

## Chapter 6

# Commission Implementing Regulation (EU) 2016/2070

**ANNEX II SUPERVISORY  
BENCHMARKING PORTFOLIOS**

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**DEFINITION OF THE SUPERVISORY BENCHMARKING PORTFOLIOS**

**C 101 — Definition of Low Default Portfolio counterparties**

Column	Label	Legal reference	Instructions
010	Counterparty code		The code assigned by the EBA to each legal entity included in the LDP sample.
020	Legal entity identifier ("LEI")		20-digit, alpha-numeric code that connects to key reference information that enables clear and unique identification of companies participating in global financial markets.
030	Credit register code		The code used by the National Credit register of the place of residence of the counterparty. The code is used as an identifier for the counterparty.
040	Commercial register code		The code assigned to a counterparty by the public commercial register of the country where that counterparty is registered.

050	ISIN code		The "International Securities Identification Number" used to identify uniquely securities issued by a counterparty.
060	Bloomberg ticker		The string of characters or numbers used to identify a company or entity uniquely in Bloomberg.
070	Name		The name of the legal entity included in the LDP samples.
080	Geographical area		The ISO Code of the country of residence or the macro region of residence of the counterparty. The macro-regions are: EU for European Union countries; Non-EU for third countries; Not applicable.
090	Portfolio name		Each group (sample) of LDP counterparties is assigned one of the following unique names: Sovereign sample; Institutions sample; Large corporate sample.
100	Sector of counterparty		Each counterparty is assigned to one of the following FINREP-based economic sector classes: General Governments; Credit institutions; Other financial corporations; Non-financial corporations; Not applicable.
110	Type of exposures	Rows 020 and 030 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The type of exposures is one of the following: On-balance sheet items subject to credit risk; Off-balance sheet items subject to credit risk; Not applicable.
120	Type of facility		The type of facility is one of the following: Full risk (100 %); Note issuance facility and revolving underwriting facility (Medium risk); Issued warranties and indemnities, guarantees, irrevocable standby letters of credit, documentary credit and other medium risk off-balance sheet items (Medium risk): This refers to warranties

			<p>and indemnities (including tender, performance, customs and tax bonds), guarantees, irrevocable standby letters of credit not having the character of credit substitutes and other medium risk off-balance sheet items;</p> <p>Undrawn committed revolving credit facility (Medium- low risk): This refers to revolving lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed term credit facility (Medium-low risk): This refers to term lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed other credit facility (Medium-low risk): This refers to lending commitments, other than revolving and term, that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to the deterioration in a borrower's creditworthiness;</p> <p>Issued short-term letters of credit and other medium-low risk off-balance sheet items (Medium-low risk);</p> <p>Undrawn uncommitted credit lines (Low risk): This refers to uncommitted lending facilities (advised and unadvised) that are undrawn and that may be cancelled unconditionally at any time without notice or that do provide for automatic cancellation due to deterioration in borrower's creditworthiness;</p> <p>Undrawn purchase commitments for revolving purchased receivables and other low-risk off-balance sheet items (Low risk): Commitments that are able to be unconditionally cancelled or that effectively provide for automatic cancellation at any time by the institution without prior notice;</p> <p>Drawn credit facility;</p>
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			Not applicable.
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**C 102 — Definition of Low Default Portfolios**

Column	Label	Legal reference	Instructions
010	Portfolio ID		The unique ID assigned to the portfolio by the EBA.
020	Portfolio name		Each portfolio is assigned one of the following unique names: Sovereign; Institutions; Large corporate; Large corporate sample.
030	Geographical area		The ISO Code of the country of residence or the macro region of residence of the counterparty. The macro regions are: EU for European Union countries; Non-EU for third countries; Not applicable.
040	Exposure class	Paragraph 78 of Annex II of Commission Implementing Regulation (EU) No 680/2014	Each portfolio is assigned to one of the following exposure classes: Central banks and central governments; Institutions; Corporate — Other; Not applicable.
050	Default status		The default status is one of the following: Defaulted: exposures assigned to the rating grade(s) with a PD of 100 %; Non-defaulted: exposures assigned to rating grades with a PD lower than 100 %.
060	Rating		The rank of the internal rating applied by the institution from lowest risk to highest risk excluding defaults with PD corresponding to 100 %. It takes values from Rating 1, Rating 2 etc. Where the rating is not used to define a portfolio in Annex I, "Not applicable" is used instead.
070	Type of facility		The type of facility is one of the following: Full risk (100 %);

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			<p>Note issuance facility and revolving underwriting facility (Medium risk);</p> <p>Issued warranties and indemnities, guarantees, irrevocable standby letters of credit, documentary credit and other medium risk off-balance sheet items (Medium risk): This refers to warranties and indemnities (including tender, performance, customs and tax bonds), guarantees, irrevocable standby letters of credit not having the character of credit substitutes and other medium risk off-balance sheet items;</p> <p>Undrawn committed revolving credit facility (Medium-low risk): This refers to revolving lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed term credit facility (Medium-low risk): This refers to term lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed other credit facility (Medium-low risk): This refers to lending commitments, other than revolving and term, that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to the deterioration in a borrower's creditworthiness;</p> <p>Issued short-term letters of credit and other medium-low risk off-balance sheet items (Medium-low risk);</p> <p>Undrawn uncommitted credit lines (Low risk): This refers to uncommitted lending facilities (advised and unadvised) that are undrawn and that may be cancelled unconditionally at any time without notice or that do provide for automatic cancellation due to deterioration in borrower's creditworthiness;</p>
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			Undrawn purchase commitments for revolving purchased receivables and other low-risk off-balance sheet items (Low risk): Commitments that are able to be unconditionally cancelled or that effectively provide for automatic cancellation at any time by the institution without prior notice; Drawn credit facility; Not applicable.
080	Collateralisation status	Columns 150 to 210 of template 8.1 of Commission Implementing Regulation (EU) No 680/2014	The collateralisation status is one of the following: Exposures with credit protection; Exposures with funded credit protection; Exposures with unfunded credit protection; Exposures without credit protection; Not applicable.
090	NACE code		This column corresponds to the NACE codes (Statistical Classification of Economic Activities of the EU) used for "Non-financial corporations" with a one level detail (e.g. "F — Construction") and for "Other financial corporations" with a two level detail (e.g. "K65 — Insurance, reinsurance and pension funding, except compulsory social security").
100	Sector of counterparty		Each counterparty is assigned to one of the following FINREP-based economic sector classes: General Governments; Credit institutions; Other financial corporations; Non-financial corporations; Not applicable.
110	Size of counterparty		The total annual sales for the consolidated group of which the counterparty is a part. Each counterparty is assigned to one of the following categories: > EUR 200 million; Not applicable. The total annual sales are calculated in accordance with Article 4 of the Annex to Commission Recommendation 2003/361/EC.
120	Collateral type	Columns 150 to 210 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The collateral type is one of the following:

		Commission Implementing Regulation (EU) No 680/2014	Eligible financial collateral; Other eligible collateral: Receivables; Other eligible collateral: Residential real estate; Other eligible collateral: Commercial real estate; Other eligible collateral: Physical collateral; Other funded credit protection; Credit derivatives; Guarantees; Unfunded credit protection; Not applicable.
130	Type of exposure	Rows 020 and 030 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The type of exposure is one of the following: On-balance sheet items subject to credit risk; Off-balance sheet items subject to credit risk; Not applicable.
140	Size of exposure	Column 110 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The size of the exposure expressed in terms of exposure value (i.e. EAD). Each exposure is assigned to one of the following categories: <= EUR 0,5 million; > EUR 0,5 million <= EUR 1 million; > EUR 1 million <= EUR 1,5 million; > EUR 1,5 million <= EUR 5 million; > EUR 5 million <= EUR 10 million; > EUR 10 million <= EUR 50 million; > EUR 50 million; Not applicable.

**C 103 — Definition of High Default Portfolios**

Column		Legal reference	Instructions
010	Portfolio ID		The unique ID assigned by the EBA to each portfolio.
020	Portfolio name		Each portfolio is assigned one of the following names by the EBA: CORP Defaulted CORP Non-Defaulted CORP Non-defaulted Secured CORP Non-defaulted Secured Construction



			<p>CORP Non-defaulted Secured Other CORP Non-defaulted Unsecured CORP Non-defaulted Unsecured Construction CORP Non-defaulted Unsecured Other SMEC Defaulted SMEC Non-Defaulted SMEC Non-defaulted Secured SMEC Non-defaulted Secured Construction SMEC Non-defaulted Secured Other SMEC Non-defaulted Unsecured SMEC Non-defaulted Unsecured Construction SMEC Non-defaulted Unsecured Other SMER Defaulted SMER Non-Defaulted SMER Non-defaulted Secured SMER Non-defaulted Secured Construction SMER Non-defaulted Secured Other SMER Non-defaulted Unsecured SMER Non-defaulted Unsecured Construction SMER Non-defaulted Unsecured Other Mortgages Defaulted Mortgages Non-defaulted Mortgages Non-defaulted funded CRM Mortgages Non-defaulted Unfun ded CRM Mortgages Non-defaulted ILTV &lt;= 25 % Mortgages Non-defaulted ILTV &gt; 100 %, &lt;= 125 % Mortgages Non-defaulted ILTV &gt; 125 % Mortgages Non-defaulted ILTV &gt; 25 %, &lt;= 50 % Mortgages Non-defaulted ILTV &gt; 50 %, &lt;= 75 % Mortgages Non-defaulted ILTV &gt; 75 %, &lt;= 100 %</p>
030	Geographical area		<p>The ISO Code of the country of residence or the macro region of residence of the counterparty. For the "Retail — secured by real estate SME" and "Retail — secured by real estate non SME" portfolios, it is the location of the collateral. The macro regions are:</p>

			EU for European Union countries; Non-EU for third countries; Not applicable.
040	Exposure class	Paragraph 78 of Annex II of Commission Implementing Regulation (EU) No 680/2014	Each portfolio is assigned to one or several of the following exposure classes: Corporate — SME; Corporate — Specialised lending; Corporate — Other; Retail — Secured by real estate SME; Retail — Secured by real estate non-SME; Retail — Qualifying revolving; Retail — Other SME; Retail — Other non — SME; Not applicable.
050	Type of risk		The type of risk is one of the following: Counterparty credit risk; Credit risk and free deliveries; Credit risk, Counterparty credit risk and free deliveries.
060	Default status		The default status is one of the following: Defaulted: Those are the exposures assigned to the last rating grade/s with a PD of 100 %; Non-defaulted: Those are the exposures assigned to rating grades with a PD lower than 100 %.
070	Rating		The rank of the internal rating grade applied by the institution from lowest risk to highest risk excluding defaults with PD corresponding to 100 %. It takes values from Rating 1 to Rating 30 or Not applicable. Where the rating is not used to define a portfolio in Annex I, "Not applicable" is used instead.
080	Type of facility		The type of facility is one of the following: Full risk (100 %); Note issuance facility and revolving underwriting facility (Medium risk); Issued warranties and indemnities, guarantees, irrevocable standby letters of credit, documentary credit and other medium risk off-balance sheet items (Medium risk): This refers to warranties

			<p>and indemnities (including tender, performance, customs and tax bonds), guarantees, irrevocable standby letters of credit not having the character of credit substitutes and other medium risk off-balance sheet items;</p> <p>Undrawn committed revolving credit facility (Medium- low risk): This refers to revolving lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed term credit facility (Medium-low risk): This refers to term lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed other credit facility (Medium-low risk): This refers to lending commitments, other than revolving and term, that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to the deterioration in a borrower's creditworthiness;</p> <p>Issued short-term letters of credit and other medium-low risk off-balance sheet items (Medium-low risk);</p> <p>Undrawn uncommitted credit lines (Low risk): This refers to uncommitted lending facilities (advised and unadvised) that are undrawn and that may be cancelled unconditionally at any time without notice or that do provide for automatic cancellation due to deterioration in borrower's creditworthiness;</p> <p>Undrawn purchase commitments for revolving purchased receivables and other low-risk off-balance sheet items (Low risk): Commitments that are able to be unconditionally cancelled or that effectively provide for automatic cancellation at any time by the institution without prior notice;</p> <p>Drawn credit facility;</p>
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			Not applicable.
090	Collateralisation status	Column 150 to 210 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The collateralisation status is one of the following: Exposures with credit protection; Exposures with funded credit protection; Exposures with unfunded credit protection; Exposures without credit protection; Not applicable.
100	NACE code		This column correspond to the NACE codes (Statistical Classification of Economic Activities of the EU) used for "Non-financial corporations" with a one level detail (e.g. "F — Construction") and for "Other financial corporations" with a two level detail (e.g. "K65 — Insurance, reinsurance and pension funding, except compulsory social security").
110	Sector of counterparty		Each counterparty is assigned to one of the following FIN REP-based economic sector classes: Other financial corporations; Non-financial corporations; Households; Not applicable.
120	Size of counterparty		The total annual sales for the consolidated group of which the counterparty is a part. Each counterparty is assigned to one of the following categories: <= EUR 50 million; > EUR 50 million and <= EUR 200 million; Not applicable. The total annual sales are calculated in accordance with Article 4 of the Annex to Commission Recommendation 2003/361/EC.
130	Collateral type		The collateral type is one of the following: Non Real estate funded collateral; Other eligible collateral: Real estate; Real estate collateral and other unfunded CRM; Real estate collateral, other funded CRM and guarantees; Not applicable.

140	Type of exposure	Rows 020 and 030 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	Each exposure is assigned to one of the following types: On-balance sheet items subject to credit risk; Off-balance sheet items subject to credit risk; Not applicable.
150	Size of exposure	Column 110 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The size of the exposure expressed in terms of exposure value (i.e. EAD). Each exposure is assigned to one of the following categories: <= EUR 0,5 million; > EUR 0,5 million <= EUR 1 million; > EUR 1 million <= EUR 1,5 million; > EUR 1,5 million <= EUR 5 million; > EUR 5 million <= EUR 10 million; > EUR 10 million <= EUR 50 million; > EUR 50 million; Not applicable.
160	Indexed loan-to-value range		The indexed loan-to-value ("ILTV") range is the ratio between the current loan amount and the current value of the property. The indexed loan-to-value range shall be calculated in a prudent manner and at least comply with the following features: Total amount of the loan: the outstanding amount of the mortgage loan plus any undrawn committed amount of the mortgage loan (after applying the corresponding credit conversion factor). The loan amount shall be calculated gross of any specific credit risk adjustments and shall include all other loans (including those provided by other financial institutions that are known to the institution) secured with liens of equal or higher ranking on the same residential property with respect to the lien securing the loan. If there is insufficient information for ascertaining the ranking of the other liens, the institution shall assume that these liens rank pari passu with the lien securing the loan. Value of the property: the value of the property is the independent

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			<p>valuation of the property at some point in time (most likely at origination) and converted to a current value using a property price index. The valuation should be performed in an independent way and by appraisers that meet specific qualification requirements. Qualifying requirements and minimum appraisal standards shall comply with the following conditions:</p> <ul style="list-style-type: none"> <li>• there is an individual assessment of the property and the property is valued in a prudently conservative manner (e.g. excluding expectations of future price appreciations and taking into account any potential for the current property price to be above a level that is sustainable over the life of the loan, for example due to a property price bubble);</li> <li>• if a market value can be determined, the valuation is not higher than market value;</li> <li>• the valuation is supported by adequate appraisal documentation.</li> </ul> <p>Institutions are requested to document their calculations and provide the documents to their competent authority upon request. The ILTV categories are the following:</p> <p>&lt;= 25 %; &gt; 25 % &lt;= 50 %; &gt; 50 % &lt;= 75 %; &gt; 75 % &lt;= 100 %; &gt; 100 % &lt;= 125 %; &gt; 125 %; Not applicable.</p>
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**C 104 — Definition of hypothetical transactions in Low Default Portfolios**

Column	Label	Legal reference	Instructions
010	Transaction ID		The unique ID assigned by the EBA to each transaction.
020	Transaction name		The name assigned by the EBA to each transaction.

030	Type of facility		<p>The type of facility is one of the following:</p> <p>Full risk (100 %);</p> <p>Note issuance facility and revolving underwriting facility (Medium risk);</p> <p>Issued warranties and indemnities, guarantees, irrevocable standby letters of credit, documentary credit and other medium risk off-balance sheet items (Medium risk): This refers to warranties and indemnities (including tender, performance, customs and tax bonds), guarantees, irrevocable standby letters of credit not having the character of credit substitutes and other medium risk off-balance sheet items;</p> <p>Undrawn committed revolving credit facility (Medium- low risk): This refers to revolving lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed term credit facility (Medium-low risk): This refers to term lending commitments that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</p> <p>Undrawn committed other credit facility (Medium-low risk): This refers to lending commitments, other than revolving and term, that are undrawn and that may not be cancelled unconditionally at any time without notice or that do not provide for automatic cancellation due to the deterioration in a borrower's creditworthiness;</p> <p>Issued short-term letters of credit and other medium-low risk off-balance sheet items (Medium-low risk);</p> <p>Undrawn uncommitted credit lines (Low risk): This refers to uncommitted lending facilities (advised and unadvised) that are undrawn and that may be cancelled unconditionally at any time without notice or that do provide</p>
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			<p>for automatic cancellation due to deterioration in borrower's credit worthiness;</p> <p>Undrawn purchase commitments for revolving purchased receivables and other low-risk off-balance sheet items (Low risk): Commitments that are able to be unconditionally cancelled or that effectively provide for automatic cancellation at any time by the institution without prior notice;</p> <p>Drawn credit facility;</p> <p>Not applicable.</p>
040	Facility		The synthetic description of the hypothetical transaction.
050	Geographical area		<p>The ISO Code of the country of residence or the macro region of residence of the counterparty. The macro regions are:</p> <p>EU for European Union countries;</p> <p>Non-EU for third countries;</p> <p>Not applicable.</p>
060	Portfolio name		<p>Each portfolio is assigned one of the following unique names:</p> <p>Sovereign;</p> <p>Institutions;</p> <p>Large corporate;</p> <p>Large corporate sample.</p>
070	Portfolio ID		The unique ID assigned by the EBA to each portfolio.
080	Exposure class	Paragraph 78 of Annex II of Commission Implementing Regulation (EU) No 680/2014	<p>Each portfolio is assigned to one of the following exposure classes:</p> <p>Central banks and central governments;</p> <p>Institutions;</p> <p>Corporate — Other;</p> <p>Not applicable.</p>
090	NACE code		<p>This column corresponds to the NACE codes (Statistical Classification of Economic Activities of the EU) used for "Non-financial corporations" with a one level detail (e.g. "F — Construction") and for "Other financial corporations" with a two level detail (e.g. "K65 — Insurance, reinsurance and pension funding, except compulsory social security").</p>



100	Type of exposure	Rows 020 and 030 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	Each exposure is assigned to one of the following types: On-balance sheet items subject to credit risk; Off-balance sheet items subject to credit risk; Not applicable.
110	Rating		The rank of the internal rating grade applied by the institution from lowest risk to highest risk excluding defaults with PD corresponding to 100 %. It takes values from Rating 1 to Rating 30. Where the rating is not used to define a portfolio in Annex I, "Not applicable" is used instead.
120	Collateralisation status	Columns 150 to 210 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The collateralisation status is one of the following: Exposures with credit protection; Exposures with funded credit protection; Exposures with unfunded credit protection; Exposures without credit protection; Not applicable.
130	Collateral type	Columns 150 to 210 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The collateral type is one of the following: Eligible financial collateral; Other eligible collateral: Receivables; Other eligible collateral: Real estate; Other eligible collateral: Physical collateral; Other funded credit protection; Credit derivatives; Guarantees; Not applicable.
140	Collateral		The description of the collateral of the hypothetical transactions.
150	Collateral value	Columns 150 to 210 of template 8.1 of Annex I of Commission Implementing Regulation (EU) No 680/2014	The market value of the collateral.
160	Size of counterparty		The total annual sales for the consolidated group of which the counterparty is a part. Each counterparty is assigned to one of the following categories: > EUR 200 million; Not applicable.

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The total annual sales are calculated in accordance with Article 4 of the Annex to Commission Recommendation 2003/361/EC.