Jersey Financial Services Commission

Completion guide

Prudential Reporting of credit risk under the internal ratings based approach to credit risk

Near Final Draft

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Chapter content

1 Credit risk – IRB 3

1.1 Introduction 3

2 13A.1 IRB RWAs 4

2.1 Overview 4

2.2 Instructions concerning specific columns 4

2.3 Instructions concerning specific rows 14

3 13A.2 to 13A.5: Breakdowns by class 15

3.1 Overview 15

3.2 Instructions concerning specific columns 15

3.3 Instructions concerning specific rows 25

4 13A.6 to 13A.9: Backtesting by class 26

4.1 Overview 26

4.2 Instructions concerning specific columns 26

4.3 4.3 Definitions: rows 28

Near Final Draft

1 Credit risk – IRB

1.1 Introduction

1.1.1 This guide addresses the completion of the following sheets in the Basel III Supplementary Template, which forms part of our prudential return:

- 13A.1 IRB RWAs
- 13A.2 IRB Breakdown Class 1
- 13A.3 IRB Breakdown Class 2
- 13A.4 IRB Breakdown Class 3
- 13A.5 IRB Breakdown Class 4
- 13A.6 IRB Back testing Class 1
- 13A.7 IRB Back testing Class 2
- 13A.8 IRB Back testing Class 3
- 13A.9 IRB Back testing Class 4

1.1.2 Where a JIB has a variance permitting use of internal ratings based approaches (**IRB**), it must complete all these sheets in accordance with this guide, unless we agree otherwise.

1.1.3 We might agree alternatives where there are immaterial classes or conversely classes where multiple IRB models apply. In such cases we may agree that the detail sheets should be completed for multiple classes, for individual models or indeed only completed for fewer classes than set out here.

1.1.4 There are separate sheets for securitisations and settlement risk, therefore do not enter information here relating to positions reported elsewhere to avoid double counting.

1.1.5 Throughout, areas where data should be inputted are indicated visually in the sheets by the use of white boxes – no data should be entered elsewhere and every box should be completed, entering zero where appropriate.

1.1.6 The prudential parts are available from our Banking Codes site, including:

- 'Credit risk: internal ratings based approach (CRR) part'
- 'Credit risk mitigation (CRR) part'
- 'Credit risk: standardised approach (CRR) part'
- 'Counterparty credit risk part'

[at time of this draft, these are available from our Basel III page]

Near Final Draft

2 13A.1 IRB RWAs

2.1 Overview

2.1.1 This template provides details on the positions of the bank for which credit risk requirements are calculated under IRB.

2.2 Instructions concerning specific columns

Column	Definitions and Completion guides
0020	**Original exposure pre-conversion factors** JIBs shall report the exposure value before taking into account any value adjustments, provisions, effects due to credit risk mitigation techniques or credit conversion factors. The original exposure value shall comprise the value of on-balance sheet exposures and the nominal value of off-balance sheet exposures as referred to in Articles 166C and 166D of the 'Credit Risk: Internal Ratings Based Approach (CRR) Part'. The effect resulting from Article 166A(3) of the 'Credit risk: internal ratings based approach (CRR) part' (effect of on balance sheet netting of loans and deposits) shall be reported separately as Funded Credit Protection in column 0035 and shall therefore not reduce the Original Exposure. For derivative instruments and securities financing transactions that give rise to counterparty credit risk, the original exposure shall correspond to the exposure value arising from counterparty credit risk (see instructions to column 0130).
0030	**Of which: large financial sector entities and unregulated financial sector entities** Breakdown of the original exposure pre-conversion factor for all exposures of large financial sector entities and unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0035	**(-) Adjustment to exposure value due to on-balance sheet netting** The reduction in exposure value due to on-balance sheet netting determined in accordance with Article 219 of the 'Credit risk mitigation (CRR) part' shall be reported.
0040 -0080	**Credit risk mitigation (CRM) techniques with substitution effects on the exposure** Where JIBs choose to reflect credit risk mitigation reduce the credit risk of an exposure or exposures via the substitution of exposures. The sub-columns shall include exposures within the following techniques, as defined in the Glossary Part: The Risk-Weight Substitution Method and the Parameter Substitution Method. They shall also include exposures subject to the Other Funded Credit Protection Method (as defined in the 'Credit risk mitigation (CRR) part') to the extent that this results in a substitution of exposures (as set out in the instructions for column 0060).

Near Final Draft

Column	Definitions and Completion guides
0040 - 0050	**Unfunded credit protection** Unfunded credit protection that has an effect on the exposure (e.g. used for credit risk mitigation techniques with substitution effects on the exposure) shall be capped at the exposure value.
0040	**Guarantees** For exposures subject to the Risk Weight Substitution Method or the Parameter Substitution Method, JIBs shall separate each exposure, prior to the application of conversion factors, into a covered part and an uncovered part, in accordance with Articles 235 and 236 of the of the 'Credit risk mitigation (CRR) part' and report the covered part. Guarantees shall be reported in column 0040 where the Risk Weight Substitution Method or the Parameter Substitution Method as referred to in the 'Credit risk mitigation (CRR) part' is applied.
0050	**Credit derivatives** For exposures subject to the Risk Weight Substitution Method or the Parameter Substitution Method, JIBs shall separate each exposure, prior to the application of conversion factors, into a covered part and an uncovered part, in accordance with Articles 235 and 236 of the of the 'Credit risk mitigation (CRR) part' and report the covered part. Credit Derivatives shall be reported in column 0050 where the Risk Weight Substitution Method or the Parameter Substitution Method as listed in the 'Credit risk mitigation (CRR) part' is applied. Where the LGD Adjustment Method is applied, the amount of the credit derivatives shall be reported in column 0160.
0060	**Other funded credit protection** Other funded credit protection that is treated as a guarantee in accordance with Article 232 of the 'Credit risk mitigation (CRR) part' under the Other Funded Credit Protection Method shall be included. Other funded credit protection that is not treated as a guarantee in accordance with Article 232 of the 'Credit risk mitigation (CRR) part' under the Other Funded Credit Protection Method shall be reported in 0172. Other funded credit protection recognised by firms applying the AIRB approach and using the LGD Modelling Collateral Method shall be reported in columns 0171, 0172 and 0173.
0070 - 0080	**Substitution of the exposure due to CRM** Outflows shall correspond to the covered part of the original exposure pre-conversion factors that is deducted from the obligor's exposure class and, where relevant, obligor grade or pool, and subsequently assigned to the guarantor's exposure class and, where relevant, obligor grade or pool. That amount shall be considered as an inflow into the guarantor's exposure class and, where relevant, obligor grades or pools. Inflows and outflows within the same exposure classes and, where relevant, obligor grades or pools, shall also be considered.

Not Final Draft

Column	Definitions and Completion guides
	Exposures stemming from possible in- and outflows from and to other templates shall be taken into account. These columns shall only be used where JIBs apply the Risk-Weight Substitution Method or the Parameter Substitution Method in accordance with Articles 235 and 236 of the 'Credit risk mitigation (CRR) part'.
0090	**Exposure after CRM substitution effects pre-conversion factors** Exposures assigned in the corresponding obligor grade or pool and exposure class after taking into account outflows and inflows due to CRM techniques with substitution effects on the exposure.
0100, 0120	**Of which: Off-Balance Sheet Items** Off-balance sheet positions comprise the items listed in Table A1 of Article 111 of the 'Credit risk: standardised approach (CRR) part'.
0110	**Exposure value** The exposure values determined in accordance with Article 166A to 166D of the 'Credit risk: internal ratings based approach (CRR) part'. CRM techniques affecting the exposure value shall be taken into account. Exposure values for exposures giving rise to counterparty credit risk shall be the same as reported in column 0130.
0120	**Off which: off-balance sheet items** Off-balance sheet positions comprise the items listed in Table A1 in Article 111 of the 'Credit risk: standardised approach (CRR) part'. For exposures that are part of facilities that relate to an on- and off-balance sheet item and where JIBs estimate a single exposure value for that facility as per Article 166D(3) of the 'Credit risk: internal ratings based approach (CRR) part', JIBs shall report the off-balance sheet part of the exposure in column 0120. To obtain the value that shall be reported here, JIBs shall subtract point (1) from point (2) below: (1) The on-balance sheet amount gross of provisions. (2) The exposure value reported under column 0110.
0125	**Of which: defaulted** Value of exposures which have been classified as defaulted exposures in accordance with Article 178 of the 'Credit risk: internal ratings based approach (CRR) part'.
0130	**Of which: arising from counterparty credit risk** Exposure value for CCR exposures calculated in accordance with the methods laid down in the 'Credit risk mitigation (CRR) part', and the 'Counterparty credit risk (CRR) part', excluding settlement exposures.
0140	**Of which: large financial sector entities and unregulated financial sector entities**

Near Final Draft

Column	Definitions and Completion guides
	Breakdown of the exposure value for all exposures to entities referred to in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0150 - 0210	**Credit risk mitigation techniques taken into account in LGD estimates** CRM techniques that have an impact on LGD estimates as a result of the application of the Parameter Substitution Method shall not be included in these columns. Where exposures are subject to the FIRB approach, exposures subject to the Foundation Collateral Method and the Other Funded Credit Protection Method (to the extent this is reflected in LGD) as defined in the Glossary Part, shall be included. Where exposures are subject to the AIRB approach: - exposures subject to the LGD Adjustment Method in accordance with Article 183 of the ''Credit risk: internal ratings based approach (CRR) part'', shall be included; and - exposures subject to the LGD Modelling Collateral Method as referred to in Articles 169A and 169B of the ''Credit risk: internal ratings based approach (CRR) part'' shall be included
0150	**Guarantees** Exposures subject to the LGD Adjustment Method (in accordance with Article 183 of the 'Credit risk: internal ratings based approach (CRR) part') shall be included. Institutions shall report their internal valuation of the guarantee, used in LGD estimates, capped at the exposure value.
0160	**Credit derivatives** Exposures subject to either the LGD Adjustment Method (in accordance with Article 183 of the 'Credit risk: internal ratings based approach (CRR) part') shall be included. Institutions shall report their internal valuation of the credit derivative, used in LGD estimates, capped at the exposure value.
0170	**Other funded credit protection** Exposures where firms choose to recognise credit risk mitigants that comply with the criteria in Article 212 of the 'Credit risk mitigation (CRR) part' shall be included. Other funded credit protection treated as a guarantee in accordance with Article 232 of the 'Credit risk mitigation (CRR) part' under the Other Funded Credit Protection Method shall be reported in columns 0040 and 0050. For other funded credit protection recognised by applying the FIRB approach and using the Other Funded Credit Protection Method in accordance with Article 232(2), institutions shall report life insurance policies according to the current surrender value.

Near Final Draft

Column	Definitions and Completion guides
	Other funded credit protection recognised by firms applying the AIRB approach and using the LGD Modelling Collateral Method shall be included.
0171	**AIRB: cash on deposit** Article 200(1)(a) of the 'Credit risk mitigation (CRR) part'. Cash on deposit with, or cash assimilated instruments issued by the institution and held by third party institution in a non-custodial arrangement and pledged to the lending institution shall be included. The value of collateral reported shall be limited to the value of the exposure at the level of an individual exposure.
0172	**Life insurance policies** Article 200(1)(b) of the 'Credit risk mitigation (CRR) part'. The value of collateral reported shall be limited to the value of the exposure at the level of an individual exposure.
0173	**AIRB: instruments held by a third party** Article 200(1)(c) of the 'Credit risk mitigation (CRR) part'. This includes instruments issued by a third party institution (or by a financial institution, exposures to which may be treated as exposures to institutions under Article 119(5) CRR), which will be repurchased by that institution on request. The value of collateral reported shall be limited to the value of the exposure at the level of an individual exposure. This column shall exclude those exposures covered by instruments held by a third party where, in accordance with Article 232(4) of the 'Credit risk mitigation (CRR) part', institutions treat instruments repurchased on request that are eligible under Article 200(1)(c) of the 'Credit risk mitigation (CRR) part' as a guarantee by the issuing institution.
0180	**Eligible financial collateral** For exposures in the trading book, financial instruments and commodities eligible in accordance with Article 299(2)(d-f) and Article 299A of the Counterparty Credit Risk (CRR) Part shall be included. Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, for eligible financial collateral in accordance with Article 197 and Article 198 of the 'Credit risk mitigation (CRR) part', the adjusted value of collateral Ci after the application of volatility adjustments and maturity mismatch adjustment, where relevant shall be reported. Where exposures are subject to the AIRB approach, the financial collateral shall be taken into account in the LGD estimates in accordance with Article 169A(1) and Article 169B of the 'Credit risk: internal ratings based approach (CRR) part'. The amount to be reported shall be the estimated market value of the collateral.
0190- 0210	**Other eligible collateral** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, firms shall report the adjusted value of collateral Ci following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'.

Near Final Draft

Column	Definitions and Completion guides
	Where exposures are subject to the AIRB approach, other collateral shall be taken into account in the LGD estimates in accordance with Articles 169A(1) and Article 169B of the 'Credit risk: internal ratings based approach (CRR) part'.
0190	**Real estate** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, collateral in accordance with Article 199(2) of the 'Credit risk mitigation (CRR) part'. Leasing of real estate property shall also be included (see Articles 199(7) of the 'Credit risk mitigation (CRR) part'). Firms shall report the adjusted value of collateral Ci following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'. Where exposures are subject to the AIRB approach, the amount to be reported shall be the estimated market value
0200	**Other physical collateral** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, collateral in accordance with Article 199(6) of the 'Credit risk mitigation (CRR) part'. Leasing of property other than real estate shall also be included (see Articles 199(7) of the 'Credit risk mitigation (CRR) part'). Firms shall report the adjusted value of collateral Ci following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'. Where exposures are subject to the AIRB approach, the amount to be reported shall be the estimated market value of collateral.
0210	**Receivables** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, collateral in accordance with Article 199(5) of the 'Credit risk mitigation (CRR) part'. Firms shall report the adjusted value of collateral Ci following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'. Where exposures are subject to the AIRB approach, the amount to be reported shall be the estimated market value of collateral.
0230	**Exposure weighted average LGD (%)** The impact of CRM techniques on LGD values as specified in the Credit Risk: Internal Ratings Based Approach (CRR) and 'Credit risk mitigation (CRR) part's, any applicable LGD input floors in accordance with Articles 161(5) and 164(4) of the 'Credit risk: internal ratings based approach (CRR) part', and any applicable exposure-level risk weight floor floors in accordance with Article 160(4), as referred to in Article 161(3), and Article 163(4), as referred to in Article 164(5), of the 'Credit risk: internal ratings based approach (CRR) part' shall be included. For defaulted exposures subject to the AIRB approach, Article 181(1)(h) of the 'Credit risk: internal ratings based approach (CRR) part' shall be taken into account. The exposure value referred to in column 0110 shall be used for the calculation of the exposure-weighted averages.

Not Final Draft

Column	Definitions and Completion guides
	For institutions applying the FIRB approach, the risk mitigation effects of applying the Foundation Collateral Method shall be taken into account. The exposure weighted average LGD associated to each PD "obligor grade or pool" shall result from the average of the LGDs, assigned to the exposures of that PD grade/pool, weighted by the respective exposure value of column 0110. Where exposures are subject to the AIRB approach, Article 181(1-2)) of the 'Credit risk: internal ratings based approach (CRR) part' shall be taken into account. The calculation of the exposure weighted average LGD shall be derived from the risk parameters used in the internal rating scale approved by the PRA. Data shall not be reported for specialised lending exposures subject to the slotting approach. Exposures and the respective LGDs for large regulated financial sector entities and unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' shall not be included in the calculation of column 0230, but only be included in the calculation of column 0240.
0240	**Exposure weighted average LGD (%) for large financial sector entities and unregulated financial sector entities** Exposure weighted average LGD (%) for all exposures to large financial sector entities and to unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0250	**Exposure-weighted average maturity value (days)** The value reported shall be determined in accordance with Article 162 of the 'Credit risk: internal ratings based approach (CRR) part'. The exposure value (column 0110) shall be used for the calculation of the exposure-weighted averages. The average maturity shall be reported in days. This data shall not be reported for the exposure values for which the maturity is not an element in the calculation of risk-weighted exposure amounts. This column shall therefore not be filled in for the exposure class 'retail' or for exposures subject to the slotting approach.
0251	**Risk-weighted exposure amount pre-adjustments** For exposures to corporates and institutions, see Article 153 of the 'Credit risk: internal ratings based approach (CRR) part'; for retail exposures, see Article 154 of the 'Credit risk: internal ratings based approach (CRR) part'. The adjustments set out in Articles 153(5A) and 154(4A) of the 'Credit risk: internal ratings based approach (CRR) part' shall not be taken into account.
0252	**Adjustment to risk-weighted exposure amount due to post-model adjustments** Amounts added in accordance with Articles 153(5A)(a) and 154(4A)(a) of the 'Credit risk: internal ratings based approach (CRR) part'.

Near Final Draft

Column	Definitions and Completion guides
0253	**Adjustment to risk-weighted exposure amount due to mortgage risk weight floor** Amounts added in accordance with Article 154(4A)(b) of the 'Credit risk: internal ratings based approach (CRR) part'.
0254	**Unrecognised exposure adjustments** Amounts added in accordance with Articles 153(5A)(b) and 154(4A)(c) of the 'Credit risk: internal ratings based approach (CRR) part'. This column shall not be reported for sheets relating to the FIRB approach or the slotting approach.
0260	**Risk-weighted exposure amount after adjustments** Institutions shall report the value reported in column 0251 and adjust for values reported in columns 0252 to 0254.
0265	**Of which: defaulted** Risk-weighted exposure amount for those exposures which have been classified as defaulted in accordance with Article 178 of the 'Credit risk: internal ratings based approach (CRR) part'.
0270	**Of which: large financial sector entities and unregulated financial sector entities** Breakdown of the risk-weighted exposure amount for all exposures to large financial sectors entities and unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0275	**Non-modelled approaches exposure value** Article 111 of the Credit Risk: Standardised Approach (CRR) Part and Articles 218-239 of the 'Credit risk mitigation (CRR) part'. Exposure value shall be provided after taking into account value adjustments, all credit risk mitigants and conversion factors for exposures to which risk weights are assigned in accordance with Article 113 to 134 of the Credit Risk: Standardised Approach (CRR) Part. This column applies to all credit risk exposures within the scope of the output floor, as per Article 92(3a) of the Required Level of Own Funds (CRR) Part.
0276	**Non-modelled approaches risk-weighted exposure amount** Standardised approach equivalent risk-weighted exposure amount calculated in accordance with paragraphs 1 to 5 of Article 113 of the Credit Risk: Standardised Approach (CRR) Part for the purpose of institutions' compliance with the output floor in accordance with Article 92(3a) of the Required Level of Own Funds (CRR) Part. This column applies to all credit risk exposures within the scope of the output floor, as per Article 92(3a) of the Required Level of Own Funds (CRR) Part.
0280	**Expected loss amount pre post-model adjustments** For the definition of Expected Loss, see Article 5(3) CRR and, for the calculation

Near Final Draft

Column	Definitions and Completion guides
	of expected loss amounts, see Article 158 of the 'Credit risk: internal ratings based approach (CRR) part'. For defaulted exposures, see the definition of BEEL in Rule 1.3 of the 'Credit risk: internal ratings based approach (CRR) part'. The expected loss amount to be reported shall be based on the risk parameters approved by the PRA following the application of any applicable PD and LGD input floors in accordance with Articles 160(1), 161(5) and 163(1) of the 'Credit risk: internal ratings based approach (CRR) part' and exposure-level risk weight floors in accordance with Article 160(4), as referred to in Article 161(3), and Article 163(4), as referred to in Article 164(5), of the 'Credit risk: internal ratings based approach (CRR) part'. Adjustments referred to in Article 158(6A) of the 'Credit risk: internal ratings based approach (CRR) part' shall not be taken into account.
0281	**Adjustment to expected loss due to post-model adjustments** Amounts added in accordance with Article 158(6A) of the 'Credit risk: internal ratings based approach (CRR) part'.
0282	**Expected loss amount after post-model adjustments** The expected loss amount calculated in accordance with Article 158 of the 'Credit risk: internal ratings based approach (CRR) part'. Post-model adjustments as determined in in Article 158(6A) of the 'Credit risk: internal ratings based approach (CRR) part' shall be taken into account.
0290	**(-) Value adjustments and provisions** Value Adjustments in accordance with Article 34 CRR and Article 105 of the Trading Book (CRR) Part, as well as specific and general credit risk adjustments in accordance with Article 110 of the Credit Risk: General Provisions (CRR) Part and Commission Delegated Regulation (EU) No 183/2014 of 20 December 20136 shall be reported, and other own funds reductions related to the asset item. General credit risk adjustments shall be reported by assigning the amount pro rata on the basis of the expected loss of the different obligor grades.
0300	**Number of obligors** Article 172(1-2) of the 'Credit risk: internal ratings based approach (CRR) part'. For all exposure classes, with the exception of the exposure class 'retail' and, for other exposures classes, the cases mentioned in the second sentence of Article 172(1)(e) of the 'Credit risk: internal ratings based approach (CRR) part', the institution shall report the number of legal entities/obligors which were separately rated, regardless of the number of different loans or exposures granted. Within the exposure class 'retail', or if separate exposures to the same obligor are assigned to different obligor grades in accordance with the second sentence of Article 172(1)(e) of the 'Credit risk: internal ratings based approach (CRR) part' in other exposure classes, the institution shall report the number of exposures which were separately assigned to a certain rating grade or pool. Where Article 172(1)(e) of the 'Credit risk: internal ratings based approach (CRR) part' applies, an obligor may be considered in more than one grade. As this column deals with an element of the structure of the rating scales, it relates to the original exposures pre-conversion factor assigned to each obligor grade or pool without taking into account the effect of CRM techniques (in

Near Final Draft

Column	Definitions and Completion guides
	particular redistribution effects).
0310	**Pre-credit derivatives risk-weighted exposure amount** Institutions shall report hypothetical risk-weighted exposure amount to be calculated as the RWEA without the recognition of the eligible credit derivative as credit risk mitigation as specified in Article 204 of the 'Credit risk mitigation (CRR) part'. The amounts shall be presented in the exposure classes relevant for the exposures to the original obligor.

Near Final Draft

2.3 Instructions concerning specific rows

2.3.1 A.0, A.1 and A.2 should be completed to provide the totals.

2.3.2 The rest of the table should be completed for the relevant classes and breakdowns, as defined in the 'Credit risk: internal ratings based approach (CRR) part'. Please note this is not an exhaustive list.

Rows	Definitions and Completion guides
A.0	**Total – IRB** The total for IRB, being the sum of A.1 and A.2
A.1	**Total – AIRB** The total for AIRB, across all classes
A.2	**Total - FIRB / Slotting** The total for FIRB or slotting
B.1	**Institutions** Exposures to institutions.
B.2.1	**Corporate - specialised** Exposures to the specialised lending sub-class.
B.2.2	**Corporate - financial and large** Exposures to the financial corporate and large corporates sub-class.
B.2.3	**Corporate – SME** All other exposures to corporates classified as SMEs.
B.2.4	**Corporate - other non SME** All other exposures to corporates.
B.3.1	**Retail - secured residential** Retail exposures secured by residential immovable property.
B.3.2	**Retail - secured commercial** Retail exposures secured by commercial immovable property.
B.3.3	**Retail – revolving** Qualifying revolving retail exposures.
B.3.4	**Retail - other SME** All other retail exposures classified as SMEs.
B.3.5	**Retail - other non SME** All other retail exposures.

Near Final Draft

3 13A.2 to 13A.5: Breakdowns by class

3.1 Overview

3.1.1 There are four sheets that must be used to provide detailed information by class and then by pd:

- 13A.2 IRB Breakdown Class 1
- 13A.3 IRB Breakdown Class 2
- 13A.4 IRB Breakdown Class 3
- 13A.5 IRB Breakdown Class 4

3.1.2 By default, the four classes should be the four classes for which the risk weighted assets are the highest.

3.1.3 However, we may agree that these four sheets should instead be used to report for specific classes, sub-classes or models, for example where a particular mode generates a large proportion of risk weighted assets.

3.1.4 In either case, please identify which classes are reported in each sheet in the covering letter.

3.2 Instructions concerning specific columns

3.2.1 The columns are largely the same as for 13A.1 except:

- some are omitted.
- There are columns (0101 to 0105); these are highlighted by a pale blue background.

Column	Definitions and Completion guides
0020	**Original exposure pre-conversion factors** JIBs shall report the exposure value before taking into account any value adjustments, provisions, effects due to credit risk mitigation techniques or credit conversion factors. The original exposure value shall comprise the value of on-balance sheet exposures and the nominal value of off-balance sheet exposures as referred to in Articles 166C and 166D of the 'Credit Risk: Internal Ratings Based Approach (CRR) Part'. The effect resulting from Article 166A(3) of the 'Credit risk: internal ratings based approach (CRR) part' (effect of on balance sheet netting of loans and deposits) shall be reported separately as Funded Credit Protection in column 0035 and shall therefore not reduce the Original Exposure. For derivative instruments and securities financing transactions that give rise to counterparty credit risk, the original exposure shall correspond to the exposure value arising from counterparty credit risk (see instructions to column 0130).
0030	**Of which: large financial sector entities and unregulated financial sector entities** Breakdown of the original exposure pre-conversion factor for all exposures of large financial sector entities and unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance

Not Final Draft

Column	Definitions and Completion guides
	with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0035	**(-) Adjustment to exposure value due to on-balance sheet netting** The reduction in exposure value due to on-balance sheet netting determined in accordance with Article 219 of the 'Credit risk mitigation (CRR) part' shall be reported.
0040 - 0080	**Credit risk mitigation (CRM) techniques with substitution effects on the exposure** Where JIBs choose to reflect credit risk mitigation reduce the credit risk of an exposure or exposures via the substitution of exposures. The sub-columns shall include exposures within the following techniques, as defined in the Glossary Part: The Risk-Weight Substitution Method and the Parameter Substitution Method. They shall also include exposures subject to the Other Funded Credit Protection Method (as defined in the 'Credit risk mitigation (CRR) part') to the extent that this results in a substitution of exposures (as set out in the instructions for column 0060).
0040 -0050	**Unfunded credit protection** Unfunded credit protection that has an effect on the exposure (e.g. used for credit risk mitigation techniques with substitution effects on the exposure) shall be capped at the exposure value.
0040	**Guarantees** For exposures subject to the Risk Weight Substitution Method or the Parameter Substitution Method, JIBs shall separate each exposure, prior to the application of conversion factors, into a covered part and an uncovered part, in accordance with Articles 235 and 236 of the of the 'Credit risk mitigation (CRR) part' and report the covered part. Guarantees shall be reported in column 0040 where the Risk Weight Substitution Method or the Parameter Substitution Method as referred to in the 'Credit risk mitigation (CRR) part' is applied.
0050	**Credit derivatives** For exposures subject to the Risk Weight Substitution Method or the Parameter Substitution Method, JIBs shall separate each exposure, prior to the application of conversion factors, into a covered part and an uncovered part, in accordance with Articles 235 and 236 of the of the 'Credit risk mitigation (CRR) part' and report the covered part. Credit Derivatives shall be reported in column 0050 where the Risk Weight Substitution Method or the Parameter Substitution Method as listed in the 'Credit risk mitigation (CRR) part' is applied. Where the LGD Adjustment Method is applied, the amount of the credit derivatives shall be reported in column 0160.
060	**Other funded credit protection** Other funded credit protection that is treated as a guarantee in accordance with Article 232 of the 'Credit risk mitigation (CRR) part' under the Other Funded Credit Protection Method shall be included.

Near Final Draft

Column	Definitions and Completion guides
	Other funded credit protection that is not treated as a guarantee in accordance with Article 232 of the 'Credit risk mitigation (CRR) part' under the Other Funded Credit Protection Method shall be reported in 0172. Other funded credit protection recognised by firms applying the AIRB approach and using the LGD Modelling Collateral Method shall be reported in columns 0171, 0172 and 0173.
0070 -0080	**Substitution of the exposure due to CRM** Outflows shall correspond to the covered part of the original exposure pre-conversion factors that is deducted from the obligor's exposure class and, where relevant, obligor grade or pool, and subsequently assigned to the guarantor's exposure class and, where relevant, obligor grade or pool. That amount shall be considered as an inflow into the guarantor's exposure class and, where relevant, obligor grades or pools. Inflows and outflows within the same exposure classes and, where relevant, obligor grades or pools, shall also be considered. Exposures stemming from possible in- and outflows from and to other templates shall be taken into account. These columns shall only be used where JIBs apply the Risk-Weight Substitution Method or the Parameter Substitution Method in accordance with Articles 235 and 236 of the 'Credit risk mitigation (CRR) part'.
0090	**Exposure after CRM substitution effects pre-conversion factors** Exposures assigned in the corresponding obligor grade or pool and exposure class after taking into account outflows and inflows due to CRM techniques with substitution effects on the exposure.
0100, 0120	**Of which: Off-Balance Sheet Items** Off-balance sheet positions comprise the items listed in Table A1 of Article 111 of the 'Credit risk: standardised approach (CRR) part'.
0101 - 0105	**Breakdown of the fully adjusted exposure value of off-balance sheet items by conversion factors** Off-balance sheet items shall comprise items in accordance with Table A1 Article 111 of the 'Credit risk: standardised approach (CRR) part'. Where own estimates of conversion factors are used, this shall be in accordance with Article 166D(1)(a) of the 'Credit risk: internal ratings based approach (CRR) part'. Where own estimates of conversion factors are not used this shall be in accordance with Articles 166A to166D of the 'Credit risk: internal ratings based approach (CRR) part'. For exposures subject to the slotting approach, the FIRB approach, or the AIRB approach where neither conversion factors nor EADs are estimated, institutions shall report values in rows that correspond to the applicable conversion factors in Article 111 of the 'Credit risk: standardised approach (CRR) part', in accordance with Articles 166A to 166D of the 'Credit risk: internal ratings based approach (CRR) part'. For exposures subject to the AIRB approach for which conversion factors are

Final Draft

Column	Definitions and Completion guides
	estimated, or where EADs are estimated directly, JIBs shall report the value in column 0105.
0110	**Exposure value** The exposure values determined in accordance with Article 166A to 166D of the 'Credit risk: internal ratings based approach (CRR) part'. CRM techniques affecting the exposure value shall be taken into account. Exposure values for exposures giving rise to counterparty credit risk shall be the same as reported in column 0130.
0120	**Off which: off-balance sheet items** Off-balance sheet positions comprise the items listed in Table A1 in Article 111 of the 'Credit risk: standardised approach (CRR) part'. For exposures that are part of facilities that relate to an on- and off-balance sheet item and where JIBs estimate a single exposure value for that facility as per Article 166D(3) of the 'Credit risk: internal ratings based approach (CRR) part', JIBs shall report the off-balance sheet part of the exposure in column 0030. To obtain the value that shall be reported here, JIBs shall subtract point (1) from point (2) below: (1) The on-balance sheet amount gross of provisions. (2) The exposure value reported under column 0110.
0125	**Of which: defaulted** Value of exposures which have been classified as defaulted exposures in accordance with Article 178 of the 'Credit risk: internal ratings based approach (CRR) part'.
0130	**Of which: arising from counterparty credit risk** Exposure value for CCR exposures calculated in accordance with the methods laid down in the 'Credit risk mitigation (CRR) part', and the 'Counterparty credit risk (CRR) part', excluding settlement exposures.
0140	**Of which: large financial sector entities and unregulated financial sector entities** Breakdown of the exposure value for all exposures to entities referred to in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0150 -0210	**Credit risk mitigation techniques taken into account in LGD estimates** CRM techniques that have an impact on LGD estimates as a result of the application of the Parameter Substitution Method shall not be included in these columns. Where exposures are subject to the FIRB approach, exposures subject to the Foundation Collateral Method and the Other Funded Credit Protection Method (to the extent this is reflected in LGD) as defined in the Glossary Part, shall be included.

Near final draft

Column	Definitions and Completion guides
	Where exposures are subject to the AIRB approach: - exposures subject to the LGD Adjustment Method in accordance with Article 183 of the ‘‘Credit risk: internal ratings based approach (CRR) part’’, shall be included; and - exposures subject to the LGD Modelling Collateral Method as referred to in Articles 169A and 169B of the ‘‘Credit risk: internal ratings based approach (CRR) part’’ shall be included
0150	**Guarantees** Exposures subject to the LGD Adjustment Method (in accordance with Article 183 of the ‘Credit risk: internal ratings based approach (CRR) part’) shall be included. Institutions shall report their internal valuation of the guarantee, used in LGD estimates, capped at the exposure value.
0160	**Credit derivatives** Exposures subject to either the LGD Adjustment Method (in accordance with Article 183 of the ‘Credit risk: internal ratings based approach (CRR) part’) shall be included. Institutions shall report their internal valuation of the credit derivative, used in LGD estimates, capped at the exposure value.
0170	**Other funded credit protection** Exposures where firms choose to recognise credit risk mitigants that comply with the criteria in Article 212 of the ‘Credit risk mitigation (CRR) part’ shall be included. Other funded credit protection treated as a guarantee in accordance with Article 232 of the ‘Credit risk mitigation (CRR) part’ under the Other Funded Credit Protection Method shall be reported in columns 0040 and 0050. For other funded credit protection recognised by applying the FIRB approach and using the Other Funded Credit Protection Method in accordance with Article 232(2), institutions shall report life insurance policies according to the current surrender value. Other funded credit protection recognised by firms applying the AIRB approach and using the LGD Modelling Collateral Method shall be included.
0171	**AIRB: cash on deposit** Article 200(1)(a) of the ‘Credit risk mitigation (CRR) part’. Cash on deposit with, or cash assimilated instruments issued by the institution and held by third party institution in a non-custodial arrangement and pledged to the lending institution shall be included. The value of collateral reported shall be limited to the value of the exposure at the level of an individual exposure.
0172	**Life insurance policies** Article 200(1)(b) of the ‘Credit risk mitigation (CRR) part’. The value of collateral reported shall be limited to the value of the exposure at the level of an individual exposure.

Near Final Draft

Column	Definitions and Completion guides
0173	**AIRB: instruments held by a third party** Article 200(1)(c) of the 'Credit risk mitigation (CRR) part'. This includes instruments issued by a third party institution (or by a financial institution, exposures to which may be treated as exposures to institutions under Article 119(5) CRR), which will be repurchased by that institution on request. The value of collateral reported shall be limited to the value of the exposure at the level of an individual exposure. This column shall exclude those exposures covered by instruments held by a third party where, in accordance with Article 232(4) of the 'Credit risk mitigation (CRR) part', institutions treat instruments repurchased on request that are eligible under Article 200(1)(c) of the 'Credit risk mitigation (CRR) part' as a guarantee by the issuing institution.
0180	**Eligible financial collateral** For exposures in the trading book, financial instruments and commodities eligible in accordance with Article 299(2)(d-f) and Article 299A of the Counterparty Credit Risk (CRR) Part shall be included. Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, for eligible financial collateral in accordance with Article 197 and Article 198 of the 'Credit risk mitigation (CRR) part', the adjusted value of collateral C_i after the application of volatility adjustments and maturity mismatch adjustment, where relevant shall be reported. Where exposures are subject to the AIRB approach, the financial collateral shall be taken into account in the LGD estimates in accordance with Article 169A(1) and Article 169B of the 'Credit risk: internal ratings based approach (CRR) part'. The amount to be reported shall be the estimated market value of the collateral.
0190- 0210	**Other eligible collateral** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, firms shall report the adjusted value of collateral C_i following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'. Where exposures are subject to the AIRB approach, other collateral shall be taken into account in the LGD estimates in accordance with Articles 169A(1) and Article 169B of the 'Credit risk: internal ratings based approach (CRR) part'.
0190	**Real estate** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, collateral in accordance with Article 199(2) of the 'Credit risk mitigation (CRR) part'. Leasing of real estate property shall also be included (see Articles 199(7) of the 'Credit risk mitigation (CRR) part'). Firms shall report the adjusted value of collateral C_i following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'.

Not Final Draft

Column	Definitions and Completion guides
	Where exposures are subject to the AIRB approach, the amount to be reported shall be the estimated market value
0200	**Other physical collateral** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, collateral in accordance with Article 199(6) of the 'Credit risk mitigation (CRR) part'. Leasing of property other than real estate shall also be included (see Articles 199(7) of the 'Credit risk mitigation (CRR) part'). Firms shall report the adjusted value of collateral Ci following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'. Where exposures are subject to the AIRB approach, the amount to be reported shall be the estimated market value of collateral.
0210	**Receivables** Where exposures are subject to the Foundation Collateral Method, as defined in the Glossary Part, collateral in accordance with Article 199(5) of the 'Credit risk mitigation (CRR) part'. Firms shall report the adjusted value of collateral Ci following the application of volatility adjustments and maturity mismatch adjustment, where relevant, as set out in Articles 230 and 231 of the 'Credit risk mitigation (CRR) part'. Where exposures are subject to the AIRB approach, the amount to be reported shall be the estimated market value of collateral.
0230	**Exposure weighted average LGD (%)** The impact of CRM techniques on LGD values as specified in the Credit Risk: Internal Ratings Based Approach (CRR) and 'Credit risk mitigation (CRR) part's, any applicable LGD input floors in accordance with Articles 161(5) and 164(4) of the 'Credit risk: internal ratings based approach (CRR) part', and any applicable exposure-level risk weight floor floors in accordance with Article 160(4), as referred to in Article 161(3), and Article 163(4), as referred to in Article 164(5), of the 'Credit risk: internal ratings based approach (CRR) part' shall be included. For defaulted exposures subject to the AIRB approach, Article 181(1)(h) of the 'Credit risk: internal ratings based approach (CRR) part' shall be taken into account. The exposure value referred to in column 0110 shall be used for the calculation of the exposure-weighted averages. For institutions applying the FIRB approach, the risk mitigation effects of applying the Foundation Collateral Method shall be taken into account. The exposure weighted average LGD associated to each PD "obligor grade or pool" shall result from the average of the LGDs, assigned to the exposures of that PD grade/pool, weighted by the respective exposure value of column 0110. Where exposures are subject to the AIRB approach, Article 181(1-2)) of the 'Credit risk: internal ratings based approach (CRR) part' shall be taken into account.

Non Final Draft

Column	Definitions and Completion guides
	The calculation of the exposure weighted average LGD shall be derived from the risk parameters used in the internal rating scale approved by the PRA. Data shall not be reported for specialised lending exposures subject to the slotting approach. Exposures and the respective LGDs for large regulated financial sector entities and unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' shall not be included in the calculation of column 0230, but only be included in the calculation of column 0240.
0240	**Exposure weighted average LGD (%) for large financial sector entities and unregulated financial sector entities** Exposure weighted average LGD (%) for all exposures to large financial sector entities and to unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0250	**Exposure-weighted average maturity value (days)** The value reported shall be determined in accordance with Article 162 of the 'Credit risk: internal ratings based approach (CRR) part'. The exposure value (column 0110) shall be used for the calculation of the exposure-weighted averages. The average maturity shall be reported in days. This data shall not be reported for the exposure values for which the maturity is not an element in the calculation of risk-weighted exposure amounts. This column shall therefore not be filled in for the exposure class 'retail' or for exposures subject to the slotting approach.
0251	**Risk-weighted exposure amount pre-adjustments** For exposures to corporates and institutions, see Article 153 of the 'Credit risk: internal ratings based approach (CRR) part'; for retail exposures, see Article 154 of the 'Credit risk: internal ratings based approach (CRR) part'. The adjustments set out in Articles 153(5A) and 154(4A) of the 'Credit risk: internal ratings based approach (CRR) part' shall not be taken into account.
0252	**Adjustment to risk-weighted exposure amount due to post-model adjustments** Amounts added in accordance with Articles 153(5A)(a) and 154(4A)(a) of the 'Credit risk: internal ratings based approach (CRR) part'.
0253	**Adjustment to risk-weighted exposure amount due to mortgage risk weight floor** Amounts added in accordance with Article 154(4A)(b) of the 'Credit risk: internal ratings based approach (CRR) part'.

Not Final Draft

Column	Definitions and Completion guides
0254	**Unrecognised exposure adjustments** Amounts added in accordance with Articles 153(5A)(b) and 154(4A)(c) of the 'Credit risk: internal ratings based approach (CRR) part'. This column shall not be reported for sheets relating to the FIRB approach or the slotting approach.
0260	**Risk-weighted exposure amount after adjustments** Institutions shall report the value reported in column 0251 and adjust for values reported in columns 0252 to 0254.
0265	**Of which: defaulted** Risk-weighted exposure amount for those exposures which have been classified as defaulted in accordance with Article 178 of the 'Credit risk: internal ratings based approach (CRR) part'.
0270	**Of which: large financial sector entities and unregulated financial sector entities** Breakdown of the risk-weighted exposure amount for all exposures to large financial sectors entities and unregulated financial sector entities as defined in Rules 1.3 and 1.4 of the 'Credit risk: internal ratings based approach (CRR) part' subject to the higher coefficient of correlation determined in accordance with Article 153(2) of the 'Credit risk: internal ratings based approach (CRR) part'.
0280	**Expected loss amount pre post-model adjustments** For the definition of Expected Loss, see Article 5(3) CRR and, for the calculation of expected loss amounts, see Article 158 of the 'Credit risk: internal ratings based approach (CRR) part'. For defaulted exposures, see the definition of BEEL in Rule 1.3 of the 'Credit risk: internal ratings based approach (CRR) part'. The expected loss amount to be reported shall be based on the risk parameters approved by the PRA following the application of any applicable PD and LGD input floors in accordance with Articles 160(1), 161(5) and 163(1) of the 'Credit risk: internal ratings based approach (CRR) part' and exposure-level risk weight floors in accordance with Article 160(4), as referred to in Article 161(3), and Article 163(4), as referred to in Article 164(5), of the 'Credit risk: internal ratings based approach (CRR) part'. Adjustments referred to in Article 158(6A) of the 'Credit risk: internal ratings based approach (CRR) part' shall not be taken into account.
0281	**Adjustment to expected loss due to post-model adjustments** Amounts added in accordance with Article 158(6A) of the 'Credit risk: internal ratings based approach (CRR) part'.
0282	**Expected loss amount after post-model adjustments** The expected loss amount calculated in accordance with Article 158 of the 'Credit risk: internal ratings based approach (CRR) part'. Post-model adjustments as determined in in Article 158(6A) of the 'Credit risk: internal ratings based approach (CRR) part' shall be taken into account.

Non-Final Draft

Column	Definitions and Completion guides
0290	**(-) Value adjustments and provisions** Value Adjustments in accordance with Article 34 CRR and Article 105 of the Trading Book (CRR) Part, as well as specific and general credit risk adjustments in accordance with Article 110 of the Credit Risk: General Provisions (CRR) Part and Commission Delegated Regulation (EU) No 183/2014 of 20 December 20136 shall be reported, and other own funds reductions related to the asset item. General credit risk adjustments shall be reported by assigning the amount pro rata on the basis of the expected loss of the different obligor grades.
0300	**Number of obligors** Article 172(1-2) of the 'Credit risk: internal ratings based approach (CRR) part'. For all exposure classes, with the exception of the exposure class 'retail' and, for other exposures classes, the cases mentioned in the second sentence of Article 172(1)(e) of the 'Credit risk: internal ratings based approach (CRR) part', the institution shall report the number of legal entities/obligors which were separately rated, regardless of the number of different loans or exposures granted. Within the exposure class 'retail', or if separate exposures to the same obligor are assigned to different obligor grades in accordance with the second sentence of Article 172(1)(e) of the 'Credit risk: internal ratings based approach (CRR) part' in other exposure classes, the institution shall report the number of exposures which were separately assigned to a certain rating grade or pool. Where Article 172(1)(e) of the 'Credit risk: internal ratings based approach (CRR) part' applies, an obligor may be considered in more than one grade. As this column deals with an element of the structure of the rating scales, it relates to the original exposures pre-conversion factor assigned to each obligor grade or pool without taking into account the effect of CRM techniques (in particular redistribution effects).
0310	**Pre-credit derivatives risk-weighted exposure amount** Institutions shall report hypothetical risk-weighted exposure amount to be calculated as the RWEA without the recognition of the eligible credit derivative as credit risk mitigation as specified in Article 204 of the 'Credit risk mitigation (CRR) part'. The amounts shall be presented in the exposure classes relevant for the exposures to the original obligor.

Non-Final Draft

3.3 Instructions concerning specific rows

3.3.1 Report values for rows for all exposures corresponding to the PD assigned to the obligor grade or pool without any adjustments due to the relevant PD input floors referred to in Article 160(1) and 163(1) and exposure-level risk weight floors in accordance with Article 160(4), as referred to in Article 161(3), and Article 163(4), as referred to in Article 164(5) of the 'Credit risk: internal ratings based approach (CRR) part'. PD of obligors in default shall be 100%.

Item	PD range (pre-input floor)
0010	0.00 to <0.15
0015	0.00 to <0.05
0025	0.05 to <0.10
0030	0.10 to <0.15
0040	0.15 to <0.25
0050	0.25 to <0.50
0060	0.50 to <0.75
0070	0.75 to <2.5
0080	0.75 to <1.75
0090	1.75 to <2.5
0100	2.5 to <10
0110	2.5 to <5
0120	5 to <10
0130	10 to <100
0140	10 to <20
0150	20 to <30
0160	30 to <100
0170	100 (Default)

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4 13A.6 to 13A.9: Backtesting by class

4.1 Overview

4.1.1 There are four sheets that must be used to provide detailed information by class and then by pd:

- 13A.6 IRB Back testing Class 1
- 13A.7 IRB Back testing Class 2
- 13A.8 IRB Back testing Class 3
- 13A.9 IRB Back testing Class 4

4.1.2 By default, the four classes should be the four classes for which the risk weighted assets are the highest.

4.1.3 However, we may agree that these four sheets should instead be used to report for specific classes, sub-classes or models, for example where a particular mode generates a large proportion of risk weighted assets. These would normally correspond to those agreed for the breakdown sheets.

4.1.4 In either case, please identify which classes are reported in each sheet in the covering letter.

4.2 Instructions concerning specific columns

Item	Definitions and Completion guides
0010	**Arithmetic average PD (post-input floor) (%)** Arithmetic average of PD at the beginning of the reporting period of the obligors that fall within the bucket of the fixed PD range, after applying any relevant PD input floors as set out in Article 160(1) and 163(1) of the 'Credit risk: internal ratings based approach (CRR) part' and exposure-level risk weight floors in accordance with Article 160(4), as referred to in Article 161(3), and Article 163(4), as referred to in Article 164(5) of the 'Credit risk: internal ratings based approach (CRR) part', and counted in column 0020 (average weighted by the number of obligors).
0020	**Number of obligors at the end of the previous year** Number of obligors at the end of the previous year subject to reporting. All obligors carrying a credit obligation at the relevant point in time shall be included. The number of obligors shall be counted in accordance with the instructions in column 0300 in section 2 '13A.1 IRB RWAs'. Joint obligors shall be treated the same as for the purpose of PD calibration.
0030	**Of which: defaulted during the year** Number of obligors which defaulted during the year (i.e. the observation period of the default rate calculation). Defaults shall be determined in accordance with Article 178 of the 'Credit risk: internal ratings based approach (CRR) part'. Each defaulted obligor is counted only once in the numerator and denominator of the one-year default rate calculation, even if the obligor defaulted more than once during the relevant one-year period.

Near Final Draft

Item	Definitions and Completion guides
0040	**Observed average default rate (%)** Institutions shall ensure: (a) that the denominator consists of the number of non-defaulted obligors with any credit obligation observed at the beginning of the one-year observation period (i.e. beginning of the year prior to the reporting reference date). In this context a credit obligation refers to both of the following: (i) any on-balance sheet item, including any amount of principal, interest and fees; and (ii) any off-balance sheet items, including guarantees issued by the institution as a guarantor. (b) that the numerator includes all those obligors considered in the denominator that had at least one default event during the one-year observation period (year prior to the reporting reference date). The number of obligors shall be counted in accordance with the instructions in column 0300 in section 2 '13A.1 IRB RWAs'. Joint obligors shall be treated the same as for the purpose of PD calibration.
0050	**Average historical annual default rate (%)** A JIB shall report the simple average of the annual default rate of the five most recent years (obligors at the beginning of each year that are defaulted during that year/total obligors at the beginning of the year). Alternatively, the JIB may use a longer historical period that is consistent with the JIB's actual risk management practices.

Near Final Draft

4.3 4.3 Definitions: rows

4.3.1 The row definitions are the same as for the Breakdown sheets.

4.3.2 Report values for rows for all exposures corresponding to the PD assigned to the obligor grade or pool without any adjustments due to the relevant PD input floors referred to in Article 160(1) and 163(1) and exposure-level risk weight floors in accordance with Article 160(4), as referred to in Article 161(3), and Article 163(4), as referred to in Article 164(5) of the 'Credit risk: internal ratings based approach (CRR) part'. PD of obligors in default shall be 100%.

Item	PD range (pre-input floor)
0010	0.00 to <0.15
0015	0.00 to <0.05
0025	0.05 to <0.10
0030	0.10 to <0.15
0040	0.15 to <0.25
0050	0.25 to <0.50
0060	0.50 to <0.75
0070	0.75 to <2.5
0080	0.75 to <1.75
0090	1.75 to <2.5
0100	2.5 to <10
0110	2.5 to <5
0120	5 to <10
0130	10 to <100
0140	10 to <20
0150	20 to <30
0160	30 to <100
0170	100 (Default)

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