

Bank of England PRA

Appendix 2: Draft amendments to statement of policy (SoP) 5/15 – the PRA's methodologies for setting Pillar 2 capital

Consultation paper | CP3/26

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Draft amendments to statement of policy (SoP) 5/15 – the PRA's methodologies for setting Pillar 2 capital

In this appendix, new text is underlined and deleted text is struck through.

Note: In this Appendix the baseline is SoP5/15 as it would stand if the draft amendments set out in Appendix 2 of CP12/25 are made.

2.13G Firms are only required to provide data through submitting FSA076 to enable the above calculation in respect of exposures where the Pillar 2A minimum effective risk weight exceeds the Pillar 1 risk weight. The PRA requires firms to provide exposure data using the CQS that would have been assigned in accordance with the Credit Risk: Standardised Approach (CRR) Part to determine the risk weight treatment, had Regulations 6(1) and 6(3) of the Overseas Prudential Requirements Regime (Credit Institutions and Investment Firms) Regulations 2026 ~~CRR Articles 114(7) and 115(4)~~ been disapplied. For exposures to regional governments or local authorities, the CQS corresponding to the credit assessment of the regional government or local authority must be used unless none is available (in which case the credit assessment of the central government must be used, if available), and the minimum effective risk weight for regional government or local authority exposures will apply irrespective of whether the exposure is treated as an exposure to a central government in accordance with Regulation 6(3) of the Overseas Prudential Requirements Regime (Credit Institutions and Investment Firms) Regulations 2026 ~~CRR Article 115(4)~~.