16 May 2014

Instructions for EBA data collection exercise on CVA

Contents

1. Introduction

The EBA is mandated by the CRR to produce a CVA report, a CVA review on the application of CVA charges to non-financial counterparties (NFC) established in a third country and RTS to specify the procedures for excluding transactions with NFC established in a third country from CVA risk.

The EBA will use the data collection exercise in order to inform the recommendations made to the European Commission in its report on CVA risk and support its review on the application of CVA charges to NFC established in a third country. Where appropriate, the EBA will use the conclusions of its CVA report to inform international discussions on CVA risk.

The data collected in this exercise will be treated as strictly confidential.

These instructions are provided to facilitate the completion of the templates for the data collection exercise on CVA and are not to be construed as an interpretation of the provisions of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) on prudential requirements for credit institutions and investment firms.

CVA Report – CRR Article 456(2)

According to Article 456(2), *'the EBA shall monitor the own funds requirements for CVA risk and by 1 January 2015 submit a report to the Commission. In particular, the report shall assess:*

> *(a) the treatment of CVA risk as a stand-alone charge versus an integrated component of the market risk framework;*
>
> *(b) the scope of the CVA risk charge including the exemption in Article 482;*
>
> *(c) eligible hedges;*
>
> *(d) calculation of capital requirements of CVA risk.*
>
> *On the basis of that report and where the findings are that such action is necessary the Commission shall also be empowered to adopt a delegated act in accordance with Article 462 to amend Article 381, Article 382(1) to (3) and Articles 383 to 386 concerning those items.'*

Despite referring to specific issues in relation with the CVA risk charge, the scope of the mandate appears to be deliberately very large, as it includes the monitoring of institutions' own funds requirements for CVA risk, the review of the scope of the CVA risk charge and the calculation of capital requirements for CVA risk under both Advanced and Standardised methods.

Where the findings are such that action is necessary, the Commission is empowered to adopt a delegated act to amend CRR articles dealing with CVA. According to Article 456(2), all articles of Title VI of CRR are concerned (Articles 381 to 386) with the notable exception of Article 382(4). Article 382(4), which excludes certain transactions from the own funds requirements for CVA risk, such as transactions with non-financial counterparties, intragroup transactions, transactions with a pension scheme arrangement and transactions with some sovereign counterparties, remains out of the scope of the provisions that the Commission is empowered to amend.

Review and RTS on the application of CVA charges to non-financial counterparties established in a third country – CRR Article 382(5)

According to CRR Article 382(5), *'EBA shall conduct a review by 1 January 2015 and every two years thereafter, in the light of international regulatory developments and including on potential methodologies on the calibration and thresholds for application of CVA charges to non-financial counterparties established in a third country.*

EBA in cooperation with ESMA shall develop draft regulatory technical standards to specify the procedures for excluding transactions with non-financial counterparties established in a third country from the own funds requirement for CVA risk.

EBA shall submit those draft regulatory technical standards within six months of the date of the review referred to in the first subparagraph.'

The first part of the mandate requires the EBA to produce by the 1 January 2015 a review on the application of CVA charges to non-financial counterparties (NFC) established in a third country, including review of thresholds and potential methodologies on the calibration of these thresholds.

Based on this review, the EBA has to develop, in cooperation with ESMA and by the 1 July 2015, draft RTS to specify the procedures for excluding transactions with NFC established in a third country from the own funds requirement for CVA risk.

2. General

2.1 Scope of the exercise

This data collection exercise will be carried out on a voluntary basis. However, the EBA expects institutions with relatively substantial portfolios of OTC derivatives to participate in the exercise, regardless of whether they use the advanced or the standardised method as the main approach for calculating their own funds requirements for CVA risk, since these institutions will likely be comparatively more affected by potential amendments made to the EU CVA framework.

Unless noted otherwise, data should be reported for consolidated groups.

2.2 Reporting date

Unless noted otherwise, all data should be reported as of 31 March 2014.

2.3 Filling in the data

This data collection exercise should be completed on a best efforts basis. Where a participating bank is unable to answer a question, the corresponding cell should be left empty. No text such as NA should be entered in these cells. However, when the answer to a question is 0, banks should fill in the cell with 0.

The questions target all institutions participating in the data collection exercise, unless stated otherwise in the template spreadsheet and in the instructions (e.g. some questions are only relevant for institutions using the advanced CVA method).

Answers to the questions should only be provided in the dedicated yellow cells.

Percentages should be entered as decimals.

When filling in the data, the already published EBA Single Rulebook Q&A related to the own funds requirement for CVA risks, available under the link http://www.eba.europa.eu/single-rule-book-qa#search, may help firms to interpret the CRR level 1 text.

2.4 General assumptions for the data collection exercise

In this data collection exercise, the definition of “unilateral CVA” (or simply “CVA”) follows the definition provided under CRR Article 381.

“Bilateral CVA” means the calculation and application of both a CVA and a “debit value adjustment” (or simply “DVA”) components to the portfolio of transactions with a counterparty.

DVA reflects the current market value of the credit risk of the institution to the counterparty. CVA and DVA may be calculated jointly or separately, depending on the bank's own practice.

For the sake of simplicity, banks are asked to comply with the following assumptions throughout the data collection exercise:

- Exchange-traded derivatives shall not be included in the scope of the own funds requirements for CVA risk;
- The own funds requirements for CVA risk shall not be applied to eligible hedges;

"Own funds requirements for CVA risks" and the "CVA risk charge" are used interchangeably with the same meaning.

Finally, each time a recalculation of the CVA risk charge is requested, and in order to limit the number of recalculations, the re-calculated CVA VaR and Stressed VaR are assumed to be flat over January, February and March 2014 i.e. the component of the own funds requirement for CVA risk computed using the advanced approach shall be approximated as the sum of:

- the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43)
- and the most recent CVA Stressed VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43).

A similar assumption is made for computations involving market risk internal models, as specified in the detailed instructions.

All these assumptions are used in the present data collection exercise to ensure consistent outputs across participating banks; they do not constitute an interpretation of the CRR. Any clarification about the application of the CRR in these areas shall be sought via the formal EBA Q&A process.

2.5 Process

Institutions should submit the completed templates to their National Supervisory Authority (NSA), which will forward them to the EBA.

Throughout the exercise, participating institutions can submit their questions on the templates or instructions by e-mail to CVA-report@eba.europa.eu. A document with responses to Q&A will be maintained on the EBA website.

Institutions should specify any instance where they had to deviate from the instructions provided in an additional document.

2.6 Timeline

It is expected that the data collection exercise should require 4 months to be fully completed by any European bank, including data scrubbing and firms' resubmission. Banks will have until 31 July to fill in the requested templates and submit them to their National Supervisory Authority. The EBA will perform data cleaning and data analysis during the first week of August. In case of data quality issues, some questions/requests for clarification will be sent by the EBA to the relevant National Supervisory Authority, which should circulate them to the banks concerned. These banks will be asked to resubmit data to their National Supervisory Authority by 29 August.

The following timeline will apply:

(a) 30 April 2014: publication of the templates on the EBA website

(b) 16 May 2014: publication of the instructions and revised templates on the EBA website

(c) 31 July 2014: deadline for banks to submit templates to NSA

(d) 1 August 2014: deadline for NSA to submit templates to EBA

(e) **1st week of August: EBA analysis team** to perform data quality checks

(f) 8 August 2014: EBA questions relating to specific firm's contributions circulated to relevant NSA, which circulate them to concerned banks

(g) 29 August 2014: deadline for banks to resubmit templates

(h) **1st week of September: EBA analysis team** to analyse data and prepare material for September SGMR meeting

(i) End September: presentation of the outcomes of the data collection exercise to participating banks

(j) September-December: Finalisation of data analysis and discussion of CVA Report recommendations

(k) December 2014: Submission of CVA Report to the European Commission and publication on the EBA website.

3. Template A – General information

3.1 Panel A.1 - Bank description

Row	Column	Heading	Description
4	E	Bank name	Please provide the name of the legal entity or head of the group.
5	E	Reporting currency used in template	Please provide the three-character ISO code (e.g. EUR, GBP…).
6	E	Solo or Group Basis	Please select from the drop-down menu the level at which the data has been computed. This refers to the consolidation for regulatory rather than accounting purposes. All the data should be reported on a consolidated basis unless the location of the consolidated group is outside Europe.
7	E	Reporting Unit	Please indicate whether the numbers are given in units, thousands or millions.
8	E	Accounting standards applied	Please provide the accounting standards applied for financial reporting purposes (e.g. IFRS, national GAAP).
9	E	Permission to use Internal Model Method	Please indicate whether you had been granted the permission to use the IMM according to CRR Article 283 as of 31 March 2014.
10	E	Permission to use internal model for the specific risk of debt instruments	Please indicate whether you had been granted the permission to use the internal model for the specific risk of debt instruments according to CRR Article 363(1) as of 31 March 2014.

3.2 Panel A.2 – Current and future applications for new model permissions

Row	Column	Heading	Description
15	E	Have you already applied or are you planning to apply in the course of 2014 for the permission to use the Internal Model Method?	Please indicate if you have applied or if you plan in the near future to apply for the permission to use the IMM according to CRR Article 283.

Row	Column	Heading	Description
15	F	If Yes to E, what is the main motivation for your application	Please select the main motivation from the drop-down menu.
15	G	If Other in F, please indicate (max. 50 words)	If Other has been selected from the drop-down menu in F, please describe the alternative motivation in max. 50 words.
16	E	Have you already applied or are you planning to apply in the course of 2014 for the permission to use the internal model for the specific risk of debt instruments?	Please indicate if you have applied or if you plan in the near future to apply for the permission to use the internal model for the specific risk of debt instruments according to CRR Article 363(1).
16	F	If Yes to E, what is the main motivation for your application	Please select the main motivation from the drop-down menu.
16	G	If Other in F, please indicate (max. 50 words)	If Other has been selected from the drop-down menu in F, please describe the alternative motivation in max. 50 words.

3.3 Panel A.3 – Internal CVA and DVA practices

Row	Column	Heading	Description
21	E	Do you compute for pricing and risk management purposes…?	Please select an approach from the drop-down menu. If different approaches are applied, please indicate the approach applied for most of your counterparties.
21	F	If Yes to E, how many transactions are subject to the calculation?	Please give all the transactions that enter into the calculation of the approach provided in E.
21	G	If Yes to E, how many counterparties are subject to the calculation?	Please give all the counterparties (excluding yourself if you calculate a DVA component) that enter into the calculation of the approach provided in E.
21	H	If Yes to E, what are the main modelling assumptions of your calculation (max 100words)?	The main modelling assumptions may include the modelling of risk factors, the choice of stochastic processes for the exposures, the choice of dependency between the exposures and the credit risk of the counterparty/your credit risk, the modelling of your counterparties' credit risk, the modelling of your counterparties' default.
21	I	If Yes to E, do you use historical default probabilities for your calculation?	Historical default probabilities are understood here as default probabilities estimated from past data and not extracted from current market data. The question applies to the default probabilities of

Row	Column	Heading	Description
			your counterparties as well as your own default probabilities in case you calculate a DVA component.
21	J	If Yes to I, for which counterparties?	Please give all the counterparties (excluding yourself if you calculate a DVA component) for which you use historical default probabilities.
21	K	For the counterparties mentioned in J, how do you compute the credit spreads of the advanced CVA charge?	For the counterparties for which historical default probabilities are used for pricing and risk management purposes, please elaborate on the approach used to derive the credit spreads for the regulatory advanced CVA charge (only banks using the advanced approach).
25	E	Do you compute for financial reporting purposes…?	Please select an approach from the drop-down menu. If different approaches are applied, please indicate the approach applied for most of your counterparties.
25	F	If Yes to E, on which accounting rules do you base your calculation?	Please provide the reference (article, paragraph) of the accounting standards used.
25	G	If Yes to E, does this calculation differ from the calculation used for pricing and risk management purposes?	Please select an answer from the drop-down menu.
25	H	If Yes to G, what are the main differences?	Please give the main differences between the calculations performed for pricing and risk management purposes and for financial reporting purposes (e.g. differences in inputs, in methodologies). Please do not exceed 100 words.
30	E	Do you have a centralised "CVA desk" from which the majority of the CVA risks of the bank is managed?	A CVA desk has to be understood as a distinct unit whose main purpose is to consolidate, analyse and hedge the CVA risks arising from the activities of the other business units of the bank. For consolidated entities, there may be more than one CVA desks. In this case, the answer is Yes.
30	F	If yes to E, do you book in the CVA desk the financial instruments that hedge the non-credit spread risks of CVA? Please elaborate (max 50 words)	Please elaborate on how the market value of these hedging instruments is aggregated with your unilateral/bilateral CVA and how your CVA hedging policies define the use of these instruments.

3.4 Panel A.4 – Inconsistencies between the accounting and the prudential CVA frameworks

For this section, the following instructions shall be taken into account:

- The category "OTC and exchange-traded derivative transactions/Securities financing transactions for which an accounting CVA component is calculated but which are not subject to the CVA charge" shall include the transactions that are subject to a CVA calculation for financial reporting purposes.
- The category "OTC derivative transactions/Securities financing transactions for which no accounting CVA component is calculated but which are subject to the CVA charge" shall include transactions that may be subject to a CVA calculation for pricing and risk management purposes but are excluded for the CVA calculation for financial reporting purposes.

Row	Column	Heading	Description
35, 37	E	CS01 of CVA calculated for pricing and risk management purposes (gross of hedges)	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001). For the calculation of the 'CS01 Gross of hedges' firms shall not take into consideration financial instruments (derivatives or not) used to mitigate CVA risks.
35,37	F	CS01 of CVA calculated for pricing and risk management purposes (net of hedges)	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001). For the calculation of the 'CS01 net of hedges' firms shall take into consideration single-name financial instruments (derivatives or not) used to mitigate the credit spread risk of CVA if all the OTC derivative transactions (resp. SFTs) with the related counterparty fall under the same category in Panel A.4. No multi-name financial instruments, e.g. CDS indices, nor other hedging instruments for other CVA risks than credit spread risk shall be taken into consideration in the calculation of CS01.

Row	Column	Heading	Description
36, 38	G	RWA for CVA risks	Sum of the RWA for CVA risks under the advanced and the standardised approaches. The component of the own funds requirement for CVA risk computed using the advanced approach shall be approximated as the sum of: - the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43) - and the most recent CVA Stressed VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43) (i.e. in order to limit the number of recalculations, the re-calculated CVA VaR and Stressed VaR are assumed to be flat over January, February and March 2014). The RWA for CVA risks corresponds to the own funds requirements for CVA risk multiplied by 12.5 in order to obtain RWA.
35, 36, 37, 38	H	Number of transactions	Please give the total number of distinct transactions.
35, 36, 37, 38	I	Number of counterparties	Please give the total number of distinct counterparties.
35, 37	J	Nature of counterparties and/or transactions	Please do not provide the exact names of these counterparties or transactions. Instead, provide a synthetic description using generic terms or a combination of attributes that describe the counterparties and/or transactions (e.g. for counterparties: sector, type of business activity, region, credit quality, etc.; for transactions: asset class, type of transaction, subject to margining, etc.).

3.5 Panel A.5 – Multiplier in the CVA VaR (only banks using the advanced approach)

Row	Column	Heading	Description
43	E	Have you been asked by your NSA to apply a multiplier	The multiplier, which is referred to here, corresponds

Row	Column	Heading	Description
		higher that three to the CVA charge (VaR + stressed VaR)?	to the one set out under CRR Article 383(5)(c). Please select the appropriate answer from the drop-down menu. Please select Yes when a multiplier higher than three has been applied for the calculation of the own funds requirements for CVA risks as of 31 March 2014.
43	F	If Yes to E, what are the main reasons?	Please summarise in max. 100 words the feedback received from your competent authorities that justified the application of a multiplier higher than three.
43	G	If Yes to E, please provide the multiplier for the VaR component of the CVA risk charge.	Please provide the multiplier applied to the CVA VaR as of 31 March 2014 if higher than three.
43	H	If Yes to E, please provide the multiplier for the Stressed VaR component of the CVA risk charge.	Please provide the multiplier applied to the CVA Stressed VaR as of 31 March 2014 if higher than three.

3.6 Panel A.6 – Historical period used for the CVA charge (only banks using the advanced approach)

Row	Column	Heading	Description
48, 49	E	The historical period used for the stressed calibration of the Stressed VaR component for CVA risks	Start and end dates of the period of stress set out under CRR Article 383(5)(b).
48, 49	F	The historical period used for the stressed calibration of the Stressed VaR component for market risks	Start and end dates of the period of stress set out under CRR Article 365(2).
48, 49	G	The historical period used for the stressed calibration of the IMM exposure measures	Start and end dates of the period of stress set out under CRR Article 292(2), second subparagraph.

3.7 Panel A.7 – Formula used for the advanced approach (only banks using the advanced approach)

Row	Column	Heading	Description
54	E	Out of the four formulae proposed for the approach, which one are you using?	Please select one of the four formulae, as set out under CRR article 383(2), from the drop-down menu.

4. Template B – General data

4.1 Panel B.1 – Breakdown of CVA charge

For this section, the following instructions shall be taken into account:

- A given transaction can be listed in only one of the following three categories: "For which only the advanced approach of the CVA charge is applied", "For which only the standardised approach of the CVA charge is applied", "For which no CVA charge is applied".
- A given counterparty can be listed in only one of the following four categories: "For which only the advanced approach of the CVA charge is applied", "For which only the standardised approach of the CVA charge is applied", "For which both the advanced and standardised approach of the CVA charge is applied", "For which no CVA charge is applied".
- For transactions to which no CVA charge is applied, the requested CVA and CS01 of CVA used for pricing and risk management purposes shall only be provided when they are currently calculated for pricing and risk management purposes.

Row	Column	Heading	Description
5, 6, 8, 9, 10, 11, 13	E	CVA used for pricing and risk management	Banks should use their internal calculation of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). This calculation is gross of CVA hedges.
5, 6, 8, 9, 10, 11, 13	F	CS01 of CVA used for pricing and risk management Gross of CVA hedges	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA).The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001). For the calculation of the 'CS01 Gross of hedges' firms shall not take into consideration financial instruments (derivatives or not) used to mitigate CVA risks.
5, 6, 8, 9, 10,	G	CS01 of CVA used for pricing and risk management	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit

Row	Column	Heading	Description
11, 13		Net of CVA hedges	standing of the participating bank (e.g. DVA). The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001). For the calculation of the 'CS01 net of hedges' firms shall take into consideration single-name financial instruments (derivatives or not) used to mitigate the credit spread risk of CVA if all the OTC derivative transactions (resp. Credit derivatives recognised to reduce risk-weighted exposure amounts for credit risk, SFTs) with the related counterparty fall under the same category in Panel B.1. No multi-name financial instruments, e.g. CDS indices, nor other hedging instruments for other CVA risks than credit spread risk shall be taken into consideration in the calculation of CS01.
5	H	CS01 of CDS indices used to hedge CVA risks	Banks should use their internal calculation of CS01 of CDS indices used to hedge CVA risks. Only CDS indices recognised as eligible hedges under CRR Article 386 shall be taken into account in this calculation. The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001).
5, 6, 8, 9,10, 11, 13	I	Number of transactions	Please give the total number of distinct transactions.
5, 6, 7, 8, 9,10, 11, 12, 13	J	Number of counterparties	Please give the total number of distinct counterparties.

4.2 Panel B.2 – Evolution of CVA charge and CS01 (March 2013 – March 2014)

For this section, banks should only provide the figures in Panel B.2 if the figures are available and were calculated within a month after the relevant reporting date (e.g. the 31 May 2013 figure shall have been calculated between 01 June 2013 and 30 June 2013).

In the case where a particular figure is not available for a particular month, banks should not try to retrospectively recalculate the missing figure. However, since CRR provisions apply from 1 January 2014, it is expected that banks should fill in the table for at least January, February and March 2014.

Row	Column	Heading	Description
20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80	E	Non-stressed CVA VaR calculated under the advanced approach	Please provide, for the transactions subject to the advanced approach, the non-stressed component of the CVA VaR as set out under CRR Article 383(5) as of the relevant calculation dates. As of 31 March 2014, the breakdown between the most recent VaR number and the average over 60 days (as set out under CRR Article 364 (1)(a)(i) and 364 (1)(a)(ii) respectively) is required. If the frequency of calculation of the CVA risk charge is less than daily, please use the average of the VaR numbers calculated over three months, in accordance with CRR Article 383(5)(d). These results should not be expressed in RWA.
21, 26, 31, 36, 41, 46, 51, 56, 61, 66, 71, 76, 81	E	Stressed CVA VaR calculated under the advanced approach	Please provide, for the transactions subject to the advanced approach, the stressed component of the CVA VaR as set out under CRR Article 383(5) as of the relevant calculation dates. As of 31 March 2014, the breakdown between the most recent Stressed VaR number and the average over 60 days (as set out under CRR article 364 (1)(b)(i) and 364 (1)(b)(ii) respectively) is required. If the frequency of calculation of the CVA risk charge is less than daily, please use the average of the Stressed VaR numbers calculated over three months, in accordance with CRR Article 383(5)(d). These results should not be expressed in RWA.
22, 27, 32, 37, 42, 47, 52, 57, 62, 67, 72, 77, 82	E	RWA for CVA risks calculated under the advanced approach	Based on the above mentioned non-stressed and stressed components of the CVA VaR, please provide the own funds requirement for CVA risks for the advanced approach as set out in CRR Article 383(5) i.e. considering the max between: - the most recent risk number; - and the average over three months (or 60 business days) multiplied by the multipliers effectively applied as of 31 March 2014 (these multipliers have to be reported in Panel A.5 Cells G43 and H43) and multiply the result by 12.5 to obtain RWA.
22, 27, 32, 37, 42, 47, 52, 57,	G	RWA for CVA risks calculated under the standardised approach	Please provide, for the transactions subject to the standardised approach, the own funds requirement, calculated as set out in CRR Article 384, and multiply the result by 12.5 in order to obtain RWA.

Row	Column	Heading	Description
62, 67, 72, 77, 82			
24, 29, 34, 39, 44, 49, 54, 59, 64, 69, 74, 79, 84	E, F, G, H	Explanation from previous (when |% change from previous|>10%)	Changes (in percentage) between monthly RWA for CVA risks will automatically be generated in the dedicated green cells of the table, for both advanced and standardised approaches. Where the change in RWA over one month is higher than 10% in absolute terms, please select from the drop-down menus one or two reasons, which according to you best explain the large variations of your CVA charge from one month to the other. Variations in RWA of the advanced and the standardised approaches shall be explained separately.
20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80	I	CS01 of CVA used for pricing and risk management Gross of CVA hedges	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001). For the calculation of the 'CS01 Gross of hedges' firms shall not take into consideration financial instruments (derivatives or not) used to mitigate CVA risks.
20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80	J	CS01 of CVA used for pricing and risk management Net of CVA hedges	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001). For the calculation of the 'CS01 net of hedges' firms shall take into consideration single-name and multi-name financial instruments (derivatives or not) used to mitigate the credit spread risk of CVA. No other hedging instruments for other CVA risks than credit spread risk shall be taken into consideration in the calculation of CS01.

5. Template C – EU exemptions

Credit derivatives recognised to reduce risk-weighted exposure amounts for credit risk are exempted from the CVA risk charge as set out under CRR article 382(1). These transactions must not be taken into account in this section. More specifically: for the purpose of Panel C.1, firms are asked to ignore them; for the purpose of Panel C.2, firms are asked not to include them back in the scope of the CVA risk charge.

5.1 Panel C.1 – Breakdown of OTC derivatives and SFTs per counterparty type

The following Panel requests the breakdown of OTC derivatives and SFTs per broad counterparty type. To this end, five broad counterparty types have been defined: Banks, CCPs, Other financials (excluding banks and CCPs), Non-financial and Sovereigns.

A second, more granular allocation takes place within each of these five broad counterparty types in order to classify the transactions exempted or not from the CVA risk charge. For each of the five broad counterparty types, the bucket "Other counterparties" shall include all the transactions subject to the CVA risk charge. The other buckets correspond to the possible exemptions from the CVA risk charge for each of the five broad counterparty types.

Firms shall use the information available as of 31 March 2014 and the scope of their CVA risk charge calculation as defined as of 31 March 2014 for allocating transactions to the relevant bucket.

Row	Column	Heading	Description
5 to 36	F	CVA used for pricing and risk management	Banks should use their internal calculation of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). This calculation is gross of CVA hedges.
5 to 36	G	CS01 of CVA used for pricing and risk management Gross of CVA hedges	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001).

Row	Column	Heading	Description
			For the calculation of the 'CS01 Gross of hedges' firms shall not take into consideration financial instruments (derivatives or not) used to mitigate CVA risks.
5 to 36	H	CS01 of CVA used for pricing and risk management Net of CVA hedges	Banks should use their internal calculation of CS01 of CVA for pricing and risk management purposes. This calculation shall not take into account any component related to the own credit standing of the participating bank (e.g. DVA). The shift that defines CS01 has to affect all the counterparties subject to a CVA for pricing and risk management and correspond to one basis point (i.e. 0.0001). For the calculation of the 'CS01 net of hedges' firms shall take into consideration single-name financial instruments (derivatives or not) used to mitigate the credit spread risk of CVA if all the OTC derivative transactions (resp. SFTs) with the related counterparty fall under the same category in Panel C.1. No multi-name financial instruments, e.g. CDS indices, nor other hedging instruments for other CVA risks than credit spread risk shall be taken into consideration in the calculation of 'CS01 Net of hedges'.
5 to 36	I	Number of transactions	Please give the total number of distinct transactions.
5 to 36	J	Number of counterparties	Please give the total number of distinct counterparties.
5 to 36	K	Do you currently experience some difficulties in identifying these counterparties?	Please select the appropriate answer from the drop-down menu.
5 to 36	L	If Yes to K, why?	Please elaborate on the difficulties you are experiencing, whether they are of a legal nature (i.e. lack of clarity of the CRR, uncertainty around cross-references to EMIR), of a technical nature (i.e. difficulty to identify precisely the transactions or counterparties) or of any other nature (please specify).
5 to 36	M	Do you exclude these counterparties from the CVA charge manually or with an automated process?	Please select the appropriate answer from the drop-down menu. An automated process means here any sort of algorithm or internal classification that identifies automatically the counterparties that are subject to the CVA risk charge exemptions.

5.2 Panel C.2 – Impacts of the exemptions from the CVA charge

For each of the six categories of exemptions listed in cells F41:F46 of Panel C.2, banks are asked to re-compute their total RWA for CVA risks including those transactions with the relevant exempted counterparties that would normally fall into the scope of the CVA risk charge if the counterparties were not exempted. The RWA for CVA risks requested in F47 shall take into the transactions with all the exempted counterparties at the same time.

For the purpose of cell F41, banks shall not include in their calculation of total RWA for CVA risks transactions with qualifying CCPs (i.e. only transactions between a client and a clearing member, as set out under CRR Article 382(3), shall be included).

To include an exempted counterparty in the scope of the CVA charge, banks have to follow the approach they would use if the counterparty were not exempted. More specifically:

- Banks using the advanced approach may either use the advanced or the standardized approach when appropriate. For the advanced approach, if the exempted counterparty has CDS market spreads, these should be used directly; if not, the proxy spread methodology should be used to obtain a proxy spread for the exempted counterparty.
- Banks may consider existing credit derivatives or similar instruments as of 31 March 2014 to be recognised as eligible hedges in either the advanced or the standardized approaches according to CRR Article 386.

Row	Column	Heading	Description
41 to 47	F	RWA for CVA risks	Sum of the RWA for CVA risks under the advanced and the standardised approaches. The component of the own funds requirement for CVA risk computed using the advanced approach shall be approximated as the sum of: - the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43) - and the most recent CVA Stressed VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43). The RWA for CVA risks corresponds to the own funds requirements for CVA risk multiplied by 12.5 in order to obtain RWA.

6. Template D – Eligible hedges

6.1 Panel D.1 – Non-eligible hedges for the credit spread risk of CVA

Row	Column	Heading	Description
4 to 6	E	Please provide three types of credit derivative instruments that are currently not recognised as eligible hedges in the CVA risk charge but that you would like to see recognised in the future.	Please provide up to three types of financial instruments (derivatives or not) that can hedge the credit spread risks of CVA but are not included the scope of eligible hedges as set out under CRR article 386.
4 to 6	F	Can you model appropriately this instrument in the Value-at-Risk? (for banks using the advanced approach only)	Please indicate, for each type of financial instruments provided in E, whether they are currently in the scope of your market risk internal model for the specific risk of debt instruments.

6.2 Panel D.2 – Non-eligible hedges for the other risks than the credit spread risk of CVA

Row	Column	Heading	Description
12 to 16	E	Please provide up to five types of non-credit derivative instruments, among those specified in the Annex II of the CRR and ranked by importance (highest in row 12), that are currently not recognised as eligible hedges in the CVA risk charge but that you would like to see recognised in the future.	The CRR currently does not recognise any non-credit derivative instrument as eligible hedge for the CVA risk charge since it only capture the credit spread risk of CVA. Based on the list of types of derivative instruments in Annex II of the CRR, please provide up to five types of non-credit derivative instruments you would like to see recognised somehow in the future in the CVA risk charge framework. Please rank them by specifying in row 12 the non-credit derivative instrument that would be the most important according to you.
12 to 16	F	Can you model appropriately this instrument in the Value-at-Risk?	Please indicate, for each type of financial instruments provided in E, whether they are currently in the scope of your market risk internal model.
12 to	G	Can you calculate the sensitivities to this type of instrument of the CVA	Please indicate whether you are able to calculate the sensitivity of your internal CVA

Row	Column	Heading	Description
16		computed for pricing and risk management purposes?	computed for pricing and risk management purposes to the risk factors associated with each type of financial instruments provided in E.

6.3 Panel D.3 – Recognition of CVA hedges for accounting purposes

Row	Column	Heading	Description
21	E	Are all the CVA hedges used for risk management purposes recognised for accounting purposes?	Please select the answer from the drop-down menu.
21	F	If No to E, can you provide the main reasons?	Please provide the reasons why some types of hedges that are used for CVA risk management purposes are not recognised for accounting purposes.

6.4 Panel D.4 – CVA hedges for non-credit spread risks

Row	Column	Heading	Description
26	E	Number of hedging instruments concerned	Please provide the number of hedging instruments used for the risk management of other CVA risks than the credit spread risk. The fact that these instruments hedge the non-credit spread risks of CVA shall be justified with the internal risk management policy of the bank. These instruments do not qualify as eligible hedges under CRR Article 386 and are included in the own funds requirements for market risks.
26	F	In RWA for market risks	Please re-calculate as of 31 March 2014 the own funds requirements for market risks, defined as the sum of own funds requirements as set out under CRR Article 92(3)(b)(i) [position risk], 92(3)(c)(i) [foreign-exchange risk] and 92(3)(c)(iii) [commodities risk], after having removed the financial instruments identified in E. Where internal models for market risk are used, and in order to limit the number of recalculations, the re-calculated risk numbers are assumed to be flat over the preceding 60 business days or 12 weeks i.e. the component of the own funds requirement for market risk computed using internal models shall be approximated as the sum of: - the one-day VaR as of 31 March 2014 multiplied by the multiplier m_c effectively applied as of 31 March 2014 - the latest available Stressed VaR as of 31 March 2014 multiplied by the multiplier m_s effectively applied as of 31

Row	Column	Heading	Description
			March 2014 - the most recent IRC risk number as of 31 March 2014 - the most recent risk number for the correlation trading portfolio as of 31 March 2014. The impact provided shall be the difference between this number and the own funds requirements for market risks calculated as of 31 March 2014 without removing the financial instruments identified in E. The reported impact should be negative if the impact results in a decrease in RWA and positive otherwise. Results should be expressed in RWA, i.e. impact multiplied by 12.5.
26	G	In % change in RWA for market risks	Results should be expressed as % change in RWA, i.e. results expressed in F divided by (the own funds requirements for market risks calculated as of 31 March 2014 without removing the financial instruments identified in E multiplied by 12.5).

6.5 Panel D.5 – Eligible hedges of exempted counterparties

Row	Column	Heading	Description
31	E	Number of hedging instruments concerned	Please provide the number of hedging instruments used for the risk management of the credit spread risk of CVA and which would be recognised as eligible hedges if the relevant transactions were not exempted from the CVA risk charge. These instruments do not qualify as eligible hedges under CRR Article 386 since the relevant counterparty are exempted from the own funds requirements for CVA risks, as set out under CRR article 382. They shall however be subject to the own fund requirements for market risks unless there are recognised as internal hedges according to CRR article 106.
31	F	In RWA for market risks	Please re-calculate as of 31 March 2014 the own funds requirements for market risks, defined as the sum of own funds requirements as set out under CRR Article 92(3)(b)(i) [position risk], 92(3)(c)(i) [foreign-exchange risk] and 92(3)(c)(iii) [commodities risk], after having removed the financial instruments identified in E. Where internal models for market risk are used, and in order to limit the number of recalculations, the re-calculated risk numbers are assumed to be flat over the preceding 60 business days or 12 weeks i.e. the component of the own funds requirement for market risk computed using internal models shall be approximated as the sum of: - the one-day VaR as of 31 March 2014 multiplied by the multiplier m_c effectively applied as of 31 March 2014

Row	Column	Heading	Description
			- the latest available Stressed VaR as of 31 March 2014 multiplied by the multiplier m_s effectively applied as of 31 March 2014 - the most recent IRC risk number as of 31 March 2014 - the most recent risk number for the correlation trading portfolio as of 31 March 2014. The impact provided shall be the difference between this number and the own funds requirements for market risks calculated as of 31 March 2014 without removing the financial instruments identified in E. The reported impact should be negative if the impact results in a decrease in RWA and positive otherwise. Results should be expressed in RWA, i.e. impact multiplied by 12.5.
31	G	In % change in RWA for market risks	Results should be expressed in % change in RWA, i.e. results expressed in F divided by (the own funds requirements for market risks calculated as of 31 March 2014 without removing the financial instruments identified in E multiplied by 12.5).

6.6 Panel D.6 – Recognition of index CDS hedges (only banks using the advanced approach)

Row	Column	Heading	Description
36	E	Can you reflect the basis between any individual counterparty spreads and the spreads of index CDS hedges in the Value at Risk?	Please select the answer from the drop-down menu.
36	F	Did your NSA ask you to reflect only 50% of the notional amount of index hedges in the Value at Risk?	According to CRR Article 386, if the basis between any individual counterparty spread and the spreads of index CDS hedges is not reflected to the satisfaction of the competent authority, then an institution shall reflect only 50% of the notional amount of index hedges in the CVA VaR and stressed VaR. Please indicate whether your National Supervisory Authority had requested before or as of 31 March 2014 that you reflect only 50% of the notional amount of index hedges. Please select the answer from the drop-down menu.
41	E	In RWA for CVA risks	Where the answer to the F36 is 'Yes', please re-calculate as of 31 March 2014 the RWA for CVA risks under the advanced approach after having recognised 100% of the notional amount of all CDS index hedges.

Row	Column	Heading	Description
			The RWA for CVA risks under the advanced approach shall be approximated as the sum of: - the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43) - and the most recent CVA Stressed VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43). The impact provided shall be the difference between this number (in RWA) and the following number: 12.5*(SheetA_G43*SheetB_F20 + SheetA_H43*SheetB_F21 + SheetB_G22). The reported impact should be negative if the impact results in a decrease in RWA and positive otherwise.
41	F	In % change in RWA for CVA risks	Results should be expressed in % change in RWA, i.e. results expressed in E divided by 12.5*(SheetA_G43*SheetB_F20 + SheetA_H43*SheetB_F21 + SheetB_G22).

6.7 Panel D.7 – Provider of eligible hedges

The following Panel requests the breakdown of the transactions recognised as eligible hedges under CRR article 386 per type of provider (i.e. counterparties of the eligible hedges).

To this end, a single-name or a CDS index eligible hedge should be allocated to one of the given categories of tables H46:I59 and J46:K59 respectively according to the following process:

- First, whether the eligible hedge is centrally cleared or not;
- In case it is non centrally-cleared, according to which of the following three broad types of counterparty the provider of the eligible hedge belongs: Banks, Other financial institutions, Non-financial institutions. For each of these types, whether the eligible hedge is un-margined or bilaterally margined (i.e. having a margining mechanism with variation margin)
- Second, whether the eligible hedge is also recognised as eligible unfunded credit protection under the banking book rules, as set out under CRR Article 213.

Row	Column	Heading	Description

Row	Column	Heading	Description
46, 48, 50, 52, 54, 56, 58	H	Single-name hedges eligible under the banking book rules Impact on the RWA for CVA risks	For each category, please re-calculate as of 31 March 2014 the total RWA for CVA risks (i.e. both the advanced and the standardised approaches) after having removed the transactions identified in column I from the calculation of the CVA risk charge. The component of the own funds requirement for CVA risk computed using the advanced approach shall be approximated as the sum of: - the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43) - and the most recent CVA Stressed VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43). The impact provided shall be the difference between this number (in RWA) and the following number: 12.5*(SheetA_G43*SheetB_F20 + SheetA_H43*SheetB_F21 + SheetB_G22). The reported impact should be negative if the impact results in a decrease in RWA and positive otherwise.
46, 48, 50, 52, 54, 56, 58	I	Single-name hedges Number of transactions	Please give the total number of distinct single-name eligible hedges.
46, 48, 50, 52, 54, 56, 58	J	Index hedges Impact on the RWA for CVA risks	For each category, please re-calculate as of 31 March 2014 the total RWA for CVA risks (i.e. both the advanced and the standardised approaches) after having removed the transactions identified in column K from the calculation of the CVA risk charge. The component of the own funds requirement for CVA risk computed using the advanced approach shall be approximated as the sum of: - the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43) - and the most recent CVA Stressed VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43). The impact provided shall be the difference between this number (in RWA) and the following number: 12.5*(SheetA_G43*SheetB_F20 + SheetA_H43*SheetB_F21 +

Row	Column	Heading	Description
			SheetB_G22). The reported impact should be negative if the impact results in a decrease in RWA and positive otherwise.
46, 48, 50, 52, 54, 56, 58	K	Index hedges eligible under the banking book rules Number of transactions	Please give the total number of distinct CDS index eligible hedges.

6.8 Panel D.8 – CVA risk charge for eligible hedges

Row	Column	Heading	Description
64	E	Do you calculate a CVA risk charge on the transactions recognised as eligible hedges?	Please select the answer from the drop-down menu.
64	F	If Yes to E, do you include the eligible hedges in the existing netting sets with the relevant counterparties for the purpose of the CVA risk charge calculation?	Please select the answer from the drop-down menu.

7. Template E – RTS on CVA

7.1 Panel E.1 – Criteria for the inclusion of small portfolios in the advanced CVA charge (only banks using the advanced approach)

Row	Column	Heading	Description
5	E	Number of non-IMM transactions to the total number of transactions	For banks allowed to use the approach described in CRR Article 383(4), please provide as of 31 March 2014 the arithmetical average, expressed as a percentage, of the monthly observations of the ratio of the number of non-IMM transactions to the total number of transactions.
5	F	Individual size of the largest non-IMM netting set to the total size of all netting sets	For banks allowed to use the approach described in CRR Article 383(4), please provide as of 31 March 2014 the arithmetical average, expressed as a percentage, of the monthly observations of the ratio of the individual size of the largest non-IMM netting set to the total size of all netting sets. In line with Article 3(2) of EBA/RTS/2013/17, the size of a netting set should be calculated using the mark-to-market method referred to in CRR Article 274, by taking account of the effects of netting, in accordance with CRR Article 298, but not the effects of collateral.
5	G	Total size of all non-IMM netting sets to the total size of all netting sets	For banks allowed to use the approach described in CRR Article 383(4), please provide as of 31 March 2014 the arithmetical average, expressed as a percentage, of the monthly observations of the ratio of the total size of all non-IMM netting sets to the total size of all netting sets. In line with Article 3(2) of EBA/RTS/2013/17, the size of a netting set should be calculated using the mark-to-market method referred to in CRR Article 274, by taking account of the effects of netting, in accordance with CRR Article 298, but not the effects of collateral.

7.2 Panel E.2 – Impacts of small portfolios in the advanced CVA charge (only banks using the advanced approach)

Row	Column	Heading	Description
12	E	In RWA for CVA risks	For banks for which all three conditions of Article 3(1) of EBA/RTS/2013/17 are met, please re-compute as of 31 March 2014 the total RWA for CVA risks (i.e. including both advanced and the standardised

Row	Column	Heading	Description
			approach) moving the relevant non-IMM netting sets from the advanced approach to the standardised approach. The component of the own funds requirement for CVA risk computed using the advanced approach shall be approximated as the sum of: - the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43) - and the most recent CVA Stressed VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43). Associated single–name eligible hedges can also move from the advanced approach to the standardised approach only when all the netting sets with the relevant counterparties are non-IMM netting sets (i.e. the counterparty is removed from the advanced approach after the move). The impact provided shall be the difference between this number (in RWA) and the following number: 12.5*(SheetA_G43*SheetB_F20 +SheetA_H43*SheetB_F21 +SheetB_G22) The reported impact should be negative if the impact results in a decrease in RWA and positive otherwise. The impact results are expressed in RWA.
12	F	In % change in RWA for CVA risks	For banks for which all three conditions of Article 3(1) of EBA/RTS/2013/17 are met, please re-compute as of 31 March 2014 the total RWA for CVA risks (i.e. including both advanced and the standardised approach) moving the relevant non-IMM netting sets from the advanced approach to the standardised approach. Associated single–name eligible hedges can also move from the advanced approach to the standardised approach only when all the netting sets with the relevant counterparties are non-IMM netting sets (i.e. the counterparty is removed from the advanced approach after the move). Results should be expressed in % change in RWA, i.e. results expressed in E divided by 12.5*(SheetA_G43*SheetB_F20 + SheetA_H43*SheetB_F21 + SheetB_G22).
16	E	In RWA for CVA risks	For banks for which all three conditions of Article 3(1) of EBA/RTS/2013/17 are met, please re-compute as of 31 March 2014 the total RWA for CVA risks (i.e. including both advanced and the standardised approach) moving the relevant non-IMM netting sets from the standardised approach to the advanced approach, according to the methodology set out under CRR article 383(4). The component of the own funds requirement for CVA risk computed using the advanced approach shall be approximated as the sum of: - the most recent CVA VaR as of 31 March 2014 multiplied by the multiplier effectively applied to the CVA VaR as of 31 March 2014 (also reported in the Panel A.5 Cell G43) - and the most recent CVA Stressed VaR as of 31 March 2014

Row	Column	Heading	Description
			multiplied by the multiplier effectively applied to the CVA Stressed VaR as of 31 March 2014 (also reported in the Panel A.5 Cell H43). Associated single–name eligible hedges can also move from the standardised approach to the advanced approach only when no netting sets with the relevant counterparties are left in the standardised approach. The impact provided shall be the difference between this number (in RWA) and the following number: 12.5*(SheetA_G43*SheetB_F20 +SheetA_H43*SheetB_F21+SheetB_G22). The reported impact should be negative if the impact results in a decrease in RWA and positive otherwise. The impact results are expressed in RWA.
16	F	In % change in RWA for CVA risks	For banks for which all three conditions of Article 3(1) of EBA/RTS/2013/17 are met, please re-compute as of 31 March 2014 the total RWA for CVA risks (i.e. including both advanced and the standardised approach) moving the relevant non-IMM netting sets from the standardised approach to the advanced approach, according to the methodology set out under CRR article 383(4). Associated single–name eligible hedges can also move from the standardised approach to the advanced approach only when no netting sets with the relevant counterparties are left in the standardised approach. Results should be expressed in % change in RWA, i.e. results expressed in E divided by 12.5*(SheetA_G43*SheetB_F20 + SheetA_H43*SheetB_F21 + SheetB_G22).

7.3 Panel E.3 – Description of proxy spread methodology (only banks using the advanced approach)

Row	Column	Heading	Description
22	E	Could you please provide the main features and assumptions of your proxy spread methodology (max 100 words)	Please provide the main features and assumptions of your proxy spread methodology used for computing the advanced CVA risk charge in max 100 words. The main features and assumptions may include: the types of market data used, the attributes considered, the hierarchy of methods if many, the aggregation methodology to come up with the proxy spreads (e.g. intersection, regression, etc.).
22	F	Does your proxy spread methodology differ from the proxy spread methodology used in the standard market risk VaR	Please elaborate on the potential differences, if any, between proxy spread methodology used for the CVA risk charge, as set out under RTS 'EBA/RTS/2013/17', and the proxy spread methodology used to estimate the inputs of

Row	Column	Heading	Description
			transactions subject to the market risk charge, as set out under CRR article 92(3)(b).
22	G	Do you consider additional attributes to those of rating, industry and region in your proxy spread methodology?	Please provide the additional relevant attributes considered in your proxy spread methodology, if any.

7.4 Panel E.4 – Use of proxy spread methodology (only banks using the advanced approach)

Row	Column	Heading	Description
28	E	Counterparties included in the advanced CVA charge for which the proxy spread methodology is used for the determination of credit spreads	Please provide the total number of distinct counterparties subject to the proxy spread methodology for the advanced approach.
30	E	Counterparties included in the advanced CVA charge for which the proxy spread methodology is used to determine the credit spread and which rely on a single-name proxy as set out under Article 1(3) of RTS 'EBA/RTS/2013/17'	Please provide the total number of distinct counterparties subject to the proxy spread methodology for the advanced approach and for which the proxy spread is estimated from the market spreads of a single counterparty.
32	E	Counterparties included in the standardised CVA charge in accordance to 383(6) because the proxy spread methodology does not provide an appropriate output	Please provide the total number of counterparties, in theory subject to proxy spread methodology, but for which the proxy spread methodology has not provided an appropriate output, and that are thus included in the standardised CVA approach in accordance with CRR Article 383(6).

7.5 Panel E.5 – Test of proxy spread methodology (only banks using the advanced approach)

Real companies with CDS quoted on the market have been specifically chosen for this exercise. Fort those counterparties, as well as the hypothetical ones, firms are asked to apply their proxy spread methodology as set out under RTS EBA/RTS/2013/17 to determine their proxy spreads, and their LGD_MKT where relevant, as used for the CVA risk charge.

Proxy spreads, as well as LGD_MKT, shall be given for a period of 252 business days finishing on the 31 March 2014 (column F). The convention used for the business days shall be the one used in

firms' internal systems assuming the relevant counterparties were included in the CVA risk charge.

Row	Column	Heading	Description
39, 46, 53, 60, 67, 74	F	Date	Please provide the date using the format DD/MM/YYYY
40, 47, 54, 61, 68, 75	F	LGD_MKT	Please provide LGD_MKT in decimals If several values of LGD_MKT are used per counterparty (e.g. for different netting sets), please give the highest value at the given date.
41 to 45, 48 to 52, 55 to 59 62 to 66, 69 to 73, 76 to 80	F	1y, 3y, 5y, 7y, 10y proxy spread	Please provide the proxy spreads in basis points. All the proxy spreads shall be extracted from the proxy spread methodology as set out in the RTS EBA/RTS/2013/17. If the proxy spread methodology cannot provide appropriate outcomes for a given counterparty, please do not provide the related proxy spreads.

8. Template F – Integrated calculation

8.1 Panel F.1 – Internal VaR on CVA (only banks using the advanced approach)

In this Panel banks are asked whether their current IT systems can calculate a Value at Risk for CVA risk under four different situations. This Value at Risk number may not necessarily be sourced from the approved internal model for market risks as set out under CRR article 363. However, it shall be subject to the following requirements:

- a 99th percentile, one-tailed confidence interval;
- a 10-day holding period (shorter holding periods than 10 days scaled up to 10 days are accepted);
- an effective historical observation period of at least one year from 31 March 2014.

If this Value at Risk calculation cannot fulfil the above requirements for some of the four situations, please do not fill the required calculation.

For each of the four different situations, please only provide the previous day's Value at Risk (previous day from 31 March 2014) without the application of any multiplier and without converting the VaR number in RWA. In addition, the scope of the VaR calculation on CVA risks shall be similar to the scope of the own funds requirements for CVA risks, including the exemptions defined under CRR article 382.

No specific condition to the internal methodology used for unilateral or bilateral CVA is required except that the resulting calculation of unilateral or bilateral CVA should match the definitions provided in section 2.4 of this paper.

Row	Column	Heading	Description
4	E	Can your current IT systems calculate a Value at Risk on the credit spread risk of your internal unilateral CVA used for pricing and risk management purposes, including all derivatives qualifying as eligible hedges in the CVA charge?	Please select the answer from the drop-down menu.
4	F	If Yes to E, can you provide us with this calculation as of end-March 2014?	Please provide the VaR number as of 31 March 2014 following the above instructions. For the VaR calculation required in F4, the credit spread inputs of the unilateral CVA of all the counterparties under scope as well as

Row	Column	Heading	Description
			their eligible hedges shall be shifted.
5	E	Can your current IT systems calculate a Value at Risk on the credit spread risk of your internal unilateral CVA used for pricing and risk management purposes, including all derivatives used to hedge the credit spread risk of your internal CVA?	Please select the answer from the drop-down menu.
5	F	If Yes to E, can you provide us with this calculation as of end-March 2014?	Please provide the VaR number as of 31 March 2014 following the above instructions. For the VaR calculation required in F5, please add to the calculation required in F4 all the other hedging instruments that are not eligible under CRR Article 386 but are used to hedge the credit spread risk of unilateral CVA for risk management purposes. For the VaR calculation required in F5, the credit spread inputs of the unilateral CVA of all the counterparties under scope as well as their eligible and non-eligible hedges for credit spread risks shall be shifted.
6	E	Can your current IT systems calculate a Value at Risk on all the risks of your internal unilateral CVA used for pricing and risk management purposes, including all derivatives used to hedge any of the risks of your internal CVA?	Please select the answer from the drop-down menu.
6	F	If Yes to E, can you provide us with this calculation as of end-March 2014?	Please provide the VaR number as of 31 March 2014 following the above instructions. For the VaR calculation required in F6, please add to the calculation required in F5 all the other hedging instruments that are not eligible under CRR Article 386 but are used to hedge the non-credit spread risk of unilateral CVA for risk management purposes. For the VaR calculation required in F6, the credit spread inputs and the other main market data inputs of the unilateral CVA (e.g. IR, FX) of all the counterparties under scope as well as their eligible and non-eligible hedges for all CVA risks shall be shifted.
7	E	Can your current IT systems calculate a Value at Risk on all the risks of your	Please select the answer from the drop-

Row	Column	Heading	Description
		internal bilateral CVA (ie CVA - DVA) used for pricing and risk management purposes, including all derivatives used to hedge any of the risks of your internal CVA and DVA?	down menu.
7	F	If Yes to E, can you provide us with this calculation as of end-March 2014?	Please provide the VaR number as of 31 March 2014 following the above instructions. For the VaR calculation required in F7, please replace from the calculation required in F6 the unilateral CVA by the bilateral CVA as defined under section 2.4 of the present paper. The DVA component shall be calculated for the counterparties under scope. For the VaR calculation required in F7, the credit spread inputs and the other main market data inputs of the bilateral CVA of all the counterparties under scope as well as their eligible and non-eligible hedges for all CVA risks shall be shifted.

8.2 Panel F.2 – Treatment of incurred CVA (only banks with IRB permission)

In this Panel, IRB firms are asked to apply an alternative treatment for incurred CVA (i.e. CVA for a given counterparty recognised by the bank as an incurred write-down) to the treatment set out under CRR Article 273(6).

This alternative treatment is defined as follows:

- Incurred CVA is not deducted from the exposure value;
- Incurred CVA is considered as a negative amount resulting from the calculation of expected loss amounts as set out under CRR Article 36(1)(d). This deduction applies at netting set level for a given counterparty based on the expected loss amounts calculated under CRR Title III, Chapter 6.

Row	Column	Heading	Description
12	E	In % change of CET1	Please provide the percentage change in CET1 as of March 2014, as set out under CRR Article 50, of using the alternative treatment for incurred CVA as provided by the above instructions.

Row	Column	Heading	Description
			Percentage change shall be calculated as : (CET1_alternative approach - CET1)/CET1
12	F	In % change of CCR RWA (default risk charge only)	Please provide the percentage change in terms of CCR RWA as of March 2014, as set out under CRR Article 92(3)(f), including the risk-weighted exposure amounts determined in accordance with Title II for counterparty risk arising from the non-trading book business, of using the alternative treatment for incurred CVA as provided by the above instructions. Percentage change shall be calculated as : (CCR RWA_alternative approach – CCR RWA)/CCR RWA

8.3 Panel F.3 – Internal model of unilateral CVA to estimate M (only banks with IRB permission)

Row	Column	Heading	Description
17	E	Are you permitted to use your internal model of unilateral CVA to estimate M as proposed under 162(h)?	Please select the answer from the drop-down menu. Please select the answer that applies as of 31 March 2014.
17	F	If Yes to E, what would be the impact of not using the effective credit duration estimated by the internal model of unilateral CVA on the CCR default risk charge? (in CCR RWA)	Please provide the change in the CCR RWA as of March 2014, as set out under CRR Article 92(3)(f), including the risk-weighted exposure amounts determined in accordance with Title II for counterparty risk arising from the non-trading book business, of using one of the methods set out under CRR Article 162(2), except methods (h) and (i). Change in CCR RWA shall be calculated as (CCR RWA_alternative approach – CCR RWA)
17	G	If Yes to E, what would be the impact of not using the effective credit duration estimated by the internal model of unilateral CVA on the CCR default risk charge? (in % change of CCR RWA)	Percentage change shall be calculated as : (CCR RWA_alternative approach – CCR RWA)/CCR RWA

8.4 Panel F.4 – M=1 (only banks using the advanced approach and with IRB permission)

Row	Column	Heading	Description
22	E	Are you permitted to set M=1 as proposed under article 162(i)?	Please select the answer that applies as of 31 March 2014.
22	F	If Yes to E, how do you model the effect of rating migrations in the internal model for the specific risk of debt instruments?	Please elaborate on the main assumptions as provided to your NSA which justify the reflection of rating migrations in the internal model for the specific risk of debt instruments (max 100 words)
22	G	What would be the impact of not setting M=1 on the CCR default risk charge? (in CCR RWA)	Please provide the change in the CCR RWA as of March 2014, as set out under CRR Article 92(3)(f), including the risk-weighted exposure amounts determined in accordance with Title II for counterparty risk arising from the non-trading book business, of using one of the methods set out under CRR Article 162(2), except methods (h) and (i). Change in CCR RWA shall be calculated as (CCR RWA_alternative approach – CCR RWA)
22	H	What would be the impact of not setting M=1 on the CCR default risk charge? (in % change of CCR RWA)	Percentage change shall be calculated as : (CCR RWA_alternative approach – CCR RWA)/CCR RWA