

Floor for model-based approaches

Draft Version of July 2022

P_FLR is mandatory for all banks using internal models to compute RWA (see Art. 45a CAO).

P_CMS1.Meld

ID	Label	Legal references and comments
A. Sectorial upward adjustment		
Rows		
yy	The sectorial upward adjustment can be directly reflected in RWA by portfolio via multipliers or added as a floor adjustment assigned to credit risk. Please select the approach used.	Banks can opt to apply a RWA uplift or define multipliers such that the effective RWA are lifted up by the relevant amount. Calibration of uplifts or multipliers is to be performed on a yearly basis.
xx	Total of exposures secured by real estate properties located in Switzerland	
Columns		
A	Model-based RWA (with FINMA approval) without consideration of sectorial upward adjustment	
B	Model-based RWA (with FINMA approval) after consideration of multipliers (if applicable)	CAO art. 45a par. 1
C	RWA computed under standardised approach	CAO art. 45a par. 2
D	Sectorial upward adjustment	CAO art. 77 par. 2
B. General output floor		
Columns		
01	Model-based RWA (with FINMA approval) after consideration of sectorial upward adjustment	RWA calculated using modelled approaches approved by FINMA. This table must be filled in taking into account the sectorial upward adjustment in CAO art. 77 par. 2, but without considering the impact of the general output floor in CAO art. 45a par. 3
02	RWA for portfolios where standardised approaches were used	RWA for exposures for which the use of modelled approaches is not allowed by FINMA and hence, standardised approaches are used. See further details below on which approaches are considered standardised.

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03	Total Actual RWA (col. 01 + 02)	Sum of columns 01 + 02
04	RWA entirely computed under standardised approaches (i.e. RWA used in the base of the output floor)	Hypothetical RWA calculated using standardised approaches also for portfolios where the use of modelled approaches is approved by FINMA.
Rows		
1.	Credit risk (excluding counterparty credit risk)	Definition of standardised approach: See CAO art. 45a par. 2 let. d. The row excludes RWA for securitisation exposures in the banking book (which are reported in row 4) and for counterparty credit risk charge, which are reported in row 2. Equity investments in funds and settlement risk are also excluded (and are to be reported in row 7).
2.	Counterparty credit risk	Definition of standardised approach: See CAO art. 45a par. 2 let. a and c
3.	Credit Valuation Adjustment risk	Definition of standardised approach: See CAO art. 45a par. 2 let. e
4.	Securitization exposures in the banking book	Definition of standardised approach: See CAO art. 45a par. 2 let. b
5.	Market risk	Definition of standardised approach: See CAO art. 45a par. 2 let. f. The SEC-ERBA, SEC-SA or a risk weight of 1,250% must also be used when determining the default risk charge component for securitisations held in the trading book.
6.	Operational risk	Definition of standardised approach: See CAO art. 45a par. 2 let. g.
7.	Residual RWA	RWA not captured within rows 1 to 6 (ie the RWA arising from equity investments in funds (rows 12 to 14 in Template OV1), settlement risk (row 15 in Template OV1), capital charge for switch between trading book and

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		banking book (row 23 in Template OV1) and amounts below the thresholds for deduction (row 25 in Template OV1)).
8.	Total before output floor adjustment	Sum of rows 1 to 7
9.	Output Floor	CAO art. 45a par. 3 72.5% (subject to phase-in regime according to CAO art. 148o) times value in col. 04 and row "8. Total before output floor adjustment"
10.	Floor Adjustment	RWA add-on needed to meet Output Floor requirement
11.	Total after output floor adjustment	Sum of "8. Total before output floor adjustment" and "10. Floor adjustment"

P_CMS2.Meld

Similar to row 1 of Template CMS1, it excludes counterparty credit risk, credit valuation adjustments and securitisation exposures in the banking book.

ID	Label	Legal references and comments
Columns		
01	Model-based RWA (with FINMA permission)	RWA for modelled approaches that banks have supervisory approval to use (<i>column (a)</i>): Represents the portion of RWA according to the IRB approach for credit risk as specified in [CRE30] to [CRE36].
02	RWA for col. 01 if computed under standardised approach	Corresponding standardised approach RWA for column (a) (<i>column (b)</i>): RWA equivalent as derived under the standardised approach.
03	Total RWA (acc. to banks' disclosure)	<i>Total actual RWA (column (c))</i> : Represents the sum of the RWA for modelled approaches that banks have supervisory approval to use and the RWA <i>under standardised approaches</i> .
04	RWA entirely computed under standardised approach (i.e. RWA for computation of RWA floor according to CAO art. 45a)	<i>RWA calculated using full standardised approach (column (d))</i> : Total RWA assuming the full standardised approach applied at asset class level. Disclosed numbers for each asset class are calculated purely for comparison purposes and do not represent requirements under the Basel framework.
Rows		
01	Sovereign (F-IRB)	See asset class definition in notes to form [P/C_CRIRB]
02	Sovereign (A-IRB)	See asset class definition in notes to form [P/C_CRIRB]
03	Banks (F-IRB)	See asset class definition in notes to form [P/C_CRIRB]

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04	Public-sector entities and multilateral development banks (F-IRB)	See asset class definition in notes to form [P/C_CRIRB]
05	Corporates: Specialised Lending (F-IRB)	See asset class definition in notes to form [P/C_CRIRB]
06	Corporates: Specialised Lending (A-IRB)	See asset class definition in notes to form [P/C_CRIRB]
07	Corporates: Other Lending (F-IRB)	See asset class definition in notes to form [P/C_CRIRB]
08	Corporates: Other Lending (A-IRB)	See asset class definition in notes to form [P/C_CRIRB]
09	Retail: mortgage loans	See asset class definition in notes to form [P/C_CRIRB]
10	Retail: qualifying revolving retail	See asset class definition in notes to form [P/C_CRIRB]
11	Retail: other retail exposures	See asset class definition in notes to form [P/C_CRIRB]
12	Other	Any other exposures not captured
13	Total	Total

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