**EN**

**ANNEX V**

**MARKET RISK BENCHMARK INSTRUMENTS AND PORTFOLIOS**

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Common Instructions

Institutions shall apply all of the following:

1. For the purposes of this Annex, the following definitions shall apply:
2. ‘booking date’ means the date and time on which institutions book the transactions for the purposes of this benchmarking exercise;
3. ‘Initial Market Valuation (IMV)’ means the marked-to-market value of the instruments as defined in section 2 of this Annex, at the IMV reference date and time;
4. ‘IMV reference date’ means the date and time with reference to which institutions shall determine the IMV of the transactions in the benchmarking portfolio;
5. ‘IMV remittance date’ means the date by which institutions shall submit the results of the IMV of the transactions in the benchmarking portfolio;
6. ‘VaR’ means the Value at Risk;
7. ‘sVaR’ means the Stressed Value at Risk;
8. ‘IRC’ means the Incremental Risk Charge;
9. ‘CTP’ means the Correlation Trading Portfolio;
10. ‘APR’ means the All Price Risk in accordance with Article 377 of EU Regulation n. 575/2013 (‘CRR’);
11. ‘Risk Measures’ (RM) means the value of the VaR, sVaR, and when required IRC and APR for the portfolios, as defined in the Section3 of this Annex, between the RM initial and RM final reference date;
12. ‘RM initial reference date’ means the date on which institutions shall start to compute the RM values;
13. ‘RM final reference date’ means the date on which institutions shall finish to compute the RM values;
14. ‘RM remittance date’ means the date by which institutions shall submit the results of the RM of the transactions in the benchmarking portfolio;
15. ‘Present Value (PV)’ means the marked-to-market value of the portfolios, as defined in section 3 of these Annex, at the RM final reference date;
16. ‘ATM’ means ‘at the money’ in terms of the relative position of the current or future price of a derivative’s underlying asset with respect to the strike price of that derivative;
17. ‘OTM’ means ‘out of the money’ in terms of the relative position of the current or future price of a derivative’s underlying asset with respect to the strike price of that derivative;
18. ‘ITM’ means ‘in the money’ in terms of the relative position of the current or future price of a derivative’s underlying asset with respect to the strike price of that derivative;
19. ‘long’ means ‘bought’ and ‘short’ means ‘sold’;
20. ‘CDS’ means Credit Default Swaps;
21. for credit derivative swaps (CDS), ‘long’ means ‘bought protection’ and ‘short’ means ‘sold protection’;
22. ‘MLN’ means millions;
23. ‘OTC’ means over-the-counter.
24. The following dates shall apply for the exercise:
25. The booking date shall be 17 September 2020;
26. the IMV reference date shall be 24 September 2020 at 5:30 pm CET;
27. the IMV remittance date shall be 02 October 2020;
28. the RM initial reference date shall be 18 January 2021;
29. the RM final reference date shall be 29 January 2021;
30. the RM remittance dates shall be 26 February 2021
31. Unless explicitly specified otherwise in the instruments description under Section 2, all positions shall be booked on the booking date referred to in point (b), lit. (i). Once positions have been booked, each portfolio shall age for the duration of the benchmarking exercise. The calculation shall be done under the assumption that the institution does not take any action to manage the portfolio in any way during the entire period of the benchmarking exercise. Unless explicitly stated otherwise in the specifications for a particular instruments, strike prices for option positions shall be determined relative to prices for the underlying as observed at market close on the booking date.
32. For the purpose of the initial market valuation, the valuation of each instrument shall be submitted to the institution’s competent authority by the IMV remittance date. By that day, institutions shall submit an explanatory note accompanying the results, in accordance with point (e). IMV shall be provided in accordance with the institution’ front office valuation, where possible. In case IMVs are not provided by the institution’ front office, the institution shall report it in the explanatory note who is the IMV data source provider.
33. The explanatory note that institutions shall submit together with the IMV shall include all of the following for each instrument:
34. the risk factors used to calculate the instrument’s IMV ;
35. the pricing model used to calculate the instrument’s IMV and a description of this pricing model;
36. the risk factors included in the VaR model for the instrument;
37. the risk factors included in the VaR model that are also valuation inputs for the IMV of the instrument;
38. the VaR model specifics in relation to the instrument;
39. available reference data for the instrument in the institution’s own format;
40. the aspects referred to in the following points (h), (i), (l), (n), (o), (p), (w), (x), (z), (hh) and (ll).
41. For the purposes of the VaR model specifics in accordance with point (e) (v), at least all of the following shall be reported:
42. concise VaR model descriptions;
43. revaluation methods applied;
44. functional form applied for modelling of returns (such as absolute, relatives, other methods to be specified by the institutions);
45. qualitative information on the time series used to calibrate the VaR model in relation to the instrument (such as source, methodology for normalisation, buckets applied, other information deemed relevant by be specified by the institutions in order to explain the results provided).
46. The explanatory note referred to in point (d) shall be updated with each resubmission of any values, reflecting the changes between submissions. The explanatory note shall contain one section which lists all submission dates and the reasons for resubmissions if relevant.
47. The risks of the positions shall be calculated without taking into account the funding costs. Where applicable, institutions shall use the overnight rate of the instrument currency as the discount rate. Collateral agreement shall be considered in place for the derivatives instruments in section 2. Cases where this is not possible shall be mentioned and explained in the explanatory note referred to in point (d).
48. Counterparty credit risk and credit valuation adjustment (“CVA”) risk shall be excluded in the valuation of the risks of the portfolios. Institutions shall report cases where this is not possible and explain the reasons in the explanatory note referred to in point (d). Institutions shall report cases where others typologies of Valuation Adjustments are included in the IMV and explain the methodology and the impact by instrument in the explanatory note referred to in point (d).
49. The 10-day 99% VaR shall be calculated on a daily basis. sVaR and the IRC may be calculated on a weekly basis. The sVaR and IRC shall be based on end-of-day prices for each Friday in the time window of the benchmarking exercise.
50. For transactions that include long positions in CDS, institutions shall assume an immediate up-front fee is paid to enter the position as per the market standards and conventions. The maturity date for all CDS shall be treated as following conventional quarterly termination dates.
51. Additional specifications needed in order to carry out pricing calculations required for CDS positions shall be done in a way that is consistent with commonly used market standards and conventions and shall be explained in the explanatory note referred to in point (d).
52. The maturity date that ensures that the transaction is closest to the term-to-maturity specified shall be used, in accordance with market standards and conventions.
53. For material details of the instrument specification that are not explicitly stated in section 2, the assumptions that have been used, including the day count convention and the choice for a tradable and liquid instrument, where permitted, shall be provided along with the results in the explanatory note referred to in point (d).
54. where the institution is required to make additional assumptions beyond those specified here that it believes are relevant to the interpretation of the results of its exercise including close of business timing, coupon rolls, mapping against indices and others, it shall submit a description of those specifications in the explanatory note referred to in point (d).
55. The explanatory note referred to in point (d) shall include explanations for risks not captured by the model for the instruments detailed in this Annex.
56. All options shall be treated as if they are traded OTC unless explicitly specified otherwise.
57. The standard timing conventions for OTC options shall be followed. The time to maturity for an ‘n-month’ option shall be in n months. If options expire on a non-trading day, institutions shall adjust the expiration date per business date, in accordance with market standards and conventions.
58. All OTC options shall be treated as follows:

(i) as American for single name equities and commodities;

(ii) as European for equity indices, foreign exchange and swaptions.

1. All OTC options shall be considered ‘naked’ so that the premium shall be excluded from the initial market valuation.
2. Regarding the CTP, institutions that have permission to use the APR model for CTP shall provide details about their most relevant assumptions, market standards and conventions regarding the CTP instruments n. 74 and n. 75, including the hedge ratios they have calculated to make the CTP instruments CS01 neutral at the booking date.
3. The IMV, and sensitivities where applicable, for each instrument shall be provided in the base currency of the instrument as specified in section 2.
4. For the positions denominated in a common base currency but composed of one or more instruments denominated in a different currency, the result provided shall be converted in the reported base currency of the portfolio using the appropriate foreign exchange spot rate as per standard market practice and explained in the explanatory note referred to in point (d).
5. When booking all positions, institutions shall follow appropriate market conventions unless otherwise specified in these common Instructions on in the Instruments descriptions (section 2 of this Annex).
6. Where an instrument or the underlying instrument for a derivative is subject to a corporate action that affects this benchmarking exercise including in case of a call from the issuer, or a default or similar actions, institutions shall exclude it from the exercise together with any related CDS or option.
7. ‘On-the-run’, with regard to an Index Series, shall refer to the most liquid and tradable series of that specific index available in the market. Institutions shall explain their choice of ‘on-the-run’ series along with the related results in in the accompanying explanatory note referred to in point (d).
8. The Euro Interbank Offered Rate (‘EURIBOR’) shall refer to the rate calculated by the European Money Markets Institute at different maturities for EURO interbank term deposit. The London Interbank Offered Rate (‘LIBOR’) is the rate calculated by the Intercontinental Exchange at different maturities for interbank term deposit in different currencies. Where necessary, Institutions shall apply the EU Benchmarks Regulation for the interest rate in order to substitute the reference rate (‘EURIBOR’) and (‘LIBOR’) stated in Section 2 of this Annex. Institutions shall specify the alternative rate they use instead of the reference rate (‘EURIBOR’) and (‘LIBOR’) in the explanatory note referred to in point (d) of these instructions.
9. Risk measures, along with the Present Value, for the portfolios, as defined in the ‘Individual Portfolios’ (section 3 of this Annex), shall be computed from the ‘RM initial reference date’ to the ‘RM final reference date’. Institutions shall submit these results to their competent authority by RM remittance date.
10. IMV shall be reported for each instrument. Risk measures and Present Value, where applicable, shall be reported for each portfolio, both individual and aggregated. All results shall be reported with respect to the base currency.
11. Credit spread portfolios shall only be considered by institutions which have been granted permission to model specific risk. Interest rate portfolios, even if specific risk is part of certain instruments and individual portfolios, shall be modelled by ‘partial use’ institutions as well.
12. The results for the aggregated portfolios shall be submitted only where the results of all components are also being submitted.
13. In the section 2 (Instruments): ‘Year T’ = 2021; In addition, Year T + X = 2021 + X, with X as specified in the section 2.
14. In the section 2 (Instruments), the day of expiry/maturity shall follow these rules:
15. Use specific day, when the day is specified;
16. In accordance with market convention, (where available, such as 3rd Friday of the month), when the day is not specified, e.g. ‘June Year T’ means the 3rd Friday of the month of the year T;
17. At the end of the month, when it is specified ‘End of’, i.e. ‘End of  June Year T’ means the 30 of June;
18. Fix period of time following the ‘Booking date’ (as defined in the letter ‘a’ above), e.g.: ‘Booking date + 1 month’ is the same day of the following month with respect the booking date or ‘Booking date + 1 year’ is the same day of the following year with respect the booking date; if the ‘booking date + x period’ is a holiday day, then select the following working day.
19. In the section 2 (Instruments), for all CDS, unless explicitly specified otherwise, the following generic requirements shall apply :
20. Coupon frequency: Quarterly
21. Coupon(bps): 100
22. Day count : ACT/360
23. ISDA Definitions year: 2014
24. Restructuring clause: Modified-Modified Restructuring (MMR)
25. Maturity: December Year T+4
26. Debt type: Senior
27. Tenor: 5 Year
28. Effective date as booking date
29. The used discount curve and recovery rate are to be indicated in the explanatory note referred to in point (d).
30. The IMV for an index future shall be reported as the market price at the IMV reference date, multiplied by the number of contracts.
31. A number of 100 contracts, for instruments 1, 3-17, as defined in section 2, shall be used uniformly for the purpose of calculating the IMV.
32. For Credit Spread Instruments, instruments 52-67 and 69, as defined in section 2, standard ISDA definitions shall apply. Accordingly, standard restructuring clauses shall apply.
33. Institutions shall provide the information related to the time of valuation of the PV, at COB where possible, specifying it in the explanatory note referred to in point (d).
34. The risk measures of the portfolios shall be calculated in the same currency of the portfolio currency, not including any FX Risk, also related to the reporting currency of the institutions. The FX Risk shall be considered only when intrinsically included in the instruments.

Instruments

Institutions shall provide IMV, according to the common instructions, of the following financial instruments:

**EQUITY**

1. Long EURO STOXX 50 index (Ticker: SX5E) Future[[1]](#footnote-1) (1 point equals 10 € movement).

Exchange: Eurex

Expiry date: June Year T

Base currency: EUR

1. Long 10000 BAYER (Ticker: BAYN GR) shares.

Exchange: Xetra

Base currency: EUR

1. Short Future BAYER (Ticker: BAYN GR) (1 contract = 100 shares).

Exchange: Eurex

Expiry date: June Year T

Base currency: EUR

1. Short Future, PEUGEOT PSA (Ticker: UG FP) (1 contract = 100 shares).

Exchange: Euronext

Expiry date: June Year T

Base currency: EUR

1. Short Future, ALLIANZ (Ticker: ALV GR) (1 contract = 100 shares).

Exchange: Eurex

Expiry date: June Year T

Base currency: EUR

1. Short Future BARCLAYS (Ticker: BARC LN) (1 contract = 100 shares).

Exchange: Eurex

Expiry date: June Year T

Base currency: GBP

1. Short Future DEUTSCHE BANK (Ticker: DBK GR) (1 contract = 100 shares).

Exchange: Eurex

Expiry date: June Year T

Base currency: EUR

1. Short Future CRÉDIT AGRICOLE (Ticker: ACA FP) (1 contract = 100 shares).

Exchange: Euronext

Expiry date: June Year T

Base currency: EUR

1. Long Call Option. Underlying BAYER (Ticker: BAYN GR), ATM (1 contract = 100 shares).

Expiry date: June Year T

Base currency: EUR

1. Short Call Option. Underlying BAYER (Ticker: BAYN GR), ATM (1 contract = 100 shares).

Expiry date: December Year T

Base currency: EUR

1. Long Call Option. Underlying PFIZER (Ticker PFE US) 10% OTM, (1 contract = 100 shares).

Expiry date: June Year T

Base currency: USD

1. Long Put Option. Underlying PFIZER (Ticker PFE US) 10% OTM, (1 contract = 100 shares).

Expiry date: June Year T

Base currency: USD

1. Long Call Option. Underlying BAYER (Ticker: BAYN GR), 10% OTM (1 contract = 100 shares).

Expiry date: December Year T

Base currency: EUR

1. Short Call Option. Underlying BAYER (Ticker: BAYN GR), 10% OTM (1 contract = 100 shares).

Expiry date: June Year T

Base currency: EUR

1. Long Call Option. Underlying AVIVA (Ticker: AV/LN), 10% OTM (1 contract = 100 shares).

Expiry date: December Year T

Base currency: GBP

1. Long Put Option. Underlying AVIVA (Ticker: AV/LN), 10% OTM (1 contract = 100 shares).

Expiry date: December Year T

Base currency: GBP

1. Short Future NIKKEI 225 (Ticker NKY) (1 point equals 500 JPY).

Exchange: CME

Expiry date: 11 June Year T

Base currency: JPY

1. Auto-callable Equity product

Long position

Booking on ‘Booking date’

Notional amount (‘Capital’): 1MLN

Underlying: Index EURO STOXX 50® (Ticker: SX5E)

Base currency: EUR

Maturity: 5 years

Annual Payout and annual observation (‘Booking date + 1 year’, ‘Booking date + 2 years’, ‘Booking date + 3 years’, ‘Booking date + 4 years’, Booking date + 5 years). Payout occurs 10 days after reference date.

Coupon: 6%

Autocall level (‘Initial value’): End of day Booking date - 1 year

Barrier coupon payment 60% of autocall level

Protection barrier: 55% of autocall level

* Capital not guaranteed if index is below the protection barrier (capital returned on year 5 will be pro-rata if the level is below the protection barrier: for instance, if the SX5E = 40% of its initial level then the capital returned is 40%);
* If SX5E >= 60% (barrier coupon) of initial value at the end of any year then the coupon is paid out 6%;
* If SX5E >= 100% of initial value at the end of any year then the product is called and the payout is the coupon plus the capital (100%);
* If SX5E < 60% (barrier coupon) of initial value at the end of any year then no coupon is paid;
* If SX5E < 55% (protection barrier) of initial value at the end of year 5 then the capital is only paid pro-rata. Else if SX5E>= 55% (protection barrier) of initial value at the end of year 5 then the capital is fully paid.

**IR**

1. 5-year IRS EUR – Receive fixed rate and pay floating rate.

Fixed leg: receive annually.

Floating rate: 3-month EURIBOR, pay quarterly

Notional: EUR 10 MLN

Roll convention and calendar: standard

Effective date as booking date (i.e. the rates to be used shall be those at the market close as of the booking date).

Maturity: September Year T+4.

Base currency EUR

1. Two-year EUR swaption on 5-year interest rate swap.

Notional: EUR 10 MLN.

The institution is the seller of the option on the swap. The counterparty of the institution buys the right to enter a swap with the institution; if the counterparty exercises its right, the counterparty shall receive the fixed rate while the institution shall receive the floating rate.

Swaption with maturity of two years (Booking date + 2 years) on IRS defined in instrument n. 19

Maturity of the underlying swap: Booking date + 7 years

Premium paid at the booking date (Booking date). Cash settled

The strike price is based on the IRS rate defined in instrument n. 19 (i.e. the strike price is the fixed rate as IRS defined in instrument n. 19)

Base currency: EUR

1. 5-year IRS USD. Receive fixed rate and pay floating rate.

Fixed rate: receive annually

Floating rate: 3-month USD LIBOR rate, pay quarterly

Notional: USD 10 MLN

Roll convention and calendar: standard

Effective date as booking date (i.e. the rates to be used shall be those at the market as of the booking date) Maturity date: September Year T+4.

Base currency: USD

1. 2-year IRS GBP. Receive fixed rate and pay floating rate.

Fixed rate: receive annually

Floating rate: 3-month GBP LIBOR rate, pay quarterly

Notional: GBP 10 MLN

Roll convention and calendar: standard

Effective date as booking date (i.e. the rates to be used shall be those at the market as of the booking date) Maturity: Booking date + 2 years

Base currency GBP

1. Long position on ‘Cap and Floor’ 10-year UBS AG (Ticker: UBSG VX) Notes.

Notional (Principal) Amount: USD 1 MLN.

Floating Rate Notes (the ‘Notes’) are senior unsecured obligations of UBS AG (‘UBS’).

* The Notes shall bear interest at a per annum rate equal to USD 3-Month LIBOR plus 1.5% per annum (the ‘Floating Interest Rate’), subject to a maximum interest rate of 7.5% per annum (the ‘Interest Rate Cap’) and a minimum interest rate of 2.5% per annum (the ‘Interest Rate Floor’).
* Any payment on the Notes, including interest and principal at maturity, shall be subject to the creditworthiness of UBS AG. Institutions are asked to use an appropriate discounting curve, motivating that in the explanatory note.
* Income: The Notes will pay interest quarterly at a rate equal to the Floating Interest Rate, provided that if on any Coupon Determination Date (i) the Floating Interest Rate is less than the Interest Rate Floor, then the applicable interest rate for the related Interest Period will be equal to the Interest Rate Floor, or (ii) the Floating Interest Rate is greater than the Interest Rate Cap, then the applicable interest rate for the related Interest Period will be equal to the Interest Rate Cap.

|  |  |  |
| --- | --- | --- |
| Interest Payment Amount |  | The amount of interest to be paid on the Notes for an Interest Period shall be equal to the product of (a) the principal amount of the Notes, (b) the Applicable Interest Rate for that Interest Period and (c) a fraction, the numerator of which is the number of days in the Interest Period (calculated on the basis of a 360-day year of twelve 30-day months) and the denominator of which is 360. |
| Trade and Settlement Date |  | ‘Booking date’ |
| Interest Payment Dates |  | Quarterly, on the Booking date + 3 months, Booking date + 6 months, Booking date + 9 months and Booking date + 1 year, commencing on Booking date + 3 months, during the term of the Notes (subject to adjustments, as described herein). |
| Maturity Date  Currency |  | Booking date + 10 years  USD |
| Daycount Basis |  | 30/360 |
| Business Day Convention |  | Following Unadjusted |
| Coupon Determination Date |  | For each Interest Period, the second London Banking day immediately preceding the relevant Interest Date.  ‘London Banking Day’ means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and on which dealings in U.S. dollars are transacted in the London interbank market. |

1. Long GERMANY GOVT EUR 5 MLN (ISIN DE0001135085)

Maturity: 04 July 2028

Base currency: EUR

1. Short GERMANY GOVT EUR 2 MLN (ISIN DE0001102358))

Maturity: 15 May 2024

Base currency: EUR

1. Long ITALY GOVT EUR 5 MLN (ISIN IT0005246134)

Maturity: 15 May 2028

Base currency: EUR

1. Long ITALY GOVT EUR 1 MLN (ISIN IT0004953417)

Maturity: 1 March 2024

Base currency: EUR

1. Long SPAIN GOVT EUR 5 MLN (ISIN ES00000124C5)

Maturity: 31 October 2028

Base currency: EUR

1. Short FRANCE GOVT EUR 5 MLN (ISIN FR0011317783)

Maturity: 25 October 2027

Base currency: EUR

1. Short GERMANY GOVT EUR 10 MLN (ISIN DE0001102390)

Maturity: 15 February 2026

Base currency: EUR

1. Long UNITED KINGDOM GOVT GBP 5 MLN (ISIN GB0002404191)

Maturity: 07 December 2028

Base currency: GBP

1. Long PORTUGAL GOVT EUR 5 MLN (ISIN PTOTETOE0012)

Maturity: 21 July 2026

Base currency: EUR

1. Short UNITED STATES GOVT USD 10 MLN (ISIN US9128283P31)

Maturity: 31 December 2024

Base currency USD

1. Long BRAZIL GOVT 5 MLN USD (ISIN US105756AR10)

Maturity: 15 April 2024

Base currency: USD

1. Long MEXICO GOVT 5 MLN USD (ISIN US91086QBC15)

Maturity: 02 October 2023

Base currency USD

1. 10-year IRS EURO – Receive floating rate and pay fixed rate.

Fixed leg: pay annually.

Floating rate: 3-month EURIBOR, receive quarterly

Notional: EUR 10 MLN

Roll convention and calendar: standard

Effective date at the booking date (i.e. rates to be used are those at the market close on booking date).

Maturity: Booking date + 10 years

Base currency: EUR

1. 5-year IRS EURO – Receive floating rate and pay fixed rate.

Fixed leg: pay annually

Floating rate: 6-month EURIBOR, receive every 6 months.

Notional: EUR 10 MLN

Roll convention and calendar: standard.

Effective date at the booking date (i.e. rates to be used are those at the market close on booking date).

Maturity: Booking date + 5 years

Base currency: EUR

**FX**

1. 6-month USD/EUR forward contract. Cash settled. Long USD – Short EUR; Notional USD 10 MLN USD; EUR/USD ECB reference spot rate as of end of the booking date.

Base currency: EUR

1. 6-month EUR/GBP forward contract. Cash settled. Long EUR – Short GBP; Notional 10 MLN GBP; EUR/GBP ECB reference spot rate as of end of the booking date.

Base currency: EUR

1. Long 1 MLN USD Cash.

Cash position

Base currency: EUR

1. Long Call option. EUR 10 MLN. Equivalent amount based on EUR/USD ECB reference spot rate as of end of the booking date.

Strike price: 110% of EUR/USD ECB reference rate as of end of the booking date.

Expiry date: Booking date + 1 year

Base currency: EUR

1. Long Call option. EUR 10 MLN. Equivalent amount based on EUR/USD ECB reference spot rate as of end of the booking date.

Strike price: 90% of EUR/USD ECB reference rate as of end of the booking date.

Expiry date: Booking date + 1 year

Base currency: EUR

1. Short Call option. EUR 10 MLN. Equivalent amount based on EUR/USD ECB reference spot rate as of end of the booking date.

Strike price: 100% of EUR/USD ECB reference rate as of end of the booking date.

Expiry date: Booking date + 1 year

Base currency: EUR

1. Short Call option. EUR 10 MLN. Equivalent amount based on EUR/GBP ECB reference spot rate as of end of the booking date.

Strike price: 110% of EUR/GBP ECB reference rate as of end of the booking date.

Expiry date: Booking date + 1 year

Base currency: EUR

1. Long Put option. EUR 10 MLN. Equivalent amount based on EUR/JPY ECB reference spot rate as of end of the booking date.

Strike price: 110% of EUR/JPY ECB reference rate as of end of the booking date.

Expiry date: Booking date + 1 year

Base currency: EUR

1. Short Put option. EUR 10 MLN. Equivalent amount based on EUR/AUD ECB reference spot rate as of end of the booking date.

Strike price: 110% of EUR/AUD ECB reference rate as of end of the booking date.

Expiry date: Booking date + 1 year

Base currency: EUR

1. 5-year Mark to Market (MtM) Cross Currency EUR/USD SWAP. Receive USD and pay EUR.

EUR: 3-month EURIBOR, pay quarterly

USD: 3-month USD LIBOR rate, receive quarterly

Notional EUR 10 MLN adjusted on a quarterly basis

Roll convention and calendar: standard

Effective date as booking date

Maturity: Booking date + 5 years

Base currency: EUR

See also Section 5 – Instrument additional specifications

**COMMODITIES**

1. Long 3,500,000 6-month ATM London Gold Forwards contracts (1 contract = 0.001 troy ounces, notional: 3,500 troy ounces).

Cash Settlement

Base currency: USD

1. Short 3,500,000 12-month ATM London Gold Forwards contracts (1 contract = 0.001 troy ounces, notional: 3,500 troy ounces).

Cash Settlement

Base currency: USD

1. Long 30 contracts of 6-month WTI Crude Oil Call option with strike equals 12-month end-of-day forward price on the booking date (1 contract = 1000 barrels. Total notional 30000 barrels).

Cash Settlement

Base currency USD

1. Short 30 contracts of 6-month WTI Crude Oil Put option with strike equals 12-month end-of-day forward price on the booking date (1 contract = 1000 barrels. Total notional 30000 barrels).

Cash Settlement

Base currency USD

**CREDIT SPREAD**

1. Long (i.e. Buy protection) USD 1 MLN CDS on PORTUGAL.

Restructuring clause: FULL

Base currency: USD

1. Long (i.e. Buy protection) USD 1 MLN CDS on ITALY.

Restructuring clause: FULL

Base currency: USD

1. Short (i.e. Sell protection) USD 1 MLN CDS on SPAIN.

Restructuring clause: FULL

Base currency: USD

1. Long (i.e. Buy protection) USD 1 MLN CDS on MEXICO.

Restructuring clause: FULL

Base currency: USD

1. Long (i.e. Buy protection) USD 1 MLN CDS on BRAZIL.

Restructuring clause: FULL

Base currency: USD

1. Long (i.e. Buy protection) USD 1 MLN CDS on UK.

Restructuring clause: FULL

Base currency: USD

1. Short (i.e. Sell protection) EUR 1 MLN CDS on AXA (Ticker CS FP).

Base currency: EUR

1. Long (i.e. Buy protection) EUR 1 MLN CDS on AXA (Ticker CS FP).

Maturity: December Year T+2

Base currency: EUR

1. Short (i.e. Sell protection) EUR 1 MLN CDS on Aviva (Ticker AV LN).

ISDA Definitions year 2003

Base currency: EUR

1. Long (i.e. Buy protection) EUR 1 MLN CDS on Aviva (Ticker AV LN).

ISDA Definitions year 2003

Maturity: December Year T+2

Base currency: EUR

1. Short (i.e. Sell protection) EUR 1 MLN CDS on Vodafone (Ticker VOD LN).

Base currency: EUR

1. Short (i.e. Sell protection) EUR 1 MLN CDS on ENI SpA (Ticker ENI IM).

Base currency: EUR

1. Short (i.e. Sell protection) USD 1 MLN CDS on Eli Lilly (Ticker LLY US).

Restructuring clause: No restructuring (XR14)

Base currency: USD

1. Short (i.e. Sell protection) EUR 1 MLN CDS on Unilever (Ticker UNA NA).

Base currency: EUR

1. Long (i.e. Buy protection) EUR 1 MLN CDS on Total SA (Ticker FP FP).

Base currency: EUR

1. Long (i.e. Buy protection) EUR 1 MLN CDS on Volkswagen Group (Ticker VOW GR).

Base currency: EUR

1. Long position on TURKEY Govt. notes USD 1 MLN (ISIN US900123CF53)

Maturity: 22 March 2024

Base currency: USD

1. Long (i.e. Buy protection) USD 1 MLN CDS on TURKEY. Effective date as booking date.

Restructuring clause: FULL

Base currency: USD

1. Long position on AXA notes EUR 1 MLN (ISIN FR0011524248)

Maturity: 29 January 2024

Base currency: EUR

1. Long position on Volkswagen Group notes EUR 1 MLN (ISIN XS1586555861)

Maturity: 02 October 2023

Base currency: EUR

1. Short position Volkswagen Group notes EUR 1 MLN (ISIN XS1586555606)

Maturity: 30 March 2021

Base currency: EUR

1. Long position on Total SA notes EUR 1 MLN (ISIN XS0830194501)

Maturity: 15 March 2023

Base currency: EUR

**CTP**

1. Short position in spread hedged Super Senior tranche of iTraxx Europe index on-the-run series.

Attachment point: 25%

Detachment point: 100%

Notional: EUR 5 MLN

Maturity: 5 years.

Running spread 100 bps. The portfolio shall be constructed by hedging the index tranche with the iTraxx Europe index on-the-run series to achieve a zero CS01 as of booking date. No further re-hedging is required.

Base currency: EUR

1. Long (i.e. Buy protection) USD 1 MLN First to Default Basket Swap on {Brazil, Mexico and Turkey}. Effective date as booking date.

Restructuring clause: FULL.

Maturity: September Year T+4

Base currency: USD

Individual Portfolios

Institutions shall provide the required risk measures, along with the Present Value, of the following individual portfolios:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Portfolio** | |  | ***Combination of instruments:***  **The first figure represents the instrument (as referred to in section 2 above) –the second figure represents the quantity of each instrument or number of contracts as applicable** | **Base Currency** | **Risk measures required** |
| **EQUITY** | |  |  |  |  |
|  | |  | 1 – 1000 instruments | EUR | VaR and Stressed VaR |
|  | |  | 3 – 1000 instruments  4 – 1000 instruments  5 – 1000 instruments | EUR | VaR and Stressed VaR |
|  | |  | 13 – 100 instruments  10 – 100 instruments | EUR | VaR and Stressed VaR |
|  |  | | 15 – 100 instruments  16 – 100 instruments | GBP | VaR and Stressed VaR |
|  |  | | 17 – 1000 instruments | JPY | VaR and Stressed VaR |
|  |  | | 9 – 500 instruments  10 – 500 instruments | EUR | VaR and Stressed VaR |
|  |  | | 18 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 11 – 1000 instruments  12 – 1000 instruments | USD | VaR and Stressed VaR |
|  |  | | 2 – 1 instruments  14 – 100 instruments | EUR | VaR and Stressed VaR |
|  |  | | 6 – 1000 instruments  7 – 1000 instruments  8 – 1000 instruments | EUR | VaR and Stressed VaR |
|  |  | | 19 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 20 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 21 – 1 instrument | USD | VaR and Stressed VaR |
|  |  | | 22 – 1 instrument | GBP | VaR and Stressed VaR |
|  |  | | 23 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 24 – 1 instrument  25 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 24 – 1 instrument  25 – 1 instrument  26 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 24 – 1 instrument  25 – 1 instrument  26 – 1 instrument  27 – 1 instrument  28 – 1 instrument  29 – 1 instrument  30 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 19 – 1 instrument  36 – 1 instrument | EUR | VaR and Stressed VaR; |
|  |  | | 19 – 1 instrument  37 – 1 instrument | EUR | VaR and Stressed VaR; |
|  |  | | 36 – 1 instrument  37 – 1 instrument | EUR | VaR and Stressed VaR; |
|  |  | | 19 – 1 instrument  20 – 1 instrument | EUR | VaR and Stressed VaR; |
|  |  | | 31 – 1 instrument | GBP | VaR; Stressed VaR; IRC |
|  |  | | 33 – 1 instrument  34 – 1 instrument  35 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 21 – 1 instrument  33 – 1 instrument | USD | VaR and Stressed VaR |
|  |  | | 26 – 1 instrument  27 – 1 instrument  28 – 1 instrument  32 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 38 – 1 instrument  39 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 40 – 1 instrument  41 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 41 – 1 instrument  42 – 1 instrument  43 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 44 – 1 instrument  45 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 46 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 47 – 1 instrument | EUR | VaR and Stressed VaR |
|  |  | | 48 – 1 instrument  49 – 1 instrument | USD | VaR and Stressed VaR |
|  |  | | 50 – 1 instrument  51 – 1 instrument | USD | VaR and Stressed VaR |
|  |  | | 48 – 1 instrument  51 – 1 instrument | USD | VaR and Stressed VaR |
|  |  | | 52 – 1 instrument  53 – 1 instrument  54 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 55 – 1 instrument  56 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 58 – 1 instrument  59 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 54 – 1 instrument  55 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 60 – 1 instrument  61 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 62 – 1 instrument  63 – 1 instrument  65 – 1 instrument  66 – 1 instrument  67 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 68 – 1 instrument  69 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 70 – 1 instrument  71 – 1 instrument  73 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 71 – 1 instrument  72 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 70 – 1 instrument  59 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 66 – 1 instrument  73 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 64 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 71 – 1 instrument  72 – 1 instrument  67 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 57 – 1 instrument  54 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 53 – 1 instrument  27 – 1 instrument | EUR | VaR; Stressed VaR; IRC |
|  |  | | 55 – 5 instruments  35 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 56 – 5 instruments  34 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 55 – 5 instruments  35 – 1 instrument  56 – 5 instruments  34 – 1 instrument | USD | VaR; Stressed VaR; IRC |
|  |  | | 74 – 1 instrument | EUR | VaR; Stressed VaR; APR |
|  |  | | 75 – 1 instrument | USD | VaR; Stressed VaR; APR |
|  |  | | 75 – 5 instruments  68 – 5 instruments  34 – 1 instrument  35 – 1 instrument | USD | VaR; Stressed VaR; APR |

Aggregated Portfolios

Institutions shall provide the required risk measures, along with the Present Value, of the following financial aggregated portfolios:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Aggreg. Portfolio** | **Description** | ***Combination of Individual Portfolios* (individual portfolios as stated by their numbers as referred to in Section 3 above)** | **Base Currency** | **Risk Measures requested** |
|  | ALL-IN no-CTP | 1, 2, 6, 7, 9, 11, 12, 18, 21, 27, 28, 30, 31, 32, 33, 34, 38, 41, 43 | EUR | VaR; Stressed VaR; IRC |
|  | EQUITY Cumulative | 1, 2, 6, 7, 9 | EUR | VaR and Stressed VaR |
|  | IR Cumulative | 11, 12, 18, 21 | EUR | VaR and Stressed VaR |
|  | FX Cumulative | 27, 28, 30, 31, 32 | EUR | VaR and Stressed VaR |
|  | Commodity Cumulative | 33, 34 | USD | VaR and Stressed VaR |
|  | Credit Spread cumulative | 38, 41, 43 | EUR | VaR; Stressed VaR; IRC |
|  | CTP cumulative EUR | 54, 56 | EUR | VaR; Stressed VaR; APR |
|  |  |  |  |  |

Instrument additional specifications

Institutions shall apply these additional specifications to the financial instruments described in Section “2 Instruments”.

|  |  |
| --- | --- |
| 1. Instrument: | 1. 47 |
| 1. Description: | 1. 5-year Mark to Market (MtM) Cross Currency EUR/USD SWAP. 2. Receive USD and pay EUR. 3. Notional: EUR 10 million, USD (EUR 10 million \* FX USD/EUR) |
| 1. Pay: | 1. Float leg 2 |
| 1. Rec: | 1. Float leg 1 |
| 1. Notional Exchange and Reset: | 1. On effective date and maturity date. Further, on every coupon payment date, an additional payment corresponding to adjustment of the USD notional on Float leg 2 is made. The USD notional is adjusted to equal 10 Million EUR, at spot rate 2 business days in advance of each payment date. |
| 1. Cash balance | 1. Excluded |
| 1. *Float Leg 1* |  |
| 1. Notional: | 1. 10,000,000 EUR converted to USD at spot on effective date |
| 1. Effective Date: | 1. Booking date |
| 1. Maturity Date: | 1. Booking date + 5 years |
| 1. Payment Date Generation: | 1. Forward from Effective Date |
| 1. Coupon Payment Frequency: | 1. Quarterly |
| 1. Coupon Rate: | 1. 3M USD LIBOR + 0bps. |
| 1. Coupon Rate Reset Freq: | 1. Quarterly |
| 1. Coupon Rate Fixing Convention: | 1. 2 days in advance of each coupon period |
| 1. Coupon Rate Compounding Frequency: | 1. Simple Interest |
| 1. Day Count: | 1. ACT/360 |
| 1. Payment Business Day: | 1. LON, NYC, TARGET |
| 1. Payment Business Day Convention: | 1. Modified Following |
| 1. Notional Reset Business Day: | 1. LON, NYC, TARGET |
| 1. Notional Reset Business Day Convention: | 1. Previous |
| 1. Coupon Rate Reset Business Day: | 1. LON, NYC, TARGET |
| 1. Coupon Rate Reset Business Day Convention: | 1. Previous |
|  |  |
| 1. *Float Leg 2* |  |
| 1. Notional: | 1. 10,000,000 EUR |
| 1. Effective Date: | 1. Booking date |
| 1. Maturity Date: | 1. Booking date + 5 years |
| 1. Payment Date Generation: | 1. Forward from Effective Date |
| 1. Coupon Payment Frequency: | 1. Quarterly |
| 1. Coupon Rate: | 1. 3M EURIBOR + 0 bps. |
| 1. Coupon Rate Reset Frequency: | 1. Quarterly |
| 1. Coupon Rate Fixing Convention: | 1. 2 days in advance of each coupon period |
| 1. Coupon Rate Compounding Frequency: | 1. Simple Interest |
| 1. Day Count: | 1. ACT/360 |
| 1. Payment Business Day: | 1. LON, NYC, TARGET |
| 1. Payment Business Day | 1. Modified Following |
| 1. Notional Reset Business Day: | 1. LON, NYC, TARGET |
| 1. Notional Reset Business Day Convention: | 1. Previous |
| 1. Coupon Rate Reset Business Day: | 1. LON, NYC, TARGET |
| 1. Coupon Rate Reset Business Day Convention: | 1. Previous |

1. [↑](#footnote-ref-1)