

See explanatory notes on the FIRB CRM template.

AIRB CRM:

See explanatory notes on the FIRB CRM template.

MKR-IM MARKET RISK INTERNAL MODELS OVERVIEW

This template relates to requirements for position risk, foreign-exchange risk and commodities risks calculated using the institution's own internal risk-management model in accordance with annex V of Directive 93/6/EEC re-cast.

A) CONTENTS

Scope of the template: all market risks covered by the internal model.

VaRs mentioned in this template are calculated on basis of the minimum standards mentioned in annex V, point 11, of Directive 93/6/EEC re-cast (confidence interval 99 %, 10-day equivalent holding period, historical period of at least one year, at least three monthly data set updates).

By columns, institution reports for all market-risk categories the average of 60 previous VaRs multiplied by the multiplication factor (+ specific risk surcharge) and the previous day's VaR (+ specific risk surcharge).

By rows, the template provides a breakdown of the information according to the different market-risk categories.

For debt instruments and equities, institutions should report the detail of the requirements for general and specific risk. In the rows relating to specific risk, institutions should report only the specific risk surcharge mentioned in annex V, point 8, of Directive 93/6/EEC re-cast (the specific risk portion of the VaR measure, if the institution isolates it, is reported in the row relating to the general risk). If the internal model does not cover the specific risk, only the requirements related to the general risk are reported in this template.

The row total amount for "general risk" is the total VaR relating to the general risk of traded debts and equities, the foreign-exchange risk and commodity risk. If applicable, the institution takes into account the correlation effect between these risks.

The row total amount for specific risk is the total of the specific risk surcharge for traded debt and equities. If applicable, the institution takes into account the correlation effect between these risks.

The row capital requirement is the higher of the two amounts reported in the row "total amount for general and specific risk".

The institution should also report the number of overshootings during the previous 250 days (back-testing results) and the multiplication factor as defined by annex V, point 7, of Directive 93/6/EEC re-cast.

B) RELATIONS WITH OTHER TEMPLATES

CA:

The amount mentioned in the "capital requirement" row is reported in the CA template as the capital requirement calculated with an internal model (row 136 of the CA template: internal model).

Amounts reported in rows 137 to 140 (traded debt instruments, equity, foreign exchange, commodities risk) of the CA template are the same amount reported in this table. If the capital requirement is based on the average of the previous 60 days' VaRs, amounts reported in the CA template are those reported in column 1 of this template. If the capital requirement is based on the previous day's VaR, amounts reported in the CA templates are those reported in column 2 of this template.

MKR-IM Daily:

See the comments on the MKR-IM Daily template.

<i>MKR-IM Daily</i> DETAILS TRADING BOOK REQUIREMENTS: INTERNAL MODEL
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Information in this table relates to daily VaR for position risk, foreign-exchange risk and commodities risks.

Contents

Scope of the template: all market risks together. If required by the supervisor, this template may be reported separately for the different categories of risk (debt instruments, equities, foreign exchange, commodities). The Instrument code indicates the instrument category or categories covered by the internal model. Specific risk codes (for equities or debt instruments) indicate whether specific risk is taken into account by the model. The P&L code indicates the type of results used to calculate the plus-factor. See legal references & comments for more details on these informative items.

By columns, this template provides information on VaR results.

Regulatory VaR(T = 10) is the value-at-risk (for the instrument category or categories mentioned in row 1 of the information items table) for the day concerned, calculated on the basis of the positions as at the end of the previous business day, for a holding period of 10 days and a confidence interval of 99 %. This VaR(T) 10 is used to calculate the capital requirement mentioned in MKR-IM table. This amount does not include the specific risk surcharge defined by annex V, point 8, of Directive 93/6/EEC re-cast.

Regulatory VaR(T=1) means the value-at-risk (for the instrument category or categories mentioned in row 1 of the information items table) for the day concerned, calculated on the basis of the trading book as at the end of the previous business day, for a holding period of 1 day and a confidence interval of 99 %. This is normally the value-at-risk used for back-testing purposes and then for the calculation of the plus-factor (cf. annex V, point 7, of Directive 93/6/EEC re-cast).

VaR S is the specific risk surcharge defined by annex V, point 8, of Directive 93/6/EEC re-cast). If the internal model does not model this specific risk, this column must not be completed.

Internal VaR is the daily internal VaR amount used by the bank for risk management purposes (with the confidence interval and holding period mentioned in the basis information row). Internal VaR limit means the limit (for the instrument category or categories mentioned in row 1 of the information items table) defined internally by the bank and used for risk management purposes.

Hypothetical P&L used for back-testing purposes is defined by annex V, point 3, of Directive 93/6/EEC re-cast (comparison between the portfolio's end-of-day value and, assuming unchanged positions, its value at the end of the subsequent day).

Actual P&L used for backtesting: the actual result for the day concerned (cf. annex V, point 3, of Directive 93/6/EEC re-cast).

By rows, the numbers (1 to 92) refer to the day number of the reporting period. For days within the month on which the internal model does not generate data, no data must be filled in for the day numbers concerned.

B) RELATIONS WITH OTHER TEMPLATES

Daily VaR (T=10) and VaR S are used to calculate the amount of columns (multiplication factor x average of previous 60 working days' VaRs + specific risk surcharge) and (previous day's VaR + specific risk surcharge) in the MKR-IM template.

Number of overshootings in the MKR-IM template are based on the comparison between hypothetical P&L or real P&L and the VaR(T=10).

OPR - OPERATIONAL RISK: BASIC INDICATOR, STANDARD, STANDARD ALTERNATIVE AND ADVANCED MEASUREMENT APPROACHES

This template provides detailed information on the relevant indicators of operational risk and percentages to be applied, necessary for the capital requirement calculation in BIA, STA and ASA. The template aims at the synopsis of own funds requirements arising from operational risk upon solo or partial use application. For the simpler approaches all underlying income or volume figures are requested so as to retrace regulatory capital calculation, for advanced approaches the final model-generated capital figure is requested, but along with memorandum information on expected loss and insurance consideration or capital requirements allocated within a banking group.

A) CONTENTS

Scope of the template: The information contained in this template is required for all approaches in operational risk as well as their partial use. For advanced approaches (AMA) memorandum items on capital alleviation and allocation are to be provided if applicable.

By columns, the template contains gross income and/or loans and advances for BIA, STA and ASA (where applicable) by the due dates that underlie the average calculation resulting in the relevant indicator, which itself gives the respective own funds requirement on multiplication by the according minimum percentage.

By rows, the template contains the described information for BIA, STA and ASA; for AMAs the own funds requirement as calculated by the internal model is reported, as well as memorandum items concerning capital alleviation due to the capture of expected losses in business practice and due to insurance as well as allocated AMA own funds requirements in the case of subsidiaries.

B) RELATIONS WITH OTHER TEMPLATES

None, except those mentioned below.

C) CROSS RELATIONSHIPS

Note that some cross checks not included in this document are already included in the calculation formulae embedded in the labels of some columns.

Internal Relationships

None.

Relationships with other templates

None, except with the capital requirements (CA) template.

OPR LOSS-OPERATIONAL RISK: STATISTICAL INFORMATION ON LOSS EVENTS

This template summarises the information (number of events, total loss amount and maximum single loss) on the gross losses suffered by the bank in the last year according to event types and business lines. The information provides a general overview of the statistical distribution of the number and severity of loss events of a bank across the business lines and risk event types defined in Directive 2000/12/EC re-cast.

A) CONTENTS

Scope of the template: The information contained in this template is required for advanced and –possibly– standardized approaches and provides statistical parameters on the number and amount of loss data for each combination of business line and event type, as well as total values per business line / event type and the loss threshold applied in data collection as a memorandum item.

By columns, the template contains the loss event types as described in the draft directive, the total per business line and data collection threshold applied in the respective business line.

By rows, the template contains, for each of the business lines as described in the draft directive, three statistical parameters of the distribution of loss events by number and amount for each loss event type, viz. the total number of events beyond the given threshold, the according total loss amount and the maximum single loss. Finally, the total of these parameters per loss event type is also requested.

B) RELATIONS WITH OTHER TEMPLATES

None.

C) CROSS RELATIONSHIPS

None.

Internal Relationships

None.

Relationships with other templates

None.

OTH 1 IND-OTHER INFORMATION ON MAJOR COUNTERPARTY EXPOSURES

This template summarises relevant information on the institution's main exposures with groups and/or related counterparties, whose exposures because of their sizes, could represent a special risk for the bank's stability.

The limited information requested, its scope (major exposures) and its flexibility differentiate this template from other prudential reporting required to monitor large exposures or to feed credit registers.

A) CONTENTS

Scope of the template: Exposures above a certain threshold, which still has to be exactly defined. It could be a fixed number of counterparties or counterparties with a consolidated exposure above a certain level, whether a nominal amount or a percentage of the capital requirements.

By columns:

The column headers can be split into 4 groups.

Columns 1 to 3: This first group helps to identify the entity or the group of connected entities.

Columns 4 to 10 give a detailed insight in the structure of the original exposure. Through the split by exposure types, it provides information on the type of relationship maintained by the institution with its counterparty. Columns 9 and 10 add further valuable information regarding the exposures on equity and past due.

Columns 11 to 15 report the main elements that will determine the amount of capital required for the exposure on this counterparty. Information on PD and LGD are specific for exposures under the IRB approach

Columns 16 to 28 are about Credit Risk Mitigation. Up to the column 26, the template presents in detailed the CRM that help reduce the exposure on this counterparty. Columns 27 and 28 show respectively the amount of exposure redistributed from the counterparty to third parties derived from guaranties received and the exposure value received by the counterparty via guaranties given by that counterparty to third parties.

Column 29: The amount of "value adjustments and provisions" more information on the quality of the counterparty and coverage of risks.

By rows

The exact code to be used to identify the entities reported has yet to be determined, however existing referential, whether at a national or an international level are investigated in priority.

B) RELATIONS WITH OTHER TEMPLATES

The concepts used throughout this template have been used in the following templates: SA, IRB, SA CRM, FIRB CRM, AIRB CRM and IRB EQU 1/2/3.

C) CROSS RELATIONSHIPS

Internal Relationships

There is no specific internal relationship within this table beside simple additions:

- Column 8 = Sum of columns 4, 5, 6 and 7.
- Column 20 = Sum of columns 21, 23 and 25.

Relationships with other templates

Although by nature a number of data required in this template are similar to data required in other templates, no direct cross referencing of the amounts is possible due to the existence of a threshold for reporting the data.

OTH 2 SECT - OTHER INFORMATION ON SECTORAL EXPOSURES

This template split the Institution's exposure according to the counterparty industry sector. Beside the sector identification names and codes, the information required is exactly the same as for the OTH 1 IND template.

The template provides the total exposure grouped according to supervisory definitions of sectors and sub-sectors, usually defined from the point of view of the type of activity and following standardised classifications, such as NACE.

A) CONTENTS

Scope of the template: All aggregated exposures whether they are treated under an SA or an IRB approach.

By columns

Columns 1 to 3: This first group allows the identification of the Industry Sector. For the rest of the columns see the explanatory notes to the OTH 1 IND template

By rows

The referential to be used to identify these sectors has not yet been chosen. The level of detail that will be required in the identification of the sectors has not been determined either.

B) RELATIONS WITH OTHER TEMPLATES

The concepts used throughout this template have been used in the following templates: SA, IRB, SA CRM, FIRB CRM, AIRB CRM, IRB EQU 1/2/3 and OTH 1 IND.

C) CROSS RELATIONSHIPS

Internal Relationships

There is no specific internal relationship within this table beside simple additions:

Column 8 = Sum of columns 4, 5, 6 and 7.

Column 20 = Sum of columns 21, 23 and 25.

Relationships with other templates

- The total of column 8 can be cross-checked with sum of the totals of columns 1 of template SA CRM, FIRB CRM and AIRB CRM, where Asset Type is "Total" and "Exposure Classes" is also "Total".
- Similar relationships exist for columns 4, 5, 6 and 7, when the relevant Exposure Type is selected.

OTH 3 AFF - OTHER INFORMATION ON AFFILIATES

This template provides information on the distribution of risks (through the details of the Own Funds Requirements) and Own funds held throughout the "consolidated sub-groups and regulated entities" and compare both figures to identify surpluses and deficits of own funds at the individual level.

A) CONTENTS

Scope of the template: The consolidated sub-groups and regulated entities under the consolidated group. The level of detail required for this reporting will be decided by each Supervisor for its respective reporting entities.

By columns:

Columns 1 and 2: This first group allows the identification of the various levels of analysis, whether sub-groups or regulated entities. The codification and the level of details required, have yet to be defined.

Columns 3 to 14 provide the breakdown of the capital requirements by type of underlying risks: credit risk (column 3), with further details by the main exposure classes in columns 4 to 10, market risk in column 11, operational risk in column 12 and "Other and transitional capital requirements" in column 13.

Columns 15 and 16 report the Regulated Own Funds held, with the Original Own Funds in column 16.

Column 17 compares the total capital requirements with total regulatory own funds to identify surpluses and deficits of own funds.

By rows

The names and codes to be used to identify the different reporting entities and sub-group have yet to be determined.

B) RELATIONS WITH OTHER TEMPLATES

As detailed in the legal references, the definitions for several columns are common with the following tables: CA, SA CRM and FIRB CRM AIRB CRM.

C) CROSS RELATIONSHIPS

Internal Relationships

There is no specific internal relationship within this table beside the additions already mentioned in the header of columns 3, 14 and 17:

Relationships with other templates

- Data requested in column 4 to 10 is also required in the CA template, therefore the total of all the rows should match the own funds requirements for the corresponding exposure class (SA and/or IRB approach) in the CA template.
- The total of all the lines in columns 3 and 11 to 16 can be linked respectively to items 114, 135, 149, 154, 98 and 34 of the CA template.

OTH 4 OPR-OPERATIONAL RISK: INFORMATION ON MAJOR GROSS LOSSES OF THE LAST YEAR

This template informs on the (major) operational risk gross losses recorded in the last year or that are still open. It allows following the life of those losses above the threshold imposed by each supervisor, informing about the nature of these losses (event types) and their location by business lines, the effects of the hedging techniques followed and relevant dates.

The template aims to provide a reporting framework for major operational risk losses that may cause considerable damage to a bank's property, income or reputation. This is a key information in order to further improve the management of operational risk and the use of mitigation techniques which should play a prominent role in an operational risk management framework.

A) CONTENTS

Scope of the template: The information contained in this template is required for standardized and advanced approaches and provides more detailed, yet anonymous, information on major losses that occurred during the last year or that are still open. The template is organised in data records per event corresponding to one row, respectively, data contents of one record are hence given in columns.

By columns, i.e. contents of one record, the template contains:

- an internal code, for instance an unambiguous consecutive number,
- a code for the legal entity where the event took place (identity number or code)
- the total gross loss and the loss amount of it that remained unrealized
- the amount of loss recovered,
- the loss mitigated by means of insurance or by other measures,
- a possible relation of the event with credit or market risk,
- a percentage breakdown of the incurred loss on the business lines
- the risk event type code according to the Basel classification
- the dates of an event, its recognition and a possible insurance payment
- a status flag, whether the event is ended or still open and
- a commentary column for clarifying information on the loss event

By rows, the template contains all loss events incurred during the past reporting period that were beyond the loss amount threshold as imposed by the competent supervisor.

B) RELATIONS WITH OTHER TEMPLATES

The coding for identifying the entity where the event took place can be that used for identifying regulated entities in the template OTH 3.

C) CROSS RELATIONSHIPS

None.

Internal Relationships

None.

Relationships with other templates

None.

OTH 5 SEC - OTHER INFORMATION ON SECURITISATION DETAILS. DETAILED REPORTING FOR ORIGINATORS AND SPONSORS

This template is aimed at an institution holding a position in any securitisation^{11 12} of underlying exposures it has originated or in a securitisation it has sponsored (thus, only for originators¹³ and sponsors¹⁴). It was devised to provide additional information on securitisation positions on a deal-by-deal basis or in case of Asset-Backed Commercial Programs (ABCPs) on a program by program basis (versus the aggregate information reported in SA and IRB SEC templates).

¹¹ Securitisation according to Article 4(36) of Directive 2000/12/EC re-cast. Any securitisation includes here traditional and synthetic securitisation.

¹² Securitisation position according to Article 4(40) Directive of 2000/12/EC re-cast

¹³ Originator according to Article 4(41) Directive 2000/12/EC re-cast

¹⁴ Sponsor according to Article 4(42) Directive 2000/12/EC re-cast

A) CONTENTS

Scope of the template: All securitisation positions an originator or sponsor is holding in a securitisation of underlying exposures it has originated or in a securitisation it has sponsored, e.g. asset-backed commercial paper programme.

By columns,

the first block of information of this template (column 1 to 7) provides for an analysis of the general securitisation structure, such as origination date, total amount of securitised assets in the overall transaction, in the case of multi seller transaction share in underlying exposures originated by the bank¹⁵, name of the securitisation, current amount of securitised assets. For non ABCPs, origination date is the cut-off date of the pool (closing date) and for ABCPs, the time of the last purchase must be used.

The second block of information (column 8 to 13) provides for an analysis of the underlying pool of assets (or securitised exposures). In column 8, the institution shall determine the exposure type and may choose among the following options: 1-residential mortgages, 2-commercial mortgages, 3-credit cards, 4-leasing, 5-loans to corporates or SMEs, 6-consumer loans, 7-trade receivables and 8-other assets. In the case of a re-securitisation of ABS/MBS tranches or other securitisation positions such underlying exposures would be treated as other assets. In the case the pool consists of different classes of assets, the institution should indicate the most important class. In column 9, the approach applied to the underlying exposures – Standardised Approach (SA) or Internal Ratings Based Approach (IRB) - has to be specified. In column 10, the institution is not required to give the exact number of exposures included in the pool but must indicate the interval: (a) $N \leq 6$; (b) $6 < N \leq 100$; (c) $100 < N \leq 1000$ or (d) $N > 1000$. Column 11 applies only to institutions using the IRB approach. The exposure-weighted average loss-given-default (ELGD) should then be calculated as indicated in annex IX, part 4, paragraph 51 of Directive 2000/12/EC re-cast. In column 13, own funds requirements concerning the underlying exposures have to be reported as if they had not been securitised. Data should be reported as a percentage of current nominal amounts of securitised assets as provided in column 6.

The last block of information (column 14 to 23) provides for an analysis of originator's or sponsor's securitisation positions in the specific transaction plus information about total own fund requirements concerning these positions and total deductions. For the purpose of this template securitisation positions are differentiated in on- and off-balance sheet positions. On-balance sheet positions are further divided by their ranking in the specific order of priority of payments. Hence, column 15 refers to all retained or repurchased "most senior tranches" as defined in paragraph 46 of part 4, annex IX of Directive 2000/12/CE re-cast. "First loss tranches" (column 17) do, for the purpose of this form, include all on-balance sheet positions such as subordinated loans, drawn portion of subordinated credits provided to the structure or purchase discounts to which a 1250% risk weight would apply¹⁶. Therefore, mezzanine tranches, as to be specified in column 16, include all on-balance sheet positions that do not qualify as most senior or first loss tranches. Column 14 also refers to first loss positions, but in contrast to column 17, the total size of transaction's first loss positions (whether granted by the originator or third parties and including on- and off-balance sheet positions) is intended to be captured.

Note, that unsecured portions which are different in seniority of payments to secured portions of underlying exposures are treated as retained or repurchased tranches.¹⁷ For example, in the case an originator sells mezzanine tranches in form of credit-linked notes to investors and retains the super senior swap, this would create an exposure amount to be reported in column 15, "most senior tranches".

¹⁵ In a single seller transaction bank's share would be 100%.

¹⁶ Without taking into account the option for deduction according to annex IX, part 4, paragraphs 70 f. of Directive 2000/12/EC re-cast

¹⁷ Annex III, part 2, paragraph 87 of Directive 2000/12 /EC re-cast

Columns 18 to 20 refer to off-balance sheet positions in a securitisation. In column 19 eligible liquidity facilities, cash service advance¹⁸ or market disruption facilities¹⁹ which satisfy the requirements established in annex IX, part 4, paragraph 14 of Directive 2000/12/EC re-cast are to be reported. Column 18 refers to off-balance sheet positions such as guarantees, letters of credit or non-eligible liquidity or cash advance or market disruption facilities. Column 20 does include all other swaps such as interest rate or currency swaps which are not for credit enhancement purposes and are senior ranking in the order of priority of payments.

Column 21 refers to the investor's interest in case an originating institution is selling revolving exposures into a securitisation which contains early amortisation provisions. This is very typical in securitisations of credit card receivables or corporate loan commitments. In that case an originator might hold regulatory capital for the investors' interest in the exposure in addition to the capital required in respect of its own positions²⁰. According to Directive 2000/12/EC re-cast under the SA "investor's" interest means the nominal amount of the notional part of the pool of drawn amounts sold into a securitisation, the proportion of which in relation to the amount of the total pool sold into the structure is the proportion of cash flows available to make payments to those having securitisation positions in that securitisation. Under the IRB also the proportional nominal amount of un-drawn amounts of the credit lines, of which the drawn amounts have been sold into the securitisation, should be attributed to the investor's interest.

NOTE: Columns 6, 10 to 23 are referring to current data.

B) RELATIONS WITH OTHER TEMPLATES

CORRESPONDENCES WITH SA SEC 1 AND 2, AND IRB SEC 1 AND 2

Since template OTH 5 SEC provides detailed information on all securitisation positions of an originating bank in its own securitisations it has correspondences with SA SEC 1 and 2, IRB SEC 1 and 2 templates. Please refer to explanatory notes for SA SEC 1 and 2, IRB SEC 1 and 2.

CORRESPONDENCES WITH OTHER TEMPLATES

There are relations to the other templates depending on the way underlying assets are securitised (synthetic or traditional). For example, in synthetic securitisation underlying assets or exposures, as they remain on balance sheet, will be subject to CRM treatment either under IRB or SA. However, data in the OTH 5 form as they are on a deal-by-deal basis will only be part of the data in the other sheets such as SA CRM, FIRB CRM or AIRB CRM which are based on aggregate numbers.

¹⁸ Annex IX, part 4, paragraph 15 of Directive 2000/12/EC re-cast

¹⁹ Annex IX, part 4, paragraph 16 of the Directive 2000/12/EC re-cast

²⁰ Annex IX, part 4, paragraphs 17 f. of the Directive 2000/12/EC re-cast