



## Instructions on filling in data-points in PRA101 - Capital+

These instructions are for the specific purpose of assisting firms to complete the Capital+ data item. They were designed and are intended solely for that purpose based upon CRD IV publications to date. The notes are not and should not be construed as an interpretation of the CRD IV framework for any other purpose nor are they an indication of any future application of the framework.

Unless stated otherwise, reference to 'CRD IV' should be interpreted as referring to the Regulation and Directive package as a whole.

### Introduction

This document covers general instructions regarding the Capital+ data item:

- The basic information page ('Header Info');
- The main capital data section ('Capital+ Input'), comprising:
  - sections replicating parts of the COREP CA data items; and
  - a section covering supplementary data items ('PRA Supplementary Data Section').

Firms should use this note alongside the following documents:

- Corrigendum (dated 30 November 2013) to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:321:0006:0342:EN:PDF>
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0338:0436:EN:PDF>
- The European Banking Authority's Regulatory Technical Standard (RTS):  
<https://www.eba.europa.eu/regulation-and-policy>
- The PRA's Rulebook (<http://www.prarulebook.co.uk>) and supervisory statements on the Bank's website (<http://www.bankofengland.co.uk/pr/Pages/publications/default.aspx>).

## General instructions

Data should be compiled using a consistent and prudent methodology. For both Actuals and Forward Projections (forecasts), firms should have appropriate governance and procedures to ensure the reasonableness of the data.

### Reporting periods

Data are to be provided for the following periods:

- actuals as at the end of the latest reporting month prepared on a 'reasonable endeavours' basis;
- forward Projections (forecasts) for at least 8 quarter-ends beyond this; and
- forward Projections (forecasts) for the next reporting year-end after the 8th quarter.

For example, for the June 2017 submission, the PRA would expect (for firms whose end-year corresponds to the calendar year) data as at the end of June 2017 and projections covering September and December 2017; March, June, September, December of the subsequent year (ie 2018 in this example); and March, June and December for the year after (ie 2019). For the December 2017 submission, the PRA would expect data as at the end of December 2017 and projections covering March, June, September and December of the subsequent year (ie 2018); March, June, September and December for the year after (ie 2019), and December for the year after (ie 2020 in this example).

The projections should be aligned with the firm's internal corporate capital plans. Hence, projections should be updated on the next scheduled submission of Capital+ in line with any revisions to the corporate capital plan. No management actions should be assumed beyond those underlying the firm's capital plan. Where firms' planning cycle does not align to calendar quarters, data should be entered in the nearest appropriate column in the data item (eg if financial year end projections are prepared for (say) end-January, the end-December column should be completed in Capital+).

Firms are not required to complete the cells coloured in grey. Firms should make every effort to complete the white cells. Please input 0 only where the intended value is 0.

**Where data are unavailable, the cell(s) should be left blank.**

However, all relevant data items in bold in the sections replicating COREP CA1 and CA2, most items in bold in the section replicating CA4<sup>1</sup>, all data items in the section replicating part of CA5.1, and all items applicable to the firm in the PRA Supplementary Data section must be completed, as these are necessary in order to calculate key metrics.

### Reporting basis

The following basic principles must be followed in filling in the Capital+ data:

1. Throughout the form, data must be entered on an end-of-period basis. That is, the last day of the month / quarter / 6 monthly period/ year in question.

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<sup>1</sup> Exceptions are the sections headed 'Temporary waiver from deduction from own funds', 'Additional information for investment firms' and 'Additional information for calculation of reporting thresholds'.

2. Projected amounts for transitional adjustments (eg Rows 660 and 730 in the CA1 section) should reflect the treatment set out in the Regulation, supplemented where relevant by the percentages for each year set out in the Definition of Capital section in the PRA's Rulebook.
3. For year-end projections, firms should enter data for transitional adjustments on a 31 December basis, applying either the treatment specified in the Regulation or the specific UK treatment (set out in the PRA rulebook) where applicable. For example, in the column collecting 31 December 2017 amounts, firms are expected to enter amounts for the relevant rows based on the treatment applicable at 31 December 2017. The impact of the treatment effective from 1 January of the subsequent year (2018) should be shown in the column collecting 31 March 2018 amounts, and not before.
4. The same principle should be applied to the reporting at individual consolidation level of holdings of own funds instruments issued by financial sector entities included in the scope of consolidated supervision. For example, projections for end-period dates in 2017 would have subjected 80% of such investments to deduction treatment (unless the firm has elected to deduct a higher amount), and 20% to risk weighting.
5. As above, all data projections should be completed in line with the firm's current capital plan.

## **Validations**

Capital+ validation checks are essentially a sub-set of COREP validations.

## **Submission**

Data items must be submitted by the electronic means specified by the PRA.

## **Basic information – 'Header Info'**

'Header Info' should be populated with the key information requested. It is essential that each field is completed.

Basis of reporting: Please specify one of the following: Unconsolidated/ Individual-consolidation/ Sub-Consolidated/ Consolidated. 'Consolidated' refers to the UK Consolidated Group.

Reporting period start date: The date immediately following the Reporting period end date for the previous report submitted (eg where the previous submission was as at 30 June 2017, please enter 1 July 2017).

Reporting period end date is used to populate automatically the **date fields** in the rows at the top of each section. For technical reasons, the date must be a calendar month-end date. This date is likely to be the reporting period end date for the most recently submitted COREP data.

Firms should ensure that the **Header Info** is correct. This information is essential for us to process the report.

- Provide the appropriate description for the basis of reporting.
- The Submission number is initially set at 1 and should be increased by 1 in case of a resubmission relating to the same reporting period.
- The reporting period start date and end date correspond to the first and last day of the reporting period respectively. For example, the first and last day of the quarter for quarterly reporting. **Please note that the end date must be the last day of a calendar month.**
- Specify the reporting currency.
- Comment boxes are limited in size. If firms have additional comments to accompany the Capital+ data item, these should be submitted separately via secure electronic means.

### Capital+ input section

This is the section for entering most of the relevant data. It comprises various sections replicating parts of the Capital Adequacy Overview (CA) data items within COREP, and an additional section to capture data that are bespoke to the Capital+ report.

Please note all figures are to be reported in **units**, unless otherwise indicated.

### Sections replicating COREP data points

The sections headed C 01.00 (CA1), C 02.00 (CA2) and C 04.00 (CA4) replicate the structure of the same-named data items in the COREP regulatory returns. The section headed C 05.01 (CA5.1) includes one line from the COREP data item C 05.01 (CA5.1). For these sections, the principal differences between the Capital+ report and COREP reporting are (i) the timing and frequency of the Capital+, and (ii) the fact that the Capital+ includes projections of these items.

To complete these sections, firms should therefore follow the instructions set out for COREP reporting purposes. Further information can be found under the heading 'Implementing Technical Standards (ITS)' at:

[http://ec.europa.eu/internal\\_market/bank/regcapital/acts/its/index\\_en.htm](http://ec.europa.eu/internal_market/bank/regcapital/acts/its/index_en.htm)

As above, only the white cells need to be completed; the cells highlighted in grey do not need to be completed. In general, it is essential that the bold items should be completed, in order that the PRA is able to perform supplementary calculations and analysis. If items not highlighted in bold are unavailable, they should be left blank.

If the firm does not prepare projections at quarterly frequencies, then only the columns for which data exists need to be completed. In this scenario, columns for which data are unavailable should be left blank.

For some specific items, the following comments provide further clarification for the purpose of completing Capital+:

## **Incorporation of forecast profits within capital projections**

For the avoidance of doubt, for each projected date, firms should include the projected interim profits that are expected to have been externally verified and agreed with the PRA at that date, after deducting foreseeable charges or dividends. Profits for a future projected date that are not expected to have been verified at the relevant date (but are expected to be verified later) should be reported in row 170 in the CA1 section.

The PRA has also issued the additional clarification documents below, relating to the reporting of significant investments and Pillar 2a items, which should be used alongside the instructions above.

<http://www.bankofengland.co.uk/pr/ Documents/crdiv/ca1and51.pdf>

<http://www.bankofengland.co.uk/pr/ Documents/crdiv/clarificationprocedures2.pdf>

## **CA2 section: Market Risk Risk Weighted Assets (RWAs)**

For the avoidance of doubt, the risk exposure amount for position, foreign exchange and commodities risks under internal models (row 580 in the CA2 section) should incorporate the capital charge for Risks not in VaR (RNIV).

## **CA4 section: Reporting of the Basel I floor**

The PRA no longer expects firms using Internal Ratings Based (IRB) approach or Advanced Measurement Approach (AMA) to apply the calculation approach set out in Supervisory Statement 8/13 to derive the Basel I floor requirement, as the requirement to meet the Basel I floor in the Capital Requirements Regulation (CRR) has now lapsed. However, firms that wish to continue using this approach are still able to so, and should continue to enter the amount in Row 890 in the CA4 section (own funds requirements for Basel I floor). Any questions should be directed to a firm's usual supervisory contact.

## **PRA supplementary data section**

This section comprises additional data items that are either not reported in the Capital Adequacy Overview section of COREP (CA), or are covered in COREP CA on a different basis. Detailed instructions for these items are as follows:

### **Additional information in relation to capital resources, adjustments to capital resources and capital requirements**

#### ***010 Dividends deducted in this period***

Enter the dividends projected to be deducted from Common Equity tier 1 (CET1) capital during each period due to becoming foreseeable as per Regulation article 26. Projections of future dividends should be consistent with projections of CET1 capital. Deducted dividends reported in one period should not be reported in subsequent periods (ie the data are not cumulative). If the period is a month rather than a quarter, enter the amount for that month only, not for the quarter to date. Dividends need not be reported where they equate to or are projected to equate to less than 0.25% of the firm's CET1 capital.

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<sup>2</sup> PRA Supervisory Statement 8/13 'The Basel floor', December 2013: [www.bankofengland.co.uk/pr/ Pages/publications/baselfloor.aspx](http://www.bankofengland.co.uk/pr/ Pages/publications/baselfloor.aspx).

**020 Connected funding of a capital nature**

See PRA Rulebook, Definition of Capital, Section 4 and the PRA's Supervisory Statement 7/13.<sup>3</sup>

Enter the total amount of any such funding provided to connected parties.

**030 Of which: connected funding of CET1 nature**

See PRA Rulebook, Definition of Capital, Section 4 and the PRA's Supervisory Statement 7/13. Enter the total amount of any such funding provided to connected parties that has the characteristics of CET1 capital.

**040 Of which: connected funding of Tier 2 nature**

See PRA Rulebook, Definition of Capital, Section 4 and the PRA's Supervisory Statement 7/13. Enter the total amount of any such funding provided to connected parties that has the characteristics of Tier 2 capital.

**050 Of which: connected funding that is treated as a significant investment**

See PRA Rulebook, Definition of Capital, Section 4 and the PRA's Supervisory Statement 7/13. Enter the total amount of any such funding provided to connected financial sector entities that has the characteristics of a significant investment in own funds instruments.

**060 Risk weighted exposure amount for counterparty credit risk**

Enter the risk weighted exposure amount for counterparty credit risk, capturing exposures held in both the banking book and the trading book, calculated in accordance with Regulation Part Three, Title II, Chapter 6.

This item need only be reported if the risk weighted exposure amount relating to counterparty credit risk exceeds 2.5% of the risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries, reported in Item 1.1 in the CA2 section.

**070 Of which: Relating to trading book**

Enter the risk weighted exposure amount for counterparty credit risk relating to the trading book, determined in accordance with Regulation article 92(3)(f).

This item need only be reported if (a) row 060 above is completed and (b) the risk weighted exposure amount relating to counterparty credit risk in the trading book exceeds 10% of the total risk weighted exposure amount for counterparty credit risk.

**Additional information on investments in the capital of financial sector entities**

Note, for all line items below that involve significant investments or non-significant investments, the amounts entered should include any relevant Connected Funding of Capital Nature (CFCN), as appropriate given the nature of the CFCN transaction. Please refer to Chapter 4 of the Definition of Capital section of the PRA Rule book.

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<sup>3</sup> PRA Supervisory Statement 7/13 'CRD IV and capital', December 2013: [www.bankofengland.co.uk/pr/Pages/publications/crdcapital.aspx](http://www.bankofengland.co.uk/pr/Pages/publications/crdcapital.aspx)



**080 Amount exceeding the 17.65% threshold: proportion attributable to significant investments (+)**

This is an 'of which' item relating to the amount reported in Row 510 of Section CA1. See paragraph 3 of Regulation article 48. Enter the amount of the excess pertaining to significant investments. The amount should be input as a positive number.

**090 Total significant investments in the CET1 capital of financial sector entities**

The amount entered must be the balance sheet amount (ie including both deducted and risk weighted elements) of significant investments in the common equity of financial sector entities, net of short positions.

This item does not need to be completed for reporting at the consolidated level.

**100 Of which: within the scope of consolidated supervision**

The amount entered must be the balance sheet amount (ie including both deducted and risk weighted elements) of significant investments in the common equity of financial sector entities included in the scope of consolidated supervision (eg the reporting entity's banking subsidiaries), net of short positions.

This item must only be completed for reporting at the individual consolidation or unconsolidated level. See Regulation article 49(2).

**110 Risk weighted exposure amount of significant investments in CET1 which are not deducted from the institution's CET1**

This item should only be completed for reporting at the individual consolidation or unconsolidated level.

Enter the risk-weighted exposure amount arising from any portion of significant investments in CET1 capital that is not deducted from CET1. This should comprise both the amount risk weighted as a result of the effect of the Regulation article 48 thresholds for CET1 deductions and the amount risk weighted as a result of the PRA's phased approach to the deduction treatment (at individual consolidation / unconsolidated level) of own funds investments in financial sector entities included in the scope of consolidated supervision (see Chapter 2 of the Definition of Capital section of the PRA Rule book). This figure should exclude the effect of any relevant Regulation transitional adjustments.

**120 Total significant investments in the Additional Tier 1 (AT1) capital of financial sector entities**

The amount entered must be the balance sheet amount of significant investments in the AT1 capital issued by financial sector entities, net of short positions.

This item does not need to be completed for reporting at the consolidated level.

**130 Of which: within the scope of consolidated supervision**

The amount entered must be the balance sheet amount (ie including both deducted and risk weighted elements) of significant investments in the AT1 capital of financial sector entities included in the scope of consolidated supervision (eg the reporting entity's banking subsidiaries), net of short positions.

This item must only be completed for reporting at the individual consolidation or unconsolidated level. See Regulation article 49(2).

***140 Total significant investments in the Tier 2 capital of financial sector investments***

The amount entered must be the balance sheet amount of significant investments in the Tier 2 capital issued by financial sector entities, net of short positions.

This item does not need to be completed for reporting at the consolidated level.

***150 Of which: within the scope of consolidated supervision***

The amount entered must be the balance sheet amount (ie including both deducted and risk weighted elements) of significant investments in the Tier 2 capital of financial sector entities included in the scope of consolidated supervision (eg the reporting entity's banking subsidiaries), net of short positions.

This item must only be completed for reporting at the individual consolidation or unconsolidated level. See Regulation article 49(2).

***160 Non-significant investments in the CET1 capital of financial sector investments within the scope of consolidated supervision***

The amount entered must be the balance sheet amount (ie including both deducted and risk weighted elements) of any non-significant investments (non-significant meaning where the bank does not own more than 10% of the issued common share capital of the entity, or where the other criteria set out in Regulation article 43 are not met) in the common equity of financial sector entities included in the scope of consolidated supervision, net of short positions.

This item must only be completed for reporting at the individual consolidation or unconsolidated level. See Regulation article 49(2).

***170 Non-significant investments in the AT1 capital of financial sector investments within the scope of consolidated supervision***

The amount entered must be the balance sheet amount (ie including both deducted and risk weighted elements) of any non-significant investments (non-significant meaning where the bank does not own more than 10% of the issued common share capital of the entity, or where the other criteria set out in Regulation article 43 are not met) in the AT1 capital of financial sector entities included in the scope of consolidated supervision, net of short positions.

This item must only be completed for reporting at the individual consolidation or unconsolidated level. See Regulation article 49(2).

***180 Non-significant investments in the Tier 2 capital of financial sector investments within the scope of consolidated supervision***

The amount entered must be the balance sheet amount (ie including both deducted and risk weighted elements) of any non-significant investments (non-significant meaning where the bank does not own more than 10% of the issued common share



capital of the entity, or where the other criteria set out in Regulation article 43 are not met) in the Tier 2 capital of financial sector entities included in the scope of consolidated supervision, net of short positions.

This item must only be completed for reporting at the individual consolidation or unconsolidated level. See Regulation article 49(2).

***190 Memo: CET1 capital after applying full deduction treatment to financial sector investments***

This item need only be completed for reporting at the individual consolidation or unconsolidated level.

Enter the amount of CET1 capital ignoring any Regulation transitional adjustments, and applying a deduction treatment of 100% (subject to the article 48 thresholds) to holdings of own funds instruments issued by financial sector entities included in the scope of consolidated supervision. In other words, deductions must be made for all relevant entities.

***200 Memo: Total risk weighted exposure amount after applying full deduction treatment to financial sector investments***

This item need only be completed for reporting at the individual consolidation or unconsolidated level.

Enter the total risk weighted exposure amount ignoring any Regulation transitional adjustments, and factoring in the effect of applying a deduction of 100% (subject to the article 48 thresholds in the case of CET1) to holdings of own funds instruments issued by financial sector entities included in the scope of consolidated supervision. In other words, the RWAs should be consistent with the CET1 capital reported in Row 190. This means where assets have been deducted (or partially deducted) from capital, the corresponding RWA figures should only cover the assets that have not been deducted from capital.

***Additional information on capital issued out of subsidiaries that are institutions to third parties***

***210 Total CET1 capital in the group's subsidiaries that are institutions that is held by third party investors***

This item should only be completed for reporting at the consolidated level.

For groups with subsidiaries that fall under Regulation article 81, enter the total CET1 capital in those subsidiaries that is held by third party investors (including grandfathered capital), prior to any deduction treatment due to articles 81-88.

This item need only be reported where the amount of minority interest given recognition in CET1 capital (CA1, Item 230) exceeds 0.5% of Group consolidated own funds.

***220 Total Tier 1 capital in the group's subsidiaries that are institutions that is held by third party investors***

This item should only be completed for reporting at the consolidated level.

For groups with subsidiaries or special purpose entities that fall under Regulation articles 82 and 83, enter the total Tier 1 capital in those entities that is held by third party investors (including grandfathered capital), prior to any deduction treatment due to articles 81-88.

This item need only be reported where the sum of the amount of minority interest given recognition in CET1 capital (CA1, Item 230) and instruments issued by subsidiaries given recognition in AT1 capital (CA1, Item 670) exceeds 1% of Group consolidated own funds.

***230 Total capital (all tiers) in the group's subsidiaries that are institutions that is held by third party investors***

This item should only be completed for reporting at the consolidated level.

For groups with subsidiaries or special purpose entities that fall under Regulation articles 82 and 83, enter the total capital in those entities that is held by third party investors (including grandfathered capital), prior to any deduction treatment due to articles 81-88.

This item need only be reported where the sum of the amount of minority interest given recognition in CET1 capital (CA1, Item 230) and instruments issued by subsidiaries given recognition in AT1 capital (CA1, Item 670) or in Tier 2 capital (CA1, Item 890) exceeds 1% of Group consolidated own funds.

**Additional information on risk exposures which can either be deducted or subject to 1250% risk weight (only report if risk weighted)**

***240 Risk weighted exposure amount due to qualifying holdings outside the financial sector***

This line should only be completed where the firm applies a 1,250% risk weight to the relevant amounts. Where the institution has chosen to deduct the amounts from CET1 capital, this line should be left blank.

This line need only be completed where the amount exceeds 0.25% of total RWAs.

Enter the risk weighted exposure amount arising from qualifying holdings outside the financial sector in excess of thresholds.

See Regulation articles 89-91.

***250 Risk weighted exposure amount due to securitisation positions***

This line should only be completed where the firm applies a 1,250% risk weight to the relevant amounts. Where the institution has chosen to deduct the amounts from CET1 capital, this line should be left blank.

This line need only be completed where the amount exceeds 0.25% of total RWAs. Enter the risk weighted exposure amount arising from relevant securitisation positions. See Regulation articles 243(1) (b) and 244(1)(b).

## **Additional information on P&L, balance sheet and leverage data**

### ***260 Profit (+) or loss (-) for the period***

This item is not part of the capital calculation. The PRA is collecting it in order to have underlying information about the profitability assumptions driving the capital plan projections. Enter the P&L assumption (after tax) for that period, as used in building the projections. The profit (or loss) assumption reported in one period should not be reported in subsequent periods (ie the data are not cumulative).

### ***270 Total balance sheet assets***

Enter the total accounting balance sheet assets, within the scope of regulatory consolidation if applicable (as per the FSA001 or FINREP).

### ***281 Total Leverage Ratio exposure - using a fully phased-in definition of Tier 1 Capital***

Please provide the leverage ratio exposure as defined under <http://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-amending-commission-implementing-regulation-eu-no-680/2014-with-regard-to-the-leverage-ratio> and any subsequent FAQs relating to the exposure measure.

Please use quarter-end figures for the calculation instead of an average-over-the-quarter for reporting this measure.

July 2017