

ANNEX II

REPORTING ON OWN FUNDS REQUIREMENTS

1. This Annex contains additional instructions for the tables (hereinafter “COREP”) included in Annex I of this Regulation. This Annex complements the instructions in format of references included in the tables in Annex I.

Table of Contents

PART I: GENERAL INSTRUCTIONS	2
1. STRUCTURE AND CONVENTIONS	2
1.1. STRUCTURE	2
1.2. NUMBERING CONVENTION	2
1.3. SIGN CONVENTION	3
PART II: TEMPLATE RELATED INSTRUCTIONS	4
1. MARKET RISK TEMPLATES	4
1.1. MKR SA TDI – MARKET RISK: STANDARDISED APPROACH FOR POSITION RISKS IN TRADED DEBT INSTRUMENTS	4
1.1.1. GENERAL REMARKS	4
1.1.2. INSTRUCTIONS CONCERNING SPECIFIC POSITIONS	4
1.2. MKR SA SEC	6
1.2.1. GENERAL REMARKS	6
1.2.2. INSTRUCTIONS CONCERNING SPECIFIC POSITIONS	6
1.3. MKR SA CTP	8
1.3.1. GENERAL REMARKS	8
1.3.2. INSTRUCTIONS CONCERNING SPECIFIC POSITIONS	9
1.4. MKR SA EQU - MARKET RISK: STANDARDISED APPROACH FOR POSITION RISK IN EQUITIES ..	11
1.4.1. GENERAL REMARKS	11
1.4.2. INSTRUCTIONS CONCERNING SPECIFIC POSITIONS	11
1.5. MKR SA FX - MARKET RISK: STANDARDISED APPROACHES FOR FOREIGN EXCHANGE RISK ...	13
1.5.1. GENERAL REMARKS	13
1.5.2. INSTRUCTIONS CONCERNING SPECIFIC POSITIONS	13
1.6. MKR SA COM - MARKET RISK: STANDARDISED APPROACHES FOR COMMODITIES	15
1.6.1. GENERAL REMARKS	15
1.6.2. INSTRUCTIONS CONCERNING SPECIFIC POSITIONS	15
1.7. MKR IM - MARKET RISK INTERNAL MODEL	16
1.7.1. GENERAL REMARKS	16
1.7.2. INSTRUCTIONS CONCERNING SPECIFIC POSITIONS	16

PART I: GENERAL INSTRUCTIONS

1. Structure and conventions

1.1. Structure

2. Overall, the framework consists of five blocks of templates:

1. Capital adequacy, an overview of regulatory capital; total risk exposure amount; and, in the case of consolidated groups, an overview of the fulfilment of the solvency requirements by consolidated and individual entities;

Information related to the application of different approaches for the assessment of Pillar I capital requirements for:

2. Credit risk (including counterparty, dilution and settlement risks);

3. Market risk (i.e. position risk in trading book, foreign exchange risk and commodities risk);

4. Operational risk;

3. For each template legal references are provided. Further detailed information regarding more general aspects of the reporting of each block of templates, instructions concerning specific positions as well as examples and validation rules are included in these Guidelines for implementation of the Common Reporting framework.

4. Institutions report only those templates that are relevant depending on the approach used for determining own funds requirements.

Explanatory text for consultation purposes:

E.g. in case an institutions holds securitisation positions and the institution calculates the risk-weighted exposure amounts under the IRB Approach according to Part 3 Title II chapter 5, section 3, subsection 4 of CRR, then only the templates CR SEC IRB and SEC Details shall be reported, but not CR SEC SA.

1.2. Numbering convention

5. The document will follow the labelling convention set in the following table, when referring to the columns, rows and cells of the templates. These numerical codes are extensively used in the validation rules.

6. The following general notation is followed in the instructions: {Template;Row;Column}.

Explanatory text for consultation purposes:

For example: {CRSA;010;020} refers to the data point row 010, column 020 of CRSA template.

7. In the case of validations inside a template, in which only data points of that template is used, notations will not refer to a template: {Row;Column}.

8. In the case of templates with only one column, only rows will be referred to. {Template;Row}

Explanatory text for consultation purposes:

For example: {CA2;010} refers to the row 010 of CA2.

9. An asterisk sign will be used to express that the validation is done for the rows or columns specified before.

Explanatory text for consultation purposes:

For example: “For columns 010 to 050, {CRSA;010;}” means row 010 of CRSA, for the columns 010 to 050.

1.3. Sign convention

10. Any amount that increases the own funds or the capital requirements will be reported as a positive figure. On the contrary, any amount that reduces the total own funds or the capital requirements will be reported as a negative figure. Where there is a negative sign (-) preceding the label of an item no positive figure is expected to be reported for that item.

PART II: TEMPLATE RELATED INSTRUCTIONS

1. Market Risk Templates

11. The position risk on a traded debt instrument or equity (or debt or equity derivative) shall be divided into two components in order to calculate the capital required against it. The first shall be its specific-risk component — this is the risk of a price change in the instrument concerned due to factors related to its issuer or, in the case of a derivative, the issuer of the underlying instrument. The second component shall cover its general risk — this is the risk of a price change in the instrument due (in the case of a traded debt instrument or debt derivative) to a change in the level of interest rates or (in the case of an equity or equity derivative) to a broad equity- market movement unrelated to any specific attributes of individual securities. The general treatment of specific instruments and netting procedures can be found in Articles 315 to 322 CRR.

1.1. MKR SA TDI – Market Risk: Standardised Approach for Position Risks in Traded Debt Instruments

1.1.1. General Remarks

12. This template captures the positions and the related own funds requirements for position risks on traded debt instruments under the standardised approach (Articles 97 and 100 (1) of CRR). The different risks and methods available under the CRR are considered by rows. The specific risk associated with exposures included in MKR SA SEC and MKR SA CTP only has to be reported in the Total template of the MKR SA TDI. The own funds requirements reported in those templates have to be transferred to cell {325;060} (securitisations) and {330;060} (CTP) respectively. .
13. The template has to be filled out separately for the “Total”, plus a static, pre-defined list of following currencies: all European currencies and USD, CHF, JPY, RUB, TRY, RSD, ALL, UAH, MKD, and one residual dimension for all other currencies.

1.1.2. Instructions concerning specific positions

Columns	
010 - 020	<u>ALL POSITIONS</u> Articles 97 and 100 (1) of CRR. These are gross positions not netted by instruments but excluding underwriting positions subscribed or sub-underwritten by third parties (Article 334 second sentence of CRR). Regarding the distinction between Long and Short positions, also applicable to these gross positions, see Article 317 (2) of CRR.
030 – 040	<u>NET POSITIONS</u> Articles 316 to 318 and 323 of CRR. Regarding the distinction between Long and Short positions see Article 317 (2) of CRR.
050	<u>POSITIONS SUBJECT TO CAPITAL CHARGE</u> Those net positions that, according to the different approaches considered in Part 3 Title IV Chapter 2 of CRR, receive a capital charge.
060	<u>OWN FUNDS REQUIREMENTS</u>

	The capital charge for any relevant position according to Part 3 Title IV Chapter 2 of CRR.
070	<u>TOTAL RISK EXPOSURE AMOUNT</u> Result of the multiplication of the own funds requirements * 12.5.

Rows	
010 – 350	Positions in traded debt instruments in Trading Book and their correspondent own funds requirements for position risk according to Article 87 (3) point b) CRR and Part 3 Title IV Chapter 2 of CRR are reported depending on risk category, maturity and approach used.
011 – 200	<u>GENERAL RISK. MATURITY BASED APPROACH</u> Positions in traded debt instruments subject to the maturity-based approach according to Article 328 (1) to (8) of CRR and the correspondent own funds requirements set up in Article 328 (9) of CRR.
210 - 240	<u>GENERAL RISK. DURATION BASED APPROACH</u> Positions in traded debt instruments subject to the duration-based approach according to Article 329 (1) to (6) of CRR and the correspondent own funds requirements set up in Article 329 (7) of CRR.
250	<u>SPECIFIC RISK</u> Sum of amounts reported in rows 260, 325 and 330. Positions in traded debt instruments subject to the specific risk capital charge and their correspondent capital charge according to Article 87 (3) lit. b and 324, 325 (1) to (3), 326 and 327 of CRR. Be also aware of last sentence in Article 316 (1) of CRR.
260 - 321	<u>Own funds requirement for non-securitisation debt instruments</u> Sum of the amounts reported in rows 260 to 321. The capital requirement of the n-th to default credit derivatives which are not rated externally has to be computed by summing up the risk weights of the reference entities (Article 321 (1) point e) para 1 and 2 CRR – “look-through”). N-th-to-default credit derivatives which are rated externally Article 321 (1) point e) para 3 CRR) have to be reported separately in line 321. <u>Reporting of positions subject to Article 325 (3) CRR:</u> There is a special treatment for bonds which qualify for a 10% risk weight in the banking book according to Article 124 (3) CRR (covered bonds). The specific own funds requirements is half of the percentage of the second category of table 1. As a consequence, cells 280 – 300 of column 6 cannot be calculated as a result of the multiplication of the percentage shown in the template with the respective cells 280 – 300 of column 5. If the general risk of interest rate positions is hedged by a credit derivative, Articles 335 and 336 shall be applied.
325	<u>Own funds requirement for securitisation instruments</u> MKR SA SEC – It should only be reported on Total level of the MKR SA TDI.
330	<u>Own funds requirement for the correlation trading portfolio</u>

	MKR SA CTP – It should only be reported on Total level of the MKR SA TDI.
340	<p><u>PARTICULAR APPROACH FOR POSITION RISK IN CIUs</u></p> <p>Articles 337 to 339 of CRR. Applicable when positions in CIUs or the underlying instruments are not treated in accordance with the methods set out in Part 3 Title IV Chapter 5 of CRR. It includes, if it is the case, the effects of applicable caps in the own funds requirements.</p> <p>If the particular approach according to Article 337 sentence 1 of CRR is applied, the amount to be reported is 32% of the net position of the CIU exposure in question. If the particular approach according to Article 337 sentence 2 of CRR is applied, the amount to be reported is the lower of 32% of the net position of the relevant CIU exposure and the difference between 40% of this net position and the own funds requirements that arise from the foreign exchange risk associated with this CIU exposure.</p>
350 -	<p><u>ADDITIONAL REQUIREMENTS FOR OPTIONS (NON-DELTA RISKS)</u> Article 318 (3) of CRR.</p> <p>The CRR does not define which methods should be used to calculate capital requirements for additional risks apart from delta risk. As a consequence those amounts only have to be reported on the level of own funds requirements/total risk exposure amount.</p>

1.2. MKR SA SEC

1.2.1. General Remarks

14. This template requests information on positions (all/net and long/short) and the related own funds requirements for the specific risk component of position risk in securitisations/ re-securitisations held in the trading book (not eligible for correlation trading portfolio) under the standardised approach.
15. The MKR SA SEC template determines the own funds requirement only for the specific risk of securitisation positions according to Articles 324 in connection with 326 CRR. If securitisation positions of the trading book are hedged by credit derivatives, Articles 335 and 336 CRR apply. There is only one template for all positions of the trading book, irrespective of the fact whether the institution uses the Standardised Approach or the Internal Ratings Based Approach to determine the risk weight for each of the positions according to Part Three Title II Chapter 5 of CRR. The reporting of the own funds requirements of the general risk of these positions is conducted in the MKR SA TDI or the MKR IM template.

1.2.2. Instructions concerning specific positions

Columns	
010 - 020	<p><u>ALL POSITIONS</u></p> <p>Articles 97 and 100 (1) of CRR in connection with Article 326 of CRR (securitisation positions). Regarding the distinction between Long and Short positions, also applicable to these gross positions, see Article 317 (2) of CRR.</p>
030 - 040	<p><u>(-) POSITIONS DEDUCTED FROM OWN FUNDS</u></p> <p>Article 253 of CRR.</p>
050 - 060	<p><u>NET POSITIONS</u></p> <p>Articles 316 to 318 and 323 of CRR. Regarding the distinction between Long and Short positions see Article 317 (2) of CRR.</p>

070 - 520	<p><u>BREAKDOWN OF THE NET POSITIONS ACCORDING TO RISK WEIGHTS</u></p> <p>Articles 246 (Table 1) and 256 (1) (Table 4) of CRR.</p>
230-240 / 460-470	<p><u>1250 %</u></p> <p>Articles 246 (Table 1) and 256 (1) (Table 4) of CRR.</p>
250-260 / 480-490	<p><u>SUPERVISORY FORMULA METHOD</u></p> <p>Article 326 (2) of CRR in connection with Article 257 of CRR.</p> <p>As many securitization exposures are not externally rated, the alternative Supervisory Formula Approach (SFA) determines required capital as a function of the characteristics of the collateral pool and contractual properties of the tranche.</p>
270 / 500	<p><u>LOOK THROUGH</u></p> <p>SA: Articles 248, 249 and 251 (5) of CRR. The look-through columns comprise all the cases of unrated exposures where the risk weight is obtained from the underlying portfolio of exposures (average risk weight of the pool, highest risk weight of the pool, or the use of a concentration ratio).</p> <p>IRB: Articles 258 (2) and (3) of CRR. For early amortisations see Article 260 (1) and 251 (5) of CRR.</p>
280-290 / 510-520	<p><u>INTERNAL ASSESSMENT APPROACH</u></p> <p>Article 104 (1) sentence 2 and Article 254 (3) and (4) of CRR.</p> <p>This approach is used for determining capital charges for liquidity facilities and credit enhancements that banks (including third-party banks) extend to ABCP conduits. The IAA, based on ECAI's methodologies, is applicable only to exposures to ABCP conduits that have an internal rating equivalent of investment-grade at inception.</p>
530 - 540	<p><u>OVERALL EFFECT (ADJUSTMENT) DUE TO INFRINGEMENT OF THE DUE DILIGENCE PROVISIONS</u></p> <p>Article 326 (3) of CRR in connection with Article 396 of CRR. Article 13 (2) of CRR</p>
550 - 570	<p><u>BEFORE CAP - WEIGHTED NET LONG / SHORT POSITIONS AND SUM OF WEIGHTED NET LONG AND SHORT POSITIONS</u></p> <p>Article 326 of CRR without taking into account the discretion of Article 324 of CRR, that allows an institution to cap the product of the weight and the net position at the maximum possible default-risk related loss.</p>
580 - 600	<p><u>AFTER CAP - WEIGHTED NET LONG / SHORT POSITIONS AND SUM OF WEIGHTED NET LONG AND SHORT POSITIONS</u></p> <p>Article 326 of CRR taking into account the discretion of Article 324 of CRR.</p>
610	<p><u>TOTAL OWN FUNDS REQUIREMENTS</u></p> <p>According to Article 326 (5) of CRR for a transitional period ending 31 December 2013, the institution shall sum separately its weighted net long positions (col. 580) and its weighted net short positions (col. 590). The larger of those sums (after cap) shall constitute the own funds requirement. From 2014 onwards according to Article 326 (4) of CRR, the institution shall sum its weighted net positions, regardless whether they are long or short (col. 600), in order to calculate the own funds requirements.</p>
620	<p><u>TOTAL RISK EXPOSURE AMOUNT</u></p> <p>Result of the multiplication of the own funds requirements * 12.5.</p>

Rows	
010	<p><u>TOTAL EXPOSURES</u></p> <p>Total amount of outstanding securitisations (held in the trading book) reported by the institution playing the role/s of originator and/or investor and/or sponsor.</p>
040/070/100	<p><u>SECURITISATIONS</u></p> <p>Article 4 (39) of CRR.</p>
020/050/080/110	<p><u>RE-SECURITISATIONS</u></p> <p>Article 4 (40) and (41) of CRR.</p>
030	<p><u>ORIGINATOR</u></p> <p>Article 4 (42) of CRR</p>
060	<p><u>INVESTOR</u></p> <p>Credit institution that holds a securitisation positions in a securitisation transaction for which it is neither originator nor sponsor</p>
090	<p><u>SPONSOR</u></p> <p>Article 4 (43) of CRR. If a sponsor is also securitising its own assets, it should fill in in the originator's rows the information regarding its own securitised assets</p>
120-210	<p><u>BREAKDOWN OF THE TOTAL SUM OF WEIGHTED NET LONG AND NET SHORT POSITIONS BY UNDERLYING TYPES</u></p> <p>Article 326 (5) of CRR.</p> <p>The breakdown of the underlying assets follows the classification used in the SEC Details template (Column 'Type'):</p> <p>1-residential mortgages; 2-commercial mortgages; 3-credit card receivables; 4-leasing; 5-loans to corporates or SMEs (treated as corporates); 6-consumer loans; 7-trade receivables; 8-other assets; 9-covered bonds; 10-other liabilities. For each securitisation, in case the pool consists of different types of assets, the institution should consider the most important type.</p>

1.3. MKR SA CTP

1.3.1. General Remarks

16. This template, with a similar structure to that of the MKR SA SEC template, requests information on positions of the correlation trading portfolio -CTP- (comprising securitisations, nth-to-default credit derivatives and other CTP positions included according to Article 327 (3)) and the corresponding own funds requirements under the standardised approach.
17. The MKR SA CTP template determines the own funds requirement only for the specific risk of positions assigned to the Correlation Trading Portfolio according to Articles 324 in connection with 327 (2) and (3) of CRR. If CTP- positions of the trading book are hedged by credit derivatives, Articles 335 and 336 CRR apply. There is only one template for all CTP-positions of the trading book, irrespective of the fact whether the institution uses the Standardised Approach or the Internal Ratings Based Approach to determine the risk weight for each of the positions according to Part Three Title II Chapter 5 of CRR. The reporting of the own funds requirements of the general risk of these positions is conducted in the MKR SA TDI or the MKR IM template.
18. The idea of the structure of the template was to be able to separate securitisation positions and n-th to default credit derivatives for analysing purposes. As a result, securitisation positions shall always be reported in rows 030, 060 or 090 (depending on the role of the institution in the securitisation), while n-th to default credit derivatives shall always be reported in line 110. The "other CTP-positions" are neither

securitisation positions nor n-th to default credit derivatives (see definition in Article 327 (3) CRR), but they are explicitly "linked" (because of the hedging intent) to one of these two positions. That is why they are assigned either under the sub-heading "securitisation" or "n-th to default credit derivative".

1.3.2. Instructions concerning specific positions

Columns	
010 - 020	<p><u>ALL POSITIONS</u></p> <p>Articles 97 and 100 (1) of CRR in connection with positions assigned to the Correlation Trading Portfolio according to Article 327 (2) and (3) of CRR. Regarding the distinction between Long and Short positions, also applicable to these gross positions, see Article 317 (2) of CRR.</p>
030 - 040	<p><u>(-) POSITIONS DEDUCTED FROM OWN FUNDS</u></p> <p>Article 253 of CRR.</p>
050 - 060	<p><u>NET POSITIONS</u></p> <p>Articles 316 to 318 and 323 of CRR. Regarding the distinction between Long and Short positions see Article 317 (2) of CRR.</p>
070 - 400	<p><u>BREAKDOWN OF THE NET POSITIONS ACCORDING TO RISK WEIGHTS</u></p> <p>Articles 246 (Table 1) and 256 (1) (Table 4) of CRR.</p>
160 / 330	<p><u>OTHER</u></p> <p>Other risk weights not explicitly mentioned in the previous columns.</p> <p>For n-th-to-default credit derivatives only those have to be reported in those columns which are not externally rated. Externally rated n-th to default credit derivatives are either to be reported in the MKR SA TDI template (row 321) or – if they are incorporated into the CTP – have to be assigned to the column of the respective risk weight.</p>
170 -180 / 360 - 370	<p><u>1250%</u></p> <p>Articles 246 (Table 1) and 256 (1) (Table 4) of CRR.</p>
190 -200 / 340 - 350	<p><u>SUPERVISORY FORMULA METHOD</u></p> <p>Article 326 (2) of CRR in connection with Article 257 of CRR.</p>
210 / 380	<p><u>LOOK THROUGH</u></p> <p>SA: Articles 248, 249 and 251 (5) of CRR. The look-through columns comprise all the cases of unrated exposures where the risk weight is obtained from the underlying portfolio of exposures (average risk weight of the pool, highest risk weight of the pool, or the use of a concentration ratio).</p> <p>IRB: Articles 258 (2) and (3) of CRR. For early amortisations see Article 260 (1) and 251 (5) of CRR.</p>
220 – 230 / 390 -400	<p><u>INTERNAL ASSESSMENT APPROACH</u></p> <p>Article 254 (3) and (4) of CRR.</p>

410 -420	<u>BEFORE CAP - WEIGHTED NET LONG / SHORT POSITIONS</u> Article 327 without taking into account the discretion of Article 324 of CRR.
430 – 440	<u>AFTER CAP - WEIGHTED NET LONG / SHORT POSITIONS</u> Article 327 taking into account the discretion of Article 324 of CRR.
450	<u>TOTAL OWN FUNDS REQUIREMENTS</u> The own funds requirement is determined as the larger of either (i) the specific risk charge that would apply just to the net long positions (col. 430) or (ii) the specific risk charge that would apply just to the net short positions (col. 440).
460	<u>TOTAL RISK EXPOSURE AMOUNT</u> Result of the multiplication of the own funds requirements * 12.5.

Rows	
010	<u>TOTAL EXPOSURES</u> Total amount of outstanding positions (held in the correlation trading portfolio) reported by the institution playing the role/s of originator and/or investor and/or sponsor.
020	<u>ORIGINATOR</u> Article 4 (42) of CRR
050	<u>INVESTOR</u> Credit institution that holds a securitisation positions in a securitisation transaction for which it is neither originator nor sponsor
080	<u>SPONSOR</u> Article 4 (43) of CRR. If a sponsor is also securitising its own assets, it should fill in the originator's rows the information regarding its own securitised assets
030/060/ 090	<u>SECURITISATIONS</u> The correlation trading portfolio comprises securitisations, n-th-to-default credit derivatives and possibly other hedging positions that meet the criteria set in Article 327 (2) and (3) of CRR. Derivatives of securitisation exposures that provide a pro-rata share as well as positions hedging CTP positions should be included in row 'Other CTP positions'.
110	<u>N-TH-TO-DEFAULT CREDIT DERIVATIVES</u> The positions originator, investor and sponsor do not fit for n-th to default credit derivatives. As a consequence, the breakdown as for securitisation positions cannot be provided for n-th to default credit derivatives. .

	N-th to default credit derivatives that are hedged by n-th-to-default credit derivatives according to Article 336 CRR shall both be reported here.
040/070/ 100/120	<p><u>OTHER CTP POSITIONS</u></p> <p>The positions in:</p> <ul style="list-style-type: none"> • Derivatives of securitisation exposures that provide a pro-rata share as well as positions hedging CTP positions should be included in row 'Other CTP positions'; • CTP positions hedged by credit derivatives according to Article 335 CRR; • Other positions that satisfy Article 327 (3) of CRR ; <p>are included.</p>

1.4. MKR SA EQU - Market Risk: Standardised Approach for Position Risk in Equities

1.4.1. General Remarks

19. This template, with a similar structure to that of the other MKR SA templates, request information on the positions and the corresponding own funds requirements for position risk in equities held in the trading book and treated under the standardised approach.
20. The template has to be filled out separately for the “Total”, plus a static, pre-defined list of following markets: all 27 markets of the European Union, Albania, Japan, Macedonia, Russian Federation, Serbia, Switzerland, Turkey, Ukraine, USA and one residual dimension for all other markets. For the purpose of the reporting the term “market” should be read as “country” until the final version of the draft ITS will have been published.

1.4.2. Instructions concerning specific positions

Columns	
010 - 020	<p><u>ALL POSITIONS</u></p> <p>Articles 97 and 100 (1) of CRR. These are gross positions not netted by instruments but excluding underwriting positions subscribed or sub-underwritten by third parties (Article 334 second sentence of CRR). Regarding the distinction between Long and Short positions, also applicable to these gross positions, see Article 317 (2) of CRR.</p>
030 – 040	<p><u>NET POSITIONS</u></p> <p>Articles 316 to 318 and 323 of CRR. Regarding the distinction between Long and Short positions see Article 317 (2) of CRR.</p>
050	<p><u>POSITIONS SUBJECT TO CAPITAL CHARGE</u></p> <p>Those net positions that, according to the different approaches considered in Part 3 Title IV Chapter 2 of CRR, receive a capital charge. The capital charge has to be calculated for each national market separately.</p>
060	<p><u>OWN FUNDS REQUIREMENTS</u></p> <p>The capital charge for any relevant position according to Part 3 Title IV Chapter 2 of CRR.</p>
070	<p><u>TOTAL RISK EXPOSURE AMOUNT</u></p>

	Result of the multiplication of the own funds requirements * 12.5.
--	--

Rows	
010 - 110	<p><u>EQUITIES IN TRADING BOOK</u></p> <p>Own funds requirements for position risk according to article 87 (3) point. b CRR and Part 3 Title IV Chapter 2 of CRR.</p>
020 – 040	<p><u>GENERAL RISK</u></p> <p>Positions in equities subject to general risk and their correspondent own funds requirement according to Part 3 Title IV Chapter 2 of CRR.</p>
030	<p><u>Exchange traded stock-index futures broadly diversified and subject to a particular approach</u></p> <p>Exchange traded stock-index futures broadly diversified and subject to a particular approach according to Article 333 (4) of CRR. These positions are only subject to general risk and, accordingly, must not be reported in row (050).</p>
040	<p><u>Other equities than exchange traded stock-index futures broadly diversified</u></p> <p>Other positions in equities subject to specific risk and the correspondent own funds requirements according to Article 332 of CRR.</p>
050	<p><u>SPECIFIC RISK</u></p> <p>Positions in equities subject to specific risk and the correspondent own funds requirement according to Articles 331 and 333 (4) CRR.</p>
080	<p><u>PARTICULAR APPROACH FOR POSITION RISK IN CIUs</u></p> <p>The CRR does not explicitly assign those positions to either the interest rate risk or the equity risk. For reporting purposes, it was agreed that those positions should be reported in the MKR SA EQU template.</p> <p>Positions in CIUs if capital requirements are calculated according to Article 337 (1) CRR. Applicable when positions in CIUs or the underlying instruments are not treated in accordance with the methods set out in Part 3 Title IV Chapter 5 (reference to the “Use of internal models to calculate own funds requirements”) of CRR.</p> <p>If the particular approach according to Article 337 (1) sentence 1 of CRR is applied, the amount to be reported is 32% of the net position of the CIU exposure in question. If the particular approach according to Article 337 (1) sentence 2 of CRR is applied, the amount to be reported is the lower of 32% of the net position of the relevant CIU exposure and the difference between 40% of this net position and the own funds requirements that arise from the foreign exchange risk associated with this CIU exposure.</p> <p>If the specific methods of Article 339 CRR are applicable, the reporting of those positions should follow the underlying investments. As a consequence, those positions would be reported in the relevant rows of either the MKR SA TDI or the MKR SA EQU template.</p>
090 - 110	<p><u>ADDITIONAL REQUIREMENTS FOR OPTIONS (NON-DELTA RISKS)</u></p> <p>Article 318 (3) of CRR.</p> <p>The CRR does not define which methods should be used to calculate capital requirements for additional risks apart from delta risk. As a consequence those amounts only have to be reported on the</p>

	level of own funds requirements/total risk exposure amount.
--	---

1.5. MKR SA FX - Market Risk: Standardised Approaches for Foreign Exchange Risk

1.5.1. General Remarks

21. This template request information on the positions in each currency (reporting currency included) and the corresponding own funds requirements for foreign exchange and treated under the standardised approach. The position is calculated for each currency (including euro), gold, and positions to CIUs.
22. The memorandum items of the template have to be filled out separately for all currencies of the member states of the European Union and the following currencies: USD, CHF, JPY, RUB, TRY, AUD, CAD, RSD, ALL, UAH, MKD, EGP, ARS, BRL, MXN and all other currencies.

1.5.2. Instructions concerning specific positions

Columns	
010	<p><u>CURRENCY CODE</u></p> <p>The three-letter currency unit code according to ISO 4217 shall be reported under the block Memorandum of items (currency 6 onwards).</p>
020-030	<p><u>LONG AND SHORT: ALL POSITIONS</u></p> <p>Gross positions due to assets, amounts to be received and similar items referred to in Article 341 (1) of CRR.</p>
040-050	<p><u>LONG AND SHORT: NET POSITIONS</u></p> <p>Articles 341 (3) and 342 of CRR. The net positions are calculated by each currency, accordingly there may be simultaneous long and short positions.</p>
060-080	<p><u>POSITIONS SUBJECT TO CAPITAL CHARGE</u></p> <p>Articles 341 (2) and (4), 342 and 343 of CRR.</p>
060-070	<p><u>LONG AND SHORT POSITIONS SUBJECT TO CAPITAL CHARGE</u></p> <p>The long and short net positions for each currency are calculated by deducting the total of short positions from the total of long positions. Long net positions for each currency are added to obtain the long net position. Short net positions for each currency are added to obtain the short net position. Unmatched positions are added to positions subject to capital charges for other currencies (row 030) in column (040) or (050) depending on their short or long arrangement.</p>
080	<p><u>MATCHED POSITIONS SUBJECT TO CAPITAL CHARGE</u></p> <p>Matched positions for closely correlated currencies</p>
	<p><u>RISK CAPITAL CHARGE (%)</u></p> <p>As defined in Article 343, the risk capital charges in percentage.</p>
090	<p><u>OWN FUNDS REQUIREMENTS</u></p>

	The capital charge for any relevant position according to Part 3 Title IV Chapter 3 of CRR.
100	<u>TOTAL RISK EXPOSURE AMOUNT</u> Result of the multiplication of the own funds requirements * 12.5.

Rows	
010	<u>POSITIONS IN NON REPORTING CURRENCIES</u> Positions in non-reporting currencies and their correspondent own funds requirements according to article 87 (3) point c) and Article 341 (2) and (4) of CRR (for conversion into the reporting currency).
020	<u>CURRENCIES CLOSELY CORRELATED</u> Positions and their correspondent own funds requirements for currencies referred to in Article 343 of CRR.
030	<u>ALL OTHER CURRENCIES (including CIU's treated as different currencies)</u> Positions and their correspondent own funds requirements for currencies subject to the general procedure referred to in Articles 340 and 341 (2) and (4) of CRR. <u>Reporting of CIU's treated as separate currencies according to Article 342 CRR :</u> There are two different treatments of CIU's treated as separate currencies for calculating the capital requirements: <ol style="list-style-type: none"> 1. The modified gold method, if the direction of the CIU's investment is not available (those CIU's will be added to an institution's overall net foreign-exchange position) 2. If the direction of the CIU's investment is available, those CIU's will be added to the total open foreign exchange position (long or short, depending on the direction of the CIU) The reporting of those CIU's follows the calculation of the capital requirements accordingly.
040	<u>GOLD</u> Positions and their correspondent own funds requirements for currencies subject to the general procedure referred to in Articles 340 and 341 (2) and (4) of CRR.
050	<u>ADDITIONAL REQUIREMENTS FOR OPTIONS (NON-DELTA RISKS)</u> Article 341 (5) and (6) of CRR. The CRR does not define which methods should be used to calculate capital requirements for additional risks apart from delta risk. As a consequence those amounts only have to be reported on the level of own funds requirements/total risk exposure amount.
060-080	<u>Breakdown of total positions (reporting currency included) by exposure types</u> Total positions shall be broken down according to derivatives, other assets and liabilities and off-balance sheet items.
060	<u>Primary financial instruments</u> Market values estimated according to Article 100 (2) to (13) of CRR.
070	<u>Off-balance sheet items</u> Items included in Annex I of CRR except those included as Securities Financing Transactions & Long Settlement Transactions or from Contractual Cross Product Netting.
080	<u>Derivatives</u> Positions valued according to Articles 341 CRR.

090-350	<u>MEMORANDUM ITEMS : CURRENCY POSITIONS</u> The memorandum items of the template have to be filled out separately for all currencies of the member states of the European Union and the following currencies: USD, CHF, JPY, RUB, TRY, AUD, CAD, RSD, ALL, UAH, MKD, EGP, ARS, BRL, MXN and all other currencies.
---------	--

1.6. MKR SA COM - Market Risk: Standardised Approaches for Commodities

1.6.1. General Remarks

23. This template request information on the positions in commodities and the corresponding own funds requirements treated under the standardised approach.

1.6.2. Instructions concerning specific positions

Columns	
010 - 020	<u>LONG AND SHORT: All POSITIONS</u> Gross long/short positions considered positions in the same commodity according to Article 346 (1) and (5) of CRR (see also Article 348 (1) of CRR).
030 – 040	<u>LONG AND SHORT: NET POSITIONS</u> As defined in Article 346 (4) of CRR. The net positions are calculated (there may be simultaneous long and short positions).
050	<u>POSITIONS SUBJECT TO CAPITAL CHARGE</u> Those net positions that, according to the different approaches considered in Part 3 Title IV Chapter 4 of CRR, receive a capital charge.
	<u>RISK CAPITAL CHARGE (%)</u> The capital charge (%) for market risks on the relevant net positions according to the different approaches considered in Part 3 Title IV Chapter 4 of CRR.
060	<u>OWN FUNDS REQUIREMENTS</u> The capital charge for any relevant position according to Part 3 Title IV Chapter 4 of CRR.
070	<u>TOTAL RISK EXPOSURE AMOUNT</u> Result of the multiplication of the own funds requirements * 12.5.

Rows	
010	<u>TOTAL POSITIONS IN COMMODITIES</u> Positions in commodities and their correspondent own funds requirements for market risk according to article 87 (3) point. c CRR and Part 3 Title IV Chapter 4 of CRR.
020 – 060	<u>POSITIONS BY CATEGORY OF COMMODITY</u> For reporting purposes commodities are grouped in the four main groups of commodities referred to in Table 2 of Article 350 CRR.
070	<u>MATURITY LADDER APPROACH</u> Positions in commodities subject to the Maturity Ladder approach as referred to in Article 348

	of CRR.
080	<u>EXTENDED MATURITY LADDER APPROACH</u> Positions in commodities subject to the Extended Maturity Ladder approach as referred to in Article 350 of CRR
090	<u>SIMPLIFIED APPROACH</u> Positions in commodities subject to the Simplified approach as referred to in Article 349 of CRR.
100	<u>ADDITIONAL REQUIREMENTS FOR OPTIONS (NON-DELTA RISKS)</u> Article 347 (4) of CRR. The CRR does not define which methods should be used to calculate capital requirements for additional risks apart from delta risk. As a consequence those amounts only have to be reported on the level of own funds requirements/total risk exposure amount.

1.7. MKR IM - Market Risk Internal Model

1.7.1. General Remarks

24. This template provides a breakdown of the All positions (long/short), the VaR and stressed VaR (sVaR) figures according to the different market risks (debt, equity, FX, commodities). Other information relevant for the calculation of the own funds requirements is also requested (incremental default and migration risk capital charge, all price risks capital charge for CTP, number of overshootings, etc.).
25. Generally the reporting depends on the structure of the model of the institutions whether they report the figures for general and specific risk separately or together. The same holds true for the decomposition of the VAR /Stress-Var into the risk categories (interest rate risk, equity risk, commodities risk and foreign exchange risk). An institution can resign to report the decompositions mentioned above if it proves that a reporting of these figures would be unduly burdensome.

1.7.2. Instructions concerning specific positions

columns	
010	<u>Currency Code</u> The three-letter currency unit code according to ISO 4217 shall be reported under the block Memorandum items (currency 6 onwards).
020-021	<u>All positions: Long/Short</u> Articles 97 and 100 (1) of CRR. Regarding the distinction between Long and Short positions, also applicable to these gross positions, see Article 317 (2) of CRR.
030-040	<u>VaR</u> It means the maximum potential loss that would result from a price change with a given probability over a specified time horizon.
030	<u>Multiplication factor (mc) x Average of previous 60 working days VaR (VaRavg)</u> <ul style="list-style-type: none"> Articles 353 (1) point a) (ii) and 354 (1) of CRR.
040	<u>Previous day VaR (VaRt-1)</u>

	Articles 353 (1) point a) (i) and 354 (1) of CRR.
050-060	<p><u>Stressed VaR</u></p> <p>It means the maximum potential loss that would result from a price change with a given probability over a specified time horizon obtained by using input calibrated to historical data from a continuous 12-months period of financial stress relevant to the institution's portfolio (see Articles 353 (1) point a) (i) and 354 (1) of CRR).</p>
050	<p><u>Multiplication factor (ms) x Average of previous 60 working days (SVaRavg)</u></p> <p>Articles 353 (1) point b) (ii) and 354 (1) of CRR.</p>
060	<p><u>Latest available (SVaRt-1)</u></p> <p>Articles 353 (1) point b) (i) and 354 (1) of CRR.</p>
070-080	<p><u>INCREMENTAL DEFAULT AND MIGRATION RISK CAPITAL CHARGE</u></p> <p>It means the maximum potential loss that would result from a price change linked to default and migration risks calculated accordingly to Article 353 (2) point b) in connection with Part Three Title IV Chapter 5 Section 4 of CRR.</p>
070	<p><u>12 weeks average measure</u></p> <p>Article 353 (2) point b) in connection with Part Three Title IV Chapter 5 Section 4 of CRR.</p>
080	<p><u>Last Measure</u></p> <p>Article 353 (2) point b) in connection with Part Three Title IV Chapter 5 Section 4 of CRR.</p>
090-110	<u>ALL PRICE RISKS CAPITAL CHARGE FOR CTP</u>
090	<p><u>FLOOR</u></p> <p>Article 353 (3) point (c) of CRR.</p> <p>= 8% of the capital charge that would be calculated in accordance with Article 327 (1) of CRR for all positions in the 'all price risks' capital charge.</p>
100-110	<u>12 WEEKS AVERAGE MEASURE AND LAST MEASURE</u>
130	<p><u>OWN FUNDS REQUIREMENTS</u></p> <p>Referred to in Article 353 of CRR of all risk factors taking into account correlation effects, if applicable, plus incremental default and migration risk and all price of risks for CTP but excluding the Securitization capital charges for Securitization and nth-to-default credit derivative according Article 353 (2) of CRR.</p>
140	<p><u>Number of overshootings (during previous 250 working days)</u></p> <p>Referred to in Article 355 of CRR.</p>
150-160	<p><u>VaR Multiplication Factor (mc) and SVaR Multiplication Factor (ms)</u></p> <p>As referred to in Article 355 of CRR.</p>
170 - 180	<u>ASSUMED CHARGE FOR CTP FLOOR - WEIGHTED NET LONG/ SHORT POSI-</u>

	<p><u>TIONS AFTER CAP</u></p> <p>The amounts reported and serving as the basis to calculate the floor capital charge for all price risks according to Article 353 (3) point. c of CRR take into account the discretion of Article 324 of CRR which says that the institution may cap the product of the weight and the net position at the maximum possible default-risk related loss.</p>
--	---

Rows	
010	<p><u>TOTAL POSITIONS</u></p> <p>Corresponds to the part of position, foreign exchange and commodities risk referred to in Article 352 (1) of CRR linked to the risk factors specified in Article 356 (2) of CRR. Concerning the columns 030 to 060 (VAR and Stress-VAR) it should be noted that the figures in the total row is not equal to the decomposition of the figures for the VAR/Stress-VAR of the relevant risk components. That is why the decomposition are just memorandum items.</p>
040/090/130	<p><u>Derivatives</u></p> <p>Positions valued according to Articles 317 to 319 CRR.</p>
050/100/140	<p><u>Other assets and liabilities</u></p> <p>Market values estimated according to Article 100 (2) to (13) of CRR.</p>
150	<p><u>Off-balance sheet items</u></p> <p>Items included in Annex I of CRR except those included as Securities Financing Transactions & Long Settlement Transactions or from Contractual Cross Product Netting.</p>
020	<p><u>TRADED DEBT INSTRUMENTS</u></p> <p>Corresponds to the part of position risk referred to in 352 (1) of CRR linked to the interest rates risk factors as specified in Article 356 (2) of CRR.</p>
030	<p><u>TDI – GENERAL RISK</u></p> <p>General risk defined in Article 351 of CRR.</p>
060	<p><u>TDI – SPECIFIC RISK</u></p> <p>Specific risk defined in Article 351 of CRR.</p>
070	<p><u>EQUITIES</u></p> <p>Corresponds to the part of position risk referred to in 352 (1) of CRR linked to the equity risk factors as specified in Article 356 (2) of CRR.</p>
080	<p><u>EQUITIES – GENERAL RISK</u></p> <p>General risk defined in Article 351 of CRR.</p>
110	<p><u>EQUITIES – SPECIFIC RISK</u></p> <p>Specific risk defined in Article 351 of CRR.</p>
120	<p><u>FOREIGN EXCHANGE RISK</u></p> <p>Articles 352 (1) and 356 (2) of CRR.</p>
160	<p><u>COMMODITY RISK</u></p>

	Articles 352 (1) and 356 (2) of CRR.
170	<p><u>TOTAL AMOUNT FOR GENERAL RISK</u></p> <p>Market risk caused by general market movements of traded debt instruments, equities, foreign exchange and commodities. VAR for general risk of all risk factors (taking into account correlation effects if applicable).</p>
180	<p><u>TOTAL AMOUNT FOR SPECIFIC RISK</u></p> <p>Specific risk component of traded debt instruments and equities. VAR for specific risk of equities and traded debt instruments of trading book (taking into account correlation effects if applicable).</p>
190	<p><u>Memorandum items: Top currency positions</u></p> <p>The memorandum items of the template have to be filled out separately for all currencies of the member states of the European Union and the following currencies: USD, CHF, JPY, RUB, TRY, AUD, CAD, RSD, ALL, UAH, MKD, EGP, RUR, ARS, BRL, MXN and all other currencies.</p>