

# Bank of England PRA

## ANNEX II – Instructions for overview disclosure templates

### Template UKB OV1 – Overview of risk-weighted exposure amounts. Fixed format

1. Institutions shall apply the instructions below in order to complete template UKB OV1 as presented Chapter 6 of the Disclosure (CRR) Part of the PRA Rulebook, and in application of Article 438 (d) of the Disclosure (CRR) Part of the PRA Rulebook.
2. Institutions shall explain, when relevant, in the narrative accompanying the template the effect on the calculation of own funds and risk weighted exposure amounts that results from applying capital floors and not deducting items from own funds.
3. For the purpose of this Annex, references to the CRR should be interpreted to include a reference to the relevant CRR rule, where appropriate.
- 3a. References to Risk Weighted Assets (RWAs) and Risk Weighted Exposure Amounts (RWEAs) in the templates and these instructions are intended to be interchangeable. References to own funds, minimum capital requirements, and capital requirements are also intended to be interchangeable. All terms should be interpreted in the context of the relevant legal references (CRR rules) set out within these instructions, and in paragraph 3.

| Legal reference and instructions |  |
|----------------------------------|--|
| Column letter                    | Explanation  |
| a                                | Risk-weighted exposure amount (RWEAs) (T) calculated in accordance with Articles 92(3) of the Required Level of Own Funds (CRR) Part of the Rulebook and 95, 96 and 98 CRR.  |
| b                                | RWEAs (T-1)<br><br>RWEAs as disclosed in the previous disclosure period.   |
| c                                | Total own funds requirements<br><br>Own fund requirements corresponding to the RWEAs for the different risk categories.  |
| Legal reference and instructions |  |
| Row Number                       | Explanation  |
| 1                                | Credit risk (excluding counterparty credit risk (CCR))<br><br>RWEAs and own funds requirements calculated in accordance with Credit Risk General Provisions (CRR) Part, Credit Risk: Standardised Approach (CRR) Part, Credit Risk: Internal Ratings Based Approach (CRR) Part, Credit Risk Mitigation (CRR) Part, and remaining Articles from Chapters 1 to 4 of Title II of Part Three CRR, and with Article 379 CRR. RWEAs for securitisation exposures in the non-trading book and for CCR are excluded and disclosed in rows 6 and 16 of this template. |

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|   | Institutions shall include in the amount disclosed in this row RWEAs and own funds requirements for free deliveries risk calculated in accordance with Article 379 CRR. RWEAs for equity positions that shall be reported in rows 11-14 of this template are excluded.  |
| 2 | Credit risk (excluding CCR) - Of which the standardised approach (SA)<br><br>RWEAs and own funds requirements calculated in accordance with the CR standardised approach (Credit Risk General Provisions (CRR) Part, Credit Risk: Standardised Approach (CRR) Part Chapter 2 of Title II of Part Three CRR and Article 379 CRR) to credit risk.   |
| 3 | Credit risk (excluding CCR) - Of which the FIRB approach<br><br>RWEAs and own funds requirements calculated in accordance with the FIRB approach (Credit Risk: Internal Ratings Based Approach (CRR) Part), excluding the RWEAs disclosed in row 4 for specialised lending exposures subject to the slotting approach and including the RWEAs and own funds requirements calculated in accordance with Article 379 CRR. |
| 4 | Credit risk (excluding CCR) - Of which: the slotting approach<br>RWEAs and own funds requirements for specialised lending exposures subject to the slotting approach in accordance with Article 153(5) of the Credit Risk: Internal Ratings Based Approach (CRR) Part.  |
| 5 | Credit risk (excluding CCR) - Of which the AIRB approach<br><br>RWEAs and own funds requirements calculated in accordance with the AIRB approach (Credit Risk: Internal Ratings Based Approach (CRR) Part), excluding the RWEAs disclosed in row 4 for specialised lending exposures subject to the slotting approach and including the RWEAs and own funds requirements calculated in accordance with Article 379 CRR. |
| 6 | Counterparty credit risk – CCR<br><br>RWEAs and own funds requirements calculated in accordance with Chapter 3 of the Counterparty Credit Risk (CCR) Part of the PRA Rulebook for counterparty credit risk.   |
| 7 | CCR - Of which the standardised approach for counterparty credit risk<br><br>RWEAs and own funds requirements and own funds requirements computed in accordance with Section 3 of the Counterparty Credit Risk (CCR) Part of the PRA Rulebook.  |
| 8 | CCR - Of which internal model method (IMM)<br><br>RWEAs and own funds requirements computed in accordance with Section 6 of Title II of Part Three CRR.   |

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| UK 8a | <p>CCR – Of which exposures to a central counterparty (CCP)</p> <p>RWEAs and own funds requirements computed in accordance with Section 9 of the Counterparty Credit Risk (CCR) Part of the PRA Rulebook.</p> <p>A <b>central counterparty (CCP)</b> is a clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts. A CCP becomes counterparty to trades with market participants through novation, an open offer system, or another legally binding arrangement. For the purposes of the capital framework, a CCP is a financial institution.</p>   |
| 9     | <p>CCR - Of which other CCR</p> <p>CCR RWEAs and own funds requirements that are not disclosed under rows 7, 8, UK 8a and UK 8b.</p>  |
| 10    | <p>Credit valuation adjustment (CVA)</p> <p>RWEAs and own funds requirements calculated in accordance with the Credit Valuation Adjustment Risk (CRR) Part of the PRA Rulebook.</p>   |
| 11    | <p>Equity positions under the IRB Transitional Approach:</p> <p>The amounts in row 11 correspond to RWEAs where the firm applies the IRB Transitional Approach in paragraphs 3.5 to 3.8 of the Credit Risk General Provisions (CRR) Part of the PRA Rulebook during the transition period. Where RWEAs are elected to be calculated under Article 133 of the Credit Risk: Standardised Approach (CRR) Part and have been moved to end-state Standardised Approach as part of the Transitional Approach, RWEAs should be reported in row 2.</p> <p>Where the regulatory treatment of equities is in accordance with Article 133 of the Credit Risk: Standardised Approach (CRR) Part, the corresponding RWEA are reported in Template CR4 and should also be included in row 2 of this template.</p> |
| 12    | <p>Equity investments in funds - look-through approach:</p> <p>RWEAs and own funds requirements calculated where the firm applies the look-through approach for the treatment of equity investments in funds and collective investment undertakings, according to Article 132 of the Credit Risk: Standardised Approach (CRR) Part or Article 152 (4) (a) of the Credit Risk: Internal Ratings Based Approach (CRR) Part</p>  |
| 13    | <p>Equity investments in funds - mandate-based approach:</p> <p>RWEAs and own funds requirements calculated where the firm applies the mandate-based approach for the treatment of equity investments in</p>  |

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|        | funds and collective investment undertakings, according to Article 132 (a) (2) of the Credit Risk: Standardised Approach (CRR) Part or Article 152 (4) of the Credit Risk: Internal Ratings Based Approach (CRR) Part  |
| 14     | <p>Equity investments in funds - fall-back approach:</p> <p>RWEAs and own funds requirements calculated where the firm applies the fall-back approach for the treatment of equity investments in funds and collective investment undertakings, according to Article 132 (2) of the Credit Risk: Standardised Approach (CRR) Part or Article 152 (4) of the Credit Risk: Internal Ratings Based Approach (CRR) Part</p> |
| 15     | <p>Settlement risk</p> <p>RWEAs and own funds requirements calculated for settlement/delivery risk in accordance with Article 378 CRR.</p>   |
| 16     | <p>Securitisation exposures in the non-trading book (after the cap)</p> <p>RWEAs and own funds requirements calculated according to Chapter 5 of Title II of Part Three CRR.</p>   |
| 17     | <p>Securitisation - Of which SEC-IRBA approach</p> <p>RWEAs and own funds requirements calculated in accordance with the SEC-IRBA regulatory approach, used in accordance with the hierarchy of approaches of Article 254 CRR.</p>   |
| 18     | <p>Securitisation - Of which SEC-ERBA (including IAA)</p> <p>RWEAs and own funds requirements calculated in accordance with the SEC-ERBA (including IAA) regulatory approach, used in accordance with the hierarchy of approaches of Article 254 CRR.</p>  |
| 19     | <p>Securitisation - Of which SEC-SA approach</p> <p>RWEAs and own funds requirements calculated in accordance with the SEC-SA regulatory approach, used in accordance with the hierarchy of approaches of Article 254 CRR.</p>   |
| UK 19a | <p>Securitisation - Of which 1250%/ deduction</p> <p>RWEAs and own funds requirements for securitisation exposures on the non-trading book risk-weight at 1250% or deducted from own funds in accordance with Chapter 5 of Title II of Part Three CRR.</p>   |
| 20     | <p>Market risk</p> <p>RWEAs and own funds requirements calculated in accordance with the Market Risk Part of the PRA Rulebook.</p>   |
| 20a    | <p>Market risk – Of which the simplified standardised approach (SSA)</p> <p>RWEAs and own funds requirements calculated in accordance with Market Risk: Simplified Standardised Approach (CRR) Part of the PRA</p>   |

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|        | Rulebook.  |
| 20b    | Market risk - Of which the advanced standardised approach (ASA)<br><br>RWEAs and own funds requirements calculated in accordance with Market Risk: Advanced Standardised Approach (CRR) Part of the PRA Rulebook.  |
| 21     | Market risk - Of which internal model approach (IMA)<br><br>RWEAs and own funds requirements calculated in accordance with Market Risk: Internal Model Approach (CRR) Part of the PRA Rulebook.  |
| 22     | Capital charge for the reassignment of positions between the trading book and the non-trading book<br><br>RWEAs and own funds requirements calculated in accordance with point 5 of Article 104a of Trading Book (CRR) Part of the PRA Rulebook.   |
| UK 22a | Large exposures<br><br>RWEAs and own funds requirements calculated in accordance with point (b)(ii) of Article 92(3) of the Required Level of Own Funds (CRR) Part of the Rulebook.  |
| 23     | Operational risk<br><br>RWEAs and own funds requirements calculated in accordance with Title III of Part Three CRR.  |
| 24     | Amounts below the thresholds for deduction (subject to 250% risk weight):<br><br>The amounts correspond to items subject to a 250% risk weight in accordance with Article 48(4) CRR after application of the 250% risk weight. It includes:<br><br>- deferred tax assets that are dependent on future profitability and arise from temporary differences, and in aggregate are equal to or less than 10 % of the Common Equity Tier 1 items of the institution calculated in accordance with point (a) of Article 48 (1) CRR.<br><br>- significant investments in a financial sector entity, the direct, indirect and synthetic holdings of that institution of the Common Equity Tier 1 instruments of those entities that in aggregate are equal to or less than 10 % of the Common Equity Tier 1 items of the institution calculated in accordance with point (b) of Article 48 (1) CRR.<br><br>This row is disclosed for information purposes only as the amount |

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|    | included here is also included in row 1, where institutions are asked to disclose information on credit risk   |
| 25 | Empty set in the UK  |
| 26 | Output floor multiplier<br><br>Indicate the output floor multiplier applicable during the reporting period, as per Article 92 (5) of the Required Level of Own Funds (CRR) Part of the PRA Rulebook. |
| 27 | Output floor adjustment<br><br>The impact of the output floor if applicable as per Article 92 of the Required Level of Own Funds (CRR) Part of the PRA Rulebook.                                     |
| 28 | Empty set in the UK  |
| 29 | Total<br><br>Total risk-weighted exposure amount calculated in accordance with Articles 92(3) of the Required Level of Own Funds (CRR) Part of the Rulebook, 95, 96 and 98 CRR.                      |

## Template UKB KM1 – Key metrics template. Fixed format

4. Institutions shall apply the instructions provided below in this Annex in order to complete template UKB KM1 as presented in Annex I to this Implementing Regulation, in application of points (a) to (g) of Article 447 CRR and in application of point (b) of Article 438 CRR.

4a. Only LREQ firms shall disclose values in rows UKB KM1; 14a to UKB KM1; 14e.

4b For the purpose of this Annex, references to the CRR should be interpreted to include a reference to the relevant CRR rule, where appropriate.

4c. References to Risk Weighted Assets (RWAs) and Risk Weighted Exposure Amounts (RWEAs) in the templates and these instructions are intended to be interchangeable. References to own funds, minimum capital requirements, and capital requirements are also intended to be interchangeable. All terms should be interpreted in the context of the relevant legal references (CRR rules) set out within these instructions.

| Legal references and instructions |  |
|-----------------------------------|--|
| Column letter                     | Explanation  |
| a – e                             | Disclosure periods T, T-1, T-2, T-3 and T-4 are defined as quarterly periods and should be populated depending on the frequency set by Articles 433a, 433b and 433c CRR. |

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|                                   | <p>Institutions disclosing this template on a quarterly basis should provide data for periods T, T-1, T-2, T-3 and T-4; institutions disclosing this template on a semi-annual basis should provide data for periods T, T-2 and T-4; and institutions disclosing this template on an annual basis should provide data for periods T and T-4.</p> <p>Institutions should disclose the dates corresponding to the disclosure periods. The disclosure of data for previous periods is not required when data are disclosed for the first time.</p> |
| Legal references and instructions |   |
| Row number                        | Explanation   |
| 1                                 | <p>Common Equity Tier 1 (CET1) capital</p> <p>Amount of CET1 capital in accordance with the amount disclosed by institutions following Annex VII to this Implementing Regulation (row 29 of template UK CC1 Composition of regulatory own funds)</p>  |
| <u>1a</u>                         | Fully loaded Expected Credit Loss (ECL) accounting model CET1   |
| 2                                 | <p>Tier 1 capital</p> <p>Amount of Tier 1 capital in accordance with the amount disclosed by institutions following Annex VII to this Implementing Regulation (row 45 of template UK CC1 Composition of regulatory own funds)</p>   |
| <u>2a</u>                         | Fully loaded ECL accounting model Tier 1  |
| 3                                 | <p>Total capital</p> <p>Amount of total capital in accordance with the amount disclosed by institutions following Annex VII to this Implementing Regulation (row 59 of template UK CC1 Composition of regulatory own funds)</p>   |
| <u>3a</u>                         | Fully loaded ECL accounting model total capital   |
| 4                                 | Total risk-weighted exposure amounts  |



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|           | Amount of total risk-weighted exposure amounts (RWEAs) in accordance with the amount disclosed by institutions following Annex VII to this Implementing Regulation (row 60 of template UK CC1 Composition of regulatory own funds)         |
| <u>4a</u> | <p><u>Total risk-weighted exposure amounts (RWEA) (pre-floor)</u></p> <p><u>For pre-floor total RWEA, the disclosed amount should exclude any adjustment made to total RWEA from the application of the output floor.</u></p>              |
| 5         | <p>Common Equity Tier 1 ratio (%)</p> <p>CET1 capital ratio in accordance with the value disclosed by institutions following Annex VII to this Implementing Regulation (row 61 of template UK CC1 Composition of regulatory own funds)</p> |
| <u>5a</u> | Fully loaded ECL accounting model CET1 (%)   |
| <u>5b</u> | <p>CET1 ratio (%) (pre-floor ratio)</p> <p>Basel Update:<br/>For <i>pre-floor risk based ratios</i> in rows 5b, 6b and 7b, the disclosed ratios should exclude the impact of the output floor in the calculation of RWEA.</p>              |
| 6         | <p>Tier 1 ratio (%)</p> <p>Tier 1 capital ratio in accordance with the value disclosed by institutions following Annex VII to this Implementing Regulation (row 62 of template UK CC1 Composition of regulatory own funds)</p>             |
| <u>6a</u> | Fully loaded ECL accounting model Tier 1 ratio (%)   |
| <u>6b</u> | <p>Tier 1 ratio (%) (pre-floor ratio)</p> <p>Basel Update:<br/>For <i>pre-floor risk based ratios</i> in rows 5b, 6b and 7b, the disclosed ratios should</p>   |



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|       | exclude the impact of the output floor in the calculation of RWEA.  |
| 7     | Total capital ratio (%)<br><br>Total capital ratio in accordance with the value disclosed by institutions following Annex VII to this Implementing Regulation (row 63 of template UK CC1 Composition of regulatory own funds)   |
| 7a    | Fully loaded ECL accounting model total capital ratio (%)   |
| 7b    | Total capital ratio (%) (pre-floor ratio)<br><br>Basel Update:<br>For <i>pre-floor risk based ratios</i> in rows 5b, 6b and 7b, the disclosed ratios should exclude the impact of the output floor in the calculation of RWEA.  |
| UK 7a | Additional CET1 Supervisory review and evaluation process (SREP) requirements (%)<br><br>Additional own funds (in particular CET1 instruments) requirements based on the supervisory review process as referred to in point (a) of Article 104(1) of Directive 2013/36/EU1 ("CRD"). |
| UK 7b | Additional AT1 SREP requirements (%)<br><br>Additional own funds (in particular additional Tier 1 instruments) requirements based on the supervisory review process as referred to in point (a) of Article 104(1) CRD.  |
| UK 7c | Additional T2 SREP requirements (%)<br><br>Additional own funds (Tier 2 instruments) requirements based on the supervisory review process as referred to in point (a) of Article 104(1) CRD.  |
| UK 7d | Total SREP own funds requirements (TSCR ratio) (%)<br><br>The sum of (i) and (ii) as follows:   |

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|       | <p>(i) the total capital ratio (8%) as specified in point (c ) of Article 92(1) CRR;</p> <p>(ii) the additional own funds requirements (Pillar 2 Requirements – P2R) ratio based on the supervisory review process as referred to in point (a) of Article 104(1) CRD and determined in accordance with the criteria specified in the EBA Guidelines on common procedures and methodologies for the supervisory review and evaluation process and supervisory stress testing<sup>2</sup> (“EBA SREP GL”).</p> <p>This item shall reflect the total SREP capital requirement (TSCR) ratio as communicated to the institution by the competent authority. The TSCR is defined in Section 1.2 EBA SREP GL.</p> <p>If no additional own funds requirements were communicated by the competent authority, then only point (i) should be disclosed.</p> |
| 8     | <p>Capital conservation buffer (%)</p> <p>Amount of own funds that institutions are required to maintain in accordance with Articles 128(1) and 129 CRD, compared to total RWEAs.</p>  |
| 9     | <p>Institution specific countercyclical capital buffer (%)</p> <p>Amount of own funds that institutions are required to maintain in accordance with Articles 128(2), 130, 135-140 CRD, compared to total RWEAs.</p> <p>The % disclosed shall consider the amount of own funds needed to fulfil the respective capital buffer requirements at the disclosure date.</p>  |
| UK 9a | <p>Systemic risk buffer (%)</p> <p>Amount of own funds that institutions are required to maintain in accordance with Articles 128 (5), 133 and 134 CRD, compared to total RWEAs.</p>   |

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|        | <p>The % disclosed shall represent the amount of own funds needed to fulfil the respective capital buffer requirements at the disclosure date.</p>  |
| 10     | <p>Global Systemically Important Institution buffer (%)</p> <p>Amount of own funds that institutions are required to maintain in accordance with Articles 128 (3) and 131 CRD, compared to total RWEAs.</p> <p>The % disclosed shall represent the amount of own funds needed to fulfil the respective capital buffer requirements at the disclosure date.</p>  |
| UK 10a | <p>Other Systemically Important Institution buffer</p> <p>Amount of own funds that institutions are required to maintain in accordance with Articles 128 (4) and 131 CRD, compared to total RWEAs.</p> <p>The % disclosed shall represent the amount of own funds needed to fulfil the respective capital buffer requirements at the disclosure date.</p>   |
| 11     | <p>Combined buffer requirement</p> <p>In accordance with Article 128 (6) CRD, compared to total RWEAs.</p>  |
| UK 11a | <p>Overall capital requirements (OCR) (%)</p> <p>The sum of (i) and (ii) as follows:</p> <p>(i) the TSCR ratio referred to in row UK 7d; Effective from 1 January 2022 8</p> <p>(ii) to the extent it is legally applicable, the combined buffer requirement ratio referred to in Article 128(6) CRD.</p> <p>This item shall reflect the OCR ratio as defined in Section 1.2 EBA SREP GL.</p> <p>If no buffer requirement is applicable, only</p> |

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|     | point (i) shall be disclosed.  |
| 12  | CET1 available after meeting the total SREP own funds requirements (%)   |
| 13  | <p>Total exposure measure excluding claims on central banks</p> <p>Total exposure measure excluding claims on central banks in accordance with the amount disclosed by institutions following Annex XI to this Implementing Regulation (row UK-24b of template UK LR2 - LRCom: Leverage ratio common disclosure)</p>   |
| 14  | <p>Leverage ratio excluding claims on central banks (%)</p> <p>Leverage ratio excluding claims on central banks in accordance with the value disclosed by institutions following Annex XI to this Implementing Regulation (row 25 of template UK LR2 - LRCom: Leverage ratio common disclosure)</p>  |
| 14a | <p>Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)</p> <p>Fully loaded ECL accounting model <i>leverage ratio</i> excluding claims on central banks in accordance with the value disclosed by institutions following Annex XI to this Implementing Regulation (row UK-25a of template UK LR2 – LRCom: Leverage ratio common disclosure).</p> <p>This row shall be disclosed by LREQ firms only. All other institutions should leave this row blank.</p> |
| 14b | <p>Leverage ratio including claims on central banks (%)</p> <p>Leverage ratio including claims on central banks in accordance with the value disclosed by institutions following Annex XI to this Implementing Regulation (row UK-25c of template UK LR2 – LRCom: Leverage ratio common disclosure)</p>  |

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|     | <p>This row shall be disclosed by LREQ firms only. All other institutions should leave this row blank.</p>  |
| 14c | <p>Average leverage ratio excluding claims on central banks (%)</p> <p>Average leverage ratio excluding claims on central banks in accordance with the value disclosed by institutions following Annex XI to this Implementing Regulation (row UK-33 of template UK LR2 – LRCom: Leverage ratio common disclosure)</p> <p>This row shall be disclosed by LREQ firms only. All other institutions should leave this row blank.</p> |
| 14d | <p>Average leverage ratio including claims on central banks (%)</p> <p>Average leverage ratio including claims on central banks in accordance with the value disclosed by institutions following Annex XI to this Implementing Regulation (row UK-34 of template UK LR2 – LRCom: Leverage ratio common disclosure)</p> <p>This row shall be disclosed by LREQ firms only. All other institutions should leave this row blank.</p> |
| 14e | <p>Countercyclical leverage ratio buffer (%)</p> <p>Countercyclical leverage ratio buffer calculated in accordance with the value disclosed by institutions following Annex XI to this Implementing Regulation (row UK-27b of template UK LR2 – LRCom: Leverage ratio common disclosure)</p> <p>This row shall be disclosed by LREQ firms only. All other institutions should leave this row blank.</p>                           |
| 15  | <p>Total high-quality liquid assets (HQLA) (Weighted value - average)</p> <p>Institutions shall disclose as the weighted value the value in accordance with Article 9 of Chapter 2 of the Liquidity Coverage</p>  |

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|        | Ratio (CRR) Part of the PRA Rulebook of the liquid assets before applying the adjustment mechanism envisaged in Article 17(2) of Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA.  |
| UK 16a | <p>Cash outflows - Total weighted value</p> <p>Institutions shall disclose the sum of the weighted value of their cash outflows, as disclosed in row 16 of Template UK LIQ1 - Quantitative information of LCR.</p>   |
| UK 16b | <p>Cash inflows - Total weighted value</p> <p>Institutions shall disclose the sum of the weighted value of their cash inflows, as disclosed in row 20 of Template UK LIQ1 - Quantitative information of Liquidity Coverage Ratio (LCR).</p>  |
| 16     | <p>Total net cash outflows (Adjusted value)</p> <p>Institutions shall disclose as the adjusted value the net liquidity outflow which equals total outflows less the reduction for fully exempt inflows less the reduction for inflows subject to the 90% cap less the reduction for inflows subject to the 75% cap.</p>  |
| 17     | <p>Liquidity coverage ratio (%)</p> <p>Institutions shall disclose as the adjusted value the percentage of the item 'Liquidity coverage ratio (%)' as defined in Article 4(1) of Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook.</p> <p>The liquidity coverage ratio shall be equal to the ratio of a credit institution's liquidity buffer to its net liquidity outflows over a 30 calendar day stress period and shall be expressed as a percentage.</p> |
| 18     | <p>Total available stable funding</p> <p>Institutions shall disclose here the amount of available stable funding calculated in accordance with Chapter 3 of Title IV of Part Six CRR, as disclosed in row 14 of Template UK LIQ2 – Net Stable Funding</p>  |

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|    | Ratio.   |
|----|--|
| 19 | <p>Total required stable funding</p> <p>Institutions shall disclose here the amount of required stable funding calculated in accordance with Chapter 4 of Title IV of Part Six CRR, as disclosed in row 33 of Template UK LIQ2 – Net Stable Funding Ratio.</p> |
| 20 | <p>NSFR ratio (%)</p> <p>NSFR ratio calculated in accordance with Article 428b CRR.</p>  |

## Template UK INS1 – Insurance participations: Fixed format

1. Institutions shall apply the instructions provided below in this Annex in order to complete template UK INS1 as presented in Annex I to this Implementing Regulation, in application of point (f) of Article 438 CRR.

| Legal references and instructions |   |
|-----------------------------------|---|
| Column number                     | Explanation   |
| a                                 | <p>Exposure value</p> <p>Exposure value of own fund instruments held in any insurance undertaking, re- insurance undertaking or insurance holding company that the institutions do not deduct from their own funds in accordance with Article 49 CRR when calculating their capital requirements on an individual, sub-consolidated and consolidated basis</p>                              |
| b                                 | <p>Risk-weighted exposure amount</p> <p>Risk-weighted exposure amount of own fund instruments held in any insurance undertaking, re-insurance undertaking or insurance holding company that the institutions do not deduct from their own funds in accordance with Article 49 CRR when calculating their capital requirements on an individual, sub-consolidated and consolidated basis</p> |

## Template UK INS2 – Financial conglomerates - Information on own funds and capital adequacy ratio. Fixed format

2. Institutions shall apply the instructions provided below in this Annex in order to complete template UK INS2 as presented in Annex I of this Implementing Regulation, in application of point (g) of Article 438 CRR.

| Legal references and instructions |
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| Row number | Explanation   |
|------------|---|
| 1          | Supplementary own fund requirements of the financial conglomerate (amount)<br><br>the amount of supplementary own fund requirements of the financial conglomerate calculated in accordance with Article 6 of Directive (EC) 2002/87 <sup>1</sup> and Annex I to Directive (EC) 2002/87 where methods 1 or 2 set out in Annex I are applied. |
| 2          | Capital adequacy ratio of the financial conglomerate (%)<br><br>The capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive (EC) 2002/87 and Annex I to Directive (EC) 2002/87 where methods 1 or 2 set out in Annex I are applied.   |

**Table UK OVC - ICAAP information.** Flexible format

3. Institutions shall apply the instructions provided below in this Annex in order to complete table UK OVC as presented in Annex I to this Implementing Regulation, in application of points (a) and (c) of Article 438 CRR.

| Legal references and instructions |  |
|-----------------------------------|--|
| Row number                        | Explanation  |
| a                                 | Approach to assessing the adequacy of their internal capital<br><br>Institutions shall disclose a summary of their approach to assessing the adequacy of their internal capital to support current and future activities.                          |
| b                                 | Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process<br><br>This information shall only be disclosed by institutions when required by the relevant competent authority. |

<sup>1</sup> DIRECTIVE 2002/87/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council (OJ L 35/1, 11.2.2003, p. 7)

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## Template UKB CMS1 – Comparison of modelled and standardised RWA at risk level

1. The purpose of this template is to compare full standardised risk-weighted assets (RWA) against modelled RWA that firms have supervisory approval to use in accordance with the finalised Basel III framework. The disclosure also provides the full standardised RWA amount to which the output floor in the Basel framework is applied.
2. Accompanying narrative: Firms are expected to explain the main drivers of difference (eg asset class or sub-asset class of a particular risk category, key assumptions underlying parameter estimations, national implementation differences) between the internally modelled RWA disclosed that are used to calculate their capital ratios and RWA disclosed under the full standardised approach that would be used should the firms not be allowed to use internal models. Explanation should be specific and, where appropriate, may be supplemented with quantitative information. In particular, if the RWA for securitisation exposures in the banking book are a main driver of the difference, firms are expected to explain the extent to which they are using each of the three potential approaches (SEC-ERBA, SEC-SA and 1,250% risk weight) for calculating SA RWA for securitisation exposures.

| Row Number | Explanations   |
|------------|--|
| 0010       | <p>When calculating the degree of credit risk mitigation, firms must use the simple approach or the comprehensive approach with standard supervisory haircuts. This also includes failed trades and non-delivery-versus-payment transactions as set out in Annex 3 of the Basel II framework (June 2006). The prohibition on the use of the IRB approach for equity exposures will be subject to a five-year linear phase-in arrangement from the date of implementation of the finalised Basel 3.1 standards. During the phase-in period, the risk weight for equity exposures used to calculate the RWA reported in column (a) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk.</p> <p><b>Cell 0010/a:</b> For exposures where the RWA is not computed based on the standardised approach described above (ie subject to the credit risk IRB approaches (Foundation Internal Ratings-Based (F-IRB), Advanced Internal Ratings-Based (A-IRB) and supervisory slotting approaches of the credit risk framework). The row excludes all positions subject to the securitisation regulatory framework, including securitisation exposures in the banking book (which are reported in row 0040) and capital requirements relating to a counterparty credit risk charge, which are reported in row 0020.</p> <p><b>Cell 0010/b:</b> RWA which result from applying the above-described standardised approach.</p> <p><b>Cell 0010/c:</b> The sum of cells 0010/a and 0010/b.</p> <p><b>Cell 0010/d:</b> RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 0010/c.</p> |
| 0020       | <p>To calculate the exposure for derivatives, firms must use the standardised approach for measuring counterparty credit risk (SA-</p>   |

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|      | <p>CCR). The exposure amounts must then be multiplied by the relevant borrower risk weight using the standardised approach for credit risk to calculate RWA under the standardised approach for credit risk.</p> <p><b>Cell 0020/a:</b> For exposures where the RWA is not computed based on the standardised approach described above.</p> <p><b>Cell 0020/b:</b> RWA which result from applying the above-described standardised approach.</p> <p><b>Cell 0020/c:</b> The sum of cells 0020/a and 0020/b.</p> <p><b>Cell 0020/d:</b> RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 0020/c.</p>     |
| 0030 | <p>The standardised approach for CVA (SA-CVA), the basic approach (BA-CVA) or 100% of a firm's counterparty credit risk capital requirements (depending on which approach the firm uses for CVA risk).</p> <p><b>Total actual RWA (cell 0030/c) and RWA calculated using full standardised approach (cell 0030/d):</b> RWA according to the standardised approaches described above.</p>  |
| 0040 | <p>The external ratings-based approach (SEC-ERBA), the standardised approach (SEC-SA) or a risk weight of 1,250%, is used.</p> <p><b>Cell 0040/a:</b> For exposures where the RWA is computed based on the SEC-IRBA or SEC-IAA.</p> <p><b>Cell 0040/b:</b> RWA which result from applying the above-described standardised approach.</p> <p><b>Cell 0040/c:</b> The sum of cells 0040/a and 0040/b.</p> <p><b>Cell 0040/d:</b> RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 0040/c.</p>   |
| 0050 | <p>The standardised approach for market risk. The SEC-ERBA, SEC-SA or a risk weight of 1,250% must also be used when determining the default risk charge component for securitisations held in the trading book.</p> <p><b>Cell 0050/a:</b> For exposures where the RWA is not computed based on the standardised approach described above.</p> <p><b>Cell 0050/b:</b> RWA which result from applying the above-described standardised approach.</p> <p><b>Cell 0050/c:</b> The sum of cells 0050/a and 0050/b.</p> <p><b>Cell 0050/d:</b> RWA as would result from applying the above-described standardised approach to all exposures giving rise to the RWA reported in cell 0050/c.</p> |
| 0060 | <p><b>Total actual RWA (cell 0060/c) and RWA calculated using full standardised approach (cell 0060/d):</b> RWA according to the revised standardised approach for operational risk.</p>  |
| 0070 | <p><b>Cell 0070/c and cell 0070/d:</b> RWA not captured within rows 0010 to</p>   |

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|      | 0060 (ie the RWA arising from equity investments in funds (rows 12 to 14 in Template OV1), settlement risk (row 15 in Template OV1), capital charge for switch between trading book and banking book (row 23 in Template OV1) and amounts below the thresholds for deduction (row 25 in Template OV1)).  |
| 0080 | <p><b>Cell 0080/a:</b> The sum of cells 0010/a, 0020/a, 0040/a and 0050/a.</p> <p><b>(Cell 0080/b):</b> RWA for portfolios where standardised approaches are used. The total sum of cells 0010/b, 0020/b, 0030/b, 0040/b, 0050/b, 0060/b and 0070/b.</p> <p><b>Cell 0080/c:</b> The bank's total RWA before the output floor adjustment. The total sum of cells 0010/c, 0020/c, 0030/c, 0040/c, 0050/c, 0060/c and 0070/c.</p> <p><b>Cell 0080/d):</b> The total sum of cells 0010/d, 0020/d, 0030/d, 0040/d, 0050/d, 0060/d and 0070/d. Disclosed numbers are calculated purely for comparison purposes and do not represent requirements under the Basel regulatory framework.</p> |

## Template UKB CMS2 – Comparison of modelled and standardised RWA for credit risk at asset class level

1. As in row 1 of Template CMS1, it excludes counterparty credit risk, credit valuation adjustments and securitisation exposures in the banking book.
2. The purpose of this template is to compare risk-weighted assets (RWA) calculated according to the standardised approach (SA) for credit risk at the asset class level against the corresponding RWA figure calculated using the approaches (including both the standardised and IRB approach for credit risk and the supervisory slotting approach) that firms have supervisory approval to use in accordance with the Basel regulatory framework for credit risk
3. The format is fixed. However, while the columns are fixed, but the portfolio breakdowns in the rows will be set at jurisdiction level to reflect the exposure classes required under national implementation of IRB and SA. Firms are encouraged to add rows to show where significant differences occur.
4. Accompanying narrative: Firms are expected to explain the main drivers of differences between the internally modelled amounts disclosed that are used to calculate their capital ratios and amounts disclosed should the firms apply the standardised approach. Where differences are attributable to mapping between IRB and SA, firms are encouraged to provide explanation and estimated materiality.

| Column letter | Explanation  |
|---------------|--|
| a             | Represents the portion of RWA according to the IRB approach for credit risk in accordance with PRA requirements for risk-based capital requirements and the supervisory slotting approach. |
| b             | RWA equivalent as derived under the standardised approach.   |
| c             | Represents the sum of the RWA for modelled approaches that firms have supervisory approval to use and the RWA under standardised approaches.   |

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| d | Total RWA assuming the full standardised approach applied at asset class level. Disclosed numbers for each asset class are calculated purely for comparison purposes and do not represent requirements under the PRA regulatory framework. |
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| Row number  | Explanation   |
|-------------|---|
| (0010-0060) | Asset classes that are considered for RWA credit risk<br><br>Column 0060 (Others) should reflect credit risk RWA not captured within rows 0010 to 0054 (ie non-credit obligation assets). |
| (0070)      | The sum of rows 0010, 0020, 0030, 0040, 0050 and 0060.  |

The prohibition on the use of the IRB approach for equity exposures would be subject to a five-year linear phase-in arrangement from the date of implementation of the Basel 3.1 standards. During the phase-in period, the risk weight for equity exposures (to be reported in column (a)) will be the greater of: (i) the risk weight as calculated under the IRB approach, and (ii) the risk weight set for the linear phase-in arrangement under the standardised approach for credit risk. Column (b) should reflect the corresponding RWA for these exposures based on the phased-in standardised approach. After the phase-in period, columns (a) and (b) for equity exposures should both be empty.