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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

(…)

9. Trading book and market risk thresholds, the boundary between trading book and non-trading book and reclassifications

9.1 C 90.00 – Trading book and market risk thresholds

9.1.1 General remarks

1. The information provided in this template shall reflect the result of the calculation referred to in Article 94 of Regulation (EU) No 575/2013 (derogation for small trading book business), and the size of an institutions’ on– and off–balance sheet business subject to market risk calculated in accordance with Article 325a of Regulation (EU) No 575/2013.

9.1.2 Instructions concerning specific positions

1. The result of the calculation referred to in Article 94 of Regulation (EU) No 575/2013 and the information on the size of an institutions’ on– and off–balance sheet business subject to market risk calculated in accordance with Article 325a of Regulation (EU) No 575/2013 shall be reported separately for each month–end in the quarter the report refers to in rows 0010 to 0030.

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| **Row** | **Legal references and instructions** |
| 0010 | **Month 3**  Data as of the last day of the third month of the quarter the report refers to. |
| 0020 | **Month 2**  Data as of the last day of the second month of the quarter the report refers to. |
| 0030 | **Month 1**  Data as of the last day of the first month of the quarter the report refers to. |

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| **Column** | **Legal references and instructions** |
| 0010 | **On– and off–balance sheet business subject to market risk**  Article 325a(2) of Regulation (EU) No 575/2013.  Institutions shall report the absolute amount reflecting the institutions’ on– and off–balance sheet business subject to market risk calculated in accordance with Article 325a(2) of Regulation (EU) No 575/2013. |
| 0020 – 0060 | **Breakdown by regulatory book**  On– and off–balance sheet business subject to market risk shall be broken down by trading book and non–trading book. |
| 0020-0040 | **Trading book**  Positions assigned to the trading book which are included in the calculation of Article 325a(2) of Regulation (EU) No 575/2013. |
| 0030 – 0040 | **of which: Trading book business for the purposes of Article 94 of Regulation (EU) No 575/2013**  Article 94(3) of Regulation (EU) No 575/2013.  As required by Article 94(3), point (b), of Regulation (EU) No 575/2013, institutions shall report market values as of the last day of the month; where market values are not available, fair values at the same date, or, where market values and fair values are not available at that given date, the most recent market value or fair value. |
| 0030 | **Total**  Article 94(3) of Regulation (EU) No 575/2013.  The absolute amount of long and short positions shall be summed up as required by Article 94(3), point (c), of Regulation (EU) No 575/2013. |
| 0040 | **in % of total assets**  Article 94(1), point (a), of Regulation (EU) No 575/2013.  The size of the trading book business for the purposes of Article 94 of Regulation (EU) No 575/2013 shall be expressed as a percentage of the total assets. |
| 0050 – 0060 | **Non–trading book**  Positions assigned to the non-trading book which are included in the calculation of Article 325a(2) of Regulation (EU) No 575/2013.  Institutions shall report non–trading book positions subject to market risk broken down into positions subject to foreign exchange risk and positions subject to commodity risk.  The relevant amounts shall be determined in accordance with Article 325a(2), points (d) and (e), of Regulation (EU) No 575/2013. |
| 0070 | **in % of total assets**  Article 325a(1), point (a), of Regulation (EU) No 575/2013.  The on– and off–balance sheet business subject to market risk shall be expressed as a percentage of the total assets. |
| 0080 | **Total assets**  Article 94(1), point (a), and Article 325a(1), point (a), of Regulation (EU) No 575/2013. |

9.2 The boundary between trading book and non-trading book (BOU)

9.2.1 General remarks

209a. This template shall be used to provide information on the composition of the trading book (BOU1) in the light of the presumptions for including instruments into the books stipulated in Article 104 of Regulation (EU) No 575/2013.

9.2.2 C 90.05 – Boundary: Trading book (BOU1)

9.2.2.1 General remarks

209b. Institutions shall report all positions assigned to the trading book as referred to in Article 4(1), point (85), of Regulation (EU) No 575/2013 in this template, with the exception of instruments and positions excluded from the calculation of the threshold referred to in Article 325a of Regulation (EU) No 575/2013.209c.By derogation from Article 21(1), point (a), of Regulation (EU) 2021/451, institutions shall report a zero in rows 0010 and 0020, columns 0020 (‘Mandatorily in the trading book’), 0130 (‘Instruments included in the Trading Book with approval from competent authority: Instruments in hedge funds’) and 0140 (‘Other instruments’), respectively, if their trading book does not include any instrument corresponding to the descripton of the respective cell.

9.2.2.2 Instructions concerning specific positions

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| **Column** | **Legal references and instructions** |
| 0010 - 0150 | **Trading book: Aggregated positions: Value to the effect of Article 325a of Regulation (EU) no 575/2013 (net (+) positive / (-) negative market value)**  Articles 4(1), point (86), 104, 325a(2), point (a) of Regulation (EU) No 575/2013  Institutions shall separately report information for aggregated long positions and for aggregated short positions. They shall determine the value of the aggregated long (short) position in accordance with Article 325a(2) of Regulation (EU) No 575/2013, with the following derogation: Where the value of the aggregated long (short) position corresponds to a net positive market value, a positive value shall be reported in this template; where the value of the aggregated long (short) position corresponds to a net negative market value, a negative value shall be reported. |
| 0010 | **Aggregated positions – of which: in foreign currency**  Instruments shall be reported in this column, if they are denominated in a currency other than the reporting currency, if they have an underlying denominated in such a currency or have a foreign exchange position as underlying. |
| 0020 – 0120 | **Aggregated positions – Mandatorily in the trading book**  Where an instrument meets more than one condition for having to be included in the trading book, institutions shall report it in the column they deem most suitable among columns 0030 to 0120. Instruments classified as having a trading purpose under the accounting framework shall only be reported in column 0120, if they cannot be assigned to any of the columns 0030 to 0110. |
| 0020 | **Mandatorily in the trading book** |
| 0030 | **Instruments in the ACTP**  Article 104(2), first subparagraph, point (a) of Regulation (EU) No 575/2013 |
| 0040 | **Instruments that would give rise to a net short credit or equity position in the banking book**  Article 104(2), first subparagraph, point (b) of Regulation (EU) No 575/2013 |
| 0050 | **Instruments resulting from securities underwriting commitments**  Article 104(2), first subparagraph, point (c) of Regulation (EU) No 575/2013 |
| 0060 | **Instruments resulting from market making activities**  Article 104(2), first subparagraph, point (e) of Regulation (EU) No 575/2013 |
| 0070 | **CIUs**  Article 104(2), first subparagraph, point (f) of Regulation (EU) No 575/2013 |
| 0080 | **Listed equities**  Article 104(2), first subparagraph, point (g) of Regulation (EU) No 575/2013 |
| 0090 | **Trading-related SFTs**  Article 104(2), first subparagraph, point (h) of Regulation (EU) No 575/2013 |
| 0100 | **Options, or other derivatives, embedded in the own liabilities of the institution (split)**  Article 104(2), first subparagraph, point (i), and third subparagraph of Regulation (EU) No 575/2013 |
| 0110 | **Own liabilities of the institution with embedded options, or other derivatives (not split)**  Article 104(2), first subparagraph, point (i), and fourth subparagraph of Regulation (EU) No 575/2013 |
| 0120 | **Instruments classified as having a trading purpose under the accounting framework (not included in previous columns)**  Article 104(2), first subparagraph, point (d), of Regulation (EU) No 575/2013  Instruments classified as having a trading purpose under the accounting framework shall only be reported in this column if they were not reported yet in columns 0030 to 0110. |
| 0130 | **Aggregated positions – Instruments included in the Trading Book with approval from competent authority: Instruments in hedge funds**  Article 104(4a) of Regulation (EU) No 575/2013 |
| 0140 - 0150 | **Aggregated positions – Other instruments**  Instruments shall be reported in this column, if they are assigned to the trading book in accordance with Article 4(1), point (85), of Regulation (EU) No 575/2013, and were not reported in any of the columns 0020 to 0130. |
| 0140 | **Other instruments** |
| 0150 | **Other instruments – of which: Instruments in trading Book due to lack of evidence for classification in the non-trading book**  Article 104(6), second sentence, of Regulation (EU) No 575/2013 |

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| **Row** | **Legal references and instructions** |
| 0010-0020 | **All instruments in the trading book taken into consideration in the threshold of Article 325a of Regulation (EU) No 575/2013** |
| 0030-0040 | **Instruments whose main risk driver is general interest rate risk or credit spread risk** |
| 0050-0060 | **Instruments whose main risk driver is equity risk** |
| 0070-0080 | **Instruments whose main risk driver is foreign exchange risk** |
| 0090-0100 | **Instruments whose main risk driver is commodities risk** |
| 0110-0120 | **Other instruments in the trading book, including instruments whose main risk driver is residual risk**  Institutions shall report in these rows any instrument allocated to the trading book the main risk driver of which is not one of risk drivers referred to in rows 0030 to 0100. These rows shall include at least instruments the main risk driver of which are residual risks. |
| 0130-0140 | **Memorandum item: Instruments classified as having a trading purpose under the accounting framework**  Article 104(2), first subparagraph, point (d), of Regulation (EU) No 575/2013 |

9.3 C 24.01 - Trading book boundary - Reclassifications between books (MOV)

9.3.1 General remarks

1. This template shall be used to provide information on the reclassification of positions in accordance with Article 104a of Regulation (EU) No 575/2013.
2. Reclassifications shall be reported in this template only in the following two cases:
   1. where the competent authority has granted the permission to reclassify a trading book position as non-trading book position or *vice versa*;
   2. where the reclassification meets the conditions set out in Article 104a(6) of Regulation (EU) No 575/2013 and may be done without the competent authority’s explicit permission.
3. The following reclassified instruments shall be reported in the template:
   1. instruments reclassified during the quarter the report refers to. All instruments reclassified during the quarter shall be reported in the template, whether the reclassification leads to a reduction in the own funds requirements or not. An instrument reclassified during the quarter shall be reported even if the instrument was derecognised or matured between the date of reclassification and the reference date of the report;
   2. instruments reclassified in preceding reporting periods that still attract an own funds requirement in accordance with Article 104a(3), point (b), of Regulation (EU) No 575/2013 as of the reference date of the report;
   3. instruments reclassified in preceding reporting periods that attracted an own funds requirement in accordance with Article 104a(3), point (b), of Regulation (EU) No 575/2013 on the preceding reference date, where the decision of the competent authority to permit the recognition of the reduction in the own funds requirements takes effect during the quarter the report refers to.
4. Institutions shall report information on the reclassification separately for each instrument that was reclassified.
5. The field ‘offsetting group’ shall be used to indicate the offsetting group that includes the entity which held the position as of the reference date, or as of the date of maturity or derecognition, as applicable.

9.3.2 Instructions concerning specific positions

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| **Column** | **Legal references and instructions** |
| 0010 | **Reclassification ID**  Internal (alpha-numerical) code used by the reporting entity to identify the reclassified instrument, or the reclassification, as applicable.  Each reclassification shall be associated with a different Reclassification ID. The Reclassification ID assigned to one and the same reclassification shall be unique and used consistently across time and across reports.  This is a row identifier and shall be unique for each row of the template. |
| 0020 | **Type of instrument**  Short description of the instrument that was reclassified, which shall enable the understanding of the nature and main characteristics of the instrument that was reclassified.  Where the instrument that was reclassified has an International Securities Identification Number (‘ISIN‘), the ISIN shall be included into the description, in addition to the main features of the instrument. |
| 0030 | **Regulatory book the instrument was reclassified from**  One of the following two options shall be indicated:   * Trading book Article 4(1), point 86, of Regulation (EU) No 575/2013 * Banking Book  Consists of all positions not included in the trading book. |
| 0040 | **Regulatory book the instrument was reclassified to**  One of the following two options shall be indicated:   * Trading book Article 4(1), point 86, of Regulation (EU) No 575/2013 * Banking book Consists of all positions not included in the trading book. |
| 0050 | **Reason for the reclassification**  The exceptional circumstances leading to the reclassification of the position between the regulatory books shall be explained. The explanation provided in this cell shall be detailed enough to substantiate why the reclassification is considered an exceptional circumstance. |
| 0060 | **Prior permission (status)**  Article 104a(2) and (6) of Regulation (EU) No 575/2013  Where no prior permission of the competent authority is required in accordance with Article 104a(6) of Regulation (EU) No 575/2013, the institutions shall indicate ‘No prior permission required’ in this column. Where a prior permission is required, and has been obtained, ‘Prior permission obtained’ shall be indicated. |
| 0070 | **Date of reclassification**  Article 104a(2) and (6), first sentence, of Regulation (EU) No 575/2013 |
| 0080 | **Net (+) increase or (-) reduction of own funds requirements resulting from the reclassification**  The net change in the amount of own funds requirements arising from the reclassification of the position, calculated in accordance with Article 104a(4) of Regulation (EU) No 575/2013  An increase in own funds requirements arising from the reclassification shall be reported with a positive sign (+), whereas a decrease in own funds requirements shall be reported with a negative (–) sign. |
| 0090 | **Add-on to the own funds requirements due to the reclassification**  If the net change in the amount of own funds requirements arising from the reclassification of the position, as calculated in accordance with Article 104a(4) of Regulation (EU) No 575/2013, represents a reduction of the institution's own funds requirements and the competent authority did not permit to recognise that reduction in accordance with Article 104a(3), point (b), of Regulation (EU) No 575/2013, the amount of the reduction shall be reported with a positive sign, The amount shall accordingly represent the add-on to the own funds requirements for the reclassification in question.  Where the competent authority permitted to recognise the reduction in own funds requirements in accordance with Article 104a(3), point (b), of Regulation (EU) No 575/2013, this column shall be left empty. |
| 0100 | **Date of maturity or envisaged derecognition of the instrument**  Where no derecognition is foreseen, the maturity of the instrument shall be reported.  Where the instrument is envisaged to be derecognised before its maturity, the date of that envisaged derecognition shall be reported.  Where only the month and year of maturity or derecognition are known, the date of maturity or envisaged derecognition of the instrument shall be reported as last day of the month. Where only the year of derecognition is known, the date of maturity or envisaged derecognition shall be reported as 31 December of that year.  Where the date of maturity or envisaged derecognition of the instrument cannot be determined or are not known, 31 December 9999 shall be indicated in this column. |
| 0110 | **Date as of which the competent authority permits the recognition of the reduction in own funds requirements**  Article 104a(3), point (b), of Regulation (EU) No 575/2013  Where the reclassification resulted in a net increase of the own funds requirements and where the competent authority has not permitted the recognition of the reduction in own funds requirements, no date shall be indicated.’ |