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ANNEX II

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**INSTRUCTIONS FOR REPORTING ON OWN FUNDS AND OWN FUNDS REQUIREMENTS**

**PART II: TEMPLATE RELATED INSTRUCTIONS**

(…)

5.8. C 25.01 - CREDIT VALUATION ADJUSTMENT RISK (CVA)

5.8.1. Instructions concerning specific positions

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| **Columns** | |
| 0010 | **CCR exposure value**  Exposure value for Counterparty Credit Risk (CCR) calculated in accordance with the methods laid down in Part Three, Title II, Chapters 4 and 6 of Regulation (EU) No 575/2013. |
| 0020 | **Own funds requirements for CCR**  Own funds requirements for CCR (Article 92(4), points (a) and (g) and Part Three, Title VI of Regulation (EU) No 575/2013). |
| 0030 | **Notional amount**  Sum of the notional amounts for derivatives before any netting and without any adjustments in accordance with Article 279b of Regulation (EU) No 575/2013. |
| 0040 | **Incurred CVA**  Accounting provisions due to decreased credit worthiness of derivatives counterparties. |
| 0050 | **Simplified treatment for derivative positions of CIUs**  Own funds requirements for CVA (Article 92(4), point (d) and Part Three, Title VI of Regulation (EU) No 575/2013), calculated in accordance with the simplified treatment for derivative positions of CIU defined in articles 132a(3), 152(3) and 325j(1) of Regulation (EU) No 575/2013. |
| 0060 | **Simplified approach**  Own funds requirements for transactions subject to the simplified approach set out in Article 385 of Regulation (EU) No 575/2013. |
| 0070 | **Reduced BA-CVA approach**  Own funds requirements for CVA (Article 92(4), point (d) and Part Three, Title VI of Regulation (EU) No 575/2013), calculated in accordance with Article 384(3) for an institution that meets the condition laid down in Article 384(1)(b) of Regulation (EU) No 575/2013. |
| 0080-0110 | **Full BA-CVA approach**  Own funds requirements for CVA (Article 92(4), point (d) and Part Three, Title VI of Regulation (EU) No 575/2013), calculated in accordance with Article 384(2) for an institution that meets the condition laid down in Article 384(1)(a) of Regulation (EU) No 575/2013. |
| 0080 | **Notional of CVA hedges**  Notional of CVA eligible hedges (gross amounts) recognised in accordance with Article 386 of Regulation (EU) No 575/2013. |
| 0090 | **BACVAcsr-unhedged**  BACVAcsr-unhedged for transactions subject to the basic approach as calculated in accordance with Article 384(3) for an institution that meets the condition laid down in Article 384(1)(b) of Regulation (EU) No 575/2013. |
| 0100 | **BACVAcsr-hedged**  BACVAcsr-hedged for transactions subject to the basic approach as calculated in accordance with Article 384(2) for an institution that meets the condition laid down in Article 384(1)(a) of Regulation (EU) No 575/2013. |
| 0110 | **Own funds requirements**  Total own funds requirements for transactions subject to the full basic approach as calculated in accordance with Article 384(2) for an institution that meets the condition laid down in Article 384(1)(a) of Regulation (EU) No 575/2013 |
| 0120-0270 | **SA-CVA approach**  Own funds requirements for CVA (Article 92(4), point (d) and Part Three, Title VI of Regulation (EU) No 575/2013), calculated in accordance with Article 383 for an institution that meets the condition laid down in Article 382a(1)(a) of Regulation (EU) No 575/2013. |
| 0120 | **Notional of CVA hedges**  Notional of CVA eligible hedges recognised in accordance with Article 386 of Regulation (EU) No 575/2013. |
| 0130 | **Number of counterparties**  Article 445a(1)(c) of Regulation (EU) No 575/2013  Number of counterparties as defined in Article 383(1) of Regulation (EU) No 575/2013 included in calculation of own funds for SA-CVA risk. The total number shall be reported in row 0010 and the breakdown by counterparty type in rows 0170-0220. |
| 0140-0250 | **Own funds requirements for netting sets under the SA-CVA approach**  Own funds requirements for SA-CVA risk in accordance with Article 383 of Regulation (EU) No 575/2013, including a breakdown by risk classes as defined in Article 383(2)(1) and for each of the risk classes the own funds requirements for delta risks and for vega risks as required in Article 383(3) and in accordance with Article 383b of Regulation (EU) No 575/2013. |
| 0140-0150 | **Own funds requirements for interest rate risk**  Articles 383c, 383i, 383j, 383k, 383l, 383m of Regulation (EU) No 575/2013. |
| 0160-0170 | **Own funds requirements for foreign exchange risk**  Articles 383d, 383i, 383j, 383n, 383o of Regulation (EU) No 575/2013. |
| 0180-0190 | **Own funds requirements for counterparty credit spread risk**  Articles 383e, 383i, 383j, 383p, 383q, 383r of Regulation (EU) No 575/2013. |
| 0200-0210 | **Own funds requirements for reference credit spread risk**  Articles 383f, 383i, 383j, 383s, 383u of Regulation (EU) No 575/2013. |
| 0220-0230 | **Own funds requirements for equity risk**  Articles 383g, 383i, 383j, 383v, 383w of Regulation (EU) No 575/2013. |
| 0240-0250 | **Own funds requirements for commodity risk**  Articles 383h, 383i, 383j, 383x, 383z of Regulation (EU) No 575/2013. |
| 0260 | ***m*CVA**  Value of the 𝑚𝐶𝑉𝐴 multiplier factor in accordance with Article 383b(8) of Regulation (EU) No 575/2013. The value used in the calculation of the own funds requirements shall be reported (value equal to 1 or value increased by the competent authorities). |
| 0270 | **Own funds requirements**  Own funds requirements for transactions subject to the SA-CVA calculated in accordance with Article 383 of Regulation (EU) No 575/2013. |
| 0280 | **TOTAL OWN FUNDS REQUIREMENTS**  Article 92(4), point (e), of Regulation (EU) No 575/2013.  Total own funds requirements for CVA Risk calculated using any of the applicable approaches referred to in Article 382a of Regulation (EU) No 575/2013. In case more than one approach is applied, the simple sum of all own funds requirements of each approach shall be reported. |
| 0290 | **TOTAL RISK EXPOSURE AMOUNTS**  Article 92(6), of Regulation (EU) No 575/2013.  Own funds requirements multiplied by 12.5. |
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| **Rows** | |
| 0010 | **Transactions in scope of the own funds requirement for CVA risk**  Article 382 of Regulation (EU) No 575/2013. |
| 0020 | **Of which: derivatives only**  Derivatives in scope of Article 382 of Regulation (EU) No 575/2013 (i.e. all transactions reported in row 0010, excluding securities financing transactions). |
| 0030 | **Of which: Otherwise exempted transactions that institutions choose to reintegrate in the calculation of own funds requirements**  Article 382(4a) of Regulation (EU) No 575/2013. |
| 0040-0220 | **MEMORANDUM ITEMS** |
| 0040-0110 | **CVA exemptions: marginal impact of reintegration**  Marginal impact of reintegration of CVA exemptions as defined in Articles 382(3) and (4) of Regulation (EU) No 575/2013, separately for each exemption. The marginal impact is the difference, expressed in absolute amount, between the relevant metric for the scope of transactions referred to in row 0010 after reintegrating the exemption, and the relevant metric for the scope of transactions referred to in row 0010. |
| 0040 | **All transactions exempted**  Marginal impact of reintegration of all CVA exemptions as defined in Articles 382(3) and (4) of Regulation (EU) No 575/2013.  The scope of transactions should consist of all transactions reported row 0010, disregarding the exemptions mentioned in article 382(3) and Article 382(4) of Regulation (EU) No 575/2013. Specifically, the aforementioned transactions currently excluded from the CVA capital requirements calculation pursuant to these articles should be reintegrated for the purpose of this row. The total transactions reintegrated for the purpose of this row shall be the transactions that are reintegrated for the purposes of rows 0050 to 0110. |
| 0050 | **Client’s transactions**  Marginal impact of reintegration of client’s transactions as defined in Article 382(3) of Regulation (EU) No 575/2013.  Marginal impact of reintegrating transactions between a client and a clearing member, when the clearing member is acting as an intermediary between the client and a qualifying central counterparty, which are exempted under Article 382(3) of Regulation (EU) No 575/2013 from the scope of row 0010. Clients should not re-integrate those transactions when the transaction meet the requirements in Article 305(2), (3) and (4) of that Regulation. |
| 0060 | **Transactions with non-financial counterparties**  Marginal impact of reintegration of transactions with non-financial counterparties as defined in Article 382(4)(a) of Regulation (EU) No 575/2013. |
| 0070 | **Transactions with EU non-financial counterparties only**  Marginal impact of reintegration of transactions with EU non-financial counterparties only. The scope of transactions should consist of all transactions reported in row 0060, less the scope of transactions reported in row 0080. |
| 0080 | **Transactions with third country non-financial counterparties only**  Marginal impact of reintegration of transactions with third country non-financial counterparties only. The scope of transactions should consist of all transactions reported in row 0060, less the scope of transactions reported in row 0070. |
| 0090 | **Intragroup transactions**  Marginal impact of reintegration of intragroup transactions as defined in Article 382(4)(b) of Regulation (EU) No 575/2013. |
| 0100 | **Transactions with pension funds counterparties**  Marginal impact of reintegration of transactions with pension funds counterparties which are entered into during the transitional period laid down in Article 89(1) of Regulation (EU) No 648/2012, and which are exempted from the own funds requirements for CVA risk in accordance with the second paragraph of Article 382(4) of Regulation (EU) No 575/2013. Transactions mentioned in Article 382(4)(c) which are not entered into during the transitional period laid down in Article 89(1) of Regulation (EU) No 648/2012 are not considered exempted transactions, since the transitional period for the application of that exemption expired. |
| 0110 | **Transactions with sovereign counterparties**  Marginal impact of reintegration of transactions with sovereign counterparties as defined in Article 382(4)(d) of Regulation (EU) No 575/2013. |
| 0120 | **CVA hedges of exempted transactions not included in scope of cva**  CVA hedges of exempted transactions that are not included in the scope of own funds requirements for CVA risk and are subject to capital requirements for market risk. |
| 0130 | **Total non-centrally cleared SFTs that are fair-valued for accounting purposes, excluding exempted transactions**  SFTs that are fair-valued for accounting purposes that would fall in scope of the own funds requirements for CVA risk in accordance with Article 382(2) of Regulation (EU) No 575/2013, irrespective of whether the CVA risk exposures arising from them are material. SFTs that are exempted from own funds requirements for CVA risk in accordance with Article 382(3) and 382(4) of Regulation (EU) No 575/2013 should be excluded from the calculations, unless the institution would include those transactions in scope of the own funds requirements for CVA risk in accordance with Article 382(4a) of Regulation (EU) No 575/2013. |
| 0140-0160 | **CVA hedges**  Article 386 of Regulation (EU) No 575/2013. |
| 0140 | **Single name CDS** |
| 0150 | **Index CDS** |
| 0160 | **Other derivatives classified as CVA risk hedges** |
| 0170-0220 | **Counterparty types of transactions subject to the SA-CVA approach**  Article 445a(1)(c) of Regulation (EU) No 575/2013.  One sector shall be chosen for every counterparty on the basis of the following FINREP economic sector classes (see Part 3 Annex V to this Implementing Regulation).  The number of counterparties by sector shall be reported in column 0130. |
| 0170 | **Central banks** |
| 0180 | **General Governments** |
| 0190 | **Credit institutions** |
| 0200 | **Investment firms** |
| 0210 | **Other financial corporations (excluding investment firms)** |
| 0220 | **Non-financial corporations** |
| 0230 | **Aggregation of systematic components of CVA risk**  Article 384(3) of Regulation (EU) No 575/2013. Own funds requirements under perfect correlation assumption (ΣcSCVAc). The discount factorof 0.65 shall not be applied. |
| 0240 | **Aggregation of idiosyncratic components of CVA risk**  Article 384(3) of Regulation (EU) No 575/2013. Own funds requirements under zero correlation assumption (sqrt(ΣcSCVAc2)). The discount factorof 0.65 shall not be applied. |