

# Bank of England PRA

## **Appendix 2: Annex XXXII – MREL Disclosure Instructions**

This document is Appendix 2 of PS11/26: Disclosure: resolvability resources, capital distribution constraints and the basis for firm Pillar 3 disclosure.

1. Institutions shall apply the instructions provided below in order to complete the templates UK KM2, UK MREL1, UK MREL2 and UK MREL3 as required by the Disclosure (CRR) Part of the PRA Rulebook.
2. The following definitions apply with respect to the templates UK KM2, UK MREL1, UK MREL2 and UK MREL3 and the instructions set out in this Annex.
  - ‘MREL requirement’ refers to a requirement for an institution to maintain a minimum of own funds and eligible liabilities, as directed by the Bank of England when exercising its powers of direction under section 3A(4) and/or section 3A(4B) of the Banking Act 2009.
  - ‘Own funds’ has the same meaning as in paragraph 2.1 of the Bank of England’s Statement of Policy entitled ‘The Bank of England’s approach to setting a minimum requirement for own funds and eligible liabilities (MREL)’ published by the Bank of England on 15 July 2025 (“MREL SoP 2025”)
  - ‘External MREL instruments’ are instruments as defined in paragraph 2.9 of the MREL SoP 2025 and that meet the external MREL instrument eligibility criteria set out in the MREL SoP 2025.
  - ‘Internal MREL instruments’ are instruments as defined in paragraph 2.10 of the MREL SoP 2025 and that meet the internal MREL instrument eligibility criteria set out in the MREL SoP 2025.
  - ‘Common Equity Tier 1 capital’, ‘Additional Tier 1 capital’, and ‘Tier 2 capital’ have the same meaning as those terms have for the purposes of the Own Funds (CRR) Part of the PRA Rulebook<sup>1</sup>.
  - ‘Additional Tier 1 instruments’ and ‘Tier 2 instruments’ are instruments that meet the conditions set out in Article 52 and Article 63 respectively of the Own Funds (CRR) Part of PRA Rulebook<sup>2</sup>.
  - ‘MREL eligible liabilities’ has the same meaning as in paragraph 2.3 of the MREL SoP 2025.
  - ‘Eligible liabilities instruments’ has the same meaning as in paragraph 2.3 of the MREL SoP 2025.

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<sup>1</sup> The PRA issued in July 2025 the instrument entitled ‘PRA Rulebook: Own Funds and Definition of Capital Instrument 2025’ to accompany [PS12/25 – Restatement of CRR and Solvency II requirements in PRA Rulebook – 2026 implementation](#) which includes, among others, provisions on definition of capital and the own funds deduction regime. The instrument came into effect on 1 January 2026.

<sup>2</sup> Please see footnote 1.

- 'External MREL resources' means the aggregate, measured at the appropriate value, of all own funds represented or constituted by eligible liabilities instruments that meet the external MREL instrument eligibility criteria set out in the MREL SoP 2025.
  - 'Internal MREL resources' means the aggregate, measured at the appropriate value, of all own funds and MREL eligible liabilities represented or constituted by eligible liabilities instruments that meet the internal MREL instrument eligibility criteria set out in the MREL SoP 2025.
  - 'Resolution group' has the meaning given in Article 4(1)(132) of the CRR. For the avoidance of doubt, for a banking group with a multiple-point-of-entry ('MPE') preferred resolution strategy ('MPE banking group'), 'resolution group' refers only to the one to which the resolution entity that is established in the UK belongs.
  - 'Excluded liabilities' has the same meaning as in paragraph 2.2 of the MREL SoP 2025.
  - 'Central bank claim' has the same meaning as set out in the Glossary of the PRA Rulebook.
  - 'Global Systemically Important Institution (G-SII)' has the same meaning as set out in the Glossary of the PRA Rulebook.
  - 'Other Systemically Important Institution (O-SII)' has the meaning as set out in the Glossary of the PRA Rulebook.
3. 'Large institution', and 'resolution entity' have the same meaning as set out in the CRR.
  4. 'Eligible liabilities', 'material subsidiary', 'MREL firm', 'other institution', and 'total risk exposure amount' have the same meaning as set out in the Disclosure (CRR) Part of the PRA Rulebook.<sup>3</sup>
  5. For the purposes of this Annex, references to the CRR should be interpreted to include a reference to the relevant CRR rule, where appropriate.
  6. For the purposes of these templates and instructions, external and/or internal MREL resources, or components thereof, shall include any own funds and/or MREL eligible liabilities which are treated as eligible as external and/or internal MREL resources further to any adjustments allowed by the Bank of England under the MREL SoP 2025.

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<sup>3</sup> The definitions of 'eligible liabilities', 'total risk exposure amount', 'material subsidiary', 'MREL firm', and 'other institution', for the purposes of the Disclosure (CRR) Part of the PRA Rulebook, are set out in the PRA Rulebook: CRR Firms: Disclosure (CRR) Instrument 2026 included as Appendix 1 to this policy statement (Disclosure: resolvability resources, capital distribution constraints and the basis for firm Pillar 3 disclosure).

**Template UK KM2 - Key metrics of MREL requirements and resources at resolution group level. Fixed format**

7. Institutions shall provide information about their MREL requirement and external MREL resources available in the template at the level of the resolution group.
8. Institutions shall explain, where relevant, in the narrative accompanying the template any significant change over the reporting period and key drivers of such changes.

| <b>Legal references and instructions</b> |  |
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| <b>Column number</b>                     | <b>Explanation</b>   |
| a - e                                    | <p>Disclosure periods T, T-1, T-2 and T-3 and T-4 are defined as quarterly periods and should be populated depending on the frequency set by Article 433a and Article 443c of the Disclosure (CRR) Part of the PRA Rulebook.</p> <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 an annual basis should provide data for periods T and T-4.</p> <p>For an institution which is subject to the requirement to make disclosure with template UK KM2 under Article 447(h) of the Disclosure (CRR) Part of the PRA Rulebook on the date the requirement becomes effective (i.e. 1 January 2027), the reference date for T, with respect to the first disclosure with this template should be 31 December 2026. For an institution that becomes subject to this requirement subsequent to 1 January 2027, the reference date for T, with respect to the first disclosure to be made with template UK KM2, should be the last day of the first quarterly period or annual period (as applicable) that ends immediately before this requirement becomes applicable to the institution.</p> <p>Institutions should disclose the dates corresponding to the disclosure periods.</p> <p>The disclosure of data for previous periods is not required when data are disclosed for the first time.</p> <p>For institutions with an MREL requirement based on either the applicable leverage ratio requirement or on leverage exposures, the above definitions of disclosure periods (i.e. T, T-1, T-2, T-3, T-4 for quarterly periods, and T and T-4 for annual periods) apply in deriving the average MREL resources or average exposure measure.</p> |
| <b>Legal references and instructions</b> |  |
| <b>Row number</b>                        | <b>Explanation</b>   |
| 1  | <p>Total MREL resources available</p> <p>Institutions should report the accounting value of external MREL resources available, after reflecting fully loaded expected credit loss (where 'expected credit loss' has the meaning of 'expected loss' given in Article 5 of CRR) under the expected credit loss ('ECL') framework in International Financial</p>  |

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|    | Reporting Standard 9 – Financial Instruments (‘IFRS 9’) <sup>4</sup> and after any regulatory adjustments and deductions. The amount should be equal to the amount disclosed by institutions in row 22 of template UK MREL1, as applicable.  |
| 1a | [Not applicable as being duplicative and not required to be filled in] Fully loaded Expected Credit Loss (ECL) accounting model MREL resources available <sup>5</sup>  |
| 2  | Total risk exposure amount<br><br>Total risk exposure amount has the same meaning as set out in Article 92 in Chapter 4 of the Required Level of Own Funds (CRR) Part of the PRA Rulebook <sup>6</sup> . The value in this row should be calculated as if Chapter 4 of the Required Level of Own Funds (CRR) Part of the PRA Rulebook applied to the institution with respect to its resolution group. Institutions should report the value after reflecting fully loaded ECL under the ECL framework in IFRS 9. The amount should be equal to the amount disclosed by institutions in row 23 of template UK MREL1, as applicable. |
| 3  | MREL resources as a percentage of total risk exposure amount (%)<br><br>The value is derived from external MREL resources available in row 1 divided by total risk exposure amount in row 2. The resultant value should be expressed as a percentage. The value should be equal to the value disclosed by institutions in row 25 of template UK MREL1, as applicable.  |
| 3a | [Not applicable as being duplicative and not required to be filled in] Fully loaded ECL accounting model MREL resources as a percentage of fully loaded ECL accounting model total risk exposure amount (%) <sup>7</sup>   |
| 4  | Total exposure measure excluding central bank claims<br><br>Total exposure measure has the same meaning as set out in Article 429(4) of Chapter 3 of the Leverage Ratio (CRR) Part of the PRA Rulebook. Amount of total exposure measure excluding central bank claims calculated as if the Leverage Ratio (CRR) Part of the PRA Rulebook applied to the institution with respect to its resolution group. Institutions should report the value after reflecting fully loaded ECL under the ECL framework in IFRS 9. The amount disclosed should be the period-end amount at the position date of the disclosure period.           |

<sup>4</sup> The transitional arrangement for the implementation of ECL framework in IFRS 9 will have ended before the implementation date of this policy statement. Therefore, figures of MREL resources available, total risk exposure amount, and total exposure measure excluding central bank claims, or calculated results based on these figures, in rows 1, 3 and 5 will reflect fully loaded ECL after implementation of IFRS 9 (i.e. the values intended to be reported in rows 1a, 3a and 5a). The separate rows of 1a, 3a and 5a become duplicative of 1, 3 and 5 and are therefore not necessary.

<sup>5</sup> Please see footnote 4.

<sup>6</sup> The PRA issued in January 2026 the instrument entitled ‘Final PRA Rulebook: CRR Firms: (CRR) Instrument 2026’ to accompany ‘PS1/26 – Implementation of Basel 3.1: Final rules’. The instrument contains, among others, the Required Level of Own Funds (CRR) Part of the PRA Rulebook. The instrument will come into effect on 1 January 2027. See [PS1/26 – Implementation of Basel 3.1: Final rules](#) and its Appendix 1 for the policy statement and the instrument.

<sup>7</sup> Please see footnote 4.

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|       | <p>The amount should be equal to the amount disclosed by institutions in row 24 of template UK MREL1, as applicable.</p>  |
| UK 4a | <p>(Only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures)<br/>Average exposure measure excluding central bank claims</p> <p>This row is only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures (see the MREL SoP 2025). The amount disclosed should be the average exposure measure for the disclosure period, calculated as the sum of:</p> <ul style="list-style-type: none"> <li>(i) the arithmetic mean of the institution's total exposure measure in relation to on-balance sheet assets and securities financing transactions on each day in the disclosure period; and</li> <li>(ii) the arithmetic mean of the institutions total exposure excluding on-balance sheet assets and securities financing transactions on the last day of each month in the disclosure period.</li> </ul>                      |
| 5     | <p>MREL resources as a percentage of total exposure measure excluding central bank claims (%)</p> <p>The value is derived from external MREL resources available in row 1 divided by total exposure measure excluding central bank claims in row 4. The resultant value should be expressed as a percentage. The value should be equal to the value disclosed by institutions in row 26 of template UK MREL1, as applicable.</p>  |
| UK 5a | <p>(Only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures)<br/>Average MREL resources as a percentage of average exposure measure excluding central bank claims (%)</p> <p>This row is only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures (see the MREL SoP 2025). The value is derived from average MREL resources divided by average exposure measure excluding central bank claims for the disclosure period where:</p> <ul style="list-style-type: none"> <li>(i) average MREL resources is the arithmetic mean of the institution's external MREL resources available on the last day of each month in the disclosure period; and</li> <li>(ii) average exposure measure excluding central bank claims is the value in row UK 4a.</li> </ul> <p>The resultant value should be expressed as a percentage</p> |
| 5a    | <p>[Not applicable as being duplicative and not required to be filled in] Fully loaded ECL accounting model MREL resources as a percentage of fully</p>   |

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|      | loaded ECL accounting model total exposure measure excluding central bank claims (%) <sup>8</sup>   |
| 6a   | [Not applicable as being non-relevant in the UK and not required to be filled in] Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?   |
| 6b   | [Not applicable as being non-relevant in the UK and not required to be filled in] Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?   |
| 6c   | [Not applicable as being non-relevant in the UK and not required to be filled in] If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)  |
| UK 7 | <p>Minimum capital requirement as a percentage of total risk exposure amount or total exposure measure excluding central bank claims</p> <p>Minimum capital requirement ratio calculated as if the following sum applied to the institution with respect to its resolution group</p> <ul style="list-style-type: none"> <li>(i) the total capital ratio (8%) (Pillar 1 Requirement) as specified in point (c) of Article 92(1) CRR; and</li> <li>(ii) the additional own funds requirements (Pillar 2A Requirements) ratio based on the supervisory review and evaluation process under Regulation 34 and Regulation 34A of the Capital Requirements Regulation 2023/3115.</li> </ul> <p>The value should be expressed as a percentage of either total risk exposure amount or total exposure measure excluding central bank claims (whichever is binding as the basis for the minimum capital requirement).</p> <p>For institutions with a resolution group the same as the group for prudential consolidation, the value should be equal to the value disclosed by institutions in row UK 7d of template UK KM2.</p> <p>The value should be equal to the value disclosed by institutions in row 26 of template UK MREL1, as applicable.</p> |

<sup>8</sup> Please see footnote 4.

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| UK 8 | <p>MREL requirement as a percentage of total risk exposure amount or total exposure measure excluding central bank claims</p> <p>The external MREL requirement expressed imposed on the institution as a resolution entity with respect to the resolution group by the Bank of England under section 3A(4) or section 3A(4B) of the Banking Act 2009, expressed as a percentage of either total risk exposure amount or total exposure measure excluding central bank claims (whichever is binding as the basis for the MREL requirement).</p>   |
| UK 9 | <p>MREL requirement plus combined buffer requirement as a percentage of either total risk exposure amount or total exposure measure excluding central bank claims</p> <p>The following sum expressed as a percentage of either total risk exposure amount or total exposure measure excluding central bank claims (whichever is binding as the basis for the MREL requirement):</p> <ul style="list-style-type: none"><li>i. the external MREL requirement imposed on the institution as a resolution entity with respect to the resolution group by the Bank of England under section 3A(4) or section 3A(4B) of the Banking Act 2009; and</li><li>ii. the combined buffer requirement which the institution is required to hold in accordance with the Capital Buffers Part of the PRA Rulebook.</li></ul> |

Effective from 1 January 2027

**Template UK MREL1 - MREL composition at resolution group level.** Fixed format

9. Institutions shall provide information in the template about composition of external MREL resources available of the resolution entity for meeting an MREL requirement imposed on it with respect to the resolution group.
10. Institutions shall explain, where relevant, in the narrative accompanying the template any significant changes over the reporting period and the key drivers of such change(s). Qualitative narrative on the preferred resolution strategy covering the institutions as identified by the Bank of England may be included to facilitate understanding of the template.
11. Institutions shall report absolute amount regardless of whether the amount is to be added to or deducted from own funds or external MREL resources.
12. Institutions shall complete the template based on accounting values (corresponding to the values reported in financial statements).

| Legal references and instructions |   |
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| Row number                        | Explanation   |
| 1                                 | <p>Common Equity Tier 1 ('CET1') capital</p> <p>CET1 capital of the resolution entity, calculated as if the Own Funds (CRR) Part of the PRA Rulebook<sup>9</sup> applied to the entity with respect to the resolution group.</p> <p>The amount should be net of deductions, if applicable, from CET1 capital following the Own Funds (CRR) Part of the PRA Rulebook<sup>10</sup>.</p> <p>Institutions in an MPE banking group should include an accompanying note to this row to explain the impact of deductions, if any, from CET1 capital following the Own Funds (CRR) Part of the PRA Rulebook for exposures between the resolution entity's resolution group and other resolution groups of the banking group.</p> <p>The amount should include any CET1 capital which is treated as eligible as external MREL resources further to any adjustments allowed by the Bank of England under the MREL SoP 2025.</p> <p>For institutions whose resolution group is the same as the group for prudential consolidation and which do not have items included in this row further to the aforesaid adjustments allowed by the Bank of England under the MREL SoP 2025, the value in this row should be equal to the value</p> |

<sup>9</sup> Please see footnote 1.

<sup>10</sup> Please see the PRA Rulebook: Own Funds and Definition of Capital Instrument 2025 issued by the PRA in July 2025 to accompany PS12/25 – Restatement of CRR and Solvency II requirements in PRA Rulebook – 2026 implementation. Please see also footnote 1.

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|   | <p>reported by institutions to the PRA in row 0020 'Common Equity Tier 1 Capital' of COREP CA1 Capital Adequacy – Own Funds Definition template with respect to the group for prudential consolidation for the same position date.</p>   |
| 2 | <p>Additional Tier 1 capital before MREL adjustments</p> <p>Additional Tier 1 capital of the resolution entity, calculated as if the Own Funds (CRR) Part of the PRA Rulebook<sup>11</sup> applied to the entity with respect to the resolution group.</p> <p>The amount should be net of deductions, if applicable, from Additional Tier 1 capital following the Own Funds (CRR) Part of the PRA Rulebook<sup>12</sup>.</p> <p>Institutions in an MPE banking group should include an accompanying note to this row to explain the impact of deductions, if any, from Additional Tier 1 capital following the Own Funds (CRR) Part of the PRA Rulebook for exposures between the resolution entity's resolution group and other resolution groups of the banking group.</p> <p>The amount shall include any Additional Tier 1 capital which is treated as eligible as external MREL resources further to any adjustments allowed by the Bank of England under the MREL SoP 2025.</p> <p>For institutions with a resolution group the same as the group for prudential consolidation and which do not have items included in this row further to the aforesaid adjustments allowed by the Bank of England under the MREL SoP 2025, the value in this row should be equal to the value reported by institutions to the PRA in row 0530 'Additional Tier 1 Capital' of COREP CA1 Capital Adequacy – Own Funds Definition template with respect to the group for prudential consolidation for the same position date.</p> |
| 3 | <p>Additional Tier 1 capital ineligible as MREL as issued out of subsidiaries to third parties</p> <p>Additional Tier 1 instruments issued out of subsidiaries to third parties that are ineligible as external MREL resources, in accordance with the eligibility criteria set out in the MREL SoP 2025.</p>  |

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<sup>11</sup> Please see footnote 1.

<sup>12</sup> Please see footnote 10.

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| 4 | <p>Other adjustments</p> <p>Other elements of Additional Tier 1 capital that is ineligible as external MREL resources (excluding those already incorporated in row 3). For example, (i) any Additional Tier 1 instrument that does not meet all the external MREL eligibility criteria set out in the No. 2 Order and the MREL SoP 2025; and (ii) any Additional Tier 1 instrument that the resolution entity is required to exclude from the calculation of its external MREL resources pursuant to the Bank of England’s exercise of powers under the Banking Act 2009, the No. 2 Order or the MREL SoP 2025.</p>  |
| 5 | <p>Additional Tier 1 instruments eligible under the MREL framework</p> <p>Additional Tier 1 instruments eligible as external MREL resources under the MREL SoP 2025, to be calculated as row 2 minus rows 3 and 4.</p>   |
| 6 | <p>Tier 2 capital before MREL adjustments</p> <p>Tier 2 capital of the resolution entity, calculated as if the Own Funds (CRR) Part of the PRA Rulebook<sup>13</sup> applied to the entity with respect to the resolution group. See also the MREL SoP 2025 and Annex 1.</p> <p>The amount should be net of deductions, if applicable, from Tier 2 capital following the Own Funds (CRR) Part of the PRA Rulebook<sup>14</sup>.</p> <p>Institutions in an MPE banking group should include an accompanying note to this row to explain the impact of deductions, if any, from Tier 2 capital following the Own Funds (CRR) Part of the PRA Rulebook for exposures between the resolution entity’s resolution group and other resolution groups of the banking group.</p> <p>The amount shall include any Tier 2 capital which is treated as eligible as external MREL resources further to any adjustments allowed by the Bank of England under the MREL SoP 2025.</p> <p>For institutions with a resolution group the same as the group for prudential consolidation and which do not have items included in this row further to the aforesaid adjustments allowed by the Bank of England under the MREL SoP 2025, the value in this row should be equal to the value reported by institutions to the PRA in row 0750 ‘Tier 2 Capital’ of COREP CA1 Capital Adequacy – Own Funds Definition template with respect to the group for prudential consolidation for the same position date.</p> |
| 7 | <p>Amortised portion of Tier 2 instruments where remaining maturity &gt; 1 year</p> <p>The amortised own funds portion of Tier 2 instruments where remaining maturity is greater than one year. This row recognises that as long as the remaining maturity of a Tier 2 instrument is above the one-year to residual</p>  |

<sup>13</sup> Please see footnote 1.

<sup>14</sup> Please see footnote 10.

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|    | maturity requirement as set out in paragraph 6(b) of Annex 1 to the MREL SoP 2025, the full amount may be included as external MREL resources, even if the instrument is partially derecognised in own funds via the requirement to amortise the instrument in the five years before maturity. Only the amount not recognised in own funds but otherwise meeting all MREL eligibility criteria should be reported in this row.   |
| 8  | Tier 2 capital ineligible as MREL as issued out of subsidiaries to third parties<br><br>Tier 2 instruments issued out of subsidiaries to third parties that are ineligible as external MREL resources, in accordance with the eligibility criteria set out in the MREL SoP 2025.   |
| 9  | Other adjustments<br><br>Other elements of Tier 2 that are ineligible as external MREL resources (excluding those already incorporated in row 8). For example, (i) any Tier 2 instrument that does not meet all the external MREL eligibility criteria set out in the No. 2 Order and the MREL SoP 2025; and (ii) any Tier 2 instrument that the resolution entity is required to exclude from the calculation of its external MREL resources pursuant to the Bank of England's exercise of powers under the Banking Act 2009, the No. 2 Order or the MREL SoP 2025. |
| 10 | Tier 2 instruments eligible under the MREL framework<br><br>Tier 2 instruments eligible under the MREL SoP 2025, to be calculated as: row 6 + row 7 - row 8 - row 9.   |
| 11 | MREL arising from own funds<br><br>External MREL resources arising from own funds, to be calculated as: row 1 + row 5 + row 10.  |
| 12 | Eligible liabilities instruments issued directly by the institution and subordinated<br><br>Eligible liabilities instruments issued directly by the institution as resolution entity and subordinated meet the subordination requirements set out in section 6 of the MREL SoP 2025.   |
| 13 | [Not applicable as being non-relevant in UK and not required to be filled in]<br>Eligible liabilities instruments issued directly by the institution which are not subordinated to excluded liabilities but meet all external MREL eligibility criteria  |
| 14 | [Not applicable as being non-relevant in UK and not required to be filled in]<br>Of which: amount eligible as MREL after application of the caps   |
| 15 | [Not applicable as being non-relevant in UK and not required to be filled in]<br>Eligible liabilities instruments issued by funding vehicles prior to 1 January 2022   |
| 16 | [Not applicable as being non-relevant in UK and not required to be filled in]<br>Eligible ex ante commitments to recapitalise a G-SII in resolution  |

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| 17 | <p>MREL arising from eligible liabilities instruments before adjustments</p> <p>External MREL resources arising from eligible liabilities instruments before adjustments. The value is equal to row 12.</p>  |
| 18 | <p>MREL before deductions</p> <p>External MREL resources before adjustments, to be calculated as: row 11 + row 17.</p>   |
| 19 | <p>Deductions from MREL eligible liabilities of exposures between resolution groups in an MPE banking group that correspond to items eligible for MREL (not applicable to single-point-of-entry banking groups)</p> <p>Deductions from MREL eligible liabilities of exposures between the institution's resolution group and other resolution groups of the banking group that correspond to the institution's external MREL resources, as applied after the appropriate adjustments from Annex 2 to the MREL SoP 2025 with respect to the consultation with relevant overseas authorities including those within crisis management groups.</p> <p>Deductions from own funds of exposures between the institution's resolution group and other resolution groups of the banking group following the Own Funds (CRR) Part of the PRA Rulebook should have been reflected in the figures reported for rows 1, 2 and 6. The sum of the MPE exposures figure set out in the accompanying note to rows 1, 2 and 6 and the figure disclosed in row 19 should represent the total impact on the institution's external MREL resources arising from MPE exposures.</p> |
| 20 | <p>Deduction of investments in own eligible liabilities instruments</p> <p>Deductions of investments in own eligible liabilities instruments from external MREL resources in accordance with the MREL SoP 2025 and Annex 2.</p>  |
| 21 | <p>Other adjustments to MREL</p> <p>Other adjustments to external MREL resources. This row should report other deductions from MREL eligible liabilities (other than reductions reported under rows 19 and 20) required under Annex 2 to the MREL SoP 2025.</p> <p>This row should also include any other adjustments to external MREL resources, for example, any eligible liabilities instrument that the institution is required by the Bank of England to exclude from the calculation of MREL eligible liabilities pursuant to the Bank of England's powers under the Banking Act 2009, No. 2 Order or MREL SoP 2025.</p>   |
| 22 | <p>MREL after deductions</p> <p>External MREL resources of the resolution group after deductions, to be calculated as: Row 18 - row 19 - row 20 - row 21.</p>  |

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| 23     | <p>Total risk exposure amount as permitted under the MREL regime</p> <p>Total risk exposure amount calculated as if Chapter 4 of the Required Level of Own Funds (CRR) Part of the PRA Rulebook<sup>15</sup> applied to the resolution entity with respect to the resolution group.</p> <p>For institutions whose resolution group is the same as the group for prudential consolidation, the amount reported in this row will coincide with that in row 60 of UK CC1.</p>   |
| 24     | <p>Total exposure measure excluding central bank claims</p> <p>Amount of total exposure measure excluding central bank claims calculated as if the Leverage Ratio (CRR) Part of the PRA Rulebook applied to the resolution entity with respect to the resolution group.</p>  |
| UK 24a | <p>Average exposure measure excluding central bank claims</p> <p>(Only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures)<br/> Amount of average exposure measure excluding central bank claims calculated as if the Leverage Ratio (CRR) Part of the PRA Rulebook applied to the resolution entity with respect to the resolution group.<br/> This row is only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures (see the MREL SoP 2025). The amount disclosed should be the average exposure measure with respect to the resolution group for the disclosure period, calculated as the sum of:</p> <ul style="list-style-type: none"> <li>(i) the arithmetic mean of the institution's total exposure measure in relation to on-balance sheet assets and securities financing transactions on each day in the disclosure period; and</li> <li>(ii) the arithmetic mean of the institutions total exposure measure excluding on-balance sheet assets and securities financing transactions on the last day of each month in the disclosure period.</li> </ul> |
| 25     | <p>MREL (as a percentage of total risk exposure amount as permitted under the MREL regime)</p> <p>To be calculated as row 22 divided by row 23.</p>  |
| 26     | <p>MREL (as a percentage of total exposure measure excluding central bank claims)</p> <p>To be calculated as row 22 divided by row 24.</p>   |
| UK 26a | <p>Average MREL (as a percentage of average exposure measure excluding central bank claims)</p>  |

<sup>15</sup> Please see footnote 6.

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|    | <p>(Only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures). This row is only applicable to institutions whose MREL requirement is based on either the applicable leverage ratio requirement or on leverage exposures (see the MREL SoP 2025). The value is derived from average MREL resources divided by average exposure measure excluding central bank claims for the disclosure period where:</p> <ul style="list-style-type: none"> <li>(i) average MREL resources is the arithmetic mean of the institution's external MREL resources available on the last day of each month in the disclosure period; and</li> <li>(ii) average exposure measure excluding central bank claims is the value in row UK 24a.</li> </ul> |
| 27 | <p>CET1 capital (as a percentage of total risk exposure amount) available after meeting the resolution group's minimum capital requirements and MREL requirement.</p> <p>To be calculated as the CET1 capital adequacy ratio, less any common equity (as a percentage of total risk exposure amount) used to meet CET1 capital, Tier 1 capital, and minimum capital and MREL requirements.</p>   |
| 28 | <p>Institution-specific buffer (capital conservation buffer plus countercyclical capital buffer plus G-SII or O-SII buffer, expressed as a percentage of total risk exposure amount).</p> <p>(Only applicable to institutions whose resolution group is the same as the group for prudential consolidation) Institution-specific buffer, to be calculated as the sum of:</p> <ul style="list-style-type: none"> <li>(i) capital conservation buffer;</li> <li>(ii) institution specific countercyclical capital buffer; and</li> <li>(iii) G-SII or O-SII buffer(as applicable).</li> </ul>  |
| 29 | <p>Of which: capital conservation buffer</p> <p>(Only applicable to institutions whose resolution group is the same as the group for prudential consolidation) The amount in row 28 (expressed as a percentage of total risk exposure amount) that relates to the capital conservation buffer that institutions are required to maintain in accordance with the Capital Buffers (Part) of the PRA Rulebook.</p>  |
| 30 | <p>Of which: Institution-specific countercyclical capital buffer</p> <p>(Only applicable to institutions whose resolution group is the same as the group for prudential consolidation) The amount in row 28 (expressed as a percentage of total risk exposure amount) that relates to the institution-specific countercyclical buffer that institutions are required to maintain in accordance with the Capital Buffers and Macro-prudential Measures Regulations 2025 Part 2 3.(1).</p>   |

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| 31 | <p>Of which: G-SII or O-SII buffer</p> <p>(Only applicable to institutions whose resolution group is the same as the group for prudential consolidation) The amount in row 28 (expressed as a percentage of total risk exposure amount) that relates to the G-SII or O-SII buffer that institutions are required to maintain in accordance with the PRA Rulebook Glossary.</p> |
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Effective from 1 January 2027

**Template UK MREL2 - Material subsidiary - creditor ranking at legal entity level.** Fixed format

13. Institutions shall provide information about the ranking of internal MREL instruments in the creditor hierarchy of a material subsidiary. The template should be completed in respect of each material subsidiary that is established in the UK, on a legal entity basis.
14. Institutions shall provide, where appropriate, institution- or jurisdiction-specific information relating to credit hierarchies.
15. Institutions shall complete the template based on nominal values of the liabilities.

| <b>Legal references and instructions</b> |  |
|--|--|
| <b>Column number</b>                     | <b>Explanation</b>   |
| 1 to n                                   | <p>Creditor ranking</p> <p>The number of creditor rankings (n) in the creditor hierarchy will depend on the set of liabilities of the entity. There is at least one column for each creditor ranking. In cases where the resolution entity is a creditor of part of the total amount in the creditor ranking, two columns should be completed (both with the same ordinal ranking): one covering amounts owned by the resolution entity and the other covering amounts not owned by the resolution entity.</p> <p>Columns should be added until the most senior-ranking internal MREL instruments, and all pari passu liabilities, have been reported. The table therefore contains all funding that is pari passu or junior to internal MREL instruments, including equity and other capital instruments.</p> |
| <b>Legal references and instructions</b> |  |
| <b>Row number</b>                        | <b>Explanation</b>   |
| 1  | <p>Is the resolution entity the creditor/investor? (yes or no)</p> <p>Fill in 'yes' in the column where the amounts reported in the column concern liabilities or capital invested by the resolution entity or a non-UK G-SIIs (i.e. the resolution entity or the non-UK G-SIIs is the creditor / investor of the material subsidiary); fill in 'no' if otherwise.</p>   |
| 2  | <p>Description of creditor ranking (free text)</p> <p>Institutions should provide a description of each creditor ranking of the material subsidiary in this row. The description can be in free form text and should typically include a specification of at least one type of instrument that is within that creditor ranking (e.g. CET instruments, Tier 2 instruments). For illustrative purposes only, this could involve categorising preference shares and Additional Tier 1 instruments together.</p>   |

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|    | <p>This allows for the disclosure of the creditor hierarchy even if there may be a range of different statutory creditor hierarchies in different jurisdictions, tranching that may exist within some jurisdictions' statutory hierarchies or which institutions have established contractually with respect to the ranking of claims.</p>  |
| 3  | <p>Total capital and liabilities net of credit risk mitigation</p> <p>This field should capture the total capital and liabilities after deducting for credit risk mitigation, as defined in Article 4(1)(57) of the CRR.</p>  |
| 4  | <p>Subset of row 3 that are excluded liabilities</p> <p>This row reports the subset of amounts reported in row 3 that are excluded liabilities.</p>   |
| 5  | <p>Total capital and liabilities less excluded liabilities (row 3 minus row 4)</p> <p>This is calculated as row 3 minus row 4.</p>  |
| 6  | <p>Subset of row 5 that are eligible as MREL resources</p> <p>This row reports the subset of the amounts reported in row 5 that are eligible as internal MREL resources according to the criteria set out in the No. 2 Order and the MREL SoP 2025.</p>   |
| 7  | <p>Subset of row 6 with <math>1 \text{ year} \leq \text{residual maturity} &lt; 2 \text{ years}</math></p> <p>Total capital and liabilities less excluded liabilities and those that are eligible as internal MREL resources (as reported in row 6) with a maturity of equal to or greater than 1 year, but less than 2 years.</p>  |
| 8  | <p>Subset of row 6 with <math>2 \text{ years} \leq \text{residual maturity} &lt; 5 \text{ years}</math></p> <p>Total capital and liabilities less excluded liabilities and those that are eligible as internal MREL resources (as reported in row 6) with a maturity of equal to or greater than 2 years, but less than 5 years.</p>  |
| 9  | <p>Subset of row 6 with <math>5 \text{ years} \leq \text{residual maturity} &lt; 10 \text{ years}</math></p> <p>Total capital and liabilities less excluded liabilities and those that are eligible as internal MREL resources (as reported in row 6) with a maturity of equal to or greater than 5 years, but less than 10 years.</p>  |
| 10 | <p>Subset of row 6 with residual maturity <math>\geq 10 \text{ years}</math>, but excluding perpetual securities</p> <p>Total capital and liabilities less excluded liabilities and those that are eligible as internal MREL resources (as reported in row 6) with a maturity of equal to or greater than 10 years but excluding those having no maturity date (i.e. perpetual securities).</p> |

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| 11 | Subset of row 6 that is perpetual securities<br><br>Total capital and liabilities less excluded liabilities and those that are eligible as MREL (as calculated in row 6) and have no maturity date (i.e. perpetual maturities). |
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Effective from 1 January 2027

**Template UK MREL3 – Resolution entity - creditor ranking at legal entity level.** Fixed format

16. Institutions shall provide information about the ranking of external MREL instruments in the creditor hierarchy of the resolution entity. The template should be completed in respect of the resolution entity, on a legal entity basis.
17. Institutions shall provide, where appropriate, institution- or jurisdiction-specific information relating to credit hierarchies.
18. Institutions shall complete the template based on nominal values of the liabilities.

| <b>Legal references and instructions</b> |   |
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| <b>Column number</b>                     | <b>Explanation</b>  |
| 1 to n                                   | <p>Creditor ranking</p> <p>The number of creditor rankings (n) in the creditor hierarchy will depend on the set of liabilities of the entity.</p> <p>Columns should be added until the most senior-ranking external MREL instruments, and all pari passu liabilities, have been reported. The table therefore contains all funding that is pari passu or junior to external MREL instruments, including equity and other capital instruments.</p>   |
| <b>Legal references and instructions</b> |   |
| <b>Row number</b>                        | <b>Explanation</b>  |
| 1  | <p>Description of creditor ranking (free text)</p> <p>Institutions should provide a description of each creditor ranking of the resolution entity in this row. The description can be in free form text and should typically include a specification of at least one type of instrument that is within that creditor ranking (e.g. CET instruments, Tier 2 instruments). For illustrative purposes only, this could involve categorising preference shares and Additional Tier 1 instruments together.</p> <p>This allows for the disclosure of the creditor hierarchy even if there may be a range of different statutory creditor hierarchies in different jurisdictions, tranching that may exist within some jurisdictions' statutory hierarchies or which institutions have established contractually with respect to the ranking of claims.</p> |
| 2  | <p>Total capital and liabilities net of credit risk mitigation</p> <p>This field should capture the total capital and liabilities after deducting for credit risk mitigation, as defined in Article 4(1)(57) of the CRR.</p>  |
| 3  | <p>Subset of row 2 that are excluded liabilities</p>  |

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|   | This row reports the subset of amounts reported in row 3 that are excluded liabilities.   |
| 4 | Total capital and liabilities less excluded liabilities (row 2 minus row 3)<br><br>This is calculated as row 2 minus row 3.   |
| 5 | Subset of row 4 that are eligible as MREL resources<br><br>This row reports the subset of the amounts reported in row 4 that are eligible as external MREL resources according to the criteria set out in the No. 2 Order and the MREL SoP 2025.<br><br>Note that the subordination exemption in the antepenultimate and penultimate paragraphs of Section 11 of the FSB TLAC Term Sheet and credible ex-ante commitments to recapitalise a resolution entity in the second paragraph of Section 7 of the FSB TLAC Term Sheet are not applicable in the UK. As such, the amount should only represent capital or liabilities that satisfy all external MREL eligibility criteria under the No. 2 Order and the MREL SoP 2025, and the question of 'potentially' eligible amount (that would otherwise be derived after disapplying the cap under the aforementioned Section 11 and applying the second paragraph of the aforementioned Section 7) does not arise in the UK. |
| 6 | Subset of row 5 with $1 \text{ year} \leq \text{residual maturity} < 2 \text{ years}$<br><br>Total capital and liabilities less excluded liabilities and those that are eligible as external MREL resources (as reported in row 5) with a maturity of equal to or greater than 1 year, but less than 2 years.   |
| 7 | Subset of row 5 with $2 \text{ years} \leq \text{residual maturity} < 5 \text{ years}$<br><br>Total capital and liabilities less excluded liabilities and those that are eligible as external MREL resources (as reported in row 5) with a maturity of equal to or greater than 2 years, but less than 5 years.   |
| 8 | Subset of row 5 with $5 \text{ years} \leq \text{residual maturity} < 10 \text{ years}$<br><br>Total capital and liabilities less excluded liabilities and those that are eligible as external MREL resources (as reported in row 5) with a maturity of equal to or greater than 5 years, but less than 10 years.   |
| 9 | Subset of row 5 with residual maturity $\geq 10 \text{ years}$ , but excluding perpetual securities<br><br>Total capital and liabilities less excluded liabilities and those that are eligible as external MREL resources (as reported in row 5) with a maturity of equal to or greater than 10 years but excluding those having no maturity date (i.e. perpetual securities).  |

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| 10 | <p>Subset of row 5 that is perpetual securities</p> <p>Total capital and liabilities less excluded liabilities and those that are eligible as external MREL resources (as calculated in row 5) and have no maturity date (i.e. perpetual securities).</p> |
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Effective from 1 January 2027