



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

PRESS RELEASE

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ECB finalises guide to harmonise rules on banks' internal models

- ECB publishes final chapters of the guide to internal models, covering credit risk, market risk and counterparty credit risk
- Risk type-specific chapters complement earlier chapters on general topics such as internal governance and audit
- Guide intends to ensure uniform understanding of existing legal framework

The European Central Bank (ECB) today publishes the final chapters of its guide to internal models, following a public consultation which ended on 7 November 2018.

These three [risk type-specific chapters](#) cover credit risk, market risk and counterparty credit risk. They are intended to ensure a common and consistent approach to the most relevant aspects of the regulations on internal models for banks directly supervised by the ECB. This follows the publication of the [general topics guide](#) (i.e. not risk type-specific) in November 2018.

The risk type-specific chapters provide transparency on how the ECB understands the regulations on the use of internal models to calculate own funds requirements for credit risk, market risk and counterparty credit risk.

The guide was drafted in close cooperation with the national competent authorities and draws on the experience gained in the context of the targeted review of internal models (TRIM) project. Before the public consultations were launched, banks provided feedback and, as part of the TRIM project, reviews and horizontal analyses were conducted. TRIM is a multi-year project which aims to make the implementation of internal models more consistent. It is essential to creating a level playing field for banks under ECB supervision.

The risk type-specific chapters, a feedback statement on the public consultation and the comments received from the industry are available on the ECB's [banking supervision website](#).

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