

PRA RULEBOOK: CRR FIRMS: REPORTING PILLAR 2 (AMENDMENT) INSTRUMENT 2026

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 192XA (Rules applying to holding companies).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

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- C. The PRA makes the rules in the Annex to this instrument.

Templates, Annexes and instruction documents

- D. The rules in this instrument include any template or Annex or instruction document referred to in the rules. Where indicated by “here”, the rules when published electronically will include a hyperlink to the appropriate document.

Commencement

- E. The Annex comes into force on 1 January 2027.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Reporting Pillar 2 (Amendment) Instrument 2026.

By order of the Prudential Regulation Committee

19 May 2026

Annex

Amendments to the Reporting Pillar 2 Part

In this Annex new text is underlined and deleted text is struck through.

1 APPLICATION AND DEFINITIONS

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1.6 In this Part the following definitions shall apply:

~~*Advanced Measurement Approach*~~

~~means the advanced measurement approach referred to in Article 312(2) of the CRR.~~

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~~*IRB Approach*~~

~~has the meaning given in article 143(1) of the CRR.~~

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~~*Standardised Approach to credit risk*~~

~~means the approach to credit risk set out in Chapter 2 of Title II of CRR.~~

2 PILLAR 2 REPORTING REQUIREMENTS

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2.3 A significant ~~firm~~ and any ~~firm~~ that is not significant but that had permission as at 31 December 2026 from the PRA to use the ~~Advanced Measurement Approach~~ referred to in Article 312(2) of CRR as it applied immediately before 1 January 2027 must complete the *data items* FSA072, FSA073, FSA074 and FSA075 for operational risk, unless the data required in that *data item* has already been reported to the PRA by other means.

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2.5 A ~~firm~~ with permission from the PRA to use the ~~IRB Approach~~ for retail claims or contingent retail claims must complete the *data item* FSA082 for credit risk that relates to the ~~IRB Approach~~ for retail exposures. ~~[Deleted]~~

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2.7 A ~~firm~~ other than an SDDT or an SDDT consolidation entity must complete the *data item* FSA076 for any ~~wholesale portfolio of~~ where they have any of the following exposures: ~~for which capital requirements are calculated using the Standardised Approach to credit risk.~~

(1) exposures to central governments or central banks that are assigned a risk weight in accordance with Article 114(7) of CRR;

(2) exposures to regional governments or local authorities that are assigned a risk weight in accordance with Article 115(4) of CRR; or

(3) off-balance sheet items that are assigned to the exposure class in Credit Risk: Standardised Approach (CRR) Part Article 112(1)(h), that are not exposures to SMEs, and that are subject to a conversion factor of 10% in accordance with Table A1 in Credit Risk: Standardised Approach (CRR) Part Article 111.

2.7A For the purposes of 2.7(1) and 2.7(2), exposures to central governments or central banks and exposures to regional governments or local authorities also include, as applicable:

(1) the part of any exposure covered by the unfunded credit protection that the *firm* has recognised by the *Risk-Weight Substitution Method* where the protection provider is a central government, central bank, regional authority or local authority; or

(2) the underlying exposure of a collective investment undertaking, where:

(a) the *firm* has calculated the risk weight of an exposure to a collective investment undertaking using the look-through approach in:

(i) Credit Risk: Standardised Approach (CRR) Part Article 132A(1); or

(ii) paragraphs 2 and 4 of Credit Risk: Internal Ratings Based Approach (CRR) Part Article 152; and

(b) the underlying exposure is to a central government, central bank, regional government or local authority.

2.8 ~~A *firm* other than an *SDDT* or an *SDDT consolidation entity* must complete the *data item* FSA077 for any retail portfolio of exposures for which capital requirements are calculated using the *Standardised Approach to credit risk*.~~[Deleted]~~~~

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4 DATA ITEMS

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4.9 FSA081 can be found ~~here~~[here](#).

4.10 ~~FSA082 can be found here.~~~~[Deleted]~~

4.11 FSA076 can be found ~~here~~[here](#).

4.12 ~~FSA077 can be found here.~~~~[Deleted]~~

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