

Chapter 1

Commission Delegated Regulation (EU) 2017/180

Article 4 Computation of potential differences for credit risk using the Standardised Approach

(1) Competent authorities shall compute the potential differences referred to in point (c) of Article 3(1) by subtracting the own funds requirements for credit risk as reported by the institutions under Implementing Regulation (EU) 2016/2070 from the own funds requirements for credit risk that result from the application of the standardised approach. In addition, they shall calculate the benchmark statistics regarding those differences as follows:

(a) for low-default portfolios (LDPs), at the portfolio level excluding the exposures to Member States' central government and central banks denominated and funded in the domestic currency as referred to in Article 114(4) of Regulation (EU) No 575/2013;

(b) for high-default portfolios (HDPs), at the portfolio level.

(2) For the computation of benchmark statistics referred to in paragraph 1 of this Article, competent authorities shall use the own funds requirements for credit risk adjusted at the level applied for the computation of the transitional Basel I floor based on Article 500 of Regulation (EU) No 575/2013.