The Qualitative Questionnaires available for download on the EBA's website are for information purposes only. It is important that institutions participating in the QIS only fill in and submit the online version of the questionnaire obtained from their respective Competent Authority. ECAIs should only respond to the online version of the questionnaire they have received from the EBA.

EBA qualitative questionnaire on December 2017 Basel III standards for institutions

Fields marked with * are mandatory.

General

This qualitative questionnaire is addressed to all institutions participating in the Q2-2018 EBA-BCBS monitoring exercise and the Call for Advice data collection. The aim is to gather additional information – not already covered in the quantitative data collection – on the impact and implementation aspects of the revisions to the Basel III standards agreed by the Basel Committee on Banking Supervision (BCBS) in December 2017. The information will be used in addressing the European Commission's Call for Advice on the European impact and implementation of these reforms in the EU.

The questionnaire is organised in 8 sections:

- Section 1 Standardised approach for credit risk;
- Section 2 IRB approach for credit risk;
- Section 3 Securities financing transactions (SFTs);
- Section 4 Credit valuation adjustment (CVA) risk;
- Section 5 Operational risk;
- Section 6 Output floor;
- Section 7 General questions – assessment of costs/benefits of the reform;
- Section 8 Assessment of impact of the reform at the subsidiary / affiliate level.

The deadline for submitting the qualitative questionnaire is **11/01/2019**.

The questions raised and answer options provided in this questionnaire refer to the current practices, do not imply any regulatory expectations or guidance over aforementioned requirements and, in answering, institutions should not feel constrained by any regulation that is not currently applicable to them.

Filling in the qualitative questionnaire

All sections of the questionnaire should be completed in English.

Institutions should respond to all questions, unless otherwise stated. Section 2 should only be filled in by institutions using the IRB approach for credit risk. Section 6 should only be filled in by institutions using internal models for market risk, the internal ratings-based approach for credit risk or the internal models method for counterparty credit risk.

When responding to the questionnaire, institutions should base their answers, to the extent possible, on actual data, rather than subjective judgements. Where an institution is unable to respond to a question or the question is not applicable, the corresponding answer should be left blank. No text such as “na” should be entered in these cells. For some specific questions, the option ‘not applicable’ or ‘N/A’ is already foreseen within the list of possible answers.

Data should be reported in euros. Foreign exchange reference rates should be used from ECB website, which can be accessed via this link: http://ec.europa.eu/budg/inforeuro/index?lang=en&target=iframe#!/convertor. The reporting unit should be in single units (i.e. 1 unit). Percentages should be reported as decimals, using a dot (.) as the decimal separator – not a comma (,). For example, 1% should be entered as 0.01. Institutions should not use any comma or dot separator for thousands. Institutions must not fill in any arbitrary numbers to avoid error messages or warnings which may be provided by their competent authorities.

For the purpose of the questionnaire, the term:

‘Current framework’, refers to the **national implementation** of the CRR/CRD IV in the jurisdiction of the institution in question, as of the 30/06/2018, unless otherwise stated.

‘Revised framework’ refers to the revisions of the Basel standards published by the BCBS in December 2017 (see https://www.bis.org/bcbs/publ/d424.pdf) and the FRTB standards published by the BCBS in January 2016.

Respondent information

* Name of your institution:

* LEI code of your institution:

Text of 20 to 20 characters will be accepted

*Country of your institution:

- AT
- BE
- BG
- DE
- DK
- EE
- ES
- FI
- FR
- GB
- GR
- HR
- HU
- IE
- IT
- LT
- LU
- LV
- MT
- NL
- NO
- PL
- PT
- RO
- SE

The institution's name and LEI code is strictly confidential and will be treated as such. Results will not be disclosed at institution level and the name and the LEI code of the participating institution will only be used internally by the respective NCA and the EBA.

1. Standardised Approach for credit risk (SA)

Exposures to corporates

Q1 On the basis of actual corporate portfolios, do you believe that the implementation of the non-ratings based regulatory approach (see paragraphs 41 to 43 in the revised Basel text for SA) would result in:

- Higher risk-sensitivity than the ratings-based regulatory approach;
- Similar risk-sensitivity than the ratings-based regulatory approach;
- Lower risk-sensitivity than the ratings-based regulatory approach.

Q2 On the basis of actual corporate portfolios, do you believe that the implementation of a combined approach (ratings-based for rated exposures and non-ratings based for unrated exposures) would result in:

- Higher risk-sensitivity than the ratings-based regulatory approach;

Similar risk-sensitivity than the ratings-based regulatory approach;
- Lower risk-sensitivity than the ratings-based regulatory approach.

Q3 In the proposed treatment of corporate exposures in jurisdictions that do not allow the use of external ratings for regulatory purposes (see paragraphs 41 to 43 in the revised Basel text for the SA), corporate counterparties – or their parent companies – must issue securities listed on a recognized exchange in order to be eligible for the 'investment grade' classification.

Based on your actual corporate lending portfolio, you expect that the portion of rated borrowers, if compared to the portion of borrowers –or their parent companies- listed on a recognised exchange, to be:

- Larger;
- Similar;
- Smaller.

Q4 Do you consider that the necessary information to assign counterparties to 'investment grade' category is readily available to your institution?

- Yes
- No

Please explain:

1000 character(s) maximum

Retail exposures

Q5 With regard to the retail exposures (in line with Article 123 of the CRR), if you apply a relative quantitative threshold on the exposure value relative to the size of the regulatory retail portfolio for identifying if the exposure is one of a significant number of exposures (otherwise choose 'none' from the list), into which range does the threshold fall?

- none
- threshold ≤ 0.2%
- 0.2% < threshold ≤ 0.3%
- 0.3% < threshold ≤ 0.5%
- 0.5% < threshold ≤ 0.75%
- 0.75% < threshold ≤ 1%
- Threshold > 1%

Q6 Do you use other quantitative criteria to ensure compliance with the CRR provisions in Article 123 requiring the diversification of the retail portfolio?

- Yes
- No

Please explain:

1000 character(s) maximum

Q7 In your methodology, which additional qualitative characteristics do you analyse to ensure diversification of your retail portfolio?

- Geographic diversification
- Type of exposure
- Absolute size of exposure
- Other

Other:

1000 character(s) maximum

Please explain your approach:

1000 character(s) maximum

Land acquisition, development and construction (ADC) exposures

Q8 What types of properties currently fall into your speculative immovable property finance portfolio (in line with the definition provided in Article 4(1)(79) of the CRR)?

- only residential properties
- mostly residential properties
- similar share of residential and commercial properties
- mostly commercial properties
- only commercial properties
- N/A

Q9 What is the absolute amount of your exposures related to residential real estate, which are currently classified as speculative immovable property finance portfolio and will be included in the ADC portfolio?

Data should be reported in euros. Foreign exchange reference rates should be used from ECB website, which can be accessed via this link: http://ec.europa.eu/budg/inforeuro/index?lang=en&target=iframe#!/convertor. The reporting unit should be in single units (i.e. 1 unit).

bn EUR

Q10a With reference to the second bullet point in paragraph 75 of the revised Basel text for the SA, please include the share (in %) of your exposures related to residential real estate, which are currently classified as speculative immovable property finance portfolio and will be included in ADC portfolio, into the respective buckets given in the table below:

Percentages should be reported as decimals, using a dot (.) as the decimal separator – not a comma (,). For example, 1% should be entered as 0.01.

	(0%,30%]	(30%-40%]	(40%-50%]	(50%-70%]	>70%
pre-sale or pre-lease contracts					

Q10b With reference to the second bullet point in paragraph 75 of the revised Basel text for the SA, please include the share (in %) of your exposures related to residential real estate, which are currently classified as speculative immovable property finance portfolio and will be included in ADC portfolio, into the respective buckets given in the table below:

Percentages should be reported as decimals, using a dot (.) as the decimal separator – not a comma (,). For example, 1% should be entered as 0.01.

	(0%,15%]	(15%-20%]	(20%-25%]	(25%-30%]	>30%
equity at risk					

RW multiplier to certain exposures with currency mismatch

Q11 Is the information on the currency of the borrower's source of income currently available during the loan period?

- Yes
- No

Q12 Would tracking changes in the currency of the borrower's source of income be a challenge for your institution?

- Yes
- No

Please explain:

1000 character(s) maximum

Credit Risk Mitigation Framework

Q13 What impact do you expect the removal of own estimates of haircuts when using the comprehensive approach for taking into account the effects of the collateral posted or received (in line with paragraph 155 of the revised Basel text for the SA) to have on the level of RWA of credit risk under the SA?

- increase by 2.5% or more
- increase between 0.5% and less than 2.5%
- decrease by less than 0.5% or increase by less than 0.5%
- decrease between 0.5% and less than 2.5%
- decrease by 2.5% or more

Q14 What impact do you expect the proposed supervisory haircuts under the comprehensive approach for taking into account the effect of collateral posted or received (in line with paragraphs 163 and 164 of the revised Basel text for the SA) to have on the level of your RWA of credit risk under the SA?

- increase by 2.5% or more
- increase between 0.5% and less than 2.5%
- decrease by less than 0.5% or increase by less than 0.5%
- decrease between 0.5% and less than 2.5%
- decrease by 2.5% or more

Q15 What impact do you expect the full recognition of credit derivatives, where restructuring is not specified as a credit event, but where the requirements of footnote 83 of the revised SA under Basel III are met, to have on the level of your RWA for credit risk under the SA?

- similar i.e. decrease by less than 0.5%
- decrease between 0.5% and less than 2.5%

- decrease by 2.5% or more

Q16 What impact do you expect the removal of recognition of nth-to-default credit derivatives to have on the level of your RWA for credit risk under the SA?

- increase by 2.5% or more
- increase between 0.5% and less than 2.5%
- similar i.e. increase by less than 0.5%

Q17 Please rank the following CRM provisions based on their expected impact on the level of RWA for credit risk under the SA, rating them from 1 to 4, from the one with highest expected impact to the one with lowest expected impact (1 being the most impactful reform in terms of impact):

	Rank 1	Rank 2	Rank 3	Rank 4
Recalibrated supervisory haircuts under the comprehensive approach				
Removal of the use of own-estimates of haircuts under the comprehensive approach				
Full recognition of credit derivatives that do not cover restructuring, but where the requirements of footnote 83 of the revised SA under Basel III are met, where restructuring is not specified as a credit event				
Removal of the use of nth-to-default credit derivatives as an eligible CRM technique				

Other topics related to SA

Q18 What maturity do you currently use for identifying short-term exposures to institutions?

- Original (in line with paragraph 19 in the revised Basel text for the SA)
- Residual (in line with Article 119 (2) and Article 120(2) of the CRR)

Q18a If you currently use the residual maturity to identify short-term exposures to institutions, what impact do you consider it would have on the size of your short-term exposures portfolio switching to the original maturity criterion?

- decrease by less than 2.5%
- decrease between 2.5% and less than 5%
- decrease between 5% and less than 15%
- decrease between 15% and 25%
- decrease by more than 25%

Q19 How do you expect the definition of commitment given by the revised Basel text to impact the amount of unconditionally cancellable commitments (UCC) in the off-balance sheet exposures treated under the SA?

- increase of off-balance sheet exposures by more than 25%
- increase of off-balance sheet exposures between 15% and 25%
- increase of off-balance sheet exposures between 5% and 15%
- increase or decrease of off-balance sheet exposures by less than 5%
- decrease of off-balance sheet exposures between 5% and 15%
- decrease of off-balance sheet exposures between 15% and 25%
- decrease of off-balance sheet exposures by more than 25%

2. IRB Approach for credit risk

Section 2 is only applicable to institutions using IRB models for credit risk. Although “the treatment of sovereign exposures is unchanged from the Basel II framework (June 2006)” [para 19 BIII IRB part], this questionnaire tests as an alternative scenario the application of selected technical changes and clarifications on all asset classes. The results of this questionnaire will be used to assess the potential costs of keeping the IRB framework consistent between all IRB asset classes.

Various clarifications on the estimation of risk parameters

For the purpose of this section, the measures of impact on risk parameters (average value at portfolio level) should be interpreted as following:

- **No impact as current policy in line with revised Basel III**: no change
- **Negligible impact**: less than 5% change (negative or positive)
- **Low impact**: between 5% and 10% change (negative or positive)
- **Moderate impact**: between 10% and 20% change (negative or positive)
- **High impact**: more than 20% change (negative or positive)
- **N/A**: The institution has no IRB exposures

Q20 What impact do you expect the clarifications on the PD estimation (references provided in the table) to have on your PD estimates for sovereign exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in PD	Low decrease in PD	Moderate increase in PD	Moderate decrease in PD	High increase in PD	High decrease in PD	N /A
Horizon of the rating assignment (B3 – IRB para 182 & 183)	○	○	○	○	○	○	○	○	○
Computation of the one-year default rate (B3 – IRB para 230)	○	○	○	○	○	○	○	○	○
Underlying data reflecting good and bad years	○	○	○	○	○	○	○	○	○

(B3 – IRB para 231 & 234)									
Indirect impact from change in the SA text: no assumptions of implicit government support in the ECAI rating (B3 – SA para 18)									

Q21 What impact do you expect the clarifications on the PD estimation (references provided in the table) to have on your PD estimates for exposures to institutions?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in PD	Low decrease in PD	Moderate increase in PD	Moderate decrease in PD	High increase in PD	High decrease in PD	N /A
Horizon of the rating assignment (B3 – IRB para 182 & 183)	○	○	○	○	○	○	○	○	○
Computation of the one-year default rate (B3 – IRB para 230)	○	○	○	○	○	○	○	○	○
Underlying data reflecting good and bad years	○	○	○	○	○	○	○	○	○

(B3 – IRB para 231 & 234)									
Indirect impact from change in the SA text: no assumptions of implicit government support in the ECAI rating (B3 – SA para 18)									

Q22 What impact do you expect the clarifications on the PD estimation (references provided in the table) to have on your PD estimates for <u>corporate exposures</u>?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in PD	Low decrease in PD	Moderate increase in PD	Moderate decrease in PD	High increase in PD	High decrease in PD	N /A
Horizon of the rating assignment (B3 – IRB para 182 & 183)	○	○	○	○	○	○	○	○	○
Computation of the one-year default rate (B3 – IRB para 230)	○	○	○	○	○	○	○	○	○
Underlying data reflecting good and bad years	○	○	○	○	○	○	○	○	○

(B3 – IRB para 231 & 234)									
Indirect impact from change in the SA text: no assumptions of implicit government support in the ECAI rating (B3 – SA para 18)									

Q23 What impact do you expect the clarifications on the PD estimation (references provided in the table) to have on your PD estimates for retail exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in PD	Low decrease in PD	Moderate increase in PD	Moderate decrease in PD	High increase in PD	High decrease in PD	N /A
Horizon of the rating assignment (B3 – IRB para 182 & 183)	○	○	○	○	○	○	○	○	○
Computation of the one-year default rate (B3 – IRB para 230)	○	○	○	○	○	○	○	○	○
Underlying data reflecting good and bad years	○	○	○	○	○	○	○	○	○

(B3 – IRB para 231 & 234)									
Requirement to reflect seasoning effect for retail exposures deleted (B2 para 467)									
Possibility to give unequal importance to historic data for retail exposures deleted (B2 para 466)									

Q24 What impact do you expect the clarifications on the LGD estimation (references provided in the table) to have on your LGD estimates for retail exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in LGD	Low decrease in LGD	Moderate increase in LGD	Moderate decrease in LGD	High increase in LGD	High decrease in LGD	N /A
Possibility to give unequal importance to historic data for retail exposures deleted (B2 para 473)	○	○	○	○	○	○	○	○	○

Q25 What impact do you expect the clarifications on the CCF estimation (references provided in the table) to have on your conversion factors estimates for your sovereign exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in CCF	Low decrease in CCF	Moderate increase in CCF	Moderate decrease in CCF	High increase in CCF	High decrease in CCF	N /A
12-month fixed horizon approach, other approaches such as cohort approach no longer allowed (B3 – IRB para 245)	○	○	○	○	○	○	○	○	○
Downturn EAD should not fall below a conservative estimate of the long-run default-weighted	○	○	○	○	○	○	○	○	○

average EAD (B3 – IRB para 242)									
Specification of homogeneous segments (B3 – IRB para 246)									
Treatment of regions of instability (B3 – IRB para 247)									
No caps to the principal amount (B3 – IRB para 248)									
Reflection of wrong way risk in the calculation of EAD (B3 – IRB para 191)									
Definition of commitment (B3 – SA para 78)									

Q26 What impact do you expect the clarifications on the CCF estimation (references provided in the table) to have on your conversion factors estimates for your exposures to institutions?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in CCF	Low decrease in CCF	Moderate increase in CCF	Moderate decrease in CCF	High increase in CCF	High decrease in CCF	N /A
12-month fixed horizon approach, other approaches such as cohort approach no longer allowed (B3 – IRB para 245)	○	○	○	○	○	○	○	○	○
Downturn EAD should not fall below a conservative estimate of the long-run default-weighted	○	○	○	○	○	○	○	○	○

average EAD (B3 – IRB para 242)									
Specification of homogeneous segments (B3 – IRB para 246)	○	○	○	○	○	○	○	○	○
Treatment of regions of instability (B3 – IRB para 247)	○	○	○	○	○	○	○	○	○
No caps to the principal amount (B3 – IRB para 248)	○	○	○	○	○	○	○	○	○
Reflection of wrong way risk in the calculation of EAD (B3 – IRB para 191)	○	○	○	○	○	○	○	○	○
Definition of commitment (B3 – SA para 78)	○	○	○	○	○	○	○	○	○

Q27 What impact do you expect the clarifications on the CCF estimation (references provided in the table) to have on your conversion factors estimates for your corporate exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in CCF	Low decrease in CCF	Moderate increase in CCF	Moderate decrease in CCF	High increase in CCF	High decrease in CCF	N /A
12-month fixed horizon approach, other approaches such as cohort approach no longer allowed (B3 – IRB para 245)	○	○	○	○	○	○	○	○	○
Downturn EAD should not fall below a conservative estimate of the long-run default-weighted	○	○	○	○	○	○	○	○	○

average EAD (B3 – IRB para 242)									
Specification of homogeneous segments (B3 – IRB para 246)									
Treatment of regions of instability (B3 – IRB para 247)									
No caps to the principal amount (B3 – IRB para 248)									
Reflection of wrong way risk in the calculation of EAD (B3 – IRB para 191)									
Definition of commitment (B3 – SA para 78)									

Q28 What impact do you expect the clarifications on the CCF estimation (references provided in the table) to have on your conversion factors estimates for your retail exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in CCF	Low decrease in CCF	Moderate increase in CCF	Moderate decrease in CCF	High increase in CCF	High decrease in CCF	N /A
12-month fixed horizon approach, other approaches such as cohort approach no longer allowed (B3 – IRB para 245)									
No possibility to give unequal importance to historic data for retail exposures (if									

deleted from B3 – IRB para 251)									
Downturn EAD should not fall below a conservative estimate of the long-run default-weighted average EAD (B3 – IRB para 242)									
Specification of homogeneous segments (B3 – IRB para 246)									
Treatment of regions of instability (B3 – IRB para 247)									
No caps to the principal amount (B3 – IRB para 248)									
Reflection of wrong way									

risk in the calculation of EAD (B3 – IRB para 191)									
Definition of commitment (B3 – SA para 78)									

Q29 How do you expect the definition of commitment given by the revised Basel text to impact the amount of unconditionally cancellable commitments (UCC) in the off-balance sheet exposures treated under the IRB Approach?

- increase of off-balance sheet exposures by more than 25%
- increase of off-balance sheet exposures between 15% and 25%
- increase of off-balance sheet exposures between 5% and 15%
- increase or decrease of off-balance sheet exposures by less than 5%
- decrease of off-balance sheet exposures between 5% and 15%
- decrease of off-balance sheet exposures between 15% and 25%
- decrease of off-balance sheet exposures by more than 25%

Q30a What is the portion of the exposure class that benefits from the estimation of the actual maturity? (use of CRR 162(1) para 2 for FIRB exposures)? [percentage of the total exposure value of exposures in a given exposure class treated under FIRB or AIRB respectively; N/A if the respective approach (FIRB or AIRB) is not used for a given exposure class]

Percentages should be reported as decimals, using a dot (.) as the decimal separator – not a comma (,). For example, 1% should be entered as 0.01.

	Use of CRR 162(1) para 2 for FIRB exposures
Sovereigns	
Institutions	
Corporate	

Q30b What is the portion of the exposure class that benefits from the estimation of the actual maturity? (non-use of CRR 162(4) for AIRB exposures)? [percentage of the total exposure value of exposures in a given exposure class treated under FIRB or AIRB respectively; N/A if the respective approach (FIRB or AIRB) is not used for a given exposure class]

Percentages should be reported as decimals, using a dot (.) as the decimal separator – not a comma (,). For example, 1% should be entered as 0.01.

	Non-use of CRR 162(4) for AIRB exposures
Corporate	

Credit Risk Mitigation Framework

Conditional guarantees

Q31 Do you accept any conditional guarantees to secure your credit risk exposures (including conditional guarantees that are not recognized for the purpose of capital requirements)?

- Yes
- No

Q31a Please describe the five main (mostly used and/or mostly impactful) types of conditions of these guarantees?

	Description
Type 1	
Type 2	
Type 3	
Type 4	
Type 5	

Q31b Do you reflect conditional guarantees in your PD or LGD models?

	In PD only	In LGD only	In PD and LGD	Not recognised (not eligible)	N/A (No AIRB or no conditional guarantees)
Sovereigns	○	○	○	○	○
Institutions	○	○	○	○	○
Corporate	○	○	○	○	○
Retail	○	○	○	○	○

Q31c What impact do you expect the removal of the recognition of conditional guarantees (Basel III IRB – para 257) to have on your risk parameter estimates for your sovereign exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low impact (decrease of risk parameter estimate)	Moderate impact (decrease of risk parameter estimate)	High impact (decrease of risk parameter estimate)	N/A (No AIRB or no conditional guarantees)
PD	○	○	○	○	○	○
LGD	○	○	○	○	○	○

Q31d What impact do you expect the removal of the recognition of conditional guarantees (Basel III IRB – para 257) to have on your risk parameter estimates for your exposures to institutions?

	No impact as current policy in line with revised Basel III	Negligible impact	Low impact (decrease of risk parameter estimate)	Moderate impact (decrease of risk parameter estimate)	High impact (decrease of risk parameter estimate)	N/A (No AIRB or no conditional guarantees)
PD	○	○	○	○	○	○
LGD	○	○	○	○	○	○

Q31e What impact do you expect the removal of the recognition of conditional guarantees (Basel III IRB – para 257) to have on your risk parameter estimates for your corporate exposures?

	No impact as current policy in line with		Low impact (decrease	Moderate impact (decrease of	High impact (decrease	

	revised Basel III	Negligible impact	of risk parameter estimate)	risk parameter estimate)	of risk parameter estimate)	N/A (No AIRB or no conditional guarantees)
PD	○	○	○	○	○	○
LGD	○	○	○	○	○	○

Q31f What impact do you expect the removal of the recognition of conditional guarantees (Basel III IRB – para 257) to have on your risk parameter estimates for your retail exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low impact (decrease of risk parameter estimate)	Moderate impact (decrease of risk parameter estimate)	High impact (decrease of risk parameter estimate)	N/A (No AIRB or no conditional guarantees)
PD	○	○	○	○	○	○
LGD	○	○	○	○	○	○

n-th-to-default credit derivatives

Q32 Do you use n-th-to-default credit derivatives to secure your credit risk exposures (exposures treated in accordance with the credit risk framework and not in the context of securitisation)?

- ○ Yes
- ○ No

Q32a Do you reflect n-th-to-default credit derivatives in your PD or LGD models?

	In PD only	In LGD only	In PD and LGD	Not recognised (not eligible)	N/A (no credit derivatives in use)
Sovereigns	○	○	○	○	○
Institutions	○	○	○	○	○
Corporate	○	○	○	○	○
Retail	○	○	○	○	○

Q32b What impact do you expect the removal of the recognition of nth-to-default credit derivatives (Basel III IRB – para 97) to have on your risk parameter estimates for your sovereign exposures?

			Low impact	Moderate impact	High impact	

	No impact as current policy in line with revised Basel III	Negligible impact	(decrease of risk parameter estimate)	(decrease of risk parameter estimate)	(decrease of risk parameter estimate)	N/A (no credit derivatives in use)
PD						
LGD						

Q32c What impact do you expect the removal of the recognition of nth-to-default credit derivatives (Basel III IRB – para 97) to have on your risk parameter estimates for your exposures to institutions?

	No impact as current policy in line with revised Basel III	Negligible impact	Low impact (decrease of risk parameter estimate)	Moderate impact (decrease of risk parameter estimate)	High impact (decrease of risk parameter estimate)	N/A (no credit derivatives in use)
PD						
LGD						

Q32d What impact do you expect the removal of the recognition of nth-to-default credit derivatives (Basel III IRB – para 97) to have on your risk parameter estimates for your corporate exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low impact (decrease of risk parameter estimate)	Moderate impact (decrease of risk parameter estimate)	High impact (decrease of risk parameter estimate)	N/A (no credit derivatives in use)
PD						
LGD						

Q32e What impact do you expect the removal of the recognition of nth-to-default credit derivatives (Basel III IRB – para 97) to have on your risk parameter estimates for your retail exposures?

	No impact as current policy in line with revised Basel III	Negligible impact	Low impact (decrease of risk parameter estimate)	Moderate impact (decrease of risk parameter estimate)	High impact (decrease of risk parameter estimate)	N/A (no credit derivatives in use)
PD						

LGD						

Supervisory haircuts

Q33 Do you use own estimates of haircuts for financial collateral recognised under FIRB (CRR Art 225)?

- Yes
- No

Q33a For each exposure class listed below, what is the percentage of exposures (in term of exposure value) secured by financial collateral (in line with paragraph 145 of Basel II text)?

EAD (exposure secured by financial collateral – of the exposure class)/ EAD (total – of the exposure class).

	< 20%	20% - 40%	40 - 60%	60 – 80%	>80%	N /A
Sovereigns						
Institutions						
Corporate						
Retail						

Q33b For each exposure class listed below, what impact do you expect the removal of the possibility to estimate haircuts for financial collateral (in line with paragraph 154 and 155 of Basel II text) to have on the RWA of portfolios secured by this type of collateral?

	No impact as current policy in line with revised Basel III	Negligible impact	Low increase in RWA	Low decrease in RWA	Moderate increase in RWA	Moderate decrease in RWA	High increase in RWA	High decrease in RWA	N /A
Sovereigns									
Institutions									
Corporate									
Retail									

General

Q34 Please rank the following CRM provisions based on their expected impact on the level of RWA for credit risk under the IRB, rating them from 1 to 3, from the one with highest expected impact to the one with lowest expected impact (1 being the most impactful reform in terms of impact):

	Rank 1	Rank 2	Rank 3
Removal of the recognition of conditional guarantees	○	○	○
Removal of the recognition of nth-to-default credit derivatives	○	○	○
Removal of the use of own-estimates of haircuts under the comprehensive approach	○	○	○

Future use of IRB Approach

Q35 What is the current and currently planned scope of use of the IRB Approach (including current IRB implementation and exposures under the sequential implementation of the IRB approach i.e. roll-out plan) in terms of total exposure value in a given exposure class?

	< 20%	20% - 40%	40 - 60%	60 – 80%	>80%	N /A
Sovereigns	○	○	○	○	○	○
Institutions	○	○	○	○	○	○
Corporate	○	○	○	○	○	○
Retail	○	○	○	○	○	○

Q36 Are you planning to apply for a change in the scope of application of the IRB Approach (including changes in the implementation plan of exposures under roll out) due to the revisions of the conditions to use permanent partial use in the Basel framework (in line with paragraph 44 of the revised Basel III IRB text)?

- ○ Yes
- ○ No

Q36a What is the expected future scope of use of the IRB Approach in terms of total exposure value in a given exposure class under the revised framework?

	< 20%	20% - 40%	40 - 60%	60 – 80%	>80%	N /A
Sovereigns	○	○	○	○	○	○

Institutions						
Corporate						
Retail						

3. Securities financing transactions (SFTs)

Credit Risk Mitigation framework

Q37 What impact do you expect the changes on the calculation of exposure values for SFTs to have on your current own funds requirements for counterparty credit risk for your positions in SFTs?

	Decrease	No impact	Negligible increase	Low increase	Moderate increase	High increase	N/A
Recalibration of the supervisory haircuts	◯	◯	◯	◯	◯	◯	◯
Removal of the own estimates of collateral haircuts	◯	◯	◯	◯	◯	◯	◯
Revision to the standardised formula for the calculation of the exposure value of SFTs covered by a master netting agreement	◯	◯	◯	◯	◯	◯	◯
Introduction of the minimum haircut floors framework	◯	◯	◯	◯	◯	◯	◯

Q37a For those changes for which in the previous questions you indicated that they had a “high increase” on the own funds requirements for your positions in SFTs, please provide on a best effort basis, the main drivers/reasons behind those increases.

1000 character(s) maximum

Cross product netting sets

Q38 Please provide an estimate of the following:

	0%	0 - 2.5%	2.5 - 5%	5% - 10%	10% - 25%	Above 25%	N/A
Percentage of number of cross product netting sets [1] with respect to all netting sets	◯	◯	◯	◯	◯	◯	◯
Percentage of exposure value of cross product netting sets with respect to all netting sets	◯	◯	◯	◯	◯	◯	◯
Percentage of number of SFTs in cross product netting sets with respect to all transactions in cross	◯	◯	◯	◯	◯	◯	◯

product netting sets							
Percentage of exposure value of SFTs in cross product netting sets with respect to all transactions in cross product netting sets	◯	◯	◯	◯	◯	◯	◯

[1] Please note that for the purposes of this questionnaire, cross product netting sets are those associated to regulatory contractual cross product netting agreements as defined in Article 272(25) CRR.

Minimum haircut floor framework

Q39 Please provide an estimate of the percentage of number of SFTs on a single transaction level which are in scope of the minimum haircut floors framework for SFTs and which are transacted below minimum haircut floors (i.e. those which would be considered non-compliant with the minimum haircuts), with respect to all your SFTs:

- ◯ 0%
- ◯ Between 0% and 5%
- ◯ Between 5% and 10%
- ◯ Between 10% and 25%
- ◯ Between 25% and 50%
- ◯ Between 50% and 75%
- ◯ Above 75%
- ◯ N/A

Q40 How do the minimum haircut floors compare to haircuts currently applied in your in-scope SFTs?

- ◯ Broadly lower
- ◯ Broadly the same
- ◯ Broadly higher
- ◯ N/A

Q40a If in the previous question you indicated that the haircuts applied in your in-scope SFTs are “broadly lower” or “broadly higher” than the minimum haircut floors, please provide further information on the type of SFTs, collateral type, residual maturity and counterparty type.

1000 character(s) maximum

Q41 In response to the minimum haircut floors framework for SFTs our haircut practices, effects on negotiating new SFT agreements with your counterparts and firm's activity in in-scope SFTs are expected to significantly change.

- Agree
- Somewhat agree
- Somewhat disagree
- Disagree
- N/A

Q41a If you "agree" or "somewhat agree", you expect to change your haircut practices, effects on negotiating new SFT agreements with your counterparts and firm's activity in SFTs by (more than one option can be selected):

- Lowering haircuts above the floors (e.g. reduce collateralization)
- Increasing haircuts below the floors (e.g. increase collateralization)
- Change of contractual haircuts
- Reducing volumes of SFTs
- Change pricing practices
- Change structure of transactions
- Other

If Other, please explain:

1000 character(s) maximum

Q42 Please provide your considerations on what extent the minimum haircut floors framework would allow to reduce leverage outside the banking system in the EU.

1000 character(s) maximum

Q43 Please also provide your considerations on whether the minimum haircut floors framework on SFTs may have any unintended consequences on the objective of creating a Capital Markets Union in the EU.

1000 character(s) maximum

4. Credit valuation adjustment (CVA) risk

CRR exemptions

Q44 Do you consider that the definitions of the exemptions set out in Article 382(3) and 382(4) of the CRR can benefit from further guidance/clarification? Please provide your views on potential inconsistency /interpretational issues and suggestions on how you would address them. Institutions should not indicate any interpretational issues already highlighted in the EBA Report for CVA or where the EBA already provided guidance/clarifications [2].

	Inconsistency /interpretational issue	Recommendation
Clients' transactions under Article 382(3) CRR		
Transactions with non-financial counterparties under Article 382(4)(a) CRR		
Intragroup transactions under Article 382(4)(b) CRR		
Transactions with pension funds counterparties under Article 382(4)(c) CRR		
Transactions with sovereign counterparties under Article 382(4)(d) CRR		

[2] The EBA Report on CVA is available under here. With regard to i) clients' transactions the EBA published Q&A 2016_3009, ii) with regard to transactions with non-financial counterparties the EBA published Q&A 2013_472 and the RTS on exclusion from CVA of non-EU non-financial counterparties, and iii) with regard to intragroup transactions the EBA published Q&A 2015_1929.

SA-CVA

Q45 Do you intend to apply for approval of SA-CVA?

- ◯ Yes
- ◯ No

Please explain:

1000 character(s) maximum

Q46 Which of the following reasons would lead you to carve out nettings sets from SA-CVA calculations (multiple choice)?

- ☐ Missing market implied parameters or no accounting exposure available
- ☐ Missing credit spreads for counterparties and difficulties of applying any sound proxy concept
- ☐ Complexity of SA-CVA calculations
- ☐ Other

Please explain:

1000 character(s) maximum

Q47 To what extent does your institution comply with the requirements related to the calculation of the regulatory CVA set out in paragraphs 29 to 35 of the revised standards for CVA risk?

- ◯ Fully compliant (if all of the requirements are met)
- ◯ Materially compliant (if only minor requirements are not met)
- ◯ Partly compliant (if some of the requirements are not met)
- ◯ Not compliant (if most of the requirements are not met)
- ◯ N/A

Q47a If you do not fully comply with the requirements for the calculation of the regulatory CVA set out in paragraphs 29 to 35 of the revised CVA standards, please provide information on which are those requirements which you expect to be most difficult to comply with, and the main issues for complying with them. In addition, in case you consider that some flexibility or particular specifications should be provided with respect to the principles for the calculation of the regulatory CVA as set out in paragraphs 29 to 35 of the revised standards to ensure the harmonised implementation of those principles in the EU, please formulate your considerations by also providing relevant reasons motivating why any of your proposals should be suggested.

1000 character(s) maximum

Q48 Do you consider the available market data to calculate regulatory CVA as sufficient to apply SA-CVA?

- Yes
- No

Q48a If you selected No, please provide information on the missing market data (or implied market data), which would be needed to apply the SA-CVA.

1000 character(s) maximum

Securities Financing Transactions

Q49 Please provide an estimate for your total number of SFTs:

The reporting unit should be in single units (i.e. 1 unit).

Q50 Please provide an estimate of the following:

	0 - 5%	5% - 10%	10% - 25%	25% - 50%	50% - 75%	Above 75%	N/A
Number of SFTs that are fair valued for accounting purposes as percentage of total number of SFTs							
Number of SFTs that are fair valued for accounting							

purposes and for which accounting CVA is calculated as percentage of total number of SFTs	◯	◯	◯	◯	◯	◯	◯

Q51 The inclusion of SFTs measured at fair value for accounting purposes within the scope of transactions subject to the CVA risk capital charge is challenging to implement.

- ◯ Agree
- ◯ Somewhat Agree
- ◯ Somewhat disagree
- ◯ Disagree
- ◯ N/A

Q51a If you agree or somewhat agree, please provide information on where you expect particular implementation challenges and why, together with possible ways to address them and the reasons behind your suggested proposals.

1000 character(s) maximum

Eligible CVA hedges

Q52 Please provide your views on the revised CVA framework for CVA hedges.

1000 character(s) maximum

Q53 Do you expect that the revised CVA framework for CVA hedges could result in a disincentive to use these instruments for hedging CVA risk?

- ◯ Yes
- ◯ No

Q53a Should you identify any challenges in this regard, please provide information on their materiality, possible ways to address them, and the reasons why any proposals should be suggested.

1000 character(s) maximum

5. Operational risk

Governance

Q54 Which are the main duties of the institution's Management Body in respect of the governance, management and/or measurement of operational risk? (multiple answers allowed)

- [ ] Discuss, approve and periodically review the governance of operational risk, the operational risk management processes, procedures and policies and/or the operational risk measurement system
- [ ] Define the operational risk limits and tolerance [3], at least on an annual basis
- [ ] Monitor the compliance with the operational risk tolerance on regular basis
- [ ] Ensure the identification, assessment, monitoring, mitigation and reporting of operational risk
- [ ] Ensure that the information stemming from the process described in the previous bullet point is transmitted to the relevant committees/bodies/staff
- [ ] Evaluate the effectiveness of the governance of operational risk, the operational risk management processes, procedures and policies and/or the operational risk measurement system
- [ ] Other

[3] Please, see CDR (EU) 2018/959, Article 2(10) as reference point for the definition of "operational risk tolerance"

Please explain:

1000 character(s) maximum

Q55 Which are the main responsibilities of the institution´s Senior Management in respect of the governance, management and/or measurement of operational risk? (multiple answers allowed)

- [ ] Developing, implementing and maintaining the operational risk framework approved by the management body
- [ ] Developing a clear, effective and robust governance with all defined, transparent and consistent lines of responsibilities
- [ ] Developing well documented policies, processes and procedures for the management of operational risk
- [ ] Other

Please explain:

1000 character(s) maximum

Q56 Are the Management Body and/or the Senior Management involved in the governance, management and/or measurement of ICT risk [4]?

- Yes, as part of the duties/responsibilities on operational risk
- Yes, separately from the duties/responsibilities on operational risk
- No

[4] According to paragraph 3 of the EBA “Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP)”, ‘Information and communication technology (ICT) risk’ means means risk of loss due to breach of confidentiality, failure of integrity of systems and data, inappropriateness or unavailability of systems and data, or inability to change IT within a reasonable time and costs when the environment or business requirements change (i.e. agility).

Q57 Does the institution have an independent operational risk management function, which is separated from the institution’s business units and audit function?

- Yes
- No

Please explain:

1000 character(s) maximum

Q57a Is the independent operational risk management function involved in the management of ICT risk?

- Yes
- No, ICT risk is mainly or totally managed by a different function (e.g. by the Information Systems Department (ISD))
- No, other

Audit and Internal Validation

Q58 Is there an independent audit function (third line of defense), within the institution, reviewing on regular basis the operational risk management processes, procedures and policies?

- Yes, every year
- Yes, every two years
- Yes, every three or more years
- No

Q58a Which are the main reasons? (multiple answers allowed)

- High costs compared to the complexity of the institution
- Audit activities are outsourced
- Audit reviews are performed only ad hoc and not regularly
- Operational risk is not seen as a major risk
- Other

58a Does the audit review focus on those processes, procedures and policies related to the identification, collection and treatment of internal loss data as well on the quality of data itself?

- Yes
- No

Q59 Does the audit review dedicated to operational risk also focus on those processes, procedures and policies related to ICT Risk?

- Yes, every year
- Yes, every two years
- Yes, every three or more years
- No, the audit review for the processes, procedures and policies related to ICT risk is not included in the operational risk one
- No, there is no audit review for processes, procedures and policies related to ICT Risk

Q60 Is there a validation function, within the institution, reviewing on regular basis the operational risk measurement and/or the operational risk management processes, procedures and policies (for both Pillar 1 and Pillar 2 purposes)?

- Yes, every year
- Yes, every two years
- Yes, every three or more years
- No

Q60a Which are the main reasons? (multiple answers allowed)

- [ ] High costs compared to the complexity of the institution
- [ ] Validation activities are outsourced
- [ ] Validation reviews are performed only ad-hoc and not regularly
- [ ] Only audit reviews are performed
- [ ] Other

Q60a Does the validation's review also focus on the processes, procedures and policies related to the identification, collection and treatment of internal loss data as well on the quality of data itself?

- Yes
- No

60b Does the validation function also review the processes, procedures and policies for ICT risk?

- Yes, as part of the operational risk measurement and/or operational risk management processes, procedures and policies
- Yes, but separately from the operational risk management processes, procedures and policies
- No, another function is in charge of the validation of the processes, procedures and policies for ICT risk (e. g. the Information Systems Department (ISD))
- No, there isn't any validation of the processes, procedures and policies for ICT risk

Q61 Which are the recipients of the outputs of audit and/or validation's reviews, within the institution? (multiple answers allowed)

	Recipients of Audit reviews	Recipients of Validation reviews

Management body	☐	☐
Senior management	☐	☐
Relevant risk committees (including the Audit Committee)	☐	☐
Operational risk management function	☐	☐
Business line managers	☐	☐
Relevant staff	☐	☐
Other	☐	☐

Reporting

Q62 Has the institution implemented a comprehensive and structured system of timely reporting on operational risk?

- ○ Yes, a dedicated reporting system on operational risk
- ○ Yes, although not dedicated to operational risk (i.e. part of the overall institution reporting system)
- ○ No

Q62a Within the following list, please select the information which are in these reports. (multiple answers allowed)

- ☐ Operational risk events and losses incurred by the institution
- ☐ Risk bearing capacity and/or major operational risk drivers
- ☐ Institution´s operational risk profile [5]
- ☐ Breaches of the operational risk tolerance
- ☐ Operational key risk indicators
- ☐ Mitigation actions in place and/or planned
- ☐ Other

[5] Please, see CDR (EU) 2018/959, Article 2(9) as reference point for the definition of "operational risk profile"

Please explain:

1000 character(s) maximum

Q62b To which hierarchical level are the operational risk reports submitted? (multiple answers allowed)

- ☐ Management body
- ☐ Senior Management
- ☐ Relevant Risk Committees
- ☐ Middle management (e.g. Business line managers)
- ☐ Relevant Staff
- ☐ Other

Q62c Which is the minimum frequency of the reporting?

- Quarterly
- Semi-annually
- Annually
- Ad-hoc
- Other

Q62a Which are the main reasons for not having a reporting system for operational risk in place? (multiple answers allowed)

- High costs for both implementation and resources
- Low historical operational risk profile
- Other

Please explain:

1000 character(s) maximum

Loss Data Collection

Q63 Does the institution systematically collect internal loss data on operational risk?

- Yes
- No, it is not mandatory for the institution
- No, other

Please explain:

1000 character(s) maximum

Q64 Does the institution collect good-quality internal loss data on operational risk that can be eligible for its use in capital calculation (i.e. the "Loss dataset" under the revised BCBS SA on operational risk)[6]?

- Yes
- No

[6] Assuming that the bank has a systematic loss data collection, questions from 64 to 73 seek to understand if the "Loss dataset" is comprised of "good-quality" data, that is whether the data fulfils the necessary quality attributes (e.g. comprehensiveness, coverage, integrity) to be eligible for its use in capital calculation under the revised BCBS SA on operational risk (see paragraphs from 19 to 26). Also please see CDR (EU) 2018/959, relevant provisions of Articles 21 to 23 as reference point for the standards to get "good-quality" data.

Please explain:

1000 character(s) maximum

Q65 Which part of the Institution (measured in terms of consolidated Relevant Indicator as envisaged by the CRR, Article 316) is covered by the “Loss dataset”?

- < 10%
- 10% - 30%
- 30% - 50%
- 50% - 70%
- 70% - 90%
- > 90%

Q66 Which is the observation period of the “Loss dataset”?

- Less than 2 years
- 2 years
- 3 years
- 4 years
- 5 years
- 6 years
- 7 years
- 8 years
- 9 years
- >= 10 years

Q67 Which is the minimum internal threshold of the “Loss dataset” for management purposes?

- Less than or equal to EUR 20,000
- Higher than EUR 20,000 and less than or equal to EUR 100,000
- Higher than EUR 100,000

Q68 Which is the minimum information collected on the “Loss dataset”? (multiple answers allowed)

- [ ] Gross loss amount
- [ ] Date of loss event
- [ ] Any recoveries of gross loss amount, including recoveries from insurance
- [ ] Descriptive information on the drivers or causes of the loss event
- [ ] Other

Q69 Which is the reference date used to build the “Loss dataset”?

- Date of accounting
- Date of discovery
- Date of occurrence
- Other date

Please explain:

1000 character(s) maximum

Q70 Please specify which losses stemming from the following types of events are included in the “Loss dataset” [7] (multiple answers allowed)

- [ ] Operational loss events related to legal risk, including misconduct events [8]
- [ ] Operational loss events related to model risk
- [ ] Operational loss events related to financial transactions, including those related to market risks
- [ ] Operational loss events related to ICT risk

[7] Please, see CDR (EU) 2018/959, Articles 3, 4 and 5 as reference point for the scope of the operational risk events related to, respectively, legal risk, model risk and financial transactions, including those related to market risk

[8] Please, see CDR (EU) 2018/959, Article 2(7) as reference point for the definition of "misconduct event"

Q71 Please specify which of the following items (see paragraph 23 of the Revised BCBS SA on operational risk) are included in the scope of the operational risk loss of the "Loss dataset" (multiple answers allowed)

- [ ] Direct charges to Profit and Loss account and write-downs due to operational risk events
- [ ] Costs incurred as a consequence of operational risk events and costs of repair or replacement
- [ ] Provisions or reserves accounted for in the Profit and Loss account against the potential operational loss impact
- [ ] "Pending losses"
- [ ] "Timing losses"

Q72 Does the institution have in place an appropriate, up-to-date and consistent data quality framework for the "Loss dataset" [9]?

- ( ) Yes
- ( ) No

[9] Please, see CDR (EU) 2018/959, Article 18 as reference point for the standards related to data quality

Q73 Does the institution have in place an IT infrastructure for the "Loss dataset"[10]?

- ( ) Yes
- ( ) No

[10] Please, see CDR (EU) 2018/959, Article 19 as reference point for the standards related to IT infrastructure

Q74 Does the institution also systematically identify, collect and treat the following items? (multiple answers allowed)

- [ ] Near misses
- [ ] Gains caused by operational risk events
- [ ] Opportunity costs
- [ ] Internal costs, including overtime or bonuses
- [ ] Other

Please specify:

1000 character(s) maximum

Q75 Does the institution also systematically identify, collect and treat operational risk events related to credit risk?

- Yes, several types of operational risk events related to credit risk
- Yes, only credit risk frauds related events
- No

Disclosure

Q76 The revised BCBS SA on operational risk introduces the requirement for some institutions to disclose annual loss data for each of the previous 10 years [11]. Do you currently disclose information about operational risk losses?

- Yes, aggregate figures and narratives related to most severe losses
- Yes, only aggregate figures
- Yes, only narratives related to most severe losses
- Yes, other
- No

[11] See paragraph 32 of the Revised BCBS SA on operational risk

Please explain:

1000 character(s) maximum

ICAAP on operational risk

For this section, institutions should answer the questions on a best-effort basis, even though some decisions on future choices may not be final yet (with the exception of Question 85).

Q77 What is/are the institution current approach(es) to determine economic capital on operational risk for ICAAP purposes under Pillar 2? (multiple answers allowed)

In answering this question, please use the following definitions as guidance:

"AMA model" means that an accredited AMA approach is used in Pillar 1 and that the same model (with minor changes such as confidence level) is used in Pillar 2;

"Sophisticated quantitative approach" means that the institution is using a modelling approach with a degree of sophistication comparable to an AMA in Pillar 2;

"Simple quantitative approach" means that economic capital is based on a quantitative metrics. Examples could be a loss based-average or simple function or a function of scenarios or other quantitative business information;

"BIA/TSA/ASA-based approach" means that one of the current standardised approaches in Pillar 1 is also used in Pillar 2 with no or only minor changes (such as adding a fixed percentage or amount);

“Simple qualitative approach’” means that economic capital is based on qualitative metrics. Examples could be the largest internal loss or a single risk scenario.

- AMA model
- Sophisticated quantitative approach
- Simple quantitative approach
- BIA/TSA/ASA-based approach
- Simple qualitative approach

Q78 Does the institution plan to use the revised BCBS SA on operational risk for ICAAP purposes once it is introduced in EU regulation?

Institutions should answer yes if they plan on using only the revised BCBS SA on operational risk for economic capital calculation devoted to operational risk once it is introduced in EU regulation. All institutions that plan on using a different approach should answer “no, other approach will be used”.

- Yes, with ILM
- Yes, without ILM
- No, other approach will be used

Q79 In comparison to the institution’s current economic capital calculation approach on operational risk, please rate the complexity of the envisaged ICAAP approach after the introduction of the revised BCBS SA on operational risk.

Institutions should answer this question regardless of their answer in Pillar 2. In general, the revised BCBS SA on operational risk is seen as similarly complex to the current standardised approaches when not using the ILM and as more complex when using the ILM.

- Same or similarly complex approach
- Less complex approach
- More complex approach

Q80 Which of the following items is the institution using for operational risk management purposes (multiple answers allowed)

Institutions should check all items used for the management of operational risk, regardless of whether or not they are also used for economic capital calculation. All institutions should answer this question, regardless of the approach selected in question 77.

- Internal Loss Data
- External Loss Data
- Scenarios
- Internal Control Factors
- Business Environment
- Heat Maps
- Key Risk Indicators

Q81 In case the institution is using a model or other quantitative approach for determination of economic capital on operational risk within its ICAAP, which of the following items are used for ICAAP quantification purposes? (multiple answers allowed)

Institutions should check all items used for economic capital calculation devoted to operational risk, regardless of whether or not they are also used for risk management. Institutions that are using a BIA/TSA /ASA-based approach or a simple qualitative approach should select “not applicable”.

- [ ] Correlations (Gaussian)
- [ ] Correlations (Non-Gaussian)
- [ ] Expected Loss
- [ ] Insurance
- [ ] Other Risk Transfer Mechanisms
- [ ] Internal Loss Data
- [ ] External Loss Data
- [ ] Scenarios
- [ ] Internal Control Factors
- [ ] Business Environment
- [ ] Heat Maps
- [ ] Key Risk Indicators
- [ ] Other (please explain)
- [ ] N/A

Q82 Within its ICAAP, how does the institution allocate capital for operational risk across the organization?

- ○ No allocation
- ○ Using qualitative metrics (e.g. headcount, gross income or other business related numbers)
- ○ Using quantitative metrics (e.g. value-at-risk figures or other functions based on losses or scenarios)
- ○ Using a mixture of qualitative and quantitative metrics

Q83 Within its ICAAP, at which level does the institution allocate capital for operational risk? (multiple answers allowed)

“Legal Structure level” refers to legal entities or other levels of sub-consolidation. “Business level” refers to internal structures such as retail banking and asset management. If internal and legal structure levels align, both checkboxes should be ticked.

- [ ] No allocation
- [ ] Legal Structure level
- [ ] Internal business level
- [ ] Product level

Q84 For each of the following items the institution is using for ICAAP purposes for the management of operational risk, please select the relative importance for internal risk management and control purposes (comparable to Q80):

	Low	Moderate	High	Not used
Quantification approach / model	○	○	○	○
Internal Loss Data	○	○	○	○
External Loss Data	○	○	○	○
Scenarios	○	○	○	○

Internal Control Factors	○	○	○	○
Business Environment	○	○	○	○
Heat Maps	○	○	○	○
Key Risk Indicators	○	○	○	○
Correlations	○	○	○	○
Expected Losses	○	○	○	○
Insurance	○	○	○	○
Other Risk Transfer mechanisms	○	○	○	○

Q85 For each of the following items the institution is using for ICAAP purposes for economic capital calculation devoted to operational risk, please select the relative importance for the quantification or forward-looking assessment of risks (comparable to Q80):

	Low	Moderate	High	Not used
Quantification approach / model	○	○	○	○
Internal Loss Data	○	○	○	○
External Loss Data	○	○	○	○
Scenarios	○	○	○	○
Internal Control Factors	○	○	○	○
Business Environment	○	○	○	○
Heat Maps	○	○	○	○
Key Risk Indicators	○	○	○	○
Correlations	○	○	○	○
Expected Losses	○	○	○	○
Insurance	○	○	○	○
Other Risk Transfer mechanisms	○	○	○	○

Q86 For ICAAP purposes, which of the following items does the institution plan to introduce, abolish or continue using after the introduction of the revised BCBS SA on operational risk? Institutions should answer this question on a best-effort basis and only select “not decided” if no management opinion is available. The option ‘N/A’ should be checked if an institution does not use the item and is not planning to introduce it.

	Continue	Introduce	Abolish	N/A	Not decided
Quantification approach / model	○	○	○	○	○
Internal Loss Data	○	○	○	○	○
External Loss Data	○	○	○	○	○
Scenarios	○	○	○	○	○
Internal Control Factors	○	○	○	○	○
Business Environment	○	○	○	○	○
Heat Maps	○	○	○	○	○
Key Risk Indicators	○	○	○	○	○
Correlations	○	○	○	○	○
Expected Losses	○	○	○	○	○
Insurance	○	○	○	○	○
Other Risk Transfer	○	○	○	○	○

6. Output floor

Q87 Do you expect that the implementation of the output floor will have an unintended impact on the following aspects for your institution:

	Agree	Somewhat agree	Somewhat disagree	Disagree	N/A
Unintended impact on business model /organisation/client relationship (e.g. shift to or from certain types of activities, exposures, business lines)	○	○	○	○	○
Unintended impact on revenues, lending rates, funding costs, liquidity or market position	○	○	○	○	○
Unintended impact on the decision to apply modelling approaches to certain portfolios	○	○	○	○	○
Other unintended impacts	○	○	○	○	○

Please explain:

1000 character(s) maximum

7. General questions – assessment of costs / benefits of the reform

For the purpose of this section, the measures of implementation challenges should be interpreted as following:

Easy to implement: if little effort or few changes are needed to implement the reform with respect to the institution's internal processes, procedures and policies, internal models, human resource capacity, IT systems, data management and risk management practices. In case you expect several changes are needed, but the effort to introduce them is low, please select this option.

Somewhat challenging to implement: if moderate effort and changes are needed to implement the reform, with respect to the institution's internal processes, procedures and policies, internal models, human resource capacity, IT systems, data management and risk management practices. In case you expect few changes are needed, but the effort to introduce them is high, please select this option.

Very challenging to implement: if significant effort and changes are needed to implement the reform, with respect to the institution's internal processes, procedures and policies, internal models, human resource capacity, IT systems, data management and risk management practices.

For the purpose of this section, the measures of changes in costs (i.e. operating expenses) should be interpreted as following:

Decrease: if the recurring costs decrease, regardless of the amount.

No change: if the recurring costs do not change.

Negligible: if the one-off costs or increase in recurring costs is less than 1% of your annual operating income.

Low: if the one-off costs or increase in recurring costs is between 1% and 5% of your annual operating income.

Moderate: if the one-off costs or increase in recurring costs is between 5% and 10% of your annual operating income.

High: if the one-off costs or increase in recurring costs is more than 10% of your annual operating income.

Implementation challenges and costs

Q88 How challenging do you expect the implementation of the revised Basel III framework to be for your institution?

The implementation challenges of the output floor should include challenges from applying the Credit Risk SA to portfolios that are under the IRB approach. Such challenges should not be considered when assessing the implementation challenges of the Credit Risk SA.

	Easy to implement	Somewhat challenging to implement	Very challenging to implement	N/A
1. Credit Risk SA				
a. Strengthened due diligence criteria when using external ratings-based methods				
b. Use of SCRA on unrated exposures to banks				
c. Eligibility criteria for real estate (as set out in paragraph 60)				
d. Calculation of LTV values (as set out in paragraph 62) for commercial real estate exposures				
e. Calculation of LTV values (as set out in paragraph 62) for residential real estate exposures				
f. Application of the SA for credit risk assuming the use of external ratings for regulatory purposes is not allowed				
2. Credit Risk IRB				
a. Change in the scope of A-IRB				
b. Input floors for PD/LGD				
c. Changes in the regulatory LGDs/haircuts for collateral				
d. Changes in the treatment of guarantees				
e. Changes in CCF estimation				
3. SFTs				
a. Introduction of the minimum haircut floor framework				
4. CVA risk				
a. Requirements related to the calculation of the regulatory CVA set out in paragraphs 29 to 35				
b. Inclusion of SFTs fair-valued for accounting purposes within the scope of CVA capital charge				
c. Identification and recognition of eligible CVA hedges				

5. Operational risk				
a. Determination of the Business Indicator				
b. Loss data collection and Qualitative requirements for loss data				
6.Output floor				
a. Introduction of aggregated Output Floor				

Q89 Please explain where do you expect particular implementation challenges and why?

1000 character(s) maximum

Q90 Please provide an indication of the one-off costs (i.e. operating expenses) due to the implementation of the revised Basel III framework by source of cost. Please consider the total expected one-off costs.

	Negligible costs	Low costs	Moderate costs	High costs	N /A
IT costs					
Staff costs (including external consultancy and training costs)					
Infrastructure costs other than IT (e.g. premises etc.)					
Other costs					
Total costs					

If the one-off costs are moderate or high, please explain, providing an estimate (in thousands of euros) per source of cost.

1000 character(s) maximum

Q91 Please provide an indication of the change in recurring costs (i.e. operating expenses) due to the implementation of the revised Basel III framework by source of cost. Please consider the expected changes in recurring costs per annum.

	Decrease	No change	Negligible increase	Low increase	Moderate increase	High increase	N /A
IT costs	○	○	○	○	○	○	○
Staff costs (including external consultancy and training costs)	○	○	○	○	○	○	○
Infrastructure costs other than IT (e.g. premises etc.)	○	○	○	○	○	○	○
Other costs	○	○	○	○	○	○	○
Total costs	○	○	○	○	○	○	○

If the increases are moderate or high, please explain, providing an estimate (in thousands of euros) per source of cost.

1000 character(s) maximum

Q92 Please provide an indication of the one-off costs (i.e. operating expenses) due to the implementation of the revised Basel III framework by area of reform. Please consider the total expected one-off costs.

	Negligible costs	Low costs	Moderate costs	High costs	N /A
Credit Risk SA					
Credit risk IRB					
SFTs					
CVA					
Operational risk (from Q98)					
Output floor					

If the one-off costs are moderate or high, please explain, providing an estimate (in thousands of euros) per source of cost.

1000 character(s) maximum

Q92a In addition, please provide an indication of the one-off costs (i.e. operating expenses) due to the implementation of the specific revisions to Credit Risk SA of the revised Basel III framework. Please consider the total expected one-off costs:

	Negligible costs	Low costs	Moderate costs	High costs	N /A
Real estate exposures class					
Other exposures classes					

Q93 Please provide an indication of the change in recurring costs (i.e. operating expenses) due to the implementation of the revised Basel III framework by area of reform. Please consider the expected changes in recurring costs per annum.

	Decrease	No change	Negligible increase	Low increase	Moderate increase	High increase	N /A
Credit Risk SA	○	○	○	○	○	○	○
Credit risk IRB	○	○	○	○	○	○	○
SFTs	○	○	○	○	○	○	○
CVA	○	○	○	○	○	○	○
Operational risk (from Q98)	○	○	○	○	○	○	○
Output floor	○	○	○	○	○	○	○

If the increases are moderate or high, please explain, providing an estimate (in thousands of euros) per source of cost.

1000 character(s) maximum

Q93a In addition, please provide an indication of the change in recurring costs (i.e. operating expenses) due to the implementation of the specific revisions to Credit Risk SA of the revised Basel III framework. Please consider the expected change in recurring costs per annum.

	Negligible costs	Low costs	Moderate costs	High costs	N/A
Real estate exposures class	◯	◯	◯	◯	◯
Other exposures classes	◯	◯	◯	◯	◯

Q94 With reference to the one-off costs (i.e. operating expenses) at the level of 'Total Costs' you indicated in Q90, please rank from 1 to 3 the top 3 revisions that would contribute the most to the total (1 being the most impactful reform in terms of Total Costs).

	Rank 1	Rank 2	Rank 3
Credit risk SA	◯	◯	◯
Credit risk IRB	◯	◯	◯
SFTs	◯	◯	◯
CVA	◯	◯	◯
Op risk (from Q98)	◯	◯	◯
Output floor	◯	◯	◯

Q95 Do you expect a negative impact on the following aspects for your institution due to the implementation of the revised Basel III framework?

	Agree	Somewhat agree	Somewhat disagree	Disagree	N/A
a. Negative impact on business model /organisation/client relationship (e.g. shift to or from certain types of activities, exposures, business lines)	◯	◯	◯	◯	◯

b. Negative impact on revenues	◯	◯	◯	◯	◯
c. Negative impact on lending rates	◯	◯	◯	◯	◯
d. Negative impact on funding costs	◯	◯	◯	◯	◯
e. Negative impact on market liquidity	◯	◯	◯	◯	◯
f. Negative impact on competitive position /market share	◯	◯	◯	◯	◯
g. Negative impact on the decision to apply modelling approaches to certain portfolios	◯	◯	◯	◯	◯
h. Other negative impacts	◯	◯	◯	◯	◯

If you agree or somewhat agree with h., please explain.

1000 character(s) maximum

Costs of the reform: Standardised Approach to credit risk

Q96 On the basis of actual corporate portfolios, do you believe that the implementation of the non-ratings based regulatory approach (in line with paragraphs 39 and 40 in the revised Basel text for the SA), will be:

- ◯ Easier to implement than the ratings-based regulatory approach
- ◯ Equally easy to implement as the ratings-based regulatory approach
- ◯ More difficult to implement than the ratings-based regulatory approach

Q97 On the basis of actual corporate portfolios, do you believe that the implementation of the non-ratings based regulatory approach (in line with paragraphs 39 and 40 in the revised Basel text for the SA), will be:

- ◯ More costly to implement than the ratings-based regulatory approach
- ◯ Equally costly to implement as the ratings-based regulatory approach
- ◯ Less costly to implement than the ratings-based regulatory approach

Costs of the reform: Operational Risk

Q98 With the introduction of the revised Basel III framework for SA on operational risk, please give an indication of the expected costs (i.e. operating expenses) due to the introduction and maintenance of the following items. For one-off costs, please consider the total expected cost amount. For recurring costs, please consider the expected costs per annum. If the total costs (one-off or recurring) are deemed as moderate or low, institutions should not select high in any of its sub-categories (“of which”).

	Negligible	Low	Moderate	High
Total one-off costs for introduction of the standardised approach	◯	◯	◯	◯
Of which: Determination of the Business Indicator	◯	◯	◯	◯

Of which: Loss data collection	◯	◯	◯	◯
Of which: Qualitative requirements for loss data	◯	◯	◯	◯
Of which: Abolishment of current approach	◯	◯	◯	◯
Of which: IT implementation	◯	◯	◯	◯
Other one-off costs, please specify	◯	◯	◯	◯
Total recurring costs for maintenance of the standardised approach (per annum)	◯	◯	◯	◯
Of which: Determination of the Business Indicator	◯	◯	◯	◯
Of which: Loss data collection	◯	◯	◯	◯
Of which: Qualitative requirements for loss data	◯	◯	◯	◯
Of which: IT implementation	◯	◯	◯	◯
Other recurring costs, please specify	◯	◯	◯	◯

If possible, please give an estimation in thousands of EUR for each of the above element separately.

1000 character(s) maximum

Q99 For each item the institution is using for ICAAP purposes, what are the recurring costs (i.e. operating expenses) of maintaining the following? Costs should cover both management and economic capital calculation of operational risk. Institutions should select ‘N/A’ if they are not using the item. Please consider average costs per annum.

	Negligible	Low	Moderate	High	N/A
Quantification approach / model	◯	◯	◯	◯	◯
Internal Loss Data	◯	◯	◯	◯	◯
External Loss Data	◯	◯	◯	◯	◯
Scenarios	◯	◯	◯	◯	◯
Internal Control Factors	◯	◯	◯	◯	◯
Business Environment	◯	◯	◯	◯	◯
Heat Maps	◯	◯	◯	◯	◯
Key Risk Indicators	◯	◯	◯	◯	◯

Correlations					
Expected Losses					
Insurance					
Other Risk Transfer mechanisms					

Benefits of the reform

Q100 Do you expect the following benefits due to implementation of the revised Basel III framework?

	Agree	Somewhat agree	Somewhat disagree	Disagree	N /A
a. Increased risk sensitivity					
b. Increased RWA comparability / Reduced RWA unjustified variability					
c. Reduced risk shifting (i.e. the search for the most profitable, but also the most risky assets among equal risk weights)					
d. Reduced complexity					
e. Reduced reliance on external ratings					
f. Improved international level playing field conditions					
g. Improved national level playing field conditions					
h. Reduced regulatory arbitrage					
i. Reduced procyclicality in RWA					
j. Improved financial stability					
k. Other benefits					

If you agree or somewhat agree with k., please explain.

1000 character(s) maximum

8. Assessment of the impact of the reform at the subsidiary / affiliate level

Where applicable, please report the below information for your largest (in terms of Tier 1) EU subsidiary and/or affiliate (i.e. an entity which is a member of a co-operative banking group) within each business model. The subsidiary and/or affiliate chosen should be a credit institution subject to the CRD IV/CRR (Capital Requirements Directive/Capital Requirements Regulation). If you do not have any subsidiary and /or affiliate within that business model, the corresponding fields should be left blank.

Institutions should categorise their subsidiaries and/or affiliates in business models according to the criteria presented in **Appendix A: Instructions for Section 8 of the CfA-Qualitative Questionnaire** of the “Brief guidance on the online CfA-Qualitative Questionnaire 2018”.

Q101 Please provide the following information for your largest EU subsidiary and/or affiliate within each business model:

Data should be reported in euros. Foreign exchange reference rates should be used from ECB website, which can be accessed via this link: http://ec.europa.eu/budg/inforeuro/index?lang=en&target=iframe#!/convertor. The reporting unit should be in single units (i.e. 1 unit). Percentages should be reported as decimals, using a dot (.) as the decimal separator – not a comma (,). For example, 1% should be entered as 0.01. Institutions should not use any comma or dot separator for thousands.

	Cross-border universal banks	Local universal banks	Automotive, consumer credit banks	Building societies	Locally active savings and loan associations/ cooperative banks	Private banks	Custody banks	CCPs	Merchant banks	Leasing and factoring banks	Public development banks	Mortgage banks including pass- through financing mortgage banks	Other specialised banks
1a. Subsidiary / Affiliate name													
1b. LEI													
2. Country													
3. Total assets													
4. FL CET 1 capital amount													
5. FL Tier 1 capital amount													
6. FL Tier 2 capital amount													
7. Current RWA													
7a. Of which: Credit risk SA													
7b. Of which: Credit risk IRB													
7c. Of which: Market risk													
7d. Of which: CVA risk													

7e. Of which: Operational risk													
7f.Of which: Other risks													
8.Revised Total RWA													
8a. Of which: Credit risk SA													
8b. Of which: Credit risk IRB													
8c. Of which: Market risk													
8d. Of which: CVA risk													
8e. Of which: Operational risk													
8f.Of which: Other risks													
8g. Of which: Output floor add-on													
9. Current EL													
10. Revised EL													
11. IRB Provisions													
12. Current LR exposure													
13. Revised LR exposure													
14. Total SREP capital requirement ratio (TSCR)													

14a. of which: respective CET1 capital ratio													
14b. of which: respective Tier 1 ratio													
15. Institution Specific Countercyclical buffer													
16. Conservation buffer due to macro-prudential or systemic risk identified at the level of the Member State													
17. G-SIB buffer													
18. O-SII buffer													
19. Systemic risk buffer													
20. Combined buffer requirements													

Q102 For the subsidiaries and/or affiliates selected in Q101, please select the main drivers of impact on capital requirements (please do not select more than 3 options):

	Cross-border universal banks	Local universal banks	Automotive, consumer credit banks	Building societies	Locally active savings and loan associations/ cooperative banks	Private banks	Custody banks	CCPs	Merchant banks	Leasing and factoring banks	Public development banks	Mortgage banks including pass-through financing mortgage banks	Other specialised banks
1. Output floor													
2. Credit risk SA - Changes in the treatment of exposures to banks (under the assumption that external ratings continue to be used)													
3. Credit risk SA - Changes in the treatment of exposures to corporates (under the													

assumption of ECRA implementation)													
4. Credit risk SA - Changes in the treatment of covered bonds													
5. Credit risk SA - Changes in the treatment of equity exposures, including those which are currently treated as high risk items													
6. Credit risk SA - Changes in the treatment of retail exposures													
7. Credit risk SA - Changes in the treatment of exposures secured by residential real estate (under													

the assumption of loan splitting approach)													
8. Credit risk SA - Changes in the treatment of exposures secured by commercial real estate (under the assumption of loan splitting approach)													
9. Credit risk SA - Introduction of the risk weight multiplier to exposures with currency mismatch													
10. Credit risk SA - Revised CCFs													
11. Credit risk IRB - Reduced scope of application of IRB and A-IRB (i.e. equities,													

institutions, large corporates, financial institutions)													
12. Credit risk IRB - Increased PD floors	○	○	○	○	○	○	○	○	○	○	○	○	○
13. Credit risk IRB - Other clarifications to PD estimation	○	○	○	○	○	○	○	○	○	○	○	○	○
14. Credit risk IRB - Change of regulatory LGDs for F-IRB/ haircuts for collateral	○	○	○	○	○	○	○	○	○	○	○	○	○
15. Credit risk IRB - LGD input floors for A-IRB	○	○	○	○	○	○	○	○	○	○	○	○	○
16. Credit risk IRB - Other clarifications to LGD estimation	○	○	○	○	○	○	○	○	○	○	○	○	○
17. Credit risk IRB - Changes in CCFs (including													

revised regulatory CCFs, reduced scope of modelling of CCFs, CCF floors under A-IRB and other clarifications to CCF estimation)													
18. Credit risk IRB - Changes in the treatment of guarantees (including deletion of double default treatment, conditional guarantees and extended scope of substitution)													
19. Credit risk IRB - Modified treatment of purchased receivables – this may be particularly important for some business													

models like factoring													
20. Credit risk overall - Changes in the CRM framework, including non-eligibility of nth-to-default derivatives, changes in haircuts and minimum haircut floors framework for SFTs	○	○	○	○	○	○	○	○	○	○	○	○	○
21. Market Risk - Introduction of the new Standardised Approach for market risk (i. e. the Standardised Approach under the FRTB)	○	○	○	○	○	○	○	○	○	○	○	○	○
22. Market Risk - Introduction of the new													

Internal Models Approach for market risk (i. e. the Internal Models Approach under the FRTB)													
23. CVA - Introduction of the Simplified Approach for CVA (based on 100% of the bank's capital requirement for CCR)													
24. CVA - Introduction of the Basic Approach for CVA (BA-CVA)													
25. CVA - Introduction of the (new) Standardised Approach for CVA (i.e. SA-CVA)													
26. Operational													

risk - Removal of the possibility to use the advanced measurement approaches (AMA)													
27. Operational risk - Capital requirements arising from the calculation of the Basic indicator component (BIC)													
28. Operational risk - Capital requirements arising from the calculation of the Internal Loss Multiplier (ILM)													
29. Operational risk - If introduced, capital requirements													

determined solely by the BIC (i.e. Internal Loss Multiplier equals to 1)	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
30. Operational risk - Other compliance costs	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
31. Leverage ratio - Revised definition of leverage exposure	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
32. Leverage ratio - surcharge for G-SIBs	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯