

Overview of Approaches and Optionalities used

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ID	Label	Legal references and comments
Columns		
01	Yes / No	Banks must select Yes / No for each of the approaches or options they use. Note: Banks should report Yes even if they generally apply a certain approach and for a particular reporting period there are no exposures under such specific approach.
02	Date of approval (or automatic check)	This column only has to be filled in for approaches / options that require the approval from (or prior communication to) FINMA, including: IRB approach, EPE model-method, VaR approach, Internal Assessment Approach for securitisations (SEC-IAA), Advanced approach for CVA (F-CVA), Model approach for market risk and certain options within this approach. Otherwise, where no approval is required and the eligibility of an approach is based on a threshold amount, the result of an automatic check is also shown in this column.
03	Exposure or notional amount	Only to be filled in for certain rows. Depending on the row the amount to be reported may be, for example, an exposure amount used in the calculation of RWA or used as DeMinimis threshold, or a notional amount used as precondition to use an approach.
04	RWA	Risk-weighted exposure amount corresponding to each of the approaches by rows. Only to be filled in for rows 42 to 53 on counterparty credit risk.
Rows		
1	Bank category	Bank Ordinance art. 2 par. 2 and 3 and appendix 3 Values: 1, 2, 3, 4, 5
2	Credit Risk	Definition in CAO art. 48 par. 1
2.1	Standardised approach (SA-BIS)	CAO art. 50 par. 1, let. a
2.1.1	Usage of external ratings	CAO art. 64
2.1.2	Usage of consensus country risk scores	CAO art. 65a
2.1.3	Regulatory simplifications used	CAO art. 64
2.1.3.1	0% CCF for corporate and SME commitments	CAO art. 53 par. 5
2.1.3.2	No increased risk-weight in case of FX-mismatch	CAO art. 66a par. 2 (for category 4 and 5 banks)
2.1.3.3	Simplified risk-weights for unrated banks	CAO art. 69 par. 4 (for category 4 and 5 banks, and category 3 banks below DeMinimis threshold)
2.1.3.3.1	Exposure to foreign banks	CAO art. 69 par. 4, for category 3 banks below DeMinimis threshold as defined in CreO-FINMA art. 86
2.1.3.3.2	Total exposure according to CAO art. 63	CAO art. 63
2.1.3.4	Alternative 90% risk-weight for SMEs	CAO art. 70 par. 4
2.1.3.5	No case-specific risk-weights by type of specialised lending	CAO art. 70a par. 3 (for category 3 to 5 banks)
2.2	Foundation IRB (F-IRB)	IRB in general: CAO art. 50 par. 1, let. b
2.3	Advanced IRB (A-IRB) (outside retail)	CreO-FINMA art. 91 to 116
2.4	Equity investments in funds	CAO art. 59a

		CreO-FINMA art. 117 to 129
2.4.1	Look-through approach (LTA)	CAO art. 59a par. 1, let. a CreO-FINMA art. 120 and 121
2.4.2	Mandate-based approach (MBA)	CAO art. 59a par. 1, let. b CreO-FINMA art. 122 to 126
2.4.3	Fallback approach (FA)	CAO art. 59a par. 1, let. c CreO-FINMA art. 127
2.4.4	Simplified approach (VA)	CAO art. 59a par. 1, let. d Banks that can use this approach are foreseen in CAO art. 59a par. 2 and CreO-FINMA art. 118 par. 1 let. d The approach is described in CreO-FINMA art. 128
2.4.4.1	Book-value of equity investment in funds	This information is used to assess whether category 3 banks are below the eligibility DeMinimis threshold to apply the simplified approach for equity investments in funds according to CreO-FINMA art. 118 par. 1 let. d
2.4.4.2	Total RWA excluding RWA for such equity investments in funds	
2.5	Securitisations	CAO art. 59b CreO-FINMA art. 130 to 131
2.5.1	Standardised approach for securitisations (SEC-SA)	CAO art. 59b par. 2 let. a
2.5.2	Internal ratings-based approach for securitisations (SEC-IRBA)	CAO art. 59b par. 2 let. b
2.5.3	External ratings-based approach for securitisations (SEC-ERBA)	CAO art. 59b par. 2 let. c
2.5.4	Internal assessment approach for securitisations (SEC-IAA)	CAO art. 59b par. 2 let. d
3	Counterparty Credit Risk	Definition in CAO art. 48 par. 2
3.1	Approach used to determine EAD for derivatives	CAO art. 56 NB: Long-settlement transactions are treated as derivatives (see CAO art. 56 par. 5)
3.1.0	Test for CEM and SSA-CCR: RWA for derivatives incl. RWA for CVA-risks	CreO-FINMA art. 25
3.1.1	Current exposure approach	CAO art. 56 par. 2 let. b (2) Banks that can make use of this approach are foreseen in CAO art. 58 CreO-FINMA art. 33 to 37
3.1.2	Simplified standardised approach for CCR (SSA-CCR)	CAO art. 56 par. 2 let. b (1) Banks that can make use of this approach are foreseen in CAO art. 58 CreO-FINMA art. 26 to 32
3.1.3	Standardised approach for CCR (SA-CCR)	CAO art. 56 par. 2 let. a CreO-FINMA art. 3 to 24
3.1.4	Expected positive exposure (EPE) model-method	CAO art. 56 par.2 let. c and par. 3; and art. 59 CreO-FINMA art. 38
3.2	Approach used to determine EAD for secured credits and SFTs	CAO art. 62
3.2.1	Simplified approach in the banking book	CAO art. 62 par. 1 let. a CreO-FINMA art. 65 to 69
3.2.2	Comprehensive approach in the banking book	CAO art. 62 par. 1 let. b CreO-FINMA art. 70 to 80
3.2.3	Simplified approach in the trading book	See above 3.2.1
3.2.4	Comprehensive approach in the trading book	See above 3.2.2
3.2.5	Value-at-risk (VaR) approach	CAO art. 62 par. 3 let. b and par. 4 CreO-FINMA art. 81 and 82

3.2.6	Expected positive exposure (EPE) model-method	CAO art. 62 par. 1 let. c and par. 5 CreO-FINMA art. 38
4	Credit Valuation Adjustments (CVA)	Definition in CAO art. 48 par. 3 Treatment in CAO art. 77g to 77j, and CreO-FINMA art. 153 and 154
4.1	Simple approach (S-CVA)	CAO art. 77i
4.1.1	Gross notional amount of non-CCP cleared derivatives	CAO art. 77i par. 1 The amount reported here for banks using the S-CVA must be at most CHF 125 bn.
4.2	Basic approach (BA-CVA)	CAO art. 77h
4.3	Advanced approach (F-CVA)	CAO art. 77j
5	Market risks	Definition in CAO art. 81 Possible approaches and combinations of them in CAO art. 82
5.1	Exemption for structural FX-hedges	CAO art. 81b par. 2
5.2	Market maker exemption	CAO art. 81c par. 2
5.3	Simple approach	CAO art. 83 to 86a MarO-FINMA art. 6 to 53
5.3.1	Equity risk: DeMinimis approach	CAO Art. 83 para. 3 and MarO-FINMA art. 50 to 54
5.3.2	Equity risk: Normal approach	MarO-FINMA art. 18 to 23
5.3.3	Interest rate risks: DeMinimis approach	CAO Art. 83 para. 3 and MarO-FINMA art. 51 to 53
5.3.4	Interest rate risks: Normal approach > Duration approach	MarO-FINMA art. 6 to 17 (except art. 14)
5.3.5	Interest rate risks: Normal approach > Maturity-ladder approach	MarO-FINMA art. 6 to 17 (except art. 16)
5.3.6	Commodity Risk: Maturity-ladder approach	MarO-FINMA art. 27 to 30
5.3.7	Commodity Risk: Simplified approach	MarO-FINMA art. 27 to 29 and art. 31
5.3.8	Commodity Risk: Use of correlations	MarV-FINMA art. 28 par. 3
5.4	Standardised approach	CAO art. 87 to 88 MarO-FINMA art. 54
5.4.1	Calculation of FX risk relative to base currency (instead of relative to reporting currency)	MAR21.14
5.4.2	Scope for curvature risk: inclusion of instruments without optionality in the calculation of curvature risk	MAR21.2(4)
5.4.3	Distributional assumptions for vega sensitivities: log-normal or normal assumption	MAR21.28
5.4.4	Alternative definitions of vega sensitivities: transformation of the sensitivities computed for internal risk management purposes	MAR21.29
5.4.5	Risk weights of BCBS are divided by square-root of 2	MAR21.44
5.5	Model-approach	CAO art. 88 MarO-FINMA art. 55 to 60
6	Internal Risk Transfer (IRT) Desk	About internal risk transfers (IRT) see TBEO-FINMA art. 10 to 15. Banks that have an IRT desk should inform FINMA.

		Banks that use IMA for market risk, need a FINMA approval in order to have an IRT desk (TBEO-FINMA art. 15 par. 2). Only IMA banks need to fill in the approval date in column 02.
7	Operational Risk	Definition in CAO art. 89 Treatment in CAO art. 90 to 94; and LROO-FINMA art. 23 to 30
7.1	Are losses used to calculate the internal loss multiplier (ILM)?	CAO art. 92d par. 1, par. 4 and par. 5 Only banks with a business indicator up to CHF 1,25bn must fill in the approval date from FINMA in column J (CAO art. 92d par. 4).
7.2	If no, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards?	CAO art. 92d par. 5 This question is only to be answered if question 7.1 is answered with NO. If the question 7.1 and 7.2 are both answered with NO, the bank must necessarily have a business indicator up to CHF 1,25bn.

Further information can be found on ...

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