ANNEX II

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 institution’s 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.  Non–trading book positions subject to market risk shall be reported 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**  Articles 94(1), point (a), and 325a(1), point (a), of Regulation (EU) No 575/2013. |

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

1. [empty]
2. [empty]

9.3 Trading book boundary: C 24.01: Reclassifications between books (MKR 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 of Article 104a(6) of Regulation (EU) No 575/2013 and can be done without the competent authority’s explicit permission.
3. The following reclassified instruments shall be reported in the template:
4. 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;
5. 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;
6. 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.
7. Information on the reclassification shall be reported separately for each instrument that was reclassified.
8. 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 is reclassified, which shall enable the understanding of the nature and main characteristics of the instrument that was reclassified.  Where the instruments that was reclassified has an 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.’ |