

Bank of England PRA

This document contains the proposed changes to Annex IX 'Instructions for reporting on large exposures and concentration risk'. Changes are shown in red relative to the existing instructions in Annex IX, with strikethrough (deletions) and underline (additions).

ANNEX IX

INSTRUCTIONS FOR REPORTING ON LARGE EXPOSURES AND CONCENTRATION RISK

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PART II: TEMPLATE RELATED INSTRUCTIONS

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17. The 'netting agreements' shall be allowed to be taken into account to the effects of large exposures exposure value as laid down in Article 390(3), (4) and (5) CRR. The exposure value of derivative contracts listed in Annex II of CRR and of credit derivative contracts directly entered into with a client shall be determined in accordance with Part Three, Title II, Chapter 6, CRR with the effects of contracts of novation and other netting agreements taken into account for the purposes of those methods in accordance with Part Three, Title II, Chapter 6, Section 3 to Section 5, CRR. Small Domestic Deposit Takers (SDDT) and SDDT consolidation entities shall instead calculate the exposure values of the derivative contracts listed in Annex II of the CRR and of credit derivative contracts directly entered into with a client as set out in point 4 of Article 390 of the Large Exposures (CRR) Part of the PRA Rulebook. The exposure value of repurchase transaction, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions may be determined either in accordance with Part Three, Title II, Chapter 4 or Chapter 6, CRR. In accordance with Article 296 CRR, the exposure value of a single legal obligation arising from the contractual cross-product netting agreement with a counterparty of the reporting institution shall be reported as "other commitments" in the LE templates.

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