BANK FOR INTERNATIONAL SETTLEMENTS

Guidelines for reporting institution-to-institution credit exposure data (I-I credit data)

BIS International Data Hub
Monetary and Economic Department

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List of abbreviations

ACH	Automated Clearing House
AFS	Available for sale
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
CCP	Central counterparty
CD	Certificate of deposit
CDO	Collateralized debt obligation
CDS	Credit default swap
CE	Current exposure
CGS	Credit Guarantee Scheme (UK)
CHAPS	Clearing house automated payment system
CP	Commercial paper
CSA	Credit support annex
CVA	Credit valuation adjustment
DDA	Demand deposit account
DQC	Data Quality Check
DVA	Debit valuation adjustment
FRA	Forward rate agreement
HCS	Home country supervisor
HGG	Hub Governance Group
HTM	Held to maturity
Hub / IDH	BIS International Data Hub
JTD	Jump to default
LEI	Legal entity identifier
MMDA	Money market deposit account
MTM	Mark to market
NBFI	Non-bank financial institution
NFC	Non-financial corporate
PE	Potential Exposure
SFT	Securities financing transaction
SPV	Special purpose vehicle
TLGP	Temporary Liquidity Guarantee Program (US)
TruPS	Trust preferred securities

A. Introduction

Under the guidance of the Hub Governance Group (HGG) and in cooperation with participating supervisory agencies and central banks, the BIS International Data Hub (Hub) compiles data on reporting firms' counterparty credit exposures.[1] These "institution-to-institution" credit exposure data (I-I credit data) cover reporting firms' largest counterparty credit exposures broken down by product (instrument) type. The requirements and definitions in these Guidelines are meant to facilitate the compilation of data from different jurisdictions in a consistent and comparable way.

Reporting firms do not supply data directly to the Hub but rather to their home country supervisor (HCS), which then checks the data and submits them to the Hub for further aggregation and analysis. Questions about these Guidelines or any other aspects of the reporting process should first be raised with the HCS, which then may choose to coordinate with the Hub and/or other data providing agencies in preparing a response.

The I-I credit data consist of two weekly submissions (Templates A and C) and a two monthly submissions (Templates B and D). The technical requirements (ie reporting templates and data quality checks (DQC)) for the submission of data to the Hub are provided in separate excel documents. Throughout these guidelines, variables that can be found in the templates are written in italics (eg *Gross CE*).

Section B provides an overview of the reporting framework, with information about the reporting frequency, consolidation perimeters, sorting of counterparties and the level of aggregation. Sections C and D list each requested metric in the weekly Template A and the monthly Template B that cover firms' largest counterparty credit exposures, along with a brief description of how they should be reported. Section E follows with a similar presentation of the metrics in Template C requested for firms' top 10 largest exposures to central counterparties (CCP), and Section F covers firms' top 20 largest sovereign exposures. Section G provides an overview of the templates (Tables G1-G4), and additional guidance for the successful submission of data. Section H follows with some examples of how specific transactions should be reported. Finally, frequently asked questions (FAQ) and a glossary of terms can be found in Sections I and J respectively.

1 The Hub Governance Group (HGG), composed of representatives from data providing supervisory agencies and central banks, oversees the operations of the Hub.

B. Reporting framework

The I-I credit data consists of four templates. Templates A and B capture information about reporting firms' top counterparty exposures excluding their exposures to central counterparties and sovereigns, which are collected in Templates C and D, respectively.

B.1. Reporting frequency and lag time

Reporting firms should fill out the weekly Templates A and C with data as of the close of business on Wednesday of each week and Templates B and D with data as of the close of business on the *last* Wednesday of each month. If a national holiday in the home country happens to fall on a Wednesday, firms should report data as of the following Thursday (ie one day later). When national holidays span several days, it may be suitable to report data as of the day before or after the national holidays to keep the "as of date" as close to Wednesday as possible and to better align the data with that reported by other firms that may not have a national holiday. In such special cases, the HCS and the Hub will evaluate on a case-by-case basis, and may ask firms to report on a day other than Wednesday. In all cases, the as of date should be reported in cell B5 in each template.

Firms should submit the weekly templates to their HCS with no more than a three business day time lag (ie "T+3", or the following Monday), and the monthly template with no more than a five business day time lag (ie "T+5", or the following Wednesday). For the last submission of the month (only), firms may submit all templates with a five business day lag.

B.2. Currency and reporting units

Firms should report all figures in all templates in millions of US dollars. For firms whose home-country currency is not the US dollar, figures should be converted to US dollars using a standard 'USD/home-country currency' exchange rate (for example, *Foreign Exchange Rates - H.10*, published by the US Federal Reserve, or *Euro foreign exchange reference rates*, published by the ECB). The value of the exchange rate and the three character ISO currency code should be reported in cells E4 and E5 in each Template. The reported exchange rate allows for a comparison of the reported US dollar figures with figures expressed in the home-country currency.

Firms should distinguish between true zeros and missing observations. Specifically, cells in the templates for which data are missing or unavailable (eg because the reporting firm's systems cannot produce the number) should be left blank. Such missing observations should *not* be reported as zeros, dashes, dots or any other character. Cells for which the reporting firm has no position should be reported as zero (0).

B.3. Identifying counterparties

B.3.1. Counterparty types

For Templates A and B, reporting firms should identify their top counterparties from amongst all bank, non-bank financial (NBF), and non-financial corporate (NFC) counterparties. The following counterparty types should be *excluded* from the universe of possible counterparties in Templates A and B: central counterparties (CCP), sovereigns, provincial/state governments, sub-sovereigns (eg municipalities), central banks and international organisations (eg IMF, BIS and World Bank).

State-owned NFC counterparties (eg Pemex, Petrobras, and Gazprom) and NBF counterparties (eg Ginnie Mae, Freddie Mac and Fannie Mae, sovereign wealth funds and government pension funds) should be *included* in the universe of possible counterparties. To the extent possible, such state-owned counterparties and government agencies should be identified in *Other Firm Notes* (bottom of Templates A and B).

In addition, investment funds of all types (eg mutual funds, hedge funds and other investment funds; collateralised debt obligations (CDOs), ABS and other structured products; special purpose vehicles) should also be included in the universe of possible counterparties. Note, however, firms should *exclude* in their sorting exposure their direct investment in such funds, and include only their exposures that arise from lending, credit lines or any other exposures to the counterparty that are not related to its direct investment position (see section B.3.3 for details).

Firms are also requested to report their positions vis-à-vis all counterparties (ie beyond those that appear in Templates A and B, and including to CCPs and sovereigns) for a number of columns. This information will provide a benchmark against which to assess the concentration of firms' exposures. Reporting firms should work with their HCS to determine an appropriate time frame for reporting these items.

Template C is structured to capture firms exposures to CCPs. Template C should also include information about a reporting firm's aggregate exposure to all CCPs, as described in Section E.

Template D captures firms exposures to sovereign counterparties (central government and central bank). Only direct exposures to the central government (eg central government-issued debt/loans) and central banks should be reported in Template D. As noted above, exposures to government sponsored agencies (eg Freddie Mac and Fannie Mae), should be reported in Templates A and B, even if these entities have an explicit government guarantee.

B.3.2. Consolidation of exposures

Firms should consolidate their exposures using the following guidelines:

<u>*Reporting firm consolidation scope:*</u> each reporting firm should report its aggregate exposures booked by all entities in its regulatory banking group, ie the scope of consolidation as approved by its HCS and consistent with the BCBS international standards on banking supervision.[2]

Reporting firms are not required to report exposures booked by entities that lie outside the regulatory banking group unless the HCS instructs otherwise, for instance if the HCS determines that exposures booked in such entities could impact the firm's capital.

<u>*Counterparty consolidation scope:*</u> the exposure position reported vis-à-vis a particular counterparty should aggregate exposures to all entities in the counterparty's *banking group* (if applicable) or *accounting group*, and, on a best efforts basis, to any explicitly *supported entities* (eg supported by contractual provisions for credit enhancements) that fall outside these groups. The accounting group consists of entities that are consolidated for accounting purposes, under national (eg GAAP) or international (eg IFRS) accounting standards. If the counterparty is a conglomerate that contains a regulated banking group and other entities, the term accounting group refers to those *additional* entities that are not already in the regulatory banking group.

Some Non-Financial Corporate (NFC) counterparties have large non-bank financial (NBF) institutions as part of their group structure. Examples include large corporations with financing arms (eg General Motors vs GM Financial, Volkswagen Group and Volkswagen Bank). In such cases, the HCS may require that the NBF component be treated as a stand-alone counterparty.

B.3.3. Sorting criterion

For all templates, counterparty sorting should be performed for the *first* weekly submission of each month, and the set of counterparties identified in the first submission should be fixed for that calendar month.[3] This holds even if changes in exposure during the month would change the list of

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[2] That is, reflecting any HCS requirements that certain entities be excluded from the banking group for purposes of regulatory capital requirements (eg insurance subsidiaries). See http://www.bis.org/publ/bcbs128a.pdf.

[3] Firms may choose to sort their counterparty list for the upcoming calendar month during the last week of the current month, eg, sorting in the last week of May for the month of June. However, this updated sort should not be implemented until the beginning of the next calendar month. In this example, the sorting conducted at the end of May would not be implemented until the first week of June, when it would then be carried through the entire month.

counterparties.[4] Related counterparties belonging to the same group should be consolidated only if there is an explicit guarantee of support from the parent. Otherwise, these counterparties should be separately reported.

The sorting criterion differs across the templates as follows:

- **Templates A and B**: Firms should identify their top 50 largest credit exposures (Section B.3.1) based on a sorting of their globally consolidated exposures to individual counterparties. In addition, firms should report their exposures to any other Hub reporting firms (Section G, Table G5) that are not already included in the list of top 50 counterparties.[5]

  The sorting criterion to identify the top 50 exposures is the sum of the following metrics (and described in Sections C and D):

  (a) *Derivatives Potential Exposure* (Template A, column J)

  (b) *SFT PE* (Template A, columns M and N)

  (c) *Total Short Term Money Placements* (Template A, column Q)

  (d) *Total Issuer Risk* (Template A, sum of columns S-V, Y-AA)

  Total Issuer Risk in sorting criteria:

  The rationale behind (a), (b) and (c) is fairly intuitive. The rationale behind (d), *Total Issuer Risk,* is slightly more complicated. It could be expected that a reporting firm's exposure near the time of default of a reference entity is equivalent to the sum of:

  (i) The MTM of equities and debt instruments and the value of single-name equity and fixed income derivatives in the firm's portfolio (columns S-V);

  (ii) The notional value of net CDS protection sold via single-name (linear) CDS (column Y), with net sold positions reported as positive;

  (iii) The net MTM value of the same linear CDS contracts (column Z), where CDS protection sold most likely has a negative value near the time of default. This piece is included to avoid double-counting of exposure.That is, firms should be recording the CDS MTM in their P&L. Thus, were the counterparty to default, the *additional* loss to the reporting firm would not be the full notional value of the net CDS protection sold, but rather this amount less what had already been recorded in the firm's P&L.

  (iv) Non-linear CDS exposure to the entity that arises, for example, from the inclusion of the entity in tranched or otherwise structured CDS products bought or sold by the reporting firm. *If* the reporting firm is required by the HCS to decompose structured CDS products, firms should determine the bond-equivalent Jump-To-Default (JTD) value (assuming zero recovery) for each entity in the structured product and include this value in the sort criteria. For those entities that appear in the firm's top exposures to be reported in Templates A and B, the JTD value should be reported in column AA of Template A (see Section C.5.)

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[4] In the cases where two or more counterparties on a firm's top 50 list merge during a calendar month, positions should be reported under the new name of the single counterparty in the week of the merger. This will lead to the reporting of less than 50 counterparties for the remainder of that calendar month. The nature of the merger should be described in cell A102 of Template A or cell A139 of Template C.

[5] Thus, the list of counterparties in Templates A and B can be as few as 50, if all other Hub reporting firms are identified in the top 50 counterparty list, or as many as (50 + the number of reporting firms – 1), if none of them are.

Exposures to funds and other investment vehicles:

For counterparties that are funds or other investment vehicles (eg mutual funds, hedge funds, asset managers and other investment funds; collateralised debt obligations (CDOs), ABS and other structured products; and special purpose vehicles), the following applies:

(i) Counterparties that are funds that receive an explicit guarantee from a parent should be consolidated with the parent counterparty. Such funds should not be reported as separate counterparties.

(ii) Firms should base their exposure measure for the purpose of sorting counterparties on those exposure types listed in the sorting criterion above that are *not* related to their direct investment in the fund. Generally, this means that the *Equity MTM* (column S) and *Fixed Income MTM* (column U), both of which fall under *Issuer Risk*, should be ignored when sorting fund counterparties. Note that this applies whether or not the fund in question is rolled into the parent counterparty or is reported as a stand-alone counterparty.

(iii) If the non-"direct investment" exposures in (ii) above are large enough that the counterparty fund is to be reported in Templates A and B, the firm should report *all* exposures types (ie including the direct investment in the fund that is ignored for the purposes of sorting).

For example, suppose Bank A has (a) a direct investment in Mutual Fund X that invests in government bonds (this typically appears in *Issuer Risk* (column U); (b) an in-the-money derivatives transaction with Mutual Fund X (eg booked by the Mutual Fund X to hedge FX risk); and (c) a repo funding transaction with Mutual Fund X. In this case, Bank A should consider only exposures (b) and (c) (both using *PE* values) in determining whether Mutual Fund X should be reported as a counterparty. If Bank A's exposure to the fund included only its investment in the fund, then this counterparty should be excluded. If the fund is to be included in Templates A and B, then all three exposure types (a), (b) and (c) should be reported in full.

Reporting firms should work with their HCS to determine an appropriate time frame for implementing this reporting requirement. Until adequate reporting systems are in place, firms should continue to exclude investment funds from Templates A and B.

Exposures arising from clearing with CCPs on behalf of non-CCP counterparties:

As noted in Section E, firms should report in Template C their own trading accounts/exposures (ie "house exposures/accounts") to a CCP separately from their client clearing accounts with the same CCP. While client clearing positions with a CCP do not generate exposures for the reporting firm to the CCP, they can generate exposures to the client firm. For example, if the client firm fails to meet margin or other obligations related to the cleared positions, the reporting firm may be required by the CCP to cover these payments. The reporting firm should include in Templates A and B any exposures that arise from client clearing in any relevent columns in these templates, in particular for *Gross CE*, *Net CE*, *Derivatives Payables*, *Net Derivatives Payables*, *Initial Margin Received/Posted* and *Variation Margin Received/Posted*, vis-à-vis the particular client name.

- **Template C**: Firms should report data for the 10 CCPs against which they have the largest exposures. The sorting criterion is the sum of the following metrics, all from Template C (and described in Section E):

  (a) *Derivatives Potential Exposure* (column Q)

  (b) *Default Fund Contributions* (column F) and *Contingent DFC* (column G)

  (c) *Other Product Exposures on Clearing Account* (sum of columns S-U)

  (d) *Non-Clearing Account Exposures* (sum of columns AO, AS, AT, AU, AW, AY, AZ, BC and BD).

In principle, *Derivatives Potential Exposure* should include *Initial Margin Required* (column I), *Excess Initial Margin* (column J) and any other derivatives exposures the reporting firm has to the CCP.[6] Reporting firms should first identify their top 10 CCPs by ranking exposures to the globally consolidated operations of the CCP. Firms should then report their exposures to each CCP on an *unconsolidated* basis, that is, using one line for each bankruptcy-remote part of a single CCP that operates independently of the greater whole in the case of default, possibly resulting in more than 10 lines of data as described in Section E. Section H.5 provides an example of how a firm's positions to a CCP with multiple stand-alone entities should be reported.

In addition, firms should report their aggregate exposures to all CCPs worldwide in the final rows of Template C, that is, including their exposures to CCPs that are *not* amongst the top 10 counterparties. Values should be reported under the counterparty name "All CCPs" (column B), with no unique counterparty identifier (column E).

- **Template D**: Firms should report data for the 20 sovereigns against which they have the largest exposures. The sorting criterion is based on direct exposure to the central government only (column Y) and should equal the sum of

  (a) *Derivatives PE* (column I)

  (b) *Issuer Risk* (sum of columns N, O, R and S)

  (c) *SFT PE* (column T)

  (d) *Lending* (column U)

  (e) *Other Exposures* (column X).

B.3.4. Counterparty identifier

In Templates A, B and C, a column has been included for the reporting of a *Unique Identifier* for each counterparty. This should be the counterparty's Legal Entity Identifier (LEI) if available, or a code based on a national identifier system (if applicable). If a reporting firm has exposures to multiple entities in a corporate group, the identifier to be reported is that of the counterparty parent company. When the group of related entities does not have a parent, the code of the largest entity (based on size of exposure according to the sorting criteria) in the set should be reported. In any other case, the code should that of the individual counterparty. In Template D, column C is for the reporting of the two-digit ISO country code.

B.3.5. Description of PE methodology

In Templates A, C and D, firms are requested to provide a description of the assumptions used in calculating *Potential Exposure* for derivatives and *SFTs*. These are reports in specific cells in the bottom of each template (in rows 98-100 in Template A, rows 125-127 and 134-35 in Template C, and rows 37-38 in Template D). The description should include the following pieces of information, each reported in the appropriate cell in the template: (1) confidence level (reported as a decimal, eg 0.99); (2) Margin Period of Risk, which is the close-out period (reported as number of days, eg 10); (3) calibration period, which is the period over which historical data is used to do the estimation (reported using the format "YY.MM.DD-YY.MM.DD"); (4) time grid, which is the number of estimation dates considered for the calculation of the "mark to future", and time horizon, which is the period (in months) over which *PE* is forecasted (jointly reported using the format "X time steps over Y months"); (5) whether collateral is included and if so, whether it is included directly or using proxies (eg foreign exchange "Brownian Bridge"); (6) whether over-collateralised positions are included and the amount of any over-collateralisation; (7) models used for the estimation of single risk factors (IR, EQ, FX, Credit Spread, etc); (8) number of Monte Carlo scenarios.

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[6] If *Contingent DFC* is "uncapped", then this should be excluded from the sorting criteria. See Table E1 for details.

If the description of the PE methodology does not easily fit into the prescribed cells in the template, firms should describe the methodology to the extent possible in the "Other Assumptions and materiality thresholds" cells, in the following way (if appropriate):

> *"We assume an X day close-out period and a confidence level of 0.XX, and calculate PE over the horizon of X months, using X time steps and X Monte Carlo scenarios. Model parameters are calibrated using historical data from YY.MM.DD to YY.MM.DD. We include/exclude collateral as well as over-collateralised positions. The value of collateral is directly evaluated (or) evaluated using the following proxies: …... The amount of over-collateralisation is $X million. We use the XX model to estimate IR, XX model for FX, XX model for EQ…."*

Separate descriptions should be provided (in the same cell) if different methodologies are used for different counterparty types or products.

C. Largest credit exposures, weekly data (Template A)

The weekly Template A captures credit exposures that arise from (a) derivatives, (b) securities financing transactions, (c) short term money placements and (d) holdings of securities or the purchase/sale of derivatives on an underlying reference entity (issuer risk). In addition, it provides information about (e) the value of credit hedges for the firms' loan portfolio. Each of these components is discussed below. In the last line of Template A, firms should report their positions (for selected metrics only) to all counterparties (including to CCPs and sovereigns) on a quarterly frequency, as described in Section C.6.

C.1. Derivatives Receivables

Derivatives receivables (columns D-L) capture the reporting firm's "asset side" of counterparty transactions and thus should include positions that are in-the-money (equivalent to the MTM or replacement value being positive). These columns should include exposures to the non-CCP counterparty that arise from the provision of clearing services with CCPs by the reporting firm.

Derivatives receivables should be broken out into the positions listed in Table C1. The values to be reported should be based on a "netting set", that is, a group of transactions with a single counterparty that are subject to a single legally-enforceable bilateral netting arrangement. Each transaction that is not subject to a legally-enforceable bilateral netting arrangement should be interpreted as its own netting set. Transactions where cross-product netting is considered legally enforceable are considered "nettable" and should be netted.

Margined vs. legacy positions

For all derivatives included in *Gross CE*, firms should distinguish between those positions for which margin has been exchanged following the margining requirements specified in BCBS #317 and those positions where bilateral collateral arrangements are in force. Under BCBS #317, firms will be required, after an initial phase in period starting in September 2016, to exchange initial and variation margin with some counterparties (ie "covered entities") for any non-centrally cleared derivatives.[7] The exchange of initial and variation margin will be required only for those derivatives positions initiated after the start of implementation. Exposures that arise from such positions should be included in *Gross CE*. In addition, for these positions, firms should report *Initial Margin Received* (column F), and the outstanding balance of *Variation Margin Received* (column G).

Legacy derivatives positions (ie positions with counterparties with which the exchange of margin is not required, or with counterparties with which the exchange of margin is required but which were initiated prior to implementation of BCBS #317) should also be included in *Gross CE*. Any collateral received to offset these exposures should be reported under *Collateral Received* (column E). In

[7] Initial margin is exchanged to cover *Potential Future Exposure*.

short, assets received as collateral to offset *Gross CE* should either be reported under *Collateral Received* or *VM Received*, but not under both.

Net Current Exposure (Net CE)

Netting for the calculation of *Net CE* (column H) should always respect netting sets. That is, the total position should be calculated as:

$$\textit{Total position} = \max(0, \textit{MTM netting set 1}) + \max(0, \textit{MTM netting set 2}) + \ldots$$

where MTM includes collateral per netting set (after haircuts for non-cash collateral) or *Variation Margin Received*, as appropriate. After netting, the appropriate netting sets should be grouped together and rolled up to the consolidated counterparty. The overall *Net CE* that is to be reported vis-à-vis the counterparty is the sum of the *Net CE* of all netting sets with that counterparty. An analogous calculation applies for the calculations of gross and net derivatives payables in Template B (Table D3).

Table C1

Derivatives Receivables (Template A)

Variable name	Definition
Gross Current Exposure (CE) (column D)	The MTM value of contracts in a netting set when that MTM value is positive. Takes into account legally-enforceable counterparty netting but is gross of collateral and margin. Derived as: (a) calculate MTM value of all contracts in a netting set; (b) *Gross CE* of a netting set is the greater of the MTM value of the transactions and zero; (c) *Gross CE* to the counterparty is the sum of the *Gross CE* of all netting sets for that counterparty.
Collateral Received (column E)	For all derivatives in *Gross CE* for which margin is <u>*not*</u> exchanged following BCBS #317, sum of all collateral received (directly from the counterparty or held by a third party) under legally enforceable CSAs.[1] Excludes collateral owed to but not actually held by the reporting firm or third party custodian (eg collateral in transit or expected as part of a collateral call) and collateral in dispute.[2] Amounts here are not included in the counterparty sorting criteria.
Initial Margin Received (column F)	For all derivatives in *Gross CE* for which margin is exchanged following BCBS #317, total of the *Initial Margin* received by the reporting firm (directly from the counterparty or held by a third-party custodian) under legally enforceable CSAs.[1] Sometimes called the "Independent amount". Amounts here are not included in the counterparty sorting criteria.
Variation Margin Received (column G)	For all derivatives in *Gross CE* for which margin is exchanged following BCBS #317, the outstanding amount of *Variation Margin* (*VM*) received from the counterparty or from a third-party custodian under legally enforceable CSAs.[1] Amounts here are not included in the counterparty sorting criteria.
Net Current Exposure (CE) (column H)	The value of *Gross CE* as calculated above, net of *Collateral Received* or *VM Received*, as appropriate.[3] Derived as follows: (a) determine the *Gross CE* for each netting set; (b) *Net CE* for a netting set is *Gross CE* less the value of *Collateral Received* or *VM Received*; (c) *Net CE* for the counterparty is the sum of the *Net CE* of all netting sets for that counterparty.[4]
CVA balance (column I)	Balance of all credit valuation adjustments (CVA) gross of hedges. Asset-side CVA only, reported as a positive value.[5] Reporting firms that do not calculate CVA should report their counterparty-specific fair value-adjusted offset for derivatives exposures.

Table C1

Derivatives Receivables (Template A)

Derivatives Potential Exposure (PE) (column J)	Peak potential exposure at a specified future date, or over a given time horizon, with a high level of confidence (eg 95 or 99%). *PE* is the reporting firm's internal risk measure used to set counterparty credit limits; can be a "peak of peaks", depending on the firm's modelling capabilities and the number of netting sets vis-à-vis the counterparty[6]; includes *Current Exposure*.
Derivatives SA-CCR EAD (column K)	Exposure value calculated following the BCBS standardised approach (http://www.bis.org/publ/bcbs279.pdf) for measuring counter-party credit risk exposures (SA-CCR EAD). This measure of exposure at default (EAD) is to be implemented by January 2017. Firms should start reporting this metric prior to that date on a *best efforts basis*. Firms may report this figure on a quarterly basis, but should plan for a shift to more frequent reporting in the future.
Description of PE methodology (row 98)	Description of the approach taken in calculating *PE*, including the confidence interval, time horizon, closeout period, and other key assumptions. See section B.3.5 for the format of this description.
Collateral Received as a Third Party (column L)	The total collateral received by the reporting firm in its capacity as a third party custodian of collateral. Amounts should be reported vis-à-vis the counterparty in column B that supplied the collateral. Amounts are not included in the counterparty sorting criteria.

[1] A credit support annex (CSA) is a legal document that regulates credit support (collateral) for derivative transactions, and is typically associated with a particular netting set. [2] If legally negotiated over-collateralization requirements exist, such collateral should be reported if held by the reporting firm. [3] Where *Collateral Received* is greater than *Gross CE*, *Net CE* is zero. *Net CE* should not include CVA adjustments or excess collateral posted. [4] *Net CE* for the counterparty will not necessarily be equal to *Gross CE* less *Collateral Received* since the latter may offset exposure from only the associated netting set. [5] This is different from Net CVA, which would be equivalent to *CVA balance* less debt valuation adjustment (DVA). [6] For collateralized counterparties, *PE* should be based on a realistic close-out period, taking into account both the size and liquidity of the portfolio.

Table C2 provides an example of how reporting firm XYZ, which consists of several legal entities (column 1), would calculate *Net CE*. Each of firm XYZ's legal entities has an exposure to one of several entities in the counterparty ABC Bank group (columns 2 and 3). Firm XYZ reports only the bolded information in the bottom row in the templates. It is assumed here that each row constitutes a separate netting set. *Net CE* is calculated within each netting set first (last column), and total *Net CE* is the sum across netting sets (last column and row).

Table C2

Example for calculating *Net CE* (Template A)

Reporting Firm	**Counterparty**		**Fair value**[1]	***Gross CE***	***Collateral Received***	***Net CE***
	Legal entities	**Ultimate obligor**				
XYZ Bank Home Office	ABC Bank London	ABC Bank	30	30	25	5
XYZ Bank London	ABC Bank Japan	ABC Bank	20	20	5	15
XYZ Bank Japan	ABC Bank Frankfurt	ABC Bank	300	300	400	0
XYZ Bank NY	ABC Bank NY	ABC Bank	-300	0	0	0
XYZ consolidated	ABC Bank	**ABC Bank**	50	**350**	**430**	**20**

[1] Mark to market (MTM) value. This column is not to be reported in the template, but is included here for illustration purposes only.

C.2. Securities Financing Transactions

Securities Financing Transactions (*SFT*) are transactions such as securities lending and borrowing transactions, repurchase agreements (repos), and reverse repurchase agreements (reverse repos), where the value of the transaction depends on market valuations (Table C3). Such transactions are often subject to margin agreements. Reporting firms should report all transactions where it is the principal or the guarantor to the transaction, and is not acting as an agent on behalf of another entity. Additional information about *SFTs* is to be reported in Template B (Section D.2).

Table C3

Securities Financing Transactions Potential Exposure (Template A)

Variable name	Definition
Securities Lending/Borrowing Potential Exposure (PE) (column M)	Exposures from all forms of securities lending and borrowing and, where legally permitted, reinvestment of collateral, where the firm is either the principal or the guarantor of the transaction.[1] Securities lending transactions are typically used to cover short positions and are often equities. Collateral-for-collateral and collateral-for-cash transactions should be included.
Repo/Reverse Repo Potential Exposure (PE) (column N)	Repurchase agreements ("repos" and "reverse repos") capture reporting firms' credit exposures that arise from bilateral and tri-party repurchase agreements and reverse repurchase agreements. A repo transaction is one where the reporting firm has "repo-ed" out a security, and received cash in exchange.[2] Dollar roll transactions should also be included here.
Description of PE methodology for SFTs: (rows 99 and 100)	Description of the approach taken in calculating *PE*, including the confidence interval, time horizon, closeout period, and other key assumptions. See section B.3.5 for the format of this description.

[1] In securities lending transactions, the owner of the security retains legal ownership rights to the security and the transactions typically have no set end date. The owner can recall the securities on loan at any time and the borrower can return the securities at any time. [2] For repo transactions, the motivation is generally to borrow or lend cash, typically against debt securities. A reverse repo is a transaction where the reporting firm has received collateral in exchange for cash. In a repo there is an outright sale of the securities (ie legal transfer) accompanied by a specific price and date at which they will be bought back.

The values reported for all *SFT*s should be the reporting firm's peak *potential exposure* (*PE*). This is a high percentile (eg 95 or 99%) of the distribution of exposures at a particular future date. The *PE* calculation captures the potential uncollateralized credit risk of the set of transactions and the potential for change in the value of the underlying collateral securing these transactions. Firms should provide an explanation of the methodology used in calculating *PE* for *SFT*s in the notes section at the bottom of the template. The MTM value of all cash and collateral posted and received may be netted where legally enforceable when calculating *PE* for *SFT*s. Any collateral-for-collateral transactions should be included.

C.3. Credit Hedges

Firms should report their credit hedges for lending exposures separately (Table C4), and under the counterparty name of the borrower. *Credit Hedges* (notional and market value) covers any instrument or transaction (including CDS protection and loan guarantees received) used to mitigate the risk inherent in a reporting firm's lending exposure. Note that any hedges against exposures other than non-traded loans, including CVA and CDS for market-making or position-taking purposes, should be reported in Template A as *Derivatives Receivables* (columns D-L) or *Issuer Risk* (columns S-Z) as appropriate, as described in Section C.5.[8]

Table C4

Lending Credit hedges (Template A)

Variable name	Definition
Credit Hedges – Notional / Market Value (columns O and P)	Any instrument or transaction used to mitigate the risk inherent in a reporting firm's *lending exposures only*. Credit hedges include any single-name CDS, single-name contingent CDS, and decomposed index CDS[1] that are used for hedging lending exposures. Guarantees from third parties against lending exposures should also be included. The notional value of credit hedges should be reported in column O and the market value in column P.

[1] The counterparty name reported in column B must be an underlying name in the index that is being decomposed. No proxy names should be included.

The purchase of CDS protection (a) provides the reporting firm with protection against the default of an underlying name (ie issuer risk, or counterparty credit risk), but (b) exposes the firm to the risk that the contractual counterparty that provided the protection might fail to pay were the credit hedge to be exercised (contractual counterparty risk).[9] These two aspects are captured in separate places in Templates A and B, and reporting examples are provided in Section H, where the reporting of credit linked notes is also discussed. In general, a reporting firm (Bank 1) that purchases protection *to hedge lending exposures* to Bank 2 from a protection-selling Bank 3 should report the notional and market value of these *Lending Credit Hedges* in the counterparty row in Template A that corresponds to Bank 2 (ie, Bank 2 is the "underlying" name associated with the CDS), thus reducing its issuer risk (the lending exposure) to Bank 2.[10] The reporting firm's contractual counterparty risk should be reported vis-à-vis the provider of protection (Bank 3) in Template B, as described in Sections C.5 and H.3.

Values reported for *Credit Hedges - Notional Value* should be reported as a *negative* value to reflect that such a hedge effectively reduces the exposure. *Credit Hedges - Market Value* should be reported as a positive number, or as a zero if the hedges are out-of-the-money. In cases where long positions have been taken to reduce short hedging positions, firms should report the net of the long and short positions.

C.4. Short Term Money Placements

Reporting firms should report all *Short Term Money Placements* (*STMP*) at MTM values (Table C5). All products with an *original* maturity of one year or less should be included. In the case of amortizing facilities, the last day of scheduled repayments should be treated as the maturity date for classification. Only *on-balance sheet* exposures should be included; unutilised overdraft facilities and lines of credit should be considered unfunded commitments and thus excluded (they are reported under *Lending* (Template B)).

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[8] Loans traded in the secondary market are considered to be issuer risk (reported in column U). Any hedges on traded loans should be excluded from *Credit Hedges* (columns O and P).

[9] Throughout these Guidelines, the term "issuer risk" (synonymous with counterparty credit risk) in reference to derivatives means the risk that the underlying reference entity defaults on its own obligations. "Contractual counterparty risk" refers to the risk that the contractual counterparty, which is generally different from the reference entity, fails to pay.

[10] Where credit spreads for the counterparty are tight and thus the reporting firm's hedges are out-of-the-money, a zero should be reported. Similarly, if a reporting firm does not have a CDS hedge against lending exposure to a given counterparty, a zero should be reported.

Note that firms should *not* net *STMP*. Specifically, only *STMP* funded by the reporting firm should be considered. If the firm has both purchased commercial paper (CP) issued by counterparty X and issued its own CP that is purchased by counterparty X, only the CP held by the reporting firm should be reported; its own issues of CP held by counterparty X should not be netted.

Table C5

Short Term Money Placements (Template A)

Variable name	Definition
Total Short Term Money Placements (STMP) (column Q)	MTM value of all short term products, ie those products with an *original* maturity of one year or less. These include excess reserves sold to other financial institutions at the inter-bank lending rate (eg Fed Funds, Eurocurrency or equivalent); wholesale deposits (eg operating accounts, Demand Deposit Accounts (DDAs)); Money Market Deposit Accounts (MMDAs); commercial paper (CP); Certificates of Deposit (CDs); Bankers Acceptances, nostro accounts and CD/CP sweeps.
STMP: Open or Overnight (column R)	MTM value of all short term products (ie those with an *original* maturity of one year or less) with an open or overnight maturity, and any other short term products with a *remaining* maturity of one day.

C.5. Issuer Risk

Issuer risk is the risk of loss on securities (eg bonds, equities) and other obligations (eg single-name bond or equity derivatives) in tradable form that arises from credit "events", typically the default and insolvency of the issuer, obligor, or reference entity. Reporting firms should calculate issuer risk assuming zero recovery, and should include all issuer risk on its balance sheet.

Issuer risk should be reported separately for the positions listed in Table C6. For *Equity MTM* (column S) and *Fixed Income MTM* (column U), firms should report the total MTM value of the position rather than a value based on internal issuer risk calculations with embedded assumptions about sensitivities or stresses. If a reporting firm holds sovereign-backed debt issued by a non-government counterparty (listed in column B), it should be included in issuer risk vis-à-vis that counterparty (see also Section D.4).

Single-name derivatives (eg bond options and futures, equity options, puts and calls) used, for example, to take a short position in a specific name, are to be reported separately. Two risks arise from single-name derivatives: the risk that the contractual counterparty fails to deliver on its commitment (contractual counterparty risk), and exposure to the underlying name (issuer risk).

These two aspects are captured in separate places in Templates A and B (reporting examples in Section H). Suppose Bank 1 enters into a single-name derivatives contract with Bank 2 that references an underlying third party, Entity A. Bank 1 should report the market value of the position under derivatives receivables (contractual counterparty risk) or derivatives payables, as the case may be, vis-à-vis the contractual counterparty (Bank 2). And it should also report its *bond equivalent* value (ie the economic exposure) under *Issuer Risk* vis-à-vis the underlying reference entity, Entity A. In these guidelines, the bond equivalent value is the total net financial loss that results from a credit event in the underlying reference entity, assuming a zero recovery rate.

Table C6

Issuer risk (Template A)

Variable name	Definition
Equity MTM (column S)	Common equity positions, preferred equity and trust-preferred securities (TruPS) positions held on behalf of the firm, and convertible bonds. Short sales that involve borrowing and selling an equity should be included here, and reported as a negative value. Equity derivatives (eg equity options, puts and calls) that reference a single underlying name, and synthetic equity positions, should not be included, as these are reported separately (column T).
Equity Derivatives (column T)	Single name derivatives whose value is tied to the equity price of the underlying reference name. Includes equity puts and calls, synthetic equity positions and total return swaps tied to equity. Should be reported on a bond equivalent basis, with positive values reported for positions where the reporting firm incurs a loss if the reference entity deteriorates (eg a long call or short put position) and negative values reported for positions where the reporting firm gains if the reference entity deteriorates (eg a short call or long put position). If applicable, reporting firms should indicate the *percentage* of synthetic equity positions under *Other firm notes* (cell A102).
Fixed Income MTM (column U)	MTM value of all debt instruments, including bonds, loans traded in the secondary market, CP with maturity greater than one year, negotiable debt securities, and any sovereign-backed debt.[1] Short sales that involve borrowing and selling a debt security should be included here, and reported as a negative value. Bond derivatives (eg bond options and futures) and CDS should *not* be included, as these are reported separately (columns V, W,-Z) or as credit hedges (columns O and P).
Fixed Income Derivatives (column V)	Single name derivatives whose value is tied to the creditworthiness of the reference entity's debt securities, excluding CDS (reported separately). Includes bond options, bond forwards/futures and total return swaps tied to fixed income instruments. Values should be reported on a bond equivalent basis, with long positions reported as a positive value and short positions reported as a negative value.
Notional of CDS Bought/Sold (columns W and X)	The sum of the notional values of (1) CDS bought (sold) *for market-making or position taking purposes* on the underlying counterparty name reported in column B, (2) CVA hedges and (3) all other CDS hedges against non-lending exposures.[2] Only single-name (contingent) CDS should be included; decomposed index CDS exposures should be reported separately (column AA), if required by the HCS. *Notional of CDS Bought* should be reported as a negative value (short issuer risk), and *Notional of CDS Sold* as a positive value (long issuer risk).
Net Notional CDS (column Y)	The sum of *Notional of CDS Bought* and *Sold* (columns W and X). Can be reported as a negative value (short issuer risk) or positive value (long issuer risk).
Net MTM CDS (column Z)	Net mark-to-market (MTM) value of all contracts included under *Notional of CDS Bought* and *Sold* (columns W and X).[3] This value can be reported as a positive or negative value.
Net JTD CDS (column AA)	Bond equivalent Jump-To-Default (JTD) value of decomposed index CDS exposures, to be reported only if required by the HCS. The name reported in column B must be an underlying name in the product that is being decomposed. No proxy names should be included.

[1] Sovereign-backed debt should be consolidated with any other exposures to the non-government issuer. In addition, it should be reported separately under Template B (column AT, S*overeign-backed Issuer Risk*) vis-à-vis the same counterparty. [2] All CDS protection *sold* should be included. CDS protection *bought* to hedge lending exposures should be excluded, as it is reported under *Lending Credit Hedges* (columns O and P). [3] Structured hedges should be excluded. However, plain vanilla index CDS should be included with other single-name CDS.

Single-name derivatives tied to a reference entity's stock price are to be reported in *Issuer Risk – Equity Derivatives* (column T).[11] Similarly, derivatives (excluding CDS) tied to the credit quality of a reference entity's outstanding debt securities should be reported under *Issuer Risk - Fixed Income Derivatives* (column V). Fixed income derivatives where the reference entity is a sovereign should be excluded from *Issuer Risk* in Template A, and are to be reported in Template D under the name of the reference sovereign. Such derivatives *should* be reported at MTM value under *Gross CE* (Template A) or *Derivatives Payables* (Template B) vis-à-vis the name of the *contractual counterparty*.

For the reporting of exposures related to CDS contracts, firms should distinguish between linear CDS exposures (eg plain-vanilla single-name CDS products) and their non-linear CDS exposures (eg CDS exposures that arise from the inclusion of a reference entity in a tranched CDS product).

Reporting of linear CDS exposures: CDS bought and sold positions are to be reported separately (columns W-Z). As above, the applicable contracts are those where the name in column B is the "underlying", not where the name in column B is the contractual counterparty. As such*, no counterparty netting is applied* in calculating the value of *Notional CDS Bought* and *Sold* (columns W-Y) or *Net MTM CDS* (column Z). In addition, CDS hedges against lending exposures should be *excluded* from all issuer risk metrics, since these are reported under *Lending Credit Hedges* (columns O and P).

Reporting of non-linear CDS exposures: In general, reporting firms do not need to decompose exposures to index tranches or other tranched CDS products into specific reference counterparties, although the materiality of such exclusions should be discussed with their HCS. In some cases it may be appropriate to include these exposures, in particular if the exclusion of unbundled tranched products would result in a materially different set of top counterparties.

If it is decided that a firm should report decomposed index tranches or other structured products, exposures should not be included in columns W-Z. Rather, they should be reported separately, on a bond-equivalent Jump to Default (JTD) basis, under *Net JTD CDS* (column AA). The JTD valuation is the difference in the MTM value of the structured security assuming that the single name does and does not default (with zero recovery). The JTD valuation of the decomposed name generally consists of two components: (a) the loss due to any payout by the reporting firm that results from a credit event in one or more of the underlying names in the tranched product; and (b) the loss due to a fall in the MTM value of the structured security carried on the reporting firm's balance sheet. The combined value is the total loss in the structured security from the credit event that can be assigned to the decomposed name. As noted in Section B.3.3, the JTD value should also be used in the sorting criteria.

C.6. Line for total exposures

In the last line of Template A, firms should report their total positions vis-à-vis all counterparties (ie beyond those that appear in Templates A and B, and including CCPs and sovereigns) for the following columns: *Derivatives Receivables* (columns D, H, I), *STMP* (column Q), and *Issuer Risk* (columns S-Z). The metrics that do not need to be reported in this total line have been blacked out in Template A. This information will provide a benchmark against which to assess the concentration of firms' exposures.

Firms may report quarter-end values that change only every three months. However, monthly reporting of these figures will be required in the future, so firms should build their reporting systems to be able to report these figures monthly. Total positions should be reported against the *Counterparty Name* (column B) "All Counterparties", and the *Unique Identifier* (column C) should be left blank. The figures reported for the totals should *include* any relevant "direct investment" in the various investment fund types described in section B.3.3.

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[11] Equity warrants purchased directly from the issuer should be reported here under *Issuer Risk Equity Derivatives* (column T) but not included in contractual counterparty risk *Gross CE* (column D).

D. Largest credit exposures, monthly data (Template B)

The monthly Template B captures information about firms' derivatives payables and the mix of product types, lending exposures, cash provided/received via securities financing transactions, and credit limits against individual counterparties. In the last line of Template B, firms should report their positions (for selected metrics only) vis-à-vis all counterparties (including CCPs and sovereigns) on a quarterly frequency, as described in Section D.7.

D.1. Derivatives

Template B captures the MTM value of outstanding derivatives products by type, separately for positions that are in- and out-of-the-money (*Derivatives Products – MTM*, columns D-O), and information about gross and net payables (*Derivatives Payables*, columns P-W).

Table D1

Derivatives Products MTM (Template B)

Variable name	Definition
Credit Derivatives (columns D and J)	Derivatives that are based on the credit performance of an underlying reference counterparty. Includes basket swaps, credit forwards, credit spread options, credit default options, credit default swaps, first-to-default swaps and total return swaps tied to fixed income securities.
Commodities Derivatives (columns E and K)	Derivatives with an underlying reference based on non-financial commodities including chemicals, energy, base and precious metals, livestock, grains, and "soft commodities" (SOFTS, ie non-metal commodities such as cocoa, sugar, and grains, bought and sold on a futures market). A commodity derivative can be structured as a future, forward, option or swap.
Equity Derivatives (columns F and L)	Derivatives with an underlying reference based on common stocks, baskets and market indexes. Includes equity options, equity futures, equity forwards, equity call swaps, equity index swaps, equity put swaps, equity warrants and total return swaps tied to equities.
FX Derivatives (columns G and M)	Any financial instrument that locks in a future foreign exchange rate. Includes outright forwards and foreign exchange swaps, currency swaps, cross-currency swaps, and options.
Interest Rate Derivatives (columns H and N)	Derivatives where the underlying asset is the right to pay or receive a notional amount at a given interest rate. Includes forward rate agreements (FRAs), swaps, rate locks, and options.
Other Derivatives (columns I and O)	Any other derivatives not listed above. Firms should describe what is included in this field in cell A97.
Description of Other Derivatives (cell A97)	Brief description of what is included in *Other Derivatives*.

D.1.1. Derivatives Product MTM

Reporting firms should break out derivatives positions into the products listed in Table D1. Contracts with a positive market value (from the reporting firm's perspective) should be reported in columns D-I and those with a negative market value in columns J-O. Values should be reported on a gross MTM basis (pre-legal netting and pre-collateral) at the trade level (not the transaction level), and as positive numbers. Since values do *not* reflect legal counterparty netting, the sum of across products is not expected to match *Gross CE* (Template A, column D) and *Derivatives Payables* (Template B, column P).

Table D2 provides an example of how derivatives product MTM for the product types listed in Table D1 should be reported. In this example, the reporting firm has multiple positions (trades) in each product type that must be aggregated before reporting (only the rows "In-the-money contracts" and "Out-of-the-money contracts" are to be reported in Template B).

Table D2

Example reporting of *Derivatives Product MTM* (Template B, columns D-O)

Underlying trade positions with a single counterparty

Positions	Credit	Commodities	Equity	FX	Interest Rate	Other
Trade 1	30	-50	10	90	-425	80
Trade 2	-10	10	20	40	100	200
Trade 3	150	200	-60	410	25	-20

Gross MTM values to be reported

	Column D	Column E	Column F	Column G	Column H	Column I
In-the-money contracts[1]	180	210	30	540	125	280

	Column J	Column K	Column L	Column M	Column N	Column O
Out-of-the-money contracts[1]	10	50	60	0	425	20

[1] In-the-money (out-of-the-money) contracts refers to the set of contracts that have a positive (negative) market value from the perspective of the reporting firm. All values should be reported as positive numbers.

D.1.2. Derivatives Payables

Derivatives payables represent the *liability* side of counterparty transactions and should include those netting sets where the firm is out-of-the-money (equivalent to the MTM or replacement value being negative).[12] These columns should include payables to the non-CCP counterparty that arise from the provision of clearing services with CCPs by the reporting firm. *Derivatives Payables* should be reported in the fields listed in Table D3.

As described in the Section C.1 for *Derivatives Receivables*, in reporting *Derivatives Payables*, firms should distinguish between those positions for which margin has been exchanged following the margining requirements specified in BCBS #317 and those positions where bilateral collateral arrangements are in force.

Table D3

Derivatives Payables (Template B)

Variable name	**Definition**
Gross Payables (column P)	The MTM value of contracts in a netting set when that MTM value is negative.[1] Takes into account legally-enforceable counterparty netting but is gross of all collateral and margin. Derived as: (a) calculate MTM value of all contracts in a netting set; (b) *Gross Payables* of a netting set is the lesser of the MTM value of the transactions and zero; (c) *Gross Payables* to the counterparty is the sum of the *Gross Payables* of all the netting sets for that counterparty.

[12] See definition of netting set in Section C.1 about derivatives receivables.

Table D3

Derivatives Payables (Template B)

Initial Margin Posted (column Q)	For all derivatives in *Gross Payables* for which margin is exchanged following BCBS #317, total of the *Initial Margin* posted by the reporting firm (directly to the counterparty or to a third-party custodian) under legally enforceable CSAs.
Variation Margin Posted (column R)	For all derivatives in *Gross Payables* for which margin is exchanged following BCBS #317, the outstanding amount of *Variation Margin* (*VM*) posted by the reporting firm (directly to the counterparty or to a third-party custodian) under legally enforceable CSAs.
Collateral Posted (column S)	For all derivatives in *Gross Payables* for which margin is *not* exchanged following BCBS #317, total of all collateral posted by the reporting firm (directly to the counterparty or to a third-party custodian) under legally enforceable CSAs. Collateral calls that the firm expects to fulfil should *not* be included; should include only collateral that has left the firm, and should be reported under the counterparty name against which the reporting firm has the *Gross Payables* position.
Net Payables (column T)	The value of *Gross Payables* less *Collateral Posted* or *VM Posted*, as appropriate. Derived as follows: (a) determine the *Gross Payables* for each netting set; (b) *Net Payables* for a netting set is *Gross Payables* less the value of *Collateral Posted* or *VM posted* [2]; (c) *Net Payables* for the counterparty is the sum of the *Net Payables* of all netting sets for that counterparty.[3]
Collateral Posted in Excess (column U)	Sum of all collateral posted by the reporting firm to the counterparty in excess of the *Gross Payables* (Template B) to that counterparty. This value should include any collateral that has not yet been returned by a counterparty. Captures the resulting credit exposure to the counterparty for netting sets where the reporting firm is out-of-the-money. Excludes disputed collateral but includes excess collateral posted due to legally negotiated over-collateralization requirements.
Collateral in Dispute (column V)	The amount of collateral in dispute (as judged from the perspective of the counterparty) due to disagreements over (a) the market value of the assets on which the derivatives are based; (b) terms of the derivative contracts; and/or (c) whether or not the trade exists. Timing differences or collateral in transit should not factor in the calculation. Net rather than gross amounts should be reported. [4]
Description of Collateral in Dispute (cell A99)	Description of any materiality thresholds or assumptions used in calculating *Collateral in Dispute*.
Collateral Posted to Third Party (column W)	The total collateral provided by the reporting firm to a third-party custodian of collateral. Amounts should be reported vis-à-vis the counterparty in column B that received (holds) the collateral. Amounts are not included in the counterparty sorting criteria.

[1] Note that payables must be reported as a *positive* number. [2] Where *Collateral Posted* or *VM Posted* is greater than *Gross Payables*, *Net Payables* is zero. *Net Payables* should not include DVA adjustments or excess collateral received. [3] *Net Payables* for the counterparty will not necessarily be equal to *Gross Payables* less *Collateral Posted* and *VM posted* for the counterparty since *Collateral Posted* and *VM posted* may offset exposure from only the associated netting set. [4] For example, if the counterparty believes a reporting firm owes 100, and the reporting firm believes it owes 90, the amount in dispute that should be reported is 10. If the counterparty believes a reporting firm owes 90, and the reporting firm believes it owes 100, the amount in dispute that should be reported is 0.

D.2. Securities Financing Transactions MTM

Template B captures reporting firms' receipt or provision of cash or securities in exchange for cash or securities from securities lending and borrowing transactions (columns X through AE) or from reverse repo and repo transactions (columns AF through AK). In contrast to Template A where *SFT*s are recorded using firms' internal *PE*, *SFT*s in Template B are to be reported on a MTM basis (Table D4). Tri-party trades should be included and reported vis-à-vis the name of the counterparty, not that of the clearing entity. In addition, Dollar Roll transactions should also be included (columns AF, AI, AG and AJ), as well as in Template A under *Repo/Reverse Repo PE*.[13]

Table D4

Securities financing transactions MTM (Template B)

Variable name	Definition
Securities Lending/Borrowing	
Total cash and securities received/provided (columns X and AB)	Total post-haircut MTM value of securities and cash received (column X) and provided (column AB) by the reporting firm in all securities lending and borrowing transactions combined.
Of which: G7 Sovereign and Agency MBS and Debt (columns Y and AC)	MTM value of securities received (column Y) or securities provided (column AC) where the securities received/posted by the reporting firm are debt securities issued by G7 governments or mortgage backed securities (MBS) or debt issued by US government agencies.[1]
Of which: Highly Rated Corporate and Non-G7 Sovereign (columns Z and AD)	MTM value of securities received (column Z) or provided (column AD) by the reporting firm where the securities are debt securities issued by non-G7 governments and/or non-financial corporate debt rated AA- and higher.[2]
Of which: Cash (columns AA and AE)	Cash received (column AA) and provided (column AE) by the reporting firm in securities lending/borrowing transactions.
Repo* and *Reverse Repo	
Total Repo and *Total Reverse Repo* (columns AF and AI)	Total post-haircut MTM values of repos (column AF) and reverse repos (column AI). Tri-party trades should be reported under the name of the counterparty, not the clearing entity.
Of which: G7 Sovereign and Agency MBS and Debt (columns AG and AJ)	MTM value of repos (column AG) or reverse repos (column AJ) where the securities received/posted by the reporting firm are debt securities issued by G7 governments or mortgage backed securities (MBS) or debt issued by US government agencies.[1]
Of which: Highly Rated Corporate/ Non-G7 Sovereign Debt (columns AH and AK)	MTM value of repos (column AH) or reverse repos (column AK) where the securities received/posted by the reporting firm are debt securities issued by non-financial corporates rated AA- and higher and/or non-G7 governments.[2]

[1] The G-7 countries are Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. [2] In classifying the debt securities, the rating of the issuer (rather than the rating of the specific security) should be used. The short term (long term) rating should be used for short term (long term) bonds. Bonds should be rated based on the currency in which they are issued. Firms may use an internal rating as a proxy. Transactions that involve the exchange of *equities* should be included in the totals (columns X, AB, AF, and AI) where appropriate, but excluded from the "of which" fields.

Firms should report the MTM value of securities provided in exchange for cash via repos in columns AF-AH and securities received via reverse repos in columns AI-AK.[14] For both, the amounts should correspond to the cash repayment obligation (principal and interest), and should *not* be netted against any reverse repo/repo with the same counterparty.

[13] A dollar roll transaction is essentially a collateralized loan used to finance positions in the Agency MBS TBA (to-be announced) market. However, one key difference with repos is that the security returned to the borrower of funds does not have to have the same CUSIP as the security borrowed. It only has to satisfy certain parameters such as agency, coupon, par amount, and price.

[14] Margin lending, buy/sell backs (a reverse repo with no legal documentation) and sell/buy backs should be included in reverse repos or repos, as appropriate.

In reporting *securities lending* and *securities borrowing* transactions, firms should first aggregate these transactions vis-à-vis the same counterparty to determine total securities and cash *received* and total securities and cash *provided* via both types of transactions (columns X-AE).[15] As with repo/reverse repo, securities received/provided should be reported at market value, and should not be netted against securities provided/received vis-à-vis the same counterparty.

Positions are to be reported using a double entry method. For example, if a firm exchanges an equity security for cash in a *Securities Lending Transaction*, it should report the MTM value of the equity provided under *Total Cash and Securities Provided* (column AB), and the value of the cash received under *Total Cash and Securities Received, Of which: Cash* (column AA). If a firm exchanges an equity for non-cash collateral, eg a US Treasury, in a securities-for-securities transaction, the equity provided would again be reported in column AB and the US Treasury would be reported under *Total Cash and Securities Received, Of which: G7 Sovereign and Agency MBS and Debt* (column Y). See Section H.4 for reporting examples.

D.3. Lending

Lending (Table D5) includes all forms of term/revolving credit facilities, letters of credit, and loan guarantees (eg guarantees for loans originated by another bank). Lending excludes short term money placements (reported in Template A, column Q), and traded loans (which are considered issuer risk and reported in Template A, column U). Lending should be reported at nominal value net of write-offs and gross of provisions. Such name-specific write-offs should be reported under *Credit Reserves* (column AS).

Loan guarantees provided by the reporting firm to an originating bank should be reported against the name of the underlying entity that received the loan.[16] Guarantees *received by* the reporting firm from third parties for loans originated by the reporting firm should not be netted, but rather reported separately under *Credit Hedges* in Template A (columns O and P), again against the name of the underlying entity that received the loan.

Participations in loans or credit lines originated by another bank are also to be reported. Suppose Bank 1 establishes a credit line of 100 to a third party, and Bank 2 agrees to a participation of 40 in the credit line originated by Bank 1. If Bank 2 transfers 40 in cash or collateral to Bank 1 at the start, the participation is said to be "funded", and Bank 1 is not exposed to contractual counterparty risk to Bank 2 when/if the credit line is drawn by the third party. However, Bank 2 does have contractual counterparty risk to Bank 1 to the extent that its funds are held with Bank 1 until credit is actually extended to the third party, or to the extent that Bank 1 serves as the conduit for all payments from the third party to its creditors once the credit line is drawn.

By contrast, if the promise of participation by Bank 2 is not accompanied by a transfer of cash or collateral at the start, the participation is said to be "unfunded", and the originating Bank 1 has a contractual counterparty risk vis-à-vis Bank 2.

How participations should be reported depends on whether the reporting firm provided or received the promise of participation, and on whether the participation is funded or unfunded (see the example in Section H). The reporting firm that originated the credit line should report the lending exposure (vis-à-vis the entity that received the credit line) *net* of *funded participations* received from others. Unfunded participations from others should not be netted.

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[15] Securities lent against both cash and non-cash collateral should be included. That is, securities-for-securities transactions should be included.

[16] When a reporting firm provides a loan guarantee to an entity X for that entity's exposure to entity Y, the reporting firm incurs direct issuer risk vis-à-vis entity Y. Guarantees provided should be reported under *Undrawn Commitments* (*secured* / *unsecured*) vis-à-vis entity Y.

Table D5

Lending (Template B)

Variable name	Definition
Undrawn Commitments (secured) (column AL)	Nominal value of all undrawn and committed facilities secured by collateral. Collateral includes, for example, real estate, property, plant or equipment and/or receivables.
Undrawn Commitments (unsecured) (column AM)	Nominal value of all undrawn and committed facilities, including any commercial paper backup lines, that are not secured by collateral.
Funded (secured) (column AN)	Nominal value of all drawn lending (from committed and uncommitted facilities) that has been secured by collateral.
Funded (unsecured) (column AO)	Nominal value of all drawn lending (from both committed and uncommitted facilities) that has not been secured by collateral.
Funded Participations vv Originator (column AP)	Exposure that arises when a reporting firm funds a participation in a loan or credit line originated by another institution. The counterparty against which the exposure is to be reported is the credit originator. For participations in credit lines, the participating firm should report the full amount of funds placed with the originating bank. For loan participations, the participating firm should report only those amounts of distributed loans that are not recoverable directly from the borrowing entity but that must be repaid by the originating bank.
Unfunded Participations (received) (column AQ)	Promise of participation from a third party in a loan/credit line originated by the reporting firm where the firm does not receive funding or collateral up front. The counterparty against which the exposure is to be reported is the entity that received the loan or credit line from the reporting firm.
Unfunded Participations (provided) (column AR)	Exposure that arises when a reporting firm participates in a loan/credit line originated by another institution, but does not fund this participation up front. The counterparty against which the exposure is to be reported is the entity that received the loan or credit line from the originator.
Credit Reserves (column AS)	Nominal value of incremental, name-specific credit reserves, reserve allocations or other liabilities held against lending exposure.[1] Typically, these reserves are taken against impaired names or facilities. Collective impairment charges (eg charges against an entire portfolio or against multiple names) should not be included.

[1] See, for example, FAS 114 or IAS 39.

If the reporting bank itself funds a participation in a credit line originated by another bank to a third party, the reporting firm should report this exposure under lending (eg *Undrawn Commitments (secured / unsecured)*, as appropriate) vis-à-vis the entity that received the credit line, as well as under *Funded Participations vv Originator* to capture the contractual counterparty risk to the credit originator. If the credit line is drawn (or the reporting bank participates in a loan) and the third party routes all payments through the credit originator, then the reporting firm continues to have some contractual counterparty risk to the credit originator. If credit is extended (or the reporting bank participates in a loan) and the third party makes all payments directly to its creditors instead of routing payments through the credit originator, then the reporting firm does not have any exposure to the credit originator and no entry is needed under *Funded Participations vv Originator* .

In contrast to funded participations, <u>*unfunded participations*</u> should be reported separately in columns AQ and AR, depending on whether the reporting firm receives unfunded promises of participation from others, or itself has an unfunded participation in a credit line originated by another bank. If received, the reporting firm should report it in column AQ against the name of the counterparty that received the credit line. If provided, it should report it in column AR, also against the name of the counterparty that received the credit line. Reporting these amounts against the name of the counterparty that received the credit line facilitates aggregation of the reported data (by all Hub firms) on this counterparty name. Note, however, that the contractual counterparty risk faced by the originator of the credit line to the provider of the unfunded participation is not captured anywhere in the template.

D.4. Issuer Risk (Sovereign-backed Debt)

In cases where the firm holds debt issued by a non-government entity that is backed by a sovereign government, the exposure should be consolidated with any other exposures to the issuing counterparty for reporting in Template A.[17] The amount of the total exposure that arises from holding of sovereign-backed debt should be reported separately as issuer risk in Template B vis-à-vis the same counterparty and not the ultimate sovereign government (Table D6). Firms should report the total MTM value of the position rather than a value based on internal issuer risk calculations with imbedded assumptions about sensitivities or stresses. Long and short positions should be netted, and net values should be reported as a negative (short issuer risk) or positive (long issuer risk) value, depending on the direction of the net exposure.

Table D6

Issuer Risk (Template B)

Variable name	Definition
Issuer Risk - Sovereign-backed (column AT)	Debt issued by a non-government institution that contains the explicit backing of a sovereign government, or single name bond derivatives that take such debt as the underlying.[1] Net values should be reported as negative (short issuer risk) or positive (long issuer risk), depending on the direction of the net exposure. Excludes any holding of equity issued by the institution as well as single-name equity derivatives that reference that entity.

[1] For example, debt issued under the Temporary Liquidity Guarantee Program (TLGP) guidelines in the United States or the Credit Guarantee Scheme (CGS) in the United Kingdom.

D.5. Payments / Clearing / Settlement Limits

Reporting firms should report information on limits placed on transactions with their identified counterparties. Firms should report all secured and unsecured limits set on all committed and uncommitted lines, whether advised or not, related to payment, clearing and settlement operations. These include:

(1) Payment Limits: cash overdrafts, including demand deposit account (DDA) overdrafts, ACH credit, CHAPS or similar payment system related limits, intraday limits related to commercial paper issuances and/or payments, etc.

(2) Clearance Limits: securities and derivatives clearing, including margin and cash settlement payments to clearing houses, intraday clearance advances, etc.

(3) Settlement Limits: settlement transaction lines, including FX, securities and derivatives settlement limits.

Payments, clearing and settlement limits should be reported as described in Table D7.

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[17] Specifically, sovereign-backed debt should be included under *Issuer Risk* in Template A (column U, *Fixed Income MTM*) vis-à-vis the issuing counterparty, and thus factor in the sorting criterion used to identify the top 50 counterparties (Section B.3.3).

Table D7

Payments/clearing/settlement limits (Template B)

Variable name	Definition
Total Payments, Clearing and Settlement Limits (column AU)	Total aggregated amount of payment limits, clearance limits and settlement limits. Excludes pre-settlement limits as well as any overnight overdraft limits resulting from a failure of an intraday line.
Of which: FX Clearing and Settlement Limits (column AV)	Provide only the Clearance Limits and Settlement Limits related to FX in this column

D.6. Other Exposures

Firms should aggregate any other exposures to the identified counterparties as described in Table D8. A non-exhaustive list of items that should be included in *Other Exposures* are: contingent claims (where the reporting firm is exposed to a claim/payout based on an event that could occur in relation to an identified counterparty); second order risks which could act as potential counterparty credit exposures; life policy business activity; ATM receivables; insurance commission receivables; securitization arrangement; funds placement program; and direct equity holdings. Reporting firms should discuss with their HCS the reporting of any other exposures not included in this list.

Table D8

Other exposures (Template B)

Variable name	Definition
Other Exposures (column AW)	Any exposures to the counterparty listed in column B currently not captured elsewhere in Templates A or B.
Description of Other Exposures (cell A101)	Firms should provide an explanation of any exposures reported in *Other Exposures*, as well as any materiality threshold assumptions.

D.7. Line for total exposures

In the last line of Template B, firms should report their total positions vis-à-vis all counterparties (ie beyond those that appear in Templates A and B, and including CCPs and sovereigns) for the following columns: *Derivatives Products MTM* (columns D-O), *Derivatives Payables* (columns P and T), *SFT* (columns X, AB, AF, AI) and *Lending* (columns AL-AP). The metrics that do not need to be reported in this total line have been blacked out in Template B.[18] This information will provide a benchmark against which to assess the concentration of firms' exposures.

Firms may report quarter-end values that change only every three months, although more frequent updates are encouraged. Total positions should be reported against the *Counterparty Name* (column B) "All Counterparties", and the *Unique Identifier* (column C) should be left blank.

E. Top 10 credit exposures to CCPs, weekly data (Template C)

Template C, to be submitted weekly, captures information about firms' exposures to qualified and non-qualified central clearing counterparties (CCPs), with fields tracking: (a) clearing accounts (columns F-N); (b) portfolio exposures related to the clearing accounts (columns O-AN); (c) non-

[18] While perhaps more relevant for Template A, the figures reported for the totals in Template B should *include* any relevant "direct investment" in the various investment fund types described in section B.3.3.

clearing account exposures (columns AO-BD); and (d) cash received and provided via securities financing transactions (columns BE-BT).

Reporting firms should first *identify* their top 10 largest exposures to CCPs based on their exposure to the globally consolidated operations of each CCP (Section B.3.3). Firms should then *report* in Template C their exposures to each CCP on an *unconsolidated* basis. That is, exposures to bankruptcy-remote parts of a single CCP should be reported in separate lines, one for each individual part that operates independently of the greater whole in the case of default. Specifically, in column B, the name of the consolidated CCP (group) should be listed. Then in column C, the name of the unconsolidated entity should be listed.

For each of the unconsolidated entities, firms should report their own trading accounts/exposures (ie "house exposures/accounts") to a CCP separately from their clearing accounts for their clients at the same CCP. For house accounts, firm should report "House" in column D, and then sum all house accounts for reporting in that row of the template. For client accounts, firms should report "Client" in column D, and then sum all client accounts at the same CCP for reporting in the *following* row. If the default fund or other resources posted to the CCP by the reporting firm covers both house accounts and client accounts, the total default fund amount should be reported in the appropriate column in the house account row, and firms should report "Client – Shared DFC" in column D to indicate that these client accounts share the default fund with the house accounts reported in the row above.

Up to 100 legal entity exposures can be reported in Template C. In addition, firms should report exposures to all CCPs worldwide in the last rows of the template, as described in Section E.5.

Section H.5 provides an example of how a firm's positions to a CCP that itself is made up of multiple stand-alone entities should be reported.

E.1. Default funds and clearing accounts

Firms should report *Default Fund Contributions* (DFC) and *Initial Margin* (*IM*) and *Variation Margin* (*VM*) in columns F, I and K respectively. Firms should not report any exposure that arises from collateral posted that cannot be lost by the reporting firm if the CCP fails; this includes bankruptcy-remote collateral (eg collateral posted to a CCP that serves as an independent custodian). In principle, it is expected that changes in the value of the *VM Received* (column K) will generally track the changes in the MTM value of the underlying portfolio of products traded with the CCP, as captured under *Portfolio Net MTM* (column M).

In addition to *VM Received*, firms should report the maximum daily *VM* payment or receipt since the previous reporting date (*Max ΔVM*, column L). This is the maximum of the absolute values of the daily changes in *VM* since the last reporting date (ie over one week). The figures that go into this calculation should be based on the daily *VM* payments/receipts of individual units within the reporting firm that have a trading account with the CCP. For example, suppose a reporting firm has two operating units within its perimeter of consolidation, and each has a separate trading relationship with the same CCP (or CCP entity). To arrive at the value to be reported in column L for the consolidated reporting firm as a whole vis-à-vis the particular CCP entity, the firm should: (1) first calculate the absolute value of the daily *VM* payments/receipts for the two entities within its consolidation perimeter and select the maximum value of this daily series since the last reporting period for each of the two entities; and (2) sum over these absolute values across the two entities in the reporting firm and report in column L the overall maximum value of this daily series since the last reporting period. Table E2 below provides an example of a reporting firm (Firm A) that has two units (Firm A NY and Firm A UK), each with trading accounts (both "house" and "client" accounts) with a CCP (CCP Ltd.), which itself has two separate entities (C_Asia and C_Europe).

Any other exposures that arise via the transfers of funds with the CCP as part of the margin or risk mutualisation process that are not captured elsewhere in Table E1 should be reported under *Other Clearing Account Exposures* (column N). These could be one-way intraday *VM* calls by CCPs (ie calls to post *VM* without offsetting releases of, or credit for, *VM* payable by the CCP).

Table E1

Clearing Account (Template C)

Variable name	Definition
Default Fund Contributions (column F)	Amount of *Default Fund Contributions (DFC)* paid to the CCP covering all underlying transactions. *DFC* is meant to capture funds placed with the CCP to absorb *mutual* losses.
Contingent DFC (column G)	The contingent liability to a CCP on the default fund exposure, ie the committed but not prefunded assessment limit. If no funds are committed, this entry can be blank. If *Contingent DFC* is "uncapped", firms should report a numeric value of "999999999" in this column.
Capital Requirement (K_{CM_i}) (column H)	A standardised estimate of the mutualised risk exposure to a CCP, defined as the capital requirement on each clearing member in http://www.bis.org/publ/bcbs282.pdf. The reference date of the requirement (and any other relevant details) should be provided in cell A118. If this value is not updated on a weekly basis, values from previous submissions should be reported until an updated value is available.
Description of Capital Requirement (K_{CM_i}) (cell A118)	Description of the reference date of the *Capital Requirement* (column H) estimate and any other relevant information.
IM Required (column I)	*Initial Margin (IM) Required* covering all underlying transactions. *IM* captures funds placed with the CCP to absorb losses in the reporting firm's *individual* portfolio (*Portfolio Net MTM*, column M).
Excess IM (column J)	Any *IM* posted in excess of the required amount.
VM Received (column K)	The outstanding amount of *Variation Margin* (*VM*) received from the CCP. Item refers to both collateral received and posted. A net amount received from the CCP should be reported as a positive number, and a net amount posted to the CCP as a negative number.
Max ΔVM (column L)	The size of the largest daily *VM* amount paid to or received from the CCP since the previous reporting date (ie the previous Wednesday), calculated as the maximum of the absolute values of daily *VM Recieved*. See main text and Table E2 for a reporting example.
Portfolio Net MTM (column M)	Total MTM value of the portfolio (all exposure and product types) traded with the CCP. Long and short positions should be netted where netting is allowed. For a firm that has *only* derivatives positions with a CCP, *Portfolio Net MTM* (column M) should equal *Derivatives Gross CE* (column O) less *Derivatives Gross Payables* (column R). Changes in value since the previous reporting date are expected to generally track *VM Received* (column K). Firms should note in cell A120 whether values are based on the "dirty price" (ie the fair value change plus the accrued coupon receipt/payment) or the "clean price" (ie the fair value change only).
Description of Portfolio Net MTM (cell A120)	Description of the methodology used in *Portfolio Net MTM* (column M), indicating in particular whether the dirty or clean price is used.
Other Clearing Account Exposures (column N)	Any exposures not captured in columns F through M.
Description of Other Clearing Account Exposures (cell A122)	Brief description of *Other Clearing Account Exposures* (column N), including any assumptions or materiality thresholds applied.

Table E2

Example reporting of *Max ΔVM* (Template C, column L)

Raw data capturing daily changes in *VM*

Rep firm	Rep firm unit	CCP group	CCP entity	House or client account	Daily *VM*					Max
					Thur	Fri	Mon	Tues	Wed	
Firm A	Firm A NY	CCP Ltd	C_Asia	House	12	3	15	6	9	N/A
Firm A	Firm A NY	CCP Ltd	C_Asia	Client	0	7	0	-8	2	N/A
Firm A	Firm A UK	CCP Ltd	C_Asia	House	5	-6	-9	21	0	N/A
Firm A	Firm A UK	CCP Ltd	C_Asia	Client	13	4	-3	11	9	N/A
Firm A	Firm A NY	CCP Ltd	C_Europe	House	15	-5	-9	12	8	N/A
Firm A	Firm A NY	CCP Ltd	C_Europe	Client	25	-2	-4	7	8	N/A
Firm A	Firm A UK	CCP Ltd	C_Europe	House	15	-13	-10	11	4	N/A
Firm A	Firm A UK	CCP Ltd	C_Europe	Client	22	3	-5	-7	2	N/A

Step 1: Take the absolute value, and identify maximum value for the week (bolded)

Rep firm	Rep firm unit	CCP group	CCP entity	House or client account	Absolute value of daily *VM*					Max over week
					Thur	Fri	Mon	Tues	Wed	
Firm A	Firm A NY	CCP Ltd	C_Asia	House	12	3	15	6	9	**15**
Firm A	Firm A NY	CCP Ltd	C_Asia	Client	0	7	0	8	2	**8**
Firm A	Firm A UK	CCP Ltd	C_Asia	House	5	6	9	21	0	**21**
Firm A	Firm A UK	CCP Ltd	C_Asia	Client	13	4	3	11	9	**13**
Firm A	Firm A NY	CCP Ltd	C_Europe	House	15	5	9	12	8	**15**
Firm A	Firm A NY	CCP Ltd	C_Europe	Client	25	2	4	7	8	**25**
Firm A	Firm A UK	CCP Ltd	C_Europe	House	15	13	10	11	4	**15**
Firm A	Firm A UK	CCP Ltd	C_Europe	Client	22	3	5	7	2	**22**

Step 2: Report the sum (across reporting firm units) of the maxium values

Rep firm	Rep firm unit	CCP group	CCP entity	House or client account	Calculation for Template C	To be reported in Template C
Firm A	N/A	CCP Ltd	C_Asia	House	15 + 21 =	**36**
Firm A	N/A	CCP Ltd	C_Asia	Client	8 + 13 =	**21**
Firm A	N/A	CCP Ltd	C_Europe	House	15 + 15 =	**30**
Firm A	N/A	CCP Ltd	C_Europe	Client	25 + 22 =	**47**

E.2. Clearing Account Exposures

Reporting firms should break out exposures covered by their clearing accounts (ie those included in *Portfolio Net MTM* (column M)) into the types listed in Tables E3 and E4. Table E3 lists exposures by broad type, while Table E4 lists the breakout for derivatives positions only. Exposures that are *not* covered by a firms' clearing accounts are to be reported separately, as described in Section E.3. Many of the definitions in Tables E3-E5 are the same as those used in the corresponding fields in Templates A and B.

Table E3

Clearing Account Exposures (Template C)

Variable name	Definition
Derivatives Gross Current Exposure (CE) (column O) *Derivatives SA-CCR EAD* (column P) *Derivatives PE (internal measure)* (column Q)	Defined as in Table C1 for Template A
Derivatives Gross Payables (column R)	Defined as in Table D3 for Template B
Securities Lending/Borrowing PE (column S) *Repo/Reverse Repo PE* (column T)	Defined as in Table C3 for Template A
Other Exposures on Clearing Account (column U)	Any exposures via other instruments not included in columns O-T.
Description of PE methodology (rows 125-127)	Description of the approach taken in calculating *PE*, including the confidence interval, time horizon, closeout period, and other key assumptions. See section B.3.5 for the format of this description.
Description of Other Exposures on Clearing Account (cell A129)	Brief description of what is included in *Other Clearing Account Exposures* (column U).

Table E4 captures the breakout by product of firms' derivatives positions. For each product type, the MTM values of derivatives contracts with a positive market value (from the reporting firm's perspective) and those with a negative market value should be reported separately. For each product type, values should be reported on a gross MTM basis (pre-legal netting and pre-collateral) at the <u>trade level</u> (and <u>not</u> at the transaction level) to arrive at an aggregate gross MTM for that product category. All values should be reported as positive numbers. Since values do *not* reflect legal counterparty netting, the sum across products is not expected to match *Derivatives Gross CE* (column O) and *Derivatives Payables* (column R).

In addition, firms should report the total gross notional of derivaives in each product type, defined as the sum of contracts with a positive market value plus the absolute value of contracts with a negative market value.

To help in monitoring the migration of OTC derivatives to CCPs, firms should report the amount of outstanding notional derivatives at the CCP that originated as bilateral OTC derivatives but that were then either immediately or later cleared by a CCP, under *Derivatives Notional OTC* (column AN). Weekly reporting of the all columns in Table E4 is encouraged, but monthly values are acceptable. If monthly values are reported, values as of the last Wednesday of the month should be reported.

Table D2 in Section D provides an example of how derivatives product MTM for the product types listed in Table E4 should be reported. In that example, a reporting firm has multiple positions (trades) in each product type that must be aggregated before reporting (only the rows "In-the-money contracts" and "Out-of-the-money contracts" in Table D2 are to be reported in Template C).

Table E4

Derivatives Products (Template C)

Variable name	Definition
Credit Derivatives MTM (columns V and AB) *Commodities Derivatives MTM* (columns W and AC) *Equity Derivatives MTM* (columns X and AD) *FX Derivatives MTM* (columns Y and AE) *Interest Rate Derivatives MTM* (columns Z and AF) *Other Derivatives MTM* (columns AA and AG)	Defined as in Table D1 for Template B. Positions should be reported separately by contracts with a positive market value and contracts with a negative market value.
Credit Derivatives Notional (column AH) *Commodities Derivatives Notional* (column AI) *Equity Derivatives Notional* (column AJ) *FX Derivatives Notional* (column AK) *Interest Rate Derivatives Notional* (column AL) *Other Derivatives Notional* (column AM)	Total gross notional is the gross notional value of all cleared contracts on the reporting date for the respective categories. For contracts with variable notional principal amounts, the basis for reporting is the notional principal amounts at the time of reporting. The total should include the *sum* of notional values of all contracts with a positive market value and contracts with a negative market value.
Derivatives Notional OTC (column AN)	The total gross notional value of outstanding OTC derivatives at the CCP (across all product types). This item consists of the gross notional value of OTC derivatives that were immediately cleared at the CCP after origination as well as OTC derivatives that were cleared at the CCP at a later date after origination.
Description of Other Derivatives (cell A131)	Description of products in *Other Derivatives* (columns AA, AG and AM).

E.3. Non-Clearing Account Exposures

Exposures not related to clearing accounts (ie those that arise from positions not included in *Portfolio Net MTM* (column M)) should be broken out into the types listed in Table E5. These include, *Lending*, which captures loans or credit lines extended to a CCP, *Derivatives Receivables/Payables* and *SFT PE* pertaining to positions that fall outside the scope of the clearing account (eg in the course of providing financial services for the operation of the CCP), and *Issuer Risk*, which includes reporting firms' holdings of debt or equity issued by a CCP, or any protection bought or sold on an underlying CCP reference entity.

Table E5

Non-Clearing Account Exposures (Template C)

Variable name	Definition
Derivatives Gross CE (column AO) *Derivatives Net CE* (column AP) *Derivatives Gross Payables* (column AQ) *Derivatives Net Payables* (column AR)	Defined as in Table C1 (receivables) for Template A and Table D3 (payables) for Template B
Securities Lending/Borrowing PE (column AS) *Repo/Reverse Repo PE* (column AT) *Description of PE methodology* (rows 134-135)	Defined as in Table C3 for Template A. Description of the approach taken in calculating *PE*, including the confidence interval, time horizon, closeout period, and other key assumptions. See section B.3.5 for format.
Total Short Term Money Placements (STMP) (column AU) *STMP: Open or Overnight* (column AV)	Defined as in Table C5 for Template A
Lending (column AW) *Lending Credit Hedges* (column AX)	Defined as in Table D5 (*Lending*) for Template B and in Table C4 (*Credit Hedges*) for Template A. Sum of all lending types (Table D5). Includes credit/liquidity facilities and loans extended for the operations of the CCP.
Equity MTM (column AY) *Fixed Income MTM* (column AZ) *Notional of CDS Bought* (column BA) *Notional of CDS Sold* (column BB) *Net MTM CDS* (column BC)	Defined as in Table C6 for Template A. Any single-name equity or bond deriviatives, or any structured products, with a CCP as reference entity (and that are explicitly broken out in Template A) are here to be rolled in with *Equity MTM* and *Fixed Income MTM*, as appropriate. See Sections C.5 and H.2.
Other Non-Clearing Exposures (column BD) *Description of Other Non-Clearing Exposures* (cell A137)	Any non-clearing account exposures not listed above. Description of what is included in *Other Non-Clearing Exposures* (column BD).

If the reporting firm's non-clearing account exposures are to a separate entity in the CCP where the firm has no clearing account exposures (eg a credit line to the CCP holding company), these exposures should be reported as a separate line with the name of the CCP group and entity listed in columns B and C, and column D should be left blank. If the non-clearing account exposures are to an entity in the CCP where the firm does have other clearing account exposures, the non-clearing account exposures should be reported on the same line as the House accounts.

Firms are requested to report figures for *Lending* (column AW) on a weekly basis, but monthly reporting is acceptable. If monthly figures are reported, values as of the last Wednesday of the month should be reported. All other columns in Table E5 should be reported on a weekly basis.

E.4. Securities Financing Transactions MTM

The MTM values for *SFT* exposures to CCPs should be reported in the same manner as for non-CCP counterparties in Template B (Section D.2, Table D4). The items to be reported can be found in Table E6. Firms should report the receipt or provision of cash or securities in exchange for cash or securities from securities lending and borrowing transactions (columns BE through BL) or from reverse repo and repo transactions (columns BM through BR). Weekly reporting of the columns in Table E6 is encouraged, but monthly values are acceptable. If monthly values are reported, values as of the last Wednesday of the month should be reported.

Table E6

Securities financing transactions MTM (Template C)

Variable name	Definition
Securities Lending/Borrowing MTM	Defined as in Table D4 for Template B
Total cash and securities received/provided (columns BE and BI)	
Of which: G7 Sovereign and Agency MBS and Debt (columns BF and BJ)	
Of which: Highly Rated Corporate and Non-G7 Sovereign (columns BG and BK)	
Of which: Cash (columns BH and BL)	
Repo* and *Reverse Repo MTM	
Total Repo and *Total Reverse Repo* (columns BM and BP)	
Of which: G7 Sovereign and Agency MBS and Debt (columns BN and BQ)	
Of which: Highly Rated Corporate/ Non-G7 Sovereign Debt (columns BO and BR)	
SFT MTM on Clearing Account	
Cash Provided on Clearing Account (column BS)	The sum of cash provided via *Securities Borrowing Transactions* or *Reverse Repo* in the clearing account. The amount to be reported is less than or equal to the sum of columns BL and BP.
Cash Received on Clearing Account (column BT)	The sum of cash received via securities lending or repo activity in clearing accounts. The amount reported is less than or equal to the sum of columns BH and BM.

For both *Securities Lending/Borrowing MTM* and *Repo/Reverse Repo MTM*, the amounts should correspond to the cash repayment obligation (principal and interest), and should *not* be netted against any transaction in the other direction with the same CCP.

Firms should report the MTM value of securities provided in exchange for cash via *Repo* in columns BM-BO and securities received via *Reverse repo* in columns BP-BR.[19]

Positions in columns BE-BL for *Securities Lending/Borrowing Transactions* are to be reported using a double entry method, as in in Section D.2 (reporting example in Section H.4). Firms should first aggregate all transactions with a CCP to determine total securities and cash *received* and total securities and cash *provided* via both borrowing and lending transactions (columns BE and BI).[20]

The amounts to be reported in columns BE-BR, covering both *Securities Lending/Borrowing* and *Repo/Reverse Repo*, reflect *both* clearing account and non-clearing account activity. That is, transactions that arise in *both* accounts should be summed for the reporting of these columns. To provide a view of cash provided/received via transactions in the clearing account *only*, firms should report in column BS the total cash provided via those *Reverse Repos* and *Securities Borrowing Transactions* (combined) in the clearing account, and in column BT the total cash received via those *Repos* and *Securities Lending Transactions* (combined) in the clearing account.

E.5. Exposure to all CCPs

In the last two lines of Template C (rows 114-115), firms should report their aggregate exposures to all CCPs worldwide, that is, including their exposures to CCPs that are not amongst the top 10 consolidated counterparties. Total positions should be reported separately for house and client accounts against the counterarty name "All CCPs" in *CCP Group Name* (column B) and *CCP Entity Name* (column C). The *Unique Identifier* (column E) should be left blank. The metrics that do *not* need to be reported have been blacked out. Firms may report month-end or quarter-end values for their total exposures to all CCPs during an initial transition period, to be decided upon in consultation with the HCS, although weekly reporting will be required after that.

F. Top 20 sovereign exposures, monthly data (Template D)

Template D captures information about reporting firms' exposures to their top 20 sovereign counterparties to be submitted on a monthly basis along with Template B. Exposures to sovereign counterparties should be excluded from Templates A, B and C. Fields to be reported in Template D are listed in Tables F1 and F2. *Total Exposure to Central Governments* (column Y) should be used as the sorting criteria to select the relevant sovereign counterparties, and is defined as the sum of *Derivatives PE, Issuer Risk, Lending, SFT PE* and *Other Exposures*. The breakdown of exposures to central governments follows the logic and definitions used in Templates A and B.

Exposures to the *Central Government* (column Y) should only include exposures directly to the central government (eg via central government-issued debt). Columns Z-AA of Template D collect exposures to a country's central bank, which are not to be included elsewhere in the template or in column Y, and thus are not included in the sorting criteria. State-owned corporations (eg Pemex, Petrobras, and Gazprom), Ginnie Mae, Freddie Mac, Fannie Mae and sovereign wealth funds should be excluded from Template D and reported in Templates A and B. For the purposes of this template, exposures to supranationals (eg IMF, World Bank, BIS) should also be excluded.

Exposures to the *Central Bank* (column Z) should also be comprised of *Derivatives PE*, *Fixed Income MTM*, *Fixed Income Derivatives*, *Net Notional CDS*, *Net MTM CDS*, *SFT PE*, *Lending* and *Other*

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[19] Margin lending, buy/sell backs (a reverse repo with no legal documentation) and sell/buy backs should be included in reverse repos or repos, as appropriate.

[20] Securities lent against both cash and non-cash collateral should be included. That is, securities-for-securities transactions are to be included.

Exposures. However, only the sum of these items should be reported in column Z. *Reserves at the Central Bank* should be broken out separately in Column AA.

Table F1

Sovereign exposures by product type (Template D)

Variable name	Definition
Gross Current Exposure (CE) (column D) *Collateral Received* (column E) *Collateral Posted in Excess* (column F) *Net Current Exposure (CE)* (column G) *CVA balance* (column H) *Derivatives Potential Exposure (PE)* (column I) *Derivatives SA-CCR EAD* (column J)	Defined as in Table C1 for Template A; *Collateral Posted in Excess* defined in Table D3 for Template B
Derivatives Gross Payables (column K) *Collateral Posted* (column L) *Derivatives Net Payables* (column M)	Defined as in Table D3 for Template B
Fixed Income MTM (column N) *Fixed Income Derivatives* (column O) *Notional of CDS Bought/Sold* (columns P and Q) *Net Notional CDS* (column R) *Net MTM CDS* (column S)	Defined as in Table C6 for Template A
SFT PE *(column T)*	Defined as in Table C3 for Template A
Lending (column U) *Credit Hedges Notional* (column V) *Credit Hedges MTM* (column W)	*Lending* is the sum of the four *Lending* columns (AL, AM, AN, AO) in Template B as defined in Table D5. *Credit Hedges* are defined as in Table C4 for Template A.
Other Exposures (column X)	Other exposures not included elsewhere.
Description of PE methodology (rows 37-38)	Description of the approach taken in calculating *PE*, including the confidence interval, time horizon, closeout period, and other key assumptions. See section B.3.5 for the format of this description.

Table F1

Sovereign exposures by product type (Template D)

Variable name	Definition
Description of Other Exposures (cell A40)	Brief description of any *Other Exposures* (column X).
Central Government (column Y)	Exposure to the national government, defined as the sum of *Derivatives PE* (column I), *Fixed Income MTM* (column N), *Fixed Income Derivatives* (column O), *Net Notional CDS* (column R), *Net MTM CDS* (column S), *SFT PE* (column T), *Lending* (column U), and *Other Exposures* (column X).
Central Bank (column Z)	Exposure to the country's central bank or official monetary authority. Includes reserves placed with the central bank. Exposures to the central bank are not included elsewhere in Template D, nor in column Y, and thus are not included in the sorting criteria.
Of Which: Reserves held at the Central Bank (column AA)	Reserves (excess and required) placed with the central bank.

G. Completing the I-I data templates

Reporting firms should review Tables G1-G4, as well as the list of bullet points below, before submitting I-I data to their HCS. This list is in addition to the supervisory expectation that each firm will perform data quality assurance to ensure the accuracy of the information submitted.

- Reporting firms should *not* unlock or alter the reporting templates. Submission of data that are reported in modified templates will be rejected by the Hub's processing tools.
- Check that values are consistently reported in millions of US dollars.
- Ensure that each submission contains unique counterparty names.
- Ensure that figures are reported with the appropriate sign (positive or negative) and valuation method (eg MTM, notional, etc), as listed in Tables G1-G4.
- The "As of date" (cell B5) should be the reporting date, not the submission date.
- The templates provide space for notes or comments regarding various data attributes. Reporting firms should use *only* these cells for providing notes. Text entries in cells other than these specific cells will not be picked up by the Hub's data processing tool.
- Any changes in methodology, caveats, or potentially erroneous values under investigation should be discussed with the HCS.
- Submitted data need not be sourced from formal accounting records (eg the general ledger). However, the data should reflect information used to manage day-to-day operations.
- Submitted data should be reasonably accurate. Data are subject to periodic review by the HCS and the Hub.

Table G5 contains a list of all Hub reporting firms for use in filling out Templates A and B.

Table G1

I-I credit data Template A (weekly)

Section	Column	Field name	Sign of field	Valuation[1]
Derivatives Receivables	D	*Gross Current Exposure (CE)*	Positive	MTM
	E	*Collateral Received*	Positive	MTM
	F	*Initial Margin Received*	Positive	MTM
	G	*Variation Margin Received*	Positive	MTM
	H	*Net Current Exposure (CE)*	Positive	MTM
	I	*CVA Balance*	Positive	Firm calculation
	J	*Derivatives PE*	Positive	Firm calculation
	K	*Derivatives SA-CCR EAD*	Positive	BCBS calculation
	L	*Collateral Received as a Third Party*	Positive	MTM
Securities Financing Transactions PE	M	*Securities Lending/Borrowing PE*	Positive	Firm calculation
	N	*Repo/Reverse Repo PE*	Positive	Firm calculation
Lending Credit Hedges	O	*Credit Hedges Notional*	Negative	Nominal
	P	*Credit Hedges Market Value*	Pos or Neg	MTM
Short Term Money Placements	Q	*Total Short Term Money Placements*	Positive	MTM
	R	*Open or Overnight*	Positive	MTM
Issuer Risk	S	*Equity MTM*	Pos or Neg	MTM
	T	*Equity Derivatives*	Pos or Neg	Bond equivalent
	U	*Fixed Income MTM*	Pos or Neg	MTM
	V	*Fixed Income Derivatives*	Pos or Neg	Bond equivalent
	W	*Notional of CDS Bought*	Negative	Nominal
	X	*Notional of CDS Sold*	Positive	Nominal
	Y	*Net Notional CDS*	Pos or Neg	Nominal
	Z	*Net MTM CDS*	Pos or Neg	MTM
	AA	*Net JTD CDS*	Pos or Neg	Bond equivalent

[1] *MTM* is the price or value of a security, portfolio or account reflecting its current market value rather than its book value. *Nominal* is the outstanding amount the debtor owes to the creditor, which is composed of the outstanding principal amount including any accrued interest. *Firm calculation* is generally an internal risk measure defined by an individual firm. *Bond equivalent* refers to the total net financial gain or loss to a reporting firm from a credit event in the underlying entity referenced in a single-name derivative. *BCBS calculation* refers to the BCBS standardised approach for measuring counterparty credit risk exposures (http://www.bis.org/publ/bcbs279.pdf), to be implemented by 1 January 2017.

Table G2

I-I credit data Template B (monthly)

Section	Column	Field name	Sign of field	Valuation[1]
Derivatives Product MTM	D, J	*Credit*	Positive	MTM
	E, K	*Commodities*	Positive	MTM
	F, L	*Equity*	Positive	MTM
	G, M	*FX*	Positive	MTM
	H, N	*Interest Rate*	Positive	MTM
	I, O	*Other*	Positive	MTM
Derivatives Payables	P	*Gross Payables*	Positive	MTM
	Q	*Initial Margin Posted*	Positive	MTM
	R	*Variation Margin Posted*	Positive	MTM
	S	*Collateral Posted*	Positive	MTM
	T	*Net Payables*	Positive	MTM
	U	*Collateral posted in Excess*	Positive	MTM
	V	*Collateral in Dispute*	Positive	MTM
	W	*Collateral Posted to a Third Party*	Positive	MTM
Securities Financing Transactions MTM	X	*Total Cash and Securities Received*	Positive	MTM
	Y	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	Z	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
	AA	*Of which: Cash*	Positive	MTM
	AB	*Total Cash and Securities Provided*	Positive	MTM
	AC	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	AD	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
	AE	*Of which: Cash*	Positive	MTM
	AF	*Total Repo*	Positive	MTM
	AG	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	AH	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
	AI	*Total Reverse Repo*	Positive	MTM
	AJ	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	AK	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
Lending	AL	*Undrawn Commitments (secured)*	Positive	Nominal
	AM	*Undrawn Commitments (unsecured)*	Positive	Nominal
	AN	*Funded (secured)*	Positive	Nominal
	AO	*Funded (unsecured)*	Positive	Nominal
	AP	*Funded Participations vv Originator*	Positive	Nominal
	AQ	*Unfunded Participations (received)*	Positive	Nominal
	AR	*Unfunded Participations (provided)*	Positive	Nominal
	AS	*Credit Reserves*	Positive	Nominal
Issuer Risk	AT	*Sovereign-backed*	Pos or Neg	MTM
Settlement Limits	AU	*Total Payments/ Clearing /Settlement Limits*	Positive	Nominal
	AV	*Of which: FX Clearing/ Settlement Limits*	Positive	Nominal
Other	AW	*Other Exposures*	Positive	MTM or Nominal

[1] *MTM* is the accounting act of recording the value of a security, portfolio or account to reflect its current market value rather than its book value. *Nominal* is the outstanding amount the debtor owes to the creditor, ie the outstanding principal plus any accrued interest.

Table G3

I-I CCP Template C (weekly)

Section	Column	Field name	Sign of field	Valuation[1]
Clearing Accounts	F	*DFC*	Positive	Nominal
	G	*Contingent DFC*	Positive	Nominal
	H	*Capital Requirement*	Positive	BCBS calculation
	I	*IM Required*	Positive	Nominal
	J	*Excess IM*	Positive	Nominal
	K	*VM Received*	Pos or neg	Nominal
	L	*Max ΔVM*	Pos	Nominal
	M	*Portfolio Net MTM*	Pos or neg	MTM
	N	*Other Clearing Account Exposures*	Positive	MTM
Derivatives Exposures on Clearing Account	O	*Derivatives Gross CE*	Positive	MTM
	P	*SA-CCR EAD*	Positive	BCBS calculation
	Q	*PE (internal measure)*	Positive	Firm calculation
	R	*Derivatives Gross Payables*	Positive	MTM
Other Product Exposures on Clearing Account	S	*Securities Lending/Borrowing PE*	Positive	Firm calculation
	T	*Repo/Reverse Repo PE*	Positive	Firm calculation
	U	*Other Exposures on Clearing Account*	Positive	MTM
Clearing Account Exposures: Derivatives Products Breakdown (MTM) (separate reporting of contracts with positive and negative MTM)	V, AB	*Credit Derivatives MTM*	Positive	MTM
	W, AC	*Commodities Derivatives MTM*	Positive	MTM
	X, AD	*Equity Derivatives MTM*	Positive	MTM
	Y, AE	*FX Derivatives MTM*	Positive	MTM
	Z, AF	*Interest Rate Derivatives MTM*	Positive	MTM
	AA, AG	*Other Derivatives MTM*	Positive	MTM
Clearing Account Exposures: Derivatives Products Breakdown (Total Gross Notional) (sum of all contracts)	AH	*Credit Derivatives Notional*	Positive	Notional
	AI	*Commodities Derivatives Notional*	Positive	Notional
	AJ	*Equity Derivatives Notional*	Positive	Notional
	AK	*FX Derivatives Notional*	Positive	Notional
	AL	*Interest Rate Derivatives Notional*	Positive	Notional
	AM	*Other Derivatives Notional*	Positive	Notional
	AN	*Derivatives Notional OTC*	Positive	Notional
Non-Clearing Account Exposures	AO	*Derivatives Gross CE*	Positive	MTM
	AP	*Derivatives Net CE*	Positive	MTM
	AQ	*Derivatives Gross Payables*	Positive	MTM
	AR	*Derivatives Net Payables*	Positive	MTM
	AS	*Securities Lending/Borrowing PE*	Positive	Firm calculation
	AT	*Repo/Reverse Repo PE*	Positive	Firm calculation
	AU	*Total Short Term Money Placements*	Positive	MTM
	AV	*STMP: Open or Overnight*	Positive	MTM
	AW	*Lending*	Positive	Nominal

Table G3

I-I CCP Template C (weekly)

Section	Column	Field name	Sign of field	Valuation[1]
	AX	*Lending Credit Hedges*	Negative	Notional
	AY	*Equity MTM*	Pos or neg	MTM
	AZ	*Fixed Income MTM*	Pos or neg	MTM
	BA	*Notional of CDS Bought*	Negative	Notional
	BB	*Notional of CDS Sold*	Postive	Notional
	BC	*Net MTM CDS*	Pos or neg	MTM
	BD	*Other Non-Clearing Account Exposures*	Positive	MTM
Securities Financing Transactions MTM	BE	*Total Cash and Securities Received*	Positive	MTM
	BF	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	BG	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
	BH	*Of which: Cash*	Positive	MTM
	BI	*Total Cash and Securities Provided*	Positive	MTM
	BJ	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	BK	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
	BL	*Of which: Cash*	Positive	MTM
	BM	*Total Repo*	Positive	MTM
	BN	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	BO	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
	BP	*Total Reverse Repo*	Positive	MTM
	BQ	*Of which: G7 Sovereign and Agency MBS and Debt*	Positive	MTM
	BR	*Of which: Highly Rated Corporate / Non-G7 Sovereign*	Positive	MTM
	BS	*Cash provided on Clearing Account*	Positive	MTM
	BT	*Cash Received on Clearing Account*	Positive	MTM

[1] *MTM* is the accounting act of recording the value of a security, portfolio or account to reflect its current market value rather than its book value. *Nominal* is the outstanding amount the debtor owes to the creditor, which is composed of the outstanding principal amount including any accrued interest. *Notional* is the notional amount of a derivatives position. *Firm calculation* is generally a firm's internal risk measure. *BCBS calculation* for *Capital Requirement* refers to the BCBS capital requirement on each clearing member (http://www.bis.org/publ/bcbs282.pdf). BCBS calculation for *SA-CCR EAD* refers to the BCBS standardised approach for measuring counterparty credit risk exposures (http://www.bis.org/publ/bcbs279.pdf), to be implemented by 1 January 2017.

Table G4

I-I Sovereign Template D (monthly)

Section	Column	Field name	Sign of field	Valuation[1]
Derivatives Positions	D	*Gross CE*	Positive	MTM
	E	*Collateral Received*	Positive	MTM
	F	*Collateral Posted in Excess*	Positive	MTM
	G	*Net CE*	Positive	MTM
	H	*CVA balance*	Positive	Firm calculation
	I	*Derivatives PE*	Positive	Firm calculation
	J	*Derivatives SA-CCR EAD*	Positive	BCBS calculation
	K	*Gross Payables*	Positive	MTM
	L	*Collateral Posted*	Positive	MTM
	M	*Net Payables*	Positive	MTM
Issuer Risk	N	*Fixed Income MTM*	Pos or Neg	MTM
	O	*Fixed Income Derivatives*	Pos or Neg	Bond equivalent
	P	*Notional of CDS Bought*	Negative	Nominal
	Q	*Notional of CDS Sold*	Positive	Nominal
	R	*Net Notional CDS*	Pos or Neg	Nominal
	S	*Net MTM CDS*	Pos or Neg	MTM
SFT	T	*SFT PE*	Positive	Firm calculation
Lending	U	*Lending*	Positive	Nominal
Lending Credit Hedges	V	*Credit Hedges Notional*	Negative	Nominal
	W	*Credit Hedges Market Value*	Pos or Neg	MTM
Other Exposures	X	*Other Exposures*	Positive	MTM or Nominal[2]
Exposures by Counterparty	Y	*Central Government*	Pos or Neg	Calc in Template
	Z	*Central Bank*	Positive	Nominal
	AA	*Of Which: Reserves at the Central Bank*	Positive	Nominal

[1] *MTM* is the accounting act of recording the price or value of a security, portfolio or account to reflect its current market value rather than its book value. *Nominal* is the outstanding amount the debtor owes to the creditor, which is composed of the outstanding principal amount including any accrued interest. *Firm calculations* are generally internal risk measures defined by an individual firm. *BCBS calculation* refers to the BCBS standardised approach for measuring counterparty credit risk exposures (http://www.bis.org/publ/bcbs279.pdf), to be implemented by 1 January 2017. [2] Conditional on the type of *Other Exposure*.

Table G5

Hub reporting firms

Country	Firm name	GSIB status[1]	SWIFT	LEI[2]
CA	Royal Bank of Canada	N	ROYC	ES7IP3U3RHIGC71XBU11
CH	Credit Suisse	Y	CRES	ANGGYXNX0JLX3X63JN86
	UBS	Y	UBSW	BFM8T61CT2L1QCEMIK50
DE	Deutsche Bank AG	Y	DEUT	7LTWFZYICNSX8D621K86
ES	Banco Santander	Y	BSCH	5493006QMFDDMYWIAM13
	BBVA	N	BBVA	K8MS7FD7N5Z2WQ51AZ71
FR	BNP Paribas	Y	BNPA	R0MUWSFPU8MPRO8K5P83
	BPCE	Y	CEPA	9695005MSX1OYEMGDF46
	Crédit Agricole	Y	AGRI	969500TJ5KRTCJQWXH05
	Société Générale	Y	SOGE	O2RNE8IBXP4R0TD8PU41
GB	Barclays Bank PLC	Y	BARC	G5GSEF7VJP5I7OUK5573
	HSBC Holdings PLC	Y	HSBC	MLU0ZO3ML4LN2LL2TL39
	RBS	Y	RBOS	RR3QWICWWIPCS8A4S074
	Standard Chartered	Y	SCBL	U4LOSYZ7YG4W3S5F2G91
IT	Intesa Sanpaolo	N	BCIT	2W8N8UU78PMDQKZENC08
	Unicredit Group	Y	UNCR	549300TRUWO2CD2G5692
JP	Mitsubishi UFJ Financial Group, Inc.	Y	MTBC	C3GTMMZIHMY46P4OIX74
	Mizuho Financial Group	Y	MHBK	RB0PEZSDGCO3JS6CEU02
	Sumitomo Mitsui Financial Group, Inc.	Y	STBC	5U0XI89JRFVHWIBS4F54
NL	ING Bank NV Consolidated	Y	ING	3TK20IVIUJ8J3ZU0QE75
	Rabobank	N	RABO	DG3RU1DBUFHT4ZF9WN62
SE	Nordea	Y	NDEASESS	6SCPQ280AIY8EP3XFW53
US	Bank of America	Y	BOFA	9DJT3UXIJIZJI4WXO774
	Citigroup	Y	CITI	6SHGI4ZSSLCXXQSBB395
	Goldman Sachs	Y	GOLD	784F5XWPLTWKTBV3E584
	JPMC	Y	CHAS	8I5DZWZKVSZI1NUHU748
	Morgan Stanley	Y	MSNY	IGJSJL3JD5P30I6NJZ34
	State Street[3]	Y	SBOS	549300ZFEEJ2IP5VME73
	The Bank of New York Mellon[3]	Y	IRVT	WFLLPEPC7FZXENRZV188
	Wells Fargo	Y	WFBI	PBLD0EJDB5FWOLXP3B76

[1] Firms designated by the FSB as globally systemically important banks (GSIB). For the full list see http://www.financialstabilityboard.org/wp-content/uploads/2015-update-of-list-of-global-systemically-important-banks-G-SIBs.pdf. [2] Legal Entity Identifier. [3] Firms that report only I-I funding data to the Hub.

H. Specific reporting examples

This section discusses how certain types of positions should be reported in Templates A and B. All these examples involve positions where the reporting bank may face an exposure to the contractual counterparty (contractual counterparty risk) and, in addition, to a separate reference entity (issuer risk), and the reporting objective is to capture both types of exposures under the appropriate counterparty names.[21] Section H.1 covers how CDS protection bought and sold should be reported in Templates A and B. Section H.2 shows how other single name derivatives that generate both contractual counterparty risk and issuer risk should be treated. Section H.3 covers the reporting of loan participations. And finally, Section H.4 shows how various securities financing transactions should be reported.

H.1. Reporting of CDS in Credit Hedges and Issuer Risk fields

How should CDS protection bought and sold should be reported in Templates A and B? The columns where figures for CDS contracts are to be reported are determined by (a) whether the reporting firm bought or sold CDS protection; (b) whether the CDS was used to hedge *lending* exposures or not; and (c) whether issuer risk or contractual counterparty risk is being recorded. The following two examples, and Table H1 below, illustrate the reporting of CDS contracts from the perspective of both a protection-buying and protection-selling reporting firm. In Section H.1.1, the CDS contract is *not* used by the protection-buying firm to hedge lending exposures but rather as part of its larger trading portfolio. In Section H.1.2, the CDS contract *is* used by the protection-buying firm to hedge lending exposure.

H.1.1. Example: CDS protection purchased for trading purposes

Suppose Bank 1 bought CDS protection on Bank 2 from Bank 3 (contract X). Suppose further that Bank 1 bought CDS protection not for the purpose of hedging its lending exposure to Bank 2, but rather as a piece of a larger trading portfolio. Finally, suppose that Bank 2's credit spreads have widened and therefore the MTM value of the CDS contract X is positive. Where is contract X reported on Templates A and B?

Contract X (green-shaded squares in Table H1) enters the Templates A and B in four sections: *Derivatives Receivables* and *Issuer Risk* in Template A, and *Derivatives Products – MTM* and *Derivatives Payables* in Template B.

The protection buying Bank 1 reports contract X in three of these places. First, under *Issuer Risk* vis-à-vis counterparty Bank 2, since a credit event at Bank 2 (eg a default) would trigger the contract. Since Bank 1 bought protection, it would report the negative of the notional value of contract X as CDS protection bought (Template A, column W) as well as the (positive) net MTM value (column Z). Second, since Bank 1 *also* faces contractual counterparty risk vis-à-vis the protection selling Bank 3, it must report contract X in *Derivatives Receivables* vis-à-vis counterparty Bank 3 as well (Template A, columns D and H). Finally, Bank 1 should report this position under *Derivatives Products (Positive) MTM – Credit* (Template B, column D), against its contractual counterparty, Bank 3.

Bank 3, which *sold* the CDS protection, must also report contract X in three places. First, it faces issuer risk vis-à-vis Bank 2, since a credit event in Bank 2 would trigger a payout to Bank 1 equal to the notional value of the contract. Bank 3 thus reports contract X under *Issuer Risk* vis-à-vis Bank 2 (Template A, columns X, Y and Z). Second, Bank 3 must register the possible future payout associated with contract X (MTM value) under *Derivatives Payables* vis-à-vis counterparty Bank 1, the protection buying bank (Template B, columns P and T). Finally, Bank 3 should report the

[21] Throughout these examples, "issuer risk" refers to the risk that the underlying reference entity defaults on its own obligations (ie credit risk), and "contractual counterparty risk" refers to the risk that the contractual counterparty, which is generally different from the underlying name, fails to pay.

exposure under *Derivatives Products (Negative) MTM – Credit (Template B, Column J)*, again vis-à-vis its contractual counterparty, Bank 1. Reporting contract X in four sections captures (a) the issuer risk vis-à-vis Bank 2 faced by *both* the protection-buying Bank 1 and the protection-selling Bank 3, (b) the contractual counterparty risk faced by the protection-buying Bank 1 vis-à-vis the protection-selling Bank 3, and (c) how credit derivatives scale against other product types for each reporting firms.

The reporting of a credit linked note (CLN) is similar. However, note that the bank selling the CLN would be the protection buyer (Bank 1). With Bank 2 as the reference entity, the investor in the CLN would be the protection seller (Bank 3).

H.1.2. Example: CDS protection purchased for hedging lending exposure

Suppose Bank 2 bought CDS protection on Bank 3 from Bank 1 (contract Z) *to hedge lending exposure* to Bank 3. Suppose further that Bank 3's credit spreads have widened and therefore the MTM value of the CDS contract Z is positive. Where is contract Z reported?

The only difference in this example (Table H1, purple-shaded squares) from the first is that the protection-buying Bank 2 purchased protection for the purpose of *hedging a lending exposure*. In this case, Bank 2 (protection-buyer) reports contract Z not under *Issuer Risk*, but rather under *Credit Hedges* (Template A, columns O and P) vis-à-vis counterparty Bank 3. Bank 2 should report the MTM value of the CDS contract under *Derivatives Product (Positive) MTM – Credit* (Template B, column D) vis-à-vis Bank 1; Bank 1 should report the MTM value of the CDS contract under *Derivatives Product (Negative) MTM – Credit* (Template B, column J) vis-à-vis Bank 2.

H.2. Reporting of equity and bond derivatives in *Issuer Risk*

Like CDS contracts, derivatives contracts that reference a single underlying name (eg bond options, equity options, puts, calls etc) can (a) potentially expose the reporting firm to losses that result from a credit event in the underlying reference entity (issuer risk), and (b) expose the firm to the risk that the contractual counterparty fails to pay (contractual counterparty risk). These two aspects are captured in separate places in Templates A and B.

In general, single-name derivatives with positive market value from the reporting firm's perspective should be reported under *Derivative Receivables* (Template A), and in the derivatives product breakdown (Template B), in both places vis-à-vis the *contractual counterparty*. In addition, it should be reported under *Issuer Risk* in Template A vis-à-vis the *underlying reference entity*. Issuer risk should be reported on a bond equivalent basis, that is, a measure of the net financial gain or loss to the reporting firm in the event the contract is exercised due to a credit event in the reference entity, assuming a recovery rate of zero. It can be either positive, meaning that reporting firm incurs a financial loss if the reference entity deteriorates (eg long call or short put position), or negative, where the reporting firm gains as it deteriorates (eg short call or long put position). Similarly, single-name derivatives that have a *negative* market value should be reported in *Derivatives Payables* (Template B) and in the derivatives product breakdown (Template B) vis-à-vis the contractual counterparty, and under *Issuer Risk* (Template A) vis-à-vis the underlying reference entity.

As a concrete example, suppose, Bank 1 has sold an equity put option (contract X) to Bank 2. Premiums should be ignored in the reporting of these positions. The put option references the stock price of a third entity, Entity A, which is 7 per share at time T=1 (Table H2). The notional amount of the put option is 100, its strike price is 12 and its current market value is -500 (ie out of the money from Bank 1's perspective; (7-12)*100). If Entity A goes out of business, its stock price goes to zero and Bank 1 would lose an additional 700 (ie the market value of the option carried on Bank 1's books goes from -500 to -1,200). Note that the additional loss of 700 is referred to as the "bond equivalent" valuation, that is, the additional loss to the reporting firm in the case where the underlying name becomes insolvent (ie stock price goes to zero), assuming a zero recovery rate. How should this be reported at time T=1?

The option exposes Bank 1 to a credit event in Entity A (issuer risk), and thus should contribute to Bank 1's total exposure to Entity A used to identify its top counterparties. Bank 1 reports *Issuer Risk* of 700 vis-à-vis Entity A. Bank 1 also reports the market value (500) of the derivative under

Derivatives Payables – MTM and under *Derivatives Products MTM – Equity* (both in Template B) vis-à-vis the contractual counterparty, Bank 2.

Bank 2, which bought the derivative from Bank 1, reports the market value (500) under *Derivatives Receivables – Gross CE* (and *Net CE*), vis-à-vis the contractual counterparty Bank 1. Note that Bank 2's short position vis-à-vis Entity A increases in value (from +500 to +1,200, the strike price) if Entity A deteriorates and its stock price goes to zero. This is recorded as a negative issuer risk value of -700, under *Issuer Risk – Equity Derivatives*, vis-à-vis Entity A.

Suppose that at time T=2, Entity A's stock price has risen to 15, ie 3 above the strike price. Therefore, the market value of the option from Bank 1's perspective goes from -500 to 0. How should this this be reported by Bank 1 and Bank 2 at time T=2?

Bank 1 should report market value of the contract (0) against the contractual counterparty (Bank 2) in Template A under *Derivatives Receivables – Gross CE* (and *Net CE*), and in Template B under *Derivatives Product MTM – Equity*, shown in Table H2. And Bank 1 should report the bond equivalent value of the contract vis-à-vis Entity A under *Issuer Risk – Equity MTM*. If Entity A 's stock price falls to zero, Bank 1 would incur a loss of 1,200 (the break-even price) when the contract is exercised by Bank 2. The total bond equivalent value to be reported vis-à-vis Entity A is thus 1,200.

The example above and in Table H2 describes the case where Bank 1 sells a put option. Suppose instead that Bank 1 sells a call option with a strike price of 5 and notional amount of 100 to Bank 2 (and, again, premiums are ignored in the reporting of these positions). With the stock price at 7 at time T=1, the contract is out of the money from Bank 1's perspective, with a market value of -200. If Entity A defaults, its stock price goes to zero and Bank 1 would "gain" 200 (ie the market value of the option carried on Bank 1's books goes from -200 to 0). It should report the market value of the option under *Derivatives Payables* (Template B) and under *Derivatives Product MTM – Equity* (Template B), both vis-à-vis counterparty Bank 2. In addition, it should report the contract's bond equivalent value (also -200) under *Issuer Risk – Equity* (Template A) vis-à-vis the underlying reference Entity A.

The reporting of single name *bond* derivatives (Template A, column V) follows a similar logic. Here, however, CDS are not to be included in *Fixed Income Derivatives*, but rather are to be reported separately, as described in example H.1 above.

H.3. Reporting of loan participations

Suppose Bank 1 extends an unsecured credit line of 100 to Entity A. Suppose further that Bank 2 agrees to a "participation" in this credit line up to 40, and transfers cash or collateral to Bank 1 to fund this position up front, and that Bank 3 also agrees to a participation in this credit line up to 15, but does not fund this position up front. How should Banks 1, 2 and 3 report these positions?

As a general rule, *funded participations* should be reported as a standard lending exposure vis-à-vis the ultimate recipient of the credit line (Entity A). Thus, Bank 1 and Bank 2 should report their respective piece of the 100 credit line under (in this example) *Undrawn Commitments (unsecured)* vis-à-vis Entity A (Table H3). Note that Bank 1 reports the total value of the credit line *net* of the *funded participation* received from Bank 2. It reports the unfunded participation received from Bank 3 separately under *Unfunded Participations (received)*, again vis-à-vis Entity A. Bank 2 should also report the amount of funds it has placed with Bank 1 under *Funded Participations vv Originator*. This entry represents actual exposure to Bank 1. Bank 2 should not report its funded participation under *Funded (unsecured)*; doing so would incorrectly suggest that Bank 2 had actually extended credit to Entity A. There is no actual exposure to Entity A until it draws on the credit line. For its part, Bank 3 reports its unfunded participation vis-à-vis Entity A under *Unfunded Participations (provided)*.

For the case when the credit line is drawn or in the case of a syndicated loan, the entries in *Undrawn commitments (unsecured)* in column AM would shift to *Funded (unsecured)* in column AO. If Entity A routes its payments through Bank 1, then Bank 2's exposure to Bank 1 in *Funded Participations vv Originator* would remain. If Entity A pays its creditors directly, then Bank 2 no longer has contractual counterparty exposure to Bank 1 and no entry in *Funded Participations vv Originator* is needed. If Bank 3 fully funds its participation, its reporting, along with Bank 1's entries will be adjusted as shown in the second panel of Table H3.

Note that, since *Lending* is not included in the sorting criteria, the participation does not impact the position of Entity A in any reporting banks' counterparty list.

H.4. Reporting of securities financing transactions in Template B

Table H4 shows how securities financing transactions should be reported. In the example, it is assumed that the reporting firm has booked each of the seven types of transactions listed below with a single counterparty. Only the last line of the table, which is the sum of all transactions with that counterparty, is to be reported in Template B. Repo and reverse repo transactions are covered in examples a and b. Securities lending and borrowing, including securities for securities transactions, are covered in examples c-g. Note that, for securities lending and borrowing transactions, firms should determine the total amount of cash and securities received and provided from *both* types of transactions, and report these amounts using a "double entry" method in the appropriate columns.

a. *Repo:* Reporting firm provides UST with a MTM value of 50 and receives 50 in cash.

b. *Reverse Repo:* Reporting firm provides 75 in cash and receives a UST with a MTM of 75.

c. *Securities Lending 1 (UST against cash):* Reporting firm provides a UST with a MTM of 100 and receives 100 in cash.

d. *Securities Lending 2 (Stock against cash):* Reporting firm provides a stock (equity) with a MTM of 125 and receives 125 in cash.

e. *Securities Borrowing 1 (cash against UST):* Reporting firm provides 150 in cash and receives a UST with a MTM of 150.

f. *Securities Borrowing 2 (cash against stock):* Reporting firm provides 200 in cash and receives a stock (equity) with a MTM of 200.

g. *Securities for securities (UST for stock):* Reporting firm provides a UST with MTM 250 and receives a stock (equity) with MTM 250.

H.5. Reporting of exposures to a CCP in Template C

Table H5 provides an example of a firm with multiple exposures (both "House" and "Client" positions) to each of several stand-alone entities that are part of a larger CCP group. In this example, the CCP has three parts: a parent company ("Global CCP Group"), and two stand-alone bankruptcy remote subsidiaries ("Global CCP entity (London)" and "Global CCP entity (Tokyo)"). Firms should report their exposures to each bankruptcy remote part of the CCP on a separate line. Hub firm A is assumed to have the following ten exposures:

Exposure 1: A line of credit to the CCP's parent that is not on the Hub firm's clearing account.

Exposure 2: A repo with the CCP's London entity that is not on the Hub firm's clearing account.

Exposure 6: A line of credit to the CCP's Tokyo entity that is not on the Hub firm's clearing account.

Exposures 3, 5, 7, 9: Derivatives and SFT exposures on the Hub firm's clearing account.

Exposures 4, 8, 10: Derivatives and SFT exposures cleared with the CCP on behalf of clients.

Table H5 provides a schematic of these ten exposures and shows where in Template C each should be reported. The non-clearing account exposures (1, 2 and 6) should be reported on the "House" line along with any house clearing-account exposures to the same part of the unconsolidated CCP.[22] The SFT exposures (in both the clearing and non-clearing accounts, ie exposures 2, 5, 9 and 10) should also be included the *Securities Financing Transactions MTM* section of Template C (columns BE-BT). These columns have been omitted in Table H5.

[22] If a firm has a non-clearing account exposure to a CCP that has been booked on behalf of a client, it should be reported on the "Client" line under in the *Non-clearing Account Exposures* section of Template C.

Table H1

Reporting of CDS contracts in Templates A and B

Contract X ("Naked"): Bank 1 buys protection on Bank 2 from Bank 3, _not_ for the purpose of hedging Bank 1's *Lending* exposure.
Contract Z ("Hedge"): Bank 2 buys protection on Bank 3 from Bank 1, for the purpose of hedging Bank 2's *Lending* exposure.
All values are positive except when explicitly marked by a minus (-) sign

		Template A (weekly)									Template B (monthly)				
	Counterparty Information	*Derivatives Receivables*			*Lending Credit Hedges*		*Issuer Risk*				*Derivatives Products MTM*		*Derivatives Payables*		
											Credit Contracts with Positive MTM	*Credit Contracts with Negative MTM*			
Column	B	D	E	H	O	P	W	X	Y	Z	D	J	P	S	I
Reporting Firm	*Counterparty Name*	*Gross CE*	*Collateral Received*	*Net CE*	*Credit Hedges Notional*	*Credit Hedges Market Value*	*Notional of CDS Bought*	*Notional of CDS Sold*	*Net Notional CDS*	*Net MTM CDS*	*Credit*		*Gross Payables*	*Collateral Posted*	*Net Payables*
Bank 1	Bank 2						Contract X Notional (-)		Contract X Notional (-)	Contract X MTM		Contract Z MTM	Contract Z MTM	0	Contract Z MTM
	Bank 3	Contract X MTM	0	Contract X MTM				Contract Z Notional	Contract Z Notional	Contract Z MTM (-)	Contract X MTM				
Bank 2	Bank1	Contract Z MTM	0	Contract Z MTM							Contract Z MTM				
	Bank 3				Contract Z Notional (-)	Contract Z MTM									
Bank 3	Bank1											Contract X MTM	Contract X MTM	0	Contract X MTM
	Bank2							Contract X Notional	Contract X Notional	Contract X MTM (-)					

Table H2

Reporting of single-name equity derivatives in Templates A and B

Bank 1 sells an equity put option (strike price = 12) to Bank 2 on underlying name Entity A
Market value (seller's perspective) of the option at time T=1 is -500
Market value (seller's perspective) of the option at time T=2 is 0

Time T = 1 (MTM = -500)			Template A (weekly)					Template B (monthly)				
	Reporting Firm	Counterparty Information	Derivatives Receivables			Issuer Risk		Derivatives Products - MTM: Contracts with Positive MTM	Contracts with Negative MTM	Derivatives Payables		
		B	D	E	H	S	T	F	L	P	S	T
		Counterparty Name	Gross CE	Collateral Received	Net CE	Equity MTM	Equity Derivatives	Equity	Equity	Gross Payables	Collateral Posted	Net Payables
	Bank 1	Bank 2							Contract X MTM +500	Contract X MTM +500	0	Contract X MTM +500
		Entity A					Contract X Cash Equiv +700					
	Bank 2	Bank 1	Contract X MTM +500	0	Contract X MTM +500			Contract X MTM +500				
		Entity A					Contract X Cash Equiv -700					

Time T = 2 (MTM = 0)			Template A (weekly)					Template B (monthly)				
	Reporting Firm	Counterparty Information	Derivatives Receivables			Issuer Risk		Derivatives Products - MTM: Contracts with Positive MTM	Contracts with Negative MTM	Derivatives Payables		
		B	D	E	H	S	T	F	L	P	S	T
		Counterparty Name	Gross CE	Collateral Received	Net CE	Equity MTM	Equity Derivatives	Equity	Equity	Gross Payables	Collateral Posted	Net Payables
	Bank 1	Bank 2	Contract X MTM 0	0	Contract X MTM 0			Contract X MTM 0				
		Entity A					Contract X Cash Equiv +1,200					
	Bank 2	Bank 1							Contract X MTM 0	Contract X MTM 0	0	Contract X MTM 0
		Entity A					Contract X Cash Equiv -1,200					

Table H3

Reporting of funded and unfunded loan participations in Template B

Bank 1: provides credit line of 100 to Entity A
Bank 2: participates up to 40, funded position
Bank 3: participates up to 15, unfunded position

Credit Line is not yet drawn

		Template B (monthly)							
Reporting Firm	Counterparty Information	Lending							
	B	AL	AM	AN	AO	AP	AQ	AR	AS
	Counterparty Name	Undrawn Commitments (secured)	Undrawn Commitments (unsecured)	Funded (secured)	Funded (unsecured)	Funded Participations vv Originator	Unfunded Participations (received)	Unfunded Participations (provided)	Credit Reserves
Bank 1	Bank 3								
	Entity A		Credit Line 60 (=100-40)				Unfunded Participation 15		
Bank 2	Entity A		Funded Participation 40						
	Bank 1					Funded Participation 40			
Bank 3	Entity A							Unfunded Participation 15	
	Bank 1								

Credit Line is drawn

		Template B (monthly)							
Reporting Firm	Counterparty Information	Lending							
	B	AL	AM	AN	AO	AP	AQ	AR	AS
	Counterparty Name	Undrawn Commitments (secured)	Undrawn Commitments (unsecured)	Funded (secured)	Funded (unsecured)	Funded Participations vv Originator	Unfunded Participations (received)	Unfunded Participations (provided)	Credit Reserves
Bank 1	Bank 3								
	Entity A				Credit Line 45 (=100-40-15)				
Bank 2	Entity A				Funded Participation 40				
	Bank 1					Funded Participation 40			
Bank 3	Entity A				Funded Participation 15				
	Bank 1					Funded Participation 15			

Table H4

Reporting of Securities Financing Transactions in Template B

Table shows seven different types of SFT transactions. Securities Lending and Securities Borrowing transactions should be aggregated to determine total cash and securities received and borrowed vis-à-vis each counterparty, and then reported using the double entry method depicted below.

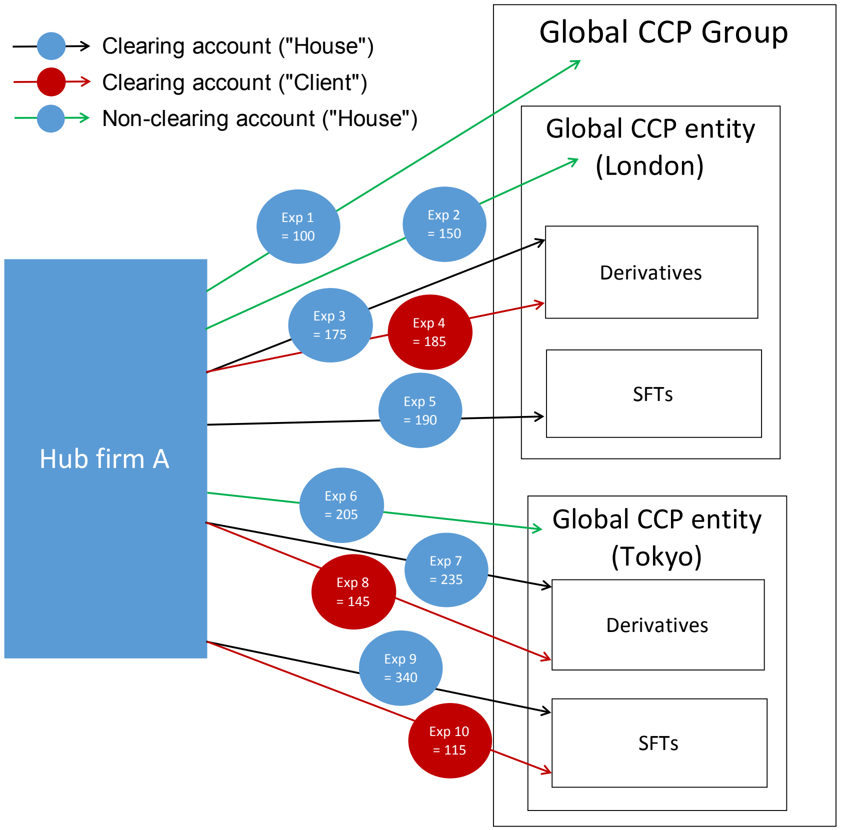
	Securities Financing Transactions MTM													
	Securitites Lending/Borrowing: Cash and Securities Received				***Securitites Lending/Borrowing: Cash and Securities Provided***				***Repo MTM***			***Reverse Repo MTM***		
	X	**Y**	**Z**	**AA**	**AB**	**AC**	**AD**	**AE**	**AF**	**AG**	**AH**	**AI**	**AJ**	**AK**
Transaction	***Total cash and securities received***	***Of which: G7 Sovereign and Agency MBS and Debt***	***Of which: Highly Rated Corporate / Non-G7 Sovereign***	***Of which: Cash***	***Total cash and securities provided***	***Of which: G7 Sovereign and Agency MBS and Debt***	***Of which: Highly Rated Corporate / Non-G7 Sovereign***	***Of which: Cash***	***Total Repo***	***Of which: G7 Sovereign and Agency MBS and Debt***	***Of which: Highly Rated Corporate / Non-G7 Sovereign***	***Total Reverse Repo***	***Of which: G7 Sovereign and Agency MBS and Debt***	***Of which: Highly Rated Corporate / Non-G7 Sovereign***
a. Repo									50	50				
b. Reverse Repo												75	75	
c. Sec Lending 1 (UST for cash)	100			100	100	100								
d. Sec Lending 2 (Stock for cash)	125			125	125									
e. Sec Borrowing 1 (cash for UST)	150	150			150			150						
f. Sec Borrowing 2 (cash for stock)	200				200			200						
g. Securities for Securities	250				250	250								
Total to be reported	**825**	**150**	**0**	**225**	**825**	**350**	**0**	**350**	**50**	**50**		**75**	**75**	

Table H5

Reporting of positions with a CCP in Template C

The left panel shows Hub firm A's ten different exposures to a CCP that itself comprises a holding group (Global CCP Group) and two stand-alone entities. The right panel shows where in Template C these exposures should be reported.

Schematic of exposures



Reporting in Template C

Counterparty Information					*Clearing Account*	*Clearing Account Exposures*	*Non-Clearing Account Exposures*
A	B	C	D	E	Columns F-N	Columns O-AN	Columns AO-BD
Rank	*CCP Group Name*	*CCP Entity Name*	*House or Client account*	*Unique identifier*	*Columns for DFC, IM, VM, Portfolio value and other clearing account exposures*	*Columns for breakdown of exposure types and details for derivatives*	*Columns for breakdown of non-clearing account exposure types*
1	Global CCP Group	Global CCP Group	House	LEI (group)			Exp 1 = 100
2	Global CCP Group	Global CCP Entity (London)	House	LEI (London)	Exp 3 = 175; Exp 5 = 190	Exp 3 = 175; Exp 5 = 190	Exp 2 = 150
3	Global CCP Group	Global CCP Entity (London)	Client	LEI (London)	Exp 4 = 185	Exp 4 = 185	
4	Global CCP Group	Global CCP Entity (Tokyo)	House	LEI (Tokyo)	Exp 7 = 235; Exp 9 = 340	Exp 7 = 235; Exp 9 = 340	Exp 6 = 205
5	Global CCP Group	Global CCP Entity (Tokyo)	Client	LEI (Tokyo)	Exp 8 = 145; Exp 10 = 115	Exp 8 = 145; Exp 10 = 115	

I. Frequently asked questions

Num	Reporting Field	Question	Response
1	Sorting	Should reporting firms unbundle index tranches in order to determine the sort order for identifying the top 50 counterparties?	Firms should discuss with their HCS. Depending on materiality, it may be appropriate to exclude unbundled index CDS from the sort criteria.
2	Consolidation	Should exposure to an asset manager be reported at the parent company level? For example, should exposures to PIMCO be rolled into exposures to Allianz?	Yes, exposures to counterparties that are asset managers should be reported at the parent company level. Note, however, firms should *exclude* in their sorting exposure their direct investment in investment funds, and include only their exposures that arise via lending, credit lines, derivatives transaction or any other transactions not related to their investment in the fund. See sections B.3.1 and B.3.3 for treatment.
3	CVA balance	For defaulted or doubtful counterparts, may reporting firms include the frozen amount of *CVA* (prior to the default of the concerned name) which is part of the Credit Value Impairment (CVI)?	The practice of reporting CVI for an impaired counterparty is acceptable; please record a comment in the *'Firm Notes'* section of the template if reporting any impaired counterparty.
4	CVA balance	If a firm is required by its local regulator to report CRA instead of *CVA*, is the firm expected to report CRA or *CVA*?	*CVA* should be reported for comparability with other reporting firms.
5	Derivatives Potential Exposure	Is '*Potential Exposure*' (column J) required for all counterparties, regardless of the direction of the *Gross CE* position?	If the counterparty has large enough *Derivatives PE* + *Issuer Risk* + *Short Term Money Placements* such that it falls in the top 50 counterparties, then *Derivatives PE* of that counterparty should be reported. If *Gross CE* (receivable) is negative, this value should be reported as zero. If the counterparty only has negative *Gross CE* (Payables) and positive *Derivatives PE*, the firm should report the positive *Derivatives PE*.
6	Securities Financing Transactions	Please clarify where securities lending transactions that simply lend/borrow securities without collateral should be included.	The issuer risk (ie credit risk) associated with these transactions should be reflected in the *Securities Lending/Borrowing PE* calculation on Template A. For the gross market values post-haircut on Template B, only report *Collateral Received* if cash has been lent against it.
7	Securities Financing Transactions	Does funded lending exclude reverse repo and cash-collateralized securities borrowing when those are included under *Securities Financing Transactions*?	Yes, funded lending excludes reverse repo and cash-collateralized securities borrowing when those are included under *Securities Financing Transactions*.

Num	Reporting Field	Question	Response
8	Securities Financing Transactions	Should *Potential Exposure* under securities lending include both securities lending and borrowing transactions? Is netting applicable?	Yes. Template A requires the *PE* for both securities lending and borrowing transactions.
9	Issuer Risk	Are conversion rights and early redemption options associated with convertible bonds considered to be issuer risk?	Yes, stock and bond options should be reported as issuer risk.
10	Equity MTM	How should equity investments that are not listed on any Stock Exchange be reported?	Please include these values in *Equity MTM* (column S).
11	Derivatives Product MTM	Should Currency Swaps be included in "*FX Derivatives*" or in "*Interest Rate Derivatives*"?	Both currency swaps and cross currency swaps should be included in *FX Derivatives MTM* (columns G and M of Template B). This is consistent with the the Semiannual OTC Derivatives Markets Statistics published by the BIS, and is inline for the envisioned reporting guidelines for Phase 3 of the FSB Data Gaps Initiative.
12	Lending	There are lending practices in some countries where banks obtain collateral that is not specifically tied to individual transactions but to a number of transactions with a specific counterparty. Since collateral of these types are not reflected on individual transaction data within the system, it is difficult to decide if each transaction is collateralized. Is it appropriate to treat all transactions with this type of counterparty as collateralized?	If the value of the collateral held against all transactions with a counterparty is less than the value of total funded lending to that counterparty, record the recovery value in *Funded (secured)* (column AN). The difference between total funded lending and the recovery value of collateral should be recorded in the *Funded (unsecured)* (column AO). All unfunded commitments should be recorded as *Undrawn Commitments (unsecured)* (column AM). If the value of collateral held against all transactions with a counterparty is greater than the value of total funded lending to that counterparty, record the total value in *Funded (secured)* (column AN). The remaining amount of collateral should be recorded in the *Undrawn Commitments (secured)* (column AL). Remaining unfunded commitments should be recorded in *Undrawn Commitments (unsecured)* (column AM).
13	Counterparty	Should export credit agencies (ECAs) be included in Template D? What about ministries and embassies?	ECAs, with or without an explicit government guarantee, should be included in Templates A and B. Template D only captures direct exposures to the central government. Ministries and embassies should be included in Central Government exposures in Template D.
14	Sorting	Where should government enterprises such as Fannie Mae and Freddie Mac (US) be reported?	Fannie and Freddie should be reported separately as any other large non-bank financial counterparty in Templates A and B (if in the Top 50); they should NOT be consolidated with the sovereign in Template D.

J. Glossary

A

ACH credit	Automated Clearing House. A generic term, which many countries have branded or re-named (eg for UK BACS, for Hong Kong ECG/Autopay).
Affiliates	A branch, subsidiary or a joint venture, all being defined below. See also "Banking offices".

B

Banking offices	Includes banks' head offices, branches and subsidiaries (same definition as for "Affiliates").
Banks, deposit-taking corporations, monetary financial institutions (MFIs)	Financial institutions whose business it is to receive deposits or close substitutes for deposits and to grant credits or invest in securities on their own account.
Branch	Unincorporated entity wholly owned by another entity.

C

Cash collateral	Collateral consisting of cash, negotiable instruments (eg negotiable securities), documents of title, deposit accounts or other cash equivalents. It includes any negotiable assets that may be converted into liquid assets, if necessary. In bankruptcy proceedings, cash collateral is important for presenting an accurate picture of the financial condition related to the action. Depending on the type of bankruptcy that is being filed, conversion of assets into cash may be required. This cash collateral is then used to discharge part of the outstanding indebtedness, leaving the court to address the disposition of any remaining credit.
Central banks	See "Official monetary authorities".
CHAPS	Clearing House Automated Payment System, the UK system of same-day sterling and euro funds transfers.

Controlling parent institution	The entity that controls or exerts dominant influence over the financial affiliates in a corporate group. In the International Banking Statistics (IBS), what is relevant for the identification of the controlling parent is the highest level entity over which consolidated supervision is exercised by prudential authorities. The controlling parent institution of a reporting bank may thus be the ultimate parent, or may be the head of a financial group that is a subset of a diversified conglomerate. For banks that are not part of a larger corporate group, the controlling parent is generally the head office (or home office) of the bank.
Credit commitments	Arrangements that irrevocably obligate an institution, at a client's request, to extend credit in the form of loans, participation in loans, lease financing receivables, mortgages, overdrafts or other loan substitutes or commitments to extend credit in the form of the purchase of loans, securities or other assets, such as backup facilities including those under note issuance facilities and revolving underwriting facilities.
Credit derivatives contract	Derivative whose redemption value is linked to specified credit-related events, such as bankruptcy, credit downgrade, non-payment, or default of a borrower. For example, a lender might use a credit derivative to hedge the risk that a borrower might default. Common credit derivatives include credit default swaps, total return swaps tied to fixed income securities and credit spread options.
Credit support annex (CSA)	A legal document which regulates credit support (collateral) for derivative transactions. It is one of four parts that make up an ISDA Master Agreement but is not mandatory. A CSA defines the terms or rules under which collateral is posted or transferred between swap counterparties to mitigate the issuer risk arising from "in the money" derivative positions.
Credit valuation adjustments (CVA)	Adjustments made to the market value of derivatives receivables to take into account the credit risk of the counterparty. CVA is the difference between the risk-free portfolio value and the true portfolio value that takes into account the possibility of a counterparty default. In other words, CVA is the market value of counterparty credit risk.

D

Debt securities	Negotiable instruments other than loans and deposits, equity securities, investment fund shares or units, and financial derivatives. All financial assets that are bearer instruments, usually negotiable and traded on secondary markets, not granting the holder any ownership rights to the institutional unit issuing them. Non-negotiable instruments are classified as loans and deposits.
Default fund contribution	A collection of assets from a clearing member to cover the tail risk in extreme but plausible market conditions that is beyond what is covered by the margin to protect a CCP against the potential loss in closing out positions of a defaulted clearing member. The default fund is mutualized among all clearing members of the CCP.
Derivative instrument	A financial instrument whose value depends on some underlying financial asset, commodity index or predefined variable.

E

Equity securities	An equity security is any financial instrument that evidences a residual interest in the assets of an entity after deduction of all of its liabilities. See IAS32.11 and IAA32.16 for more information.

F

Face value	The amount of principal to be repaid (*2008 SNA* 3.154 (d)). It is equivalent to the redemption price of a debt security excluding accrued interest (2009 Handbook on Securities Statistics, Part 1).
Fair value	See "market to market (MTM) value".

G

Guarantees extended	Contingent liabilities arising from an irrevocable obligation to pay a third-party beneficiary when a client fails to perform certain contractual obligations. They include secured, bid and performance bonds, warranties and indemnities, confirmed documentary credits, irrevocable and standby letters of credit, acceptances and endorsements. Guarantees extended also include the contingent liabilities of the protection seller of credit derivatives instruments.

H

Home country	The country where the prudential authority exercising the highest level of consolidated supervisions is located. Also referred to as the "Parent country".

I

Initial margin	The value of assets, either securities or cash, which must be posted for each trade at its initiation by a clearing member. Initial margin is collected to cover the potential loss in value that may arise in the event that the clearing member defaults and its open positions lose value under normal market conditions before the CCP can close out the positions. The initial margin can be based on the clearing member's portfolio position or individual trade position, and is not mutualized among clearing members of the CCP. The amount of initial margin that a clearing member must post may vary as the market condition changes.
Interbank positions	Asset and liability positions reported by a bank vis-à-vis another bank.

International organisation	International organisations are those that meet either of the following conditions: a) The members of the organization are either national states or other international organizations whose members are national states; they thus derive their authority either directly from the national states that are their members or indirectly from them through other international organizations. b) They are entities established by formal political agreements between their members that have the status of international treaties; their existence is recognized by law in their member countries.
Inter-office business	Business between different offices of the same banking organisation.
Intrabank business	See "Inter-office business".
Investment companies	Companies that actively manage a pool of assets for their shareholders and that issue redeemable securities that represent an undivided interest in the assets managed by the company.

J

Joint venture	A (banking) enterprise in which two or more parties hold major interests. One of those parties may, but need not, be of the country in which the joint venture operates.

L

Long term	Maturities exceeding one year or with no stated maturity.

M

Mark to market (MTM) value	The accounting act of recording the price or value of a security, portfolio or account to reflect its current market value rather than its book value.
Master netting agreement	See "Netting agreement".
Money market funds	Funds that issue highly liquid liabilities of a monetary nature and that are similar to financial institutions ("other depository corporations").
Mutual funds	Investment companies that issue and sell redeemable securities which represent an undivided interest in the assets held by the fund.

N

Negotiable security	A security where legal ownership is readily capable of being transferred from one entity to another by delivery or endorsement (BPM6, paragraph 5.15). It is not necessary that a security be traded on an exchange for it to be considered negotiable.

Netting agreement A netting agreement (or master netting agreement) is a standardised bilateral contract that enables trading counterparties to agree to net collateral requirements. Such an agreement enables the positive balances of one counterparty to be offset against the negative ones of another when payable the same day and in the same currency. For further information, see Basel Committee on Banking Supervision, *International convergence of capital measurement and capital standards*, BIS, June 2006. Available at: www.bis.org/publ/bcbs128.htm.

Netting set A group of transactions with a single counterparty that are subject to a single, legally-enforceable, bilateral netting agreement.

Nominal value The outstanding amount the debtor owes to the creditor, which is composed of the outstanding principal amount including any accrued interest (BPM6, 3.88). The nominal value reflects the sum of funds originally advanced, plus any subsequent advances, plus any interest that has accrued, less any repayments (which includes any payments covering interest accrual).

Non-bank financial institutions (NBFI) Private or public financial institutions, other than banks, engaged primarily in the provision of financial services and activities auxiliary to financial intermediation such as fund management. Includes special purpose vehicles, hedge funds, securities brokers, money market funds, pension funds, insurance companies, financial leasing corporations, central clearing counterparties, unit trusts, other financial auxiliaries and other captive financial institutions. It also includes any public financial institutions such as national development banks and export credit agencies.

Non-banks All entities other than those defined as banks. The general government sector and public corporations are part of the non-bank sector.

Non-financial corporations (NFC) Privately and publicly owned corporations as well as unincorporated enterprises that function as if they were corporations, such as partnerships and the branches of foreign corporations.

Nostro account A bank account held in a foreign country by a domestic bank, denominated in the currency of that country. Nostro accounts are used to facilitate settlement of foreign exchange and trade transactions.

O

Official monetary authorities Central banks or similar national and international bodies, such as the BIS.

OTC Derivative A derivatives transaction that is not listed or exchanged-traded. The contract terms are defined by the counterparties to the trade. An OTC derivatives contract can be against a CCP or a non-CCP counterparty.

P

Parent country See “Home country”.

Parent institution See “Controlling parent institution”.

Participation — Permanent holding of financial interests in other undertakings, eg through the acquisition of shares.

Promissory note — A written, dated and signed two-party instrument containing an unconditional promise by the maker to pay a definite sum of money to a payee on demand or at a specified future date. The only difference between a promissory note and a bill of exchange is that the maker of a note pays the payee personally, rather than ordering a third party to do so.

R

Reporting firm — An institution participating in this reporting exercise described in these Guidelines.

Repurchase agreements (repos) — Repos are money market operations based on arrangements involving the sale of (financial) assets at a specified price with a commitment to repurchase the same or similar assets at a fixed price on a specified future date (usually short term) or on a date subject to the discretion of the purchaser. From the perspective of the entity purchasing the security in the first leg, the transaction is referred to as a reverse repo agreement.

S

Short position — See “Short sales/short selling”.

Short sales/short selling — In finance, short selling is the practice of selling securities the seller does not then own, in the hope of repurchasing them later at a lower price.

Short term — Maturities of up to and including one year or “on demand”.

Soft commodities (SOFTS) — Non-metal commodities such as cocoa, sugar, and grains, bought and sold on a futures market.

Stock figure — An amount outstanding on a particular date as opposed to a flow for a given period.

Subsidiary — A separately incorporated entity in which another entity has a majority or full participation.

Swap (currency swap) — Contract which commits two counterparties to exchange streams of interest payments in different currencies for an agreed period of time and to exchange principal amounts in different currencies at a pre-agreed exchange rate at maturity.

On balance-sheet accounts are not affected at inception.

Swap (foreign exchange swap) — Transaction which involves the actual exchange of two currencies (principal amount only) on a specific date at a rate agreed at the time of conclusion of the contract (the short leg), and a reverse exchange of the same two currencies at a date further in the future and at a rate (generally different from the rate applied to the short leg) agreed at the time of the contract (the long leg). Both spot/forward and forward/forward swaps are included. Short term swaps carried out as “tomorrow/next day” transactions are also included in this category.

Only the currency composition of the on balance-sheet accounts is affected at inception.

T

Total return swap	A swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset is usually an equity index, loans, or bonds. This is owned by the party receiving the set rate payment. Total return swaps allow the party receiving the total return to gain exposure and benefit from a reference asset without actually having to own it. These swaps are popular with hedge funds because they get the benefit of a large exposure with a minimal cash outlay.
Trust-preferred securities	A security possessing characteristics of both subordinated debt and preferred stock in that it is generally very long term (30 years or more), allows early redemption by the issuer, makes periodic fixed or variable interest payments, and matures at face value. Trust securities issued by a bank holding company are treated as capital (equity/own funds) rather than as debt for regulatory purposes.
Trustee business	Funds received and/or invested on a trust basis in a bank's own name but on behalf of third parties.
V	
Variation margin	The amount of cash that a clearing member posts to or receives from a counterparty to offset the net MTM value change of its positions on a regular basis, typically daily (or more frequently). For CCP counterparties, VM is based on the CCP's calculation of the change in the mid-market value of outstanding positions in the clearing member's portfolio. CCPs collect variation margin from the clearing members whose portfolios have lost value and credit it to those clearing members whose portfolios have gained value. The net effect of the change in the value of positions and the exchange (both to and from the CCP) is zero. Variation margin is designed to address price movements from the transaction execution date forward. Also called mark-to-market margin.