Reporting Instructions for the Market Risk Regulatory Report for Institutions Subject to the Market Risk Capital Rule

FFIEC 102

Effective March 31, 2015

These draft final instructions are for the proposed FFIEC 102 discussed in the banking agencies' final Paperwork Reduction Act Federal Register notice to be published in February 2015. The Federal Register notice for this regulatory reporting proposal and the draft final report form for the FFIEC 102 are available at http://www.ffiec.gov/forms102.htm.

Draft as of February 9, 2015

DRAFT

This page intentionally left blank.

DRAFT

INSTRUCTIONS FOR PREPARATION OF FFIEC 102 – Market Risk Regulatory Report for Institutions Subject to the Market Risk Capital Rule

GENERAL INSTRUCTIONS

Who Must Report

A. Scope and Reporting Criteria

An institution (that is, a bank, savings association, bank holding company, or savings and loan holding company) must apply the market risk capital rule if the institution has aggregate trading assets and trading liabilities, as reported in the institution's most recent Consolidated Reports of Condition and Income (Call Report) or Consolidated Financial Statements for Holding Companies (FR Y-9C), equal to (a) 10 percent or more of quarter-end total assets or (b) $1 billion or more. In addition, the primary federal supervisor of an institution that does not meet these criteria may apply the market risk capital rule to that institution if the supervisor deems it necessary or appropriate because of the level of market risk of the institution or to ensure safe and sound banking practices. The primary federal supervisor of an institution that meets these criteria may exclude that institution from the application of the market risk capital rule if that supervisor determines that the exclusion is appropriate based on the level of market risk of the institution and is consistent with safe and sound banking practices.[1]

An institution to which the market risk capital rule applies (a "market risk institution") must submit an FFIEC 102 report in accordance with the timing requirements discussed in Section B of these General Instructions.

B. FFIEC 102 Reporting Requirements

An institution to which the market risk capital rule applies, as specified in Section A above, must begin reporting on the FFIEC 102 at the end of the quarter after the quarter in which (a) the institution triggers one of the criteria for applying the market risk capital rule or (b) the institution's primary federal supervisor deems it necessary or appropriate for the institution to apply the rule. All institutions that must complete the FFIEC 102 also must report their standardized market-risk weighted assets in the regulatory capital schedule in the Call Report or FR Y-9C, as appropriate, as well as in the FFIEC 102.

[1] The market risk capital rule is incorporated into Subpart F of the federal banking agencies' revised regulatory capital rules [12 CFR Part 3, Subpart F (OCC) (national banks and federal savings associations); 12 CFR Part 217, Subpart F (Board) (state member banks, bank holding companies, and savings and loan holding companies); and 12 CFR Part 324, Subpart F (FDIC) (insured state nonmember banks and state savings associations)]. See 78 FR 62018, October 11, 2013 (Board and OCC); 78 FR 55340, September 10, 2013 (FDIC).

DRAFT

An institution to which the market risk capital rule applies, as specified in Section A above, remains subject to the FFIEC 102 reporting requirements until the institution is no longer subject to the rule as described in Section A.

What Must Be Reported

C. Reporting Form and Instructions

The information contained in the reporting form for the FFIEC 102 must be completed in accordance with the instructions accompanying the reporting form. The reporting form and instructions are collectively referred to as the FFIEC 102.

D. Organization of the Instructions

These instructions cover the FFIEC 102 reporting form. They are divided into the following sections:

(1) General Instructions that describe overall reporting requirements.

(2) Item Instructions for each item on the FFIEC 102 reporting form.

The instructions and definitions in (1) and (2) are not necessarily self-contained; reference to the market risk capital rule may be needed for more detailed definitions and regulatory capital treatments.

Where to Submit the Reports

E. Electronic Submission

All market risk institutions must submit their completed reports electronically using the Federal Reserve's Reporting Central application. Market risk institutions with questions about reporting via Reporting Central should contact their Reporting and Reserves District Contact (https://www.frbservices.org/contacts/index.jsp#RR). Each market risk institution is responsible for ensuring that the data reported each quarter reflects fully and accurately the reporting requirements for each item on the FFIEC 102 reporting form for that report date, including any changes that may be made from time to time. This responsibility cannot be transferred or delegated to software vendors, servicers, or others outside the reporting entity.

F. Frequency of Reporting

Each market risk institution must submit an FFIEC 102 report as of the end of each quarter on a calendar year basis. The "as-of" date for each reporting period is March 31, June 30, September 30, and December 31 of each calendar year.

DRAFT

G. When to Submit the Reports

The due dates for the FFIEC 102 coincide with the due dates currently required of insured depository institutions and holding companies when filing their respective Call Reports or FR Y-9C reports, as applicable.

H. Preparation of the Reports

Each market risk institution must prepare and file the FFIEC 102 report in accordance with the instructions provided. All reports must be prepared in a consistent manner.

Questions and requests for interpretations of matters appearing in any part of the instructions should be addressed to the market risk institution's primary federal supervisor. Regardless of whether a market risk institution requests an interpretation of a matter appearing in these instructions, when the market risk institution's primary federal supervisor's interpretation of the instructions differs from that of the institution, the primary federal supervisor may require the market risk institution to prepare its FFIEC 102 report in accordance with the federal supervisor's interpretation and may require amended filings for previously submitted reports.

I. Rounding

For market risk institutions with total assets of less than $10 billion, all dollar amounts must be reported in thousands, with the figures rounded to the nearest thousand. Items less than $500 will be reported as zero. For market risk institutions with total assets of $10 billion or more, all dollar amounts may be reported in thousands, but each institution, at its option, may round the figures reported to the nearest million, with zeroes reported in the thousands column. For market risk institutions exercising this option, amounts less than $500,000 will be reported as zero.

Report ratios to two decimal places, except as otherwise noted.

J. Negative Entries

Negative entries are not appropriate in this report.

K. Confidentiality

All data reported in the FFIEC 102 will be made available to the public. However, a market risk institution may request confidential treatment for some or all of the portions of the FFIEC 102 if the institution is of the opinion that disclosure of specific commercial or financial information in the report would likely cause substantial harm to its competitive position. In certain limited circumstances, the market risk institution's primary federal supervisor may approve confidential treatment of some or all of the items for which such treatment has been requested if the institution has clearly provided a compelling justification for the request. A request for confidential treatment must be submitted in writing prior to the electronic submission of the report. The written request must identify the specific items for which confidential treatment is requested, provide justification for the confidential treatment requested for the identified items,

DRAFT

and demonstrate the specific nature of the harm that would result from public release of the information. Merely stating that competitive harm would result is not sufficient. Information for which confidential treatment is requested may subsequently be released by the market risk institution's primary federal supervisor in accordance with the terms of 12 CFR 4.16 (OCC), 12 CFR 261.16 (Board), 12 CFR 309.6 (FDIC), or as otherwise provided by law.

L. Verification and Signatures

Verification. All entries should be double-checked before reports are submitted. Totals and subtotals should be cross-checked against the corresponding items which they tabulate and any relevant supporting materials.

Signatures. The report *must* be signed by a senior officer of the market risk institution who can attest that the information submitted in the FFIEC 102 meets the requirements set forth in the market risk capital rule and the reporting instructions for this report. The senior officer may be the chief financial officer, the chief risk officer, or an equivalent senior officer. The cover page of this report form should be used to fulfill the signature and attestation requirement and should be included with the completed FFIEC 102 report and retained in the market risk institution's files.

M. Amended Reports

The agencies may require the filing of amended reports if reports as previously submitted contain significant errors. In addition, a market risk institution must file an amended report when it discovers significant errors or omissions subsequent to submission of a report. Failure to file amended reports on a timely basis may subject the institution to supervisory action.

N. Retention of Reports

In general, a market risk institution shall maintain in its files a signed and attested record of its completed FFIEC 102 report, including any amended reports, and the related work papers and supporting documentation for five years after the report date, unless there are applicable state requirements that mandate a longer retention time.

O. Consolidation

Amounts should be reported in the FFIEC 102 on a consolidated basis using the same consolidation rules applied to the market risk institution's Call Report or FR Y-9C, as appropriate.

DRAFT

FFIEC 102 – Market Risk Regulatory Report for Institutions Subject to the Market Risk Capital Rule

ITEM INSTRUCTIONS

Each institution to which the market risk capital rule applies (a "market risk institution") should refer to the applicable rule issued by its primary federal supervisor for definitions of all relevant terms and technical requirements on how to calculate the supporting amounts for any given item in the FFIEC 102 report:

- 12 CFR Part 3, Subpart F (OCC) (national banks and federal savings associations);
- 12 CFR Part 217, Subpart F (Board) (state member banks, bank holding companies, and savings and loan holding companies); and
- 12 CFR Part 324, Subpart F (FDIC) (insured state nonmember banks and state savings associations)

All references to the Code of Federal Regulations (§_.201 et seq.) in the Item Instructions refer to the market risk capital rule and the relevant subpart of each federal banking agency as listed above.

A market risk institution may have exposures in certain products that might fit into more than one of the market risk capital rule's specified risk categories (e.g., interest rate, equity, foreign exchange, commodities, and credit). For example, convertible securities will mostly be subject to interest rate risk unless their value converges with that of the underlying equity. Similarly, foreign exchange swaps are primarily interest rate positions, but it is possible that a market risk institution might classify some foreign exchange swaps as subject to foreign exchange risk. Accordingly, for purposes of reporting the value-at-risk (VaR)- or stressed VaR-based measures on the FFIEC 102, a market risk institution may classify its exposures in the same risk categories in which they are reported internally.

For purposes of reporting on the FFIEC 102, diversification benefit is defined as any adjustment to VaR- or stressed VaR-based measures that a market risk institution makes to reflect the absence of a perfect statistical correlation between the values of the underlying positions. If a market risk institution does not adjust for diversification benefits in its VaR- or stressed VaR-based estimates, the institution is not required to estimate such benefits for purposes of reporting on the FFIEC 102.

The Item Instructions below should be read in conjunction with the revised regulatory capital rules issued by the reporting institution's primary federal supervisor, as well as the reporting instructions for the Call Report, Schedule RC-R, or the FR Y-9C, Schedule HC-R, as applicable.

Items 16 through 18 are not applicable to a market risk institution that does not calculate a modeled measure of incremental risk.

DRAFT

Items 19 through 51 are not applicable to a market risk institution that does not have a "comprehensive risk model" as described in §_.209 of the market risk capital rule.

Items 11 through 13, 15, 23 through 25, 27, 31 through 33, 35, 38 and 39, 43 through 45, 49 through 51, and 56 are not applicable to a market risk institution that is not also an "advanced approaches institution." As defined in the revised regulatory capital rules, an advanced approaches institution:

(1) Has consolidated total assets (excluding assets held by an insurance underwriting subsidiary) on its most recent year-end regulatory report equal to $250 billion or more;
(2) Has consolidated total on-balance sheet foreign exposure on its most recent year-end regulatory report equal to $10 billion or more (excluding exposures held by an insurance underwriting subsidiary), as calculated in accordance with the Country Exposure Report (FFIEC 009);
(3) Is a subsidiary of a depository institution that uses the advanced approaches pursuant to subpart E of 12 CFR Part 3 (OCC), 12 CFR Part 217 (Board), or 12 CFR Part 324 (FDIC) to calculate its total risk-weighted assets;
(4) Is a subsidiary of a bank holding company or savings and loan holding company that uses the advanced approaches pursuant to 12 CFR Part 217 to calculate its total risk-weighted assets; or
(5) Elects to use the advanced approaches to calculate its total risk-weighted assets.

Item No. **Caption and Instructions**

Value-at-risk (VaR)-based capital requirement

1 **Previous day's VaR-based measure.** Report the previous day's value-at-risk (VaR)-based measure, inclusive of all internally modeled specific risk. For example, for the March 31, 2015, report date, the VaR-based measure to be reported in this item should be calculated as of March 30, 2015. See §_.204(a)(2)(i)(A) of the market risk capital rule. This measure should include all market risks for all covered positions, including interest rate risk, credit spread risk, foreign exchange rate risk, equity risk, and commodity price risk. See §_.205 of the market risk capital rule.

2 **Average of the immediately preceding 60 business days VaR-based measures.** Report the average of the daily VaR-based measures for each of the preceding 60 business days. See §_.204(a)(2)(i)(B) of the market risk capital rule. Like the VaR-based measure reported in item 1 above, each of the 60 VaR-based measures should include all market risks for all covered positions, including interest rate risk, credit spread risk, foreign exchange rate risk, equity risk, and commodity price risk.

DRAFT

Item No.	Caption and Instructions
3	**Multiplication factor: equal to a value of 3 or higher (based on backtesting).** Report the required multiplication factor, which is based on the number of backtesting exceptions over the preceding 250 business days. Refer to Table 1 in §_.204(b) of the market risk capital rule to map the number of exceptions to the appropriate multiplication factor.
4	**Greater of item 1 or (item 2 multiplied by item 3).** Report the greater of (a) item 1 or (b) the product of item 2 multiplied by item 3. See §_.204(a)(2)(i) of the market risk capital rule.

Stressed VaR-based capital requirement

5	**Most recent stressed VaR-based measure.** Report the most recent stressed VaR-based measure, inclusive of all internally modeled specific risk. See §_.204(a)(2)(ii)(A) of the market risk capital rule. This measure should include all market risks for all covered positions, including interest rate risk, credit spread risk, foreign exchange rate risk, equity risk, and commodity price risk. See §_.206 of the market risk capital rule.
6	**Item 3 times the average of the preceding 12 weeks stressed VaR-based measures.** Report the product of item 3 multiplied by the average of the weekly values of the stressed VaR-based measures for the preceding 12 weeks. See §_.204(a)(2)(ii)(B) of the market risk capital rule.
7	**Greater of item 5 or item 6.** Report the greater of item 5 or item 6. See §_.204(a)(2)(ii) of the market risk capital rule. Items 1 through 7 should be reported on a consistent basis for period-to-period comparability purposes.

Specific risk add-ons

8	**Debt positions.** Report the total specific risk add-ons for all debt positions (e.g., sovereign, government-sponsored entity, corporate, depository institution, foreign banking organization, credit union) for which a market risk institution's VaR-based measure does not capture all material aspects of specific risk. See §_.207(c) and §_.210(b)(2) of the market risk capital rule.
9	**Equity positions.** Report the total specific risk add-on for equity positions, for which a market risk institution's VaR-based measure does not capture all material aspects of specific risk. See §_.207(c) and §_.210(e) of the market risk capital rule.

DRAFT

Item No.	Caption and Instructions
10	**For all institutions, capital requirements for securitization positions using the Simplified Supervisory Formula Approach (SSFA) or applying a specific risk-weighting factor of 100 percent.** For any position meeting the definition of a securitization position in §_.202 of the market risk capital rule, report the specific risk amount using the Simplified Supervisory Formula Approach (SSFA) in §_.210(b)(2)(vii)(C) of the market risk capital rule or assign a specific risk-weighting factor of 100 percent as calculated under §_.210(b)(2)(vii)(A) of the market risk capital rule. Note that, for purposes of this item, a market risk institution may not use the Supervisory Formula Approach (SFA) in §_.210(b)(2)(vii)(B) of the market risk capital rule.
11	**For advanced approaches institutions, capital requirements for securitization positions using the Supervisory Formula Approach (SFA).** For a market risk institution that is subject to the "advanced approaches rule," it may use either or both of the SFA and the non-Supervisory Formula Approaches (non-SFA) for measuring the specific risk of securitization positions. The non-SFA methods include using the SSFA in §_.210(b)(2)(vii)(C) of the market risk capital rule or assigning a specific risk-weighting factor of 100 percent. In item 11, report the specific risk amounts for the securitization exposures that are calculated using the SFA, which is described in §_.210(b)(2)(vii)(B) of the market risk capital rule.
12	**For advanced approaches institutions, capital requirements for securitization positions using the SSFA or applying a specific risk-weighting factor of 100 percent.** For a market risk institution that is subject to the "advanced approaches rule," report the specific risk amounts for the securitization exposures that are calculated using the SSFA method or by assigning a specific risk-weighting factor of 100 percent, as described in §_.210(b)(2)(vii) of the market risk capital rule.
13	**For advanced approaches institutions, sum of items 11 and 12.** Report the sum of items 11 and 12.
14	**Standardized measure of specific risk add-ons.** Report the standardized measure of specific risk add-ons, which is the sum of items 8, 9, and 10.
15	**For advanced approaches institutions, advanced measure of specific risk add-ons.** For a market risk institution that is subject to the "advanced approaches rule," report the advanced approach measure of specific risk add-ons, which is the sum of lines 8, 9, and 13.

DRAFT

Item No. **Caption and Instructions**

Incremental risk capital requirement

NOTE: Items 16 through 18 are applicable only to market risk institutions that calculate a modeled measure of incremental risk.

16 **Most recent incremental risk measure.** For a market risk institution that calculates a modeled measure of incremental risk under §_.208 of the market risk capital rule, report the most recent incremental risk measure. See §_.208(c)(2) of the market risk capital rule.

17 **Average of the previous 12 weeks measure of incremental risk.** Report the daily average of the incremental risk measures over the previous 12 weeks. See §_.208(c)(1) of the market risk capital rule.

18 **Greater of item 16 or item 17.** Report the greater of item 16 or item 17. See §_.208(c) of the market risk capital rule.

Comprehensive risk capital requirement

Conditional on prior approval by a market risk institution's primary federal supervisor, §_.209 of the market risk capital rule permits the institution to use a "comprehensive risk model" to calculate the specific risk of its correlation trading positions. The correlation trading portfolio is defined in §_.202 of the market risk capital rule. The comprehensive risk model must measure all price risk, which is described in §_.209(b) of the market risk capital rule.

NOTE: Items 19 through 51 are applicable only to market risk institutions that have a "comprehensive risk model."

19 **Most recent modeled measure of all price risk.** Report the most recent measure of all price risk using an approved comprehensive risk model. See §_.209(a)(2)(i)(A) or §_.209(a)(2)(ii)(A) of the market risk capital rule.

Standardized specific risk add-ons for net long correlation trading positions

The capital requirement calculated by the comprehensive risk measure is subject to a floor. That floor is measured using the standardized specific risk add-ons of §_.210 of the market risk capital rule. Items 20 through 39 perform that floor calculation. Items 20 through 27 calculate the floor for long positions in the correlation trading portfolio. Items 28 through 35 calculate the floor for short positions in the correlation trading portfolio.

20 **Debt positions.** Report the standardized specific risk add-ons for long debt positions (e.g., sovereign, government-sponsored entity, corporate, depository institution, foreign banking organization, credit union) in the correlation trading portfolio. See §_.210(b)(2) of the market risk capital rule.

DRAFT

Item No.	Caption and Instructions
21	**Equity positions.** Report the standardized specific risk add-ons for long equity positions in the correlation trading portfolio. See §_.210(e) of the market risk capital rule.
22	**For all institutions, capital requirements using the SSFA or applying a specific risk-weighting factor of 100 percent.** For any long position in the correlation trading portfolio that meets the definition of a securitization position in §_.202 of the market risk capital rule, report the specific risk amount as calculated under §_.210 of the market risk capital rule. See §_.210(b)(2)(vii)(A)(1) of the market risk capital rule. For purposes of this item, a market risk institution may not use the Supervisory Formula Approach (SFA) in §_.210(b)(2)(vii)(B) of the market risk capital rule.
23	**For advanced approaches institutions, capital requirements using the SFA.** For a market risk institution that is subject to the "advanced approaches rule," report the specific risk amounts for the long securitization exposures in the correlation trading portfolio that are calculated using the SFA, which is described in §_.210(b)(2)(vii)(B) of the market risk capital rule. See §_.210(b)(2)(vii)(A)(2) of the market risk capital rule.
24	**For advanced approaches institutions, capital requirements using the SSFA or applying a specific risk-weighting factor of 100 percent.** For a market risk institution that is subject to the "advanced approaches rule," report the specific risk amounts for the long securitization exposures in the correlation trading portfolio that are calculated using the SSFA method or by assigning a specific risk-weighting factor of 100 percent, as described in §_.210(b)(2)(vii)(A)(2) of the market risk capital rule.
25	**For advanced approaches institutions, sum of items 23 and 24.** Report the sum of items 23 and 24.
26	**Standardized measure of specific risk add-ons for net long correlation trading positions.** Report the "standardized" specific risk add-ons for long correlation trading portfolio positions (for purposes of the floor), which equals the sum of items 20, 21, and 22.
27	**For advanced approaches institutions, advanced measure of specific risk add-ons for net long correlation trading positions.** For a market risk institution that is subject to the "advanced approaches rule," report the "advanced" specific risk add-ons for long correlation trading portfolio positions (for purposes of the floor), which equals the sum of items 20, 21, and 25.

DRAFT

Item No. **Caption and Instructions**

Standardized specific risk add-ons for net short correlation trading positions

28 **Debt positions.** Report the standardized specific risk add-ons for short debt positions (e.g., sovereign, government-sponsored entity, corporate, depository institution, foreign banking organization, credit union) in the correlation trading portfolio. See §_.210(b)(2) of the market risk capital rule.

29 **Equity positions.** Report the standardized specific risk add-ons for short equity positions in the correlation trading portfolio. See §_.210(e) of the market risk capital rule.

30 **For all institutions, capital requirements using the SSFA or applying a specific risk-weighting factor of 100 percent.** For any short position in the correlation trading portfolio that meets the definition of a securitization position in §_.202 of the market risk capital rule, report the specific risk amount as calculated under §_.210 of the market risk capital rule. See §_.210 (b)(2)(vii)(A)(1) of the market risk capital rule. For purposes of this item, a market risk institution may not use the Supervisory Formula Approach (SFA) in §_.210(b)(2)(vii)(B) of the market risk capital rule.

31 **For advanced approaches institutions, capital requirements using the SFA.** For a market risk institution that is subject to the "advanced approaches rule," report the specific risk amounts for the short securitization exposures in the correlation trading portfolio that are calculated using the SFA, which is described in §_.210(b)(2)(vii)(B) of the market risk capital rule. See §_.210(b)(2)(vii)(A)(2) of the market risk capital rule.

32 **For advanced approaches institutions, capital requirements using the SSFA or applying a specific risk-weighting factor of 100 percent.** For a market risk institution that is subject to the "advanced approaches rule," report the specific risk amounts for the short securitization exposures in the correlation trading portfolio that are calculated using the SSFA method or by assigning a specific risk-weighting factor of 100 percent, as described in §_.210(b)(2)(vii)(A)(2) of the market risk capital rule.

33 **For advanced approaches institutions, sum of items 31 and 32.** Report the sum of items 31 and 32.

34 **Standardized measure of specific risk add-ons for net short correlation trading positions.** Report the "standardized" specific risk add-ons for short correlation trading portfolio positions (for purposes of the floor), which equals the sum of items 28, 29, and 30.

DRAFT

Item No. **Caption and Instructions**

35 **For advanced approaches institutions, advanced measure of specific risk add-ons for net short correlation trading positions.** For a market risk institution that is subject to the "advanced approaches rule," report the "advanced" specific risk add-ons for short correlation trading portfolio positions (for purposes of the floor), which equals the sum of items 28, 29, and 33.

36 **Standardized measure of specific risk add-ons.** The "standardized" specific risk add-on for purposes of the floor is based on the greater of the specific risk add-ons in item 26 or item 34. Report the greater of item 26 or item 34 in item 36.

37 **Surcharge for modeled correlation trading positions.** The "standardized" surcharge for modeled correlation trading positions equals item 36 multiplied by 0.08. Report that product in item 37.

38 **For advanced approaches institutions, advanced measure of specific risk add-ons.** For a market risk institution that is subject to the "advanced approaches rule," the "advanced" specific risk add-on for purposes of the floor is based on the greater of the specific risk add-ons in item 27 or item 35. Report the greater of item 27 or item 35 in item 38.

39 **For advanced approaches institutions, surcharge for modeled correlation trading positions.** For a market risk institution that is subject to the "advanced approaches rule," the "advanced" surcharge for modeled correlation trading positions equals item 38 multiplied by 0.08. Report that product in item 39.

NOTE: For market risk institutions that have a "comprehensive risk model," the final comprehensive risk model capital requirement is different for an institution that has met the requirements for model approval for a period of one year than for an institution that has not met the one-year effectiveness demonstration. See §_.209(a)(2)(i) of the market risk capital rule.

NOTE: For market risk institutions that have a "comprehensive risk model," items 40, 41, and 42 are to be completed for report dates before such an institution has received supervisory approval of its comprehensive risk model effectiveness.

40 **Most recent standardized comprehensive risk measure.** Prior to the completion of the one-year effectiveness demonstration, the most recent "standardized" comprehensive risk measure for the correlation trading portfolio equals the sum of items 19 and 37. Report that sum in item 40. See §_.209(a)(2)(i) and §_.209(d)(2) of the market risk capital rule.

DRAFT

Item No. **Caption and Instructions**

41 **Average standardized comprehensive risk measure over the previous 12 weeks.** Report the average of the standardized comprehensive risk measures calculated over the previous 12 weeks, which is calculated as the sum of the modeled measure of all price risk averaged over the previous 12 weeks and the standardized surcharge for modeled correlation trading positions averaged over the previous 12 weeks. See §_.209(a)(2)(i) and §_.209(d)(1) of the market risk capital rule.

42 **Standardized comprehensive risk measure.** Report the greater of item 40 or item 41 in item 42.

NOTE: For market risk institutions that have a "comprehensive risk model" and are advanced approaches institutions, items 43, 44, and 45 are to be completed for report dates before such an institution has received supervisory approval of its comprehensive risk model effectiveness.

43 **For advanced approaches institutions, most recent advanced comprehensive risk measure.** For a market risk institution that is subject to the "advanced approaches rule," prior to the completion of the one-year effectiveness demonstration, the "advanced" comprehensive risk measure for the correlation trading portfolio equals the sum of items 19 and 39. Report that sum in item 43. See §_.209(a)(2)(i) and §_.209(d)(2) of the market risk capital rule.

44 **For advanced approaches institutions, average advanced comprehensive risk measure over the previous 12 weeks.** For a market risk institution that is subject to the "advanced approaches rule," report the average of the advanced comprehensive risk measures calculated over the previous 12 weeks, which is calculated as the sum of the modeled measure of all price risk averaged over the previous 12 weeks and the advanced surcharge for modeled correlation trading positions averaged over the previous 12 weeks. See §_.209(d)(1) of the market risk capital rule.

45 **For advanced approaches institutions, advanced comprehensive risk measure.** Report the greater of item 43 or item 44 in item 45.

NOTE: For market risk institutions that have a "comprehensive risk model," items 46, 47, and 48 are to be completed for report dates after such an institution has received supervisory approval of its comprehensive risk model effectiveness.

46 **Most recent standardized comprehensive risk measure.** After the completion of the one-year effectiveness demonstration, the most recent "standardized" comprehensive risk measure for the correlation trading portfolio equals the greater of item 19 or item 37. Report the greater of item 19 or item 37 in item 46. See §_.209(a)(2)(ii) and §_.209(d)(2) of the market risk capital rule.

DRAFT

Item No. **Caption and Instructions**

47 **Average standardized comprehensive risk measure over the previous 12 weeks.** Report the average of the standardized comprehensive risk measures calculated over the previous 12 weeks, which is calculated as the greater of the modeled measure of all price risk averaged over the previous 12 weeks and the standardized surcharge for modeled correlation trading positions averaged over the previous 12 weeks multiplied by 0.08. See §_.209(a)(2)(ii) and §_.209(d)(1) of the market risk capital rule.

48 **Standardized comprehensive risk measure.** Report the greater of item 46 or item 47 in item 48.

NOTE: For market risk institutions that have a "comprehensive risk model" and are advanced approaches institutions, items 49, 50, and 51 are to be completed for report dates after such an institution has received supervisory approval of its comprehensive risk model effectiveness.

49 **For advanced approaches institutions, most recent advanced comprehensive risk measure.** For a market risk institution that is subject to the "advanced approaches rule," after the completion of the one-year effectiveness demonstration, the most recent "advanced" comprehensive risk measure for the correlation trading portfolio equals the greater of item 19 or item 39. Report the greater of item 19 or item 39 in item 49. See §_.209(a)(2)(ii) and §_.209(d)(2) of the market risk capital rule.

50 **For advanced approaches institutions, average advanced comprehensive risk measure over the previous 12 weeks.** For a market risk institution that is subject to the "advanced approaches rule," report the average of the comprehensive risk measures calculated over the previous 12 weeks, which is calculated as the greater of the modeled measure of all price risk averaged over the previous 12 weeks and the advanced surcharge for modeled correlation trading positions over the previous 12 weeks. See §_.209(a)(2)(ii) and §_.209(d)(1) of the market risk capital rule.

51 **For advanced approaches institutions, advanced comprehensive risk measure.** Report the greater of item 49 or item 50 in item 51.

***De minimis* positions and other adjustments**

52 **Capital requirement for all *de minimis* exposures.** Report the calculated capital requirement for all *de minimis* exposures, which includes the capital requirement for *de minimis* exposures using an approved alternative method(s), and the absolute value of the fair value of *de minimis* exposures that are not captured in the VaR-based measure or through an approved alternative method. See §_.204(a)(2)(vi) of the market risk capital rule.

DRAFT

Item No.	Caption and Instructions
53	**Additional capital requirement.** Report any other adjustments a market risk institution is required to make by its primary federal supervisor. Such adjustments could include those required by the market risk institution's primary federal supervisor under a general reservation of authority, or the assignment of a different multiplication factor to be applied in the calculation of the VaR- and Stressed VaR-based capital requirements.
54	**Sum of items 52 and 53.** Report the sum of items 52 and 53.

Market risk-weighted assets

Market risk-weighted assets are calculated for the "standardized" approach and, if applicable, for the "advanced" approach.

55	**Standardized market risk-weighted assets.** "Standardized" market risk-weighted assets equal the sum of items 4, 7, 14, 18 (if applicable), 42 or 48 (as appropriate), and 54 multiplied by 12.5. Item 42 is used if the market risk institution has not completed the one-year effectiveness demonstration. Item 48 is used if the market risk institution has completed the one-year effectiveness demonstration.
56	**For advanced approaches institutions, advanced market risk-weighted assets.** For a market risk institution that is subject to the "advanced approaches rule," "advanced" market risk-weighted assets equal the sum of items 4, 7, 15, 18 (if applicable), 45 or 51 (as appropriate), and 54 multiplied by 12.5. Item 45 is used if the market risk institution has not completed the one-year effectiveness demonstration. Item 51 is used if the market risk institution has completed the one-year effectiveness demonstration.

DRAFT

Memoranda

Item No. **Caption and Instructions**

Items related to the previous day's Value-at-risk (VaR)-based measure

1 **VaR-based measure for interest rate positions.** Report the previous day's VaR measure (inclusive of all internally modeled specific risk) for covered positions that the market risk institution manages as an interest rate position. These positions are subject to market risk that is attributable to changes in interest rates. See §_.204(a)(2)(i)(A) and §_.205 of the market risk capital rule.

2 **VaR-based measure for debt positions.** Report the previous day's VaR measure (inclusive of all internally modeled specific risk) for covered positions that the market risk institution manages as debt or securitization exposures. These positions are subject to market risk that is attributable to changes in interest rates and credit risk. See §_.204(a)(2)(i)(A) and §_.205 of the market risk capital rule.

3 **VaR-based measure for equity positions.** Report the previous day's VaR measure (inclusive of all internally modeled specific risk) for covered positions that the market risk institution manages as an equity security or an equity index. These positions are subject to market risk that is attributable to changes in equity prices. See §_.204(a)(2)(i)(A) and §_.205 of the market risk capital rule.

4 **VaR-based measure for foreign exchange positions.** Report the previous day's VaR measure (inclusive of all internally modeled specific risk) for covered positions that the market risk institution manages as foreign exchange positions. These positions are subject to market risk that is attributable to changes in foreign exchange rates. See §_.204(a)(2)(i)(A) and §_.205 of the market risk capital rule.

5 **VaR-based measure for commodity and other positions.** Report the previous day's VaR measure (inclusive of all internally modeled specific risk) for commodity positions and all other covered positions not included in Memorandum items M.1 through M.4. See §_.203(e), §_.204(a)(2)(i)(A), and §_.205 of the market risk capital rule.

6 **Modeled specific risk included in the previous day's VaR-based measure that is not included in Memorandum items 1 through 5.** Report modeled specific risk included in the previous day's VaR-based measure that is not included in Memorandum items M.1 through M.5. See §_.204(a)(2)(iii) and §_.207 of the market risk capital rule.

DRAFT

Memoranda

Item No. Caption and Instructions

Items related to the average of the daily VaR-based measure for each of the preceding 60 business days (with applicable multiplication factor)

In Memorandum items M.7 through M.12, report the averages of the daily VaR-based measures reportable in Memorandum items M.1 through M.6, respectively, for each of the preceding 60 business days.

7 **VaR-based measure for interest rate positions.** Report the average VaR for interest rate positions. See §_.204(a)(2)(i)(B) and §_.205 of the market risk capital rule.

8 **VaR-based measure for debt positions.** Report the average VaR for debt and securitization positions. See §_.204(a)(2)(i)(B) and §_.205 of the market risk capital rule.

9 **VaR-based measure for equity positions.** Report the average VaR for equity positions. See §_.204(a)(2)(i)(B) and §_. 205 of the market risk capital rule.

10 **VaR-based measure for foreign exchange positions.** Report the average VaR for foreign exchange positions. See §_.204(a)(2)(i)(B) and §_.205 of the market risk capital rule.

11 **VaR-based measure for commodity and other positions.** Report the average VaR for commodity and other positions. See §_.203(e), §_.204(a)(2)(i)(B), and §_.205 of the market risk capital rule.

12 **Modeled specific risk included in the average of the daily VaR-based measure that is not included in Memorandum items 7 through 11.** Report the average VaR for modeled specific risk not included in Memorandum items M.1 through M.5. See §_.204(a)(2)(iii) and §_.207 of the market risk capital rule.

Backtesting (over the most recent calendar quarter)

13 **Number of trading days in the calendar quarter with a trading profit.** Report the total number of trading days in the calendar quarter with a trading profit. Trading profit for backtesting purposes should exclude fees, commissions, reserves, net interest income, and intraday trading profit or loss. See §_.204(b) of the market risk capital rule.

DRAFT

Memoranda

Item No.	Caption and Instructions
14	**Number of trading days in the calendar quarter with a trading loss.** Report the total number of trading days in the calendar quarter with a trading loss (this line item and the previous line item should sum to the total number of trading days in the quarter). Trading loss for backtesting purposes should exclude fees, commissions, reserves, net interest income, and intraday trading profit or loss. See §_.204(b) of the market risk capital rule.
15	**Number of trading days in the calendar quarter where the trading day's trading loss exceeded the respective VaR estimate.** Report the total number of trading days in the calendar quarter with a trading loss that exceeded the previous day's VaR calculation. See §_.204(b) of the market risk capital rule.
16	**The largest ratio of a daily trading loss to that trading day's VaR measure in the calendar quarter.** Report the ratio of daily trading loss to previous day's VaR calculation for the single day in the calendar quarter with the largest such ratio. See §_.204(b) of the market risk capital rule.
17	**The second largest ratio of a daily trading loss to that trading day's VaR measure in the calendar quarter.** Report the ratio of daily trading loss to previous day's VaR calculation for the single day in the calendar quarter with the second largest such ratio. See §_.204(b) of the market risk capital rule.
18	**The third largest ratio of a daily trading loss to that trading day's VaR measure in the calendar quarter.** Report the ratio of daily trading loss to previous day's VaR calculation for the single day in the calendar quarter with the third largest such ratio. See §_.204(b) of the market risk capital rule.
19	**The start date of the stress period used to measure the stressed VaR.** Report the starting date of the stress period used to measure stressed VaR. See §_.207 of the market risk capital rule.
20	**Number of changes to stress period starting date used in calculations for the preceding 12 weeks.** Report the number of changes to the stress period starting date used in calculations for the preceding 12 weeks.
21	**Total specific risk add-ons for non-modeled net long securitization positions.** Report the total standardized specific risk add-ons for all net long securitization positions.
22	**Total specific risk add-ons for non-modeled net short securitization positions.** Report the total standardized specific risk add-ons for all net short securitization positions.

DRAFT