**EN**

**ANNEX II**

**SUPERVISORY BENCHMARKING PORTFOLIOS**

[DEFINITION OF THE SUPERVISORY BENCHMARKING PORTFOLIOS 2](#_Toc401662038)

[C 101 – Definition of Low Default Portfolio counterparties 2](#_Toc401662039)

[C 102 – Definition of Low Default Portfolios 4](#_Toc401662040)

[C 103 – Definition of High Default Portfolios 7](#_Toc401662041)

## DEFINITION OF THE SUPERVISORY BENCHMARK PORTFOLIOS

For the purpose of mapping the exposures to counterparties and the portfolios defined in Annex I, the columns, labels, legal references and instructions provided in this Annex shall apply.

Where ‘Not applicable’ is used in Annex 1, no specific split is required for the variable it relates to.

### C 101 – Definition of Low Default Portfolio counterparties

|  |  |  |  |
| --- | --- | --- | --- |
| Column | Label | Legal reference | Instructions |
| 010 | Counterparty code |  | The code assigned by the European Banking Authority (‘EBA’) to each legal entity included in the low default portfolio (‘LDP’) sample. |
| 020 | Legal entity identifier (LEI) |  | 20-digit, alpha-numeric code that connects to key reference information that enables clear and unique identification of companies participating in global financial markets. |
| 030 | Credit register code |  | The code used by the national credit register of the place of residence of the counterparty. The code is used as an identifier for the counterparty. |
| 040 | Commercial register code |  | The code assigned to a counterparty by the public commercial register of the country where that counterparty is registered. |
| 050 | ISIN code |  | The ‘International Securities Identification Number’ used to identify uniquely securities issued by a counterparty. |
| 060 | Bloomberg ticker |  | The string of characters or numbers used to identify a company or entity uniquely in Bloomberg. |
| 070 | Name |  | The name of the legal entity included in the LDP samples. |
| 080 | Geographical area |  | Exposures shall be split into parts and assigned to portfolios based on the country of residence (ISO Code or ‘Other countries’) of the counterparty.  For the ‘Retail – secured by real estate SME’ and ‘Retail – secured by real estate non SME’ portfolios, exposures shall be split into parts based on the location of the collateral. |
| 090 | Portfolio name |  | Each counterparty is assigned one of the following names:   1. Sovereign sample; 2. Institutions sample; 3. Large corporate sample. |
| 100 | Sector of counterparty |  | Exposures shall be split into parts and assigned to portfolios based on the economic sector of the counterparty:   1. Central banks; 2. General Governments; 3. Credit institutions; 4. Other financial corporations; 5. Non-financial corporations; 6. Not applicable. |
| 110 | Type of exposure | [Instructions to the OJ: insert a reference to Article 2 of the Delegated Regulation adopting the EBA Draft RTS on the slotting approach, (submitted by the EBA to the European Commission pursuant to Article 153(9) of Regulation (EU) No 575/2013 ), if that Delegated Regulation has been published at the time of publication of this Implementing Regulation. If that Delegated Regulation has not yet been published at the time of publication of this Implementing Regulation, please leave this cell blank] | Exposures shall be split into parts and assigned to portfolios based on the type of exposure:  (a) Not applicable.  (b) Specialised lending exposures - Project finance  (c) Specialised lending exposures - Income-producing real estate and high-volatility  commercial real estate  (d) Specialised lending exposures - Object finance  (e) Specialised lending exposures - commodities finance  (f) Eligible covered bonds that meet the requirements of Article 129(1) of Regulation (EU) No 575/2013 (Capital Requirements Regulation - CRR):  (g) other exposures than those referred to in point (f). |
| 120 | Type of facility |  | Exposures shall be split into parts and assigned to portfolios based on the type of facility.  The type of facility is one of the following:  (a) Full risk (100%);  (b) Note issuance facility and revolving underwriting facility (Medium risk);  (c) Issued warranties and indemnities, guarantees, irrevocable stand-by letters of credit, documentary credit and other medium risk off-balance sheet items (Medium risk): this refers to warranties and indemnities (including tender, performance, customs and tax bonds), guarantees, irrevocable standby letters of credit not having the character of credit substitutes and other medium risk off-balance sheet items;  (d) Undrawn committed revolving credit facility (Medium- low risk): revolving lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to a deterioration in a borrower’s creditworthiness;  (e) Undrawn committed term credit facility (Medium-low risk): term lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to a deterioration in a borrower’s creditworthiness;  (f) Undrawn committed other credit facility (Medium-low risk): lending commitments, other than revolving and term, that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to a deterioration in a borrower’s creditworthiness;  (g) Issued short-term letters of credit and other medium-low risk off-balance sheet items (Medium-low risk);  (h) Undrawn uncommitted credit lines (Low risk): uncommitted lending facilities (advised and unadvised) that are undrawn and that may be cancelled unconditionally at any time without notice or that do provide for automatic cancellation due to a deterioration in borrower’s creditworthiness;  (i) Undrawn purchase commitments for revolving purchased receivables and other low-risk off-balance sheet items (Low risk): commitments that are able to be unconditionally cancelled or that effectively provide for automatic cancellation at any time by the institution without prior notice;  (j) Drawn credit facility;  (k) Not applicable |
| 130 | Type of risk |  | Exposures shall be split into parts and assigned to portfolios based on the type of risk:  (a) Counterparty credit risk;  (b) Credit risk and free deliveries;  (c) Credit risk, Counterparty credit risk and free deliveries. |
| 140 | Regulatory approach |  | Exposures shall be split into parts and assigned to portfolios based on the regulatory approach used for the calculation of RWA:  (a) Foundation IRB Approach;  (b) Advanced IRB Approach;  (c) Specialised lending slotting criteria.  RWAs for the exposure class ‘Retail’ are calculated under the regulatory approach ‘Advanced IRB Approach’. |

### C 102 – Definition of Low Default Portfolios

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Column | Label | | Legal reference | Instructions |
| 010 | Portfolio ID | |  | The unique ID assigned to the portfolio by EBA. |
| 020 | Portfolio name | |  | The name of each portfolio, assigned from among the following names:  (a) Sovereign;  (b) Institutions;  (c) Large corporate  (d) Large corporate sample, which comprises all entities listed in template 101 of Annex I to this Implementing Regulation for which the Portfolio name (column 090 of template 101) is ‘Large corporate sample’.  (e) Specialised lending exposures, which comprises all the exposures defined under Article 147(8) CRR. |
| 030 | | Type of risk |  | The instructions provided for column 130 of C 101 shall apply. |
| 040 | Regulatory approach | |  | The instructions provided for column 140 of C 101 shall apply. |
| 050 | Geographical area | |  | The instructions provided for column 080 of C 101 shall apply. |
| 060 | Rating | |  | Exposures shall be split into parts and assigned to portfolios based on the rank of the internal rating applied by the institution from lowest risk to highest risk excluding defaults with a probability of default (‘PD’) corresponding to 100%. It takes values from Rating 1, Rating 2 etc.  Where the reporting institution applies a unique rating system or is able to report according to an internal master scale, this scale shall be used. In all other cases, the different rating systems shall be merged and ordered according to the following instructions:   1. obligor grades of the different rating systems shall be pooled and ordered from the lower PD assigned to each obligor grade to the higher; 2. where a large number of grades or pools is used, a reduced number of grades or pools to be reported may be agreed with the competent authorities. |
| 070 | Exposure class | |  | Exposures shall be split into parts and assigned to portfolios based on the exposure class:  (a) Central governments and central banks;  (b) Institutions;  (c) Corporates other:  (c.1) Corporates – SME;  (c.2) Corporates – No SME  (d) Corporates - Specialised Lending Exposures;  (e) Retail:  (e.1) Retail – SME;  (e.1.1) Retail – SME - Secured by real estate;  (e.1.2) Retail – SME - Other;  (e.2) Retail – No SME;  (e.2.1) Retail – No SME - Other;  (e.2.2) Retail – No SME - Secured by real estate;  (e.3) Retail – Qualifying revolving;  (f) Not applicable |
| 080 | Sector of counterparty | |  | The instructions provided for column 100 of C 101 shall apply. |
| 090 | Default status | |  | Exposures shall be split into parts and assigned to portfolios based on the default status:  (a) Defaulted: exposures assigned to the rating grade(s) with a PD of 100%;  (b) Non-defaulted: exposures assigned to rating grades with a PD lower than 100%.  (c) Not applicable |
| 100 | Type of facility | |  | The instructions provided for column 120 of C 101 shall apply. |
| 110 | Collateralisation status | | Columns 150 to 210 of template 8.1 of Annex I to Commission Implementing Regulation (EU) No 680/2014[[1]](#footnote-1) | Exposures shall be split into parts and assigned to portfolios based on the collateralisation status:  (a) Exposures with credit protection;  (b) Exposures without credit protection;  (c) Not applicable. |
| 120 | Collateral type | | Columns 150 to 220 of template 8.1 of Annex I to Implementing Regulation (EU) No 680/2014 | Exposures shall be split into parts and assigned to portfolios based on the collateral type:  (a) Eligible financial collateral;  (b) Other eligible collateral: Receivables;  (c) Other eligible collateral: Residential real estate;  (d) Other eligible collateral: Commercial real estate;  (e) Other eligible collateral: Physical collateral;  (f) Other funded credit protection;  (g) Credit derivatives;  (h) Guarantees;  (i) Other unfunded credit protection: exposures subject to double default;  (j) Not applicable.  It should be noted that exposures treated under the substitution approach are already shifted to the corresponding exposures classes and shall thus not be reported under (g), (h) or (i). |
| 130 | Counterparty | |  | Exposures shall be split into parts and assigned to portfolios based on the counterparty:   1. Public sector entities (according to Article 112 (c) of Regulation (EU) 575/2013) ) of the European Parliament and of the Council[[2]](#footnote-2);; 2. Counterparties other than public sector entities. 3. Not applicable |
| 140 | Size of counterparty | |  | Exposures shall be split into parts and assigned to portfolios based on the size of the counterparty which shall be determined based on the total annual turnover for the consolidated group of which the counterparty is a part:  (a) <=EUR 50 million;  (b) >EUR 50 million and <=EUR 200 million;  (c) >EUR 200 million;  (d) >EUR 20 million and <=EUR 500 million;  (e) EUR 500 million;  (fk) Not applicable.  The total annual turnover is calculated in accordance with Article 4 of the Annex to Commission Recommendation 2003/361/EC[[3]](#footnote-3) and shall refer to the year ending one year before the reporting reference date. |
| 150 | NACE code | |  | Exposures shall be split into parts and assigned to portfolios based on the economic activity of the counterparty determined by the NACE codes (Statistical Classification of Economic Activities of the EU):   1. Nace 1: C Manufacturing 2. Nace 2: G Wholesale and retail trade 3. Nace 3: F Construction 4. Nace 4: H Transport and storage 5. Nace 5: D Electricity, gas, steam and air conditioning supply 6. Nace 6: A Agriculture, forestry and fishing 7. Nace 7: L real estate activities 8. Nace 8: All other exposures not included above 9. Not applicable   ). |
| 160 | Type of exposure | |  | The instructions provided for column 110 of C 101 shall apply. |
| 170 | Size of exposure | | Column 110 of template 8.1 of Annex I to Implementing Regulation (EU) No 680/2014 | Exposures shall be split into parts and assigned to portfolios based on the size of the exposure expressed in terms of exposure value (i.e. exposure at default (‘EAD’)):  (a) Not applicable. |
| 180 | Indexed loan-to-value range | |  | Exposures shall be split into parts and assigned to portfolios based on the indexed loan-to-value (‘ILTV’) range which shall be the ratio between the current loan amount and the current value of the property:   1. bucket 1: <=55% if the property is a residential immovable property;   <=60% if the property is a commercial immovable property   1. bucket 2: >55% <=70% if the property is a residential immovable property;   >60% <=70% if the property is a commercial immovable property  (c) bucket 3: >70% <=80%;  (d) bucket 4: >80% <=90%;  (e) bucket 5: >90% <= 100%;  (f) bucket 6: >100% <= 110%;  (g) bucket 7: >110%;  (h) Not applicable.  The indexed loan-to-value range shall be calculated in a prudent manner and at least comply with the following features:   1. Total amount of the loan: the outstanding amount of the mortgage loan plus any undrawn committed amount of the mortgage loan (after applying the corresponding credit conversion factor). The loan amount shall be calculated gross of any specific credit risk adjustments and shall include all other loans (including those provided by other financial institutions that are known to the institution) secured with liens of equal or higher ranking on the same residential property with respect to the lien securing the loan. Where there is insufficient information for ascertaining the ranking of the other liens, the institution shall assume that these liens rank pari passu with the lien securing the loan. 2. Value of the property: the value of the property is the independent valuation of the property at some point in time (most likely at origination) and converted to a current value using a property price index. The valuation should be performed in an independent way and by appraisers that meet specific qualification requirements. Qualifying requirements and minimum appraisal standards shall comply with the following conditions: 3. there is an individual assessment of the property and the property is valued in a prudently conservative manner (e.g. excluding expectations of future price appreciations and taking into account any potential for the current property price to be above a level that is sustainable over the life of the loan, for example due to a property price bubble); 4. where a market value can be determined, the valuation is not higher than market value; 5. the valuation is supported by adequate appraisal documentation.   Institutions shall document their calculations and provide this documentation to their competent authority upon request. |
| 190 | Balance sheet recognition | |  | Exposures shall be split into parts and assigned to portfolios based on the balance sheet recognition:  (a) On-balance sheet items;  (b) Off-balance sheet items;  (c) Other  (d) Not applicable.  Exposures representing Securities Financing Transactions, Derivatives & Long Settlement Transactions or Contractual Cross Product Netting and which are subject to counterparty credit risk shall be assigned to (c) other. These Exposure shall not be reported in (a) or (b). |

### C 103 – Definition of High Default Portfolios

|  |  |  |  |
| --- | --- | --- | --- |
| Column |  | Legal reference | Instructions |
| 010 | Portfolio ID |  | The unique ID assigned by EBA to each portfolio. |
| 020 | Portfolio name |  | Each portfolio is assigned one of the following names by EBA:  1.0 CORP  1.1.  CORP Defaulted  1.2.  CORP Non-Defaulted  2.0 SMEC  2.1.  SMEC Defaulted  2.2.  SMEC Non-Defaulted  3.0 Other retail SME  3.1.  Other retail SME Defaulted  3.2.  Other retail SME Non-Defaulted  4.0 Mortgages non SME  4.1.  Mortgages non SME Defaulted  4.2.  Mortgages non SME Non-defaulted  4.2.1.1.  Mortgages non SME Non-defaulted Secured  4.2.1.2.  Mortgages non SME Non-defaulted Unsecured5.0.  Mortgages SME  5.1.  Mortgages SME Defaulted  5.2.  Mortgages SME Non-defaulted  6.0.  Other retail non-SME  6.1.  Other retail non-SME Defaulted  6.2.  Other retail non-SME Non-defaulted  7.0.  QRRE  7.1.  QRRE Defaulted  7.2.  QRRE Non-defaulted |
| 030 | Type of risk |  | The instructions provided for column 130 of C 101 shall apply. |
| 040 | Regulatory approach |  | The instructions provided for column 140 of C 101 shall apply. |
| 050 | Geographical area |  | The instructions provided for column 080 of C 101 shall apply. |
| 060 | Rating |  | The instructions provided for column 060 of C 102 shall apply. |
| 070 | Exposure class |  | The instructions provided for column 070 of C 102 shall apply. |
| 080 | Sector of counterparty |  | The instructions provided for column 100 of C 101 shall apply. |
| 090 | Default status |  | The instructions provided for column 090 of C 102 shall apply. |
| 100 | Type of facility |  | The instructions provided for column 120 of C 101 shall apply. |
| 110 | Collateralisation status |  | The instructions provided for column 110 of C 102 shall apply. |
| 120 | Collateral type |  | The instructions provided for column 120 of C 102 shall apply. |
| 130 | Counterparty |  | The instructions provided for column 130 of C 102 shall apply. |
| 140 | Size of counterparty |  | The instructions provided for column 140 of C 102 shall apply. |
| 150 | NACE code |  | The instructions provided for column 150 of C 102 shall apply. |
|  |  |  |  |
| 160 | Type of exposure |  | The instructions provided for column 110 of C 101 shall apply. |
| 170 | Size of exposure |  | The instructions provided for column 170 of C 102 shall apply. |
| 180 | Indexed loan-to-value range |  | The instructions provided for column 180 of C 102 shall apply |
| 190 | Balance sheet recognition |  | The instructions provided for column 190 of C 102 shall apply. |

1. Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 191, 28.6.2014, p. 1). [↑](#footnote-ref-1)
2. **Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).** [↑](#footnote-ref-2)
3. **Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (**OJ L 124, 20.5.2003, p. 36). [↑](#footnote-ref-3)