Bank of England PRA

ANNEX XXX – Instructions for the disclosure of market risk templates

Template UKB MRA – General qualitative disclosure requirements related to market risk: Flexible format

1. Institutions shall apply the instructions provided below in this Annex in order to complete Template MRA.

2. This table has a flexible format. In case institutions apply a different format, they shall provide information comparable with the information required in this table, with a similar level of granularity and including all the substance information required

Row letter	Explanation
Qualitative Disclosure	
a	A description of the strategies and processes of the bank, which must include an explanation and/or a description of: i. the bank's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the bank's market risks, including policies for hedging risk and the strategies/processes for monitoring the continuing effectiveness of hedges; ii. policies for determining whether a position is designated as trading, including the definition of stale positions and the risk management policies for monitoring those positions. In addition, banks should describe cases where instruments are assigned to the trading or banking book contrary to the general presumptions of their instrument category and the market and gross fair value of such cases, as well as cases where instruments have been moved from one book to the other since the last disclosure period, including the gross fair value of such cases and the reason for the move; and iii. description of internal risk transfer activities, including the types of internal risk transfer desk.
b	A description of the institution's structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above.
c	The scope and nature of risk reporting and/or measurement systems.

Template UKB MR1 - Quantitative disclosure for the market risk advanced standardised approach (ASA): Fixed format

1. This template shall apply to firms that do not meet the criteria as set out in Article 325a of Market Risk: General Provisions (CRR) Part of the PRA Rulebook.

2. The purpose of this template is to provide information on the different components for the capital requirements under the advanced standardised approach (ASA) for market risk.

Bank of England PRA

3. Institutions shall apply the instructions provided below in order to complete template MR1.

4. Institutions shall explain in the accompanying narrative to the template any significant change over the disclosure period and the key drivers of such changes. In particular, the narrative should provide information on the changes in the scope of application, including changes due to trading desk for which capital requirements are calculated using the standardised approach.

Row number	Explanation
{010-070}	The sensitivities-based method capital requirements for the specific risk class calculated for the ASA.
{080-100}	The default risk capital requirements for the specific risk class calculated for the advanced standardised approach.
{110}	The residual risk add-on capital requirements calculated for the advanced standardised approach.
{120}	The total capital requirements calculated for the advanced standardised approach.

Table UKB MRB – Qualitative disclosure for the market risk internal model approach (IMA): Flexible format

1. This template shall apply to firms with permission from the PRA to use the Internal Model Approach (IMA) in accordance with Market Risk: Internal Model Approach (CRR) Part of the PRA rulebook.

2. Institutions shall apply the instructions provided below in this Annex in order to complete table MRB.

3. This table has a flexible format. In case institutions apply a different format, they shall provide information comparable with the information required in this table, with a similar level of granularity and including all the substance information required.

Row letter	Explanation
Qualitative Disclosure	
a	A general description of the trading desk structure as defined in Trading Book (CRR) Part Article 104b of the PRA Rulebook and types of instruments included in the IMA trading desks.
	Models for calculating expected shortfall (ES)
b	A description of trading desks covered by the ES models. Where applicable, banks must also describe the main trading desks not included in ES regulatory calculations (due to lack of historical data or model constraints) and treated under other measures (such as specific treatments allowed in some jurisdictions).
c	The soundness criteria on which the internal capital adequacy assessment is based (eg forward-looking stress testing) and a description of the

Bank of England PRA

	methodologies used to achieve a capital adequacy assessment that is consistent with the soundness requirements.
d	A general description of the ES model(s). For example, banks may describe whether the model(s) is (are) based on historical simulation, Monte Carlo simulations or other appropriate analytical methods, and the observation period. For ES based on stressed observations.
e	The frequency by which model data is updated.
f	A description of the ES calculation based on current and stressed observations. For example, banks should describe the reduced set of risk factors used to calibrate the period of stress, the share of the variations in the full ES that is explained by the reduced set of risk factors, and the observation period used to identify the most stressful 12 months.
	Models used for calculating stress-scenario risk measure (SS) for non-modellable risk factors (NMRFs)
g	A general description of each methodology used to achieve a capital adequacy assessment for categories of NMRFs that is consistent with the required soundness standard.
	For banks with approval and using default risk models
h	A general description of the methodology: Information about the characteristics and scope of the value-at-risk (VaR) and whether different models are used for different exposure classes. For example, banks may describe the range of probability of default (PD) by obligors on the different types of positions, the approaches used to correct market-implied PDs as applicable, the treatment of netting, basis risk between long and short exposures of different obligors, mismatch between a position and its hedge and concentrations that can arise within and across product classes during stressed conditions.
i	The methodology used to achieve a capital adequacy assessment that is consistent with both the required soundness requirements.
	Validation of models and modelling process
j	The approaches used in the validation of the models and modelling processes, describing general approaches used, and the types of assumptions and benchmarks on which they rely on.

Template UKB MR2 - Quantitative disclosure for the market risk internal model approach (IMA): Fixed format

1. This template shall apply to firms with permission from the PRA to use the Internal Model Approach (IMA) in accordance with Market Risk: Internal Model Approach (CRR) Part of the PRA rulebook.

2. The purpose of this template is to provide information on the different components of the capital requirements under the internal model approach (IMA) for market risk.

Bank of England PRA

3. Institutions shall apply the instructions provided below in this Annex in order to complete template MR2.

4. Institutions shall explain in the accompanying narrative components that are included for their most recent measure and the components that are included for their average of the previous 60 days for ES and SS, and 12 weeks for internal default risk models. Institutions shall also provide a comparison of Value-at-Risk (VaR) measures to the one-day changes of the portfolio's value by the end of the subsequent business day together with an analysis of any important overshooting from backtesting during the reporting period. Institutions shall also explain any significance change over the disclosure period and the key drivers of such changes.

Row number	Explanation
{010}	The unconstrained expected shortfall (ES) capital requirements (as defined in Articles 325bb and 325bc of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook)
{020-060}	The constrained ES capital requirements for the specific risk class calculated for the IMA (as defined in [Articles 325bb and 325bc of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook).
{070}	The aggregated constrained ES capital requirements (as defined Articles 325bb and 325bc of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook)
{080}	The aggregated capital requirements across unconstrained and constrained capital requirements calculated for the IMA (as defined in Articles 325bb and 325bc of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook)
{090}	The stress-scenario risk measure (SS) capital requirements calculated for the IMA (as defined in Article 325bk of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook).
{100}	The internal default risk model capital requirements calculated for the IMA (as defined in Articles 325bn of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook).
{110}	The capital surcharge requirements calculated for yellow trading desks calculated under the IMA (as defined in Article 325ba(3) of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook).
{120}	The capital requirements calculated for green and yellow trading desks calculated under the IMA, including any capital surcharge (as Articles 325az of the *Market Risk: Internal Model Approach (CRR) Part* of the PRA rulebook).
{130}	The capital requirements calculated for non-green and yellow trading desks (i.e. trading desks ineligible for the IMA) calculated under the ASA, (as defined in the *Market Risk: Advanced Standardised Approach (CRR) Part* of the PRA rulebook).
{140}	Difference in capital requirements calculated using IMA (as defined in [insert rule reference for IMA]) and ASA for green and yellow trading desks.

Bank of England PRA

{150}	The ASA capital requirements calculated for all trading desks, (as defined in the *Market Risk: Advanced Standardised Approach (CRR) Part* of the PRA rulebook).
{160}	The total market risk capital requirements

Column letter	Explanation
a	Relevant risk measures for the most recent period in the current quarter
b	The average of the relevant risk measures for the most recent period in the current quarter
c	The highest of the relevant risk measures for the most recent period in the current quarter
d	The lowest of the relevant risk measures for the most recent period in the current quarter
e	The number of backtesting exceptions (at firm-wide level) for the most recent period in the current quarter
f	Relevant risk measures for the most recent period in the previous quarter
g	The average of the relevant risk measures for the most recent period in the previous quarter

Template UKB MR3 - Quantitative disclosure for the market risk simplified standardised approach (SSA): Fixed format

1. This template shall apply to firms that meet the criteria as set out in Article 325a of Market Risk: General Provisions (CRR) Part of the PRA Rulebook and uses the simplified standardised approach. During the *IMA transitional period*, as defined in the Glossary of the PRA Rulebook, IMA firms that use the standardised approach as it applied immediately before revocation by the Treasury for the purpose of complying with paragraph 2 of Article 364, point (b) of paragraph 2 of Article 367 and paragraph 1 of Article 371 of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part must disclose the corresponding own funds requirements in this template.

2. The purpose of this template is to provide information on the different components of the capital requirements under the SSA for market risk.

3. Institutions shall apply the instructions provided below to complete template MR3.

Row number	Explanation
{010-040}	The SSA capital requirements for the different risk classes
{050}	The SSA capital requirements for the securitisation positions
{060}	The total SSA capital requirements

Bank of England PRA

Column letter	Explanation
a	The SSA capital requirements for positions in products that do not have optionality
b	The SSA capital requirements for option risks (non-delta risks) from debt instruments, equity instruments, commodities instruments and foreign exchange instruments calculated using the simplified approach in accordance with the *Market Risk: Simplified Standardised Approach (CRR) Part* of the PRA rulebook
c	The SSA capital requirements for option risks (non-delta risks) from debt instruments, equity instruments, commodities instruments and foreign exchange instruments calculated using the delta-plus method in accordance with the *Market Risk: Simplified Standardised Approach (CRR) Part* of the PRA rulebook]
d	The SSA capital requirements for option risks (non-delta risks) from debt instruments, equity instruments, commodities instruments and foreign exchange instruments calculated using the scenario approach in accordance with the *Market Risk: Simplified Standardised Approach (CRR) Part* of the PRA rulebook

Table UK MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models: free text format

1. Institutions shall apply the instructions provided below in this Annex in order to complete table UK MRB as presented in Annex XXIX of PRA Rulebook, Disclosure (CRR) Part, in application of points (a), (b), (c) and (f) of Disclosure (CRR) Part 7.3

Row number	Explanation
{a}	When disclosing information in accordance with point (c) of Disclosure (CRR) Part 7.3, on the extent and methodologies for compliance with the requirements of Article 104 CRR, institutions shall include: • a description of the procedures and systems implemented for the assurance of tradability of the positions included in the trading book in order to comply with the requirements of Article 104 CRR, • and a description of the methodology used to ensure that the policies and procedures implemented for the overall management of the trading book are appropriate.
{b}	When disclosing information in accordance with point (c) of Disclosure (CRR) Part 7.3, on the extent and methodologies for compliance with the requirements of Article 105 CRR, institutions shall include: • A description of the valuation methodologies, including an explanation of how far mark-to-market and mark-to-model methodologies are used;

Bank of England PRA

	• Description of the independent price verification process;
	• Procedures for valuation adjustments or reserves (including a description of the process and the methodology for valuing trading positions by type of instrument).
{A}	**Institutions using VaR models and SVaR models**, as defined in Article 365 of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part
{a}	When disclosing information in accordance with point (a)(i) and with point (b) of Disclosure (CRR) Part 7.3, institutions shall include a description of activities and risks covered by the VaR and SVaR models, specifying how they are distributed in portfolios/sub-portfolios for which the PRA has granted permission.
{b}	When disclosing information required in point (b) of Disclosure (CRR) Part 7.3, institutions shall include: • a description of the scope of application of the VaR and SVaR models for which the PRA has granted permission, • when relevant, information on which entities in the group use these models and how the models represent all the models used at the group level, as well as the percentage of own funds requirements covered by the models /or if the same models of VaR/SVaR are used for all entities with market risk exposure.
	Information disclosed in accordance with point (a)(i) of Disclosure (CRR) Part 7.3 on the characteristics of the model used shall include:
{c}	A general description of regulatory VaR and SVaR models
{d}	A discussion of the main differences, if any, between the models used for management purposes and the model used for regulatory purposes (10 day 99%) for VaR and SVaR models.
{e}	For VaR models: i. The data updating frequency; ii. The length of the data period that is used to calibrate the model. A description of the weighting scheme that is used (if any); iii. A description on how the institutions determines the 10-day holding period (for example, does it scale up a 1-day VaR by the square root of 10, or does it directly model the 10-day VaR?); iv. A description of the aggregation approach, which is the method for aggregating the specific and general risk (i.e. do the institutions calculate the specific charge as a stand-alone charge by using a different method than the one used to calculate the general risk or do the institutions use a single model that diversifies general and specific risk?); v. Valuation approach (full revaluation or use of approximations); vi. Whether, when simulating potential movements in risk factors, absolute or relative returns (or a mixed approach) are used (i.e. proportional change in prices or rates or absolute change in prices or rates).

Bank of England PRA

{f}	For SVaR models:
	1. A description on how the 10-day holding period is determined. For example, does the institution scale up a 1-day VaR by the square root of 10, or does it directly model the 10-day VaR? If the approach is the same as for the VaR models, the institutions may confirm this and refer to disclosure (e) (iii) above;
	2. A description of the stress period chosen by the institution and the rationale for this choice;
	3. A description of the valuation approach (full revaluation or use of approximations).
{g}	When disclosing information in accordance with point (a)(iii) of Disclosure (CRR) Part 7.3, institutions shall include a description of stress testing applied to the modelling parameters consistent with information disclosed according to requirement {A}{a} above (main scenarios developed to capture the characteristics of the portfolios to which the VaR and SVaR models apply at the group level).
{h}	When disclosing information in accordance with point (a)(iv) of Disclosure (CRR) Part 7.3, institutions shall disclose a description of the approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the internal models and modelling processes.
{B}	**Institutions using internal models to measure the own funds requirements for the incremental default and migration risk (IRC)** in accordance with Sections 3 and 4 of Chapter 5 of Title IV of Part Three CRR
{a}	When disclosing information in accordance with point (a)(ii) and with point (b) of Disclosure (CRR) Part 7.3, institutions shall include a description of risks covered by the IRC models, specifying how they are distributed in portfolios/sub-portfolios for which the PRA has granted permission.
{b}	Information required in point (b) of Disclosure (CRR) Part 7.3 must include a description of the scope of application of the IRC model for which the PRA has granted permission, and shall be complemented by information on which entities in the group use these models and how the models represent all the models used at the group level, including the percentage of own funds requirements covered by the models /or if the same models of IRC is used for all entities with market risk exposure
	Information disclosed in accordance with point (a)(ii) of Disclosure (CRR) Part 7.3 on the characteristics of the IRC models used shall include:
{c}	A general description of the methodology used for internal models for incremental default and migration risk, including:
	i. Information about the overall modelling approach (notably, the use of spread-based models or transition matrix-based models);
	ii. Information on the calibration of the transition matrix;
	iii. Information about correlation assumptions;

Bank of England PRA

{d}	Information disclosed must include a description of the approach used to determine liquidity horizons;
{e}	Information disclosed must include a description of the methodology used to achieve a capital assessment that is consistent with the required soundness standard;
{f}	Information disclosed must include a description of the approach used in the validation of the models.
{g}	In accordance with point (a)(iii) of Disclosure (CRR) Part 7.3 information disclosed must include a description of the stress testing applied to the modelling parameters consistent with information disclosed in accordance with requirement {B}{a} above (main scenarios developed to capture the characteristics of the portfolios to which the IRC models apply at the group level).
{h}	In accordance with point (a)(iv) of Disclosure (CRR) Part 7.3 institutions must disclose a description of the approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the IRC internal models and modelling processes
{C} Institutions using internal models to measure own funds requirements for correlation trading portfolio (comprehensive risk measure) in accordance with Section 5 of Chapter 5 of Title IV of Part Three CRR	
{a}	When disclosing information in accordance with point (a)(ii)and with point (b) of Disclosure (CRR) Part 7.3, institutions shall include a description of risks covered by the comprehensive risk measure models, specifying how they are distributed in portfolios/sub-portfolios for which the PRA has granted permission.
{b}	Information required in point (b) of Disclosure (CRR) Part 7.3 must include a description of the scope of application of the comprehensive risk measure models for which the PRA has granted permission, shall be complemented by information on which entities in the group use these models and how the models represent all the models used at the group level, including the percentage of own funds requirements covered by the models /or if the same models of IRC is used for all entities with market risk exposure
	Information disclosed in accordance with point (a)(ii) of Disclosure (CRR) Part 7.3 on the characteristics of the comprehensive risk measure models used shall include:
{c}	A general description of the methodology used for correlation trading, including:
	i. Information about the overall modelling approach (choice of model correlation between default/migrations and spread: (i) separate but correlated stochastic processes driving migration/default and spread movement; (ii) spread changes driving migration/default; or (iii) default/migrations driving spread changes);
	ii. Information used to calibrate the parameters of the base correlation: LGD pricing of the tranches (constant or stochastic);

Bank of England PRA

	iii. Information on the choice of whether to age positions (profits and losses based on the simulated market movement in the model calculated based on the time to expiry of each position at the end of the 1-year capital horizon or using their time to expiry at the calculation date);
{d}	Information disclosed must include a description of the approach used to determine liquidity horizons.
{e}	Information disclosed must include a description of the methodology used to achieve a capital assessment that is consistent with the required soundness standard.
{f}	Information disclosed must include a description of the approach used in the validation of the models.
{g}	In accordance with point (a)(iii) of Disclosure (CRR) Part 7.3 information disclosed must include a description of the description of stress testing applied to the modelling parameters (main scenarios developed to capture the characteristics of the portfolios to which the comprehensive risk measure models apply at the group level).
{h}	In accordance with point (a)(iv) of Disclosure (CRR) Part 7.3 information disclosed must include a description of the approach used for backtesting/validating the accuracy and internal consistency of data and parameters used for the comprehensive risk measure internal models and modelling processes.
UK {i}	Institutions must complement information disclosed regarding the internal models for the incremental default and migration risk and for correlation trading portfolios with the weighted average liquidity horizon for sub-portfolios covered in accordance with point (f) of Disclosure (CRR) Part 7.3, consistent with the description provided in accordance with rows (B) (a) and (d) and (C) (a) and (d)) of table UK MRB.

Template UK MR2-A - Market risk under the internal Model Approach (IMA): fixed

format

1. Institutions shall apply the instructions provided below in this Annex in order to complete template UK MR2-A as presented in Annex XXIX of PRA Rulebook, Disclosure (CRR) Part, in application of point (e) of Disclosure (CRR) Part 7.3.

Row number	Explanation
{1}	**VaR** (higher of values a and b) a. Previous day's value at-risk number (VaR_{t-1}) calculated in accordance with Article 365 (1) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part. b. Average of the daily value at-risk numbers calculated in accordance with Article 365(1) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part, on each of the preceding 60 business days (VaR_{avg}) x multiplied by the multiplication factor (mc) in accordance with Article 366 of Part A

Bank of England PRA

	of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part.

{2}	**SVaR** (higher of values a and b)
	
	   a. Latest available stressed-value-at-risk number ($sVaR_{t-1}$) calculated in accordance with Article 365(2) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part.
	
	   b. Average of the stressed value-at-risk numbers calculated in the manner and frequency specified in Article 365(2) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part during the preceding sixty business days ($sVaR_{avg}$), multiplied by the multiplication factor (ms) in accordance with Article 366 of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part.

{3}	**IRC** (higher of values a and b)
	
	   a. Most recent risk number for the incremental default and migration risk calculated in accordance with Section 3 of Chapter 5 of Title IV of Part Three CRR.
	
	   b. Average of risk number for the incremental default and migration risk calculated in accordance with Section 3 of Chapter 5 of Title IV of Part Three CRR over the preceding 12 weeks.

{4}	**Comprehensive risk measure** (higher of values a, b and c)
	
	   a. Most recent risk number for the correlation trading portfolio calculated in accordance with Section 5 of Chapter 5 of Title IV of Part Three CRR.
	
	   b. Average of the risk number for the correlation trading portfolio calculated in accordance with Section 5 of Chapter 5 of Title IV of Part Three CRR, over the preceding 12-weeks.
	
	   c. 8 % of the own funds requirement that would, at the time of calculation of the most recent risk number referred to in row (a), be calculated in accordance with Article 338 (4) CRR, for all those positions incorporated into the internal model for the correlation trading portfolio.

{5}	***Other*** Other refers to additional own funds required by supervisors for institutions using the internal model approach for market risk (e.g. additional capital according to Article 101 of the CRD)
{6}	**Total** (1+2+3+ 4+5)
Column letter	**Explanation**
{a}	*RWEAs* Disclosure of risk weighted exposures referred to in point (d) of Article 438 CRR, computed as the value in column b multiplied by 12.5 in accordance

Bank of England PRA

	with point (b) of Article 92 (4) CRR. A description of the valuation approach (full revaluation or use of approximations).
{b}	Own funds requirements for market risk as determined in Chapter 5 of Title IV of Part Three CRR in accordance with instructions in rows {1} to {4} above.

Template UK MR2-B - RWA flow statements of market risk exposures under the IMA: fixed format

1. Institutions shall apply the instructions provided below in this Annex in order to complete template UK MR2-B as presented in Annex XXIX of PRA Rulebook, Disclosure (CRR) Part, in application of point (h) of Article 438 CRR.
2. Institutions shall disclose the flows of RWEA as the changes between the risk weighted exposure amounts at the end of the disclosure reference date (as specified below in row 8) and the risk-weighted exposure amounts at end of the prior disclosure reference date (as specified below in row 1; in the case of quarterly disclosures, end-of-quarter prior to the quarter of the disclosure reference date). Institutions may complement their Pillar 3 disclosures by disclosing the same information for the three previous quarters.
3. Institutions shall explain in the accompanying narrative to the template the figures disclosed in row 8 of the template, i.e. any other drivers that contribute significantly to RWEA variations.

Row number	Explanation
{1}	**RWAs at previous period end**
	Risk weighted exposure amounts at the end of the previous period derived from the sum of own funds requirements in accordance with Article 364 of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part with the exception of point (a) of Article 364 (2) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part, and any additional own funds required by supervisors for institutions using the internal model approach for market risk, multiplied by 12.5 in accordance with point (b) of Article 92 (4) CRR.
{2}	*Movement in risk levels*
	Changes due to position changes, other than those driven by regulatory policy changes.
{3}	*Model changes*
	Significant updates to the model to reflect recent experience (e.g. recalibration), as well as significant changes in model scope. If more than one model update has taken place, additional rows could be necessary.
{4}	*Methodology and policy*
	Methodology changes to the calculations driven by regulatory policy changes.
{5}	*Acquisitions and disposals*

Bank of England PRA

	Modifications due to acquisition or disposal of business/product lines or entities.
{6}	*Foreign exchange movements*
	Changes arising from foreign currency translation movements.
{7}	*Other*
	This category shall be used to capture changes that cannot be attributed to any category of drivers included in rows 2 to 6, and the explanations regarding the drivers of these changes must be provided in the accompanying narrative.
{8}	**RWAs at the end of the disclosure period**
	Risk weighted exposure amounts at the end of the period derived from the sum of own funds requirements in accordance with Article 364 with the exception of point (a) of Article 364 (2) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part, and any additional own funds required by supervisors for institutions using the internal model approach for market risk, multiplied by 12.5 in accordance with point (b) of Article 92 (4) CRR.
{1a/1b}/ {8a/b}	Rows 1a/1b and 8a/8b should be used when the RWA/own funds requirement for any of the columns a to d is the 60-day average (for VaR and SVaR) or the 12-week average measure or the floor measure (for IRC and Comprehensive risk measure) and not the RWA/own funds requirement at the end of the period (previous or disclosure) in accordance with points (a)(i) and (b)(i) of Article 364 (1), with point (b)(i) of Article 364(2) and with point (a) of Article 364(3) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part. The amount disclosed in additional rows 1a and 8b should be the difference between the final derived RWEA on average measures, as disclosed in rows 1 or 8, and the measures derived directly from the models disclosed in rows 1b/8a. In these cases, additional rows for regulatory adjustment (1a and 8b) ensure that the institution is able to provide the source of changes in RWA/own funds requirement on the basis of the last RWA/own funds requirement measure at the end of the period (previous or disclosure), disclosed in rows 1b and 8a. In this case, rows 2, 3, 4, 5, 6, 7 reconcile the value in row 1b and 8a[1].
Column letter	**Explanation**
{a}	*VaR* Key drivers of changes over the period in accordance with row {2} to {7} (on the basis of a reasonable estimation), of the value at-risk RWAs derived from the own funds requirements in accordance with point (a) of Article 364 (1) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part.
{b}	*SVaR* Key drivers of changes over the period in accordance with row {2} to {7} (on the basis of a reasonable estimation), of the stressed value at-risk RWAs derived from the own funds requirements in accordance with point (b) of

---

[1] See the illustration in the consolidated Basel standard in DIS 99.4:
https://www.bis.org/basel_framework/chapter/DIS/99.htm?inforce=20191215

Bank of England PRA

		Article 364 (1) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part, and any additional own funds required by supervisors.
{c}		*IRC* Key drivers of changes over the period in accordance with row {2} to {7} (on the basis of a reasonable estimation), of the incremental default and migration RWAs derived from the own funds requirements in accordance with point (b) of Article 364 (2) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part, and any additional own funds required by supervisors.
{d}		*Comprehensive risk measure* Key drivers of changes over the period in accordance with row {2} to {7} (on the basis of a reasonable estimation), of the correlation trading portfolio RWAs derived from the own funds requirements in accordance with Article 364 (3) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part, and any additional own funds required by supervisors.
{e}		*Other* Key drivers of changes over the period in accordance with row {2} to {7} of RWAs derived
{f}		Total RWAs (a + b + c + d + e)
{g}		Total own funds requirements (f x 8%)

Template UK MR3 - IMA values for trading portfolios: fixed format

1. Institutions shall apply the instructions provided below in this Annex in order to complete template UK MR3 as presented in Annex XXIX of PRA Rulebook, Disclosure (CRR) Part, in application of point (d) of Disclosure (CRR) Part 7.3.

Row number	Explanation
	VaR (10 day 99%) Value at-risk measure in accordance with Article 365 (1) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part. The amounts do not include additional own fund requirements on supervisor's decision (related to the multiplier, for instance).
{1} to {4}	Highest/Lowest/mean of daily value at-risk measures over the period and period end daily value at-risk measure.
	SVaR (10 day 99%) Stressed Value at-risk measure in accordance with Article 365 (2) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part. The amounts do not include additional own fund requirements on supervisor's decision (multiplier).
{5} to {8}	Highest/Lowest/mean of stressed daily value at-risk measure over the period and period end daily value at-risk measure.

Bank of England PRA

	IRC (99.9%) Incremental default and migration risk value in accordance with Section 3 of Chapter 5 of Title IV of Part Three CRR. The amounts do not include additional own fund requirements on supervisor's decision (multiplier).
{9} to {12}	Highest/Lowest/mean of IRC measures over the period and period end daily value at-risk measure.
	Comprehensive risk measure (99.9%) Correlation trading portfolios value in accordance with Section 5 of Chapter 5 of Title IV of Part Three CRR.
{13} to {16}	Highest/Lowest/mean of correlation trading portfolios measures over the period and period end daily value at-risk measure.
Column letter	**Explanation**
{a}	Highest/lowest/mean values over the disclosure period and end of period values corresponding to rows {1} to {16}.

Template UK MR4 - Comparison of VaR estimates with gains/losses: Flexible table

1. In application of point (g) of Disclosure (CRR) Part 7.3 institutions shall disclose a chart as presented in Annex XXIX of PRA Rulebook, Disclosure (CRR) Part, including the information indicated in this table.

Explanation
Information disclosed in accordance with point (g) of Disclosure (CRR) Part 7.3, must reflect the risk measure used for regulatory purposes in accordance with Article 365 (1) of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part, calibrated to a 1-day holding period to compare with the 99% confidence level with its trading outcomes.
Institutions must present an analysis of 'outliers' (backtesting exceptions as per Article 366 of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part) in back tested results, specifying the dates and the corresponding excess (VaR-P&L). The analysis should at least specify the key drivers of the exceptions. Institutions shall disclose similar comparisons for actual P&L and hypothetical P&L (i.e. on the basis of hypothetical changes in portfolio values that would occur if end-of-day positions remain unchanged) as per Article 366 of Part A of Annex 3 of the Market Risk: Internal Model Approach (CRR) Part. Institutions shall complement this information with information about actual gains/losses, and especially to clarify whether they include reserves and, if not, how reserves are integrated into the backtesting process.