SIX Basel Data Service provides the high quality data required to support banks and financial institutions calculate capital requirements under standard model approach and meet their disclosure requirements in line with EU1 and Swiss2 implementations of Basel reforms.

**The BCBS (Basel) Framework**
Subsequent changes to the Basel framework published by the Basel Committee for Banking Supervision (BCBS) in late 2017 commonly referred to as Basel IV introduces strategic challenges to banks and especially large institutions located in multiple jurisdictions.

In order to address the inconsistencies that exist between banks in calculating their risk-weighted assets (RWA), the overarching aim of the revised rules is to harmonize how banks calculate risks, making them more consistent and comparable between banks located in member states.

As a result, through revisions to credit & operational risk standards, modification of the leverage ratio and the phased introduction of capital floor, this new framework is designed to strengthen the standard model approach.

**The Challenge**
The impact of these directly affects the way banks’ capital requirements are assessed. With the implementation of the next-gen RWA calculation an increase in capital & liquidity requirements will impact the bank’s optimal portfolio composition and loan pricing, demanding efficiency gains within the business.

<table>
<thead>
<tr>
<th>Key Topics</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limits volatility &amp; variance in capital calculations</td>
<td>--- Manage capital &amp; liquidity requirements in line with new RWA calculations</td>
</tr>
<tr>
<td>Calculation of RWAs to align standardized with IRB models via input/output floor</td>
<td>--- Impact on business, data &amp; systems</td>
</tr>
<tr>
<td>Higher maximum leverage ratios</td>
<td></td>
</tr>
<tr>
<td>Strengthen micro and macro prudential and increase in capital buffers</td>
<td></td>
</tr>
<tr>
<td>Revised disclosure for credit &amp; operational risks, modified leverage ratio, credit valuation adjustment (CVA)</td>
<td></td>
</tr>
</tbody>
</table>

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1 Capital Requirements Regulation (CRR), updated CRR, Bank Recovery & Resolution Directive (BRRD)
2 Swiss Liquidity Ordinance (01/01/2020), FINMA Rundschreiben 2015/2 (04/11/2020)
Why Basel Data Service by SIX?
SIX data supports calculation of credit, market and liquidity risks, analytics, scenario analysis and regulatory compliance:
- Comprehensive data solution developed in line with EU & Swiss rules
- Cross asset-class coverage
- Proven track record implementing risk & regulatory solutions
- Complimentary to established SIX Tax & regulatory services
- Fully automated flexible data delivery options

Our service focuses on four areas within the Basel framework offering high quality data required to calculate capital and liquidity requirements:
- **HQLA**
  Identifies eligible instruments to apply applicable levels and associated haircuts, required for calculating Liquid Capital Ratio (LCR)
- **Credit Risk**
  Exhaustive coverage of applicable instruments and mapping to the corresponding regulatory risk classes
- **Market Risk**
  Adoption of the general and specific risk requirements including the computation of the associated risk metrics
- **BRRD II**
  Eligible financial securities with respect to own funds regulatory capital requirements and senior unsecured (non-preferred, bail-in-able) debt instrument

Need...
- Regulatory rule sets integrated with core data offering for consistency and provenance
- Flexible data delivery options to support automation & straight-through processing
- Transparent, explainable rule sets supporting derived values

To enable...
- Comprehensive data powering intelligent decisions
- Reliable, trusted and granular data to support risk & compliance
- Supports business and operational efficiency
- Automation of essential business processes

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