BANK OF ENGLAND

2015 Bank of England stress test

Unstructured Data Request

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Introduction

Purpose of this request

In the 2014 stress test results publication, the Bank highlighted results of the qualitative review of firms' stress testing procedures. In order to further this understanding for the review in 2015, and to provide clearer guidance on the standards that are expected, this document consolidates all unstructured requests into one location.

Guidance on responding

Firms should supply one or more responses to each request. Each response should clearly indicate which request it corresponds to. There is no set length to responses, it will vary depending on the request and how relevant it is to the firm. In some cases, the response may be in the form of a reference to one or more documents supplied separately. If this is the case, please clearly specify the document filenames and page numbers that are relevant. In some cases, you may feel that a response provides information relevant to more than one request. Where this is the case, please cross-reference, rather than duplicating, your response.

Some requests ask for data. This is 'unstructured data', in the sense that we do not specify an exact layout of the data. Instead, the request may give guidance of the sort of data (rows and columns) that we expect to see. If you deviate from this guidance, we ask that you provide a *brief* description of the spreadsheet alongside your response.

The requests are intended to focus on methodologies and assumptions that are most 'material' for the projections. The threshold for materiality is, of course, a matter of judgement. In some cases, such as for credit risk, the document specifies the portfolios or business units that are of primary interest to Bank staff. These are detailed in the portfolio annex at the end of this document. These areas of interest are not an exhaustive list of areas for review; if there are particular aspects of actuals or projections which require further justification or commentary this should be included in your response.

All requests are for information relating primarily to the stress projections, unless otherwise specified.

If you have questions on these requests, please follow the communications and Q&A protocol. Be sure to indicate the request number in all correspondence in order to ensure it is quickly passed to the relevant team.

Process for submitting responses

Responses to the unstructured data request should come in one of two formats:

1) An unstructured response document: a word document or PDF containing numbered responses corresponding to the requests in this document. This document should include citations to other supporting material, and cross-references to other responses, where appropriate.
2) Supporting material: any documentation or spreadsheets submitted in order to support the responses given in the main document.

All submissions must follow the submission procedures for unstructured data detailed in the FDSF Target Operating Model (sections 4.6.1.2 to 4.6.6.3 inclusive). This involves placing submissions in

zip files of up to 50MB each, and following a strict naming convention (section 4.6.5 of the FDSF TOM). As summary only, the naming convention is:

FIRM_F_S_CON_RPTDT_ANALPER_SUBID_SUBPART.ZIP

Where

FIRM = Firm name

F = Frequency

S = Structure

CON = Content code

RPTDT = Report Date

ANALPER = Analysis Period

SUBID = Submission ID

SUBPART = Submission Part

Where each identifier is separated by an underscore. If zip files do not follow this naming convention, they will need to be resubmitted.

The main unstructured response document should be given the content code "GEN" (general). Supporting material should be given a content code depending on the main response which it is supporting. The relevant content code for each request is indicated throughout this document, in square brackets on each underlined subheading. Multiple supporting documents with the same content code can be collated into a single zip file (up to a maximum of a 50mb file). Supporting material with different applicable content codes must be sent in separate zip files.

There are two due dates for firms to submit responses to this request. The first section of this document is a request for information to be supplied 'with actuals', as part of the FDSF 2014 Q4 data submission. This primarily represents 'off the shelf' material that firms would be expected to be able to produce with minimal effort. The second part of the document is a request for information relating more specifically to the stress scenario, stress models, and associated analysis. This information should be submitted 'with projections', as part of the stress test projections submission.

<u>'Frequently asked questions' on submission</u>

Q: How should supporting material be cited?

A: A citation in the main document to supporting material <u>must</u> contain the content code, filename, and relevant page number(s).

Q: If the same supporting material is used to answer multiple requests with different content codes, which content code should be used?

A: In general, there is no strict rule, as long as the citation clearly identifies the document. As a reminder, all citations must include a content code, document file number, and page number(s). As a guide, you may choose to use the content code from the numerically lowest request.

Q: What kind of encryption is required for submissions?

A: This is detailed in section 4.6.4 of the TOM. Data should be encrypted using TLS or PGP, depending on which system your firm has opted to use when communicating with the Bank of England. In either case, do not password protect or otherwise encrypt files within the zip file or they will be blocked by the email system.

Q: How should the files within the zip file be names?

A: The zip files must follow the naming convention set out above. Within that, the main response document should be called "FIRM_mainunstructredresponse". Other supporting material should be named in a way that makes them recognisable, and consistent with the citations in the main response document.

Q: How should we approach packaging and zipping submissions?

A: Complete your responses to the unstructured data request in the main response document, including citations to supporting material. Store this main response document within a zip file, following the naming convention set out above and using the content code 'GEN' (general). Collect together supporting material and group them by content code. Save each group within a zip file, using the naming convention and appropriate content code. Send each zip file in an individual encrypted e-mail.

Request Content Codes

Code	Requests
ALMLR	P20-P32, P34-P35
BSPLPROJ	P16-P19
CAPPROJ	P121-P133
CR	P33
CSICR	A19-A24, P57-P68
GEN	A1-A10, P1-P15
MR	P83-P105
OPR	P119-P120
PR	A35, P109-P118
RCR	A11-A18, P36-P56, RCR Annex
RWA	A25-A29, P69-P82
SF	A30-A34, P106-P108

Section A: To be submitted with actuals

This section requests information that will be reviewed by Bank staff in advance of receiving the projections. It covers existing policies, frameworks and methodologies that will be used in the 2015 stress test exercise, and high level data and reconciliations which will provide clarity and context to the stress projections. We expect the returns in this area to mainly be 'off the shelf' documents, rather than work done specifically for this stress test exercise.

There is no need to resubmit documents which have not changed since the 2014 exercise, please provide the document name in your answers to the below questions.

General information – to be provided at Group level

Framework documentation [GEN]

A1. Overarching stress test methodology or framework. This should be a high level document that details how the firm approaches stress testing, for example, listing roles and responsibilities, describing how stress scenarios are determined, explaining which risk types are in scope and governance arrangements.

A2. Your firm's most recent ICAAP document and update as provided to the Board or Board Risk Committee, and minutes from the meetings where they were discussed.

A3. Internal audit reports on previous ICAAP and stress testing exercises, including the 2014 Bank of England stress test. Please include detail of actions agreed and the current status of these actions.

A4. Organograms or organisational structure charts showing key individuals and teams involved in stress testing and capital planning, their reporting lines, and a brief description of their roles.

A5. The capital management / capital planning framework, if this exists independently of the ICAAP document.

Risk policies [GEN]

A6. Your firm's most recent:
   a. Corporate business plan (and if distinct liquidity / funding plan)
   b. IRRBB policies including FX, funds transfer pricing, structural hedging.
   c. IRRBB risk reports including ALCO, GALCO and other relevant management reports.

Model management framework [GEN]

A7. Documentation on the model management standards or framework as applied to stress testing models. This should include details of model build standards, validation standards, and the approval process. Include the terms of reference for the relevant model review committees. Note, you should not include specific risk methodology documents in this response, please include only the overarching standards.

A8. Provide an inventory of models used to produce your stress testing projections. You may use your firm's existing model inventory format, but you should ensure the following information is included:
   a. Model identifier and name
   b. Model output (e.g.: NII, Expenses PD, LGDs, EAD, impairment charges)
   c. Model type (e.g.: statistical, judgement)
   d. Description and size of the portfolios or business segments covered by the model
   e. Model build summary details (e.g.: date of model build, internal or external build, data used in the model)
   f. Model approval details (e.g.: approval body, date approved, any modifications or actions required)

g. Key variables and parameters
h. Date of the last model validation and summary of results
i. Detail of actions required from review or validations (both completed and outstanding)
j. Details of judgements, adjustments or overlays to the model
k. Confirmation of whether the model was used in the 2014 stress testing exercise
l. Confirmation that the model build data encompasses conditions detailed in the scenario, or details of how the model inputs, parameters, or outputs were adjusted to reflect the scenario conditions.

Reconciliations

Reconciliations [GEN]

A9. Provide a high level summary explaining the difference in asset class definitions of those used internally against those prescribed in FDSF and those prescribed in COREP as at 31 December 2014.
A10. Based on A9, provide a reconciliation of each internal asset class to FDSF and a reconciliation of each FDSF asset class to COREP for drawn balance, exposure for RWA by Basel approach, and provisions. Explain any assumptions or adjustments required due to differences in definitions.

Credit risk

Requests on credit risk are split into retail credit and wholesale credit (both relating to impairments) and risk weighted assets.

Retail credit [RCR]

For portfolios specified in the portfolio annex, provide:

A11. Year-end and most recent Board Risk Committee (or Group Risk Committee) pack and management packs relating to credit risk.

In response to the 2014 data request you provided detail on the topics below (A12 to A18). For each request, for the specified portfolios, confirm whether changes have occurred in the intervening time and provide details of these changes. If you have not provided information for a certain portfolio before, please respond to the questions in this section in full.

A12. Lending criteria, credit policy, and underwriting procedures.
A13. Arrears management procedures.
A14. Detail of how ‘months in arrears’ is calculated.
A15. Write-off, charge-off and repossession, definitions and policies.
A16. Impairment methodologies and any anticipated changes over the next two to three years.
A17. Details of mortgage insurance, where relevant. This would typically include insured portfolio statistics (e.g. loan exposures covered, insurance cover provided), insurance policy information (e.g. type and depth of coverage), and insurance claim payment history (e.g. number and value of claims submitted and paid).
A18. Stress testing methodology documents (referencing the model inventory provided in response to A8). Where this is the case, provide the updated methodology documents, covering modelling approach and assumptions, input data and key assumptions, judgemental aspects and overlays.

Wholesale credit risk [CSICR]

A19. For each asset class provide year-end and latest wholesale credit risk packs or management information, including sensitivity information or stress test analysis.

In response to the 2014 data request you provided detail on the topics below (A20 to A24). For each request, for each asset class, confirm whether changes have occurred in the intervening time and provide details of these changes

A20. Wholesale credit stress testing methodology documents (referencing the model inventory provided in response to A8). Where this is the case, provide the updated methodology documents.
A21. Wholesale credit risk exposures, by asset class and geography.
A22. Lending criteria, credit policy, and underwriting procedures.
A23. Watchlist and non-performing loans management procedures.
A24. Impairment methodologies and provisioning policies.

Risk weighted assets [RWA]

These requests apply only to exposures rated using IRB (including slotting), F-IRB or A-IRB. Most requests are relevant to all asset classes. Where this is not the case, it has been indicated alongside the request.

For each request in this section, a separate response should be provided for each portfolio. The portfolio annex contains a list of portfolios, specific to your firm, for which you should provide responses. Where different portfolios have a common response to a request, you may list the portfolios to which the response is relevant, rather than duplicating the response.

In all cases, please indicate the FDSF portfolios to which the methodologies apply, using the Business Unit / Sub-Business Unit / Geography of Exposure / Asset Class / Product Type fields that are used in the FDSF returns.

Requests on IRB models

A25. Confirm the full Basel definition of default, including unlikeliness to pay criteria.
A26. Indicate the degree to which average long-run PD estimates are considered to be cyclical within rating grades, and the variables that are used to drive this.
A27. Describe the approach to modelling expected loss for defaulted assets.
A28. For IRB and AIRB exposures only, provide details of any existing property price falls in the downturn LGD estimates, or any adjustments made to recognise a drop in collateral valuation in LGD estimates. (Relevant only for CRE Development, CRE Investment, Large Corporates, Mid Corporates, Mortgages, Retail SME, and SME)
A29. Indicate which portfolios are subject to LGD floors. Describe the impact prior to applying LGD stresses. (Relevant for all asset classes and product types except Mortgages, Credit Cards, Personal / Term Loans and Overdrafts.)

Structured finance

Structured Finance [SF]

A30. Provide structured finance stress testing methodology documents.
A31. Provide an explanation of the methodology and judgement used in classifying securitisations and covered bond assets as impaired.
A32. Provide an explanation of market risk methodology and judgement used for securitisations and covered bonds held under Fair Value or Available For Sale (AFS) accounting.
A33. Give details of the treatment of securitisations and covered bonds which use AFS accounting, and how this interacts with impairments and market risk calculations.
A34. Give details of the approach used to project risk weighted assets for securitisations and covered bonds.

Pensions risk

Pensions Risk [PR]

A35. Provide the most recent triennial valuation report, recovery plan or funding update for each material pension scheme (or the closest equivalent document for material overseas schemes).

Section P: To be submitted with projections

General stress testing

These requests apply to all areas of stress testing. If individual risk areas deviate from the general responses given in this section, note that in your response here, and provide further information in the relevant section.

Governance documentation [GEN]

P1. Provide a document detailing the governance and quality assurance arrangements for the stress test, highlighting the key committees which considered and approved stress testing methodologies, assumptions, scenario variables and stress testing results.
   a. Specify changes, if any, from the overarching stress testing methodology or document you sent in response to request A1.
   b. Provide these details at Group or aggregate level and for each risk type or business area, specifically ensuring coverage of the portfolios listed in the portfolio annex.

P2. Provide agendas, presentation materials, supporting documents and minutes from the committees detailed above. Summarise the key issues that were challenged by senior management or relevant committees, and what changes to the projections were made following this challenge. Provide separately any details related to model changes and judgmental overlays.

P3. Internal audit (or other) review of the 2015 stress test exercise. Include details of issues identified and actions agreed.

Extrapolation of scenario variables and risk factor shocks [GEN]

Our expectation is that firms will have had to extrapolate the set of variables provided by the Bank, to a wider set of variables that are used by their own models. For example, firms may require regional house prices, or macro variables such as unemployment or inflation in regions not given by the Bank. In doing so, firms should take into account the nature of the scenario and its severity. In order to assess how this has been done, and to be able to compare submissions across firms, firms should submit responses to the following items:

P4. Describe how you have extrapolated or interpolated from the variables provided by the Bank, to those variables and risk factor shocks required by your stress testing models and processes. Give a brief description of the methodology used, including other data sources used, how and why they were chosen and any key assumptions you have made.

P5. Describe any extra steps that were taken to account for the specific conditions in the stress scenario. For example, where you might have deviated from simple historic correlations and used judgement.

P6. All firms should use the variable paths and methodology as prescribed by the Bank. However, there may be limited exceptional cases where this is not appropriate. If this is the case, approval must be sought from the Bank in advance of receiving projections. In addition, provide a written explanation detailing why the alternative approach was necessary and how it was adopted.

P7. Provide, in a spreadsheet, the paths for all variables, including foreign exchange rates, which were used by your stress testing models that were not provided by the Bank. Where appropriate, include historic data, particularly if these historic data have been used in calibrating models, and references to the source of the historic data. Include a description of the methodology for any manipulation of the variables (for example, whether they are averages, end-period, or another method). Use the scenario spreadsheet provided by the Bank as a guide to the standard we expect. Where variables are provided in FDSF templates or

supplementary information please cross-reference (for example to the yield curve data requested in the Net Interest Income templates).

P8. For each variable provided under request P7, list which risk areas used that variable (e.g.: NII, credit risk RWAs, pensions, traded risk), where appropriate cross referencing to the model management inventory detailed in request A8.

P9. For Traded Risk, provide a spreadsheet and narrative details of risk factor shocks used in addition to those supplied by the Bank. Include detail of how these shocks have been calibrated; including data sources used and which dimensions of traded risk are impacted by each risk factor.

Model Inventory [GEN]

P10. Provide a summary of any material changes to the model inventory supplied in request A8, including, for example, details of models no longer in use or updates to model reviews or expected actions.

Sensitivities to the projections [GEN]

There may be operational limitations to producing high quality stress test projections in a short space of time. For example, historic time series for some variables may not be available, or may be inappropriate for using in this stress scenario, or information on some portfolios may not be available in sufficient granularity to have a high degree of confidence in the projections. In order to gain a sense of the appropriate level of confidence to have in specific projections, Bank staff require an understanding of where these limitations have been binding.

P11. Describe where limitations on data availability have materially affected the accuracy, granularity or level of confidence in the stress projections.

Stress test projections are a ‘central case’ projection conditional on the stress scenario materialising, and also conditional on a set of assumptions. In order to make judgements based on the projections, it is important to understand the sensitivities and risks around that ‘central case’.

P12. Describe which assumptions the projections are most sensitive to. It may be helpful to illustrate this with quantitative analysis. If so, provide the sensitivities that are most material for the projections.

P13. Describe the risks that the projections are most sensitive to, and an estimate of the direction and order of magnitude by which they would affect the projections.

For firms with significant parts of their balance sheet in currencies other than their reporting currency, FX revaluation can have a material impact on balances and P&L items. We would like to understand the sensitivity of your firm’s projections to changes in FX rates over the stress horizon.

P14. Provide an overview of the key considerations in modelling the impacts of changes in FX rates over the stress horizon. Include detail on how you have converted foreign currency data into your reporting currency (for example, if model inputs or outputs were converted, how year-on-year changes were considered). Indicate any areas where projections have deviated from this methodology.

P15. Estimate the impact on the group P&L and balance sheet of FX rates staying constant at end-December levels, rather than following their projected path (note that further detail of the breakdown of these impacts is requested in P17 and P131).

Balance sheet and P&L

The requests in this section are aimed at providing information for Bank staff to understand the assumptions around the evolution of the balance sheet, with particular focus on those areas that are most material for the projections, and so to allow for meaningful comparisons across firms.

Please note requests P83 and P104, which relate to investment banking P&L, and cross-reference appropriately.

Balance sheet and P&L [BSPLPROJ]

P16. Provide a list of all portfolios listed in FDSF that are closed to new business. Include the risk type, commercial entity, business unit, sub-business unit, geography of exposure, asset class, product type (if relevant), date closed and year 0 drawn balance.

P17. With reference to your response to item P14, describe the impact of changes in FX rates on balances, costs, net interest income, and non-interest income, by division.

Market consideration [BSPLPROJ]

Request A6 included a request for your firms' corporate business plan. As well as being crucial for micro-prudential supervision, this information helps Bank staff to understand the drivers of business decisions at a macro-prudential level, for example, how many firms are seeking to grow market share and at what level of risk, and the implications this has for competitive pressures in various markets.

A critical part of ensuring cross-firm consistency, and a large part of the benefit of performing stress testing concurrently, is in understanding the firms' pricing decisions in the context of the behaviour of the overall market. This is especially true for competition for retail products. The following requests are aimed at providing Bank staff with a better understanding of what firms have assumed about the wider market.

P18. In the stress scenario, where do you believe your firms' products are positioned relative to the market? Please include, as a minimum, retail deposits, wholesale funding, high- and low-LTV mortgages and provide detail for the portfolios listed in the Annex. In your response provide detail of new lending / deposit strategy and back book strategies.

P19. What do you believe the volumes in those markets are likely to be in the stress scenario? Specify the approach used, your data sources, and the key assumptions you made.

Risk policies [ALMLR]

P20. With reference to baseline projections, describe how policies around the following areas of balance sheet management have changed in the stress and are reflected through business as usual management actions in your data submission:
   a. Interest rate risk in the banking book.
   b. FX risk management.
   c. Funds transfer pricing.
   d. Structural hedging.

Net interest income [ALMLR]

Net interest income (NII) is a key source of income for firms, and as such, is an important area for idiosyncratic and system-wide analysis. It is therefore important for Bank staff to fully understand the assumptions behind firms' projections. Firms' product strategies, funding costs and structural hedging

programmes, for example, can be responsible for significant impacts on NII, depending how they are managed.

P21. Provide commentary to supplement the stress testing submission, setting out overall NII evolution and highlighting key assumptions made around pricing and volumes for major product lines and relating this to the macroeconomic environment provided. The commentary should also provide detail on decisions made in response to the stress that are included in your firm's pre-management action data submission. This might include, but not necessarily be limited to, changes to the funding base and pricing, risk profile, investment portfolio and retail product mix and pricing, and geographic or country specific impacts.

P22. Provide a qualitative explanation of the structural hedging programme assumptions explaining and supporting the evolution of NII from on and off balance sheet positions. Any changes in assumptions or investment policy over the forecast horizon should be highlighted. This commentary should be related directly to the component of NII accounted for by the structural hedging programme.

Product information [ALMLR]

The FDSF templates contain rows for "administered variable rate" products. These include SVR products, and where a firm has more than one type of SVR product (for example, historic 'capped SVRs', or products where pricing is materially impacted by varying credit standards) with multiple administered rates, firms should:

P23. Describe the products that are included in the reported balances for administered rate products, and the proportion of balances they constitute.

P24. Describe how the product behaves in the baseline and stress. For example, what affects product switching rates and how does this change in the stress scenario?

The FDSF structured data request for asset and liability management (ALM) contains a detailed set of balances, rates and margins in a structure aligned to FinRep reporting.

P25. In order to conduct meaningful cross-firm comparisons, a supplementary data request has been prepared, focused on fixed rate products and structural hedging programmes. Firms should provide additional commentary to provide a full explanation of the NII component from the structural hedging programme where necessary.

P26. Where cash flows from fees, premiums, discounts, or other sources are included in the calculation of rates or margins, provide additional information to show the products affected and the materiality of the adjustments, and the impact on effective interest rates and margins.

Non-interest income and expenses [ALMLR]

P27. Describe how the macroeconomic scenario has impacted non-interest income, for example the components of 'Fees and Commission Income'. Detail how these changes have been estimated.

P28. Describe how the macroeconomic scenario has impacted expenses, clearly indicating the impact of business as usual management actions.

Remuneration [ALMLR]

P29. Provide details of how your firms' remuneration policy has been applied in calculating discretionary remuneration costs under stress. Changes should relate only to business as usual management actions.

P30. Provide details of how changes in bonus pools have been considered, detailing the key metrics that have driven the changes.
P31. Describe how risk adjustment has been considered in determining the remuneration levels in each year of the stress.
P32. Describe how the maximum distributable amount (MDA) has been considered.

Conduct costs [CR]

P33. Describe how conduct risk costs have been projected. Give details on any assumptions used for producing the projections. Indicate how components costs have been estimated.

Reconciliation [ALMLR]

FDSF submissions must be internally consistent and aligned to FINREP reporting. The minimum reconciliation requirements are described in the FDSF Target Operating Model. In addition the net interest income calculated from data in the ALM Balance Sheet ('Capital Projections' template) must match the firm's interest income and interest expense as reported in the 'Balance Sheet, Profit and Loss Projections' template when calculated using interest rates and margins. Firms should:

P34. Provide evidence that the two templates mentioned above match. To aid this, a spreadsheet has been provided which you may use in response to this point. Alternatively, you may provide evidence in a different form providing this establishes the data feeds match prior to being submitted.
   a. For years 1 to 5, average balance multiplied by total customer rate, summed over assets (or liabilities) should match interest income (or expense). The average balance is defined as the average between the accounting balance for year t and the accounting balance for year t-1 (for year 0, the Year 0 accounting balance should be used instead of average balance).
   b. For years 1 to 5, average balance multiplied by total customer margin, summed over both assets and liabilities, should match net interest income. Any further reconciliation necessary should be detailed in your response to request P35.
P35. Where treasury or non-customer products are not transfer priced and lack margin information, detail the products and estimated margins for these products in sufficient detail to explain any discrepancies between the total NII calculated from margins, and the total NII calculated from interest rates.

Credit risk

This section is divided into impairment projections for both retail and wholesale assets, and RWA projections. Whilst there is likely to be some overlap in the methodologies applied, please provide separate responses for each request.

The requests on credit risk help Bank staff to understand what is, and what is not, included in the impairment projections. This, in turn, allows for peer comparisons and system-wide analysis. The requests on impairments *exclude* counterparty credit risk losses.

Impairment projections - Retail credit risk [RCR]

This section is related to the process by which the firm has arrived at its impairment calculation for certain retail portfolios. The list of the portfolios for which you are requested to provide responses is included in the portfolio annex.

In 2014 we asked a number of similar questions, both in the unstructured data request and in supplementary requests and Q&A. Where there has been no change to your methodologies and processes it may be appropriate to use the documents supplied in 2014 as a starting point, ensuring the specific details requested below are all addressed in your answers. If you have not provided information for a certain portfolio before, please respond to the questions in this section in full.

For each item, the main question is emphasised in bold. Subsequent questions clarify the scope and the amount of detail expected in your response. Where responses to an item are common between portfolios, you may provide the response once and then cross-reference it when responding for other portfolios.

P36. **Describe the key stages of the process of arriving at the stressed impairment projections.** Briefly outline the steps you took to create your projections. Why did you choose this approach? Were there any other alternatives considered?

P37. **Describe how you have calibrated your macroeconomic model to take account of the scenario.** Describe the key assumptions that you applied. If you have estimated any equations to create projections please:
   a. Provide these equations.
   b. Referencing the detail provided in P7 where relevant, for each variable in the equation, explain the reason for transformation applied (if relevant), the data source and time period over which you run your estimation.
   c. Provide the end-year values for each year of the scenario for the projected dependent variable from each equation.

P38. **Provide details of any challenger models that your firm developed (if any).** Describe the models, outline the key assumptions and the reasons why they were chosen. If you estimated any equations, provide the same details regarding them as required in the request P37.

P39. **Provide details on further sensitivities to any model calibrations.** Include quantitative results from your sensitivity analyses and provide the justification on the choice of sensitivities.

P40. **Provide details on the key model weaknesses and explain how you mitigated them.** Include information on the extent to which these weaknesses are material to the projections, what mitigation was considered, and the next steps that are planned to improve the models for subsequent stress testing exercises.

P41. **Describe the high risk segments of the portfolio, and how they have been considered in the forecasting process.** Explain why you consider them to be higher risk, and provide quantitative estimates to demonstrate the relative riskiness of these segments relative to lower risk segments and/or the average book.

P42. **For secured portfolios only, describe your firm's current strategy for dealing with interest only maturity risk.**

P43. **Provide a brief description of the arrears/default emergence part of the forecasting process.** What approach was used to estimate arrears? What are the key assumptions? Has any segmentation been used, and if so, provide details of how any mapping to a segmented model was carried out.

P44. **If relevant for the portfolio, explain any differences in your firm's approach to modelling arrears for buy-to-let portfolios, as compared to owner-occupied.** Did you look at different risk metrics for BTL, and if so, what were they? Have you assumed any structural differences between residential (owner-occupied) and BTL markets? How does the scenario affect residential and BTL portfolios differently? Explain how consent-to-let mortgages are treated.

P45. **Provide a brief description of the Loss-Given-Default estimation in the forecasting process for the given portfolio.** What approach was used to estimate LGD? What are the key assumptions, for example, Probability of Possessions Given Default (PPGD) and Forced

Sale Discount (FSD) for secured portfolios, and their justification? Has any segmentation been used? If so, provide details.

P46. **For secured portfolios, provide a brief description of how house price changes at a regional level have been accommodated in the projection.** What approach was used to estimate it? What were the key assumptions and their justification? How granular were the segments considered? Include details, if relevant, on how house price index (HPI) was considered in arrears forecasting.

P47. **Provide a brief description of the work undertaken to provide assurance that the collateral valuations used for the start point of the stress period are accurate to current market value.** Outline the key principles of the approach used.

P48. **Describe how customer affordability has been accommodated in the projection.** State the definition of affordability used. What approach was used to estimate the impact of the scenario on customers' affordability? What were the key assumptions and their justification? Describe all variables that fed into your calculation of affordability, for example, disposable income (with reference to request P7). Provide details on how you estimated these variables. Are there any management overlays for the impact of the scenario on affordability, and if so, how were they estimated?

P49. **Describe how customers' overall indebtedness has been accommodated in the projection.** State the definition of indebtedness used. What approach was used to estimate the impact of the scenario on customers' overall indebtedness? What were the key assumptions and their justification?

P50. **Provide a brief description of how unemployment has been accommodated in the projection.** What approach was used to estimate the impact of unemployment? What were the key assumptions and their justification? If you considered a segmental approach based on unemployment, provide a description.

P51. **Explain how the drawn balance and drawdown of any unused limits has been incorporated in the projection.** Provide a brief description of how you estimated drawn balance and drawdown of any unused limits, and of the impact these variables had on the impairment projection. What were the key assumptions and their justification?

P52. **Provide a brief description of how forbearance has been accounted for in the stress projections.** Describe any changes in your approaches to forbearance in the stress scenario. Describe any other assumptions made with regard to forbearance and provide justification.

P53. **Requests P18, P19 and P21 required descriptions of the likely strategy for each portfolio in the stress scenario.** Provide supplementary detail of any expected changes in customer management and arrears management.

P54. **Provide details regarding any Credit Fair Value balance held for the portfolio, and describe how they evolve in the stress scenario.** Provide the FV balance for each year of the stressed scenario, including the split between utilised and utilised FV.

P55. **Provide the summary of all judgemental overlays that were applied throughout the process, along with a brief justification for each overlay.** What types of overlay were considered (e.g.: relating to modelling, portfolio quality, etc)? State if any overlay changed materially as a result of the challenge process and provide an explanation. Demonstrate how the overlay component compares with the modelling component of the projection.

The annex titled "Retail Credit Risk optional tables" also asks for further information regarding UK Secured portfolio balance flows, and suggests a table to organise responses. See items 1 and 2 in the Retail Credit Risk optional tables annex for details.

<u>Impairment projections - Retail credit risk – rest of the world [RCR]</u>

The purpose of this section is to provide us with contextual information on specific non-UK portfolios. Please refer to the portfolio annex for a list of portfolios for which we are requesting this information.

In 2014 we asked a number of similar questions, both in the unstructured data request, in supplementary requests and through Q&A. Where there have been no significant changes, it may be appropriate to use the documents supplied in 2014 as a starting point, providing updated metrics where relevant. Where you have not provided information for a certain portfolio before, please respond to the questions in this section in full.

P56. For each portfolio in the annex, provide:
   a. Product description (including channel of acquisition) and key sub-segments / sub-products if relevant.
   b. Summary of competitive position, strategy and growth targets for this market:
      i. For your firm as a whole.
      ii. For the portfolio in question.
   c. Market share in a given segment, for this portfolio and key competitors.
   d. Target market demographic, for your firm's portfolio, and relevant portfolios of key competitors.
   e. Summary of the current economic environment.
   f. Regulatory environment and legal issues (for example, right to title issues).
   g. Relevant aspects of the cultural environment (for example, attitude to credit, home ownership vs rental, etc).
   h. Presence and penetration of credit bureaus in the market.
   i. Significant events in the last five years related to your firm, this market as a whole, and the portfolio in question (for example, portfolio acquisition, shifts in target demographic etc).
   j. Risk appetite and relevant risk metrics for the portfolio in question.
   k. New business quality and performance metrics.
   l. Peer benchmarking for a given portfolio, if available.
   m. Details on forbearance for a given portfolio, including the definition of forbearance used, a summary of the main forbearance practices, and quantitative forbearance metrics.
   n. Summary of provisioning methodologies for the portfolio in question.

<u>Impairment projections - Wholesale credit risk [CSICR]</u>

In the feedback on the 2014 stress testing exercise, documentation of wholesale credit risk methodologies was identified as an area requiring significant improvement. The questions below should be considered as the minimum level of detail required.

P57. Where it differs from your response to A19, describe the overall methodology behind the stressed impairment projections for wholesale assets, including the level of granularity or aggregation at which wholesale assets are stressed.

P58. Where it differs from your response to A19, describe how the methodology differs by asset class and geography, and where appropriate, how it differentiates between product types.

P59. Describe how the macroeconomic scenario has been incorporated into the wholesale projections.

P60. List the variables used in the models that project wholesale impairments for each asset class, and at which stages in the process they are used (please refer to the variables provided in response to request P7).

P61. Describe which of these variables your models are most sensitive to. If relevant, divide your response by asset class and provide quantitative information as appropriate. These may be different to the sensitivities provided for the overall projections in response to P12 and P13.

P62. Describe how the methodology takes into account the value of any collateral held and how this has influenced the projection.

P63. Describe any single name concentrations and sector concentrations, and how correlations are captured within the methodology.
P64. Where impairments are not modelled directly and judgement was applied instead, describe the process used to project the impairment charges under the baseline and stress scenarios for both performing and non-performing loans.
P65. Describe the assumptions behind provisions and write-offs and the timing of losses, including how they differ by FDSF asset class.
P66. Provide details of the key adjustments that were made to the wholesale modelled results, including specific wholesale management overlays.
P67. Describe the key challenges, and any additional assumptions or adjustments that were required to complete the templates.
P68. For all wholesale assets and for each material FDSF asset class and geographic area, provide commentary on the following items:
    a. Changes in drawn balances and exposure for RWA between the baseline scenario and the stress scenario, referencing your answer to P18, P19 and P21.
    b. Impairment charges and loss rates for each year of the stress scenario and how they compare with historical experience. For loss rates, use impairment charge divided by exposure for RWA. Where appropriate, also comment on impairment charge divided by drawn balance or other internal measures.
    c. The profile of impairments relative to expected losses in the stress scenario.
    d. The sectors that are most materially impacted by the stress.
    e. The impact of interest rates on wholesale impairments
    f. Any material strategic decisions that have had a direct impact on stressed impairments.
    g. Material one-off items that have impacted the projections.
    h. Any counter-intuitive results.

<u>Risk weighted assets (RWA) projections [RWA]</u>

These requests are designed to give Bank staff a greater understanding of RWA and EL projections. At a high level, the requests cover stress methodology and assumptions, internal governance, and management judgement.

These requests apply only to exposures rated using IRB (including slotting), F-IRB or A-IRB. Most requests are relevant to all asset classes. Where this is *not* the case, it has been indicated alongside the request.

For each request in this section, a separate response should be provided for each portfolio. The portfolio annex contains a list of portfolios, specific to your firm, for which you should provide responses. Where different portfolios have a common response to a request, you may list the portfolios to which the response is relevant, rather than duplicating the response.

In all cases, please indicate the FDSF portfolios to which the methodologies apply, using the Business Unit / Sub-Business Unit / Geography of Exposure / Asset Class / Product Type fields that are used in the FDSF returns.

The requests are in the context of the stress scenario. Please indicate if different methodologies are applied to the baseline scenario.

Requests on data

P69. In relation to stress test models for RWA, provide:

a. Model identifier and name (cross referencing your response to A8).
b. Methodology documentation.
c. Documentation detailing internal validation.
d. Minutes from governance committees where models were approved.

P70. Describe which external data sources have been used in producing stressed RWAs. Indicate the period of history that was used and the reasons for the choice.

P71. Indicate the portfolios for which external ratings have been used, the reasons for doing so, and how this is expected to change under stress.

P72. With reference to detail provided in response to request P7, confirm the economic variables that drive the stressed RWA projections, indicating which of those relate to PD, LGD and EAD.

Requests on stress models

P73. State the level of aggregation at which stress RWA modelling was performed (e.g.: account level, segment level, or portfolio level). If the modelling is performed at the segment level, provide details of the segments. If the level of aggregation is different across component models (i.e.: PD, LGD, EAD), give a separate response for each.

P74. If you expect migration across regulatory PD grades (or slotting grades, for specialised lending exposures), provide justification, referring explicitly to the individual variables that are driving the migration, and the resulting effect on the non-defaulted PD.

P75. Describe any assumptions made around the flow of defaulted accounts to write-off, in the stressed RWA results.

P76. Referencing the detail provided in responses to the retail and wholesale requests above, describe any changes to limits on undrawn exposures or other pre-committed credit facilities during the scenario. Include information on how this impacts the ratio of exposure for RWA to drawn balance.

P77. Describe the treatment of accounts in forbearance, in respect of RWA, including consideration given to normal business practice, and consistency with impairment projections. Indicate how material the affected accounts are. (Relevant only for Mortgages.)

P78. Provide details of how property price movements are incorporated within the forecast, with particular reference to the LGD component of the capital calculation (for mortgages) and exposure for RWA (for CRE). (Relevant for CRE Development, CRE Investment and Mortgages.)

P79. Explain the relative movements in expected losses and provisions for defaulted assets in the stress scenario.

Overlays and adjustments

P80. Provide the value of LGD prior to the application of the 10% floor (CRR article 164.4) by year of outcome within the stress test. (Relevant only for Mortgages.)

P81. Provide details of any existing management overlays to the underlying modelled results and how these will change under the stress scenario.

P82. Provide details of any further management overlays to stressed RWA results, either at the portfolio level or at the segment level.

Traded risk

Please answer the questions under each heading below with reference to the specific named supplementary request.

Market Risk Stressed P&L [MR]

P83. Referencing the detail provided on risk factor shocks in requests P4 to P8, provide a description of the methodology that was used, and key assumptions that were made, in producing the stress testing results to populate this template, including:
   a. Any approximations used in the calculation of results.
   b. The approach taken, and any assumptions made, when aggregating results.
   c. Completeness of capture of positions/exposures, including any deviation from the expectation that all positions/exposures are captured.
   d. Any known departures from the approach specified by the Bank, and the reasons for these.
   e. Any other material information on the methodology used, and assumptions made, when producing the stress testing results (e.g. any differences in calculation methodology to FDSF).

P84. It is expected that stress testing results do not incorporate the impact of mitigating management actions. If this is not the case, please specify and provide further details.

P85. It is expected that stress testing results do not incorporate the benefit of hedges except where envisaged by (or consistent with) the overall approach, as specified by the Bank. If this is not the case, please specify and provide further details.

P86. Please provide a commentary identifying and explaining the significant P&L drivers for the stress test results (including gains). This commentary should include:
   a. Key positions/strategies and P&L.
   b. Key risk factors and P&L.
   c. Key businesses and P&L.
   d. Key regions and P&L.
   e. Key liquid risks and P&L.
   f. Key structural liquid risks and P&L.
   g. Key illiquid risks and P&L.

P87. Please provide a breakdown of the CVA stress results in terms of market risk factors.

Counterparty Credit Risk Losses [MR]

P88. Referencing the detail provided on risk factor shocks in request P4 to P8, provide a description of the methodology that was used, and key assumptions that were made, in producing the stress testing results to populate this template, including:
   a. Any approximations used in the calculation of results.
   b. The approach taken, and any assumptions made, when aggregating results.
   c. Completeness of capture of positions/exposures, including any deviation from the expectation that all positions/exposures are captured.
   d. Any known departures from the approach specified by the Bank, and the reasons for these.
   e. Any other material information on the methodology used, and assumptions made, when producing the stress testing results (e.g.: any differences in calculation methodology to FDSF).

P89. It is expected that stress testing results do not incorporate the impact of mitigating management actions. If this is not the case, please specify and provide further details.

P90. It is expected that stress testing results do not incorporate the benefit of hedges except where envisaged by (or consistent with) the overall approach, as specified by the Bank. If this is not the case, please specify and provide further details.

P91. Please provide commentary identifying and explaining the key risk factors and key positions driving the CCR stress exposures for the defaulted counterparty / counterparties.

P92. Please provide a breakdown of the CVA stress results in terms of market risk factors.

Revenues & Costs for Investment Banking Division (Baseline & Stressed) [MR]

The following information is requested in order to assist us in our quality assurance of your stressed income and expenses projections.

P93. Please provide a description of the methodology that was used, and key assumptions that were made, in producing the stress testing results to populate this template, including:
   a. The approach taken, and any assumptions made.
   b. Any other material information on the methodology used, and assumptions made, when producing the stress testing results.

P94. It is expected that stress testing results do not incorporate the impact of mitigating management actions. If this is not the case, please specify and provide further details.

Stressed PVA [MR]

P95. Referencing the detail provided on risk factor shocks in request P4 to P8, provide a description of the methodology that was used, and key assumptions that were made, in producing the PVA stress testing results to populate this template, including:
   a. Any approximations used in the calculation of results such as the use of risk based extrapolations in place of full revaluation and the basis for the projection of the funding spread risk profile post stress.
   b. The approach taken, and any assumptions made, when aggregating results.
   c. Completeness of capture of positions and exposures, including any deviation from the expectation that all positions and exposures are captured.
   d. Any known departures from the approach specified by the Bank, and the reasons for these.
   e. Any other material information on the methodology used, and assumptions made, when producing the stress testing results including:
      i. An explanation of additional risk factors shocks used in addition to those supplied by the Bank of England, such as own and market funding curves.
      ii. The rationale for any differences between the funding spreads applied in calculating fair and additional value adjustments and the own funding spreads they observe from the funding market.

P96. It is expected that stress testing results do not incorporate the impact of mitigating management actions. If this is not the case, please specify and provide further details.

P97. Please provide a reconciliation of the actual AVA under each scenario to that predicted by the combination of the risk exposure and difference between prudent and fair value funding spread curves sufficiently to allow Bank staff to understand any non-linearity and cross effects.

Trading Book RWAs (baseline & stressed) [MR]

The following information is requested in order to assist us in our quality assurance of your stressed own funds and RWA projections.

P98. Referencing the detail provided on risk factor shocks in request P4 to P8, provide a description of the methodology that was used, and key assumptions that were made, in producing the stress testing results to populate this template, including:

a. The methodology used for projections under the baseline and stress scenarios over the horizon.
b. Any approximations used in the calculation of results; in particular:
    i. the methods used to calculate stressed exposure at default.
    ii. the methods used to produce stressed risk weights in the calculation of counterparty credit risk RWA, particularly if different from those used to calculate stressed credit risk RWA projections.
    iii. the methods used to determine stressed measures of market risk capital measures.
    iv. the methods used to determine stressed measures of CVA risk.
c. The approach taken, and any assumptions made, when aggregating results.
d. Completeness of capture of positions/exposures, including any deviation from the expectation that all positions/exposures are captured.
e. Any known departures from the approach specified by the Bank, and the reasons for these.
f. Any other material information on the methodology used, and assumptions made, when producing the stress testing results.

P99. It is expected that stress testing results do not incorporate the impact of mitigating management actions. If this is not the case, please specify and provide further details.

P100. It is expected that stress testing results do not incorporate the benefit of hedges except where envisaged by (or consistent with) the overall approach, as specified by the Bank. If this is not the case, please specify and provide further details.

AFS / FVO stressed P&L [MR]

P101. Referencing the detail provided on risk factor shocks in request P4 to P8, provide a description of the methodology that was used, and key assumptions that were made, in producing the stress testing results to populate this template, including:
a. Any approximations used in the calculation of results.
b. The approach taken, and any assumptions made, when aggregating results.
c. Completeness of capture of AFS/FVO assets and associated hedging instruments, including any deviation from the expectation that all AFS/FVO assets and associated hedging instruments are captured.
d. Any known departures from the approach specified by BoE, and the reasons for these.
e. Any other material information on the methodology used, and assumptions made, when producing the stress testing results.

P102. It is expected that stress testing results in this template do not incorporate the impact of mitigating management actions. If this is not the case, please specify and provide further details.

P103. Please provide a reconciliation of the fair value of AFS and FVO assets in the template (column E) to the Financial Statements.

P104. Please provide a reconciliation of the total valuation losses from AFS assets net of HI reported in this template to the amount reported in OCI in the Capital template.

P105. Please provide explanations for the regulatory classifications of the hedging instruments to the AFS/FVO assets.

Structured finance

Structured Finance [SF]

P106. Provide details of the processes taken in the compilation of projection templates. This should include:

a. Limitations to data preparation, any assumptions made to generate projection numbers.
b. Any exemptions to methodology.
c. Any additional values which have affected projections (e.g.: FX rates).

This document should also include the steps taken to complete and reconcile between the projections templates. Finally, this document should include details of governance surrounding structured finance preparation. Your response may take the form of a Basis of Preparation document.

P107. For all securitisations and covered bonds, provide details on the assumptions used for acquisition, divestment, call options, prepayment and default rate.
P108. Where your firm has deviated from the methodology described in requests A30 to A34, provide a description of the new methodology and a reason for the change in approach.

Pensions risk

Pensions Risk [PR]

Firms are expected to apply a stress across all balance sheet asset and liabilities. This includes a firm's pension scheme.

P109. Provide any further information, not covered by request P4, on how the scenario has been extrapolated to variables required specifically for pensions risk.
P110. Provide details of any unusual features of the pension schemes. This is defined as anything which is not common for UK pension schemes, for example, if a scheme has fixed increases to pensions instead of index-linked increases.
P111. Provide details of any assets or liabilities of the scheme whose behaviour is not well represented by the scenario variables.
P112. Provide PV01 and IE01 for each material scheme, separately for assets and liabilities, as close to year 0 as available and on an IAS19 basis.
P113. Describe how future pension contributions are estimated. For example, a firm might project the triennial funding valuation and recovery plan according to the scenario, and use this to determine contributions in the scenario. Alternatively, a firm might not consider this a material impact, and make simplifying assumptions.
P114. With reference to the 'Pensions Liabilities Reconciliation' tab on the Capital and Projections template, describe details of any settlements, curtailments, past service costs or other special items.
P115. If figures on the regulatory balance sheet are shown net of a tax adjustment, provide the tax rate.
P116. If a pension scheme is shared with another firm, subsidiary or other entity that is outside the scope of the stress test exercise, give details of the proportion of the scheme that relates to the firm in scope, and summarise the methodology used to determine the share that the firm in scope is responsible for.
P117. If a firm has schemes that are not individually material, and therefore not modelled, explain how any results from modelled schemes are grossed up to reflect the schemes that are not modelled.
P118. Provide a table of total rates of return used for each asset category in each year of the projection.

Operational risk

Operational Risk [OPR]

P119. Provide details of the methodology (both quantitative and narrative) applied in calculating operational risk losses (excluding Conduct Risk related losses detailed in P33) in the stress over the course of the stress test. Include a breakdown of by Operational Risk Event Types (as defined in CRR Article 324) if available. Give an estimate of the average proportion of losses below the loss collection threshold over the course of the stress test.

P120. Provide details of the methodology (both quantitative and narrative) applied in calculating operational risk RWA (excluding Conduct Risk over the course of the stress test, including a breakdown of by Operational Risk Event Types (as defined in CRR Article 324) or Business Lines (as defined in CRR Articles 317 & 318) if available.

Capital projections

Tax and deferred tax assets [CAPPROJ]

P121. Provide effective tax rates for material jurisdictions, and details of the consolidation to the tax amounts included in the group P&L submissions.

P122. For each year, provide a reconciliation of opening and closing DTAs, including a breakdown by type of DTA and by material jurisdiction, together with a narrative detailing capital treatment, expected usage or accrual of DTAs.

P123. Describe the impact of the changes to DTA treatment announced in the Chancellor's 2014 Autumn Statement.

Dividends [CAPPROJ]

P124. Provide details of your firms' dividend policy. Indicate which aspects of the policy are public and which are internal to your firm. Include aspects of discretionary payments.

P125. Confirm details of semi-annual payments from FYE 2014, including total amounts, per share breakdowns, and scrip assumptions. Provide the maximum distributable amount (MDA) and how this has been calculated.

P126. Provide a narrative describing how dividend payments have been calculated for each year of the stress, detailing the rationale for any change in pay-out ratios.

Capital structure [CAPPROJ]

P127. Provide details (both quantitative and narrative) of how the capital structure evolves over the course of the stress test, including a breakdown of capital instruments. Highlight any trigger based instruments and any associated costs. The narrative should provide an explanation for the changes in the value of individual capital instruments in each year of the stress and should enable the reconciliation of year-on-year changes in each tier of capital, including redemptions, new issuances, grandfathering etc.

Deductions [CAPPROJ]

P128. Detail the evolution of capital deductions. Include cross references to deduction captures in other areas, particularly to request P95 regarding PVA estimation.

P129. Describe the treatment of minority interests and significant investments.

P130. For any other specific deduction where there is significant movement over the course of the horizon, provide details of how these changes were modelled.

Foreign exchange rates [CAPPROJ]

P131. With reference to your response to number P14, describe the impact of changes in FX rates on capital instruments and risk weighted assets for each significant currency, including relative to holding rates fixed at end-December levels.

P132. Provide a table detailing capital instruments and RWAs for each significant currency, showing evolution over the course of the stress.

Other capital requests [CAPPROJ]

P133. Provide a breakdown of the following items from the 'Capital and other projections' template:

a. Capital Requirements: Other (level 2)
b. P&L and OCI Reconciliation: Other OCI (level 1) and Other retained earnings not in P&L (level 2)
c. EL-P Reconciliation: Other (level 1, x4)
d. Impairments and Other Losses: Other (level 1)

Liquidity projections

Liquidity [ALMLR]

The following request addresses the liquidity impact of the 2015 trading book stress. Responses should be aligned with the time horizons (1D, 1W and 1M only), reference date and shock parameters of the trading book stress. Please present all assumptions and supporting calculations and ensure consistency with other data supplied as part of 2015 stress testing.

Please provide:

P134. A high level narrative description of how the firm's liquidity position is impacted by the trading book stress scenario and evolves over the scenario;

P135. An assessment of the gross inflows and outflows of liquid assets due to margin and collateral requirements;

P136. An analysis of the impact on the market value of liquidity portfolios due to changes in market interest rates, credit spreads and potential market liquidity premia; and

P137. The estimated impact on the regulatory liquidity metric levels for both Individual Liquidity Guidance (ILG) and Liquidity Coverage Ratio (LCR).

The table below is not intended to act as a prescriptive data template but rather a guide for firms to report key liquidity information consistently to assist cross-firm analysis.

Liquidity flows	**£-m Outflow**	**£+m Inflow**	**£-/+ Net Flow**
Value of liquid assets at start of stress			
Collateral movements (for 1D, 1W and 1M time horizons)			
Margin movements (for 1D, 1W and 1M time horizons)			
Change in LAB market value due to parameter changes			
Other changes to value of LAB (please explain)			
Value of LAB when liquidity is at its lowest level in stress			

Regulatory liquidity metrics	**%**
LCR ratio (pre-stress – 31/12/2014)	
LCR ratio (as at the reference date)	
LCR ratio (at 1D, 1W and 1M) **without** management actions	
LCR ratio (at 1D, 1W and 1M) **with** management actions	
LCR ratio (post-trading book stress period – 31/12/2015) **without** management actions	
LCR ratio (post-trading book stress period – 31/12/2015) **with** management actions	
ILG ratio (pre-stress – 31/12/2014)	
ILG ratio (as at the reference date)	
ILG ratio (at 1D, 1W and 1M) **without** management actions	
ILG ratio (at 1D, 1W and 1M) **with** management actions	
ILG ratio (post-trading book stress period – 31/12/2015) **without** management actions	
ILG ratio (post-trading book stress period – 31/12/2015) **with** management actions	

Additional wholesale credit risk request- historic impairments data

Historic Impairments data - Wholesale credit risk [CSICR]

As discussed during the recent individual firm briefing sessions, this request relates to historic data on wholesale impairments. For the purposes of clarity, “wholesale” in this instance refers to only the following asset classes: the Large Corporates, Mid Corporates, SME and CRE Development and CRE Investment asset classes as defined in the FDSF Semantic Data Model. We are aware that firms’ historic data on corporate impairments may not align to these asset classes, therefore these asset classes have been provided for reference only.

P138. Firms should provide historic impairment charge and the balance relating to this impairment charge (in order to allow us to calculate an impairment rate) at the highest available level of granularity. Firms are free to use their own definition for the reported balance, but this should be detailed in the accompanying notes. If the granularity of reporting differs across reporting periods, the highest level of granularity should be reported for every given period.

a. This data should be provided as far back as possible at the highest available frequency.
b. Data should be reported on a country of exposure basis if possible. The geographical split of the data should be at the highest available level of granularity.
c. Firms should provide the split between individually-assessed and collectively-assessed impairments where available.
d. If internal information on historic impairments/losses is based on a different definition, data should be provided using the internal definition. This should be accompanied by an explanation for how this differs from the definition of impairments as reported in published accounts.
e. The data should be provided in a spreadsheet with an accompanying document that outlines the basis on which this data was compiled. This should provide details of any judgements/assumptions made when compiling data, the way this data is used internally and any other information you feel is relevant and would affect the way we use this data.

Management actions

In light of recent firm feedback, we are in the process of reviewing our approach on management actions. A separate information request on this will follow towards the end of March, which will be aligned with the guidance for participating firms.

30 March 2015: We have now reviewed our approach to management actions for 2015. Please see below the updated request, in line with our methodology guidance for participating firms.

Strategic management actions [CAPPROJ]

P139. In addition to the quantitative impact of each strategic management action as requested in the capital template, please provide a qualitative description of each action, including any supporting analysis. Please also state at what level of capital and/or leverage ratio you would take the respective action.

'Business as usual' (BAU) management actions [CAPPROJ]

P140. Please provide detail on all BAU responses to the stress scenario, i.e. those which you consider to be in your control and are a natural response to weakening economic conditions. These details should split out any individually material BAU actions or any groupings of BAU actions that are material in aggregate.

P141. Please also provide the number of employees you are assuming in each year of base and stress, both in total and by business line (using the same definitions as in the Balance Sheet and P&L template).

Annex: Retail Credit Risk optional tables

The following two tabular questions ask for information that will help support understanding of responses to requests P36-P55. The tables below are offered as a method by which to submit information on balance flows for UK Secured portfolios.

Firms should submit information on balance flows, movement of provisions of stock, and flow of new arrears/defaults, for all UK Secured portfolios. Responses should be submitted in an annex to the firm's unstructured response, and any attached documents should have content code [RCR].

1. Please populate the following table showing the details of the balance flows for the portfolio in question:

Projection Period - year	LTV Band	Total outstanding portfolio balance at the start of the year	New Business	Further Advances	Repayments	Redemptions	Written-off
Year 1	<=50%						
Year 1	>50%, <=75%						
Year 1	>75%, <=80%						
Year 1	>80%, <=85%						
Year 1	>85%, <=90%						
Year 1	>90%, <=95%						
Year 1	>95%, <=100%						
Year 1	>100%						
Year 2	<=50%						
Year 2	>50%, <=75%						
Year 2	>75%, <=80%						
Year 2	>80%, <=85%						
Year 2	>85%, <=90%						
Year 2	>90%, <=95%						
Year 2	>95%, <=100%						
Year 2	>100%						
…	…						
…	…						
Year N	>80%, <=85%						
Year N	>85%, <=90%						
Year N	>90%, <=95%						
Year N	>95%, <=100%						
Year N	>100%						

Note on reconciliation: Starting balance in a given year should reconcile to starting balance in the previous year plus/minus all flows reported in the corresponding column for that year.

2. Please populate the following table showing the movement of provisions for stock and flow of new arrears/defaults:

Year first into Default	Year of Scenario	Balances at Start of Year	Balances at End of Year	Balances Written Off During Year	Losses at write-off	Annual Imp. Charge	Start Stock of Provisions	End Stock of Provisions
Year 0 or before	Year 1							
	Year 2							
	…							
	…							
	Year N							
Year 1	Year 1							
	Year 2							
	…							
	…							
	Year N							
Year 2	Year 2							
	…							
	…							
	Year N							
…								
…								
Year N-1	Year N-1							
	Year N							
Year N	Year N							

Annex: Portfolios

This annex contains a list of credit portfolios for which detailed responses are requested.

Requests relating to credit, impairments

A separate response for the credit risk, impairments items is responded for the following portfolios:

Country	Portfolio	Items A11 to A18	Items P36 to P56	Item P56

Note: When responding to questions P18, P19, and P21, please ensure the portfolios listed in this column are addressed in your answers.

Requests relating to credit, RWA

A separate response for credit risk weighted assets requests should be given for A25 to A29 and P69 to P82 for portfolios of interest. The table below indicates, for your firm, which portfolios responses are expected for. However, if one response is common to more than one portfolio, you may give the response once, listing portfolios it applies to using the following FDSF descriptors: Risk type; Commercial entity; Business unit; Sub-business unit; and Geography of exposure.

Table of portfolios of interest for RWA requests A25 to A29 and P69 to P82.

Annex: Unstructured documentation 2016: Basis of Preparation

In the 2014 stress testing exercise some firms provided a “Basis of Preparation” document, which typically provided detail of:

- Data sources used to populate FDSF templates & other data requests
- Details of data aggregation and manipulation
- For each risk or business area, details of how stress testing methodologies have been applied

In 2016, we will request that all firms complete a basis of preparation which includes some standardised information (such as the above details). Our expectation is that this document will replace a number of elements from the unstructured data request.

For the 2015 Bank of England stress test, firms may opt to prepare and submit a basis of preparation document. In such a case, the response to this unstructured request should cross reference to the basis of preparation document.

This option should be discussed with Supervision and relevant specialists during the data discussions meetings scheduled for February.