



Basel Data Service

Reliable, High Quality Regulatory Data to Power, Risk Management, Reporting and Compliance

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

The BCBS (Basel) Framework

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

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

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

The Challenge

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

Against this backdrop data management becomes a priority for the bank's risk and data managers alike; where access to accurate, reliable and complete data is a pre requisite to support business processes across the institution under the new rules.

Key Topics			Challenges
Pillar 1	Pillar 2	Pillar 3	
<ul style="list-style-type: none"> Limits volatility & variance in capital calculations Calculation of RWAs to align standardized with IRB models via input/output floor Higher maximum leverage ratios 	<ul style="list-style-type: none"> Strengthen micro and macro prudential and increase in capital buffers 	<ul style="list-style-type: none"> Revised disclosure for credit & operational risks, modified leverage ratio, credit valuation adjustment (CVA) 	<ul style="list-style-type: none"> Manage capital & liquidity requirements in line with new RWA calculations Impact on business, data & systems

1 Capital Requirements Regulation (CRR), updated CRR, Bank Recovery & Resolution Directive (BRRD)

2 Swiss Liquidity Ordinance (01/01/2020), FINMA Rundschreiben 2015/2 (04/11/ 2020)

Why Basel Data Service by SIX?

SIX data supports calculation of credit, market and liquidity risks, analytics, scenario analysis and regulatory compliance:

- Comprehensive data solution developed in line with EU & Swiss rules
- Cross asset-class coverage
- Proven track record implementing risk & regulatory solutions
- Complimentary to established SIX Tax & regulatory services
- Fully automated flexible data delivery options

Our service focuses on four areas within the Basel framework offering high quality data required to calculate capital and liquidity requirements:

- HQLA

Identifies eligible instruments to apply applicable levels and associated haircuts, required for calculating Liquid Capital Ratio (LCR)

- Credit Risk

Exhaustive coverage of applicable instruments and mapping to the corresponding regulatory risk classes

- Market Risk

Adoption of the general and specific risk requirements including the computation of the associated risk metrics

- BRRD II

Eligible financial securities with respect to own funds regulatory capital requirements and senior unsecured (non-preferred, bail-in-able) debt instrument



None of the information contained herein constitutes an offer or a recommendation to buy or sell or take any other action regarding financial instruments. SIX Group Ltd or its direct and indirect subsidiaries (hereafter: SIX) are liable neither for the completeness, accuracy, currentness and continuous availability of the information given, nor for any loss incurred as a result of action taken on the basis of information provided in this or any other SIX publication. SIX expressly reserves the right to alter prices or composition of products or services at any time.

© SIX Group Ltd, 2023. All rights reserved.

We have offices in over 20 locations, to get in touch with your local SIX office visit www.six-group.com/contacts.

SIX Financial Information Ltd
Hardturmstrasse 201
P. O. Box
CH-8021 Zurich

T + 41 58 399 2111
www.six-group.com/financial-information