Enhanced Disclosure Task Force
2014 Progress Report
Appendix 4: Leading Practice Examples of EDTF Recommendations
September 2014
# Table of Contents

<table>
<thead>
<tr>
<th></th>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General recommendations</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Risk governance and risk management strategies / business model</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Capital adequacy and risk-weighted assets</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Liquidity and funding</td>
<td>44</td>
</tr>
<tr>
<td>5</td>
<td>Market risk</td>
<td>57</td>
</tr>
<tr>
<td>6</td>
<td>Credit risk</td>
<td>66</td>
</tr>
<tr>
<td>7</td>
<td>Other risks</td>
<td>82</td>
</tr>
</tbody>
</table>
## Index of disclosure examples by recommendation and source

### Sources of examples, by recommendation

<table>
<thead>
<tr>
<th>General recommendations</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. HSBC, Royal Bank of Canada</td>
<td>5</td>
</tr>
<tr>
<td>2. Barclays, JP Morgan</td>
<td>7</td>
</tr>
<tr>
<td>3. ING, RBS</td>
<td>9</td>
</tr>
<tr>
<td>4. Barclays, JP Morgan Chase</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk governance and risk management strategies / business model</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Barclays, Bank of Montreal</td>
<td>14</td>
</tr>
<tr>
<td>6. Deutsche Bank, UBS</td>
<td>18</td>
</tr>
<tr>
<td>7. Scotiabank, Barclays</td>
<td>20</td>
</tr>
<tr>
<td>8. Barclays</td>
<td>22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital adequacy and risk-weighted assets</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Credit Suisse, Handelsbanken</td>
<td>26</td>
</tr>
<tr>
<td>10. Mizuho (a), ANZ (b)</td>
<td>28</td>
</tr>
<tr>
<td>11. Citigroup, Standard Chartered</td>
<td>30</td>
</tr>
<tr>
<td>12. JP Morgan Chase, Santander</td>
<td>32</td>
</tr>
<tr>
<td>13. Deutsche Bank, BNP Paribas</td>
<td>34</td>
</tr>
<tr>
<td>14. BNP Paribas, Standard Chartered, UBS</td>
<td>36</td>
</tr>
<tr>
<td>15. Deutsche Bank (a), CIBC (b)</td>
<td>38</td>
</tr>
<tr>
<td>16. UBS, Deutsche Bank</td>
<td>40</td>
</tr>
<tr>
<td>17. HSBC, Deutsche Bank</td>
<td>42</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liquidity and Funding</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Citigroup (a), TD (b), Standard Chartered (c)</td>
<td>45</td>
</tr>
<tr>
<td>19. RBS, CIBC, Credit Suisse</td>
<td>49</td>
</tr>
<tr>
<td>20. Deutsche Bank, National Bank of Canada</td>
<td>53</td>
</tr>
<tr>
<td>21. Credit Suisse, UBS</td>
<td>55</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market risk</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>22. HSBC, TD</td>
<td>58</td>
</tr>
<tr>
<td>23. Lloyd’s, UBS</td>
<td>60</td>
</tr>
<tr>
<td>24. RBS, UBS</td>
<td>62</td>
</tr>
<tr>
<td>25. Santander, JP Morgan Chase</td>
<td>64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit risk</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>26. Citigroup, ING</td>
<td>67</td>
</tr>
<tr>
<td>27. Lloyds, UniCredit</td>
<td>69</td>
</tr>
<tr>
<td>28. Wells Fargo (a), Bank of America (b)</td>
<td>73</td>
</tr>
<tr>
<td>29. Santander, Scotiabank</td>
<td>76</td>
</tr>
<tr>
<td>30. ING, HSBC</td>
<td>78</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other risks</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>31. Standard Chartered, Commerzbank</td>
<td>83</td>
</tr>
<tr>
<td>32. Mizuho, HSBC</td>
<td>85</td>
</tr>
</tbody>
</table>

### Notes
- **Risk disclosures are complex and presentation differs across institutions.** Examples shown are meant to highlight leading practice and are not necessarily comprehensive
- **Examples shown are not exclusive.** The EDTF has highlighted only a subset of the good disclosures available, selecting examples from a broad set of institutions across geographies. Ernst & Young provided support in identifying potential Leading Practice examples
- **Examples shown may be partial.** The EDTF recommends that readers refer to banks’ annual reports and Pillar 3 documents to review complete disclosures
Section 1

General recommendations
Recommendation 1: Present all risk information together or provide an index to aid in navigation

Risk profile

Managing our risk profile

- A strong balance sheet remains core to our philosophy.
- Our portfolios continue to be aligned to our risk appetite and strategy.
- Our risk management framework is supported by strong forward-looking risk identification.

Maintaining capital strength and strong liquidity position

- Our core tier 1 and common equity tier 1 capital ratios remain strong at 13.6% and 10.9%.
- We have sustained our strong liquidity position throughout 2013.
- The ratio of customer advances to deposits remains significantly below 90%.

Strong governance

- Robust risk governance and accountability is embedded across the Group.
- The Board, advised by the Group Risk Committee, approves our risk appetite.
- The Compliance function has been restructured into the Financial Crime Compliance and Regulatory Compliance functions to provide more in-depth focus on these areas.
- Our global risk operating model supports adherence to globally consistent standards and risk management policies across the Group.

Our top and emerging risks

- Macroeconomic and geopolitical risk.
- Macro-prudential, regulatory and legal risks to our business model.
- Risks related to our business operations, governance and internal control systems.

For details of HSBC’s policies and practices regarding risk management and governance see the Appendix to Risk on page 266.

HSBC provides more detailed references within each section (e.g., Credit risk).

Sources: HSBC Annual Report 2013, p. 134, 150, 230, 244
Recommendation 1: Present all risk information together or provide an index to aid in navigation

Royal Bank of Canada (RBC) provides a basic Table Of Contents at the beginning of its MD&A section that links to major sections within Risk Management. Separately, RBC provides an index to individual risk disclosures within Risk Management.

Members of the EDTF Users Group noted that while it is helpful when banks provide specific references to EDTF disclosures, they did not require such a disclosure for Recommendation 1 to be considered Fully Implemented. From a users’ perspective, it is simply important for the bank to provide an in-depth cross-reference to significant risk management disclosures within the Annual Report and in other locations.

Sources: Royal Bank of Canada, Annual Report 2013, p98
Recommendation 2: Define the bank’s risk terminology and risk measures and present key parameter values used

Barclays maintains a ‘Glossary’ on its website which includes 18 pages of definitions. Key parameters and assumptions are included within the relevant sections of the Annual Report, including a detailed overview of parameters utilized in A-IRB credit risk modeling (See Leading Practice for Recommendation 8: Stress Testing)

**Recommendation 2:** Define the bank’s risk terminology and risk measures and present key parameter values used

The following sections outline the key risks that are inherent in the Firm’s business activities.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Definition</th>
<th>Key risk management metrics</th>
<th>Page references</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital risk</td>
<td>The risk the firm has insufficient capital resources to support the firm’s business activities and related risks.</td>
<td>Risk-based capital ratios, Supplementary Leverage ratio</td>
<td>160-167</td>
</tr>
<tr>
<td>Liquidity risk</td>
<td>The risk the firm will not have the appropriate amount, composition or tenor of funding and liquidity to support its assets and obligations.</td>
<td>LCR; Stress; Parent Holding Company Pre-Funding</td>
<td>168-173</td>
</tr>
<tr>
<td>Non-USD FX risk</td>
<td>Risk arising from capital investments, forecasted expense and revenue, investment securities portfolio or issuing debt in denominations other than the U.S. dollar.</td>
<td>FX Net Open Position (“NOP”)</td>
<td>220, 229-231</td>
</tr>
<tr>
<td>Structural interest rate risk</td>
<td>Risk resulting from the Firm’s traditional banking activities (both on- and off-balance sheet positions) arising from the extension of loans and credit facilities, taking deposits and issuing debt, and the impact of the CIO investment securities portfolio.</td>
<td>Earnings-at-risk</td>
<td>147-148</td>
</tr>
<tr>
<td>Country risk</td>
<td>Risk that a sovereign’s unwillingness or inability to pay will result in market, credit, or other losses.</td>
<td>Default exposure at 0% recovery, Stress</td>
<td>149-152</td>
</tr>
<tr>
<td>Credit risk</td>
<td>Risk of loss from obligor or counterparty default.</td>
<td>Total exposure; industry and geographic concentrations; risk ratings; delinquencies; loss experience; stress</td>
<td>117-141</td>
</tr>
<tr>
<td>Fiduciary risk</td>
<td>Risk of failing to exercise the applicable standard of care or to act in the best interests of clients or treat all clients fairly as required under applicable law or regulation.</td>
<td>Not Applicable</td>
<td>159</td>
</tr>
<tr>
<td>Legal risk</td>
<td>Risk of loss or imposition of damages, fines, penalties or other liability arising from failure to comply with a contractual obligation or to comply with laws or regulations to which the Firm is subject.</td>
<td>Not Applicable</td>
<td>158</td>
</tr>
<tr>
<td>Market risk</td>
<td>Risk of loss arising from adverse changes in the value of the Firm’s assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities, and credit spreads.</td>
<td>VaR, Stress, Sensitivities</td>
<td>142-148</td>
</tr>
<tr>
<td>Model risk</td>
<td>Risk of a material inaccuracy in the quantification of the value of, or an inaccuracy of the identification and measurement of a position held by or activity engaged in by the Firm.</td>
<td>Model Status, Model Tier</td>
<td>153</td>
</tr>
<tr>
<td>Operational risk</td>
<td>Risk of loss resulting from inadequate or failed processes or systems, human factors or external events.</td>
<td>Various metrics- see page 156</td>
<td>155-157</td>
</tr>
<tr>
<td>Principal risk</td>
<td>Risk of an adverse change in the value of privately-held financial assets and instruments, typically representing an ownership or junior capital position. These positions have unique risks due to their illiquidity or for which there is less observable market or valuation data.</td>
<td>Carrying Value, Stress</td>
<td>154</td>
</tr>
<tr>
<td>Regulatory and Compliance risk</td>
<td>Risk of regulatory actions, including fines or penalties, arising from the failure to comply with the various U.S. federal and state laws and regulations and the laws and regulations of the various jurisdictions outside the United States in which the Firm conducts business.</td>
<td>Not Applicable</td>
<td>158</td>
</tr>
<tr>
<td>Reputation risk</td>
<td>Risk that an action, transaction, investment or event will reduce the trust that clients, shareholders, employees or the broader public has in the Firm’s integrity or competence.</td>
<td>Not Applicable</td>
<td>159</td>
</tr>
</tbody>
</table>

Recommendation 3: Discuss top and emerging risks, including quantitative disclosure and recent changes

**RISK DEVELOPMENTS IN 2013**

Risk developments listed below are defined as the risks which may have potentially a significant impact on our business and difficult to quantify the impact on the organisation. They are triggered in general by unexpected events and may introduce volatility in earnings or impact ING’s long-term strategy. The sequence in which the top risks are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences.

**Enhanced Disclosure Task Force • Examples of Leading Disclosure Practices**

**Monetary developments and Eurozone developments**

The problems in the Eurozone have been a top priority for risk management throughout 2013, and will continue to be a top priority in 2014. ING closely monitors the exposures in debt securities, lending and credit derivatives, and regularly assesses whether the positions continue to be in line with its risk appetite. This assessment is supported by internal stress tests.

Throughout 2013, ING has continued to selectively optimise its balance sheet, including reducing its positions in especially covered bonds, associated second senior (ABS) securities and committed facilities for asset backed securitisation. Several European countries have been downgraded in 2013 due to a weak and uncertain economic environment. As the Eurozone countries are going through a recession period. The Southern European countries seem to slowly emerge from the recession, while the strong countries were showing signs of recovery although growth is fragile. Furthermore, the chairman of the European Central Bank (ECB) announced twice the reduction of the main refinance rate by 25 basis points respectively in May and November 2013. As a result, ING’s loan-to-deposit ratio, containing securities that are recognised at amortised cost in loans and advances and excluding the IASB government receivables, improved from 1.13 at year-end 2012 to 1.04, thereby already complying with ING’s 2013 ambition of below 1.10.

**Dutch mortgages**

In 2013 the Dutch housing market remained fragile due to the economic downturn, however a cautious recovery was observed towards the end of the year. The strict tax and acceptance rules seem to be accepted. The biggest change to the tax rules is that interest on new mortgages is only tax deductible if there is at least an anuity repayment schedule. The Dutch housing market is historically characterised by a housing shortage, high income tax with deductibility of interest on mortgages, and a tax driven mortgage products.

**Business lending Benelux**

ING Bank’s Benelux, defined as lending to corporates in the business line Retail Banking, is concentrated within the Benelux. The weak economic environment was reflected by increased risk costs and elevated percentage of non-performing loans (NPL) for the year of 2013. Given the significant amount of mortgages in our credit portfolio, ING Bank closely follows all developments related to the Dutch housing market and its mortgage portfolio.

**Real estate finance**

Real estate finance (REF) is ING Bank’s commercial real estate finance with a global portfolio. It is active in all core real estate sectors: office, retail, residential, industrial and logistics. REF financing policy is based on cash flow generating prime real estate portfolio, sensible refinancing facilities, relatively low Interest Rate (also Loan-to-value) and conservative covenant.

In 2013, the continued weak and challenging European commercial real estate markets were reflected in the risk costs and non-performing loans. Further, in 2013 DNB performed an Asset Quality Review for Commercial Real Estate (CRE) primarily focusing on relevant income producing Real Estate portfolios (IRE) at ING Bank globally, including Private Banking. This project consisted of two phases with the first phase dedicated to processes and methodologies and the second phase concentrating on the appropriate level of both capital and provisioning. The second phase was executed by DNB with assistance of BlackRock included data of IRE exposure in total EUR 4 billion, of which The Netherlands, Spain and Italy were selected for detailed analysis. This selection totals EUR 24 billion of which the majority is managed by ING REF (approximately 77%).

**Source:** ING Annual Report pp 239-243, 259-260
Recommendation 3: Discuss top and emerging risks, including quantitative disclosure and recent changes

Risk governance continued

As a result of the economic recovery of its major markets, if their recovery is slower than expected, the Group’s return to profitability and private ownership may also be delayed. All divisions could be affected.

Today's environment means businesses need to take account of the possibility of slower economic growth and implement strategies, such as cost reductions, to reduce their vulnerability.

The Group establishes various pension schemes for its employees, as a result of which it incurs certain obligations as sponsor of these schemes. If economic growth integrates and interest rates remain low as a result, the value of these pension scheme assets may not be adequate to fund the pension schemes' liabilities. All of the Group’s businesses are exposed to this risk.

The Group may be required to set aside additional capital in support of the schemes. The amount of additional capital required depends on the size of the shortfall when the assets are valued as well as the market impact or the Group.

The Group has established various pension schemes for its employees, as a result of which it incurs certain obligations as sponsor of these schemes. If economic growth integrates and interest rates remain low as a result, the value of these pension scheme assets may not be adequate to fund the pension schemes' liabilities. All of the Group’s businesses are exposed to this risk.

The Group’s annual report p.179-181

Impact on the Group

The Group has experienced cyber attacks, which are increasing in frequency and severity across the industry. This risk affects all divisions.

Impact on the Group

The Group has participated in an industry-wide cyber attack simulation. It has also initiated a large scale programme to improve controls over user access. In addition, it has reviewed its websites and taken steps to rationalise them, putting additional anti-virus protections in place and taken steps to educate staff on information protection.

Impact on the Group

A failure of information technology systems could lead to the Group's inability to process transactions or provide services to its customers. Should a failure not be rectified promptly, the Group may lose confidence, be subject to fines, incur remediation costs or face legal action. Its reputation might also suffer.

Mitigants

The Group has launched a major investment programme to improve resilience, which has already had an impact. The Group has also enhanced its back up systems and created a 'shadow bank' capable of providing basic services in the event of need. Finally, the Group is improving the documentation of critical business functions.

Impact on the Group

The Group has a number of major projects underway. The successful conclusion of which is essential if it is to meet new regulatory and strategic requirements. These new requirements affect its organisational structure, its business strategies, its information technology systems, its operational processes and its product offerings. Given the number, scale and complexity of these projects, the Group may not be able to deliver them successfully, or at all. This affects all divisions.

Impact on the Group

The Group is working to implement change in line with its project plans while assessing the risks to implementation and taking steps to mitigate those risks where possible.

Impact on the Group

The Group is undertaking significant organisational change, the result of which is to implement new business strategies and respond to a changing external environment. The pace of change, coupled with the associated uncertainty may cause experienced staff members to leave the Group and prospective staff members not to join. Although these risks concern all divisions, they particularly affect Markets and US Retail & Commercial.

Impact on the Group

The Group has communicated expected changes in its organisational structure to members of staff, implementing plans aimed at minimising unexpected staff losses. The Group is also working to develop and implement an enhanced recruitment strategy.

Political risks

The Group and the Royal Bank, its principal operating subsidiary, are both headquartered and incorporated in Scotland. The Scottish Government is holding a referendum in September 2014 on the question of Scottish independence from the UK. Although the outcome of the referendum is uncertain, subject to any mitigating factors, the uncertainties resulting from a affirmative vote in favour of independence would be likely to significantly impact the Group’s credit ratings and could also impact the fiscal, monetary, legal and regulatory landscape to which the Group is subject. Were Scotland to become independent, it may also affect Scotland’s status in the European Union.

Source: RBS Annual Report 2013, p179-181
Recommendation 4: Outline plans to meet new regulatory ratios

Liquidity regulation

Since June 2010, the Group has reported its liquidity position against individual Liquidity Guidance (ILG) provided by the PRA. The PRA defines both eligible liquidity pool assets and stress outflows against reported balances.

The Group also monitors its position against anticipated Basel 3 liquidity metrics – the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The LCR is designed to promote short-term resilience of a bank’s liquidity risk profile by ensuring that it has sufficient high-quality liquid resources to survive an acute stress scenario lasting for 30 days. The NSFR has a time horizon of at least 12 months and has been developed to promote a sustainable maturity structure of assets and liabilities.

In January 2013, the Basel Committee on Banking Supervision published a final standard for the LCR. The European CRR requires phased compliance with LCR standard from January 2015 at minimum of 60% increasing to 100% by January 2018.

In January 2014, the BCBS published a consultation proposing revision to the NSFR standards. The minimum NSFR requirement is to be introduced in January 2018 at 100%.

The methodology for estimating the LCR and NSFR is based on an interpretation of the Basel standards and includes a number of assumptions which are subject to change prior to the implementation of CRD IV.

Based on the revised Basel standards, as at 31 December 2013, Barclays had a surplus to both of these metrics with an estimated Basel 3 LCR of 102% (2012: 126%) and an estimated Basel 3 NSFR of 110% (2012: 112%).

Comparing internal and regulatory liquidity stress tests

The LRA stress scenarios, the PRA ILG and Basel 3 LCR are all broadly comparable short-term stress scenarios in which the adequacy of defined liquidity resources is assessed against contractual and contingent stress outflows. The PRA ILG and the Basel 3 LCR stress tests provide an independent assessment of the Group's liquidity risk profile.

Stress Test

<table>
<thead>
<tr>
<th>Barclays LRA</th>
<th>PRA ILG</th>
<th>Basel 3 LCR</th>
<th>Basel 3 NSFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Horizon</td>
<td>30-90 days</td>
<td>3 months</td>
<td>30 Days</td>
</tr>
<tr>
<td>Calculation</td>
<td>Liquid assets to net cash outflows</td>
<td>Liquid assets to net cash outflows</td>
<td>Liquid assets to net cash outflows</td>
</tr>
</tbody>
</table>

As at 31 December 2013, the Group held eligible liquid assets in excess of 100% of stress requirements for all three LRA stress tests.

Compliance with internal and regulatory stress tests

<table>
<thead>
<tr>
<th>Barclays’ ILG</th>
<th>Estimated Basel 3 LCR (revised stress test January 2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 December 2013</td>
<td>127</td>
</tr>
</tbody>
</table>

Total eligible liquidity pool

<table>
<thead>
<tr>
<th>Asset inflows</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stress outflows</td>
<td>12</td>
</tr>
<tr>
<td>Retail and commercial deposit outflows</td>
<td>(47)</td>
</tr>
<tr>
<td>Wholesale funding</td>
<td>(33)</td>
</tr>
<tr>
<td>Net secured funding</td>
<td>(14)</td>
</tr>
<tr>
<td>Derivatives</td>
<td>(7)</td>
</tr>
<tr>
<td>Contractual credit rating downgrade exposure</td>
<td>(13)</td>
</tr>
<tr>
<td>Drawdowns of loan commitments</td>
<td>(7)</td>
</tr>
<tr>
<td>Other</td>
<td>(3)</td>
</tr>
<tr>
<td>Total stress net cash flows</td>
<td>(122)</td>
</tr>
<tr>
<td>Surplus</td>
<td>5</td>
</tr>
<tr>
<td>Liquidity pool as a percentage of anticipated net cash flows</td>
<td>104%</td>
</tr>
<tr>
<td>As at 31 December 2012</td>
<td>102%</td>
</tr>
<tr>
<td>129%</td>
<td>126%</td>
</tr>
</tbody>
</table>

In 2013, Barclays Group right sized its liquidity pool to reduce the large LRA and LCR surpluses to support the leverage plan and reduce the costs of surplus liquidity, while maintaining compliance with its internal liquidity risk appetite and external regulatory requirements.

Barclays plans to monitor its surplus to the internal and regulatory stress requirements at an efficient level, continuing to monitor the money markets closely, in particular for early indications of the tightening of available funding. In these conditions, the nature and severity of the stress scenarios are reassessed and appropriate action taken with regard to the liquidity pool. This may include further increasing the size of pool or monetising the pool to meet stress outflows.
Recommendation 4: Outline plans to meet new regulatory ratios

**JP Morgan:** Disclosure of pro-forma / proposed regulatory ratios

- **Basel III (fully phased-in) & Leverage ratio**
  - In December 2010, the Basel Committee introduced two new measures of liquidity risk: the liquidity coverage ratio (“LCR”), which is intended to measure the amount of “high-quality liquid assets” ("HQLA") held by the Firm in relation to estimated net cash outflows within a 30-day period during an acute stress event; and the net stable funding ratio (“NSFR”), which is intended to measure the “available” amount of stable funding relative to the “required” amount of stable funding over a one-year horizon. The standards require that the LCR be no lower than 100% and the NSFR be greater than 100%.

- **In January 2013, the Basel Committee introduced certain amendments to the formulation of the LCR, and a revised timetable to phase in the standards. The LCR will continue to become effective on January 1, 2015, but the minimum requirement will begin at 60%, increasing in equal annual increments to reach 100% on January 1, 2019. At December 31, 2013, the Firm was compliant with the Basel III LCR. The LCR may fluctuate from period to period due to normal flows from client activity.**

- **On October 24, 2013, the U.S. banking regulators released a proposal to implement a U.S. quantitative Liquidity requirement consistent with, but more conservative than, Basel III LCR for large banks and bank holding companies (“U.S. LCR”). The proposal also provides for an accelerated transition period compared to that which is currently required under the Basel III LCR rules. At December 31, 2013, the Firm was also compliant with the U.S. LCR based on its current understanding of the proposed rules.**

- **On January 12, 2014, the Basel Committee released proposed revisions to the NSFR. Based on its current understanding of the proposed revisions, the Firm was compliant with the NSFR as of December 31, 2013.**

**Source:** JP Morgan Chase 4Q 2013 Earnings Presentation

**JP Morgan:** Estimates of proposed regulatory ratios

- **In December 2010, the Basel Committee introduced two new measures of liquidity risk:**
  - The liquidity coverage ratio (“LCR”), which is intended to measure the amount of “high-quality liquid assets” ("HQLA") held by the Firm in relation to estimated net cash outflows within a 30-day period during an acute stress event; and the net stable funding ratio (“NSFR”) which is intended to measure the “available” amount of stable funding relative to the “required” amount of stable funding over a one-year horizon. The standards require that the LCR be no lower than 100% and the NSFR be greater than 100%.

- **In January 2013, the Basel Committee introduced certain amendments to the formulation of the LCR, and a revised timetable to phase in the standards. The LCR will continue to become effective on January 1, 2015, but the minimum requirement will begin at 60%, increasing in equal annual increments to reach 100% on January 1, 2019. At December 31, 2013, the Firm was compliant with the Basel III LCR. The LCR may fluctuate from period to period due to normal flows from client activity.**

- **On October 24, 2013, the U.S. banking regulators released a proposal to implement a U.S. quantitative Liquidity requirement consistent with, but more conservative than, Basel III LCR for large banks and bank holding companies (“U.S. LCR”). The proposal also provides for an accelerated transition period compared to that which is currently required under the Basel III LCR rules. At December 31, 2013, the Firm was also compliant with the U.S. LCR based on its current understanding of the proposed rules.**

- **On January 12, 2014, the Basel Committee released proposed revisions to the NSFR. Based on its current understanding of the proposed revisions, the Firm was compliant with the NSFR as of December 31, 2013.**

**Source:** JP Morgan Chase 4Q 2013 Earnings Presentation

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**Evolution of the SLR Ratio Exposure Calculation**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Derivatives PFE</td>
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<td></td>
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<tr>
<td>Derivatives Cash Collateral</td>
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<tr>
<td>Unfunded Commitments</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>Gold Credit Protection</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>Disallow FIN 41 Netting</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>Total Leverage Exposure</td>
<td>~$3.4T</td>
<td>~$3.5T</td>
<td></td>
</tr>
<tr>
<td>HoldCo 4Q13 Basel III SLR</td>
<td>4.7%</td>
<td>4.6%</td>
<td>(~10)</td>
</tr>
<tr>
<td>Memo: Bank 4Q13 Basel III SLR</td>
<td>4.7%</td>
<td>4.6%</td>
<td>(~10)</td>
</tr>
</tbody>
</table>

**JP Morgan disclosed its initial estimate of the final Basel III Leverage Ratio in its earnings release just two days after the ratio was formally defined by the Basel Committee.**

**Source:** JP Morgan Chase 4Q 2013 Earnings Presentation
Section 2

Risk governance and risk management strategies / business model
Recommendation 5: Bank’s risk management organisation, processes and key functions (1 of 2)

With respect to risk management the second line of defence responsibilities include:
- Defining the enterprise risk management framework;
- Establishing the control environments for the Key Risks, including Key Risk Control Frameworks, policies, and standards;
- Defining delegated discretions and set limits within the control framework to empower risk taking by the first line;
- Assisting in the direction of the portfolio to achieve performance against risk appetite;
- May define and operate approval processes for certain decisions within the second line to protect the Bank from material risks;
- Communicating, educating and advising the first line on their understanding of the risk framework and its requirements;
- Collaborating with the first line to support business growth and drive an appropriate balance between risk and reward without eliminating the independence from the first line and
- Reporting on the effectiveness of the risk and control environment to executive management and Board committees.

Third line: Provide assurance that the E-R-M process is fit for purpose, and that it is being carried out as intended.
Third line activities are characterised by:
- Providing independent and timely assurance to the board and Executive Management of the effectiveness of governance, risk management and control.

With respect to risk management the third line of defence responsibilities include:
- Assessing the effectiveness of risk management and risk mitigation in the context of the current and expected business environment;
- Acting independently and objectively, without taking responsibility for the operations of the Bank or for the definition of the Enterprise Risk Management framework and Group policies.

Governance (audited)

Governance Structure
Risk exists when the outcome of taking a particular decision or course of action is uncertain and could potentially impact whether, or how well, we succeed in our objectives.
Barclays faces risks throughout its business, every day, in everything it does. Some risks we choose to take after appropriate consideration—like lending money to a customer. Other risks may arise from unintended consequences of internal actions, for example an IT system failure or poor sales practices. Finally, some risks are the result of events outside the Bank that impact our business—such as major exposure through trading or lending to a market counterparty which later fails.

All employees must play their part in the Bank’s risk management, regardless of position, function or location, and are required to be familiar with risk management policies that are relevant to their activities, know how to escalate actual or potential issues, and have a role-appropriate level of awareness of the Enterprise Risk Management framework, risk management process and governance arrangements.

Source: Barclays Annual Report 2013, p380-381
Recommendation 5: Bank’s risk management organisation, processes and key functions (2 of 2)

The launch of the Transform Programme and subsequent introduction of the ERMF has introduced a more integrated “One-Risk” approach to how the Group manages risk, including governance, risk appetite, processes, and the effectiveness of its controls, together with leveraging colleague development opportunities.

During its daily-to-day operations, the Group faces a number of risks, which may be i) assessed and considered appropriate (e.g. granting a loan to a customer), ii) as a result of unanticipated consequences of internal actions (e.g. IT system failures), or iii) as a result of events outside the Group’s control but which impacts our business (e.g. financial disruption in a region in which the Group operates).

The Group’s approach to risk taking is structured, systematic and comprehensive, built into the decision making as objectives and aligned to the Business Risk appetite and Business Risk appetite Framework. The Enterprise Wide Risk Management Committee (EWRMC) is created in 2013 and was established by and derived from the ERMF. It comprises the Group Chief Risk Officer (CRO), Group Finance Director, Group General Counsel, and Head of Compliance.

The EWRMC membership includes the Group CRO, Group Chief Risk Officer (CRO), Group Finance Director, Group General Counsel, and Head of Compliance.

There are four key Board level committees which review and monitor risk across the Group. These are: the Board, the Board Enterprise Wide Risk Committee, the Board Financial Risk Committee and the Board Financial Risk Committee and Framework Committee.

The Board of Directors is responsible for approving the Group’s risk appetite. The Chief Risk Officer regularly presents a report to the Board summarising developments in the risk environment and performance trends in the key portfolio. The Board oversees the management of the most significant risks through the regular review of risk exposures and related key controls, and the implementation of appropriate controls and management activities.

The Board Enterprise Wide Risk Committee (BWRRC)

The BWRRC was established in 2013 and is a committee of the Board from which it derives its authority and to which it reports. The principal purpose of the Committee is to review, on behalf of the Board, the Group’s management’s recommendations on risk. In particular:

- Consider and recommend to the Board the Group’s overall risk appetite;
- Review, on behalf of the Board, the Group’s overall Risk Profile, and
- Satisfy itself on the design and effectiveness risk management framework and control the principal risk categories.

EWRMC membership comprises the Group Chairman and Chairmen of the Board Audit Committee, Board Conduct, Reputation and Operational Risk Committee, Board Financial Risk Committee, and Board Remuneration Committee. The Chief Executive Officer, Group Managing Director, and Finance Director, Head of Compliance, General Counsel, and Head of Internal Audit are mandatory attendance.

The Board Financial Risk Committee (BFRC)

BFRC monitors the Group’s risk profile against the agreed appetite. Where actual performance differs from expectations, the actions being taken by management are reviewed to ensure that the BFRC is comfortable with them. After each meeting of the BFRC, the Chief Executive Officer provides a report to the next meeting of the Board, Barclays PLC established a separate BFRC in 1999 and all members are non-executive directors. The Finance Director and the Chief Risk Officer attend each meeting as a matter of course.

Source: Barclays Annual Report 2013, p382-383
**Recommendation 5: Bank’s risk management organisation, processes and key functions (1 of 2)**

**Risk Governance**

The foundation of our enterprise-wide risk management framework is a governance structure that includes a robust committee structure and a comprehensive set of corporate policies, which are approved by the Board of Directors or its committees, as well as supporting corporate standards and operating guidelines. This enterprise-wide risk management framework is governed through a hierarchy of committees and individual responsibilities as outlined in the diagram below.

Our risk management framework is anchored in the three lines of defence approach to managing risk, which is fundamental to our operating model, as follows:

- **The first line of defence** is the operating groups that own the risk in their operations. They are responsible for pursuing suitable business opportunities within their risk appetite. Each operating group must ensure that it is acting within its delegated risk-taking authority, as set out in our corporate risk policies and limits. Each of the groups has established effective processes and controls to ensure that they comply with and operate within these limits.
- **The second line of defence** is provided by ERPM along with other corporate support areas. These groups provide independent oversight and establish corporate risk management policies, infrastructure, processes, and practices that address all significant risks across the enterprise, and
- **The third line of defence** is our corporate audit division, which monitors the efficiency and effectiveness of controls across various functions within our operating units, including control, risk management and governance processes that support the enterprise.

**Limits and Authorities**

Our risk limits are shaped by our risk principles and risk appetite, which also help to shape our business strategies and decisions. These limits are reviewed and approved by the Board of Directors and/or management committees and include:

- Credit and counterparty risk limits on counterparty, industry, portfolio and product segments, and group and single-name exposures;
- Market risk limits on economic value and risk exposures to stress scenarios;
- Liquidity and funding risk limits on minimum levels of liquid assets and maximum levels of assets pledged and wholesale funding, as well as guidelines approved by senior management related to liquidity diversification, financial condition and credit and liquidity exposure appetite; and
- Insurance Risk limits on policy exposure and reinsurance arrangements.

The Board of Directors, based on recommendations from the KRC and the ERPM, delegates risk limits to the CEG. The CEG then delegates more specific authorities to the CCR, who, in turn, delegates them to the Operating Group CEOs or the Treasurers in the case of structural market risk limits. These delegated authorities allow the CCR to set risk tolerances, approve geographic and industry sector exposures limits within defined parameters, and establish underwriting and inventory limits for trading and investment activities. The authorities are reviewed and approved annually by the Board of Directors based on the recommendation of the KRC. The criteria whereby these authorities may be further delegated throughout the organization, as well as the requirements relating to documentation, communication and monitoring of delegated authorities, are set out in corporate policies and standards.

**Source:** BMO Annual Report 2013, p79-82
Recommendation 5: Bank’s risk management organisation, processes and key functions (2 of 2)

Our risk culture is built around a risk management system that encourages openness and builds confidence in how we engage stakeholders in key decisions and strategy discussions, thereby bringing rigour and discipline to decision-making. This not only leads to the timely identification, escalation and resolution of issues, but also encourages communication and understanding of the key risks faced by our organisation, so our management is equipped to take action and make decisions in a coordinated and consistent manner. Also, our governance and leadership focus, committee structures and learning culture enable and inspire our risk culture.

Certain elements of our risk culture that are embedded across our organisation include:

- **Risk appetite** promotes an understanding of the most prevalent risks that our businesses face and facilitates alignment of business strategies within the limits of our risk appetite, leading to sound business decision making.

- **Communication and section channels** encourages information sharing and engagement between BPM and the operating groups, leading to enhanced risk transparency and open and effective communication. We also foster and encourage a culture where concerns regarding potential or emerging risks are escalated to senior management so that they can be evaluated and appropriately addressed.

- **Compensation philosophy** is aligned with prudent risk-taking to ensure that compensation does not encourage excessive risk-taking and rewards the appropriate use of capital.

- **Training and education** programs are designed to foster a deeper understanding of BPM’s capital and risk management framework across the organization. The team has developed a comprehensive training program to keep employees and management with the tools and awareness required to fulfill their responsibilities for independent oversight regardless of their position in the organization.

- **Risk culture** is embedded in our employee’s day-to-day activities and behaviors and reinforced through the organization’s values.

**Risk Principles**

Risk-taking and risk management activities across the enterprise are guided by the following principles:

- **Risk tolerance** and risk management activities across the organization are guided by the following principles:
  - BPM provides independent oversight of risk-taking activities across the organization.
  - Risk management is a responsibility at all levels of the organization.
  - BPM monitors its risk management framework to ensure that our risk profile is maintained within our established risk appetite and supported with adequate capital.
  - All material risks to which the enterprise is exposed are identified, measured, monitored, and reported.
  - Decision making is based on a clear understanding of risk, return, and constraints.
  - Economic capital is used to measure and aggregate risks across all risk types and businesses, to facilitate the measurement of risks into the measurement of economic returns.

**Risk Appetite**

Our Risk Appetite Framework consists of our Risk Appetite Statement, as well as supporting key risk metrics and corporate policies and standards, including limits. Our risk appetite defines the amount of risk that BMO is willing to assume in all risk types, given our guiding principles and capital capacity, thereby supporting sound business initiatives and growth. Our risk appetite is integrated into our strategic and capital planning processes and our lines of business. On an annual basis, senior management recommends our Risk Appetite Statement and key risk metrics for approval by the RMC and the BRC. Our Risk Appetite Statement is articulated and applied consistently across the enterprise. Among other things, our risk appetite requires:

- That everything we do is guided by principles of honesty, integrity, and respect for the law;

- Only taking risks that are transparent, understood, measured, monitored, and managed;

- Maintaining strong capital and liquidity and funding positions that meet or exceed regulatory requirements and the expectations of the market.

- Selecting new products and initiatives to a rigorous review and approval process to ensure all key risks and returns are understood and can be managed with appropriate controls;

- Maintaining a robust recovery and resolution framework that enables an effective and efficient recovery;

- Targeting an investment grade credit rating at a level that allows competitive access to funding;

- Limiting exposure to low-frequency, high-severity events that could jeopardise BMO’s credit ratings, capital position, or reputation;

- Incorporating risk measures into our performance management system;

- Establishing effective policies, procedures, guidelines, compliance standards and controls, training and management that guide the business practices and risk-taking activities of all employees to protect BMO’s reputation and adherence to all regulatory and legal obligations;

- Protecting the assets of both BMO and BMO’s clients by maintaining a system of strong operational risk controls.

**Risk Review and Approval**

Risk review and approval processes are established based on the nature, size, and complexity of the risks involved. Generally, this involves a formal review and approval of various categories by either an individual or a committee, independent of the originator. Delegated authorities and approvals by category are outlined below.

- **Portfolio transactions** – Transactions are approved through risk assessment processes for all types of transactions, which include operating group recommendations and BPM approval of credit risk and counterparty risk.

- **Structured transactions** – New structured products and transactions with significant reputational, legal, accounting, regulatory, or tax risk are reviewed by the Reputation Risk Management Committee or the Trading Products Risk Committee, as appropriate.

- **Investment initiatives** – Documentation of risk assessments is made through our investment spending approval process, which is reviewed and approved by Corporate Support areas.

- **New products and services** – Policies and procedures for the approval of new or modified products and services offered to our customers are reviewed and approved by Corporate Support areas, as well as other senior management committees, including the Operational Risk Committee and Reputation Risk Management Committee, as appropriate.

- **Risk Monitoring**

- **Enterprise-level risk** transparency and monitoring and the associated reporting are critical components of our framework and operating culture that help senior management, committees, and the Board of Directors to effectively manage risk, capital, and oversight responsibilities. Internal reporting includes a synthesis of key risks and associated metrics that the organization currently faces. This reporting highlights our most significant risks, including assessments of our top and emerging risks, to provide senior management and the Board of Directors with timely, actionable and forward-looking risk reporting. This reporting includes material to facilitate assessments of these risks relative to our risk appetite and the relevant limits established within our Risk Appetite framework.

- **Goverance**

- Governance over the stress testing framework resides with senior management, including the Stress Testing Steering Committee. This committee is comprised of business, risk and finance executives and is accountable to BMO for the oversight of BMO’s stress testing framework and for reviewing and challenging stress test results. As part of the Internal Capital Adequacy Assessment Process, enterprise-wide scenarios and stress testing results are presented to senior management and the board, together with recommended actions that BMO could take to manage the impact of the stress event.

- **Enterprise Stress Testing**

- Enterprise stress testing supports our internal capital adequacy assessment and target-setting through the analysis of macroeconomic scenarios that are consistently executed by business, risk and finance groups. Scenario selection is a multi-step process that considers the macroeconomic environment, potential stress scenarios, the potential impact of stress scenarios on our risk profile, historical credit loss and stress testing processes, and the specific risk factor exposures for each business.

- **Ad Hoc Stress Testing**

- Through our stress testing framework, we embed stress testing in strategy, business planning and decision-making. Ad hoc stress testing is conducted regularly by our operating and risk groups to support risk identification, business analysis and strategic decision-making.
Recommendation 6: Bank’s risk culture, and how procedures and strategies are applied to support the culture

Risk Culture
We seek to promote a strong risk culture throughout our organization. A strong risk culture is designed to help reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile. We actively take risks in connection with our business and as such the following principles underpin risk culture within our group:

— Risk is taken within a defined risk appetite;
— Every risk taken needs to be approved within the risk management framework;
— Risk taken needs to be adequately compensated; and
— Risk should be continuously monitored and managed.

Employees at all levels are responsible for the management and escalation of risks. We expect employees to exhibit behaviors that support a strong risk culture. To promote this our policies require that behavior assessment is incorporated into our performance assessment and compensation processes. We have communicated the following risk culture behaviors through various communication vehicles:

— Being fully responsible for our risks;
— Being rigorous, forward looking and comprehensive in the assessment of risk;
— Inviting, providing and respecting challenges;
— Troubleshooting collectively; and
— Placing Deutsche Bank and its reputation at the heart of all decisions.

To reinforce these expected behaviors and strengthen our risk culture, we conduct a number of group-wide activities. Our Board members and senior management frequently communicate the importance of a strong risk culture to support a consistent tone from the top. To further strengthen this message, we have reinforced our targeted training. In 2013, our employees attended more than 114,000 mandatory training modules globally including, for example, the Code of Business Conduct & Ethics, Fraud Awareness and An Introduction to MaRisk. As part of our ongoing efforts to strengthen our risk culture, we review our training suite regularly to develop further modules or enhance existing components.

In addition, along with other measures to strengthen our performance management processes, we have designed and implemented a process to be formal measurement of risk culture behaviors to our employee performance assessment, promotion and compensation processes. This process has been in place in our CBB&S and GTB divisions since 2010 and has subsequently been rolled out to our DeAWM, NCOU and Risk divisions. We plan to achieve a full bank wide roll out in 2014. This process is designed to further strengthen employee accountability. Further measures are already being reviewed and will be added to the program in 2014.

Source: Deutsche Bank Annual Report 2013, p66-67
Recommendation 6: Bank’s risk culture, and how procedures and strategies are applied to support the culture

**Risk principles and risk culture**

A strong and dynamic culture is a prerequisite for success in today’s highly complex operating environment. We are focused on further developing our cultural strength and ensuring it is a competitive advantage both from a risk and a performance point of view. Our efforts are underpinned by our shared belief that how we deliver results is as important as the results themselves.

In 2013, the Group Executive Board (GEB) led a global initiative to foster the strong aspects of the Group’s culture and evolve them further, building on our strategic pillars – capital strength, efficiency and effectiveness, and risk management – and our principles: excellence, client focus and sustainable performance. We began a process to raise awareness and further embed the standards of behavior we ask of our employees at every level of the Group. Each employee is accountable for ensuring these behaviors are integrated into every aspect of their daily work. To reflect the importance we attach to this, we incorporated assessment of adherence to these standards in our performance measurement and compensation framework for 2013.

Our performance measurement and management process requires that all employees have risk objectives aligned to their roles and responsibilities. Our employees know that rigorous risk management plays an essential role in our efforts to deliver the best possible client experience and achieve our business objectives. In short, everyone at UBS is responsible for anticipating, addressing and managing risks. We encourage our employees to provide candid, constructive and actionable feedback. To that end, in 2013, we enhanced our process by making such feedback anonymous. The performance measurement and management process links into the Group’s compensation framework.

Our compensation philosophy is to provide our employees with compensation that recognizes their individual contributions and clearly links their pay to performance – not simply the delivery of business targets, but also how those results were achieved. As explained in more detail in the “Compensation” section of this report, the performance of UBS members includes both quantitative and qualitative factors, with the latter contributing 35% to their overall compensation decision. Qualitative factors include reinforcing a culture of accountability and responsibility, demonstrating commitment to being a responsible corporate citizen and acting with integrity in all interactions with our stakeholders.

The “Compensation” section of this report explains how the compensation of each employee is based on the individual’s contribution (absolute and relative) and shows how the individual’s contribution to promoting our principles and standards of behavior is factored into the compensation process. The process includes an examination of the individual’s efforts to actively manage risk, striking an appropriate balance between risk and reward, and to what extent the individual exhibited professional and ethical behavior. Forfeiture provisions enable the firm to forfeit some, or all, of any unwound deferred portion of compensation if an employee commits certain harmful acts or breaches any applicable laws.

In addition, we have a range of policies and initiatives in place to embed the desired risk culture within the Group, covering employees at all levels. These policies and initiatives include the following:

**Code of Business Conduct and Ethics**

This Code enshrines the principles and practices that all of our employees and Board members are required to follow unreservedly, both in letter and in spirit, supported by an annual adherence certification process. Included in the Code are requirements covering laws, rules and regulations, ethical and responsible behavior, information management, the work environment, social responsibility and disciplinary measures.

**Whistleblowing**

Our Whistleblowing policy provides a formal framework and independent channel for employees to raise concerns about suspected breaches of the Group’s laws, regulations, policies, procedures or other matters including those covered by our Code of Business Conduct and Ethics. In recognition of the importance for a strong and successful business of enabling employees to speak up and constructively challenge others, in 2013 our Chairman and Group CEO promoted an awareness campaign of our Whistleblowing policy.

**Compliance and risk training**

We have a mandatory training program for all employees covering a range of compliance and risk-related topics including anti-money laundering and operational risk. In addition, more specialized training is provided for employees according to their roles and responsibilities, such as training on credit risk and market risk for those working in trading areas. During 2013, employees were required to complete over 300,000 mandatory training sessions in aggregate, an increase of approximately one-third from 2012. The training sessions need to be completed, usually together with an assessment, within a specified period of time. Since mid-2012, failure to satisfactorily complete the mandatory training sessions within 30 days of the deadline results in disciplinary action, usually in the form of a written warning, with employees still required to complete the training. In 2013, 12 employees received such a warning and ultimately our completion rate for these mandatory training sessions was 100%. If an employee fails to complete two or more training sessions within 10 days of the deadline, this is factored into the performance measurement and management process and the related promotion and compensation processes.

**Principles of good supervision**

The Group has developed principles of good supervision, which are applicable to every region and business division of UBS. These principles establish clear expectations of monitoring employees with respect to supervisory responsibilities, specifically, to take responsibility to organize their business, to know their employees and what they do, to know their business, to create a good compliance culture and to respond to and resolve issues. Supervisors are expected to understand and set a good example of professional behavior and to act as role models, to be open about issues, to be attentive to unusual behavior and to act on any red flags, ensuring that issues are resolved. To ensure adherence, frameworks have been established which are subject to periodic review and assessment.

Maintaining a strong culture complements our goal of being a responsible corporate citizen. As a truly global firm with a diverse workforce, we have a deep understanding and appreciation of the communities in which we operate. Our longstanding and active community affairs programs are focused on promoting education and entrepreneurship supported by the volunteering efforts of our employees across the globe. These programs continued to thrive in 2013. For instance, we launched new initiatives in the Americas and received various awards for our work in the UK. In the second quarter, the UBS Optimus Foundation announced a new and major global initiative to put nutrition at the center of the global development agenda and, later in the year, the Foundation was involved in fundraising for Typhoon Haiyan relief efforts in the Philippines. The Group matched client and employee donations on a 1:1 basis. In the third quarter, UBS was named in the Dow Jones Sustainability Indices which track the leading sustainability-driven companies worldwide. Additionally, we co-launched the Think Group of Banks’ discussion paper on banking and human rights. In the fourth quarter, our Global Philanthropy Forum looked at how we can work with clients to help improve women’s rights and opportunities around the world. During 2013, we also continued our support for the arts through culturally enriching programs for our clients, employees and the public, including the launch of a multi-year agreement with Art Basel and support for exhibitions in the Americas and in Switzerland.

→ Refer to the “Our employees” and “Compensation” sections of this report for more information

**Quantitative risk appetite objectives**

Through a set of quantitative risk appetite objectives, we aim to ensure that our aggregate risk exposure is within our defined risk capacity, based on our capital and business plans. The specific definition of risk capacity for each objective seeks to ensure that we have sufficient capital, earnings and funding liquidity to protect our business franchises and exceed minimum regulatory requirements under a severe stress event. The risk appetite objectives are evaluated as part of the annual business planning process.
Recommendation 7a: Describe key risks that arise from the bank’s business model and activities

Source: Scotiabank Annual Report 2013, p. 65
Recommendation 7b: Describe the bank’s risk appetite in the context of its business models and how the bank manages such risks
**Recommendation 8:** Describe use of stress testing within the bank’s risk governance and capital frameworks.

Stress testing disclosures should provide a narrative overview of the bank’s internal stress testing process and governance (1 of 3)

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**Source:** Barclays Annual Report 2013, p388-390
**Recommendation 8:** Describe use of stress testing within the bank’s risk governance and capital frameworks. Stress testing disclosures should provide a narrative overview of the bank’s internal stress testing process and governance (2 of 3)

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**Principal Risk**

**Credit risk**

- Credit risk impairments: for retail portfolios businesses use regression models to establish a relationship between arrears movements and key macroeconomic parameters, such as interest rates and unemployment, incorporating roll-rate analysis to estimate stressed levels of arrears by portfolio. In addition, combination of house price reductions and increased customer drawdowns for revolving facilities leads to higher loss given default (LGD) which also contributes to increased impairment levels. For wholesale portfolios the stress shocks on credit risk drivers (PDs, LGDs and IADs) are primarily calibrated using historical and expected relationships with key macroeconomic parameters such as GDP, inflation and interest rates.

- The scenarios include market risk shocks that are applied to determine the market value under stresses of contracts that give rise to counterparty credit risk. Counterparty losses, including changes from the credit valuation adjustments and from defaults, are modelled based on the impact of these shocks as well as using stressed credit risk drivers (PDs and LGDs). The same approach is used to stress the market value of assets held as a collateral or as fair value in the banking book.

**Market risk**

- Trading book losses: All market risk factors on the balance sheet are stressed using specific market risk shocks (and are used for the counterparty credit risk analysis above). The severity of these shocks applied are based on the liquidity of the market under stress, e.g., illiquid or sticky positions are assumed to have a longer holding period than positions in liquid markets.

- Pension fund: The funding position of pension funds is stressed, taking into account key economic drivers impacting future obligations (e.g., long term inflation and interest rates) and the impact of the scenarios on the value of fund assets.

**Funding risk**

- The risk of mismatches between assets and liabilities, leading to funding difficulties, is assessed. Businesses apply scenario variables to forecasts of customer loans and advances and deposits levels, taking into account management actions to mitigate the impact of the stress which may impact business volumes. The Group funding requirement under stress is then estimated and taken into account lower availability of funds in the market.

- The analysis of funding risk also contributes to the estimate of stressed income and costs:
  - Stress impact on non-interest income is primarily driven by lower projected business volumes and hence lower income from fees and commissions,
  - Impact on net interest income is driven by stressed margins, which depend on the level of interest rates under stress as well as funding costs, and on stressed balance sheet volumes. This can partly be mitigated by management actions that may include repricing of variable rate products, taking into account interbank lending rates under stress, and
  - The impact on costs is mainly driven by business volumes and management actions to partly offset profit reductions (due to impairment increases and decreases in income) such as headcount reductions and lower performance costs.

**Operational risk, Conduct risk and Reputational risk**

- These principal risks are generally not assessed as part of economic scenario assessments, as they are not directly linked to the economic scenario. Note that Operational risk, however, is included as part of the reverse stress testing framework that incorporates assessment of dissonant operational risk events.

- Management of Operational risk is described on pages 215 and 417 to 419.

- Management of Conduct risk is described on pages 228 to 229.

- Management of Reputational risk is described on pages 226 to 227.

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**Reverse stress testing**

- The Group-wide stress testing framework also includes reverse stress testing techniques which aim to identify the circumstances under which Barclays’ business model would become no longer be viable, leading to a significant change in business strategy. Examples include extreme macroeconomic downturn scenarios, such as a break-up of the Eurozone, sudden market shocks, and other operational stress events, such as a capital/liquidity event.

- Reverse stress testing is used to help support ongoing risk management and is fully integrated into our risk appetite framework. Reverse stress testing methodology includes identifying tail risks associated with specific low likelihood circumstances, and identifying appropriate risk mitigating actions. For example, the approach for managing Eurozone peripheral risks was informed by the results of the reverse stress testing assessment made in 2010.

**Business and risk type specific stress testing**

- Barclays also uses stress testing techniques at portfolio and product level to support risk management. For example, portfolio management in the US CDs business employs stressed assumptions of losses rates to determine profitability hurdles for new accounts. In the UK mortgage business, affordability thresholds incorporate stressed estimates of interest rates. In the Investment Bank, global scenario testing is used to gauge potential losses that could arise in conditions of extreme market stress. Stress testing is also conducted on positions in particular asset classes, including interest rates, commodities, equities, credit and foreign exchange.

Information on the Group’s stress testing specifically relating to liquidity risk is set out in the Funding risk – Liquidity section. Further information on market risk stress testing is provided in the Market Risk section.

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**Source:** Barclays Annual Report 2013, p388-390
Recommendation 8: Describe use of stress testing within the bank’s risk governance and capital frameworks. Stress testing disclosures should provide a narrative overview of the bank’s internal stress testing process and governance (3 of 3)

Source: Barclays Pillar 3 2013, pp. 122-123