

# EXL's Basel 4 calculator

for better regulatory compliance and control

October 2023



The European Commission's CRD6/CRR3 package and the UK PRA's CP16/22 aims at implementing Basel 4/3.1 by 2025. As a result, banks will need to be able to easily manage intricate computations and perform in-depth analysis on the fly. EXL's Basel 4 calculator helps achieve these goals through dedicated modules on data modeling and governance, RWA calculation, regulatory reporting, and stress-testing.

## A. Data modeling and governance

- A1** The module provides even banks just starting their Basel compliance path with ready-to-use data models. Also included are support capabilities for the relevant data types, attribute definitions, and sample data views.
- A2** Ensure governance through BCBS 239 and appropriately using data in the context of CRR. Establish data quality through this dedicated module featuring data validation and reconciliation checks, with options to report or request data changes.

### Ingested data dimensions and attribute definitions

Identification fields	Asset classification	Exposure	Impairment	Currency
Facility details	<b>Collateral</b>	Guarantee	External ratings	Risk weights

Basel Norm:  All  Basel IV exclusive

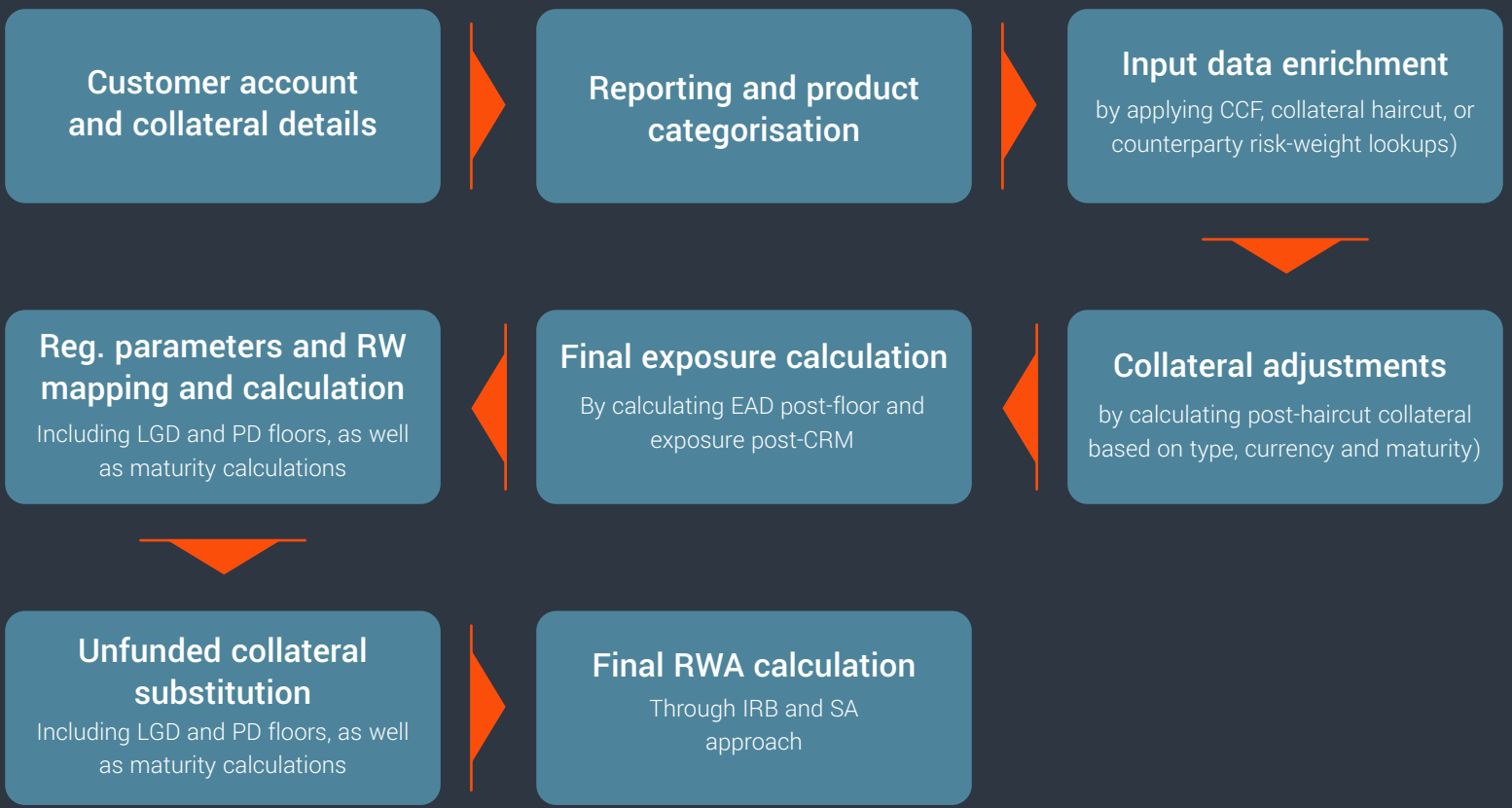
[Report to data owner](#)

Collateral Table		
Sr No	Data attribute name	Definition
1	COLLATERAL_ID	Unique identifier for an individual collateral securing an associated exposure
2	CURRENCY_MISMATCH	Flag identifying collateral denominated in currencies other than exposure's
3	ISSUER	Collateral issuer categorized as sovereign, securitization, bank or others

## B. Basel 4/3.1 calculator

300+ capital rules have been converted into live implementation with a mapping available for each regulation. Calculation rules range across Standardised, F-IRB, and A-IRB approaches, with the flexibility to incorporate newer directives for future.

(Process Flow)



## C. Reporting module

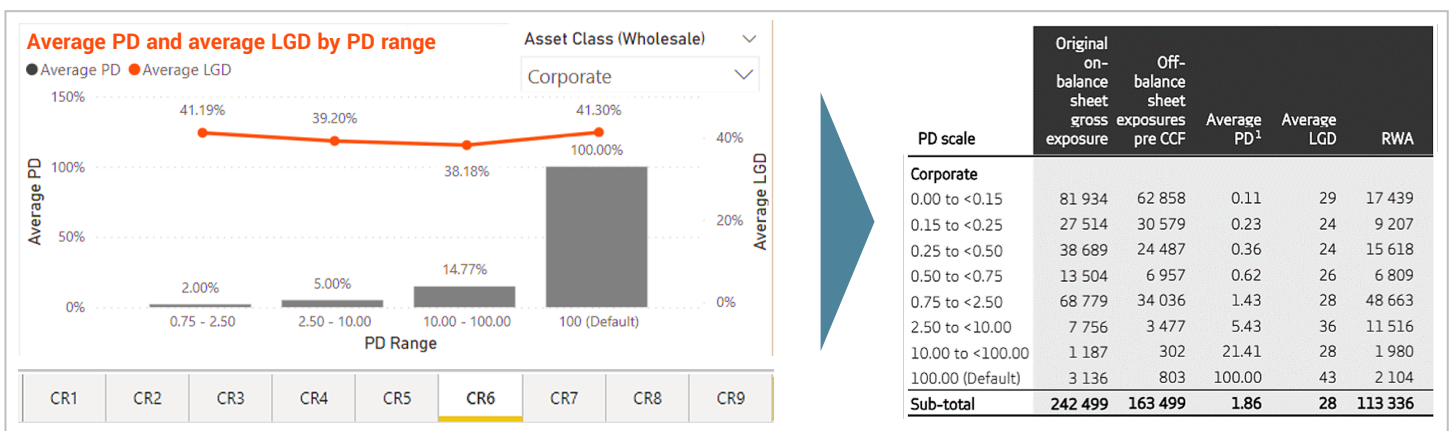
Seamlessly automate reports that comply with Basel and CRD regulations. Regulatory reports can be delivered on a self-serve, automated, or pre-scheduled basis with robust data integration and best-in-class visualization.

[Pillar 3 disclosures](#)

[COREP templates](#)

[Parameter summaries](#)

### CR6 Pillar-3 disclosure



## D. Analysis module

Conveys scenario changes and driver impacts in a concise and impactful manner. The right benchmarks and interactive elements allow users to further analyze the data.

- RWA impact analysis | Basel 3 to Basel 4/3.1**  
Insightful visualizations show positive and negative RWA changes across a range of asset classes, RWA approaches, and model parameters.
- Macro and climate stress testing**  
Evaluates the impact of stressing model parameters using various economic scenarios for regulatory exercises and capital planning.
- Risk concentration analysis**  
Evaluates how much exposure and risk an asset class has to a single large borrower.
- Output floor analysis**  
Compares IRB RWA values with different levels of output floor applied to the SA RWA values to calculate the incremental capital.

To find out more on this and our other risk analytics and data offerings, please get in touch with the EXL EMEA Risk CoE:

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