

The Conditional Value at Risk (CVaR), also referred to as Expected Shortfall (ES), is used to disclose the average expected loss on a portfolio for probability q that can occur within time horizon t . A 1-day-5%-ES of 10 million euros means that the average loss for the portfolio in the worst 5% of all possible cases that can occur in one day is 10 million euros. The ES is an average over all VaRs at different confidence levels. The formal definition of the $q\%$ -ES is:

$$ES_q = -\frac{1}{q} \int_0^q VaR_p dp$$

Portfolios can be defined freely using business criteria such as deal type, bank segment or organisation unit. Please see [Value at Risk \(VaR\)](#) for more information on Value at Risk (VaR). The interest rates, volatilities and correlations, required by the approach that is used, can be imported via the import of market data.