

Oracle Financial Services Basel Regulatory Capital Internal Ratings Based Approach

User Guide

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Preface

Intended Audience

Welcome to Release 6.0.0.0.0 of the Oracle Financial Services Basel Regulatory Capital IRB Approach User Guide.

This guide is intended for:

- **Technical Analyst:** This user ensures that the data is populated in the relevant tables as per the specifications, executes, schedules and monitors the execution of Runs as batches.
- **Business Analyst:** This user reviews the functional requirements and information sources, like reports.
- **Data Analyst:** This user would be involved with cleaning, validation and importing of data into the OFSAA Download Specification Format.
- **Administrator:** The Administrator maintains user accounts and roles, archives data, loads data feeds, and so on. The administrator would control the access rights of users.

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Structure

- 1 Introduction to Basel Regulatory Capital IRB Approach
- 2 Overview of OFSAA Infrastructure
- 3 OFS Basel Regulatory Capital Application
- 4 Application Processing
- 5 Reporting
- 6 Process Tuning
- A Frequently Asked Questions
- Glossary

Related Information Sources

- Oracle Financial Services Basel Regulatory Capital IRB Approach Release 6.0.0.0.0, Installation Guide
- Oracle Financial Services Basel Regulatory Capital IRB Approach Admin Guide
- Oracle Financial Services Basel Regulatory Capital Analytics User Guide

Chapter 1 Introduction to Basel Regulatory Capital

Overview

Compliance to the Basel accord is a mandated business requirement for financial institutions in most jurisdictions around the world. Financial institutions need a complete application that allows them to quickly respond to these requirements. It also provides them with an in-depth analysis of regulatory capital requirements under baseline and stress scenarios for effective capital planning. With the latest Oracle Financial Services Basel Regulatory Capital application, Release 6.0.0.0.0, banks can now meet the requirements as stated in the Basel accord, by catering to multiple jurisdictions with a single application, thereby eliminating the need for multiple point applications from multiple software vendors.

Key Benefits

The advantages that you can gain from the OFS Basel Regulatory Capital application are as follows:

- One integrated application which allows for multiple jurisdictional computations.
- Different approaches have been configured for various portfolios.
- Financial institutions can migrate to more advanced approaches as and when required.
- Comprehensive coverage of Credit Risk Mitigation techniques which ensures optimum allocation of Credit Risk Mitigants to exposures for maximum RWA reduction.
- Extensive, pre-built instrument coverage, built to Basel II and III guidelines, which means banks can get “up and running” quickly with minimal preprocessing.
- It is a fully transparent application where all Rules and Approaches are visible to business users and reviewers/auditors.
- Audit Trail is present to maintain accountability of Rules changes, user activity, or system modifications.
- Integrated Stress Testing Framework. This Assess regulatory capital requirements under stress scenarios as per guidelines within a single system for:
 - Compliance
 - Strategic decision making
 - Capital planning
- Comprehensive and user-friendly modeling framework providing industry-standard statistical techniques and business models for PD, LGD, and EAD.
- The application has the capability to build or host models.

Application’s Interface with Other Financial Services Components

Data Model

Analytical Applications Reconciliation Framework

After data is configured into the relevant tables, you also have an option to perform General Ledger (GL) Reconciliation using our OFS Analytical Applications Reconciliation Framework.

NOTE: The Oracle Financial Services Analytical Applications Reconciliation Framework has to be additionally licensed by the bank.

OFS Analytical Applications Reconciliation Framework compares the balances from the bank's operational systems, to the balances in the bank's financial systems, which are reflected in the GL. Thus, the OFS Analytical Applications Reconciliation Framework finds out differences, if any, between the two. On the basis of such reconciliations, adjustment entries are passed when required, to ensure that the data from the operational systems tally with the balances in the GL. If you have identified the account or contract that is responsible for the difference, then you can rectify the difference by posting a correction entry on that account. Therefore, OFS Analytical Applications Reconciliation Framework aims to bring the operational system at par with the financial system (GL) by passing adjustment entries, or correction entries, or both.

For more information on the Oracle Financial Services Analytical Applications Reconciliation Framework, refer to the Oracle Financial Services Analytical Applications Reconciliation Framework User Manual.

Retail Pooling

Loan Loss Forecasting and Provisioning

Chapter 2 Overview of OFSAA Infrastructure

Components of OFSAA Infrastructure

Oracle Financial Services Analytical Applications Infrastructure (OFSAAI) is a complete end-to-end web-based business intelligence solution that provides tools for data integration, mart building, query and analysis, intelligent alerting, and information delivery. OFSAAI enables financial institutions to measure and meet risk-adjusted performance objectives, cultivate a risk management culture through transparency, lower the costs of compliance and regulation, and improve insight into customer behavior. Data in the Basel Regulatory Capital Requirement application is configured and computed using the components of OFSAAI. The main objective of this section is to familiarize you with the important modules of OFSAAI to help understand the functionality of the Basel Regulatory Capital Requirement application.

This module documents the following:

- Unified Metadata Manager
 - Data Integrator Framework
 - Data Entry Forms and Queries
 - Metadata Browser
 - Business Metadata Management
- Rule Framework
- System Configuration
 - Segment/Metadata mapping
- Administration
 - Save metadata
 - Utilities
 - User Group Batch execution Map

Access OFSAA Infrastructure

Infrastructure can be accessed through your web-browser as soon as the System Administrator (SA) installs and configures Oracle Financial Services Analytical Applications Infrastructure. The SA will provide you with a link through which you can access Oracle Financial Services Analytical Applications Infrastructure. You can access the Infrastructure application using this link. *For more information on Starting Infrastructure Servers, refer OFSAAI 7.3 Installation manual.*

OFSAA Infrastructure Login

While accessing OFSAAI, the *Splash screen* is as displayed:



You can select the required language from the **Language** drop-down list. The language options displayed in the drop-down are based on the license. Enter the **User ID** and **Password** provided by the System Administrator and click **Login**. You will be prompted to change your password on your first login. Alternatively, you can also choose to change your password any time.



Refer to the following guidelines for Password Creation:

- Passwords are displayed as asterisks (stars) while you enter. This is to ensure that the password is not revealed to other users.
- Ensure that the entered password is at least six characters long.
- The password must be alphanumeric with a combination of numbers and characters.
- The password should not contain spaces.
- Passwords are case sensitive and ensure that the Caps Lock is not turned ON.
- By default, the currently used password is checked for validity if password history is not set.

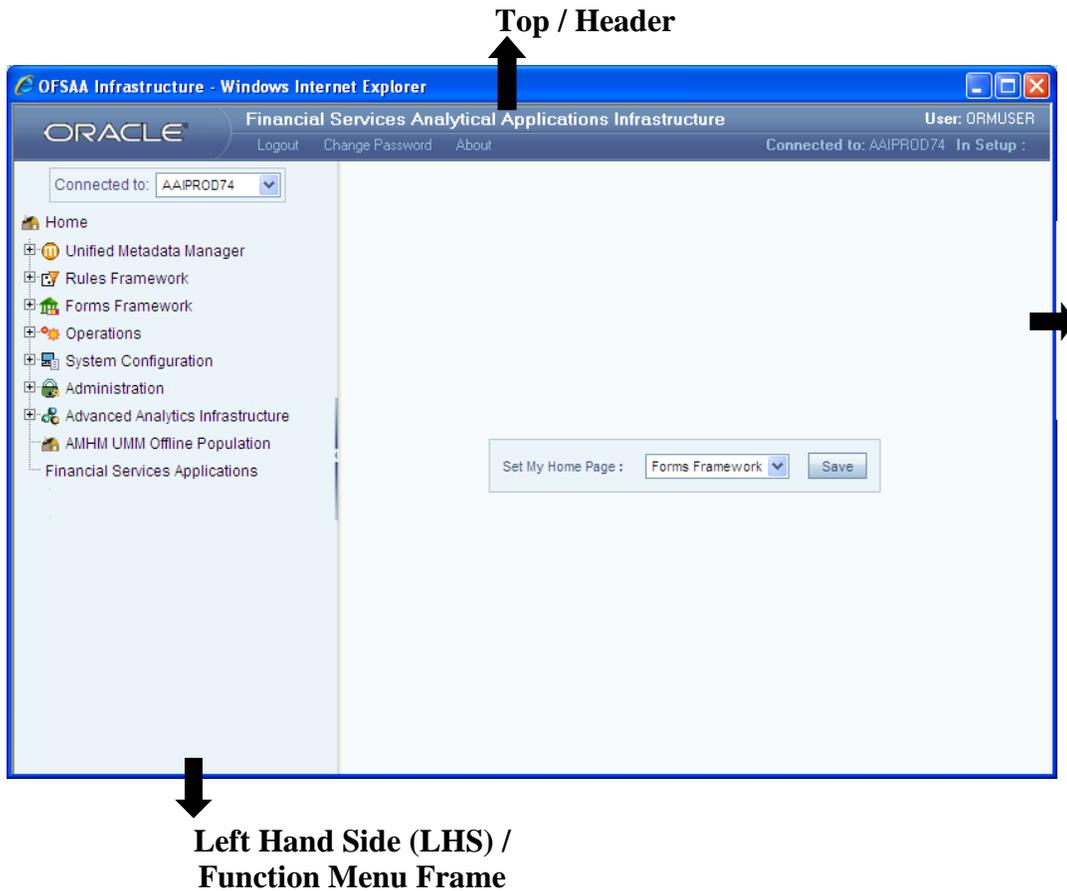
- New password should be different from previously used passwords based on the password history, which can be configured.

If you encounter any of the following problems, contact the System Administrator:

- Your user ID and password are not recognized.
- Your user ID is locked after three consecutive unsuccessful attempts.
- Your user ID has been disabled.
- Guest user cannot change the password.

OFSAAI Splash Screen

On successful login, the Infrastructure splash screen is displayed. The splash screen is divided into three frames as depicted in the following image:



The **Header** frame displays the user details along with the Information Domain selected in the right hand corner in top frame of the screen. To exit Oracle Financial Services Analytical Applications Infrastructure, click **Logout**. The built-in security system of the Infrastructure ensures restricted access to the respective screens based on the user's role. This is based on the functions that you as a user are required to perform.

The Function Menu frame displays the Information Domain to which you are connected. The main functions of Oracle Financial Services Analytical Applications Infrastructure, which appear as expandable folders contains submenus with different options. Click “+” to expand the function menu folder. The function menu displays the list of submenus/options. Click the required menu option to open the respective screen.

Unified Metadata Manager

Unified Metadata Manager is intended for the Information and Business Analysts who are instrumental in supporting and affecting analytical decisions. It provides a consistent view of the business dimensions and key measures. OFSAAI's unique Unified Metadata technology allows your enterprise to define a consistent set of business terms and securely deploy them across the entire range of analytic applications. The following sections within the Unified Metadata Manager are relevant for processing of Basel Regulatory Capital:

- Data Integrator Framework
- Data Entry Forms and Queries

- Metadata Browser
- Business Metadata Management

NOTE: Assignment type has code and leaf members that are created/populated using AMHM screen, which is a part of EPM products.

Data Integrator Framework

Data Integrator framework within the infrastructure system is a comprehensive data integration platform that facilitates all the data integration requirements from high-volume and high-performance batch loads to event-driven integration processes and SOA-enabled data services. Data Integrator is a software application based on the ETL (Extract-Transform-Load) structure, which is used for data transformation and merging. In Data Integrator, you can standardize and integrate the data from various source systems into a single standard format for data analysis. To better understand the OFS Basel Regulatory Capital application, the following components of the Data Integrator framework is elaborated in this section.

- Warehouse Designer
- Post Load Transformation

Warehouse Designer

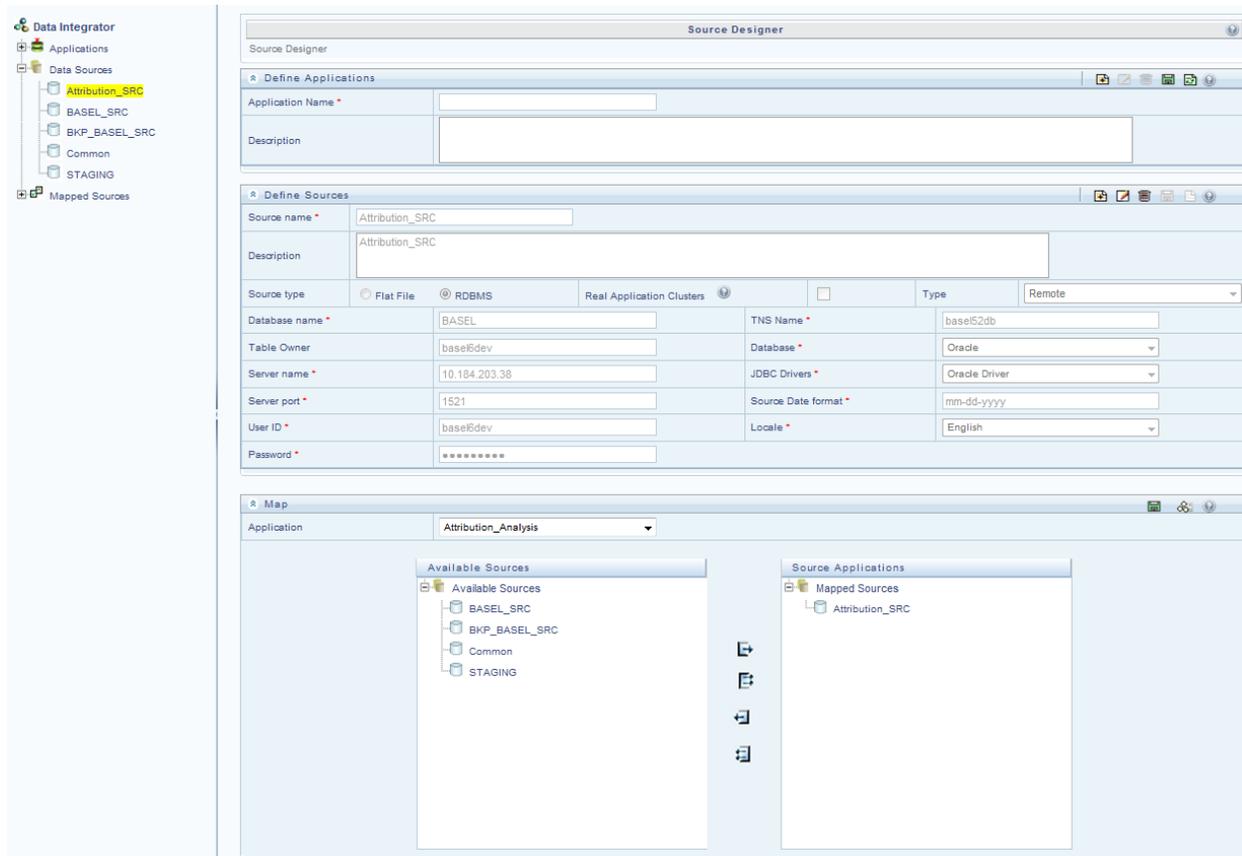
In the Warehouse Designer, you can define Data Source Models, Map Data Source to Applications, and associate Database Extracts to a Table/File for data extraction. The Warehouse Designer consists of the following sections:

- Data Sources
- Database Extracts
- File Extracts

Data Sources Designer

Data Sources Designer within the Data Integrator Framework of the Infrastructure facilitates you to generate data models by defining and mapping the required applications and data sources. You (Business Analysts) need to have ETL Analyst function role mapped to access the Data Integrator framework. The **Source Designer** screen displays the list of pre-defined applications, Data Sources, and Mapped Sources in the LHS menu and consists of three sections namely: Define Applications, Define Sources, and Map. In the **Source Designer screen** you can:

- Define Data Source Applications
- Define Data Sources
- Map Data Sources to Applications
- Generate Data Models for each Application



Define Data Source Application

A data source application is a logical group of data sources. You can define data source applications and modify or remove the application details in the *Source Designer* screen. To define Data Source applications in the Define Applications grid:

1. Enter the **Application Name** by which you can identify the application.
2. Enter a description or related information about the application.

The application details should contain the name and information pertaining to the source data required. For example: *ABC Corporate* can be the source application, *ABC Corporate sales* can be the description and data can be extracted from Oracle database, which has RDBMS Source Type. Click  icon in Define Applications tool bar and save the application details.

You can also click  icon to define another application or click  icon to clear the specified details.

To **Edit** the Data Source Applications description, in the Define Applications grid:

1. Select the required application from the LHS menu. The application details are displayed in the Define Applications grid.
2. Click  icon in the Define Applications tool bar.
3. Edit the application description as required.
4. Click  button and save the application details.

To **Delete** Data Source applications in the Define Applications grid ensure that there are no data sources mapped. If a model is generated using the application, the data sources cannot be unmapped and hence the application cannot be deleted.

1. Select the required application from the LHS menu. The application details are displayed in the Define Applications grid.
2. Click  button in the Define Applications tool bar. Click **OK** in the information dialog to confirm deletion.

Define Data Sources

Data Source refers to the physical structure or location of the source file. Data Source can either be a file or a table with rows and columns and can reside on a remote server or on a local desktop machine. Applications access Data Source using a FTP connection. You can define Data Sources and also modify or remove the Data Source details in the *Source Designer* screen. To define Data Source in the Define Sources grid:

1. Enter the **Source Name** of the data source.
2. Enter a description or related information about the application.
3. Select the **Source Type** as either Flat File (default) or RDBMS.

If **Flat File** Source Type is selected, select the server **Type** as either Local or Remote from the drop down list, and enter the details as tabulated:

NOTE: For source type as Flat File - Remote, the fields i.e. Server port, FTP drive, FTP share, Source date format, and password are mandatory.

Field	Description
Fields marked in red asterisk (*) are mandatory.	
Local	Specify the Source Date Format to be used as default date format for source data extraction and mapping, which is unless modified in the <i>Define Extracts</i> screen.
Remote	<ul style="list-style-type: none"> ▪ Server Name: Enter the Server Name or IP address where the Data Source exists. ▪ User ID: Enter the FTP User ID required to connect to the server. ▪ Server Port: Enter the active server port number which contains the flat files. ▪ Password: Enter the FTP user password required to connect to the server. ▪ FTP Drive: enter the FTP server path. In case of Unix Servers, the home directory path is taken by default. ▪ Source Data Format: Enter the Source Date Format which will be used as the default date format for source data extraction and mapping, and which is unless modified in the <i>Define Extracts</i> screen. ▪ FTP Share: Enter the ASCII files location for loading if it is located in the staging area other than the default staging area of Infrastructure Database Server.

If **RDBMS** Source Type is selected, specify the source type details as tabulated. The available options are based on the state of **Real Application Clusters** checkbox.

Field	Description
Fields marked in red asterisk (*) are mandatory.	
If Real Application Clusters (RAC) checkbox is selected	<ul style="list-style-type: none"> ▪ User ID: Enter the Database User ID, which is also assumed as the Schema name if it is the Oracle database and if the Table Owner field is left blank. ▪ Source Data Format: Enter the Source Date Format which will be used as the default date format for source data extraction and mapping. ▪ Password: Enter the Database user password required to connect to the server. ▪ Locale: Select the language using which the Infrastructure Database components are installed. The available options depend on the languages defined in the “configuration” table. ▪ JDBC URL: Enter the JDBC (Java Database Connectivity) url configured by the administrator to connect to the database. ▪ Table Owner: Enter the schema name in case of Oracle database, or Owner of Database Tables in case of SQL Server and other Databases. ▪ TNSNAME: It is the SQL*Net configuration file that defines databases address to establish connection. Enter the TNSNAME created for the Information Domain. Also ensure that: It is mandatory to enter the TNS Name if it is the Oracle database. The field is inactive if SQL or DB2 database is selected.
If Real Application Clusters (RAC) checkbox is not selected	<ul style="list-style-type: none"> ▪ Database Name: enter the name of the Source Database from which the extraction is required to be done. ▪ TNSNAME: It is the SQL*Net configuration file that defines databases address to establish connection. Enter the TNSNAME created for the Information Domain. ▪ Table Owner: Enter the schema name in case of Oracle database, or Owner of Database Tables in case of SQL Server and other Databases. ▪ Database: Select the Database from the drop down list. ▪ Server Name: Enter the Server Name or IP address where the Data Source exists. ▪ JDBC Drivers: Select the JDBC (Java Database Connectivity) driver from the drop down list. ▪ Server Port: Enter the active port number of the server which contains the flat files. ▪ Source Data Format: Enter the Source Date Format which will be used as the default date format for source data extraction and mapping, unless modified in the <i>Define Extracts</i> screen. ▪ User ID: Enter the FTP User ID required to connect to the server. ▪ Locale: Select the language using which the Infrastructure Database components are installed. The available options depend on the languages defined in the

Field	Description
	"configuration" table. <ul style="list-style-type: none"> ▪ Password: Enter the Database password required to connect to the server.

4. Click  icon in Define Sources tool bar and save the Data Source details. You can also click  icon to define another Data Source or click  icon to clear the specified details.

To **Edit** Data Source in the Define Sources grid:

1. Select the required Data Source from the LHS menu. The Data Source details are displayed in the Define Sources grid.
2. Click  button in the Define Sources tool bar.
3. Edit the Data Source details as required. You can update all the details except the Source Name, Source Type, and Real Application Cluster option selected.
4. Click  button and save the Data Source details.

To **Delete** Data Source in the Define Sources grid, ensure that there are no applications mapped. If a model is generated using the Data Sources, the same cannot be unmapped and neither be deleted.

1. Select the required Data Source from the LHS menu. The Data Source details are displayed in the Define Sources grid.
2. Click  button in the Define Sources tool bar. Click **OK** in the information dialog to confirm deletion.

Map Data Sources to Applications

You can associate the defined data sources to the required applications using the Map functionality. You can map one or more data sources to serve multiple applications and load separate sources of data into the warehouse. When mapped, the application and all the associated data sources are grouped. You can identify the source data with reference to the source business application. To Map Data Sources to Application in the Map grid, select the required **Application** to map the Data Sources. Do one of the following:

- Select the Application from the Mapped Sources list in the LHS menu.
- Select the Application from the Application drop down in the Map grid.

On selection, the mapping details for the selected Application are displayed in the *Available Sources (available)* and *Source Applications (mapped)* list. To map the Data Source to the selected Application, do one of the following:

- Select the required Data Source, from the Available list and click  button. You can press Ctrl key for multiple selections.
- To map all the listed Data Sources to the application, click  button.

You can also remove data source mapping by selecting from Source Applications list and clicking  icon. To remove all selected Data Sources mapping, click  icon. Click  icon and save the mapping details.

Generate Source Models

Once you have defined and mapped the Data Sources to the required Application, you can generate the Source Models and extract the application data sources to populate data into the warehouse. The source models for each application-source combination are imported into the infrastructure metadata repository. You can generate Source Model only for RDBMS data source using Data Catalogs that are defined in the database. To generate Source Model in the *Source Designer* screen:

1. Select the required **Application** which has the RDBMS data sources mapped. Do one of the following:
 - Select the Application from the **Mapped Sources** list in the LHS menu.
 - Select the Application from the **Application** drop down in the Map grid.

On selection, the data source mapping details for the selected Application are displayed in the *Available Sources* and *Source Applications* list.

2. Select the RDBMS Data Source from the *Source Applications* list.
3. Click **Generate Source Model** icon from the Map grid tool bar.

In the *Generate Source Model* screen, you can generate Source Model using Data Catalogs. You can specify the Filter criteria for selection. Filters are patterns for entity names in the Database and can restrict the source model generation to a specific set of entities. Specify the filter entries by entering details in the “Starts with”, “Contains”, and “Ends with” fields. The Source Model is generated even if one of the specified filter conditions matches. You can also specify multiple conditions for a single filter type using comma-separated values. For example, tables starting with TB and TM can be specified as “TB, TM”.

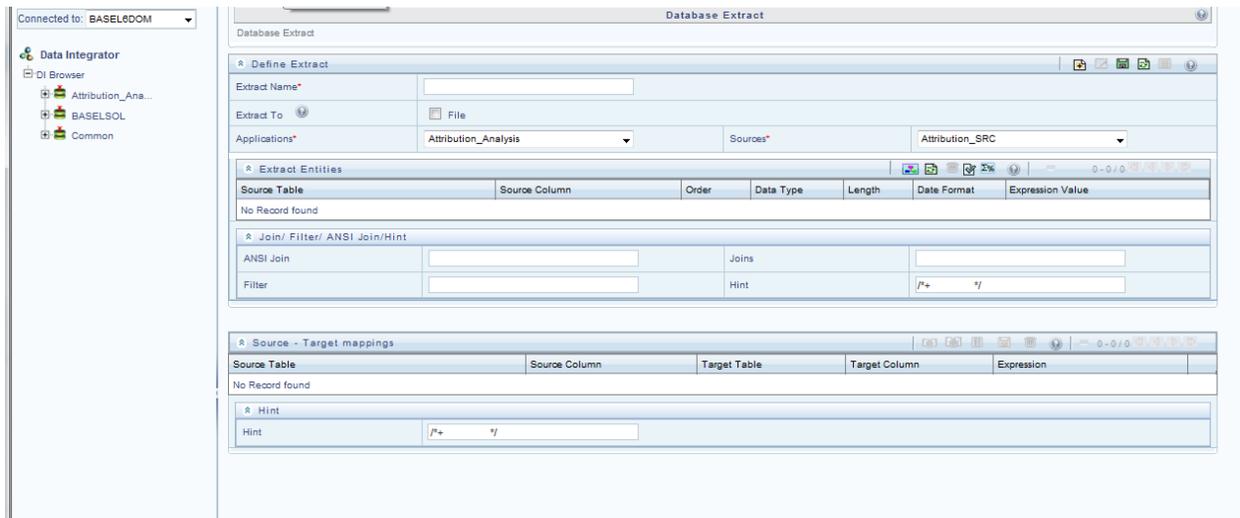
4. Click **Generate**. The Source Model is generated and the status is displayed in a confirmation dialog. Click **OK**.

NOTE: If the Source Model has already been generated, a confirmation dialog is displayed to replace the existing model. Click **OK** or **Cancel**.

The Source Model is generated in the specified directory which has to be extracted or transferred to the Business Data Model.

Database Extracts

Data extraction refers to the process of retrieving unstructured data from data sources for further data processing, storage, or migration. You can extract data sources to a Table or a File. You (Business Analysts) need to have ETL Analyst function role mapped to access the Data Integrator framework within the Infrastructure system.



The *Database Extracts* screen displays the list of pre-defined Database Extract Mappings in the LHS menu and the options to define and Map the Data Sources to populate the required Table or File. You can also make use of Pagination option to view the list of pre-defined Database Extracts within the system. In the *Database Extracts* screen of the Warehouse Designer, you can:

- Define extracts, Entities, and related Properties
- Map the Source to Target model (table or file)

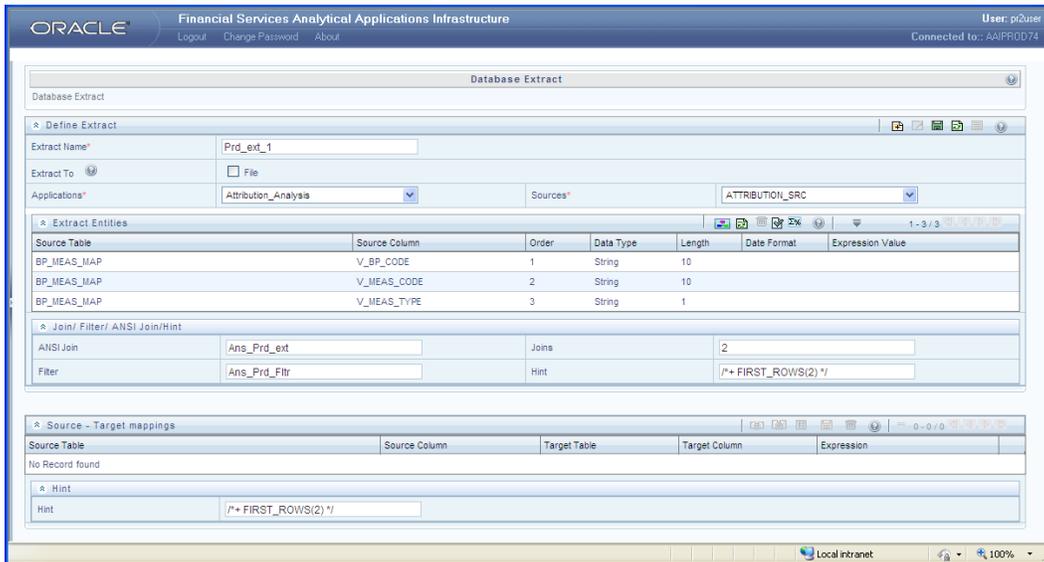
Database Extraction

The *Database Extracts* screen facilitates you to extract data sources to a Table or a File. Extract to Table option is supported only when the source and target tables belong to the same database type. You can **Load** data incrementally from any RDBMS data source to a table based on certain criteria and **Extract** data to a file along with the other sources. The various sections and the available options in the *Database Extracts* screen are as tabulated:

- In the Define Extract grid, you can define the Database Extract details.
- In the Extract Entities grid, you can define expressions to join tables and specify filter for data extraction.
- In the Source-Target Mappings grid, you can map the source table of a selected Information Domain to the target model.

Define Database Extracts and Map Table to Table

You can extract data from source table to the required table in the *Database Extracts* screen. By default, Extract to Table option is enabled in the *Database Extracts* screen. Extraction to Table is supported only when the source and target tables belong to the same database type. Extract to Table does not have any definition (Source) properties. To extract data source to table, do the following:



Specify the Database Extract details in the *Define Extract* grid:

1. Enter the Extract Name. Ensure that there are no special characters or extra spaces in the name specified. Ensure that Extract to File checkbox is not selected.
2. Select the required data source Application from the drop down list.
3. Select the mapped Sources from the drop down list.
4. Select the required Entities in the Extract Entities grid:
 - a. Click  button in the Define Entities tool bar.
 - b. In the Choose Entity screen, do the following:
 - o Select the entity from the Members list by clicking on the required node, and click  button. You can search for a specific entity by entering the keywords and clicking  button. You can also deselect an entity by selecting from the Selected Members list and clicking  button.
5. Click **OK**. The selected source entities are displayed in the Define Entities grid.

Define an expression (optional) in the Extract Entities grid. If you have defined more than one Source Table in the *Choose Entity* screen, you need to define an expression to join the column data corresponding to each table:

1. Click  button in the Extract Entities tool bar.
2. In the *Specify Expression* screen, do the following:
 - o Enter the Expression Name.
 - o Select the Data Type from the drop down list. The available options are String, Date Time, Number, Integer, and Timestamp.
3. Define an expression by doing the following:
 - o Select the **Table** in the Entities section.
 - o Select the **Function**. You can select Transformations, Database Functions, or

Extraction Functions. Extract functions are populated from the “*DATABASE_ABSTRACT_LAYER*” table which resides in config schema.

- Define the **Operators** by selecting Arithmetic, Concatenation, Comparison, Logical or others operators.
- Specify the ANSI Join or Join to map the table to columns and enter the filter criteria to include during extraction. For example, “\$MISDATE” can be a filter for run-time substitution of the MIS Date.

NOTE: If the defined expression uses function that has a placeholder or calls a stored procedure that has a placeholder for String data type, enclose the placeholder in single quotes. Using double-quotes would generate error during extract definition or batch execution. Also expressions with Date/Timestamp data type placeholders are not supported.

4. In the Expressions tool bar, you can also:
 - Click  button to view the Expression details.
 - Click  button to view the ANSI Join details.
 - Click  button to view the Joins.
 - Click  button to view the Filters.
5. Click  button to clear the details.
6. Select **Show Advanced Options** in the Expression tool bar, and do the following:
 - Click  button to and specify hints (Rules), if any. Oracle hints follow (/+ RULE */) format. For example, /*+ FIRST_ROWS(2) */
 - Click  button to validate the query by converting to the selected RDBMS source. If Validation is successful, the Explain Plan for the SQL query is displayed. Else, the *SQL Exception* is displayed.
 - Click  button to view SQL, which acts as print command for the complete query.
7. Click **OK**. The defined Expression is displayed in the *Extract Entities* grid as *Derived Column*. The specified ANSI Join or Joins, Filter, and Hints are also displayed and can be edited.
8. Click  icon in the Define Extract tool bar and save the details.

Map Source to Target Table in the Source-Target Mappings grid.

1. Click  icon in the Source-Target Mapping tool bar. The *DI Mapping* screen is displayed.
2. Select the **Target Infodm** form the drop down list. The source details in the selected infodm are displayed in the *Definition* pane of *Target Table Map Panel*.

3. Select the Target Table from Target Entities drop down list. The selected entities are displayed in the *Target Entities* pane of *Target Table Map Panel*. To map Source to Target, do one of the following:
 - Select a Definition and Target Entity in each column and click  button.
 - Click  button to Auto-Map the selected definitions and Target Entities.
 - You can Un-Map a definition from a Target Entity by clicking  button or Un-Map All definitions by clicking  button.
 - Click **Save** and save the mapping details.

Specify the Properties in the *Source-Target Mappings* grid:

1. Click  icon in the Source-Target Mappings tool bar. The *Properties* screen is displayed.
2. Specify the properties by entering a value or selecting an option from the drop down list.

In the *Properties* screen, you can specify the **Loading Mode** as *Direct*, *Batch*, or *Bulk*. In *Bulk* mode you cannot specify the **Batch Size** and commit happens at the end of the batch load. Also in Bulk mode, batch loading is faster for lesser records as compared to larger number of records which sometimes lead to loss of data while loading.

NOTE: In **Batch** and **Bulk** modes if any of the foreign keys are in **Disabled** state before loading the data using T2T and the property **Disable Primary Key** is set to **Yes**, then all the Primary Keys and corresponding Foreign Keys are disabled before loading and are enabled back after loading. Hence the initial status of foreign and primary keys can be changed from Disabled to Enabled. In case of **Direct** mode the Foreign Keys will not return to its initial state.

3. In the *Hint* tool bar, specify Hints (if any), for faster loading. Oracle hints follow (/#+ HINT */) format.
4. Click  icon and save the defined Database Extracts mapping details. An information dialog is displayed on completion. Click **OK**.

Define Database Extracts and Map Table to File

You can extract data from source table to the specified file in the *Database Extracts* screen. To extract data to a file along with the other sources, you need to define the Database Extracts and specify the Extract Entities. Source-Target mapping is not required since the table structure is completely extracted to the specified file. To extract data source to file, do the following:

Specify the Database Extract details in the *Define Extract* grid:

1. Enter the **Extract Name**. Ensure that there are no special characters or extra spaces in the name specified.
2. Select **Extract to File** checkbox.
3. Select the required data source **Application** from the drop down list.
4. Select the mapped **Sources** from the drop down list.

Specify the Source Properties in the Define Extract grid.

1. Click  icon in the Define Entities tool bar.
2. Specify the properties by entering the required value or selecting an option from the drop down list.

NOTE: Field Delimiter and Data File Locale are mandatory fields.

3. Select the required Entities in the Extract Entities grid.
4. Click  icon in the Define Entities tool bar.
5. In the *Choose Entity* screen, do the following:
 - Select the entity from the Members list by clicking on the required node, and click  button.
 - You can search for a specific entity by entering the keywords and clicking  button. You can also deselect an entity by selecting from the Selected Members list and clicking  button.
 - Click **OK**. The selected source entities are displayed in the Define Entities grid.

Define an expression (optional) in the *Extract Entities* grid. If you have defined more than one Source Table in the *Choose Entity* screen, you need to define an expression to join the column data corresponding to the table.

1. Click  icon in the Extract Entities tool bar.
2. In the *Specify Expression* screen, do the following:
 - Enter the Expression Name.
 - Select the Data Type from the drop down list. The available options are String, Date Time, Number, Integer, and Timestamp.
3. Define an expression by doing the following:
 - Select the **Table** in the Entities section.
 - Select the **Function**. You can select Transformations, Database Functions, or Extraction Functions. Extract functions are populated from the “*DATABASE_ABSTRACT_LAYER*” table which resides in config schema.
 - Define the **Operators** by selecting Arithmetic, Concatenation, Comparison, Logical or others operators.
 - Specify the ANSI Join or Join to map the table columns and enter the filter criteria to include the same during extraction. For example, “\$MISDATE” can be a filter for run-time substitution of the MIS Date.

NOTE: For expression that has a placeholder for String data type, enclose the placeholder in single quotes. Expressions with Date/Timestamp data type placeholders are not supported.

4. In the Expressions tool bar, you can also:
 - Click  button to view the Expression details.

- Click  button to view the ANSI Join details.
 - Click  button to view the Joins.
 - Click  button to view the Filters.
 - Click  button to clear the details.
5. Select **Show Advanced Options** in the Expression tool bar, and do the following:
- Click  button to and specify hints (Rules), if any. Oracle hints follow (/ *+ RULE */) format. For example, /*+ FIRST_ROWS(2) */
 - Click  button to validate the query by converting to the selected RDBMS source. If Validation is successful, the Explain Plan for the SQL query is displayed. Else, the SQL Exception is displayed.
 - Click  button to view SQL, which acts as print command for the complete query.
6. Click **OK**. The defined Expression is displayed in the *Extract Entities* grid as *Derived Column*. The specified ANSI Join or Joins, Filter, and Hints are also displayed and can be edited.
7. Click  icon in the Define Extract tool bar and save the details.

NOTE: While saving the Database Extract details, the system alerts you if the mandatory properties are not specified or if the grid data is not validated.

8. An information dialog is displayed on completion. Click **OK**.

Map Source to Target Table in the Source-Target Mappings grid:

1. Click  icon in the Source-Target Mapping tool bar. The *DI Mapping* screen is displayed.
2. Select the **Target Infodom** from the drop down list. The source details in the selected infodom are displayed in the *Definition* pane of *Target Table Map Panel*.
3. Select the Target Table from Target Entities drop down list. The selected entities are displayed in the *Target Entities* pane of *Target Table Map Panel*. To map Source to Target, do one of the following:
 - Select a Definition and Target Entity in each column and click  button.
 - Click  button to Auto-Map the selected definitions and Target Entities.
 - You can Un-Map a definition from a Target Entity by clicking  button or Un-Map All definitions by clicking  button. You can also search for a specific definition by entering the keywords and clicking  button.
 - Click **Save** and save the mapping details.

Specify the Properties in the *Source-Target Mappings* grid.

1. Click  icon in the Source-Target Mappings tool bar. The *Properties* screen is displayed.
2. Specify the properties by entering a value or selecting an option from the drop down list.
3. In the *Hint* tool bar, specify Hints (if any), for faster loading. Oracle hints follow (/#+ HINT */) format.

For example, /#+ PARALLEL */.

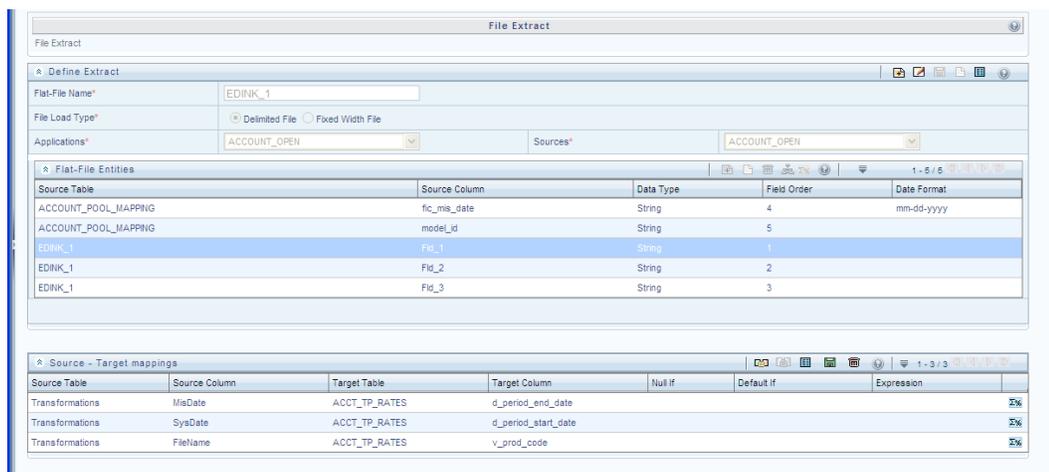
4. Click  icon and save the defined Database Extracts mapping details. An information dialog is displayed on completion. Click OK.

NOTE: A T2F definition saved with the Source to Target mappings can be used to perform F2T operations.

File Extracts

File Extracts refers to the process of extracting unstructured data from a Flat File for further data processing and storage. File Extracts within the Data Integrator framework of Infrastructure system facilitates you to extract Flat File data to a Database Table. A Flat File is a text and binary file which contains data in a single line, i.e. one physical record per line. Flat Files are of two types namely, Delimited File and Fixed Width File.

- **Delimited File** refers to a Flat File in which the data is organized in rows and columns and are separated by delimiters (commas). Each row has a set of data, and each column has a type of data. For example, a csv (comma separated values) file.
- **Fixed Width** or Fixed Position File refers to a Flat File in which the data is defined by the character position (tab space). The data is formulated in such a way that the data fields are of same size and the file is compact in size. For example, the character spacing of a Birth date data column is known and hence the extra spaces between the Birth date column and other column can be eliminated.



The *File Extracts* screen displays the list of pre-defined File Extract Mappings in the LHS menu and the options to define and Map the required Flat File to populate the required Database Table. In the *File Extracts* screen of the Warehouse Designer, you can:

- Define Flat File definition and Source Properties.
- Map the Flat File to Target model (Table) and Specify Target Properties.

File Extraction

In the *File Extracts* screen you can **Load** file data incrementally from any RDBMS data source to a table based on certain criteria. Ensure that the ASCII file types are not loaded into the staging area using FTP which can corrupt the file causing load failure. The following steps are involved while defining File Extracts:

1. Create Flat File Definition
2. Define Flat File Properties
 - Definition (Source) properties: Specified when defining the Flat File Extracts.
 - Loading (Target) properties: Specified when mapping the Flat File Extracts.
3. Map the Flat File to the Target Model

The various sections and the available options in the *File Extracts* screen are as tabulated:

- In the *Define Extract* grid, you can define the File Extract details.
- In the *Flat-File Entities* grid, you can specify the required entities for data extraction.

Define File Extracts and Map File to Table

You can define File Extracts such as Delimited File or Fixed Width File and Map to the required database Table. By default, the Delimited File Extract option is selected. To extract file data to table, do the following:

Source Table	Source Column	Data Type	Field Order	Date Format
STG_1_Customer	Fld_1	String	1	
STG_1_Customer	Fld_2	String	2	
STG_1_Customer	Fld_3	String	3	
STG_1_Customer	Fld_4	String	4	
STG_1_Customer	Fld_5	String	5	
STG_1_Customer	Fld_6	String	6	
STG_1_Customer	Fld_7	String	7	
STG_1_Customer	Fld_8	String	8	

Source Table	Source Column	Target Table	Target Column	Null if	Default if	Expression
No Record found						

1. Specify the File Extract details in the *Define Extract* grid.
2. Enter the **Flat-File Name**. Ensure that there are no special characters or extra spaces in the name specified.
3. Select the File Load Type as **Delimited File** or **Fixed Width File**.
4. Select the required data source **Application** from the drop down list.
5. Select the mapped **Sources** from the drop down list.
6. Select the required Entities in the *Flat-File Entities* grid. You can define the column data in either of the following ways:

7. Click  icon. Select or specify the required number of columns in the drop down list and click  button. You can double-click on any row to update the details.
8. Click  icon in the Define Entities tool bar. The **Choose Entity** screen is displayed.
 - Select the entity from Members list by clicking on the required node, and click  button.
 - You can search for a specific entity by entering the keywords and clicking  button. You can also deselect an entity by selecting from the Selected Members list and clicking  button.
 - Click **OK**. The selected source entities are displayed in the Flat File Entities grid.

The available columns in Delimited File are Source Table, Source Column, Data Type, Order, and Date Format. The available columns in Fixed Width File are Source Table, Source Column, Data Type, Order, Precision, Scale, Source Start Position, Date Format, and Length.

Specify the Source Properties in the *Define Extract* grid.

1. Click  icon in the Define Extract tool bar. The Properties screen is displayed.
2. Specify the properties by entering the required value or selecting an option from the drop down list. *Field Delimiter* and *Data File Locale* are mandatory fields for Delimited File and only *Data File Locale* is mandatory field for Fixed Width File.
3. Click  icon in the Define Extract tool bar and save the details.

Map Source to Target Table in the *Source-Target Mappings* grid.

1. Click  icon in the Source-Target Mapping tool bar. The *DI Mapping* screen is displayed.
2. Select the **Target Infodom** from the drop down list. The source details in the selected Information Domain are displayed in the Definition pane of Target Table Map Panel.
3. Select the **Target Table** from Target Entities drop down list. The selected entities are displayed in the Target Entities pane of Target Table Map Panel. To map Source to Target, do one of the following:
 - Select a Definition and Target Entity in each column and click  button.
 - Click  button to Auto-Map the selected Definitions and Target Entities.
 - You can Un-Map a Definition from a Target Entity by clicking  button or Un-Map All Definitions by clicking  button. You can also search for a specific Definition by entering the keywords and clicking Search icon or click Add icon to create an expression to join column data in the *Specify Expression* screen.
 - Click **Save** and save the mapping details.

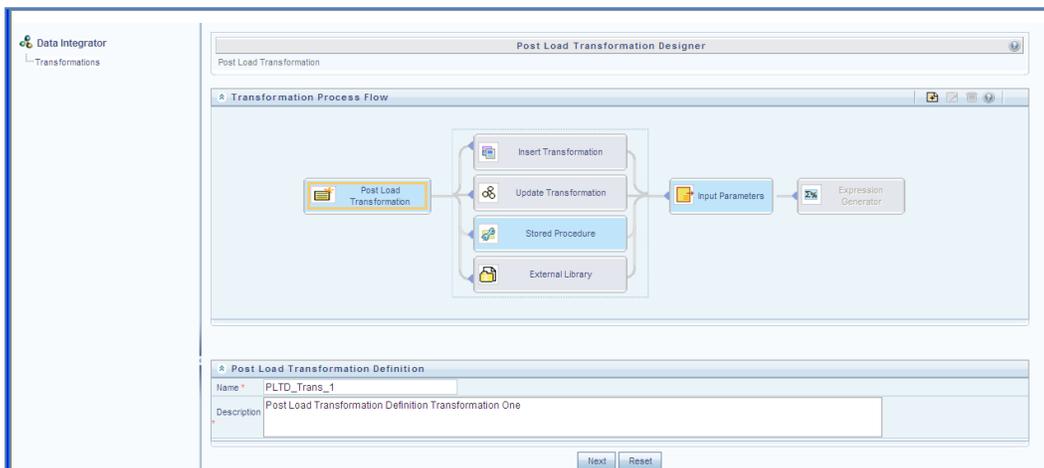
Specify the Target Properties in the Source-Target Mappings grid:

1. Click  icon in the Source-Target Mappings tool bar. The *Properties* screen is displayed.

2. Specify the properties by entering the required value or selecting an option from the drop down list.
3. Click  icon and save the details.

Post Load Transformation

Transformation refers to a rule describing the conversion of source data from source to the destination. During the data extraction, a transformation rule facilitates in structuring the required data from sources to the target or an intermediate systems for further processing. Based on the selected mode, transformations can be applied to execute the process successfully. For example, an SQL rule with the “SELECT” statement can retrieve source data from specific table(s). Post Load Transformation within the Data Integrator framework of Infrastructure system facilitates you to define transformations to the source data before extracting/loading it to Target database to populate the data warehouse.



The Post Load Transformation Designer screen displays the list of pre-defined Transformations in the LHS menu and the Transformation Process Flow to help you navigate and define Post Load Transformations. The Post Load Transformation Designer screen facilitates you to create, update, and delete the following transformations:

- Insert/Update Transformation
- Stored Procedure Transformation
- External Library

Insert/Update Transformation

Insert/Update Transformation facilitates you to define transformation parameters, create expression with source, destination, and join/filter conditions, add transformation logic, and query the SQL Rule generated. To Insert or Update Transformation in the in the *Post Load Transformation Designer* screen:

1. Click  icon in the Transformation Process Flow tool bar.
2. In the *Post Load Transformation Definition* grid.
 - Enter the **Transformation Name**. Ensure that there are no special characters or extra spaces in the name specified.
 - Enter a **Description** for the transformation.
 - Click **Next** and save the details. You are automatically navigated to the Insert

Transformation section. For Update Transformation, click **Update Transformation** in the *Transformation Process Flow* grid.

3. Click  icon in the Parameter Definition tool bar. A new row is inserted and allows you to define the run-time parameters to the transformation.
 - Double-click on the **Parameter Name** and enter the details.
 - Double-click and select the required **Data Type** from the list.
 - Double-click on the **Default Value** and enter the details.
 - Click **Next** and save the parameter details. You are also navigated to the Expression Generator section.
4. In the Expression Generator grid, specify the Source and Destination Entity by doing the following:
 - Click  icon. The *Choose Entity* screen is displayed.
 - Select the entity from Members list by clicking on the required node, and click .
 - You can search for a specific entity by entering the keywords and clicking the  icon. You can also deselect an entity by selecting from the Selected Members list and clicking .
 - Click **OK**. The selected source entities are displayed in the Define Entities grid.
5. Specify the Join/Filter Condition. Click Select icon and define the expression in the *Specify Expression* screen. Click **OK**.

You can also:

 - Click  icon and include the Transformation parameter conditions in the *Transformation Logic* grid or click  icon to define an expression.
 - Click  icon to generate Logic and view the SQL query in the *Query Generated* grid.
 - Click **Check Syntax** to check the syntax of the query generated.
6. Click **Finish** and save the Insert or Update Transformation details.

The Transformation details are added to the list in LHS menu and a confirmation dialog is displayed. Click **OK**. You can load the transformation by double-clicking in LHS menu to view or edit.

Stored Procedure Transformation

Stored Procedure Transformation facilitates you to define complex transformations involving multiple tables which are contained in a pre-defined stored procedure. To define a Stored Procedure Transformation in the *Post Load Transformation Designer* screen:

1. Click  icon in the Transformation Process Flow tool bar. In the *Post Load Transformation Definition* grid.
 - Enter the **Transformation Name**. Ensure that there are no special characters or extra spaces in the name specified.

- Enter a **Description** for the transformation.
 - Click **Next** and save the details. You are automatically navigated to the *Insert Transformation* section.
2. Click **Stored Procedure** in the Transformation Process Flow grid.
3. Click  icon in the Parameter Definition tool bar. A new row is inserted and allows you to define the run-time parameters to the transformation.
 - Double-click the **Parameter Name** and enter the details.
 - Double-click and select the required **Data Type** from the list.
 - Double-click on the **Default Value** and enter the details.
4. Click **Browse** in the Stored Procedure Editor tool bar and navigate to the file path containing the stored procedure. You can select either a text file or HTML file. You can click  icon in the Stored Procedure Editor tool bar to **Check Syntax** of the stored procedure. You can upload a *Business Process Flow* diagram corresponding to the selected Stored Procedure Transformations in jpg, png, gif, or vsd format.
 - In the Business Process Flow grid, click **Browse** and locate the file path.
 - Click  icon in the Business Process Flow tool bar and upload the file.

Once uploaded, the Upload Status changes to “Yes” and a hyperlinked image icon is displayed to view the Business Process Flow diagram in the *Post Load Transformation Designer* screen. You can also view the uploaded Business Process Flow diagram from the *Metadata Browser > Data Transformations* screen.
5. Click **Finish** and save the Stored Procedure Transformation details.

The Transformation details are added to the list in LHS menu and a confirmation dialog is displayed. Click **OK**. You can load the transformation by double-clicking in LHS menu to view or edit.

External Library

External Library consists of built-in functions/procedures and facilitates you to define complex SQL Rule Transformations which are compiled and stored as an executable file. You can load the External Library procedures and functions using the transformation wizard. To define External Library Transformation in the *Post Load Transformation Designer* screen:

1. Click  icon in the Transformation Process Flow tool bar.
 2. In the *Post Load Transformation Definition* grid:
 - Enter the **Transformation Name**. Ensure that there are no special characters or extra spaces in the name specified.
 - Enter a **Description** for the transformation.
 - Click **Next** and save the details. You are automatically navigated to the Insert Transformation section.
 3. Click **External Library** in the *Transformation Process Flow* grid.
 4. Click  icon in the Parameter Definition tool bar. A new row is inserted and allows you to define the run-time parameters to the transformation.
-

- Double-click on the **Parameter Name** and enter the details.
 - Double-click and select the required **Data Type** from the list.
 - Double-click on the **Default Value** and enter the details.
5. In the External Library Details grid, enter the **Name** of executable library file (**.sh file**) located in default figdb/bin path. You can also specify the path till the file name.
 6. Click **Finish** and save the External Library Transformation details.

The Transformation details are added to the list in LHS menu and a confirmation dialog is displayed. Click **OK**. You can load the transformation by double-clicking in LHS menu to view or edit.

Data Entry Forms and Queries

Data entry Forms and Queries (DEFQ) within the Infrastructure system facilitates you to design web based user-friendly Data Entry screens with a choice of layouts for easy data view and data manipulation. DEFQ consists of the following sections. Click the links to view the sections in detail.

- Forms Designer
- Forms Authorization
- Data Entry
- Excel Upload

Forms Designer

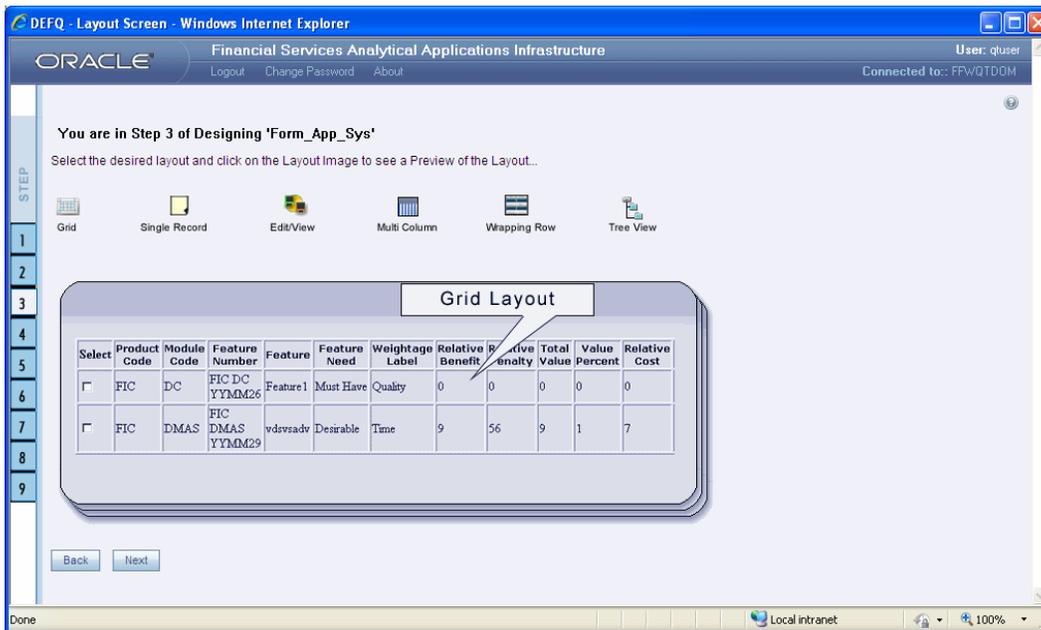
Forms Designer within the Data Entry Forms and Queries section facilitates you to design web based user-friendly Forms using the pre-defined layouts. The *DEFQ - Forms Designer* screen displays a list of pre-defined options to create, modify, and delete Forms. You can also assign rights and define messages. By default, the option to *Create a New Form* is selected and the left pane indicates the total steps involved in the process. The available options are as indicated below. Click on the links to view the section in detail.

- Create a New Form
- Alter Existing Forms
- Copy Forms
- Delete Forms
- Assign Rights
- Message Type Maintenance

Create a New Form

To design a new form in the *DEFQ - Forms Designer* screen:

1. Ensure that **Create a New Form** option is selected and do the following:
 - Specify the application name by either entering the **New Application Name** or selecting **Available Applications** from the drop down list.
 - Enter the **New Form Name**.
2. Click **Next**. The *DEFQ - Layout Screen* is displayed with the range of pre-defined layouts for you to choose.



Refer to the following table for information.

Layout	Description
Grid Layout	It is the default layout which displays the records in the Form of a table/grid with multiple rows of data.
Single Record Layout	It displays a single record at a time.
Edit/View Layout	It is a combination of the Single Record and Grid layout. By selecting a record in the grid, the record is displayed in a single record format, which is editable. By default the first record will be displayed in the editable grid. Note: The column names are editable only during altering the created Form.
Multi Column Layout	It displays a single record with its column in a grid format. You can view a multi column layout Form without having to scroll or with minimum scrolling to view all the columns.
Wrapping Row Layout	It displays rows of a single record in a wrapped manner in a grid format. You can view a wrapping row layout Form easily without having to scroll horizontally to view all the data.

Layout	Description
<p>Tree View Layout</p>	<p>It displays the Hierarchical dimensional table with the selected dimension details. You can select the following options:</p> <ul style="list-style-type: none"> ▪ Dimensional Table Tree ▪ Parent Child Tree <p>Note: The process to create a Form using the Tree View Layout differs from the procedure explained below.</p>

3. Select the required layout and click **Next**. The *List of Available Tables* is displayed.
4. Select the required Table from the list on which the Form is to be created. For multiple selections, you can either press **Ctrl** key for nonadjacent selection or **SHIFT** key for adjacent selections. Click **Next**, the *Fields Selection Screen* is displayed. If multiple tables are selected, you need to specify Equi-Join Condition(s). Select the *Table* from the drop down list and select the *Available Fields*. Specify the join condition. Click **Next**, the join conditions are validated and *Fields Selection Screen* is displayed.
5. Select the fields to be joined from the **Available Fields** list and click . You can press **Ctrl** key for multiple selections and also click  to select all the listed fields. All mandatory fields are auto selected and are indicated on screen with an asterisk (*).

NOTE: You can click  or  buttons to arrange the fields in the required order as intended to display in the Data Entry Form. The fields order need not be similar to the arrangement in the underlying table.

6. Click **Next**. The *Sort Fields Selection Screen* is displayed.

You can sort the fields in required order as intended to display in the Data Entry Form. Also the mandatory fields which needs user inputs are indicated in '*' symbol and are auto selected in the Selected Fields pane.

- Select the field from the **Available Fields** list click . You can press **Ctrl** key for multiple selections and also click  to select all the listed fields.
- (Optional) To arrange multiple fields, select **Sort by Descending** checkbox.
- (Optional) Select the **Excel Map** checkbox to enable *Bulk Authorization*.

NOTE: In case you have selected **Excel Map** checkbox, you need to select “Excel Name” from the **Store Field As** list in the *DEFQ Field Properties* screen. Only on selection, the “SelectExcelSheetName” list is displayed for authorizer in the *DEFQ - Data Entry* screen.

7. Click **Next**. The *DEFQ Field Properties* screen is displayed with the Form details such as Field Name, Display Name, In View, In Edit/Add, Allow Add, Store Field as, Rules, and Format Type.

8. Specify the parameters for each field as tabulated.

Field	Description
Display Name	Edit the default Display Name if required.
In View	<p>Select either Display or Do not Display to display the field in the Form.</p> <p>If the field is a foreign key field or if more than one table is selected, then the following options are available in the drop down list;</p> <ul style="list-style-type: none"> ▪ Same Field ▪ Alternate Display Field ▪ Do not Display options
In Edit/Add	<p>Specify the edit parameters by selecting from the drop down list. The available options depend on the type of field selected.</p> <ul style="list-style-type: none"> ▪ For normal fields you can select Text Field, Text Area, Select List, Protected Field, Read Only, and Do Not Show. ▪ For foreign key fields you can select Read Only, Select List, and Do Not Show. ▪ For primary key fields you can select Read Only and Do Not Show. ▪ For calendar fields you can select Calendar and Do Not Show. <p>Note: If you choose Select List option, you need to define the values.</p>
Allow Add	<p>Select the checkbox to permit users to add new record.</p> <p>Note: An alert message is displayed if you are trying to save a Form with add option disabled for the mandatory fields.</p>

Field	Description
Store field as	Select the required option from the drop down list. You can select the store format as Normal, Sequence Generator, Maker Date, Checker Date, Created Date, Modified Date Auth Flag, Maker id, Maker Date, Checker id, Checker Date, Checker Remarks, Maker Remarks, and Excel Name (If Excel Map is selected in <i>Sort Fields Selection</i> screen).
Rules	Click Rules and specify Rules and Expressions for the selected field in the <i>Specifying Rules and Expressions for Data - Validations</i> screen.
Format Type	Select the required Format type from the drop down list depending on the field type selected.
Batch Commit	Select the checkbox to group all the set of table Forms to a batch. All the Form tables are executed along with the batch execution and if in case, a Form in the table fails to execute, the entire set of Forms are returned.
Message Details	Click Message Details to define the message type for Creator and Authorizer in the <i>Messaging Details for a Form</i> screen.
Form Filter	Click Form Filter to define an expression for Form-level filter condition in the <i>Filter for Form</i> screen.
Data Versioning	Click Data Versioning to perform data versioning on an authorized Form.

- Click either **Save** to only save the Form details or click **Save for Authorization** to save the changes with authorization.

NOTE: Sometime, on clicking **Save**, the form does not get saved. This is because the Java heap size setting for OFSAAI service is set too high and web server memory setting is too low. Contact System Administrator to modify it to the appropriate setting by viewing the log file created in the path: \$FIC_APP_HOME/common/FICServer/logs/.

While saving, the *User for Mapping - DEFQ* screen is displayed which facilitates you to assign user rights to the Form.

Alter Existing Forms

To alter the field details of an existing Form in the *DEFQ - Forms Designer* screen:

- Select **Alter Existing Forms** from the available options and do the following:
 - Select the **Available Applications** from the drop down list.
 - Select the **Available Forms** from the drop down list. The listed Forms are dependent on the DSN (Data Source Name) that you have specified.
- Click **Next**. The *Fields Selection Screen* is displayed. **Add** or **remove** the selected fields as required to be displayed in the Form. You can choose a field from the **Available**

Fields list and click  to add, or choose the selected field from the **Fields to Display** list and click  to de-select. You can press **Ctrl** key for multiple selections and also click  or  buttons to select/de-select all the listed fields.

3. Click **Next**. The *Sort Fields Selection Screen* is displayed.
 - Sort the fields in required order as intended to display in the Form. You can choose a field from the list and click  or  buttons to select/deselect. You can also click  or  buttons to select/de-select all the listed fields.
 - Select a field and click  or  buttons to arrange fields in the required order.
 - (Optional) To arrange multiple fields, select **Sort by Descending** checkbox.
 - (Optional) Select the **Excel Map** checkbox to enable *Bulk Authorization*.

NOTE: In case you have selected **Excel Map** checkbox, you need to select “Excel Name” from the **Store Field As** list in the *DEFQ Field Properties* screen. Only on selection, the “SelectExcelSheetName” list is displayed for authorizer in the *DEFQ - Data Entry* screen.

4. Click **Next**. The *DEFQ Field Properties* screen is displayed.
5. Modify the parameters for each field as required.
6. Click either **Save** to save the Form details or click **Save for Authorization** to save the changes with authorization. While saving, the *User for Mapping - DEFQ* screen is displayed which facilitates you to assign user rights to the Form.

Copy Forms

You can duplicate and recreate a form with the required variants from an existing form. You can also change user rights or display options and other subtle variations for the selected layout. To Copy a Form in the *DEFQ - Forms Designer* screen:

1. Select **Copy Forms** from the available options and do the following:
 - Select the application from the **From Application** drop down list which consist of the required Form which you want to copy.
 - Select the application from the **To Application** drop down list for which you want to copy the Form.
 - Select the required Form from the **Save Form** drop down list.
 - Enter a name for the Form in the **As Form** field.
2. Click **Next**. The specified Form is duplicated as a new Form and a confirmation dialog is displayed with the status.

Delete Forms

You can remove the forms which are not required in the system by deleting from the *DEFQ - Forms Designer* screen.

1. Select **Delete Forms** from the available options and do the following:
 - Select the application from the **Available Application** drop down list which consist of the required Form which you want to delete.
 - Select the Form from the **Available Forms** drop down list which you want to delete.

2. Click **Next**. An information dialog is displayed for confirmation. Click **OK**.

Assign Rights

You can assign user permissions to view, add, edit, and delete the Form details in the *User for Mapping - DEFQ* screen.

1. Select **Assign Rights** from the available options and do the following:
 - Select the required application from the **Available Application** drop down list.
 - Select the Form from the **Available Forms** drop down list.
2. Click **Next**. The *User for Mapping - DEFQ* screen is displayed.
3. Select the required user from the **Available User** List. You can also click  or  buttons to reload previous/next set of users in the list.
4. Select the checkbox adjacent to the listed user permissions such as View, Add, Edit, Delete, or All Above. You must select view option in order to allow users to Edit or Delete a Form.
5. Select **Authorize** or **Auto-Authorize** checkbox as required. The **Authorize** and **Auto-Authorize** options are applicable for all the forms that have been saved with the Authorize option. The **Auto-Authorize** feature for records is applicable in scenarios where the Creator and Authorizer are the same. If a user has **Add** and **Auto-Authorize** grants, the data entered by the user is auto authorized and the data is in **Authorized** status. In case of normal Authorization, the Record added by the creator has to be authorized by a different user who has **Authorize** permissions.

NOTE: The **Auto-Authorize** feature in Forms Designer is applicable only for data entered through *Data Entry* screen and not through *Excel Upload* screen.

You can also select the checkbox to **Show Data Created by Current Users Only**.

6. Click **Save Access Rights**. A confirmation dialog is displayed after saving and the user is added to the **Assigned User List**.

Message Type Maintenance

You can manage the Message Type details which alert the Creator of the Form or to an Authorizer in the *DEFQ Message Type Maintenance Screen*. Message Type details can be defined while creating a Form. In the *DEFQ - Forms Designer* screen, do the following:

1. Select **Message Type Maintenance** from the available options and click **Next**. The *DEFQ - Message Type Maintenance Screen* is displayed.
2. Select the message category from the **Message Type** drop-down list.
3. Edit the message details by doing the following:
 - The defined **Message Subject** and **Message Content** is auto populated. Edit the details as required.
 - Add or remove the defined recipients. Double-click on the required member to toggle between **Available** and **Mapped Recipients** list.

NOTE: Selecting Authorizer alerts all the selected authorizers for authorization.

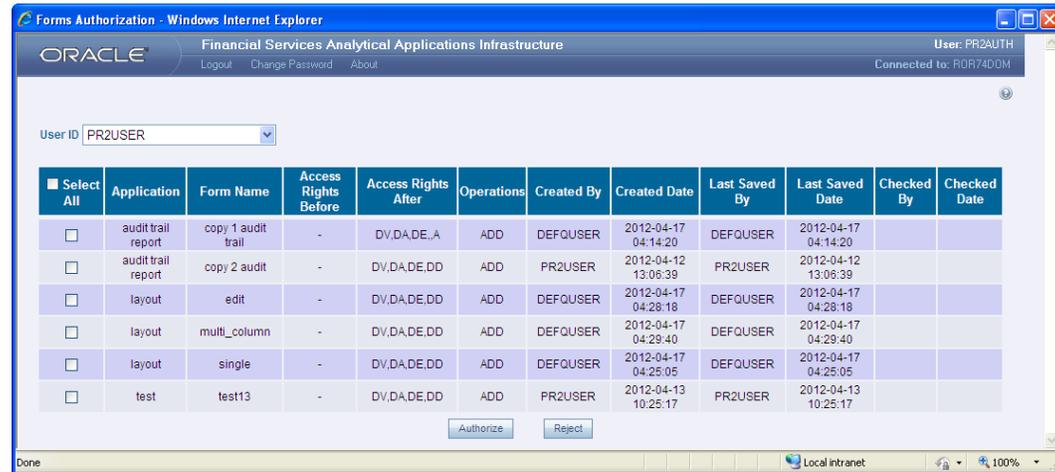
4. Click **Save**. A confirmation is displayed on updating the *Message Type* details.

Forms Authorization

Forms Authorization within the Data Entry Forms and Queries section of the infrastructure system facilitates you to view and authorize / approve any changes that are made to the privileges assigned to a user in a particular form. You need to have **FRMAUTH** function role mapped to access *Forms Authorization* screen.

NOTE: You cannot authorize or reject a right request created by you, even if you have **FRMAUTH** function role mapped.

You can access *Forms Authorization* screen from the left hand side (LHS) menu of Infrastructure home page. Click “+” and expand the Unified Metadata Manager and select **Data Entry Forms and Queries**.



The *Forms Authorization* screen displays the list of privileges assigned to a user in different Forms. These privileges include create, view, modify, delete, authorize, and auto-authorize records. The *Forms Authorization* screen allows you to select a user from the drop down list adjacent to **User ID** field. This field displays the User ID’s associated with the selected Information Domain. On selecting a user from the **User ID** field, the columns in *Forms Authorization* screen lists the grants requested for that user on different Forms as listed below.

Column Name	Description
Application	Lists the specific application to which the Form has been assigned.
Form Name	Displays the Form Name.
Access Rights Before	Displays the available Right Requests for the selected user in the Form. <i>Note: For new Form, the column remains blank.</i>

Column Name	Description
Access Rights After	Displays the Right Requests raised for authorization. DV - DEFQ VIEW DA - DEFQ ADD DE - DEFQ EDIT DD - DEFQ DELETE A - AUTHORIZE DU - AUTO AUTHORIZE S - SHOW DATA CREATED BY CURRENT USER ONLY
Operations	Displays the operation carried out in the Form. For example, " ADD " indicates a new form is created and specific roles are assigned.
Created By	Displays the USER ID from which the Right Request has been created.
Created Date	Displays the Date on which the Right Request has been created.
Last Saved By	Displays the USER ID from which the previous Right Request change has been saved.
Last Saved Date	Displays the Date on which the previous Right Request change has been saved.
Checked By	Displays the USER ID from which the Right Request has been authorized.
Checked Date	Displays the Date on which the Right Request has been authorized.

To authorize or reject a form in the *Forms Authorization* screen:

1. Select the User ID from the drop down box. 4B43BThe Right Requests submitted on various forms are displayed.
2. Select the checkbox(s) adjacent to the requests to authorize / reject. You can also select all the requests at once for a user, by clicking **Select All** checkbox.
3. Click **Authorize / Reject** to authorize or reject the selected Right Requests.

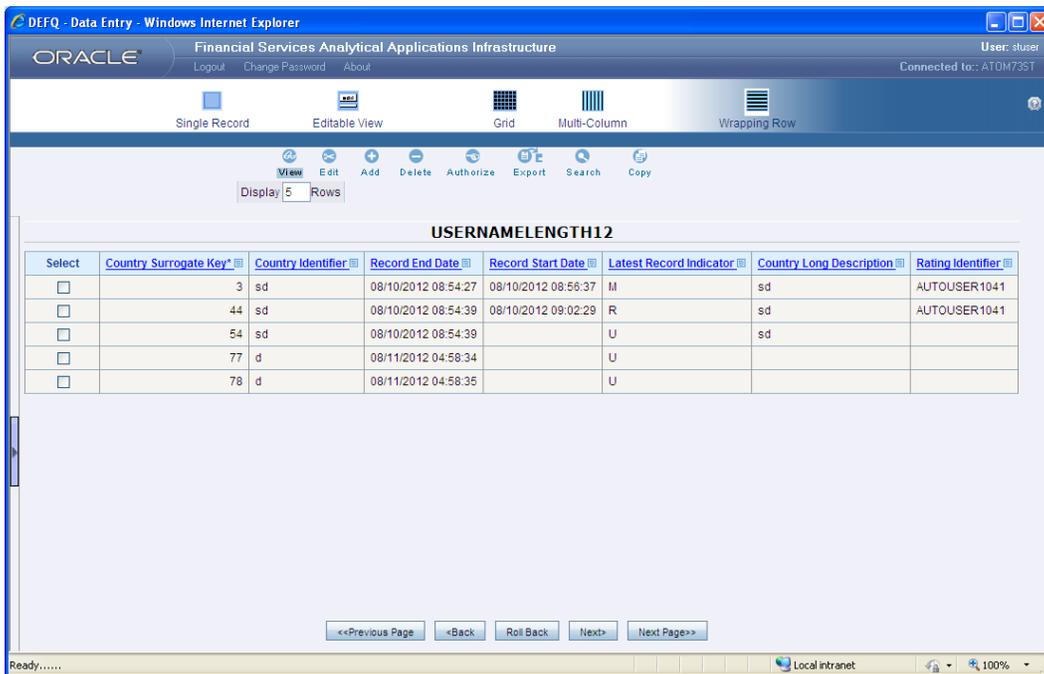
Once form action privileges are authorized, those actions can be performed on the form. For an existing Form with certain rights, the rights remain the same until the changes are authorized / rejected by an authorizer.

Data Entry

Data Entry within the Data Entry Forms and Queries section of infrastructure system facilitates you to view, add, edit, copy, and delete data using the various layout formats and Authorize/Re-authorize data records based on the permissions defined during the form creation. You can use the Search option to query the records for specific data and also export the data in Microsoft Excel format for reference. You can launch multiple instances of Data Entry screen using the URL to search and update records simultaneously.

You (Business Analysts) need to have DEFQMAN function role mapped to access the DeFQ framework. You can access DEFQ - Data Entry by expanding Data Entry Forms and Queries section of Unified Metadata Manager module within the tree structure of LHS menu.

NOTE: An alert message is displayed if you are not mapped to any Forms in the system.



The *DEFQ - Data Entry* screen displays the list of Data Entry Forms and Query Forms mapped to the logged-in user in the LHS menu. You can select the required Form to view the details. In the *DEFQ - Data Entry* screen, you can do the following:

- View Form Details
- Edit Form Details
- Add Form Data
- Authorize Records
- Export Form Data
- Copy Form Data
- Delete Form Details

View Form Details

The *DEFQ - Data Entry* screen displays the selected Form Data in the View mode by default. The Forms are displayed based on the application names in the LHS menu. There are various layouts available to customize the view and by default, the Form details are displayed in the layout in which it was designed.

In the *DEFQ - Data Entry* screen, the following layout types are available. You can click on any of the following layouts to view the Form details. The buttons i.e. **Previous Page**, **Back**, **Next**, and **Next Page** helps you to navigate through the records.

NOTE: The **Roll Back** option can be used only for authorized records i.e. after the records are edited and saved, you can roll back/undo the changes in view mode.

Layout	Description
Single Record	To view a single record details at any given point. You can use the navigation buttons to view the next record in the table.
Editable View	To view and edit a single record. A list of five rows/records is displayed by default, and the same can be changed by entering the required number in Display Rows . You need to select the required record from the list to view/edit and click Save to update the changes.
Grid (Default)	To view all the records in a list. A list of five rows/records is displayed by default, and the same can be changed by entering the required number in Display Rows . You can click on the column header to alphabetically sort the list of records in the table.
Multi column	To view all the columns of a selected record. This layout enables you to view a record without having to scroll or with minimum scrolling to view all the columns.
Wrapped rows	To view all the rows of a selected record. This layout enables you to view a wrapping row easily without having to scroll horizontally to view the columns.

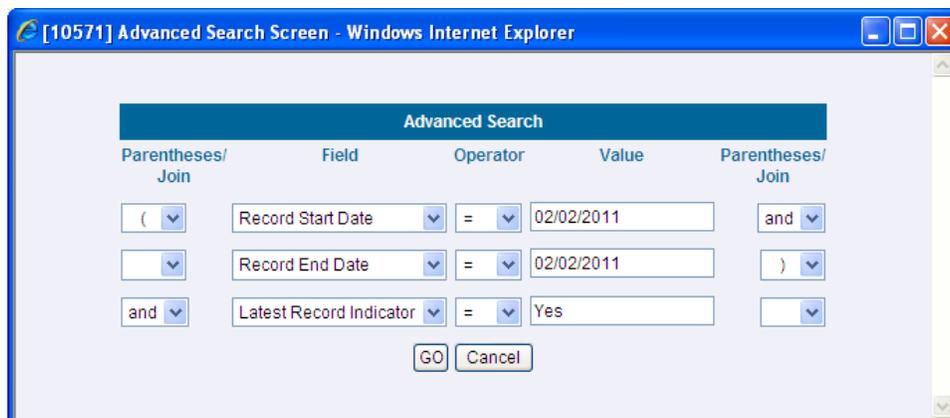
Search Records

In the *DEFQ - Data Entry* screen, you can Search for a record in the View, Edit, and Authorize modes. You can perform a quick **Search** to find a specific record or run an **Advanced Search** to further query the record for the required details. To search for a record in the *DEFQ - Data Entry* screen:

1. Click . The search fields are displayed.
2. Select **Field Name** from the drop down list.
3. Enter the **value/data** in the Search field.
4. Click **Go**. The search results are displayed in the list.

To perform an **Advanced Search** in the *DEFQ - Data Entry* screen:

1. Click  within the Search fields. The *Advanced Search Screen* is displayed.



2. Select the required Parentheses/Join, Field, Operator from the drop down list and enter the Value as required to query the Form data.

3. Click **GO**. The results are displayed with the field names containing the searched data.

Edit Form Details

You can edit the permitted Form field values in the *DEFQ - Data Entry* screen. However, you cannot modify the primary key fields which are displayed in non editable format. To edit Form Details in the *DEFQ - Data Entry* screen:

1. Open the required Form in view mode and click  **Edit**. The editable fields are enabled.
2. Enter/update the required details.
3. Click **Save** and update the changes. If required, you can click **Reset** to undo the changes and return to original field values.

If you have edited an Authorized record, the same is again marked for authorization. Once the record is updated, a modified status flag is set, and only these record changes can be rolled back. The Roll Back option is supported in view mode only for authorized records, i.e. records which are updated and saved.

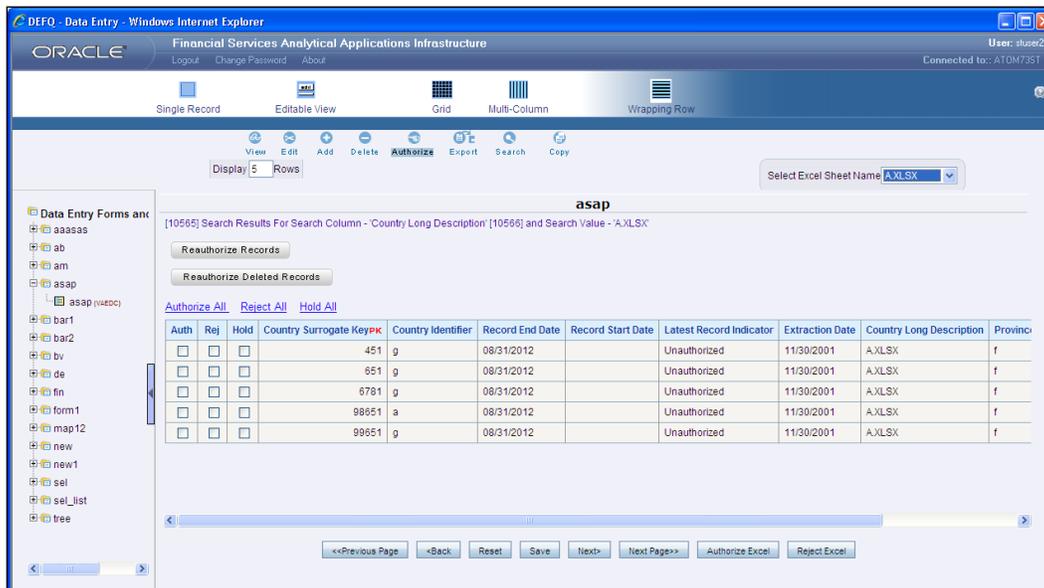
Add Form Data

You can add a row to the required table and enter the field details. To Add Form Data in the *DEFQ - Data Entry* screen:

1. Open the required Form in view mode and click  **Add**. By default, five rows are displayed. You can modify by specifying the number of required rows in **Display Rows** field and clicking **Reset**.
2. Enter the required numeric data in the new fields. If you want to view the numeric data separated by commas, enter the details accordingly.
3. Click **Save** and update the data to the selected table.

Authorize Record

You need to have DEFQMAN and SYSAUTH function roles mapped to access and authorize Forms in the DeFQ framework. You can Authorize a single record or all the records of a selected Form with the in the *DEFQ - Data Entry* screen. You can authorize record in a table which has a primary key field. A primary key field in the record is indicated by “**PK**”. You need to have the authorization rights defined by the user who has created the record. You can also Reject or Hold inappropriate records in the table.



The status of each record in the table is indicated with an “AuthFlag” as indicated below:

- **Unauthorized** records are displayed with the status flag “**U**”
- **Authorized** records are displayed with the status flag “**A**”.
- **Rejected** records are displayed with the status flag “**R**”.
- **Modified** records are displayed with the status flag “**M**”.
- **Deleted** records are displayed with the status flag “**D**”.
- If an **Unauthorized** record is on **Hold**, the status flag is displayed as “**H**”.
- If a **Modified** record is on **Hold**, the status flag is displayed as “**X**”.
- If a **Deleted** record is on **Hold**, the status flag is displayed as “**Z**”.

To Authorize Data in the *DEFQ - Data Entry* screen:

1. Open the required Form in view mode and click  **Authorize**. The list of available records for Authorization is displayed. If there are “no records” for Authorization in the selected Information Domain, an alert message is displayed.
2. Select the “Auth” checkbox adjacent to the required record with the status flag “**Unauthorized / Put On Hold**” and click **Save**. A confirmation dialog is displayed. Click **OK**. You can also do a **Bulk Authorization** if Excel Map is selected in the *Sort Fields Selection* screen. Select the mapped Excel Name from the “Select Excel Sheet Name” drop down list. The *DEFQ - Data Entry* screen displays only those records which are uploaded though the selected Excel sheet. Click **Authorize Excel**. A confirmation dialog is displayed. Click **OK**.

You can reject / hold a record by doing the following:

- To **reject** a record, select the checkbox in the “**Rej**” column adjacent to the required record and click **Save**. A confirmation dialog is displayed. Click **OK**. You can also reject records in Bulk Mode if Excel Map is selected in the *Sort Fields Selection* screen. Select the mapped Excel Name from the “Select Excel Sheet Name” drop down list. The *DEFQ - Data Entry* screen displays only those records which are

uploaded though the selected Excel sheet. Click **Reject Excel**. A confirmation dialog is displayed. Click **OK**.

- To **Hold** a record and to authorize or reject at a later point, select the checkbox in the “**Hold**” column adjacent to the required record and click **Save**.

In the *DEFQ - Data Entry* screen, you can also do the following:

- Click **Authorize All** and click on **Save** to authorize all the records displayed in current page.
- Click **Reject All** and click on **Save** to reject all the records displayed in current page.
- Click **Hold All** and click on **Save** to hold all the records displayed in current page.

If you have enabled the option to send alerts to the Creator of the Form in *Message Type Maintenance* screen, a message is sent indicating that the records are authorized/rejected/put-on-hold.

Re-authorize Records

You can re-authorize an authorized record which has been updated by other users. When an authorized record is updated, the status flag (AuthFlag) is set to “M” indicating that the record has been modified and needs re-authorization.

Auth	Rej	Hold	Extraction Date	Currency Code	Surrogate Key	Currency Code	Record End Date	Record Start Date	Latest Record Indicator	Local Currency Indicator	Reporting
Edited Data :											
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06/29/2011 14:52:08		666	3	06/11/2010 10:10:16	06/29/2011 14:52:08	8		Modified
Original Data :											
			06/29/2011 14:52:08		666	3	06/11/2010 10:10:16	06/29/2011 14:52:08	8		Modified

To re-authorize modified records in the *DEFQ - Data Entry* screen:

1. Open the required Form in view mode and click  **Authorize**. The list of available records with the Authorization status is displayed. If there are “no records” for Authorization in the selected Information Domain, an alert message is displayed.
2. Click **Reauthorize Records**. The *DEFQ Authorization Window* is displayed.
3. Select the “Auth” checkbox adjacent to the required record.
4. Click **Save**. On re-authorization, a confirmation message is displayed. You can also select the checkbox adjacent to “Rej” to reject the record, or “Hold” to re-authorize or reject at a later point. A message is sent to the Form creator indicating that records are authorized/rejected/put-on-hold.

Re-authorize Deleted Records

You can re-authorize the delete action when an authorized record has been deleted by other users. When an authorized record is deleted, the status flag (AuthFlag) is set to “D” indicating that the record has been deleted and needs re-authorization.

Auth	Rej	Hold	Extraction Date	Currency Code Surrogate Key	Currency Code	Record End Date	Record Start Date	Latest Record Indicator	Local Currency Indicator	Reporting
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06/29/2011 14:52:08	990	45		07/23/2009 14:22:25	U		Deleted

To re-authorize deleted records in the *DEFQ - Data Entry* screen:

1. Open the required Form in view mode and click  **Authorize**. The list of available records with the Authorization status is displayed. If there are “no records” for Authorization in the selected Information Domain, an alert message is displayed.
2. Click **Reauthorize Deleted Records**. The *DEFQ Authorization Window* is displayed.
3. Select the “Auth” checkbox adjacent to the required record.

Click **Save**. On re-authorization, a confirmation message is displayed. You can also select the checkbox adjacent to “Rej” to reject the record, or “Hold” to re-authorize or reject at a later point. A message is sent to the Form creator indicating that records are authorized/rejected/put-on-hold.

Export Form Data

You can export the required record(s) to a selected location in CSV format. To Export Form Data in the *DEFQ - Data Entry* screen:

1. In the View mode, select the checkbox adjacent to the record(s) which you want export.
2. Click  **Export**. The *File Download* dialog is displayed.
3. Click **Save**. The *Save As* dialog is displayed.
4. Select the location and click **Save**. The selected record is exported.

Copy Form Data

You can copy the existing fields and create new fields in a record. When you copy a field, the primary key values are incremented from the pre-defined value to the next acceptable value. However, the other fields can be modified as required. To copy fields in the *DEFQ - Data Entry* screen:

1. Open the required Form in view mode and click  **Copy**. The list of available records is displayed. All the primary field data (indicated by *) is incremented by default.
2. Click **Save**. The field values are added to the record. You can click **Edit** to modify the values or click **Next** to copy the next set of fields.

Delete Form Details

You can remove a Form details which are no longer required by deleting from the *DEFQ - Data Entry* screen.

1. In the View mode, select the checkbox adjacent to the record which you want to delete.
2. Click . An information dialog is displayed.
3. Click **OK** to confirm and delete the record.

Excel Upload

Excel Upload utility facilitates you to upload excel data sheets to specific destination table and map the table's columns with the columns in MS Excel. In order to view the Excel Upload utility within the Infrastructure system, you need to manually copy the “.ssh” folder from the Application layer to the Web Server area after the OFSAAI installation. Contact System Administrator for more information.

Excel Upload supports excel files created in Microsoft 2007 along with the earlier versions. Also you can map and upload multiple sheets created within a single excel file. The Excel Entity Mappings and Upload utilities have the restricted access depending on the following function roles mapped:

- Users with XLADMIN and XLUSER function roles can perform both mapping and upload operations.
- Users with XLADMIN function role can only define mapping and authorize, but cannot upload the file.
- User with “XLUSER” function can only retrieve mapping definition (pre-defined by XLADMIN user) and can upload the file based on retrieved mapping.

You can access DEFQ - Excel upload by expanding Data Entry Forms and Queries section of Unified Metadata Manager module within the tree structure of LHS menu. The *DEFQ - Excel Upload* screen displays the Excel-Entity Mappings and Excel Upload options in the LHS menu. Click on the links to view the section in detail.

- Excel-Entity Mappings
- Excel Upload

Excel-Entity Mappings

Excel-Entity Mapping helps you to map Excel Data to the destination table in the database. Excel-Entity Mapping supports excel files created in Microsoft 2007 and earlier versions along with the option to map and upload multiple sheets created within a single excel file. You need to have XLADMIN function role mapped in order to define mapping.

Add Excel-Entity Mappings

To define mapping in the *Excel-Entity Mappings* screen:

1. Click Add icon in Mappings Summary tool bar. The *ADD Excel-Entity Mappings* screen is displayed.
2. Enter the required **Mapping Name** and **Description**.
3. Click **Browse**. The *Choose File to Upload* dialog is displayed. Select the required Excel and click  button.

On upload, the selected Excel columns are listed in *Select Excel Columns* grid and the database tables are

listed in *Select Entities* grid.

Excel Fields	Field Order	Date Format	Destination table	Destination column
<input type="checkbox"/> Field1	1	-	COM_ENTITY_GROUP_MAP	f_dim_fact_flag
<input type="checkbox"/> Field2	2	-	COM_ENTITY_GROUP_MAP	n_mismatch_rows
<input type="checkbox"/> Field3	3	-	COM_ENTITY_GROUP_MAP	v_attribute_name
<input type="checkbox"/> Field4	4	-	COM_ENTITY_GROUP_MAP	v_source_attribute_name

4. Enter the Source Date in dd/mm/yy format. You can select **Apply to all Dates** checkbox if the Excel contains date field.
5. Select **First Row is the Header** checkbox, If the first row in the Excel has headings.
6. Select the mapping database table by clicking on the + symbol or table name.
7. Click **Automap**. The respective columns with the similar names in the excel and database is mapped. You need to manually map the other columns. The mapping details are displayed in the *Mapping Information* grid which facilitates you to edit the details as required.
8. Select **Save with Authorization** checkbox to authorize and upload the data. The 3 mandatory fields i.e. Maker_id, System_Date, and Authorization_Status, are displayed in the *Select Excel Columns* grid.
9. You can also select **Bulk Authorization** checkbox to assign the “Excel_Name” across the selected column. For example, the selected column “v_fic_description” will have the Excel Name assigned.

NOTE: Ensure that the selected “**Varchar2**” column contains the required length to hold the Excel Name. In order to select Bulk Authorization, you need to have **Save with Authorization** checkbox selected.

10. Select **Save Mapping**. The *Excel-Entity Mapping* screen displays the excel-database table mapping details. In the *Excel-Entity Mappings* screen, you can also do the following:

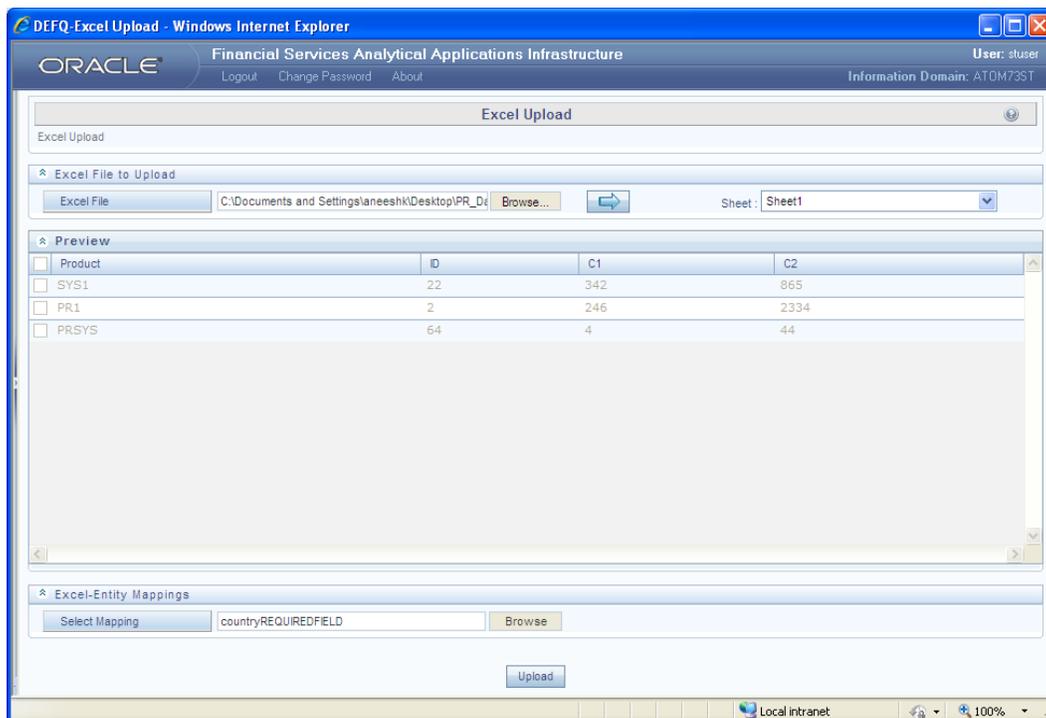
- Click  button in the Mappings Summary tool bar to **View** the mapping details.
- Click  button in the Mappings Summary tool bar to **Edit** the mapping details.
- Click  button in the Mappings Summary tool bar to **Delete** the mapping details.

Excel Upload

Excel Upload helps you to upload Excel Data to destination table in the database. You need to have “XLUSER” function role mapped to access *Excel Upload* screen and retrieve mapping definition (pre-defined by XLADMIN user) to upload excel data. Excel Upload supports excel files created in Microsoft 2007 and earlier versions along with the option to map and upload multiple sheets created within a single excel file. You need to ensure that the excel data contains the dates in the format as defined in Add Excel-Entity Mapping definition.

To upload excel data in the *Excel Upload* screen:

1. Click **Browse** in the *Excel File to Upload* grid. The *Choose File to Upload* dialog is displayed.
2. Select the required Excel and click  icon. The columns in excel are populated in the **Sheet** drop down list and the *Preview* grid displays the data of the selected excel file.



3. Click **Browse** in the *Excel-Entity Mappings* grid. The *Mapping Selector* dialog is displayed with the pre-defined mapping details.
4. Select the checkbox adjacent to the required mapping definition and click **OK**.
5. Click **Upload**. A confirmation dialog is displayed on successful upload and the excel data is uploaded to the database table.

Metadata Browser

The Metadata Browser component of OFSAAI, allows you to view the pre-defined metadata in the Basel Regulatory Capital application, by providing a browsing capability through the various metadata elements that are linked to each other. You may start navigating through the Metadata Browser from a Run in a particular segment and drill down to the processes used in the Run, the Sub Processes in the Processes and the tasks mapped to each Sub-Process. Alternatively, you may start navigating from the granular metadata element and trace the tasks that use this metadata, thereby the Sub Processes, Processes, and Runs that use the task.

Tools in Metadata Browser

The following are the tools used in Metadata Browser screen. The icons appear on the pages as the functions are derived.

Button	Description
	Display the trace details of Definitions mapped to a dimension, hierarchy, measure, cube, or mart.
	Display the trace details of Datasets defined for a definition.
	Display the trace details of Dimensions mapped to the definition.
	Display the trace details of Measures mapped to the definition.
	Display the trace details of Cubes mapped to the definition.
	Display the details of the mapped Models for a definition.
	Display the trace details of Hierarchy Attributes of a definition.
	Display the trace details Source of the definition.
	Display the trace details of Transformations defined for a definition.
	Display the trace details of mapped Scenarios for a definition.

Button	Description
	Display the details of the mapped Stress Definitions.
	Display the details of mapped Variable Shocks to a particular variable.

To help you navigate through the Metadata Browser, starting from a Run, refer to the following steps:

1. Click **Metadata Browser** on the LHS pane of OFSAAI, to view the Metadata Browser screen.
2. Select the relevant jurisdiction from **Segment** dropdown on the LHS pane of OFSAAI, shown in the following figure:



Information Domain: BASEL6DOM
Segment: BIS

3. Click , to view the Runs defined for the selected jurisdiction, shown in the following figure:



Name
Capital Calculation - BIS Basel I Approach
Capital Calculation - BIS Standardised Approach
Capital Calculation - BIS Advanced IRB Approach
Risk Weighted Asset Calculation - Operational Risk - BIS Standardised Approach
Capital Calculation - BIS Foundation IRB Approach
Risk Weighted Asset Calculation - Credit Risk - BIS Standardised Approach
Risk Weighted Asset Calculation - Credit Risk - BIS Advanced IRB Approach
Risk Weighted Asset Calculation - Credit Risk - BIS Foundation IRB Approach
Capital Calculation - IFSB Standardised Approach - CAR Standard Formula
Risk Weighted Asset Calculation - Credit Risk - IFSB Standardised Approach
Capital Calculation - IFSB Standardised Approach - CAR Discretionary Formula
Risk Weighted Asset Calculation - Market Risk - IFSB Standardised Approach
Risk Weighted Asset Calculation - Operational Risk - IFSB Basic Indicator Approach

Run

Select a Run (Risk Weighted Asset Calculation-Credit Risk-BIS Standardized Approach) and click  to view the details of the Run, shown in the following figure:

The screenshot displays the 'Run' management interface. On the left is a 'Metadata Browser' with a tree view containing categories like Source Model, Data Model, Data Transformations, Data Sets, Measures, Hierarchies, Hierarchy Attributes, Dimensions, Business Processors, Rules, Process, Runs, Cubes, Forms, Variables, Optimizer, Pooling, Modeling Framework, and Stress Testing Framework. The main area shows a 'Run Rule Framework >> Run' window with search and filter options. Below this is a table listing various runs with columns for Code, Name, Type, Folder, Version, and Active status.

Code	Name	Type	Folder	Version	Active
1305855181022	Capital Calculation - BIS Basel I Approach	Base Run	BIS	0	Yes
1305855301374	Capital Calculation - BIS Standardised Approach	Base Run	BIS	0	Yes
1305855512993	Capital Calculation - BIS Advanced IRB Approach	Base Run	BIS	0	Yes
1305855600303	Risk Weighted Asset Calculation - Operational Risk - BIS Standardised Approach	Base Run	BIS	0	Yes
1305855689766	Capital Calculation - BIS Foundation IRB Approach	Base Run	BIS	0	Yes
1305855864629	Risk Weighted Asset Calculation - Credit Risk - BIS Standardised Approach	Base Run	BIS	0	Yes
1305907201323	Risk Weighted Asset Calculation - Credit Risk - BIS Advanced IRB Approach	Base Run	BIS	0	Yes
1305907253832	Risk Weighted Asset Calculation - Credit Risk - BIS Foundation IRB Approach	Base Run	BIS	0	Yes
1305912873509	Capital Calculation - IFSB Standardised Approach - CAR Standard Formula	Base Run	IFSB	0	Yes
1305913610550	Risk Weighted Asset Calculation - Credit Risk - IFSB Standardised Approach	Base Run	IFSB	0	Yes
1305916596330	Capital Calculation - IFSB Standardised Approach - CAR Discretionary Formula	Base Run	IFSB	0	Yes
1305917022346	Risk Weighted Asset Calculation - Market Risk - IFSB Standardised Approach	Base Run	IFSB	0	Yes
1305917115300	Risk Weighted Asset Calculation - Operational Risk - IFSB Basic Indicator Approach	Base Run	IFSB	0	Yes
1305917182301	Staging Data Population - Market Risk - IFSB Standardised Approach	Base Run	IFSB	0	Yes
1305923761818	Staging Data Population - Market Risk - BIS Standardised Approach	Base Run	BIS	0	Yes
1306182237482	Capital Calculation - FRB IRB Approach	Base Run	USA	0	Yes
1306182268889	Risk Weighted Asset Calculation - Credit Risk - FRB IRB Approach	Base Run	USA	0	Yes
1306255867872	Capital Calculation - RBI Standardised Approach - Indian Banks	Base Run	INDIA	0	Yes
1306256086204	Capital Calculation - RBI Standardised Approach - Foreign Banks	Base Run	INDIA	0	Yes
1306256149536	Risk Weighted Asset Calculation - Credit Risk - RBI Standardised Approach	Base Run	INDIA	0	Yes

A Run is a combination of Processes. For example: For Run **Risk Weighted Asset Calculation-Credit Risk-BIS Standardized Approach, CAPITAL_ CONSOLIDATION, CREDIT_RATING_PROCESSING, and NON SEC STD** are some of the processes mapped to the Run.

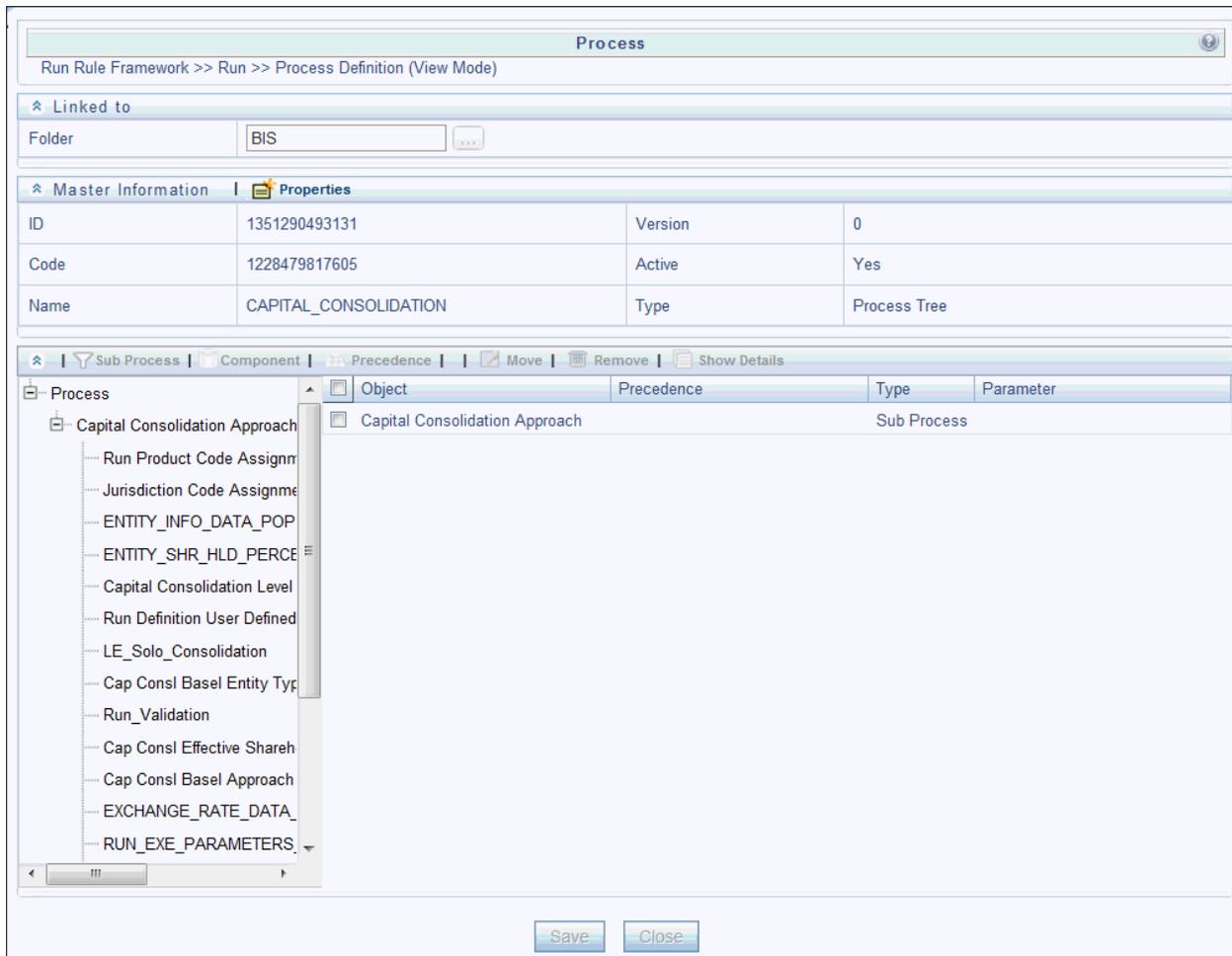
Process and Sub Process

The screenshot shows the 'Run Definition (View Mode)' for a specific run. It includes fields for 'Folder' (BIS), 'ID' (1350345616019), 'Code' (1305855864629), and 'Name' (Risk Weighted Asset Calculation - Credit Risk - BIS Standardised Approach). Below this is a 'List' table showing the processes mapped to this run.

Location	Code	Name	Type	Simulation Job
Job	1228479817605	CAPITAL_CONSOLIDATION	Process	
Job	1281368142488	CREDIT_RATING_PROCESSING	Process	
Job	PRBL0019	PARTY_RECLASSIFICATION_STD	Process	
Job	1308699026230	NON_SEC_DATA_POPULATION	Process	
Job	1308860226730	MITIGANT_DATA_POPULATION	Process	
Job	1308860522544	NON_SEC_EXP_MITIGANT_MAPPING_POP	Process	
Job	1259809926621	NON_SEC_STD	Process	
Job	1308846730198	SEC_DATA_POPULATION	Process	
Job	1308860632939	SEC_EXP_MITIGANT_MAPPING_POP	Process	
Job	1261519197321	SEC_STD	Process	

A process is a combination of Sub Processes. Select a Process and click to view the sub process mapped to a Process. The Sub Process mapped to the Process-CAPITAL_ CONSOLIDATION is **Capital Consolidation Approach**. For Process-CREDIT_RATING_PROCESSING the Sub Process is **Credit Rating Data Population**. Rules, DT, and T2Ts, are combined to form a Sub Process. A Rule is a combination of various computational logics that transforms data. Rules are of two types:

- Computational rules (Type 3 Rule): consists of a Data Set, Source Hierarchy and Target Business Processor.
 - Data Set: A **Dataset** is a group of tables whose inter-relationship is defined by specifying a join condition between the various tables.
 - Source Hierarchy: Hierarchy is the organization of data into a logical tree structure. The subset of records on which the computational logic is applied to is stated as the Source Hierarchy.
 - Target Business Processor: Target measure is a metric which computes and stores the computed value in the defined Target Area. The target area where these computed values are populated is defined in the Target Business Processor.
- Assignment Rules (Type 2 Rule): consists of a Data Set, Source Hierarchy and Target Hierarchy.
 - Data Set: A **Data Set** is a group of tables whose inter-relationship is defined by specifying a join condition between the various tables.
 - Source Hierarchy: Hierarchy is the organization of data into a logical tree structure. The subset of records on which the computational logic is applied to is stated as the Source Hierarchy.
 - Target Hierarchy: Hierarchy is the organization of data into a logical tree structure. The target area where the reclassified records will be stored is the target hierarchy.



In the preceding figure, Rules, DTs and T2Ts mapped to a Sub Process **Capital Consolidation Approach**

are as follows:

Rules=

- Run Product Code Assignment (Type 3 Rule)
- Run Definition Mode Assignment - User Defined (Type 3 Rule)
- Run Definition User Defined Run Param Assignment (Type 3 Rule)
- Capital Consolidation Level Selection (Type 3 Rule)
- Cap Consl Basel Entity Type Reclassification (Type 2 Rule)
- Cap Consl Effective Shareholding Percent of an Entity (Type 3 Rule)
- Cap Consl Basel Approach Type Reclassification for Entity (Type 2 Rule)
- Basel II Credit Rating Reclassification (Type 2 Rule)

T2T =

- ENTITY INFO DATA POP
- ENTITY SHR HLD PERCENT POP
- GL ACCT CAPITAL HEAD POPULATION
- RATING_DETAILS_DATA_POPULATION
- NON_SEC_EXP_DATA_POPULATION
- MITIGANT_DATA_POPULATION
- NON_SEC_EXP_DATA_POPULATION

DT =

- Run Validation
- Run Param Validation
- Upd_Rating Details

This document will help you navigate to the smallest element of a Rule. You can similarly navigate to the smallest element of a T2T and DT.

Rules

Select a Rule (**Cap Consl Effective Shareholding Percent of an Entity**) from the LHS pane, the Rule which appears in the right frame of the screen. Select the Rule and click  to view the details of the Rule, as shown in the following figure:

The screenshot displays the 'Process' configuration window for 'CAPITAL_CONSOLIDATION'. The 'Linked to' section shows the folder 'BIS'. The 'Master Information' section contains the following properties:

ID	1351290493131	Version	0
Code	1228479817605	Active	Yes
Name	CAPITAL_CONSOLIDATION	Type	Process Tree

The 'Sub Process' section shows a tree view of objects and a table of precedence rules:

Object	Precedence	Type	Parameter
Cap Consl Effective Shareholding Percent for an Entity	Run_Validation	Computation Rule	

In the following figure, for Rule **Cap Consl Effective Shareholding Percent of an Entity** (a Type 3 rule), mentioned earlier, contains a Data Set, Source Hierarchy, and Target Business Processor. To relate the Rule to a specific section in the Basel accord, refer to the Comments section in the screen.

Rule

Run Rule Framework >> Run >> Rule Definition (View Mode)

Linked to

Folder: BISSEG Dataset: Entity Shareholding Perc

Master Information | Properties

ID	1228142436138	Version	0
Code	1228142436138	Active	<input checked="" type="checkbox"/>
Name	Cap Consl Effective Shareholding Percent for an Entity	Type	Computation

List

Location	Code	Name	Type
Source	H0242	Cap Consl Entity Level Ind	Hierarchy
Target	M0719	MSR - Cap Consl Entity Shareholding Per...	Measure

Next Preview Close

Audit Trail Comments

Comments [1]

Comments	Created By	Creation Date	Last Modified By	Last Modification Date	Operation Type
Para 215-216	SYSADMN	06/25/2012 06:16:42	SYSADMN	06/25/2012 06:16:42	Not Editable

Click  in the **Dataset (DS0089)** field to view further details on the Data Set. In the following figure, the **Selected Entities** field displays the tables used by the dataset. Click any table to view the description of the table. The condition or inter-relationships between the tables are detailed in the **Join Condition** and **ANSI Join**.

Details of Dataset Entity Shareholding Percent Dataset	
Name	DS0089
Short Description	Entity Shareholding Percent Dataset
Long Description	Entity Shareholding Percent Dataset
Comments	
Created By	SYSADMN
Creation Date	November 25, 2008 4:54:38 PM
Last Modified By	SYSADMN
Modification Date	December 16, 2009 11:35:47 AM
Authorized By	SYSADMN
Authorization Date	December 16, 2009 11:35:48 AM
Selected Entities	Fact Shareholding Percent Fact Entity Information Run Dimension Date Dimension PARENT_ENTITY
Join Condition	COALESCE(PARENT_ENTITY.f_cap_consl_parent_entity_ind,'N') = 'Y' AND COALESCE(PARENT_ENTITY.f_cap_consl_entity_ind,'N') = 'Y'
ANSI Join	FCT_ENTITY_SHR_HLD_PERCENT INNER JOIN FCT_ENTITY_INFO ON FCT_ENTITY_INFO.n_entity_skey = FCT_ENTITY_SHR_HLD_PERCENT.n_investee_entity_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_run_skey = FCT_ENTITY_INFO.n_run_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_mis_date_skey = FCT_ENTITY_INFO.n_mis_date_skey INNER JOIN FCT_ENTITY_INFO PARENT_ENTITY ON FCT_ENTITY_SHR_HLD_PERCENT.n_investor_entity_skey = PARENT_ENTITY.n_entity_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_run_skey = PARENT_ENTITY.n_run_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_mis_date_skey = PARENT_ENTITY.n_mis_date_skey LEFT OUTER JOIN DIM_RUN ON FCT_ENTITY_SHR_HLD_PERCENT.n_run_skey = DIM_RUN.n_run_skey LEFT OUTER JOIN DIM_DATES ON FCT_ENTITY_SHR_HLD_PERCENT.n_mis_date_skey = DIM_DATES.n_date_skey
Date Filter	DIM_DATES.D_CALENDAR_DATE=\$MISDATE AND DIM_RUN.n_run_skey = '\$RUNSK'
Order By	

To know more about the Source Hierarchy and Target Measure used in this Type 3 Rule, return to the Rule Screen. Select the **Source Hierarchy** ([Cap Consl Entity Level Ind](#)) and click  icon to view details of the Source Hierarchy.

In the following figure, the Source Entity from which data is computed and populated into the Target Business Processor is displayed in the **Entity** field. Click **Fact Entity Information** to see the description of the table. Click [Capital Consolidation Entity Indicator](#) to view the description of the Attribute, whereby in this case, the entities appearing in the **Fact Entity Information** are flagged as **Y** if the entity is participating in Capital Consolidation.





Trace Dimensions Trace Cubes Trace Definitions Trace Forms

Details of Hierarchy Cap Consl Entity Level Ind

Name	H0242
Short Description	Cap Consl Entity Level Ind
Long Description	Cap Consl Entity Level Ind
Comments	
Created By	SYSADMN
Creation Date	November 26, 2008 2:54:38 PM
Last Modified By	SYSADMN
Modification Date	November 27, 2012 7:24:08 PM
Authorized By	SYSADMN
Authorization Date	November 27, 2012 7:24:09 PM
Type	REGULAR
BI Enabled	No
Is Parent Child	No
Entity	Fact Entity Information
Attribute	Capital Consolidation Entity Indicator

Level Details

Description	Identifier
  Cap Consl Entity Level Ind	

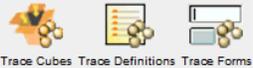
To know more about the Target Business Processor used in this Type 3 Rule, return to the Rule Screen. Click **Next**. In **Combination Mapper** section click  icon and select  icon to view details of the Target Business Processor.

The screenshot displays the 'Rule Definition (View Mode)' interface. At the top, it shows the rule name 'Entity Shareholding Percent Dataset' and its folder 'BISSEG'. The 'Properties' section lists the ID (1228142436138), Version (0), Code (1228142436138), Active status (checked), and Name ('Cap Consol Effective Shareholding Percent for an Entity'). The 'Combination Mapper' section shows a mapping from 'Cap Consol Entity Level Ind' to 'MSR - Cap Consol Ent...'. A context menu is open over the 'MSR - Cap Consol Ent...' entry, showing options like 'Exclude', 'Default Member', and 'Show Details'. At the bottom, there are 'Back', 'Save', and 'Close' buttons, and 'Audit Trail' and 'Comments' tabs.

A Business Processor (BP) consists of a Data Set, Target Measure, and an Expression.

- Data Set: A Data Set is a group of tables whose inter-relationship is defined by specifying a join condition between the various tables.
- Target Measure: Target measure is a metric which computes and stores the computed value in the defined Target Area.
- Expression: An Expression is a tool that allows for manipulation of data. Expression has three different uses:
 - To specify a calculated column that the OFSAA derives from other columns in the database
 - To calculate assignments in data correction
 - To create calculated conditions in data and relationship filters.

Click Dataset ([DS0089-Entity Shareholding Percent Dataset](#)) to view details of the Data Set. In the following figure, the **Selected Entities** field displays the tables used by the dataset. Click any table to view the description of the table. The condition or interrelationships between the tables are detailed in the **Join Condition** and **ANSI Join** field.



Details of Dataset Entity Shareholding Percent Dataset

Name	DS0089
Short Description	Entity Shareholding Percent Dataset
Long Description	Entity Shareholding Percent Dataset
Comments	
Created By	SYSADMIN
Creation Date	November 25, 2008 4:54:38 PM
Last Modified By	SYSADMIN
Modification Date	December 16, 2009 11:35:47 AM
Authorized By	SYSADMIN
Authorization Date	December 16, 2009 11:35:48 AM
Selected Entities	Fact Shareholding Percent Fact Entity Information Run Dimension Date Dimension PARENT_ENTITY
Join Condition	COALESCE(PARENT_ENTITY.f_cap_cons1_parent_entity_ind,'N') = 'Y' AND COALESCE(PARENT_ENTITY.f_cap_cons1_entity_ind,'N') = 'Y'
ANSI Join	FCT_ENTITY_SHR_HLD_PERCENT INNER JOIN FCT_ENTITY_INFO ON FCT_ENTITY_INFO.n_entity_skey = FCT_ENTITY_SHR_HLD_PERCENT.n_investee_entity_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_run_skey = FCT_ENTITY_INFO.n_run_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_mis_date_skey = FCT_ENTITY_INFO.n_mis_date_skey INNER JOIN FCT_ENTITY_INFO PARENT_ENTITY ON FCT_ENTITY_SHR_HLD_PERCENT.n_investor_entity_skey = PARENT_ENTITY.n_entity_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_run_skey = PARENT_ENTITY.n_run_skey AND FCT_ENTITY_SHR_HLD_PERCENT.n_mis_date_skey = PARENT_ENTITY.n_mis_date_skey LEFT OUTER JOIN DIM_RUN ON FCT_ENTITY_SHR_HLD_PERCENT.n_run_skey = DIM_RUN.n_run_skey LEFT OUTER JOIN DIM_DATES ON FCT_ENTITY_SHR_HLD_PERCENT.n_mis_date_skey = DIM_DATES.n_date_skey
Date Filter	DIM_DATES.D_CALENDAR_DATE=\$MISDATE AND DIM_RUN.n_run_skey = '\$RUNSK'
Order By	

Click **Measure** ([M0719-MSR - Cap Cons1 Entity Shareholding Percent](#)) in the details of Business Processor screen, to view further details on the Target Measure. The following figure, displays the target entity where the metric or data will be populated. Click **Fact Entity Information** for details of the table. Using the Attribute, that is, **Shareholding Percentage** this measure aims to populate the shareholding percentage in the Fact Entity Table.



Details of Measure MSR - Cap Cons1 Entity Shareholding Percent

Name	M0719
Short Description	MSR - Cap Cons1 Entity Shareholding Percent
Long Description	Measure for Storing Shareholding Percent of the Entity
Comments	
Created By	SYSADMIN
Creation Date	November 25, 2008 12:42:54 PM
Last Modified By	SYSADMIN
Modification Date	
Authorized By	SYSADMIN
Authorization Date	November 25, 2008 12:42:54 PM
Entity	Fact Entity Information
Attribute	Shareholding Percentage
Aggregation Type	SUM
Measure Type	Base Measure
Summary Condition	1 = 1

Therefore, this Rule aims to populate the shareholding percentage of the entities in the defined target from the master list of entities participating in the Capital Consolidation computation.

Similarly, an Assignment Rule (Type 2 Rule), as shown in the following figure, contains a Data Set, Source Hierarchy from which bank specific data is reclassified and Standardized into Basel Regulatory Capital application specific data and stored in the defined Target Hierarchy.

Rule

Run Rule Framework >> Run >> Rule Definition (View Mode)

Linked to

Folder	BISSEG	Dataset	Entity Dataset
--------	--------	---------	----------------

Master Information | Properties

ID	1228304537655	Version	0
Code	1228304537655	Active	<input checked="" type="checkbox"/>
Name	Cap Consl Basel Entity Type Reclassification	Type	Classification

List

Location	Code	Name	Type
<input checked="" type="checkbox"/> Source	HBL0028	Counterparty Type	Hierarchy
<input checked="" type="checkbox"/> Target	HBL0045	Standard Counterparty Type	Hierarchy

Next Preview Close

Pooling

Sub Processes can also contain Pooling and Optimizer definitions. Pooling identifies and allocates Credit Risk Mitigants to each Exposure into set categories. Pooling consists of the following:

- Data Set: A **Data Set** is a group of tables whose inter-relationship is defined by specifying a join condition between the various tables.
- Pooling Basis: Pooling Basis identifies the Exposures and Mitigant data from the Fact Sub Exposures Table.
- Output: is the measure which pools the Exposures and Mitigant mapping into set categories and stores in a target area.

Click **Pooling Sub Exposures- Mitigant**, appearing under Sub Process **Exposures Mitigant Pooling** in the Run Details Screen. The following figure, displays the metadata mapped to **Pooling Sub Exposures- Mitigant**.

Details of Pooling Sub Exposures-Mitigant Pooling	
Name	Sub Exposures-Mitigant Pooling
Code	1147078004924
Created By	SYSADMN
Creation Date	08-MAY-2006 02:46:45 PM
Last Modified By	SYSADMN
Last Modification Date	12-JUN-2008 05:53:25 PM
Comments	NA
Dataset	Non Securitization Optimizer Dataset
Pooling Basis	
Exposures	
Mitigants	
Output	
MSR - Sub Exposure Pool ID	

Click Dataset (**Optimizer Dataset**) to view further details on the Dataset. In the following figure the tables used in the Data Set are displayed in the **Selected Entities** field and the inter-relationships defined between these tables are displayed as an **ANSI join** and **Join Condition**.

Details of Dataset Non Securitization Optimizer Dataset	
Name	DS0023
Short Description	Non Securitization Optimizer Dataset
Long Description	Non Securitization Optimizer Dataset
Comments	
Created By	SYSADMN
Creation Date	October 16, 2012 1:17:36 PM
Last Modified By	SYSADMN
Modification Date	October 27, 2012 3:53:39 PM
Authorized By	SYSADMN
Authorization Date	October 27, 2012 3:53:40 PM
Selected Entities	Party Dimension Fact Sub Exposures Date Dimension Run Dimension Mitigant Dimension Standard Mitigant Type Dimension Run Identifier Basel Product Types Dimension Generally Accepted Accounting Principles Dimension Country Dimension Basel Asset Class Run Parameters
Join Condition	1=1
ANSI Join	FCT_SUB_EXPOSURES INNER JOIN DIM_DATES ON FCT_SUB_EXPOSURES.n_mis_date_skey = DIM_DATES.n_date_skey LEFT OUTER JOIN DIM_RUN ON FCT_SUB_EXPOSURES.n_run_skey = DIM_RUN.n_run_skey LEFT OUTER JOIN DIM_MITIGANT ON FCT_SUB_EXPOSURES.n_mitigant_skey = DIM_MITIGANT.n_mitigant_skey LEFT OUTER JOIN DIM_STD_MITIGANT_TYPE ON FCT_SUB_EXPOSURES.n_std_mitigant_type_skey = DIM_STD_MITIGANT_TYPE.n_std_mitigant_type_skey LEFT OUTER JOIN DIM_PARTY ON FCT_SUB_EXPOSURES.n_issuer_skey = DIM_PARTY.n_Party_Skey LEFT OUTER JOIN DIM_BASEL_PRODUCT_TYPE ON FCT_SUB_EXPOSURES.n_basel_prod_type_skey = DIM_BASEL_PRODUCT_TYPE.n_basel_prod_type_skey LEFT OUTER JOIN DIM_GAAP ON FCT_SUB_EXPOSURES.n_gaap_skey = DIM_GAAP.n_gaap_skey LEFT OUTER JOIN DIM_COUNTRY ON FCT_SUB_EXPOSURES.n_country_skey = DIM_COUNTRY.n_country_skey LEFT OUTER JOIN DIM_BASEL_ASSET_CLASS ON FCT_SUB_EXPOSURES.n_basel_asset_class_skey = DIM_BASEL_ASSET_CLASS.n_basel_asset_class_skey LEFT OUTER JOIN RUN_PARAMETERS ON FCT_SUB_EXPOSURES.n_run_parameter_setup_skey = RUN_PARAMETERS.n_run_parameter_setup_skey LEFT OUTER JOIN DIM_RUN_IDENTIFIER ON DIM_RUN_IDENTIFIER.n_run_identifier_skey = FCT_SUB_EXPOSURES.n_run_identifier_skey

Click **Exposures**, under field **Pooling Basis**, in the Details of Pooling Screen. The following figure, displays the table (**Fact Sub Exposures**) from which Exposure Data is identified using the Attribute, **Account Surrogate Key**.

Details of Hierarchy Exposures	
Name	H0131
Short Description	Exposures
Long Description	Exposures
Comments	
Created By	SYSADMN
Creation Date	October 4, 2012 1:51:45 PM
Last Modified By	SYSADMN
Modification Date	October 27, 2012 12:20:53 AM
Authorized By	SYSADMN
Authorization Date	October 27, 2012 12:20:53 AM
Type	REGULAR
BI Enabled	Yes
Is Parent Child	No
Entity	Fact Sub Exposures
Attribute	Account Surrogate Key
Level Details	

Click **Mitigants**, under field **Pooling Basis**, in the Details of Pooling Screen. The following figure, displays the table (**Fact Sub Exposures**) from which Mitigant Data is identified using the Attribute, **Mitigant Surrogate Key**.

Details of Hierarchy Exposures																											
Name	H0131																										
Short Description	Exposures																										
Long Description	Exposures																										
Comments																											
Created By	SYSADMN																										
Creation Date	October 4, 2012 1:51:45 PM																										
Last Modified By	SYSADMN																										
Modification Date	October 27, 2012 12:20:53 AM																										
Authorized By	SYSADMN																										
Authorization Date	October 27, 2012 12:20:53 AM																										
Type	REGULAR																										
BI Enabled	Yes																										
Is Parent Child	No																										
Entity	Fact Sub Exposures																										
Attribute	Account Surrogate Key																										
Level Details																											
	<table border="1"> <thead> <tr> <th>Description</th> <th>Identifier</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='1'</td> </tr> <tr> <td>2</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='2'</td> </tr> <tr> <td>3</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='3'</td> </tr> <tr> <td>4</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='4'</td> </tr> <tr> <td>5</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='5'</td> </tr> <tr> <td>6</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='6'</td> </tr> <tr> <td>7</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='7'</td> </tr> <tr> <td>8</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='8'</td> </tr> <tr> <td>9</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='9'</td> </tr> <tr> <td>10</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='10'</td> </tr> <tr> <td>11</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='11'</td> </tr> <tr> <td>12</td> <td>FCT_SUB_EXPOSURES.n_acct_skey='12'</td> </tr> </tbody> </table>	Description	Identifier	1	FCT_SUB_EXPOSURES.n_acct_skey='1'	2	FCT_SUB_EXPOSURES.n_acct_skey='2'	3	FCT_SUB_EXPOSURES.n_acct_skey='3'	4	FCT_SUB_EXPOSURES.n_acct_skey='4'	5	FCT_SUB_EXPOSURES.n_acct_skey='5'	6	FCT_SUB_EXPOSURES.n_acct_skey='6'	7	FCT_SUB_EXPOSURES.n_acct_skey='7'	8	FCT_SUB_EXPOSURES.n_acct_skey='8'	9	FCT_SUB_EXPOSURES.n_acct_skey='9'	10	FCT_SUB_EXPOSURES.n_acct_skey='10'	11	FCT_SUB_EXPOSURES.n_acct_skey='11'	12	FCT_SUB_EXPOSURES.n_acct_skey='12'
Description	Identifier																										
1	FCT_SUB_EXPOSURES.n_acct_skey='1'																										
2	FCT_SUB_EXPOSURES.n_acct_skey='2'																										
3	FCT_SUB_EXPOSURES.n_acct_skey='3'																										
4	FCT_SUB_EXPOSURES.n_acct_skey='4'																										
5	FCT_SUB_EXPOSURES.n_acct_skey='5'																										
6	FCT_SUB_EXPOSURES.n_acct_skey='6'																										
7	FCT_SUB_EXPOSURES.n_acct_skey='7'																										
8	FCT_SUB_EXPOSURES.n_acct_skey='8'																										
9	FCT_SUB_EXPOSURES.n_acct_skey='9'																										
10	FCT_SUB_EXPOSURES.n_acct_skey='10'																										
11	FCT_SUB_EXPOSURES.n_acct_skey='11'																										
12	FCT_SUB_EXPOSURES.n_acct_skey='12'																										

Click **Measure (MSR-Sub Exposures Pool ID)**, under the **Output** field, the Details of Pooling Screen. The following figure, displays the details of the measure in the output. The pooled categories of the Exposure and Mitigants data are stored in the entity **Fact Sub Exposures**. The Exposures and Mitigants data is pooled into set categories by the Attribute **Pool Identifier**.

Details of Measure MSR - Sub Exposure Pool ID	
Name	M0304
Short Description	MSR - Sub Exposure Pool ID
Long Description	Measure for Pool ID
Comments	Measure for Pool ID
Created By	BASELSOL
Creation Date	December 18, 2006 4:35:11 PM
Last Modified By	BASELSOL
Modified Date	December 18, 2006 4:35:11 PM
Authorized By	BASELSOL
Authorized Date	
Entity	Fact Sub Exposures
Attribute	Pool Identifier
Aggregation Type	SUM
Measure Type	Base Measure
Summary Condition	1 = 1

Optimizer

Optimizer is a Linear Programming technique that computes the least capital based on the pooling allocation of Mitigants to Exposures. An Optimizer consists of the following Metadata:

- Data Set: A Data Set is a group of tables whose inter-relationship is defined by specifying a join condition between the various tables.
- X Variable
- Objective Function Co efficient
- Constraints
- Bounds
- Output

Click **Non Sec Optimizer-STD** under Sub Process **Exposures Mitigant Optimizer** appearing in the Run Details Screen. The following figure, displays the metadata mapped to **Non Sec Optimizer-STD**:

Details of Optimizer Non Sec Optimizer - STD			
Name		Non Sec Optimizer - STD	
Code		1147069858460	
Created By		SYSADMN	
Creation Date		08-MAY-2006 12:30:58 PM	
Last Modified By		SYSADMN	
Last Modification Date		08-JUN-2006 04:30:12 PM	
Comments		NA	
Dataset		Non Securitization Optimizer Dataset	
Operation Type		Minimize	
Objective Function X Variable			
Exposures			
Mitigants			
Objective Function Coefficient			
BP - Non Sec Objective Function Co-efficient for STD			
Constraints			
0	Exposure Constraint	Constraint Identifier	Exposures
		Constraint Coefficient	BP - Sub Exposure Pre-Mitigant EAD Amt
		Operator	=
		Condition Value	BP - Sub Exposure Pre-Mitigant EAD Amt
1	Mitigant Constraint	Constraint Identifier	Mitigants
		Constraint Coefficient	BP - CRM Pre-Mitigant EAD Constraint Co-Efficient
		Operator	<=
		Condition Value	BP - Sub Exposure Mitigant Amount
X Variable Bounds			
BP - Lower Bound for Optimizer <= X <= BP - Upper Bound for Optimizer			
Integer Identifier			
Integer Identifier			No
			NA
Output			
Pooling Required		Yes	
Auto Pooling		Yes	
Pooling Basis		MSR - CRM Covered Factor	
Output		MSR - CRM Covered Factor	

To view further details on the Dataset, like the Selected Entities used in the Data Set and the Join Condition, as shown in the following figure, click **Optimizer Data set**.

Details of Dataset Non Securitization Optimizer Dataset	
Name	DS0023
Short Description	Non Securitization Optimizer Dataset
Long Description	Non Securitization Optimizer Dataset
Comments	
Created By	SYSADMN
Creation Date	October 16, 2012 1:17:36 PM
Last Modified By	SYSADMN
Modification Date	October 27, 2012 3:53:39 PM
Authorized By	SYSADMN
Authorization Date	October 27, 2012 3:53:40 PM
Selected Entities	Party Dimension Fact Sub Exposures Date Dimension Run Dimension Mitigant Dimension Standard Mitigant Type Dimension Run Identifier Basel Product Types Dimension Generally Accepted Accounting Principles Dimension Country Dimension Basel Asset Class Run Parameters
Join Condition	1=1
ANSI Join	FCT_SUB_EXPOSURES INNER JOIN DIM_DATES ON FCT_SUB_EXPOSURES.n_mis_date_skey = DIM_DATES.n_date_skey LEFT OUTER JOIN DIM_RUN ON FCT_SUB_EXPOSURES.n_run_skey = DIM_RUN.n_run_skey LEFT OUTER JOIN DIM_MITIGANT ON FCT_SUB_EXPOSURES.n_mitigant_skey = DIM_MITIGANT.n_mitigant_skey LEFT OUTER JOIN DIM_STD_MITIGANT_TYPE ON FCT_SUB_EXPOSURES.n_std_mitigant_type_skey = DIM_STD_MITIGANT_TYPE.n_std_mitigant_type_skey LEFT OUTER JOIN DIM_PARTY ON FCT_SUB_EXPOSURES.n_issuer_skey = DIM_PARTY.n_Party_Skey LEFT OUTER JOIN DIM_BASEL_PRODUCT_TYPE ON FCT_SUB_EXPOSURES.n_basel_prod_type_skey = DIM_BASEL_PRODUCT_TYPE.n_basel_prod_type_skey LEFT OUTER JOIN DIM_GAAP ON FCT_SUB_EXPOSURES.n_gaap_skey = DIM_GAAP.n_gaap_skey LEFT OUTER JOIN DIM_COUNTRY ON FCT_SUB_EXPOSURES.n_country_skey = DIM_COUNTRY.n_country_skey LEFT OUTER JOIN DIM_BASEL_ASSET_CLASS ON FCT_SUB_EXPOSURES.n_basel_asset_class_skey = DIM_BASEL_ASSET_CLASS.n_basel_asset_class_skey LEFT OUTER JOIN RUN_PARAMETERS ON FCT_SUB_EXPOSURES.n_run_parameter_setup_skey = RUN_PARAMETERS.n_run_parameter_setup_skey LEFT OUTER JOIN DIM_RUN_IDENTIFIER ON DIM_RUN_IDENTIFIER.n_run_identifier_skey = FCT_SUB_EXPOSURES.n_run_identifier_skey
Date Filter	DIM_DATES.D_CALENDAR_DATE=\$MISDATE AND DIM_RUN.n_run_skey = '\$RUNSK' AND FCT_SUB_EXPOSURES.V_EXPOSURE_TYPE = 'NON-SEC' AND ((1- COALESCE(n_volatility_haircut,0) - COALESCE(n_forex_haircut,0)) * COALESCE(n_maturity_mismatch_haircut,1)) > 0
Order By	

The X Variable function for Exposures identifies the Exposures data from the Entity **Fact Sub Exposures** using the Attribute **Account Surrogate Key**. The X Variable function for Mitigants identifies the Mitigants data from the Entity **Fact Sub Exposures** using the Attribute **Mitigant Surrogate Key**. Click **Exposures** or **Mitigants** to view details of the same.

Objective Function X Variable
Exposures
Mitigants

There are two Constraints detailed in this Optimizer as follows:

- **Exposure Constraint:** ensures that the Sum of all the Sub exposures is equal to one.
- **Mitigant Constraint:** ensures that the total Mitigant amount used is less than or equal to total amount of Mitigant available. All Mitigant Haircuts are applied in this Constraint.

To view the measures used you can click the Business Processor (**BP**) shown in the following figure:

Constraints			
0	Exposure Constraint	Constraint Identifier	Exposures
		Constraint Coefficient	BP - Sub Exposure Pre-Mitigant EAD Amt
		Operator	=
		Condition Value	BP - Sub Exposure Pre-Mitigant EAD Amt
1	Mitigant Constraint	Constraint Identifier	Mitigants
		Constraint Coefficient	BP - Sub Exposure Pre-Mitigant EAD Constraint Co-Efficient
		Operator	<=
		Condition Value	BP - Sub Exposure Mitigant Amount

The **X Variable Bounds** defines the Lower and Upper bound of the covered factor to be between 0 and 1, shown in the following figure. Click the **BP** to view the measures mapped to the **BP**.

X Variable Bounds	
BP - Lower Bound for Optimizer	<= X <= BP - Upper Bound for Optimizer

The **Output** calculates and stores the percentage of exposure amount covered by a Mitigant. Click the Measure (**MSR**) to see the Entity wherein data is stored and the description of the Attribute.

Output	
Pooling Required	Yes
Auto Pooling	Yes
Pooling Basis	MSR - CRM Covered Factor
Output	MSR - CRM Covered Factor

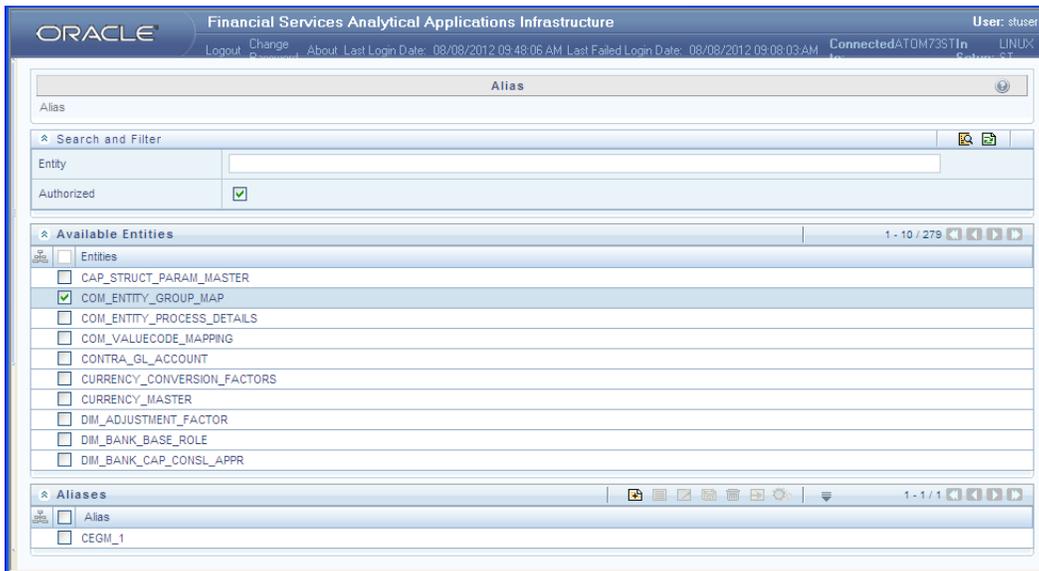
Business Metadata Management

Business Metadata consists of business names, descriptions for columns, tables and groupings, query and report definition, join-specification tool settings, and security definitions. Business Metadata Management (BMM) within the Infrastructure system facilitates business analysts with the catalog of data present in the data warehouse along with their business definitions. Business Metadata Management consists of the following components which is essential for Basel computation:

- Aliases
- Data Sets
- Business Measures
- Business Hierarchies
- Business Processor
- Derived Entities

Aliases

Alias refers to an assumed name or pseudonym. **Aliases** section within the Infrastructure system facilitates you to define an Alias for a table and specify the join condition between fact and dimension table. Aliases defined to a table help you to query data for varied analytical requirements.

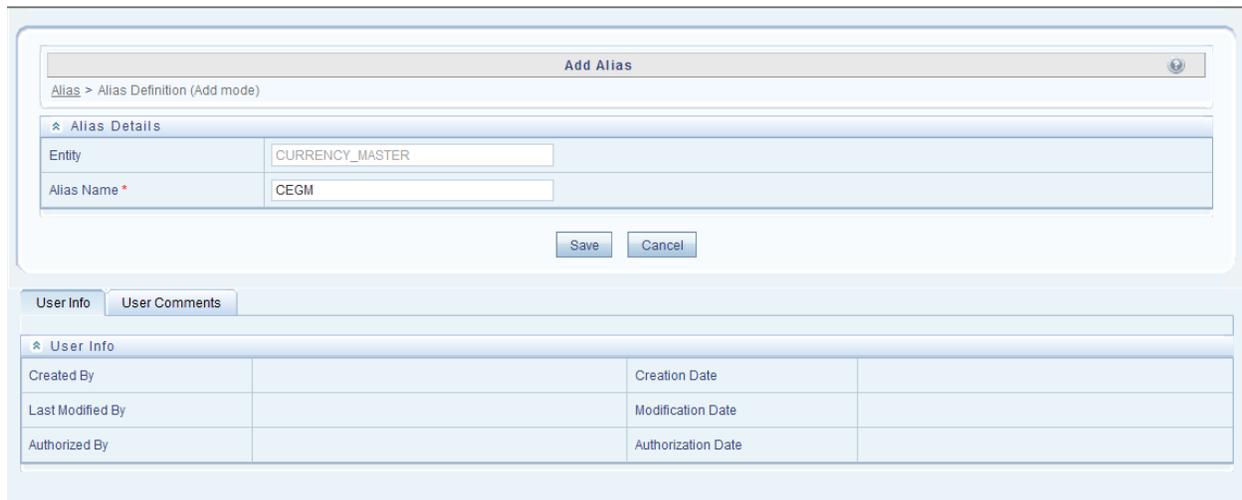


You (Business Analysts) need to have SYSBAU, Oracle Cube Administrator (ORACUB), and View Alias function roles mapped to access Aliases section in the BMM framework. You can access Aliases by expanding BMM section within the tree structure of LHS menu. The *Alias* screen displays the options to create, view, edit, copy, and delete Aliases for a selected entity. You can make use of Search and Filter option to search for specific Aliases based on entity name or authorized status.

Add Alias

To create an Alias from the *Alias* screen:

1. Select an entity from the *Available Entities* list for which you need to create an Alias. The *Aliases* grid displays the available aliases for the selected entity.
2. Click  icon in the *Aliases* grid. The *Add Alias* screen is displayed.



The *Alias Details* grid in the *Add Alias* screen displays the entity name you have selected in a non-editable field.

3. Enter the Alias name you wish to provide for the selected entity in the **Alias Name** field.

4. Click **Save**. The Alias name is listed under the *Aliases* grid for the selected entity.

The *User Info* section at the bottom of *Add Alias* screen displays metadata information about the Alias Name created. The *User Comments* section facilitates you to add or update additional information as comments.

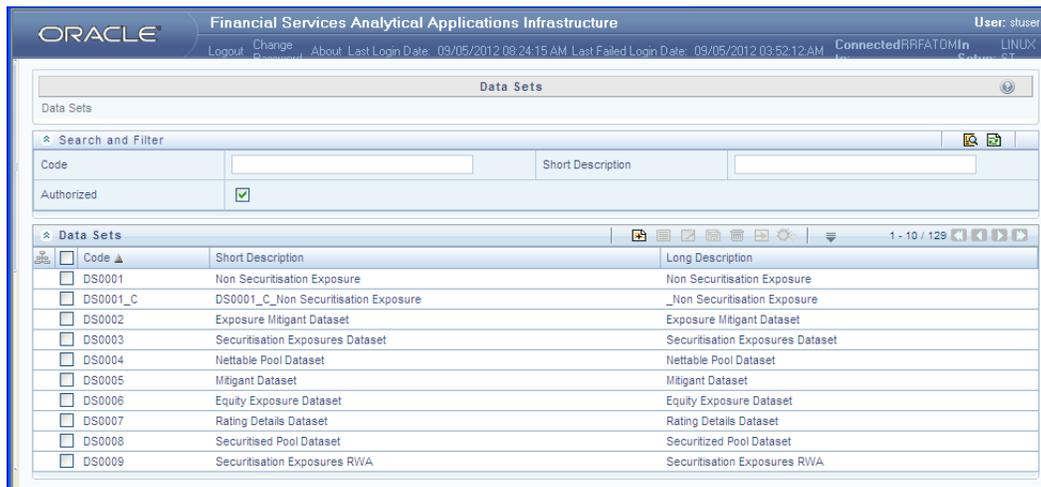
You can view individual Alias definition details at any given point. To view the existing Alias definition in the *Alias* screen, select the required Alias and click the  icon. The *View Alias* screen displays the details of the selected Alias definition. The *User Info* grid at the bottom of the screen displays the metadata information about the Alias definition along with the option to add comments.

You can remove Aliases which are assigned for an entity by clicking  icon.

Data Sets

Data Set refers to a group of tables whose inter-relationship is defined by specifying a join condition between the various tables. It is a basic building block to create a query and execute on a data warehouse for a large number of functions and to generate reports.

Data Set function within the Infrastructure system facilitates you to create data sets for a cube and specify rules that fine-tune the information for querying, reporting, and analysis. Data Sets enhances query time by pre-defining the names of tables required for an operation (such as aggregation), and also provides the ability to optimize the execution of multiple queries on the same table set. Refer to Scenario to understand the Data Set functionality. You (Business Analysts) need to have DATVIW function role mapped to access Data Set section in the BMM framework. You can access Data Sets by expanding BMM section within the tree structure of LHS menu.



The *Data Sets* screen displays the list of pre-defined Data Sets with their code and description. You can add, view, edit, copy, and delete the required Data Set. You can also make use of Search and Pagination options to search for a specific dataset based on the code, description, and Authorization status or view the list of existing datasets within the system.

Create Data Set

You can create Data Set by defining the Data Set Details, Entities, and Data Set Definition. You need to have **DATADD** function role mapped to create Data Sets. To create Data Set in the Data Sets screen:

1. Click  icon from the Data Sets tool bar. The Add icon is disabled if you have selected a Data Set checkbox in the grid. The *Add Data Sets* screen is displayed.

The screenshot shows the 'Add Data Sets' application window. The 'Data Set Definition' section is expanded, showing the following details:

- Data Set Details:**
 - Code: DS0001
 - Short Description: Non Securitisation Exposure
 - Long Description: Non Securitisation Exposure Data set
- Entities:**
 - Selected Entities: WF_STAGE_DETAILS, RISK_MAP, USERROLEDATA, USER_GROUP_DETAIL
- Data Set Definition:**
 - ANSI Join: WF_STAGE_DETAILS.N_STAGE_MANDATORY_IND=INSTR(STRING,STRING,INT,INT)
 - Join/Filter Condition: 1=1
 - Date Filter: RISK_MAP.HRCSA033=SYSDATE(VOID)
 - Order By: WF_STAGE_DETAILS.V_STAGE_DESC

Buttons for 'Save' and 'Cancel' are visible at the bottom of the 'Data Set Definition' section. Below this, there are tabs for 'User Info' and 'User Comments', and a 'User Info' section with fields for Created By, Last Modified By, Authorized By, Creation Date, Modification Date, and Authorization Date.

2. Enter the details in the Data Set Details section as tabulated.

Field	Description
Fields marked in red asterisk (*) are mandatory.	
Code	<p>Enter a distinct code to identify the Data Set. Ensure that the code is alphanumeric with a maximum of 8 characters in length and there are no special characters except underscore “_”.</p> <p>Note the following:</p> <ul style="list-style-type: none"> The code can be indicative of the type of Data Set being created. A pre-defined Code and Short Description cannot be changed. Same Code or Short Description cannot be used for Essbase installation: "\$\$\$UNIVERSE\$\$\$", "#MISSING", "#MP", "CALC", "DIM", "ALL", "FIX", "ENDFIX", "HISTORY", "YEAR", "SEASON", "PERIOD", "QUARTER", "MONTH", "WEEK", "DAY". In Unauthorized state, the users having Authorize Rights can view all the unauthorized Metadata.
Short Description	<p>Enter a Short Description based on the defined code. Ensure that the description is of a maximum of 8 characters in length and does not contain any special characters except underscore “_”.</p>

Field	Description
Long Description	Enter the Long Description if you are creating subject-oriented Data Set to help users for whom the Data Set is being created or other details about the type/subject. Ensure that the description is of a maximum of 100 characters in length.

3. Select the Entities by doing the following:
 - Click Select icon from the Entities tool bar.
 - The *Entity and Attribute* screen is displayed.
 - Select the checkbox adjacent to the required fact table(s)/entities from the **Available Entities** list and click  button. You can select multiple dimension tables and link each other and with a join condition. You can also Search for the required entity using the Search field. The selected Entities are displayed in the Selected Entities grid. To delete a selected entity, select the Entity checkbox and click  icon.
 - Click **Save**. The details are populated in the *Add Data set* screen.
4. Specify the required table-join condition in the Data Set Definition grid as tabulated.

Field	Description
ANSI Join	The ANSI Join condition defines which set of data have been joined along with the type of join condition. It also describes the exact operations to be performed while joining the Data Sets. In ANSI join, the join logic is clearly separated from the filtering criteria.
Join/Filter Condition	The Join/Filter Condition facilitates the objective of creating Data Sets. Data Sets with linked tables using the join conditions help in reducing the query time. There are two ways of defining the join condition: <ul style="list-style-type: none"> ▪ JOIN condition for SQL Server/SQL OLAP combination should contain only EQUI JOIN condition as required by SQL OLAP. ▪ In case of SQL Server/Essbase and Oracle/Essbase, data set must be defined. Multiple cubes can be built with a single pass and the underlying data set definition should be the same for all the cubes mapped which reduces the aggregation time considerably.
Date Filter	The Date Filter condition enables you to cascade the cubes that are using the data set with the defined Date Filter.
Order By	The Order By condition enables you to sort the dimension data in order. The order of the Dimension nodes will be maintained only for Business Intelligence enabled hierarchies. The Order By condition is specific to the Essbase database.

5. Enter the required expression or click  icon to define an expression using the Expression screen.
6. Click **Save** and save the Data Set Definition details.

You can view individual Data Set details at any given point by clicking the  icon. The *View Data Sets* screen displays the details of the selected Data Set definition. The *User Info* grid at the bottom of the screen displays the metadata information about the Data Set definition created along with the option to add comments.

You can update the existing Data Set definition details except for the Code and Short Description by clicking the  icon. You need to have **DATMOD** function role mapped to modify the Data Sets.

You can copy the existing Data Set details to quickly create a new Data Set by clicking the  icon. You can later modify the Data Set Code or Short Description, add/remove tables, and also define the join conditions. You need to have **DATADD** function role mapped to copy the Data Set definitions.

You can remove the Data Set definition(s) which are created by you and which are no longer required in the system by deleting from the *Data Sets* screen by clicking the  icon. You need to have **DATDEL** function role mapped to delete a Data Set. Delete function permanently removes the Data set details from the database. Ensure that you have verified the details as indicated below:

- A Data Set definition marked for deletion is not accessible for other users.
- Every delete action has to be **Authorized/Rejected** by the authorizer.
 - On Authorization, the Data Set details are removed.
 - On Rejection, the Data Set details are reverted back to authorized state.
- You cannot update Data Set details before authorizing/rejecting the deletion.
- An un-authorized Data Set definition can be deleted.

Business Measures

Business Measure refers to a uniquely named data element of relevance which can be used to define views within the data warehouse. It typically implies aggregated information as opposed to information at a detailed granular level that is available before adequate transformations.

Business Measure function within the Infrastructure system facilitates you to create measures based on the area of analysis. While creating a measure, you can choose the aggregation type and apply business exclusion rules based on your query/area of analysis. Business Measures can be stored as Base and Computed measures and can also be reused in defining other multi dimensional stores and query data using the various modules of Oracle Analytical Application Infrastructure. You (Business Analysts) need to have **MSRVIW** mapped to view Business Measure section in the BMM framework and **MSRADD**, **MSRMOD**, and **MSRDEL** to add, update and delete Business Measures.

Code	Short Description	Long Description	Aggregation Function	Entity	Attribute
M0001	MSR - Non Sec Outstanding Principal	Measure for Outstanding Principal	SUM	FCT_NON_SEC_EXPOSURES	n_outstanding_principal
M0001CRP	Original Exposure Pre Conversion Factors	Original Exposure Pre Conversion Factors	SUM	VW_CRP_SA_CR_NON_SEC_REP	ORIG_EXP_PRE_CONV_FACTORS
M0002CRP	Of Which Arising from Counterparty Credit Risk	Of Which Arising from Counterparty Credit Risk	SUM	VW_CRP_SA_CR_NON_SEC_REP	OF_ARISING_COUNTERPARTY_CR
M0003CRP	Value Adjustments and Provisions Associated with the Original Exposure	Value Adjustments and Provisions Associated with the Original Exposure	SUM	VW_CRP_SA_CR_NON_SEC_REP	VALUE_OF_ADJ_PROV_ORIG_EXP
M0004CRP	Guarantees	Guarantees	SUM	VW_CRP_SA_CR_NON_SEC_REP	GUARANTEES
M0005	MSR - Non Sec Add On Percent	Measure for Add On Percent	SUM	FCT_NON_SEC_EXPOSURES	n_addon_percent
M0005CRP	Credit Derivatives	Credit Derivatives	SUM	VW_CRP_SA_CR_NON_SEC_REP	CREDIT_DERIVATIVES
M0006	MSR - Non Sec Notional Principal	Measure for Notional Principal	SUM	FCT_NON_SEC_EXPOSURES	n_notional_principal
M0006CRP	Financial collateral simple method	Financial collateral simple method	SUM	VW_CRP_SA_CR_NON_SEC_REP	FIN_COLL_SIMPLE_METHOD
M0007	MSR - Non Sec Current Exposure Amount	Measure for Current Exposure Amount	SUM	FCT_NON_SEC_EXPOSURES	n_exposure_amount

The *Business Measures* screen displays the list of pre-defined Business Measures with their Code, Short Description, Long Description, Aggregation Function, Entity, and Attribute. You can add, view, edit, copy, and delete the required Business Measures. You can also make use of Search and Pagination options to search for a specific Business Measure based on the Code, Short Description, and Authorization status or view the list of existing Business Measures within the system.

Create Business Measure

You can create a Business Measure by specifying the Business Measure Details and defining the Business Measure Definition. To create a measure in the *Business Measures* screen:

1. Click  icon from the Business Measures tool bar. The *Add Business Measures* screen is displayed.

2. Enter the details in the Business Measure Details section as tabulated.

Field	Description
Fields marked in red asterisk (*) are mandatory.	
Code	<p>Enter a distinct code to identify the Measure. Ensure that the code is alphanumeric with a maximum of 8 characters in length and there are no special characters except underscore “_”.</p> <p>Note the following:</p> <ul style="list-style-type: none"> ▪ The code can be indicative of the type of Measure being created. ▪ A pre-defined Code and Short Description cannot be changed. ▪ Same Code or Short Description cannot be used for Essbase installation: "\$\$\$UNIVERSE\$\$\$", "#MISSING", "#MI", "CALC", "DIM", "ALL", "FIX", "ENDFIX", "HISTORY", "YEAR", "SEASON", "PERIOD", "QUARTER", "MONTH", "WEEK", "DAY". ▪ In Unauthorized state, the users having Authorize Rights can view all the unauthorized Metadata.

Field	Description
Short Description	Enter a Short Description based on the defined code. Ensure that the description is of a maximum of 8 characters in length and does not contain any special characters except underscore “_”.
Long Description	Enter the Long Description if you are creating subject-oriented Measure to help users for whom the Measure is being created or other details about the type/subject. Ensure that the description is of a maximum of 100 characters in length.

3. Enter the details in the Business Measure Definition section.
4. Select the required **Aggregation Function** from the drop down list. The list consists of various metrics based on which a Measure can be aggregated. The available aggregation functions are as tabulated.

Aggregator	Description
SUM	Adds the actual value of attribute or data element to get the measure value.
COUNT	Counts the records for the data element to get the measure value or counts the number of occurrences
MAXIMUM	This function acquires the maximum of the data element to get the measure value.
MINIMUM	This function obtains the minimum of the data element to get the measure value.
COUNT DISTINCT	This function is different from a simple count aggregation function. The peculiarity of these measures is that they are linked to the dimensions and they vary across the hierarchies of these dimensions. In a Count Distinct aggregation function a simple roll cannot determine the values at the intermediate nodes in the hierarchies up of their leaf level values.

- Based on the selected Aggregation Function the **Data Type** is auto populated.
 - Selecting **Roll Up** checkbox calculates the measure values and displays the nodes at the total level. By default, the checkbox is selected if the Aggregation Type is Maximum, Minimum, Count, or Sum. Roll Up option, when selected with Percentage Measures results in wrong values at intermediate/total levels.
5. Select the Entity to load the data for the Measure. Click the  icon, The *Entity and Attribute* screen is displayed.
 - Select the checkbox adjacent to the required Entities from the **Available Entities** list. The corresponding attributes are displayed in the **Available Attributes** list. Select the checkbox adjacent to the required Attribute.

NOTE: The Entity list is dependent on the imported Data Model.

You can also search for an Entity using the Search option.

- Click **Save**. The selected Entity and Attributes are displayed in the Entity field of the

Add Business Measures screen.

6. Define the **Business Exclusions** rules for the base Measure. You can enter the expression or click the  icon to define using the *Expression* screen.
7. Define **Filter Expression** to filter the aggregation process. You can enter the expression or click  icon to define using the *Expression* screen.
8. Click **Save** and save the Business Measure details.

You can view individual Business Measure at any given point by clicking the  icon. The *View Business Measures* screen displays the details of the selected Business Measure definition. The User Info grid at the bottom of the screen displays the metadata information about the Business Measure created along with the option to add comments.

You can update the existing Business Measure definition details except for the Code and Short Description by clicking the  icon.

You can copy the existing Business Measure details to quickly create a new Business Measure by clicking the  icon. You can later modify the Code or Short Description, add/remove Entities and Attributes, and also define the join/filter conditions. You need to have Add Business Measure function role mapped to copy the Business Measure definitions.

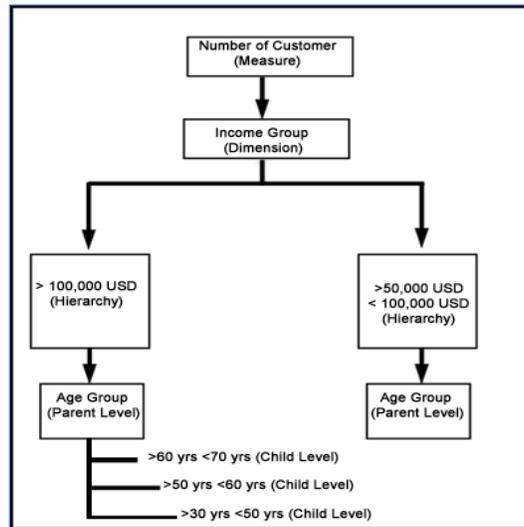
You can remove the Business Measure definition(s) which are created by you and which are no longer required in the system by deleting from the Business Measures screen, by clicking the  icon. You need to have Delete Measures function role mapped to delete a Business Measure. Delete function permanently removes the Business Measure details from the database. Ensure that you have verified the details as indicated below:

- A Business Measure definition marked for deletion is not accessible for other users.
- Every delete action has to be **Authorized/Rejected** by the authorizer.
 - On Authorization, the Business Measure details are removed.
 - On Rejection, the Business Measure details are reverted back to authorized state.
- You cannot update Business Measure details before authorizing/rejecting the deletion.
- An un-authorized Business Measure definition can be deleted.

Business Hierarchy

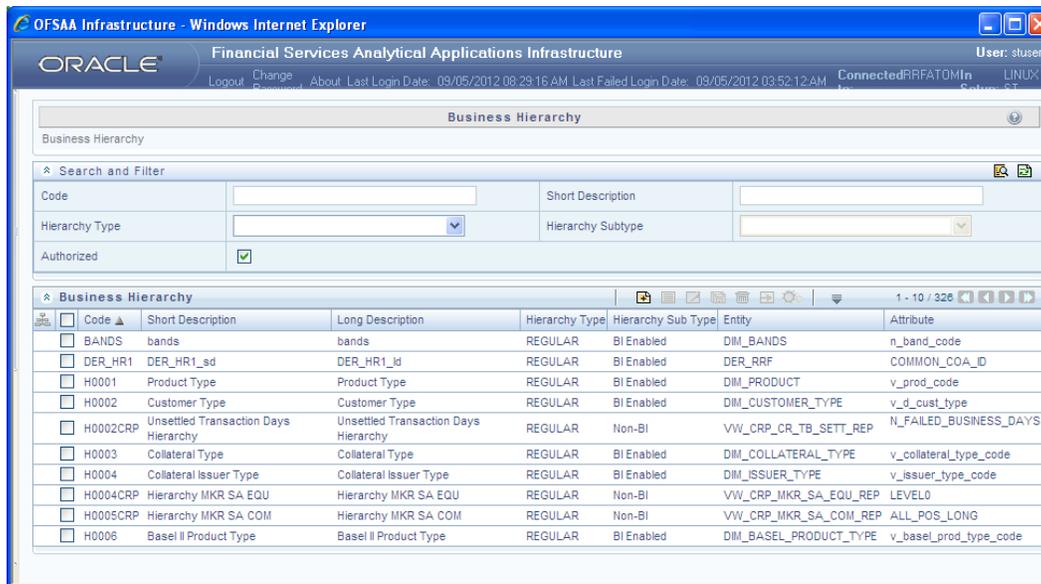
Business Hierarchy refers to *Organizing Data* into logical tree structure to represent the groups and relations among various levels at which measure can be viewed. A measure can be viewed at different levels depending upon the hierarchy breakdown of the dimension category.

For example, consider the following structure.



You can view the Number of Customers (Measure) across Income Group (Dimension), which is further broken down by different age groups (Hierarchy). While number of customers is a metric, it is useful when viewed based on some categorization such as customer income profile or customers having an annual income of over USD 100,000 per annum, to provide better quality of information.

You (Business Analysts) need to have SYSBAU, Oracle Cube Administrator (ORACUB), and View Hierarchy function role mapped to access Business Hierarchy section in the BMM framework. You can access Business Hierarchy by expanding BMM section within the tree structure of LHS menu.



The *Business Hierarchy* screen displays the list of pre-defined Business Hierarchies with their Code, Short Description, Long Description, Hierarchy Type, Hierarchy Sub Type, Entity, and Attribute. You can create Business Hierarchies for measure(s), and view, edit, copy, or delete the required Business Hierarchies.

You can also make use of Search and Pagination options to search for a specific Business Hierarchy based on the Code, Short Description, Hierarchy Type, Hierarchy Sub Type, and Authorization status, or view the list of existing Business Hierarchies within the system

Create Business Hierarchy

You can create a Business Hierarchy by specifying the Hierarchy definition details and defining the required Hierarchies. To create a Business Hierarchy in the *Business Hierarchy* screen:

1. Click  icon from the Business Hierarchy toolbar. The *Add Business Hierarchy* screen is displayed.

2. Enter the details in Business Hierarchy Details section as tabulated.

Field	Description
Code	<p>Enter a distinct code to identify the Hierarchy. Ensure that the code is alphanumeric with a maximum of 8 characters in length and there are no special characters except underscore “_”.</p> <p>Note the following:</p> <ul style="list-style-type: none"> ▪ The code can be indicative of the type of Hierarchy being created. ▪ A pre-defined Code and Short Description cannot be changed. ▪ Same Code or Short Description cannot be used for Essbase installation: "\$\$\$UNIVERSE\$\$\$", "#MISSING", "#MP", "CALC", "DIM", "ALL", "FIX", "ENDFIX", "HISTORY", "YEAR", "SEASON", "PERIOD", "QUARTER", "MONTH", "WEEK", "DAY". ▪ In Unauthorized state, the users having Authorize Rights can view all the unauthorized Metadata.

Field	Description
Short Description	Enter a Short Description based on the defined code. Ensure that the description is of a maximum of 8 characters in length and does not contain any special characters except underscore “_”.
Long Description	Enter the Long Description if you are creating subject-oriented Hierarchy to help users for whom the Hierarchy is being created or other details about the type/subject. Ensure that description is of a maximum of 100 characters in length.

- In the Business Hierarchy Definition section, select the **Hierarchy Type** from the drop down list.

NOTE: Hierarchy Type is the basic differentiator and based on your selection, the other options to define the Business Hierarchy are available.

You can select the following Hierarchy Type/Sub-Type. Click the links to navigate to the respective sections and define the required Hierarchy.

Hierarchy Type	Description / Hierarchy Sub Type															
Regular	<p>In a Regular Hierarchy Type, you can define the following Hierarchy Sub Types:</p> <ul style="list-style-type: none"> Non Business Intelligence Enabled <p>In a non Business Intelligence Enabled Hierarchy, you need to manually add the required levels. The levels defined will form the Hierarchy.</p> Business Intelligence Enabled <p>You can Enable Business Intelligence hierarchy when you are not sure of the Hierarchy structure leaf values or the information is volatile and also when the Hierarchy structure can be directly selected from RDBMS columns. The system will automatically detect the values based on the actual data.</p> <p>In a BI enabled Hierarchy, you will be prompted to specify if a Total node is required (not mandatory) and system auto-detects the values based on actual data. For example, you can define three levels in BI Enabled hierarchies like, Region (1), State (2), and Place (3). The auto generated Hierarchies are:</p> <table border="1"> <thead> <tr> <th>Region (1)</th> <th>State (2)</th> <th>Place (3)</th> </tr> </thead> <tbody> <tr> <td>South</td> <td>Tamil Nadu</td> <td>Madras</td> </tr> <tr> <td></td> <td>Karnataka</td> <td>Bangalore</td> </tr> <tr> <td></td> <td>Andhra Pradesh</td> <td>Hyderabad</td> </tr> <tr> <td>North</td> <td>Punjab</td> <td>Chandigarh</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Parent Child 	Region (1)	State (2)	Place (3)	South	Tamil Nadu	Madras		Karnataka	Bangalore		Andhra Pradesh	Hyderabad	North	Punjab	Chandigarh
Region (1)	State (2)	Place (3)														
South	Tamil Nadu	Madras														
	Karnataka	Bangalore														
	Andhra Pradesh	Hyderabad														
North	Punjab	Chandigarh														

Hierarchy Type	Description / Hierarchy Sub Type
	This option can be selected to define a Parent Child Type hierarchy.
Measure	A Measure Hierarchy consists of the defined measure as nodes and has only the <i>Non Business Intelligence Enabled</i> as Hierarchy Sub Type.
Time	A Time Hierarchy consists of the levels/nodes of high time granularity and has only the <i>Business Intelligence Enabled</i> as Hierarchy Sub Type.

NOTE: When the defined Hierarchy consists of more than 100 leaf levels, the system treats it as a Large Hierarchy in order to provide efficient and optimized hierarchy handling. For more information on modify the default value, refer Large Hierarchy.

Once you have populated the required details in Business Hierarchy Definition and Hierarchy details section, save the details.

4. Click **Save** in *Add Business Hierarchy* screen and save the details.

You can view individual Business Hierarchy at any given point by clicking the  icon. The *View Business Hierarchy* screen displays the details of the selected Business Hierarchy definition. The *User Info* grid at the bottom of the screen displays metadata information about Business Hierarchy created along with the option to add comments.

You can update the existing Business Hierarchy definition details except for the Code, Short Description, and Hierarchy Type/Sub-Type, by clicking the  icon. You need to have Modify Hierarchy function role mapped to modify the Business Hierarchy definitions.

You can copy the existing Business Hierarchy details to quickly create a new Business Hierarchy, by clicking the  icon. You need to have Add Hierarchy function role mapped to copy the Business Hierarchy definitions.

You can remove the Business Hierarchy definition(s) which are created by you and which are no longer required in the system by deleting from the *Business Hierarchy* screen, by clicking the  icon. You need to have Delete Hierarchy function role mapped to delete a Business Hierarchy. Delete function permanently removes the Business Hierarchy details from the database. Ensure that you have verified the details as indicated below:

- A Business Hierarchy definition marked for deletion is not accessible for other users.
- Every delete action has to be **Authorized/Rejected** by the authorizer.
 - On Authorization, the Business Hierarchy details are removed.
 - On Rejection, the Business Hierarchy details are reverted back to authorized state.
- You cannot update Business Hierarchy details before authorizing/rejecting the deletion.
- An un-authorized Business Hierarchy definition can be deleted.

Business Processor

Business Processor refers to a uniquely named data element of relevance which can be used to define views within the data warehouse. It typically implies aggregated information as opposed to information at a

Field	Description
Code	<p>While creating a new Business Processor, you need to define a distinct identifier/Code. It is recommended that you define a code that is descriptive or indicative of the type of Business Processor being created. This will help in identifying it while creating rules.</p> <p>Note the following:</p> <ul style="list-style-type: none"> It is mandatory to enter a Code. The Code should be minimum eight characters in length; it can be alphabetical, numerical (only 0-9) or alphanumerical characters. The Code should start with an Alphabet. The Code cannot contain special characters with the exception of the underscore symbol (_). The saved Code or Short Description cannot be changed.

2. Enter the details as tabulated:

Field	Description
Code	<p>While creating a new Business Processor, you need to define a distinct identifier/Code. It is recommended that you define a code that is descriptive or indicative of the type of Business Processor being created. This will help in identifying it while creating rules.</p> <p>Note the following:</p> <ul style="list-style-type: none"> It is mandatory to enter a Code. The Code should be minimum eight characters in length; it can be alphabetical, numerical (only 0-9) or alphanumerical characters. The Code should start with an Alphabet. The Code cannot contain special characters with the exception of the underscore symbol (_). The saved Code or Short Description cannot be changed.

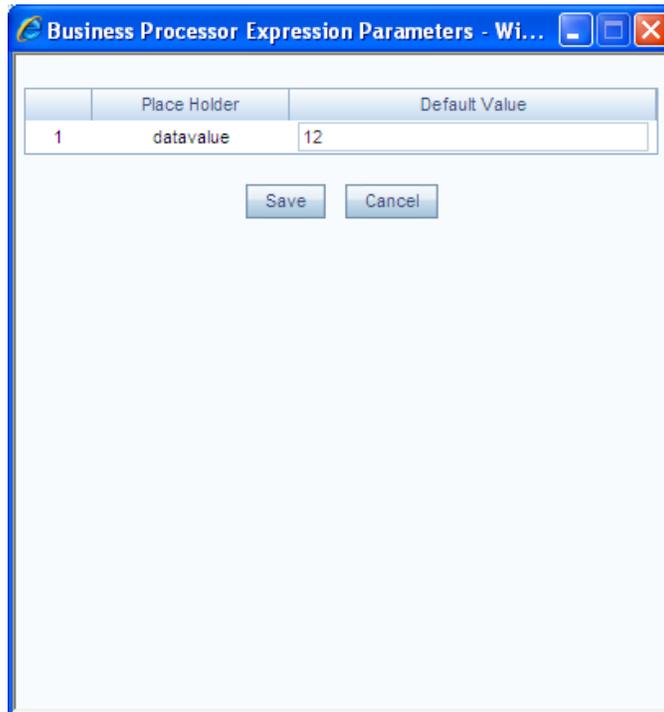
Field	Description
Short Description	<p>Short description is useful in understanding the content of the Business Processor you are creating. It would help to enter a description based on the code.</p> <p>Note the following:</p> <ul style="list-style-type: none"> ▪ It is mandatory to enter a Short Description. ▪ The Short Description should be of minimum one character and maximum of 80 characters in length. ▪ Only Alphanumeric, non-English, and Special characters such as “<blank space>”, “.”, “\$”, “&”, “%”, “<”, “>”, “)”, “(”, “_”, and “-” are permitted to be entered in the Short Description field.
Long Description	<p>The long description gives an in-depth understanding of the Business process you are creating. It would help you to enter a Long Description based on the code.</p> <p>The Long Description should be of minimum one character and maximum 100 characters in length.</p>
Data Set	<p>Select the Data Set from the drop-down list. The list of available Data Sets for the selected Information Domain will appear in the drop-down.</p> <p>The Short Description of the Data Sets as entered in the <i>Data Sets</i> screen under Business Metadata Management will be reflected in the dropdown.</p>
Measure	<p>Select the Measure from the drop-down list. All base measures that are defined on any of the tables present in the selected Data Set will appear in the drop-down.</p> <p>If the underlying measure is deleted after the Business Processor definition, then the corresponding Business Processor definition will automatically be invalidated.</p>
Expression	<p>Click  icon. The <i>Expression</i> screen is displayed.</p> <p>The placeholder option enables the user to provide values for the constants in the expression. The user can specify values to the business processor expression during the run time rather than at definition time through the place holders defined while specifying the expression. The user can specify the expression in the “Expression” field.</p> <p>Note the following:</p> <ul style="list-style-type: none"> ▪ The values for the placeholders can be alphanumeric. ▪ The process of specifying place holders enables the user to execute the same business processor definition with different values during the run time.

Field	Description
Expression has Aggregate Function	The expression may require an aggregation function depending on the business logic. The aggregation functions have to be entered in the expression field per acceptable syntax. IF an aggregation function is used in the expressions, the checkbox “ Expression has Aggregate Function ” must be enabled. Leave the checkbox “ Expression has Aggregate Function ” blank if your expression does not contain an aggregation function.

You can also:

- Click  icon in the *Business Processor Definition* grid to refresh the entries.
- Click **Parameters** button to specify default values for any of the placeholders defined.

The *Business Processor Expression Parameters* dialog is displayed.



3. Enter a default value for the place holders defined along with the expression in the **Default Value** box.
4. Click **Save** to save the default value for a Place Holder. The *User Info* grid at the bottom of the screen displays the metadata information about the Business Processor definition created along with the option to add comments.
5. Click **Save**. The Business Processor is saved and listed in the *Business Processor* screen after validating the entries.

You can view individual Business Processor definition details at any given point, by clicking the  icon. The *View Business Processor* screen displays the details of the selected Business Processor definition. The

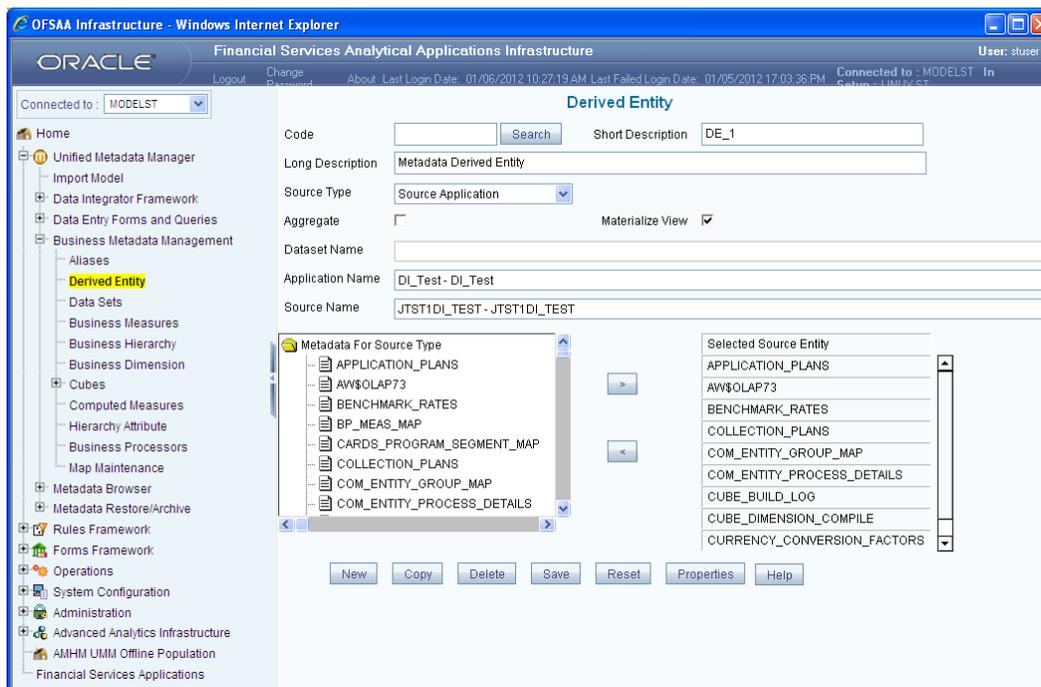
User Info grid at the bottom of the screen displays the metadata information about the Business Processor definition along with the option to add comments.

You can update the existing Business Processor definition details except for the Business Processor Code and Short Description, by clicking the  icon.

You can copy the existing Business Processor to quickly create a new Business Processor definition based on the existing rule details or by updating the required parameters, by clicking the  icon. You can remove Business Processor definition(s) which are no longer required in the system by clicking the  icon.

Derived Entity

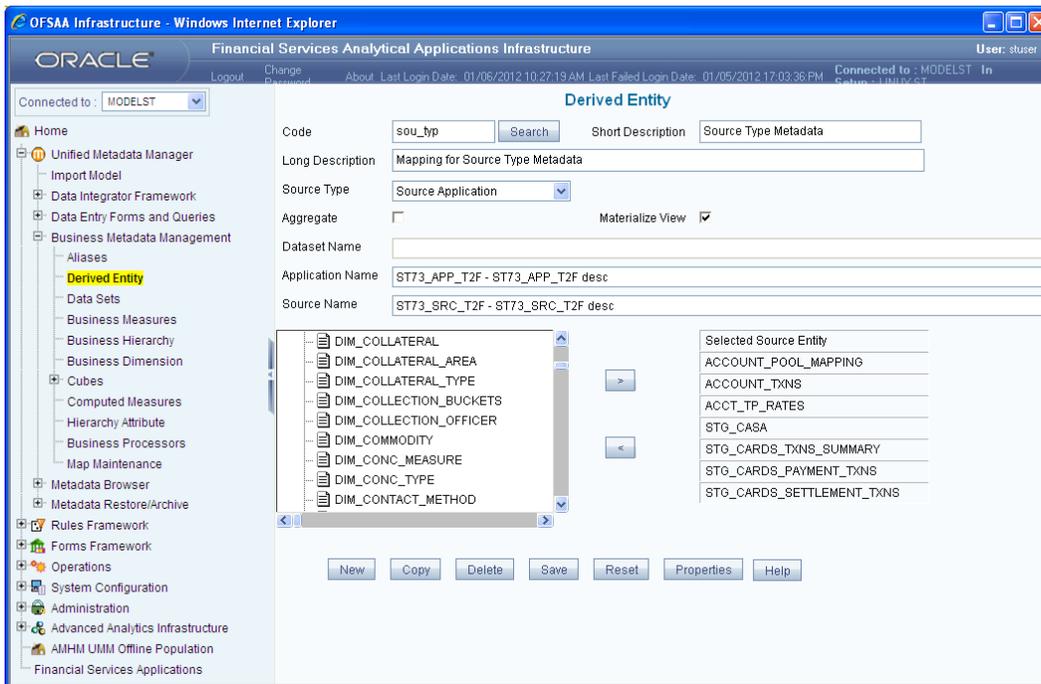
Entity refers to a table in which data is stored. Derived Entity within the Infrastructure system facilitates you to define entities which are populated through a series of data transformation processes resulting from an existing Data Set or a Source Application. An Entity can be used to define other Business Metadata such as measures, hierarchies, dimensions, data sets, and cubes.



You (Business Analysts) need to have View Derived Entities function role mapped to access Derived Entity section in the BMM framework. You can access Derived Entity by expanding BMM section within the tree structure of LHS menu. The *Derived Entity* screen displays the options to define and edit the derived entity definitions for a selected table.

Create Derived Entity

You can define Derived Entity only if you have Add Derived Entity function role mapped in the Infrastructure system. You can create a Derived Entity based on Data Set or Source Application. To define a Derived Entity based on Source Application, you need to have defined permissions for the particular Source Application in the Atomic schema. You can also authorize a Derived Entity created by other users if you have the authorizer rights.



To create a Derived Entity in the *Derived Entity* screen:

1. Click **New** if you are defining the derived entity for the first time.
2. Enter the details as tabulated.

Field	Description
Code	<p>Enter a distinct code to identify the Entity. Ensure that the code is alphanumeric with a maximum of 8 characters in length and there are no special characters except underscore “_”.</p> <p>Note the following:</p> <ul style="list-style-type: none"> ▪ The code can be indicative of the type of Derived Entity being created. ▪ A pre-defined Code and Short Description cannot be changed. ▪ Same Code or Short Description cannot be used for Essbase installation: "\$\$\$UNIVERSE\$\$\$", "#MISSING", "#MI", "CALC", "DIM", "ALL", "FIX", "ENDFIX", "HISTORY", "YEAR", "SEASON", "PERIOD", "QUARTER", "MONTH", "WEEK", "DAY". ▪ In Unauthorized state, the users having Authorize Rights can view all the unauthorized Metadata. <p>You can also search for an existing code or Derived Entity.</p> <ul style="list-style-type: none"> ▪ Click Search, the <i>Search</i> screen is displayed. ▪ Double-click the required code from the list of available Derived Entities or enter the description for the required Derived Entity in Description Filter and press Enter. The

Field	Description
	<p>matching Derived Entity code is displayed.</p> <ul style="list-style-type: none"> Select List Un Authorized checkbox to view all the un authorized metadata.
Short Description	Enter a Short Description based on the defined code. Ensure that the description is of a maximum of 80 characters in length and does not contain any special characters except “_ , () , - , \$”.
Long Description	Enter the Long Description if you are creating subject-oriented Derived Entity to help users for whom the Derived Entity is being created or other details about the type/subject. Ensure that the description is of a maximum of 100 characters in length.
Source Type	Select either Data Set or Source Application from the drop down list.
Aggregate	Select Aggregate checkbox to collate the information for the Derived Entity.
Materialize View	<p>(Optional) Select the Materialize View checkbox if you are using Oracle database to create a Materialized View with the Derived Entity Name and short description.</p> <p>Note: You cannot enable the Materialize View option if you are using IBM DB2 database.</p>
Data Set Name	<p><i>Option available only if the Source Type is selected as Data Set.</i></p> <p>Select the Data Set Name from the drop-down list. The Short Description for the Data Sets is available in the drop down list to select.</p>
Application Name	<p><i>Option available only if the Source Type is selected as Source Application.</i></p> <p>Select the Application Name from the drop down list.</p>
Source Name	<p><i>Option available only if the Source Type is selected as Source Application.</i></p> <p>Based on the Application selected the related Sources are listed. Select the Source Name from the drop-down list.</p>

On selecting the Data Set Name or Source Application Name, the respective fields are displayed in the **Metadata for Source Type** list.

1. Double-click **Metadata for Source Type**. The list of Metadata defined on the selected Data Set or Application and Source is displayed.
2. Click + to expand the folders. Select the required metadata and click .
3. Click **Save**. A confirmation dialog is displayed. The details are displayed in the *Derived Entity* screen with the **Code** and **Short Description** as non-editable fields.

You can copy the pre-defined Derived Entity details to create another entity only if you have View Derived Entity, Add Derived Entity, and Modify Derived Entity function roles mapped.

To copy a Derived Entity in the *Derived Entity* screen, enter the description in the **Description Filter** box and press **Enter**. Click **Copy**. On completion, a confirmation dialog is displayed.

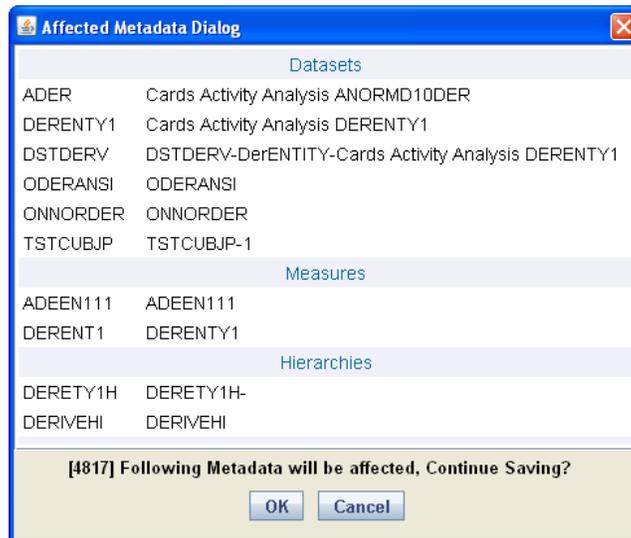
You can view the metadata of the selected Derived Entity. In the *Derived Entity* screen click **Properties** and open the *Properties* dialog.

- The *Properties* tab displays the metadata properties such as Created By, Creation Date, Last Modified By, Modified Date, Authorized By, and Authorized Date.
- The *Comments* tab has a text field to enter additional information as comments about the created Derived Entity definition.

Click **OK** and save the definition with the comments (if any).

You can search for a Derived Entity and modify the details as required by clicking Edit. You need to have Modify Derived Entity function role mapped to edit/modify the Derived Entity definitions. A Derived Entity definition in the un-authorized state (modified by other users) cannot be modified.

When you modify a Derived Entity which is mapped to other metadata definition, the *Affected Metadata* Dialog is displayed with the list of mapped Data Sets, Measures, and Hierarchies which gets auto updated. Click **OK** to confirm, else click **Cancel**.



You can delete a Derived Entity that you have created or if you are authorized to do so. A Derived Entity in **Un-Authorized** state (modified by other users) cannot be deleted. You need to have Delete Derived Entity function role mapped to delete a Derived Entity. Delete function permanently removes the Derived Entity from the database. Ensure that you have verified the details as indicated below:

- A Derived Entity definition marked for deletion is not accessible for other users.
- Every delete action has to be **Authorized/Rejected** by the authorizer.
 - On Authorization, the Derived Entity details are removed.
 - On Rejection, the Derived Entity details are reverted back to authorized state.
- You cannot update Derived Entity details before authorizing/rejecting the deletion.
- An un-authorized Derived Entity definition can be deleted.

Rules Framework

Financial institutions require constant monitoring and measurement of risk in order to conform to prevalent regulatory & supervisory standards. Such measurement often entails significant computations and validations with an organization's data. Data must be transformed to support such measurements and calculations. The data transformation is achieved through a set of defined Rules. Rules Framework facilitates you to define a set of rules, reporting objects, and processes that are required to transform data in a warehouse. You can execute Rules and Process and manage to pre-defined rules within the system.

The Rules Framework is used for following three main purposes:

- To design a set of rules, processes and structuring execution flow of processes that are required to transform data in a data warehouse or data store.
- To design reporting objects based on previously transformed data that is stored as aggregated data in multidimensional databases.
- To design reporting objects based on the atomic information stored in the data warehouse or data store.

Before you begin, do the following:

- Select the required **Information Domain**: An Information Domain refers to a logical grouping of specific information and defines the underlying data warehouse or data store in which the physical data model has been implemented. When you login to the Infrastructure system, you can access only those Information Domains to which your user ID is mapped. Contact System Administrator for permissions to access a specific Information Domain.
- Select the associated **Segment**: Segments are defined through the Administration module. A Segment facilitates you to classify all the related metadata in the selected Information Domain. You are authorized to access only those metadata objects to which the segment and user roles have been mapped.

NOTE:

- For Rules framework functionality, the default system roles that are required are Business Analyst, OBIEE Author, and PR2 Administrator.
 - User mapped to the role PR2ADMIN will be able to access metadata objects across all segments within an Information Domain through the Rules, Process, and Run Framework.
 - The users mapped to the PR2 Administrator role will have the rights to Add, View, Edit, and Delete definitions defined in the Rule, Process, and Run screens.
 - Users mapped to the particular Information Domain and segment can view only the Rules/Process/Run definitions defined in the selected Information Domain and segment.
-

Rules Framework is available within the LHS menu of the Infrastructure home page.

The screenshot shows the Oracle Financial Services Analytical Applications Infrastructure (FAAI) web interface. The top navigation bar includes the Oracle logo, 'Financial Services Analytical Applications Infrastructure', and user information (User: shougat, Connected to: BASEL6DDM). The left sidebar contains a navigation tree with 'Rules Framework' selected. The main content area displays the 'Rule' definition screen, which includes search filters and a table of rules.

Code	Name	Type	Folder	Dataset	Version	Active
1111241886631	Non Sec Add - on Estimation	Computation	BIS	Non Securitisation Exposure	0	Yes
1117016036934	Basel I Customer Type Reclassification	Classification	BIS	Non Securitisation Exposure	0	Yes
1128403465564	Non Sec Expected Loss Band Skey Assignme...	Computation	BIS	Non Securitization Band Skkeys	0	Yes
1128411980620	Sec Exposure Risk Weight Band Skey Assig...	Computation	BIS	RWA Computations - Securitizat...	0	Yes
1136285107137	Non Sec Pre-Mitigation Capital Required ...	Computation	BIS	Non Securitisation Exposure	0	Yes
1136287177302	Non Sec Effective Maturity Assignment - ...	Computation	BIS	Non Securitisation Exposure	0	Yes
1137126999734	Non Sec Pre-Mitigation PD Assignment	Computation	BIS	Non Securitisation Exposure	0	Yes
1137496095751	Non Sec Capital Required for UL - Defaul...	Computation	BIS	Non Securitisation Exposure	0	Yes
1137496648996	Non Sec Pre-Mitigation EAD Amount - IRB	Computation	BIS	Non Securitisation Exposure	0	Yes
1137497129859	Non Sec RWA For Dilution Risk	Computation	BIS	Non Securitisation Exposure	0	Yes
1137561353899	Equity Correlation Factor	Computation	BIS	Equity Exposure Dataset	0	Yes
1137561926026	Equity RWA Calculation	Computation	BIS	Equity Exposure Dataset	0	Yes
1137645483897	Non Sec Basel II Transaction Type Reclas...	Classification	BIS	Non Securitisation Exposure	0	Yes
1137646268878	Party Type Reclassification - IRB	Classification	BIS	Party type reclassification - ...	0	Yes
1137646548485	Non Sec Basel II Asset Class Reclassific...	Classification	BIS	Non Securitisation Exposure	0	Yes
1137646548485_bkp	Non Sec Basel II Asset Class Reclassific...	Classification	BIS	Non Securitisation Exposure	0	Yes
1137651218893	Equity Minimum RW Assignment - PD - LGD ...	Computation	BIS	Equity Exposure Dataset	0	Yes
1137651249717	Non Sec Pre-Mitigation Post Volatility H...	Computation	BIS	Non Securitisation Exposure	0	Yes
1137656131798	Non Sec Pre-Mitigation Risk Weight - UL	Computation	BIS	Non Securitisation Exposure	0	Yes
1137656202121	Non Sec Pre-Mitigation Risk Weight - EL	Computation	BIS	Non Securitisation Exposure	0	Yes

Rules

Financial institutions require constant monitoring and measurement of risk in order to conform to prevalent regulatory & supervisory standards. Such measurement often entails significant computations and validations with an organization's data. Data must be transformed to support such measurements and calculations. The data transformation is achieved through a set of defined Rules.

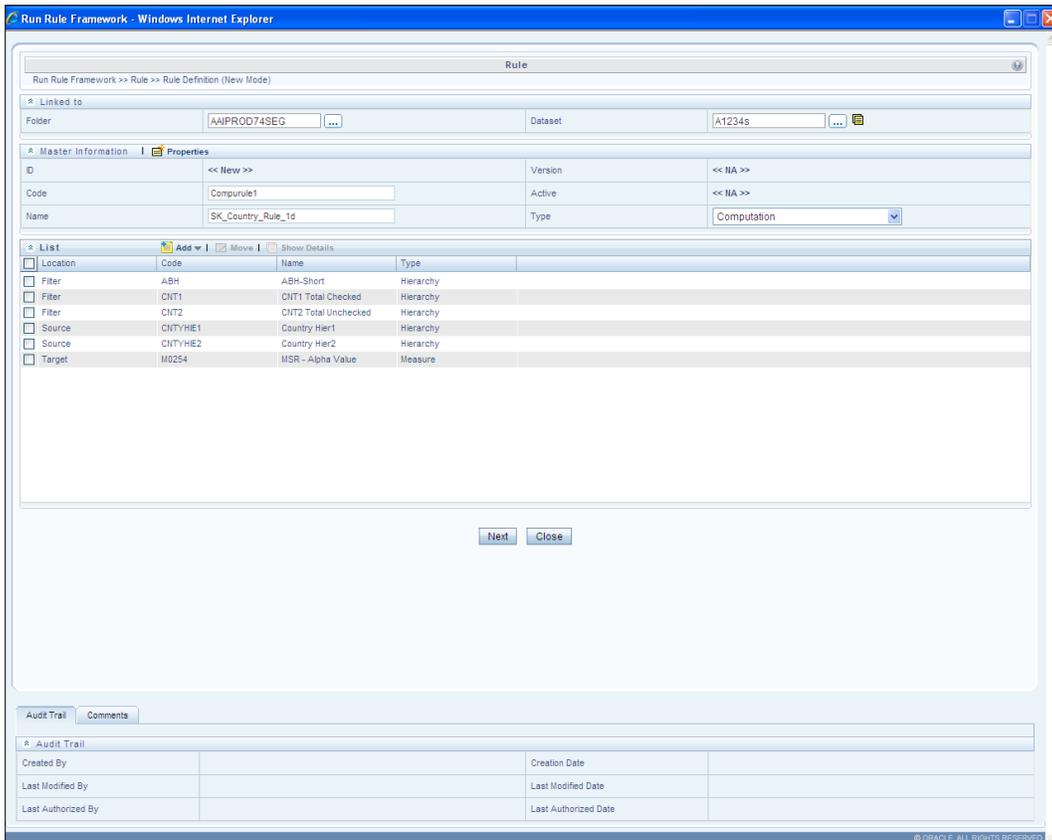
The Rules option in the Rules Framework provides a framework that facilitates the definition and maintenance of a transformation. The metadata abstraction layer is used in the definition of rules where the user is permitted to re-classify the attributes in the data warehouse model thus transforming the data. The underlying metadata objects such as Hierarchies that are non-large or non-list, Datasets and Business Processors drive the Rule functionality. You need to have PR2ADMIN function role mapped to access the Rule definition. The definition, modification, copy, and deletion of a Rule must be approved by an authorizer for the action to be effective. The *Rule* screen displays the rules created in the current Information Domain with the metadata details such as Code, Name, Description, Type, Folder, Dataset, Version, and Active status.

You can archive/restore the existing PR2 definitions using the Metadata Restore/Archive utility and also migrate PR2/RRF definitions through the Command Line Utilities across Information Domains / Setups.

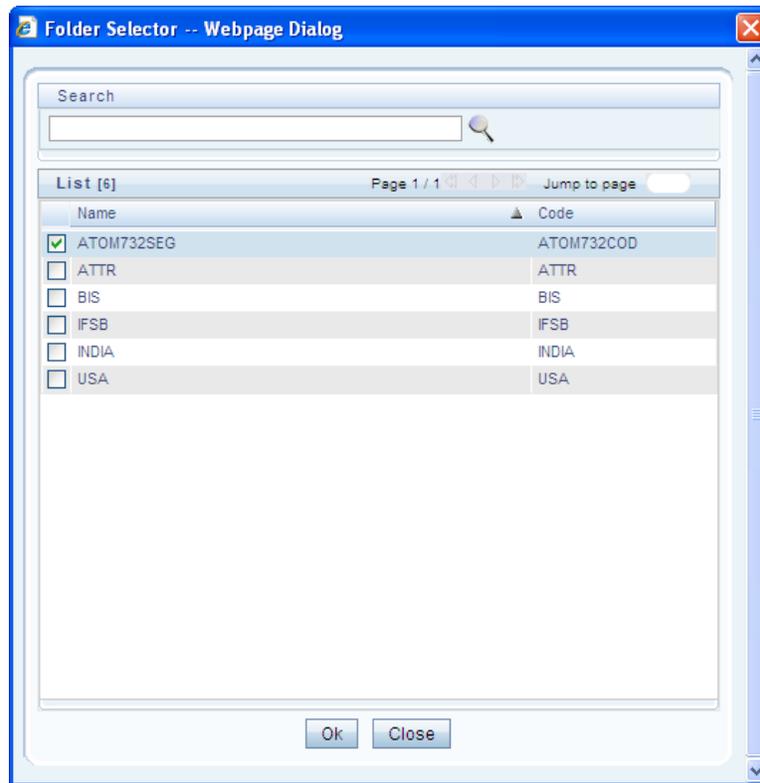
Create Rule

You can create Rule definitions using the existing metadata objects. To create a Rule definition in the *Rule* screen:

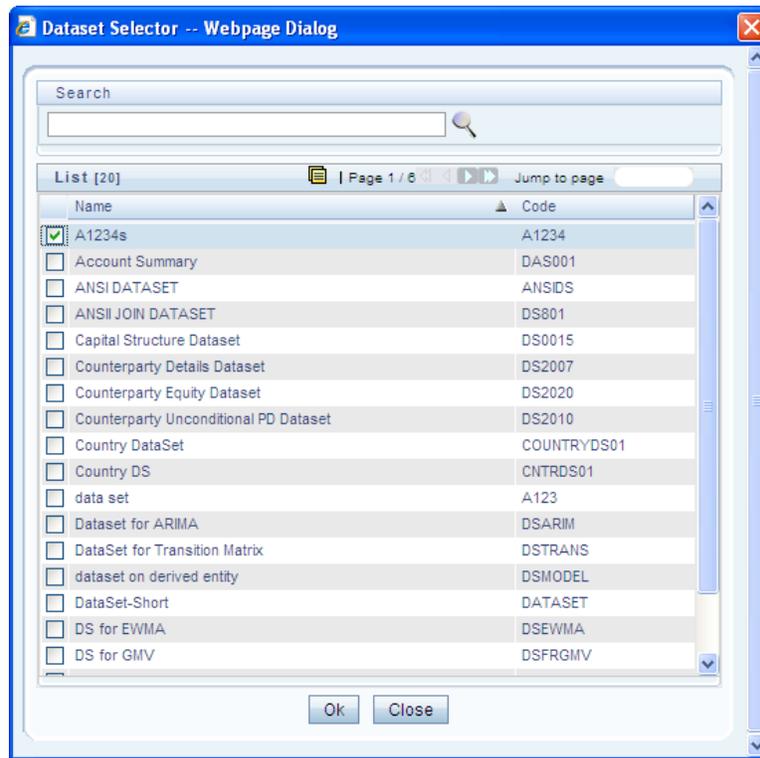
1. Click  icon from the List toolbar. The *Rule Definition (New Mode)* screen is displayed.



2. Click  icon in the adjacent to the Folder field in the *Linked to* grid. The *Folder Selector* dialog is displayed.



3. Select the checkbox adjacent to the required folder. Click **OK**. You can also enter a keyword and click the  icon in the Search field of *Folder Selector* dialog to locate a particular folder.
4. Click the  icon adjacent to the **Dataset** field in the *Linked to* grid. The *Dataset Selector* dialog is displayed with the list of datasets available under the selected folder.

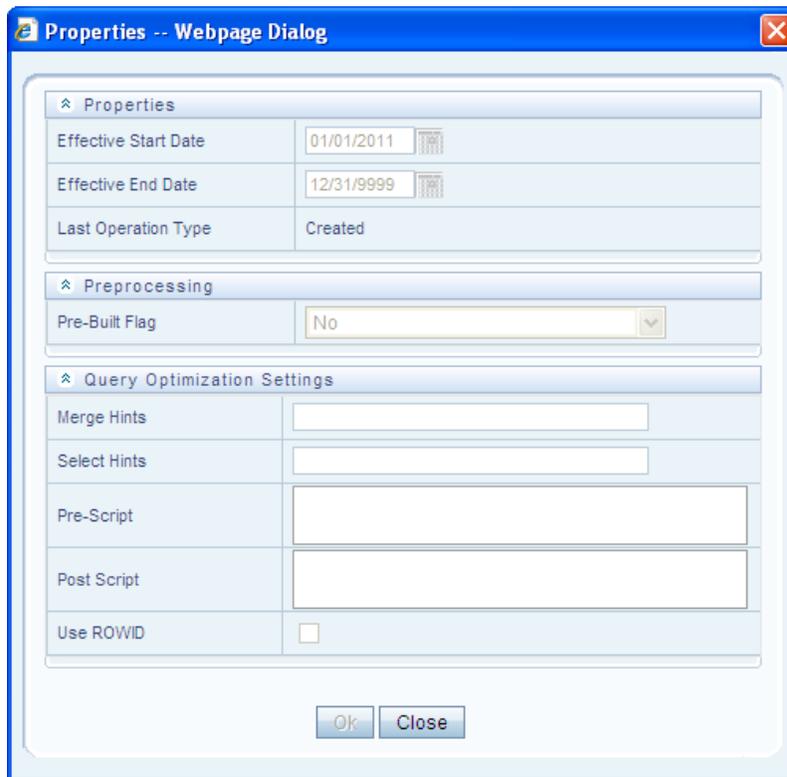


5. Select the checkbox adjacent to the required Dataset name. Click **OK**. In the *Dataset Selector* dialog, you can also do the following:
 - Search for a particular folder by specifying keyword and clicking  button.
 - View properties of the selected Dataset by clicking  button.
 - Make use of Pagination option to manage the view of existing Datasets within the system.
6. Enter the details in the *Master information* grid as tabulated below:

Field Name	Description
ID	Refers to the default ID of a newly created Rule and is <<New >>
Code	Enter a valid code for the Rule. Ensure that the code value specified is of maximum 30 characters in length and does not contain any special characters except “_”.
Name	Enter a valid name for the Rule.
Version	By default the version field is displayed as <<NA>> for the new Rule being created. Once the Rule definition is saved, an appropriate version is assigned as either “-1” or “0” depending on the authorization permissions.

Field Name	Description
Active	By default, the Active field is displayed as <<NA>> for the new Rule being created. Once the Rule definition is saved, the status is set to “Yes” if you are an <i>Authorizer</i> creating the Rule or “No” if the created Rule needs to be Authorized by an <i>Authorizer</i> .
Type	Select the “Type” based on which you would like to create the rule from the dropdown list. You can select either Computation or Classification .

7. Click  icon in the *Master info* grid. The *Properties* dialog is displayed.



The *Properties* dialog lists the Rule Properties, Preprocessing status, and Query Optimization Settings as tabulated below. The data in *Query Optimization Settings* are derived from the global properties (if defined) in the *Optimization tab* of *System Configuration > Configuration* screen. However, some options defined in Global Preferences precede the Rule level properties that you define here.

Field Name	Description
Properties	
Effective Start Date	Select the Effective Start Date by clicking  icon.

Field Name	Description
Effective End Date	Select the Effective End Date by clicking  icon.
Last operation type	By default, this field displays the last change done to the Rule definition. While creating a Rule, the field displays the operation type as Created .
Pre processing	
Pre Built Flag	<p>Pre Built Flag refers to the pre-compiled rules, which are executed with the query stored in database. While defining a Rule, you can make use of Pre Built Flag to fasten the Rule execution process by making use of existing technical metadata details wherein the rule query is not rebuilt again during Rule execution.</p> <p>By default, Pre Built Flag status is set to “No”. This indicates that the query statement is formed dynamically retrieving the technical metadata details. If the Pre Built Flag status is set to “Yes” then the relevant metadata details required to form the rule query is stored in database on “Save” of a Rule definition. When this rule is executed, database is accessed to form the rule query based on stored metadata details, thus ensuring performance enhancement during Rule execution.</p> <p>Select the required option from the drop down list.</p>
Query Optimization Settings	
Merge Hints	<p>Specify the SQL Hint that can be used to optimize Merge Query.</p> <p>For example, “/*+ ALL_ROWS */”</p> <p>In a Rule Execution, Merge Query formed using definition level Merge Hint precede over the Global Merge Hint Parameters defined in the <i>Optimization</i> tab of <i>System Configuration > Configuration</i> screen. In case the definition level Merge Hint is empty / null, Global Merge Hint (if defined) is included in the query.</p>
Select Hints	<p>Specify the SQL Hint that can be used to optimize Merge Query by selecting the specified query.</p> <p>For example, “SELECT /*+ IS_PARALLEL */”</p> <p>In a Rule Execution, Merge Query formed using definition level Select Hint precede over the Global Select Hint Parameters defined in the <i>Optimization</i> tab of <i>System Configuration > Configuration</i> screen. In case the definition level Select Hint is empty / null, Global Select Hint (if defined) is included in the query.</p>

Field Name	Description
Pre Script	<p>Refers to a set of semicolon (;) separated statements which are to be executed before Merge Query on the same connection object.</p> <p>In a Rule Execution, Global Pre Script Parameters (defined in <i>Configuration</i> screen) are added to a Batch followed by Rule definition level Pre Script statements if the same has been provided during rule definition. However, it is not mandatory to have a Pre Script either at Global or definition level.</p>
Post Script	<p>Refers to a set of semicolon (;) separated statements which are to be executed after Merge Query on the same connection object.</p> <p>In a Rule Execution, Global Post Script Parameters (defined in <i>Configuration</i> screen) are added to a Batch followed by Rule definition level Post Script statements if the same has been provided during rule definition. However, it is not mandatory to have a Post Script either at Global or definition level.</p>
Use ROWID	<p>You can select the ROWID checkbox to create a Merge Statement based on ROWID instead of Primary Keys.</p> <p>In a Rule Execution, ROWID is considered while creating Merge Statement if Use ROWID checkbox is selected in either Global Parameters (<i>Configuration</i> screen) or Rule definition properties.</p> <p>If Use ROWID checkbox is not selected in either Global Parameters (<i>Configuration</i> screen) or Rule definition properties, then the flag is set to "N" and Primary Keys are considered while creating in Merge Statements.</p>

8. Click **OK**. The properties are saved for the current Rule definition.

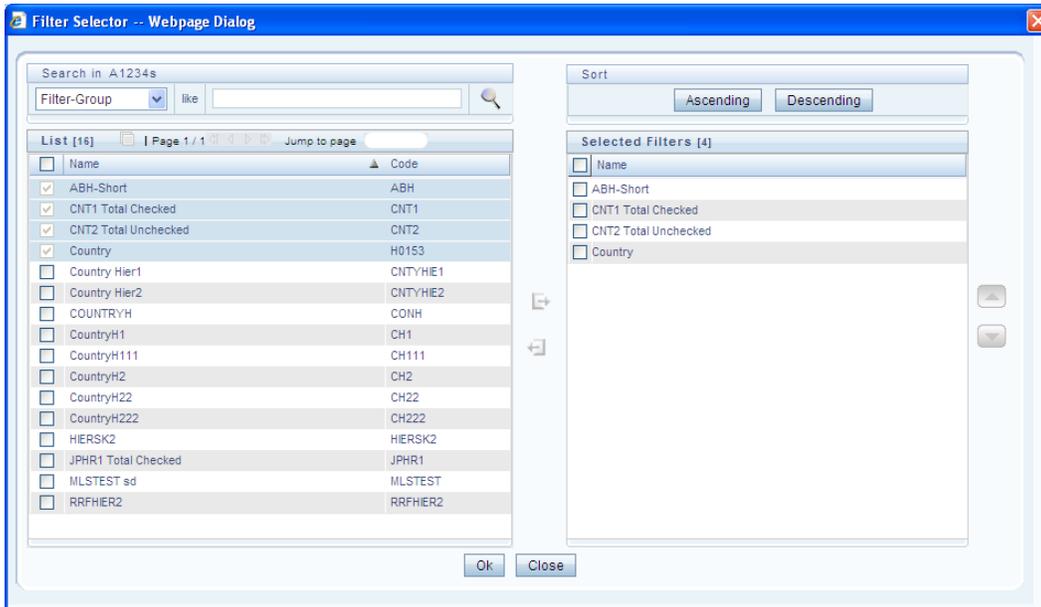
Add Members to Filter

You can define filters for a Rule definition such as Hierarchy, Filter-Data Element, Filter-Hierarchy, or Filter Group.

NOTE: In order to access *Filter Selector* screen and to select the pre-defined filters, you need to have **FILTERRULE** function mapped to your role.

To create a filter for a Rule in the *Rule Definition (New Mode)* screen:

1. Click  icon from the *List* grid and click the  icon. The *Filter Selector* screen is displayed.



The LHS pane of the *Filter Selector* screen displays the available members under the selected Information Domain and Dataset.

2. Select any of the following filters from the *List* grid drop down list to sort the members:

Member Type	Description
Hierarchy	Hierarchy refers to the defined Business Hierarchies and will list all the UMM Hierarchies pertaining to the selected dataset.
Filter-Data Element	Data Element Filter is a stored rule that expresses a set of constraints. Only columns that match the data type of your Data Element selection are offered in the Data Element drop down list box.
Filter-Hierarchy	Hierarchy Filter allows you to utilize rollup nodes within a Hierarchy to help you exclude (filter out) or include data within an OFSAA rule.
Filter-Group	Group Filters can be used to combine multiple Data Element Filters with a logical "AND".

3. Select the checkbox adjacent to the members you want to select.
4. Click  icon to move the selected members to the **Selected Filters** pane.

NOTE: You can select maximum of nine Filters for a Rule.

In *Filter Selector* screen you can:

- You can search for a specific member type by selecting from the drop-down list and clicking  button. You can also modify your search criteria specifying the nearest keyword in the **like** field.
- The Pagination option helps you to manage the view of existing Hierarchies within the

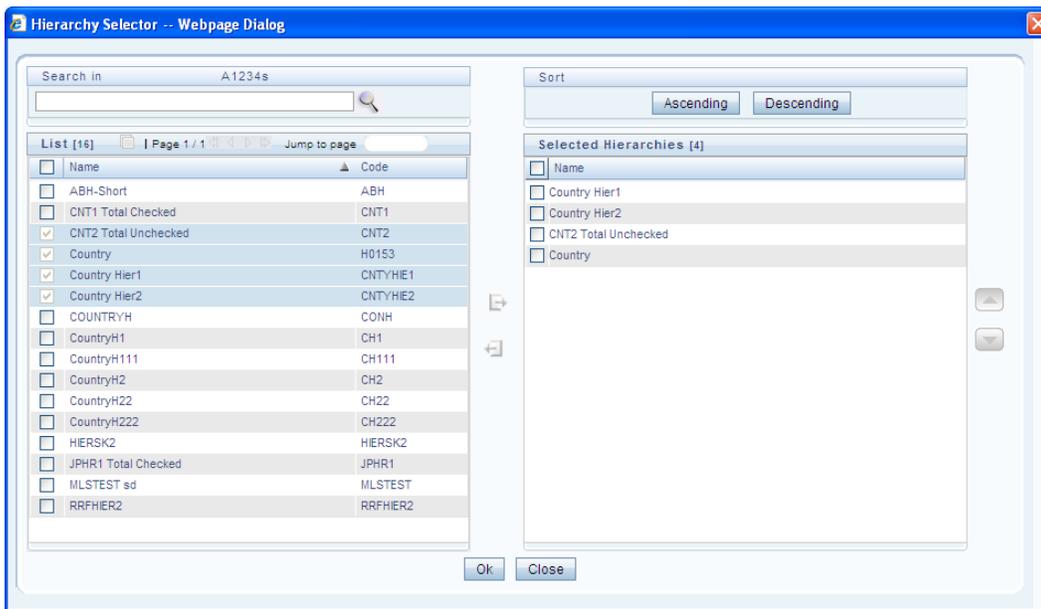
system.

- Click  button to view the details of a selected member.
 - Click **Ascending** or **Descending** button to sort the selected components in Ascending or Descending order.
 - Click  or  button to re-arrange the selected list of members.
5. Click  button to remove selected members from the Selected Filters pane. Click **OK**. The selected filters are listed in the *Rule Definition (New Mode)* screen.

Add Hierarchies to Source

The Source and Target can be selected from the *List* grid. To select the Source for a Rule in the *Rule Definition (New Mode)* screen:

1. Click the  icon from the *List* grid and select . The *Hierarchy Selector* screen is displayed.



The LHS pane of the *Hierarchy Selector* screen displays the available hierarchies under the selected Folder.

2. Select the checkbox adjacent to the Hierarchies you want to select as Source.
3. Click  icon to move the selected hierarchies to the Selected Hierarchies pane.

You can select maximum of nine Sources for a Rule. In *Hierarchy Selector* screen you can:

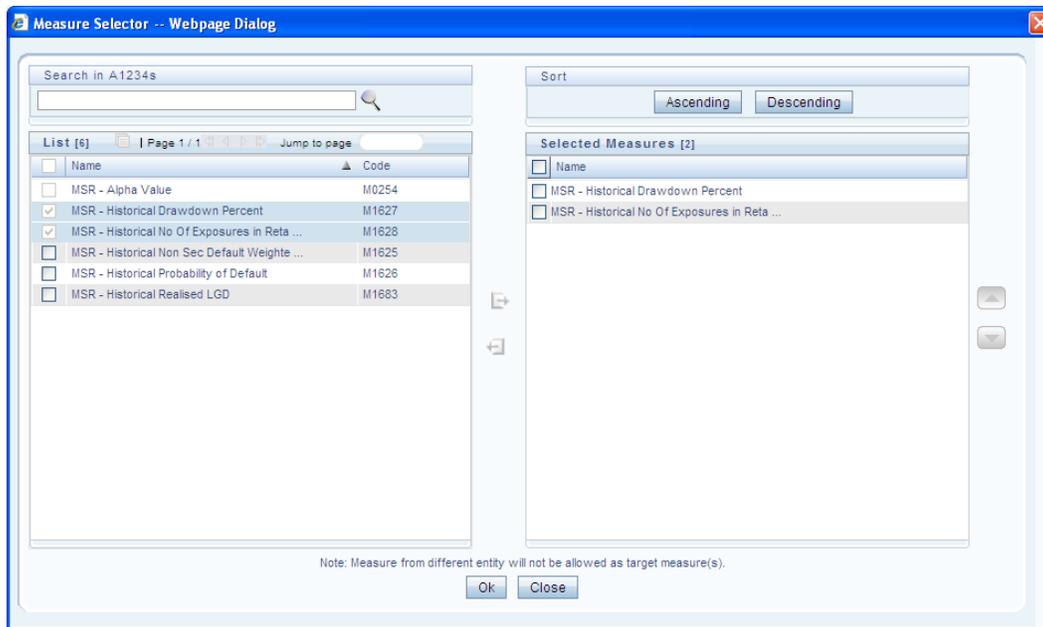
- Search for a member by specifying the nearest keyword and clicking  button.
- The Pagination option helps you to manage the view of existing Hierarchies within the system.
- Click  button to view the details of a selected hierarchy.

- Click **Ascending** or **Descending** button to sort the selected components in Ascending or Descending order.
 - Click  or  button to re-arrange the selected list of hierarchies.
 - Click  button to remove selected hierarchies from the Selected Hierarchies pane.
4. Click **OK**. The selected hierarchies are listed in the *Rule Definition (New Mode)* screen.

Add Measures / Hierarchies to Target

To select the Target for a Rule in the *Rule Definition (New Mode)* screen:

1. Click the  icon from the *List* grid and select  icon. The *Measure Selector / Hierarchy Selector* screen is displayed. The *Measure Selector* and *Hierarchy Selector* screens are displayed depending on the Type of the Rule you have selected, i.e. the Computation Rule and Classification Rule respectively.



The LHS pane of the *Measure Selector / Hierarchy Selector* screen displays the available Measures / Hierarchies under the selected Information Domain and Dataset.

2. Select the checkbox(s) adjacent to the members you want to select as Target.
3. Click  icon to move the selected measures to the Selected Measures / Selected Hierarchies pane:

NOTE: Measures from different entities are not allowed as target measures. You can select maximum of five measures and a single Hierarchy to the target.

In *Measure Selector / Hierarchy Selector* screen you can:

- Search for a member by specifying the nearest keyword and clicking  button.
- The Pagination option helps you to manage the view of existing members within the system.

- Click  button to view the details of a selected member.
 - Click **Ascending** or **Descending** button to sort the selected components in Ascending or Descending order.
 - Click  or  button to re-arrange the selected list of members.
 - Click  button to remove selected measures from the Selected Measures / Selected Hierarchies pane.
4. Click **OK**. The selected members are listed in the *Rule Definition (New Mode)* screen.

In the List grid you can also:

- Click  icon to move a selected member between **Filter**, **Source**, or **Target**.
- Click  icon to view the selected member details.

Once all the necessary information in the first screen of the *Rule Definition (New Mode)* is populated, click **Next** button to navigate to the concurrent procedures of defining a Rule.

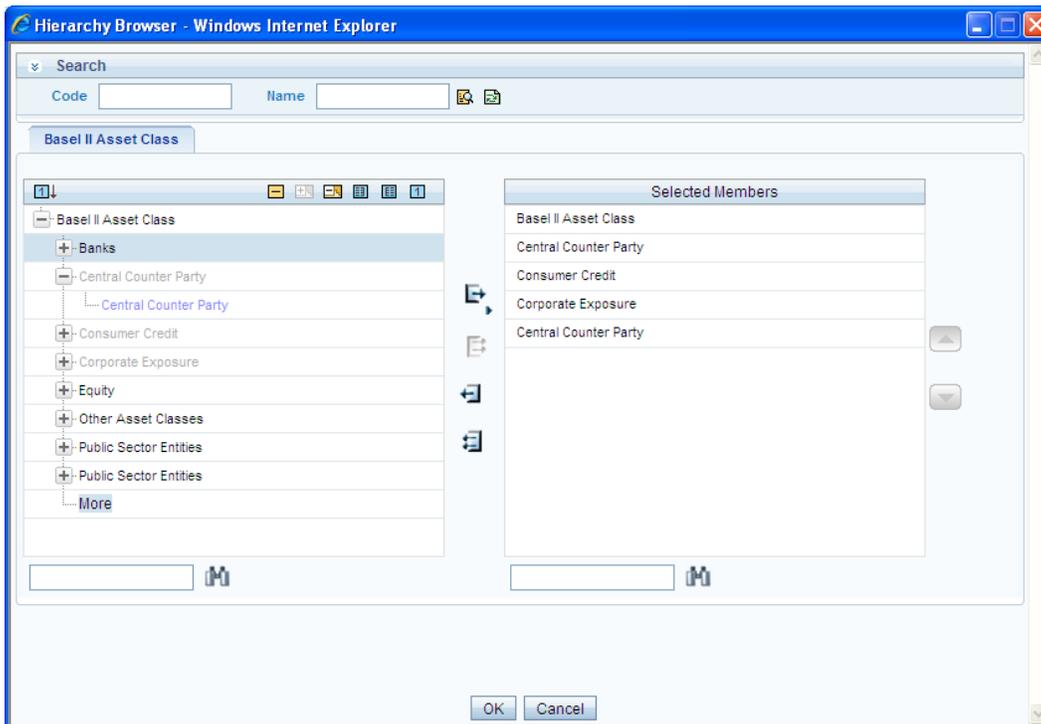
Hierarchical Member Selection

The second screen of *Rule Definition (New Mode)* screen displays all the information you have provided in the *Linked to* and *Master info* grids. You can view the filters you have selected in the *Rule Condition* grid. In the Rule Condition grid, you can apply conditions for each of the BMM hierarchy filters.

NOTE: In case of Data Element, Group, or Hierarchy filters, you can only view the SQL query.

To apply condition for a BMM hierarchy filter and view the SQL query in the *Rule Condition* grid:

1. Click  button adjacent to the filter details. The *Hierarchy Browser* screen is displayed.



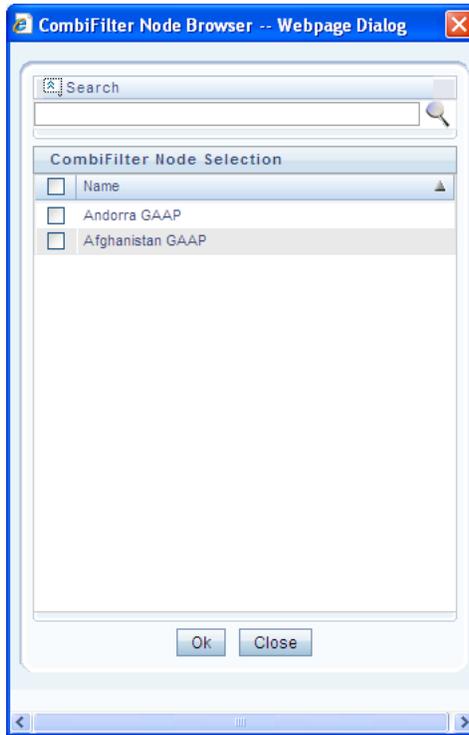
The *Search* grid allows you to search for a particular member by entering Code or any part of the Name and clicking  button. You can click  button to refresh the Code or name fields. You can also find a member in the grid using  button.

2. Click  and expand the members of the selected hierarchy.
3. Select a member / node and click  to select the same. Click the  to select the member as Self or Parent. In the *Hierarchy Browser* screen you can also:
 - Click  or  to sort the members by Code or Name.
 - Click  or  to expand or collapse the members under a node.
 - Click  or  to expand a branch or collapse a branch.
 - Click  or  to view the code values of members right or left.
 - Click  or  to show code or show name of the members.
- Click  or  to re-arrange the members in the Selected Members pane. However, the rearranged members are not displayed on the *Combination Mapper* grid based on the reordering.
4. Click  button adjacent to a filter details. The *Preview SQL Query* screen is displayed with the resultant SQL query.

Move Source to Slicer

The selected Source and Target Hierarchies are displayed under *Combination Mapper* grid. You can move the source Hierarchies from *Combination Mapper* grid to Slicer. To move a source Hierarchy from *Combination Mapper* grid to *Slicer* grid:

1. Click the Hierarchy member and drag it to the *Slicer* grid. The member is displayed under *Slicer* grid.
2. Click  button to select the members of a Hierarchy. The Hierarchy Browser is displayed.
3. Click  button. The *CombiFilter Node Browser* screen is displayed.

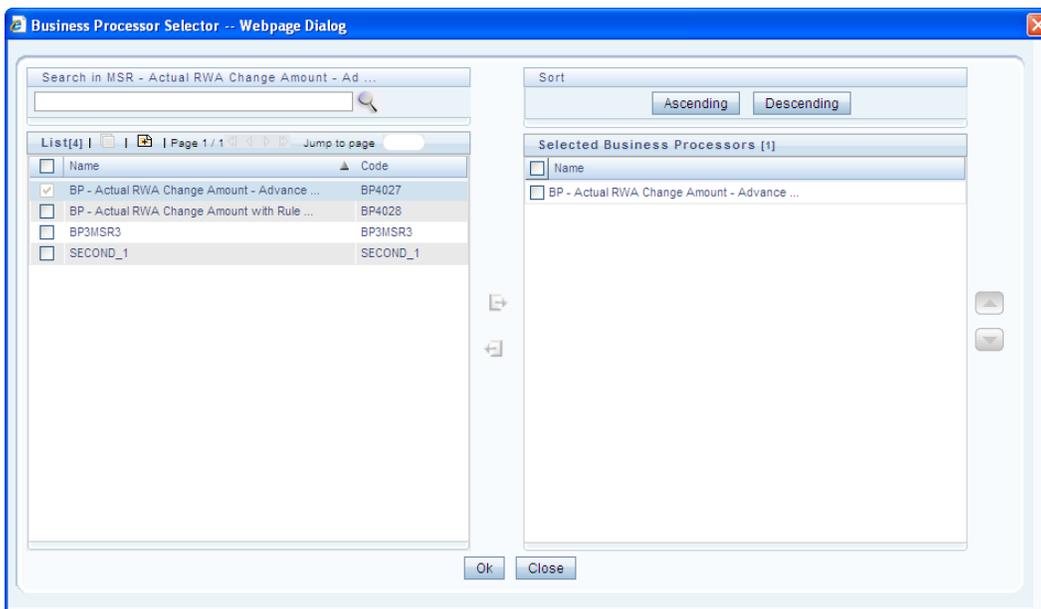


4. Select the checkbox adjacent to the member name and click **OK**.

Select Business Processor as Target

The Measures selected as target are displayed under Target page in the *Combination Mapper* grid. You can select the Business Processors (BP) from these Measures. To select the Business Processors form a Measure:

1. Click  button in the Measure displayed under Target page. The *Business Processor Selector* screen is displayed.



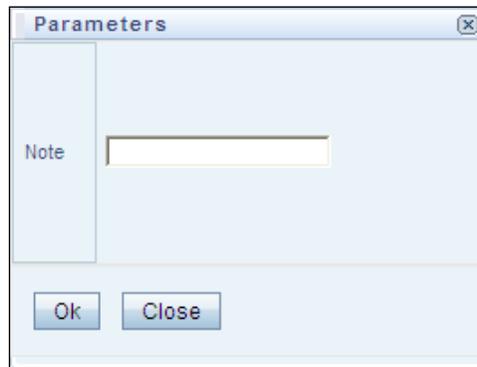
2. Select the checkbox adjacent to the Business Processor name and click .

In Business Processor Selector screen you can:

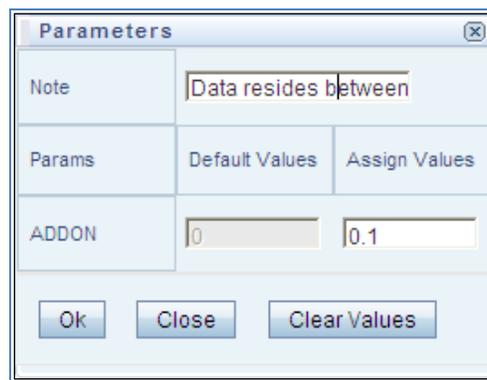
- Search for a Business Processor by specifying the nearest keyword and clicking  button.
 - The Pagination option helps you to manage the view of existing Business Processors within the system.
 - Click  button to view the details of a selected Business Processor.
 - Click  button to define a new Business Processor.
 - Click **Ascending** or **Descending** button to sort the selected components in Ascending or Descending order.
 - Click  or  button to re-arrange the selected list of Business Processors.
 - Click  button to remove the selected Business Processors from **Selected Business Processors** pane.
3. Click **OK**. The selected Business Processors are listed under the *Combination Mapper* grid along with the **Source** and **Filer** definition details.(Optional) After selecting Business Processor(s) in the *Combination Mapper* grid, you can set the Default Target member, specify Parameters, and exclude child nodes for the Rule definition.
 - You can set the selected Target member as default by clicking  button on the header bar of required Business Processor and selecting **Default Member** checkbox. When a Target member is selected as default, all the unmapped Source member combinations for that Target object will be logically mapped to the default member and the corresponding target appears disabled. Run time parameters cannot be applied for such defaulted target BP's. However, the logical mappings will not overwrite the physical mapping.
 - You can specify parameters for the selected Business Processor. Select the checkbox(s) adjacent to the required Business Processor and click  button adjacent to a checkbox selected. The *Parameters* pop-up is displayed.

NOTE: A physical mapping is established when mapping is explicitly done upon a combination of source and target members.

- For a Classification Rule and Computation Rule with non-parameterized BP, the Parameters pop-up is as displayed. Enter the required note in the text field and click **OK**.

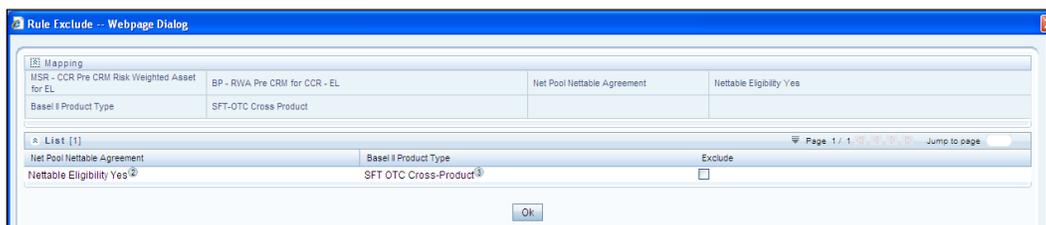


- For a Computation Rule with parameterized BP, the Parameters pop-up is as displayed. Enter the required note in the text field. The *Parameter Default Value* is fetched from the *Business Processor* definition and the *Assign Value* can be entered manually which is considered during Rule execution at Runtime. You can also clear the *Assign Value* field by clicking the **Clear Values** button. Click **OK**.



- You can exclude child node(s) in the *Combination Mapper* grid, if they are not required in the Rule execution. Click (Exclude) button. The *Rule Exclude* screen is displayed.

NOTE: The exclude icon is available only for the combinations with physical mappings. When a default member is removed from the target member, all logical mappings would be removed retaining only physical mappings.



- The *Rule exclude* screen displays only the child nodes associated to a Parent node. Ensure that the selected parent has associated child nodes and is not the default member in the target.
- Select the checkbox adjacent to Rule code that you want to exclude and click **OK**.

Once all the necessary details are entered, click **Save**. The Rule definition is saved with the provided details

and is displayed in the *Rule* screen. The default version of a new Rule definition created by an Authorizer is “0” and the one created by non-authorizer is “-1”. The *Audit Trail* section at the bottom of *Rule Definition (New Mode)* screen displays metadata information about the Rule definition created. The *User Comments* section facilitates you to add or update additional information as comments.

You can view individual Rule definition details at any given point. To view the existing Rule definition details in the *Rule* screen select the checkbox adjacent to the Rule Code whose details are to be viewed. Click  button in the List tool bar. The *Rule Definition (View Mode)* screen is displayed with all the details of the selected Rule. Click **Next** and **Back** buttons to navigate back and forth in the *Rule Definition (View Mode)* screen.

You can Modify all the details except ID, Code, Version, Active, and Type of a Rule definition. To modify an existing Rule definition in the *Rule* screen, select the checkbox adjacent to the Rule Code whose details are to be updated. Click  button in the *List* tool bar.

Rule Definition Versioning

The default version of a new Rule definition created by an Authorizer is "0" and the one created by non Authorizer is "-1". When you edit and save a Rule, you are prompted either to overwrite the already existing details and save the same as latest version (version "0") or to create a subsequent version wherein the existing details are retained as of current version +1. Note that a definition with version "-1", when edited by an authorized user changes to "0" and an unauthorized user remains as "-1".

Copy Rule Definition

The Copy Rule Definition facilitates you to quickly create a new Rule Definition based on an existing Rule or by updating the values of the required Rule. To copy an existing Rule Definition in the *Rule* screen:

1. Select the checkbox adjacent to the Rule Code whose details are to be duplicated.
2. Click  button in the List toolbar to copy a selected Rule definition. The *Rule Definition (Copy Mode)* screen is displayed. Copy button is disabled if you have selected multiple Rules. In the *Rule Definition (Copy Mode)* screen you can:
 - Create new Rule definition with existing variables. Specify a new **Rule Code** and **Folder**. Click **Save**.
 - Create new Rule definition by updating the required variables. Specify new **Rule Code**, **Folder**, and update other required details. Click **Save**.

The new Rule definition details are displayed in the *Rule* screen. By default, version “0” is set if you have authorization rights, else the version is set to “-1”.

Authorize Rule Definition

A Rule definition when created/modified should be approved by an authorizer. An authorizer can Approve/Reject a pre-defined Rule definition listed within the *Rule* screen. To Approve/Reject Rule(s) in the *Rule* screen, you need to have Authorizer function mapped to your role. If you are an authorizer, then all the Rule definitions created/modified by you are auto Approved and the Active status is set to “**Yes**”. Else, the Active status is set to “**No**” and can be authorized.

Select the checkbox(s) adjacent to the required Rule Code(s). Do one of the following:

- To **Approve** the selected Rule definitions, click  button.
- To **Reject** the selected Rule definitions, click  button.

A Rule is made available for use only after the approval. For a rejected definition a comment with the rejection details will be added.

Export Rule to PDF

You can export single/multiple Rule definition details to a PDF file. To export the Rule definition details in the *Rule* screen:

1. Select the checkbox(s) adjacent to the Rule Code(s) you want to export.
2. Click  button in the List toolbar.
3. Click the  button in the popup. The *Export* dialog is displayed.



The *Export* dialog displays the Export Format, Definition Type, and the names of the Selected Definitions. Click **Export**. The process is initiated and is displayed in a pop-up specific to the current download. Once the pdf is generated, you can open / save the file from the *File Download* dialog. You can either save the file on the local machine or view the file contents in a PDF viewer. The downloaded PDF displays all the details such as Linked to, Properties, Master info, Audit Trail, List, Mapping Details, and Comments of all the Rule definitions selected.

Trace Rule Definition Details

You can trace the metadata details of individual Rule definitions. To trace the underlying metadata details of a Rule definition in the *Rule* screen:

1. Select the checkbox adjacent to the Rule Code whose details are to be traced.
2. Click  button from the List toolbar.

The *Trace Definition* screen is displayed with the details such as Traced Object (Name and definition type) and Processes and Runs in which the selected Rule is used. In the *Trace Definition* screen you can also select individual Process or Run and click  button to view the definition details.

Delete Rule Definition

You can remove Rule definition(s) which are no longer required in the system by deleting from *Rule* screen.

1. Select the checkbox(s) adjacent to the Rule Code(s) whose details are to be removed.
2. Click  button from the List tool bar.
3. Click **OK** in the information dialog to confirm deletion.

An information dialog is displayed confirming the deletion of the Rule definition(s) and asking the authorization.

Process

A set of rules collectively form a Process. A process definition is represented as a Process Tree. The Process option in the Rules Framework provides a framework that facilitates the definition and maintenance of a process. By defining a Process, you can logically group a collection of rules that pertain to a functional process.

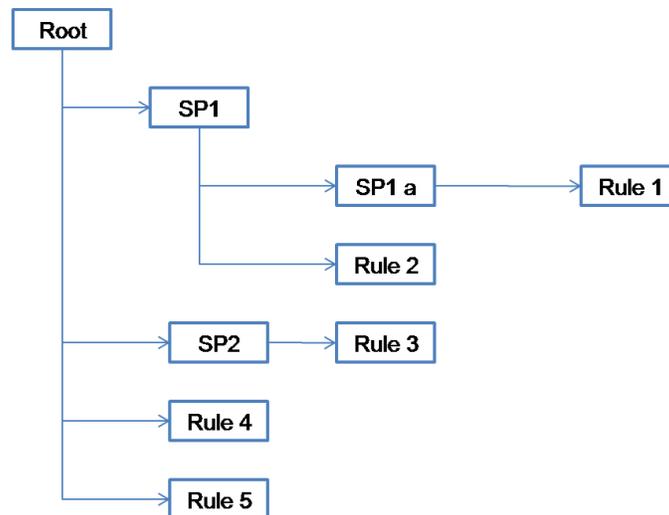
You can define a Process with the existing metadata objects using a hierarchical structure which facilitates the construction of a process tree. Process tree can have many levels and one or many nodes within each level. Sub-processes are defined at level members and process hierarchy members form the leaf members of the tree.

NOTE:

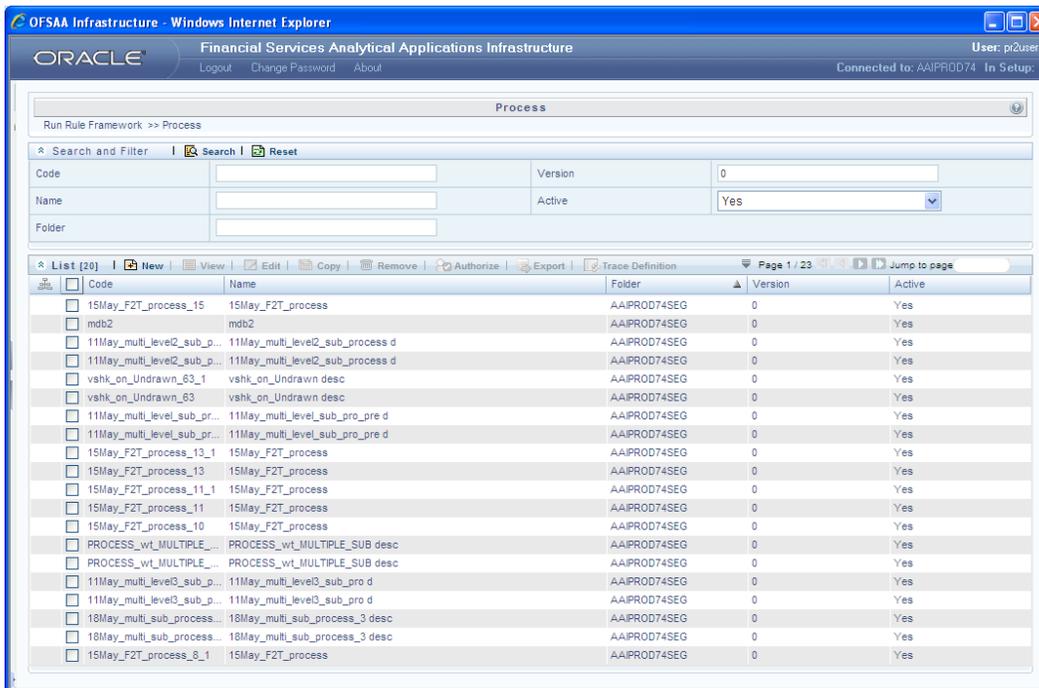
- Precedence defined to each Process determines the Process Initiation Sequence.
 - If Precedence is defined, Process Execution (along with the associated Rules) happens based on the precedence defined to each component.
 - If no precedence is defined, all the processes within the process tree are initiated together in its natural hierarchical sequence.
-

Consider the following illustration:

- If natural Precedence is defined to the sub process **SP1**, Process Execution is triggered in the sequence Rule 1 > SP1a > Rule 2 > SP1.
- If no precedence is defined, all the sub processes SP1, SP2, Rule 4, and Rule 5 are executed in parallel.



Further, the business may require simulating conditions under different business scenarios and evaluate the resultant calculations with respect to the baseline calculation. Such simulations are done through the construction of Processes and Process trees. Underlying metadata objects such as Rules, T2T Definitions, Processes, and Database Stored Procedures drive the Process functionality.

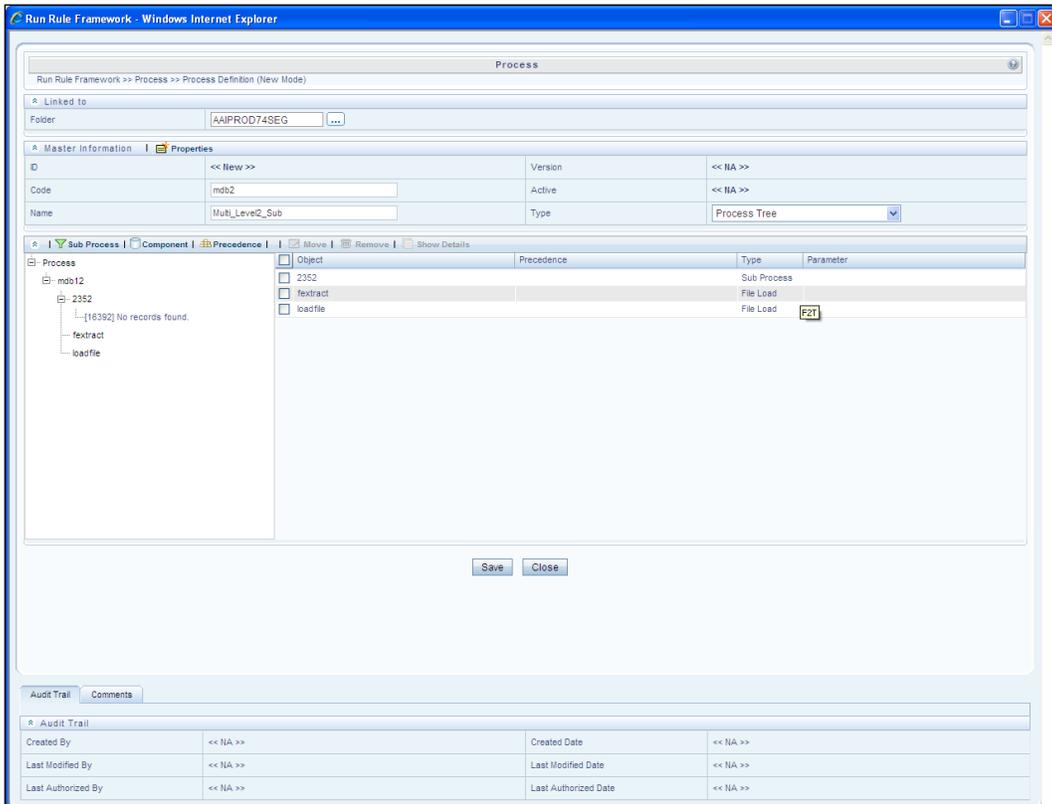


The *Process* screen displays the processes created in the current Information Domain with the metadata details such as Code, Name, Folder, Version, and Active. You can archive/restore the existing PR2 definitions using the Metadata Restore/Archive utility and also migrate PR2/RRF definitions through the Command Line Utility across Information Domains / Setups.

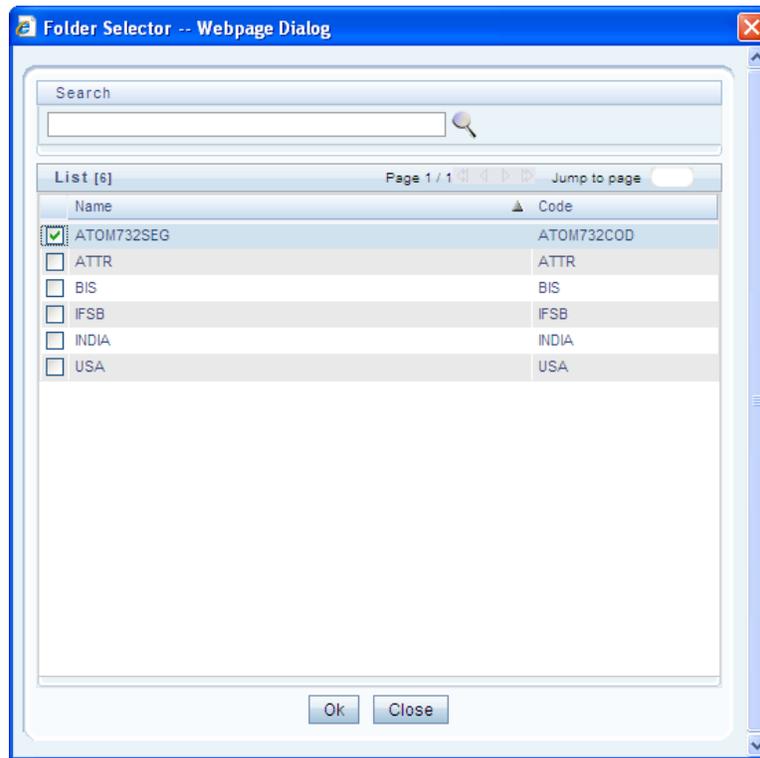
Create Process

You can build a Process by adding one or more members called Process Nodes. If there are Predecessor Tasks associated with any member, the tasks defined as predecessors precede the execution of that member. To define a process in the *Process* screen:

1. Click  button from the List toolbar. The *Process Definition (New Mode)* screen is displayed.



2. Click  button adjacent to the **Folder** field in the *Linked to* grid. The *Folder Selector* dialog is displayed.



3. Select the checkbox adjacent to the required folder. Click **OK**.

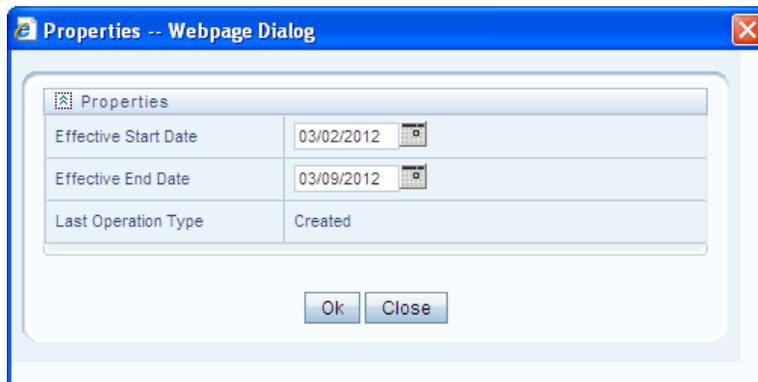
You can also enter a keyword and click  button in the Search field of *Folder Selector* dialog to locate a particular folder. The Pagination option helps you to manage the view of existing Folders within the system.

4. Enter the details of the *Master info* grid as tabulated below:

Field Name	Description
ID	Refers to the default ID of a newly created Process and is <<New>>
Code	Enter a valid code for the Process. Ensure that the code value specified is of maximum 30 characters in length and does not contain any special characters except “_”.
Name	Enter a valid name for the Process.
Version	By default the version field is displayed as <<NA>> for the new Process being created. Once the Process definition is saved, an appropriate version is assigned as either “-1” or “0” depending on the authorization permissions.

Field Name	Description
Active	By default, the Active field is displayed as <<NA>> for the new Process being created. Once the Process definition is saved, the status is set to “Yes” if you are an Authorizer creating the Rule or “No” if the created Rule needs to be Authorized by an Authorizer.
Type	Select the “Type” based on which you would like to create the rule from the dropdown list.

- Click  button in the *Master info* grid. The *Properties* dialog is displayed.



- You can edit the below tabulated details in the *Properties* dialog:

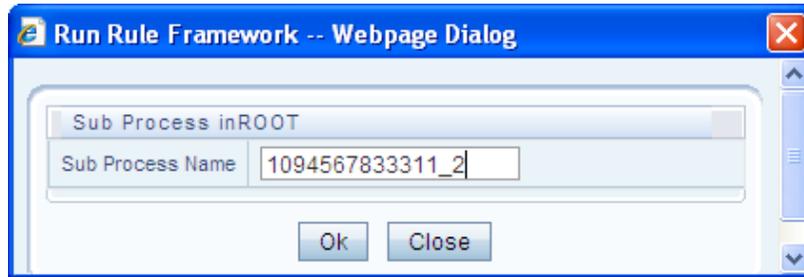
Field Name	Description
Effective Start Date	Select the Effective Start Date by clicking  (Calendar) button.
Effective End Date	Select the Effective Start Date by clicking  (Calendar) button.
Last operation type	By default, this field displays the last change done to the Process definition. While creating a Process, the field displays the operation type as Created .

- Click **OK**. The properties are saved for the current Process definition.

Define Sub Process to Root

You can define sub processes to the base process being created or for a pre-defined sub process under a base process. To create a sub processor in the *Process Definition (New Mode)* screen:

- Click  (Sub process) button. The *Sub Process in ROOT* dialog is displayed.



2. Enter the Sub Process Name and click **OK**.

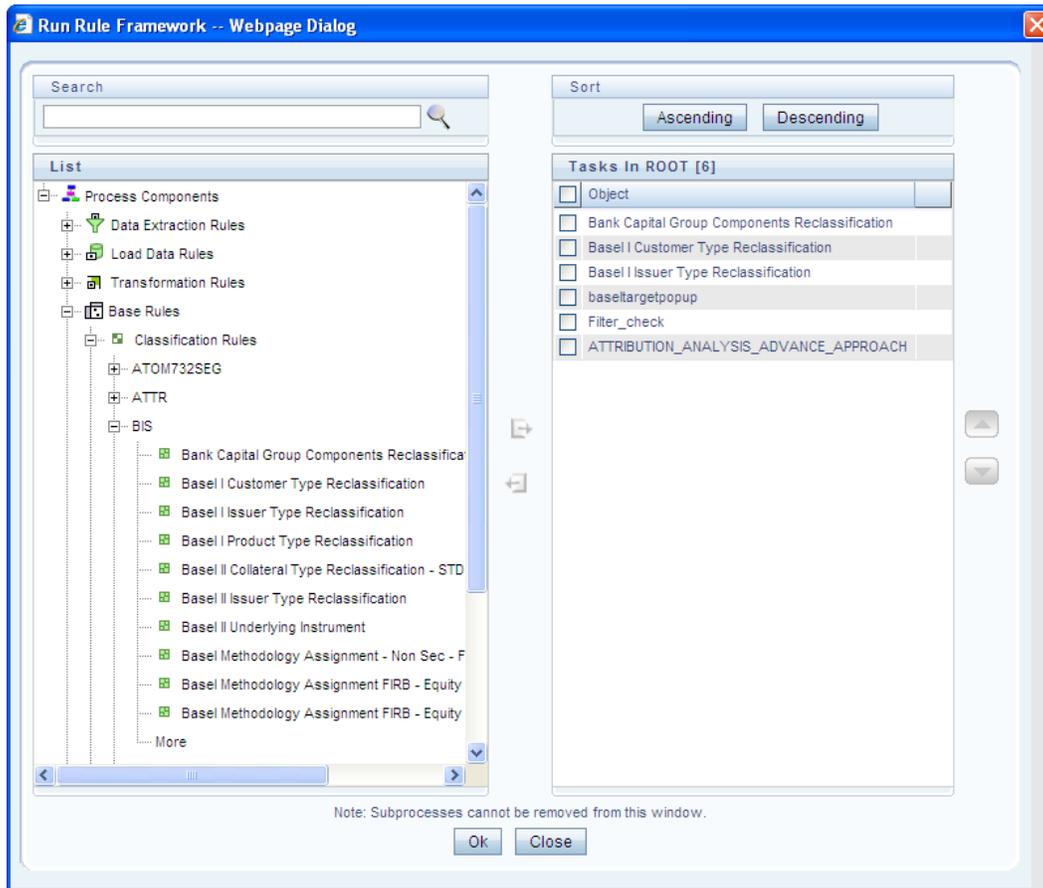
The sub process is listed under the root process as a branch.

NOTE: You can further create sub processes for the existing processes or for the base process by selecting the process and following the above procedure.

Add Component to Base Process / Sub Process

You can add process components to the base process as well as the sub processes. To add the process components from the *Process Definition (New Mode)* screen:

1. Select the process on which you want to add the component.
2. Click  (Component) button. The *Component Selector* screen is displayed.



On the List pane of the *Component Selector* screen, you can click  button to expand the members and view the process components.

3. Select a Process Component and click  to move the component to the *Tasks In <Process Name>* pane. In *Component Selector* screen you can also:
 - Search for a component by specifying the nearest keyword and clicking  button.
 - Click **Ascending** or **Descending** button to sort the selected components in Ascending or Descending order.
 - Click  or  button to move up or move down the selected components.
 - Click  button to add parameters for the selected components.
 - The parameters must be specified in double quotes and in case of multiple parameters, specify the values separated by commas. E.g.: "value 1","value 2".
 - Click  button to remove selected components from the *Tasks In <Process Name>* pane.

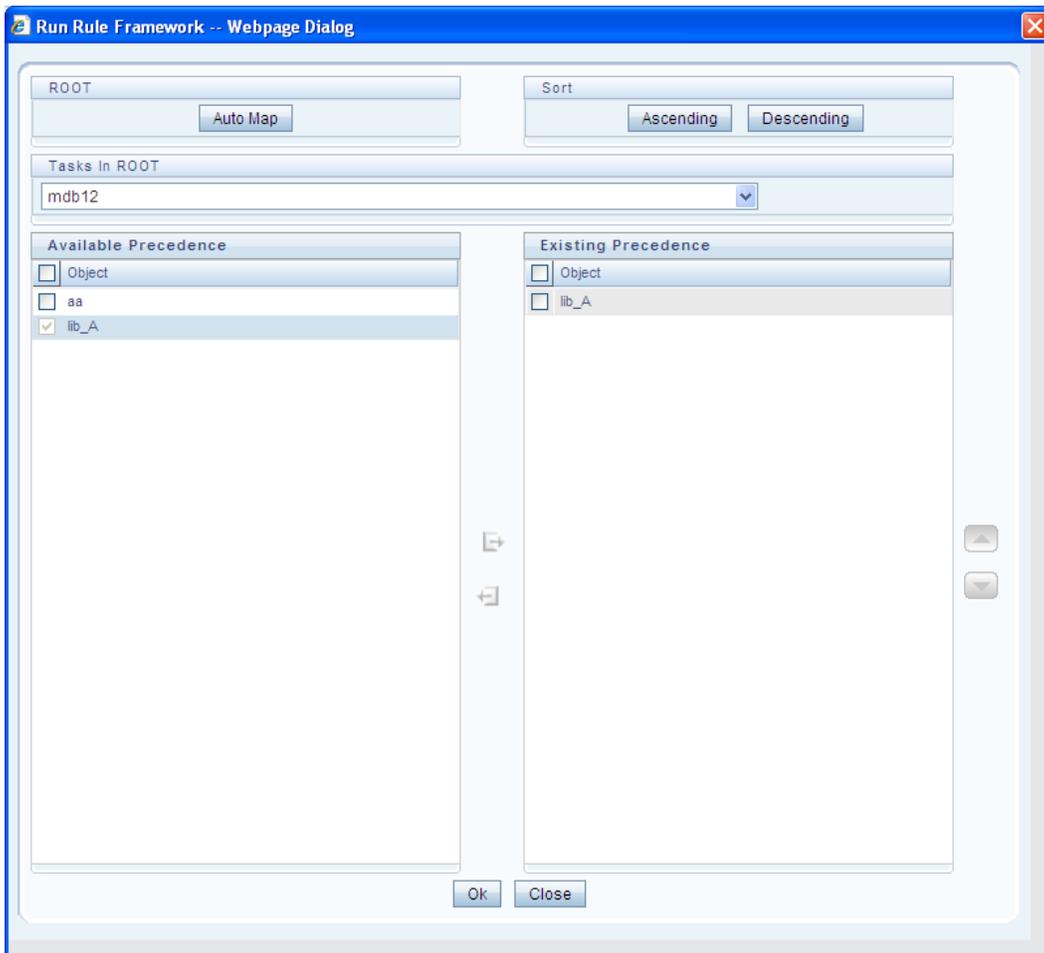
NOTE: Sub processes listed in *Tasks In <Process Name>* pane cannot be removed.

4. Click **OK**. The components are listed under the selected process.

Add Precedence for the Selected Components

You can add precedence for the selected components in the *Process Definition (New Mode)* screen. Precedence can be defined to peer processes in a selected parent process. To add precedence for a selected component:

1. Select the process for whose components you want to select precedence.
2. Click  (Precedence) button. The *Precedence Selector* screen is displayed.



3. Select **Auto Map** to override the predefined precedence and to set predecessor tasks as precedence.

To manually select predecessor tasks for a task:

- Select a task from **Tasks In <Process Name>** dropdown box. The other tasks are listed in the Available Precedence pane.
- Select the tasks to set as predecessor tasks and click  button.
- The selected tasks are listed in the **Existing Precedence** pane.

NOTE: You cannot select tasks as predecessor tasks if they have cyclic dependencies with the selected task.

In the *Precedence Selector* screen you can also:

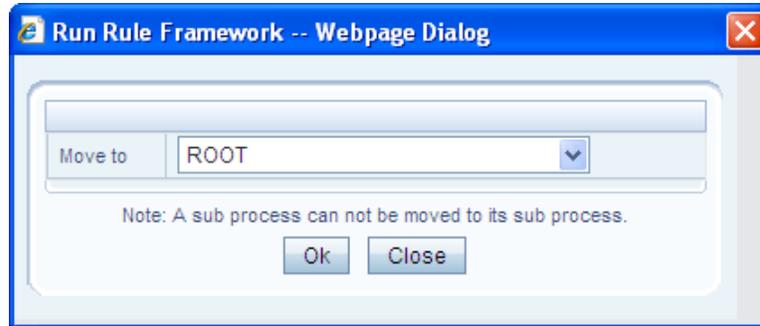
- Click **Ascending** or **Descending** button to sort the selected tasks in Ascending or Descending order.
- Click  or  button to move up or move down the selected tasks.
- Click  button to remove selected tasks from the **Existing Precedence** pane.

4. Click **OK**. The precedence is set for the tasks in the selected process.

Move Tasks among Processes

You can move the tasks which has no dependency, among different processes in the *Process Definition (New Mode)* screen. To move tasks:

1. Select the checkbox(s) adjacent to the tasks to move to a different process.
2. Click  button. The *Move to* dialog is displayed.



3. Select the process / subprocess to which you want to move the task.
4. Click **OK**. The screen is refreshed and the task is displayed under the selected process.

Remove Tasks from a Process

You can remove / delete the tasks which have no dependency, from the *Process Definition (New Mode)* screen. To remove tasks:

1. Select the checkbox(s) adjacent to the tasks you want to remove.
2. Click  button. The Warning dialog is displayed.
3. Click **OK**. The selected tasks are removed from the process.

In the *Process Definition (New Mode)* screen, you can also view the details of a selected task by clicking  button.

4. Click **Save**. The process definition is saved with the provided details and is displayed in the *Process* screen.

The default version of a new Process definition created by an Authorizer is “0” and the one created by non Authorizer is “-1”. The *Audit Trail* section at the bottom of *Process Definition (New Mode)* screen displays metadata information about the Process definition created. The *User Comments* section facilitates you to add or update additional information as comments.

You can view individual Process definition details at any given point. To view the existing Process definition details in the *Process* screen, select the checkbox adjacent to the Process Code whose details are to be viewed. Click  button in the List tool bar. The *Process Definition (View Mode)* screen is displayed with all the details of the selected Process.

You can modify all the details except ID, Code, Version, Active status, and Type of a Process definition. To modify an existing Process definition in the *Process* screen, Select the checkbox adjacent to the Process Code whose details are to be updated. Click  button in the List tool bar. Edit button is disabled if you have selected multiple Processes.

Process Definition Versioning

The default version of a new Process definition created by an Authorizer is "0" and the one created by non Authorizer is "-1". When you edit and save a Process, you are prompted either to overwrite the already existing details and save the same as latest version (version "0") or to create a subsequent version wherein the existing details are retained as of current version +1.

Note that a definition with version "-1", when edited by an authorized user changes to "0" and an unauthorized user remains as "-1".

Copy Process Definition

The Copy Process Definition facilitates you to quickly create a new Process Definition based on an existing Process or by updating the values of the required Process. To copy an existing Process Definition in the *Process* screen, select the checkbox adjacent to the Process Code whose details are to be duplicated. Click  button in the *List* toolbar to copy a selected Process definition. The *Process Definition (Copy Mode)* screen is displayed. Copy button is disabled if you have selected multiple Processes. In the *Process Definition (Copy Mode)* screen you can:

- Create new Process definition with existing variables. Specify a new **Process Code** and **Folder**. Click **Save**.
- Create new Process definition by updating the required variables. Specify a new **Process Code**, **Folder**, and update other required details. Click **Save**.

The new Process definition details are displayed in the *Process* screen. By default, version "0" is set if you have authorization rights, else the version is set to "-1".

Authorize Process Definition

A Process definition when created/modified should be approved by an authorizer. An authorizer can Approve/Reject a pre-defined Process definition listed within the *Process* screen. To Approve/Reject Process(s) in the *Process* screen, you need to have Authorizer function mapped to your role. If you are an authorizer, then all the Process definitions created/modified by you are auto Approved and the Active status is set to "Yes". Else, the Active status is set to "No" and can be authorized. Select the checkbox(s) adjacent to the required Process Code(s). Do one of the following:

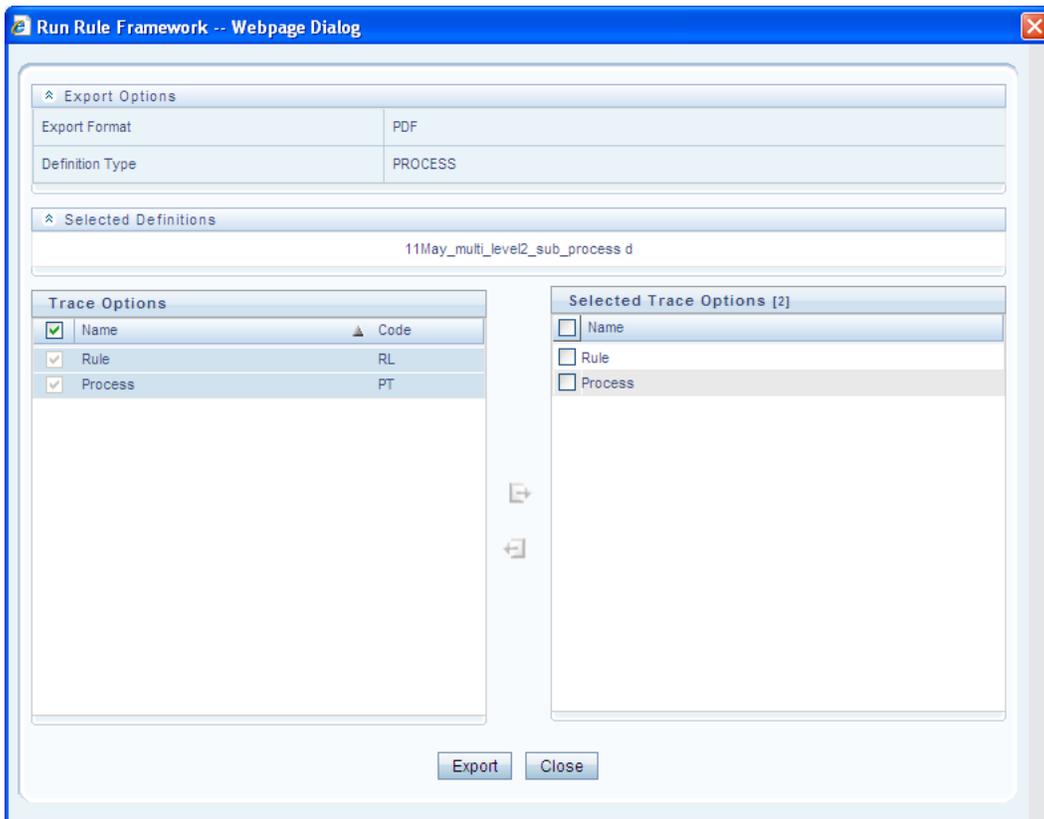
- To **Approve** the selected Process definitions, click  button.
- To **Reject** the selected Process definitions, click  button.

A Process is made available for use only after the approval. For a rejected definition a comment with the rejection details will be added.

Export Process to PDF

You can export single/multiple Process definition details to a PDF file. To export the Process definition details in the *Process* screen:

1. Select the checkbox(s) adjacent to the required Process Codes.
2. Click  button in the *List* toolbar.
3. Click the  button in the popup. The *Export* dialog is displayed.



The *Export* dialog displays the Export Format, Definition Type, the names of the Selected Definitions, and the Trace Options. To select the Trace Options in the Trace Options grid:

- Select the checkbox(s) adjacent to the available options.
 - Click  button. The selected options are displayed in the **Selected Trace Options** pane. You can also select a trace option and click  button to deselect it from the Selected Trace Options pane.
4. Click **Export**. The process is initiated and is displayed in a pop-up specific to the current download. Once the pdf is generated, you can open / save the file from the *File Download* dialog.

You can either save the file on the local machine or view the file contents in a PDF viewer. The downloaded PDF displays all the details such as Linked to, Properties, Master info, Audit Trail, List, Mapping Details, and Comments of all the Process definitions selected.

Trace Process Definition Details

You can trace the metadata details of individual Process definitions. To trace the underlying metadata details of a Process definition in the *Process* screen:

1. Select the checkbox adjacent to the Process Code whose details are to be traced.
2. Click  button from the List toolbar. The *Process Definition* screen is displayed with the details such as Traced Object (Name and Definition Type), other Processes and Runs in which the selected Process is used. In the *Trace Definition* screen you can also select individual Process or Run and click  button to view the definition details.

Delete Process Definition

You can remove Process definition(s) which are no longer required in the system by deleting from *Process* screen.

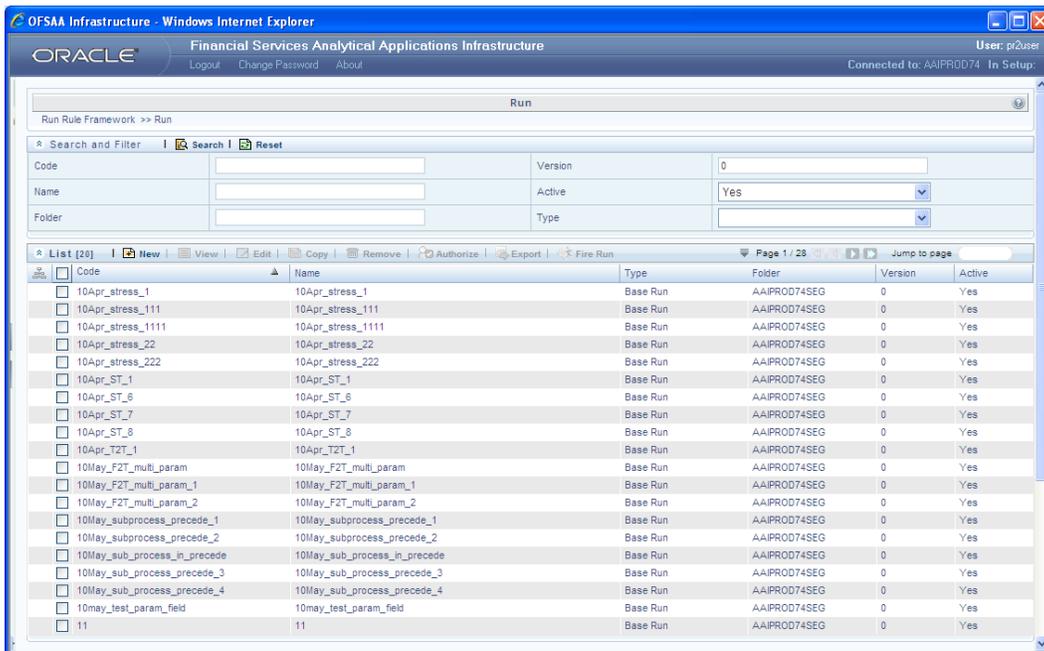
1. Select the checkbox(s) adjacent to the Process Code(s) whose details are to be removed.
2. Click  button from the List tool bar.
3. Click **OK** in the information dialog to confirm deletion. An information dialog is displayed confirming the deletion of the Process definition(s) and asking the authorization of the same.

Run

The Run option in the Rules framework helps you to combine various components and/or Processes together and execute them with different underlying approaches. Further, Run Conditions and/or Job Conditions can be specified while defining a Run.

Two types of Runs can be defined namely Base Run and Simulation Run.

- **Base Run** allows you to combine different Rules and Processes together as Jobs and apply Run Conditions and job Conditions.
- **Simulation Run** allows you to replace a Job with another Job (a Job can be a Rule or a Process), in addition to what a Base Run does.



The *Run* screen displays the runs created in the current Information Domain with the metadata details such as Code, Name, Type, Folder, Version, and Active status. You can archive/restore the existing PR2 definitions using the Metadata Restore/Archive utility and also migrate PR2/RRF definitions through the Command Line Utility across Information Domains / Setups.

Create Run

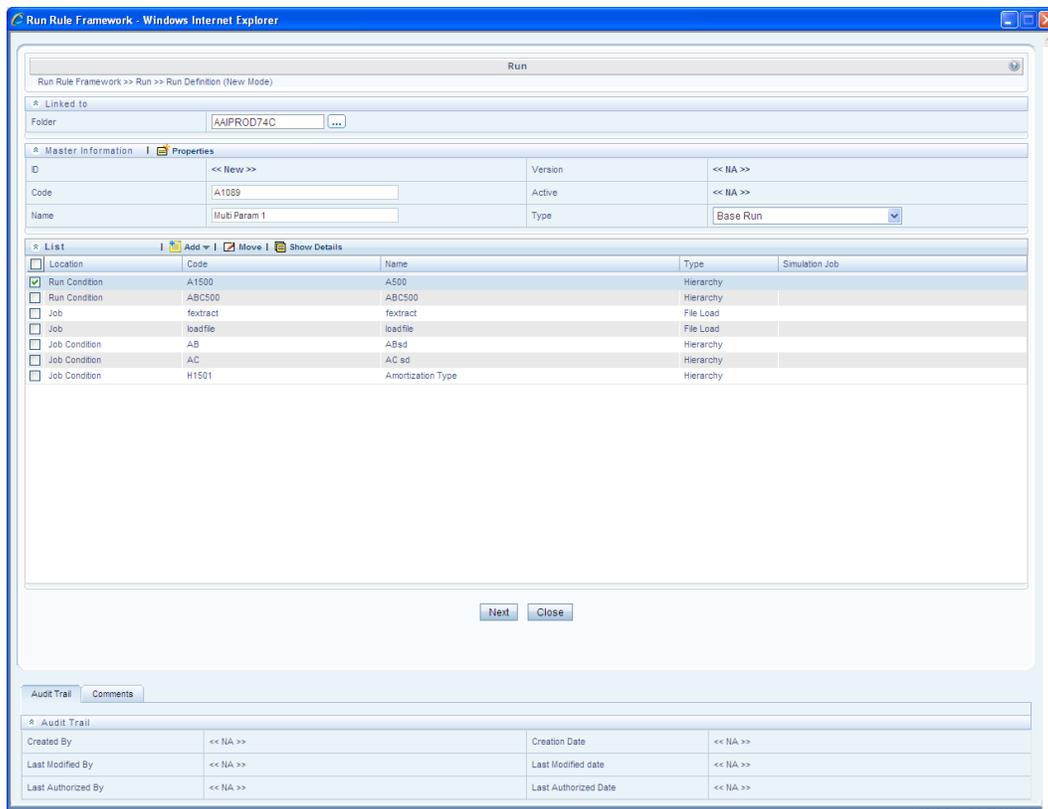
You can create Run definitions using the existing metadata objects. The various components that can be used to form Run definitions are mentioned in Process Hierarchy Members. The following filter conditions

can also be applied to a Run definition:

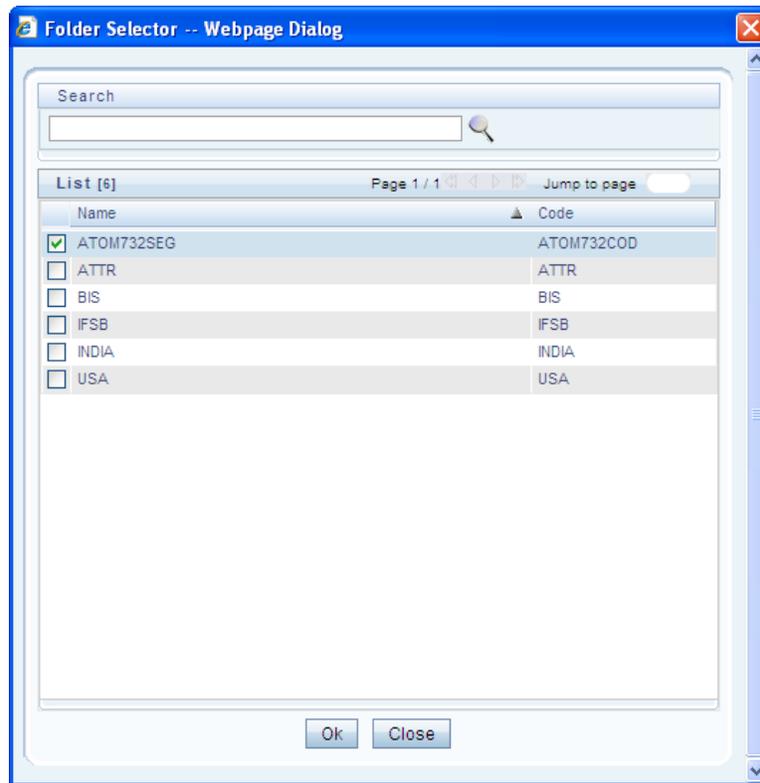
Condition Type	Description
Run Condition	When multiple components are selected, there is likelihood that the components may contain Rules / T2Ts whose target entities are across multiple datasets. When the selected components contain Rules, the target entities (hierarchies) which are common across the datasets are made available for defining Run Conditions. When the selected components contain T2Ts, the hierarchies that are based on the underlying destination tables which are common across the datasets are made available for defining the Run Condition. A Run Condition is defined as a filter on the available hierarchies.
Job Condition	A further level of filter can be applied at the component level. This is achieved through a mapping process.

To create a Run definition in the *Run* screen:

1. Click  button from the List toolbar. The *Run Definition (New Mode)* screen is displayed.



2. Click  button adjacent to the **Folder** field in the *Linked to* grid. The *Folder Selector* dialog is displayed.



3. Select the checkbox adjacent to the required folder. Click **OK**.

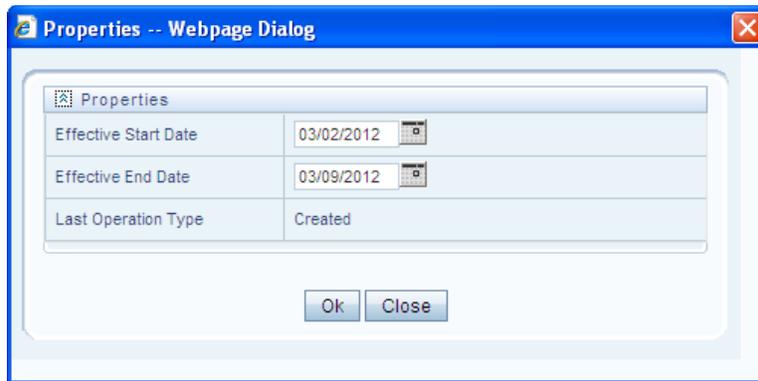
You can also enter a keyword and click  button in the **Search** field of *Folder Selector* dialog to locate a particular folder. The Pagination option helps you to manage the view of existing Folders within the system.

4. Enter the details of the *Master info* grid as tabulated below:

Field Name	Description
ID	Refers to the default ID of a newly created Run and is <<New >>
Code	Enter a valid code for the Run. Ensure that the code value specified is of maximum 30 characters in length and does not contain any special characters except “_”.
Name	Enter a valid name for the Run.
Version	By default the version field is displayed as <<NA>> for the new Run being created. Once the Run definition is saved, an appropriate version is assigned as either “-1” or “0” depending on the authorization permissions.
Active	By default, the Active field is displayed as <<NA>> for the new Run being created. Once the Run definition is saved, the status is set to “Yes” if you are an <i>Authorizer</i> creating the Run or “No” if the created Run needs to be Authorized by an <i>Authorizer</i> .

Field Name	Description
Type	Select the type of the Run from the dropdown box either as Base Run or as Simulation Run.

- Click  button in the *Master info* grid. The *Properties* dialog is displayed.



You can edit the below tabulated details in the *Properties* dialog:

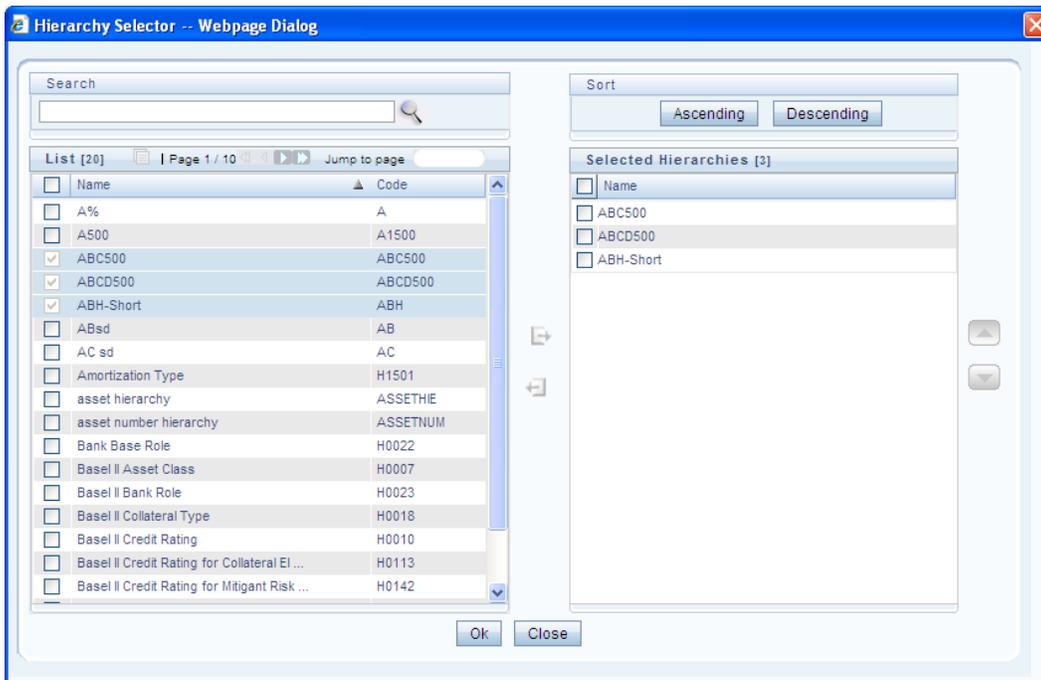
Field Name	Description
Effective Start Date	Select the Effective Start Date by clicking  (Calendar) button.
Effective End Date	Select the Effective Start Date by clicking  (Calendar) button.
Last operation Type	By default, this field displays the last change done to the Run definition. While creating a Run, the field displays the operation type as Created .

- Click **OK**. The properties are saved for the current Run definition.

Select Run Condition for Run

You can select conditions to preset the initialization mechanism of a Run. To select a condition for a Run in the *Run Definition (New Mode)* screen:

- Click  button from the *List* grid and select Run Condition (). The *Hierarchy Selector* screen is displayed.



The LHS pane of the *Hierarchy Selector* screen displays the available members under the selected Folder.

1. Select the checkbox(s) adjacent to the members you want to select.
2. Click to move the selected members to the **Selected Hierarchies** pane.

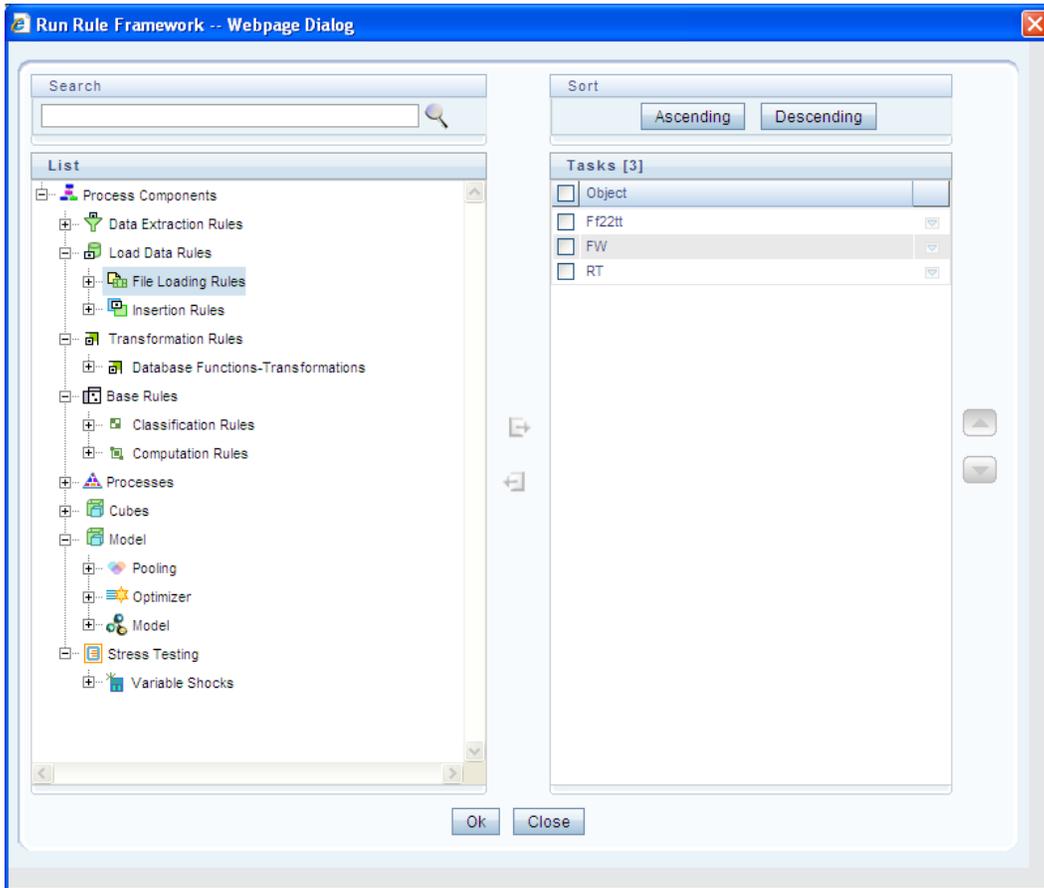
In *Hierarchy Selector* screen you can:

- Search for a member by specifying the nearest keyword and clicking button.
 - The Pagination option helps you to manage the view of existing Hierarchies within the system.
 - Click button to view the details of a selected member.
 - Click **Ascending** or **Descending** button re-arrange the selected list of members.
 - Click or button to move up or move down the selected members.
 - Click button to remove selected members from the Selected Hierarchies pane.
3. Click **OK**. The selected Hierarchies are listed in the *Run Definition (New Mode)* screen.

Select Jobs for Run

You can select the required Jobs for the Run definition being created. To select Jobs for a Run in the *Run Definition (New Mode)* screen:

1. Click button from the *List* grid and select Job (). The *Job Selector* screen is displayed.



On the **List** pane of the *Job Selector* screen, you can click button to expand the members and view the job components. Select a Job Component and click to move the component to the *Tasks* pane.

NOTE: You cannot select same Jobs from both Aggregate data and Create Cube components, since those two definitions will have the same unique code.

In *Job Selector* screen you can also:

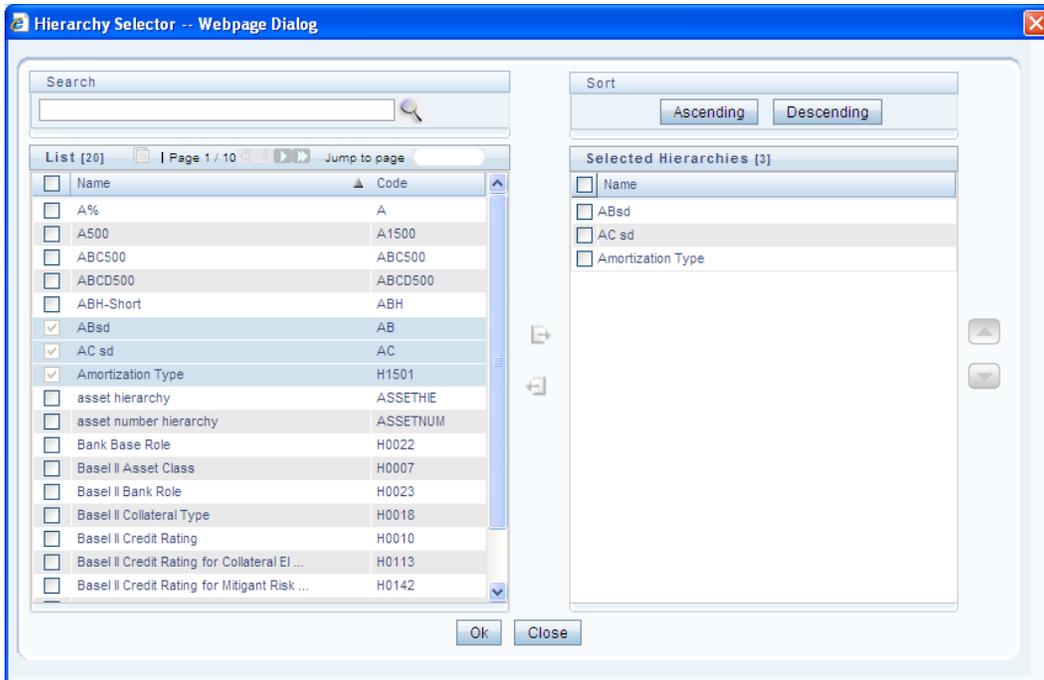
- Search for a component by specifying the nearest keyword and clicking button.
- Click Ascending or Descending button to sort the selected components in Ascending or Descending order.
- Click or button to move up or move down the selected components.
- Click button to add parameters for the selected components.
- Click button to remove selected components from the Tasks pane. Click **OK**. The components are listed under the selected Run.

Select Job Condition for Run

You can select single Job Condition for the execution of pre defined Jobs in a Run. To select the Job

Condition for a Run in the *Run Definition (New Mode)* screen:

1. Click  button from the *List* grid and select Job Condition (). The *Hierarchy Selector* screen is displayed.



The LHS pane of the *Hierarchy Selector* screen displays the available hierarchies under the selected Folder.

2. Select the checkbox(s) adjacent to the Hierarchies that you want to select as Job condition.
3. Click  to move the selected hierarchies to the Selected Hierarchies pane.

In *Hierarchy Selector* screen you can also:

- Search for hierarchies by specifying the nearest keyword and clicking  button.
- The Pagination option helps you to manage the view of existing Hierarchies within the system.
- Click  button to view the details of a selected Hierarchy.
- Click **Ascending** or **Descending** button to sort the selected Hierarchies in Ascending or Descending order.
- Click  or  button to move up or move down the selected Hierarchies.
- Click  button to remove selected Hierarchies from the Selected Hierarchies pane.

NOTE: Ensure that you have selected only one Job Condition and the same hierarchy is not selected as both Run & Job conditions.

4. Click **OK**. The selected hierarchies are listed in the *Run Definition (New Mode)* screen. In the *List* grid you can also:

- Click  button to move a selected member between Run Condition and Job Condition.
- Click  button to view the selected member details.

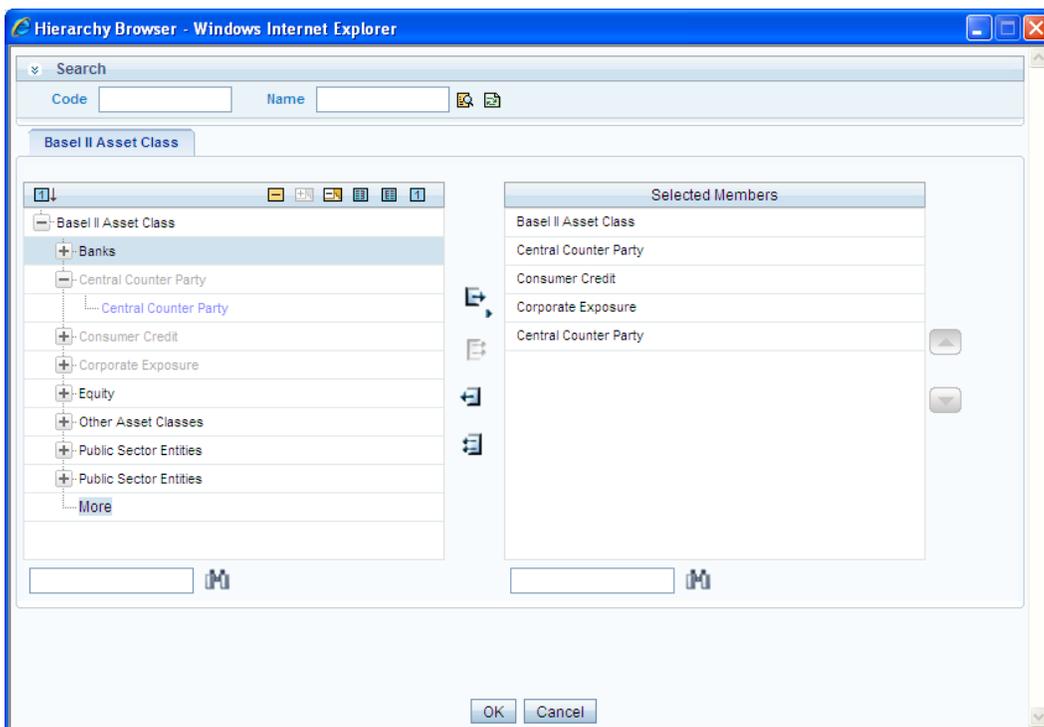
Once all the necessary information in the first screen of the *Run Definition (New Mode)* is populated, click **Next** button to navigate to the concurrent procedures of defining a Rule.

The second screen of *Run Definition (New Mode)* screen displays all the information you have provided in the *Linked to* and *Master info* grids. You can view the filters you have selected in the *Run Condition* grid.

Hierarchical Member Selection

In the *Run Condition* grid, you can modify the Run Conditions you have defined in the first screen of the Run Definition by including hierarchical members. To modify the condition of a Run Condition in the *Run Condition* grid:

1. Click  button adjacent to the Run Condition details. The *Hierarchy Browser* screen is displayed.



The *Search* grid allows you to search for a particular member by entering Code or any part of the Name and clicking  button. You can click  button to refresh the Code or name fields. You can also find a member in the grid using  button. Click  and expand the members of the selected hierarchy.

Select a member / node and click  to select the same. Click the  to select the member as Self, Self & Descendants, Self & Children, Parent, Siblings, Children, Descendants, or Last Descendants. In the *Hierarchy Browser* screen you can also:

- Click  or  to sort the members by Code or Name.
- Click  or  to expand or collapse the members under a node.

- Click  or  to expand a branch or collapse a branch.
 - Click  or  to view the code values of members right or left.
 - Click  or  to show code or show name of the members.
 - Click  or  to move the members up or down in the Selected Members pane.
2. Click  button adjacent to a filter details to launch it. The *Preview SQL Query* screen is displayed with the resultant SQL equivalent of the launch result.

The *Detail Information* grid displays the Jobs and Job Condition defined in the primary page of the *Run Definition (New Mode)* screen.

- Click  button adjacent to the Job Names to reorder the selected Jobs.
- Select the checkbox in the selected Hierarchy member column to apply the Job condition.
- Click a Job to view the details in the *Show Details* screen.

You can click **Back** button to navigate back to the first page of the *Run Definition (New Mode)* screen to modify any details.

Once all the necessary details are entered, Click **Save**. The Run definition is saved with the provided details and is displayed in the *Run* screen. The default version of a new Run definition is “0” and the default version of an unauthorized definition is “-1”.

The *Audit Trail* section at the bottom of *Run Definition (New Mode)* screen displays metadata information about the Run definition created. The *User Comments* section facilitates you to add or update additional information as comments.

You can view individual Run definition details at any given point. To view the existing Run definition details in the *Run* screen, select the checkbox adjacent to the Run Code whose details are to be viewed. Click  button in the List tool bar. The *Run Definition (View Mode)* screen is displayed with all the details of the selected Run. Click **Next** and **Back** buttons to navigate back and forth in the *Run Definition (View Mode)* screen.

You can modify all the details except ID, Code, Version, Active status, and Type of a Run definition. To modify an existing Run definition in the *Run* screen, select the checkbox adjacent to the Run Code whose details are to be updated. Click  button in the *List* tool bar. Edit button is disabled if you have selected multiple Runs.

Run Definition Versioning

The default version of a new Run definition created by an Authorizer is "0" and the one created by non Authorizer is "-1". When you edit and save a Run, you are prompted either to overwrite the already existing details or save the same as latest version (version "0") or to create a subsequent version wherein the existing details are retained as of current version +1. A definition with version "-1", when edited by an authorized user changes to "0" and an unauthorized user remains as "-1".

Copy Run Definition

The Copy Run Definition facilitates you to quickly create a new Run Definition based on an existing Run or by updating the values of the required Run. To copy an existing Run Definition in the *Run* screen, Select the checkbox adjacent to the Run Code whose details are to be duplicated. Click  button in the List toolbar to copy a selected Run definition. The *Run Definition (Copy Mode)* screen is displayed. Copy button is disabled if you have selected multiple Runs. In the *Run Definition (Copy Mode)* screen you can:

- Create new Run definition with existing variables. Specify a new **Run Code** and **Folder**. Click **Save**.
- Create new Run definition by updating the required variables. Specify a new **Run Code**, **Folder**, and update other required details. Click **Save**.

The new Run definition details are displayed in the *Run* screen. By default, version “0” is set if you have authorization rights, else the version is set to “-1”.

Authorize Run Definition

All the actions in a Run definition should be approved by an authorizer. An authorizer can Approve a pre-defined Run definition for further execution or Reject an inappropriate Run definition listed within the *Run* screen. If you have Authorizer function mapped to your role, the Run definition is auto Approved as you save it and the Active status is set to “**Yes**”. Otherwise the Active status is “**No**” and can be authorized.

To Approve/Reject Runs in the *Run* screen, select the checkbox(s) adjacent to the required Run Codes. Do one of the following:

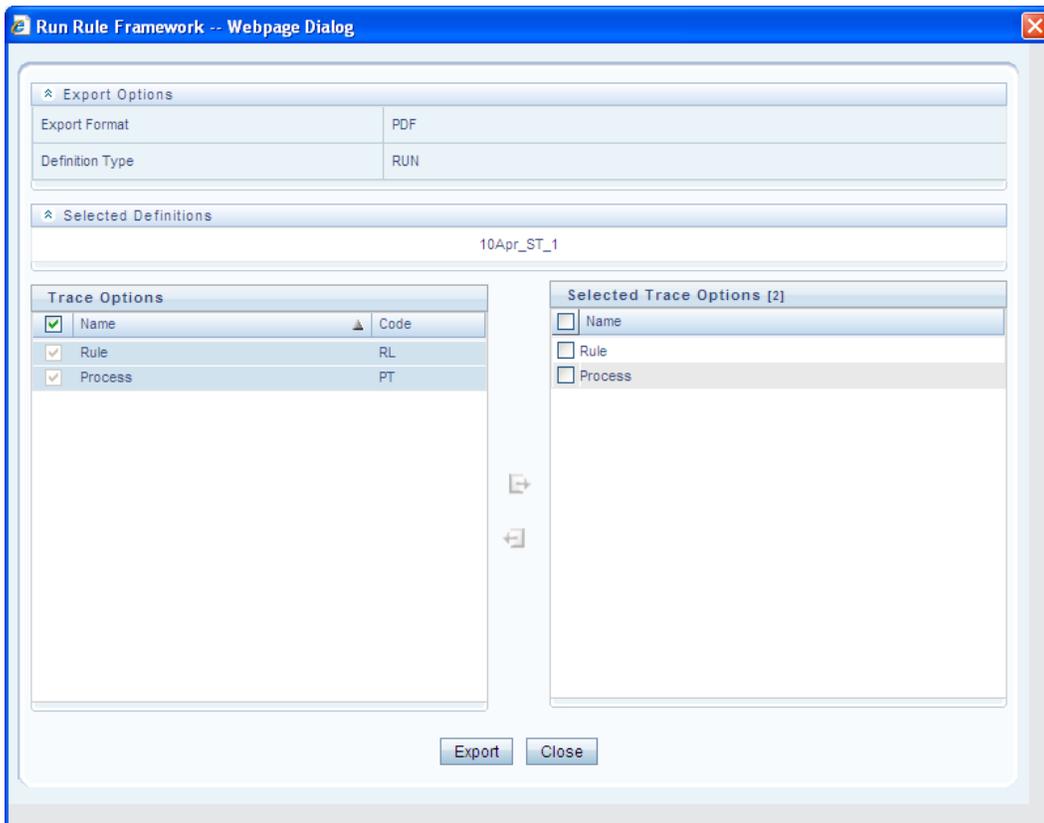
- To Approve the selected Run definitions, click  button.
- To Reject the selected Run definitions, click  button.

A Run is made available for use only after the approval. For a rejected definition a comment with the rejection details will be added.

Export Run to PDF

You can export multiple Run definition details to a PDF file. To export the Run definition details in the *Run* screen:

1. Select the checkbox(s) adjacent to the required Run Codes.
2. Click  button in the List toolbar.
3. Click the  button in the popup. The *Export* dialog is displayed.



The *Export* dialog displays the Export Format, Definition Type, the names of the Selected Definitions, and the Trace Options. To select the Trace Options in the *Trace Options* grid:

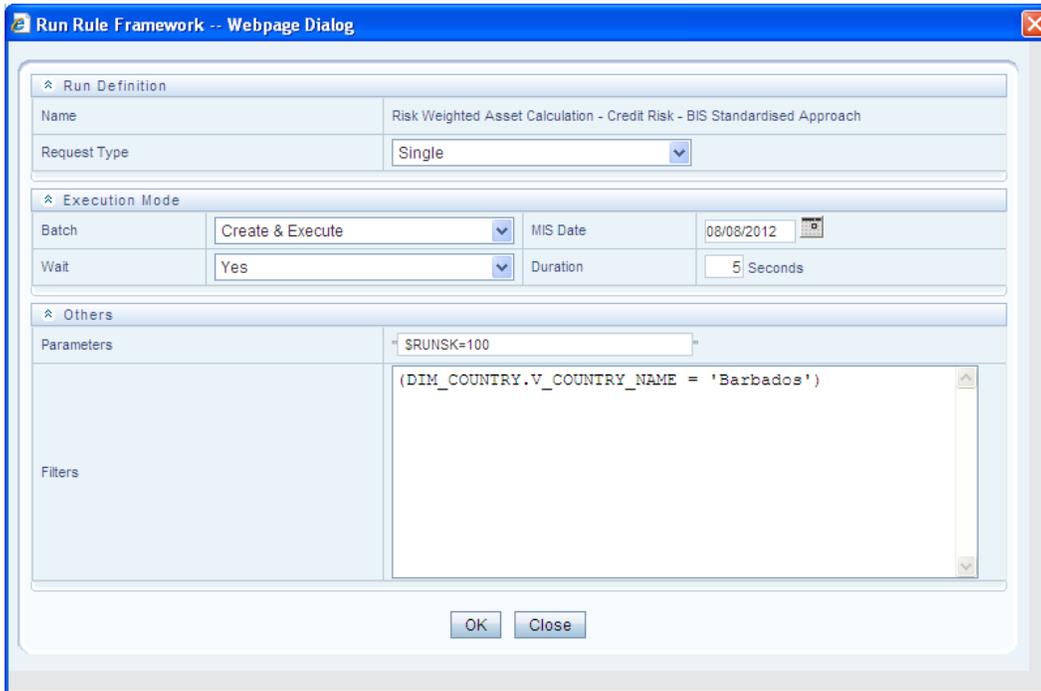
- Select the checkbox(s) adjacent to the available options.
- Click  button. The selected options are displayed in the Selected Trace Options pane. You can also select a trace option and click  button to deselect it from the Selected Trace Options pane.

Click **Export**. The process is initiated and is displayed in a pop-up specific to the current download. Once the pdf is generated, you can open / save the file from the *File Download* dialog. You can either save the file on the local machine or view the file contents in a PDF viewer. The downloaded PDF displays all the details such as Linked to, Properties, Master info, Audit Trail, List, and Comments of all the Run definitions selected.

Fire Run

The Fire Run feature in the *Run* screen facilitates you to execute a previously created Run. To execute a Run:

1. Select the checkbox adjacent to the Run Code which you want to execute.
2. Click  button in the List toolbar.
3. The *Fire Run* screen is displayed.



4. In the *Fire Run* screen, enter the field details as tabulated below:

Field Name	Description
Name	By default, this field displays the name of the selected Run.
Request Type	Select the request type either as Single or as Multiple from the drop down box. <i>Note: A Single request creates a Batch where as a Multiple request creates Batch group.</i>
Batch	Select the Batch either as Create or as Create & Execute.
MIS Date	Click  button and the Calendar is displayed. You can select the MIS Date from the calendar. This field is displayed only if you have selected Request Type as Multiple with any of the Batch mode or Request Type as Single with Batch mode as Create & Execute .
Wait	Select the Wait value either as Yes or as No . <ul style="list-style-type: none"> Select Yes to provide the Duration in seconds after which the Fire Run status should be displayed. Select No to display the Fire Run status immediately.
Duration	Enter the duration in seconds after which the Fire Run status should be displayed. <i>Note: This field is displayed only if you have selected the Wait value as Yes.</i>

Field Name	Description
Parameters	Enter the required parameters in the field provided. The parameter provided in this field is considered for Run execution.
Filters	Enter the filter details in the field provided. The filters provided in this field are considered for Run execution.

5. Click **OK**. The details are saved and the Run is executed as per the Fire Run details.

You can remove Run definition(s) which are no longer required in the system by deleting from *Run* screen, selecting the Run Codes whose details are to be removed and clicking the  icon.

System Configuration

System Administrators define the Servers, Database, and Information Domain along with the other Configuration processes such as segment and metadata mapping, hierarchy security, and designing the Infrastructure Menu functions. System Configuration is mostly a onetime activity which helps System administrator to make the Infrastructure system operational for usage. System Configuration activities should be performed by the infrastructure administrator using the admin credentials. To access System Configuration, you must be mapped to SYSADM function role within the Infrastructure system.

Segment/Metadata Mapping

Segment refers to a logically divided part of the whole object based on specific requirement. Segment/Metadata Mapping in the System Configuration section facilitates you to map/unmap the required business metadata definitions such as measures, hierarchies, cubes, and attributes to the selected segment within a specific Information Domain. Based on the mapping, users mapped to the segment are restricted to access only the relevant metadata to view and edit during metadata maintenance and information security.

Metadata Segment Mapping

Metadata Segment Mapping

Map Metadata

Information Domain: BASELINF2

User Segment: BASELSEG

Measure Hierarchy Cube Attribute

Available Metadata

- M0001-MSR - Non Sec Outstanding Principal
- M0001CRP-Original Exposure Pre Conversion Factors
- M0002CRP-Of Which Arising from Counterparty Credit Risk
- M0003CRP-Value Adjustments and Provisions Associated
- M0004CRP-Guarantees
- M0005-MSR - Non Sec Add On Percent
- M0005CRP-Credit Derivatives
- M0006-MSR - Non Sec Notional Principal
- M0006CRP-Financial collateral simple method
- M0007-MSR - Non Sec Current Exposure Amount
- M0007CRP-Other funded credit protection
- M0008-MSR - Non Sec Undrawn Amount
- M0008CRP-Total Outflows
- M0009-MSR - Non Sec CCF Percent
- M0009CRP-Total Inflows
- M0010CRP-Volatility adjustment to the exposure
- M0011-MSR - Non Sec Double Default Flag
- M0011CRP-Financial collateral adjusted value (Cvam)
- M0012-MSR - Non Sec Probability of Default
- M0012CRP-Volatility and maturity adjustments
- M0013-MSR - Non Sec Loss Given Default

Selected Metadata

No Metadata

Save

You (System Administrator) need to have SYSADM function role mapped to your role to access Segment/Metadata Mapping section. You can access *Segment/Metadata Mapping* in LHS menu of System Configuration. By default the *Metadata Segment Mapping* screen displays the Information Domain Name to which you are connected along with the metadata details of Measure.

Map Metadata Definitions

You can map/unmap the required business metadata definitions to a segment available within the selected Information Domain. To map the required metadata definitions, do the following:

1. Select the required User Segment from the drop-down list.
2. Select the required metadata definition as Measure, Hierarchy, Cube, or Attribute. The defined metadata are listed in the Available Metadata pane.
3. Map/Unmap the required metadata by doing the following:
 - To map a metadata, select the metadata from the *Available Metadata* list and click  button. The metadata is added to the *Selected Metadata* pane. You can press **Ctrl** key for multiple selections.
 - To map all the listed metadata definitions, click  button.
 - To remove a metadata mapping, select the metadata from the Selected Metadata list and click  button.
 - To remove the entire metadata mapping, click  button.
4. Click **Save** to save the metadata mapping details. The screen is refreshed displaying the mapping results.

5. Click **Show Details** to view the results in detail.

You can modify the mapping at any point and the mapping table is updated only on saving the mapping details. When a metadata definition such as measures, hierarchies, cubes, and attributes are removed from the Information Domain, the same is updated in the mappings table.

Administration

Administration facilitates system administrators to define the security framework with the capacity to restrict access to the data and metadata in the warehouse, based on a flexible, fine-grained access control mechanism. The document deals with Saving Metadata activity of the system administrator. For more information on the Administration related activities, refer to the OFS Basel Regulatory Admin Guide.

You (System Administrator/System Authorizer) need to have SYSATH, SYSADM, and METAAUTH function roles mapped to access the Administration framework within the Infrastructure system. Administration is available within the tree structure of left hand side (LHS) menu in the Infrastructure home page. Click + to expand and view the Administration sections in detail.

Save metadata

Save Metadata within the Infrastructure system facilitates you to resave the changes done to an authorized metadata for the selected Information Domain. When you resave metadata, all the existing metadata definitions are updated with the current changes along with the current modified date.

The screenshot shows the 'Metadata Resave' interface. At the top, the title is 'Metadata Resave'. Below it, there's a section for 'Metadata Details' with a dropdown arrow. Underneath, the 'Information Domain' is set to 'BASELINF2'. There are three radio buttons for metadata type: 'Hierarchy' (selected), 'Derived Entity', and 'Map'. The main area is split into two panes: 'Available Metadata' on the left and 'Selected Metadata' on the right. The 'Available Metadata' pane contains a list of metadata items such as 'Hedge In effective Pair', '100 pct RW for Corporates', 'AFC Indicator', 'Actual Business Days', 'Attribution Analysis Rule Change Indicator - Advance Appro', 'Attribution Analysis Rule Change Indicator - Simple Approach', 'Attribution to multiplication factor', 'Automatic Cancellable Facility', 'BCB - Backed by Mortgage', 'BCB - Financial Statement Disclosure Indicator', 'BCB - LTV Ratio', 'BCB - Non Sec OTC Indicator', 'BCB - Residual Maturity Band', 'BCB - Underlying Type', 'Balance Phase In Capital Component Group', 'Bank Base Role', 'Bank Cap Consl Approach', 'Bank Collateral Type', 'Bank Equity Issuer Type', and 'Bank Holds Debt of the Company'. There are three arrow buttons between the panes: a right-pointing arrow, a left-pointing arrow, and a double-headed arrow. At the bottom of the screen, there are 'Save' and 'Reset' buttons.

You (System Administrator) need to have SYSADM function role mapped to access the Metadata Authorization within the Administration framework of the Infrastructure system. The Metadata Resave screen displays the list of Available Metadata for Hierarchy (default) for the selected Information Domain. To resave metadata in the Metadata Resave screen:

1. Filter the metadata type by selecting Hierarchy, Derived Entity, or Map. The list of Available Metadata is populated. Do one of the following:

- Select the required metadata from the Available Metadata list and click  button. You can press Ctrl key for multiple selection.
- To select all the Available Metadata, click  button.
- You can also deselect a metadata by selecting from the Selected Metadata list and clicking  icon or deselect all the selected metadata by clicking  button.

2. Click **Save** and update the metadata changes.

Once the details are updated, you can click **Show Details** to view the status. You can also click **Reset** to clear the selection.

Utilities

Utilities refer to a set of additional tools which helps you to fine tune a defined process or maximize and ensure the security of a database based on your need. The Utilities within the Administration framework of Infrastructure system facilitates you to maintain the data in the Oracle database using the various administrative tools. You can define the user access permissions, batch securities, upload attributes, find metadata difference, and migrate source objects to target database.

You (System Administrator) need to have SYSADM function role mapped to access the Utilities section within the Infrastructure system. You can access Utilities section within the Administration framework under the tree structure of LHS menu.

UserGroup -Batch Execution Map

UserGroup-Batch Execution Map facilitates you to map the required UserGroup to the defined Batch(s) before you execute them from Batch Execution or Batch Scheduler screen. You can map multiple user groups of an Information Domain to different batches. If a user is mapped to multiple UserGroups, the combined list of batches mapped to these user groups is available in the Batch Execution or Batch Scheduler screen for execution.

The default UserGroup of a user who has created the batch has the maximum Precedence Value among the other UserGroups and is automatically mapped for execution. An explicit mapping of this UserGroup to the Batch is not required.

You (System Administrator) need to have SYSADM function role mapped to access the UserGroup-Batch Execution Map within the Utilities section of the Infrastructure system. The UserGroup-Batch Execution Map screen displays the list of defined Batches for the selected Information Domain along with the other details such as Batch Name and Batch Description. You can filter the list of defined batches which are created in Batch Maintenance, Advanced Analytics Infrastructure, or in Rules Framework. By default the list displays the batches defined in the Batch Maintenance screen. To Map UserGroup to the required Batch in the *UserGroup-Batch Execution Map* screen:

1. Select the Information Domain from the drop down list. By default, the screen displays the Information Domain to which you are connected.
2. Select the Groups from the drop down list. The list consists of all the User Groups mapped to the selected Information Domain. The screen is refreshed and the list of defined batches is populated.
3. You can also search for a specific user group by clicking Search and specifying the User Group Name in the User Maintenance-Search screen. Click OK.
4. Select the checkbox adjacent to Batch Maintenance (default), Advanced Analytics Infrastructure, or Rules Framework and filter the list of batches. You can also select ALL to list all the defined batches for the selected Information Domain.

5. Map UserGroup to Batch(s) by doing the following:
 - To map batch(s) to the selected UserGroup, select Batch Map checkbox.
 - To map all the batches to the selected UserGroup, click Check All.
 - You can also click Uncheck All to remove all the mapping.
6. Click Save to save the UserGroup-Batch mapping details.

Chapter 3 Basel Regulatory Capital IRB Approach Application

Overview

The Basel Regulatory Capital application has been designed to address the requirements of supporting multiple methodologies for capital computation. This application is comprehensive as it supports multiple approaches, across multiple jurisdictions, for different types of exposures. It supports flexibility in terms of the ease of change of computation rules, when Basel guidelines evolve. The Basel Regulatory Capital application encompasses Credit, Market, and Operational Risks and provides a detailed breakup of the Capital Requirements across Tier 1, 2, and 3.

The BIS has classified the requirements into the following three pillars:

- **Pillar I** –The Pillar I Capital is a combination of Credit Risk Capital, Market Risk Capital and Operational Risk Capital. OFSAA provides a comprehensive framework and a pre- packaged application to compute organization wide capital for Credit Risk, Market Risk, and Operational Risk
- **Pillar II** – This requirement concentrates on the transparency of the application. The Basel committee and the local regulators require all the systems that compute Pillar I Capital, to be transparent. This will allow them to view, understand, and audit all the computations that have been executed on the original risk contracts to compute the Pillar I capital. The Basel Regulatory Capital application is built to enable transparency and audit ability. The Basel Regulatory Capital application is pre-built on business terms such as Exposure at Default (EAD), Probability of Default (PD), Loss Given Default (LGD) allowing regulators and auditors to easily understand the application. The Basel Regulatory Capital Requirement application also generates a business catalog which can be traced online using a web browser. The audit trail feature ensures a complete track of the processes executed on the system and the data or metadata that was modified.
- **Pillar III** – This requirement is built to meet the disclosure requirements of an organization. The main objective here is to ensure that the organization provides enough information to the market and regulators about their risk profile on an ongoing basis. A critical suggestion by the Basel committee is the ability to ask for new disclosure reports as is necessary by the local regulators. The OFSAA reporting framework provides an easy to use Graphic User Interface (GUI) screen to design new reports or modify existing reports.

The application supports the computation of Capital Adequacy Ratio (CAR) as per the guidelines laid out in the BIS (Basel I, Basel II, and Basel III), India, USA, Islamic Banking, Brazilian, and CBRC jurisdictions. Each of the jurisdictional requirements has been broken down into multiple approaches. For example: the Credit Risk RWA computation is broken down into Credit Risk for non securitized exposures adopting Standardized approach, Credit Risk for non securitized exposures adopting Foundation Internal Rating Based approach or Credit Risk for non securitized exposures adopting Advanced Internal Rating Based approach. A Run is defined to address a single approach or a combination of approaches. For more information on the pre-defined Runs configured in the application, refer to the Run Chart.

Scope of the Application

The Oracle Financial Services (OFS) Basel Regulatory Capital application is categorized into two versions: OFS Basel Regulatory Capital Basic and OFS Basel Regulatory Capital Internal Rating Based Approach. OFS Basel Regulatory Capital Basic supports the Standardized approach and its variants for the BIS Jurisdiction, Standardized approach for the Indian, Islamic Banking, Brazilian, and CBRC Jurisdictions. OFS Basel Regulatory Capital Internal Ratings Based Approach is based on the approaches supported by the OFS Basel Regulatory Capital Basic Application as well as the Advanced approaches for BIS, USA, and CBRC Jurisdictions.

The versions of the guidelines supported by the Oracle Financial Services Basel Regulatory Capital Internal Rating Based (IRB) Approach application, Release 6.0.0.0.0 are as follows:

- **BIS Jurisdiction:** For the BIS jurisdiction, the following approaches for Risk Weighted Assets (RWA) and Capital Adequacy Ratio computations are supported:

Basel I

- Credit Risk
 - Non Securitization – Standardized Approach
- Capital Structure

Basel II and Basel III

- Credit Risk
 - Non Securitization – Standardized Approach
 - Non Securitization– Foundation Internal Rating-Based (IRB) Approach
 - Non Securitization – Advanced IRB Approach
 - Securitization - Standardized Approach
 - Securitization - IRB Approach
- Market Risk
 - Market Risk – Standardized Approach
 - Market Risk – Internal Model Method (IMM) Approach
- Operational Risk
 - Operational Risk – Basic Indicator Approach
 - Operational Risk – Standardized Approach
 - Operational Risk – Alternate Standardized Approach
- **Indian Jurisdiction:** In the Indian jurisdiction, the following approaches for RWA and Capital Adequacy Ratio computation are supported:
 - Credit Risk
 - Non Securitization – Standardized Approach
 - Securitization - Standardized Approach
 - Market Risk
 - Market Risk – Standardized Approach
 - Operations Risk
 - Operational Risk – Basic Indicator approach
 - Capital Structure
- **USA Jurisdiction:** In the jurisdiction of the USA, the following approaches for RWA and Capital Adequacy Ratio computation are supported:
 - Credit Risk
 - Non Securitization – Advanced IRB Approach
 - Equity – Simple Risk Weighted Approach

- Equity – Internal Models Approach
 - Equity – Simple Modified Look Through Approach
 - Equity – Alternative Modified Look Through Approach
 - Equity – Full Look Through Approach
 - Securitization - IRB Approach
- Capital Structure
- **Islamic Banking:** In the jurisdiction of Islamic Banking the following approaches for RWA and Capital Adequacy Ratio computation are supported:
 - Credit Risk
 - Non Securitization – Standardized Approach
 - Securitization - Standardized Approach
 - Market Risk
 - Market Risk – Standardized Approach
 - Operations Risk
 - Operational Risk – Basic Indicator approach
 - Capital Structure
 - Supervisory Discretionary Formula
- **Brazilian Jurisdiction:** In the jurisdiction of Brazil the following approaches for RWA and Capital Adequacy Ratio computation are supported:
 - Credit Risk
 - Non Securitization – Standardized Approach
 - Market Risk
 - Market Risk – Standardized Approach
 - Operations Risk
 - Operational Risk – Basic Indicator approach
 - Operational Risk – Alternative Standardized Approach
 - Operational Risk – Simplified Alternative Standardized Approach
 - Capital Structure
- **CBRC Jurisdiction:** In the jurisdiction of CBRC the following approaches for RWA and Capital Adequacy Ratio computation are supported:
 - Credit Risk
 - Non Securitization – Foundation Internal Ratings Based Approach
 - Securitization - Foundation Internal Ratings Based Approach
 - Market Risk
 - Market Risk – Standardized Approach
 - Operations Risk

- Operational Risk – Standardized Approach
 - Capital Structure

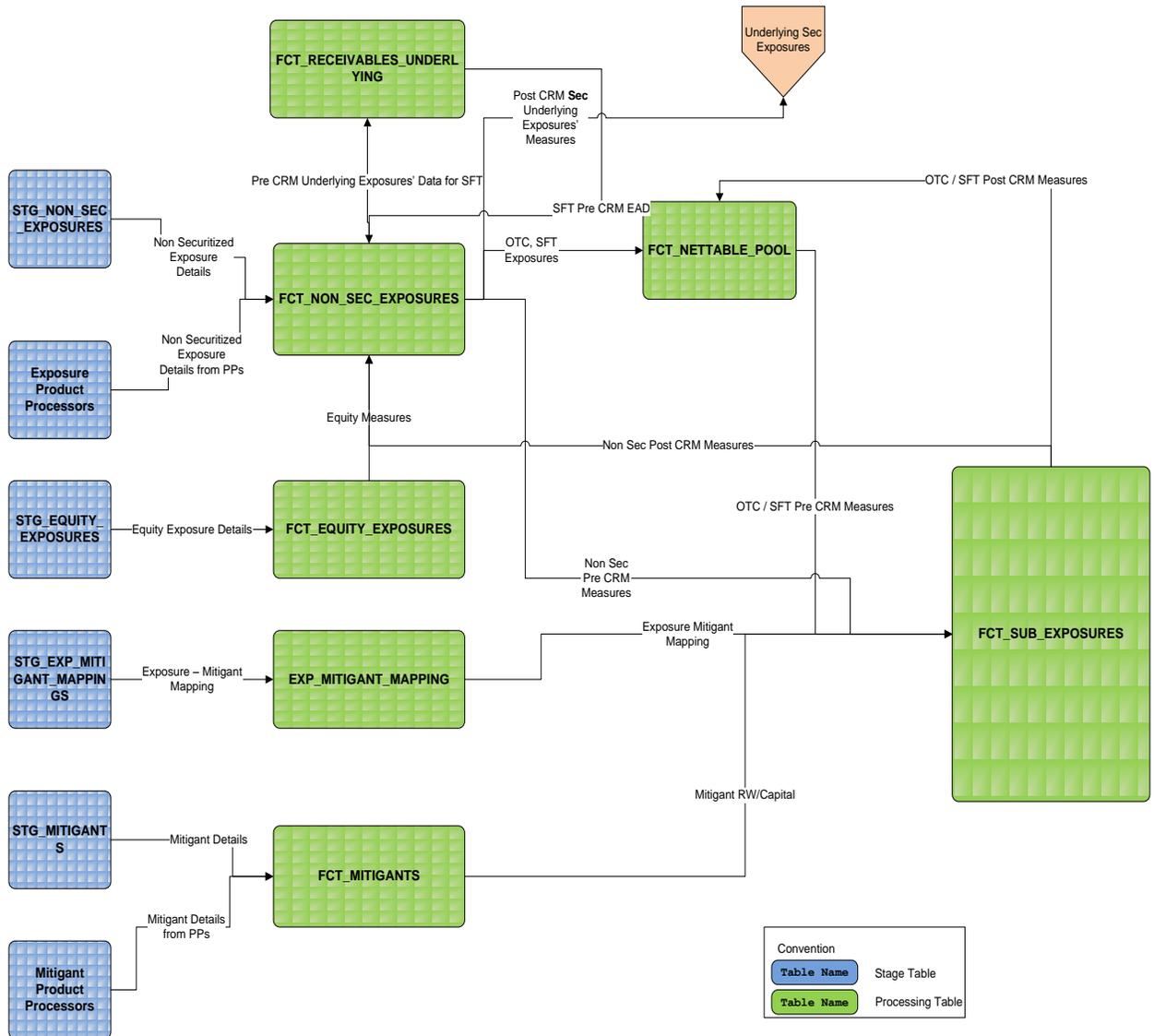
The versions of the guidelines supported by the Oracle Financial Services Basel Regulatory IRB Approach application, Release 6.0 are as follows:

- BIS Jurisdiction: *International Convergence of Capital Measurement and Capital Standards*, June 2006.
- Basel III: A global regulatory framework for more resilient banks and banking systems, Dec 2010
- India Jurisdiction: RBI-Final Guidelines of April 2007 and Amendments to Final Guidelines issued in March 2008.
- USA Jurisdiction: US Final Rules issued in December 2007.
- Islamic Banking Jurisdiction: IFSB: Capital Adequacy Framework issued in December 2005 and January 2009.
- Brazilian Jurisdiction: Circulars issued by Banco Central Do Brasil which are as follows:
 - CIRCULAR 3.360: Credit Risk issued in December 2007
 - CIRCULAR 3.383: Operational Risk issued in April 2008
 - CIRCULAR 3.361, 3.362, 3.363, 3.364, 3.366, 3.368 and 3.3369: Market Risk issued in September 2007
 - CMN Resolutions 3.490: Capital Requirement issued in August 2007.
 - CBRC Jurisdiction: Supervisory guidelines on Capital Adequacy Ratio of Commercial Banks issued by the China Banking Regulatory Commission (CBRC) for Basel II adoption in Chinese Banks on 1st October 2008.

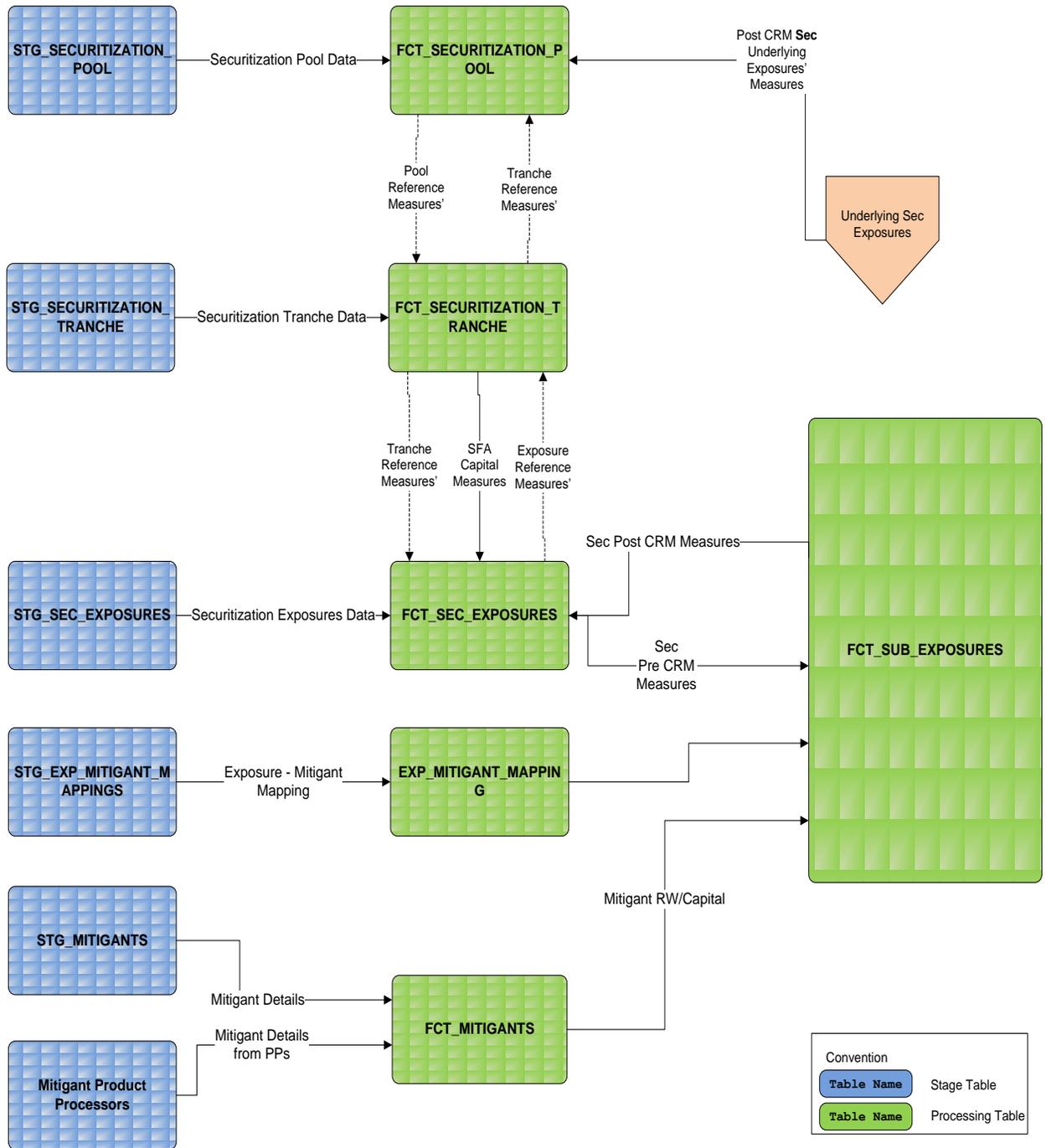
Process Flow

On execution of the Runs, data flows from the relevant Stage tables to the FCT tables (where computational output is stored). The following diagrams are a representation of this data flow, categorized as per the Basel III approaches and in the order of computation of these approaches.

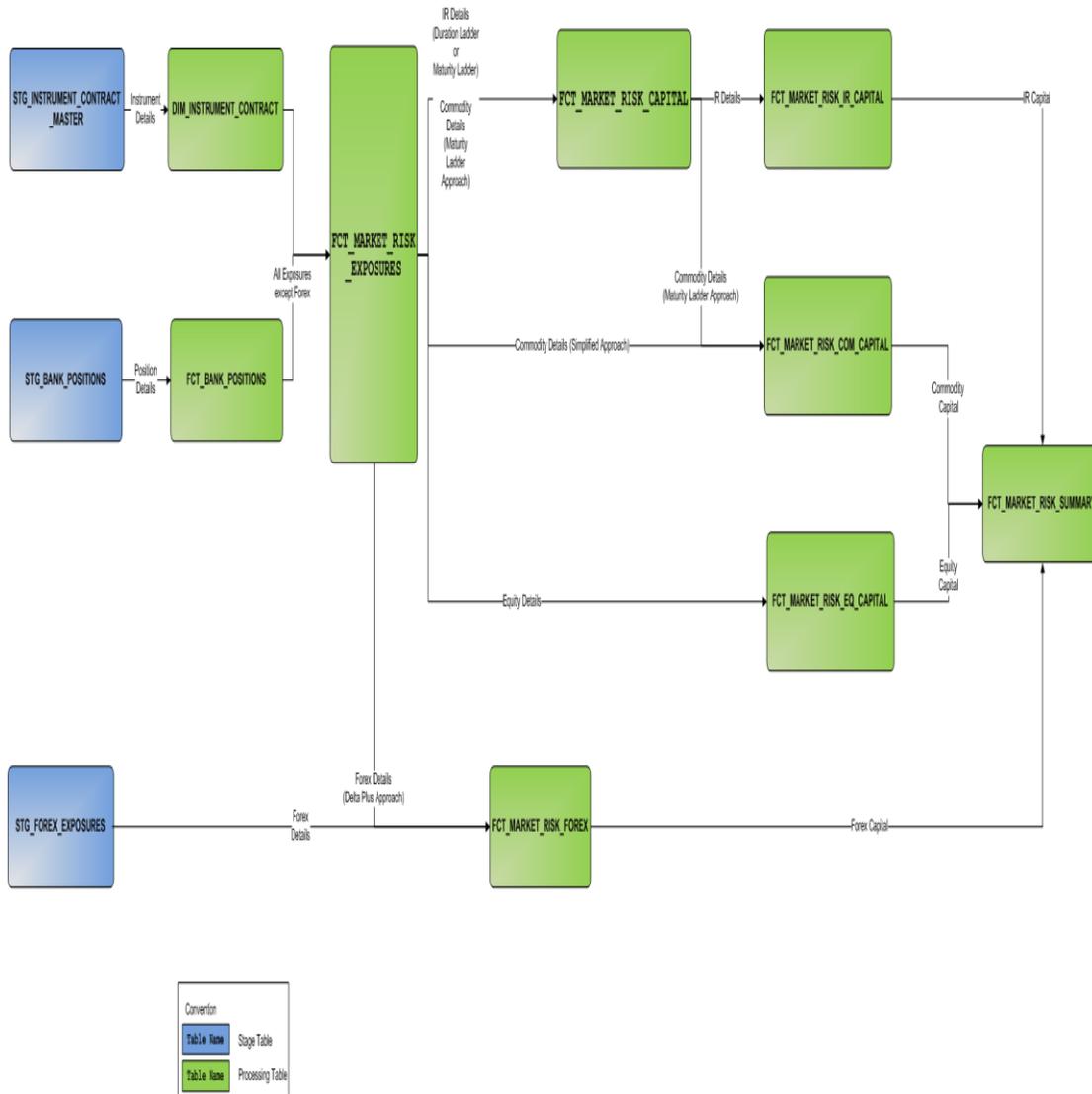
Non Securitized Exposures



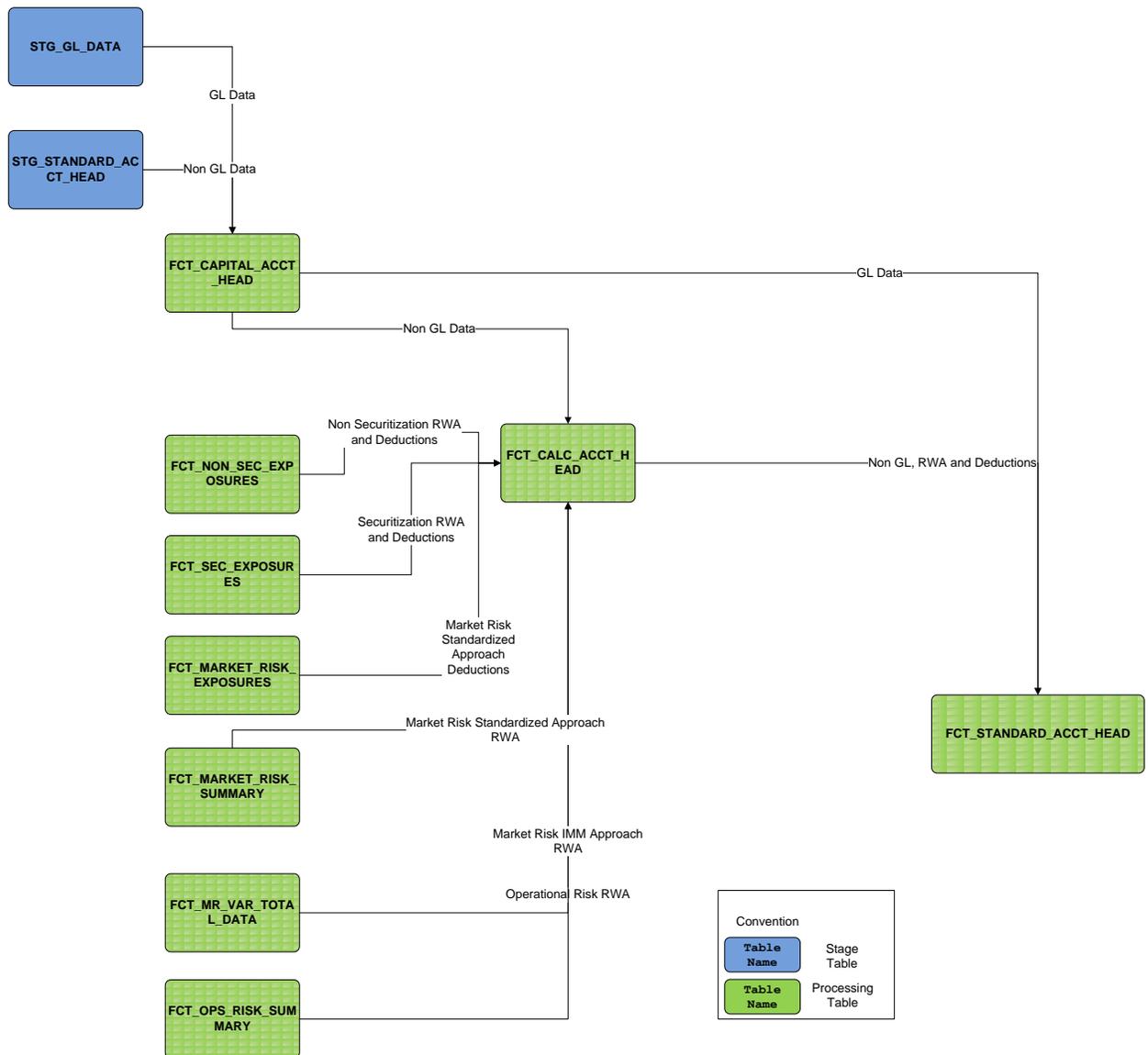
Securitized Exposures



Market Risk Exposures



Capital Structure



Attribution Analysis

Attribution Analysis is increasingly becoming the requirement of advanced markets complying with the Basel Accord. Hence, we have incorporated this component into the Oracle Financial Services Basel Regulatory Capital application Release 6.0.0.0.0. Attribution Analysis is the technique to quantify the change in the Capital Adequacy Ratio (CAR) in relation to Risk Weighted Assets (RWA) computation and the Eligible Capital on a given date against the previous baseline date. Attribution Analysis is a key management tool for senior management in regulatory capital analysis and planning.

Risk Weighted Assets

Analysis for change in RWA is classified into the following based on the risk types:

- Credit RWA
- Market RWA

- Operational RWA

Credit RWA

The Basel Regulatory Capital application has the ability to perform attribution of changes in Credit RWA based on the following approaches:

- Simplified Approach: In this approach, individual exposures in the application Runs are computed based on the following sub-portfolios:
 - Book Type – Banking book or Trading book
 - Credit Risk Type – Non-Securitized or Securitized
 - Basel II Approach – Standardized or IRB
 - Basel II (Sub-Approach) – FIRB, AIRB, and so on.
 - Currency
 - Asset Class
 - Basel II Product Type

Attribution Analysis is then performed for the above mentioned sub portfolios based on the following control variables:

- Business Growth: Amount of business growth is calculated as change in EAD Post Mitigation amount in Natural Currency (NCY) multiplied by the applicable risk weight in the latest Run from the baseline Run. This amount is then converted into the reporting currency as per the applicable currency rate.
- Risk Migration: Attribution of risk migration is calculated as change in average Risk Weight Post Mitigation multiplied by the EAD in the latest Run from the baseline run. This amount is then converted into the reporting currency as per applicable currency rate.
- Foreign Exchange Rate change: Percentage attribution of foreign exchange rate change is calculated as percentage change in exchange rate for the portfolio currency between the two MIS dates. This amount is then converted into the reporting currency as per applicable currency rate
- Multiplication Factor: A residual change in the Credit RWA which occurs due to the interaction between the control variables mentioned above and which cannot be directly attributed to any of these variables is assigned a Multiplication Factor control variable. Its value is calculated as the difference between actual change in Credit RWA and sum of percentage change in the first three control variables.
- Advanced Approach: In this approach, the analysis is performed at the exposure-level granularity and aggregated to higher levels. Under the Advanced approach, Attribution Analysis is performed at an individual exposure level. Attribution analysis for the exposures which exist in both the current and baseline application Runs are performed based on the following control variables:
 - Foreign Exchange Rate Change: Percentage attribution of Foreign Exchange Rate change is calculated as percentage change in exchange rate for the portfolio currency between the two MIS dates.
 - Credit Quality Migration: Credit Quality Migration analysis, before application of any credit risk mitigation techniques, is further divided into the following:
 - Probability of Default (PD) Migration: The calculations performed to compute this attribute value are as follows:
 - Re-calculate capital required (K) using PD of the latest Run and LGD and M from the baseline Basel Run.

- Find the percent change between capital required (K) of the latest Run and above calculated K.
- Loss Given Default (LGD) Migration: The calculation performed to compute this attribute value are as follows:
 - Re-calculate capital required (K) using LGD of the latest Run and PD and M from the baseline Basel Run.
 - Find the percent change between capital required (K) of the latest Basel Run and above calculated K.
- Effective Maturity (M) Migration: The following calculation is performed to find the attribution value:
 - Re-calculate capital required (K) using M of the latest Basel Run and PD and M from the baseline Basel Run.
 - Find the percent change between capital required (K) of the latest Basel Run and above calculated K.
- Residual Factor - The residual change in the Capital Required (K) which occurs due to the interaction between PD, LGD and M and cannot be directly attributed to any of them is assigned a Residual Factor control variable. Its value is calculated as the difference between actual percentage change in Capital Required (K) and sum of percentage change in PD, LGD, and M.

NOTE: In addition to the above, for Credit Risk Migration, effect of the Credit Risk Mitigants is calculated as percentage change in risk weights after application of Credit Risk Mitigation techniques.

- Exposure or Exposure at default (EAD): Attribution of Exposure or EAD is calculated as change in EAD Post Mitigation amount in the latest Run from the baseline Run. This amount is then converted into the Reporting currency as per applicable currency rate
- Multiplication Factor: The residual change in the Credit RWA which occurs due to the interaction between the above three control variables and which cannot be directly attributed to any of them is assigned a Multiplication Factor control variable. Its value is calculated as difference between actual percentage change in Credit RWA and sum of percentage change in first three control variables.

The attribution of exposures which matures during the timeframe between the two Basel Runs, that is; exposures present only in the baseline Run for credit RWA is calculated as follows:

RWA of matured exposures from baseline Run ÷ Total RWA of latest Run.

The attribution of exposures which increases during the timeframe between the two Basel Runs, that is; exposures present only in the latest Run for credit RWA is calculated as follows:

RWA of new exposures from latest run ÷ Total RWA of latest run.

For all securitized assets, credit risk migration analysis is done only between Pre- CRM and Post-CRM. Pre-CRM is divided into PD, LGD, or M migration. Also, when Advanced Attribution Analysis Run is executed for Basel Runs, with Standardized Approach for Credit Risk computation, PD, LGD, or M migration is not calculated.

Market RWA

Attribution analysis for changes in Market RWA is computed for the following control variables, which are essentially the different approaches used for arriving at the RWA. Computation on each control variable is further divided based on the risk types as follows:

- Standardized Approach

- Interest Rate Risk
 - Specific Risk
 - General Market Risk
- Equity Risk
 - Specific Risk
 - General Market Risk
- Commodity Risk
- Foreign Exchange Risk
- Internal Model Method
 - Value at Risk
 - Stressed Value at Risk
 - Incremental Risk Charge
 - Comprehensive Risk Measure

Percentage attribution for RWA is calculated as percentage change in Market RWA between the two Basel Runs for each approach and risk type.

Operational RWA

Attribution analysis for changes in Operational RWA is computed for the following control variables, which are the different approaches used for arriving at the RWA:

- Basic Indicator Approach
- Standardized Approach
- Advanced Measurement Approach

Percentage attribution for RWA is calculated as percentage change in Operational RWA between the latest and the baseline runs for each approach.

Eligible Capital

The application computes the attribution of changes in Eligible Capital from one period to the next period with the following control variables:

- Tier 1 capital, components and deductions
- Tier 2 capital, components and deductions
- Tier 3 capital and components

NOTE: Attribution Analysis is computed at the most granular level in case of attribution of Eligible Capital.

- For more information the Attribution Analysis screen, refer to *Run_parameters setup* for Run creation

If the Run is not created through Run Management UI, the **usr_defined_run_parameters** table needs to be setup manually for the selected options/approaches for a particular regulation and segment. The column names and values that need to be updated for the selected option are given in the below table:

Regulation: Basel

Segment: IFSB

Approach Hierarchy	Selected Option	run_parameters column name	run_parameters column value
Non Securitization Standardized Claims on Sovereign Use ECA Country Scores for risk weighting claims on Sovereign	Yes	v_nss_eca_for_sovereign	OPT0004
	No		OPT0005
Non Securitization Standardized ○Claims on PSE Option used for claims on domestic PSEs	Option I	v_nss_rw_option_dpse	OPT0008
	Option II		OPT0008
Non Securitization Standardized ○Claims on Bank Option for risk-weighting claims on IIFS	Option I	v_nss_rw_option_bank	OPT0012
	Option II		OPT0013
Non Securitization Standardized ○Claims on Corporate Supervisor permission to risk weight all corporate claims at 100% without regard to External	Yes	v_nss_100pct_rw_corp	OPT0016
	No		OPT0017
Non Securitization Standardized ○Equity Exposures In Banking Book Option for risk-weighting Equity Exposures In Banking Book	Simple Risk Weight Method	v_nss_equity_approach	OPT0034
	Slotting Method		OPT0035
Non Securitization Standardized ○CRM Approach for Banking Book	Collateral Simple Approach	V_CRM_METHOD	OPT0053
	Collateral Comprehensive Approach		OPT0054
Non Securitization Standardized ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
	Own Estimate		OPT0057
Securitization Standardized	N/A	v_sec_approach	OPT0500
Standardized Approach ○Commodity Risk	Commodity Risk	v_mrs_commodity_risk_method	OPT1008
	Maturity Ladder Approach		OPT1009

Segment: CBRC

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization FIRB ○Explicit Maturity Adjustment under FIRB Approach Use of Explicit Maturity Adjustment under FIRB Approach	Yes	v_nfir_explicit_mat_adj	OPT0203
	No		OPT0204
Non Securitization FIRB ○Purchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0207
	Bottom Up		OPT0208
Non Securitization FIRB ○Purchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immaterial	OPT0210
	No		OPT0211
Non Securitization FIRB ○Purchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0213
	No		OPT0214

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization FIRB oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0216
	Own Estimate		OPT0217
Non Securitization FIRB oSFT	Simple Approach	v_ns_sft_method	OPT0224
	IMM		OPT0225
	VaR Model		OPT0226
Non Securitization FIRB oOTC	CEM	v_ns_otc_method	OPT0228
	IMM		OPT0229
	Standard Approach		OPT0230
Non Securitization FIRB oLong Settlement Transactions	CEM	v_ns_lst_approach	OPT0232
	IMM		OPT0233
	Standard Approach		OPT0234
Non Securitization FIRB oSpecialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0241
	No		OPT0242
Non Securitization FIRB oEquity	IMM Approach	v_nir_equity_approach	OPT0245
	Simple Risk Weight Approach		OPT0246
	PD - LGD Approach		OPT0247
Securitization - Internal Rating Based Approach	N/A	v_sec_approach	OPT0608
Standardized Approach oInterest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
	General Market Risk-Maturity Method		OPT1004
Standardized Approach oCommodity Risk	Simplified Approach	v_mrs_commodity_risk_method	OPT1008
	Maturity Ladder Approach		OPT1009
Standardized Approach oOptions	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Segment: INDIA

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization Standardized oSFT	Simple Approach	v_ns_sft_method	OPT0037
Non Securitization Standardized oOTC	CEM	v_ns_otc_method	OPT0041
Non Securitization Standardized oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
Securitization Standardized	N/A	v_sec_approach	OPT00500

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Standardized Approach ○Interest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
Standardized Approach ○Options	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Segment: BRAZIL

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization ○CRM Approach for Banking Book	Collateral Simple Approach	v_crm_method	OPT0053

Regulation: Basel II

Segment: BIS

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization Standardized ○Claims on Sovereign Use ECA Country Scores for risk weighting claims on Sovereign	Yes	v_nss_eca_for_sovereign	OPT0004
	No		OPT0005
Non Securitization Standardized ○Claims on PSE Option used for claims on domestic PSEs	Option I	v_nss_rw_option_dpse	OPT0008
	Option II		OPT0009
Non Securitization Standardized ○Claims on Bank Option for risk-weighting claims on Banks	Option I	v_nss_rw_option_bank	OPT0012
	Option II		OPT0013
Non Securitization Standardized ○Claims on Corporates Supervisor permission to risk weight all corporate claims at 100% without regard to external rating	Yes	v_nss_100pct_rw_corp	OPT0016
	No		OPT0017
Non Securitization Standardized ○Claims Secured by Commercial Real Estate Has the national supervisor permitted a lower RW for certain commercial real estate	Yes	v_nss_lower_rw_cre	OPT0020
	No		OPT0021
Non Securitization Standardized ○Past Due Past due treatment for non-past due loans to counterparties subject to a 150% RW	Yes	v_nss_pastdue_for_non_pastdue	OPT0024
	No		OPT0025
Non Securitization Standardized ○Use of 0% RW for Gold Bullion held in own vaults or on allocated basis	Yes	v_nss_0_rw_for_gold	OPT0027
	No		OPT0028
Non Securitization Standardized ○Use of borrower's domestic currency rating for exposure in foreign exchange transactions	Yes	v_nss_borrower_ccy_rat_mdb	OPT0030
	No		OPT0031
Non Securitization Standardized ○SFT	Simple Approach	v_ns_sft_method	OPT0037
	IMM		OPT0038
	VaR Model		OPT0039
Non Securitization Standardized	CEM		OPT0041

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
oOTC	IMM	v_ns_otc_method	OPT0042
	Standard Approach		OPT0043
Non Securitization Standardized oLong Settlement Transactions	CEM	v_ns_lst_approach	OPT0045
	IMM		OPT0046
	Standard Approach		OPT0047
Non Securitization Standardized oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
	Own Estimate		OPT0057
Non Securitization FIRB oExplicit Maturity Adjustment under FIRB Approach Use of Explicit Maturity Adjustment under FIRB Approach	Yes	v_nfir_explicit_mat_adj	OPT0203
	No		OPT0204
Non Securitization FIRB oPurchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0207
	Bottom Up		OPT0208
Non Securitization FIRB oPurchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immateral	OPT0210
	No		OPT0211
Non Securitization FIRB oPurchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0213
	No		OPT0214
Non Securitization FIRB oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0216
	Own Estimate		OPT0217
Non Securitization FIRB oSFT	Simple Approach	v_ns_sft_method	OPT0224
	IMM		OPT0225
	VaR Model		OPT0226
Non Securitization FIRB oOTC	CEM	v_ns_otc_method	OPT0228
	IMM		OPT0229
	Standard Approach		OPT0230
Non Securitization FIRB oLong Settlement Transactions	CEM	v_ns_lst_approach	OPT0232
	IMM		OPT0233
	Standard Approach		OPT0234
Non Securitization FIRB oSpecialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0241
	No		OPT0242
Non Securitization FIRB oEquity	IMM Approach	v_nir_equity_approach	OPT0245
	Simple Risk Weight Approach		OPT0246
	PD - LGD Approach		OPT0247
Non Securitization AIRB oPurchase Receivables	Top Down	v_nir_default_risk_app	OPT0303
			OPT0304

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Default Risk Approach	Bottom Up		
Non Securitization AIRB oPurchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immateral	OPT0306
	No		OPT0307
Non Securitization AIRB oPurchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0309
	No		OPT0310
Non Securitization AIRB oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0312
	Own Estimate		OPT0313
Non Securitization AIRB oSFT	Simple Approach	v_ns_sft_method	OPT0320
	IMM		OPT0321
	VaR Model		OPT0322
Non Securitization AIRB oOTC	CEM	v_ns_otc_method	OPT0324
	IMM		OPT0325
	Standard Approach		OPT0326
Non Securitization AIRB oLong Settlement Transactions	CEM	v_ns_lst_approach	OPT0328
	IMM		OPT0329
	Standard Approach		OPT0330
Non Securitization AIRB oSpecialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0337
	No		OPT0338
Non Securitization AIRB oEquity	IMM Approach	v_nir_equity_approach	OPT0341
	Simple Risk Weight Approach		OPT0342
	PD - LGD Approach		OPT0343
Securitization Standardized	N/A	v_sec_approach	OPT0500
Securitization - Rating Based Approach	N/A	v_sec_approach	OPT0601
Securitization - Internal Assessment Approach	N/A	v_sec_approach	OPT0604
Securitization - Internal Rating Based Approach	N/A	v_sec_approach	OPT0608
Securitization - Supervisory Formula Approach oUsage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0611
	No		OPT0612
Securitization - Internal Rating Based Approach oUsage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0614
	No		OPT0615
Standardized Approach oInterest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
	General Market Risk-Maturity Method		OPT1004

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Standardized Approach ○Commodity Risk	Simplified Approach	v_mrs_commodity_risk_method	OPT1008
	Maturity Ladder Approach		OPT1009
Standardized Approach ○Options	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Regulation: Basel III

Segment: BIS

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization Standardized ○Claims on Sovereign Use ECA Country Scores for risk weighting claims on Sovereign	Yes	v_nss_eca_for_sovereign	OPT0004
	No		OPT0005
Non Securitization Standardized ○Claims on PSE Option used for claims on domestic PSEs	Option I	v_nss_rw_option_dpse	OPT0008
	Option II		OPT0009
Non Securitization Standardized ○Claims on Bank Option for risk-weighting claims on Banks	Option I	v_nss_rw_option_bank	OPT0012
	Option II		OPT0013
Non Securitization Standardized ○Claims on Corporates Supervisor permission to risk weight all corporate claims at 100% without regard to external rating	Yes	v_nss_100pct_rw_corp	OPT0016
	No		OPT0017
Non Securitization Standardized ○Claims Secured by Commercial Real Estate Has the national supervisor permitted a lower RW for certain commercial real estate	Yes	v_nss_lower_rw_cre	OPT0020
	No		OPT0021
Non Securitization Standardized ○Past Due Past due treatment for non-past due loans to counterparties subject to a 150% RW	Yes	v_nss_pastdue_for_nonpastdue	OPT0024
	No		OPT0025
Non Securitization Standardized ○Use of 0% RW for Gold Bullion held in own vaults or on allocated basis	Yes	v_nss_0_rw_for_gold	OPT0027
	No		OPT0028
Non Securitization Standardized ○Use of borrower's domestic currency rating for exposure in foreign exchange transactions	Yes	v_nss_borrower_ccy_rat_mdb	OPT0030
	No		OPT0031
Non Securitization Standardized ○SFT	Simple Approach	v_ns_sft_method	OPT0037
	IMM		OPT0038
	VaR Model		OPT0039
Non Securitization Standardized ○OTC	CEM	v_ns_otc_method	OPT0041
	IMM		OPT0042

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
	Standard Approach		OPT0043
Non Securitization Standardized ○Long Settlement Transactions	CEM	v_ns_lst_approach	OPT0045
	IMM		OPT0046
	Standard Approach		OPT0047
Non Securitization Standardized ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
	Own Estimate		OPT0057
Non Securitization Standardized ○Credit Value Adjustments CVA Standardized Approach	N/A	V_CVA_METHOD	OPT0060
Non Securitization Standardized ○Credit Value Adjustments CVA Standardized Approach Include SFTs for CVA calculation	Yes	V_CVA_INCLUDE_SFT	OPT0062
	No		OPT0063
Non Securitization Standardized ○Credit Value Adjustments CVA Standardized Approach CDS Index Needs to be decomposed	Yes	V_CVA_CDS_INDEX_DECOMPOSITION	OPT0065
	No		OPT0066
Non Securitization FIRB ○Explicit Maturity Adjustment under FIRB Approach Use of Explicit Maturity Adjustment under FIRB Approach	Yes	v_nfir_explicit_mat_adj	OPT0203
	No		OPT0204
Non Securitization FIRB ○Purchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0207
	Bottom Up		OPT0208
Non Securitization FIRB ○Purchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immaterial	OPT0210
	No		OPT0211
Non Securitization FIRB ○Purchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0213
	No		OPT0214
Non Securitization FIRB ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0216
	Own Estimate		OPT0217
Non Securitization FIRB ○SFT	Simple Approach	v_ns_sft_method	OPT0224
	IMM		OPT0225
	VaR Model		OPT0226
Non Securitization FIRB ○OTC	CEM	v_ns_otc_method	OPT0228
	IMM		OPT0229
	Standard Approach		OPT0230
Non Securitization FIRB	CEM		OPT0232

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
○Long Settlement Transactions	IMM	v_ns_lst_approach	OPT0233
	Standard Approach		OPT0234
Non Securitization FIRB ○Specialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0241
	No		OPT0242
Non Securitization FIRB ○Equity	IMM Approach	v_nir_equity_approach	OPT0245
	Simple Risk Weight Approach		OPT0246
	PD - LGD Approach		OPT0247
Non Securitization FIRB ○Credit Value Adjustments	CVA Standardized Approach	V_CVA_METHOD	OPT0261
	CVA Internal Model Method Approach		OPT0262
Non Securitization FIRB ○Include SFTs for CVA calculation	Yes	V_CVA_INCLUDE_SFT	OPT0264
	No		OPT0265
Non Securitization FIRB ○CDS Index Needs to be decomposed	Yes	V_CVA_CDS_INDEX_DECOM POSITION	OPT0267
	No		OPT0268
Non Securitization AIRB ○Purchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0303
	Bottom Up		OPT0304
Non Securitization AIRB ○Purchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immaterial	OPT0306
	No		OPT0307
Non Securitization AIRB ○Purchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables	Yes	v_nir_1yr_mat_corp_pr	OPT0309
	No		OPT0310
Non Securitization AIRB ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0312
	Own Estimate		OPT0313
Non Securitization AIRB ○SFT	Simple Approach	v_ns_sft_method	OPT0320
	IMM		OPT0321
	VaR Model		OPT0322
Non Securitization AIRB ○OTC	CEM	v_ns_otc_method	OPT0324
	IMM		OPT0325
	Standard Approach		OPT0326
Non Securitization AIRB	CEM		OPT0328

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
○Long Settlement Transactions	IMM	v_ns_lst_approach	OPT0329
	Standard Approach		OPT0330
Non Securitization AIRB ○Specialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0337
	No		OPT0338
Non Securitization AIRB ○Equity	IMM Approach	v_nir_equity_approach	OPT0341
	Simple Risk Weight Approach		OPT0342
	PD - LGD Approach		OPT0343
Non Securitization AIRB ○Credit Value Adjustments	CVA Standardized Approach	V_CVA_METHOD	OPT0361
	CVA Internal Model Method Approach		OPT0362
Non Securitization AIRB ○Include SFTs for CVA calculation	Yes	V_CVA_INCLUDE_SFT	OPT0364
	No		OPT0365
Non Securitization AIRB ○CDS Index Needs to be decomposed	Yes	V_CVA_CDS_INDEX_DECOM POSITION	OPT0367
	No		OPT0368
Securitization Standardized	N/A	v_sec_approach	OPT0500
Securitization - Rating Based Approach	N/A	v_sec_approach	OPT0601
Securitization - Internal Assessment Approach	N/A	v_sec_approach	OPT0604
Securitization - Internal Rating Based Approach	N/A	v_sec_approach	OPT0608
Securitization - Supervisory Formula Approach ○Usage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0611
	No		OPT0612
Securitization - Internal Rating Based Approach ○Usage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0614
	No		OPT0615
Standardized Approach ○Interest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
	General Market Risk-Maturity Method		OPT1004
Standardized Approach ○Commodity Risk	Simplified Approach	v_mrs_commodity_risk_method	OPT1008

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
	Maturity Ladder Approach		OPT1009
Standardized Approach ○Options	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Regulation: US Final Rules

Segment: USA

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
CRM (For Single Counterparty)	If CRM is selected for Single Counterparty run	F_CRM_REQ_SINGLE_PARTY	CRM SC
Non Securitization IRB ○Equity Equity Exposures - Non-Investment Funds	IMM Approach	v_nir_eq_non_invst_fund_app	OPT0061
	Simple Risk Weight Approach		OPT0062
Non Securitization IRB ○Equity Equity Exposures - Investment Funds (In conjunction with Money Market Fund Approach)	Simple Modified Look Through Approach	v_nir_eq_invst_fund_app	OPT0064
	Alternate Modified Look Through Approach		OPT0065
	Full Look Through Approach		OPT0066
Non Securitization IRB ○SFT	Collateral Haircut Approach	v_ns_sft_method	OPT0070
	Internal Model Method		OPT0071
	VaR Models Approach		OPT0072
Non Securitization IRB ○OTC	Current Exposure Method	v_ns_otc_method	OPT0074
	Internal Model Method		OPT0075
Non Securitization IRB ○SFT Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0067
	Own Estimate		OPT0068
Non Securitization IRB ○CRM Credit derivatives and guarantees	PD Substitution Approach	v_crm_guar_and_cd_approach	OPT0081
	LGD Adjustment Approach		OPT0082
Non Securitization IRB ○CRM SFT Collateral	Comprehensive Approach	v_crm_collateral_approach	OPT0083
	LGD Adjustment Approach		OPT0084
Non Securitization IRB ○CRM OTC Collateral	Comprehensive Approach	v_crm_collateral_approach_otd	OPT0085
	LGD Adjustment Approach		OPT0086
Securitization - Rating Based Approach	N/A	v_sec_approach	OPT0601
Securitization - Internal Assessment Approach	N/A	v_sec_approach	OPT0604

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Securitization - Supervisory Formula Approach	N/A	v_sec_approach	OPT0607
Securitization - Internal Ratings Based Approach Use Simplified Method for computing N and LGD in SFA	Yes	v_ssf_simple_n_lgd	OPT0614
	No		OPT0615
Securitization - Supervisory Formula Approach Use Simplified Method for computing N and LGD in SFA	Yes	v_ssf_simple_n_lgd	OPT0611
	No		OPT0612

Regulation: NPR III

Segment: USA

Approach Hierarchy	Selected Option	RUN_PARAMETER column name	RUN_PARAMETER column value
CRM (For Single Counterparty)	If CRM is selected for Single Counterparty run	F_CRM_REQ_SINGLE_PARTY	CRM SC
Non Securitization IRB oEquity Equity Exposures - Non-Investment Funds	IMM Approach	v_nir_eq_non_invst_fund_app	OPT0061
	Simple Risk Weight Approach		OPT0062
Non Securitization IRB oEquity Equity Exposures - Investment Funds (In conjunction with Money Market Fund Approach)	Simple Modified Look Through Approach	v_nir_eq_invst_fund_app	OPT0064
	Alternate Modified Look Through Approach		OPT0065
	Full Look Through Approach		OPT0066
Non Securitization IRB oSFT	Collateral Haircut Approach	v_ns_sft_method	OPT0070
	Internal Model Method		OPT0071
	VaR Models Approach		OPT0072
Non Securitization IRB oOTC	Current Exposure Method	v_ns_otc_method	OPT0074
	Internal Model Method		OPT0075
Non Securitization IRB oSFT Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0067
	Own Estimate		OPT0068
Non Securitization IRB oCRM Credit derivatives and guarantees	PD Substitution Approach	v_crm_guar_and_cd_approach	OPT0081
	LGD Adjustment Approach		OPT0082
Non Securitization IRB oCRM SFT Collateral	Comprehensive Approach	v_crm_collateral_approach	OPT0083
	LGD Adjustment Approach		OPT0084
Non Securitization IRB oCRM OTC Collateral	Comprehensive Approach	v_crm_collateral_approach_ott	OPT0085
	LGD Adjustment Approach		OPT0086
	No		OPT0612

Attribution Analysis GUI on page 242.

Chapter 4 Key Operational Concepts

Basel II

Risk Weighted Calculation

Credit Risk

Non Securitization

Standardized Approach

Standardized Approach consists of the following:

- Banking Book Products
- Over the Counter Derivative Products
- Securities Financing Transaction
- Credit Risk Mitigation

Over the Counter Derivative Products

Overview

The Basel committee has introduced Counterparty Credit Risk (CCR) wherein the counterparty could default before the final settlement of a transaction. Unlike the firm's exposure to credit risk arising from a loan, the CCR creates a bilateral risk of loss. Market value of the transaction can be positive or negative to either party in the transaction at different points in time till the maturity or closure of the transaction. The market value of the transaction depends on the movement of the underlying risk factor. Basel committee proposed rules to calculate the exposure at default (EAD) or exposure amount for the instrument with Counterparty Credit Risk.

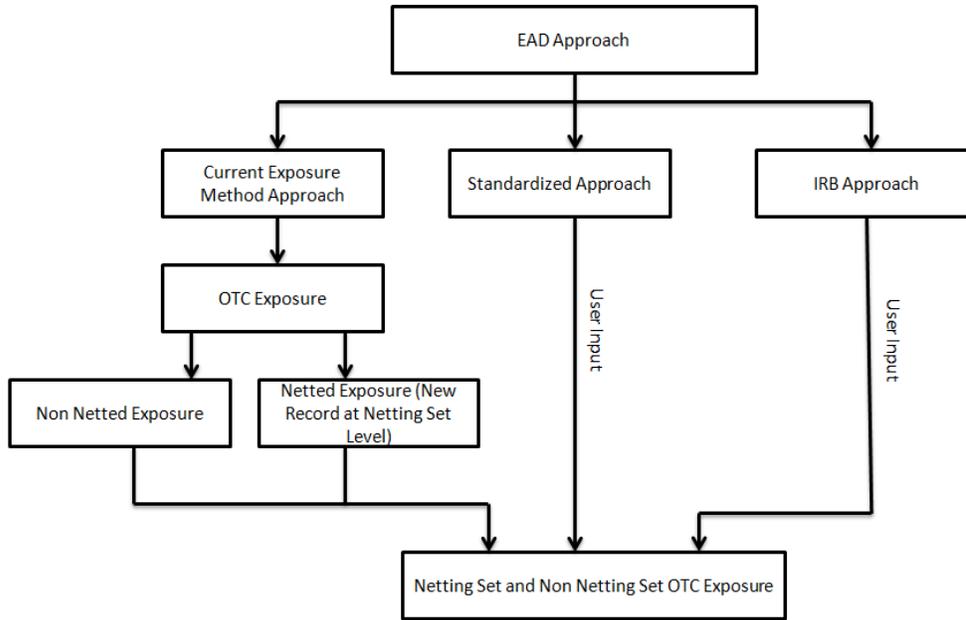
NOTE: All OTC Derivatives and Repo products are part of CCR computation. Also, all the trades with Central Counterparty (CCP) are assigned a zero risk weight.

The application's treatment for the instrument with CCR is divided into three categories:

- Exposure at Default (EAD) Approach
- Risk Weighted Asset (RWA) Approach
- Credit Risk Mitigation (CRM) Approach

Process Flow

Exposure at Default (EAD) Approach



Exposure amount subject to CCR is estimated by three different approaches as described in the Basel Accord. The application calculates EAD with Current Exposure Method as laid out in Basel Accord. For the other approaches like Standardized approach and Internal Rating Based (IRB) Approach, the application expects the exposure amount of the transaction as direct user input for further processing.

- **Current Exposure Method:** The application calculates the exposure at default for two different sets of the records with a different methodology as prescribed in the Basel accord -Netting Set Records and Non Netting Set Records.
- **OTC Exposure:** For the calculation of EAD, the exposure amounts from the exposure table are moved to a different table for OTC and REPO transaction. The application also creates a new single record for each netting sets in the data.
- **Non Netting Exposure:** To compute Exposure at Default for non netting records the application does the following:
 1. Total replacement Cost: Greater of Mark to Market or Zero for all the contracts
 2. An amount for potential future Credit Exposure is calculated based on the notional and multiplied by the add-on factor based on the underlying type of the contracts. Add-on is assigned based on the following as represented in a tabular format.

	Interest Rates	FX and Gold	Equities	Precious Metals Except Gold	Other Commodities
One year or less	0.00%	1.00%	6.00%	7.00%	10.00%
Over one year to five years	0.50%	5.00%	8.00%	7.00%	12.00%
Over five years	1.50%	7.50%	10.00%	8.00%	15.00%

The application assigns the add-on percent in the base exposure table by using the Rule: **Non Sec Add - on Estimation**. Data is populated to OTC exposure table by T2T: **NETTABLE_POOL_OTC_POPULATION_OTHERS**

- **Netting Exposure:** To compute Exposure at Default for the netting set records the application does the following:
 1. Total replacement Cost: Greater of Mark to Market or Zero for all the contracts.
 2. An amount for potential future Credit Exposure is calculated based on the notional and multiplied by the add-on factor based on the following formulae:

$$A_{\text{net}} = 0.4 * A_{\text{Gross}} + 0.6 * \text{NGR} * A_{\text{Gross}}$$

The application creates new records for netting set and then populates into the OTC Exposure table. The application selects all the records with the following attributes which are similar to computing the netting set exposure:

- Trades with Entity
- Customer
- Product Level – All OTC trades
- Netting Agreement
- Book Code: Trading or Banking
- Long Settlement transaction Flag
- GAAP Code

The following T2Ts are used to create and populate the OTC exposure table:

- **NETTABLE_POOL_OTC_POPULATION**
- **NET_POOL_EXPOSURE_CREATION**

The add-on percent netting set is achieved by using the following computation Rules:

- CCR Gross Current Exposure Calculation for OTC Derivatives
 - CCR Gross Potential Exposure Calculation for OTC Derivatives
 - CCR Net Current Exposure Calculation for OTC Derivatives
 - CCR Net Gross Ratio Calculation for OTC Derivatives
 - CCR Net Potential Exposure Calculation for OTC Derivatives
- Exposure at default for all instruments with CCR risk is calculated using the following Rules:
 - CCR Exposure Calculation for OTC Derivatives
 - Standardized Approach and IRB Approach: As mentioned earlier for Standardized Approach and IRB Approach you are expected to provide exposure amount inputs for computation.

Risk Weighted Asset (RWA) Approach

RWA calculation for the instruments which are subject to CCR risk is similar to RWA calculation of other instruments. Any specific treatment is not applied in the application..

Credit Risk Mitigation (CRM) Approach:

CRM calculation for the instruments which are subject to CCR risk is similar to CRM calculation for other instruments. Any specific treatment is not applied in the application.

Key Data Elements

A few key data elements need to be noted while computing Counterparty Credit Risk. To view the complete list of tables used for CCR computation refer to the *Download Specification* document.

- For instruments participating in netting set, the Nettability flag should be set as ‘Y’.
- Instruments with the same agreement code will be netted in the same netting set. The application handles both cross product and product netting with respect to netting agreement.

Credit Risk Securities Financing Transaction (SFT)

Overview

Securities Financing Transaction includes Repo style transactions, Margin Lending, Security Financing Borrowing; and so on. The SFT portfolio of a Bank should be included for capital charge calculations as per standardized, Foundation IRB and Advanced IRB approach. The SFT EAD calculation follows two methodologies as outlined below

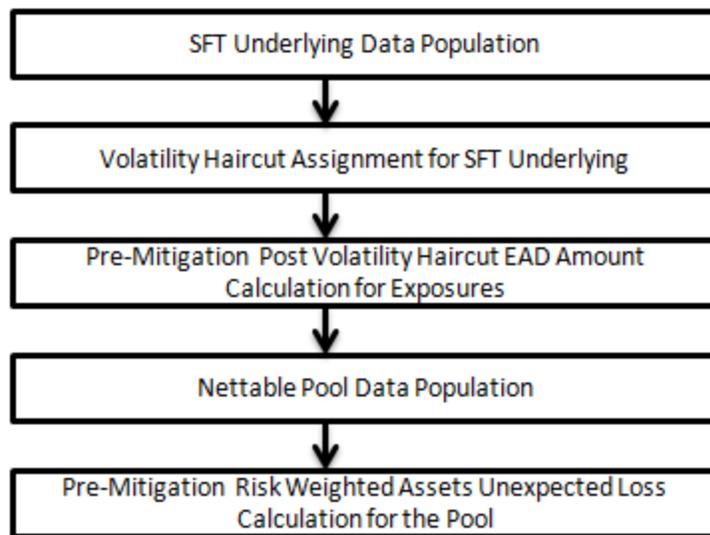
- Collateral Haircut Approach
- Simple VaR Approach

Currently the Basel Regulatory Capital application supports Collateral Haircut approach only.

All SFT contracts which have a mitigant mapped, application does the CRM based on the RWA approach undertaken by the bank. For standardized approach all eligible mitigants will be applied a risk weight on mitigant value post haircut adjustment. For Foundation IRB or Advanced IRB approach the mitigation is based on IRB capital calculation as given Basel II guidelines on Credit Risk.

Process Flow

SFT EAD calculation is computed in the sub process **SFT Exposures RWA - Comprehensive Approach**.



- **SFT Underlying Data Population:** SFT transactions have got two data elements present. First the parent transaction is captured and second the underlying information on which the parent transaction is built is captured separately with a data identifier (Stg_Underlying Exposures.v_underlying_data_identifier) as **REPO** for Repo transaction or **MLT** for Margin Lending Transaction. Additionally, the underlying data captures parent identifier code against each of the records (**V_Parent_exposure_ID**). For multiple underlying data for a single parent, the unique parent identifier code is repeated across the underlying data.
- **Volatility Haircut Assignment for SFT Underlying:** This is computed by the following Rules:
 Exposure Volatility Haircut Assignment for Supervisory Haircut, CRM Exposure Volatility Haircut for Equity and Mutual Fund, Exposure Volatility Haircut Assignment - Scaling Up for "Capital

Market Driven" or "Repo Style" transaction types, Exposure Volatility Haircut Assignment - Own Estimate, Forex Haircut.

- **Pre-Mitigation Post Volatility Haircut EAD Amount Calculation for Exposures:** For SFT transaction, the application calculates EAD for the parent exposure based on the underlying information. The underlying exposures are moved to **FCT_SFT_UNDERLYING** table from **FCT_NON_SEC_EXPOSURES**. Each underlying exposure is assigned volatility haircut based on haircut application criteria, if the underlying exposures happen to be financial instruments and forex haircut where the underlying and the parent contract are in different currency. Each SFT underlying exposure adjusted for haircut (EAD + haircut value) is added as EAD for the parent contract.
- **Nettable Pool Data Population:** The application nets SFT contracts based on the same customer, common netting agreement identifier, transaction being Repo/Re-Repo or Margin lending, product book being trading or banking, and so on. Margin lending transaction being SFT also follows the same EAD calculation methodology but netting of Repo/Reverse Repo and margin lending are not done together.
- **Pre-Mitigation Risk Weighted Assets Unexpected Loss Calculation for the Pool:** Pre-Mitigation Risk Weighted Assets Unexpected Loss is calculated for the pool as EAD multiplied by risk weight or capital * 12.5.

Foundation IRB/Advanced IRB Approach

Foundation IRB/Advanced IRB Approach consists of the following:

- Banking Book Products: Refer to [Banking Book Products](#) in Standardized Approach section.
- Over the Counter Derivative Products: Refer to [Over the Counter Derivatives](#) in Standardized Approach section.
- Securities Financing Transaction: Refer to [Securities Financing Transactions](#) in Standardized Approach section.
- Credit Risk Mitigation: Refer to [Credit Risk Mitigation](#) in Standardized Approach section.

Securitization

Overview

Basel Accord differentiates the credit risk computation of the securitized exposures from the other non-securitized exposures. This is because the securitized exposures are part of an off-balance sheet transaction and they follow a waterfall cashflow mechanism, unlike the other exposures. After the economic crisis of 2008, the Basel rule differentiated the securitized exposures into the securitized and resecuritized exposures as securitization was one of the main reasons for the economic crisis.

The securitized exposures are the exposures which are issued out of a pool of underlying exposures for the transfer of risk. The resecuritized exposures are the exposures which are issued out of a pool of underlying exposures which constitutes non-securitized exposures as well as some portion of securitized exposures. The application is capable of handling the securitized exposures as well as the resecuritized exposures. It also handles the calculation for the Originator as well as the Investor bank roles. At a broad level, there are two categories of Investors:

- An Investing Bank who has invested heavily in securitization.
 - These kind of investors are prepared to provide the entire details of the securitization transaction
 - To cater to these investor needs, the entire pool, entire or invested tranche details and the invested exposures information are required to be provided by the Bank. This information is captured in the pool, tranche and exposures table.
- An Investing Bank who has invested minimal in securitization
 - These kinds of investors are prepared to provide the necessary inputs required for the calculation of the capital charge pertaining to their invested exposure.

- To cater to these investor needs, the invested exposures information is required to be provided by the Bank. Along with that, few of the pool and tranche attributes required for the computation are required to be provided by the Bank in the exposures table itself.

Basel Accord specifies two broad approaches for the calculation of the capital charge for the Securitization exposures.

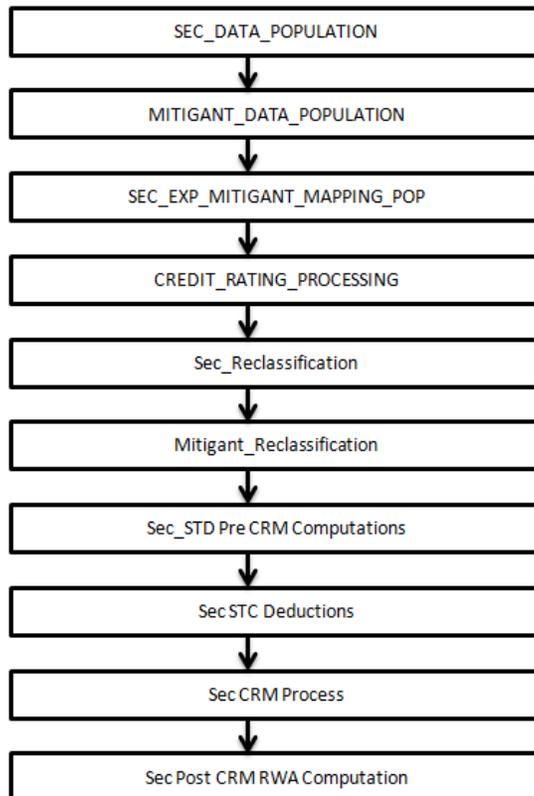
- Standardized Approach
- IRB Approach
 - Ratings Based Approach
 - Internal Assessment Approach
 - Supervisory Formula approach

The application handles both the approaches. In few of the computations, the calculations pertaining to the underlying exposures of the securitization transaction are required. This is done before processing the securitization exposures. This is applicable in the case of Basel III Standardized Approach, Basel III FIRB and Basel III IRB Approach. This change has an impact for both the Securitized Exposures and the Non-Securitized exposures.

Process Flow

Standardized Approach

The application handles the Standardized Approach of the Securitization Exposures as follows:



- **SEC_DATA_POPULATION, MITIGANT_DATA_POPULATION, and SEC_EXP_MITIGANT_MAPPING_POP:**

The data pertaining to the pool, tranche, exposures are populated from the staging tables to the processing tables. The underlying exposures data are captured in the respective product processor tables (and for these information, the process pertaining to the non-securitization exposures are followed). In the case of Reporting Bank providing only the exposure level information, the application expects few pool level and tranche level parameters which are required for further processing, to be provided in the Exposures table. The mitigants data are populated from the staging table to the processing table. The exposures which are mapped to the mitigants are captured and this is also populated from the staging table to the processing table. Securitization Data Population has been handled in the Process **SEC_DATA_POPULATION**. Mitigant data population has been handled in the Process **MITIGANT_DATA_POPULATION** and Exposure Mitigant Mapping Population has been handled in the Process **SEC_EXP_MITIGANT_MAPPING_POP**.

- **CREDIT_RATING_PROCESSING:** All the rating information of the exposures and the mitigants are populated from the staging tables to the processing tables. The exposure and the tranche rating information are captured in the account rating tables and the mitigants rating information are captured in the instrument rating details. This is handled in the **CREDIT_RATING_PROCESSING** process.
- **SEC_RECLASSIFICATION and MITIGANT RECLASSIFICATION:** The application uses the standardized data for all kinds of calculation (Product type like Eligible Liquidity Facility, Bank Role like Originator, Pool Type like Mortgage Backed Securities). Before any calculation the application reclassifies the Bank specific data to standard data, similar to the Basel accord terms. It reclassifies the Bank role to the standard Bank Role of an Originator or Investor. Any other bank roles like Sponsor, Credit Protection Provider and so on, will be reclassified into Originator, Investor and so on respectively. The application also reclassifies the Pool Type to the standard Pool Type like Credit Cards Receivable Pool, Auto Loans and so on. It also reclassifies the Product type to the Standard Product type like Mortgage Backed Securities, Eligible Liquidity Facility and so on.

In the case of mitigants also, the application reclassifies the mitigant type to the standard Mitigant type like the debt securities, credit derivative, cash and so on. It also reclassifies the Mitigant Issuer type to the standard Mitigant Issuer type like Banks, Corporate and so on. The reclassification tasks are present in Sec reclassification and Mitigant reclassification sub process. The application assigns 'Sec - Standardized Approach' in the **Sec Reclassification** Sub Process. This is done for approach selection.

- **Sec_STD Pre CRM Computations:** The application calculates the Pre-CRM RWA for the exposures by multiplying the Pre-CRM EAD with the Risk Weight of the exposures. The exposures which are below investment grade and the unrated exposures are deducted from the capital. This is handled in the Sec Deduction sub process.
 - **Risk Weight Assignment:** The application assigns the risk weight to the exposures based on the external rating assigned to the exposures. If the exposures have internal ratings assigned, the application treats the exposures as unrated. Initially the risk weight assigned to each of the ratings is assigned and then the multiple assessments is applied by the application. In the case of multiple ratings assigned to the exposures, the application applies the multiple assessments and assigns the ratings which are the worst of the best two ratings.

Then, the application updates the rating after multiple assessments and the corresponding risk weight to the exposures. In the case of securitization and resecuritization exposures, the risk weights assignment are different from the other non-securitization exposures. The application assigns the risk weights based on the Bank role, whether the exposure is an exposure issued out of a Securitization or Resecuritization pool and then the external ratings assigned to the exposures. In case of unrated exposures, the application applies the look through approach and assigns the weighted average risk weight of the underlying exposures.

The application also handles other securitization exposures like the Eligible Liquidity Facility, Exposures in a second loss position and issued to ABCP Program, and so on. If the data is not available to assign a risk weight, the application marks these exposures for deduction. Risk weights corresponding to the external ratings are assigned in the entity **Securitization Risk Weight Map Master**

(FSI_SEC_RW_MAP_MASTER) and the final applicable risk weight is updated in Securitization Exposures after the multiple assessments of the ratings.

- Pre-CRM EAD Computation: The application assigns the credit conversion factor (CCF) to the off-balance sheet items as specified by the Basel Accord. The CCF percentages are assigned based on the Bank Role (this is applicable only for the Originator Bank Role), the Product Type (like the Eligible Liquidity Facility) and the applicable ratings. The CCF Percentages are also assigned to the exposures based on whether there is any Early Amortization provision applicable to the transaction. In those cases, the CCF assignment are based on the Early Amortization type (controlled or uncontrolled), the Pool Type and the ratio of three month average excess spread to the trapping point. Then, the application computes the Pre-Mitigation EAD. This is computed based on the Bank role and the Product type. The application calculates the EAD for the Investors and the Originators separately based on the calculations given in the Basel II Accord.
- **Sec CRM Process:** Mitigant Eligibility, Mitigant Risk Weight, Haircut Assignment and Allocation of Mitigants to Exposures are handled in Sec CRM sub-process.
 - **Mitigant Eligibility:** The application identifies the eligible mitigants based on the criteria as mentioned by the Basel Accord. It identifies the following mitigants in the case of securitized exposures – Collateral, Guarantees and Credit Derivatives. The application is capable of using the Simple Approach as well as the Comprehensive Approach for the mitigants which are part of the collateral. This is similar to the mitigant eligibility of the non-securitization process.

The application processes the multiple assessments of ratings for the mitigants also. This is required since some of the mitigant eligibility criteria are based on the ratings and risk weight of the mitigants. The application identifies the eligibility of the financial collateral separately for the simple approach and the comprehensive approach. The eligibility of the collateral mitigants are based on the party type of the mitigant, mitigant type, the credit rating assigned to the mitigant or the party (as applicable) and whether the collateral is classified as a senior or not. In the case of equity, the eligibility is based on the main index equity and the equity trading status. In the case of Mutual funds, the eligibility is based on the eligible mutual fund indicator.

The application identifies the eligibility of the guarantees and credit derivatives based on the party type of the mitigant and the credit rating assigned to the issuer of the mitigant. In the case of Nth to default Credit Derivatives, the application further identifies the eligible credit derivative, based on the number of defaults in the exposures and the defaulted position covered by the mitigant. The application identifies the number of defaults in the tranches based on the attachment point of the tranche to which the exposure belongs, the initial pool exposure amount and the cumulative exposure amount. Then it computes the number of tranches in default and compares that with the defaulted position covered by the mitigant.

Based on the criteria of eligibility mentioned in the Basel Accord, the application identifies whether the mitigant is eligible or not, and if eligible, the application also makes the least risk weighted exposure as the eligible mapping, for the least eligible nth to default mitigant for the exposure. It also identifies the eligibility of the mitigants based on the comparison of the risk weight of the exposures and the mitigants. If the mitigants risk weight is lesser than that of the exposures, then the mitigants become eligible. Else the application makes them ineligible.

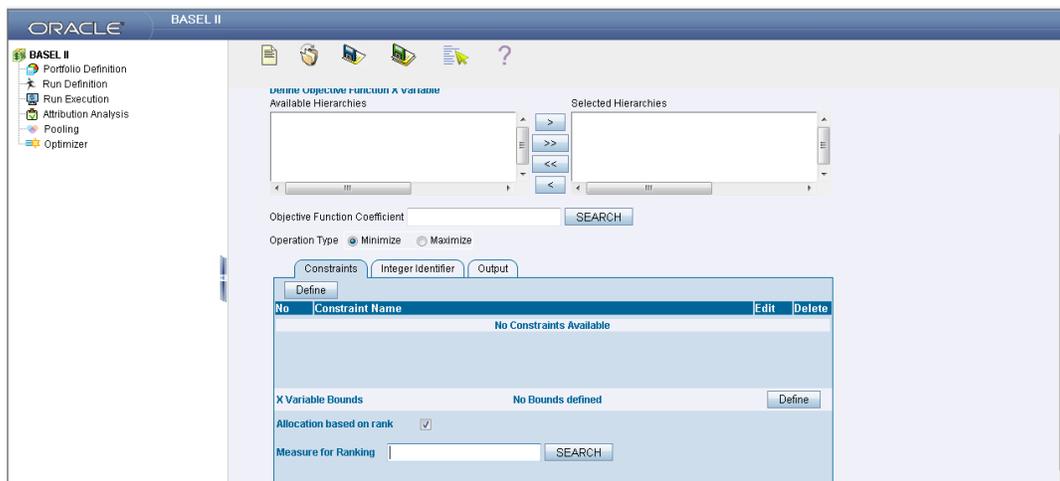
- **Mitigant Risk Weight:** The application calculates the mitigant risk weight similar to the exposure risk weight of non-securitized exposures. This is based on the Issuer type and the credit rating which includes the unrated issuers as well. The application performs the multiple assessments for the mitigants, similar to the process followed in

the case of non-securitized exposures, and arrives at a single rating for the mitigant. Then, the application assigns the final risk weight to the mitigant. In case of financial collateral mitigants like cash, and gold zero risk weight is assigned.

- **Haircut Assignment:** The application assigns the various haircuts, as applicable to the Mitigants. In case of collateral following simple approach for recognition, there are no haircuts assigned to the Mitigant. In case of collateral following comprehensive approach, the application is flexible to use supervisory haircuts, and scale up if required based on the minimum holding period or use the Bank's own estimate of haircuts. The application applies the volatility haircut, forex haircut and the maturity mismatch haircut to the mitigants as appropriate. This is as per the Basel Accord regulations. Only eligible mitigants are considered for haircut assignment and for further processing. The eligible mitigants flows from mitigants table to sub exposures table.
- **Allocation of Mitigants to Exposures:** The application computes the mitigant value post all haircuts. Then, it uses the pooling and optimizer logic to allocate the exposures to the mitigants. This is slightly different from the optimizer logic of non-securitization exposures as the securitized exposures have the seniority in the cashflow and always the senior most exposure gets the maximum protection by the mitigants. The senior most exposure (or tranche) is denoted with seniority 1 and the second senior exposure is denoted with seniority 2 and so on. In the case of securitization exposures, always the mitigants is given preference to the senior most exposure and then to the other exposures based on the seniority. The other parameters which are considered in the allocation logic are the risk weight and the mitigant value post haircut.

The application uses the linear programming logic to allocate the mitigants to the exposures. The pooling logic in securitization is same as of that non-securitization. The optimizer logic for Securitization is slightly different and the difference is explained below:

Based on the seniority of the exposures, risk weight of the exposures and the mitigant and the mitigant value, the rank order in which the mitigants are allocated to the exposures is arrived at. The order of allocation can be changed by editing the database function **fn_dt_sec_mit_alloc_ranking**. You can choose the allocation rank measure in the optimizer definition screen while defining the optimizer logic.



The remaining steps for creating optimizer definitions are same as those mentioned in non-securitization process. The optimizer works on the minimization constraint logic.

Single Mitigant mapped to Single or Multiple Exposures

If there are one or more than one exposure mapped to a single mitigant, the mitigant is allocated to the exposure with the highest seniority

If there are more than one exposures with the same highest seniority, then the mitigant are allocated to the exposure which yields the highest mitigant value post haircut

Single Exposure mapped to Single or Multiple Mitigants

If there are one or more than one mitigants mapped to a single exposure, the least risk weighted mitigant will be allocated to the exposure

If there are more than one mitigants with the same least risk weight, then the mitigant which has the highest mitigant value post haircut are allocated to the exposure

Multiple Exposures mapped to Multiple Mitigants

This are treated as cases of single mitigant mapped to single or multiple exposures for the identification of the mitigant which has to be assigned to the exposures. Then, the treatment pertaining to single exposure mapped to multiple mitigants have to be followed to yield the credit risk weighted exposure amount.

Using the above logic, the application calculates the factor of exposure covered by the mitigant and the factor of the exposure uncovered (without any protection).

- **Sec Post CRM RWA Computation:** The application computes the covered amount and the uncovered amount for the exposures. The covered amount is computed by multiplying the covered factor with the exposure amount, and to this covered amount, the application assigns the mitigant risk weight. The product of the covered amount and the mitigant risk weight is the covered RWA. The uncovered amount is computed by multiplying the uncovered factor (which is 1 – sum of all covered factors for that exposure) with the exposure amount. This uncovered amount is multiplied by the exposure risk weight to get the uncovered RWA. The sum of the covered RWA and the uncovered RWA is the Post CRM RWA of the Exposure.

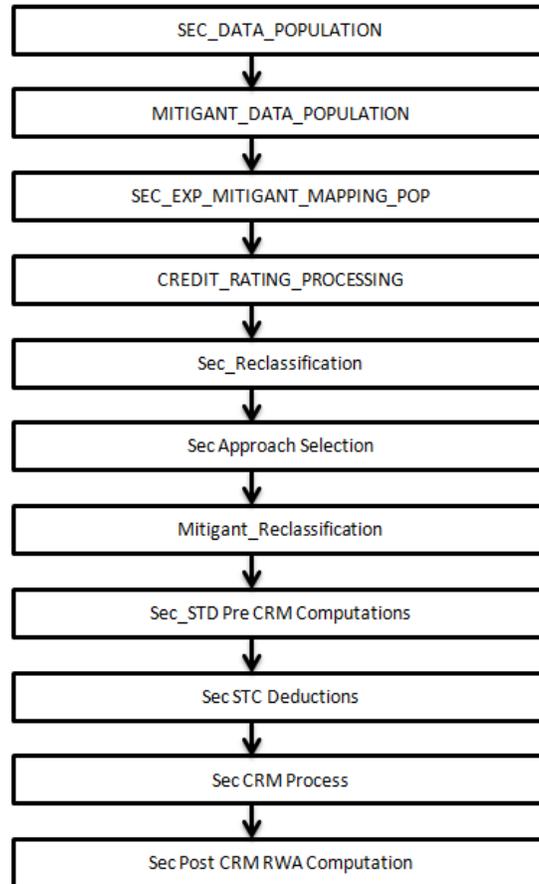
$$\text{Post-CRM RWA} = \text{Covered Amount} * \text{Risk Weight of the Mitigant} + \text{Uncovered Amount} * \text{Risk Weight of the Exposure}$$

This logic is handled in Sec Post-CRM RWA computation sub process.

All the below sub process and tasks are handled in the "SEC_STD" Process – Sec Reclassification, Mitigant Reclassification, Sec STD Pre-CRM Computation, Risk Weight Assignment, Pre-CRM RWA Computation, Mitigant Eligibility, Mitigant Risk Weight, Haircut Assignment, Allocation of Mitigants to Exposures and Post CRM RWA Computation

IRB Approach

The application handles the IRB Approach of the Securitization Exposures as follows



- **SEC_DATA_POPULATION, MITIGANT_DATA_POPULATION and SEC_EXP_MITIGANT_MAPPING_POP**

The data pertaining to the pool, tranche, exposures are populated from the staging tables to the processing tables. The underlying exposures data are captured in the respective product processor tables (and for these information, the process pertaining to the non-securitization exposures are followed). In case of Reporting Bank providing only the exposure level information, the application expects few pool level and tranche level parameters which are required for further processing, to be provided in the Exposures table. The mitigants data are populated from the staging table to the processing table. The exposures which are mapped to the mitigants are captured and this is also populated from the staging table to the processing table.

- **CREDIT_RATING_PROCESSING:** All the rating information of the exposures and the mitigants are populated from the staging tables to the processing tables. The exposure and the tranche rating information are captured in the account rating tables and the mitigants rating information are captured in the instrument rating details.

This is handled in the **CREDIT_RATING_PROCESSING** process.

- **Sec_Reclassification:** The application uses the standardized data for all kinds of calculation (Product type like Eligible Liquidity Facility, Bank Role like Originator, Pool Type like Mortgage Backed Securities). Before any calculation it reclassifies the Bank specific data to standard data, similar to the Basel accord terms. The application reclassifies the Bank role to the standard Bank Role of an Originator or Investor. Any other bank roles like Sponsor, Credit Protection Provider and so on are reclassified into Originator, Investor respectively.

The application also reclassifies the Pool Type to the standard Pool Type like Credit Cards Receivable Pool, Auto Loans and so on. It also reclassifies the Product type to the Standard Product type like

Mortgage Backed Securities, Eligible Liquidity Facility and so on. In case of mitigants, the application reclassifies the mitigant type to the standard Mitigant type like the debt securities, credit derivative, cash and so on. It also reclassifies the Mitigant Issuer type to the standard Mitigant Issuer type like Banks, Corporate and so on.

The reclassification tasks are present in Sec reclassification and Mitigant reclassification sub process.

- **Sec Approach selection:** The application assigns the appropriate approach to the exposures, based on the criteria specified in the Basel Accord. The application assigns any of the three approaches under IRB process – Sec-Internal Assessment Approach, Sec-Ratings Based Approach and Sec Supervisory Formulae Approach. It assigns the Sec-Supervisory formulae approach to Originator exposures where the exposure is qualified for the SFA approach (SFA Qualified flag is ‘Y’) and there is one or no external ratings assigned for that exposure. It assigns the Sec-Ratings Based Approach when there is at least one rating assigned to the exposures. In case of exposures qualified for SFA approach (SFA Qualified flag is ‘Y’) and also having more than one rating, the application assigns the Sec-Ratings Based Approach to that exposure. In case of ABCP exposures and having internal ratings, the application assigns the Sec-Internal Assessment Approach. In case of exposures not qualifying for any of the approaches, the application assigns the Sec-Internal Ratings Based Approach.

This approach selection is handled in the Sec Approach selection sub-process.

- **Pre-CRM RWA Computation:** The application calculates the Pre-CRM RWA for the exposures by multiplying the Pre-CRM EAD with the Risk Weight of the exposures. This is handled in the Pre-CRM Computations sub-process.

- Pre-CRM EAD Computation: The application assigns the credit conversion factor (CCF) to the off-balance sheet items as specified by the Basel Accord. The CCF percentages are assigned based on the Bank Role (this is applicable only for the Originator Bank Role), the Product Type (like the Eligible Liquidity Facility) and the applicable ratings. The CCF Percentages are also assigned to the exposures based on whether there is any Early Amortization provision applicable to the transaction. In those cases, the CCF assignment are based on the Early Amortization type (controlled or uncontrolled), the Pool Type and the ratio of three month average excess spread to the trapping point. Then the application computes the Pre-Mitigation EAD. This is computed based on the Bank role and the Product type. The application calculates the EAD for the Investors and the Originators separately based on the calculations given in the Basel II Accord. This is handled in the Pre-CRM Computations sub-process.

- Risk Weight Assignment:

Ratings Based Approach:

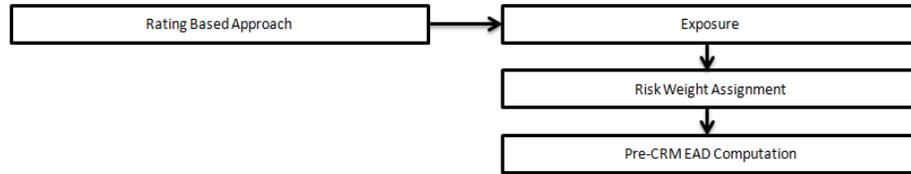
In case of exposures which follow the Ratings Based Approach, the Risk Weight assignment is similar to the Standardized Approach, except for the difference on the criteria used for risk weighting. The application uses the granularity of the pool, seniority position of the exposure and the credit rating of the exposure for the risk weighting the exposures which follow the RBA Approach.

In case of exposures, which are unrated, the application checks the criteria required for inferring the rating. This is based on the presence of the subordinate tranche information (based on seniority) for the same pool regardless of whether the Bank has an exposure in that tranche or not, residual maturity of the subordinate tranche being more than the unrated tranche’s residual maturity, the credit enhancement level of the unrated tranche being equal to or more than the subordinate tranche’s credit enhancement level. The ratings of the tranches also undergo multiple assessments and the application assigns a single rating for all the rated tranches.

Based on all the above criteria, the rating for the unrated exposure is inferred equal to that of the identified subordinate tranche. In case of more than one subordinate exposure, the application assigns the rating of the immediate subordinate tranche. This is due to the

seniority of the exposure in the cashflow and in the securitization structure, a subordinate tranche will never have the ratings more than that of the immediate senior tranche.

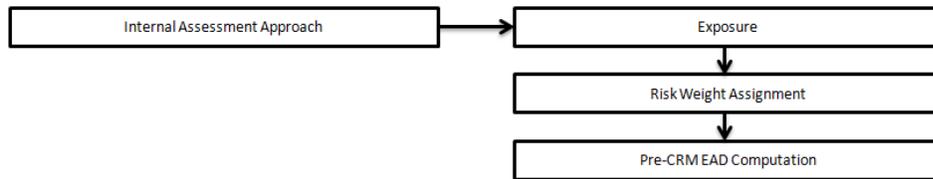
This is handled in the Pre-CRM Computations sub-process.



Internal Assessment Approach:

In case of exposures which follow the Internal Assessment Approach, the Risk Weight assignment is similar to the Standardized Approach, except for the difference on the criteria used for risk weighting. The application uses the granularity of the pool, seniority position of the exposure and the credit rating of the exposure for the risk weighting the exposures which follow the IAA Approach. The internal rating of the exposures is reclassified by the application into standard ratings, for applying the IAA, consistent with the Basel Accord.

This is handled in the Pre-CRM Computations sub-process.



Supervisory Formula Approach:

In the case of exposures which follow the Supervisory Formula Approach, the application calculates the underlying capital of the securitization pool (KIRB), using the non-securitization process. Then the application calculates the SFA parameters based on the pool and tranche details. The application calculates these using the calculation logic specified by the Basel Accord. The application also checks the exposure to identify whether the exposure should be straddled or not. This check is based on the credit enhancement level of the tranche to which the exposure belongs, the thickness of the tranche to which the exposure belongs and the underlying capital of the securitization pool.

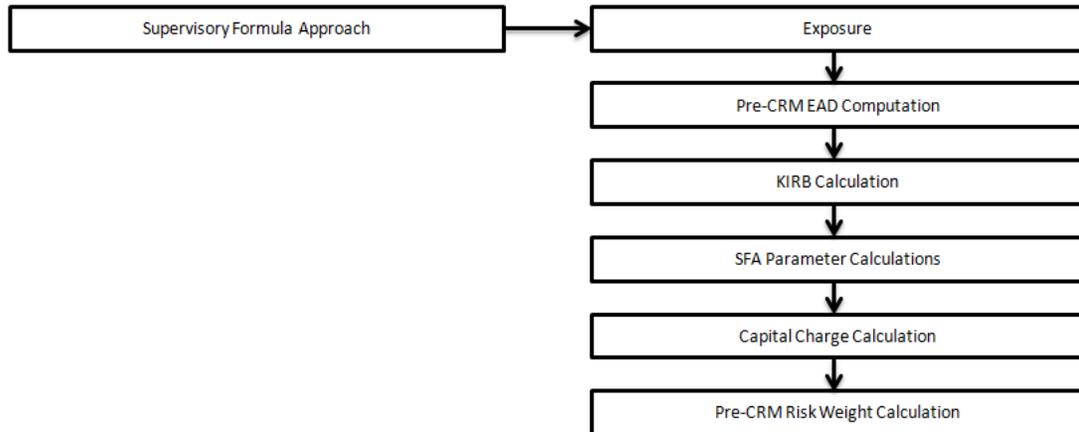
The exposures for which the sum of the credit enhancement level and the tranche thickness are less than that of the KIRB, the exposures are deducted from the capital. The exposures for which the credit enhancement level is more than that of the KIRB, the exposures get the SFA Parameters computed. The exposures for which the credit enhancement level is less than that of the KIRB but the sum of the credit enhancement level and the tranche thickness are more than the KIRB, the exposures is straddled, that is, the tranche to which the exposure belongs is split into a position below KIRB and a position above KIRB. All the exposures mapped to that tranche will be split in the same manner.

The application populates Straddled Tranche Information into Securitization Straddled Tranche (**FSI_SEC_STRADDLED_TRANCHE**) table. The application splits each of the exposures of the identified straddled tranche into two. The account skey of the Parent Exposure, which is undergoing the split, is added as the Parent Account skey for the new exposures formed. The Straddled Tranche Deduction Amount (the KIRB amount less the tranche amount) is calculated and populated from the **FSI_SEC_STRADDLED_TRANCHE** in a prorate manner to all the Junior Exposures. The remaining amount (which is the tranche amount above the KIRB) is the Exposure

Amount of the Senior Exposure of the split exposures. After the original exposures are split into two and their amounts are populated, the original exposure is deleted from the Exposure table.

Once all the SFA Parameters are computed, the capital charge is calculated using the SFA Parameters. And this capital charge is converted into the risk weight.

This is handled in the Pre-CRM Computations sub-process.



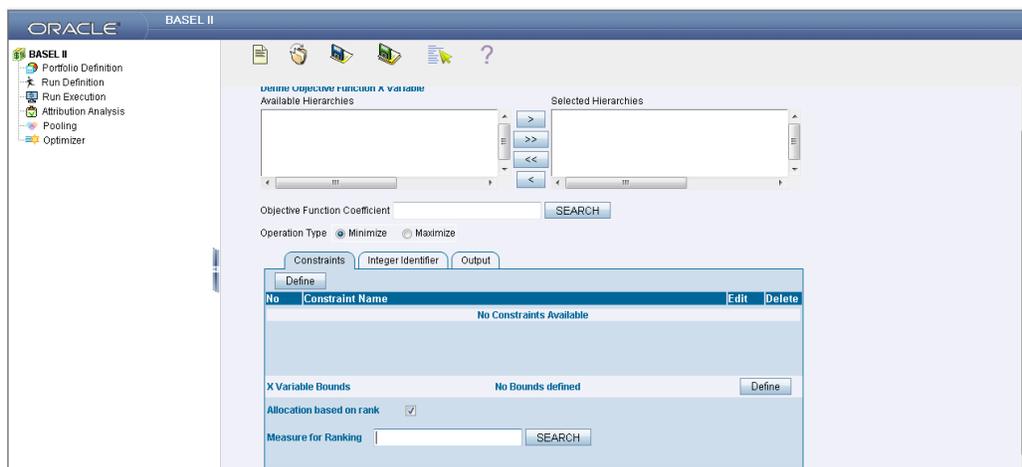
- **Sec CRM Process:** Mitigant Eligibility, Mitigant Risk Weight, Haircut Assignment and Allocation of Mitigants to Exposures are handled in Sec CRM sub-process.
 - **Mitigant Eligibility:** The application identifies the eligible mitigants based on the criteria as mentioned by the Basel Accord. The application identifies the following mitigants in the case of securitized exposures – Collateral, Guarantees, and Credit Derivatives. The application is capable of using the Simple Approach as well as the Comprehensive Approach for the mitigants which are part of the collateral. This is similar to the mitigant eligibility of the non-securitization process. The application processes the multiple assessments of ratings for the mitigants also. This is required since some of the mitigant eligibility criteria are based on the ratings and risk weight of the mitigants.
 - The application identifies the eligibility of the financial collateral separately for the simple approach and the comprehensive approach. The eligibility of the collateral mitigants are based on the party type of the mitigant, mitigant type, the credit rating assigned to the mitigant or the party (as applicable) and whether the collateral is classified as a senior or not. In case of equity, the eligibility is based on the main index equity and the equity trading status. In case of Mutual funds, the eligibility is based on the eligible mutual fund indicator. The application identifies the eligibility of the guarantees and credit derivatives based on the party type of the mitigant and the credit rating assigned to the issuer of the mitigant. In case of Nth to default Credit Derivatives, the application further identifies the eligible credit derivative, based on the number of defaults in the exposures and the defaulted position covered by the mitigant. The application identifies the number of defaults in the tranches based on the attachment point of the tranche to which the exposure belongs, the initial pool exposure amount and the cumulative exposure amount. Then, the application computes the number of tranches in default and compares that with the defaulted position covered by the mitigant. Based on the criteria of eligibility mentioned in the Basel Accord, the application identifies whether the mitigant is eligible or not, and if eligible, the application also makes the least risk weighted exposure as the eligible mapping, for the least eligible nth to default mitigant for the exposure. The application also identifies the eligibility of the mitigants based on the comparison of the risk weight of the exposures and the mitigants. If the mitigants risk weight is lesser than

that of the exposures, then the mitigants become eligible. Else the application makes them ineligible.

- **Mitigant Risk Weight:** The application calculates the mitigant risk weight similar to the exposure risk weight of non-securitized exposures. This is based on the Issuer type and the credit rating which includes the unrated issuers also. The application performs the multiple assessments for the mitigants, similar to the process followed in the case of non-securitized exposures, and arrives at a single rating for the mitigant. Then, the application assigns the final risk weight to the mitigant. In the case of financial collateral mitigants like cash, and gold zero risk weight are assigned.
- **Haircut Assignment:** The application assigns the various haircuts, as applicable to the Mitigants. In case of collateral following simple approach for recognition, there are no haircuts assigned to the Mitigant. In case of collateral following comprehensive approach, the application is flexible to use the Supervisory haircuts, and scale up if required based on the minimum holding period or use the Bank's own estimate of haircuts. The application applies the Volatility haircut, forex haircut and the maturity mismatch haircut to the mitigants as appropriate. This is as per the Basel Accord regulations. Only eligible mitigants are considered for haircut assignment and for further processing. The eligible mitigants will be moved from mitigants table to sub exposures table.
- **Allocation of Mitigants to Exposures:** The application computes the mitigant value post all haircuts. Then, the application uses the pooling and optimizer logic to allocate the exposures to the mitigants. This is slightly different from the optimizer logic of non-securitization exposures as the securitized exposures have the seniority in the cashflow and always the senior most exposure gets the maximum protection by the mitigants. The senior most exposure (or tranche) is denoted with seniority 1 and the second senior exposure is denoted with seniority 2 and so on.

In case of securitization exposures, the mitigants are always given preference over the senior most exposure and then to the other exposures based on the seniority. The other parameters which are considered in the allocation logic are the risk weight and the mitigant value post haircut. The application uses the linear programming logic to allocate the mitigants to the exposures. The pooling logic in securitization is same as of that non-securitization. The optimizer logic for Securitization is slightly different and the difference is explained below:

Based on the seniority of the exposures, risk weight of the exposures and the mitigant and the mitigant value, the rank order in which the mitigants will be allocated to the exposures is arrived. The order of allocation can be changed by editing the database function **fn_dt_sec_mit_alloc_ranking**. You have to choose the allocation rank measure in the optimizer definition screen while defining the optimizer logic.



Remaining steps for creating optimizer definitions are same as that mentioned in Non-securitization process. The optimizer works on the minimization constraint logic.

Single Mitigant mapped to Single or Multiple Exposures

If there are one or more than one exposures mapped to a single mitigant, the mitigant is allocated to the exposure with the highest seniority

If there is more than one exposure with the same highest seniority, then the mitigant is allocated to the exposure which yields the highest mitigant value post haircut

Single Exposure mapped to Single or Multiple Mitigants

If there are one or more than one mitigants mapped to a single exposure, the least risk weighted mitigant is allocated to the exposure

If there are more than one mitigants with the same least risk weight, then the mitigant which has the highest mitigant value post haircut is allocated to the exposure

Multiple Exposures mapped to Multiple Mitigants

This is treated as a case of single mitigant mapped to single or multiple exposures for the identification of the mitigant which has to be assigned to the exposures. Then, the treatment pertaining to single exposure mapped to multiple mitigants have to be followed to yield the credit Risk weighted exposure amount.

Using the above logic, the application calculates the factor of exposure covered by the mitigant and the factor of the exposure uncovered (without any protection).

- Sec Post CRM RWA Computation:** The application then computes the covered amount and the uncovered amount for the exposures. The covered amount is computed by multiplying the covered factor with the exposure amount, and to this covered amount, the application assigns the mitigant risk weight. The product of the covered amount and the mitigant risk weight is the covered RWA. The uncovered amount is computed by multiplying the uncovered factor (which is $1 - \text{sum of all covered factors for that exposure}$) with the exposure amount. This uncovered amount is multiplied by the exposure risk weight to get the uncovered RWA. The sum of the covered RWA and the uncovered RWA will be the Post CRM RWA of the Exposure.

$$\text{Post-CRM RWA} = \text{Covered Amount} * \text{Risk Weight of the Mitigant} \\ + \text{Uncovered Amount} * \text{Risk Weight of the Exposure}$$

This logic is handled in Sec Post-CRM RWA computation sub process.

All the below sub process and tasks are handled in the "SEC_IRB" Process – Sec Reclassification, Sec Approach selection, Mitigant Reclassification, Sec Pre-CRM EAD Computation, Risk Weight Assignment, Pre-CRM RWA Computation, Mitigant Eligibility, Mitigant Risk Weight, Haircut Assignment, Allocation of Mitigants to Exposures and Post CRM RWA Computation

Key Data Elements

A few key data elements for Securitization computation is as follows. For a complete list of tables and columns refer to the Download Specifications document.

Securitization Exposures (Standardized Approach)

- The Key attributes required in the case of an Investor or Third Party who does not provide the complete pool and tranche details are as follows: Credit Enhancement Level, Pool Exposure Amount, Sec Second Loss Position of the Tranche, Granularity of the Pool (required in the case of IRB Approach), Largest Exposure of the Pool, Seniority of the Tranche, Sec Trading Book Approach.

Mitigant Eligibility (Standardized Approach)

- Eligible Mutual Fund Indicator, Main Index Equity Indicator, Equity Traded Indicator

Securitization Exposures (IRB Approach)

- The Key attributes required in the case of an Investor or Third Party who do not provide the complete pool and tranche details are as follows: Credit Enhancement Level, Pool Exposure Amount, Sec Second Loss Position of the Tranche, Granularity of the Pool (required in the case of IRB Approach), Largest Exposure of the Pool, Seniority of the Tranche, Sec Trading Book Approach.

Mitigant Eligibility (IRB Approach)

- Eligible Mutual Fund Indicator, Main Index Equity Indicator, Equity Traded Indicator

Miscellaneous

- All tranche information regardless of whether Bank has Exposure or not – required for inferring the ratings, credit enhancement level computation, eligibility of nth to default credit derivative mitigant
- Mitigant Value to be assigned at an Exposure level (not to the tranche)
- Mitigant Pool Id in the Exposure Mitigant Mapping table for nth to default mitigants – Required for eligibility of nth to default credit derivative mitigant
- Attachment point of tranches based on original balances – Required for eligibility of nth to default credit derivative mitigant

Market Risk

Overview

Basel Committee introduced Market Risk capital charge calculation in 1996 as an Amendment to the earlier Basel accord looking at the risk born by a financial institution having exposures in the trading book. BIS defines Market risk as “the risk of losses in on and off-balance-sheet positions arising from movements in market prices”. It is the risk that arises out of the adverse movements of the market factors

Basel outlays two basic approaches for calculating the capital charge for Market risk

- Standardized Approach
- Internal Model Method Approach

Standardized Approach

In standardized approach (STD Approach) the market risk capital charge need to be calculated for the following instrument types

- Interest Rate related instruments (IR Instruments)
- Equity Position Risk
- Foreign Exchange risk
- Commodities
- Options

Pre-requisite for MR processing

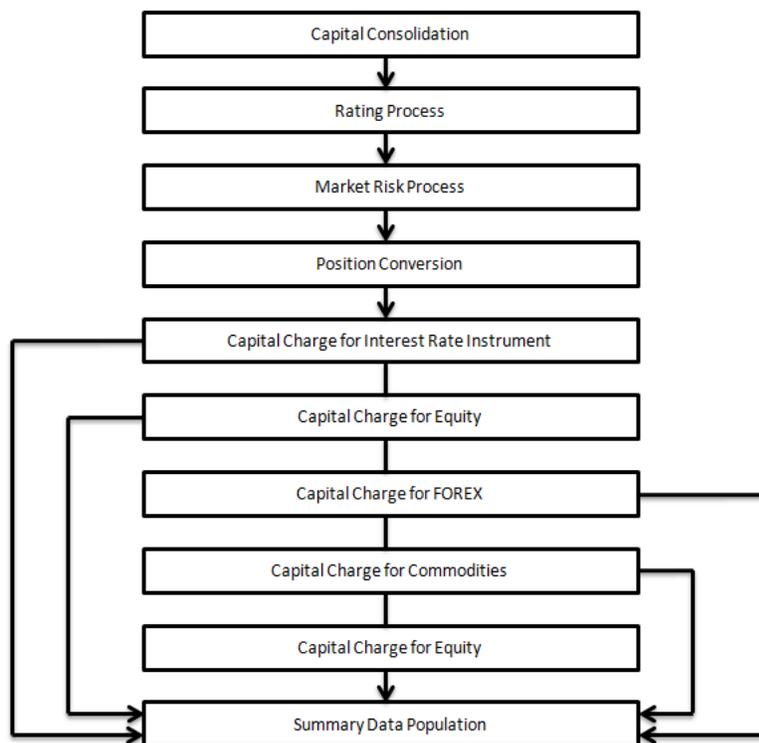
Staging Data Population – Market Risk

Execution of the Run, **Staging Data Population - Market Risk - BIS Standardized Approach** is usually a onetime activity. This should be executed once before actual Market Risk Run is executed. This Run is expected to execute in following circumstances. The following tasks are performed when the Run is executed.

- IRC Data
- Market prices of the instruments
- Bank positions

This Run populates the instrument-level data i.e. required by the actual Run for further processing. The instrument level data such as number of units of the instruments on that particular MIS date is downloaded in bank instrument position table. This data will be moved to fact table for further processing. The OTC instrument price is expected as a download. For non-OTC instruments the data for instruments' price is captured in Market Instrument Contract table. This data is further moved to fact table. For IR instruments the interest rate required is captured in IRC Rate Hist table. This data is moved to fact table. This data is required for term structure i.e. used in Modified Duration and Greeks parameter calculation.

Process Flow



- **Capital Consolidation:** For a reporting bank the level at which the consolidation is done is identified by the application. You can choose solo or consolidation level for each entity in the rule present in the capital consolidation process. This particular process handles entity level details. The entity data is captured in Legal Entity Details table. All the child entities underlying a parent will be considered for RWA consolidation. When consolidation is the level selected for a reporting bank, each child entity data is consolidated with the parent entity post Entity shareholding percent multiplication.
- **Rating Process:** Rating data is expected for all instruments which bears an interest rate risk. The rating data is reclassified into Basel equivalent standard rating and the standard rating is considered for assigning specific risk charge for each interest rate instrument. In case there exists multiple ratings for the same issue, the application does a multiple assessment check as per the multiple assessment logic detailed in the Basel II guidelines.
- **Market Risk Process:** Market Risk Process includes position conversion and capital charge calculation for each instrument type as detailed below
 - **Position Conversion:** Position conversion is done before capital charge calculation under market risk. In Position Conversion different instruments are broken into long and short positions and carried forward for specific and general risk charge calculation. All derivative instruments undergo position conversion so that the instrument is broken down into simplified positions for further processing. For positions in equities, commodities, gold, currencies, etc., only one leg is exposed to interest rate and other leg is exposed to the respective asset (equity, forex, etc.,) as the case may be. The following information is required for position conversion: Long/Short position, Value of Notional Position, and Coupon Rate and Maturity.
 - **Methodology for Position Conversion:** While calculating interest rate risk, each instrument is converted into multiple positions. The notional value of each position is derived based on the below methodology:

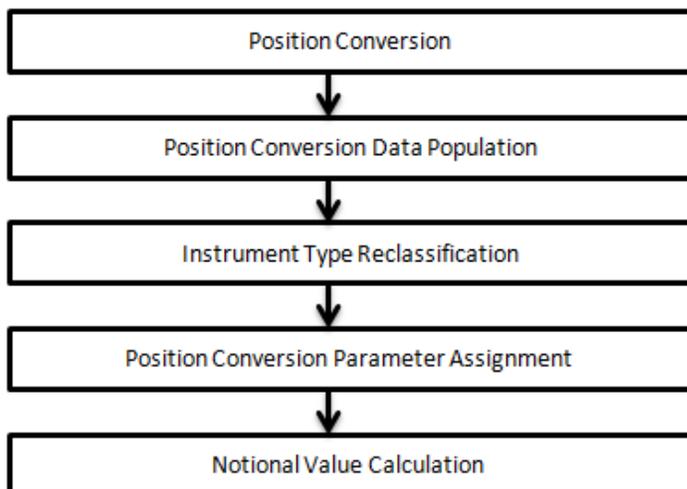
- Notional positions in actual debt securities is valued as the nominal amount underlying the contract at the current market price of the debt security; and
- Positions in zero-specific-risk securities is valued using one of the below two methods
- A firm must use one of the following two methods for its position in zero-specific-risk securities arising from above
 - The present value approach, under which the zero specific-risk security is assigned a value equal to the present value of all the future cash flows that it represents; or
 - The alternative approach, under which the zero specific-risk security is assigned a value equal to
 - The market value of the underlying notional equity position in the case of an equity derivative;
 - The notional principal amount in the case of an interest rate or foreign currency swap; or
 - The notional amount in the case of any other financial instrument
- In case of options, the delta weighted values go into the general risk charge calculation. Delta is computed by the application based on the instrument type, coupon, residual maturity, strike price, spread, option premium value, etc

▪ **Instrument Coverage**

- Interest Rate Derivatives
 - Bond Forward
 - Forward Rate Agreement
 - Bond Future
 - Future on a Basket/Index of bonds
 - Interest Rate Futures
 - Receiver Swap (without deferred start)
 - Payer Swap (without deferred start)
 - Basis Swap (without deferred start)
 - Forward Basis Swap
 - Forward Receiver Swap
 - Forward Payer Swap
 - Dual Currency Bond
- Equity Derivatives
 - Equity Forward
 - Equity Future
 - Equity Swap
- Currency Derivatives
 - Currency Forward

- Currency Future
 - Currency Swap
- Commodity Derivatives
 - Commodity Forward
 - Commodity Future
 - Commodity Swap
 - Gold Forward
- Credit Derivatives
 - Credit Default Swap
 - Total Rate of Return Swap
 - Cash Funded Credit Linked Notes
 - First and Second-to-Default Basket Credit Derivatives
- Options / Structured Products
 - Option on Equity
 - Option on Currency
 - Option on Commodity
 - Option on Currency Future
 - Option on Currency Forward
 - Currency Swaption
 - Option on a bond
 - Option on a bond future
 - Option on a Forward Rate Agreement
 - Option on an Interest Rate Future
 - Caps
 - Floors
 - Collars
 - Swaptions
 - Bonds with Embedded Swaptions
 - Callable Bonds
 - Puttable Bonds
 - Floating Rate Notes with Caps
 - Floating Rate Notes with Floors
 - Reverse Floaters
 - Leveraged Floaters

The process flow of Position Conversion is as follows:



- **Data Population:** The application takes the contract details from instrument table and breaks each contract into multiple positions into market risk exposures table. The application splits instruments which are derivatives in nature into multiple positions based on the instrument position mapping available in the mapping table. For example: A bank having a plain long position in a derivative instrument is split into one long and one short position. So for each long position and nature of contract type, the application creates required number of positions in the processing table. The download information used for position conversion is contract details, instrument type, contract position, position mapping, and so on. Certain exotic instruments are split into more than two positions. For example: A long position in a reverse floater is converted into the following positions.
 - A long position in two straight bonds (i.e. double the notional amount and half the fixed interest rate);
 - A short position in a floating rate bond (i.e. a position in floating rate bond with notional amount and floating reference rate);
 - A long position in a cap (which is further broken down into its underlying positions as already explained earlier).

NOTE: Reverse Floater: As in Investopedia “A floating-rate note in which the coupon rises when the underlying reference rate falls. The floating rate resets with each coupon payment and may have a cap and/or floor”

- **Instrument Type Reclassification:** The application reclassifies all bank instruments into standard instrument type based on contract type, contract position, market risk position, and so on. A fixed bond forward with a long position in the contract is reclassified into fixed rate bond for the long leg and zero risk security for the short leg created by position conversion. The reclassifications are then used for notional value calculation
- **Position Conversion Parameter Assignment:** After doing position conversion that is, breaking each instrument into long and short leg, the application does instrument parameter assignments for each position leg created under position conversion logic. For each leg, relevant information like: coupon rate, coupon frequency, maturity, strike price for options, option premium value, etc. are updated from parent information. This information are used in identifying instrument to be grouped under maturity ladder based on coupon rate (less than or greater than equal to 3%),

duration calculation for duration ladder approach, calculation of Greeks for option charge, and so on.

- **Notional Value Calculation:** Notional value of each leg created by position conversion for each instrument is calculated based on the contract characteristics (market price, number of units). For options it is the delta weighted position which is carried forward for market risk charge calculation. After Notional Value calculation, the application assigns risk weights to the position converted IR-instruments. The risk weights are stored in Specific Risk Mapping table. These risk weights are stored against time band, Basel rating and category keys. The categories are Qualifying and sovereign and the ratings are picked from standard Basel Rating table. There is some dependency on different instrument types like the exotic options may further result into normal option after position conversion, so the position conversion should happen always as per following order of instrument types:
 - Exotic Options
 - Options.
 - Basket Futures
 - Swaps
 - Forwards Futures
 - Credit Derivatives

After position conversion of Basket Futures instrument types, we do position offsetting on different position of same kind of instrument types and reach at post offset exposure amount.

Example of a Forward Rate Agreement (FRA) Position Conversion:

A purchased FRA may be depicted via two notional zero-coupon positions: one short position (liability) up to the maturity of the underlying credit transaction and one long position (claim) up to the settlement of the FRA. Suppose a firm purchases 3 x 6 month FRA, principal: 1000; interest rate 6%. The above position is broken down into two opposite zero coupon bond positions as given below:

First Position:

Position	:	Long
Value of Notional Position:	:	$PV \{1000 / ((1+5\%)^{0.25}) = 987.87\}$
Maturity	:	3 months
Coupon	:	Zero (Coupon of less than 3%)

Second Position:

Position	:	Short
Value of Notional Position:	:	$PV \{1000 / ((1+5\%)^{0.5}) = 975.90\}$
Maturity	:	6 months
Coupon	:	Zero (Coupon of less than 3%)

A sold FRA will have positions exactly opposite to the one given in the example above i.e. the long position will become short and vice-versa with the value, maturity and coupon remaining the same.

It may be noted that the actual discount rates for discounting the notional values of the two legs in the above example will be the interest rates pertaining to the respective maturities that is, 3 months (long leg) and 6 months (short leg). For simplification purposes, an assumed rate of 5% has been taken in the above example. For the above example, application steps are detailed below.

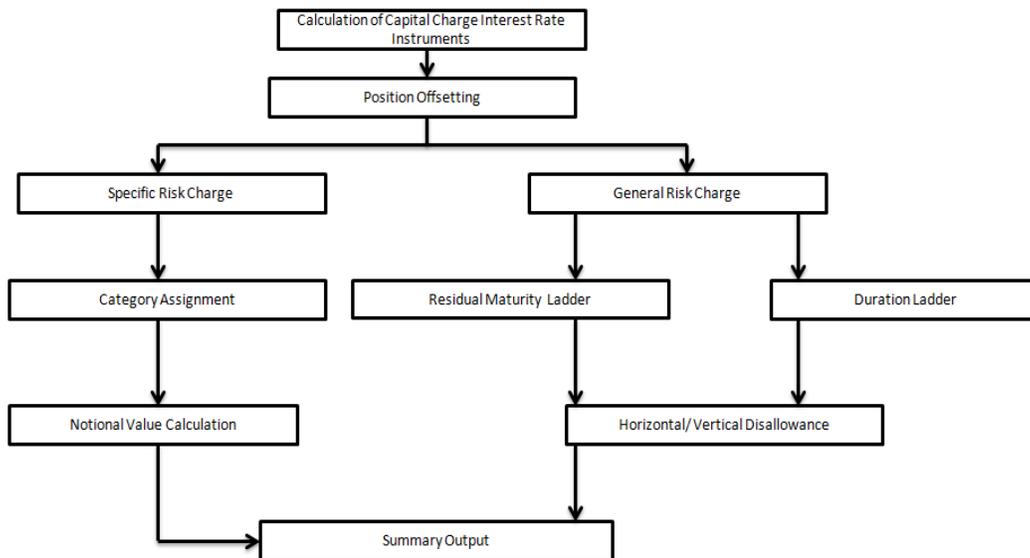
First the FRA as contract is captured in the contract record details table with banks position in the contract in the position table. The application also captures the position mapping table for the above instrument type which will be used for position conversion under data population block as detailed above. For the above FRA example, two positions will be created one long position with a maturity of 3 months and a short position for the life of the contract i.e. with a maturity of 6 months.

Second, both the position legs are reclassified into zero specific risk security.

Third, the various contract parameters are assigned by the application to both the legs. Example: Coupon Rate, Maturity,

Fourth, the Notional Value of both the legs is calculated as per the logic stated in the example.

- Interest Rate risk Related Risk Charge:** The total risk charge for Interest Rate (IR) instruments are comprised of Specific risk charge (Specific to the Issuer and Instrument) and General Risk Charge (Market related risk vested in the instrument). Process flow diagram for Interest Rate Risk



- Position Offsetting:
- Specific Risk Charge:** Specific Risk charge is calculated based on Categories and Investment grade. The Basel Application first identifies the categories based on the conditions laid by the accord. Once the category is identified the specific charge weight gets assigned based on category, Basel equivalent rating and residual maturity.
- Category Assignment:** Application identifies the categories based on issuer of the instruments as Sovereign, Corporate, Banks, and so on. To identify qualifying category the application does a count of number of Basel equivalent issuer ratings present for each instrument. If the count is two or more it is a qualifying category otherwise it is an others category. For multiple Basel equivalent issuers rating available the application does a multiple assessment and figures out the final rating on which the specific risk charge need to be assigned. Multiple Assessments logic is based on Basel Para 96, 97 and 98 of revised framework on capital adequacy published on June

2006. Offsetting of position for specific risk charge is done only in cases where positions are identical and related to the same issuer.

- **General Risk Charge:** General Risk charge is calculated for each Interest rate risk exposure for a reporting bank. General Risk charge is calculated based on two methods
 - Residual Maturity Ladder Approach
 - Modified Duration Ladder Approach

Under both the methods, the application creates time bands and based on residual maturity or duration, places each instrument in the respective time bands for offsetting. The matched and unmatched position across time bands and across three zones attracts general risk charge as per the definition stated in Basel II guidelines for market risk.

- **Residual Maturity Ladder Approach**

Under Residual Maturity ladder the general risk charge is calculated for each currency. For multiple currencies the horizontal and vertical disallowance calculation is done by creating separate residual maturity ladder for each currency unless the interest rate risk exposures are insignificant for the reporting bank. In case of insignificant exposures in multiple currencies exposures are grouped into a single residual maturity ladder for general risk charge calculation.

Under residual maturity method the application first creates around 15 residual maturity time bands. The time bands definitions are given in the Basel II guidelines based on coupon being less than 3% or equal to and greater than 3%. All the 15 time bands are grouped to 3 zones for horizontal disallowance as per the zone definition given in Basel II Market Risk guidelines

The entire end to end processing of general risk charge calculation is done in a separate table meant only for it and can be pulled out and analyzed in form of reports. All the processing steps and related data are stored in the table starting from time bands assignment, zone identification thereafter the matched and unmatched position following horizontal and vertical disallowance and net open position by each currency.

- **Modified Duration Ladder Approach**

Under Modified Duration Ladder approach, the application creates duration ladder based on modified duration calculated for each instrument. Similar to residual maturity ladder the general risk charge under modified duration ladder is also calculated for each currency and insignificant positions across multiple currencies are put into a single modified duration ladder for horizontal and vertical disallowance calculation.

The duration ladder time band created in the application is based on the definition given by Basel II guidelines on market risk. Like residual maturity, for duration based ladder also the application creates three time zones for each modified duration time band.

All the processing attributes used under modified duration ladder approached is stored in a separate table starting from modified duration, assumed rate change applied, time band assigned and zonal horizontal and vertical disallowance output by each currency.

- **Horizontal/Vertical Disallowance:** Application does horizontal/vertical disallowance first netting opposite position within each time band and then across time bands for the carry over position. In Maturity ladder approach, each instrument position within the time band is weighted with the general risk weight and summed as aggregate long and aggregate short position for each time band. The post offset amount for each long and short position is multiplied by its modified duration and assumed rate change to get the post offset weighted long and weighted short position under duration ladder approach. Application does a vertical disallowance by offsetting the weighted long and short position in each time-band, resulting in a single short or long

position for each band and carrying over the open position for offsetting across time bands and then across three zones.

The residual net portion in each zone are then carried over and offset against opposite portions in other zones.

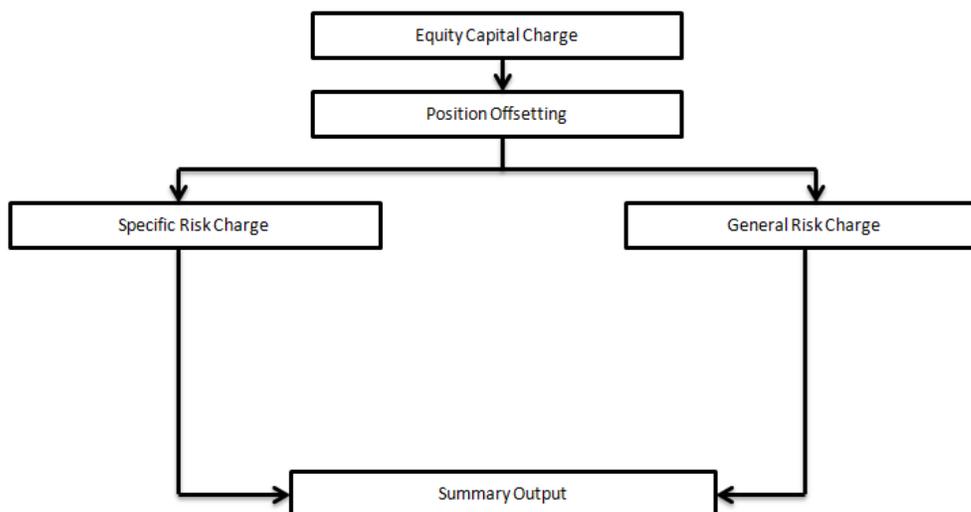
The net open portions left after matching non adjacent zones are carried over as net positions.

The capital charge is applied at each state for the matched and unmatched position as per the capital charge stated in Basel II guidelines for market risk.

- **Summary Output:** For reporting purposes, the application moves data from market risk capital table to market risk reporting table.

At the end, Risk Weight Asset is calculated in Market Risk summary table by multiplying capital charge with 12.5. The interest risk charge gets reported out of market risk summary table under Interest Risk charge reporting line. Specific and general risk charge for interest rate is also reported separately from the summary table.

- **Equity Risk Charge:** Application calculates Equity capital charge as summation of Specific Risk charge and General Risk charge. The process flow for calculation of Equity Risk Charge is as follows:

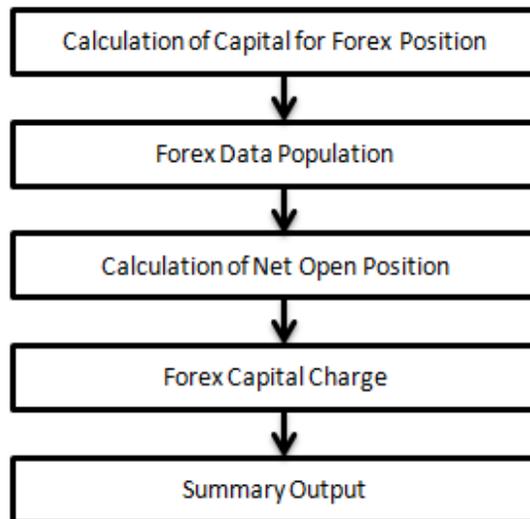


- **Position Offset:** Long and short position in the same equity instrument are offset for the matched position and net open position is carried forward as net long or net short position for specific and general risk charge calculation.
- **Specific risk charge:** The application assigns specific risk charge as 8% on gross equity positions. For an index equity which is well diversified a 4% specific risk charge is applied. In case of equity derivative, the application takes into account either any future related arbitrage or deliberate arbitrage strategy created on equity. In case equity arbitrage is created out of futures, the application takes the arbitrage information as a mapping in equity arbitrage mapping table where any opposite future derivative created as hedge for the underlying equity exposures is expected. The application applies a 2% specific charge on lower of opposite index position created or equity underlying.

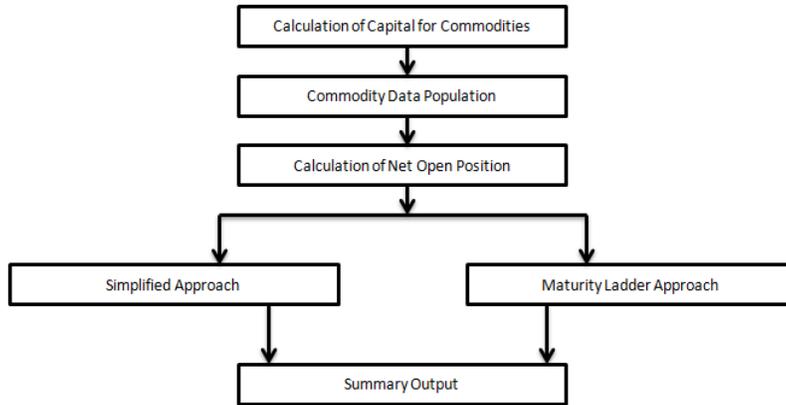
In case of deliberate arbitrage position in equity, 90% or more of matched position between index and equity gets a 4% capital charge. For the slippage of 10% or less, equity weightage in the basket is calculated as particular equity position amount out of total equity amount and then compared with equity weight age as part of index for value less than equal to 10%. The 10% value is identified as a slippage and an amount lower of equity or index is carried forward as net open long or open short position and a 8% specific risk charge is applied.

In case of depository receipts with opposite position in underlying identical equities, the mapping is expected in a depository receipts and issue mapping table where the depository receipts are mapped against the underlying equity with a conversion factor to take care of the conversion amount for offsetting. The matched opposite position in underlying equity are offset and the net open position are carried forward for an equity specific and general risk charge.

- **General risk charge:** The application applies 8% general risk charge for equity instrument type.
- **Summary Output:** The Equity risk charge gets reported out of market risk summary table under equity charge reporting line. Specific and general risk for equity is also reported separately from the summary table.
- **Forex Risk Charge:** The process flow for Forex capital charge is as follows:

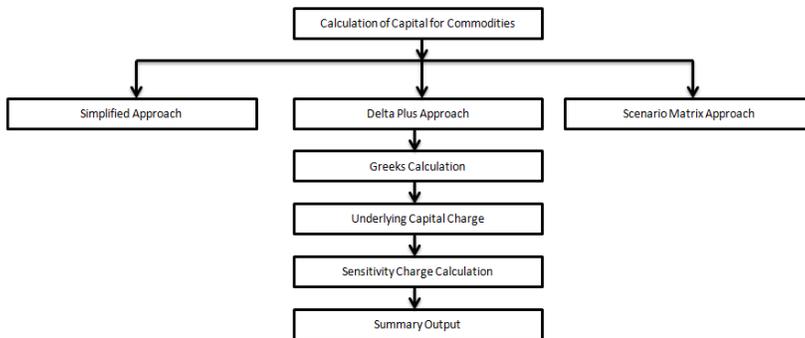


- **Forex Data population:** All foreign exchange exposure data is expected at a net level by each currency in a separate table meant only for forex exposures data. Forward currency position, asset, liability, accrued interest, profit and loss, structural position, etc in different currencies are captured separately in the forex exposure table.
- **Calculation Net Open Position:** The net open position is the maximum value of the net long and net short position across all currency exposures plus the value of gold.
- **Forex Capital charge:** The application applies the short hand method for forex risk charge calculation by treating all the currencies to be same and applying 8% risk charge on net open position.
- **Summary Output:** The forex risk charge gets reported out of market risk summary table under forex charge reporting line.
- **Commodity Risk Charge:** The process flow is as follows:



- **Commodity Data Population:** Commodity data is captured at an exposure level with commodity identifier as information. Commodity identifier is referred from the list of commodities available in the dimension table meant only for commodities.
- **Position Offset:** Application does a position offset for commodities based on common commodity group identifier. The net long and short position is carried forward for commodity risk charge application. In case of any derivative position taken on commodity, the capital charge is calculated based on position conversion to capture both option or interest rate risk charge if existing and a capital charge for the commodity
- **Simplified Approach:** In case of simple approach, application moves date from market risk exposure table to market risk commodity capital table. In Simplified approach, application calculates 15% capital charge on the net open long or open short position plus an additional 3% capital charge on gross position (long plus short) for each commodity group.
- **Maturity Ladder Approach:** In maturity ladder approach, Application creates 7 maturity ladders as per the definition given in Basel II guidelines for Market Risk. The offsetting is done within each time band and for the matched position 1.5% capital charge is applied and the net open position of each time band is carried forward and a capital charge of .06% is applied to all the carried forward amounts. For the final net open position post offset across the time bands a capital charge of 15% is applied
- **Summary Output:** The commodity risk charge gets reported out of market risk summary table under commodity charge reporting line.

• **Options Risk Charge:**



- **Simplified Approach:** In simplified approach for option type being long cash and long put or short cash and long call, application calculates in the money values for the option. In case of in

the money option the value is calculated as the number of units multiplied by the difference of underlying forward price and strike price if the residual maturity of the option is greater than 6 months. In case of the residual maturity of the option contract being less than or equal to 6 months the in the money value is calculated as number of units multiplied by the difference of underlying current market price and strike price.

The capital charge is arrived as the difference between sum of general risk and specific risk on the underlying value and in the money value of the option. For long put or long call application applies the capital charge as least of sum of general risk and specific risk on the underlying and option premium value.

- **Delta Plus Approach:** In delta plus approach the option taken on any underlying contract goes for position conversion. The position conversion is detailed in the position conversion block. The purpose of position conversion is to create multiple positions with delta weighted amounts and send each position for respective capital charge calculation.
- **Greeks Calculation:** Application calculates Greeks for options based on the option contract information. The Greek calculation involves calculating implied volatility, delta, gamma and vega. The information required for calculating Greek is explained under “**Position Conversion Parameter Assignment**”. Each of the Greek calculated then participates in sensitivity charge calculation.
- **Underlying Capital Charge:** For options contract in equities, commodities, gold, currencies, etc. one leg goes into interest risk calculation and the underlying leg goes into the respective asset (i.e. equity, forex, commodity, etc.,) charge calculation as the case may be.
- **Sensitivity Charge Calculation:** For options, total charge includes underlying capital; charge plus sensitivity risk charge. Sensitivity risk charge includes delta risk, gamma risk, and vega risk charge. The formula used against each of the sensitivity charge is as per Basel II guidelines on Market risk.
- **Summary Output:** The capital charge for option is reported from summary table where reporting line is options where as the underlying risk charge gets reported under the respective reporting line.
- **Scenario Matrix Approach:** Currently the application does not cater to scenario matrix approach for option contracts.

Key Data Elements

A few key data elements are listed in this section. For a complete list of tables and columns to be populated Download Specification document.

For Staging Data Population the key data elements involved are as follows:

- Interest Rate Historical Data: Interest Rate information for IR instrument is stored here.
- Bank Positions: Price of Instrument and No of Units for OTC instruments are stored here.
- Market Instrument Contract: Price of Non-OTC instruments is stored here.

For Market Risk Processing the key data elements involved are as follows:

- Instrument contract: Instrument Type, Counter party type, currency code, coupon rate, effective date, maturity date, strike price, coupon rate, coupon frequency are stored here.
- Forex Exposures: Exposure amount, asset amount, asset accrued interest, asset accrued profit are stored here.

- **Instrument Position Mapping:** This table is seeded data where instrument type, its position like 'SHORT' or 'LONG', its position conversion code like 'LONG' or 'SHORT' is stored. This is required in case of position conversion of instruments.

Operational Risk

Overview

Operational Risk (OR) is an adverse outcome resulting from internal events or external events. Adverse impact due to internal events can arise from inadequate or failed internal processes, people, or systems. External losses can occur due to theft of information or hacking of systems. The Basel II accord has prescribed three methods for calculating OR capital charges and banks can use any of these methods to calculate capital charge:

- Basic Indicator Approach
- Standardized Approach
- Alternative Standardized Approach

NOTE: While executing Solo Run for computing Operational Risk the parent entity data is processed. However, for a Consolidation Run the Parent entity as well as the subsidiary data is processed.

Basic Indicator Approach

To calculate the Capital Charge under the Basic Indicator Approach (BIA), the annual gross income for each of the past three years for a standard line of business is multiplied by a fixed percentage of 15%. Then the average is considered to calculate the capital charge. If the annual gross income is negative or zero in any of the past three years, then the value from the numerator is excluded thereby reducing the base denominator by the same count.

The Capital Charge formula is as follows:

$$K_{BIA} = \left[\sum (GI_{1..n} \times \alpha) \right] / n$$

Standardized Approach

In this approach, banking activities are divided into eight lines of business. The Gross Income for each line of business is multiplied by the beta factor which is pre-defined in the Basel II Accord. Every year the gross income of the standard line of business is multiplied by respective beta factor. The total capital charge is calculated as the three-year average of the sum of the regulatory capital charges across each lines of business every year. The total Capital Charge is calculated as follows:

$$K_{TSA} = \left\{ \sum_{\text{years } 1-3} \max \left[\sum (GI_{1-8} \times \beta_{1-8}), 0 \right] \right\} / 3$$

Where

K_{TSA} = the Capital Charge under the Standardized Approach

GI_{1-8} = annual gross income in a given year (as defined in the Basic Indicator Approach) for each of the eight lines of business.

β_{1-8} = a fixed percentage, set by the committee, relating the level of required capital to the level of the gross income for each of the eight lines of business.

Alternative Standardized Approach

This approach is an extension of the standardized approach. In this approach for two lines of business: Retail Banking and Commercial Banking, the Loan and Advance amount is used (rather than Annual gross Income) which is multiplied by the fixed factor “m” and the beta factor. The beta factor as in the Standardized Approach remains the same for Retail and Commercial Banking. The constant factor “m” is equal to 0.035. The capital charge for Retail and Commercial Banking uses the Loan and Advance Amount and for all the others the calculation of capital charge is the same as in the Standardized Approach. The total capital charge is calculated as the three-year average of the sum of the regulatory capital charges across each lines of business every year.

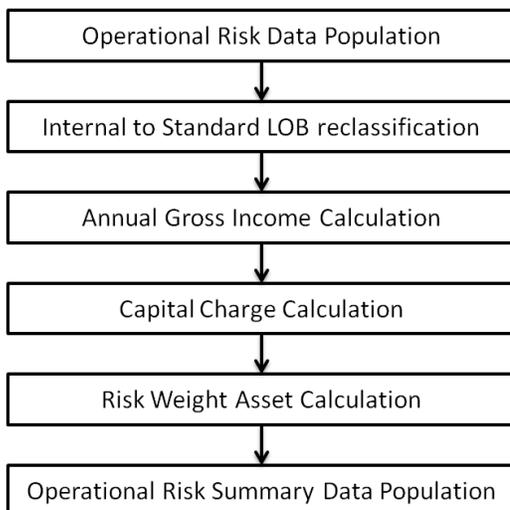
Process Flow**Prerequisite**

Before calculating the capital charge for Operational Risk, the following should be computed as a prerequisite:

In the processes **OPS_RISK_STD_APPROACH**, **OPS_RISK_BASIC_IND_APPROACH**, and **OPS_RISK_ALTERNATE_STD_APPROACH** the task defined as **OR_Capital_Std_App**, **Opr_Risk_Capital_Charge**, and **OR_Capital_Std_App** respectively, should mention the number of years (in the past) as a parameter for capital calculation.

For example: if the previous 3 years are considered, then assign 3 as a parameter against the task **OR_Capital_Std_App**. Therefore, in the future if the previous 4 years have to be considered then change that particular parameter only.

After defining the parameter the procedure to compute Operational Risk is as follows:



- **Operational Risk Data Population:** The input data for each of the financial years mapped along with the Internal Line of business are populated in the processing table.
- **Internal LOB to Standard LOB Reclassification:** The internal lines of business are reclassified into Basel standard lines of business.
- **Annual Gross Income Calculation:** For each of the standard line of business, for each financial year the Annual Gross Income is calculated.
- **Capital Charge Calculation:** Capital Charge is calculated by multiplying the alpha value or the beta value (for Basic Indicator Approach or Standardized Approach) with the annual income of each year across each standard line of business. Then the average of 3 years is considered (If the values of all the 3 years are positive). If the values of all the 3 years are not positive then exclude zero or the negative value from both numerator and denominator.
- **Risk-Weight Asset Calculation:** The Capital Charge value obtained is then converted to equivalent Risk-Weighted Asset value by multiplying with the factor 12.5.
- **Operational Risk Summary Data Population:** The RWA amount is populated into OR summary table along with the entity for which the OR RWA is calculated. The application converts all the elements in Annual Gross Income and Loan and Advance amount reported in their respective national currency to the reporting currency. While calculating Annual Gross Income or Loan and Advance amount for the subsidiary that are part of regulatory consolidation, the amount is limited to the shareholding percentage. Hence, a subsidiary which is part of regulatory consolidation and parent holding in the subsidiary is say 45%, the amount limited to 45% is considered for gross calculation. Similarly, if the holding is more than 50%, the entire amount is considered for gross calculation.

Key Data Elements

A few key data elements need to be noted while calculating the Capital Charge for OR for the consolidated entity. To view the complete list of tables used for CCR computation refer to the *Download Specification* document.

- Entity details which are part of regulatory consolidation and parent entity share holding percent is required.
- Net Interest Income, Net Provision Amount, Net Non Interest Income, Operating Expenses, Security Sale Gain or Loss from HTM, Insurance Irregular Loss, Security Sale Gain or Loss from AFS and Insurance Irregular Gain for each line of business and for each financial year is required.

Capital Structure

Overview

Basel II capital structure calculates the total capital of the Bank Holding Company. The total capital consists of the following components:

- Tier 1 Capital
- Tier 2 capital
- Tier 3 Capital

Tier 1 Capital consists of core equity capital, retained earnings, and disclosed reserves. Tier 2 capital consists of undisclosed reserves, revaluation reserves (discounted by 55%), general provisions, hybrid debt capital and subordinate term debt. Tier 3 consists of short term subordinate debt covering market risk instrument.

The total capital amount arrived for each tier of Capital is followed by deduction of Goodwill, Investment

in the subsidiary engaged in BFSI, Reciprocal Cross Holding, and expected loss greater than Total Provision amount. These line items are deducted 50% from Tier 1 capital and 50% from Tier 2 capital. Securitization transaction and DTA are deducted from Tier 1 Capital.

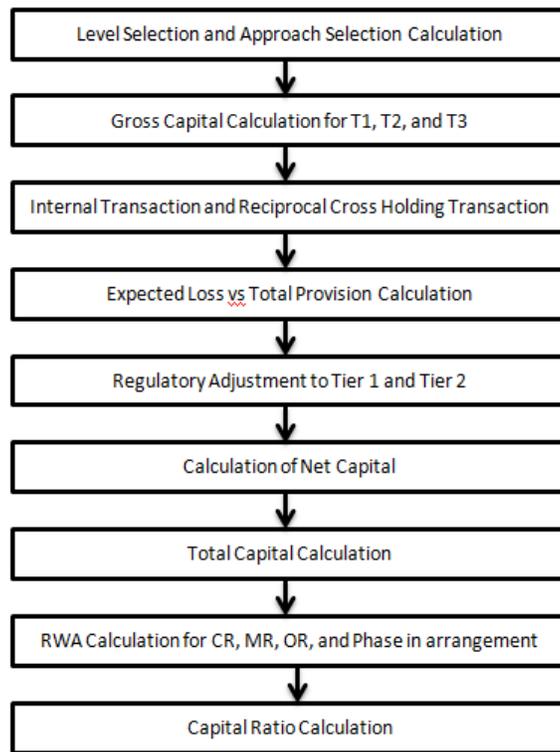
Tier 2 capital is limited to 100% of Tier1 capital whereas Tier 3 capital is limited to 250% of Bank’s Tier1 capital. The total capital ratio must be no lower than 8%.

NOTE: While executing Solo Run the parent entity data is processed. Investment into the subsidiary data undergo as per credit risk and market risk rule. Capital line item pertaining to parent entity is only processed. For Consolidation approach, the Parent entity as well as the subsidiary data is considered. All the GL line items are expected at Solo level for each entity. The consolidated data is discarded.

Assumption

The GL codes are expected to be unique across entities in **STG_GL_DATA** and **DIM_CAPITAL_ACCT_HEAD**.

Process Flow



- Level Selection and Approach Selection Calculation:** To process the Capital for a Banking Organization, the organization level at which the capital has to be calculated and also whether to execute Solo Run or Consolidation Run must be defined. If Solo is selected, only for that particular selected banking organization the capital is calculated, and if Consolidation is selected all the entities that fall under the umbrella of the selected organization is part of Capital calculation. This is done in task – ‘Capital Consolidation Level Selection’ in process ‘**CAPITAL_CONSOLIDATION**’

Based on the share-holding percentage of the Parent Bank in the subsidiary, and the consolidation approach to be followed (Consolidation Approach, Deduction Approach, and Deduction Approach) for each of the entity, the Basel approach is selected. For example: if the share-holding for an entity is

35% and part of consolidation process, the approach selected for this entity is pro-rata consolidation. The above reclassification is done in task – ‘Cap Consl Basel Approach Type Reclassification for an Entity’ in process ‘CAPITAL_CONSOLIDATION’

- **Gross Capital Calculation for T1, T2, and T3:** The total gross capital for each Tier of capital that is, T1, T2, and T3 are calculated as per the definition of T1, T2, and T3 by adding the relevant financial instrument in each tier of Capital. The above calculation is done in sub process – ‘Capital Components Calculations’ in process ‘CAP_STRUCT’.
- **Internal Transaction and Reciprocal Cross Holding Transaction:** All inter-group and reciprocal-cross holding capital investments are marked as internal customer transaction and reciprocal cross holding respectively. The marking is done by populating appropriate standard account head surrogate key for the exposures which qualifies as internal transaction or reciprocal cross holding.
- **Expected Loss Vs Total Provision Calculation:** If the total provision amount is greater than expected loss, the difference is added into Tier 2 Capital maximum up to 0.6% of CR RWA under the IRB approach. The above processing is done in Rule – **CS Total Provision for IRB** in sub process – **Capital Components Calculations** under the process ‘CAP_STRUCT’. If Expected loss is greater than Total provision amount, the difference will go for deduction, where 50% is deducted from Tier 1 Capital and remaining 50% is deducted from Tier 2 Capital. The above processing is done in rule – ‘CS General Provisions for IRB’CS Total Provision for IRB’ in sub process – ‘Capital Components Calculations’ under the process ‘CAP_STRUCT’
- **Regulatory Adjustment from Tier 1 and Tier 2:** All the regulatory adjustment line items are identified and 50% of the total amount is deducted from Tier 1 capital and 50% from Tier2 Capital. In order to handle this 50-50 deduction all the regulatory adjustment line items are moved to table **FCT_CALC_ACCT_HEAD** where each of the regulatory adjustment line items are equally split into 2 records, with one Capital Component group of one record marked as ‘T1COMP’ and other record as ‘T2COMP’. The above processing is done in sub processes – **Calc Acct Head Population** and **Std Acct Head Population** in the process CAP_STRUCT.
- **Calculation of Net Capital:** Net Tier 1 Capital is calculated by deducting the Securitization transaction, DTA and 50% of regulatory adjustment line item. Similarly Net Tier 2 is calculated by deducting 50% of regulatory adjustment line item. If Net Tier 2 is greater than Net Tier 1 capital, than Net Tier 2 is limited to Net Tier 1 capital.
- **Total Capital Calculation:** Sum the total Net Tier 1 capital, Net Tier 2 capital and Net Tier 3capital to obtain the Total Eligible Capital.
- **Risk Weighted Asset (RWA) Amount – Credit Risk, Market Risk and Operational Risk:** The RWA amount for Non Securitization, Securitization, Market Risk, and Operational Risk are calculated by summing up the RWA amount is reported under different headings as ‘Risk Weighted Asset amount for Standardized Portfolios/IRB portfolio’ for Non-Sec, “Sec Std RWA” for Sec portfolio, “Market Risk RWA” for Market Risk and “Operational RWA” for Operational Risk.
- **Capital Ratio Calculation:** T1 ratio and Capital Adequacy ratio are calculated using the Total RWA amount and Net T1 Capital, and Total Capital amount. The above processing is done in sub process – **Capital Components Calculations** in the process CAP_STRUCT.

Key Data Elements

A few key data elements to process the capital structure for the consolidated entity are as follows. For a complete list of tables and columns to be updated refer to the Download Specifications document:

- Entity details which are part of regulatory consolidation, and parent entity share holding percent.
- The capital structure component for each tier of capital for all entities involve in regulatory consolidation.

- The General Ledger line items are captured as download in Stage General Ledger Data (STG_GL_DATA).
- If and capital Line item like ‘MR RWA’ or ‘OR RWA’ is available as download, then these Non GL line items are expected as download in Stage Standard Accounting Head (STG_STANDARD_ACCT_HEAD).
- The standard account head id of line items like ‘Net Tier 1 Capital’, ‘Capital ratio’, etc which are computed by application are expected to be mapped to Capital Account Identifier –‘OTHERS’. So that the application populates these line items into Fact Standard Accounting Head (FCT_STANDARD_ACCT_HEAD) with initial value as 0. Later this value will be over written by application.



FSI_CAPITAL_STAN
DARD_MAPPING.xls

Capital Consolidation

Basel III

Capital Structure

Overview

During the economic crisis, the global banking system had an insufficient level of high level quality capital. During the crisis it was revealed that there was inconsistency in the definition of capital across jurisdictions and lack of disclosure. To address this issue of inconsistency, the Basel committee has prescribed a new definition of capital to strengthen the global capital framework under Basel III.

As per the new definition in the Basel III accord, total capital consists of sum of the following elements:

- Tier1 Capital
 - Common Equity Tier 1
 - Additional Tier 1
- Tier 2 Capital

Each component of Capital is subject to the following restrictions where CET1 must be at least 4.5% of total risk-weighted asset. Tier 1 capital must be at least 6.0% of total risk-weighted asset. Total capital must be 8.0% of total risk-weighted asset. Each component of Capital undergoes minority interest and regulatory adjustments. The minority interest is applicable for a Bank only. Regulatory adjustment line item is deducted from CET1.

For a Banking organization into accounting entity that are not part of regulatory consolidation, the investment amount partly goes for deduction from its respective component of capital and partly goes for risk-weighting as per Banking or Trading book rule.

Significant entity investment amount (which are common shares along with Mortgage Servicing Rights and DTA due to temporary differences) goes for threshold deduction where each line item are subject to 10% and 15% CET1 capital. Each line item which are above 10% and 15% limit are risk-weighted at 250%.

Securitization transaction, Equity Exposure under PG/LGD approach, and non-DvP and non-PvP transaction items which were formally in Basel II wherein 50% from Tier 1 and 50% from Tier 2 were deducted are risk-weighted at 1250%. All the regulatory adjustment line items will follow a phase-in

arrangement from the beginning of 2014 till 2017.

In particular, the regulatory adjustments begins at 20% of the required adjustments to Common Equity Tier 1 on 1 January 2014, 40% on 1 January 2015, 60% on 1 January 2016, 80% on 1 January 2017, and reaches 100% on 1 January 2018. The same transition approach applies for all deductions from additional Tier 1 and Tier 2 capital.

Capital Structure process takes input from Fact Non Sec Exposures (FCT_NON_SEC_EXPOSURES) and Market Risk Exposures (FCT_MARKET_RISK_EXPOSURES, only if market risk processing is a part of the Run). Capital Structure process is placed between Market Risk data processing (BASELIII_MKT_RISK_DATA_PROCESSING) and Market Risk position conversion (BASELIII_MKT_RISK_POSITION_CONVERSION) due to the following reasons:

- The Significant and Insignificant Investment Deductions involves splitting of certain exposures into multiple exposures (2 new exposures and deletion of the parent exposure). These split exposures should be Position Converted and RWA is calculated on these position converted exposures.
- The RWA for market risk exposures is calculated out of Market Risk Summary (FCT_MARKET_RISK_SUMMARY) which contains one aggregated record for each instrument type. If the RWA for the split exposures is adjusted then it will be approximate in case the RWA is pro-rated between instrument types. It will be a repetition of same tasks (falling into cycles) if RWA is computed in this table again.

NOTE: All the GL line items are expected at Solo level for each entity. The consolidated data will be discarded

While executing Solo Run the parent entity data is processed. Investment into the subsidiary data undergo as per credit risk and market risk rule. Capital line item pertaining to parent entity is only processed.

While executing Consolidation Run, the parent entity as well as the subsidiary data is considered. Regulatory Investment data to financial institutions which are part of regulatory consolidation is treated as an internal transaction. Those subsidiaries which are outside the scope of consolidation are treated as per Insignificant and Significant rule.

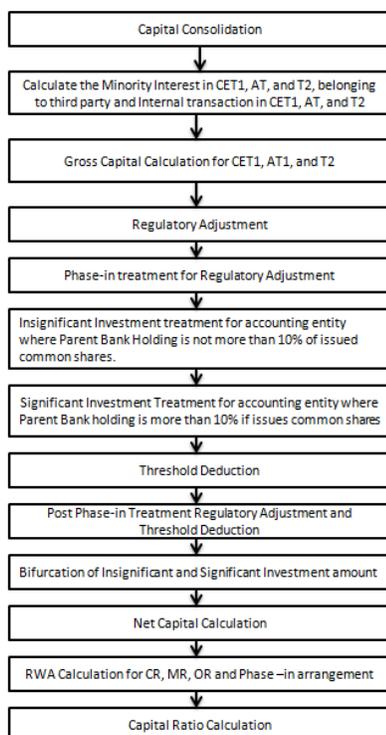
Assumption

The regulatory adjustment that follows a phase-in arrangement and not deducted from CET1, needs to follow national treatment as per Basel III accord. Hence, we assume that the regulatory adjustment line item follows Basel II accord. Items which were formerly deducted from 50%-50% from Tier 1-Tier 2 capital will be deducted from AT1 and capital investment instrument not deducted from CET1 will be risk-weighted at 100%.

Since investment in accounting entities, (which are outside the scope of regulatory consolidation) by parent bank are long-term investments and mostly into equity related instruments, therefore these investments does not undergo any Credit Risk Mitigation process.

The GL codes are expected to be unique across entities in Stage General Ledger Data (STG_GL_DATA) and Capital Accounting Head Dimension (DIM_CAPITAL_ACCT_HEAD).

Process Flow



- **Calculate the Minority Interest in CET1, AT, and T2, belonging to third party and Internal transaction in CET1, AT, and T2:** Minority Interest as per the Basel III guidelines are calculated and the surplus amount in each tier of Capital which is attributed to third parties are deducted from the Gross capital of each tier of capital.
 - Minority interest is calculated as the third party's interest (share holding percent) in the surplus capital (available capital – Minimum required capital)
 - All the values required for processing are populated into Minority Interest Capital (FSI_MINORITY_INTEREST) table which is the processing table for minority interest calculations
 - The sub process – **Minority Interest Calculations** in **BASELIII_CAPITAL_STRUCTURE** process covers the above processing.

The deduction also includes internal transactions in each tier of capital among the various entities which are part of the regulatory consolidation. Hence, minority interest attributed to third party as well as the internal transactions in each tier of capital is deducted from the gross capital of each tier of capital.

- **Gross Capital Calculation for CET1, AT1, and T2:** The total Gross Capital for each tier of capital (CET1, AT1, and T2) is calculated as per the definition of CET1, AT1, and T2 by adding the relevant financial instrument in each tier of Capital. The sub process – **Provisions and Gross Capital Calculations** in **BASELIII_CAPITAL_STRUCTURE** process covers this processing.
- **Regulatory Adjustment:** Goodwill and Other Intangibles, DTAs, Cash Flow Hedge Reserve, Gain on Sale of Securitization Transaction, cumulative gain and losses due to change in Own Credit risk, Defined Pension Fund Asset are direct download (in **STG_GL_DATA** table). Shortfall of Stock of Provision to Expected Loss is applicable only for the IRB portfolio. The general provision for IRB is obtained by prorating the general provision (download in **STG_GL_DATA** table) as follows:
 - The sub process – **Provisions and Gross Capital Calculations** in **BASELIII_CAPITAL_STRUCTURE** process covers the above processing.

- Treasury Stock and Reciprocal Cross Holding is calculated as the Sum of pre-mitigation EAD - **N_EAD_PRE_MITIGATION** in Fact Non Sec Exposures (**FCT_NON_SEC_EXPOSURES**) and **N_POST_OFFSET_AMOUNT** in Market Risk Exposures (**FCT_MARKET_RISK_EXPOSURES**) where the **F_TREASURY_STOCK_INDICATOR** is 'Y' and **F_RECIPROCAL_CROSS_HLDG_IND** is 'Y' respectively.
- All the regulatory adjustment line items are deducted from its respective tier of Capital post minority and internal transaction deduction.
- **Insignificant Investment treatment for accounting entity where Parent Bank Holding is not more than 10% of issued common shares:** The total investment amount is checked against the set limit of 10% of CET1 amount of the parent bank amount post regulatory adjustments. The amount above 10% limit goes for deduction. The total deduction amount is pro-rated among each tier of capital based on the percentage of investment in each tier of capital. The amount arrived is deducted from each tier of Capital.

The investment amount below the 10% limit is treated as per the trading book and banking book rule for the instrument belonging to trading book and banking book respectively.

The application computes as follows:

- Entities are marked as insignificant investment entities by updating the flag: **F_SIGNIFICANT_INVESTMENT_IND** in Fact Entity Information (**FCT_ENTITY_INFO**) with value N.
- The exposure amount of banking book and trading book exposures to these entities are summed by grouping their component of capital and compared against 10% of parent bank's CET1 capital. The portion of amount which exceeds the 10% limit is deducted.
- This is done by calculating tier wise deduction percentage and multiplying this percentage with the exposure amount to arrive at the amount to be deducted from each tier of capital.
- The total investment values are populated into **FSI_NON_REG_CONSL_ENTITY_INVST** which is the processing table for insignificant and significant investment deductions.
- The sub process – **Insignificant Investment in entities outside Regulatory Consolidation Processing** in **BASELIII_CAPITAL_STRUCTURE** process covers the above processing.

Significant Investment Treatment for accounting entity where Parent Bank holding is more than 10% if issues common shares: The total investment amount is checked against the set limit of 10% of CET1 amount of Parent bank post insignificant investment amount adjustment. The CET1 amount above 10% is deleted from the CET1 post insignificant investment amount deduction. The CET1 amount below 10% follows Threshold Deduction. The investment amount in AT1 and T2 is fully deducted from its respective AT1 and T2 tier of Capital. The application computes as follows:

- Entities are marked as significant investment entities by updating the flag – '**F_SIGNIFICANT_INVESTMENT_IND**' in Fact Entity Information (**FCT_ENTITY_INFO**) with value 'Y'.
- The exposure amount of banking book and trading book exposures to these entities are summed by grouping their component of capital and compared against 10% of parent bank's CET1 capital. The portion of amount which exceeds the 10% limit is deducted from CET1. The exposures of AT1 and T2 are fully deducted from respective tier of capital.
- This is done by calculating deduction percentage for CET1 and by multiplying this percentage with the CET1 exposure's exposure amount to arrive at the amount to be

deducted from CET1 capital.

- The sub process – ‘**Significant Investment in Entities outside Regulatory Consolidation Processing**’ in **BASELIII_CAPITAL_STRUCTURE** process covers the above processing.
- **Threshold Deduction:** The three line items’ significant investment in the Common Shares of BFSI where the bank owns more than 10%, Mortgage Servicing Rights (MSR) and DTAs that arises from Temporary Differences goes for Threshold deduction. These three line items are compared with 10% CET1 individually. The portion that exceeds 10% limit is deducted from CET1. The remainder amount after deduction are summed up and compared with 15% CET1. Again the portion that exceeds this 15% limit is deducted from CET1 capital. The entire processing is done in the sub process – ‘**Threshold Treatment Calculations**’ in the process – **BASELIII_CAPITAL_STRUCTURE**.
- **Phase-in arrangement:** All the regulatory adjustment line items are phased-in as per the timeline defined in the Basel III. The phase-in deduction percent for each year is available in a setup table - **FSI_SETUP_CAPITAL_HEAD**.

V_STD_ACC T_HEAD_ID	N_CAPITAL_COMP ONENT_VALUE	D_STAR T_DATE	D_END _DATE	F_LATEST_RECO RD_INDICATOR	V_STD_ACCT_ HEAD_DESC	V_CAPITAL_ADEQU ACY_REGULATOR
CAP936	0.20	1/1/2012	12/31/20 12	Y	Phase-in Regulatory Deduction	BIS
CAP936	0.20	1/1/2013	12/31/20 13	Y	Phase-in Regulatory Deduction	BIS
CAP936	0.20	1/1/2014	12/31/20 14	Y	Phase-in Regulatory Deduction	BIS

The entire processing is done in sub processes – **Provisions and Gross Capital Calculations and Post Phase In Treatment calculations** in process – **BASELIII_CAPITAL_STRUCTURE**

- **Bifurcation of Insignificant and Significant Investment amount:** All the investment transactions in Insignificant Entity and Significant Entity goes for bifurcation. Insignificant investment amount below 10% are stamped as “INSIG_RWA” and any amount above 10% are stamped as “INSIG_DED”. The same logic is applied to Significant Investment amount in CET1. The CET1 amount in Significant Investment entity that is below 15% limit is stamped as “SIG_RWA” and amount above 10% and 15% limit is stamped as “SIG_DED”. The original transactions are deleted and new transactions are created with the stamping as described above. The new transaction thus created can be traced back by looking into the parent exposure id.

The exposure to be deducted is marked with Standard account head surrogate key based on whether the deduction is Insignificant or Significant investment and based on capital component group.

This splitting of exposures is done in Fact Non Sec Exposures (**FCT_NON_SEC_EXPOSURES**) and Market Risk Exposures (**FCT_MARKET_RISK_EXPOSURES**). This splitting logic is carried to Equity Exposures (**FCT_EQUITY_EXPOSURES**) and Fact Sub Exposures (**FCT_SUB_EXPOSURES**) as well.

The entire processing is done in the sub processes –Non Sec Insignificant Investment Exposure Processing, Mkt Risk Insignificant Investment Exposure Processing, Non Sec Significant Investment Exposure Processing, Mkt Risk Significant Investment Exposure Processing, Non Regulatory Investment Sub Exposures Population and Equity Non Regulatory Investment Processing in the process – **BASELIII_CAPITAL_STRUCTURE**.

- **Net Capital Calculation:** The Net CET1, Net AT1, and Net T2 capital amount are calculated post all regulatory adjustments. Any shortfall in T2 capital amount is adjusted against Net AT1 amount and any shortfall of AT1 capital amount is adjusted against Net CET1 amount.

This is done in sub process – **Net Capital Calculations** in process

BASELIII_CAPITAL_STRUCTURE.

- **RWA Calculation for Credit Risk, Market Risk, Operational Risk and Phase –in arrangement:**
The RWA amount for Non Securitization, Securitization, Market Risk, and Operational Risk are calculated by summing up the RWA amount and is reported under different heading as “Risk Weighted Asset amount for Standardized Portfolios/IRB portfolio” for Non-Sec, “Sec Std RWA” for Sec portfolio, “Market Risk RWA” for Market Risk and “Operational RWA” for OR. The Total RWA amount is the summation of Non-Sec, Sec, MR, OR, and Phase-In RWA.

The above processing is done in sub process – **RWA Populations** in process –

BASELIII_CAPITAL_STRUCTURE_CAPITAL_RATIO.

- **Capital Ratio calculation:** CET1 ratio, T1 ratio, T2 ratio, and Capital Adequacy ratio are calculated using the Total RWA amount and Net CET1 Capital, Net T1 Capital, Net T2 capital and Total Capital (sum of Net T1 Capital amount and Net T2 capital amount) amount.

This is done in sub process – **Capital Ratio Calculations** in process –

‘BASELIII_CAPITAL_STRUCTURE_CAPITAL_RATIO’.

Key Data Elements

A few key data elements to process the Capital Structure for the consolidated entity is as follows. For a complete list of tables and columns to be updated refer to the Download Specifications document.

- Entity details which are part of regulatory consolidation and parent entity share holding percent.
- The capital structure component for each tier of capital for all entities involved in regulatory consolidation.
- The total RWA, Total CET1, AT1, and T2 amount and third party percentage of holdings in each tier of capital for minority interest calculation.
- The regulatory adjustment amount like Goodwill, DTA, Other Intangible Assets, Cash Flow Hedge Reserve and Defined pension Fund Asset, MSR and so on.
- The transaction of the investment amount for accounting entity which are outside the scope of regulatory consolidation.
- The CET1, AT1, and T2 capital of the entity which has third party minority holdings in it are expected as a download in legal entity details (**STG_LEGAL_ENTITY_DETAILS**) table. Similarly the third party investment in each tier of capital is also expected as a download in legal entity details table.
- The minimum required capital for each tier for each capital adequacy regulator (for the entity that has third party minority holding in it) is expected in the setup table - Setup Capital Heads (**FSI_SETUP_CAPITAL_HEAD**). For more information refer to the sample data.



SET_UP_TABLE_REG
ULATORY_RATIO.xls:

The Total RWA (CAP838) for the entity that has third party minority holding in it is a download value in **STG_STANDARD_ACCT_HEAD**.

Asset Value Correlation Multiplier

Overview

In the Basel III accord, BCBS has introduced a multiplier of 1.25 to the Asset Value Correlation (AVC) of exposures. These exposures relate to regulated financial firms with assets of at least 100 billion USD and to exposures of unregulated financial firms (regardless of size). The revised correlation formula for financial entities is as follows:

$$\text{Correlation (R_FI)} = 1.25 \times [0.12 \times (1 - \text{EXP}(-50 \times \text{PD})) / (1 - \text{EXP}(-50)) + 0.24 \times [1 - (1 - \text{EXP}(-50 \times \text{PD})) / (1 - \text{EXP}(-50))]]$$

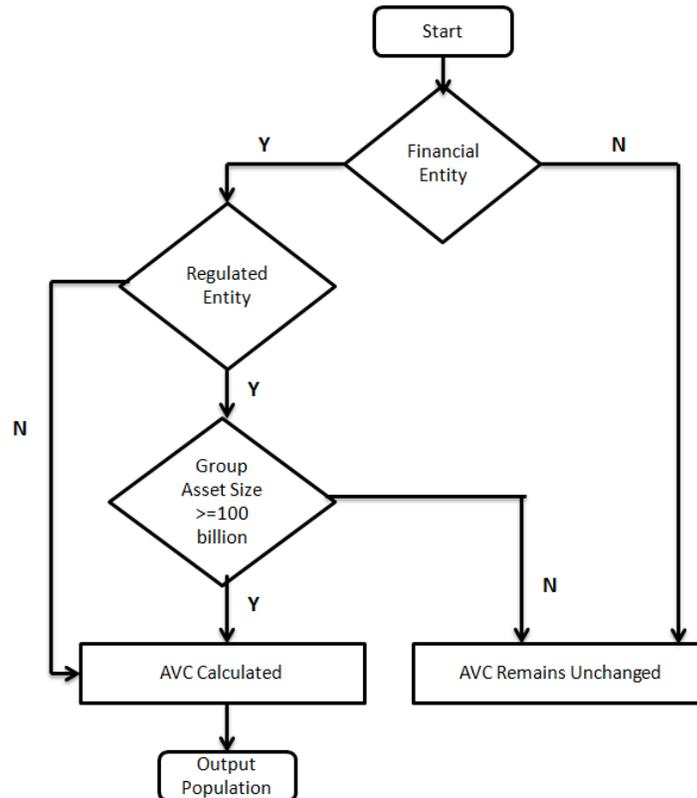
AVC Rule is applicable for both non securitization accounts and for issuers of credit risk mitigation.

NOTE: The computation of AVC does not change for any entity executing a Solo or Consolidation Basel Run.

Assumptions

The Basel III Accord mentions only one formula where new correlation factor is a multiplier of 1.25 for corporate, sovereign, and bank exposures. Therefore, our interpretation of the accord is that the conditions for the multiplier of 1.25 are applicable only for asset classes related to these types of exposures.

Process Flow



NOTE: The T2Ts of all Product Processors populate Financial Entity Indicator, Regulated or Unregulated Indicator, Group Asset Size Amount and Group Asset Size Currency into processing tables from the data provided as a download, for each party.

The description of the process flow is as follows:

- **Financial Entity:** The Basel Regulatory Capital application identifies a financial entity based on the standard counterparty type. The application also identifies a financial entity based on the downloaded

flag that is a part of the table **Party Financial Info**. Therefore, the two ways in which the application identifies a financial entity are as follows:

- The counterparty types are mapped as financial entities in the Rule. This Rule is re-configurable, which the client can modify to add or remove counterparty types based on their interpretation of the term “Financial Entity”. Based on this mapping the application identifies a financial entity.
- The application selects a financial entity as per the Financial Entity Flag that is a part of table **Party Financial Info**. Preference is given to this flag over mapping of counterparty.

If the counterparty is not a Financial Entity then the calculation of AVC remains unchanged. However, if the counterparty is identified as a financial entity, then the application checks whether the financial entity is a regulated entity or not.

- **Regulated Entity:** the application checks whether the financial entity is a regulated entity or not based on the downloaded flag that is a part of the table **Party Financial Info**. If the financial entity is not a regulated entity then the application directly calculates the AVC using the correlation formula and is populated in the column where the AVC was calculated previously. If the financial entity is a regulated entity then the application checks for the group asset size.
- **Group Asset Size >= \$100 billion:** The application checks whether the regulated financial entity is a part of a group with asset size of or equivalent to 100 billion USD. The group asset size can be in any currency; however the asset size is converted to USD and should be equivalent to USD 100 billion or more. If the application does not identify the counterparty as being a part of group asset size of greater than or equal to USD 100 billion, then the calculation of AVC remains unchanged or else the AVC is calculated using the correlation formula and is populated in the column where the AVC was calculated previously.

Key Data Elements

A few key data elements for computation of Asset Value Correlation are provided in this section. For a complete list of tables refer to the Download Specifications document.

- Data that is populated helps the application identify each firm as financial and non financial entity. With the data populated the application also identifies whether the financial entity is a regulated entity or not. Additionally, for a regulated financial entity, the group asset size of the counterparty and the currency pertaining to the asset size is also required.

Capital Buffers

Overview

There are three types of Capital Buffers are prescribed in the Basel III Accord which are as follows:

- Capital Conservation Buffer
- Countercyclical Buffer
- Additional Loss Absorbency Capital (for G-SIB)

A detailed description of each of these buffers is provided in the following sections.

Capital Conservation Buffer (CCB)

The Basel III Accord requires banks to maintain Capital Conservation Buffer (CCB) out of Common Equity Tier 1 Capital (CET1). This requirement is as per the transitional arrangement as stated in the Basel guidelines.

Countercyclical Buffer

The Basel III Accord requires banks to maintain Countercyclical Buffer that is prescribed by the respective

jurisdiction's regulator through an extension of CCB. The Basel Regulatory Capital calculates the buffer requirement for internationally-active banks as the weighted average of the buffers required across all the jurisdictions to which the bank has exposures, weighted on basis of the exposure amount to different countries of the counterparty of their exposures.

In case the guarantor and credit default swap is present for an exposure, as per the Basel guidelines the application considers the domicile country of these mitigants for the covered portion and country of exposure counterparty for uncovered portion. After calculating the weighted average, the application then computes a single value for Countercyclical Buffer benchmark which will attract all the exposures of any jurisdiction.

Additional Loss Absorbency Capital (for G-SIB)

If a group is categorized a Globally-Systematically Important Banks (G-SIB), then the application identifies all subsidiaries in various jurisdictions as G-SIB as well. This is based on our interpretation of the Basel guidelines that are applicable for a specific group. Based on this assessment, banks are assigned a GSIB score, based on which the applicable bucket is decided. Identification of this bucket is based on the score as per Basel guidelines. Loss absorbency is required to be met as an extension of CCB for computational purposes.

Calculation of Capital Conservation Buffer / Available Buffer from CET1 Capital

The value that the Basel Regulatory Capital application calculates for Available Buffer from CET1 Capital meets the buffer requirements for all three buffers - Capital Conservation Buffer (CCB), Countercyclical Buffer, and Additional Loss Absorbency Capital Requirement. No priority is given to any buffer over another. Hence, the shortfall or excess (if any) is calculated and reported at an aggregate level. The required total buffer is calculated as the sum of the required values of three individual buffers.

The application also computes CET1 and Buffer Lookup Ratio, which is further required for calculating Minimum Capital Conservation Ratio. To calculate this buffer, remainder of following is taken:

- Excess of CET1 Capital Ratio over the benchmark (4.5%), after catering to the shortfall (if any), in the Additional Tier 1 and Tier 2 Capital to their respective benchmark levels (1.5% and 2% respectively).

Hence, CCB excludes any additional CET1 needed to maintain 6% of Tier 1 Capital Ratio and 8% of Total Capital Ratio.

Capital Conservation Ratio

The required buffer from CET1 Capital (sum of three required buffers) is compared with Available Buffer from CET1 Capital. If the banks are unable to meet their total buffer requirements for all the three buffers, then they are subject to constraints on the discretionary payments of earnings. In this case the Capital Conservation Ratio is calculated and represents the percentage of net earnings after tax (positive) not distributed by the bank and held back as retained earnings. Capital Conservation Ratio of the current year is applied after 12 months from the time of calculation. This is ascertained by the minimum Capital Conservation Ratio range for a given CET1 and Buffer Lookup Ratio in a table. This table is dynamic and formula driven and is constructed by the application using the values of the three required buffers as per the Basel guidelines. The application constructs the range of CET1 and Buffer Look-up ratio (Lower Limit and Upper Limit) for the required Capital Conservation Ratio in four quartiles.

Lower Limit = 0.000001 + Upper Limit of (n-1)th quartile

Lower Limit of first quartile = - 0.045

Upper Limit = 0.045 + (Total Required Buffer from CET1 Capital * 0.25 * n)

Where n is the quartile number

NOTE: The application calculates Capital Buffers at consolidated level for the reporting bank. However, at the discretion of national supervisors, this can be applied at solo level as well. In such cases, the

calculation of solo level for the respective jurisdictions has been included in the application.

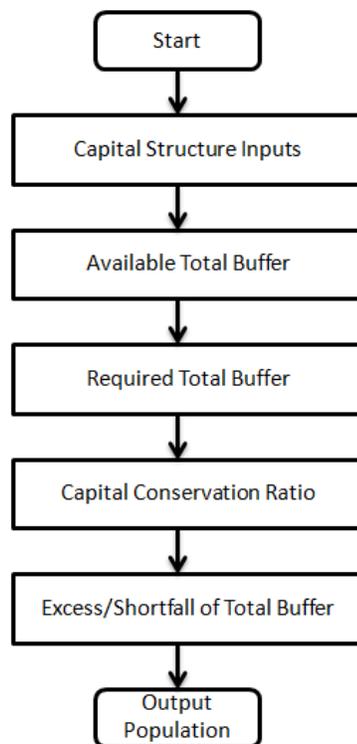
Assumptions

Countercyclical Buffer requirement for each country should be provided by the client or the bank as the final percentage applicable for each country and this is dependent on the home regulator. G-SIB status and applicable bucket information for each entity should also be provided by the client/bank.

For Required Weighted Average Countercyclical Buffer calculation, the exposures used in the bank are all accounts exposed to both credit risk (securitized and non securitized) and those exposed to market risk. However, the application can be restructured to consider only those exposed to credit risk.

In Capital Conservation Ratio for the computation of the quartiles that are used to arrive at Minimum Capital Conservation Ratio, the application is dependent on the required CCB ratio. From 2013 till 2016, CCB requirements will keep changing every year as per the transitional arrangement, For the purpose of calculating the quartiles range, the application considers it as per the transitional arrangement. At the same time, the application has the flexibility to have the required CCB constant at 2.5% throughout. Also, the minimum required CET1 Ratio considered for the purpose of building these quartiles is 4.5%

Process Flow



The tasks related to capital buffer calculations are present in the process named **CAPITAL_BUFFER**. The processing is as following:

- Capital Structure Inputs:** The Capital Structure Rules are executed before the calculation of buffers. These Rules calculate the available capital ratios and required capital ratios of the three capital components which are Common Equity Tier 1 Capital ratio, Tier 1 Capital Ratio, and Capital Ratio. These are then populated to the line items in **Fact Standard Accounting Head** table.

- **Available Total Buffer:** Calculation of Available Buffer from CET1 Capital is performed using inputs taken from Step 1.
- **Required Total Buffer:** Calculation of Required Capital Conservation Buffer (CAP823) - Required Total Buffer is the sum of three required buffers
 - Calculation of Required Additional Loss Absorbency: A Rule in the application contains additional source hierarchy to identify whether a bank is a G-SIB bank or not. The value is checked in the **Loss Absorbency Capital Bank Override** column of the table **Fact Entity Information** and populated to **Fact Standard Accounting Head**. This value will have precedence over the bucket specified. If the value is not present in the **Loss Absorbency Capital Bank Override** column, then the loss absorbency percent is taken from the column **Bucket Loss Absorbency Capital** of the **Benchmark Loss Absorbency Ratio** table based on the loss absorbency bucket the bank belongs to.
 - Required Countercyclical Buffer: Required Countercyclical Buffer Ratio table is updated with values using a T2T. The values are taken from **Benchmark Counter Cyclical Buffer Ratio** table. The **Regulator Code** column in Benchmark Counter Cyclical Buffer Ratio is compared to jurisdiction code column in Run Dimension. This T2T aggregates the country wise exposure amount for each country. In cases where no Countercyclical Buffer is available, the required weighted average will be 0 as the benchmarks will be assumed to be 0. (If there is no countercyclical requirement, we expect the regulator to provide 0 as the benchmark.)

After the T2T loading, based on each country's requirement for countercyclical buffer, the weighted average Countercyclical Buffer is calculated.
 - Calculation of Required Buffer from CET1 Capital, Tier1 and Capital Adequacy Ratio: For the calculation of these required buffers, based on **n_upd_cap_comp_group_skey** (which corresponds to BFCET1 - Buffers from CET1 for Required Buffer from CET1 Capital, BFT1 - Buffers from T1 for Required Buffer from T1 Capital and BFCAR - Buffers from CAR for Required Capital Adequacy Ratio), the standard account head amount is summed up and populated against the corresponding cap id in **Fact Standard Accounting Head** table.
- **Capital Conservation Ratio:** Updating Dynamic Fact Table Fact Capital Conservation Ratio: Capital Conservation Ratio is calculated is based on Required CET1, buffers and the setup or semi-static tables as per the year when the Run is executed. The values are populated through a T2T.
- **Excess/Shortfall of Total Buffer:** The calculated values (only positive values are considered) are stored against the corresponding Cap IDs as two separate line items of which one will be 0.

Key Data Elements

A few key data elements have been elaborated in this section. For a complete list of tables to be updated refer to the Download Specifications document.

Countercyclical Buffer requirement for each country should be provided by the client or the bank as the percentage applicable for each country and this is dependent on the home regulator's jurisdiction as it can prescribe Countercyclical Buffer percentage that is higher than the percentage prescribed by the regulator of exposure country. Hence, the required Countercyclical Buffer percentage for each exposure country provided as input should be the one that the home regulator agrees to.

G-SIB status and applicable bucket information for each entity should be provided by the client or the bank. In case of a consolidated Run, loss absorbency charges applicable to the parent, as required by the regulator of parent, is applicable for complete run. This Run output is supposed to be reported to the jurisdictional regulator of the parent. For a solo Run, loss absorbency charges as required by regulator for a subsidiary entity are applicable. Hence, for both solo and consolidated Runs, G-SIB status of the reporting bank and the applicable bucket is provided by the bank itself.

As the required Capital Conservation Buffer (CCB) needs to be met as per the transitional arrangement, the required buffer value needs to be setup in Setup Capital Heads (**FSI_SETUP_CAPITAL_HEAD**) for

different periods against the standard account head ID CAP823. Different CCB requirements specified by the different regulators can be setup by specifying the regulator codes against the same standard account head ID. This regulator code needs to be the same as the jurisdiction code assigned by the Rule **Jurisdiction Code Assignment**.

The required benchmark of Countercyclical Buffer for different countries as set by different regulators is expected as download in Stage Benchmark Counter Cyclical Buffer (STG_BENCHMARK_CNTR_CYC_BUFFER). This data is populated to Benchmark Counter Cyclical Buffer Ratio (FSI_BENCHMARK_CNTR_CYC_BUFFER) using a Slowly Changing Dimension (SCD) process. Buffer requirement given on a date is valid till the next buffer is specified. For a solo Run, the home regulator specified buffer requirements are considered and for consolidation Run, the consolidating entity's regulator specified buffer requirements are considered. The T2T REQ_CNTR_CYC_BUFFER_POP can be modified to consider only credit risk. For this, joins corresponding to market risk can be deleted from the T2T.

The additional loss absorbency requirement specified by different regulators for different buckets should be setup in the table Benchmark Loss Absorbency Ratio (FSI_SETUP_BENCHMARK_LOSS_ABS). For the solo Run, loss absorbency requirement set by the local regulator is considered. For consolidation Run, the consolidating entity's regulator specified loss absorbency requirement is considered. However, if the loss absorbency requirement for a subsidiary needs to be overridden, it should be given in the column n_loss_abs_override of the table Stage Legal Entity Details (STG_LEGAL_ENTITY_DETAILS).

The minimum Capital Conservation Ratios requirement for different quartiles specified by different regulators is expected as a download in Stage Benchmark Capital Conservation Ratio (STG_BENCHMARK_CAP_CONS_RATIO). This data is populated to the semi-static table Benchmark Capital Conservation Ratio (FSI_BENCHMARK_CAP_CONS_RATIO) using a SCD process. Conservation ratios specified once are valid till the next revision.

Leverage Ratio

Overview

During the financial crisis, banking institutions built-up excessive on- balance sheet and off-balance sheet leverage which forced the banking sector to reduce its leverage. To prevent building of excessive leverage on the institutions' balance sheet, the Basel committee has introduced a non-risk based leverage ratio which is a new regulatory tool supplementing risk-based capital requirement. The application calculates the leverage ratio for a Reporting Bank. The minimum required leverage ratio is 3%. Regulatory leverage ratio is calculated as an arithmetic mean of the monthly leverage ratio over a quarter. Monthly Leverage Ratio is calculated at the end of the month. The leverage ratio is calculated by dividing an institution's capital measure by the total exposure.

$$\text{Leverage Ratio} = \text{Capital Measure} / \text{Exposure Measure}$$

Capital Measure is defined as Net Tier 1 Capital which is the summation of Net CET1 and Net AT1 Capital amount post regulatory adjustment.

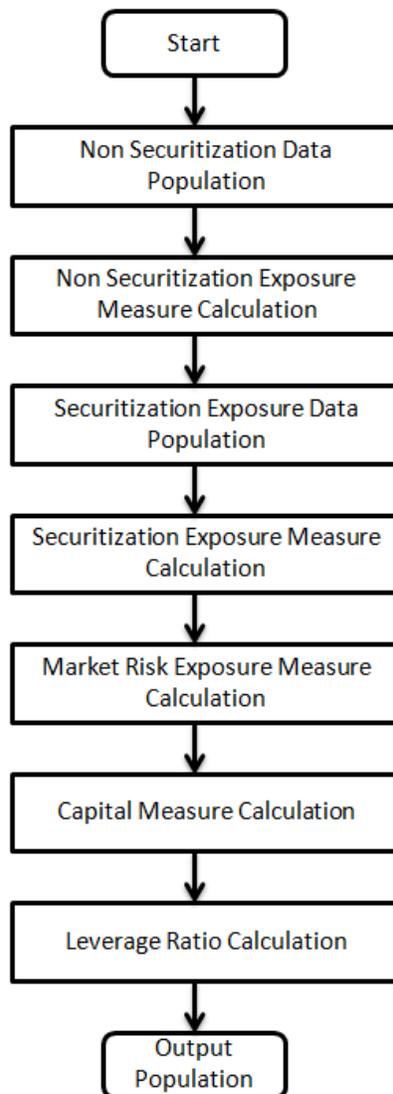
Exposure Measure is the summation of on-balance sheet items, off-balance sheet items, Over the Counter (OTC), Structured Financial Transactions (SFT), securitization, and all market related instrument's transaction amounts. Mitigation amount is not considered while calculating exposure amount. An additional Total Asset of the Entity (where parent bank holding is more than 10% of the issued common share capital of the entity and entity is not part of the regulatory consolidation) also forms a part of the Exposure Measure.

NOTE: While executing a solo Run, the parent entity's exposure amount related to on-balance sheet items, off-balance sheet items, OTC, SFT, securitization, and market related instruments are considered. The total consolidated asset of the significant entity is not calculated in exposure measure while executing a solo Run. Executing a consolidated Run requires subsidiary data and total consolidated assets of significant investment entity.

Assumptions

Total additional asset to be included in the Exposure Measure calculation for the Significant Investment subsidiary, is explicitly stated in the Basel III Rules (June 2011 revision), hence we have followed the instructions as published by BIS in Sept 2011 (page 34) for Basel III implementation monitoring, where the formula of total additional asset to be included in exposure measure is provided. Also, the Basel III accord is silent on the inclusion of securitization and market related transactions, therefore the application considers securitization as well as the market related transactions in the calculation of Leverage Ratio.

Process Flow



A prerequisite for leverage ratio processing is Staging Market Risk Data Population. Market risk exposure is aggregated from the outstanding positions of the instruments. Hence, population of market risk positions

is a pre-requisite for the exposure measure calculation of market risk. Market risk positions are calculated by executing the Run **Basel III Staging Data Population - Market Risk - BIS Standardized Approach**.

Leverage ratio is calculated by executing the Run **Basel III Leverage Ratio Calculation**. This Run contains the following processes

- BASELIII_CAPITAL_CONSOLIDATION
- PARTY_RECLASSIFICATION_STD
- NON_SEC_DATA_POPULATION
- NON_SEC_LEVERAGE_RATIO
- SEC_DATA_POPULATION
- SEC_LEVERAGE_RATIO
- MKT_RISK_LEVERAGE_RATIO
- BASELIII_CAPITAL_STRUCTURE
- LEVERAGE_RATIO

The process flow for calculation of leverage ratio is as follows:

- **Non Securitization Exposure Data Population:** Data from the Product Processors are populated to **non sec processing** table in the process NON_SEC_DATA_POPULATION. Non Sec Exposure Measure used in the Leverage ratio is the summation of the following products:
 - On-Balance Sheet Item
 - Repo-Style Transaction
 - Derivative Transaction
 - Off-Balance Sheet Item

Details on the calculation of these exposure measures are mentioned in the following section.

- **Non Securitization Exposure Measure Calculation:** After data is populated in non sec processing table, the exposure measure is calculated in the process NON_SEC_EXPOSURE_MEASURE_CALCULATION. As the CCF value, (which is further used in exposure measure calculations) for off-balance sheet items are different for leverage ratio calculation and capital calculation, leverage ratio cannot be calculated as part of the Capital Calculation Run.

Details on the calculation of non sec exposure measures are as follows:

- **On Balance Sheet Items** – The accounting value of the on-balance sheet items is considered. The on-balance sheet item is the net of specific provisions and valuation adjustments. The following items are not considered while calculating the exposure measure for on-balance sheet item thereby reducing the exposure amount:
 - Physical or financial collateral
 - Guarantee or credit risk mitigants elements
 - Netting of Loans and deposits.

The exposure amount for on-balance sheet items is a download amount and is available as an input data. Nettable transaction related to OTC, SFT, internal transactions (like inter group transaction), treasury stock and reciprocal cross-holding is not a part of on-balance sheet transactions.

Repo-Style Transaction – Repo-style transaction (repo/reverse repos and securities lending/borrowing) that follows the bilateral netting agreements forms a part of exposure measure. To calculate the exposure amount for Repo transactions, the application follows the

same treatment as prescribed in the Basel II guidelines. The Repo transaction undergoes volatility and FOREX haircut as defined in Basel II guidelines before calculating the exposure amount.

Derivative Transaction – Derivative transactions (OTC Derivatives) are calculated using the Current Exposure Method as prescribed in the Basel II guidelines. All derivative transactions including Credit Default Swap are assigned an add-on percent based on the underlying type as per the Current Exposure Method. The add-on assignment is as per the table provided in the Annexure 4 of Basel II guidelines. The exposure amount is the sum of current exposure amount and the notional principal multiplied by the add-on percent. Transactions in which bilateral netting is applicable, the exposure amount is netted and calculated.

- **Off-balance sheet items** – All the off-balance sheet items listed below are converted into credit exposure equivalent through CCF assignment:
 - Commitments (including liquidity facilities)
 - Unconditionally cancellable commitments
 - Direct credit substitutes
 - Acceptances
 - Standby letters of credit
 - Trade letters of credit
 - Failed transactions and unsettled securities

100% CCF is uniformly assigned. However, any commitment that is unconditionally cancellable at any time by the bank without prior notice, a CCF of 10% is applied. The exposure amount for off-balance sheet items is obtained after multiplying the undrawn amount with the CCF percent and the exposure amount.

- **Securitization Data Population:** Securitization exposure data is populated to securitization processing table in the process SEC_DATA_POPULATION.
- **Securitization Exposure Measure Calculation:** After securitization exposure data is populated, exposure measure is calculated in the process SEC_EXPOSURE_MEASURE_CALCULATION. Securitization transactions follow the accounting measure of exposure. The exposure amount of both the originator and investor are considered to arrive at the exposure amount. The securitization transaction where CCF assignment is applicable is assigned as prescribed in the Basel II guidelines.
- **Market Risk Exposure Measure Calculation:** Data is populated in the market risk processing table and the exposure measure is calculated in the process MKT_RISK_EXPOSURE_MEASURE_CALCULATION. The following market related instruments are considered for exposure measure. The total exposure measure used in the leverage ratio is the sum of the exposure amount for all products:
 - Interest rate
 - Equity
 - Forex
 - Commodity
 - Options

Netting of long and short position is done at instrument level. The post netting value is considered as exposure measure. While calculating exposure amount for subsidiaries that are part of regulatory consolidation and used in the leverage ratio, the exposure amount is limited to the share-holding percentage. For example: A subsidiary which is part of regulatory consolidation and parent holding in the subsidiary is 45%, only exposure amount limited to 45% is

considered for exposure measure calculation. Similarly, if the holding is more than 50%, the entire amount is considered for exposure measure calculation.

- **Capital Measure Calculation:** Capital measure is calculated in BASELIII_CAPITAL_STRUCTURE process. Capital Measure used in the leverage ratio is equal to Net Tier 1 and is calculated as follows:

$$\text{Net Tier 1 capital} = \text{CET1 Capital} + \text{AT1 Capital} - \text{Regulatory Adjustment to CET1} - \text{Regulatory Adjustment to AT1}$$

For more information on calculating Net Tier 1 Capital, refer to *Capital Structure* on Page 187.

- **Leverage Ratio Calculation:** The calculation of leverage ratio is detailed as follows:
 - **Total Additional Asset of Significant Investment Entity where Bank owns more than 10% of Issued Capital:** Subsidiaries that are outside the scope of regulatory consolidation (as defined in the Basel III accord, Para 84) where parent bank owns more than 10% of the issued common share capital of the entity, subsidiary’s additional assets are to be included in the exposure measure (as per Para 156 of the Basel III Accord). The **total assets to be included in the exposure measure** is calculated as follows:

Total assets of the entity (included in the consolidated figures) multiplied by the percentage of the entity’s capital that has not been deducted, less the share of the investment that has not been deducted.

To arrive at the percentage of the entity capital that has not been deducted, (Investment in capital not deducted and total investment will be considered) is derived as follows:

Capital not deducted/Total Investment

The total consolidated asset of an accounting entity is captured in the **entity share holding** table and the percentage of subsidiary capital that has not been deducted is obtained from the capital calculation (for more information refer to *Capital Structure* on Page 187.), where the application calculates the percentage of amount deducted, which in turn is deducted from the value 1 to obtain the value of percentage not deducted.

Total additional asset amount is populated from **entity details** table to the **entity processing table** for further processing. This amount is used during total exposure measure amount calculation.

- **Total Exposure Measure Amount Calculation**

The exposure amount for each category of product along with total additional Asset for significant investment entity is calculated and summation of all transactions related to each category of the product is stored against each line separately. Exposure measures for different products are aggregated against different standard account heads in **accounting head processing** table.

Standard Account Head Identifier	Standard Account Head Description
CAP846	Exposure Measure of On-Balance Sheet Item and Off-Balance Sheet Item
CAP850	Exposure Measure of OTC and SFT transaction
CAP847	Exposure Measure for Market Related Instrument
CAP849	Exposure Measure for Sec Transaction
CAP851	Exposure Measure for Total Additional Asset for Significant Investment Entity
CAP848	Total Exposure Amount

If the exposure measure of any of the product is calculated by any other application other than OFS Basel Regulatory Capital application, a provision is made available to provide these values

against the respective standard account head IDs in the staging table for **non- accounting data** table.

- **Current Month Leverage Ratio:** The application uses the Total Exposure Measure amount and Net Tier 1 Capital to calculate the current month leverage ratio by dividing the Net Tier1 capital by Total Exposure Measure amount. The amount is stored under the standard account head ID CAP843.
- **Regulatory Leverage Ratio:** The regulatory leverage ratio is the mean of three month leverage ratio using the current month leverage ratio and previous month leverage ratio which is a download value. The regulatory leverage ratio is stored against the standard accounting ID CAP842. Leverage and the regulatory leverage ratio is calculated in the process **LEVERAGE_RATIO**.

To calculate the regulatory leverage ratio the application requires the previous two current month leverage ratio. The client or the bank should provide the previous two month leverage ratio value as a download in STG_STANDARD_ACCOUNTING_HEAD against the standard accounting head ID CAP844 and CAP845 corresponding to previous month leverage ratio and second previous month leverage ratio.

If the leverage ratio Run batch is executed separately for the past two months, then these values are populated back to staging table for **non- accounting data** table for the current execution date. The Run Basel III Staging Data Creation - Previous Month Leverage Ratio is created with the T2Ts LEVERAGE_RATIO_PREVIOUS_MONTH_DATA_POPULATION and LEVERAGE_RATIO_SECOND_PREVIOUS_MONTH_DATA_POPULATION. You need to change the Run skye of the Runs corresponding to previous two months' leverage ratio calculation Run, before executing this Run. This Run needs to be executed prior to executing the leverage ratio calculation Run.

Key Data Elements

The a few key data elements have been elaborated in this section. For a complete list of tables and columns to be populated refer to the Download Specifications document.

To calculate the leverage ratio, exposure amount for all product types are required as well as total consolidated asset for significant investment entity is required to calculate exposure measure. The key data elements for exposure measure calculation of the various product types are as follows:

- On-Balance Sheet Item: For on-balance sheet items, End of Period (EOP) balance amount, write-off, and accrued interest amount is required.
- Repo-Style Transaction: For repo products, exposure amount, and instrument rating are required.
- Derivative Transaction: For derivative products, exposure mark to market value, notional principle amount, and underlying instrument types are required.
- Off-Balance Sheet Item: For off-balance sheet items, undrawn amount is required.
- Securitization Transaction: For securitization transactions, exposure amount is required.
- Market risk related instrument: For market risk instruments, the unit price as well as the number of units are required.
- Total consolidated asset of the significant investment entity: The total consolidated asset value of the significant investment entity is required.

Credit Valuation Adjustment

Overview

Basel committee has introduced a new Credit Valuation Adjustment (CVA) capital charge, which is added

to default risk capital charge to arrive at the new Counterparty Credit Risk capital charge. The mark to market counterparty credit losses or the spread migration risk is captured with CVA, which were not directly capitalized before. CVA is the difference between the risk-free portfolio value and the true portfolio value that takes into account the possibility of the counterparty's default. In other words, CVA is the market value of counterparty credit risk.

The application calculates CVA Charge for OTC portfolio of a bank. When using the standardized approach, it is calculated at Portfolio level and for advanced approach it is calculated at counterparty level. CVA Charge is not applicable for the trades with a central counterparty and Structured Financial Transactions (SFT). SFT is applicable only if the supervisor specifically mentions the same. You can include or exclude SFT in CVA calculation in the Run Management screen. Portfolio level considers all the trades in different OTC product with all counterparties. The charge is calculated for the entire exposure of OTC products.

Counterparty level calculations consider all trades in different OTC products with counterparty for calculation of CVA Charge. Charge is calculated for all counterparties with which banks have OTC exposures. The CVA charge for all the counterparties is summed up to ascertain the Portfolio Level Charge. The manner of consolidation is dependent on the IMM approval status and Specific Interest Rate (SIR) Value at Risk (VaR) model approval status of the bank. The following section describes two ways of consolidating default risk charge and CVA capital charge:

- If the bank does not have IMM approval,
CCR Capital Charge = Default Risk Capital Charge (Current Exposure Method or Standardized Method based, whichever the bank is using for CCR + Standardized CVA Capital Charge)
- If the bank has IMM approval,
CCR Capital Charge = Default Risk Capital Charge + Advanced CVA Capital Charge

NOTE: All the OTC Derivatives products are part of CVA calculations. SFTs are included if you select the option from Run Management Screen. Also, trades with Central Counterparty (CCP) are excluded from CVA Charge calculations.

Assumptions

CVA hedge should be identified by the clients separately. Only single name CDS and Index Hedge are eligible for CVA. The Basel III Accord does not clearly mention whether index hedge position should be marked to the counterparty or not. The Basel Regulatory Capital application handles the index position in the following manner:

1. Index position marked to the counterparty or not marked to the counterparty is handled by the application.
2. Effective index hedge amount is considered in CVA charge calculation at portfolio level without considering whether it is marked to the counterparty or not.
3. If the index position is marked to the counterparty, then index hedge amount is considered while allocating total CVA charge to the counterparty CVA Charge, while using standardized approach.

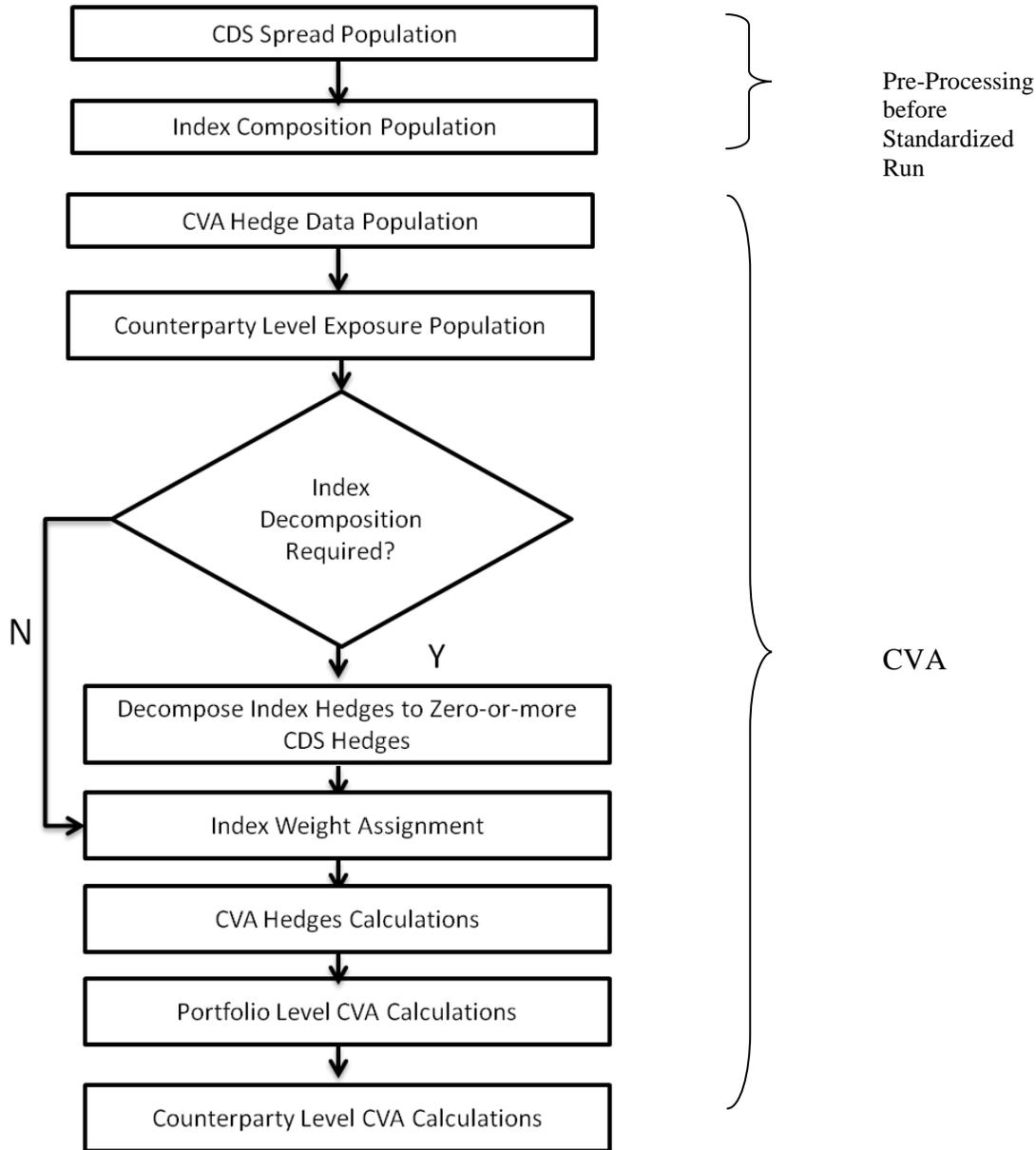
Process Flow

This process flow is divided into two sections, for standardized approach and Advanced approach.

Standardized Approach

The application calculates CVA Capital Charge at portfolio level using the following formulae as specified by Basel guidelines:

$$K = 2.33 \cdot \sqrt{h} \cdot \sqrt{\left(\sum_i 0.5 \cdot w_i \cdot (M_i \cdot EAD_i^{total} - M_i^{hedge} B_i) - \sum_{ind} w_{ind} \cdot M_{ind} \cdot B_{ind} \right)^2 + \sum_i 0.75 \cdot w_i^2 \cdot (M_i \cdot EAD_i^{total} - M_i^{hedge} B_i)^2}$$



- CDS Spread Population and Index Composition Population:** Pre-processed data for CVA is required to be populated only once for a particular execution date. The process **CVA_DATA_POPULATION** in the Run **Staging Data Population - BIS Credit Value Adjustment** is responsible for populating pre-processed data for CVA.
- CVA Hedge Data Population:** Mitigants data marked as CVA Hedge is populated as a part of the CVA Hedge Data Population. The application loads all the single name CDS hedge and Index Hedge data. The Hedge data marked as CVA does not flow in the application during the CCR process. New tables are not added for hedge records; however a few columns are added to the existing table to capture CVA specific data. CVA specific data is present in the following tables:

- **F_CVA_HEDGE:** Identifier for CVA Hedge records by which the application identifies it as CVA Hedge
- **N_CDS_INDEX_AVG_SPREAD:** Average traded CDS Index Spread which is required for assignment of weight to the index.
- **V_REF_ENTITY_PARTY_ID:** This field captures the counterparty of the hedge transaction.
- **Counterparty Level Exposure Population:** The application expects the uncovered EAD at netting set level or at trade level. This is available as an output of Current Exposure Method (CEM). If more than one netting set is available, then the exposures are summed at counterparty level. Maturity adjustment discount factor is computed at netting set level or for each netting set using the formula $1 - \exp(-0.05 * M_i) / (0.05 * M_i)$.

Maturity is the notional weighted maturity at netting set level. The application sums the data for exposure at counterparty level. If more than one netting set is available, the exposures are discounted and then summed at counterparty level. Weight assignment is done based on the counterparty rating as specified in the following table. Data is aggregated at counterparty level and stored in separate counterparty table.

Rating	Weight
AAA	0.7%
AA	0.7%
A	0.8%
BBB	1.0%
BB	2.0%
B	3.0%
Lower Than B	10.0%
Unrated	1.0%

- **Index Decomposition Required:** You can select index decomposition which is executed in the Run Management screen. Index decomposition option, creates single name CDS hedge positions for the counterparties which are part of the CDS Index and also have exposures. Index hedge amount is adjusted by the same amount for which single name CDS Hedge is created, so as to get maximum benefit from Hedging. Maturity of the single name CDS hedge is considered same as the maturity of index.
- **Index Weight Assignment:** The application derives the weight for each index by assigning Rating. Rating is assigned by comparing the historical average spread of Index with Spread corresponding to the tenor, which is equal to the maturity of index. After getting the rating, assign the weights to the index as per the reference table (Weights Table). Average Index Spread and Credit Spread data for different ratings are the inputs. Index Spread is populated as a part of Mitigants Data. Credit Spread data for respective ratings and tenors are required as inputs.
- **CVA Hedge Calculations:** After population of hedge data and creation of single name CDS hedge from index, the application sums the notional to counterparty level and populates in CVA Specific table. Maturity Adjustment discount factor is computed using the formula $(1 - \exp(-0.05 * M_{ihedge})) / (0.05 * M_{ihedge})$. If more than one CDS Contract is available for the counterparty, the above amount is summed at counterparty level. The Index Hedge amount is calculated separately. Maturity Adjustment discount factor for index position is computed using the formula $(1 - \exp(-0.05 * M_{ind})) /$

(0.05* Mind). If more than one index hedge is available then index hedge amount is summed. All the above data required for CVA calculation is populated from Mitigants data to CVA specific table. The data is summed for each counterparty and stored.

- **Portfolio Level CVA Calculation:** Portfolio Level CVA Charge is calculated as per the following formula:

$$K = 2.33 \cdot \sqrt{h} \cdot \sqrt{\left(\sum_i 0.5 \cdot w_i \cdot (M_i \cdot EAD_i^{total} - M_i^{hedge} \cdot B_i) - \sum_{ind} w_{ind} \cdot M_{ind} \cdot B_{ind} \right)^2 + \sum_i 0.75 \cdot w_i^2 \cdot (M_i \cdot EAD_i^{total} - M_i^{hedge} \cdot B_i)^2}$$

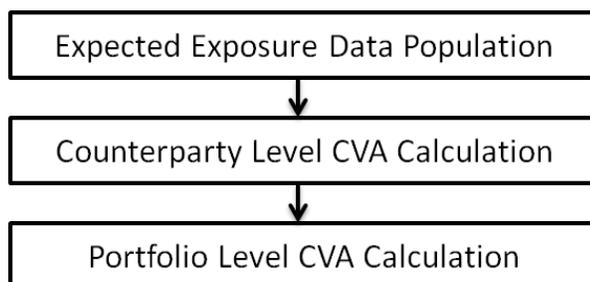
- **Counterparty Level CVA Calculation:** CVA Capital Charge at counterparty level is allocated using the following formula:

$$CVA \text{ at Counterparty} = \text{Total CVA at Portfolio} \cdot W_{CVAi}$$

$$W_{CVAi} = \text{Absolute}[0.5 \cdot W_i \cdot (M_i \cdot EAD_i^{total} - M_i^{hedge} \cdot B_i) - \sum_{indi} (W_{ind} \cdot M_{ind} \cdot B_{ind})] /$$

$$\Sigma ni = \text{Absolute}[0.5 \cdot W_i \cdot (M_i \cdot EAD_i^{total} - M_i^{hedge} \cdot B_i) - \sum_{indi} (W_{ind} \cdot M_{ind} \cdot B_{ind})]$$

Advanced Approach



The application calculates the CVA Charge at counterparty level and is aggregated at portfolio level using the below formula:

$$K = 3 \cdot (CVA_{\text{Unstressed VAR}} + CVA_{\text{Stressed VAR}})$$

$$CVA = (LGD_{MKT}) \cdot \sum_{i=1}^T \text{Max} \left(0; \exp \left(-\frac{s_{i-1} \cdot t_{i-1}}{LGD_{MKT}} \right) - \exp \left(-\frac{s_i \cdot t_i}{LGD_{MKT}} \right) \right) \cdot \left(\frac{EE_{i-1} \cdot D_{i-1} + EE_i \cdot D_i}{2} \right)$$

The application calculates the CVA Charge at counterparty level using the above formula for each counterparty and sums the CVA charge for all counterparties to compute portfolio level capital charge. Counterparty charge is calculated for two different scenarios:

- Expected Exposure calculated with Current Market Data.
- Expected Exposure calculated with Stress Market Data.
- **Expected Exposure Data Population:** The data requirement which is required as input for calculation of CVA Charge using Advance Approach is as follows:
 - **LGDMKT:** This is the loss given default of the counterparty based on the spread of a market instrument of the counterparty. It should be based on market assessment and not an internal estimate. LGD Market should be an input for each counterparty.
 - **Si:** This is the credit spread of the counterparty at each tenor Ti, which is used to calculate CVA of the counterparty. Spread data is an input for each counterparty and tenor level.

- **Ti:** This is the tenor at which the Expected Exposure (EE) and spread are provided. Tenor is an input for each EE and spread.
- **EEi:** This is the expected exposure (EE) of the counterparty at revaluation time ti where exposures of different netting sets of counterparties is added. Expected exposure is an input at each counterparty and tenor level.
- **Di:** This is the default risk free discount factor for each revaluation time bucket. Default risk free rate is an input for each counterparty and tenor ti.
- **Counterparty Level CVA Calculation:** CVA RWA calculation at counterparty level is computed by the following formula:

$$CVA_{RWA} = 12.5 * K$$

Where K= CVA Capital charge calculated as per formula specified in standardized or advanced method for each counterparty.

- **Portfolio Level CVA Calculation:** CVA RWA calculation at portfolio level is computed using the following formula:

$$CVA_{RWA} = 12.5 * K$$

Where K= CVA Capital charge calculated as per formula specified in standardized or advanced method at portfolio level.

NOTE: CVA RWA is added to Credit RWA and is not multiplied by the factor 1.06.

Key Data Elements

A few key data elements are provided in this section for computation for Credit Valuation Adjustment. For a complete list of tables and columns to be updated refer to the Download Specifications document.

- CDS Index Composition data requirement.
- CDS Spread data for Rating and Tenor.
- Average Index Spread for all the Index Hedge Position.

Out of Scope

The following are not covered by the application in the computation of Credit Valuation Adjustment:

- Treatment of specific wrong way risk.
- Treatment of incurred CVA loss.

US Related Changes

Securitization Simplified Supervisory Formula Approach (SSFA)

Overview

Due to the economic crisis of 2008 and other amendments brought in by the Dodd-Frank Act, USA Advanced Approaches NPR has revised the treatment of securitized exposures. The application supports the following revised hierarchy of approaches for Securitization exposures, as per the Advanced Approaches NPR.

- Supervisory Formula Approach
- Simplified Supervisory Formula Approach
- Risk Weight at 1250%

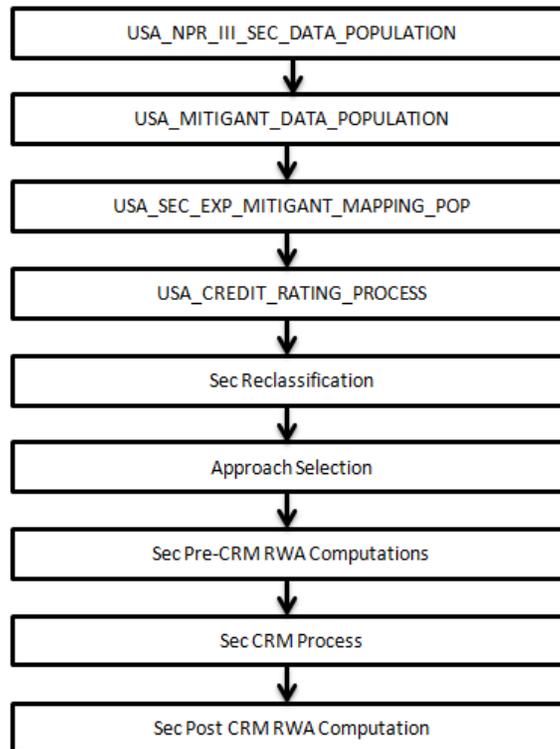
Assumptions

A few our interpretations pertaining to SSFA are as follows:

- The flag for the Supervisory Formula and the Simplified Supervisory Formula Approach are mutually exclusive.
- Investment grade are ratings equivalent to BBB- or above
- Low ratings are ratings equivalent to BB+ or below

Process Flow

The procedure by which the application handles the Advanced Approach of Securitization Exposures is as follows:



- **USA_NPR_III_SEC_DATA_POPULATION, USA_MITIGANT_DATA_POPULATION and USA_SEC_EXP_MITIGANT_MAPPING_POP:**

The data pertaining to the pool, tranche, exposures are populated from the staging tables to the processing tables. The underlying exposures data are captured in the respective product processor tables for Originator records and in the underlying exposures table in the case of Investor and sold credit protection. The underlying exposures data follows the process pertaining to the non-securitization exposures. For Reporting Bank providing only the exposure level information, the application expects few pool level and tranche level parameters which are required for further processing and provided in the Exposures table.

The mitigants data are populated from the staging table to the processing table. The exposures which are mapped to the mitigants are captured and this is also populated from the staging table to the processing table. Securitization Data Population is handled in the Process **USA_NPR_III_SEC_DATA_POPULATION**. Mitigant data population has been handled in the Process **USA_MITIGANT_DATA_POPULATION** and Exposure Mitigant Mapping Population is handled in the Process **USA_SEC_EXP_MITIGANT_MAPPING_POP**.

- **USA_CREDIT_RATING_PROCESS:** All the rating information of the exposures and the mitigants are populated from the staging tables to the processing tables. The exposure and the tranche rating information are captured in the account rating tables and the mitigants rating information are captured in the instrument rating details. Though the ratings are no longer relevant, the investment grade criteria are handled in the application with the help of ratings. Any rating which is below BBB- are all non-investment grades and are low rated. The rating processing is handled in the **USA_CREDIT_RATING_PROCESSING** process.
- **Sec Reclassification:** The application uses the standard data for all kinds of calculation (Product type like Eligible Liquidity Facility, Bank Role like Originator, Pool Type like Mortgage Backed Securities). The application before any calculation reclassifies the Bank specific data to standard data. The application reclassifies the Bank role to the standard Bank role of an Originator or Investor. Any other Bank roles like Sponsor, Credit Protection Provider and so on is reclassified into Originator, Investor and so on respectively. The application also reclassifies the Pool Type to the standard Pool Type like Credit Cards Receivable Pool, Auto Loans and so on. The application also reclassifies the Product type to the Standard Product type like Mortgage Backed Securities, Eligible Liquidity Facility and so on. The application also reclassifies the mitigant type to the standard Mitigant type like the debt securities, credit derivative, cash and so on. It also reclassifies the Mitigant Issuer type to the standard Mitigant Issuer type like Banks, Corporate and so on. The reclassification tasks are present in **Sec reclassification** sub process.
- **Approach Selection:** The application assigns the appropriate approach to the exposures, based on the criteria specified in the Advanced Approaches NPR. The application first identifies whether the exposure is SFA Qualified, and if yes assigns the SFA Approach. Then the application checks whether the exposure is SSFA Qualified and if yes, assign the SSFA Approach. In case the exposures are not qualified for both the approaches, the exposures will be risk weighted 1250%. These approaches are applicable for all the Bank roles. And in the case of Sold Credit Protection, the SSFA Approach and the 1250% Risk weighting are the applicable approaches. This approach selection is handled in the **Sec Approach selection** sub-process.
- **Pre-CRM RWA Computation:** The application calculates the Pre-CRM RWA for the exposures by multiplying the Pre-CRM EAD with the Risk Weight of the exposures. Pre-CRM RWA Computation has been handled after the Supervisory Formula Approach, Simplified Supervisory Formula Approach Risk Weight Assignment Rules in the “Sec Pre-CRM RWA Computation” sub process.
 - **Pre-CRM EAD Computation:** The application assigns the credit conversion factor (CCF) to the off-balance sheet items, based on the Product Type. Then it computes the Pre-Mitigation EAD based on whether the exposure is an off-balance sheet item or not and whether the exposure is held for sale or for maturity. In case of sold credit protection, the maximum notional amount of all the underlying exposures is the Pre-CRM EAD. This is handled in the **Sec Pre-CRM RWA Computation** sub-process.
 - **Risk Weight Assignment**

Supervisory Formula Approach:

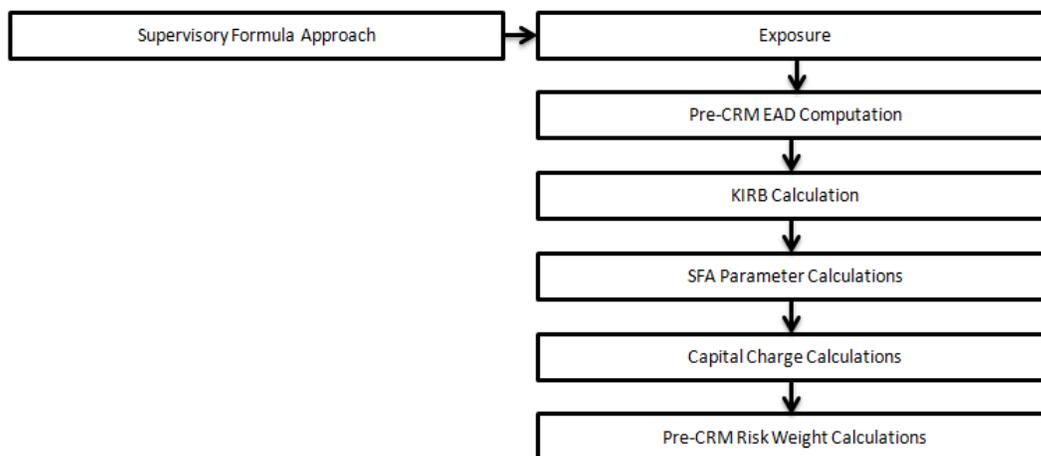
For exposures which follow the Supervisory Formula Approach, the application calculates the underlying capital of the securitization pool (KIRB), using the Non-securitization process. Then it calculates the SFA parameters based on the pool and tranche details. The application calculates these using the calculation logic specified by the Basel accord. It also checks the exposure to identify whether the exposure should be straddled or not. This check is based on the credit enhancement level of the tranche to which the exposure belongs, the thickness of the tranche to which the exposure belongs and the underlying capital of the securitization pool.

The exposures for which the sum of the credit enhancement level and the tranche thickness are less than that of the KIRB, the exposures are deducted from the capital. The exposures for which the credit enhancement level is more than that of the KIRB, the SFA Parameters of these exposures are computed. The exposures for which the credit

enhancement level is less than that of the KIRB but the sum of the credit enhancement level and the tranche thickness are more than the KIRB, the exposures are straddled. i.e. the tranche to which the exposure belongs is split into a position below KIRB and a position above KIRB. All the exposures mapped to that tranche are split in the same manner.

The application populates Straddled Tranche Information into (Securitization Straddled Tranche) **FSI_SEC_STRADDLED_TRANCHE** table. The application splits each of the exposures of the identified straddled tranche into two. The account skey of the Parent Exposure, which is undergoing the split, is added as the Parent Account skey for the new exposures formed. The Straddled Tranche Deduction Amount (the KIRB amount less the tranche amount) is calculated and populated from the Securitization Straddled Tranche (**FSI_SEC_STRADDLED_TRANCHE**) in a pro-rated manner to all the Junior Exposures. The remaining amount (which is the tranche amount above the KIRB) is the Exposure Amount of the Senior Exposure of the split exposures. After the original exposures are split into two and their amounts are populated, the original exposure is deleted from the Exposure table.

Once all the SFA Parameters are computed, the capital charge is calculated using the SFA Parameters. This capital charge is converted into the risk weight. This is handled in the **Sec Pre-CRM RWA Computation** sub-process. The process flow for Supervisory Formula Approach is as follows:



Simplified Supervisory Formula Approach:

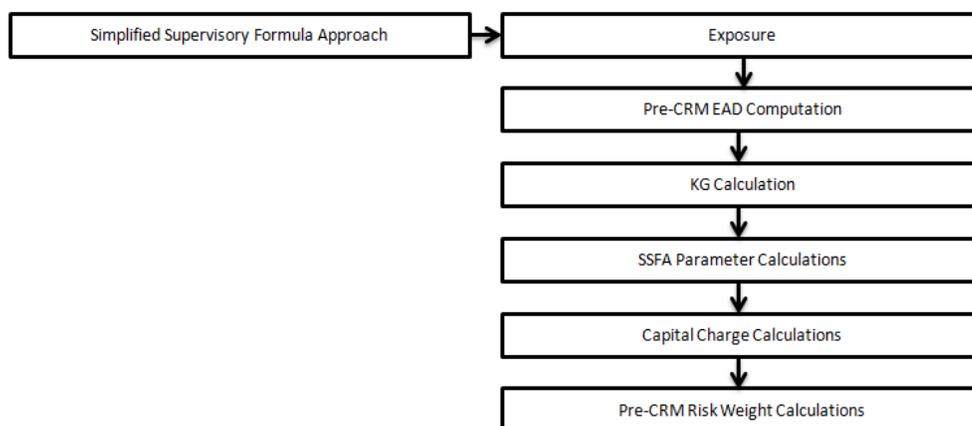
In the case of exposures which follow the Simplified Supervisory Formula Approach, the application calculates the underlying weighted average capital requirement of the securitization pool (K_G), using the Non-securitization process. The application also sums up the non-performing balance of the underlying exposures under each of the specified status like 90 or more days delinquent, 90 or more days with deferred interest, default, foreclosure, bankruptcy, and REO.

Then the application calculates the tranche parameters A and D, based on the subordinated tranche balance and the subordinated funded reserve balance and the tranche balance, as specified by the Advanced Approaches USA NPR.

For Sold credit protection, the tranche parameters A and D are calculated based on the underlying exposures. The parameter A is determined by using the sum of the least n-1 risk weighted assets' notional amount as the numerator and the sum of the notional amount of all the underlying exposures as the denominator.

Once all the SSFA parameters are calculated, the application calculates the capital charge (K_{SSFA}) of the exposures and hence the risk weight of the exposures. The application also checks the exposure to identify whether the exposure should be straddled or not, depending on the parameters A, D and K_A . Based on the satisfaction of the straddling criteria, the exposures are risk weighted using the straddling Risk Weight formula or the normal risk weight formula. In this case, there will be no splitting of the exposures.

This is handled in the **Sec Pre-CRM RWA Computation** sub-process. The process flow for simplified supervisory formula is as follows:



Risk Weight at 1250%:

All the exposures for which no approach is assigned is risk weighted 1250%. Also, the exposures which have been assigned the SSFA Approach and Tranche SSFA Parameter D is less than Pool SSFA Parameter K_A or not able to calculate any of the SSFA parameters will be risk weighted 1250%. Also, the following exposures are assigned 1250% risk weight regardless of the approach selected. Exposures belonging to the product type of Credit Enhancing Interest Only strips, low rated securitization exposures, and exposures which are below K_{IRB} in the case of SFA.

This is handled in the **Sec Pre-CRM RWA Computation** sub-process, under the applicable approaches.

Risk Weight Assignment for exception cases:

Few of the exposures, regardless of the approach selected are risk weighted as applicable to the standard product type. The application assigns the risk weight for the eligible liquidity facility as the maximum risk weight of the underlying exposures. The application assigns the risk weight for the second loss position as the maximum of 100% and the maximum risk weight of the underlying exposures. This exception in Risk Weight Assignment is handled after the Supervisory Formula Approach, Simplified Supervisory Formula Approach tasks in the Sec Pre-CRM RWA Computation sub process.

- **Sec CRM Process:** Mitigant Eligibility, Mitigant Risk Weight, Haircut Assignment and Allocation of Mitigants to Exposures are handled in Sec CRM sub-process.
 - Mitigant Eligibility: The application identifies the following mitigants in the case of securitized exposures – Collateral, Guarantees, and Credit Derivatives. The mitigants are identified as eligible based on the eligibility criteria as specified by the Advanced Approaches NPR. In the case of collateral, the eligibility is based on the criteria of whether the mitigant is a re-securitized exposure, whether the mitigant belongs to the

investment grade, the standard mitigant type and whether the mitigant belongs to the conforming residential mortgage. In the case of guarantees and credit derivatives, the eligibility criteria are based on the issuer type and the satisfaction of the other criteria as specified in the Advanced Approaches NPR.

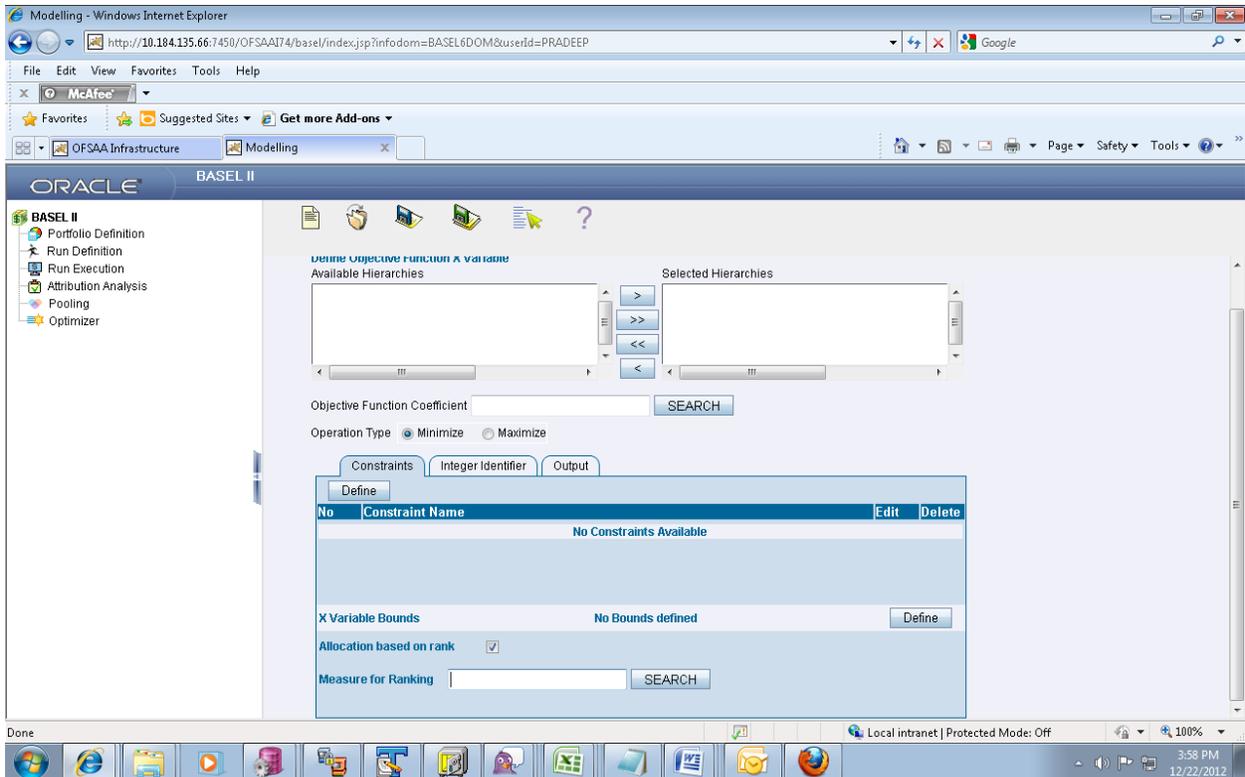
- Mitigant Risk Weight: The application assigns the risk weight to the financial collateral based on the Issuer type and the CRC assigned, if applicable. The risk weight to the guarantees and credit derivatives are assigned based on the PD, LGD and the correlation calculated for the mitigant. The financial collateral issued by different issuers and belonging to various CRC classes is assigned different risk weights as per the NPR. Also, the countries which are in default gets risk weights assigned. In the case of financial collateral by foreign banks, the application assigns the ratings based on the foreign bank's country code.
- Haircut Assignment: The application assigns the various haircuts, as applicable to the Mitigants specified by the Advanced Approaches NPR. This is based on the risk weight assigned to the mitigant, standard issuer type and the residual maturity associated with that mitigant. The minimum holding period of the financial collateral is 65 business days. The mitigant volatility haircut can be scaled up if the minimum holding period is less than 65 days.

The same scaling up is done for forex haircut also. Once the haircut assignment is done zero risk weight is assigned to financial collaterals. Only eligible mitigants are considered for haircut assignment and for further processing. Post haircut assignment, the eligible mitigants are moved from mitigants table to sub exposures table.

- Allocation of Mitigants to Exposures: The application computes the mitigant value post all haircuts. Then it uses the pooling and optimizer logic to allocate the exposures to the mitigants. This is slightly different from the optimizer logic of non-securitization exposures as the securitized exposures have the seniority in the cashflow and always the senior most exposure gets the maximum protection by the mitigants. The senior most exposure (or tranche) is denoted with seniority 1 and the second senior exposure is denoted with seniority 2 and so on. In case of securitization exposures, the mitigants are always given preference over the senior most exposure and then to the other exposures based on the seniority. The other parameters which are considered in the allocation logic are the risk weight and the mitigant value post haircut.

The application uses the linear programming logic to allocate the mitigants to the exposures. The pooling logic in securitization is the same as that of non-securitization. The optimizer logic for Securitization is slightly different and the difference is as follows:

Based on the seniority of the exposures, risk weight of the exposures and the mitigant and the mitigant value, the rank order in which the mitigants will be allocated to the exposures is arrived. The order of allocation can be changed by editing the database function `fn_dt_sec_mit_alloc_ranking`. You have to choose the allocation rank measure in the optimizer definition screen (see below figure) while defining the optimizer logic.



The remaining steps to create optimizer definitions are same as those mentioned in the non-securitization process. The optimizer works on the minimization constraint logic.

Single Mitigant mapped to Single or Multiple Exposures

If there is one or more than one exposure mapped to a single mitigant, the mitigant is allocated to the exposure with the highest seniority

If there is more than one exposure with the same highest seniority, then the mitigant is allocated to the exposure which yields the highest mitigant value post haircut

Single Exposure mapped to Single or Multiple Mitigants

If there is one or more than one mitigant mapped to a single exposure, the least risk weighted mitigant is allocated to the exposure.

If there are more than one mitigants with the same least risk weight, then the mitigant which has the highest mitigant value post haircut is allocated to the exposure

Multiple Exposures mapped to Multiple Mitigants

This is treated as a case of single mitigant mapped to single or multiple exposures for the identification of the mitigant which has to be assigned to the exposures. Then the treatment pertaining to single exposure mapped to multiple mitigants have to be followed to yield the credit risk weighted exposure amount. Using the above logic, the application calculates the factor of exposure covered by the mitigant and the factor of the exposure uncovered (without any protection).

- **Post CRM RWA Computation:** The application then computes the covered amount and the uncovered amount for the exposures. The covered amount is computed by multiplying the covered factor with the exposure amount, and to this covered amount, the application assigns the mitigant risk weight. The product of the covered amount and the mitigant risk weight is the covered RWA. The uncovered amount is computed by multiplying the uncovered factor (which is 1 – sum of all covered factors for that exposure) with the exposure amount. This uncovered amount is multiplied by the exposure risk weight to get the uncovered RWA. The sum of the covered RWA and the uncovered RWA is the Post CRM RWA of the Exposure.

The following sub processes and tasks are handled in the **USA_NPR_III_SEC_IRB** Process:

- Reclassification,
- Approach selection,
- Pre-CRM EAD Computation,
- Risk Weight Assignment - Supervisory Formula Approach,
- Risk Weight Assignment - Simplified Supervisory Formula Approach,
- Risk Weight at 1250%,
- Risk Weight Assignment for exception cases,
- Pre-CRM RWA Computation,
- Mitigant Eligibility,
- Mitigant Risk Weight,
- Haircut Assignment,
- Allocation of Mitigants to Exposures
- Post CRM RWA Computation

Key Data Elements

A few key data are provided in this section. For an entire list of tables and columns to be populated refer to the Download Specifications document.

Securitization Exposures:

- The key attributes required in the case of an Investor or Third Party who does not provide the complete pool and tranche details are as follows:
 - Credit Enhancement Level,
 - Pool Exposure Amount,
 - Sec Second Loss Position of the Tranche,
 - Granularity of the Pool (required in the case of IRB Approach),
 - Largest Exposure of the Pool,
 - Seniority of the Tranche,
 - Sec Trading Book Approach.

Mitigant Eligibility

Key Data elements for Mitigants:

- Conforming Residential Mortgages Indicator - The Residential Real Estate Mitigants which belong to conforming residential mortgage category should have “Y” value in this field. The application marks them as ineligible mitigants.
- Re-securitized exposures Mitigant – The mitigants belonging to re-securitized exposures should have “Y” value in this field. The application marks them as ineligible mitigants.

Key Data elements for Exposure Mitigant Mappings:

- Exposure Mitigant Positively Correlated Indicator – If the exposures and mitigants are positively correlated then those Guarantees and Credit Derivatives become ineligible

Key Data elements with respect to Ratings:

- The mitigants which are Non Investment Grade become ineligible. The Non Investment Grade mitigants are identified based on the Basel Ratings of the mitigants. The mitigants with ratings below then ‘BBB-’ become Non Investment Grade Mitigants.

Mitigant Risk Weight

Key Data Elements for Credit Rating:

- Rating Description – The ratings corresponding to ‘EC0’ to ‘EC7’ are used for identifying ‘CRC0’ to ‘CRC7’ classes.

Key Data Elements for Country Dimension:

- Default Indicator-The Issuer countries which are defaulted are indicated by this attribute in the country master table.

Miscellaneous

- Balance of the Underlying Exposures with the various status – Required to compute Parameter W
- Balance of all the subordinate tranches and their seniority in the cashflow, including tranches where the Bank has no exposures – Required to compute Parameter A, Credit Enhancement Level, Eligibility of Nth to Default Credit Derivative Mitigant
- Balance of any funded credit reserve and its seniority in the cashflow - Required to compute Parameter A, Credit Enhancement Level, Eligibility of Nth to Default Credit Derivative Mitigant
- In the case of Reporting Bank providing only the exposure level information, the application expects the following parameters in the exposure table:
 - Non Performing Exposure Balance,
 - Pool Kg,
 - SSFA Tranche Parameter A,
 - SSFA Tranche Parameter D,
 - Pool Exposure Amount for Simplified Supervisory Formula Computations,
 - Credit Enhancement Level,
 - Pool Exposure Amount,
 - Sec Second Loss Position of the Tranche, Granularity of the Pool, Largest Exposure of the Pool,
 - Seniority of the Tranche,
 - Sec Trading Book Approach for Supervisory Formula computations.

Single Counterparty Exposure Limit

Overview

Single Counterparty Exposure Limit calculation has been designed to identify the counterparties whose aggregate credit exposure to the bank breaches the maximum limit as described by the Dodd Frank Single Counterparty Limit proposal. The Exposure Limit proposal is mitigating the threat to financial stability posed by systemically important financial companies.

The Single Counter Party Exposure Limit is an effort to reduce the concentration risk of a particular bank against any particular counterparty (Customer and counterparty). The Dodd Frank proposal for US documents suggests stringent benchmarks to be followed by any bank for credit exposures. The application applies two limits for the reporting banks to follow in the US which are as follows:

- Any covered company together with its subsidiaries, should not have an aggregate net credit exposure to any affiliated counterparty more than 25 percent of the consolidated capital stock and surplus of the covered company.
- Any major covered company together with its subsidiaries, cannot have aggregate net credit exposure to any counterparty more than 10 percent of the consolidated capital stock and surplus of the major covered company

Covered company, including its subsidiaries, is a company whose assets are equal to \$50 billion or more. Any company which has a lesser asset size of less than \$50 billion is not eligible for single counterparty credit calculation. Any covered company with a total asset size of more than \$500 billion is considered to be a major covered company.

The application is designed to be flexible enough so that the bank can decide on the product types and customer types to be considered for the calculations and whether or not to go for the Credit Risk Mitigation process so as to reduce its credit risk towards counterparty during the calculations. The scope of Dodd Frank's Single Counterparty Credit Exposure Limit application is limited to the US jurisdiction only.

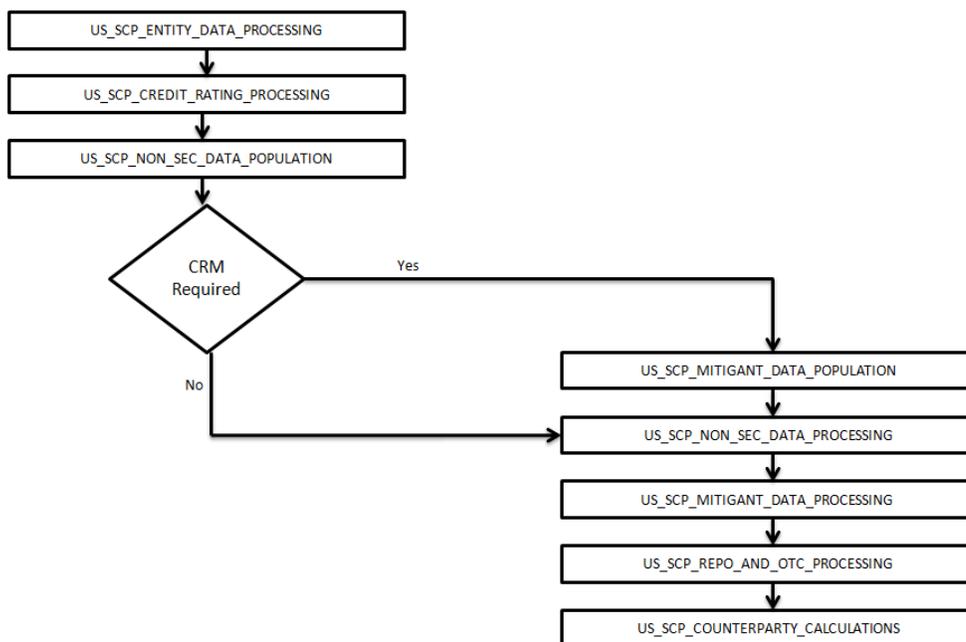
NOTE: Single Counterparty Exposure Limit calculations need to be done only at a consolidated level of the ultimate parent. However, there are no restrictions by the application on this. The Run is executed at any level of the hierarchy of the legal entity structure.

Assumptions

Our interpretation of a few items pertaining Single Counterparty Exposure Limit from the Basel accord is as follows:

- The Dodd Frank proposal is silent on features like calculation of the Exposure for OTC Derivative products. In such cases the existing mode of calculation as per the US Final Rules which is considered standard and replicated in the calculation process.
- The Add-ons for the OTC is the same as that in the US jurisdiction.
- There is no CCF % for converting the Off Balance sheet item to On Balance sheet items and as a result the full exposure amount for credit exposure calculation is not considered.
- The application does not consider failed trades and DVP and non-DVP trades as a part of the credit exposure as these are not explicitly mentioned in the guidelines.

Process Flow



- US_SCP_ENTITY_DATA_PROCESSING:** The entities for which the concentration ratio is calculated are processed and identified here. Single Counterparty processing is always done at a consolidated level based on the group asset size (asset size here includes consolidated asset size of parent and all its subsidiaries). Hence, the application identifies the legal entities for which Single Counterparty Run is being executed, sorts them and the ultimate parent of the legal entities are figured out and marked. This data is required in the other tasks during processing.

User defined Run parameters are set in this process. This sets the parameters which controls how the Single Counterparty Exposure Limit Run is to be performed. The main parameter set in Single Counterparty Run during this process is the CRM required indicator, which controls whether the risk mitigation process is required or not. While running the user defined Run for Single Counterparty Exposure Calculation, Run Definition User Defined Run Param Assignment Rule has to be modified to set the user defined Run parameter to the following values depending on whether CRM is required or not:

Setup Code	CRM
USASCP-MIT-NO	No
USASCP-MIT-YES	Yes

From the Run Management screen, the required CRM can be set using the option buttons.

- US_SCP_CREDIT_RATING_PROCESSING:** The application does the following in this process:
 - Rating data population
 - Rating reclassification into the standard ratings
 - Sovereign ratings population

In single counterparty Run, ratings are required during the assignment of haircuts. Dodd Frank act proposes the use of only ECA scores (to be referred like sovereign ratings) in the Single counterparty Run. Therefore, all the credit ratings by the external agencies are disregarded. The application re-

classifies the rating information (ECA score) shared in Bank's data to standard rating, according to which risk treatment is done.

- **US_SCP_NON_SEC_DATA_POPULATION:** This process takes care of all the data population for the all the eligible product types from the available product processors. The valid credit exposures as per the Dodd – Frank's proposal are as follows:
 - loans, deposits, lines of credit, leases
 - Debt securities(Held till maturity and held for trading)
 - Equity securities
 - Repo and reverse Repo Transactions
 - Securities lending and borrowing Transactions
 - Guarantees, acceptances, or letters of credit
 - Derivative transactions – Both Qualifying and Non Qualifying for master netting agreement
 - Credit or equity derivative

Data should be loaded in the application for all the product types. Main categories of CR non sec exposures, along with their respective table names that are used for data input are as follows:

Higher Level Product Type	Table name for data input (Also known as Product Processor)
Bills	STG_BILLS_CONTRACTS
Credit Cards	STG_CARDS
Swaps	STG_SWAPS_CONTRACTS
Futures	STG_FUTURES
Guarantees	STG_GUARANTEES
Investments	STG_INVESTMENTS
Lease Contracts	STG_LEASE_CONTRACTS
Letters of Credit	STG_LC_CONTRACTS
Loans	STG_LOAN_CONTRACTS
Money market instruments	STG_MM_CONTRACTS
Overdraft	STG_OD_ACCOUNTS
Options	STG_OPTION_CONTRACTS
Re purchase contracts	STG_REPO_CONTRACTS
Equity Exposures	STG_EQUITY_EXPOSURES
Underlying exposures for repo contracts	STG_UNDERLYING_EXPOSURES
Credit Derivatives	STG_CREDIT_DERIVATIVES

Stage data from the Product Processors or other stage tables is populated in the required tables, where data is further processed. For more information on the list of columns to be populated within each table, refer to the *Download Specifications* document. The application identifies counterparties that are eligible to be processed under single counterparty Run are marked as eligible through rule RLBL0147: **Single Counterparty - Concentration Treatment Eligibility**.

The eligibility Rule is based on the counterparty type. This is a reconfigurable Rule that can be modified to include or exclude the counterparty type as per customer's requirement. Currently the following counterparty types are marked as eligible for Single Counterparty calculations:

- Banks
- Corporate – Large
- Corporate – Medium
- Corporate – Small
- PSE - sovereign status
- Securities Firm treated as Bank
- Securities firm treated as Corporate Non -SME

Currency Conversion: The amount data columns that are provided as input (in stage tables) are in the natural currency. In this step, the application converts them to reporting currency columns which are used for further calculations. The column names suffixed as ‘_ncy’ are in the natural currency and they are multiplied by currency conversion factor to populate values in reporting currency.

Shareholding percent multiplication: The exposure amount that is a part of input data (product processors) is the exposure amount for a solo entity. However, in case of a consolidated Run, the parent exposure is considered only on the basis of shareholding percentage, based on the following calculation:

$$\text{Exposure amount} \times \text{share holding percent} = \text{Updated Exposure Amount}$$

where share holding percent is allotted a value by the application during the process- Capital Consolidation.

- **US_SCP_MITIGANT_DATA_POPULATION:** The data related to the mitigants associated to the exposures are captured in this process. The application does the following in this task:
 - Mitigant data population to their corresponding tables is done.
 - Currency conversion from natural currency to reporting currency for the required columns
 - Shareholding percent multiplication for the required mitigant data
 - Mitigant to Non Sec Exposure mapping population
- **US_SCP_NON_SEC_DATA_PROCESSING:** The Non Sec data is processed here. The application processing in the following way:
 - **Reclassification:** Product types used by reporting bank in the input data are reclassified to standard product types recommended by Basel Committee in the accord. The Product Types after reclassification are stored as Basel product types. The reclassification is based on a simple logic.

For Example: Unsecured Bonds is reclassified as Debt Securities. Exposure at Default – EAD of the exposures is calculated for each product. The EAD calculation for all the exposures is done on the basis of standard product types as per the recommendations of USA NPR
 - If a new standard product type is added to the single counterparty Run, then it has to be mapped to one of the EAD calculation Rules if the EAD calculations are similar. If it is not similar, a new rule has to be created for this purpose.
- **US_SCP_MITIGANT_DATA_PROCESSING:** The application handles multiple mitigants for credit risk mitigation like cash, debt securities, Guarantees, Credit derivatives, and so on. The mitigant types are reclassified as standard mitigant types. These are then identified as eligible or not based on the eligibility Rules. The application has pre-configured Rules to carry out the mitigant eligibility checks. There are separate eligibility Rules for different standard mitigants types. All cash and debt

securities are marked as eligible. Equity is classified as eligible mitigant based on whether it is publicly traded equity or not. All Credit derivatives and guarantees are treated as eligible based on their standard issuer types.

- **US_SCP_REPO_AND_OTC_PROCESSING:** The processing of OTC and SFT products are done in the process. For SFT calculations the application does the following:
 - The exposure volatility haircut for the underlying instruments of SFT is calculated. Haircut for debt securities issued by sovereign and non sovereign issuers is calculated in two separate Rules based on the USA NPR recommendations. The input to haircut calculation for debt securities with non sovereign issuers is the residual maturity. The inputs to haircut calculation for debt securities with non sovereign issuers are the residual maturity, ECA score of the country. Haircut of 0.25 is applied to all equity collaterals through a separate Rule.
 - Forex haircut for the underlying instruments of SFT is calculated via the forex haircut rule. 8% forex haircut is applied in case of any currency mismatches between the collateral and the exposure that is being covered by that collateral.
 - Pre mitigation and post haircut exposure amount (exposure at default) is calculated for SFT
 - Gross current exposure amount for OTC products represents the current exposure that the bank is subjected to through these instruments. It is calculated for all OTC products based on their current market value.
 - Gross potential exposure amount for OTC products is the potential exposure that the bank may be subjected to in case of credit event. This is calculated based on the notional amount. Gross potential exposure amount of all credit derivatives (where reporting bank has sold credit protection) is calculated on the basis of unpaid premium, notional principal and Non Sec Add on Percent.
 - Net Current exposure amount is calculated based on the market value
 - Net Gross Ratio Calculation for OTC Derivatives is done by dividing Net Current Exposure Amount by Gross Current Exposure Amount
 - Net potential exposure value is calculated as:

$$0.4 * \text{Gross Potential Exposure Amount} + 0.6 * \text{Net Gross Ratio} * \text{Gross Potential Exposure Amount}$$
 - Net current and potential exposure values for OTC and its derivatives are calculated.
 - Total exposure values are calculated by summing Net Potential Exposure Amount and Net Current Exposure Amount
- **US_SCP_COUNTERPARTY_CALCULATIONS:** All the credit risk mitigation process and the final Single counterparty calculations are done in this process. The major tasks that are performed in this process are:
 - CRM volatility haircut is applied for all mitigants and forex haircut is applied in case of currency mismatches.
 - Mitigation allocation process is handled through the optimizer. The process to allocate Mitigants are as follows:
 - The group of all the exposures which are mapped to a mitigant and all the mitigants which are mapped to an exposure are grouped under a pool and a pool id is given.

For example, consider the mapping between few exposures and mitigants as follows:

Exposure 1 → Mitigant 1
 Exposure 2 → Mitigant 1
 Exposure 2 → Mitigant 2
 Exposure 3 → Mitigant 2

The Exposures 1,2 and 3 and Mitigants 1 and 2 will form a pool and a pool ID is provided for it. The mitigants within the same pool are allocated to the exposures in the following order:

- i. Pre mitigation EAD in descending order
- ii. Residual maturity of the exposure in ascending order
- iii. Probability of default in ascending order
- iv. Loss given default in ascending order
- v. If the mitigant is Cash or Gold, then it gets the top priority
- vi. Mitigant value in descending order
- vii. Residual maturity of the mitigant in ascending order
- viii. Probability of default of the mitigant in ascending order
- ix. Loss given default of the mitigant in ascending order

The exposure mitigant mapping is given a rank within the pool before they are fed into the optimizer for mitigant allocation. This rank is again modified for the cases where N exposures are mapped to 1 mitigant (*N – 1 referred to as 'N to 1' case*). For an N – 1 pool, the mitigant allocation rank is reversed. For a non N – 1 pool, if the exposure is mapped to an Uncovered mitigant, then the rank is modified to MAX(rank) within the pool + 1 so that the uncovered mitigant is allocated in the last.

- Post mitigation exposure at default value is calculated.
 - Single counterparty gross and net exposure amounts are calculated against each counterparty.
 - The threshold limit for each counterparty is calculated.
 - The counterparties which breach the threshold limit are identified and marked.
- Post CRM covered amount is calculated as the product of Pre-Mitigation EAD Amount and Covered Factor. Single Counterparty Threshold Limit is calculated for both covered companies and major covered companies as 25% and 10% of accounting capital and surplus. The application compares the Net Credit exposure with Single Counterparty Threshold Limit. If Counterparty Net Credit Exposure > Counterparty Threshold Amount, the application updates the Counterparty Threshold Limit Breach column as Y, else it is updated as N.

Key Data Elements

There are certain mandatory details about the product that are provided as download which cannot be calculated in the product processor table without which the exposure value cannot be computed. For a complete list of tables and columns refer to the Download Specifications document.

The mandatory data that has to be provided for the different products are as follows:

- Lending Instruments - Current Exposure Value
- Equities – Equity Market value, Carrying cost

- Debt Securities – EOP Balance
- REPO - Underlying exposure value
- Guarantees and Letter of Credit - the exposure value, maximum potential loss
- OTC Derivatives - MTM value, Notional principal of the derivative
- Credit or Equity Derivatives - Exposure value, maximum potential loss

All of the above mentioned product types are included in the Gross Exposure calculation. While populating data the application also takes care of the currency conversion from natural currency to the reporting currency. The capital and surplus for the consolidating entity is expected as a download in **STG_LEGAL_ENTITY_DETAILS** table as a single line item. Asset size of the entity is expected to be a download in **STG_PARTY_FINANCIALS**.

Chapter 5 Application Processing

Pre-processing Steps

Data Requirements

Data can be divided into the following categories:

- Master Data or Dimension Data: This set of data includes the following:
 - Slowly Changing Dimension (SCD) data: is a set of Dimension tables wherein data changes by a small amount regularly over a period of time.

NOTE: After SCD population, the description of OTH and MSG should be manually updated as “Others” and “Missing” respectively.

- Setup Data: is a set of data that is static and does not change on regular intervals.
- Stage Data: In this section, Stage Data can be populated in either the Product Processors or Other Stage tables as given below:
 - Product Processor: is an entity in the Basel Regulatory Capital application which stores data from the Operational Systems of the Bank. This entity is created based on the various financial products that the bank caters to. Stage tables for Product Processors have been categorized as exposures data of Product Processors. The Product Processors of all the jurisdictions are the same, except for the Islamic Banking Jurisdiction.
 - Others: Data can be populated into Stage tables, besides using Product Processors, as per the respective jurisdiction:
- Value Code Mapping: Value Code Mapping (VCM) is the process of mapping Bank specific dimensional data to the application specific data in order to standardize the data for further processing.

For more information on the list of columns to be populated within each table, refer to the *Download Specifications* document.

Data Assumptions

The following section aims to identify certain data related assumptions for specific tables which will help in the smooth functioning of the Basel Regulatory Capital application.

Dimension Table:

DIM_CAPITAL_ACCT_HEAD: GL items and Non GL items are differentiated in the column **F_GL_IDENTIFIER** with flag **Y** indicating GL items and flag **N** as an indicator for non-GL items)

Mapping Table:

FSI_CAPITAL_STANDARD_MAPPING: For certain standard account head line items which are processed by the application (for example: **Net Tier 1 Capital, Total eligible capital, Tier 1 Capital Ratio, Capital Ratio**) you are expected to provide the mapping for these items as **Others** in the column **v_capital_account_identifier** in the **FSI_CAPITAL_STANDARD_MAPPING** table. These Capital line items mapped as **Others** are used in the T2T - **CAPITAL_STD_ACCT_HEAD_POP** to insert records into **FCT_STANDARD_ACCT_HEAD** from **FCT_CAPITAL_ACCT_HEAD**

FACT Table:

FCT_CAPITAL_ACCT_HEAD: GL items and non-GL items are differentiated in the column **F_GL_IDENTIFIER** with Flag **Y** indicating GL items and Flag **N** indicating non-GL items. The T2T which populates data from **STG_GL_DATA** to the table **FCT_CAPITAL_ACCT_HEAD** populates

value **Y** in the column **F_GL_IDENTIFIER**. The T2T which populates data from **STG_STANDARD_ACCT_HEAD** to the table **FCT_CAPITAL_ACCT_HEAD**, populates value **N** in the column **F_GL_IDENTIFIER**. The reclassification of GL and non GL skeys to standard account head skey (**N_STD_ACCT_HEAD_SKEY**) happens in **FCT_CAPITAL_ACCT_HEAD** table by either the following:

- A Type 2 rule to reclassify using **DIM_CAPITAL_ACCT_HEAD** and **DIM_STANDARD_ACCT_HEAD**.
- Referencing the mapping table – **FSI_CAPITAL_STANDARD_MAPPING**.

From the **FCT_CAPITAL_ACCT_HEAD** table GL data flows into **FCT_STANDARD_HEAD** table and Non GL data flows into **FCT_CALC_ACCT_HEAD**. Again, the distinction is based on the flag **Y** in the column **F_GL_IDENTIFIER**.

Data Loading

The OFSAAI Data Integrator framework allows you to move data flexibly within the Oracle Financial Services Analytical Applications (OFSAA) Data Model at different levels of granularity and at various stages of the process.

Data can be loaded into the required Stage or Setup Tables in the following ways:

- Connecting to other databases: Relational data sources can be defined to connect to any of the Relational Database Management System (*RDBMS*) like Oracle, IBM DB2, MS SQL Server and any RDBMS through native connectivity drivers or ODBC. RDBMS data source lets you define the RDBMS engine present locally or remotely with *FTP* access to remote server
- Flat-Files: Flat File data source lets you define the Flat File present locally or remotely with FTP access to remote server. Data files can be made available in the standard staging area configured in OFSAAI. A Flat-File data source is a local data source residing in the staging area of the Infrastructure Database Server.

For more information on format of the flat file or RDBMS file refer to the *Download Specifications* document.

Further, data can be loaded or maintained using the following components available in the Data Integrator Framework:

- Excel upload: Choose this option when you have moderate quantities of data that is available in an excel file format.
- Manual Data Entry – Forms: The Data Entry Forms and Queries (DeFQ) module of the Data Integrator is designed to create user friendly Data Entry Screens with a choice of layouts, which enables data viewing and data manipulation easily. You can select tables based on which you can create forms that can be used in any application.

For more information on data loading activities like Flat File Source and Connecting to other databases, refer to the *OFSAAI 7.3 User Manual*.

For more information on Data Entry forms, refer to *Data Entry Forms and Queries* on page 25.

Reclassification Rules

A sample list of Products, Customer Types, Issuer Types, Collateral Types, Credit Ratings, and Organization Structure are pre-defined in the Basel Regulatory Capital application. However, the list and naming convention of Products, Customer types, and so on, might differ from one bank to another. The application re-classifies the Bank's data into standard data –which does not change for a given set of regulations- and then processes it based on standard classifications. This restricts the level of modifications needed for each implementation to just re-classifying the Bank's data into the relevant standard classifications.

Setting up the Data

The respective Dimension Tables corresponding to Products (**DIM_PRODUCT**), Customer Types (**DIM_CUSTOMER_TYPE**), Issue Types (**DIM_ISSUER_TYPE**), Collateral Type (**DIM_COLLATERAL_TYPE**), Credit Ratings (**RATING_SRC_MASTER** and **RATING_CODE_MASTER**) and Organization Structure (**DIM_ORG_STRUCTURE**) need to be populated with the list of Product Types, Customer Types, Issuer Types, Collateral Types, Ratings and Organization Structure as used in the respective bank.

As described in the data requirements section, these tables can be populated by directly uploading data into the tables if they are not likely to change frequently or by using the SCD component, if the data is likely to change over a period of time.

Modifying the Re-Classification Rules

The hierarchies related to Product Types, Customer Types, and so on, needs to be re-saved if the data keeps on changing. This can be done individually for each hierarchy using the Unified Metadata Manager or in bulk using the **Save Metadata** link under **Administration** on the LHS pane of OFSAAI screen. A new node is created in the source hierarchy. This node has to be mapped to the node in the target to be added in the target hierarchy. The pre-configured reclassification rules are modified to map the Bank's data to the Standard data using the Rules Framework. For more information, refer to *Components of OFSAA Infrastructure* on page 3.

Processing

Introduction

Once data stores are created and Rules, Processes and Runs are defined, the timing and frequency of the Execution can be established. For more information on the Runs pre-configured with the application, refer to the *Run Charts*. To execute Runs as batches refer to the Operations section, refer to the *OFSAAI 7.3 User Guide*.

The scheduling of Runs within OFSAAI can be managed on a real-time or batch basis. Batch processes can be executed daily, weekly, monthly, or to meet specific business needs. The Run Management facility also provides the ability to run jobs in a manual or real-time basis, as required. Existing investments in external schedulers can also be used to call web services within this infrastructure.

Batch Processing

A batch refers to a set of executable processes based on a specified rule. Batches relating to the Basel Regulatory Capital application needs to be executed as specified below. These batches are executed from the Operations Menu of OFSAAI. For more information of the Operations section, refer to the *OFSAAI 7.3 User Guide*.

- Slowly Changing Dimension batch: The needs to be executed when you are installing the application for the first time. Subsequently, this batch needs to be executed only when new data is added. The tasks processed and the order in which the tasks are processed are specified in the Run Charts.
- Basel Common batch: The following tasks are mapped to the Basel Common batch:
 - Data Population: This task populates the table DIM_DATES.
 - Party Role Map Calculation: This task populates the party and the role mapping from STG_PARTY_ROLE_MAPPING to FSI_PARTY_ROLE_MAPPING.
 - FSI IRCS Calculation: This task populates FSI_IRCS from STG_IRC_RATE_HIST.
- PARTY_FINANCIAL_DATA_POPULATION Batch: Populates the party financial data. Need to be executed as required when the party financial data is available.

- **BASEL_DAILY Batch:** This batch is to be executed on a daily basis. This batch is used to populate the exchange rate between different currencies for each date.

Run Management

The Run Management framework is a unique feature of the Basel Regulatory Capital application which enables a business user - *without assistance from a technical analyst* - to easily define and execute a Run. This framework allows you to define a Run by selecting a combination of different Basel approaches for RWA computation. It also allows you to define a Run for a combination of portfolios.

The application Runs can be executed as PR2 batch from the Run Management GUI. The Run Management GUI lists all Runs defined in Rules Framework. For more information, refer to *Rules Framework* on page 84.

NOTE: For CBRC Jurisdiction, if Credit Risk is selected in Run Management, then the relevant questions will not be displayed as Credit Risk is not a part of CBRC jurisdiction in Basel Regulatory Capital Basic and no approaches/options are mapped to the segment.

The Basel Run Management UI consists of the following 3 functionalities:

- **Portfolio Definition:** wherein you can define a combination of portfolios to participate in a Run. For example: If an institution wants to process only **On Balance Sheet** data and not all the product types then the institution has the choice of selecting a sub type of an entire portfolio for processing. The other features of **Portfolio Definition** are:
 - View details of a defined Portfolio
 - Existing values of a Portfolio can be edited
 - A new Portfolio can be created by copying the existing values of a defined Portfolio
- **Run Definition:** wherein you can define a Run for the Portfolios defined in the **Portfolio Definition** screen by selecting the Basel approaches relevant to the jurisdiction. The other features of the **Run Definition** are as follows:
 - View details of a defined Run
 - The existing values of a Run can be edited.
- **Run Execution:** wherein you can define the parameters of a Run and execute a Run. The other features of the **Run Execution** are as follows:
 - View defined parameters of a Run.
 - Parameters can be entered at the Run Level.
 - The Existing Parameter values can be edited and there is an option to create and execute a batch.

Portfolio Definition

Adding a New Hierarchy for Portfolio Creation

To add a new hierarchy for portfolio creation the hierarchy code needs to be added in **PORTFOLIO_HIERARCHY_MASTER** as shown below:

Column	Indicative values
V_HIERARCHY_CODE	Contains hierarchy code of the hierarchy to be added
F_LATEST_RECORD_INDICATOR	To be set to 'Y' for the hierarchies which have to be displayed
D_RECORD_START_DATE	Start date of the hierarchy.
D_RECORD_END_DATE	End date of the hierarchy.

Portfolio Definition Screen

To access the Portfolio Definition Screen:

1. Click **Risk Applications** on the Left Hand Side (LHS) pane of OFSAAI Screen.
2. Click Basel Regulatory Capital.
3. Click **Portfolio Definition**.



Portfolio Definition UI Icons

Buttons Name	Icon	Description
Pagination Options		Helps in navigating from one page to another
View		Helps to view details of a defined Portfolio
Edit		Clicking this icon allows you to update details of a defined Portfolio
Add		Helps in defining a new Portfolio
Copy		Click this icon to create a new Portfolio using the same parameters of an existing Portfolio
Dimension		Click this Icon to select the Dimensions and Hierarchy to define a Portfolio
Delete		Click to Delete a Portfolio
Search		This icon helps in searching a particular Portfolio. Type the Portfolio Name in the Name Text Box and click this icon.
Reset		The Reset icon refreshes the Portfolio Name field back to the default blank field

Defining a Portfolio

To define a Portfolio, refer to the following steps:

1. Click  in the navigation bar of the **Portfolio** screen, to define a new Portfolio. The **Portfolio (Definition Mode)** screen is displayed.
2. Enter the **Name** and **Description** of the new Portfolio in the **Portfolio (Definition Mode)** screen.
3. Click  in the **Dimension & Member Selection** section of the **Portfolio (Definition Mode)** screen. The **Portfolio Map** screen is displayed.
4. Click  in the **Portfolio Map** screen and select the relevant Dimensions in the **Filter Browser** screen by clicking . The selected Dimension appears in the **Portfolio Map** screen.

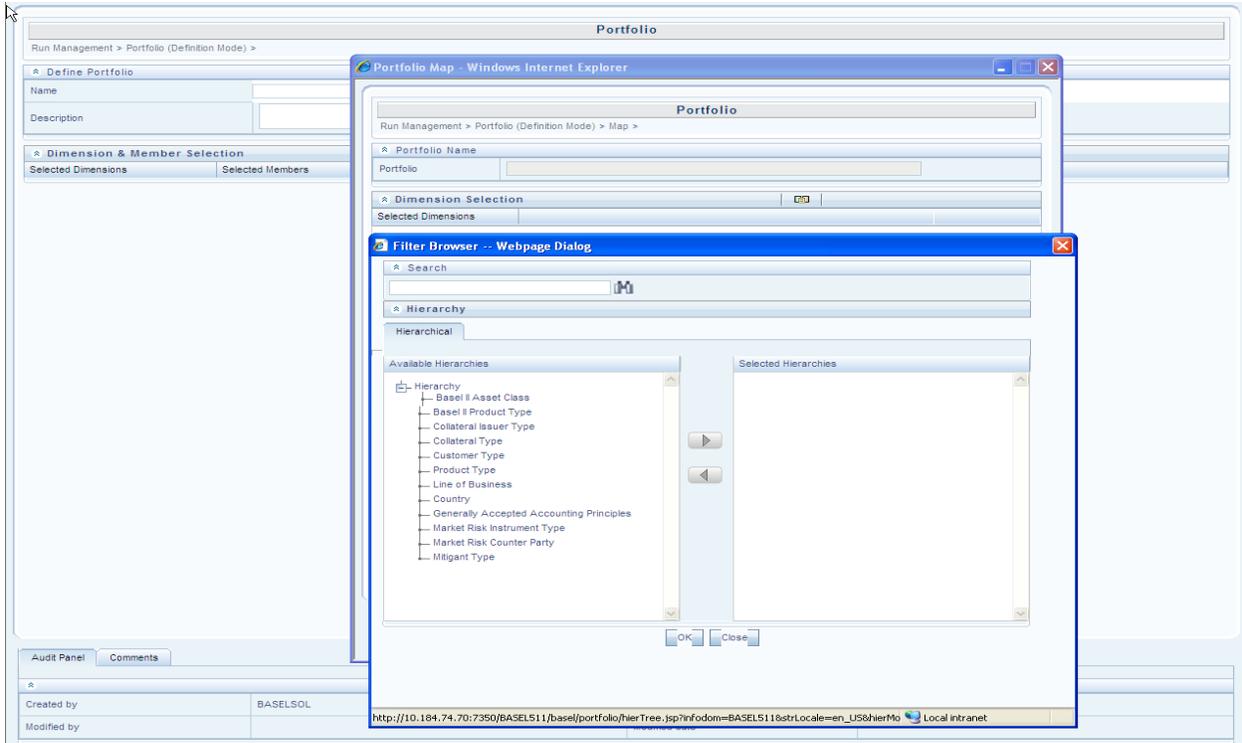
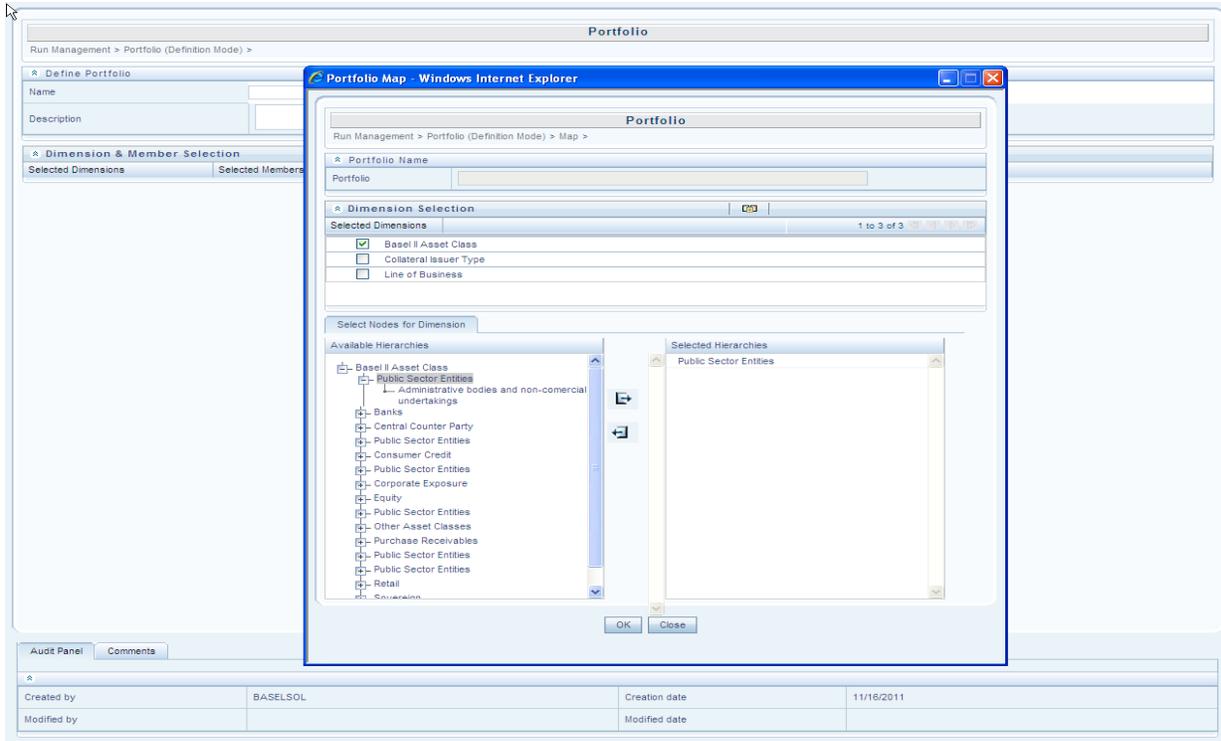
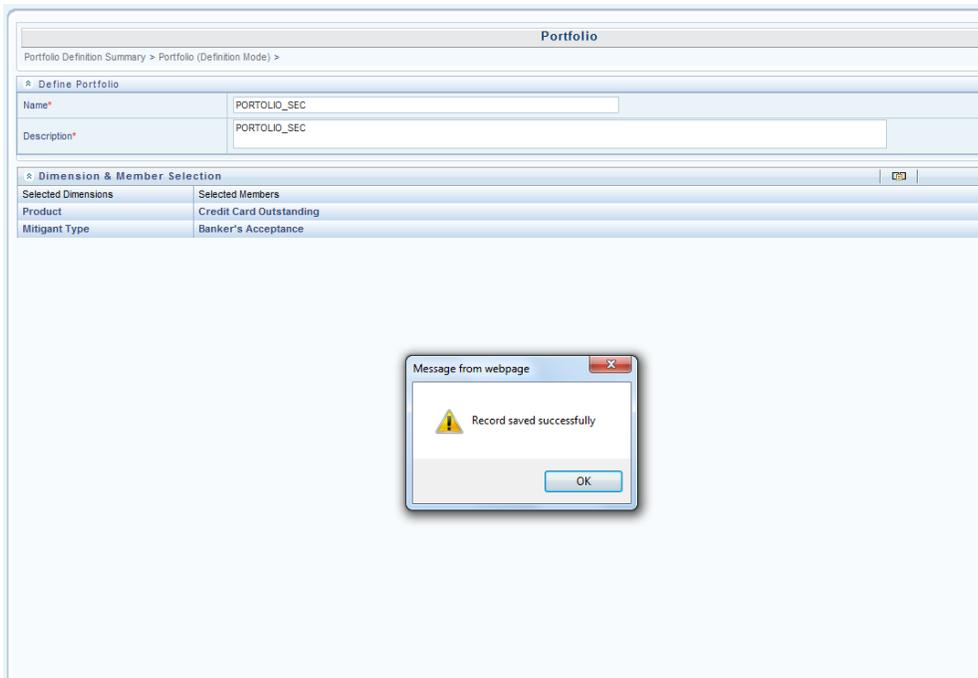


Figure 1: Defining a Portfolio

5. Click  on the Dimension appearing in the **Portfolio Map** screen to select the Nodes of the selected Dimension shown in the following figure:



6. Click 'OK' on **Portfolio Map** screen after selecting nodes. Click Save on **Portfolio (Definition Mode)** screen to save the portfolio as shown in the following figure:



Run Definition

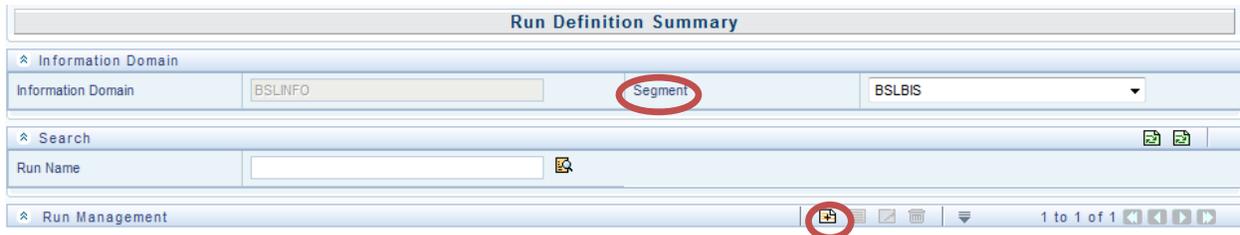
To access the Run Definition Screen:

1. Click **Risk Applications** on the Left Hand Side (LHS) pane of OFSAAI Screen.

2. Click **Basel Regulatory Capital**.
3. Click **Run Definition** on the LHS Pane. The Run Summary Screen is displayed, wherein you can define your own Runs.

Run Definition UI icons

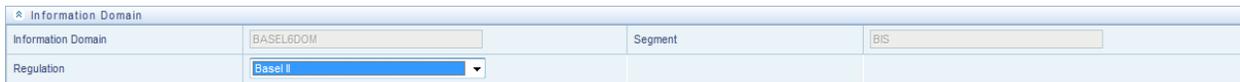
Buttons Name	Icon	Description
Pagination Options		Helps in navigating from one page to another
View		Helps to view details of a defined Run
Edit		Click this icon to allows you update details of a defined Run
Add		Helps in defining a new Portfolio
Delete		Click to Delete a Run
Search		This icon helps in searching a particular Run. Type the Run Name in the Run Name Text Box and click this icon.
Reset		The Reset icon refreshes the Run Name field back to the default blank field.



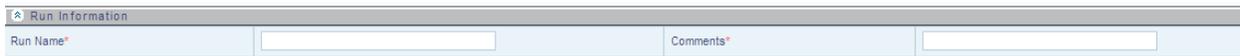
Defining a Run

Follow the steps given below to define a new Run:

1. Select the relevant jurisdiction from the Segment dropdown in the Run Management Screen, shown in the preceding figure.
2. Click to add a new run.
3. Select the Regulation for which the Run needs to be created.



4. Enter the name of the Run and a relevant description in fields Run Name and Comments respectively, in the Run Management screen.



5. Click to select the relevant run type (Capital Calculation or Single Counterparty Exposure) for which you want to create the Run, shown in the following figure:



In a Capital Calculation Run the application calculates the Risk Weights, EAD and the RWA for all the credit exposures to a single counterparty. In this run we also calculate the capital adequacy ratio to the reporting agency. In a Single Counterparty run, the application only calculates the concentration of Credit exposure against a particular counterparty. No RWA calculation or CAR calculation required.

If you are creating a Capital Calculation Run:

- i. Click to select the relevant risk type for which you want to execute the Run, shown in the following figure:

Select			
Select	<input checked="" type="checkbox"/> Credit Risk	<input type="checkbox"/> Market Risk	<input type="checkbox"/> Operational Risk
Capital Structures	<input type="radio"/> Yes <input checked="" type="radio"/> No	CRM	<input checked="" type="radio"/> Yes <input type="radio"/> No

- ii. Click to select Yes or No to include or exclude Capital Structure Computation and CRM (CRM is the process which incorporates the eligible deductions provided against specific exposures by the bank) functionality in the Run, shown in the preceding figure.
- iii. Click the relevant Risk tab (highlighted as per earlier selection of risk type) to select the approaches within each risk type, shown in the following figure:

Credit Risk	Market Risk	Operational Risk
-------------	-------------	------------------

If you are creating a Single Counterparty Run:

- i. Click to select Yes or No to include or exclude CRM (CRM is the process which incorporates the eligible deductions provided against specific exposures by the bank) functionality in the Single Counterparty Run, shown in the below figure:

Single Counterparty Exposure	
CRM	<input checked="" type="radio"/> Yes <input type="radio"/> No

- ii. Only Credit Risk tab will be enabled for Single Counterparty run as shown in the below figure:

Credit Risk	Market Risk	Operational Risk
-------------	-------------	------------------

6. For a Capital Calculation Run, click against **Portfolio Identifier** to select the defined Portfolios to participate in the Run. The relevant approaches will appear in the Basel II Approaches section (For example: **Non Securitization Standardized**). Click to view the sub approaches under section **Basel Regulatory Capital Approaches** as shown in the following figure:

For Single Counterparty Run, click against **Portfolio Identifier** to select the defined Portfolios to participate in the Run. The relevant approaches will appear in the **Basel Regulatory Capital** Approaches section (For example: **Single Counterparty Exposure Calculation**). Click to view the sub approaches under section **Basel Regulatory Capital Approaches** as shown in the following figure:

Credit Risk	
Basel Regulatory Capital Approaches	<input type="checkbox"/> Portfolio Identifier
<input checked="" type="checkbox"/> Non Securitisation Standardized	
<input checked="" type="checkbox"/> Non Securitisation FIRB	
<input checked="" type="checkbox"/> Non Securitisation AIRB	
<input checked="" type="checkbox"/> Securitisation Standardized	
<input checked="" type="checkbox"/> Securitisation - Rating Based Approach	
<input checked="" type="checkbox"/> Securitisation - Internal Assessment Approach	
<input checked="" type="checkbox"/> Securitisation - Supervisory Formula Approach	
<input checked="" type="checkbox"/> Securitisation - Internal Rating Based Approach	

7. For Capital Calculation Run, click to select the relevant sub approaches, shown in the following figure:

Credit Risk	
Basel II Approaches	
<input checked="" type="checkbox"/> Non Securitisation Standardized	
<input checked="" type="checkbox"/> Claims on Sovereign	
<input checked="" type="checkbox"/> Use ECA Country Scores for risk weighting claims on Sovereigns	
<input type="radio"/> Yes <input checked="" type="radio"/> No	
<input checked="" type="checkbox"/> Claims on PSE	
<input checked="" type="checkbox"/> Option used for claims on domestic PSEs	
<input checked="" type="radio"/> Option I <input type="radio"/> Option II	
<input checked="" type="checkbox"/> Claims on Bank	
<input checked="" type="checkbox"/> Option for risk-weighting claims on Banks	
<input checked="" type="radio"/> Option I <input type="radio"/> Option II	
<input checked="" type="checkbox"/> Claims on Corporates	
<input checked="" type="checkbox"/> Supervisor permission to risk weight all corporate claims at 100% without regard to external rating	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
<input checked="" type="checkbox"/> Claims Secured by Commercial Real Estate	
<input checked="" type="checkbox"/> Has the national supervisor permitted a lower RW for certain commercial real estate exposures?	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
<input checked="" type="checkbox"/> Past Due	
<input checked="" type="checkbox"/> Past due treatment for non-past due loans to counterparties subject to a 150% RW	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
<input checked="" type="checkbox"/> Use of 0% RW for Gold Bullion held in own vaults or on allocated basis	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
<input checked="" type="checkbox"/> Use of borrower's domestic currency rating for exposure in foreign exchange transactions when loans extended to certain MDBs	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
<input checked="" type="checkbox"/> SFT	
<input type="checkbox"/> Simple Approach	
<input type="checkbox"/> IMM	

8. For Capital Calculation Run select (✓) a portfolio that you want to map to an approach or sub-approach, shown in the following figure:

For Single Counterparty Run, select (✓) a portfolio that you want to map to Single Counterparty Approach.

<input type="checkbox"/> Non Securitisation IRB		✓
<input type="checkbox"/> Equity		
<input type="checkbox"/> Equity Exposures - Non-Investment Funds		
<input checked="" type="radio"/> IMM Approach <input type="radio"/> Simple Risk Weight Approach		
<input type="checkbox"/> Equity Exposures - Investment Funds (In conjunction with Money Market Fund Approach)		
<input checked="" type="radio"/> Simple Modified Look Through Approach <input type="radio"/> Alternate Modified Look Through Approach <input type="radio"/> Full Look Through Approach		
<input type="checkbox"/> SFT		
<input type="radio"/> Collateral Haircut Approach <input checked="" type="radio"/> Internal Model Method <input type="radio"/> VaR Models Approach		
<input type="checkbox"/> Haircut		
<input checked="" type="radio"/> Supervisory Haircut <input type="radio"/> Own Estimate		
<input type="checkbox"/> OTC		
<input type="radio"/> Current Exposure Method <input checked="" type="radio"/> Internal Model Method		
<input type="checkbox"/> CRM		
<input type="checkbox"/> Credit derivatives and guarantees		
<input checked="" type="radio"/> PD Substitution Approach <input type="radio"/> LGD Adjustment Approach		
<input type="checkbox"/> SFT Collateral		
<input checked="" type="radio"/> Comprehensive Approach <input type="radio"/> LGD Adjustment Approach		
<input type="checkbox"/> OTC Collateral		
<input type="radio"/> Comprehensive Approach <input checked="" type="radio"/> LGD Adjustment Approach		

Figure 2: Portfolio Mapping

9. Click **Save** after defining the Approaches, Sub-Approaches and Portfolios for each risk type.

You have successfully created a Run.

Run Execution

To access the Run Execution Screen:

1. Click **Risk Applications** on the Left Hand Side pane of the OFSAAI Screen.
2. Click **Basel Regulatory Capital**.
3. Click **Run Execution** on the LHS Pane. The Run Summary Screen is displayed, wherein you can define and execute Runs.

Run Execution UI Icons

The following table aims to familiarize you with the common icons available in the Run Management UI:

Buttons Name	Icon	Description
Pagination Options		Helps in navigating from one page to another
View		Helps to view details of a particular Run
Run Default Parameters		Click this icon to allow you to update the Run Default Parameters
Run Execution Parameters		Click this icon to allow you to update the Run Execution Parameters
Add		Helps in adding a hierarchy
Run Execution		Helps in viewing the Run Execution details
Copy		Click this icon to display the Run Execution Parameters screen to modify or create a batch
Search		This icon helps in searching a particular Run. Type the Run Name in the Run Name Text Box and click this icon.
Reset		The Reset icon refreshes the Run Name and Run Type field back to the default blank fields.

Buttons Name	Icon	Description
Execute		Click to execute a Run

Table 1: Run Execution UI Icons

Run Management Summary

Run Management Summary displays the list of runs defined in the Rules Framework except those with Immediate Execution Option **Yes** in the grid. It provides the following details of the run:

- **Run name**
- **Run Type**
- **Created By**
- **Creation Date**
- **Modification By**
- **Modification Date**

The Search Panel has a provision to search based on segment, Run name, and Run type.



Run Name	Run Type	Created By	Created Date	Last Modified By	Last Modified Date
Capital Calculation - BIS Foundation IRB Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	11/23/2012
Capital Calculation - BIS Basel I Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	07/26/2012
Staging Data Population - Market Risk - BIS Standardised Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	06/26/2012
Risk Weighted Asset Calculation - Market Risk - BIS Standardised Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	06/26/2012
Risk Weighted Asset Calculation - Credit Risk - BIS Basel I Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	06/26/2012
Risk Weighted Asset Calculation - Operational Risk - BIS Alternate Standardised Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	06/26/2012
Risk Weighted Asset Calculation - Operational Risk - BIS Standardised Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	06/26/2012
Risk Weighted Asset Calculation - Operational Risk - BIS Basic Indicator Approach	BASELINE RUN	SYSADMIN	06/26/2012	SYSADMIN	06/26/2012

You can see the complete list of runs with the help of pagination by navigating from one

page to another by clicking the  (Next)  (Previous) icons, by clicking the  (No Records) to be viewed per page or by providing the input for the number of records to be displayed per page or on the bar.

You can also sort the records to view it in convenient way.

Run Default Parameters

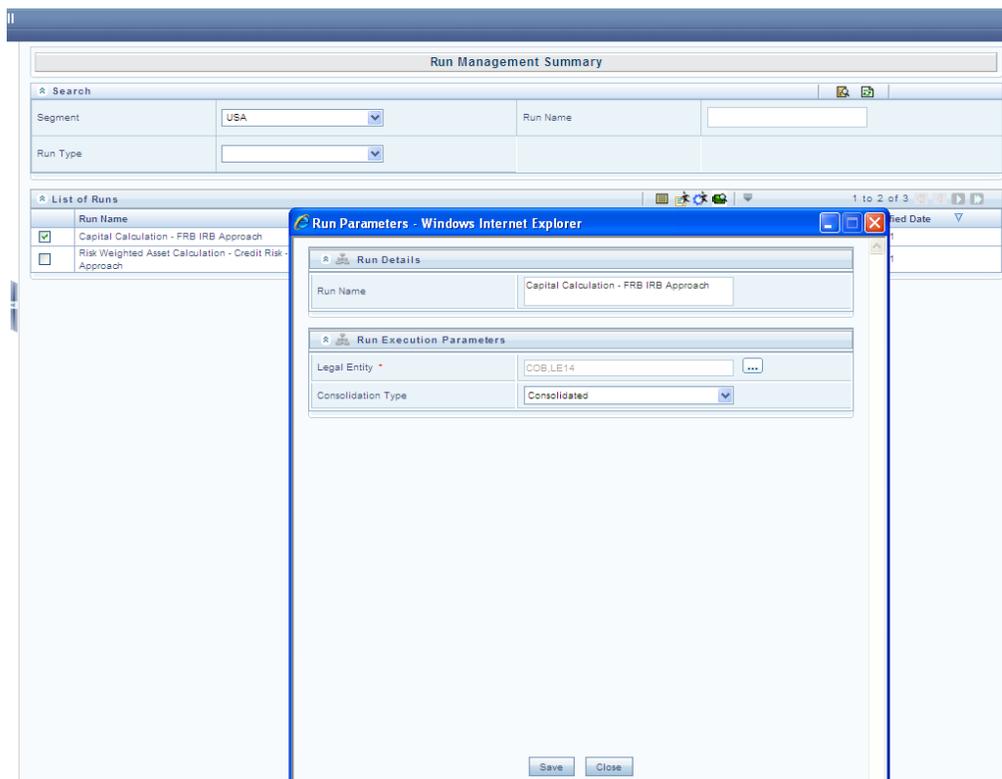
Run Default Parameter allows you to enter and save the Run level parameters. To input the run level parameters select the checkbox corresponding to that Run and click  icon on the navigation bar. Run Parameters screen is displayed where you can view and input Run level parameters related to that Run. You are allowed to add or modify the parameter values and store the same.

NOTE: To modify or view the parameters the Modify Run Parameters role should be mapped to your user profile.

The following parameters are to be updated:

- **Legal Entity** –The accounts of the selected Legal entity and its child entity (depending on the consolidation type selected) is processed to calculate provision. Parent-child relationship between Legal Entity will be as defined in DIM_ORG_STRUCTURE table.

- **Consolidation Type** – This field is read in conjunction with Legal Entity field. It is a dropdown box and the value could be **Solo** or **Consolidation**. Select **Solo** if you want to process direct accounts of the Legal entity and not that of its child entities. Select Consolidation if you want to process all the accounts under the Legal Entity and its child entities. In case of Consolidation all intra-group exposures are excluded.
- **Reporting Currency** – The currency can be selected from Run Parameters screen. All amounts in the Run are converted to the selected Reporting Currency.



Run Execution Parameters

In addition to the Run Default parameters, **Run Execution Parameter** screen allows you to enter and save the Run execution parameters. By clicking the **Save** icon a batch with the entered Run execution parameters is created. The batch created can be executed by clicking **Execute** button. To input the Run Execution Parameters select the check box corresponding to that run and click the  button on the navigation bar.

NOTE: To execute a Run, the *execute run* role should be mapped to your user profile.

In the **Run Execution Type** section, you can select **Yes** if you want the Portfolio to participate in the execution. The following Run execution parameters are to be updated:

- **Legal Entity:** Default Legal Entity set for the run (*as mentioned in Default Parameters for Run*) can be changed for the specific execution. The accounts of the selected Legal entity and its child entity (depending on the consolidation type selected) are processed to calculate provision. Parent-child relationship between Legal entities will be as defined in DIM_ORG_STRUCTURE table.
- **Consolidation Type:** Default Consolidation Type set for the run (*as mentioned in Default Parameters for Run*) can be changed for the specific execution. This field is read in conjunction with Legal Entity field. It is a dropdown box and the value could be **Solo** or **Consolidation**. Select **Solo** if you want to

process direct accounts of the Legal entity and not that of its child entities. Select **Consolidation** if you want to process all the accounts under the Legal Entity and its child entities. In case of **Consolidation** all intra-group exposures are excluded.

- **Reporting Currency:** The currency for a particular execution can be selected from Run Execution Parameters screen .All amounts will be converted to the selected Reporting Currency.
- **FIC_MIS_DATE:** Date as-on which data should be picked and processed.
- **Run Execution Description:** This is to describe a run in detail. It is an optional parameter.

The screenshot displays the 'Run Management Summary' interface. At the top, there is a search bar with 'Segment' set to 'USA'. Below this is a 'List of Runs' table with two entries: 'Capital Calculation - FRB IRB Approach' (checked) and 'Risk Weighted Asset Calculation - Credit Risk Approach' (unchecked). A modal window titled 'Run Execution Parameters - Windows Internet Explorer' is open, showing the following details:

- Run Name:** Capital Calculation - FRB IRB Approach
- Legal Entity:** COB.LE14
- Consolidation Type:** Consolidated
- FIC MIS Date:** (empty field)
- Run Execution Description:** (empty field)

Buttons for 'Save', 'Execute', and 'Close' are visible. An 'Audit Panel' at the bottom shows:

Created By	BASELSOL	Created Date	05/23/2011
Last Modified By	BASELSOL	Last Modified Date	11/22/2011

Run Execution Summary

Selecting a Run from the Run Management screen and clicking the  icon displays the **Run Execution Summary** screen where the following sections are displayed.

- **Run Details**
- **Run Execution Details**

The Run details, displays the following details:

- **Run Name**
- **Run Type**
- **Run ID**

The **Run Execution Details**, displays the following details:

- **Run Skey**
- **Run Execution Id**
- **FIC MIS DATE**
- **Execution Status**
- **Execution Date**

- **Time of Execution**

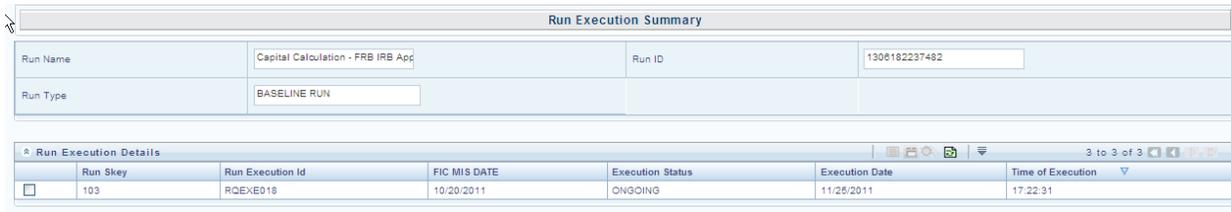
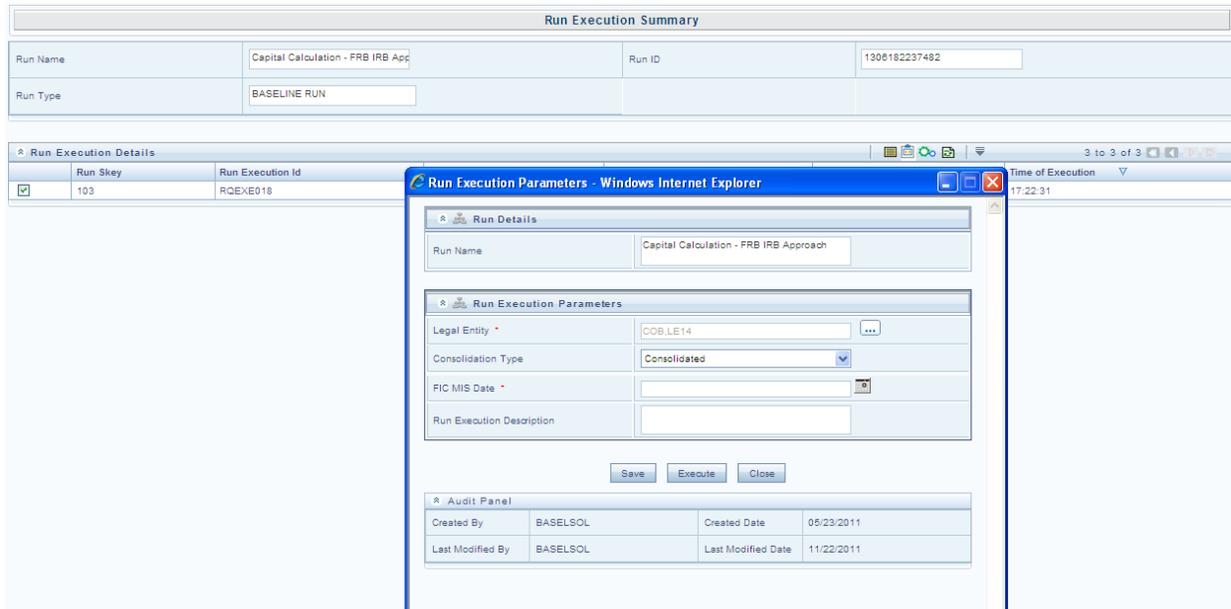


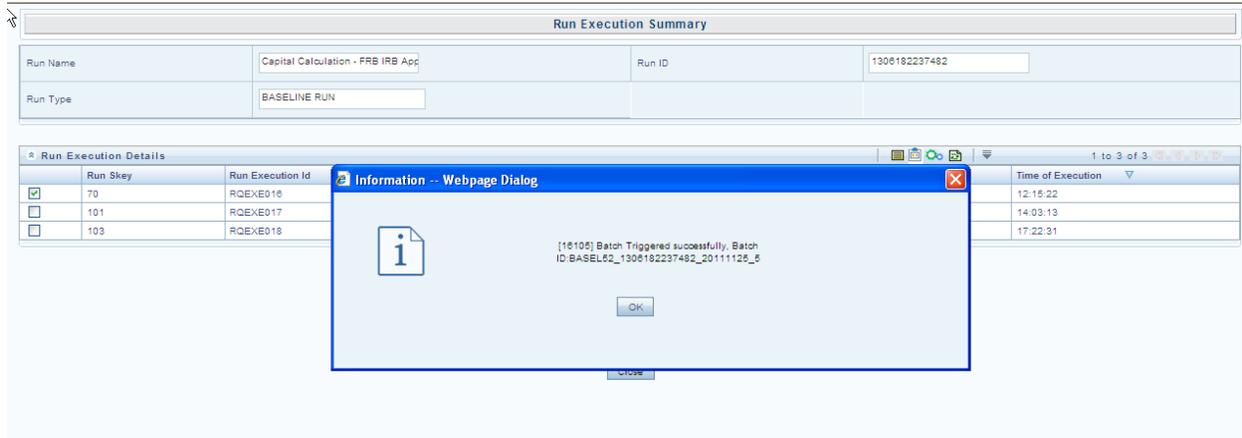
Figure 3: Run Execution Summary Screen

Click the checkbox against Run Execution Id for the following:

- View Parameter details
 - Clicking the  icon displays the parameter details like Run Execution Parameter Detail.
- Copy
 - Clicking  icon to display the **Run Execution Parameter** screen with the parameters populated as the selected execution and you can modify or can create a batch and execute the same.



- Execute
 - Clicking  icon triggers the batch which has been created from the **Run Execution Parameter** screen and the status of the triggered batch is displayed. In the execution summary screen multiple selections of the execution ids is available to trigger a batch.



Run Management Maintenance

You also have the option of modifying the various parameters in Run Management. These parameters can be modified in the Run Management Setup tables. The relevant Run Management Setup tables configured in the Basel application are as follows:

- **RM_SETUP_SEG_REGULATION_MAP:** This table contains the list of regulations mapped to each segment.

Primary key-->V_SEGMENT_CODE, V_REGULATION

Column	Indicative values
V_SEGMENT_CODE	Contains the segment Code
V_REGULATION	Contains the regulation mapped to the segment

To add a new regulation under a particular segment an entry needs to be done in the **RM_SETUP_SEG_REGULATION_MAP** table.

- **RM_SETUP_APPROACH_MASTER:** This table contains the list of approaches used.

Primary key--> N_APPROACH_KEY,V_SEGMENT_CODE

Column	Indicative values
N_APPROACH_KEY	Contains a unique key for each Approach
V_SEGMENT_CODE	Contains the segment Code
V_RISK_TYPE	Contains the risk type (for example 'CR','MR')
V_APPROACH_ID	Contains a unique text identifier for each approach
V_APPROACH_DESC	Contains the description of the approaches used
V_APPROACH_ENABLED	Is a flag to identify if the approach is enabled
N_GROUP_ID	A unique number for each risk type
F_IS_ADDED_BY_DEFAULT	Value is set to 'Y' if this process is used in all executions.(for example 'Capital Consolidation' and 'Credit Rating Population' are used it all runs)
V_REGULATION	Contains the regulation to which the approach is mapped.

- **RM_SETUP_APPROACH_DETAIL:** Contains the Run Management questions and answers for each approach.

Primary key --> V_OPTION_ID, V_SEGMENT_CODE

Column	Indicative values
N_APPROACH_KEY	Contains a unique key for each Approach from RM_SETUP_APPROACH_MASTER
V_OPTION_ID	Unique key text identifier for each RM Question and answer(The same option ids can be repeated for multiple segments)
V_OPTION_DESC	The Run Management Questions and answers(The same question and answer can be repeated for multiple segments)
V_OPTION_TYPE	The value in this field is 'TEXT' for the questions, 'OPTS' for the check boxes and 'RADIO' for the radio buttons
V_PARENT_OPTION_ID	Contains the id of the parent question
F_ENABLED_IND	Is a flag to identify if the option is enabled
F_IS_DEFAULT_VALUE	Is a flag to identify whether the flag is a default value or not
F_IS_CRM	This flag is used to identify the options that are to be disabled when CRM is not selected in the UI
V_RUN_PARAMETER_COLUMN	Contains the name of the 'RUN_PARAMETERS' column to which the particular option is related to. The value of the child to this option is stored in the 'RUN_PARAMETERS' column
V_OPTION_DEPENDENCY	Contains a coma separated list of ids which if selected should disable this Question
V_REGULATION	Contains the regulation to which the approach is mapped.
V_SEGMENT	Contains the segment Code

- **RM_SETUP_PROCESS_DETAILS:** Contains the processes and sub processes related to each run management answer. There can be multiple sub processes mapped to each option id segment code combination.

Primary key --> N_OPTION_ID,V_SEGMENT_CODE,V_SUB_PROCESS

Column	Indicative values
V_SEGMENT_CODE	Contains the segment Code
V_RISK_TYPE	Contains the risk type (for example 'CR','MR' etc)
V_APPROACH	Contains a unique text identifier for each approach
V_APPROACH_DESC	Contains the description of the approaches used
N_OPTION_ID	Contains the run management answers id
V_SUB_PROCESS	Contains the names of the processes and the sub processes
N_APPROACH_KEY	Contains a unique key for each Approach
F_MASTER_PROCESS	This flag is 'Y' for the processes and is null for the sub processes
N_SUB_SORT_ORDER	It contains the order of processes when there is more than one process for an option id
V_REGULATION	Contains the regulation to which the process is mapped.

- **Run_Parameter_Details** table: This tables contains details of the Run Parameters

Column	Indicative Values
V_SEGMENT_CODE	Stores the segment codes
V_PARAM_ID	Stores the parameter id of the parameters used in the default parameter screen
V_PARAM_DESC	Stores the description of the parameters
V_PARAM_TYPE	Stores the information on the parameter type. The type can be HIER for Hierarchy, LIST for dropdown, TEXT for input, RADIO for radio button, CALENDAR for calendar
F_IS_MANDATORY	Stores the information whether the parameter is mandatory or not
N_DISPLAY_ORDER	Specifies the order in which the parameters need to appear in the screen

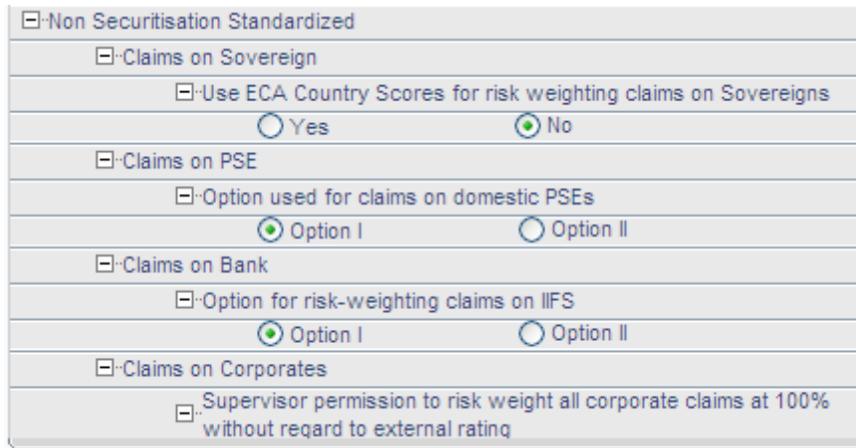
Column	Indicative Values
F_IS_DEFAULT_PARAM	Specifies if the parameter is default or not
F_NODE_SELECTION	Specifies if the hierarchy selection is single level or multi level
V_RUN_TYPE	Specifies the type of run. BR for Baseline Run, SR for Simulation Run, ST for Stress Run
F_IS_LEBASED	Specifies that the run is LE based

- **Run_Parameters_LOV** table: This table contains the details of the run parameters defined in run_parameters

Column	Indicative Values
V_SEGMENT_CODE	Stores the segment codes
V_PARAM_ID	Stores the parameter id of the parameters used in the default parameter screen
V_PARAM_VALUE_CODE	Stores the code of the list of values to be displayed.
V_PARAM_VALUE_DESC	Stores the description of the list of values to be displayed.
N_DISPLAY_ORDER	Specifies the order in which the parameters need to appear in the screen
V_RUN_TYPE	Specifies the type of Run. BR for Baseline Run, SR for Simulation Run, ST for Stress Run

There are two types of modifications possible in Run Management as follows:

To add a new answer to an existing question:



For example: Under **Claims on PSE** if you want to add Option III, then the new Setup data will be as follows:

Table	Column	Indicative values
RM_SETUP_APPROACH_DETAIL	n_approach_key	Same as 'Claims on domestic PSEs'
RM_SETUP_APPROACH_DETAIL	v_option_id	New Option Id
RM_SETUP_APPROACH_DETAIL	v_option_desc	Option III
RM_SETUP_APPROACH_DETAIL	v_option_type	RADIO
RM_SETUP_APPROACH_DETAIL	v_parent_option_id	v_option_id of 'Option used for claims on domestic PSEs'
RM_SETUP_APPROACH_DETAIL	f_enabled_ind	Y
RM_SETUP_APPROACH_DETAIL	f_is_default_value	NULL
RM_SETUP_APPROACH_DETAIL	f_is_crm	NULL

Table	Column	Indicative values
RM_SETUP_APPROACH_DETAIL	v_run_parameter_column	NULL
RM_SETUP_APPROACH_DETAIL	v_option_dependency	NULL
RM_SETUP_APPROACH_DETAIL	v_segment_code	Same as 'Claims on domestic PSEs'
RM_SETUP_APPROACH_DETAIL	v_regulation	Same as 'Claims on domestic PSEs'

To add a new question:

The screenshot shows a configuration form for 'Non Securitisation Standardized'. It includes several sections with expandable options and radio buttons for selection:

- Non Securitisation Standardized
 - Claims on Sovereign
 - Use ECA Country Scores for risk weighting claims on Sovereigns
 - Yes
 - No
 - Claims on PSE
 - Option used for claims on domestic PSEs
 - Option I
 - Option II
 - Claims on Bank
 - Option for risk-weighting claims on IIFS
 - Option I
 - Option II
 - Claims on Corporates
 - Supervisor permission to risk weight all corporate claims at 100% without regard to external rating
 - Yes
 - No

For example: If you want to add a question such as “Are floor risk weights applicable for corporate?” (This question is applicable only if 100% risk weights corporate are not applicable) then the new set up tables will be as follows:

Table	Column	Indicative values
RM_SETUP_APPROACH_DETAIL	n_approach_key	Same as 'Non Securitization Standardized'
RM_SETUP_APPROACH_DETAIL	v_option_id	OPT01 OPT02 OPT03
RM_SETUP_APPROACH_DETAIL	v_option_desc	Use floor risk weights for corporate? Yes No
RM_SETUP_APPROACH_DETAIL	v_option_type	TEXT RADIO RADIO
RM_SETUP_APPROACH_DETAIL	v_parent_option_id	v_option_id of 'Claims on Corporates' OPT01 OPT01
RM_SETUP_APPROACH_DETAIL	f_enabled_ind	Y Y Y
RM_SETUP_APPROACH_DETAIL	f_is_default_value	Y
RM_SETUP_APPROACH_DETAIL	f_is_crm	
RM_SETUP_APPROACH_DETAIL	v_run_parameter_column	Run parameter column name
RM_SETUP_APPROACH_DETAIL	v_option_dependency	v_option_id of 'Yes'
RM_SETUP_APPROACH_DETAIL	v_segment_code	Same as 'Non Securitization Standardized'
RM_SETUP_APPROACH_DETAIL	v_regulation	Same as 'Non Securitization Standardized'

Run parameters setup for Run creation

If the Run is not created through Run Management UI, the **usr_defined_run_parameters** table needs to be

setup manually for the selected options/approaches for a particular regulation and segment. The column names and values that need to be updated for the selected option are given in the below table:

Regulation: Basel

Segment: IFSB

Approach Hierarchy	Selected Option	run_parameters column name	run_parameters column value
Non Securitization Standardized Claims on Sovereign Use ECA Country Scores for risk weighting claims on Sovereign	Yes	v_nss_eca_for_sovereign	OPT0004
	No		OPT0005
Non Securitization Standardized oClaims on PSE Option used for claims on domestic PSEs	Option I	v_nss_rw_option_dpse	OPT0008
	Option II		OPT0008
Non Securitization Standardized oClaims on Bank Option for risk-weighting claims on IIFS	Option I	v_nss_rw_option_bank	OPT0012
	Option II		OPT0013
Non Securitization Standardized oClaims on Corporate Supervisor permission to risk weight all corporate claims at 100% without regard to External	Yes	v_nss_100pct_rw_corp	OPT0016
	No		OPT0017
Non Securitization Standardized oEquity Exposures In Banking Book Option for risk-weighting Equity Exposures In Banking Book	Simple Risk Weight Method	v_nss_equity_approach	OPT0034
	Slotting Method		OPT0035
Non Securitization Standardized oCRM Approach for Banking Book	Collateral Simple Approach	V_CRM_METHOD	OPT0053
	Collateral Comprehensive Approach		OPT0054
Non Securitization Standardized oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
	Own Estimate		OPT0057
Securitization Standardized	N/A	v_sec_approach	OPT0500
Standardized Approach oCommodity Risk	Commodity Risk	v_mrs_commodity_risk_method	OPT1008
	Maturity Ladder Approach		OPT1009

Segment: CBRC

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization FIRB oExplicit Maturity Adjustment under FIRB Approach Use of Explicit Maturity Adjustment under FIRB Approach	Yes	v_nfir_explicit_mat_adj	OPT0203
	No		OPT0204
Non Securitization FIRB oPurchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0207
	Bottom Up		OPT0208
Non Securitization FIRB oPurchase Receivables	Yes		OPT0210

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Is Dilution Risk immaterial?	No	v_nir_dil_risk_immaterial	OPT0211
Non Securitization FIRB oPurchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0213
	No		OPT0214
Non Securitization FIRB oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0216
	Own Estimate		OPT0217
Non Securitization FIRB oSFT	Simple Approach	v_ns_sft_method	OPT0224
	IMM		OPT0225
	VaR Model		OPT0226
Non Securitization FIRB oOTC	CEM	v_ns_otc_method	OPT0228
	IMM		OPT0229
	Standard Approach		OPT0230
Non Securitization FIRB oLong Settlement Transactions	CEM	v_ns_lst_approach	OPT0232
	IMM		OPT0233
	Standard Approach		OPT0234
Non Securitization FIRB oSpecialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0241
	No		OPT0242
Non Securitization FIRB oEquity	IMM Approach	v_nir_equity_approach	OPT0245
	Simple Risk Weight Approach		OPT0246
	PD - LGD Approach		OPT0247
Securitization - Internal Rating Based Approach	N/A	v_sec_approach	OPT0608
Standardized Approach oInterest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
	General Market Risk-Maturity Method		OPT1004
Standardized Approach oCommodity Risk	Simplified Approach	v_mrs_commodity_risk_method	OPT1008
	Maturity Ladder Approach		OPT1009
Standardized Approach oOptions	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Segment: INDIA

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization Standardized oSFT	Simple Approach	v_ns_sft_method	OPT0037
Non Securitization Standardized oOTC	CEM	v_ns_otc_method	OPT0041

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization Standardized ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
Securitization Standardized	N/A	v_sec_approach	OPT00500
Standardized Approach ○Interest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
Standardized Approach ○Options	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Segment: BRAZIL

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization ○CRM Approach for Banking Book	Collateral Simple Approach	v_crm_method	OPT0053

Regulation: Basel II

Segment: BIS

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization Standardized ○Claims on Sovereign Use ECA Country Scores for risk weighting claims on Sovereign	Yes	v_nss_eca_for_sovereign	OPT0004
	No		OPT0005
Non Securitization Standardized ○Claims on PSE Option used for claims on domestic PSEs	Option I	v_nss_rw_option_dpse	OPT0008
	Option II		OPT0009
Non Securitization Standardized ○Claims on Bank Option for risk-weighting claims on Banks	Option I	v_nss_rw_option_bank	OPT0012
	Option II		OPT0013
Non Securitization Standardized ○Claims on Corporates Supervisor permission to risk weight all corporate claims at 100% without regard to external rating	Yes	v_nss_100pct_rw_corp	OPT0016
	No		OPT0017
Non Securitization Standardized ○Claims Secured by Commercial Real Estate Has the national supervisor permitted a lower RW for certain commercial real estate	Yes	v_nss_lower_rw_cre	OPT0020
	No		OPT0021
Non Securitization Standardized ○Past Due Past due treatment for non-past due loans to counterparties subject to a 150% RW	Yes	v_nss_pastdue_for_non_pastdue	OPT0024
	No		OPT0025
Non Securitization Standardized ○Use of 0% RW for Gold Bullion held in own vaults or on allocated basis	Yes	v_nss_0_rw_for_gold	OPT0027
	No		OPT0028
Non Securitization Standardized ○Use of borrower's domestic currency rating for exposure in foreign exchange transactions	Yes	v_nss_borrower_ccy_rat_mdb	OPT0030
	No		OPT0031
Non Securitization Standardized ○SFT	Simple Approach	v_ns_sft_method	OPT0037

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
	IMM		OPT0038
	VaR Model		OPT0039
Non Securitization Standardized ○OTC	CEM	v_ns_otc_method	OPT0041
	IMM		OPT0042
	Standard Approach		OPT0043
Non Securitization Standardized ○Long Settlement Transactions	CEM	v_ns_lst_approach	OPT0045
	IMM		OPT0046
	Standard Approach		OPT0047
Non Securitization Standardized ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
	Own Estimate		OPT0057
Non Securitization FIRB ○Explicit Maturity Adjustment under FIRB Approach Use of Explicit Maturity Adjustment under FIRB Approach	Yes	v_nfir_explicit_mat_adj	OPT0203
	No		OPT0204
Non Securitization FIRB ○Purchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0207
	Bottom Up		OPT0208
Non Securitization FIRB ○Purchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immaterial	OPT0210
	No		OPT0211
Non Securitization FIRB ○Purchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0213
	No		OPT0214
Non Securitization FIRB ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0216
	Own Estimate		OPT0217
Non Securitization FIRB ○SFT	Simple Approach	v_ns_sft_method	OPT0224
	IMM		OPT0225
	VaR Model		OPT0226
Non Securitization FIRB ○OTC	CEM	v_ns_otc_method	OPT0228
	IMM		OPT0229
	Standard Approach		OPT0230
Non Securitization FIRB ○Long Settlement Transactions	CEM	v_ns_lst_approach	OPT0232
	IMM		OPT0233
	Standard Approach		OPT0234
Non Securitization FIRB ○Specialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0241
	No		OPT0242
Non Securitization FIRB	IMM Approach		OPT0245

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
○Equity	Simple Risk Weight Approach	v_nir_equity_approach	OPT0246
	PD - LGD Approach		OPT0247
Non Securitization AIRB ○Purchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0303
	Bottom Up		OPT0304
Non Securitization AIRB ○Purchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immateral	OPT0306
	No		OPT0307
Non Securitization AIRB ○Purchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0309
	No		OPT0310
Non Securitization AIRB ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0312
	Own Estimate		OPT0313
Non Securitization AIRB ○SFT	Simple Approach	v_ns_sft_method	OPT0320
	IMM		OPT0321
	VaR Model		OPT0322
Non Securitization AIRB ○OTC	CEM	v_ns_otc_method	OPT0324
	IMM		OPT0325
	Standard Approach		OPT0326
Non Securitization AIRB ○Long Settlement Transactions	CEM	v_ns_lst_approach	OPT0328
	IMM		OPT0329
	Standard Approach		OPT0330
Non Securitization AIRB ○Specialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0337
	No		OPT0338
Non Securitization AIRB ○Equity	IMM Approach	v_nir_equity_approach	OPT0341
	Simple Risk Weight Approach		OPT0342
	PD - LGD Approach		OPT0343
Securitization Standardized	N/A	v_sec_approach	OPT0500
Securitization - Rating Based Approach	N/A	v_sec_approach	OPT0601
Securitization - Internal Assessment Approach	N/A	v_sec_approach	OPT0604
Securitization - Internal Rating Based Approach	N/A	v_sec_approach	OPT0608
Securitization - Supervisory Formula Approach ○Usage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0611
	No		OPT0612
Securitization - Internal Rating Based Approach ○Usage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0614
	No		OPT0615

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Standardized Approach ○Interest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
	General Market Risk-Maturity Method		OPT1004
Standardized Approach ○Commodity Risk	Simplified Approach	v_mrs_commodity_risk_method	OPT1008
	Maturity Ladder Approach		OPT1009
Standardized Approach ○Options	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Regulation: Basel III

Segment: BIS

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Non Securitization Standardized ○Claims on Sovereign Use ECA Country Scores for risk weighting claims on Sovereign	Yes	v_nss_eca_for_sovereign	OPT0004
	No		OPT0005
Non Securitization Standardized ○Claims on PSE Option used for claims on domestic PSEs	Option I	v_nss_rw_option_dpse	OPT0008
	Option II		OPT0009
Non Securitization Standardized ○Claims on Bank Option for risk-weighting claims on Banks	Option I	v_nss_rw_option_bank	OPT0012
	Option II		OPT0013
Non Securitization Standardized ○Claims on Corporates Supervisor permission to risk weight all corporate claims at 100% without regard to external rating	Yes	v_nss_100pct_rw_corp	OPT0016
	No		OPT0017
Non Securitization Standardized ○Claims Secured by Commercial Real Estate Has the national supervisor permitted a lower RW for certain commercial real estate	Yes	v_nss_lower_rw_cre	OPT0020
	No		OPT0021
Non Securitization Standardized ○Past Due Past due treatment for non-past due loans to counterparties subject to a 150% RW	Yes	v_nss_pastdue_for_nonpastdue	OPT0024
	No		OPT0025
Non Securitization Standardized ○Use of 0% RW for Gold Bullion held in own vaults or on allocated basis	Yes	v_nss_0_rw_for_gold	OPT0027
	No		OPT0028
Non Securitization Standardized ○Use of borrower's domestic currency rating for exposure in foreign exchange transactions	Yes	v_nss_borrower_ccy_rat_mdb	OPT0030
	No		OPT0031
Non Securitization Standardized ○SFT	Simple Approach	v_ns_sft_method	OPT0037
	IMM		OPT0038

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
	VaR Model		OPT0039
Non Securitization Standardized ○OTC	CEM	v_ns_otc_method	OPT0041
	IMM		OPT0042
	Standard Approach		OPT0043
Non Securitization Standardized ○Long Settlement Transactions	CEM	v_ns_lst_approach	OPT0045
	IMM		OPT0046
	Standard Approach		OPT0047
Non Securitization Standardized ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0056
	Own Estimate		OPT0057
Non Securitization Standardized ○Credit Value Adjustments CVA Standardized Approach	N/A	V_CVA_METHOD	OPT0060
Non Securitization Standardized ○Credit Value Adjustments CVA Standardized Approach Include SFTs for CVA calculation	Yes	V_CVA_INCLUDE_SFT	OPT0062
	No		OPT0063
Non Securitization Standardized ○Credit Value Adjustments CVA Standardized Approach CDS Index Needs to be decomposed	Yes	V_CVA_CDS_INDEX_DECOMPOSITION	OPT0065
	No		OPT0066
Non Securitization FIRB ○Explicit Maturity Adjustment under FIRB Approach Use of Explicit Maturity Adjustment under FIRB Approach	Yes	v_nfir_explicit_mat_adj	OPT0203
	No		OPT0204
Non Securitization FIRB ○Purchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0207
	Bottom Up		OPT0208
Non Securitization FIRB ○Purchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immaterial	OPT0210
	No		OPT0211
Non Securitization FIRB ○Purchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables:	Yes	v_nir_1yr_mat_corp_pr	OPT0213
	No		OPT0214
Non Securitization FIRB ○Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0216
	Own Estimate		OPT0217
Non Securitization FIRB ○SFT	Simple Approach	v_ns_sft_method	OPT0224
	IMM		OPT0225
	VaR Model		OPT0226
Non Securitization FIRB	CEM	v_ns_otc_method	OPT0228

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
oOTC	IMM		OPT0229
	Standard Approach		OPT0230
Non Securitization FIRB oLong Settlement Transactions	CEM	v_ns_lst_approach	OPT0232
	IMM		OPT0233
	Standard Approach		OPT0234
Non Securitization FIRB oSpecialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending sub-classes in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0241
	No		OPT0242
Non Securitization FIRB oEquity	IMM Approach	v_nir_equity_approach	OPT0245
	Simple Risk Weight Approach		OPT0246
	PD - LGD Approach		OPT0247
Non Securitization FIRB oCredit Value Adjustments	CVA Standardized Approach	V_CVA_METHOD	OPT0261
	CVA Internal Model Method Approach		OPT0262
Non Securitization FIRB oInclude SFTs for CVA calculation	Yes	V_CVA_INCLUDE_SFT	OPT0264
	No		OPT0265
Non Securitization FIRB oCDS Index Needs to be decomposed	Yes	V_CVA_CDS_INDEX_DECOM POSITION	OPT0267
	No		OPT0268
Non Securitization AIRB oPurchase Receivables Default Risk Approach	Top Down	v_nir_default_risk_app	OPT0303
	Bottom Up		OPT0304
Non Securitization AIRB oPurchase Receivables Is Dilution Risk immaterial?	Yes	v_nir_dil_risk_immaterial	OPT0306
	No		OPT0307
Non Securitization AIRB oPurchase Receivables Use of one-year maturity for Dilution Risk of Purchased Corporate Receivables	Yes	v_nir_1yr_mat_corp_pr	OPT0309
	No		OPT0310
Non Securitization AIRB oHaircut	Supervisory Haircut	v_ns_haircut_method	OPT0312
	Own Estimate		OPT0313
Non Securitization AIRB oSFT	Simple Approach	v_ns_sft_method	OPT0320
	IMM		OPT0321
	VaR Model		OPT0322
Non Securitization AIRB oOTC	CEM	v_ns_otc_method	OPT0324
	IMM		OPT0325

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
	Standard Approach		OPT0326
Non Securitization AIRB ○Long Settlement Transactions	CEM	v_ns_lst_approach	OPT0328
	IMM		OPT0329
	Standard Approach		OPT0330
Non Securitization AIRB ○Specialized Lending-Slotting Criteria Approach Use of preferential risk weights for specialized lending subclasses in Strong and Good	Yes	v_nir_sl_pref_rw	OPT0337
	No		OPT0338
Non Securitization AIRB ○Equity	IMM Approach	v_nir_equity_approach	OPT0341
	Simple Risk Weight Approach		OPT0342
	PD - LGD Approach		OPT0343
Non Securitization AIRB ○Credit Value Adjustments	CVA Standardized Approach	V_CVA_METHOD	OPT0361
	CVA Internal Model Method Approach		OPT0362
Non Securitization AIRB ○Include SFTs for CVA calculation	Yes	V_CVA_INCLUDE_SFT	OPT0364
	No		OPT0365
Non Securitization AIRB ○CDS Index Needs to be decomposed	Yes	V_CVA_CDS_INDEX_DECOM POSITION	OPT0367
	No		OPT0368
Securitization Standardized	N/A	v_sec_approach	OPT0500
Securitization - Rating Based Approach	N/A	v_sec_approach	OPT0601
Securitization - Internal Assessment Approach	N/A	v_sec_approach	OPT0604
Securitization - Internal Rating Based Approach	N/A	v_sec_approach	OPT0608
Securitization - Supervisory Formula Approach ○Usage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0611
	No		OPT0612
Securitization - Internal Rating Based Approach ○Usage of Simplified Method for computing N and LGD	Yes	V_SSF_SIMPLE_N_LGD	OPT0614
	No		OPT0615
Standardized Approach ○Interest Rate Risk	General Market Risk-Duration Method	v_mrs_interest_rate_method	OPT1003
	General Market Risk-Maturity Method		OPT1004

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Standardized Approach ○Commodity Risk	Simplified Approach	v_mrs_commodity_risk_method	OPT1008
	Maturity Ladder Approach		OPT1009
Standardized Approach ○Options	Simplified Approach	v_mrs_options_method	OPT1013
	Delta Plus Approach		OPT1014

Regulation: US Final Rules

Segment: USA

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
CRM (For Single Counterparty)	If CRM is selected for Single Counterparty run	F_CRM_REQ_SINGLE_PARTY	CRM SC
Non Securitization IRB ○Equity Equity Exposures - Non-Investment Funds	IMM Approach	v_nir_eq_non_invst_fund_app	OPT0061
	Simple Risk Weight Approach		OPT0062
Non Securitization IRB ○Equity Equity Exposures - Investment Funds (In conjunction with Money Market Fund Approach)	Simple Modified Look Through Approach	v_nir_eq_invst_fund_app	OPT0064
	Alternate Modified Look Through Approach		OPT0065
	Full Look Through Approach		OPT0066
Non Securitization IRB ○SFT	Collateral Haircut Approach	v_ns_sft_method	OPT0070
	Internal Model Method		OPT0071
	VaR Models Approach		OPT0072
Non Securitization IRB ○OTC	Current Exposure Method	v_ns_otc_method	OPT0074
	Internal Model Method		OPT0075
Non Securitization IRB ○SFT Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0067
	Own Estimate		OPT0068
Non Securitization IRB ○CRM Credit derivatives and guarantees	PD Substitution Approach	v_crm_guar_and_cd_approach	OPT0081
	LGD Adjustment Approach		OPT0082
Non Securitization IRB ○CRM SFT Collateral	Comprehensive Approach	v_crm_collateral_approach	OPT0083
	LGD Adjustment Approach		OPT0084
Non Securitization IRB ○CRM OTC Collateral	Comprehensive Approach	v_crm_collateral_approach_otd	OPT0085
	LGD Adjustment Approach		OPT0086
Securitization - Rating Based Approach	N/A	v_sec_approach	OPT0601

Approach Hierarchy	Selected Option	RUN_PARAMETERS column name	RUN_PARAMETERS column value
Securitization - Internal Assessment Approach	N/A	v_sec_approach	OPT0604
Securitization - Supervisory Formula Approach	N/A	v_sec_approach	OPT0607
Securitization - Internal Ratings Based Approach Use Simplified Method for computing N and LGD in SFA	Yes	v_ssf_simple_n_lgd	OPT0614
	No		OPT0615
Securitization - Supervisory Formula Approach Use Simplified Method for computing N and LGD in SFA	Yes	v_ssf_simple_n_lgd	OPT0611
	No		OPT0612

Regulation: NPR III

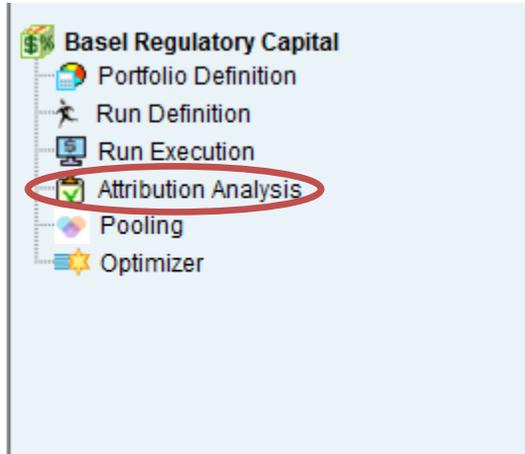
Segment: USA

Approach Hierarchy	Selected Option	RUN_PARAMETER column name	RUN_PARAMETER column value
CRM (For Single Counterparty)	If CRM is selected for Single Counterparty run	F_CRM_REQ_SINGLE_PARTY	CRM SC
Non Securitization IRB oEquity Equity Exposures - Non-Investment Funds	IMM Approach	v_nir_eq_non_invst_fund_app	OPT0061
	Simple Risk Weight Approach		OPT0062
Non Securitization IRB oEquity Equity Exposures - Investment Funds (In conjunction with Money Market Fund Approach)	Simple Modified Look Through Approach	v_nir_eq_invst_fund_app	OPT0064
	Alternate Modified Look Through Approach		OPT0065
	Full Look Through Approach		OPT0066
Non Securitization IRB oSFT	Collateral Haircut Approach	v_ns_sft_method	OPT0070
	Internal Model Method		OPT0071
	VaR Models Approach		OPT0072
Non Securitization IRB oOTC	Current Exposure Method	v_ns_otc_method	OPT0074
	Internal Model Method		OPT0075
Non Securitization IRB oSFT Haircut	Supervisory Haircut	v_ns_haircut_method	OPT0067
	Own Estimate		OPT0068
Non Securitization IRB oCRM Credit derivatives and guarantees	PD Substitution Approach	v_crm_guar_and_cd_approach	OPT0081
	LGD Adjustment Approach		OPT0082
Non Securitization IRB oCRM SFT Collateral	Comprehensive Approach	v_crm_collateral_approach	OPT0083
	LGD Adjustment Approach		OPT0084
Non Securitization IRB oCRM OTC Collateral	Comprehensive Approach	v_crm_collateral_approach_ott	OPT0085
	LGD Adjustment Approach		OPT0086
	No		OPT0612

Attribution Analysis GUI

To perform Attribution Analysis follow the steps given below to access the Attribution Analysis screen:

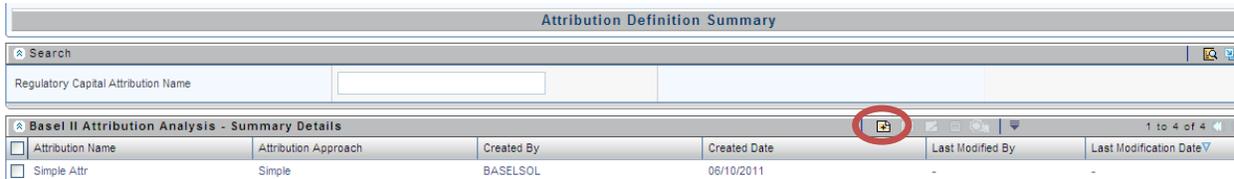
1. Click **Basel Regulatory Capital** on the Left Hand Side Pane of the OFSAAL.
2. Click **Attribution Analysis**, shown in the following figure:



NOTE: It is assumed that all the Basel Runs are executed before performing Attribution Analysis.

Follow the steps given below to perform Attribution Analysis:

1. Click  to define an attribution approach to be executed, in the Attribution Analysis Summary Screen as shown in the following figure:



The Attribution Analysis Definition Screen is displayed as follows:

Basel Regulatory Capital Attribution Analysis Definition

Details

Name*

Description*

Target Variable(s)

Capital

Credit Risk Weighted Assets

Approach Selection

Simplified Approach Advanced Approach

Simplified Approach Control Variables

- Business Growth
- Exchange Rate Change
- Risk Weight (RW) Migration

Advanced Approach Control Variables

- Existing Exposures
 - Exchange Rate Change
 - Risk Weight (RW) Migration
 - Pre-CRM RW Migration
 - PD Migration
 - LGD Migration
 - M Migration
 - Residual Factor
 - CRM Impact Migration
 - Exposure at Default Migration
- Exposure Matured
- New Exposures

Treatment of Multiplication Factor

Attribution to Multiplication Factor

Market Risk Weighted Assets

Operational Risk Weighted Assets

2. Enter **Name** and **Description** of the Attribution Approach.
3. Select **Yes** if you want to compute Attribution Analysis for Capital (Eligible Capital) or else select **No**
4. Select **Yes** if you want to include Attribution Analysis for Credit Risk Weighted Assets or else select **No**.
5. Click to include Simplified Approach computation or Advanced Approach computation.
6. Select **Yes** if you want to include the Multiplication factor variable in the computation or else select **No**.
7. Select **Yes** to include Market RWA computation or else select **No**.
8. Select **Yes** to include Operational **RWA** computation or else select **No**.
9. Click .

The newly defined Attribution Analysis computation appears in the **Attribution Definition Summary** screen. To execute Attribution Analysis, refer to the following steps:

1. Click to select the relevant approach shown in the following figure:

Attribution Definition Summary						
Search						
Regulatory Capital Attribution Name						
Basel II Attribution Analysis - Summary Details						
<input type="checkbox"/>	Attribution Name	Attribution Approach	Created By	Created Date	Last Modified By	Last Modification Date
<input type="checkbox"/>	Mix Appr	Advanced	BASELSOL	01/24/2011	-	-
<input type="checkbox"/>	Simple Final	Simple	BASELSOL	01/21/2011	-	-
<input checked="" type="checkbox"/>	Advance Final	Advanced	BASELSOL	01/21/2011	-	-

- Click  to define the variables for Analysis in the Attribution Definition Summary screen.

The following figure represents the Attribution Analysis- Execution screen.

Basel Regulatory Capital Attribution Analysis - Execution	
Attribution Definition	
Name	Description
Execution Details	
Execution Description*	
Select MIS Date*	
Select Run ID*	
Period*	<input checked="" type="radio"/> Monthly <input type="radio"/> Quarterly <input type="radio"/> Half_Yearly <input type="radio"/> Yearly <input type="radio"/> Custom
Select Previous MIS Date*	
Select Previous Run ID*	
Approach/Rule Changes	No
<input type="button" value="Execute"/> <input type="button" value="Schedule for Execution"/> <input type="button" value="Cancel"/>	

- Enter a description in the Executive Description field.
- Click  to select the MIS date of the latest Basel Run in **Select MIS date** field.
- Select the relevant Run from the dropdown list in **Select Run ID** field.
- Click  to select the period of analysis.

NOTE: If monthly, quarterly, half yearly or yearly is selected, the **previous MIS date** field is auto populated accordingly. If custom is selected, then click  to select the previous MIS date.

- Select the relevant Run from the **Previous Run ID** field list.
- Select No in the Approach/Rule changes field if there are no changes in the rules for previous MIS date run, shown in the following figure or else follow the step 10.
- Select the Previous Run ID (executed for previous MIS date) and Previous MIS Date modified Run.
- Select  to schedule the execution for a particular date or else select .

The application performs the analysis to quantify the change in CAR based on the approach selected. The Attribution Analysis reports and dashboards are generated in the Basel Regulatory Capital Analytics which has to be licensed by the bank additionally.

Reporting

Oracle Financial Services Basel Regulatory Capital Analytics Release 6.0.0.0 provides the customer with a reporting-cum-information framework which can be used for generating reports and viewing information relevant to the capital computations and other aspects of the Basel framework. Basel Analytics provides pre-configured *Pillar III* reports covering all market disclosure requirements of the Basel Accord (*Risk-Capital Standards-Advanced Capital Adequacy Framework*).

It also provides pre-configured reports covering all market disclosure requirements of the Islamic Banking Jurisdiction as prescribed by the Islamic Financial Services Board (IFSB) as well as the requirements prescribed by the China Banking Regulatory Commission (CBRC). Basel Regulatory Reports for individual jurisdictions such as Federal Financial Institutions Examination Council 101 (FFIEC 101) in the USA and Swiss Financial Market Supervisory Authority (FINMA) for Switzerland. The reports and dashboards can be generated at various levels (solo or consolidated) and downloaded in various formats including .XLS. Basel Analytics additionally provides the built-in capability to produce *pixel-perfect*. Hence, Basel Analytics can serve as a single regulatory and management reporting application, meeting all Basel disclosure, IFSB disclosures and reporting requirements.

For more information on Basel Regulatory Capital Analytics, refer to the Oracle Financial Services Basel Regulatory Capital Analytics User Guide.

NOTE: Oracle Financial Services Basel Regulatory Capital Analytics needs to be licensed by the Bank separately

Annexure A: Frequently Asked Questions

This section addresses some of the frequently asked questions which are as follows:

Leverage Ratio

Question 1. Does the application require a different set of input data to execute the Leverage Ratio?

No. Leverage Ratio can be executed on the same set of input data provided to execute the Basel III Run. The input for leverage ratio is the subset of the data provided for Basel III executions. However, an additional set of data is required (total consolidated asset) for accounting entity which is outside the scope of the consolidation process. As per the Basel III Accord, total consolidated asset value should add up to the Total Exposure Measure calculation for Leverage Ratio.

Question 2. Can we execute the Leverage Ratio if the application is implemented for the first time?

Yes, we can compute Leverage Ratio. The application calculates the current month Leverage Ratio and the Leverage Ratio of the previous two months which is provided as a download by the client or the bank. This information is considered as an input to calculate Regulatory Leverage Ratio. If the previous month's data is not available, then the application considers the value as 0 and computes the Regulatory Leverage Ratio. Also, you have the flexibility to use the current month Leverage Ratio as input for previous two months' leverage ratio, if required.

Question 3. Can Leverage ratio be calculated on any day during a particular month?

There is no restriction on the execution date for computing leverage ratio. Leverage Ratio can be calculated on any given day. However, Leverage Ratio is to be executed based on the month-end data.

Question 4. As per Basel III requirement, the Leverage Ratio is to be calculated on Tier 1 Capital however, if a particular jurisdiction prescribes to calculate the Leverage Ratio based on Total Capital, then can the application support such modifications?

Yes, the application has the flexibility to change the input criteria by adding or deleting the Rule related to Capital. To achieve this, modify the Business Processor's **BP-Leverage Ratio** expression by modifying one of the used measures. Instead of measure **CS Net Tier1 Capital**, add another measure created on Total Capital by deleting the existing one. The Data Model will not be affected with such changes.

Capital Buffers

Question 5. As per the Basel III Accord, Capital Buffers are required to be maintained from 2016 only. However, if for internal purposes the bank wants to start computing it from 2013 itself, then does the application support such modifications? If yes, then will it consider the required capital ratios as per the transitional arrangement?

Yes, the application supports the calculation of capital buffers from 2013 and it considers the transitional arrangement for the calculations before 2016.

For Example: The application considers the required Tier 1 Ratio in 2013 as 4.5%. For this calculation, no changes are required in the input data as the calculation in the application begins from 2013.

Question 6. While building quartiles, how much Required CET1 is considered for computing Capital Conservation Ratio?

Required CET1 ratio is used for computing the four quartiles or intervals for Capital Conservation Ratio. Since Required CET1 is phased out through a transitional arrangement, the value used in the calculation of quartiles is a maximum of 4.5% or the CET1 required by that specific jurisdiction in that specific year.

Question 7. The computed value for Available Buffer from CET1 Capital is considered for all three buffers. Is there any priority of one buffer over the other?

As per the Basel III Accord, there is no priority given to one buffer over the other. Required Buffer from CET1 Capital is compared against the Available Buffer from CET1 Capital and any shortfall or excess is reported at an aggregate level. It cannot be reported for one specific type of buffer. This approach in the application has

been built as per our interpretation of the Basel guidelines. As per the Basel III Accord the other two buffers are met through an extension of Capital Conservation Buffer and the accord does not explicitly mention about priority. The Capital Conservation Ratio in case of shortfall is also calculated at an aggregate level and not at individual buffer level.

Question 8. Can the regulator of the parent jurisdiction prescribe countercyclical buffer requirement different from the one prescribed by the home country's regulator to which the exposure relates to?

As per our interpretation of the Basel III accord, the countercyclical buffer requirements can be different. By default, the requirement that is prescribed by the parent regulator should be used as input data which in turn is used for further calculations.

Question 9. If one of the exposure countries has not implemented Basel III and the country's regulator have not recommended any buffer, should countercyclical buffer requirement be taken as 0% for the exposures of that country?

No, the countercyclical buffer requirement cannot be taken as 0% as the parent company's regulator has exposure to this country. For a consolidated Run, it would depend on the buffer requirement required for all the exposure countries by the parent regulator. By default, the buffer requirement specified by parent regulator for each exposure country is included in the input data. Therefore, data is not required to be modified.

Question 10. As per Basel requirements, all three buffers are calculated from CET1. However, in the future as per guidelines of Basel Committee on banking Supervision, it may be required to be calculated from Tier 1 or CAR. Does the application have a provision for that?

Yes. The application is flexible to compute such changes. It can be modified to compute buffer from Tier 1 Capital and CAR. The logic for computing this buffer is similar to the one used for Buffer from CET1 Capital. The application can calculate buffer form Tier 1 Capital, by taking remainder of following:

- Excess of Tier1 Capital Ratio over benchmark (6.0 %), after catering to the shortfall, if any in Tier 2 Capital to its respective benchmark level which is 2%, minus Required Benchmark Buffer from CET1 Capital. Hence, Capital Conservation Buffer excludes any additional CET1 needed to 8% Total Capital Ratio.

To calculate buffer form Total Capital, remainder of following is taken:

- Excess of Total Capital Ratio over benchmark (8.0%), minus Required Benchmark Buffer from Tier 1 Capital.

Credit Valuation Adjustment

Question 11. How will the application handle Index Decomposition, if data for index is not provided and index decomposition is selected?

In this case, the application will calculate CVA charge without decomposition. The Run can be successfully executed and Index Hedge position will be treated with decomposition.

Question 12. How does the application handle an Index Hedge position marked to counterparty wherein multiple counterparties which are part of Index and Index decomposition are selected?

The application creates a single name CDS hedge for all the counterparties with which the bank has exposures and is a part of the index. Index position mapped to counterparty is used only to allocate CVA charge to counterparty while using standardized approach for CVA Calculation.

Question 13. Can IMM approach be selected for Capital Conservation Ratio calculation and standardized approach for CVA Calculation?

No, IMM approach cannot be selected for Capital Conservation Ratio. The application requires CEM method output for computing CVA Charge using Standardized approach.

Question 14. Can the discount factor be changed which is currently proposed as 5% as per the Basel guideline?

Yes, risk free rate can be changed by modifying the Rule.

Question 15. How is CVA RWA used in the application?

The application calculates CVA RWA and sums it to Credit RWA. CVA RWA is not multiplied by the factor 1.06.

Question 16. Will the application create a duplicate hedge record from Index Decomposition, if the Run is executed twice?

No, the application does not create a duplicate hedge record. The application checks whether the record already exists and it uses the same. If the record does not exist then the application creates a hedge record.

Operational Risk

Question 17. If the input parameter to calculate the Annual Gross Income is different for other jurisdictions then can the input parameters be changed?

Yes, you can change the input parameter by adding or deleting the Rule related to Annual Gross Income. To achieve this, modify the BP expression - **Ops Risk Annual Gross Income** by adding the newly defined measure or deleting the used measure. Data Model can undergo changes if the newly added parameter is not captured. The data model changes affect the staging table as well as the processing table.

Question 18. Can reclassification rule for mapping of internal line of business to standard line of business be modified?

Yes, you can change Reclassification Rule as per jurisdiction requirement. You need to add the mapping in the Rule **OR Internal LoB to Standard LoB Reclassification** as well as make an entry into **dim_lob** and **dim_standard_lob**.

Capital Structure (Basel III)

Question 19. Are the list of instruments provided for each component of Capital i.e., CET1, AT1, and T2 fixed or can the list of instrument be extended or reduced to accommodate as per the requirement?

The list of instruments mapped to different components of capital is a bare minimum list. You can add or delete as per their definition of Capital by adding or deleting a mapping in the Rule – **Non Sec Standard Product type to Capital Comp Group Reclassification** for banking book (non securitization) exposures and in Rule – **Mkt Risk Instrument type to Capital Comp Group Reclassification** for trading book exposures. No data model changes are required.

Question 20. The criteria to calculate the surplus capital in CET1 for Minority Interest is Minimum CET1 plus the Capital Conservation Buffer. If the criteria changes in the future to include the countercyclical buffer along with CET1 and CCB then can the application handle such modifications?

The application has the flexibility to include any parameter or delete any parameters to calculate the Minority Interest. In such a case, the Rule can be modified to include additional parameters or delete if required.

Question 21. Is there any flexibility in the Rule to add or delete any regulatory adjustment line item during the calculation of CET1?

Yes, the application has the capability to add or delete any regulatory adjustment line item. This is handled in the Rule by adding or deleting any regulatory adjustment line item.

Question 22. Considering that the phase-in treatment criteria specified as per the accord changes in the future where the deduction values and risk-weighting values change, then can this scenario be handled by the application without affecting other sections?

The application is flexible to accommodate any scenario for Phase-in treatment. For example: if in the future the phase-in criteria changes from 20%, 40%, 60%, 80% to 25%, 45%, 65%, 85%, then the application has the capability to change the value as well during the phase-in, the deduction amount that is not deducted to be risk-weighted with some different percentage.

Question 23. What if the Bank doesn't calculate CR RWA, MR RWA, and OR RWA and directly provides a value against each of this line item?

The application supports such direct download values for RWA in table – **STG_STANDARD_ACCT_HEAD** against appropriate Standard Account head identifiers (CAP169 for Credit RWA, CAP090 for Market Risk RWA, and CAP170 for Operational RWA). These values flow into **FCT_STANDARD_ACCT_HEAD** and the respective processes should be deleted from the Run. For example: if Market risk RWA is available as a download, market risk related processes should be deleted from the Run.

US Related Changes: Securitization Simplified Supervisory Formula Approach (SSFA)

Question 24. How does the application calculate the KG for the Resecuritization pool?

The application expects the pool information in the pool table, tranche information in the tranche table and the exposure belonging to the resecuritized pool in the exposures table. The exposures belonging to the resecuritized pool are identified based on the Resecuritization flag in the Exposures table. The percentage of the underlying comprising of securitization exposures are captured as a pool attribute.

The non-securitization underlying data for the Resecuritization pool are expected in the Product Processors (for Originators) and in the Underlying exposures table (for Investors). The securitization underlying data for the Resecuritization pool are expected in the Exposures table with an identifier referring the Resecuritization Pool.

For the Securitization underlying, information required for computing the K_{SSFA} are required as direct download in the exposures table or else the underlying exposures, pool and the tranche information are required in the Underlying Exposures, Pool and Tranche table respectively.

The application computes the capital requirement of each of the non-securitized underlying exposures using the PD-LGD approach. The application then calculates the weighted average capital requirement of these non-securitized underlying and updates the Non-Securitization K_G for the resecuritized pool.

The application proceeds with the computation of the K_{SSFA} using all the data available. The application computes the K_{SSFA} for all the securitized exposures, including the exposures which are the underlying for the resecuritized pool. The application then calculates the weighted average K_{SSFA} of these securitized exposures and updates the Securitization K_G for the resecuritized pool.

The application computes the Pool KG for the resecuritized pool using the below formula:

(% of Securitization Underlying * Securitization KG) + ((100% - % of Securitization Underlying) * Non-Securitization KG)

Question 25. What is the data expectancy of the application in the case of Nth to Default Sold Credit Protection records?

The application expects the Nth to Default Sold Credit Protection data in the Credit Derivatives table and nth to default flag as 'Y'. The tagging of the Sold Protection to the Protected Securitization Pool is expected in the Underlying Exposures table. All the underlying information pertaining to the Protected Pool is expected in the Underlying Exposures table, with the tagging of the Securitization Pool. The Pool details are captured in the Pool table.

For Nth to Default Sold credit protection to resecuritized pool, the application expects the Nth to Default Sold Credit Protection data in the Credit Derivatives table and nth to default flag as 'Y'. The tagging of the Sold Protection to the Protected Securitization Pool is expected in the Underlying Exposures table. All the non-securitized exposure underlying information pertaining to the Protected Pool is expected in the Underlying Exposures table, with the tagging of the Securitization Pool. In case of securitized underlying, the tagging of the securitized exposure with the sold credit protection is expected in the Underlying Exposures table with the Securitized flag as 'Y'. For this securitized underlying, the corresponding exposure details, tranche and pool details are expected in the Sec Exposures table, Tranche table and Pool table respectively.

The application expects the underlying data identifier as 'SCP' in the Underlying Exposures table for

all the Sold Credit Protection Underlying data. The tagging is achieved by the use of **V_EXPOSURE_ID** and the **V_PARENT_EXPOSURE_ID**. For a securitization pool being provided protection, the **V_EXPOSURE_ID** is the Pool ID and the **V_PARENT_EXPOSURE_ID** is the Sold Credit Protection ID. All the underlying of the Securitization Pool has their individual exposures ID as **V_EXPOSURE_ID** and the Pool ID as the **V_PARENT_EXPOSURE_ID**.

For securitization underlying in a resecuritization pool, the **V_EXPOSURE_ID** is the securitization exposure ID, the **V_PARENT_EXPOSURE_ID** is the Sold Credit Protection ID and the **F_SECURITIZED_FLAG** is 'Y'.

Question 26. In the case of Investor records, how does the application expect the underlying data?

The data expectancy of Investor records is similar to that of the nth to default sold credit protection. The underlying data is expected in the Underlying exposure table with the underlying data identifier as 'INV'.

Question 27. How does the application handle the Investment grade criteria?

The application assumes that any rating above BB+ is investment grade. This is done using a hierarchy and hence can be configured by you, when there are changes to this definition of investment grade.

US Related Changes: Single Counterparty Exposure Limit

Question 28. How do we include any special counterparty type in the future?

Any new counterparty type against which the concentration needs to be calculated can be included by modifying the Rule Single Counterparty - Concentration Treatment Eligibility in the **US_SCP_ENTITY_DATA_PROCESSING** process. The counterparty for which the Single Counterparty calculations needs to be done should be added to the list of counterparty types in the rule and should be mapped as eligible.

Question 29. Is CRM process mandatory to calculate the Single Counterparty Credit Risk exposures?

Credit Risk Mitigation process is not mandatory and is left to the discretion of the bank whether to go for CRM or not. Therefore the application provides with the flexibility to incorporate the CRM process or opt out of it. If the CRM process is to be included, then the application takes into account the eligible mitigants as described above and calculates the Net Credit exposure taking the mitigant value into account. The CRM process can be selected or omitted from the Run Management Screen (for a Run Management related Run) using the User defined Run Parameters Rule (for a User Defined Run). For more information refer to the [User Defined Run Table](#).

Question 30. Is it possible to change the mitigant allocation order?

Exposure mitigant allocation order can be modified for future business requirements. This can be done by altering the mitigant allocation DT (Data Transformation) **FN_DT_SINGLE_CPTY_MIT_RANK**. For more information about the Mitigant Allocation process refer to the [Mitigant Allocation Process](#).

Securitization

Question 31. The Reporting Bank wants to implement the Securitization aspect of the Credit Risk. The Bank currently does not have the Credit Risk module. How can the Reporting Bank implement only the Securitization module?

If the bank wants to implement Securitization standardized approach, data relevant to the exposures, tranche, pool, rating and mitigant details are expected. If IRB approach is implemented, underlying pool capital for SFA approach is expected as a download along with exposures apart from the above mentioned details.

Question 32. The Reporting Bank has the underlying data and has provided the pool, tranche and exposures data. Additionally the Reporting Bank has also provided the pool and tranche information in the exposures table. In this case, will the application use the data from the pool and tranche table or from the exposures table?

The application expects the data only in either of the tables as specified below:

- Pool, tranche and exposures table with all the pool, tranche and exposures attribute data only in their respective tables
- Exposures table with the entire exposures attribute and few of the attributes of the pool and tranche

The application gives a preference to the pool and tranche attributes in the exposures table, compared to the attributes given in the pool and tranche table. In this case, all the computations will be based out of the data given in the exposures table.

Question 33. The Reporting Bank, which is an Investor in securitization transaction, has an unrated securitization exposure. How will this unrated exposure be treated by the application?

The application treats the unrated exposure based on the approach being followed for that exposure. The approach followed is the same for the Originator as well as the Investor.

Standardized Approach

- In this case, the application calculates the weighted average risk weight of the underlying exposures and assigns this to the exposure.
- If the details regarding the underlying exposures are not available, then the unrated exposures are deducted.

Ratings Based Approach

- In this case, the application tries to infer the rating based on the presence of the rated subordinate tranche information, belonging to the same pool.
- The application tries to identify whether there are any rated subordinate tranche belonging to the same pool, and which has the credit enhancement level less than that of the unrated exposure and which has the residual maturity more than that of the unrated exposure and which has the seniority less than that of the unrated exposure. The seniority is a number denoting the seniority of the cashflows to that tranche and it starts from the value of 1 which is the senior most tranche.
- If the ratings are inferred, the application assigns the rating to the exposure and hence assigns the corresponding risk weight.
- All other processing are the same as other rated exposures
- In case the rating cannot be inferred, the unrated exposures are deducted

Supervisory Formula Approach

- In this case, there is no dependency on the ratings. Hence it will proceed without any difference in the treatment.

Question 34. The Reporting Bank, which is an Investor in securitization transaction, has been provided protection on its securitization exposure with the help of a nth to default credit derivative mitigant. How will the application recognize the benefit for this exposure?

The application identifies the nth to default credit derivative protection based on the comparison of the tranche attachment point, initial pool amount and the cumulative loss amount of the pool. Using this, the application calculates whether the tranche is in default or not. Then the application counts the number of tranches in default and then compares this number with the defaulted position covered by the mitigant. Hence for this, the entire tranche information of the pool is required, regardless of whether the Bank has an exposure in all those tranches or not.

For example, consider the following case – the Exposure held by the Bank belongs to Tranche T1 and this belongs to the Pool P1. Assume that there are a total of 10 tranches being issued out of that pool. (T1 to T10). And the mitigant provided is 7th to Default credit derivative. Hence the application will recognize this mitigant only if there are 6 defaults in the basket of exposures (T1 to T10) or else there

is an eligible 6th to default credit derivative for the same pool. Assume that the following are the calculations.

The application takes the tranche attachment point and multiplies this with the initial pool amount. This amount is compared by the application with the cumulative loss of the pool. If the amount is less than or equal to the cumulative loss of the pool, then that tranche is in default. Then the application takes the count of all the tranches which are in default. In the below case, there are 6 defaults in the exposures. This is compared with the defaulted position of the mitigant. Since there are n-1 defaults (7-1 = 6) in the exposure, the mitigant is recognized for this pool. The exposure with the least risk weight and highest seniority will be allocated the mitigant and all other exposure combinations mapped to this mitigant will become ineligible.

Tranche ID	Tranche Attachment Point	Associated Pool ID	Initial Pool Amount	Attachment Pool *	Cumulative Loss of the Pool	Defaulted?
T1	0.75	P1	1,000,000.00	750,000.00	300,000.00	N
T2	0.58	P1	1,000,000.00	580,000.00	300,000.00	N
T3	0.45	P1	1,000,000.00	450,000.00	300,000.00	N
T4	0.34	P1	1,000,000.00	340,000.00	300,000.00	N
T5	0.29	P1	1,000,000.00	290,000.00	300,000.00	Y
T6	0.22	P1	1,000,000.00	220,000.00	300,000.00	Y
T7	0.18	P1	1,000,000.00	180,000.00	300,000.00	Y
T8	0.15	P1	1,000,000.00	150,000.00	300,000.00	Y
T9	0.05	P1	1,000,000.00	50,000.00	300,000.00	Y
T10	0	P1	1,000,000.00	-	300,000.00	Y

Question 35. The Reporting Bank has multiple exposures mapped to multiple mitigants. How will the application allocate the mitigants to the exposures?

The application uses the optimizer to allocate the mitigants to the exposures. The optimizer constraints in the case of securitization are dependent on the seniority of the exposures, risk weight of the exposures and the mitigant value assigned to the exposure post the haircut. Assume the following case of Exposures and mitigants mapped to each other along with the seniority, risk weight and the haircut factor.

Exposure ID	Exposure amount	Exposure Seniority	Exposure RW	Mitigant ID	Mitigant Amount	Mitigant RW	Haircut Factor
E1	5,000.00	1	0.5	M1	10,000.00	0.2	0.2
E2	3,000.00	2	0.5	M1	10,000.00	0.2	0.4
E3	2,000.00	2	0.5	M1	10,000.00	0.2	0.15
E4	1,500.00	3	1	M1	10,000.00	0.2	0.1
E1	5,000.00	1	0.5	M2	5,000.00	0	0.4
E2	3,000.00	2	0.5	M2	5,000.00	0	0.87
E3	2,000.00	2	0.5	M2	5,000.00	0	0.37
E4	1,500.00	3	1	M2	5,000.00	0	0.64
E1	5,000.00	1	0.5	M3	3,500.00	0.2	0.05

Exposure ID	Exposure amount	Exposure Seniority	Exposure RW	Mitigant ID	Mitigant Amount	Mitigant RW	Haircut Factor
E2	3,000.00	2	0.5	M3	3,500.00	0.2	1
E3	2,000.00	2	0.5	M3	3,500.00	0.2	0.18
E4	1,500.00	3	1	M3	3,500.00	0.2	0.27

The mitigants will be assigned to the exposures based on the seniority of the exposures. And the mitigants with the least risk weight will be assigned first to the exposures. The following will be the order in which the mitigants will be allocated.

Exposure ID	Mitigant ID
E1	M2
E2	M2
E3	M2
E4	M2
E1	M1
E2	M1
E3	M1
E4	M1
E1	M3
E2	M3
E3	M3
E4	M3

The application assigns the exposures to the mitigants based on the above order and computes the Post-CRM RWA of the exposures..

Question 36. Does optimizer work on pool-by-pool basis? Can user explicitly mention how many pools to be processed at a time?

Yes optimizer works on pool-by-pool basis. However, the user can specify the number of pools to be processed at a single fetch in Optimizer_Config.xml in <PROCESSEDPOOLSIZE> tag.

Question 37. Is it possible that few of the exposure-mitigant combination can have no pool ids? If so what happens to those records?

All the records are expected to have pool IDs based on the exposure mitigant combination. If few records don't satisfy the join/filter condition present in pooling definition they will not get pool IDs. Such records will not be considered for optimizer and covered factor will not be calculated for those exposures.

Capital Structure (Basel II)

Question 38. Are the list of Instruments provided for each component of Capital i.e., T1, T2 and T3 fixed or can the list of instrument be extended or reduced to accommodate as per the requirement?

The list of instrument mapping to different component of capital is a bare minimum list. You can add or delete as per their definition of Capital in rules – ‘Bank Capital Group Components Reclassification’ and ‘STD to Capital Group Components Reclassification’

Question 39. Is there any flexibility in the Rule to add or delete any regulatory adjustment line item during the calculation of T1 and T2?

Yes, the application has the capability to add or delete any regulatory adjustment line item. This is handled in the Rule by adding/deleting any regulatory adjustment line item.

Question 40. What if the Bank does not calculate any of the CR RWA, MR RWA and OR RWA and directly provides a value against each of these line items?

The application supports and has taken into account for such direct download value for RWA in table – STG_STANDARD_ACCT_HEAD against appropriate Standard Account head identifier (CAP169 for Credit RWA, CAP090 for Market Risk RWA and CAP170 for Operational RWA) for entities for which bank don't calculate RWA using our application. These values will flow into FCT_STANDARD_ACCT_HEAD. And respective process should be removed from the run for e.g. if Market risk RWA is available as download, market risk related processes should be removed from the Run.

Market Risk (Basel II)

Question 41. Does the Greeks Engine calculate Greeks parameters for all kind of Options?

Currently Greeks Engine calculates parameters only for normal options. The exotic options are not covered by Greeks Engine.

Glossary

<u>AIRB</u>	Advanced Internal Rating Based
<u>AMA</u>	Advanced Measurement Approach
<u>ASCII</u>	American Standard Code for Information Interchange
<u>BCBS</u>	Basel Committee on Banking Supervision
<u>BIS</u>	Bank of International Settlements
<u>CAR</u>	Capital Adequacy Ratio
<u>CCB</u>	Capital Conservation Buffer
<u>CCF</u>	Credit Conversion Factor
<u>CCR</u>	Counterparty Credit Risk
<u>CET1 Ratio</u>	Common Equity Tier 1 Ratio
<u>CRE</u>	Commercial Real Estate
<u>CRM</u>	Credit Risk Mitigants
<u>CVA</u>	Credit Valuation Adjustment
<u>DeFQ</u>	Data entry and Forms Queries
<u>EAD</u>	Exposure At Default
<u>FFIEC</u>	Federal Financial Institutions Examination Council
<u>FIRB</u>	Foundation Internal Rating Based
<u>FTP</u>	File Transfer Protocol
<u>GL</u>	General Ledger
<u>GRC</u>	General Risk Charge
<u>GUI</u>	Graphic User Interface
<u>IAA</u>	Internal Assessment Approach
<u>IFSB</u>	Islamic Financial Services Board
<u>IMA</u>	Internal Models Approach
<u>IMM</u>	Internal Modeling Method

<u>IR</u>	Interest Rate
<u>IRB</u>	Internal Rating Based
<u>LGD</u>	Loss Given Default
<u>LIBOR</u>	London Inter Bank Offered Rate
<u>OBIEE</u>	Oracle Business Intelligence Enterprise Edition
<u>OFSAA</u>	Oracle Financial Services Analytical Application
<u>OFSAAI</u>	Oracle Financial Services Analytical Application Infrastructure
<u>OTC</u>	Over the Counter
<u>Non Securitization Exposure</u>	The exposures that are not securitized by the bank which include, loans, investments, Bonds, Facilities Purchase Receivables and so on are known as Non Securitized Exposures.
<u>PD</u>	Probability of Default
<u>RBA</u>	Ratings Based Approach
<u>RBI</u>	Reserve Bank of India
<u>RDBMS</u>	Relational Database Management System
<u>Regulatory Reporting</u>	This is a jurisdiction specific requirement. These reporting requirements are over and above the Pillar III reporting requirements and to be submitted to respective regulators.
<u>RRE</u>	Residential Real Estate
<u>RWA</u>	Risk Weighted Assets
<u>SCD</u>	Slowly Changing Dimension
<u>SFA</u>	Supervisory Formula Approach
<u>SFT</u>	Securities Financing Transactions
<u>SRWA</u>	Simple Risk Weight Approach
<u>TXN</u>	Transaction
<u>SLR</u>	Statutory Liquidity Ratio
<u>Stress Testing</u>	Process of defining shocks, stress scenarios and specifying a standalone execution of stress

scenarios to obtain the stress values of the variables or mapping a scenario to a Baseline Run

T2T

Table to Table

VaR

Value at Risk

VCM

Value Code Mapping