

§ 50.108

12 CFR Ch. I (1–1–22 Edition)

master netting agreement and each QMNA netting set.

(2) A national bank's or Federal savings association's total derivatives liability amount is the sum of the national bank's or Federal savings association's derivatives liability values, as calculated under paragraph (f)(2) of this section, for each derivative transaction not subject to a qualifying master netting agreement and each QMNA netting set.

(f) *Calculation of derivatives asset and liability values.* For each derivative transaction not subject to a qualifying master netting agreement and each QMNA netting set:

(1) The derivatives asset value is equal to the asset value to the national bank or Federal savings association, after taking into account:

(i) Any variation margin received by the national bank or Federal savings association that is in the form of cash and meets the following conditions:

(A) The variation margin is not segregated;

(B) The variation margin is received in connection with a derivative transaction that is governed by a QMNA or other contract between the counterparties to the derivative transaction, which stipulates that the counterparties agree to settle any payment obligations on a net basis, taking into account any variation margin received or provided;

(C) The variation margin is calculated and transferred on a daily basis based on mark-to-fair value of the derivative contract; and

(D) The variation margin is in a currency specified as an acceptable currency to settle obligations in the relevant governing contract; and

(ii) Any variation margin received by the national bank or Federal savings association that is in the form of level 1 liquid assets and meets the conditions of paragraph (f)(1)(i) of this section provided the national bank or Federal savings association retains the right to rehypothecate the asset for the duration of time that the asset is posted as variation margin to the national bank or Federal savings association; or

(2) The derivatives liability value is equal to the liability value of the na-

tional bank or Federal savings association, after taking into account any variation margin provided by the national bank or Federal savings association.

§ 50.108 Funding related to Covered Federal Reserve Facility Funding.

(a) *Treatment of Covered Federal Reserve Facility Funding.* Notwithstanding any other section of this part and except as provided in paragraph (b) of this section, available stable funding amounts and required stable funding amounts related to Covered Federal Reserve Facility Funding and the assets securing Covered Federal Reserve Facility Funding are excluded from the calculation of a national bank's or Federal savings association's net stable funding ratio calculated under § 50.100(b).

(b) *Exception.* To the extent the Covered Federal Reserve Facility Funding is secured by securities, debt obligations, or other instruments issued by the national bank or Federal savings association or one of its consolidated subsidiaries, the Covered Federal Reserve Facility Funding and assets securing the Covered Federal Reserve Facility Funding are not subject to paragraph (a) of this section and the available stable funding amount and required stable funding amount must be included in the national bank's or Federal savings association's net stable funding ratio calculated under § 50.100(b).

§ 50.109 Rules for consolidation.

(a) *Consolidated subsidiary available stable funding amount.* For available stable funding of a legal entity that is a consolidated subsidiary of a national bank or Federal savings association, including a consolidated subsidiary organized under the laws of a foreign jurisdiction, the national bank or Federal savings association may include the available stable funding of the consolidated subsidiary in its ASF amount up to:

(1) The RSF amount of the consolidated subsidiary, as calculated by the national bank or Federal savings association for the national bank's or Federal savings association's net stable funding ratio under this part; plus