



Qatar Central Bank

Framework for Domestic Systemically Important Banks

July 2014

Contents

1. Introduction.....	3
1.1 International regulatory background	3
1.2 Qatar regulatory background	3
2. Scope of application	3
3. QCB framework for DSIBs.....	4
4. QCB DSIB assessment methodology	5
4.1 Assessment methodology: factors and sub-factors.....	5
4.1.1 Size.....	5
4.1.2 Interconnectedness	5
4.1.3 Complexity	6
4.1.4 Substitutability	6
4.2 Frequency of assessment and disclosure of DSIBs	6
4.3 Changes to assessment methodology	6
5. Treatment of identified DSIBs.....	7
5.1 Higher loss absorbency capital requirements	7
5.2 Implementation timeline.....	8
5.3 Other regulatory requirements.....	8
5.3.1 Capital Planning	8
5.3.1.1 Objective and scope	8
5.3.1.2 Components.....	9
5.3.2 Recovery Planning	10
5.3.2.1 Objective and scope	10
5.3.2.2 Principles.....	10
5.3.2.3 Key elements.....	11
5.3.3 Increased supervisory scrutiny and other supervisory implications	11

1. Introduction

1.1 International regulatory background

1. In response to the global financial crisis, the Financial Services Board laid out a policy framework for treatment of Systemically Important Financial Institutions, in the paper titled “Policy Measures to Address Systemically Important Financial Institutions”, issued in November 2011. Specific to banking institutions, the Basel Committee for Banking Supervision (BCBS) developed a framework for global systemically important banks (GSIBs) (“the BCBS GSIB framework”), first issued in November 2011, with updates in July 2013. Recognising that distress or failure of domestic systemically important institutions can affect economies and financial systems at a domestic level, BCBS also adapted the GSIB framework for domestic contexts and issued a principles based framework for Domestic Systemically Important Banks (DSIBs) (“the BCBS DSIB framework”) in October 2012.

1.2 Qatar regulatory background

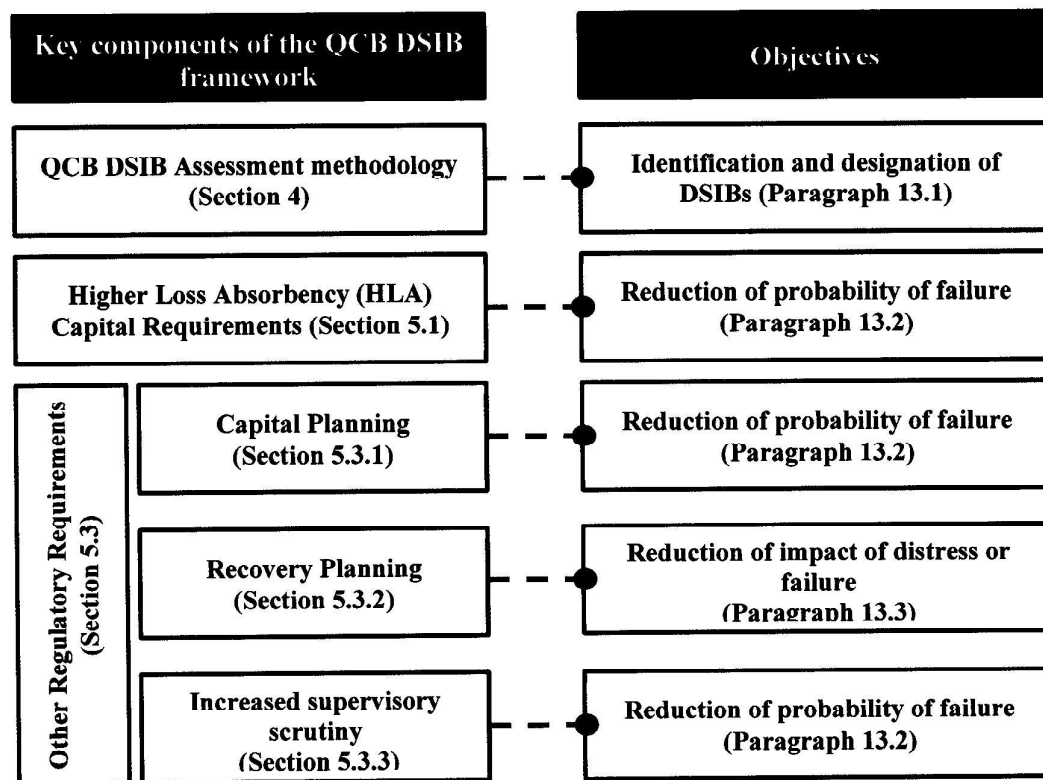
2. Qatar Central Bank (QCB) is in the process of implementing Basel III for the Qatar banking sector. To this end, QCB has previously issued the Basel III Pillar I capital adequacy guidelines for both conventional and Islamic banks in two circulars titled “QCB Implementation Instructions – Basel III Framework” dated January 2014 (hereinafter referred to as the “QCB Basel III Instructions”).
3. These QCB Basel III Instructions included the provision (in paragraph 23) for an additional DSIB Buffer for DSIBs identified by QCB, over and above the minimum capital requirements mandated by QCB, to be met with Common Equity Tier 1 (CET1) capital.
4. QCB is now in the process of implementing this DSIB buffer in its move towards full Basel III Pillar I implementation.
5. QCB has determined the framework to identify and treat DSIBs after an extensive Quantitative Impact Study (QIS) (based on December 2013 position) that involved national banks as well as branches of foreign banks.
6. This document “QCB Framework for Domestic Systemically Important Banks” (hereinafter referred to as “QCB DSIB Framework”) details the framework adopted by QCB for the identification, calibration and treatment of DSIBs in Qatar.

2. Scope of application

7. The framework defined in this document is applicable to all national banks (both Islamic and conventional) regulated by the QCB (hereinafter referred to as “banks”) as well as to branches of foreign banks operating in Qatar regulated by QCB (hereinafter referred to as “foreign branches”).

3. QCB framework for DSIBs

8. QCB aims to achieve the following objectives by implementing the QCB DSIB framework for banks and foreign branches in Qatar:
- 8.1. Identification and designation of DSIBs in Qatar, i.e. identification of banks whose failure or distress may lead to significant adverse impact on the Qatar banking sector, the financial system and/or the economy.
 - 8.2. Reduction of probability of failure of the identified DSIBs.
 - 8.3. Reduction in impact of distress or failure of the identified DSIBs.
9. The key components of the QCB DSIB framework, mapped to the objectives that they are designed to achieve, are shown in the figure below:



10. These components of the QCB DSIB framework are detailed in the following two Sections.

4. QCB DSIB assessment methodology

11. QCB has developed and adopted an indicator based assessment methodology to determine systemic importance of banks in Qatar. In the QCB DSIB assessment methodology, banks are assessed based on the four bank-specific factors of size, interconnectedness, substitutability and complexity. Each of these factors are assessed via the use of sub-factors adopted based on an analysis of their applicability to Qatar economy and banking sector.

4.1 Assessment methodology: factors and sub-factors

12. The assessment matrix of factors, weighting and sub-factors adopted by QCB is shown below:

Factor	Factor Weight %	Sub-Factor
Size (Consolidated)	40%	Total exposures as per Basel III Leverage ratio
Interconnectedness (Domestic)	30%	Intra-financial system liabilities
		Intra-financial system assets
Complexity (Consolidated)	15%	OTC Derivatives (nominal amount)
		Total unlisted securities (non-government)
		Size of overseas branches and subsidiaries
		Investments in Associates
Substitutability (Domestic)	15%	Total Islamic Financing in Qatar
		Total Credit Facilities to PSEs in Qatar

13. The methods of application of each factor and associated sub-factors are detailed below.

4.1.1 Size

14. In the QCB DSIB assessment methodology, the Size factor will be measured based on the “Total exposures” of a bank as defined in the Basel III Leverage ratio¹. This will cover all on-balance sheet, off-balance sheet, derivative and securities financing transaction exposures.

4.1.2 Interconnectedness

15. Interconnectedness relates to contractual relations between banks and other financial institutions which are the primary means of contagion during times of stress. The QCB assessment methodology measures interconnectedness by the volume of its “intra-financial system assets” and “intra-financial system liabilities”.
16. Financial institutions are defined as any institutions such as, but not limited to banks, insurance firms, reinsurance firms, brokerage firms, investment firms, investment funds, exchange houses, finance companies etc.
17. For the purposes of measurement of these sub-factors, the consolidated exposures of banking groups to any group entity of a Qatari Financial Institution, whether in Qatar or outside, need to be

¹ As per the paper titled “Basel III leverage ratio framework and disclosure requirements” issued by the BCBS in January 2014.

included, as these constitute interconnections that will be consolidated into the Qatar financial system.

4.1.3 Complexity

18. Complexity is used as a measure of systemic importance as more complex banks present more challenges to recovery and/or resolution during periods of stress.
19. In the QCB DSIB assessment methodology, four sub-factors viz. “OTC Derivatives”, “Total non-government unlisted securities”, “Investments in Associates” and “Size of overseas branches and subsidiaries” are used. The “OTC Derivatives” sub-factor excludes simple foreign exchange transactions such as swaps and forwards that are part of the banking book and used by banks for hedging purposes. The notional amount of “OTC Derivatives” is used for calculation purposes. For purposes of measuring the size of overseas branches and subsidiaries, the same measure of “total exposures” based on Basel III Leverage ratio, as used for the Size factor, is adopted. The market values of “Total non-government unlisted securities” and “Investments in Associates” are used for calculation of these sub-factors.

4.1.4 Substitutability

20. Banks that provide critical services that are not readily replaceable by other banks will create greater disruption in case of distress or failure. Some banks lack immediate substitutes for the role they play in the banking sector or the economy and other banks may lack substitutes for the services they provide.
21. QCB has adopted two sub-factors viz. “Total Islamic Financing” and “Total Credit Facilities to PSEs” to capture the impact of lack of substitutability.
22. The failure or distress of an Islamic bank in Qatar will have a significant impact on the availability of Sharia compliant banking services due to the fact that conventional banks cannot replace these services, as per QCB Instructions. “Total Credit Facilities to PSEs” captures the impact of failure of any particular bank on the services provided to the PSE sector which constitutes a major portion of financing in Qatar’s economy. For the purposes of the QCB DSIB assessment methodology, PSEs are defined as per the QCB Basel III Instructions.

4.2 Frequency of assessment and disclosure of DSIBs

23. All banks (including Qatar Development Bank in order to capture the data for the total banking sector) and foreign branches are required to submit data (data templates provided in Appendix A) to QCB twice a year at the end of June and the end of December, along with the Financial Statements. The additional data submitted should be reviewed by the external auditor of the bank and part of the full audit at the end of each year.
24. QCB will inform banks after the June submission of the initial indication of their designation or potential changes to the indication for the following year. QCB will also provide banks with their final designation and additional capital charges (HLA) after the end of year submission. Designated banks will be required to meet their minimum capital requirements in full by 31st of December of the same year or be subject to restrictions on distribution (outlined in paragraph 26 of the QCB Basel III Instructions).

4.3 Changes to assessment methodology

25. In case of any changes to the assessment methodology, QCB will notify banks of these changes.

5. Treatment of identified DSIBs

5.1 Higher loss absorbency capital requirements

26. One of the principles underlying the implementation of the HLA requirement is that it should be proportional to systemic importance of the DSIB. Consequently, the additional HLA capital requirements will be proportional to the systemic importance determined by the QCB DSIB assessment methodology, indicated by the DSIB score.
27. The following table outlines the segmentation based on the range of DSIB scores that will be used for calibration of the HLA capital requirement:

DSIB Segment	DSIB Score	HLA capital requirement
Segment D	50% and above	3.5%
Segment C	35% to <50 %	2.5%
	20% to <35%	2.0%
Segment B	15% to <20%	1.5%
	10% to <15%	1.0%
Segment A	5% to <10%	0.5%

28. Currently no banks have been calibrated to the top segment (Segment D). In case any bank is calibrated into this segment in the future, an additional segment will be created at the top.
29. Banks with score below the scale mentioned above will not be considered as DSIBs for the year of assessment.
30. For all banks identified as DSIBs, the HLA capital charge prescribed by QCB must be met with CET1 capital and it will be treated as an extension of the Capital Conservation Buffer. All restrictions that apply on the breach of Capital Conservation Buffer (outlined in paragraph 26 of the QCB Basel III Instructions) will also apply upon breach of the effective minimum capital requirement including the HLA capital charge.
31. For all foreign branches, if identified as a DSIB by QCB, the treatment will be decided and communicated on a case by case basis by QCB.

5.2 Implementation timeline

32. The effective minimum capital requirement including the HLA capital charge for each identified DSIB will be implemented in a phased manner starting in 1st January 2016 with full implementation by 1st January 2019.
33. The effective minimum total capital requirement and CET1 capital requirement (excluding Countercyclical Buffer but including Capital Conservation Buffer and HLA capital charge) for DSIBs are as shown in the table below for different levels of the HLA capital charge:

HLA capital charge level	Effective Minimum Capital requirement as of 1 st January (including Capital Conservation Buffer and HLA capital charge but excluding Countercyclical Buffer)				
	Minimum capital ratio for	2016	2017	2018	2019
2.50%	CET1	9.13%	9.75%	10.38%	11.00%
	Total	13.13%	13.75%	14.38%	15.00%
2.00%	CET1	9.00%	9.50%	10.00%	10.50%
	Total	13.00%	13.50%	14.00%	14.50%
1.50%	CET1	8.88%	9.25%	9.63%	10.00%
	Total	12.88%	13.25%	13.63%	14.00%
1.00%	CET1	8.75%	9.00%	9.25%	9.50%
	Total	12.75%	13.00%	13.25%	13.50%
0.50%	CET1	8.63%	8.75%	8.88%	9.00%
	Total	12.63%	12.75%	12.88%	13.00%

34. Banks, in their end of year disclosure (starting December 2015), are expected to disclose their DSIB status and HLA requirement starting from beginning of 1st January of the following year and also disclose how their capital ratio after distribution will meet those requirements in full.

5.3 Other regulatory requirements

5.3.1 Capital Planning

35. Capital planning is crucial for effective and efficient management of DSIBs as they are subject to capital requirements that are higher than non-systemically important banks. BCBS has issued, in January 2014, a paper titled “A Sound Capital Planning Process: Fundamental Elements” outlining sound practices for capital planning processes at banks. QCB expects all banks identified as DSIBs to put in place sound capital planning processes and develop detailed Capital Plans that must be proportionate to the identified DSIB’s profile and complexity.

5.3.1.1 Objective and scope

36. Annual submission of Capital Plans to QCB is a requirement for all banks identified as DSIBs. The Capital Plans for banks should be prepared on a consolidated basis covering the components of sound capital planning described below. Banks are required to first submit the Capital Plan by the end of December 2014 and annually thereafter at the end of December. QCB also requires that banks appoint an internationally recognised firm with sufficient expertise to review the Capital Plans before submission to QCB. DSIBs are also required to inform QCB the name of the firm

appointed by the bank for the review of its Capital Plan. QCB will separately issue detailed guidelines with respect to the Capital Plans to be submitted by identified DSIBs.

37. The objective is to codify QCB's expectations of the elements of sound capital planning and to enable the bank's management and QCB to make informed judgements about the levels, quality and composition of capital required by banks to support planned business strategies.
38. QCB will review the submitted Capital Plans and communicate any additional requirements or supervisory measures to banks directly.

5.3.1.2 Components

39. The fundamental components of sound capital planning are:

39.1. Forward looking view:

- 39.1.1. Banks should base their Capital Plans on forward looking business and financial projections covering a period of at least 5 years in the future.
- 39.1.2. Another key element of sound Capital Plans is stress testing or scenario analyses. Such analyses must offer a forward looking view that allows management to obtain knowledge of potential vulnerabilities that may affect the bank's capital base.

39.2. Internal control and governance:

- 39.2.1. Banks should detail in the Capital Plan a capital planning process that reflects inputs from different experts from across the bank, including but not limited to business, risk, finance and treasury departments.
- 39.2.2. Banks should design a Capital Plan that is coherent across and adequately reflects the strategy of individual business lines while tying up with the bank's firm-wide strategic planning and capital budgeting.
- 39.2.3. Capital Plans and the underlying processes and models should be subjected to independent validation by banks.
- 39.2.4. Both senior management and the Board of Directors of banks should be involved in the capital planning process. The Board of Directors must review and approve the Capital Plans at least annually (or more frequently in case of material changes to the bank).
- 39.2.5. The Board of Directors should set forth principles underpinning the capital planning process. These principles should include the forward strategy of the bank, an expression of risk appetite and a perspective on striking the right balance between reinvesting capital and providing returns to shareholders.
- 39.2.6. Analysis provided in the Capital Plan should inform the capital actions contemplated by the Board including, for example, decisions related to changes to dividend policies, stock repurchase plans and/or issue of regulatory capital instruments.

39.3. Capital policy:

- 39.3.1. A capital policy is a written document agreed by the senior management of a bank. It should specify the principles that management will follow in making decisions on how to deploy a bank's capital.
- 39.3.2. The Capital Plan should include details on how a bank expects, in line with its capital policy, to maintain ready access to funding, meet its credit/counterparty

obligations and continue to serve as a credit intermediary, during and after periods of stress.

39.3.3. The capital policy should include several capital/performance metrics such as Common Equity Tier 1 ratio, Return on Equity, Return on Risk Adjusted Capital, etc. to allow management to monitor the bank's condition. Specific triggers, limits and transparent formal escalation protocols activated upon the breach of these limits/triggers must be set up for timely decision making.

39.3.4. The capital policy and the Capital Plan should also be linked to and be consistent with the economic capital policies of the bank and its ICAAP.

39.4. Management framework for preserving capital:

39.4.1. Banks should, as part of the Capital Plan, prioritise and quantify capital actions available to them to cushion against unexpected and adverse events. Management should also assess the feasibility of proposed capital actions included in the Capital Plan, including assessing potential benefits and long term costs and have a high degree of confidence that the actions can be executed as described.

39.4.2. Actions to maintain capital must be defined clearly in advance as part of the Capital Plan. Guiding principles must be developed for the determination of appropriateness of particular actions under different scenarios. The capital planning process should allow for swift updates to the Capital Plan to allow for better decision making in changing circumstances.

5.3.2 Recovery Planning

40. QCB considers Recovery Planning to be a necessary component of a banks' risk management framework. The objectives, scope and principles of recovery planning as well as the key components that should be included in a Recovery Plan are outlined below.

5.3.2.1 Objective and scope

41. Annual submission of Recovery Plans to QCB is a requirement for all banks identified as DSIBs. The Recovery Plans for banks should be prepared on a consolidated basis. Banks are required to first submit the Recovery Plan by the end of December 2014 and annually thereafter at the end of December. QCB also requires that banks appoint an internationally recognised firm with sufficient expertise to review the Recovery Plans before submission to QCB. DSIBs are also required to inform QCB the name of the firm appointed by the bank for the review of its Recovery Plan. QCB will separately issue detailed guidelines with respect to the Recovery Plans to be submitted by identified DSIBs.

42. The objective is to ensure that banks have effective plans in place and do not have to rely on public funding when dealing with severe financial stress. Effective recovery plans should enable banks to significantly reduce the likelihood of default and provide comfort to QCB that the bank can overcome a situation of severe stress and restore their business to a stable and sustainable condition.

5.3.2.2 Principles

43. The key principles of recovery planning are:

43.1. Banks should not rely on public funding to be available from QCB or from authorities in other jurisdictions in case of severe stress or default.

- 43.2. The Recovery Plan should provide a complete list of recovery options available to the bank to restore financial strength when the bank is under severe stress and the viability of the bank is threatened.
- 43.3. The Recovery Plan should reflect the nature, complexity, interconnectedness, level of substitutability and size of the bank.
- 43.4. The Recovery Plan is a key document of a bank's risk management framework and therefore has to be embedded into the existing risk management framework, updated annually (or more frequently in case of material changes to the bank) and approved by the Board of Directors.

5.3.2.3 Key elements

- 44. A Recovery Plan prepared by an identified DSIB should include the following key elements:
 - 44.1. Structure of the bank
 - 44.2. Stress scenarios
 - 44.3. Recovery triggers and early warning indicators
 - 44.4. Recovery options
 - 44.5. Communication plan
 - 44.6. Crisis management governance
 - 44.7. Embedding of the recovery plan in overall Risk Management framework
 - 44.8. Mitigation of impediments to execution of Recovery Plan

5.3.3 Increased supervisory scrutiny and other supervisory implications

- 45. Identified DSIBs may also be subject to increased supervisory scrutiny in specific areas or on an overall basis. QCB may, upon its discretion and on a case by case basis, choose to utilise or implement additional qualitative or quantitative measures including additional reporting for the treatment of identified DSIBs. These additional supervisory measures, if any, will be communicated independently by QCB to the relevant DSIB.

Appendix A

Qatar Central Bank

Domestic Systemically Important Banks

Domestic Systemically Important Banks Assessment Data Template for Banks	
Bank name:	
Filled by:	
Date of bank's information	
Date template was completed:	

Basic instructions:
Only cells highlighted in YELLOW are to be filled in QAR 000s.

Abbreviations:
QFC - Qatar Financial Centre
NBFI - Non-banking Financial Institution

General Remarks:

Basic Instructions:

All amounts to be entered in QAR 000s

Only cells highlighted in YELLOW are to be filled in.

Item no.	Data Components	Definition	Level: Consolidated Banking Group Exposures*	Overseas branches and subsidiaries Exposures**
1	On Balance Sheet Assets	Total on balance sheet assets as per Financial Statements. All exposures inside and outside Qatar to be included. Exclude on balance sheet Securitized Financing Transactions (SFT) and Derivatives assets that will be shown separately. Balance sheet assets deducted from CET1 or Additional Tier 1 capital as per QCB Basel III Pillar I capital adequacy guidelines (e.g. Goodwill, Intangibles, deductions arising from investments in FIs exceeding materially thresholds, etc.). Please see section on "Supervisory deductions" in QCB Basel III Pillar I guidelines for details.		
2	Deductions from Tier I capital			
3	Off Balance Sheet Assets	Off Balance Sheet assets breakdown (Items 4 to 14) (as per Basel III Capital Adequacy classification of Off-BS exposures)		
4	Unconditionally callable commitments	Commitments that are unconditionally callable without prior notice		
5	Commitments with maturity up to one year	Commitments that are not unconditionally callable (other than securitization liquidity facilities) with original maturity up to 1 year		
6	Commitment with maturity over one year	Commitments that are not unconditionally callable (other than securitization liquidity facilities) with original maturity over 1 year		
7	Direct credit substitutes	General guarantees of performance (not standby letters of credit) serving as financial guarantees for banks and securities and commitments (not commitments with 100% cash collateral)		
8	Provided asset purchases, covered deposits and bank-yield shares and facilities	Forward asset purchases, forward deposits and equity risk sharing and securities		
9	Transaction related contingent items	E.g. Performance bonds, bid bonds, warranties, standby letters of credit		
10	Accrued interest and reversing derivatives liabilities	Wide balance facilities and revolving trade-related facilities		
11	Short-term asset securitization exposures with 100% cash collateral	E.g. Documentary credit, letter of credit, bank bill discounting		
12	Off-balance sheet securitization exposures	All Off-balance sheet securitization exposures (except structured liquidity facility or special purpose vehicle structure)		
13	Capital liquidity facilities	Exposure liquidity facilities set against in QCB class II (four credit security facilities (refer to paragraph 3.1.2 for conventions, principles and parameters set in liquidity facilities)		
14	Undrawn senior debt advances	Undrawn senior debt advances that are not unconditionally callable without prior notice. "Special facilities" (liquidity facilities) are defined in QCB pillar II (refer to capital adequacy guidelines (refer to paragraph 2.2.6 in conventional guidelines and paragraph 3.02 in liquidity guidelines)		

15	Gross SFT assets	SFTs transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions. Please see BCBS paper on Leverage ratio for details. http://www.bis.org/pub/bcbs270.pdf (hereinafter referred to as "Basel III Leverage ratio guidelines") Gross SFT assets with no recognition of any netting, removing certain securities received as determined by paragraph 33 (i) of Basel III Leverage ratio guidelines and adjusting for any sales accounting transactions as determined by paragraph 34 of Basel III Leverage ratio guidelines. Detailed breakdown of all SFTs to be provided in "Sec. Financing Transactions" or Table D		
16	(Netted amounts of cash payables and cash receivables of gross SFT assets)	Please see BCBS paper on Leverage ratio for details. http://www.bis.org/pub/bcbs270.pdf (hereinafter referred to as "Basel III Leverage ratio guidelines") Cash payables and cash receivables of gross SFT assets netted according to paragraph 33 (i) of Basel III Leverage ratio guidelines, reported as negative amounts.		
17	CCR exposure for SFT assets	Please see BCBS paper on Leverage ratio for details. http://www.bis.org/pub/bcbs270.pdf (hereinafter referred to as "Basel III Leverage ratio guidelines") Measure of counterparty credit risk for SFTs as determined by paragraph 33 (i) of Basel III Leverage ratio guidelines.		
18	Representations associated with all derivatives transactions (is not or eligible cash variation margin)	Please see BCBS paper on Leverage ratio for details. http://www.bis.org/pub/bcbs270.pdf (hereinafter referred to as "Basel III Leverage ratio guidelines") Representations (or RC) associated with all derivatives transactions (including exposures arising from transactions covered by paragraph 23 of Basel III Leverage ratio guidelines), net of cash variation margin received and with which associated collateral (being according to paragraph 6-21 and 26 of Basel III Leverage ratio guidelines). Netted positions of all derivatives transactions as reported in Table D for SFT assets. Please see BCBS paper on Leverage ratio for details. http://www.bis.org/pub/bcbs270.pdf (hereinafter referred to as "Basel III Leverage ratio guidelines")		
19	Add-on amounts for PFB associated with all derivatives transactions	Add-on amounts for PFB associated with all derivatives transactions according to paragraphs 19-21 of Basel III Leverage ratio guidelines.		

*All exposures arising from the consolidated banking group

**This would include only exposures originated from overseas subsidiaries or overseas branches of Qatar banking groups (i.e. those with Head Offices registered in Qatar)

Basic instructions:
 All amounts to be entered in QAR 000s
 Only cells highlighted in YELLOW are to be filled in.

Item no.	Data Components	Definition	Level: Consolidated Banking Group Exposures* (All exposures to be included) Only for Credit Facilities to PSEs and Total Credit Facilities rows, include only exposures to Qatar entities inside Qatar.
20	OTC Derivatives (notional amount)	Notional amount of all OTC derivatives, not including foreign exchange swaps or forwards held in the banking book for purposes of hedging. Detailed breakdown of all derivative transactions to be provided in "Derivatives" or Table 8.	
21	Investment in Associates	Total market value of all investments in Associates	
22	Total Unlisted Non-Government Securities	Total market value of unlisted non-government securities held by consolidated banking group. All exposures at consolidated level to be included. This should include also investments in non-listed funds and other non-listed equity-like investment products.	
23	Credit Facilities to PSEs	Total Credit Facilities provided by the Consolidated Banking group to PSEs in Qatar. PSEs are defined as per QCB Asset Liability adequacy guidelines. Only exposures inside Qatar to be included.	
24	Total Credit Facilities	Total Credit Facilities provided by the Consolidated Banking group to all individuals/entities in Qatar. Only exposures inside Qatar to be included.	

*All exposures arising from the consolidated banking group

Basic Instructions:
 All amounts to be entered in QAR 000s and data entered should be average of last 12 "end of month" positions.
 Only cells highlighted in YELLOW are to be filled in.

Item no.	Data Components	Definition	Consolidated Banking Group exposures or liabilities, unless specified differently in each row
25	On Balance Sheet Inter Bank Assets	On Balance Sheet inter bank assets. Exposures to QCB licensed Qatari banks and their group entities inside Qatar. This would exclude exposures to subsidiary or foreign branch of Qatari bank incorporated outside Qatar.	
26	Balances and lending (originated from consolidated banking group) to Qatari banks in Qatar	This should include deposits, placements, financing (loans), and other forms of short or long term financing. Only exposures to QCB licensed Qatari banks and their group entities outside Qatar to be included. This should also include any exposure from any foreign branches or foreign subsidiaries (i.e. any group entities of the banks) that are provided to other Qatari banks' foreign subsidiaries and their branches outside Qatar.	
27	Balances and lending (originated from consolidated banking group) to Qatari banks' branches and subsidiaries incorporated outside Qatar	For example , this will include the following: 1. Any balances and lending provided by the bank to the foreign branch or foreign subsidiary of another Qatari bank. (e.g. Any lending from Doha Bank in Qatar to Qatar Islamic Bank branch in Sudan) 2. Any balances and lending provided by the foreign branch or foreign subsidiary of the bank to the foreign branch or foreign subsidiary of another Qatari bank. (e.g. any lending provided by Almaraf Bank (subsidiary of Commercial Bank of Qatar) to QNB UK branch and vice versa.) This should include deposits, placements, financing (loans), and other forms of short or long term financing. Only exposures of consolidated banking group to branches of international banks operating in Qatar (and under QCB license) to be included. (e.g. lending from Doha Bank to HSBC branch in Qatar)	
28	Balances and lending (originated from consolidated banking group) to Qatari branches of international (non Qatari) banks	This should include deposits, placements, financing (loans), and other forms of short or long term financing.	
29	Investments (by consolidated banking group) in any Qatari bank (or banking group subsidiary)	All investments in debt securities, sukuk and equity participation of the consolidated banking group in any other Qatari bank or its group entities inside or outside Qatar.	
30	Balances and lending (from consolidated banking group) to banks in QFC	Exposures of consolidated banking group to banks licensed under QFC to be included. This should include deposits, placements, financing (loans), and other forms of short or long term financing	
31	Investments (of consolidated banking group) in any QFC licensed banks	All investments in debt securities, sukuk and equity participation of the consolidated banking group in any QFC licensed banks.	
32	Off Balance Sheet Inter Bank Assets	Off Balance Sheet Inter Bank Assets All contingent liabilities including LCs and LGs provided to banks. All types of commitments provided to banks. This should include credit and liquidity facilities provided to banks. Any credit enhancement provided to banks and underwriting exposures.	

[Handwritten signature]

33	On 85 exposures (of consolidated banking group) to other banks in Qatar	Only include exposures to QFC licensed banks in Qatar (only QFCs incorporated in the banking group) and to include exposures to foreign branches or subsidiaries of QFCs and to include exposures to branches of international banks in Qatar (licensed banks).	
34	On 85 exposures (of consolidated banking group) to foreign branches and subsidiaries of QFCs in Qatar	Include only exposures to foreign branches and subsidiaries of QFCs licensed in Qatar (e.g. exposures to HSBC Qatar).	
35	On 85 exposures (of consolidated banking group) to branches of international banks in Qatar	Only include exposures to branches of international banks in Qatar (e.g. exposures to HSBC Qatar).	
36	On 85 exposures (of consolidated banking group) to banks under QFC	Only include exposures to banks licensed under QFC.	
37	On Balance Sheet Assets (Non Banking Financial Institutions (NBFIs))	On Balance Sheet assets (NBFIs only). NBFIs to include investment companies, finance companies, insurance firms and exchange houses.	
38	Balances and lending (from consolidated banking group) to NBFIs in Qatar	Only exposures to Qatari NBFIs inside Qatar to be included.	
39	Balances and lending (from consolidated banking group) to foreign subsidiaries of Qatari NBFIs	Should include all deposits, placements and financing (loans) provided. Only exposures to Qatari NBFIs' foreign subsidiaries outside Qatar to be included.	
40	Investments (of consolidated banking group) in any Qatari NBFIs inside or outside Qatar	Should include all deposits, placements and financing (loans) provided. All investments in debt securities, sukuk and equity participation of the consolidated banking group in any NBFIs or the NBFIs' group entities inside or outside Qatar.	
41	Balances and lending (from consolidated banking group) to NBFIs in QFC	Only exposures of consolidated banking group to NBFIs operating under QFC to be included.	
42	Investments (of consolidated banking group) in any QFC NBFIs	Should include all deposits, placements and financing (loans) provided. All investments in debt securities, sukuk and equity participation of the consolidated banking group in any QFC NBFIs.	

43	On-Balance Sheet Assets (NBFI)	On-Balance Sheet assets (NBFI only). NBFI is to include investment companies, insurance firms and exchange houses. All contingent liabilities including LCs and LTs provided to NBFI. All types of commitments provided to NBFI. This should include capital and liquidity facilities provided to NBFI. Any credit enhancement provided to NBFI and underlying exposures.	
44	Of 43 exposures (of consolidated banking group) to NBFI in Qatar	Only includes exposures to NBFI inside Qatar (Qatar address only).	
45	Of 43 exposures (of consolidated banking group) to foreign subsidiaries of Qatar NBFI	Only include exposures to foreign subsidiaries of Qatar NBFI.	
46	Of 43 exposures (of consolidated banking group) to NBFI under QFC	Only include exposures to NBFI under QFC.	
47	On Balance Sheet Inter Bank Liabilities	Total On Balance Sheet liabilities (banks).	
48	Balances and borrowing (of consolidated banking group) from Qatari banks inside Qatar	Only balances and borrowing from other QCB licensed Qatari banks inside Qatar to be included. Not to include balances and borrowing from foreign branches or subsidiaries, Qatari branches of international banks or QFC licensed banks.	
49	Balances and borrowing (of consolidated banking group) from Qatari banks (i.e. their subsidiaries or branches) outside Qatar	Only balances and borrowing from other QCB licensed Qatari banks' foreign branches and/or foreign subsidiaries outside Qatar to be included.	
50	Balances and borrowing (of consolidated banking group) from branches of international (non-Qatari) banks in Qatar	Only balances and borrowing from branches of international banks (e.g. HSBC Qatar) in Qatar to be included.	
51	Debt securities or Sukuk issued by consolidated banking group to any Qatari banks or banking group entity	All investment debt securities and sukuk issued by the consolidated banking group to Qatari banks or their group entities (if banks) inside or outside Qatar. Subsidiaries of Qatari banks that may have invested in consolidated banking group securities should be included.	
52	Balances and borrowing (of consolidated banking group) from QFC licensed banks	Only balances and borrowing from QFC licensed banks to be included.	
53	Debt securities or Sukuk issued by consolidated banking group to QFC banks	All investment debt securities and sukuk issued by the consolidated banking group to QFC licensed banks. Subsidiaries of QFC entities that may have invested in consolidated banking group securities should be included.	

64	On Balance Sheet Interbank Liabilities	Total Off Balance Sheet Liabilities (banks) All contingent liabilities including JOs and JOs received from banks. All types of commitments received from banks. This should include credit and liquidity facilities received from banks. Off credit enhancement received from banks and underlying exposures.	
65	Off BS liabilities (or consolidated banking group) to other banks in Qatar	Only include Off BS liabilities to other Qatari banks. Do not include in Qatar (Qatar branches only).	
66	Off BS liabilities (or consolidated banking group) to other banks and subsidiaries of other Qatari banks	Only include Off BS liabilities to foreign branches and subsidiaries of other Qatari banks. (e.g. Exposures to JIB Sudan)	
67	Off BS liabilities (or consolidated banking group) to Qatari branches of international (non-Qatari) banks	Only include Off BS liabilities to branches of international banks in Qatar (e.g. Exposure to HSBC Qatar)	
68	Off BS liabilities (or consolidated banking group) to banks under QFC	Only include Off BS liabilities to banks licensed under QFC.	
59	Interbank equity investments	Investments in consolidated banking groups shares (equity capital) by other banking groups in Qatar. Any investment made in the bank's or bank's subsidiaries share capital by other Qatari banks or their subsidiaries.	

60	On Balance Sheet Liabilities (NBFIs)	Total On Balance Sheet Liabilities (NBFIs)
61	Balances and borrowing (of consolidated banking group) from NBFIs inside Qatar	Only liabilities to NBFIs inside Qatar to be included
62	Balances and borrowing (of consolidated banking group) from NBFIs outside Qatar	Only liabilities to NBFIs outside Qatar to be included
63	Deposits and borrowings (of consolidated banking group) from NBFIs	All investment debt securities and subordinated by the consolidated banking group to NBFIs or their group entities inside or outside Qatar
64	Borrowings and borrowing (of consolidated banking group) from QFC	Only liabilities to QFC NBFIs to be included
65	Borrowings and borrowings (of consolidated banking group) from QFC	All investment debt securities and subordinated by the consolidated banking group to QFC NBFIs
66	Off Balance Sheet Liabilities (NBFIs)	Total Off Balance Sheet Liabilities (NBFIs)
67	Off BS liabilities (of consolidated banking group) to NBFIs inside Qatar	All contingent liabilities including LCs and LGs received from NBFIs. All types of commitments received from NBFIs. This should include credit and liquidity facilities received from NBFIs. Any credit enhancement received from NBFIs and underwriting exposures.
68	Off BS liabilities (of consolidated banking group) to foreign subsidiaries of Qatari NBFIs	Only include Off BS liabilities to NBFIs inside Qatar
69	Off BS liabilities (of consolidated banking group) to NBFIs under QFC	Only include Off BS liabilities to foreign subsidiaries of Qatari NBFIs.
70	Equity investments by NBFIs	Only include Off BS liabilities to NBFIs under QFC.
		Total investments in any of the consolidated banking group entities shares (equity capital) by Qatari NBFIs or their Qatari sub-ordinate.

1. *Any*

COLUMN	DESCRIPTION FOR COLUMN IN TABLE D - SFTs	
Counterparty ID	Unique ID of the counterparty	
Transaction ID	Unique ID for each transaction	
Transaction type	Indicate whether the transaction involves the bank receiving or lending cash.	
	Cash received	Where bank is receiving cash for securities. (Repo style transaction)
	Cash lent	Where bank is lending cash against securities. (Reverse repo style transaction)
Nominal Exposure Amount - Gross SFT value (QAR 000s)	The nominal exposure amount defined as the gross value of the Securities Financing Transaction in QAR 000s	
Transaction Fair/MTM value	The total fair value of cash and/or securities lent/received in the transaction.	
Netting set ID	Provide a unique ID for each transaction that can be netted into one set. There must be a Netting Agreement in place for transactions to be netted under one Netting set ID. Leave empty if transaction does not fall under any corresponding netting agreement.	
Transaction originated at or from foreign branch or foreign subsidiary	Indicate whether the transaction originated at or from foreign branch or foreign subsidiary of the bank. Internal intra-group transactions should be excluded.	
	Yes	Yes if the transaction originated at or from any group entity incorporated outside Qatar
	No	No if the transaction originated at or from group entity legally incorporated inside Qatar

25

Table D for Securities Financing transactions				Transaction originated at
---	--	--	--	---------------------------

[illegible]

7/6/4

COLUMN	DESCRIPTION FOR COLUMN IN TABLE E - DERIVATIVES
Counterparty ID	Unique ID of the counterparty.
Transaction ID	Unique ID for each transaction.
OTC/Exchange Traded	Indicate if derivative contract is traded over the counter (OTC) or on an exchange Traded over the counter. Traded on an exchange.
Derivative type	Indicate the type of derivative contract Forward/Future Option Swap Other For all kinds of forward/futures contracts. For all kinds of options contracts. For all kinds of swaps (e.g. Interest rate swaps, cross currency swap, cross currency interest rate swaps, etc.) Include all other type of derivatives contracts
Derivative basis	Indicate the derivative basis based on the type of the underlying. In cases of derivatives where two kinds of underlying may apply, please indicate the type as the one with higher add-on factor as defined in paragraph 120 of QCB Basel III Pillar I guidelines for conventional banks. For e.g. for cross currency interest rate swaps please indicate as FX. FX IR Equities Gold Other Commodity Credit Derivative For derivatives transactions where underlying is Foreign Exchange / Currency. For derivatives transactions where underlying is Interest rate / Profit Rate. For derivatives transactions where underlying is Equity. For derivatives transactions where underlying is Gold. For derivatives transactions where underlying is commodities other than Gold. For all kinds of credit derivative transactions.
Position type	Indicate the type of position in the derivative transaction. Long Short Where the bank's position in the derivative transaction is Long. Where the bank's position in the derivative transaction is Short.
Banking Book or Trading Book	Indicate whether the derivative transaction is part of the Trading Book or the Banking Book. Trading Book Banking Book Where the derivative transaction is part of the Trading Book. (Please see Annex 6: Definition of Trading Book in QCB Basel III Pillar I guidelines for Capital Adequacy)
Contract used for hedging (Y/N)	Where the derivative transaction is part of the Banking Book. Indicate whether the derivative transaction is used for hedging purposes. Y N Transaction used for hedging purpose. Transaction not used for hedging purpose.
Remaining Maturity (yrs)	Remaining time in years till maturity of the derivative transaction.
Effective notional amount (QAR 000s)	The notional value of the derivative transaction in QAR 000s.
Transaction Fair/MTM value	The Fair Value or MTM of the derivative transaction.
Netting set ID	Provide a unique ID for each transaction that can be netted into one set. There must be a Netting Agreement in place for transactions to be netted under one Netting set ID. Leave empty if transaction does not fall under any corresponding netting agreement.
Transaction originated at or from foreign branch or foreign subsidiary	Indicate whether the transaction originated at or from foreign branch or foreign subsidiary of the bank. Internal intra-group transactions should be excluded. Yes No Yes if the transaction originated at or from any group entity incorporated outside Qatar No if the transaction originated at or from group entity legally incorporated inside Qatar

DA

Table E for Derivatives transactions

[illegible]

the