



Qualifying Parent Undertakings Additional Leverage Ratio Buffer Model Direction

Definitions

1.1 In these requirements the following definitions shall apply:

additional leverage ratio buffer

means either the *G-SII additional leverage ratio buffer* or the *O-SII additional leverage ratio buffer* as applicable, as specified in the *Leverage Direction*.

common equity tier 1 capital

has the meaning given in Article 50 of the Capital Requirements Regulation.

Leverage Direction

means the direction given under section 192C *FSMA*, to the qualifying parent undertaking, which should be read alongside and specifies certain aspects of these model requirements.

G-SII additional leverage ratio buffer

means the amount of *common equity tier 1 capital* the *qualifying parent undertaking* must calculate in accordance with 2.1.

O-SII additional leverage ratio buffer

means the amount of *common equity tier 1 capital* the *qualifying parent undertaking* must calculate in accordance with 3.1.

qualifying parent undertaking

means the qualifying parent undertaking (as defined in section 192B of the Financial Services and Markets Act 2000) specified in the *Leverage Direction*

1.2 Unless otherwise specified, italicised expressions used in these requirements have the meaning given in the Glossary in the PRA Rulebook.

G-SII additional leverage ratio buffer

2.1 If specified in the *Leverage Direction*, the *qualifying parent undertaking* must calculate a *G-SII additional leverage ratio buffer* of *common equity tier 1 capital* equal to

- (a) [percent to be specified in the individual G-SII requirement]% multiplied by 35%; multiplied by
- (b) the *qualifying parent undertaking's total exposure measure*.

2.2 The *qualifying parent undertaking* must not count *common equity tier 1 capital* that is maintained for the purposes of its *countercyclical leverage ratio buffer* (calculated in accordance with Leverage Ratio - Capital Requirements and Buffers 4.1) and its minimum *leverage ratio* (in accordance with the requirement in Leverage Ratio - Capital Requirements and Buffers 3.1) towards the calculation in 2.1.

2.3 The *qualifying parent undertaking* must notify the *PRA* immediately if, at any time, it does not hold, or is likely not to hold, an amount and quality of capital that is equal to or greater than its *G-SII additional leverage ratio buffer*.

2.4 When the *qualifying parent undertaking* is required to make a notification to the *PRA* under 2.3, it must prepare a capital plan and submit it to the *PRA* no later than 5 *business days* after the *qualifying parent undertaking* identified that the notification was necessary.

2.5 The capital plan must include the following:

- (1) measures to secure that the amount of the *qualifying parent undertaking's common equity tier 1 capital* is equal to or greater than the *qualifying parent undertaking's G-SII additional leverage ratio buffer*; and
- (2) a plan and timeframe for the measures outlined for the purposes of 2.5(1).

O-SII additional leverage ratio buffer

3.1 If specified in the in *Leverage Direction*, the *qualifying parent undertaking* must calculate a *O-SII additional leverage ratio buffer* of *common equity tier 1 capital* equal to

- (a) [percent to be specified in the individual O-SII buffer requirement]% multiplied by 35%; multiplied by
- (b) the *qualifying parent undertaking's total exposure measure*.

3.2 The *qualifying parent undertaking* must not count *common equity tier 1 capital* that is maintained for the purposes of its *countercyclical leverage ratio buffer* (calculated in accordance with *Leverage Ratio - Capital Requirements and Buffers 4.1*) and its minimum *leverage ratio* (in accordance with the requirement in *Leverage Ratio - Capital Requirements and Buffers 3.1*) towards the calculation in 3.1.

3.3 The *qualifying parent undertaking* must notify the *PRA* immediately if, at any time, it does not hold, or is likely not to hold, an amount and quality of capital that is equal to or greater than its *O-SII additional leverage ratio buffer*.

3.4 When the *qualifying parent undertaking* is required to make a notification to the *PRA* under 3.3, it must prepare a capital plan and submit it to the *PRA* no later than 5 *business days* after the *qualifying parent undertaking* identified that the notification was necessary.

3.5 The capital plan must include the following:

- (1) measures to secure that the amount of the *qualifying parent undertaking's common equity tier 1 capital* is equal to or greater than the *qualifying parent undertaking's O-SII additional leverage ratio buffer*; and
- (2) a plan and timeframe for the measures outlined for the purposes of 3.5(1).

Level of application

4.1 The *qualifying parent undertaking* must comply with these requirements on the basis of its *consolidated situation*.

Reporting and Disclosure of the *additional leverage ratio buffer*

6.1 The *qualifying parent undertaking* must report information relating to its *additional leverage ratio buffer* specified in template LV 47.00 in Annex X, in accordance with Article 15 of Chapter 5 of the Reporting (CRR) Part of the PRA Rulebook.

6.2 The *qualifying parent undertaking* must disclose its *additional leverage ratio buffer* on a quarterly basis in accordance with the requirements set out in Article 7(a) of Chapter 5 of the Disclosure (CRR) Part of the PRA Rulebook and with the same frequency and in the same

location as the key metrics it is required to disclose in accordance with Article 2(1) of that chapter.

Effective Date

7.1 The requirements will take effect from the date specified in the *Leverage Direction*.

General

8.1 The requirements apply in addition to the PRA's leverage ratio rules and the PRA's expectations set out in SS45/15.

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