BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

P2 Data - Guidance

Appendix 1

for consultation as part of CP1/15, available at [link]

Guidance notes in SUP 16 Annex 39BG

Summary of contents

BANK OF ENGLAND
PRUDENTIAL REGULATION
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Reporting Schedule

Appendix 1

Templates	**Scope of population**	**Group/individual entities**	**Reporting period/submission deadlines**	**Reporting frequency**
Summary of P2 data Template FSA071 - Firm information and P2 summary assessment	All firms	On an individual or consolidated basis in accordance with SUP 16.20.2R; individual entities within a group on a case-by-case basis	in conjunction with ICAAP submission dates	We expect firms will submit the templates at the same time as their ICAAPs or as requested
Operational Risk Templates FSA072 - Pillar 2 OpR Historical losses FSA073 - Pillar 2 OpR Historical Loss Details FSA074 - Pillar 2 OpR Forecast Losses FSA075 - Pillar 2 OpR Scenario Data	Significant firms; others on an exception basis	On an individual or consolidated basis in accordance with SUP 16.20.2R; individual entities within a group on a case-by-case basis	in conjunction with ICAAP submission dates	We expect firms will submit the templates at the same time as their ICAAPs or as requested
Credit Risk Standarsides Approach Templates FSA076 - Pillar 2 Credit Standardised Approach Wholesale FSA077 - Pillar 2 Credit Standardised Approach Retail	On an exception only basis	On an individual or consolidated basis as requested; individual entities within a group on a case-by-case basis	in conjunction with ICAAP submission dates	We expect firms will submit the templates at the same time as their ICAAPs or as requested
Concentration Risk Templates FSA078 - Pillar 2 Concentration Minimum data requirements FSA079 - Pillar 2 Concentration Additional data requirements	All firms	On an individual or consolidated basis in accordance with SUP 16.20.2R; individual entities within a group on a case-by-case basis	in conjunction with ICAAP submission dates	We expect firms will submit the templates at the same time as their ICAAPs or as requested
Market Risk Template FSA080 - Pillar 2 Market Risk	Firrms with significant illiquid risk in their trading or available for sale books not already in FDSF on an exception basis	On an individual or consolidated basis in accordance with SUP 16.20.2R; individual entities within a group on a case-by-case basis	on a case-by-case basis	We expect firms will submit the templates at the same time as their ICAAPs or as requested
Pension Risk Template FSA081 - Pillar 2 Pension Risk	All firms with defined benefit pension schemes	On an individual or consolidated basis in accordance with SUP 16.20.2R; individual entities within a group on a case-by-case basis	in conjunction with ICAAP submission dates	We expect firms will submit the templates at the same time as their ICAAPs or as requested
Credit Risk Internal Ratings Based Approach Templates FSA082 - Pillar 2 Credit IRB retail	Firms with an IRB permission for retail exposures	On an individual or consolidated basis in accordance with SUP 16.20.2R	on a case-by-case basis - data as of 31/12	We expect firms will submit annually

Guidance on terms used

Appendix 1

	Guidance on terms used in the templates in SUP 16 Annex 39AR and the guidance notes in this SUP 16 Annex 39BG:		
	Reference to COREP means the reporting requirements in Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to *EU CRR*		
	Templates	**Term**	**Guidance on terms used**
	FSA076, FSA077 and FSA082	Banking Book assets	Assets other than trading book assets
		Trading book assets	All positions in CRD financial instruments and commodities held by an institution either with trading intent, or in order to hedge positions held with trading intent
	FSA076 and FSA077	Standardised Approach	The Approach to credit risk capital requirements described in *EU CRR* Art. 111-141
	FSA082	IRB approach	The Approach to credit risk capital requirements described in *EU CRR* Art. 142-191
	FSA076 and FSA077	Wholesale Portfolios	Defined based on firms' approaches for capital calculation and consistent with the *EU CRR*
	FSA076, FSA077 and FSA082	Retail Portfolios	Defined based on firms' approaches for capital calculation and consistent with the *EU CRR*
	FSA076 and FSA077	Corporate	Asset classes defined as per COREP - Exposures as per Art.112 point (g) of *EU CRR*
	FSA076, FSA077, FSA079	Sovereign	Asset classes defined as per COREP - Exposures as per Art.112 point (a) and Art. 147 (3) of *EU CRR*
	FSA076 and FSA077	Institutions	Asset classes defined as per COREP - Exposures as per Art.112 point (f) and Art.147 (4) of *EU CRR*
	FSA076 and FSA077	Turnover	Total volume of all transactions
	FSA076 and FSA077	CRE	Commercial real estate asset classes defined as per COREP - Non-retail exposures secured by immovable property as defined in Art. 124 of *EU CRR*
	FSA076 and FSA077	Other wholesale portfolios	Non-retail exposures as per Art.112 points (k) to (q) of *EU CRR* . Firms should provide a short description of this lending
	FSA076 and FSA077	Credit Quality Steps/external ratings	Credit quality steps /external ratings defined as in COREP - Art. 135-141 *EU CRR*
	FSA076 and FSA077	CRE Development	CRE as in COREP; Development means the loan is for building new or refurbishing existing property whether for ultimate sale or rental and the primary means of repayment is through the completion of that development. Includes: • house builder with non-recourse SPV exposure for a specific property development; and • specific developments or structured exposures for corporate property companies (e.g. British Land PLC). Excludes trading exposures to house builders.
	FSA076 and FSA077	CRE Investment	CRE as in COREP; Investment means the exposure/facility is secured against property and the rental income from the property is the primary means of repayment of the facility. Includes: • exposures to commercial real estate properties where the development phase has been concluded; • hotels and nursing homes on a third party lease. Excluding: . Trading exposure to house builders . Loans to social housing associations . Other nursing home and hotel loans (ie owner occupied) . Operating Company (Op Co)/ Proprietary Company (Prop Co) exposures within a wider corporate relationship . Other exposures of a corporate property companies (eg general corporate unsecured balance sheet lending) . CRE exposures held at Fair Market Value . Hedging positions where there is no debt
	FSA076 and FSA077	CRE Other	This is a residual category - Firms using this line have to provide a description of the lending
	FSA076, FSA077 and FSA082	Non-defaulted assets	Exposures other than those classified as defaulted assets
	FSA076, FSA077 and FSA082	Defaulted assets	Exposures which have been classified as “defaulted exposures” according to *EU CRR* Art. 127 and 178. Non-defaulted exposures are those that satisfy either or both of the following criteria: (a) material exposures which are more than 90 days past-due; (b) the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.
	FSA076 and FSA077	Drawn Amount	Amount of a loan drawn by a borrower on a specified date. Balances should be reconcilable to the statutory accounts and regulatory returns. For retail, loan balances should be entered net of write-offs and gross of Provisions. Balances should be gross of any off-set balances, i.e. the actual outstanding principal amount owed.

	FSA076, FSA077 and FSA082	Limit	Maximum amount that can be drawn by a borrower as on a specified date. Limits should be completed to reflect redraw and / or further credit line facilities. If there is no pre-agreed facility, populate the limit with the drawn balance.
	FSA076, FSA077 and FSA082	EAD	Exposure at default (IRB approach) or expoure (standardised approach) as defined in COREP. Exposures are reported after incorporating value adjustments, credit risk mitigation and credit conversion factors
	FSA076, FSA077 and FSA082	RWA	For templates FSA076, FSA077 and FSA082, risk weighted exposure amounts for credit and dilution risk and free deliveries as per Art. 92(3) point (a) of *EU CRR* .
	FSA082	EL	Expected losses as defined in COREP - Art. 158-159 of *EU CRR* . This is the amount expected to be lost on an exposure from a potential default of a counterparty or dilution over a one year period. For securitised assets, it is the actual principal write-down suffered by the instrument, net of any impairment already taken through P&L For Counterparty Credit Risk (Art.272(1) *EU CRR*), the projected losses are comprised of default losses (i.e. losses due to default of counterparties which is captured by the PRA handbook definition referred to above) and CVA impact (i.e. fair value losses and gains arising from changes in the credit worthiness of a firm’s counterparties as per Art.381 *EU CRR*).
	FSA077, FSA082	UK Mortgage Lending	All retail lending secured on land and buildings in the UK
	FSA077, FSA082	Non-UK Mortgage Lending	All retail lending secured on land and buildings outside of the UK
	FSA077, FSA082	Prime	Mortgages that are fully verified, with no previous arrears or County Court Judgements, owner occupied, with max initial LTV of 100%. This definition includes 'prime income verified' mortgages under the Building Societies Loan Book data report.
	FSA077, FSA082	BTL	This definition includes both Buy-To-Let (BTL) and Consent-to-let (CTL) mortgages. BTL are Mortgages where the borrower purchases a residential property with the intention of letting it out on a rental basis. The majority of BTL loans will be those used by the borrower to acquire a property with the intention of letting it on a commercial basis to unrelated third parties. CTL are mortgages related to properties that were originally bought without the intention to let out, and subsequently becoming ‘unable’ to be sold.
	FSA077, FSA082	Mortgages with impaired credit history	Mortgages where at least one of the following conditions was met at the time of making the loan: (i) Arrears on a previous (or current) mortgage or other secured loan within the last two years, where the cumulative amount overdue at any point reached three or more monthly payments. (ii) Arrears on a previous (or current) unsecured loan within the last two years, where the cumulative amount overdue at any point reached three or more monthly payments. (iii) One or more county court judgements (CCJs), with a total value greater than £500, within the last three years. (iv) Being subject to an individual voluntary arrangement (IVA) at any time within the last three years. (v) Being subject to a bankruptcy order at any time within the last three years. For clarification: • Firms should not include technical arrears as part of the above definition, with technical arrears being circumstances where the borrower has been the victim of a banking error giving rise to a late payment. • In (i) to (v), firms should ignore whether the borrower has subsequently paid-off arrears, or has satisfied/discharged a CCJ or IVA or bankruptcy (i.e. a borrower with a satisfied CCJ greater than £500 should be defined as impaired). • In the case of loans involving two or more borrowers, the impaired credit test is whether any one of the borrowers individually meets any of the five listed impaired credit conditions.
	FSA077, FSA082	Other Mortgages	This is a residual category - Firms using this line have to provide a description of the lending
	FSA077, FSA082	Personal Loans	Includes loans granted to households and non-profit institutions serving households, including credit for consumption (loans granted for the purpose of mainly personal use in the consumption of goods and services). Credit for consumption granted to sole proprietors/unincorporated partnerships is comprised in this category, if the reporting firm knows that the loan is predominantly used for personal consumption purposes. As defined by Table, Asset categories, 2(a) point 1 of ECB BSI regulation No 25/2009
	FSA077, FSA082	QRRE	Qualifying revolving retail exposures as defined in Art.154 (4) *EU CRR*

Guidance on terms used

	FSA077, FSA082	revolving loans & overdrafts	Covers revolving loans and overdrafts. Revolving loans are loans that have all the following features: 1. The borrower may use or withdraw funds to a pre-approved credit limit without giving prior notice to the lender; 2. the amount of available credit can increase and decrease as funds are borrowed and repaid; 3. the credit may be used repeatedly; 4. there is no obligation of regular repayment of funds. Revolving loans include the amounts obtained through a line of credit and not yet repaid (outstanding amounts). A line of credit is an agreement between a lender and borrower that allows a borrower to take advances, during a defined period and up to a certain limit, and repay the advances at his discretion before a defined date. Amounts available through a line of credit that have not been withdrawn or have already been repaid are not to be considered under any BSI category. Overdrafts are debit balances on current accounts. Both revolving loans and overdrafts exclude loans provided through credit cards. The total amount owed by the borrower is to be reported, irrespective of whether it is within or beyond any limit agreed beforehand between the lender. As defined by Table, Asset categories, 2(c) of ECB BSI regulation No 25/2009
	FSA077, FSA082	Credit Cards	This category comprises credit granted to households or non-financial corporations either via delayed debit cards (i.e. cards providing convenience credit as defined below) or via credit cards (i.e. cards providing convenience credit and extended credit). Credit card debt is recorded on dedicated card accounts and therefore not evident on current or overdraft accounts. Convenience credit is defined as the credit granted at an interest rate of 0 % in the period between the payment transaction(s) effectuated with the card during one billing cycle and the date at which the debit balances from this specific billing cycle become due. Extended credit is defined as the credit granted after the due date(s) of the previous billing cycle(s) has/have passed, i.e. debit amounts on the card account that have not been settled when this was first possible, for which an interest rate or tiered interest rates usually greater than 0 % are charged. Often minimum instalments per month have to be made, to at least partially repay extended credit. As defined by Table, Asset categories, 2(b) of ECB BSI regulation No 25/2009
	FSA077, FSA082	Credit Cards - UK	Classification between UK and International is made based on the country where the money has been “dispersed to” as opposed to the country where the lending has been “booked”
	FSA077, FSA082	Credit Cards - International	Classification between UK and International is made based on the country where the money has been “dispersed to” as opposed to the country where the lending has been “booked”
	FSA077, FSA082	LTV - Loan to value	Current balance outstanding divided by the property valuation. The property valuation should follow the valuation rules set out for the calculation of regulatory capital under CRD.
	FSA077, FSA082	Average LTV	EAD weighted indexed LTV percentages. The property valuation should follow the valuation rules set out for the calculation of regulatory capital under CRD.
	FSA077, FSA082	Indexed LTV for LTV bands	We define *Indexed Loan to Value* (LTV) as the current loan balance outstanding divided by the indexed property valuation. The indexed valuation is taken to be the market value of the property which is subject to the mortgage at the end of the month selected for reporting. The existence of additional collateral on any other property should be ignored when calculating LTV. Please state the method you used to estimate market value. This may for example be by multiplying the valuation at origination by the change since origination in a house-price index.
	FSA078, FSA079	RWA, EAD, for concentration risk	The definitions of RWA and EAD are the same as in *EU CRR* but for concentration risk we include both banking book and trading book credit risk assets, i.e. all items in Art.92 (3) points (a) and (f) of *EU CRR*. Additionally, in these templates certain portfolios are excluded and certain exposures have to be aggregated together. See Concentration Risk instructions for detail.
	FSA078, FSA079	Top 20 single name exposures	Please see Concentration Risk instructions for portfolios in scope and aggregation
	FSA079	CCP - Central Counterparty	Central Counterparty/CCP as defined in point (1) of Art. 2 of Regulation (EU) No 648/2012
	FSA079	Sector	Sector definitions based on NACE codes - refer to Concentration Risk instructions for detail on how to aggregate
	FSA079	Economic region	Sector definitions taken from COREP but certain economic regions are aggregated - refer to Concentration Risk instructions for detail
	FSA081	PV01	The change in the value of the assets or liabilities for a 1 basis point change in the interest rate
	FSA081	IE01	The change in the value of the assets or liabilities for a 1 basis point change in the inflation rate
	FSA081	effective date	The date at which the asset and liability values are calculated
	FSA081	overseas (for equities, bonds)	Non-UK equities or bonds
	FSA081	Macaulay duration	The weighted average maturity of the cashflows using the present value of each cashflow as the weight
	FSA081	proportion of scheme attributable to firm	The percentage of the stressed deficit of the pensions scheme notionally allocated to the firm for the purposes of calculating pensions risk capital
	FSA081	SPV - Special Purpose Vehicle	Contingent assets which provide additional security for the pension scheme (such as an escrow account or some other form of security arrangement)
	FSA081	Section 75 (S75)	Section 75 of the Pensions Act 1995
	FSA081	management action/offset	Management actions/offsets claimed - the eligibility criteria for pension obligation risk are set out in the Statement of Policy on Pillar 2
	FSA081	stress scenarios	Stress scenarios for pension obligation risk as summarised in the Statement of Policy on Pillar 2

General Guidance - all templates

Please specify the reference date for submission - should coincide with the ICAAP reference date, except for FSA080 and FSA082

Except where specified (eg market risk) you should report in the currency of your ICAAP ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Please specify the currency used. Figures should be reported in million.

Except where specified definitions are in line with COREP and CRDIV

Template FSA071 - Firm information & Pillar 2A summary assessment

In this template, firms are expected to report their own assessment of the Pillar 2 capital that they consider adequate to cover the risks assessed in accordance with the ICAA
For Pillar 1 data, firms are expected to provide this information at the ICAAP reference date to facilitate PRA review.

FSA072-FSA075 OpR G

Appendix 1

FSA072-FSA075 Pillar 2 OpR Guidance

No.	Information requested	Worksheet	(To be completed by the Firm) Information supplied to satisfy request	Date Submitted	Comments
OR Loss Information					
1	For each event type as per Art.324 CRR, Total Operational Risk losses (net loss1 and number of losses) by calendar year for past completed years since 2008 with conduct/legal events reported separately.	**FSA072 - Historical OR losses**	See Worksheet		
2	For each event type as per Art.324 CRR, details of the top 10 (in terms of net financial impact*) Operational Risk losses in each year since 2008 (including loss description, date of occurrence, date of financial impact and net financial impact).	**FSA073 - Historical OR Loss Details**	See Worksheet		
3	Forecast for total operational risk losses for the current calendar year and next three years (or as many years as you have forecasts for) for all operational risk events with conduct/legal events reported separately. The forecast amounts need to be explained by a clear and coherent rationale.	**FSA074 - Forecast OR losses**	See Worksheet		
	[1] Operational Risk Loss Net of Direct recoveries but Gross of Indirect recoveries (such as Insurance)				
OR Scenario Information					
4	Documentation on the principles and guidelines for conducting the scenario identification and analysis process; training material provided to workshop participants	NA			
5	Complete, detailed documentation of all top scenarios[2], including any assessments and rationale. Each scenario must have at least one of the following: a) an annual frequency[3] and at least 2 conditional severity impacts[4] with the associated probability of occuring at maximum these severity impacts (e.g. plausible event: for this particular scenario, when an operational risk loss event occurs, it has 50% probability of being £1M or less) or b) at least 2 annual operational risk loss amounts with the associated probability of occuring at maximum these annual loss impacts (e.g. plausible year: for this particular scenario, there is a 50% probability of annually occuring £10M of operational risk losses or less) The 2 conditional severity impacts (resp. 2 annual operational risk amounts) must come from the same scenario with the same coherent and realistic story line consistent with the firm's business and operational risk profile. The assessment must be driven by the Unit of Measure's tail risk assessment and the difference between the 2 severity impacts (resp. 2 annual operational risk amounts) could reflect control failures (design & effectiveness), macro-economic environment,etc... When more than 2 severity impacts (resp. annual operational risk amounts) have been assessed for a single scenario, all severity impacts (resp. annual operational risk amounts) and their corresponding probability must be provided. When the same scenario is applied to different regions/business lines/organisation units/etc... , all assessments across all different regions/business lines/organisation units/etc... must be provided. (The information requested in the items below should align with these top scenarios, where applicable).	**FSA075 - Scenario Data**	See Worksheet		
6	Data provided to the workshop participants prior to/during the workshop discussions for the Top scenarios.	NA			
7	Documentation/minutes evidencing the process that was gone through / meetings that were held to identify, assess and challenge the scenarios.	NA			
	[2] Scenarios ordered by their implied operational risk capital achieved with a soundness standard comparable to a 99.9% confidence interval over a one-year period on a stand-alone basis i.e. not accounting for any diversification benefits. The top scenarios must be the ones provided at either the Board, Executive Committee or at the Risk Committee for risk management purpose (it is expected to see at least 10 scenarios not related to conduct/legal events and additionally the top 3 conduct/legal scenarios). [3] expected number of loss events per year. [4] a conditional severity impact is a loss amount given that an operational risk event has occurred				
OR Capital Model Information					
8	Documentation on the use of the scenarios assessment within the operational capital model to derive the Pillar 2A operational risk capital requirement (e.g. Operational Risk Model Documentation) - only if relevant.	NA			

For Information

a. We expect the data to be **re-submitted in full** every year, i.e. if the firm submits historical data from 2001 to 2004 this year, next year the firm will need to submit the full dataset from 2001 to 2005 and not just the year 2005.

b. Date of Occurrence: the date when the event happened or first began
Date of Discovery: the date on which the firm became aware of event
Date Logged: the date on which the event was first registered into the firm's system
Date of Financial impact: the date when a loss or reserve/provision was first recognized in the P&L

c. Gross loss includes external lawyers fees, court fees, other Litigation expenses etc. as well as the cost of settlement

Template FSA076 – Pillar 2 Credit SA Wholesale & Template FSA077 - Pillar 2 Credit SA Retail

If asked to, supply data on all your Wholesale and Retail portfolios for which you calculate capital requirements using the Standardised Approach for Credit Risk. Please complete the data templates following the instructions below:

- Please provide the data at the reference date used for your ICAAP report.
- All data should be the regulatory inputs used in the capital calculations.
- Please provide data for both performing and defaulted Banking Book assets.
- We require the data to be split along specific dimensions within each portfolio. The first 2/3 columns of each template define the required segmentation.
- Please provide the Drawn Amount, Limit, EAD, and RWA data in either £Million or $Million. Also, please state the denomination that you are using, and use this denomination consistently throughout the submission.
- Please provide the average LTV data as EAD weighted percentages.
- Please ensure that you do not provide negative values for data items that are greater than or equal to zero e.g. EAD and RWA.
- If you have made any modifications to the required segmentation, please highlight this consistently throughout the submission as well as in your covering note to the PRA.
- If you are not able to provide the data using the prescribed segmentation criteria please contact the PRA for further guidance.

Template FSA082 - Pillar 2 Credit IRB retail

Please supply data on your Retail portfolios for which you calculate capital using an IRB approach (i.e. RIRB, AIRB, FIRB or slotting). In completing the data templates:

- Please provide the data as the most recent date of the firm’s annual or semi-annual financial statements, whichever is most recent.
- All data should be the regulatory inputs used in the capital calculations.
- The RWA should reconcile to the Pillar 1 amounts that firms are reporting, including PD/LGD regulatory floors but excluding Basel I floors
- Please provide data for both performing and defaulted Banking Book assets.
- We require the data to be split along specific dimensions within each portfolio. The first 2 columns of the retail template define the required segmentation.
- Please provide the Limit, EAD, EL and RWA data in either £Million or $Million. Also, please state the denomination that you are using, and use this denomination consistently throughout the submission.

- Please provide the average LTV data as EAD weighted percentages.
- Please ensure that you do not provide negative values for data items that are greater than or equal to zero e.g. EAD and RWA.
- If you have made any modifications to the required segmentation, please highlight this consistently throughout the submission as well as in your covering note to the PRA.
- If you are not able to provide the data using the prescribed segmentation criteria then please contact the PRA.

Template FSA078 - Pillar 2 Concentration Minimum data requirements & Template FSA079 - Pillar 2 Concentration Additional data requirements

Section 1: Firm minimum data requirements (FSA078)

1. For the assessment of single name, sector and geographic (international) concentration risk firms are required to provide (i) the total RWA and (ii) calculate the HHI of the portfolios within scope (see Section 2) for each of the concentration risk types. RWAs should be calculated based on the approach used to calculate the Credit Risk Requirement (CRR), i.e. Standardised, Foundation IRB or Advanced IRB. For Counterparty Credit Risk (CCR) exposures the CVA component of the capital requirements should be excluded from the RWA estimate. For Central Counterparty (CCP) exposures the Default Fund Contribution (DFC) should be included in both the EAD and RWA
2. The HHI is calculated as:

$$HHI = \frac{\sum w(i)^2}{(\sum w(i))^2}$$

where
$w(i)$ represents

- *Single name concentration risk* : the total credit risk RWA of a single counterparty aggregated to ultimate Group parent level;
- *Sector concentration risk* : the total credit risk RWA per defined sector (see Table 1);
- *Geographic (international) concentration risk* : the total credit risk RWA per defined economic region (see Table 2).

Section 2: Portfolios in scope

3. Single name concentration risk: Wholesale credit (non-retail) portfolio exposures across both banking and trading book excluding inter-group transfers, securitisations and defaulted assets. RWAs should be aggregated to ultimate Group Parent level. Investment trusts should be included as single exposure; any diversification within the trust

4. Sector concentration risk: Wholesale credit (non-retail) portfolio exposures across both banking and trading book excluding inter-group transfers, sovereigns, housing associations and defaulted assets. RWAs should be aggregated according to the following sector breakdown:

Table 1: Sector Breakdown
Agriculture, Forestry & Fishing
Construction
Finance Industry
Real Estate
Manufacturing
Mining and Quarrying
Retail / Wholesale trade
Business Services & Other
Transport, Utility & Storage

5. Geographic (International) concentration risk: Wholesale and retail credit portfolio exposures across both banking and trading book excluding Residential Mortgages on The Standardised Approach and defaulted assets. RWAs should be aggregated according to the following regional breakdown based on the country of origination of the exposure:

Table 2: Geographic Regional Breakdown
United Kingdom
North America
South America, Latin America & Caribbean
Euro area
Eastern Europe & Central Asia
East Asia & Pacific
South Asia
Middle East & North Africa
Sub-Saharan Africa

Section 3: Additional information

6. All firms are required to provide additional information as specified in FSA079 to facilitate supervisory judgement and peer comparisons.

Template FSA080 - Pillar 2 Market Risk

Column A - Legal Entity: in this column provide the legal entity in which each position is booked in; *e.g. xxx Plc, xxx Bank Group etc.* Each entry in this column will span more than one row if multiple risk factors are used in calculating the 'stress loss' or illiquidity add-on. Where this is the case the entry should be merged across the rows.

Column B - Business Unit: in this column provides the business area or asset class each position belongs to; *e.g. Fixed Income, Currencies and Commodities, Equity, Wealth Management, Treasury etc.* Where illiquid risk spans multiple business units (e.g. 3M-6M tenor basis risk) this field may be populated with "All".

Column C - Sub Business Unit: in this column provide the sub-business area each position belongs to; *e.g. Rates, Rates Exotic, Rates Vanilla etc.* Where illiquid risk spans multiple sub business units (e.g. 3M-6M tenor basis risk) this field may be populated with "All".

Column D - Desk: in this column provide the name of the trading desk each position belongs to; *e.g. GBP Options Trading, GBP Flow Trading etc.* In practice, the desk should be the lowest hierarchical level which contains both the illiquid product and its hedges.

Column E - Currency of Exposure: This should be the currency of the value generated by the booking system.

Column F - Product Type: in this column provide a brief description for each position identified. This position can be a specific illiquid product or risk. The description should be of sufficient detail for a competent valuation/market risk specialist with no prior knowledge of the position to understand it. Provide referenced word or pdf document separately if needed; *e.g. Power Reverse Dual Currency (PRDC), complex hybrid derivative, detailed payoff, Rates 3M-6M basis etc.*

Column G - Illiquidity Type: in this column provide the market dynamic of each position. Select from drop-down menu and include any other illiquidity type descriptor where the existing list is not sufficient.

Column H - Scenario Description: in this column provide a description of the stress testing scenario used to calculate the illiquidity add-on (*e.g. for PRDCs, all risk factors are shocked and then individual spot/volatility shocks for the underlying rates and FX pair are subtracted giving an illiquidity loss for unhedgeable risks).* Note: the actual shocks will be in Column L - The scenario calculation should be full revaluation for products which contain significant non-linearity and should capture those risks not captured in Pillar 1.

Column I - Notional Value: in this column provide the aggregated notional amount for each illiquid position, separating long and short positions; *e.g. Long JPY50Bn, Short JPY 500Bn etc.* This field may be left unpopulated for some non-product specific risks.

Column J - Market Value: mid-level market valuation of the illiquid positions in the portfolio, excluding any fair value adjustments, separating long and short positions; *e.g. Long $0.5Bn, Short $5Bn etc.* This field may be left unpopulated for some non-product specific risks.

Column K - Liquidity Horizon: in this column provide the estimated exit or immunisation period for each position, based on size of the position and average daily trading activity of the underlying product or exposure; select from drop-down menu.

Column L - Stress Shifts: in this column provide quantifications of changes in parameters in stress testing; *e.g. USD/JPY depreciate 20%, USD rates up 100bp, JPY rates up 10bp, volatility up by 50% on a relative basis, correlation down by 10% etc.* Ensure all shifts are listed individually.

Column M - Revaluation Method: in this column provide the method of calculating stress loss. Select from the drop-down menu which contains Full, Sensitivity or Grid based revaluation. Where an alternative method is used provide a suitable description.

Column N - Calibration Date Range: in this column provide the date range during which the stress shifts are calibrated; *e.g. 6m month change in correlation in H1 2008 etc.*

Column O - Stress Loss: in this column provide the amount of stress loss for each position under the stress scenario specified (Col G); e.g. 50,000,000 etc. Note that this stress loss should stem from a firm defined scenario which will generate a potential loss.

Column P - Capital Mitigant: in this column provide the description of any mitigant type for the stress loss; e.g. fair value reserve, prudent valuation adjustment etc.

Column Q - Capital Mitigant Value: in this column provide the amount of any mitigation for the stress loss, for each of the mitigants identified in Col O; e.g. (fair value reserve) 20,000,000, (prudent valuation adjustment) 50,000,000 etc.

Column R - Regulatory Regime: in this column provide the method for which Pillar 1 regulatory capital is calculated. Select from drop-down menu.

Column S - Trading Status: in this column provide the status of trading by the firm; e.g. Active market marking, Legacy positions seeking exit, hold to maturity etc.

Column T - Position Count: for individual (rather than basis type positions) derivative products we would like to see a position count so that we can consider the average size deal using the notional value above.

Template FSA081 - Pillar 2 Pension risk

Information required

A firm must submit the data items required by this template proportionately to the nature, scale and complexity of its activities. A graduated approach is described by the colour codes below:

Colour coding
No colour: All firms
Yellow: deposit-takers and designated investment firms whose size, interconnectedness, complexity and business type give them the capacity to cause either some disruption or very significant disruption to the UK financial system (and through that to economic activity more widely) by failing or by carrying on their business in an unsafe manner; others on an exception basis
Grey: deposit-takers and designated investment firms whose size, interconnectedness, complexity and business type give them the capacity to cause very significant disruption to the UK financial system (and through that to economic activity more widely) by failing or by carrying on their business in an unsafe manner; others on an exception basis

General instructions

Firms are required to provide separate information for the largest defined benefits schemes they have material responsibility for, using separate columns for scheme 1, scheme 2 etc.. Please aggregate all the non-material defined benefits pensions in the designated column.
Assets must be reported at market value at the effective date; liabilities must be reported at accounting value (except where otherwise stated) at the effective date.
We draw attention to the column entitled 'details, comments and notes', where the firm can enter, or provide links to, additional information in support of the data provided in the columns to the left of it.

In Section I the deficit (surplus) of the pension schemes must be calculated by valuing the assets at market value and the liabilities at accounting value.

Additionally, firms must report the S75 value of the liabilities of each scheme, calculated in accordance to Section 75 of the Pensions Act 1995.

Firms should, in the designated section, explain the principles underlying the choice of pensions accounting assumptions for each defined benefit plan and whether the principles and the choice in the most recent year have received auditor acceptance.

In 'Section II - Pillar 2 calculations' firms must report the deficit (surplus) of the pension fund under stress scenarios, as specified in the Statement of Policy on Pillar 2

In 'Section II - Pillar 2 calculations' the deficit (surplus) should be calculated using the firm's own methodology (in the column 'firm's assessment') as well as the accounting basis ('stress scenario' columns).

In 'Section II - Pillar 2 calculations', the incremental deficit from 1-year stress is the stressed deficit minus the starting deficit
In 'Section II - Pillar 2 calculations' firms are required to provide a description and separate quantification for each management action and offset they wish to claim for the calculation of Pillar 2A for pension risk capital. We will also need an explanation of why each action would be effective in a stress and how it fulfils the PRA eligibility criteria for accepting management actions and offsets. Firms should provide this information in the column entitled 'details, comments and notes'.

SPVs - special purpose vehicles
deposit-takers and designated investment firms whose size, interconnectedness, complexity and business type give them the capacity to cause very significant disruption to the UK financial system (and through that to economic activity more widely) by failing or by carrying on their business in an unsafe manner; others on an exception basis
In relation to any special purpose vehicles (SPV) or similar arrangements proposed to be used as an offset to Pillar 2 pensions risk capital, firms are required to provide to the PRA:
• The document or agreement governing that vehicle
• Summaries of the above, the purpose of the vehicle, and how it operates.
• Explanation of the effectiveness of the vehicle as a mitigant to risk in a going concern scenario.
• A breakdown of the investments of the vehicle at the effective date at individual asset level
• Explanations of how the assets held by the vehicle change over time.
• If the SPV is held on the firm’s balance sheet, a breakdown at the effective date of the risk-weightings of the assets and an explanation of those risk weightings.
• Breakdown at the effective date of assets to which prudential filters have been applied, together with an explanation of these prudential filters.
• Explanation of the valuation methodology used for these assets.
• Explanation of how the SPV contributes to the capital resources of the group and solo entities.
Quantitative information should be provided in separate lines at the bottom of this template, with any commentary added in the designated box.

Breakdown of PV01 and IE01
deposit-takers and designated investment firms whose size, interconnectedness, complexity and business type give them the capacity to cause very significant disruption to the UK financial system (and through that to economic activity more widely) by failing or by carrying on their business in an unsafe manner; others on an exception basis
This information should be provided in separate lines at the bottom of this template, with any commentary in the designated box.

Firms are required to provide the PV01 and IE01 of the assets and separately the liabilities of each pension plan at the effective date in the designated cell of the template. Additionally, firms are required to provide: (i) the PV01 and IE01 of the assets separately for each asset class listed in the template (including each rating class for corporate bonds); (ii) the PV01 and IE01 of the liabilities, split by type of member (active, deferred, pensioner); (iii) the IE01 of the liabilities further split by type of increase for each material tranche, for example (this is not intended to be an exhaustive list):

- Salary increases before retirement
- Revaluation in deferment
- RPI increases in payment
- RPI increases in payment with a collar of 0%pa and a cap of 5%pa.
- Other

The IE01 of the liabilities should be calculated without allowing for any caps and floors. For example, if a tranche of benefit is subject to RPI increases in payment with a cap of 2.5%pa, then the IE01 should be calculated assuming full RPI linkage without capping the increase at 2.5%.

Additional documents to be attached to the submission

All firms

Please provide latest funding update and triennial valuation report in respect of UK schemes only. These are the reports provided by the scheme actuary to the trustees of the pension plan.