



## Additional Leverage Ratio Buffer Model Requirements

### 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 VREQ Schedule*.

*common equity tier 1 capital*

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

*firm*

means the *PRA authorised person* specified in the *Leverage VREQ Schedule*.

*G-SII additional leverage ratio buffer*

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

*O-SII additional leverage ratio buffer*

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

*Leverage VREQ Schedule*

means the schedule to be read alongside, and specifying certain aspects of, these model requirements.

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 VREQ Schedule*, the *firm* 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 *firm's total exposure measure*.

2.2 The *firm* 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 *firm* 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 *firm* 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 *firm* identified that the notification was necessary.

2.5 The capital plan must include the following:

- (1) measures to secure that the amount of the *firm's common equity tier 1 capital* is equal to or greater than the *firm'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 VREQ Schedule*, the *firm* 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 *firm's total exposure measure*.

3.2 The *firm* 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 *firm* 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 *firm* 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 *firm* identified that the notification was necessary.

3.5 The capital plan must include the following:

- (1) measures to secure that the amount of the *firm's common equity tier 1 capital* is equal to or greater than the *firm'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 of the G-SII additional leverage ratio buffer**

4.1 If the *firm* is a *UK parent institution* it must comply with the applicable *G-SII additional leverage ratio buffer* requirements on the basis of its *consolidated situation*.

### **Level of application of the O-SII additional leverage ratio buffer**

5.1 If the *firm* is a *ring-fenced body* that is a member of a *sub-consolidation group*, it must comply with the applicable *O-SII additional leverage ratio buffer* requirements on an *RFB sub-consolidated basis*.

5.2 If 5.1 does not apply and the *firm* is a *UK parent institution*, it must comply with the applicable *O-SII additional leverage ratio buffer* requirements on the basis of its *consolidated situation*.

## **Reporting and Disclosure of the *additional leverage ratio buffer***

6.1 The *firm* 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 *firm* 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 in the PRA's written notice to the *firm* regarding the imposition of the requirements.

### **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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