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ANNEX II
SUPERVISORY BENCHMARKING PORTFOLIOS

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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

Only exposures to the counterparties listed in template C 101.00 of Annex I shall be reported in template C 101.00 of Annex III. Exposures to related entities of the counterparties listed in Table C 101.00 of Annex I, including subsidiaries and parent companies, shall not be reported.

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 – SME - secured by real estate’ and ‘Retail – Non-SME - secured by real estate’ 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: (a) Sovereign sample; (b) Institutions sample; (c) 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: (a) Central banks; (b) General Governments;

			<p>(c) Credit institutions; (d) Other financial corporations; (e) Non-financial corporations; (f) Households; (g) Not applicable.</p> <p>The assignment of counterparties to sectors shall be made in accordance with the instructions in Annex V part 1 paragraph 35 of Commission Implementing Regulation (EU) No 680/2014¹.</p>
110	Type of exposure		Only Exposures other than specialised lending shall be reported in template C 101.00 of Annex III.
120	Type of facility		Not applicable: exposures shall be reported in template C 101.00 of Annex III independently of the type of facility.
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; (d) Standardised approach .
			RWAs for the exposure class 'Retail' are calculated under the regulatory approach 'Advanced IRB Approach'. Exposures under the regulatory approach 'Standardised approach' should be reported only in Annex 8 - IFRS 9 reporting templates.

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, 28.06.2014, p. 1).

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 corporates; (d) Specialised lending exposures, which comprises all the exposures defined under Article 147(8) of Regulation (EU) No 575/2013 ² (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	CRR article 153(5), Template 8.2 of Annex I of Regulation (EU) No 680/2014	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: (a) obligor grades of the different rating systems shall be pooled and ordered from the lower PD assigned to each obligor grade to the higher; (b) 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. For specialised lending exposures risk weighted according to the approach described in Article 153(5) CRR, the rating split should be based on the supervisory risk weight category described in table 1 of that Article, as follows: Rating 1: Category 1 with Remaining maturity less than 2,5 years Rating 2: Category 2 with Remaining maturity less than 2,5 years Rating 3: Category 3 with Remaining maturity less than 2,5 years Rating 4: Category 4 with Remaining maturity less than 2,5 years Rating 5: Category 1 with Remaining maturity equal or more than 2,5 years

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).

			<p>Rating 6: Category 2 with Remaining maturity equal or more than 2,5 years Rating 7: Category 3 with Remaining maturity equal or more than 2,5 years Rating 8: Category 4 with Remaining maturity equal or more than 2,5 years</p> <p>The same rating scale as that used for the reporting in template C 08.02 of Annex I of Regulation (EU) No 680/2014 shall be used. Where the Institution uses a group master scale, that master scale shall be used.</p>
070	Exposure class	Paragraph 78 of Annex II of Regulation (EU) No 680/2014	<p>Exposures shall be split into parts and assigned to portfolios based on the exposure class:</p> <ul style="list-style-type: none"> (a) Central governments and central banks; (b) Institutions; (c) Corporates - Other: <ul style="list-style-type: none"> (c.1) Corporates - SME; (c.2) Corporates - No SME (d) Corporates - Specialised Lending Exposures; (e) Retail: <ul style="list-style-type: none"> (e.1) Retail - SME; <ul style="list-style-type: none"> (e.1.1) Retail - SME - Secured by real estate; (e.1.2) Retail - SME - Other; (e.2) Retail - No SME; <ul style="list-style-type: none"> (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 <p>In accordance with Article 147(4)(a) CRR exposures to regional governments and local authorities which are not treated as exposures to central governments shall be assigned to the exposure class 'exposures to institutions'.</p> <p>The exposure classes of Article 147 of Regulation (EU) No. 575/2013 (CRR) "equity exposures" and "items representing securitisation positions" shall not be reported.</p>
080	Sector of counterparty		The instructions provided for column 100 of C 101 shall apply.
090	Default status		<p>Exposures shall be split into parts and assigned to portfolios based on the default status:</p> <ul style="list-style-type: none"> (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	Article 166 (8) and (10) of CRR	Exposures shall be split into parts and assigned to portfolios based on the type of facility. Where more than one facility type value applies to the credit product, the exposure value shall be split on the basis of the facility type values.

			<p>The type of facility is one of the following:</p> <p>(a) full risk (100%);</p> <p>(b) note issuance facility and revolving underwriting facility (Medium risk);</p> <p>(c) issued warranties and indemnities, guarantees, irrevocable stand-by letters of credit, documentary credit and other medium risk off-balance sheet items (Medium risk), 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;</p> <p>(d) undrawn committed revolving credit facility (Medium- low risk) including 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;</p> <p>(e) undrawn committed term credit facility (Medium-low risk) including 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;</p> <p>(f) undrawn committed other credit facility (Medium-low risk) including 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;</p> <p>(g) issued short-term letters of credit and other medium-low risk off-balance sheet items (Medium-low risk);</p> <p>(h) undrawn uncommitted credit lines (Low risk) including lending facilities 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;</p> <p>(i) indrawn purchase commitments for revolving purchased receivables and other low-risk off-balance sheet items (Low risk) including commitments that are able to be unconditionally cancelled or that effectively provide for automatic cancellation at any time by the institution without prior notice;</p> <p>(j) not applicable.</p>
110	Collateralisation status	Columns 150 to 220 of template 8.1 of Annex I to Commission Implementing Regulation (EU) No 680/2014	<p>Exposures shall be split into parts and assigned to portfolios based on the collateralisation status of each part:</p> <p>(a) exposures with credit protection;</p> <p>(b) exposures without credit protection;</p> <p>(c) not applicable.</p> <p>The part of the exposure with credit protection shall be determined by the value of the collateral after haircuts applied in accordance with the CRR and, where applicable, institutions' internal guidelines.</p>
120	Collateral type	Columns 150 to 220 of template 8.1 of Annex I to Commission Implementing Regulation (EU) No 680/2014	<p>Exposures shall be split into parts and assigned to portfolios based on the collateral type:</p> <p>(a) Eligible financial collateral;</p> <p>(b) Other eligible collateral: Receivables;</p> <p>(c) Other eligible collateral: Residential real estate;</p> <p>(d) Other eligible collateral: Commercial real estate;</p>

			<p>(e) Other eligible collateral: Physical collateral;</p> <p>(f) Other funded credit protection;</p> <p>(g) Credit derivatives;</p> <p>(h) Guarantees;</p> <p>(i) Other unfunded credit protection: exposures subject to double default;</p> <p>(j) Not applicable.</p> <p>The part of the exposure secured by a specific type of collateral shall be determined by the value of that specific type of the collateral after the haircuts required in accordance with the CRR and, where applicable, institutions' internal guidelines.</p> <p>Exposures with unfunded credit protections treated under the substitution approach are already shifted to the corresponding exposures classes and shall thus not be reported under (g), (h) or (i).</p>
130	Counterparty		<p>Exposures shall be split into parts and assigned to portfolios based on the type of counterparty:</p> <p>(a) Public sector entities (according to Article 112 (c) CRR);</p> <p>(b) Counterparties other than public sector entities;</p> <p>(c) Not applicable</p>
140	Size of counterparty		<p>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:</p> <p>(a) <=EUR 50 million;</p> <p>(b) >EUR 50 million and <=EUR 200 million;</p> <p>(c) >EUR 200 million;</p> <p>(d) >EUR 200 million and <=EUR 500 million;</p> <p>(e) > EUR 500 million;</p> <p>(f) Not applicable.</p> <p>The total annual turnover shall be calculated in accordance with Article 4 of the Annex to Commission Recommendation 2003/361/EC³ and shall refer to the year ending one year before the reporting reference date.</p>
150	NACE code		<p>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):</p> <p>(a) Nace 1: C Manufacturing;</p> <p>(b) Nace 2: G Wholesale and retail trade;</p> <p>(c) Nace 3: F Construction;</p> <p>(d) Nace 4: H Transport and storage;</p> <p>(e) Nace 5: D Electricity, gas, steam and air conditioning supply;</p>

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).

			<p>(f) Nace 6: A Agriculture, forestry and fishing;</p> <p>(g) Nace 7: L real estate activities;</p> <p>(h) Nace 8: All other exposures than those included in points (a) to (h) above;</p> <p>(i) Not applicable.</p>
160	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) CRR), if that Delegated Regulation has been published at the time of publication of this Implementing Regulation. Where that Delegated Regulation has not yet been published at the time of publication of this Implementing Regulation, please leave this cell blank]	<p>Exposures shall be split into parts and assigned to portfolios based on the type of exposure:</p> <p>(a) Not applicable;</p> <p>(b) Specialised lending exposures - Project finance;</p> <p>(c) Specialised lending exposures - Income-producing real estate and high-volatility commercial real estate;</p> <p>(d) Specialised lending exposures - Object finance;</p> <p>(e) Specialised lending exposures - Commodities finance;</p> <p>(f) Eligible covered bonds that meet the requirements of Article 129(1) of Regulation (EU) No 575/2013 (Capital Requirements Regulation - CRR);</p> <p>(g) other exposures than those referred to in point (f).</p>
170	Size of exposure	Column 110 of template 8.1 of Annex I to Implementing Regulation (EU) No 680/2014	<p>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')):</p> <p>(a) Not applicable.</p>
180	Indexed loan-to-value range		<p>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:</p> <p>(a) bucket 1: $\leq 55\%$ if the property is a residential immovable property; $\leq 60\%$ if the property is a commercial immovable property</p> <p>(b) bucket 2: $> 55\% \leq 70\%$ if the property is a residential immovable property;</p>

			<p>>60% <=70% if the property is a commercial immovable property</p> <p>(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.</p> <p>The indexed loan-to-value range shall be calculated in a prudent manner and at least comply with the following features:</p> <p>(a) 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.</p> <p>(b) 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:</p> <p>(i) 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);</p> <p>(ii) where a market value can be determined, the valuation is not higher than market value;</p> <p>(iii) the valuation is supported by adequate appraisal documentation.</p> <p>Institutions shall document their calculations and provide this documentation to their competent authority upon request.</p>
190	Balance sheet recognition		<p>Exposures shall be split into parts and assigned to portfolios based on the balance sheet recognition:</p> <p>(a) On-balance sheet items; (b) Off-balance sheet items; (c) Other (d) Not applicable.</p>

			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).
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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		<p>Each portfolio is assigned one of the following names by EBA:</p> <ul style="list-style-type: none"> 1.0 CORP <ul style="list-style-type: none"> 1.1. CORP Defaulted 1.2. CORP Non-Defaulted 2.0 SMEC <ul style="list-style-type: none"> 2.1. SMEC Defaulted 2.2. SMEC Non-Defaulted 3.0 Other retail SME <ul style="list-style-type: none"> 3.1. Other retail SME Defaulted 3.2. Other retail SME Non-Defaulted 4.0 Mortgages non SME <ul style="list-style-type: none"> 4.1. Mortgages non SME Defaulted 4.2. Mortgages non SME Non-defaulted 5.0. Mortgages SME <ul style="list-style-type: none"> 5.1. Mortgages SME Defaulted 5.2. Mortgages SME Non-defaulted 6.0. Other retail non-SME <ul style="list-style-type: none"> 6.1. Other retail non-SME Defaulted 6.2. Other retail non-SME Non-defaulted 7.0. QRRE <ul style="list-style-type: none"> 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.