

## **FSA001 – Balance sheet**

This data item provides the appropriate regulator with a snapshot of the assets and liabilities of a firm, and details of items which although not on the balance sheet, nevertheless will have a potential impact on the financial health of the firm if they were to crystallise.

### **Valuation**

Firms should follow their normal accounting practice wherever possible. For example, *BIPRU firms* should note that, as there is no direct linkage with FSA003, there is no need for the data to follow the valuation rules applicable for capital adequacy purposes eg in relation to adjustments to the accounting values set out in *GENPRU* 1.3.36R.

### **Consolidation**

When reporting the balance sheet on a *UK consolidation group* basis, firms should where possible treat the consolidation group as a single entity (ie line-by-line) rather than on an aggregation basis. However, for the liabilities, in the same way as for the *capital resources* calculation figure in FSA003, the consolidation should only treat the group as a single entity (ie line-by-line).

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **Assets**

These are broken down between trading book assets, and those that are not trading book assets. Hence the items reported in column B will exclude the items reported in column A. If a firm cannot easily identify trading book assets, all assets should be reported in the non-trading book column.

Firms can determine whether they have trading book or not. However, it is expected that a firm that identifies trading book profits in FSA002 and/or FINREP templates (if FINREP applies to your group), or reports trading book profits in FSA003 (in data element 61A), should be able to identify trading book assets.

However, even if a firm does not identify trading book assets, it does not preclude that firm from having foreign exchange and commodities risk. *BIPRU firms* should report those risks in the *market risk capital requirement* (data element 93A) in FSA003 and *IFPRU investment firms* should report those risks in the appropriate COREP templates.

### **1 Is this report on behalf of a UK consolidation group?**

*BIPRU firms* should see *BIPRU* 8.2. *IFPRU investment firms* should see article 11 of the *EU CRR*.

Firms should answer yes or no.

**2 If yes, please list the firm reference numbers of the other firms in the UK consolidation group.**

Firms should list the reference numbers of all the firms included within the *UK consolidation group* in Column B.

**3 If no (to data element 1), is this a solo consolidated report?**

*BIPRU firms* should see *BIPRU 2.1*. *IFPRU investment firms* should see article 9 of the *EU CRR*. Firms that have a solo consolidation waiver should answer yes here.

**5 Cash and balances at central banks (excluding client money)**

This is money physically held by the firm, and money deposited with central banks. Include any gold coin and bullion held.

Any client money held should be reported in data element 64A.

**6 [deleted]**

**7 Securities eligible for use in central bank operations**

Enter here any holdings of treasury bills or other securities eligible for use at *central banks*.

**8 Deposits with, and loans to, credit institutions**

For *IFPRU investment firms* and *BIPRU firms*, this will include any bank balances. Overdrawn accounts with banks should be reported in data element 23A.

It includes funds lent to or placed with customers/counterparties. This includes holdings of certificates of deposit (other than those issued by the firm) and negotiable deposits made on terms identical to those on which a certificate of deposit would have been issued, but for which it has been mutually convenient not to have issued a certificate (these items should be reported on a contract date basis).

It also includes funds lent to or placed with customers/counterparties including:

- (a) assets leased out under finance lease agreements, but legally owned by the firm;
- (b) loans made under conditional sale agreements and hire purchase contracts;
- (c) acceptances discounted;
- (d) advances purchased by or assigned to the firm under a transferable loan facility, purchase and resale agreements, factoring, or similar arrangement; and
- (e) bills (including eligible bills), promissory notes and other negotiable paper owned (including *à forfait* paper), which should be reported according to the drawee.

## **9 Loans and advances to customers**

This will mainly be relevant for *UK banks* and *building societies*. It covers all funds lent or placed with all counterparties other than credit institutions.

## **10 Debt securities**

All long positions in debt securities, with the exception of gilts, should be reported in data element 10. If there is an overall short position, it should be reported in data element 30A.

Gilts should be reported in data element 7.

## **11 Equity shares**

This comprises long holdings of securities. If there is an overall short position, it should be reported in data element 30A.

## **12 Investment in group undertakings**

This will generally only apply for solo and unconsolidated reporting.

When completing this on a *UK consolidation group* basis, investments in subsidiary and associated companies should only include those companies that are excluded from the consolidation.

## **13 Reverse repurchase agreements and cash collateral on securities borrowed**

Report here any reverse repos or stock borrowing.

## **14 Derivatives**

Report here derivatives balances, on the same basis as they are reported on the face of the firm's balance sheet.

## **15 Goodwill**

Report here the amount of any goodwill.

## **16 Other intangible assets**

Include here intangible assets, other than goodwill. *BIPRU firms* should note that the value here may differ from that reported in FSA003 - see *GENPRU 2.2.155R* and *GENPRU 2.2.156G*.

## **17 Tangible fixed assets**

Includes property, real estate, plant and equipment beneficially owned by the firm.

## **18 Prepayments and accrued income**

Include here any sundry debtors arising in the course of the firm's business, including prepayments and accruals.

## **19 Other assets**

Include any other assets not reported elsewhere on FSA001 and any assets in respect of trading settlement accounts.

For *UK consolidation group* reports, any assets consolidated other than on a line-by-line basis may be reported here.

Includes exchange traded margins.

## **20 Total assets**

The sum of the trading book total assets plus the non-trading book total assets will equal the sum of total liabilities and equity of the firm in data element 45A.

## **Liabilities**

### **21A Own bank notes issued**

This is only relevant for those banks that can issue bank notes. It is the figure of bank notes in circulation, ie the firm's issue of bank notes less any own notes held.

### **22A Items in the course of collection due to other banks**

This is only likely to be relevant for *UK banks* and *building societies*.

It should include items in the course of transmission.

### **23A Deposits from banks and building societies, including overdrafts and loans from them**

For *IFPRU investment firms* and *BIPRU firms*, this element will contain any borrowings made from banks or building societies. Deposit-taking firms will include here deposits from other credit institutions.

### **24A Customer accounts**

This is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

It comprises deposits from all customers other than credit institutions (that are reported in 23A). These should be broken down into retail (excluding e-money), e-money issued (this should be identified where firms have permission to issue e-money), corporate, intra-group and other in data elements 25A to 29A.

Firms should use their best endeavours to allocate customers, but should follow a consistent approach on each reporting date.

### **30A Trading liabilities**

Include here any short positions in equities or debt securities.

### **31A Debt securities in issue, excluding covered bonds**

This data element is unlikely to be relevant to *IFPRU investment firms* and *BIPRU firms*.

Report all certificates of deposit issued by the firm, whether at fixed or floating rates, and still outstanding. Also report negotiable deposits taken on terms in all respects identical to those on which a certificate of deposit would have been issued, but for which it has been mutually convenient not to have issued certificates. If a firm holds certificates of deposits which it has itself issued, these should not be reported.

Also report promissory notes, bills and other negotiable paper issued (including commercial paper) by the reporting institution including bills drawn under an acceptance credit facility provided by another firm.

Include unsubordinated FRNs and other unsubordinated market instruments issued by the firm.

*Covered bonds* should be excluded and reported in data element 32A.

### **32A Covered bonds**

This data element is unlikely to be relevant to *IFPRU investment firms* and *BIPRU firms*.

See the Glossary for a definition of *covered bonds*.

### **33A Derivatives**

Report here any derivative liabilities.

### **34A Liabilities in respect of sale and repurchase agreements and cash collateral received for securities lent**

This entry applies to the cash liability on sale and repurchase and stock lending agreements. Where the firm reports assets reversed in on the balance sheet, the liability under such agreements should be reported here. Stock borrowing that is reported on balance sheet should also be included here.

### **35A Retirement benefit liabilities**

Include liabilities arising in respect of pension scheme deficiencies.

### **36A Taxation liabilities**

Deferred tax assets should be reported as an asset in data element 19A or 19B.

### **37A Provisions**

Report general provisions / collective impairment that are held against possible or latent losses but where the losses have not as yet been identified, in line with the accounting practice adopted by the firm.

### **38A Subordinated liabilities**

Include all subordinated debt issued by the firm.

### **39A Accruals and deferred income**

Include here accruals and deferred income.

### **40A Other liabilities**

Include net short positions in physical commodities where the appropriate regulator has agreed that commodity transactions may be included in the non-trading Book.

Includes exchange traded margins.

### **41A Subtotal**

This is the total of data elements 21A, 22A, 23A and 30A to 40A.

#### **42A Called up share capital, including partnership, LLP and sole trader capital**

Exclude holdings by the firm of its own shares (although *BIPRU firms* should report these holdings in FSA003) and also excess of drawings over profits for partnerships, LLPs or sole traders (which are also reported by *BIPRU firms* in FSA003).

#### **43A Reserves**

As firms may use figures compiled on the same basis as audited accounts, the figures presented here by *BIPRU firms* may differ from those reported in FSA003. This is because of the different valuation basis used for capital adequacy, as set out in *GENPRU* 1.3.

#### **44A Minority interests**

As firms may use figures compiled on the same basis as audited accounts, the figures presented here by *BIPRU firms* may differ from those reported in FSA003 as a memorandum item. This is because of the different valuation basis used for capital adequacy, as set out in *GENPRU* 1.3.

#### **45A Total liabilities and shareholders' funds**

This will equal the sum of trading book plus non-trading book assets (data elements 20A plus 20B), and also the sum of 41A to 44A.

### **Memorandum items**

#### **46-53 Derivatives**

This provides further information on OTC derivatives. Firms should allocate the contracts to the bands as accurately as possible but, if some of the breakdowns are not available, they should report on the basis of the predominant type of derivative.

#### **A – Notional contract amount**

Firms should provide this amount, if available, or their best estimate of it from internal sources.

#### **B – Assets**

Firm should use the value placed on these contracts in the balance sheet, before accounting netting.

#### **C – Liabilities**

Firm should use the value placed on these contracts in the balance sheet, before accounting netting.

#### **53B/53C Total after netting**

This is the value of derivatives, for columns B and C, after accounting netting. 53B should equal 14A plus 14B, while 53C should equal 33A.

### **Other items**

#### **54A Direct credit substitutes**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here those direct credit substitutes which do not appear on the face of the balance sheet.

Direct credit substitutes relate to the financial requirements of a counterparty, where the risk of loss to the firm on the transaction is equivalent to a direct claim on the counterparty, ie the risk of loss depends on the creditworthiness of the counterparty. Report instruments such as:

- (a) acceptances granted and risk participations in bankers' acceptances. Where a firm's own acceptances have been discounted by that institution the nominal value of the bills held should be deducted from the nominal amount of the bills issued under the facility and a corresponding on-balance sheet entry made;
- (b) guarantees given on behalf of customers to stand behind the current obligations of the customer and to carry out these obligations should the customers fail to do so, eg a loan guarantee;
- (c) guarantees of leasing operations;
- (d) guarantees of a capital nature such as undertakings given to firms authorised under the Financial Services and Markets Act 2000 which are considered as capital;
- (e) letters of credit not eligible for inclusion in 54A;
- (f) standby letters of credit, or other irrevocable obligations, serving as financial guarantees where the firm has an irrevocable obligation to pay a third party beneficiary if the customer fails to repay an outstanding commitment, eg letters of credit supporting the issue of commercial paper, delivery of merchandise, or for stock lending (standby letters of credit which are related to non-financial transactions should be reported in 55A below);
- (g) re-insurance or window letters of credit;
- (h) acceptances drawn under letters of credit, or similar facilities where the acceptor does not have specific title to an identifiable underlying shipment of goods (eg sales of electricity); and
- (i) confirmations of letters of credit.

#### **55A Transaction-related contingents**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here those transaction-related contingents which do not appear on the face of the balance sheet.

Transaction-related contingents relate to the on-going trading activities of a counterparty where the risk of loss to the firm depends on the likelihood of a future event which is independent of the creditworthiness of the counterparty. They are essentially guarantees which support particular non-financial obligations rather than supporting customers' general financial obligations. Report such items as:

- (a) performance bonds, warranties and indemnities (indemnities given for lost share certificates or bills of lading and guarantees of the validity of papers rather than of payment under certain conditions should not be reported);
- (b) bid or tender bonds;
- (c) advance payment guarantees;
- (d) VAT, customs and excise bonds. The amount recorded for such bonds should be the firm's maximum liability (normally twice the monthly amount being guaranteed); and
- (e) standby letters of credit relating to a particular contract or to non-financial transactions (including arrangements backing, inter alia, subcontractors' and suppliers' performance. labour and materials, contracts, and construction bids).

### **56A Trade-related contingents**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here those trade-related contingents which do not appear on the face of the balance sheet.

Report short-term, self liquidating trade-related items such as documentary letters of credit issued by the firm which are, or are to be, collateralised by the underlying shipment, ie where the credit provides for the firm to retain title to the underlying shipment.

Letters of credit issued by the firm without provision for the firm to retain title to the underlying shipment or where the title has passed from the firm should be reported under direct credit substitutes (54A). A memorandum of pledge and a trust receipt are not regarded as giving the firm title, and transactions secured by these should be shown under 54A.

Letters of credit issued on behalf of a counterparty back-to back with letters of credit of which the counterparty is a beneficiary ("back-to-back" letters) should be reported in full.

Letters of credit advised by the firm or for which the firm is acting as reimbursement agent should not be reported.

### **57A Asset sales with recourse**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here those asset sales without recourse which do not appear on the face of the balance sheet.

Report put options written where the holder of the asset is entitled to put the asset back to the firm, eg if the credit quality deteriorates. Also report put options written by the firm attached to marketable instruments or other physical assets.

### **58A Forward asset purchases**

This is likely to be relevant only for *UK banks* and *building societies*.



Report here those forward asset purchases which do not appear on the face of the balance sheet.

Include commitments for loans and other on-balance sheet items with certain drawdown. Exclude foreign currency spot deposits with value dates one or two working days after trade date.

#### **59A Forward forward deposits placed**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here those forward forward deposits placed which do not appear on the face of the balance sheet.

This covers agreements between two parties whereby one will pay, and the other receive, an agreed rate of interest on a deposit to be placed by one with the other at some predetermined date in the future. Exclude foreign currency spot deposits with value dates one or two working days after trade date.

#### **60A Uncalled partly-paid shares and securities**

Only report if there is a specific date for the call on the unpaid part of the shares and securities held. If there is no specific date, the unpaid part should be treated as a long-term commitment (see 63A).

#### **61A NIFs and RUFs**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here those NIFs and RUFs which do not appear on the face of the balance sheet.

Note issuance facilities and revolving underwriting facilities should include the total amounts of the firm's underwriting obligations of any maturity. Where the facility has been drawn down by the borrower and the notes are held by anyone other than the firm, the underwriting obligation should continue to be reported at the full nominal amount.

The firm's own holding of the notes should be reported in data elements 8 and 9 and therefore the nominal amount of the notes held should be deducted from the nominal amount of the facility to be shown here.

#### **62A Endorsements of bills**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here those endorsed bills which do not appear on the face of the balance sheet.

Endorsements of bills (including per aval endorsements) should be reported at the full nominal amount, less any amount for bills which the firm now holds but had previously endorsed.

#### **63A Other commitments**

This is likely to be relevant only for *UK banks* and *building societies*.

Report here other commitments which do not appear on the face of the balance sheet, and are not reported in items 54A to 62A above.

The firm is regarded by the appropriate regulator as having a commitment regardless of whether it is revocable or irrevocable, conditional or unconditional and, in particular whether or not it contains a “material adverse change” clause.

Include unused credit card lines.

Commitments for loans and other on-balance sheet items with certain drawdown should not be reported here but under 58A.

#### **64A Client money held**

Provide the total amount of client money held at the reporting date. Firms should be identifying this already to ensure compliance with CASS. For *UK consolidation group* reports, firms should only include client money to which CASS applies.

#### **65A Number of UK retail customers**

This is only applicable to *UK banks* and *building societies*.

This is intended to identify the number of UK retail customers. Firms should use their best estimate for this, which might even be based on the number of accounts. It can even be the firms most reasonable approximation, based on whatever information they can use. We recognise that this may lead to firms duplicating customers who have a number of different products or accounts and thus we are provided with the number of total customers, rather than different customers. We do not expect firms to develop systems to give precise numbers, although obviously we would prefer the figures to be as reliable as possible. (We have considered bandings, but that will not give the degree of precision we require.)

## **FSA001 – Balance sheet validations**

### **Internal validations**

Data elements are referenced by row then column.

| Validation number | Data element |   |   |
|-------------------|--------------|---|---|
| 1                 | 20A          | = | 5A + 6A + 7A + 8A + 9A + 10A + 11A + 12A + 13A + 14A + 15A + 16A + 17A + 18A + 19A      |
| 2                 | 20B          | = | 5B + 6B + 7B + 8B + 9B + 10B + 11B + 12B + 13B + 14B + 15B + 16B + 17B + 18B + 19B      |
| 3                 | 24A          | = | 25A + 26A + 27A + 28A + 29A   |
| 4                 | 41A          | = | 21A + 22A + 23A + 24A + 30A + 31A + 32A + 33A + 34A + 35A + 36A + 37A + 38A + 39A + 40A |
| 5                 | 45A          | = | 41A + 42A + 43A + 44A   |
| 6                 | 45A          | = | 20A + 20B   |
| 7                 | 52A          | = | 46A + 47A + 48A + 49A + 50A + 51A   |
| 8                 | 52B          | = | 46B + 47B + 48B + 49B + 50B + 51B   |
| 9                 | 52C          | = | 46C + 47C + 48C + 49C + 50C + 51C   |
| 10                | 53B          | = | 14A + 14B   |
| 11                | 53C          | = | 33A   |

### **External validations**

There are no external validations for this data item.

## **FSA002 – Income statement**

This data item provides the appropriate regulator with information on the main sources of income and expenditure for a firm. It should be completed on a cumulative basis for the firm's current financial year up to the reporting date.

### **Valuation**

Firms should follow their normal accounting practice wherever possible. In this regard, for example, for *BIPRU firms* the figure for profits reported here may differ from the figures reported at the same date in FSA003, primarily because of valuation differences that arise from the application of *GENPRU 1.3*.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Consolidation**

Firms reporting on a *UK consolidation group* basis can use the same accounting basis for consolidation as in their accounts, as long as the group on which it is based accords with the *UK consolidation group*. (For example, for *BIPRU firms*, in FSA003, such firms will, however, have to report their capital resources on a line-by-line basis under *BIPRU 8*, and firms may prefer to do so here too.)

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **Trading book**

Data elements in column A relate only the trading book. Firms should identify their trading book profits separately from the non-trading book profits wherever possible. Firms that intend to include 'net interim trading book profit and loss' in data element 61A in FSA003 should complete this column. It is optional for other firms. See *BIPRU 1.2* for the definition of the trading book.

Column B should contain the total (in this regard, it differs from the layout in FSA001).

### **1B Financial and operating income**

This is the total of financial and operating income, which is broken down in more detail in elements 2B, 7B, 15B and 20B to 24B.

Where firms can allocate financial and operating income to the trading book, this should be reported in 1A. Firms that intend to include 'net interim trading book profit and loss' in element 61A of FSA003 should be able to identify the trading book portion separately here.

## **2B Interest income**

Include both interest actually received and interest receivable which has accrued but has not yet been received. Amounts accrued should be based on the latest date to which these calculations were made; thus for an institution which accrues profits on a daily basis, accruals should include amounts up to and including the reporting date.

Elements 3B to 6B break this down in more detail, but only 4B and 6B are likely to be relevant for *BIPRU firms* and *IFPRU investment firms*.

Firms should use their best endeavours to allocate interest income according to the categories shown, and should adopt a consistent approach on each reporting date.

### **3B Of which: Retail secured loans**

This is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

This part of interest income comprises interest received or receivable from any secured lending to retail customers. Firms may use their best estimate to derive this figure, as long as the approach is applied consistently at each reporting date.

### **4B Of which: Retail unsecured loans (including bank deposits)**

For *IFPRU investment firms* and *BIPRU firms*, this will include interest paid by banks or building societies on deposits with them.

For deposit takers, this comprises interest received or receivable from retail customers other than on secured lending or card accounts. It includes overdrafts. Firms may use their best estimate to derive this figure, as long as the approach is applied consistently at each reporting date.

Any interest from credit or charge cards should be included in data element 5B.

### **5B Of which: Card accounts**

This is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

This includes any interest received on charge cards accounts. Firms may use their best estimate to derive this figure, as long as the approach is applied consistently at each reporting date.

### **6B Of which: Other**

This comprises all other interest received and receivable and will include all interest receivable on bonds, floating rate notes (FRNs) and other debt instruments as well as interest receivable on repos / reverse repos.

Receipts from security lending / borrowing should only be included when cash collateral is involved – other income from security lending / borrowing should be classified as fees.

It also comprises any interest received not reported in items 3B to 5B.

Include here any interest received on swaps entered into for the purposes of hedging interest rate risk.

## **7B Fee and commission income**

This covers all fee and commission income, and is broken down in more detail in elements 8B to 14B below. If a firm cannot allocate the income in a precise manner, it should allocate the income on a best endeavours basis, which should be consistently applied on each reporting date.

Firms should use their best endeavours to allocate fee and commission income according to the categories shown, and should adopt a consistent approach on each reporting date.

## **8B Of which: Gross commission and brokerage**

Include commission and brokerage earned by the firm, before the deduction of commissions shared or paid to third parties (these commissions paid to others should be reported in 32B). It will include income from the provision of foreign exchange facilities.

## **9B Of which: Performance fees**

This will include incentive fees received by the firm.

To avoid double counting, data input here should not include amounts input under data element 10B below. Data element 9B and data element 10B are mutually exclusive.

## **10B Of which: Investment management fees**

Include all underwriting fees and commissions, and fees and commissions from valuations, management of investments and unit trusts and pension funds.

To avoid double counting, data input here should not include amounts input under data element 9B above. Data element 9B and data element 10B are mutually exclusive.

## **11B Of which: Investment advisory fees**

Include all fees arising from investment advice.

## **12B Of which: Corporate finance**

Include all income earned by the firm from corporate finance business.

## **13B Of which: UCITS management fees**

This covers income earned through the management of UCITS.

## **14B Of which: Other fee and commission income**

Report here any other fee and commission income not reported in data elements 8B to 13B.

## **15B Trading income (losses)**

A net loss should be shown with a minus sign to indicate a negative figure.

This is further broken down in elements 16B to 19B.

Firms should use their best endeavours to allocate trading income (losses) according to the categories shown, and should adopt a consistent approach on each reporting date.

**16B of which: Trading investments**

This portion of 15B includes all profits or losses (including revaluation profits or losses) on investments held for dealing. This will generally exclude profits or losses arising from the sale of investments in subsidiary or associated companies, trade investments or the amortisation of premiums or discounts on the purchase of fixed maturity investments.

**17B of which: Charges on UCITS sales / redemptions**

This is that part of 15B (dealing profits/losses) arising from charges made to clients for UCITS sales or redemptions.

**18B of which: Foreign exchange**

This is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

This part of 15B includes revaluations of foreign exchange positions, but excludes fees and commissions relating to foreign exchange business (which should be included under data element 8B).

**19B Other trading income (losses)**

Report here any other trading income not reported in data elements 16B to 18B.

**20B Gains (losses) arising from non-trading instruments**

This element is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

Includes gains (losses) arising from non-trading instruments designated at initial recognition to be measured at fair value through profit and loss (FVTPL), commonly referred to as the 'fair value option'.

**21B Realised gains (losses) on financial assets & liabilities (other than HFT and FVTPL)**

This element is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

This should include gains (losses) on financial assets and liabilities (other than those held for trading ('HFT') or those measured at fair value through profit and loss ('FVTPL')).

**22B Dividend income**

This includes dividend income on all equity investments.

**23B Other operating income**

This is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

It includes property rentals and increases in respect of linked liabilities.

**24B Gains (losses) on disposals of HFS non-current assets & discontinued operations**

This is unlikely to be relevant for *IFPRU investment firms* and *BIPRU firms*.

Includes gains (losses) on non-financial items which are 'held for sale' as defined in IFRS 5.

### **25B Financial & operating charges**

This is the total of the firm's operating charges that are broken down in more detail in elements 26B, 32B and 33B.

Where firms can allocate financial and operating charges to the trading book, this should be reported in 25A.

### **26B Interest paid**

This is broken down in further detail in 27B to 31B. Firms should use their best endeavours to allocate interest paid according to the categories shown, and should adopt a consistent approach on each reporting date.

For *IFPRU investment firms* and *BIPRU firms*, this is likely to be limited to interest paid, or overdraft charges paid, to banks (also detailed in 27B) or on intra-group loans (detailed in 30B) or on other deposits (detailed in 31B).

Include both interest actually paid and interest payable which has accrued but has not yet been paid.

### **27B Of which: Bank and building society deposits**

In the case of *IFPRU investment firms* and *BIPRU firms*, this will include interest payments to banks for loans or overdrafts.

For deposit takers, this will include all interest paid on balances placed by banks, building societies or other financial institutions.

### **28B Of which: Retail deposits**

This will not be relevant for *IFPRU investment firms* and *BIPRU firms*.

Deposit takers will include here all interest paid on balances placed by retail customers.

### **29B Of which: Corporate deposits**

This will not be relevant for *IFPRU investment firms* and *BIPRU firms*.

Deposit takers will include here all interest paid on balances placed by non-bank, non-connected corporate customers.

### **30B Of which: Intra-group deposits**

This will only be relevant for *IFPRU investment firms* and *BIPRU firms* that have borrowed money from other group companies.

Deposit takers will include all interest paid on balances placed by group companies.

### **31B Of which: On other items**

This will only be relevant for *IFPRU investment firms* and *BIPRU firms* if they have issued bonds, interest rate swaps for hedging purposes or commercial paper.



Deposit takers will include all interest paid on all other balances not reported in 27B to 30B. It includes interest payments on bonds and subordinated loans, certificates of deposits and commercial paper issued.

Include here any losses on interest rate swaps used for hedging purposes.

### **32B Fees and commissions expenses**

Include commissions paid or shared with other firms, plus fees, brokerage and other charges paid in relation to the execution, registration or clearing of transactions. Commissions paid to staff should be reported under 35B.

### **33B Other operating expenses**

Include here other expenses (that are not identified elsewhere) that arise in the course of undertaking the firm's activities. However, costs such as electricity and rent should be reported under 38B (general administrative expenses).

### **34B Other costs**

This is the total of other costs and charges that are detailed in items 35B and 38B to 43B below.

Where firms can allocate other costs to the trading book, this should be reported in 34A.

### **35B Staff expenses**

This is the total of the costs broken down in 36B and 37B.

It should exclude general staff benefits, such as subsidised restaurants, which should be included in general administrative expenses in 38B.

### **36B Of which: Staff costs (ie non-discretionary)**

Include salary costs, employer's national insurance contributions and social security costs, the employer's contribution to any pension scheme, and benefits in kind. Also include here commissions paid to staff on business they have introduced.

### **37B Of which: Charges for discretionary staff costs**

Include discretionary bonuses and profit/performance share and share option schemes. Any commissions paid to staff on business they did not introduce should be recorded here.

### **38B General administrative expenses**

This includes rates, rent, insurance of building, lighting, heating, depreciation and maintenance costs. Also include marketing, communications, professional fees including auditor's remuneration and other general overheads of the business.

### **39B Depreciation and amortisation**

This covers the depreciation of property, plant and equipment and includes amortisation of intangibles.

**40B Impairment/provisions**

This is the total cost of impairment charges and provisions made.

**41B Other charges**

This will include operating lease rentals.

**42B Share of profit (losses) of associates**

Firms reporting on a solo or unconsolidated basis should include the dividends from other group companies only.

**43B Exceptional items**

Include here any significant items which are separately disclosed in your accounts by virtue of their size or incidence to enable a full understanding of the group's financial performance. Transactions which may give rise to exceptional items may include gains or losses on disposal of investments, subsidiaries and early termination of debt instruments. Details relating to these amounts should be provided in data element 48A.

**44B Profit (loss) before tax**

This is the total financial and operating income (data element 1) less the financial and operating charges (25), and other costs (34). If the profit attributable to the trading book can be calculated, it should be reported in 44A.

**45B Tax charge (income)**

This comprises current tax charge (income) and deferred tax charge (income). Include any adjustments recognised in the period for current tax of prior periods. It may also include the amount of deferred tax charge (income) relating to the origination and reversal of temporary differences.

**46B Net profit (loss)**

This is the total profit (loss) after tax, before accounting for any minority interests (which, for *BIPRU firms*, only get reported on FSA003).

**Memorandum items****47B Dividends paid during year**

Only those dividends paid in the period should be reported here.

**48A Details of exceptional items**

Please provide details of any amounts included in data item 43B.

## FSA002 – Income statement validations

### Internal validations

Data elements are referenced by row then column.

| Validation number | Data element |   |   |
|-------------------|--------------|---|---|
| 1                 | 1B           | = | 2B + 7B + 15B + 20B + 21B + 22B + 23B + 24B |
| 1a                | 1A           | ≤ | 1B  |
| 2                 | 2B           | = | 3B + 4B + 5B + 6B                           |
| 3                 | 7B           | = | 8B + 9B + 10B + 11B + 12B + 13B + 14B       |
| 4                 | 15B          | = | 16B + 17B + 18B + 19B                       |
| 5                 | 25B          | = | 26B + 32B + 33B                             |
| 6                 | 25A          | ≤ | 25B   |
| 7                 | 26B          | = | 27B + 28B + 29B + 30B + 31B                 |
| 8                 | 34B          | = | 35B + 38B + 39B + 40B + 41B + 42B + 43B     |
| 8a                | 34A          | ≤ | 34B   |
| 9                 | 35B          | = | 36B + 37B                                   |
| 10                |              |   | [deleted]                                   |
| 11                | 44A          | = | 1A – 25A – 34A                              |
| 12                | 44B          | = | 1B – 25B – 34B                              |
| 13                | 46B          | = | 44B – 45B                                   |

### External validations

There are no external validations for this data item.

## **FSA003 – Capital adequacy**

This data item provides the appropriate regulator with information on the solvency of the firm. The data item is intended to reflect the underlying prudential requirements contained in *GENPRU* and *BIPRU* and allows monitoring against the requirements set out there and also those individual requirements placed on firms. We have provided references to the underlying rules to assist in its completion.

This data item is largely based on CEBS' COREP Table CA<sup>1</sup>, but reflects the rules and wording in the Handbook, omits elements which are not in our view relevant in the UK, and combines some other elements. The numbers in parenthesis and italics show the corresponding element(s) in CEBS Table CA and are only provided for information purposes to identify the linkage to the CEBS' data.

The data item is designed to be applicable to all *BIPRU firms*. For that reason, the initial elements identify the capital rules which will apply to certain firms (see *GENPRU* 2.1.40R onwards). Also relevant are the waivers which investment firms may have under *BIPRU* TP 5.1R or *BIPRU* 6.1.2G, so these are also identified. In the text below, we have identified where elements are not applicable to all firms.

Some questions within this data item may not, on the face of it, appear to be relevant because the question references *BIPRU* terminology that was in place before 1 January 2014 (for example, data element 9A). However firms should refer to the guidance notes for those questions to determine how they should complete the data element from 1 January 2014 onwards.

### **Columns A and B**

[deleted]

### **Valuation**

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3.

### **Consolidated reports**

For calculating capital resources in elements 15 to 68, the group should be treated as a single entity.

However, for calculating the variable capital requirements in elements 70 to 104, the default method of consolidation is aggregation, adding up the solo numbers of the entities included where deemed equivalent in Annex 6 of *BIPRU* 8. Alternatively, the group can be treated as a single entity, using that method on its own or partially in conjunction with aggregation.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first.

---

<sup>1</sup> [www.c-eps.org/documents/GL04\\_CA.xls](http://www.c-eps.org/documents/GL04_CA.xls)

**1A** [deleted]

**2A** [deleted]

**3A** [deleted]

**4A** **Is the firm a *BIPRU limited licence* firm?**

This box should be ticked if the report is being completed by either a *BIPRU firm*, or a *UK consolidation group* that is subject to the capital rules at Stage 4 of *BIPRU 8 Annex 5R*. *UCITS investment firms* should also tick this box.

**5A** [deleted]

**6A** [deleted]

**7A** [deleted]

.

**8A** **Are you a *UCITS investment firm*?**

This box should be ticked if the report is being completed by a *UCITS investment firm*.

**9A** **Are you a *BIPRU 50K firm*?**

This box should be ticked if the report is being completed by a *BIPRU firm*.

**10A** **Do you have a waiver from consolidated supervision?**

This is only relevant if you are a *BIPRU firm*. Tick only if your firm has a waiver from consolidated supervision under *BIPRU 8.4*.

**11A** **Have you notified the appropriate regulator, at least one month in advance of the date of this report, that you intend to deduct illiquid assets?**

This is only relevant if you are a *BIPRU firm*. See *GENPRU 2.2.19R*.

**12A** **Basis of reporting**

Firms should enter whether the report is on an unconsolidated basis, solo-consolidated basis, or consolidated basis. If the report is on behalf of a *UK consolidation group* (see *BIPRU 8.4*), firms should also complete 13A, 13B, 14A and 14B.

**13A** **For consolidated reporting, please provide the Group reference number**

If 12A is completed as a consolidated report, then please enter the group reference number here.

**13B** [deleted]

**14A** **For consolidated reporting, please provide the FRNs**

List here the firm reference numbers for all appropriate regulator authorised firms included within the *UK consolidation group*.

**14B** [deleted]

**15A** **Total capital after deductions**

Firms should see *GENPRU 2.2.42R* and *GENPRU 2.2.43G* for details of those purposes for which *innovative tier one capital* may be used. In other circumstance, firms should use the *capital resources* figures calculated in column B, which excludes *innovative tier one capital*.

This is equivalent to stage T in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

This is the capital resources figure that is used under *BIPRU 10.5.4R* for calculating a firm's CNCOM.

[*CEBS' CA 1*]

**15B [deleted]**

**16A Total tier one capital after deductions**

Equivalent to stage F in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

See *GENPRU 2.2.9G* and *GENPRU 2.2.10G*. [*CEBS' CA 1.1*]

**16B [deleted]**

**17A Core tier one capital**

This element is equivalent to stage A in

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[*CEBS' CA 1.1.1 less 1.1.1.2 plus 1.1.2*]

**17B [deleted]**

**18A Permanent share capital**

See *GENPRU 2.2.83R*. This excludes preference shares and *PIBS* (see 25A below).

[*CEBS' CA 1.1.1.1*]

**19A Profit and loss account and other reserves**

See *GENPRU 2.2.85R* to *GENPRU 2.2.90R*, but excluding interim net losses reported in 20A below.

[*CEBS' CA 1.1.2.1 plus part of 1.1.2.6*]

**20A Interim net losses**

See *GENPRU 2.2.85R*. In the case of *BIPRU firms*, only material interim net losses should be reported.

[*CEBS' CA 1.1.2.4 plus part of 1.1.2.4b plus part of 1.1.2.6*]

## **21A Eligible partnership, LLP or sole trader capital**

This includes *eligible partnership capital, eligible LLP members' capital and sole trader capital*. See *GENPRU 2.2.93R to GENPRU 2.2.95R*. Excludes *PIBS and innovative tier one instruments*, which are reported in 24A below.

[*CEBS' CA 1.1.1.4*]

## **22A Share premium account**

See *GENPRU 2.2.101R*.

[*CEBS' CA 1.1.1.3*]

## **23A Externally verified interim net profits**

Only include here those profits which have been externally verified at the reporting date. (Profits for the year which have been externally verified between the reporting date and the submission date should be reported in 124A.) See *GENPRU 2.2.102R and GENPRU 2.2.103G*.

[*CEBS' CA 1.1.2.3*]

## **24A Other tier one capital, subject to limits**

Data elements 25A and 26A should only contain items that are subject to grandfathering as they are not compliant with the hybrid capital rules. Instruments that do comply with the hybrid capital rules should be included within elements 136A to 138A, as appropriate.

[*CEBS' CA 1.1.4*]

## **24B [deleted]**

## **25A Perpetual non-cumulative preference shares**

This data element (after deduction of data element 30A) is equivalent to Stage B in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

It includes perpetual non-cumulative preference shares (see *GENPRU 2.2.109R*) and *PIBS* (see *GENPRU 2.2.111R*). See also *GENPRU TP 8.2R to GENPRU TP 8.7R*.

All the preceding references to *GENPRU* in this note are to the version of *GENPRU* in force on 30 December 2010.

See also *GENPRU TP 8A*.

[*CEBS' CA 1.1.4.1*]

## **26A Innovative tier one instruments subject to limit**

See *GENPRU 2.2.113R to GENPRU 2.2.137R*, before the application of *GENPRU 2.2.30R*. Also see *GENPRU TP 8.8R*.

This data element (after deduction of data element 31A) is equivalent to Stage C in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and

- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

All the preceding references to *GENPRU* in this note are to the version of *GENPRU* in force on 30 December 2010.

See also *GENPRU TP 8A*.

[*CEBS' CA 1.1.4.2*]

### **27A Deductions from tier one capital**

This data element (excluding 30A and 31A) is equivalent to Stage E in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[*CA 1.1.5 plus 1.1.1.2 all with the opposite sign*]

**27B [deleted]**

### **28A Investments in own shares**

See Stage E in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[*CEBS' CA 1.1.1.2, but with the opposite sign*]

**28B [deleted]**

### **29A Intangible assets**

See *GENPRU 2.2.155R*.

[*CEBS' CA 1.1.5.1, but with the opposite sign*]

**29B [deleted]**

### **30A Excess on limits for non-innovative tier one instruments**

The amount reported in 25A which is in excess of the limits set out in *GENPRU 2.2.29R*. See also *GENPRU 2.2.25R*.

All the preceding references to *GENPRU* in this note are to the version of *GENPRU* in force on 30 December 2010.

See also *GENPRU TP 8A*.

[*CEBS' CA 1.1.5.2, but with the opposite sign*]

**30B [deleted]**



### **31A Excess on limits for innovative tier one instruments**

The amount reported in 26A which is in excess of the limits set out in *GENPRU* 2.2.30R. See also *GENPRU* 2.2.25R. As set out in *GENPRU* 2.2.25R to *GENPRU* 2.2.27R, the excess is however available in *upper tier two capital* in 37A.

All the preceding references to *GENPRU* in this note are to the version of *GENPRU* in force on 30 December 2010.

See also *GENPRU* TP 8A.

[*CEBS' CA 1.1.5.3, but with the opposite sign*]

### **31B [deleted]**

### **32A Excess of drawings over profits for partnerships, LLPs and sole traders**

See *GENPRU* 2.2.100R.

[*Part of CEBS' CA 1.1.5.4.2, but with the opposite sign*]

### **32B [deleted]**

### **33A Net losses on equities held in the available-for-sale financial assets category**

See *GENPRU* 2.2.185R (2).

### **33B [deleted]**

### **34A Material holdings**

This is only applicable to a *BIPRU firm* with a waiver from consolidated supervision.

See Note (4) to *GENPRU* 2 Annex 6R and also *GENPRU* 2.2.208R to *GENPRU* 2.2.215R.

[*Part of CA 1.1.4.3.2 but in the opposite sign.*]

### **34B [deleted]**

### **35A Total tier two capital after deductions**

This is equivalent to Stage K in:

- *GENPRU* 2 Annex 4R for a *BIPRU firm* deducting *material holdings*;
- *GENPRU* 2 Annex 5R for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU* 2 Annex 6R for a *BIPRU firm* with a waiver from consolidated supervision.

See *GENPRU* 2.2.11G.

[*CEBS' CA 1.2*]

### **35B [deleted]**

### **36A Upper tier two capital, subject to limits**

This data element (after deducting 44A and 46A) is equivalent to Stage G in:

- *GENPRU* 2 Annex 4R for a *BIPRU firm* deducting *material holdings*;
- *GENPRU* 2 Annex 5R for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU* 2 Annex 6R for a *BIPRU firm* with a waiver from consolidated supervision.

[CEBS' CA 1.2.1]

**36B [deleted]**

**37A Excess on limits for tier one capital transferred to upper tier two capital**

See *GENPRU 2.2.25R* to *GENPRU 2.2.27R*. This will not exceed the sum of 30A and 31A.

[CEBS' CA 1.2.1.1]

**37B [deleted]**

**38A Upper tier two capital instruments, subject to limits**

Report here perpetual cumulative preference shares, perpetual subordinated debt and perpetual subordinated securities. See *GENPRU 2.2.159R* to *GENPRU 2.2.193R*. See also *GENPRU TP 8.8R*.

[CEBS' CA 1.2.1.6]

**38B [deleted]**

**39A Revaluation reserve**

See *GENPRU 2.2.185R*.

[CEBS' CA 1.2.1.2 plus CA 1.2.1.3]

**39B [deleted]**

**40A General/collective provisions**

See *GENPRU 2.2.187R* to *GENPRU 2.2.189R*.

[CEBS' CA 1.2.1.5]

**40B [deleted]**

**41A Surplus provisions**

This includes surplus provisions in accordance with *GENPRU 2.2.190R* to *GENPRU 2.2.193R*.

[CEBS' CA 1.2.1.7]

**41B [deleted]**

**42A Lower tier two capital**

This is equivalent to Stage H at:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[CEBS' CA 1.2.2]

**42B [deleted]**

**43A Lower tier two capital instruments subject to limits**

Includes fixed term preference shares, long term subordinated debt (after amortisation) and fixed term subordinated securities.

See *GENPRU 2.2.159R* to *GENPRU 2.2.174R* and *GENPRU 2.2.194R* to *GENPRU 2.2.196R*.

[*CEBS' CA 1.2.2.2*]

**43B [deleted]**

**44A Excess on limits for lower tier two capital**

The amount reported in 43A that is in excess of the limits set out in *GENPRU 2.2.46R (2)*.

[*CEBS' CA 1.2.2.5, but with the sign reversed*]

**44B [deleted]**

**45A Deductions from tier two capital**

This data element (excluding 46A) is equivalent to Stage J in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[*CEBS' CA 1.2.3, but with the sign reversed*]

**45B [deleted]**

**46A Excess on limits for tier two capital**

The amounts reported in 36A and 42A in excess of the limits set out *GENPRU 2.2.46R (1)*.

[*CEBS' CA 1.2.3.1, but with the sign reversed*]

**46B [deleted]**

**47A Other deductions from tier two capital**

Do not report here certain additional deductions made under *GENPRU 2.2.239R (3)* and (4).

*BIPRU investment firms* with a waiver from consolidated supervision should see Note (5) of Part 2 of *GENPRU 2 Annex 6R*.

[*CEBS' CA 1.2.3.2, but with the sign reversed*]

**47B [deleted]**

**48A Deductions from total of tiers one and two**

This is equivalent to Stage M of:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[*CEBS' CA 1.3 minus 1.3.10, but with the sign reversed*]

**48B [deleted]**

**49A Material holdings**

This is not relevant for a *BIPRU firm* that deducts *illiquid assets* under *GENPRU 2.2.19R*.

*BIPRU firms* that have a waiver from consolidated supervision should see Note (5) of Part 2 of *GENPRU 2 Annex 6R*, as well as *GENPRU 2.2.208R* to *GENPRU 2.2.215R*.

*BIPRU firms* other than those already mentioned should see *GENPRU 2.2.208R* to *GENPRU 2.2.215R*.

Firms should also note the transitional arrangements for material insurance holdings in *GENPRU TP 7*.

[*CEBS' CA 1.3.1, 1.3.2, 1.3.4, and 1.3.5, but with the signs reversed*]

#### **50A Expected loss amounts and other negative amounts**

See *GENPRU 2.2.236R*.

[*CEBS' CA 1.3.8, but with the sign reversed*]

#### **51A Securitisation positions**

See *GENPRU 2.2.237R*.

[*CEBS' CA 1.3.7, but with the sign reversed*]

#### **52A [deleted]**

#### **53A Contingent liabilities**

This is only relevant for a *BIPRU firm* with a waiver from consolidated supervision. These firms should see Note (6) to Part 2 of *GENPRU 2 Annex 6R*.

[*Part of CEBS' CA 1.3.11*]

#### **54A Reciprocal cross holdings**

See *GENPRU 2.2.217R* to *GENPRU 2.2.220R*.

[*CEBS' CA 1.3.3, but with the sign reversed*]

#### **55A [deleted]**

#### **56A [deleted]**

#### **57A Total tier one capital plus tier two capital after deductions**

This is equivalent to Stage N of:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

(It is also the basis for the capital resources used under *BIPRU 10.5.3R* for the purposes of measuring large exposures. However, it is further adjusted under *BIPRU 10.5.5R* to remove data elements 41A (surplus provisions), 50A (expected loss amounts) and 51A (securitisation positions) for these purposes.)

[*CEBS' CA 1.4 plus 1.5 minus 1.3.10*]

#### **57B [deleted]**

#### **58A Total tier three capital**

This is equivalent to Stage Q of:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

**58B** [deleted]

**59A Excess on limits for tier two capital transferred to tier three capital**

See *GENPRU 2.2.25R* to *GENPRU 2.2.27R*. This will be no greater than the sum of 44A and 46A.

**59B** [deleted]

**60A Short term subordinated debt, subject to limits**

See *GENPRU 2.2.241R* to *GENPRU 2.2.245R*

[*CEBS' CA 1.6.3*]

**60B** [deleted]

**61A Net interim trading book profit and loss**

See *GENPRU 2.2.246R* to *GENPRU 2.2.249R*.

[*CEBS' CA 1.6.2*]

**61B** [deleted]

**62A Excess on limit for tier three capital**

The amount reported in 59A and 60A in excess of the limits set out in *GENPRU 2.2.49R* to *GENPRU 2.2.50R*.

[*CEBS' CA 1.6.5, but with the sign reversed*]

**62B** [deleted]

**63A Unused but eligible tier three capital (memo)**

See *GENPRU 2.2.47R*.

This is data element 58A less the amount shown in data element 92A. If the result is negative, enter 0. This is the surplus tier three capital which may only be used for the purposes set out in *BIPRU 2.2.47R*.

[*CEBS' CA 1.6.7*]

**63B** [deleted]

This is the sum of data elements 58B less the amount shown in data element 92A. If the result is negative, enter 0. This is the surplus tier three capital which may only be used for the purposes set out in *BIPRU 2.2.47R*.

It may differ from 63A if the firm has reported *innovative tier one capital* in 26A.

**64A Total capital before deductions**

This is equivalent to Stage R of:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and

- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

**64B [deleted]**

**65A Deductions from total capital**

This is equivalent to Stage S of:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[*CEBS' CA 1.7*]

**65B [deleted]**

**66A [deleted]**

**67A Illiquid assets**

This is only relevant for a *BIPRU firm* deducting *illiquid assets* under *GENPRU 2.2.19R*, or a *BIPRU firm* with a waiver from consolidated supervision.

See *GENPRU 2.2.259R* to *GENPRU 2.2.260R*.

**68A Free deliveries**

See *BIPRU 14.4*.

**69A Base capital resources requirement**

Enter here the firm's *base capital resources requirement*, converted into the currency of reporting. See *GENPRU 2.1.41R* to *GENPRU 2.1.43G*, *GENPRU 2.1.47R* and *GENPRU 2.1.48R*.

If the report is for a *UK consolidation group*, this should be zero – see *BIPRU 8.3.3G*.

**70A Total variable capital requirement**

This is the variable capital requirement of the firm or *UK consolidations group*, as calculated in 71A to 75A below. Each firm will only fill in one variable capital requirement which will have the correct method of calculating the variable capital requirement in accordance with *GENPRU 2.1.45R* and *GENPRU 2.1.46R* and any relevant waivers or treatment identified through the responses to data elements 5A, 10A and 11A above. In the case of a *UK consolidation group*, the rules set out in *BIPRU 8 Annex 5R* apply irrespective of whether the subsidiaries are in the UK or not.

[*CEBS' CA 2*]

**71A [deleted]**

**72A [deleted]**

**73A [deleted]**

**74A Variable capital requirement for BIPRU limited licence firms**

This box should be ticked if the report is being completed by a *BIPRU firm*, This is also relevant for a *UK consolidation group* that is subject to the capital requirements at Stage 4 of

*BIPRU 8 Annex 5R*. This is the sum of the *credit risk capital requirement* and the *market risk capital requirement*, or the *fixed overheads requirement* if that is higher.

[Part of CEBS' CA 2a plus 2b plus 2c]

#### **75A Variable capital requirement for UCITS investment firms**

This is the sum of the *credit risk capital requirement* and the *market risk capital requirement*, or the *fixed overheads requirement* if that is higher.

*UCITS investment firms* should see *GENPRU 2.1.46R*.

[Part of CEBS' CA 2a plus 2b plus 2c]

#### **76A Variable capital requirements to be met from tier one and tier two capital**

See *GENPRU 2.2.44R*. This is the sum of the *credit risk capital component* (data element 77A), the *operational risk capital requirement* (data element 85A, less data element 90A if applicable) and the *counterparty risk capital component* (data element 91A).

#### **77A Total credit risk capital component**

See *BIPRU 3.1.5R*, as modified if a firm has an IRB permission.

A further breakdown of this figure is provided quarterly in FSA004 for those firms that are required to report that data item.

For *UK consolidation group reporting*, this is the part of the *consolidated credit risk requirement* corresponding to the *credit risk capital component* (i.e. the capital requirements for credit risk excluding concentration risk and counterparty risk). This will be the sum of data elements 79A and 80A.

[CEBS' CA 2.1]

#### **78A Credit risk for UK consolidation group reporting calculated under non-EEA rules**

This field no longer applies and should have a zero entered when being completed on a *UK consolidation group* basis. For any other reporting basis the element should not be submitted.

#### **79A Credit risk capital requirements under the standardised approach**

The *credit risk capital component* calculated under *BIPRU 3*, using the exposure classes set out in *BIPRU 3.2.9R*.

For *UK consolidation group reporting*, this will be that part of their *consolidated credit risk requirement* included in data element 77A calculated under:

(a) *BIPRU 3*; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU 8*).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 1A on FSA004.

[CEBS' CA 2.1.1]

#### **80A Credit risk capital requirements under the IRB approach**

The *credit risk capital component* under *BIPRU 4* calculated in accordance with a firm's IRB permission to use the IRB approach.

For *UK consolidation group* reporting, this will be that part of their *consolidated credit risk requirement* included in data element 77A calculated under:

(a) *BIPRU* 4; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

[*CEBS' CA 2.1.2*]

### **81A Under foundation IRB approach**

The part of the *credit risk capital component* under *BIPRU* 4 calculated in accordance with a firm's IRB permission to use the foundation IRB approach. This figure covers the following exposures classes:

- central government and central banks (*BIPRU* 4.3.2R (1));
- institutions (*BIPRU* 4.3.2R (2)); and
- corporates (*BIPRU* 4.3.2R (3)).

For *UK consolidation group* reporting, this will be that part of their *consolidated credit risk requirement* included in data element 77A calculated under:

(a) the relevant parts of *BIPRU* 4; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator.

It will be after any consolidation adjustments for inter-group transactions.

This will agree to data element 18A on FSA004.

[*CEBS' CA 2.1.2.1*]

### **82A Retail IRB**

This covers part of the *credit risk capital component* under *BIPRU* 4 calculated in accordance with a firm's IRB permission to use the IRB approach, and covers the retail exposure class (*BIPRU* 4.3.2R (4)).

For *UK consolidation group* reporting, this will be that part of their *consolidated credit risk requirement* included in data element 77A calculated under:

(a) the relevant parts of *BIPRU* 4; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree to data element 23A on FSA004.

### **83A Under advanced IRB approach**

The part of the *credit risk capital component* under *BIPRU* 4 calculated in accordance with a firm's IRB permission to use the advanced IRB approach. This figure covers the following exposure classes:



- central governments and central banks (*BIPRU* 4.3.2R (1));
- institutions (*BIPRU* 4.3.2R (2)); and
- corporates (*BIPRU* 4.3.2R (3)).

For *UK consolidation group* reporting, this will be that part of their *consolidated credit risk requirement* included in data element 77A calculated under:

(a) the relevant parts of *BIPRU* 4; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree to data element 28A on FSA004.

[*CEBS' CA 2.1.2.2 minus retail*]

#### **84A Other IRB exposure classes**

The part of the *credit risk capital component* under *BIPRU* 4 calculated in accordance with a firm's IRB permission to use the IRB approach. This figure covers the following exposure classes:

- equity claims (*BIPRU* 4.3.2R (5));
- securitisation positions (*BIPRU* 4.3.2R (6)); and
- non credit-obligation assets (*BIPRU* 4.3.2R (7)).

For *UK consolidation group* reporting, this will be that part of their *consolidated credit risk requirement* included in data element 77A calculated under:

(a) the relevant parts of *BIPRU* 4; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree to data element 33A on FSA004.

[*CEBS' CA 2.1.2.3 plus 2.1.2.4 plus 2.1.2.5*]

#### **85A [deleted]**

#### **86A Operational risk for UK consolidation group reporting calculated under non-EEA rules**

This field no longer applies and should have a zero entered when being completed on a *UK consolidation group* basis. For any other reporting basis the element should not be submitted.

#### **87A [deleted]**

#### **88A [deleted]**

#### **89A [deleted]**

#### **90A [deleted]**

#### **91A Counterparty risk capital component**

See *BIPRU* 14.2.1R and *BIPRU* 13.

[CEBS' CA 2.2]

## **92A Capital requirements for which tier three capital may be used**

See *GENPRU 2.2.46R*.

This comprises the data elements that are relevant for calculating the variable capital requirement for your firm (see *GENPRU 2.2.47R*) from the data elements 93A (*market risk capital requirement*), 103A (*concentration risk capital component*) and 104A (*fixed overheads requirement*).

## **93A Total market risk capital requirement**

See *BIPRU 7* and also *GENPRU 2.2.46R*.

A further breakdown of this figure is provided in FSA005 for firms that meet the reporting thresholds defined in *SUP 16.12.5R* (note 4), *SUP 16.12.11R* (note 4), *SUP 16.12.15R* (note 4), *SUP 16.16.12.22AR* (note 4) and *SUP 16.12.25AR* (note 4).

For *UK consolidation group* reporting, this is the *consolidated market risk requirement*. This will be the sum of data elements 95A and 102A.

[CEBS' CA 2.3]

## **94A Market risk capital requirement for UK consolidation group reporting calculated under non-EEA rules**

This field no longer applies and should have a zero entered when being completed on a *UK consolidation group* basis. For any other reporting basis the element should not be submitted.

## **95A Position, foreign exchange and commodity risks under TSA**

See *BIPRU 7*.

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the standardised approaches under:

- (a) the relevant parts of *BIPRU 7*; or
- (b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU 8*).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

[CEBS' CA 2.3.1]

## **96A Interest rate PRR**

See *BIPRU 7.1.9R* to *BIPRU 7.1.16E*, *BIPRU 7.2*, *BIPRU 7.3*, *BIPRU 7.6*, *BIPRU 7.9*, *BIPRU 7.11.12R* and *BIPRU 7.11.35R*.

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the standardised approaches under:

- (a) the relevant parts of *BIPRU 7*; or
- (b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU 8*).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 18G on FSA005.

### **97A Equity PRR**

See *BIPRU 7.1.9R to BIPRU 7.1.16E, BIPRU 7.3.48R, BIPRU 7.6, BIPRU 7.9, BIPRU 7.11.12R and BIPRU 7.11.35R.*

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the standardised approaches under:

- (a) the relevant parts of *BIPRU 7*; or
- (b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU 8*).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 29G on FSA005.

[*CEBS' CA 2.3.1.2*]

### **98A Commodity PRR**

See *BIPRU 7.1.9R to BIPRU 7.1.16E, BIPRU 7.4 and BIPRU 7.9.*

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the standardised approaches under:

- (a) the relevant parts of *BIPRU 7*; or
- (b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU 8*).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 40G on FSA005.

[*CEBS' CA 2.3.1.4*]

### **99A Foreign currency PRR**

See *BIPRU 7.1.9R to BIPRU 7.1.16E, BIPRU 7.5, BIPRU 7.6 and BIPRU 7.9.*

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the standardised approaches under:

- (a) the relevant parts of *BIPRU 7*; or
- (b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU 8*).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 48G on FSA005.

[*CEBS' CA 2.3.1.3*]

### **100A CIU PRR**

See *BIPRU 7.1.9R to BIPRU 7.1.16E, BIPRU 7.6, BIPRU 7.7 and BIPRU 7.9.*

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the standardised approaches under:

- (a) the relevant parts of *BIPRU 7*; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 55G on FSA005.

#### **101A Other PRR**

See *BIPRU* 7.1.9R to *BIPRU* 7.1.16E.

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the standardised approaches under:

(a) the relevant parts of *BIPRU* 7; or

(b) the corresponding rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 56G on FSA005.

#### **102A Position, foreign exchange and commodity risks under internal models**

See *BIPRU* 7.10.

For *UK consolidation group* reporting, this will be that part of their *consolidated market risk requirement* calculated under the advanced approaches under:

(a) the relevant parts of *BIPRU* 7; or

(b) the rules of another *EEA* regulator (when this is allowed under *BIPRU* 8).

It should not include any amount calculated using the rules of a non-*EEA* regulator. It will be after any consolidation adjustments for inter-group transactions.

This will agree with data element 61G on FSA005.

[*CEBS' CA* 2.3.2]

#### **103A Concentration risk capital component**

This is the CNCOM. See *BIPRU* 10.5.14R to *BIPRU* 10.5.21G for details of how this is calculated.

Figures appearing here should also appear on FSA008 under data element 5R for the same quarterly reporting date.

#### **104A Fixed overheads requirement**

This should only be completed by *BIPRU* firms. See *GENPRU* 2.1.53R to *GENPRU* 2.1.59G.

[*CEBS' CA* 2.5]

#### **105A Capital resources requirement arising from capital floors**

This is only relevant for a firm that has adopted the *IRB approach*. Firms should enter the total amount of capital resources required as defined in *BIPRU* TP 2.

#### **106A Surplus/deficit of own funds**

This is 15A less 70A or, where 69A is greater than 70A, 57A less 69A.

This should be a positive figure, showing the amount of excess capital over that required for the variable capital requirement measured at the reporting date or the amount of excess capital over that required for the *base capital resources requirement* where it is greater than the variable capital requirement, as well as any requirements.

**106B [deleted]**

**107A Overall solvency ratio**

This is 15A divided by 70A, multiplied by 100 (or 57A divided by 69A where 69A is greater than 70A) and represents the firm's overall solvency.

**107B [deleted]**

**108A Individual capital guidance – total capital resources**

Enter the amount of total capital resources that the appropriate regulator considers the firm should hold in order to meet *GENPRU* 1.2.26R (adequate financial resources). This amount can be calculated from information provided in the most recent letter the firm has received from the appropriate regulator setting out Individual Capital Guidance (as described in *BIPRU* 2.2.12G). The amount should be calculated as at the same reporting date as all other information included in this data item. Where this data item is being used to report for a *UK consolidation group*, you should enter the total group capital resources indicated in the ICG letter which will typically be based on the group capital resources requirement (data element 15B) – see *BIPRU* 2.2.19G.

For the purposes of giving individual capital guidance, the appropriate regulator may distinguish between capital resources which can be used to meet all risks (general purpose capital, ie stage N in *GENPRU* 2 Annexes 2R, 3R, 4R, 5R and 6R as appropriate) and capital resources which can only be used to meet certain risks, for instance trading book risks. Total capital resources after deductions is defined in *GENPRU* 2.2.12R and is stage T in *GENPRU* 2 Annexes 2R, 3R, 4R, 5R and 6R as appropriate. The amount of total capital resources should be shown in data element 15B. See *GENPRU* 2.2.16G.

This data element should be used where an ICG letter provides guidance on the amount of total capital or is silent on the nature of the capital which can be used to meet the obligation in *GENPRU* 1.2.26R.

If no ICG has been set, firms should enter 0 here.

**109A Individual capital guidance – general purpose capital**

Enter the amount of general purpose capital that the appropriate regulator considers the firm should hold in order to meet *GENPRU* 1.2.26R (adequate financial resources). The amount should be calculated on the same basis set out for data element 15B, but refers only to general purpose capital rather than to total capital. If the firm's ICG letter does not provide guidance on the amount of general capital (or limited purpose capital) that the firm should hold or no ICG has been set for the firm, it should enter 0 here.

**110A Surplus/(deficit) total capital over ICG**

This is the amount in data element 15B (total capital resources) less the amount in data element 108A. However, if no ICG has been set and data element 108A is 0, this should also be 0.

### **111A Surplus/(deficit) general purpose capital over ICG**

This is the amount in data element 57B less the amount in data element 109A. However, if no ICG has been set and data element 109A is 0, this should also be 0.

### **Memorandum items**

#### **112A Value of portfolio under management**

This should only be provided by *UCITS investment firms*.

### **Prudential filters**

Information on these data elements is required so that we can monitor their impact (or potential impact) on capital resources.

#### **113A Unrealised gains on available-for-sale-equities**

This is the amount of the gain related to available-for-sale equities included within revaluation reserves reported in 39A and 39B. See *GENPRU 2.2.185R(2)(b)*.

#### **114A Unrealised gains (losses) on investment properties**

This is the value of gains (losses) arising from revaluation reserves of investment properties that have been included within *capital resources*. See *GENPRU 2.2.185R(3)*.

#### **115A Unrealised gains (losses) on land and buildings**

This is the value of gains (losses) arising from revaluation reserves of land and buildings that have been included within *capital resources*. See *GENPRU 2.2.185R(4)*.

#### **116A Unrealised gains (losses) on debt instruments held in the available-for-sale category**

This is the unrealised gains (losses) on debt instruments held in the available-for-sale category that are excluded from *capital resources*. See *GENPRU 1.3.36R(2)(b)*.

#### **117A Unrealised gains (losses) on cash flow hedges of financial instruments**

This is the fair value reserves related to gains (losses) on cash flow hedges of financial instruments measured at amortised cost that are excluded from *capital resources*. See *GENPRU 1.3.36R(2)(a)*.

#### **118A Unrealised gains (losses) on fair value financial liabilities**

This is the value of unrealised gains (losses) on liabilities designated as at fair value that are excluded from *capital resources*. See *GENPRU 1.3.9R(1)*.

#### **119A Defined pension benefit (liability)**

This is the value of any *defined benefit asset (defined benefit liability)*, in respect of a *defined benefit occupational pension scheme*, that has been excluded from *capital resources*. See *GENPRU 1.3.9R(2)*.

#### **120A Deficit reduction amount if used**

This is the value of any *deficit reduction amount* substituted for a *defined benefit liability* in respect of a *defined benefit occupational pension scheme*. See *GENPRU 1.3.9R(2)(b)*. It should be entered as a positive figure.

### **121A Deferred acquisition costs (deferred income)**

This is the value of assets in respect of deferred acquisition costs (DACs) (liabilities in respect of deferred income – DIRs) that have been excluded from *capital resources*. See *GENPRU* 1.3.36R(3).

### **Minority interests**

These are included indistinguishably within capital resources.

### **122A Minority interests included within capital resources**

Report here the amount of minority interests included indistinguishably in the components of capital resources. See *BIPRU* 8.6.8R to *BIPRU* 8.6.16R.

### **123A Of which: innovative tier one instruments**

Report here the amount of innovative tier one instruments that are included within minority interests (122A) and also within innovative tier one capital in 26A. See *BIPRU* 8.

### **Profits**

*Capital resources* calculated above should only include in tier one profits that have been externally verified at the reporting date. This section captures information on profits at the reporting date that have subsequently been verified.

### **124A Profits not externally verified at the reporting date but subsequently have been**

Enter here the amount of profits (for the financial year covered by the reporting date) which were not externally verified at the reporting date but which have subsequently been verified. This amount should not be included within 23A. Also, do not include here any amount already reported in 23A.

This data element may be zero if no profits have been verified between the reporting date and the submission date.

### **125A Total capital after deductions, including externally verified profits**

This figure should be a firm's alternative calculation of data element 15B, based on the figure in 124A being included within tier one capital. It will not necessarily be equivalent to 15B plus 124A, because other components of the capital resources calculation may also have been revised following the external verification.

This cell should be zero if data element 124A is zero.

### **Allocation of deductions between tiers one and two capital**

#### **126A Material insurance company holdings excluded from allocation**

This is the value of material insurance holdings (included within 49A) that are not allocated to tier one and two capital under *GENPRU* TP 7.

#### **127A Allocated to tier one capital**

Firms should allocate the sum of data elements 49A, 50A and 51A less 126A between tier one capital and tier two capital. See *GENPRU* 2.2.239R(3) and *GENPRU* 2.2.239R(4).

#### **128A Allocated to tier two capital**

Firms should allocate the sum of data elements 49A, 50A and 51A less 126A between tier one capital and tier two capital. See *GENPRU* 2.2.239R(3) and *GENPRU* 2.2.239R(4).

## **Firms on IRB/AMA approaches**

### **129A Total capital requirement under pre-CRD rules**

This is only relevant for those firms that have adopted the approaches in *BIPRU* 4 (IRB) or *BIPRU* 6.5 (AMA) for the calculation of their capital requirements.

Firms should report the total capital requirement calculated under whichever part of *IPRU* applies under *BIPRU* TP 1.4R.

### **130A Total credit risk capital component under pre-CRD rules**

This is only relevant for those firms that have adopted the approaches under *BIPRU* 4 (IRB) for the calculation of their capital requirements.

Firms should report the credit risk capital component under whichever part of *IPRU* applies under *BIPRU* TP 1.4R.

### **131A Expected loss amounts – wholesale, retail and purchased receivables**

This is only relevant for firms that have adopted the approaches under *BIPRU* 4 (IRB) for the calculation of their capital requirements.

This is the amount for exposures to sovereigns, institutions, corporate IRB, specialised lending and retail, and for purchased receivables, that result from the calculations under *BIPRU* 4.3.6R (1), (2) and (4).

### **132A Expected loss amounts – equity**

This is only relevant for firms that have adopted the approaches under *BIPRU* 4 (IRB) for the calculation of their capital requirements.

This is the amount for exposures to equities that result from the calculations under *BIPRU* 4.3.6R (3).

### **133A Total value adjustments and provisions eligible for the “EL less provisions” calculation under IRB**

This is only relevant for firms that have adopted the approaches under *BIPRU* 4 (IRB) for the calculation of their capital requirements.

This is the sum of value adjustments and provisions related to exposures in *BIPRU* 4.3.6R (1), (2) and (4) which are eligible for the “EL less provisions” calculation in *BIPRU* 4.3.8R.

### **134A Total deductions from tier 1 and tier 2 capital according to pre-CRD rules**

This is only relevant for firms that have adopted the approaches under *BIPRU* 4 (IRB) or *BIPRU* 6.5 (AMA) for the calculation of their capital requirements.

Firms should report here the deductions calculated under whichever part of *IPRU* applies under *BIPRU* TP 1.4R.

### **135A Hybrid tier one capital**

This element is equivalent to Stages B1, B2 and C in:

- *GENPRU* 2 Annex 4R for a *BIPRU* firm deducting *material holdings*;
- *GENPRU* 2 Annex 5R for a *BIPRU* firm deducting *illiquid assets*; and
- *GENPRU* 2 Annex 6R for a *BIPRU* firm with a waiver from consolidated supervision.

[See *GENPRU* 2.2.30AR to 2.2.30CR]



### **136A 50% Bucket**

This data element (after deduction of data element 139A) is equivalent to Stage B1 in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[See *GENPRU 2.2.30AR*]

### **137A 35% Bucket**

This data element (after deduction of data element 140A) is equivalent to Stage B2 in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[See *GENPRU 2.2.30BR*]

### **138A 15% Bucket**

This data element (after deduction of data element 141A) is equivalent to Stage C in:

- *GENPRU 2 Annex 4R* for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R* for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R* for a *BIPRU firm* with a waiver from consolidated supervision.

[See *GENPRU 2.2.30CR*]

### **139A Excess on limit for 50% bucket capital instruments**

The amount reported in 136A which is in excess of the limit set out in *GENPRU 2.2.30AR*.

### **140A Excess on limit for 35% bucket capital instruments**

The amount reported in 137A which is in excess of the limit set out in *GENPRU 2.2.30BR*.

### **141A Excess on limit for 15% bucket capital instruments**

The amount reported in 138A which is in excess of the limit set out in *GENPRU 2.2.30CR*.

### **142A Capital Planning Buffer**

Enter the amount of the *capital planning buffer* that the *appropriate regulator* considers the *firm* should hold. This amount can be determined from information provided in the most recent letter the *firm* has received from the *appropriate regulator* setting out the amount and quality of the *capital planning buffer* the *firm* should hold over and above the level of capital recommended as its ICG (as described in *BIPRU 2.2.12BG*).

If no *capital planning buffer* has been set, *firms* should enter 0 here.

### **143A Draw Down of Capital Planning Buffer**

Enter the cumulative amount of *capital planning buffer* which the *firm* has used up to and including the current regulatory reporting period.

An entry into this cell does not constitute notice as set out in *BIPRU 2.2.23G*. As set out in *BIPRU 2.2.23AG*, the *appropriate regulator* may separately ask a *firm* to continue reporting

on the use of its *capital planning buffer* over and above the reporting requirements set out in SUP 16 Annex 24R.

If no amount of the *capital planning buffer* has been used, *firms* should enter 0 here.

**144A Surplus/(deficit) total capital over ICG and capital planning buffer**

This is the amount in data element 15A (total capital resources) less the amount in data element 108A (individual capital guidance – total capital resources) and less the amount in data element 142A (capital planning buffer). However, if no *ICG* has been set and data element 108A is 0, this should also be 0.

**145A Surplus/(deficit) general purpose capital over ICG and capital planning buffer**

This is the amount in data element 57A (total tier one capital plus tier two capital after deductions) less the amount in data element 109A (individual capital guidance – general purpose capital) and less the amount in data element 142A (capital planning buffer). However, if no *ICG* has been set and data element 109A is 0, this should also be 0.

## FSA003 – Capital adequacy validations

### Internal validations

Data elements are referenced by row then column.

| Validation number | Data element |   |  |
|-------------------|--------------|---|--|
| 1                 | 1A           |   | If (2A+3A+4A)=yes, then no, else yes                         |
| 2                 | 2A           |   | If (1A+3A+4A)=yes, then no, else yes                         |
| 3                 | 3A           |   | If (1A+2A+4A)=yes, then no, else yes                         |
| 4                 | 4A           |   | If (1A+2A+3A)=yes, then no, else yes                         |
| 5                 | 5A           |   | If 2A = no, then no  |
| 6                 | 6A           |   | If (3A+4A) = no, then no                                     |
| 7                 | 7A           |   | If (1A+8A+9A)=yes, then no                                   |
| 8                 | 8A           |   | If (1A+7A+9A)=yes, then no                                   |
| 9                 | 9A           |   | If (1A+7A+8A)=yes, then no                                   |
| 10                |              |   | [deleted – replaced by validation 114]                       |
| 11                |              |   | [deleted – replaced by validation 115]                       |
| 12                |              |   | [Not used]   |
| 13                | 15A          | = | 64A – 65A  |
| 14                |              |   | [deleted]  |
| 15                | 16A          | = | 17A + 24A - 27A + 135A                                       |
| 16                |              |   | [deleted]  |
| 17                | 17A          | = | 18A + 19A – 20A +21A +22A + 23A                              |
| 18                |              |   | [deleted]  |
| 19                | 24A          | = | 25A + 26A  |
| 20                |              |   | [deleted]  |
| 21                | 27A          | = | 28A + 29A + 30A + 31A + 32A + 33A<br>+34A + 139A +140A +141A |
| 22                |              | = | [deleted – replaced by validation 116]                       |
| 23                |              |   | [deleted]  |
| 24                |              |   | [deleted]  |
| 25                |              |   | [deleted]  |
| 26                |              |   | [deleted]  |
| 27                |              |   | [deleted]  |
| 28                |              |   | [deleted]  |
| 29                | 34A          |   | If 10A = no, then 0  |

|    |     |   |  |
|----|-----|---|--|
| 30 |     |   | [deleted]  |
| 31 |     |   | [Not used]                                       |
| 32 | 35A | = | 36A + 42A - 45A                                  |
| 33 |     |   | [deleted]  |
| 34 | 36A | = | 37A + 38A + 39A + 40A + 41A                      |
| 35 |     |   | [deleted]  |
| 36 | 37A | ≤ | 30A + 31A  |
| 37 |     |   | [deleted]  |
| 38 |     |   | [deleted]  |
| 39 |     |   | [deleted]  |
| 40 |     |   | [deleted]  |
| 41 |     |   | [deleted]  |
| 42 | 42A | = | 43A - 44A  |
| 43 |     |   | [deleted]  |
| 44 |     |   | [deleted]  |
| 45 | 45A | = | 46A + 47A  |
| 46 |     |   | [deleted]  |
| 47 |     |   | [deleted]  |
| 48 | 48A | = | 49A + 50A + 51A + 52A + 53A + 54A +<br>55A + 56A |
| 49 |     |   | [deleted]  |
| 50 | 49A |   | If 11A = yes, then 0                             |
| 51 | 52A |   | If 1A = no, then 0                               |
| 52 | 53A |   | If 10A = no, then 0                              |
| 53 | 55A |   | If 1A = no, then 0                               |
| 54 | 56A |   | If 1A = no, then 0                               |
| 55 | 57A | = | 16A + 35A - 48A                                  |
| 56 |     |   | [deleted]  |
| 57 | 58A | = | 59A + 60A + 61A - 62A                            |
| 58 |     |   | [deleted]  |
| 59 | 59A | ≤ | 44A + 46A  |
| 60 |     |   | [deleted]  |
| 61 |     |   | [deleted]  |
| 62 |     |   | [deleted]  |
| 63 |     |   | [deleted – replaced by validation 102]           |

|     |      |   |   |
|-----|------|---|---|
| 64  |      |   | [deleted – replaced by validation 103]                    |
| 65  | 64A  | = | 57A + 58A   |
| 66  |      |   | [deleted]   |
| 67  | 65A  | = | 66A + 67A + 68A   |
| 68  |      |   | [deleted]   |
| 69  | 66A  |   | If 1A = no, then 0  |
| 70  | 67A  |   | If 11A = no, then (if 10A = no, then 0)                   |
| 71  | 69A  |   | If 12A = consolidated, then 0, else >0                    |
| 72  | 70A  | = | 71A + 72A + 73A + 74A + 75A                               |
| 72a |      |   | [deleted]   |
| 72b |      |   | [deleted]   |
| 72c |      |   | [deleted]   |
| 72d |      |   | [deleted]   |
| 72e |      |   | [deleted]   |
| 73  |      |   | [deleted – replaced by validation 104]                    |
| 74  |      |   | [deleted – replaced by validation 105]                    |
| 75  |      |   | [deleted – replaced by validation 106]                    |
| 76  |      |   | [deleted – replaced by validation 107]                    |
| 77  |      |   | [deleted – replaced by validation 108]                    |
| 78  | 76A  | = | 77A + 85A – 90A +91A                                      |
| 79  |      |   | [Not used]  |
| 80  | 77A  | = | 78A + 79A + 80A   |
| 81  | 78A  |   | If 12A ≠ consolidated, then 0                             |
| 82  | 80A  | = | 81A + 82A + 83A + 84A                                     |
| 83  | 85A  |   | 86A + 87A + 88A + 89A                                     |
| 84  | 86A  |   | If 12A ≠ consolidated, then 0                             |
| 85  | 90A  |   | If 5A = no, then 0  |
| 86  |      |   | [deleted – replaced by validation 109]                    |
| 87  | 93A  | = | 94A + 95A + 102A  |
| 88  | 94A  |   | If 12A ≠ consolidated, then 0                             |
| 89  | 95A  | = | 96A + 97A + 98A + 99A + 100A + 101A                       |
| 90  | 104A | = | If 1A = yes, then 0, else (if 2A = yes, then 0, else > 0) |
| 91  | 106A | = | 15A – 70A, or where 69A>70A, 57A-69A                      |
| 92  |      |   | [deleted]   |

|     |             |   |   |
|-----|-------------|---|---|
| 93  |             |   | [deleted – replaced by validation 110]  |
| 94  |             |   | [deleted – replaced by validation 111]  |
| 95  |             |   | [deleted – replaced by validation 118]  |
| 96  |             |   | [deleted – replaced by validation 119]  |
| 97  |             |   | [deleted – replaced by validation 112]  |
| 98  | 123A        | ≤ | 26A   |
| 99  |             |   | [deleted – replaced by validation 113]  |
| 100 |             |   | [deleted – replaced by validation 120]  |
| 101 |             |   | [deleted – replaced by validation 121]  |
| 102 | 63A         | = | Max (59A + 60A + 61A – 62A – 92A), 0  |
| 103 |             |   | [deleted]   |
| 104 | 71A         |   | If 1A = Yes, then 76A + 92A, else 0   |
| 105 | 72A         |   | If 2A = Yes, then 76A + 92A, else 0   |
| 106 | 73A         |   | If 3A = Yes, then 76A + 92A, else 0   |
| 107 | 74A         |   | If 4A = Yes, then (if 8A = Yes, 0, else (Max (77A + 91A + 93A + 103A), 104A)), else 0 |
| 108 | 75A         |   | If 8A = Yes, then (Max ((77A + 91A + 93A + 103A), 104A)), else 0                      |
| 109 | 92A         | = | 93A + 103A + 104A   |
| 110 | 107A        | = | (15A/70A) * 100 or, where 69A>70A, (57A/69A)*100                                      |
| 111 |             |   | [deleted]   |
| 112 | 112A        |   | If 8A = no, then 0  |
| 113 | 127A + 128A | = | 49A + 50A + 51A – 126A  |
| 114 | 10A         |   | If 1A = yes, then no  |
| 115 | 11A         |   | If 1A = yes, then no  |
| 116 |             |   | [deleted]   |
| 117 | 135         | = | 136A+137A+138A  |
| 118 | 110A        |   | If 108A = 0, then 0, else (15A – 108A)  |
| 119 | 111A        |   | If 109A = 0, then 0, else (57A – 109A)  |
| 120 | 127A        | ≤ | 16A   |

$$121 \quad 128A \quad \leq \quad 35A$$

$$122 \quad 144A \quad = \quad 108A = 0 \text{ then } 144A = 0, \text{ else } 144A = 15A \\ - 108A - 142A$$

$$123 \quad 145A \quad = \quad 109A = 0 \text{ then } 145A = 0, \text{ else } 145A = 57A \\ - 109A - 142A$$

## External validations

| Validation number | Data element |   |   |
|-------------------|--------------|---|---|
| 1                 | 79A          | = | FSA004.1A   |
| 2                 | 81A          | = | FSA004.18A  |
| 3                 | 82A          | = | FSA004.23A  |
| 4                 | 83A          | = | FSA004.28A  |
| 4a                | 84A          | = | FSA004.33A  |
| 5                 | 88A          | = | FSA007.15A  |
| 6                 | 89A          | = | FSA007.15B  |
| 7                 | 93A – 94A    | = | FSA005.62G  |
| 8                 | 96A          | = | FSA005.18G  |
| 9                 | 97A          | = | FSA005.29G  |
| 10                | 98A          | = | FSA005.40G  |
| 11                | 99A          | = | FSA005.48G  |
| 12                | 100A         | = | FSA005.55G  |
| 13                | 101A         | = | FSA005.56G  |
| 14                | 102A         | = | FSA005.61G  |
| 15                |              |   |   |
| 16                | 103A         |   | If FSA008.3A = no, then<br>(103A = FSA008.5RT), else<br>(103A ≥ FSA008.5RT) |



## **FSA004 – Credit risk**

This data item provides details of the credit risk capital requirements of firms reported in FSA003.

For *UK consolidation groups*, the figures reported should exclude any part of the *consolidated credit risk requirement* that has been calculated the rules of a non-*EEA* regulator.

It will be after any consolidation adjustments for inter-group transactions.

This data item uses elements from CEBS' COREP Tables CR SA, CR SEC SA, CR IRB, CR EQU IRB and CR SEC IRB<sup>1</sup>, but reflects the Rules and wording in the Handbook, omits elements which are not in our view relevant in the UK, and combines some other elements. The numbers in parenthesis and italics show the corresponding element(s) in CEBS Tables CR SA, CR SEC SA, CR IRB, CR EQU IRB and CR SEC IRB and are only provided for information purposes to identify the linkage to the CEBS' data.

### **Valuation**

Unless indicated otherwise, the valuation of data elements should follow *BIPRU* 1.3.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

#### **Column A**

This contains the capital requirement, calculated in accordance with *BIPRU* 3 and *BIPRU* 4, but excluding securitisation positions.

#### **Column B**

For firms on the standardised approach, this should be calculated as set out in *BIPRU* 3 and *BIPRU* 5. It equates to the fully adjusted exposures values (E\*) after adjustment to off-balance sheet items under *BIPRU* 3.7.1R.

For firms on an IRB approach, this is exposure at default calculated in accordance with *BIPRU* 4 and *BIPRU* 5.

#### **Column C**

For firms on the IRB approach this should be calculated in accordance with *BIPRU* 4.3.6R excluding any adjustments.

#### **Column D**

---

<sup>1</sup> [www.c-ebs.org/documents/GL04\\_CR.xls](http://www.c-ebs.org/documents/GL04_CR.xls)

Firms should report here the amount of any provision/impairment which arises from the individual assessment of a particular asset.

### **Column E**

Firms should report here the amount of any provision/impairment which arises from a review of groups of assets.

### **Column F**

Firms should report here fair value adjustments which do not relate to impairments. An example is: if a firm makes an acquisition, then the firm must make a fair value adjustment for the acquired entity. The fair value adjustment is triggered by the acquired firm's assets being valued at current fair value as a result of the acquisition. The acquired assets can be any type of asset where held on an amortised cost accounting basis.

## **Breakdown under the standardised approach to credit risk by exposure classes excluding securitisation positions**

### **1A Total capital requirement**

This is the total capital requirement, being the sum of data elements 2A to 17A and 37A and 38A. This is the same as the capital requirement reported in data element 79A in FSA003.

[CEBS' CR SA column 22]

### **1B Total exposure value**

This is the total exposure value, being the sum of data elements 2B to 17B and 37B and 38B.

### **1D Total individual impairment**

This is the total of individual impairments, being the sum of data elements 2D to 17D and 37D and 38D.

### **1E Total collective impairments**

This is the total collective impairments, being the sum of data elements 2E to 17E and 37E and 38E.

### **1F Total other (credit valuation adjustment)**

This is the total of all other credit valuation adjustments, being the sum of data elements 2F to 17F and 37F and 38F.

### **2A Central government or central banks**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (1).

[CEBS' CR SA column 22]

### **2B Central government or central banks**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (1).

[CEBS' CR SA column 20]

### **2D Central government or central banks**

This is the provision/impairment which arises from the individual assessment of an asset within the exposure class defined in *BIPRU* 3.2.9R(1).

### **2E Central government or central banks**

This is the provision/impairment which arises from a review of groups of assets within the exposure class defined in *BIPRU* 3.2.9R(1).

**2F Central government or central banks**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(1).

**3A Regional governments or local authorities**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (2).

[CEBS' CR SA column 22]

**3B Regional governments or local authorities**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (2).

[CEBS' CR SA column 20]

**3D Regional government or local authorities**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(2).

**3E Regional government or local authorities**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(2).

**3F Regional government or local authorities**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(2).

**4A Administrative bodies and non-commercial undertakings**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (3).

[CEBS' CR SA column 22]

**4B Administrative bodies and non-commercial undertakings**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (3).

[CEBS' CR SA column 20]

**4D Administrative bodies and non-commercial undertakings**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(3).

**4E Administrative bodies and non-commercial undertakings**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(3).

**4F Administrative bodies and non-commercial undertakings**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(3).

#### **5A Multilateral development banks**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (4).

[*CEBS' CR SA column 22*]

#### **5B Multilateral development banks**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (4).

[*CEBS' CR SA column 20*]

#### **5D Multilateral development banks**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(4).

#### **5E Multilateral development banks**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(4).

#### **5F Multilateral development banks**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(4).

#### **6A International organisations**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (5).

[*CEBS' CR SA column 22*]

#### **6B International organisations**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (5).

[*CEBS' CR SA column 20*]

#### **6D International organisations**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(5).

#### **6E International organisations**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(5).

#### **6F International organisations**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(5).

#### **7A Institutions**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (6).

[*CEBS' CR SA column 22*]

#### **7B Institutions**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (6).

[CEBS' CR SA column 20]

**7D Institutions**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(6).

**7E Institutions**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(6).

**7F Institutions**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(6).

**8A Corporates**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (7).

[CEBS' CR SA column 22]

**8B Corporates**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (7).

[CEBS' CR SA column 20]

**8D Corporates**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(7).

**8E Corporates**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(7).

**8F Corporates**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(7).

**9A Retail**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (8).

[CEBS' CR SA column 22]

**9B Retail**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (8).

[CEBS' CR SA column 20]

**9D Retail**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(8).

**9E Retail**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(8).

**9F Retail**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(8).

**37A Secured by mortgages on residential property**

This is the capital requirement calculated in accordance with *BIPRU* 3 relating to the asset class set out in *BIPRU* 3.4.56R.

**37B Secured by mortgages on residential property**

This is the exposure value relating to the asset class set out in *BIPRU* 3.4.56R.

**37D Secured by mortgages on residential property**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class set out in *BIPRU* 3.4.56R.

**37E Secured by mortgages on residential property**

This is the provision/impairment which arises from a review of groups of assets within the asset class set out in *BIPRU* 3.4.56R.

**37F Secured by mortgages on residential property**

This is for any other credit valuation adjustments relating to the asset class set out in *BIPRU* 3.4.56R.

**38A Secured by mortgages on commercial real estate**

This is the capital requirement calculated in accordance with *BIPRU* 3 relating to the asset class set out in *BIPRU* 3.4.89R to 3.4.94R.

**38B Secured by mortgages on commercial real estate**

This is the exposure value relating to the asset class set out in *BIPRU* 3.4.89R.

**38D Secured by mortgages on commercial real estate**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class set out in *BIPRU* 3.4.89R.

**38E Secured by mortgages on commercial real estate**

This is the provision/impairment which arises from a review of groups of assets within the asset class set out in *BIPRU* 3.4.89R.

**38F Secured by mortgages on commercial real estate**

This is for any other credit valuation adjustments relating to the asset class set out in *BIPRU* 3.4.89R.

**11A Past due items**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (10).

[*CEBS' CR SA column 22*]

**11B Past due items**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (10).

[CEBS' *CR SA column 20*]

**11D Past due items**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(10).

**11E Past due items**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(10).

**11F Past due items**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(10).

**12A Items belonging to regulatory high-risk categories**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (11).

[CEBS' *CR SA column 22*]

**12B Items belonging to regulatory high-risk categories**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (11).

[CEBS' *CR SA column 20*]

**12D Items belonging to regulatory high-risk categories**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(11).

**12E Items belonging to regulatory high-risk categories**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(11).

**12F Items belonging to regulatory high-risk categories**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(11).

**13A Covered bonds**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (12).

[CEBS' *CR SA column 22*]

**13B Covered bonds**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (12).

**13D Covered bonds**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(12).

**13E Covered bonds**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(12).

**13F Covered bonds**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(12).

**14A Securitisation positions**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (13).

[CEBS' CR SEC SA column 33]

**14B Securitisation positions**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (13).

[CEBS' CR SEC SA column 19]

**14D Securitisation positions**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(13).

**14E Securitisation positions**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(13).

**14F Securitisation positions**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(13).

**15A Short term claims on institutions and corporates**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (14).

[CEBS' CR SA column 22]

**15B Short term claims on institutions and corporates**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (14).

[CEBS' CR SA column 20]

**15D Short term claims on institutions and corporates**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(14).

**15E Short term claims on institutions and corporates**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(14).

**15F Short term claims on institutions and corporates**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(14).



#### **16A Collective investment undertakings**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (15).

[*CEBS' CR SA column 22*]

#### **16B Collective investment undertakings**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (15).

[*CEBS' CR SA column 20*]

#### **16D Collective investment undertakings**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(15).

#### **16E Collective investment undertakings**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(15).

#### **16F Collective investment undertakings**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9(15).

#### **17A Other items**

This is the capital requirement, calculated in accordance with *BIPRU* 3, relating to the asset class defined in *BIPRU* 3.2.9R (16).

[*CEBS' CR SA column 22*]

#### **17B Other items**

This is the exposure value relating to the asset class defined in *BIPRU* 3.2.9R (16).

#### **17D Other items**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 3.2.9R(16).

#### **17E Other items**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 3.2.9R(16).

#### **17F Other items**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 3.2.9R(16).

### **Breakdown under the foundation IRB approach to credit risk**

#### **18A Total capital requirement**

This is the same as the capital requirement reported in data element 81A in FSA003.

[*CEBS' CR IRB column 24*]

#### **18B Total exposure value**

This is the total exposure value, being the sum of 19B to 21B.

**18C Total expected loss**

This is the total expected loss reported in data elements 19C to 21C.

**18D Total individual impairments**

This is the total individual impairments, being the sum of data elements 19D to 21D.

**18E Total collective impairments**

This is the total collective impairments, being the sum of data elements 19E to 21E.

**18F Total other (credit valuation adjustment)**

This is the total for all other credit valuation adjustments, being the sum of data elements 19F to 21F.

**19A Central governments and central banks**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (1).

[*CEBS' CR IRB column 24*]

**19B Central governments and central banks**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (1).

[*CEBS' CR IRB column 11*]

**19C Central governments and central banks**

This is the expected loss calculated in accordance with *BIPRU* 4.4.61R to *BIPRU* 4.4.62R gross of tax adjustments relating to the asset class defined in *BIPRU* 4.3.2R(1).

**19D Central governments and central banks**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(1).

**19E Central governments and central banks**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(1).

**19F Central governments and central banks**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(1).

**20A Institutions**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (2).

[*CEBS' CR IRB column 24*]

**20B Institutions**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (2).

[*CEBS' CR IRB column 11*]

**20C Institutions**

This is the expected loss calculated in accordance with *BIPRU* 4.4.61R to *BIPRU* 4.4.62R gross of tax adjustments relating to the asset class defined in *BIPRU* 4.3.2R(2).

**20D Institutions**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(2).

**20E Institutions**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(2).

**20F Institutions**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(2).

**21A Corporates**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (3).

[*CEBS' CR IRB column 24*]

**21B Corporates**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (3).

[*CEBS' CR IRB column 11*]

**21C Corporates**

This is the expected loss calculated in accordance with *BIPRU* 4.4.61R to *BIPRU* 4.4.62R gross of tax adjustments relating to the asset class defined in *BIPRU* 4.3.2R(3).

**21D Corporates**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(3).

**21E Corporates**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(3).

**21F Corporates**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(3).

**22A Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the capital requirement, calculated in accordance with *BIPRU* 4 using the correlation formula in *BIPRU* 4.4.59R, relating to exposures to the asset class defined in *BIPRU* 4.3.2R (3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 21A.

[*CEBS' CR IRB column 24*]

**22B Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the exposure value relating to exposures to the asset class defined in *BIPRU* 4.3.2R (3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 21B.

[*CEBS' CR IRB column 11*]

**22C Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the expected loss calculated in accordance with *BIPRU* 4.4.61 to *BIPRU* 4.4.62 gross of tax adjustments relating to the asset class defined in *BIPRU* 4.3.2R(3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 21C.

**22D Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(3) that meets the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 21D.

**22E Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 21E.

**22F Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 21F.

**39A Of which: To specialised lending BIPRU 4.5**

This is the capital requirement relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 21A.

**39B Of which: To specialised lending BIPRU 4.5**

This is the exposure value relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied.. It is part of 21B.

**39C Of which: To specialised lending BIPRU 4.5**

This is the expected loss relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied.. It is part of 21C.

**39D Of which: To specialised lending BIPRU 4.5**

This is the provision/impairment relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 21D.

**39E Of which: To specialised lending BIPRU 4.5**

This is the provision/impairment relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 21E.

**39F Of which: To specialised lending BIPRU 4.5**

This is for any other credit valuation adjustments relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 21F.

## **Breakdown of Retail IRB**

### **23A Total capital requirement**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (4). It is the same as the capital requirement reported in data element 82A in FSA003.

[*CEBS' CR IRB column 24*]

### **23B Total exposure value**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (4) and is the sum of 24B to 27B.

[*CEBS' CR IRB column 11*]

### **23C Total expected loss**

This is the expected loss relating to the asset class defined in *BIPRU* 4.3.2R(4) and is the sum of 24C to 27C.

### **23D Total individual impairments**

This is the total individual impairments, being the sum of data elements 24D to 27D. We understand most firms will not carry out individual assessments on retail exposures so in the majority of instances column D for these exposure classes will be zero.

### **23E Total collective impairments**

This is the total collective impairments, being the sum of data elements 24E to 27E.

### **23F Total other (credit valuation adjustment)**

This is the total for all other credit valuation adjustments, being the sum of data elements 24F to 27F.

### **24A Retail mortgages**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (4) and subject to *BIPRU* 4.6.43R.

[*CEBS' CR IRB column 24*]

### **24B Retail mortgages**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (4) and subject to *BIPRU* 4.6.43R.

[*CEBS' CR IRB column 11*]

### **24C Retail mortgages**

This is the expected loss, calculated in accordance with *BIPRU* 4.6.47R to *BIPRU* 4.6.48R relating to the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.43R.

### **24D Retail mortgages**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.43R.

### **24E Retail mortgages**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.43R.

#### **24F Retail mortgages**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.43R.

#### **25A Qualifying Revolving Retail Exposures**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (4) and subject to *BIPRU* 4.6.44R to *BIPRU* 4.6.46R.

[*CEBS' CR IRB column 24*]

#### **25B Qualifying Revolving Retail Exposures**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (4) and subject to *BIPRU* 4.6.44R to *BIPRU* 4.6.46G.

[*CEBS' CR IRB column 11*]

#### **25C Qualifying Revolving Retail Exposures**

This is the expected loss, calculated in accordance with *BIPRU* 4.6.47R to *BIPRU* 4.6.48R relating to the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.44R to *BIPRU* 4.6.46G.

#### **25D Qualifying Revolving Retail Exposures**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.44R to *BIPRU* 4.6.46G.

#### **25E Qualifying Revolving Retail Exposures**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.44R to *BIPRU* 4.6.46G.

#### **25F Qualifying Revolving Retail Exposures**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(4) and subject to *BIPRU* 4.6.44R to *BIPRU* 4.6.46G.

#### **26A Retail SME**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (4) for an exposure to a *Retail SME*.

[*CEBS' CR IRB column 24*]

#### **26B Retail SME**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (4) for an exposure to a *Retail SME*.

[*CEBS' CR IRB column 11*]

#### **26C Retail SME**

This is the expected loss, calculated in accordance with *BIPRU* 4.6.47R to *BIPRU* 4.6.48R relating to the asset class defined in *BIPRU* 4.3.2R(4) for an exposure to a *Retail SME*.

#### **26D Retail SME**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(4) for an exposure to a *Retail SME*.

**26E Retail SME**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(4) for an exposure to a *Retail SME*.

**26F Retail SME**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(4) for an exposure to a *Retail SME*.

**27A Other retail**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (4) that is not otherwise reported in 24A, 25A or 26A.

[*CEBS' CR IRB column 24*]

**27B Other retail**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (4) that is not otherwise reported in 24B, 25B or 26B.

[*CEBS' CR IRB column 11*]

**27C Other retail**

This is the expected loss, calculated in accordance with *BIPRU* 4.6.47R to *BIPRU* 4.6.48R relating to the asset class defined in *BIPRU* 4.3.2R(4) that is not otherwise reported in 24C, 25C or 26C.

**27D Other retail**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(4) that is not otherwise reported in 24D, 25D or 26D.

**27E Other retail**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(4) that is not otherwise reported in 24E, 25E or 26E.

**27F Other retail**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(4) that is not otherwise reported in 24F, 25F or 26F.

**Breakdown under the advanced IRB approach to credit risk****28A Total capital requirement**

This is the total capital requirement, being the sum of 29B to 31B. This is the same as the capital requirement reported in data element 83A in FSA003.

[*CEBS' CR IRB column 24*]

**28B Total exposure value**

This is the total exposure value, being the sum of 29B to 31B.

**28C Total expected loss**

This is the total expected loss value, being the sum of 29C to 31C.

**28D Total individual impairments**

This is the total individual impairments, being the sum of 29D to 31D.

**28E Total collective impairments**

This is the total collective impairments, being the sum of 29E to 31E.

**28F Total other (credit valuation adjustment)**

This is the total of all other credit valuation adjustments, being the sum of 29F to 31F.

**29A Central governments and central banks**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (1).

[*CEBS' CR IRB column 24*]

**29B Central governments and central banks**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (1).

[*CEBS' CR IRB column 11*]

**29C Central governments and central banks**

This is the expected loss, calculated in accordance with *BIPRU* 4.4.61R to *BIPRU* 4.4.62R relating to the asset class defined in *BIPRU* 4.3.2R(1). Firms should be aware that central government has an extended meaning, see *BIPRU* 4.4.2R.

**29D Central governments and central banks**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(1). Firms should be aware that central government has an extended meaning, see *BIPRU* 4.4.2R.

**29E Central governments and central banks**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(1). Firms should be aware that central government has an extended meaning, see *BIPRU* 4.4.2R.

**29F Central governments and central banks**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(1). Firms should be aware that central government has an extended meaning, see *BIPRU* 4.4.2R.

**30A Institutions**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (2).

[*CEBS' CR IRB column 24*]

**30B Institutions**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (2).

[*CEBS' CR IRB column 11*]

**30C Institutions**

This is the expected loss, calculated in accordance with *BIPRU* 4.4.61R to *BIPRU* 4.4.62R relating to the asset class defined in *BIPRU* 4.3.2R(2). Firms should be aware that institutions has an extended meaning, see *BIPRU* 4.4.3R.



### **30D Institutions**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(2). Firms should be aware that institutions has an extended meaning, see *BIPRU* 4.4.3R.

### **30E Institutions**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(2). Firms should be aware that institutions has an extended meaning, see *BIPRU* 4.4.3R.

### **30F Institutions**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(2). Firms should be aware that institutions has an extended meaning, see *BIPRU* 4.4.3R.

### **31A Corporates**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (3).

[*CEBS' CR IRB column 24*]

### **31B Corporates**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (3).

[*CEBS' CR IRB column 11*]

### **31C Corporates**

This is the expected loss, calculated in accordance with *BIPRU* 4.4.61R to *BIPRU* 4.4.62R relating to the asset class defined in *BIPRU* 4.3.2R(3).

### **31D Corporates**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(3).

### **31E Corporates**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(3).

### **31F Corporates**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(3).

### **32A Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the capital requirement, calculated in accordance with *BIPRU* 4 using the correlation formula in *BIPRU* 4.4.59R, relating to exposures to the asset class defined in *BIPRU* 4.3.2R (3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 31A.

[*CEBS' CR IRB column 24*]

### **32B Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the exposure value relating to exposures to the asset class defined in *BIPRU* 4.3.2R (3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 31B.

[CEBS' CR IRB column 11]

**32C Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the expected loss calculated in accordance with *BIPRU* 4.4.61 to *BIPRU* 4.4.62 relating to the asset class defined in *BIPRU* 4.3.2R(3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R, and should not include any adjustments. It is part of 31C.

**32D Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(3) that meets the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 31D.

**32E Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 31E.

**32F Of which: To companies according to BIPRU 4.4.59R to BIPRU 4.4.60R**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R (3) that meet the size requirements in *BIPRU* 4.4.59R and *BIPRU* 4.4.60R. It is part of 31F.

**Row 40 – general application**

If a *firm's* IRB permission allows it to use the advanced IRB approach for the sovereign, institution, and corporate exposure class, it should include data relating to all specialised lending exposures (defined in *BIPRU* 4.5.3R) to which the slotting approach set out in *BIPRU* 4.5.8R is applied in this row.

**40A Of which: To specialised lending BIPRU 4.5**

This is the capital requirement relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 31A.

**40B Of which: To specialised lending BIPRU 4.5**

This is the exposure value relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 31B.

**40C Of which: To specialised lending BIPRU 4.5**

This is the expected loss relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 31C.

**40D Of which: To specialised lending BIPRU 4.5**

This is the provision/impairment relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 31D.

**40E Of which: To specialised lending BIPRU 4.5**

This is the provision/impairment relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 31E.

**40F Of which: to specialised lending BIPRU 4.5**

This is for any other credit valuation adjustments relating to those exposures within the specialised lending exposure class, defined in *BIPRU* 4.5.3R, to which the slotting approach set out in *BIPRU* 4.5.8R is applied. It is part of 31F.

**Other IRB exposure classes**

**33A Total capital requirement**

This is the same as the capital requirement reported in data element 84A in FSA003. It is the sum of 34A to 36A.

**33B Total other exposure value**

This is the total exposure value, being the sum of 34B to 36B.

**33C Total expected loss**

This is the total expected loss. As expected loss is only applicable to Equity claims, the total will be the same value as 34C.

**33D Total individual impairments**

This is the total individual impairments, being the sum of 34D to 36D.

**33E Total collective impairments**

This is the total collective impairments, being the sum of 34E to 36E.

**33F Total other (credit valuation adjustment)**

This is the total of all other credit valuation adjustments, being the sum of 34F to 36F.

**34A Equity claims**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (5).

[CEBS' CR EQU IRB column 13]

**34B Equity claims**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (5).

[CEBS' CR EQU IRB column 9]

**34C Equity claims**

This is the expected loss relating to assets within the asset class defined in *BIPRU* 4.3.2R(5).

**34D Equity claims**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(5).

**34E Equity claims**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(5).

### **34F Equity claims**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(5).

### **35A Securitisation positions**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (6).

[*CEBS' CR SEC IRB column 39*]

### **35B Securitisation positions**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (6).

[*CEBS' CR SEC IRB column 17*]

### **35D Securitisation positions**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(6).

### **35E Securitisation positions**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(6).

### **35F Securitisation positions**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(6).

### **36A Non credit-obligation assets**

This is the capital requirement, calculated in accordance with *BIPRU* 4, relating to the asset class defined in *BIPRU* 4.3.2R (7).

[*CEBS' CA 2.1.2.5*]

### **36B Non credit-obligation assets**

This is the exposure value relating to the asset class defined in *BIPRU* 4.3.2R (7). It is calculated as the figure in 36A divided by 8%.

### **36D Non credit-obligation assets**

This is the provision/impairment which arises from the individual assessment of an asset within the asset class defined in *BIPRU* 4.3.2R(7).

### **36E Non credit-obligation assets**

This is the provision/impairment which arises from a review of groups of assets within the asset class defined in *BIPRU* 4.3.2R(7).

### **36F Non credit-obligation assets**

This is for any other credit valuation adjustments relating to the asset class defined in *BIPRU* 4.3.2R(7).

## FSA004– Credit risk validations

### Internal validations

Data elements are referenced by row then column.

| Validation number | Data element |   |   |
|-------------------|--------------|---|---|
| 1                 |              |   | [deleted – replaced by validation 14]   |
| 2                 | 1B           | = | 2B+3B+4B+5B+6B+7B+8B+9B+37B+38B+11B+12B+13B+14B+15B+16B+17B                               |
| 3                 | 18A          | = | 19A+20A+21A   |
| 4                 | 18B          | = | 19B+20B+21B   |
| 5                 |              |   | [deleted]   |
| 6                 |              |   | [deleted]   |
| 7                 | 23A          | = | 24A+25A+26A+27A   |
| 8                 | 23B          | = | 24B+25B+26B+27B   |
| 9                 | 28A          | = | 29A+30A+31A   |
| 10                | 28B          | = | 29B+30B+31B   |
| 11                |              |   | [deleted]   |
| 12                |              |   | [deleted]   |
| 13                |              | = | [deleted]   |
| 14                | 1A           | = | 2A + 3A + 4A + 5A + 6A + 7A + 8A + 9A + 37A+38A + 11A + 12A + 13A + 14A + 15A + 16A + 17A |
| 15                | 33A          | = | 34A + 35A + 36A   |
| 16                | 33B          | = | 34B + 35B + 36B   |
| 17                | 1D           | = | $\Sigma(2D:9D) + 37D + 38D + \Sigma(11D:17D)$   |
| 18                | 1E           | = | $\Sigma(2E:9E) + 37E + 38E + \Sigma(11E:17E)$   |
| 19                | 1F           | = | $\Sigma(2F:9F) + 37F + 38F + \Sigma(11F:17F)$   |
| 20                | 18C          | = | $\Sigma(19C:21C)$   |
| 21                | 18D          | = | $\Sigma(19D:21D)$   |
| 22                | 18E          | = | $\Sigma(19E:21E)$   |
| 23                | 18F          | = | $\Sigma(19F:21F)$   |
| 24                |              |   | [deleted]   |
| 25                |              |   | [deleted]   |
| 26                |              |   | [deleted]   |

|    |     |   |                   |
|----|-----|---|-------------------|
| 27 |     |   | [deleted]         |
| 28 |     |   | [deleted]         |
| 29 |     |   | [deleted]         |
| 30 | 23C | = | $\Sigma(24C:27C)$ |
| 31 | 23D | = | $\Sigma(24D:27D)$ |
| 32 | 23E | = | $\Sigma(24E:27E)$ |
| 33 | 23F | = | $\Sigma(24F:27F)$ |
| 34 | 28C | = | $\Sigma(29C:31C)$ |
| 35 | 28D | = | $\Sigma(29D:31D)$ |
| 36 | 28E | = | $\Sigma(29E:31E)$ |
| 37 | 28F | = | $\Sigma(29F:31F)$ |
| 38 |     |   | [deleted]         |
| 39 |     |   | [deleted]         |
| 40 |     |   | [deleted]         |
| 41 |     |   | [deleted]         |
| 42 |     |   | [deleted]         |
| 43 |     |   | [deleted]         |
| 44 | 33D | = | 34D + 35D + 36D   |
| 45 | 33E | = | 34E + 35E + 36E   |
| 46 | 33F | = | 34F + 35F + 36F   |

### External validations

| Validation number | Data element |   |                                       |
|-------------------|--------------|---|---------------------------------------|
| 1                 |              |   | [deleted – replaced by validation 6]  |
| 2                 |              |   | [deleted – replaced by validation 7]  |
| 3                 |              |   | [deleted – replaced by validation 8]  |
| 4                 |              |   | [deleted – replaced by validation 9]  |
| 5                 |              |   | [deleted – replaced by validation 10] |
| 6                 | 1A           | = | FSA003.79A                            |
| 7                 | 18A          | = | FSA003.81A                            |
| 8                 | 23A          | = | FSA003.82A                            |
| 9                 | 28A          | = | FSA003.83A                            |



## **FSA005 – Market risk**

This data item provides the appropriate regulator with information on the market risk capital requirement under *GENPRU* 2.1.40R. The data item is intended to reflect the underlying prudential requirements contained in *GENPRU* and *BIPRU* and allows monitoring against the requirements set out there and also those individual requirements placed on firms. We have provided references to the underlying rules to assist in its completion.

For *UK consolidation groups*, the figures reported should exclude any part of the *consolidated market risk requirement* that has been calculated using the rules of a non-*EEA* regulator.

It will be after any consolidation adjustments for inter-group transactions.

This data item has similarities to CEBS' COREP Tables MKR SA TDI, MKR SA EQU, MKR SA FX, MKR SA COM and MKR IM<sup>1</sup>, but reflects the Rules and wording in the Handbook, omits elements which are not in our view relevant in the UK, and combines some other elements. The numbers in parenthesis and italics show the corresponding element(s) in CEBS' Tables and are only provided for information purposes to identify the linkage to the CEBS' data.

### **Valuation**

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **Interest rate risk**

See *BIPRU* 7.2.

#### **1 Valuation of longs**

Report the long positions.

[*CEBS' MKR SA TDI, items 1 and 2 combined, column 1*]

#### **2 Valuation of shorts**

Report the short positions.

[*CEBS' MKR SA TDI, items 1 and 2 combined, column 2*]

---

<sup>1</sup> [www.c-eps.org/documents/GL04\\_MKR.xls](http://www.c-eps.org/documents/GL04_MKR.xls)



### **3 PRR**

See *BIPRU 7.2.52R*

[*CEBS' MKR SA TDI, items 1 and 2 combined, column 9*]

### **4 Specific interest rate risk – 0% risk bucket**

Enter the amounts subject to this risk bucket weighting. See *BIPRU 7.2.43R* to *BIPRU 7.2.51G*

[*CEBS' MKR SA TDI item 3.1, column 8*]

### **5 Specific interest rate risk – 0.25% risk bucket**

Enter the amounts subject to this risk bucket weighting. See *BIPRU 7.2.43R* to *BIPRU 7.2.51G*.

[*CEBS' MKR SA TDI item 3.2a, column 8*]

### **6 Specific interest rate risk – 1.00% risk bucket**

Enter the amounts subject to this risk bucket weighting. See *BIPRU 7.2.43R* to *BIPRU 7.2.51G*.

[*CEBS' MKR SA TDI item 3.2b, column 8*]

### **7 Specific interest rate risk – 1.60% risk bucket**

Enter the amounts subject to this risk bucket weighting. See *BIPRU 7.2.43R* to *BIPRU 7.2.51G*.

[*CEBS' MKR SA TDI item 3.2c, column 8*]

### **8 Specific interest rate risk – 8.00% risk bucket**

Enter the amounts subject to this risk bucket weighting. See *BIPRU 7.2.43R* to *BIPRU 7.2.48G*.

[*CEBS' MKR SA TDI item 3.3, column 8*]

### **9 Specific interest rate risk – 12.00% risk bucket**

Enter the amounts subject to this risk bucket weighting. See *BIPRU 7.2.43R* to *BIPRU 7.2.48G*.

[*CEBS' MKR SA TDI item 3.4, column 8*]

### **10 Specific interest rate PRR**

See *BIPRU 7.2.43R*.

[*CEBS' MKR SA TDI items 3.1 to 3.4, column 9*]

### **66 Net long securitisation (excl. re-securitisation) exposures/unrated liquidity facilities PRR**

See *BIPRU 7.2.48AR* to *BIPRU 7.2.48KR*.

### **67 Net short securitisation (excl. re-securitisation) exposures/unrated liquidity facilities PRR**

See *BIPRU 7.2.48AR* to *BIPRU 7.2.48KR*.

**68 Net long re-securitisation exposures/unrated liquidity facilities PRR**

See *BIPRU 7.2.48AR* to *BIPRU 7.2.48KR*.

**69 Net short re-securitisation exposures/unrated liquidity facilities PRR**

See *BIPRU 7.2.48AR* to *BIPRU 7.2.48KR*.

**12 Ordinary CDS (outside correlation trading portfolio) PRR**

See *BIPRU 7.11.24R*.

[Part of CEBS' MKR SA TDI item 3, columns 6 and 7]

**13 Securitisation CDS (outside correlation trading portfolio) PRR**

See *BIPRU 7.11.35R*.

[Part of CEBS' MKR SA TDI item 3, columns 6 and 7]

**14 Basic interest rate PRR calculation for equity instruments**

See *BIPRU 7.3*.

**15 Option PRR for interest rate positions**

See *BIPRU 7.6*.

[Part of CEBS' MKR SA TDI item 7 column 9]

**16 CAD1 PRR for interest rate positions**

See *BIPRU 7.9*.

[Part of CEBS' MKR SA TDI item 7 column 9]

**17 Other PRR for interest rate risk**

Where a 'prudent' uplift is required under *BIPRU 7.2.46R* or PRR arising from other non-standard transactions as required by *BIPRU 7.1.9R* to *BIPRU 7.1.16E* and that is attributable to interest rate risk

**70 Correlation trading portfolio – Net long positions PRR**

See *BIPRU 7.2.42A R* to *BIPRU 7.4.42DR* & *BIPRU 7.2.48LR*.

**71 Correlation trading portfolio – Net short positions PRR**

See *BIPRU 7.2.42A R* to *BIPRU 7.2.42DR* & *BIPRU 7.2.48LR*.

**18 Total interest rate PRR**

This is the sum of the general interest rate, specific interest rate, *securitisation* exposures/unrated liquidity facilities, *re-securitisation positions* / unrated liquidity facilities, ordinary CDS, *securitisation* CDS, basic interest rate, options, CAD1, other PRRs, and *correlation trading portfolio positions*.

This will have the same value as data element 96A in FSA003.

[CEBS' MKR SA TDI column 9 total less item 4 column 9]

**Equity risk**

See *BIPRU 7.3*.

## **General equity risk (or simplified)**

See *BIPRU 7.3.26G* to *BIPRU 7.3.30R* and *BIPRU 7.3.40R* to *BIPRU 7.3.43G*.

### **19 Valuation of longs**

This is the sum of the notional long positions. See *BIPRU 7.3.9G* to *BIPRU 7.3.25G*.

[*CEBS' MKR SA EQU item 1, column 1*]

### **20 Valuation of shorts**

This is the sum of the notional short positions. See *BIPRU 7.3.9G* to *BIPRU 7.3.25G*.

[*CEBS' MKR SA EQU item 1, column 2*]

### **21 PRR**

This is the PRR under the simplified equity method. See *BIPRU 7.3.29R* to *BIPRU 7.3.30R*.

[*CEBS' MKR SA EQU item 1, column 7*]

## **Specific equity risk by risk bucket**

See *BIPRU 7.3.31R* to *BIPRU 7.3.39R*.

### **23 Qualifying equity indices**

Enter the valuation of the instruments. See *BIPRU 7.3.38R* to *BIPRU 7.3.39R*.

### **82 All equities, and other equity indices or equity baskets**

Enter the valuation of all equities, and other equity indices or equities baskets. See *BIPRU 7.3.31G* to *BIPRU 7.3.34R*.

### **65 Convertibles adjustment**

Enter the PRR adjustment here. This adjustment will be made to ensure observance of *BIPRU 7.3.13R*.

### **25 PRR for specific equity risk**

Enter the total PRR calculated in accordance with *BIPRU 7.3.33R* and *BIPRU 7.3.34R*.

[*CEBS' MKR SA EQU item 2, column 7*]

### **26 Option PRR for equity positions**

See *BIPRU 7.6*.

[*Part of CEBS' MKR SA EQU item 6 column 7*]

### **27 CAD1 PRR for equity positions**

See *BIPRU 7.9*.

[*Part of CEBS' MKR SA EQU item 6 column 7*]

### **28 Other PRR**

This covers, for instance, where a firm nets off positions and is required to cover the risk of the derivative not moving with its constituent equities – see *BIPRU 7.3.48R* and *BIPRU 7.3.49G*.

It also includes PRR arising from other non-standard transactions as required by *BIPRU 7.1.7R* to *BIPRU 7.1.13E* that is attributable to equity risk.

## **29 Total equity PRR**

This is the sum of the general equity, specific equity, option, CAD1 and other PRRs.

This will have the same value as data element 97A in FSA003.

[CEBS' MKR SA EQU column 7 total less item 3 column 7]

## **Commodity risk**

See BIPRU 7.4.

## **30 Valuation of longs**

Enter the valuation of the derived notional long positions. See BIPRU 7.4.7G to BIPRU 7.4.19G.

[CEBS' MKR SA COM items 1-2, column 1]

## **31 Valuation of shorts**

Enter the valuation of the derived notional short positions. See BIPRU 7.4.7G to BIPRU 7.4.19G.

[CEBS' MKR SA COM items 1-2, column 2]

## **32 Outright PRR**

See BIPRU 7.4.25R to BIPRU 7.4.30G (for maturity ladder approach) or BIPRU 7.4.31R to BIPRU 7.4.37G (for extended maturity ladder approach).

[CEBS' MKR SA COM items 1c and 2c, column 8]

## **33 Spread PRR**

See BIPRU 7.4.25R to BIPRU 7.4.30G (for maturity ladder approach) or BIPRU 7.4.31R to BIPRU 7.4.37G (for extended maturity ladder approach).

[CEBS' MKR SA COM items 1a and 2a, column 8]

## **34 Carry PRR**

See BIPRU 7.4.25R to 7.4.30G (for maturity ladder approach) or BIPRU 7.4.31R to BIPRU 7.4.37G (for extended maturity ladder approach).

[CEBS' MKR SA COM items 1b and 2b, column 8]

## **35 Simplified PRR**

See BIPRU 7.4.24R.

[CEBS' MKR SA COM item 3, column 8]

## **36 Total PRR**

This is the sum of the outright, spread and carry PRRs.

[CEBS' MKR SA COM items 1a to 1c plus 2a to 2c plus item 3 column 8]

## **37 Option PRR for commodity positions**

See BIPRU 7.6.

[Part of CEBS' MKR SA COM item 6, column 8]

### **38 CAD1 PRR for commodity positions**

See *BIPRU 7.9*.

[Part of *CEBS' MKR SA COM item 6, column 8*]

### **39 Other PRR**

See *BIPRU 7.4.38R* to *BIPRU 7.4.40R*. It includes PRR arising from other non-standard transactions as required by *BIPRU 7.1.7R* to *BIPRU 7.1.13E* that is attributable to commodity risk.

[Includes *CEBS' MKR SA COM item 7, column 8*]

### **40 Total commodity PRR**

This is the sum of the Total, Option, CAD1 and Other PRRs.

This will have the same value as data element 98A in FSA003.

[*CEBS' MKR SA COM column 8 total*]

### **Foreign currency risk**

See *BIPRU 7.5*.

### **General foreign currency risk**

#### **41 Total net long positions**

This is the derived net long positions. See *BIPRU 7.5.10G* to *BIPRU 7.5.19R*.

[*CEBS' MKR SA FX items 1 to 4, column 1*]

#### **42 Total net short positions**

This is the derived net short positions. See *BIPRU 7.5.10G* to *BIPRU 7.5.19R*.

[*CEBS' MKR SA FX items 1 to 4, column 2*]

#### **43 Net gold positions**

See *BIPRU 7.5.20R*.

[*CEBS' MKR SA FX item 5, column 1 minus 2*]

#### **44 PRR**

This is the PRR calculated under *BIPRU 7.5.1R*.

[*CEBS' MKR SA FX items 1 to 5, column 10*]

#### **45 Option PRR for foreign currency**

See *BIPRU 7.6*.

[Part of *CEBS' MKR SA FX item 6, column 10*]

#### **46 CAD1 PRR for foreign currency**

See *BIPRU 7.9*.

[Part of *CEBS' MKR SA FX item 6, column 10*]

#### **47 Other PRR for foreign currency**

PRR arising from other non-standard transactions as required by *BIPRU 7.1.7R* to *BIPRU 7.1.13E* that is attributable to foreign currency risk.

#### **48 Total foreign currency PRR**

This is the sum of the general, option, CAD1 and other PRRs.

This will have the same value as data element 99A in FSA003.

[*CEBS' MKR SA FX column 10 total*]

#### **Collective investment undertaking risk**

See *BIPRU 7.7*.

#### **General CIU risk**

#### **49 Total net long positions**

This is the value of the net long positions.

[*CEBS' MKR SA TDI item 4 column 1 plus CEBS' MKR SA EQU item 3 column 1*]

#### **50 Total net short positions**

This is the value of the net short positions.

[*CEBS' MKR SA TDI item 4 column 2 plus CEBS' MKR SA EQU item 3 column 2*]

#### **51 PRR**

See *BIPRU 7.7.5R*

[*CEBS' MKR SA TDI item 4 column 9 plus CEBS' MKR SA EQU item 3 column 7*]

#### **52 Option PRR for CIU**

See *BIPRU 7.6*.

#### **53 CAD1 PRR for CIU**

See *BIPRU 7.9*.

#### **54 Other PRR for CIU**

PRR arising from other non-standard transactions as required by *BIPRU 7.1.7R* to *BIPRU 7.1.13E* that is attributable to CIU risk.

#### **55 Total CIU PRR**

This is the sum of the general, option, CAD1 and other PRRs.

This will have the same value as data element 100A in FSA003.

[*CEBS' MKR SA TDI item 4 column 9 plus CEBS' MKR SA EQU item 3 column 7*]

#### **Other PRR**

#### **56 Any other PRR**

PRR arising from other non-standard transactions as required by *BIPRU 7.1.7R* to *BIPRU 7.1.13E* and that is not attributable to any of the other categories e.g. PRR arising from non-financial spread betting.

This will have the same value as data element 101A in FSA003.

#### **Internal models-based charges**

See *BIPRU 7.10*.

**57 Multiplier**

This is the multiplication factor set out in *BIPRU* 7.10.118R to *BIPRU* 7.10.126G.

[*CEBS' MKR IM total positions column 7*]

**58 Previous day's VaR PRR**

This is the VaR under *BIPRU* 7.10.115R.

[*CEBS' MKR IM total positions column 2*]

**59 Average of previous 60 days VaR**

This equates to item (3) in *BIPRU* 7.10.117G.

[*CEBS' MKR IM total positions column 1 divided by total positions column 7*]

**72 SVaR Multiplier**

See *BIPRU* 7.10.118R to *BIPRU* 7.10.126G.

**73 Latest SvaR**

See *BIPRU* 7.10.27AR

**74 Average of previous 60 days SvaR**

See *BIPRU* 7.10.27AR and *BIPRU* 7.10.117G items (6) and (8).

**75 Latest Incremental Risk Charge**

See *BIPRU* 7.10.116R

**76 Average of previous 12 weeks Incremental Risk Charge**

See *BIPRU* 7.10.116R and *BIPRU* 7.10.117G items (10) and (11)

**77 Latest All Price Risk Measure**

See *BIPRU* 7.10.55TR to *BIPRU* 7.10.55YR and *BIPRU* 7.10.116AR

**78 Average of previous 12 weeks All Price Risk Measure**

See *BIPRU* 7.10.55TR to *BIPRU* 7.10.55YR, *BIPRU* 7.10.116AR and *BIPRU* 7.10.117G items (13) and (14)

**79 Standard Rules charge for net long correlation trading portfolio products in APR model**

Firms should report the total standard rules capital charge before multiplying the charge by the *APR* floor charge (8%). The *APR* floor charge is reported in data element 81.

See *BIPRU* 7.10.55UR

**80 Standard Rules charge for net short correlation trading portfolio products in APR model**

Firms should report the total standard rules capital charge before multiplying the charge by the *APR* floor charge (8%). The *APR* floor charge is reported in data element 81.

See *BIPRU* 7.10.55UR

## **81 All Price Risk Floor Charge**

See *BIPRU 7.10.55UR*

## **61 Internal models-based PRR**

This is the sum of the *VaR* capital charge, *stressed VaR* (SVaR) capital charge, *incremental risk charge*, *all price risks measure* and any internal models add-ons. See *BIPRU 7.10.113R* to *BIPRU 7.10.117G*.

This will have the same value as data element 102A in FSA003.

## **62 Grand total PRR**

This is the sum of the total interest rate PRR, the total equity PRR, the total foreign currency PRR, the total collective investment undertaking PRR, other PRR and the VaR model based PRR.

This figure will have the same value as data element 93A less 94A on FSA003.

## **Add-ons**

### **63 Add-ons**

This comprises the add-ons to model based PRR under *BIPRU 7.10*

### **64 Total Add-ons**

The total of items 1 to n in 63



## FSA005 – Market risk validations

### Internal validations

Data elements are referenced by row then column.

| Validation number | Data element |   |                                       |
|-------------------|--------------|---|---------------------------------------|
| 1                 | 3G           | = | 3A + 3B + 3C + 3D + 3E + 3F           |
| 2                 | 10G          | = | 10A + 10B + 10C + 10D + 10E + 10F     |
| 3                 | 18G          | = | 18A + 18B + 18C + 18D + 18E + 18F     |
| 4                 |              |   | [deleted – replaced by validation 52] |
| 5                 |              |   | [deleted]                             |
| 6                 |              |   | [deleted]                             |
| 7                 |              | = | [deleted – replaced by validation 56] |
| 8                 |              |   | [deleted]                             |
| 9                 | 29G          | = | 21G + 25G + 26G + 27G + 28G           |
| 10                | 30G          | = | 30A + 30B + 30C + 30D + 30E           |
| 11                | 31G          | = | 31A + 31B + 31C + 31D + 31E           |
| 12                | 32G          | = | 32A + 32B + 32C + 32D + 32E           |
| 13                | 33G          | = | 33A + 33B + 33C + 33D + 33E           |
| 14                | 34G          | = | 34A + 34B + 34C + 34D + 34E           |
| 15                | 35G          | = | 35A + 35B + 35C + 35D + 35E           |
| 16                | 36G          | = | 36A + 36B + 36C + 36D + 36E           |
| 17                | 36A          | = | 32A + 33A + 34A + 35A                 |
| 18                | 36B          | = | 32B + 33B + 34B + 35B                 |
| 19                | 36C          | = | 32C + 33C + 34C + 35C                 |
| 20                | 36D          | = | 32D + 33D + 34D + 35D                 |
| 21                | 36E          | = | 32E + 33E + 34E + 35E                 |
| 22                | 36G          | = | 32G + 33G + 34G + 35G                 |
| 23                | 37G          | = | 37A + 37B + 37C + 37D + 37E           |
| 24                | 38G          | = | 38A + 38B + 38C + 38D + 38E           |
| 25                | 39G          | = | 39A + 39B + 39C + 39D + 39E           |
| 26                | 40G          | = | 40A + 40B + 40C + 40D + 40E           |
| 27                | 40A          | = | 36A + 37A + 38A + 39A                 |
| 28                | 40B          | = | 36B + 37B + 38B + 39B                 |

|    |     |    |  |
|----|-----|----|--|
| 29 | 40C | =  | 36C + 37C + 38C + 39C  |
| 30 | 40D | =  | 36D + 37D + 38D + 39D  |
| 31 | 40E | =  | 36E + 37E + 38E + 39E  |
| 32 | 40G | =  | 36G + 37G + 38G + 39G  |
| 33 | 41G | =  | 41A + 41B + 41C + 41D + 41E + 41F  |
| 34 | 42G | =  | 42A + 42B + 42C + 42D + 42E + 42F  |
| 35 | 43G | =  | 43A + 43B + 43C + 43D + 43E + 43F  |
| 36 | 44G | =  | 44A + 44B + 44C + 44D + 44E + 44F  |
| 37 | 45G | =  | 45A + 45B + 45C + 45D + 45E + 45F  |
| 38 | 46G | =  | 46A + 46B + 46C + 46D + 46E + 46F  |
| 39 | 47G | =  | 47A + 47B + 47C + 47D + 47E + 47F  |
| 40 | 48G | =  | 48A + 48B + 48C + 48D + 48E + 48F  |
| 41 | 48A | =  | 44A + 45A + 46A + 47A  |
| 42 | 48B | =  | 44B + 45B + 46B + 47B  |
| 43 | 48C | =  | 44C + 45C + 46C + 47C  |
| 44 | 48D | =  | 44D + 45D + 46D + 47D  |
| 45 | 48E | =  | 44E + 45E + 46E + 47E  |
| 46 | 48F | =  | 44F + 45F + 46F + 47F  |
| 47 | 48G | =  | 44G + 45G + 46G + 47G  |
| 48 | 51G | =  | 51A + 51B + 51C + 51D + 51E + 51F  |
| 49 | 55G | =  | 55A + 55B + 55C + 55D + 55E + 55F  |
| 50 | 55G | =  | 51G + 52G + 53G + 54G  |
| 51 | 62G | =  | 18G + 29G + 40G + 48G + 55G + 56G + 61G  |
| 52 |     | =  | [deleted – replaced by validation 57]  |
| 53 | 64G | =  | SUM (63B)  |
| 54 | 81G | =  | Higher of (79G * 8%, 80G * 8%)   |
| 55 | 61G | =  | Higher of (58G, 59G * 57G) + higher of (73G, 74G * 72G) + higher of (75G, 76G) + higher of (77G, 78G, 81G) + 64G |
| 56 | 25G | =  | (82G * 8%) + (23G*0%) + 65G  |
| 57 | 18G | =  | 3G + 10G + 12G + 13G + 14G + 15G + 16G + 17G + higher of (66G + 68G, 67G + 69G) + higher of (70G, 71G)           |
| 58 | 57G | >= | 3.00 (if element 57G is reported)  |
| 59 | 72G | >= | 3.00 (if element 72G is reported)  |

### External validations

| Validation number | Data element |   |                         |
|-------------------|--------------|---|-------------------------|
| 1                 | 18G          | = | FSA003.96A              |
| 2                 | 29G          | = | FSA003.97A              |
| 3                 | 40G          | = | FSA003.98A              |
| 4                 | 48G          | = | FSA003.99A              |
| 5                 | 55G          | = | FSA003.100A             |
| 6                 | 56G          | = | FSA003.101A             |
| 7                 | 61G          | = | FSA003.102A             |
| 8                 | 62G          | = | FSA003.93A – FSA003.94A |

## **FSA006 – Market risk supplementary**

This data item provides the appropriate regulator with VaR backtesting reports. It contains daily outturn data which is only reported to the appropriate regulator quarterly in arrears.

### **Valuation**

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3 for *BIPRU firms* and article 24 of the *EU CRR* for *IFPRU investment firms*.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **Daily outturn data**

#### **1A Closing P&L data**

This is the daily figure calculated under *BIPRU* 7.10.100R for *BIPRU firms* and article 366(3) of the *EU CRR* for *IFPRU investment firms*.

#### **1B VaR confidence level**

The number reported here will remain constant throughout the period, and is determined in accordance with *BIPRU* 7.10.98R for *BIPRU firms* and article 365 of the *EU CRR* for *IFPRU investment firms*.

#### **1C Holding period (days)**

The number reported here will remain constant throughout the period, and is determined in accordance with *BIPRU* 7.10.98R for *BIPRU firms* and article 365 of the *EU CRR* for *IFPRU investment firms*.

#### **1D Business unit code**

This will record the codes for the major business units, typically ones the firm uses itself, that has previously been agreed with the appropriate regulator. See *BIPRU* 7.10.93G for *BIPRU firms* and article 365 of the *EU CRR* for *IFPRU investment firms*.

#### **1E Currency**

This identifies the VaR reporting currency.

#### **1F Value at Risk**

This is the *One day VaR measure* calculated in accordance with *BIPRU* 7.10.98R.

#### **1G BIPRU 7.10 cleaned P&L**

This is the figure calculated in under *BIPRU* 7.10.100R if you are a *BIPRU firm* and article 366(3) of the *EU CRR* if you are an *IFPRU investment firm*.

**1H Starting P&L date**

This is the date defined under *BIPRU 7.10.100R* if you are a *BIPRU firm* and article 366(3) of the *EU CRR* if you are an *IFPRU investment firm*.

**1J Date on which VaR computed**

This is the date when the VaR is computed under *BIPRU 7.10.115R* if you are a *BIPRU firm* and article 365(1) of the *EU CRR* if you are an *IFPRU investment firm*.

**1K Last date VaR historic data updated**

This is the last date on which this has been updated under *BIPRU 7.10.34R* if you are a *BIPRU firm* and article 365(1) of the *EU CRR* if you are an *IFPRU investment firm*.

**1L Add-on VaR**

This is the figure calculated in accordance with *BIPRU 7.10.113R* if you are a *BIPRU firm* and article 364(1) of the *EU CRR* if you are an *IFPRU investment firm*.

**1M BIPRU 7.10 hypothetical P&L**

This is the figure calculated in accordance with *BIPRU 7.10.112G* if you are a *BIPRU firm* and article 366(3) of the *EU CRR* if you are an *IFPRU investment firm*.

## **FSA006- Market risk supplementary validations**

### **Internal validations**

There are no validations for this data item.

## **FSA007 – Operational risk**

This data item provides the appropriate regulator with information on the operational risk facing a firm. It is intended to reflect the underlying prudential requirements contained in *BIPRU* and allows monitoring against the requirements set out there. We have provided references to the underlying rules to assist in its completion.

This data item is based on CEBS' COREP Table OPR, OPR Details, and OPR LOSS Details<sup>1</sup>, but reflects the rules and wording in the Handbook, and omits items which are not in our view relevant in the UK. The numbers in parenthesis and italics show the corresponding item(s) in CEBS' Table OPR, OPR Details or OPR LOSS Details and are only provided for information purposes to identify the linkage to the CEBS' data.

For *UK consolidation groups*, the figures reported should exclude any part of the *consolidated operational risk requirement* that has been calculated using the rules of a non-*EEA* regulator.

It will be after any consolidation adjustments for inter-group transactions.

### **Valuation**

Unless indicated otherwise, the valuation of data elements should follow *GENPRU* 1.3.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B. Individual rows within an element are identified as 2B.1, 2B.2 etc.

### **Definitions**

#### **1 Approach adopted (Yes/No)**

For each column, enter whether your firm has adopted each approach. See *BIPRU* 6.2.

---

<sup>1</sup> [www.c-ebs.org/documents/GL04\\_OR.xls](http://www.c-ebs.org/documents/GL04_OR.xls)

## **Relevant income indicator – 3 year average**

**2A Corporate finance**

**3A Trading and sales**

**4A Retail brokerage**

**5A Commercial banking**

**6A Retail banking**

**7A Payment and settlement**

**8A Agency services**

**9A Asset management**

For each of the above business lines, enter the 3 year average, before the percentages are applied. See *BIPRU 6.4.6R* to *BIPRU 6.4.9R*.

## **Nominal amount of loans and advances – 3 year average**

**10A Retail banking**

Enter the three year average of the total nominal amount of loans and advances in this business line, before applying the multiplication factors. See *BIPRU 6.4.18R*.

**11A Commercial banking**

Enter the three year average of the total nominal amount of loans and advances in this business line, before applying the multiplication factors. See *BIPRU 6.4.18R*.

**12B Capital requirements before risk transfer mechanisms and expected loss deductions**

This is relevant for firms with an AMA permission. See *BIPRU 6.5*.

[*CEBS' OPR, column 9, item 3*]

**13B Expected loss captured in business practice to be excluded from capital**

This is relevant for firms with an AMA permission. See *BIPRU 6.5.11R*.

[*CEBS' OPR, column 10, item 3*]

**14B Capital alleviation due to risk transfer mechanisms to be excluded from capital**

This is relevant for firms with an AMA permission. See *BIPRU 6.5.27R* to *BIPRU 6.5.31R*.

[*CEBS' OPR, Column 11, item 3*]

**15A Capital required – total – TSA/ASA approach**

This is the operational risk capital requirement arising under *BIPRU 6.4*.

It will agree with data element 88A on FSA003.

[*CEBS' OPR, column 7, items 2 and 3*].

**15B Capital required – total – AMA approach**

This is the operational risk capital requirement arising under *BIPRU 6.5*.

It will agree with data element 89A on FSA003.

[*CEBS' OPR, column 7, items 2 and 3*].



## **Operational risk losses – firms on AMA approach only**

This section seeks information on all additions to the loss events database occurring in the year, even if they relate to events that took place before the start of the period.

### **16A Gross loss amount for the whole period**

Enter the total amount of loss events recorded in the period.

[*CEBS' OPR Details, column 8 total*]

### **17A Total number of loss events**

Enter the total number of loss events recorded in the period.

[*CEBS' OPR Details, column 8 total*]

## **18 Loss events**

In this section, report individual loss events that have occurred during the reporting period which are greater than 1% of the capital resources reported in data element 15A on data item FSA003 at the previous accounting reference date (in 2008 firms should alternatively use the figure reported in data element 25A on FSA009). List each loss event on a separate line.

### **18A Date event added to loss database**

Enter the date on which the event was added to the loss database since the reporting date in ddmmyy format.

### **18B Date of loss event**

Enter the date of the loss event itself in ddmmyy format.

### **18C Gross loss amount**

Enter the gross loss amount (in 000s).

[*OPR LOSS Details, column 2.*]

### **18D Certainty of loss**

This text field should contain your view of the certainty of the loss amount in this column, for example: amount known with certainty, provisioned amount, management estimate, other.

### **18E Business line**

Enter the business line, as set out in *BIPRU* 6.4.14R, in which the loss was incurred.

Please use the following identifiers:

CF = Corporate finance

TS = Trading and sales

RBr = Retail brokerage

CB = Commercial banking

RB = Retail banking

PS = Payment and settlement

AS= Agency services

AM = Asset management

[*CEBS' OPR LOSS Details, columns 9-16*]

### **18F Event type**

Enter the loss event type, as set out in *BIPRU* 6.5.26R.

Please use the following numbers to identify the loss event types:

1 = Internal fraud

2 = External fraud

3 = Employee Practices and Workplace Safety

4 = Clients, Products & Business Practices

5 = Damage to Physical Assets

6 = Business disruption and system failures

7 = Execution, Delivery & Process Management

[*CEBS' OPR LOSS Details, column 17*]

**18G Commentary**

Enter a brief commentary to identify the event.

## FSA007 – Operational risk validations

### Internal validations

Data elements are referenced by row then column.

| Validation number | Data element |   |  |
|-------------------|--------------|---|--|
| 1                 |              |   | [deleted – replaced by validation 5]   |
| 2                 | 15A          |   | If 1A = Yes, then 15A>0, else 15A = 0  |
| 3                 | 1B           |   | If 1B = Yes, then 15B>0  |
| 4                 | 15B          | = | 12B-13B-14B  |
| 5                 | 1A           |   | If 1A = Yes, then $(2A + 3A + 4A + 5A + 6A + 7A + 8A + 9A + 10A + 11A) > 0$ , else $(2A + 3A + 4A + 5A + 6A + 7A + 8A + 9A + 10A + 11A) = 0$ |

### External validations

| Validation number | Data element |   |            |
|-------------------|--------------|---|------------|
| 1                 | 15A          | = | FSA003.88A |
| 2                 | 15B          | = | FSA003.89A |

## **FSA008 – Large exposures**

This data item captures information on *large exposures*, connected exposures within that, exposures by integrated/core/non-core groups, *trading book concentration risk excesses*, and also significant transactions with mixed activity holding companies and their subsidiaries.

Unless indicated otherwise, the valuation of items should follow *GENPRU 1.3*.

### **Valuation**

Unless indicated otherwise, the valuation of data elements should follow *GENPRU 1.3*.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B. Individual rows within an element are identified as 2B.1, 2B.2 etc.

### **General**

#### **1A Is this a report for a UK consolidation group under *BIPRU 8 Ann 1R*?**

See *BIPRU 8 Ann 1R*. If the answer is ‘no’, the firm can move on to data element 3A. If the answer is ‘yes’, then go to data element 2.

#### **2 Firm Reference Numbers**

List the Firm Reference Numbers for all the authorised firms in the *UK consolidation group*. As this report is a joint requirement across all firms that are members of that group, this notifies us of which firms’ requirements are being met by this report. Firms should be listed sequentially in 2A, with the Firm Reference Numbers being entered in 2B.

#### **3A Are you a member of a UK integrated group**

This is only relevant for unconsolidated or solo-consolidated reporters.

The answer is either Yes or No.

If the answer to 3A is Yes, and the firm is part of a *UK integrated group*, one of the members of the *UK integrated group* is also required to submit FSA018 on behalf of all members of the *UK integrated group* for the reporting date.

### **Part 1 – Large exposures at the reporting date**

This section should contain details of all *large exposures* at the reporting date, as defined in *BIPRU 10.5.1R*.

Where a *BIPRU* firm is relying on *BIPRU* TP 33, it should exclude from Part 1 any *large exposures* to members of a wider integrated group or to members of each *diverse block* and the *residual block* (see *BIPRU* TP 33 for further details) – these exposures will be reported separately on FSA018 by the UK integrated group. They should also be excluded from Part 2 (Connected counterparties) in these circumstances.

Exposures to connected counterparties (other than members of an integrated group) should be reported here in aggregate, with a more detailed breakdown provided in Part 2.

Where a firm has established a *core UK group* (as defined in *BIPRU* 10.8A.2R), it should detail these *exposures* in Part 2.

#### **4A Capital resources under *BIPRU* 10.5.3R**

This will be the figure calculated by the firm at the reporting date for data element 57A within FSA003 (even if the firm is not required to submit FSA003 at that date, as in the case of a *BIPRU 50K firm* or a *UK consolidation group* that only reports FSA003 half-yearly), adjusted in line with *BIPRU* 10.5.5R to remove surplus provisions (data element 41A on FSA003), expected loss amounts (data element 50A on FSA003) and securitisation positions (data element 51A on FSA003). For monitoring large exposures during the quarter, firms may either re-calculate their capital resources on a regular basis or use the figure previously reported to the appropriate regulator on FSA003. However, at the reporting date, the figure reported should be the firm's latest calculation of capital resources.

This is equivalent to Stage N of:

- *GENPRU* 2 Annex 2R for a *UK bank*;
- *GENPRU* 2 Annex 3R for a *building society*;
- *GENPRU* 2 Annex 4R for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU* 2 Annex 5R for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU* 2 Annex 6R for a *BIPRU investment firm* with a waiver from consolidated supervision.

#### **4B Capital resources under *BIPRU* 10.5.4R**

This will be the figures reported by the firm at the reporting date for data element 15A in FSA003, adjusted in line with *BIPRU* 10.5.5R to remove surplus provisions (data element 41A on FSA003), expected loss amounts (data element 50A on FSA003) and securitisation positions (data element 51A on appropriate regulator 003).

This is equivalent to stage T in:

- *GENPRU* 2 Annex 2R, for a *UK bank*;
- *GENPRU* 2 Annex 3R, for a *building society*;
- *GENPRU* 2 Annex 4R for a *BIPRU investment firm* deducting *material holdings*;
- *GENPRU* 2 Annex 5R for a *BIPRU investment firm* deducting *illiquid assets*; and
- *GENPRU* 2 Annex 6R for a *BIPRU investment firm* with a waiver from consolidated supervision.

## **5A Exposure number**

Please number each *large exposure* consecutively.

## **5B Counterparty name**

List here the names of the *counterparties, groups of connected clients, and connected counterparties* (as set out in *BIPRU 10.3*) that represent *large exposures* (excluding, as indicated above, by a member of a *UK integrated group* to members of the diverse blocks and the residual block, or by a *core UK group*). Details of individual counterparties comprising the *connected counterparties* will be shown in Part 2, although the aggregate should be shown here. (Details of exposures by members of a *UK integrated group* to a member of a *diverse block* within its *wider integrated group* or a member of its *residual block* will be reported in FSA018 and should be excluded from this section.)

## **5C Gross exposure**

Report here the gross exposures calculated in accordance with *BIPRU 10.2*.

## **5D % of capital resources under BIPRU 10.5.3R**

This is column C as a percentage of data element 4A, and should be 10% or more. It should be entered to two decimal places, omitting the % sign.

## **5E Exposure after credit risk mitigation**

This is the figure reported in column C after *credit risk mitigation*. This figure is subsequently broken down in columns F to M.

## **5F Amount of the exposure that is exempt**

That part of the amount reported in column E that is an exempt under *BIPRU 10.6*.

## **5G % of capital resources under BIPRU 10.5.3R**

This is column F as a percentage of data element 4A. It should be entered to two decimal places, omitting the % sign.

## **5H Amount of the exposure that is not exempt and is in the non-trading book**

That part of the exposure reported in column E that is not exempt and is in the non-trading book.

## **5J % of capital resources under BIPRU 10.5.3R**

This is column H as a percentage of the capital resources under *BIPRU 10.5.3R*. It should be entered to two decimal places, omitting the % sign.

## **5K Amount of the exposure that is not exempt and is in the trading book**

That part of the exposure reported in column E that is not exempt and is in the trading book.

## **5L % of capital resources under BIPRU 10.5.3R**

This is column K as a percentage of the capital resources under *BIPRU 10.5.3R*. It should be entered to two decimal places, omitting the % sign.

### **5M Aggregate % of capital resources under BIPRU 10.5.3R**

This is the sum of columns J and L. The total of the column should be monitored against the limit set out in *BIPRU 10.5.6R*. It should be entered to two decimal places, omitting the % sign.

### **5N Trading book concentration risk excess**

This is the *trading book concentration risk excess*, arising under *BIPRU 10.10A.8R* (or *BIPRU 10.5.20R* for those utilising TP 33), expressed as a percentage of data element 4B. It should be entered to two decimal places, omitting the % sign.

### **5P Trading book concentration risk excesses that have existed for 10 business days or less**

This is the amount of the *trading book concentration risk excesses* that have existed for 10 business days or less, as a percentage of data element 3B.

### **5Q Trading book concentration risk excesses that have persisted for more than 10 business days**

This is the amount of the *trading book concentration risk excesses* that have persisted for more than 10 business days.

### **5R CNCOM**

The amount of CNCOM calculated as set out in *BIPRU 10.10A.4G* to *10.10A.10R* (or *BIPRU 10.5.16G* to *10.5.24G* for those utilising TP 33). It should agree with the amount reported in data element 103A on FSA003 for the same reporting date, except when the firm is a member of a *UK integrated group/core UK group* when there may be some additional CNCOM attributable to the firm.

### **5S Probability of default %**

IRB firms should enter the *probability of default* (PD) of the exposure, or that part covered by the IRB approach. This may be reported on whatever basis is easiest for firms ie the average, the mean, or the worst case. However, firms should apply that approach consistently across all exposures, and across reporting dates for this data element.

### **5T Loss given default %**

IRB firms should enter the *loss given default* (LGD) of the exposure, or that part covered by the IRB approach. This may be reported on whatever basis is easiest for firms ie the average, the mean, or the worst case. However, firms should apply that approach consistently across all exposures, and across reporting dates for this data element.

### **5U Expected loss %**

IRB firms should enter the *expected loss* (EL) of the exposure, or that part covered by the IRB approach. This may be reported on whatever basis is easiest for firms ie the average, the mean, or the worst case. However, firms should apply that approach consistently across all exposures, and across reporting dates for this data element.

## **5V Credit risk capital requirement**

This is the credit risk capital requirement for the exposure, calculated in accordance with *GENPRU 2.1.51R*.

## **5W Funded credit protection**

Report here the portion of the *exposure* being covered by collateral and for which the *exposure* is assigned to the issuer of the collateral.

## **5X Unfunded credit protection**

Report here the portion of the *exposure* which is guaranteed and is assigned to the protection provider.

## **6A Confirmation**

Firms should confirm that we have been notified under *SUP 15.3.11R* of all exposures that have exceeded, or will exceed, the limits set out in *BIPRU 10.5.6R*.

## **Part 2 – Details of connected counterparties at the reporting date**

### **Details of connected counterparties**

This part sets out details of any *connected counterparties* reported in aggregate in Part 1, but this time showing each counterparty whose individual exposure exceeds 2.5% of the capital resources calculated under *BIPRU 10.5.3R* (data element 4A). As with Part 1, this figure should exclude exposures by a member of a *UK integrated group* to members of a wider integrated group or to members of the diverse blocks and the residual block (which are reported in FSA018).

If a firm has a *core UK group*, its *exposures* should be included here.

### **7A Exposure number**

Please number each exposure consecutively. The first exposure will always be the aggregate of those exposures that individually are less than 2.5% of *capital resources* (data element 4A).

### **7B Individual counterparty names, each individually above 2.5% of capital resources**

Report here the individual counterparty names that make up a group of connected counterparties (see *BIPRU 10.3.9R*), where each counterparty's exposure is individually 2.5% or more of *capital resources* (data element 4A).

If a firm has a *core UK group*, its *exposures* should be included here.

As with Part 1, this figure should exclude exposures by a member of a *UK integrated group* to members of the diverse blocks and the residual block.

Data element 7B.1 (the first line of this data element) will always be the aggregate of those connected exposures that are individually under 2.5% of *capital resources*, where we do not require a further breakdown of individual counterparties.



**7C Gross exposure**

Report here the gross exposures calculated in accordance with *BIPRU* 10.2.

**7D % of capital resources under *BIPRU* 10.5.3R**

This is column C as a percentage of data element 4A and should be more than 2.5% (except possible in the case of 7D.1, the first line of the data element). It should be entered to two decimal places, omitting the % sign.

**7E Exposure after credit risk mitigation**

This is the figure reported in column D after *credit risk mitigation*. This figure is subsequently broken down in columns F to M.

**7F Amount of the exposure that is exempt**

That part of the amount reported in column E that is an exempt under *BIPRU* 10.6.

**7G % of capital resources under *BIPRU* 10.5.3R**

This is column F as a percentage of data element 4A. It should be entered to two decimal places, omitting the % sign.

**7H Amount of the exposure that is not exempt and is in the non-trading book**

That part of the exposure reported in column E that is not exempt and is in the non-trading book.

**7J % of capital resources under *BIPRU* 10.5.3R**

This is column H as a percentage of data element 4A. It should be entered to two decimal places, omitting the % sign.

**7K Amount of the exposure that is not exempt and is in the trading book**

That part of the exposure reported in column E that is not exempt and is in the trading book.

**7L % of capital resources under *BIPRU* 10.5.3R**

This is column K as a percentage of data element 4A. It should be entered to two decimal places, omitting the % sign.

**7M Aggregate % of capital resources under *BIPRU* 10.5.3R**

This is the sum of columns J and L. It should be entered to two decimal places, omitting the % sign.

**7N Funded credit protection**

Report here the portion of the *exposure* being covered by collateral and for which the *exposure* is assigned to the issuer of the collateral.

**7O Unfunded credit protection**

Report here the portion of the *exposure* which is guaranteed and is assigned to the protection provider.

### **Part 3 – Trading book concentration risk excesses since the last reporting date**

[deleted]

### **Part 4 – Significant transactions with the mixed activity holding company and its subsidiaries**

This part provides an analysis of significant transactions (other than those resulting in large exposures) with the *mixed activity holding company* and its *subsidiaries*. A transaction is presumed to be significant if its amount exceeds 5% of the total amount of capital resources at the level of the *UK consolidation group* (see *BIPRU 8*).

This section is not completed where the report is for a *UK consolidation group*.

#### **9A Exposure number**

Please number each transaction consecutively.

#### **9B Counterparty name**

This is the individual counterparty name for each significant transaction (other than one resulting in a *large exposure*).

#### **9C Transaction or exposure value**

The amount of each significant transaction (other than one resulting in a *large exposure*) should be entered.

#### **9D % of capital resources**

Enter the percentage the figure reported in column C as a percentage of the total amount of *capital resources* at the level of the *UK consolidation group* (see *BIPRU 8*). It will use the figure reported by the *UK consolidation group* at the previous reporting date that coincided with submission of FSA008. So for a *UK consolidation group* that reports to us half yearly on FSA003 on December, the firm should use that figure of *capital resources* for both the March and June submissions.

Each figure should be greater than 5%. It should be entered to two decimal places, omitting the % sign.

## FSA008 – Large exposures validations

### Internal validations

Data elements are referenced by row then column.

|    |          |        |                                       |
|----|----------|--------|---------------------------------------|
| 1  |          |        | [deleted]                             |
| 2  | 2B.1     |        | If 1A=Yes, then 2B.1 >1 else 2B.1 = 0 |
| 3  | 3A       | >      | If 1A=Yes, then 3A=No                 |
| 4  |          |        | [deleted – replaced by validation 38] |
| 5  | 5E       | $\leq$ | 5C                                    |
| 6  | 5F       | $\leq$ | 5E                                    |
| 7  |          |        | [deleted – replaced by validation 39] |
| 8  | 5H       | $\leq$ | 5E                                    |
| 9  |          |        | [deleted – replaced by validation 40] |
| 10 | 5K       | $\leq$ | 5E                                    |
| 11 | 5F+5H+5K | =      | 5E                                    |
| 12 |          |        | [deleted – replaced by validation 41] |
| 13 |          |        | [deleted – replaced by validation 42] |
| 14 | 5MT      | =      | $\Sigma$ 5M                           |
| 15 |          |        | [deleted – replaced by validation 43] |
| 16 | 5P       | $\leq$ | 5N                                    |
| 17 | 5PT      | =      | $\Sigma$ 5P                           |
| 18 | 5Q       | $\leq$ | 5N                                    |
| 19 | 5QT      | =      | $\Sigma$ 5Q                           |
| 20 | 5P+5Q    | =      | 5N                                    |
| 21 | 5RT      | =      | $\Sigma$ 5R                           |
| 22 | 7CT      | =      | $\Sigma$ 7C                           |
| 23 |          |        | [deleted – replaced by validation 44] |
| 24 | 7E       | $\leq$ | 7C                                    |
| 25 | 7F       | $\leq$ | 7E                                    |
| 26 |          |        | [deleted – replaced by validation 45] |
| 27 | 7H       | $\leq$ | 7E                                    |
| 28 |          |        | [deleted – replaced by validation 46] |
| 29 | 7K       | $\leq$ | 7E                                    |

|    |          |   |                                       |
|----|----------|---|---------------------------------------|
| 30 | 7F+7H+7K | = | 7E                                    |
| 31 |          |   | [deleted – replaced by validation 47] |
| 32 |          |   | [deleted – replaced by validation 48] |
| 33 |          |   | [deleted]                             |
| 34 |          |   | [deleted]                             |
| 35 |          |   | [deleted]                             |
| 36 |          |   | [deleted]                             |
| 37 | 5D       | ≥ | 10.00                                 |
| 38 | 5D       | = | 5C/4A * 100                           |
| 39 | 5G       | = | 5F/4A * 100                           |
| 40 | 5J       | = | 5H/4A * 100                           |
| 41 | 5L       | = | 5K/4A * 100                           |
| 42 | 5M       | = | (5H+5K)/4A * 100                      |
| 43 | 5N       | = | [deleted]                             |
| 44 | 7D       | = | 7C/4A * 100                           |
| 45 | 7G       | = | 7F/4A * 100                           |
| 46 | 7J       | = | 7H/4A * 100                           |
| 47 | 7L       | = | 7K/4A * 100                           |
| 48 | 7M       | = | (7H+7K)/4A * 100                      |

### External validations

| Validation number | Data element |  |  |
|-------------------|--------------|--|--|
| 1                 |              |  | [deleted]  |
| 2                 | 5RT          |  | If 3A = no, then (5RT = FSA003.103A), else (5RT ≤ FSA003.103A) |



## **FSA011 – Building society liquidity**

This data item is used to monitor the liquidity position of *building societies* under *IPRU(BSOC)*.

### **Valuation**

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kronor, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **Definitions**

Column A Values here should be reported on the same basis as they are reported in the balance sheet (FSA001), except they should include accrued interest for each item. It may include items which are not eligible for inclusion within the prudential liquidity calculation.

#### **9A SDL at reporting date**

This is calculated as the sum of share liabilities including interest accrued, plus deposits and debt securities including interest accrued. See *IPRU(BSOC)* 5.3.2G for a definition of SDL.

#### **12A Building society holdings at reporting date**

This is the total of liquid asset holdings with all other societies in total, and includes any undrawn committed facilities provided to societies. It covers securities and money market instruments issued by and deposits placed with any other building society.

### **Specialist data**

This is the value of funding accounted for by those elements which are restricted (ie funding excluding shares held by individuals).

The purpose of 13A and 14A is to report the actual value of the QE of the statutorily defined percentages relating to the funding and lending nature limits.

#### **13A Business assets not FSRP as % of business assets**

This is the value of business assets that are not fully secured on residential property (FSRP) as a % of total business assets. It is monitored under Section 6 of the Building Societies Act 1986.

#### **14A Deposits and loans as % of SDL**

These are monitored under Section 7 of the Building Societies Act 1986.

**15A Amount of offshore deposits**

This is the amount of deposits taken by societies' undertakings doing deposit taking offshore (eg in the Channel Islands or Isle of Man), or other undertakings established in other countries primarily to take deposits.

**16A Large shareholdings as % of SDL**

This item relates to the aggregate balances on both share and deposit holdings (where a single holding in respect of an individual is the totality of accounts held by that individual), excluding accrued interest, which are each in excess of 0.25% of total SDL.





## **FSA014 – Forecast data**

This data provides details of a firm's financial forecasts for the year following the reporting date, or an updated forecast at the interim stage. If a firm does not re-forecast (or update the forecast) at the interim stage, then the figures will be the same as previously reported.

The data elements 6A, 12A, 13A and 14A should be provided by all firms as a minimum.

The firm should complete the other data elements to the extent it has the data available. Forecasts should be made on a best endeavours basis, aiming where possible to match with specific data elements in other data items that are provided regularly. Firms should aim for consistency in approach when compiling these data.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

#### **1A Net interest income**

This item should be equivalent to data elements 2B minus 26B on data item FSA002 (Income statement).

#### **2A Other income**

This is equivalent to data elements 1B minus 2B on data item FSA002.

#### **3A Expenditure**

This is equivalent to data element 25B minus 26B, plus 34B on data item FSA002.

#### **4A Impairment/provisions**

This is equivalent to data element 40B on data item FSA002.

#### **5A Total profit before tax**

This is equivalent to data element 44B on data item FSA002.

#### **6A Net profit (loss)**

This data element should be completed by all firms.

This is equivalent to data element 46B on FSA002.

#### **7A Cash and balances at central banks**

This is equivalent to data element 5A plus 5B on data item FSA001 (Balance sheet).

#### **8 Loans and advances to customers**

This is equivalent to data elements 9A plus 9B on data item FSA001.

## **9 Investments**

This is equivalent to data elements 10A plus 10B plus 11A plus 11B plus 13A plus 13B plus 14A plus 14B on data item FSA001.

### **10A Retail deposits**

This is equivalent to data element 25A on data item FSA001.

### **11A Deposits by banks, including overdrafts**

This is equivalent to data element 23A on data item FSA001.

### **12A Total assets/liabilities**

This data element should be completed by all firms.

This is equivalent to data elements 20A plus 20B on data item FSA001.

### **13A Total capital after deductions**

This data element should be completed by all firms.

This is equivalent to data element 15A on data item FSA003 (Capital adequacy).

### **14A Variable capital requirement at end of period**

This data element should be completed by all firms.

This is equivalent to data element 70A on data item FSA003.

## **FSA014- Forecast data validations**

There are no validations for his data item.

## **FSA015 – Sectoral information, including arrears and impairment**

This data item provides the appropriate regulator with information on the credit quality of a *firm's* portfolio, enabling the appropriate regulator to assess potential threats to the firm's viability. It also provides information to be used at a macro level to monitor changes in the economic climate. This *data item* relates only to credit risk.

Completion of this data item is acceptable on a best endeavours basis. Allocation between sectors is adequate at portfolio level; accuracy to individual account level is not required.

### **Valuation**

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3 if you are a *BIPRU firm* and article 24 of the *EU CRR* if you are an *IFPRU investment firm*.

### **Currency**

You should report in the currency of your annual audited accounts i.e. in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **Definitions**

#### Coverage

Only assets held in the banking book at amortised cost, including overdrafts, should be included in FSA015. Derivatives, trading book exposures and intragroup exposures should be excluded. In addition, as FSA015 relates mainly to loans and similar financial assets, other asset types likely to be excluded are those covered by FSA001, *data elements* 11-19, e.g. intangible assets, fixed assets and prepayments. Also, in general we would not expect trade debtors to be included unless the debts are treated as loans or advances in the statutory annual accounts.

All relevant assets should be included in columns A and H, even where the accounts have no associated arrears or impairments.

#### **Column A: "All balances (customer) outstanding at period end"**

This is the amount of total debt owed by the customer at the reporting date, and should comprise the total amount outstanding (after deducting any write-offs but without deduction for any provisions or impairments) in respect of:

- (i) the principal of the debt (including any further advances made);
- (ii) interest due on the debt (but only up to the reporting date), including any interest suspended; do not include interest accrued but not yet payable unless it would not be reasonably practicable for the *firm* to separately identify and exclude such accrued interest; and

(iii) any other sum which the borrower is obliged to pay the *firm* and which is due from the borrower, e.g. fees, fines, administration charges, default interest and insurance premiums.

In the case of (ii) above, where a *firm* at first includes accrued interest as it is not reasonably practicable not to do so but subsequently is able to do so, the appropriate regulator would expect to be notified of this change of approach under *Principle 11* (Relation with regulators).

The information in respect of balances to be reported in this column should not be fair-valued but should report the contractual position (i.e. between the lender and borrower).

The treatment of loan assets that are being operated as part of a current account offset mortgage product (or similar products where *deposit* funding is offset against loan balances in arriving at a net interest cost on the account) will depend on the conditions pertaining to the product. The balance outstanding on such loans will need to be reported on the basis of the contractually defined balance according to the terms of the product. This might be the amount of loan excluding any offsetting funds, or it might be the net amount, depending upon the terms of the offset arrangement.

The appropriate rows of column A should be completed for all the categories to which the *firm* has an exposure even if there are no associated arrears.

It is not expected that these figures in this column will necessarily reconcile to any of the *firm's* published statutory data or on other *data items*, as the valuation basis is likely to differ.

### **Columns B-G, rows 1-11: "Balances of accounts in arrears /default by band"**

The balance of the account in arrears should be reported within these columns, rather than the amount of the arrears. This should be reported after deducting write-offs but before deducting provisions.

Columns B to F are headed with the following:

Column B:  $1.5 < 2.5\%$

Column C:  $2.5 < 5\%$

Column D:  $5.0 < 7.5\%$

Column E:  $7.5 < 10\%$

Column F:  $\geq 10\%$

"<" means less than, ">" means greater than and " $\geq$ " means an amount greater than or equal to.

For example where accounts are 2.5% in arrears this will go into column C which is headed for amounts from 2.5% to less than 5%.

The analysis is based on expressing the amount of arrears and/or the amount past due on each loan as a percentage of the balance outstanding on the loan (calculated in the same way as for column A) and then reporting the total balance of the account in the relevant arrears band. In cases where there is more than one loan to a debtor (or debtors) secured on a single property,

these should be amalgamated, where possible, in reporting with balances allocated to the row representing the predominant part of the debt outstanding.

Arrears and amounts past due will arise through the borrower failing to service any element of his debt obligation to the *firm*, including capital, interest, or fees, fines, administrative charges, default interest or insurance premiums.

At the reporting date, for loan accounts the amount in arrears or past due is the difference between:

(i) the accumulated total amounts of (monthly or other periodic) payments due to be received from the borrower; and

(ii) the accumulated total amount of payments actually made by the borrower.

Only amounts which are contractually due at the reporting date should be included in the above. That is:

(i) include interest and amounts due for payments only up to the reporting date but not beyond, do not include interest accrued but not yet payable (unless this would not be reasonably practicable, see under Column A, paragraph (ii) above);

(ii) only include a proportion of any annual insurance premium if the firm permits such amounts to be paid in periodic instalments. However if the terms of the loan or the lender's practice are such as to permit insurance premiums to be added to the loan principal then do not treat such amounts as contractually due;

(iii) similarly, where 'any other sum' has been added to the loan, only include such proportions as are contractually due (e.g. if it is the practice in particular circumstances to add the sum/charge to the loan and require repayment over the residual term of the loan);

(iv) in assessing 'payments due' when a borrower has a flexible loan, it is important to apply the contractual terms of the loan: for example, payment holidays which satisfy the terms of the loan should not be treated as giving rise to an arrears position;

(v) do not however include 'Deeds Store' loans in the arrears figures (that is, loans where the debt is de minimis e.g. £100, but the borrower still has insurance premiums to pay and perhaps some instalments are overdue).

In the case of annual review schemes the 'payment due to be received' is that calculated under the scheme. This may well differ from the amount charged to the account but should not of itself give rise to any arrears, providing the borrower is making the level of payments advised by the *firm*. The same principles apply to deferred interest products – if the borrower is making the payments that are required under the loan arrangements then he is not in arrears, even though the debt outstanding is increasing.

Where a firm makes a temporary 'concession' to a borrower (i.e., an agreement with the borrower whereby monthly payments are either suspended or less than they would be on a fully commercial basis) for a period, the amounts included are those contractually due (and at commercial rates of interest). Hence the borrower will continue to be in arrears and the level of arrears will in fact continue to increase until such time as he is able fully to service the debt outstanding.

Where the terms of the loan do not require payment of interest (or capital) until a stated date or until redemption or until certain conditions are triggered, as for example in the case of certain building finance loans, then the loan is not in arrears until such time as contractual repayments are overdue.

The decision to 'capitalise' arrears (or treat as if capitalised) is a business decision between the *firm* and the borrower. By 'capitalisation' we mean a formal arrangement agreed with the borrower to add all or part of a borrower's arrears to the amount of outstanding principal (i.e. advance of principal including further advances less capital repayments received during the period of the loan) and then treating that amount of overall debt as the enlarged principal. This enlarged principal is then used as the basis for calculating future monthly payments over the remaining term of the loan. Where less than the full amount of arrears is capitalised (or indeed where none of the arrears is capitalised) then, providing there are arrangements made for the borrower to repay the non-capitalised arrears over a shorter period ranging for example from 3 to 18 months, this type of arrangement should also be regarded as an equivalent of 'capitalisation'.

For the purposes of consistency in reporting arrears cases the following reporting criteria should be used where a *firm* has capitalised the loan (or treated as if capitalised) and reset the monthly payment:

(i) such an arrears case should continue to be included as an arrears case until the loan has been 'fully performing' (see (ii) below) for a period of six consecutive months (any temporary increase in arrears during this qualifying period has the effect of requiring six consecutive months of full performance after such an event). Until that time the balance of the loan should be included in the table and be allocated to the arrears band applicable at each reporting date as if 'capitalisation' had not taken place;

(ii) for these purposes a loan is considered to be 'fully performing' only where the borrower has been meeting all obligations on the loan with regard to repayments of principal, interest (at a normal mortgage rate on the full balance outstanding, including as appropriate any relevant past arrears), any payment towards clearing past arrears as agreed with the *firm* and any default payments due levied in respect of previous missed repayments. That is, amounts may be either added to the principal of the loan or otherwise repaid over a shorter period than the residual term of the mortgage, as agreed between firm and borrower. But then this revised payment schedule must be fully maintained for a six month period before the arrears can qualify to be treated as capitalised for reporting purposes and hence removed from the arrears cases in this table.

In some cases there may be loans where the security has been taken and is in the process of being realised (a 'property in possession'). While this is happening it is likely the underlying loan continues to exist and may be accruing arrears. Therefore the loan balance should still be included within the relevant arrears band in columns B-F.

Where a 'capitalisation' case becomes fully performing but later the borrower defaults again, this subsequent default should be regarded as a new default and the amount of arrears should be the amount arising from this new default. That is, the previously capitalised arrears should not be reinstated as current arrears.

For **overdrafts**, the amount to be treated as in arrears or past due is:

- (i) any amount borrowed and/or outstanding in excess of the overdraft limit for that account (whether explicitly agreed with the borrower or otherwise);
- (ii) the whole amount of any balance outstanding (regardless of whether within the overdraft limit or not) where no credit has been received into the account in the previous 90 days; and
- (iii) the whole amount of any balance outstanding (regardless of whether within the overdraft limit or not) where the *firm* has determined that a default has occurred and/or where an impairment or provision charge has been raised and/or where formal demand for repayment has been made.

All amounts to include interest and fees and/or other charges. Do not include interest accrued but not yet payable.

For **credit cards** (and equivalent revolving credit facilities) the amount to be treated as in arrears or past due is:

- (i) any amount outstanding above the agreed card limit (as advised to the customer);
- (ii) any amount of the minimum monthly payments due which has not been met by credits to the account (on a cumulative basis, where the latest credit is applied to extinguish the earliest minimum payment due);
- (iii) the whole amount of any balance outstanding (regardless of whether within limit or not) where no credit has been received to the account in the previous 90 days; and
- (iv) the whole amount of any balance outstanding (regardless of whether within limit or not) where the *firm* has determined that a default has occurred and/or where an impairment or provision charge has been raised) and/or where formal demand for repayment has been made.

All amounts to include interest and fees and other charges. Do not include interest accrued but not yet payable.

### **Column B rows 12-26**

Include here the balance of all accounts where a counterparty has failed to make payments when they were contractually due.

Where a proportion of the balance is past due, this column should be populated with the total balance of the exposure for which a portion is past due. For example, for a loan of £100,000 where a payment of £5,000 is contractually past due, a value of £100,000 should be recorded in column B, not £5,000.

For overdrafts and other revolving credit facilities, the amount to be treated as in arrears and/or past due is:

- (i) any amount borrowed and/or outstanding in excess of the overdraft limit for that account (whether explicitly agreed with the borrower or otherwise);
- (ii) the whole amount of any balance outstanding (regardless of whether within limit or not) where no credit has been received to the account in the previous 90 days; and



(iii) the whole amount of any balance outstanding (regardless of whether within limit or not) where the firm has determined that a default has occurred and/or where an impairment or provision charge has been raised) and/or where formal demand for repayment has been made.

All amounts to include interest and fees and other charges due but not paid (unless incorporated in a balance that is within the agreed limit). Do not include interest accrued but not yet payable.

### **Column C rows 12-26**

Past due: 'o/w impaired' is shorthand for 'of which impaired'. The terms 'impaired' and 'impairment' here, and in other places in FSA015, should be consistent with that used in the *firm's* statutory Annual Accounts. Where the firm's accounts are compiled under UK GAAP the terms should be equated to 'general provisions' and 'specific provisions'.

Include here the balances of any *exposures* in column B which are also deemed to be impaired.

Where a proportion of the balance is impaired, this column should be populated with the total balance of the exposure, not just the amount by which the account is deemed impaired.

If impaired exposures are reported in column C, we would usually expect the balances to be reported in column N or, where applicable, column P.

### **Column D rows 12-26**

'Other impaired' refers to impaired *exposures* which have no past due element.

Include here the total balance of any other *exposures* which, whilst not past due, are deemed to be impaired. Do not just record the amount of the impairment charge.

Where a *firm* is using UK GAAP rather than IFRS any balances in columns D and E should relate to exposures which, even though they are not past due, have been deemed to require either a general or specific provision.

### **Column E rows 12-26**

For unsecured *exposures* and partially secured *exposures* (where the collateral held does not cover the entire *exposure*) enter the total gross value, before deduction of impairment charges, of *exposures* which have been classified as impaired (i.e. included in columns C and D) and for which either no collateral is held or where collateral is held but is insufficient to cover the entire *exposure*. Report here loans which are included in columns C and D because they are impaired, reporting the balance owed, less the realisable value of the security held, for each loan.

For fully secured lending (rows 13 and 17) we would usually expect a nil value in column E, unless it is known that the current realisable value of the security shows a shortfall. Where such a loan is subsequently restructured, it should be reclassified to the row appropriate for the security cover at that point.

### **Column B rows 27-31**

Include here any *exposures* where payments have not been made on the date due and are now overdue and where there is little prospect for recovery of principal or interest.

### **Column C rows 27-31**

Include here the amount of any other *exposures* which, whilst not in default, are deemed to be impaired.

### **Column D rows 27-31**

Include here the Mark-to-market value of any impaired *exposures* included in columns B and C.

### **Column H: All balances (accounting) at period end**

This is the total value of the on balance sheet *exposures* in each category, valued in line with the *firm's* accounting policies. However, there will not necessarily be a direct reconciliation between column H and the firm's statutory published Balance Sheet, nor between column H and FSA001, as FSA015 does not include all asset classes (and excludes trading book assets).

A *firm* should report here the balance sheet valuation of its *exposures* valued in accordance with IFRS or UK GAAP as appropriate.

Whether the balances in column H are reported net or gross of impairments or provisions, they should be consistent with how balances are calculated for the *firm's* statutory accounts.

FSA015 is intended to relate to on balance sheet arrears. That means that securitisations that attract off-balance sheet treatment should not be included. However, if a securitisation attracts on-balance sheet treatment (for instance because there is recourse to the *firm* or, in the case of consolidated returns, the securitisation SPV is included in the scope of the consolidation), it should be included. The appropriate rows of column H should be completed for all the sectors to which the *firm* has an exposure, even if these are all fully performing and there are no associated write-offs or impairment charges.

### **Columns J-M**

The reference to 'in periods' at columns J to M is a reference to the amount of write-offs or impairment charges since the last reported FSA015.

In completing column J there may be a difference to accounting convention as write-offs should be reported as a positive figure. On FSA015 a negative number will be taken to indicate a write-back. Similarly for columns K and L, where an impairment charge is being put through the income statement it should be reported as a positive amount. A negative number will indicate the release of an impairment charge (reduction in provision).

### **Column J: Write-offs net of recoveries**

Enter the net amount written off during the period, after any recoveries of exposures previously written off.

The figure reported here should only relate to the amount of write-offs net of recoveries made since the last reporting period end date (i.e. in the latest quarter or half-year). Unlike the data reported on the Income Statement (FSA002) it is not a cumulative figure for the financial year to date.

### **Columns K and L: Charge/credit to the Income statement (P&L)**

The figure reported in column K should only relate to the amount of new individual impairments or specific provisions charged to the income statement since the last reporting period end date (i.e. in the latest quarter or half-year). The figure reported in column L should only relate to the amount of new collective impairments or general provisions charged to the income statement since the last reporting period end date (i.e. in the latest quarter or half-year). Unlike the data reported on the appropriate regulator Income Statement (FSA002) it is not a cumulative figure for the financial year to date.

A net credit should be shown with a minus sign (not brackets). The gross charge for new impairment charges should be offset by other items including any charges made in earlier periods but now released. The charge or credit for individual impairment charges should include the charge or credit for provisions in respect of suspended interest where it is the practice of the reporting institution to show suspended interest as interest receivable in the income statement (profit and loss account).

### **Column M: Other Adjustments**

The “in period” for columns J to M means the amount of write-offs or impairment charges since the last reported FSA015.

This includes any adjustments made as a result of an acquisition or disposal of a subsidiary company the balance sheet of which includes impairment balances and is included in the consolidation for the particular return. Also include any adjustments made for exchange rate movements in respect of impairment balances denominated in currencies other than the reporting currency. Where the adjustment is negative, report the amount with a minus sign (not brackets).

The figure reported here should only relate to the amount of other adjustments since the last reporting period end date (i.e. in the latest quarter or half-year). Unlike the data reported on appropriate regulator Income Statement (FSA002) it is not a cumulative figure for the financial year to date.

### **Column N: individual impairment balance or specific provisions**

Enter the total value of individual impairment balances.

Note that if all of the *firm's* provisions relate to accounts included in this *data item* this would be the total value of the individual impairment balance or provisions as detailed on the *firm's* financial balance sheet. If some of the impairments or provisions relate to accounts that are not included in this *data item* then this will not be the case.

In most cases we would expect that, for the current period, for each line item, the following would be true:  $(N+P \text{ for the previous period}) - J + (K+L+M)$  (where J, K, L & M are for the current period) is approximately equal to  $(N+P \text{ for the current period})$ .

Individual impairment balances or specific provisions are those generated following the impairment assessment of a loan on a standalone basis.

### **Column P: collective impairment balance or general provision**

Enter the total value of collective impairment balances.

Note that if all of the *firm's* provisions relate to accounts included in this *data item* this would be the total value of the collective impairment balance as detailed on the *firm's* financial balance sheet. If some of the provisions relate to accounts that are not included in this *data item* then this will not be the case.

Collective impairment balances or general provisions are those generated following the impairment assessment of a group of loans.

### **Columns L and P: collective impairments**

Collective impairment charges should be applied at portfolio or product level and should be allocated to the most appropriate category for that portfolio or product.

### **Column Q: balances of loans with individual impairment**

Include the total balance of any *exposures* that are judged to be impaired. This should be gross of impairment provisions but net of write-offs as per the statutory annual accounts. Loans which have been tested for impairments, but which are not classed as impaired, should not be included.

### **Sectors (rows)**

#### **UK and Non-UK**

For Retail and Corporate sectors (lines 1-20), where a split of *exposures* between UK and non-UK is required, this should be done based on the location of the lending entity.

Financial sector and Non-financial institutions categories (lines 21-26) should be split by domicile of the counterparty to which the *firm* has an *exposure*. If the *firm* does not have details of the counterparty then it should report the UK/Non-UK split in the same way as done for Retail and Corporate sectors i.e. using the location of the lending entity.

#### **Retail sector**

This section comprises all *Retail exposures*, including exposures to *retail SME*. Note that loans should only be reclassified between “partially secured” and “fully secured” where there has been a formal revaluation exercise carried out by the *firm* of the specific security held, i.e. excluding revaluations conducted for the purposes of re-indexing for capital calculation purposes.

#### **1 First charge mortgages to individuals**

This comprises lending to individuals secured by mortgage on land and buildings, where such loans are fully secured by a first equitable or legal charge, where at least 40% of the land and buildings is used for residential purposes, and where the premises are for occupation by either the borrower (or dependant), or any other third party (e.g. it includes ‘buy to let’ lending to individuals). Both regulated and non-regulated mortgage contracts should be included.

Do not include here any residential loans to individuals that are part of a ‘business loans’ type package (involving multiple loans and multiple securities, where there is no one-to-one correspondence between a loan and a specific security), but report them under ‘other secured loans to individuals’.

## **2 Other fully secured loans to individuals**

Include here all other *secured lending* in the UK to individuals where the *firm* does not have a first charge.

## **3 Partially secured exposures to individuals**

Include here any lending in the UK to individuals where the exposure is only partially secured.

## **4 Card accounts**

This includes UK charge card lending (even if the outstanding balance is required to be paid off in full at the end of each charging period).

## **5 Unsecured exposures to individuals**

Report here all other *exposures* in the UK to individuals.

## **6 Retail SME**

Include here all UK *exposures to retail SME* irrespective of security held.

## **7 Fully secured loans to individuals**

Include here any lending outside the UK to individuals where the *exposure* is fully secured.

## **8 Partially secured exposures to individuals**

Include here any lending outside the UK to individuals where the *exposure* is only partially secured.

## **9 Unsecured exposures to individuals**

Comprises all other exposures outside the UK to individuals. Credit card lending outside the UK should be included here.

## **10 Retail SME**

Include here all non-UK *exposures to retail SME* irrespective of security held.

## **Corporate sector**

This section comprises all *corporate exposures* that are not included in retail SME. This should include *exposures* to and/or balances with non consolidated group companies as well as third parties. It should exclude securities which are included in lines 27 – 30. Where a *firm* holds securities but cannot distinguish between quoted and unquoted securities these should also be reported as debt instruments (lines 27 – 30).

## **12 UK commercial real estate (secured and unsecured)**

This will typically include any *exposures* defined by Basel as "Claims secured by commercial real estate" or "Income-producing real estate", or lending where the counterparty has been allocated to SIC code 68 or 41.1 and the lending is done in the UK. These SIC codes include exposures to social housing companies. Exposures included here are those that are linked to the commercial nature of the borrower rather than the type of real estate held as security.

### **13, 17 Other fully secured lending**

Include here any lending where the *exposure* is fully secured

### **14, 18 Other partially secured lending**

Include here any lending where the *exposure* is only partially secured.

### **15, 19 Unsecured lending**

Include here all other *corporate exposures*.

### **16 Non-UK commercial real estate**

This will typically include any *exposures* defined by Basel as "exposures secured by commercial real estate" or "Income-producing real estate", or lending where the counterparty has been allocated to SIC code 68 or 41.1 and the lending is done outside the UK.

### **Financial sector**

This section comprises all *exposures* to the *financial sector*.

### **21 Exposures to UK financial institutions, credit institutions and insurance companies**

Include *exposures* to all UK financial institutions, credit institutions (including banks) and insurance companies.

This line should include, for example, cash on deposit with UK financial institutions, money market deposits with UK banks and UK bank securities excluding securities which are included in lines 27 – 30 below.

### **22 Exposures to non-UK financial institutions, credit institutions and insurance companies**

Include exposures to all non-UK financial institutions, credit institutions (including banks) and insurance companies.

This line should include, for example, cash on deposit with non-UK financial institutions, money market deposits with non-UK banks and non-UK bank securities excluding securities which are included in lines 27 – 30 below.

### **Non-financial institutions (including government)**

Include all other *exposures* other than those defined above or debt instruments in the banking book.

## **Debt instruments (banking book)**

Any debt instruments that are:

- (i) quoted on any investment exchange; or
- (ii) CDOs; or
- (iii) government gilts or Treasury Bills;

and held in the banking book, regardless of the issuer type, should be reported in lines 27 – 30 and not elsewhere.

### **27 UK collateralised debt obligations**

Include here all CDOs issued by UK companies. CDOs are a type of asset-backed security whose value and payments are derived from a portfolio of fixed-income underlying assets.

### **28 Other UK asset backed securities**

Include holdings of all other *asset backed securities*, except CDOs, issued by UK entities.

### **29 Other UK securities**

Include holdings of all other securities, except those listed above, issued by UK entities. Include here also gilts and Treasury bills issued by the UK government.

Exposures to equities are not included in FSA015 and need not be reported.

### **30 Other non-UK securities**

Include holdings of any securities issued by non-UK companies including non-UK CDOs and non-UK *asset backed securities*. Also include here non-UK government securities.

Debt instruments should be classified according to the domicile or geographical location of the issuer.

## FSA015– sectoral information, including arrears and impairment - validations

### Internal validations

Data elements are referenced by row then column

| Validation number | Data element |   |                                 |
|-------------------|--------------|---|---------------------------------|
| 1                 | 1G           | = | 1B+1C+1D+1E+1F                  |
| 2                 | 2G           | = | 2B+2C+2D+2E+2F                  |
| 3                 | 3G           | = | 3B+3C+3D+3E+3F                  |
| 4                 | 4G           | = | 4B+4C+4D+4E+4F                  |
| 5                 | 5G           | = | 5B+5C+5D+5E+5F                  |
| 6                 | 6G           | = | 6B+6C+6D+6E+6F                  |
| 7                 | 7G           | = | 7B+7C+7D+7E+7F                  |
| 8                 | 8G           | = | 8B+8C+8D+8E+8F                  |
| 9                 | 9G           | = | 9B+9C+9D+9E+9F                  |
| 10                | 10G          | = | 10B+10C+10D+10E+10F             |
| 11                | 11G          | = | 11B+11C+11D+11E+11F             |
| 12                | 11A          | = | 1A+2A+3A+4A+5A+6A+7A+8A+9A+10A  |
| 13                | 11B          | = | 1B+2B+3B+4B+5B+6B+7B+8B+9B+10B  |
| 14                | 11C          | = | 1C+2C+3C+4C+5C+6C+7C+8C+9C+10C  |
| 15                | 11D          | = | 1D+2D+3D+4D+5D+6D+7D+8D+9D+10D  |
| 16                | 11E          | = | 1E+2E+3E+4E+5E+6E+7E+8E+9E+10E  |
| 17                | 11F          | = | 1F+2F+3F+4F+5F+6F+7F+8F+9F+10F  |
| 18                | 11G          | = | 1G+2G+3G+4G+5G+6G+7G+8G+9G+10G  |
| 19                | 20B          | = | 12B+13B+14B+15B+16B+17B+18B+19B |
| 20                | 20C          | = | 12C+13C+14C+15C+16C+17C+18C+19C |
| 21                | 20D          | = | 12D+13D+14D+15D+16D+17D+18D+19D |
| 22                | 20E          | = | 12E+13E+14E+15E+16E+17E+18E+19E |
| 23                | 23B          | = | 21B+22B                         |
| 24                | 23C          | = | 21C+22C                         |
| 25                | 23D          | = | 21D+22D                         |
| 26                | 23E          | = | 21E+22E                         |
| 27                | 26B          | = | 24B+25B                         |
| 28                | 26C          | = | 24C+25C                         |
| 29                | 26D          | = | 24D+25D                         |
| 30                | 26E          | = | 24E+25E                         |
| 31                | 31B          | = | 27B+28B+29B+30B                 |
| 32                | 31C          | = | 27C+28C+29C+30C                 |
| 33                | 31D          | = | 27D+28D+29D+30D                 |
| 34                | 11H          | = | 1H+2H+3H+4H+5H+6H+7H+8H+9H+10H  |
| 35                | 11J          | = | 1J+2J+3J+4J+5J+6J+7J+8J+9J+10J  |
| 36                | 11K          | = | 1K+2K+3K+4K+5K+6K+7K+8K+9K+10K  |
| 37                | 11L          | = | 1L+2L+3L+4L+5L+6L+7L+8L+9L+10L  |
| 38                | 11M          | = | 1M+2M+3M+4M+5M+6M+7M+8M+9M+10M  |
| 39                | 11N          | = | 1N+2N+3N+4N+5N+6N+7N+8N+9N+10N  |
| 40                | 11P          | = | 1P+2P+3P+4P+5P+6P+7P+8P+9P+10P  |



|    |     |    |                                 |
|----|-----|----|---------------------------------|
| 41 | 11Q | =  | 1Q+2Q+3Q+4Q+5Q+6Q+7Q+8Q+9Q+10Q  |
| 42 | 20H | =  | 12H+13H+14H+15H+16H+17H+18H+19H |
| 43 | 20J | =  | 12J+13J+14J+15J+16J+17J+18J+19J |
| 44 | 20K | =  | 12K+13K+14K+15K+16K+17K+18K+19K |
| 45 | 20L | =  | 12L+13L+14L+15L+16L+17L+18L+19L |
| 46 | 20M | =  | 12M+13M+14M+15M+16M+17M+18M+19M |
| 47 | 20N | =  | 12N+13N+14N+15N+16N+17N+18N+19N |
| 48 | 20P | =  | 12P+13P+14P+15P+16P+17P+18P+19P |
| 49 | 20Q | =  | 12Q+13Q+14Q+15Q+16Q+17Q+18Q+19Q |
| 50 | 23H | =  | 21H+22H                         |
| 51 | 23J | =  | 21J+22J                         |
| 52 | 23K | =  | 21K+22K                         |
| 53 | 23L | =  | 21L+22L                         |
| 54 | 23M | =  | 21M+22M                         |
| 55 | 23N | =  | 21N+22N                         |
| 56 | 23P | =  | 21P+22P                         |
| 57 | 23Q | =  | 21Q+22Q                         |
| 58 | 26H | =  | 24H+25H                         |
| 59 | 26J | =  | 24J+25J                         |
| 60 | 26K | =  | 24K+25K                         |
| 61 | 26L | =  | 24L+25L                         |
| 62 | 26M | =  | 24M+25M                         |
| 63 | 26N | =  | 24N+25N                         |
| 64 | 26P | =  | 24P+25P                         |
| 65 | 26Q | =  | 24Q+25Q                         |
| 66 | 31H | =  | 27H+28H+29H+30H                 |
| 67 | 31J | =  | 27J+28J+29J+30J                 |
| 68 | 31K | =  | 27K+28K+29K+30K                 |
| 69 | 31L | =  | 27L+28L+29L+30L                 |
| 70 | 31M | =  | 27M+28M+29M+30M                 |
| 71 | 31N | =  | 27N+28N+29N+30N                 |
| 72 | 31P | =  | 27P+28P+29P+30P                 |
| 73 | 31Q | =  | 27Q+28Q+29Q+30Q                 |
| 74 | 32H | =  | 11H+20H+23H+26H+31H             |
| 75 | 32J | =  | 11J+20J+23J+26J+31J             |
| 76 | 32K | =  | 11K+20K+23K+26K+31K             |
| 77 | 32L | =  | 11L+20L+23L+26L+31L             |
| 78 | 32M | =  | 11M+20M+23M+26M+31M             |
| 79 | 32N | =  | 11N+20N+23N+26N+31N             |
| 80 | 32P | =  | 11P+20P+23P+26P+31P             |
| 81 | 32Q | =  | 11Q+20Q+23Q+26Q+31Q             |
| 82 | 12C | <= | 12B                             |
| 83 | 13C | <= | 13B                             |
| 84 | 14C | <= | 14B                             |
| 85 | 15C | <= | 15B                             |
| 86 | 16C | <= | 16B                             |
| 87 | 17C | <= | 17B                             |
| 88 | 18C | <= | 18B                             |

|    |     |    |     |
|----|-----|----|-----|
| 89 | 19C | <= | 19B |
| 90 | 20C | <= | 20B |
| 91 | 21C | <= | 21B |
| 92 | 22C | <= | 22B |
| 93 | 23C | <= | 23B |
| 94 | 24C | <= | 24B |
| 95 | 25C | <= | 25B |
| 96 | 26C | <= | 26B |

**External validations**

There are no external validations for this data item.

## **FSA016 – Solo consolidation data**

This data item collects information on the subsidiaries included within solo-consolidation. It is designed to provide the appropriate regulator with sufficient information to understand the impact and profile of the solo-consolidated subsidiaries on the balance sheet of the firm, while at the same time limiting the information to the most material subsidiaries.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2A will be the element numbered 2 in column A.

#### **1A – Number of subsidiaries included in the solo-consolidation**

This is the number of firms that are included within the solo-consolidation and for which waivers have been granted.

#### **2A – Book value of investments included in solo-consolidation – EEA incorporated**

This is the book value of EEA- incorporated investments that are included within the firm's solo-consolidated reporting under *BIPRU* 2.1 if you are a *BIPRU firm* and article 9 of the *EU CRR* if you are an *IFPRU investment firm*, in the unconsolidated accounts of the firm.

#### **3A – Book value of investments included in solo-consolidation – non-EEA incorporated**

This is the book value of non-EEA incorporated investments that are included within the firm's solo-consolidated reporting under *BIPRU* 2.1 if you are a *BIPRU firm* and article 9 of the *EU CRR* if you are an *IFPRU investment firm*, in the unconsolidated accounts of the firm.

#### **4A Surplus capital in the parent firm**

For *BIPRU firms*, this figure is the total capital after deductions from the solo-consolidated FSA003 (data element 15A) less the value of the investments reported in data elements 2A and 3A above, to which has been added back the value of any investments by the solo-consolidated subsidiaries in their own non solo-consolidated subsidiaries. For *IFPRU investment firms*, this figure is the total capital after deductions from the solo-consolidated COREP CA1 template (row 010) less the value of the investments reported in data elements 2A and 3A above, to which has been added back the value of any investments by the solo-consolidated subsidiaries in their own non solo-consolidated subsidiaries.

### **5 Top 5 solo-consolidated subsidiaries ranked by book value of investment**

For each of the subsidiaries listed, the following details should be provided:

- 5A the name of the subsidiary;
- 5B the country of incorporation;
- 5C a brief business descriptor from a pre-defined list – funding; lending; investment; other;

- 5D the main underlying assets from a predefined list – commercial property; residential property; fixed assets; plant; investment grade debt securities; investment grade equity; debt securities; equity; other;
- 5E the book value of the subsidiary (included within 2A or 3A above); and
- 5F the capital requirements arising from the assets held by the subsidiary.

**6 Top 5 solo-consolidate subsidiaries ranked by aggregate exposure of parent to subsidiary**

For each of the subsidiaries listed, the following details should be provided:

- 6A the name of the subsidiary;
- 6B the country of incorporation;
- 6C a brief business descriptor from a pre-defined list – funding; lending; investment; other;
- 6D the main underlying assets from a predefined list – commercial property; residential property; fixed assets; plant; investment grade debt securities; investment grade equity; debt securities; equity; other;
- 6E the aggregate exposure of the parent to the subsidiary, including funding in a capital form;
- 6F the exposure of the parent to the subsidiary at the reporting date with a residual maturity of less than one year; and
- 6G the capital requirements arising from the assets held by the subsidiary.

**7 Top 5 solo consolidated subsidiaries ranked by net flow of funds from parent to subsidiary during the period**

For each of the subsidiaries listed, the following details should be provided:

- 7A the name of the subsidiary;
- 7B the country of incorporation;
- 7C a brief business descriptor from a pre-defined list – funding; lending; investment; other;
- 7D the main underlying assets from a predefined list – commercial property; residential property; fixed assets; plant; investment grade debt securities; investment grade equity; debt securities; equity; other; and
- 7E the net flow of funds from the parent to the subsidiary, including funding in a capital form.

## **FSA016 – Solo consolidated data validations**

### **Internal validations**

There are no internal validations for this data item.

### **External validation**

There are no external validations for this data item.

## **FSA017 – Interest rate gap**

This data item collects information on the interest rate gap. It is designed to provide the appropriate regulator with sufficient information to understand the interest rate sensitivity of a firm's assets and liabilities.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2A will be the element numbered 2 in column A.

Gap analysis is undertaken by examining details of interest sensitive assets and liabilities to establish when they will next reprice (i.e. be subject to a change in interest rate), and then tabulating those which reprice within set time periods (known as 'time buckets', within which all items repricing are grouped together). Interest rate sensitive items are those assets and liabilities that are subject to contractual change in interest rates, or which mature (fall due for repayment) during the period of the return. (Note that the contractual date for repricing purposes is not necessarily the maturity date of the asset/liability. For example, a 3 year loan could be repriced every six months at a spread above 6 month LIBOR. If it was rolled over a month ago then it will reprice in 5 months', not in 3 years', time.)

Those assets and liabilities lacking definitive repricing intervals (e.g. sight deposits or savings accounts) or actual maturities that could vary from contractual maturities (e.g. mortgages with an option for early repayment) should be assigned to repricing time bands according to the judgement and past experience of the firm.

When fixed rate liabilities in an individual time bucket exceed fixed rate assets in the same bucket, a 'negative gap' exists for that period - implying that a rise in interest rates for that period should produce an increase in net interest income, and a fall in rates should give rise to a fall in net interest income. Conversely, when fixed rate assets exceed fixed rate liabilities in the same time bucket, a 'positive gap' exists and net interest income should fall if interest rates increase and rise if rates reduce.

Variable rate items, for which there is no lead time between a change in market rates and a corresponding change in the contracted interest rate (i.e. effectively overnight) should be placed in the "overnight" time bucket. Conventionally, first year time buckets are of shorter duration than later time buckets. However, the precise choice of time buckets is a matter for each firm.

On and off balance sheet items should be allocated to the various time buckets in accordance with their repricing date. The information in respect of balances to be used in this data item should not be fair-valued but should be based on the contractual position (i.e. between the lender and borrower).

Care should be taken in allocating off balance sheet items. Firms need to consider the essential interest-bearing characteristics of these instruments. For example:

**Swaps:** if a fixed rate mortgage of 3 years maturity is swapped to a 6 month LIBOR rate then the impact on the gap analysis should be shown by placing the notional swapped amount into the 3 year liability time bucket and the same amount in the 6 month asset time bucket.

**FRAs:** if a deposit is due to reprice in 3 months' time for 3 months and the firm wishes to hedge its exposure, then it might do so by buying an FRA where in 3 months' time it receives an amount of interest covering the further 3 month period (i.e. it will buy a 3v6 FRA). This should be shown as a 6 month liability and a 3 month asset in the gap analysis, reflecting the fact that effectively (a) the firm has locked in now (at time zero) to paying a fixed rate in 3 months' time covering a 3 month period (hence in total 6 months), and (b) the firm has an exposure now for 3 months to the rate at which the receiving leg of the FRA will settle. In 3 months' time, on settlement, the FRA will disappear from the analysis as proceeds, or preferably payments, will have been settled and the derivative interest rate exposure extinguished.

Non interest rate sensitive items (e.g. fixed assets, reserves or interest accruals) should be placed in the most distant time bucket. This should not be included in the sensitivity calculations but remains on the gap report for the sake of balance sheet completeness. The appropriate regulator recognises that there are several schools of thought over where to allocate reserves in a gap analysis and will consider other board-approved scenarios which are consistently applied and rationalised.

Where firms fully hedge or match customer products, in theory, there is no gap created. However, in practice, permanent one-for-one matching is not always possible. There may be lead times during which the asset/liability and the related hedge/match are out of step. For example, this may occur when swapping fixed rate mortgages: the mortgages can complete over a period of time, whilst the swap is typically effected in full at a particular point in time. A perfect match or hedge may be disrupted by the early repayment of a fixed rate mortgage or early withdrawal of a fixed rate savings product on the death of an investor.

The appropriate regulator recognises that the contractual repricing relating to certain assets and liabilities do not bear a close relationship to their actual behavioural characteristics. So a firm may report its interest rate gap analysis after taking account of these "behavioural" assumptions; these should be included in the rows for "adjusted for actual expected re-pricing date".

Where balances are committed but not yet drawn down, the amount should be included in the relevant row for "pipeline products".

The information in respect of balances to be reported in column A should not be fair-valued but should report the contractual position.

The data item should be completed for all currencies in aggregate.



## FSA017 – Interest rate gap report validations

### Internal validations

Data elements are referenced first by row then by column.

| Validation number | Data element |   |
|-------------------|--------------|---|
| 1                 | 1A           | = 2%  |
| 2                 | 2A           | = 2B+2C+2D+2E+2F+2G+2H+2J+2K+2L+2M+2N+2P+2Q               |
| 3                 | 3A           | = 3B+3C+3D+3E+3F+3G+3H+3J+3K+3L+3M+3N+3P+3Q               |
| 4                 |              | [deleted – replaced by validation 201]                    |
| 5                 | 4A           | = 4B+4C+4D+4E+4F+4G+4H+4J+4K+4L+4M+4N+4P+4Q               |
| 6                 | 5A           | = 5B+5C+5D+5E+5F+5G+5H+5J+5K+5L+5M+5N+5P+5Q               |
| 7                 | 6A           | = 6B+6C+6D+6E+6F+6G+6H+6J+6K+6L+6M+6N+6P+6Q               |
| 8                 |              | [deleted – replaced by validation 202]                    |
| 9                 | 7A           | = 7B+7C+7D+7E+7F+7G+7H+7J+7K+7L+7M+7N+7P+7Q               |
| 10                | 8A           | = 8B  |
| 11                |              | [deleted – replaced by validation 203]                    |
| 12                | 10A          | = 10B+10C+10D+10E+10F+10G+10H+10J+10K+10L+10M+10N+10P+10Q |
| 13                |              | [deleted – replaced by validation 205]                    |
| 14                |              | [deleted – replaced by validation 206]                    |
| 15                |              | [deleted – replaced by validation 207]                    |
| 16                |              | [deleted – replaced by validation 208]                    |
| 17                |              | [deleted – replaced by validation 209]                    |
| 18                |              | [deleted – replaced by validation 210]                    |
| 19                |              | [deleted – replaced by validation 211]                    |
| 20                |              | [deleted – replaced by validation 212]                    |
| 21                |              | [deleted – replaced by validation 213]                    |
| 22                |              | [deleted – replaced by validation 214]                    |
| 23                |              | [deleted – replaced by validation 215]                    |
| 24                |              | [deleted – replaced by validation 216]                    |
| 25                |              | [deleted – replaced by validation 217]                    |
| 26                |              | [deleted – replaced by validation 218]                    |
| 27                |              | [deleted – replaced by validation 219]                    |
| 28                | 11A          | = 11B+11C+11D+11E+11F+11G+11H+11J+11K+11L+11M+11N+11P+11Q |



58        22A        = 22B+22C+22D+22E+22F+22G+22H+22J+22K+22L+22M+22N  
+22P+22Q

59        23A        = 23B+23C+23D+23E+23F+23G+23H+23J+23K+23L+23M+23N  
+23P+23Q

60                    [deleted – replaced by validation 224]

61        24A        = 24B+24C+24D+24E+24F+24G+24H+24J+24K+24L+24M+24N  
+24P+24Q

62                    [deleted – replaced by validation 225]

63                    [deleted – replaced by validation 226]

64                    [deleted – replaced by validation 227]

65                    [deleted – replaced by validation 228]

66                    [deleted – replaced by validation 229]

67                    [deleted – replaced by validation 230]

68                    [deleted – replaced by validation 231]

69                    [deleted – replaced by validation 232]

70                    [deleted – replaced by validation 233]

71                    [deleted – replaced by validation 234]

72                    [deleted – replaced by validation 235]

73                    [deleted – replaced by validation 236]

74                    [deleted – replaced by validation 237]

75                    [deleted – replaced by validation 238]

76                    [deleted – replaced by validation 239]

77        25A        = 25B+25C+25D+25E+25F+25G+25H+25J+25K+25L+25M+25N  
+25P+25Q

78        25A        = 11A

79        26A        = 26B+26C+26D+26E+26F+26G+26H+26J+26K+26L+26M+26N  
+26P+26Q

80        26A        = 12A

81        27A        = 27B+27C+27D+27E+27F+27G+27H+27J+27K+27L+27M+27N  
+27P+27Q

82        27A        = 13A

83        27A        = 24A+25A+26A

84        27B        = 24B+25B+26B

85        27C        = 24C+25C+26C

86        27D        = 24D+25D+26D

87        27E        = 24E+25E+26E

|     |     |   |   |
|-----|-----|---|---|
| 88  | 27F | = | 24F+25F+26F   |
| 89  | 27G | = | 24G+25G+26G   |
| 90  | 27H | = | 24H+25H+26H   |
| 91  | 27J | = | 24J+25J+26J   |
| 92  | 27K | = | 24K+25K+26K   |
| 93  | 27L | = | 24L+25L+26L   |
| 94  | 27M | = | 24M+25M+26M   |
| 95  | 27N | = | 24N+25N+26N   |
| 96  | 27P | = | 24P+25P+26P   |
| 97  | 27Q | = | 24Q+25Q+26Q   |
| 98  | 28A | = | 28B+28C+28D+28E+28F+28G+28H+28J+28K+28L+28M+28N<br>+28P+28Q |
| 99  | 28A | = | 0   |
| 100 | 28B | = | 13B-27B   |
| 101 | 28C | = | 13C-27C   |
| 102 | 28D | = | 13D-27D   |
| 103 | 28E | = | 13E-27E   |
| 104 | 28F | = | 13F-27F   |
| 105 | 28G | = | 13G-27G   |
| 106 | 28H | = | 13H-27H   |
| 107 | 28J | = | 13J-27J   |
| 108 | 28K | = | 13K-27K   |
| 109 | 28L | = | 13L-27L   |
| 110 | 28M | = | 13M-27M   |
| 111 | 28N | = | 13N-27N   |
| 112 | 28P | = | 13P-27P   |
| 113 | 28Q | = | 13Q-27Q   |
| 114 |     |   | [deleted]   |
| 115 |     |   | [deleted]   |
| 116 |     |   | [deleted]   |
| 117 |     |   | [deleted]   |
| 118 |     |   | [deleted]   |
| 119 |     |   | [deleted]   |
| 120 |     |   | [deleted]   |
| 121 |     |   | [deleted]   |

|     |           |
|-----|-----------|
| 122 | [deleted] |
| 123 | [deleted] |
| 124 | [deleted] |
| 125 | [deleted] |
| 126 | [deleted] |
| 127 | [deleted] |
| 128 | [deleted] |
| 129 | [deleted] |
| 130 | [deleted] |
| 131 | [deleted] |
| 132 | [deleted] |
| 133 | [deleted] |
| 134 | [deleted] |
| 135 | [deleted] |
| 136 | [deleted] |
| 137 | [deleted] |
| 138 | [deleted] |
| 139 | [deleted] |
| 140 | [deleted] |
| 141 | [deleted] |
| 142 | [deleted] |
| 143 | [deleted] |
| 144 | [deleted] |
| 145 | [deleted] |
| 146 | [deleted] |
| 147 | [deleted] |
| 148 | [deleted] |
| 149 | [deleted] |
| 150 | [deleted] |
| 151 | [deleted] |
| 152 | [deleted] |
| 153 | [deleted] |
| 154 | [deleted] |
| 155 | [deleted] |
| 156 | [deleted] |

|     |  |
|-----|--|
| 157 | [deleted]                              |
| 158 | [deleted]                              |
| 159 | [deleted]                              |
| 160 | [deleted]                              |
| 161 | [deleted]                              |
| 162 | [deleted]                              |
| 163 | [deleted]                              |
| 164 | [deleted]                              |
| 165 | [deleted]                              |
| 166 | [deleted]                              |
| 167 | [deleted]                              |
| 168 | [deleted]                              |
| 169 | [deleted]                              |
| 170 | [deleted]                              |
| 171 | [deleted]                              |
| 172 | [deleted – replaced by validation 253] |
| 173 | [deleted – replaced by validation 254] |
| 174 | [deleted]                              |
| 175 | [deleted]                              |
| 176 | [deleted]                              |
| 177 | [deleted]                              |
| 178 | [deleted]                              |
| 179 | [deleted]                              |
| 180 | [deleted]                              |
| 181 | [deleted]                              |
| 182 | [deleted]                              |
| 183 | [deleted]                              |
| 184 | [deleted]                              |
| 185 | [deleted]                              |
| 186 | [deleted]                              |
| 187 | [deleted]                              |
| 188 | [deleted]                              |
| 189 | [deleted]                              |
| 190 | [deleted]                              |
| 191 | [deleted]                              |

192 [deleted]

193 [deleted]

194 [deleted]

195 [deleted]

196 [deleted]

197 [deleted]

198 [deleted]

199 [deleted]

200 [deleted]

201 3A = 0

202 6A = 0

203 9A = 9B+9C+9D+9E+9F+9G+9H+9J+9K+9L+9M+9N+9P+9Q

204 10A = 24A

205 10A = 2A+3A+4A+5A+6A+7A+8A+9A

206 10B = 2B+3B+4B+5B+6B+7B+8B+9B

207 10C = 2C+3C+4C+5C+6C+7C+9C

208 10D = 2D+3D+4D+5D+6D+7D+9D

209 10E = 2E+3E+4E+5E+6E+7E+9E

210 10F = 2F+3F+4F+5F+6F+7F+9F

211 10G = 2G+3G+4G+5G+6G+7G+9G

212 10H = 2H+3H+4H+5H+6H+7H+9H

213 10J = 2J+3J+4J+5J+6J+7J+9J

214 10K = 2K+3K+4K+5K+6K+7K+9K

215 10L = 2L+3L+4L+5L+6L+7L+9L

216 10M = 2M+3M+4M+5M+6M+7M+9M

217 10N = 2N+3N+4N+5N+6N+7N+9N

218 10P = 2P+3P+4P+5P+6P+7P+9P

219 10Q = 2Q+3Q+4Q+5Q+6Q+7Q+9Q

220 15A = 0

221 18A = 0

222 19A = 4A+7A-16A

223 21A = 21B+21C+21D+21E+21F+21G+21H+21J+21K+21L+21M+21N  
+21P+21Q

224 23A = 0

225 24A = 14A+15A+16A+17A+18A+19A+20A+21A+22A+23A

226 24B = 14B+15B+16B+17B+18B+19B+20B+21B+22B+23B  
 227 24C = 14C+15C+16C+17C+18C+19C+21C+22C+23C  
 228 24D = 14D+15D+16D+17D+18D+19D+21D+22D+23D  
 229 24E = 14E+15E+16E+17E+18E+19E+21E+22E+23E  
 230 24F = 14F+15F+16F+17F+18F+19F+21F+22F+23F  
 231 24G = 14G+15G+16G+17G+18G+19G+21G+22G+23G  
 232 24H = 14H+15H+16H+17H+18H+19H+21H+22H+23H  
 234 24J = 14J+15J+16J+17J+18J+19J+21J+22J+23J  
 235 24K = 14K+15K+16K+17K+18K+19K+21K+22K+23K  
 236 24L = 14L+15L+16L+17L+18L+19L+21L+22L+23L  
 237 24M = 14M+15M+16M+17M+18M+19M+21M+22M+23M  
 238 24N = 14N+15N+16N+17N+18N+19N+21N+22N+23N  
 239 24P = 14P+15P+16P+17P+18P+19P+21P+22P+23P  
 240 24Q = 14Q+15Q+16Q+17Q+18Q+19Q+21Q+22Q+23Q  
 241 31B = 31C+28B  
 242 31C = 31D+28C  
 243 31D = 31E+28D  
 244 31E = 31F+28E  
 245 31F = 31G+28F  
 246 31G = 31H+28G  
 247 31H = 31J+28H  
 248 31J = 31K+28J  
 249 31K = 31L+28K  
 250 31L = 31M+28L  
 251 31M = 31N+28M  
 252 [deleted – replaced by validation 337]  
 253 38A = 38B+38C+38D+38E+38F+38G+38H+38J+38K+38L+38M+38N  
 +38P  
 254 39A = 39B+39C+39D+39E+39F+39G+39H+39J+39K+39L+39M+39N  
 +39P  
 255 40A = 40B+40C+40D+40E+40F+40G+40H+40J+40K+40L+40M+40N  
 +40P  
 256 41A = 41B+41C+41D+41E+41F+41G+41H+41J+41K+41L+41M+41N  
 +41P  
 257 42A = 42B+42C+42D+42E+42F+42G+42H+42J+42K+42L+42M+42N  
 +42P



258 44B =  $1/((1+43B)^{34B})$   
 259 44C =  $1/((1+43C)^{34C})$   
 260 44D =  $1/((1+43D)^{34D})$   
 261 44E =  $1/((1+43E)^{34E})$   
 262 44F =  $1/((1+43F)^{34F})$   
 263 44G =  $1/((1+43G)^{34G})$   
 264 44H =  $1/((1+43H)^{34H})$   
 265 44J =  $1/((1+43J)^{34J})$   
 266 44K =  $1/((1+43K)^{34K})$   
 267 44L =  $1/((1+43L)^{34L})$   
 268 44M =  $1/((1+43M)^{34M})$   
 269 44N =  $1/((1+43N)^{34N})$   
 270 44P =  $1/((1+43P)^{34P})$   
 271 45B =  $1/((1+(43B+1A))^{34B})$   
 272 45C =  $1/((1+(43C+1A))^{34C})$   
 273 45D =  $1/((1+(43D+1A))^{34D})$   
 274 45E =  $1/((1+(43E+1A))^{34E})$   
 275 45F =  $1/((1+(43F+1A))^{34F})$   
 276 45G =  $1/((1+(43G+1A))^{34G})$   
 277 45H =  $1/((1+(43H+1A))^{34H})$   
 278 45J =  $1/((1+(43J+1A))^{34J})$   
 279 45K =  $1/((1+(43K+1A))^{34K})$   
 280 45L =  $1/((1+(43L+1A))^{34L})$   
 281 45M =  $1/((1+(43M+1A))^{34M})$   
 282 45N =  $1/((1+(43N+1A))^{34N})$   
 283 45P =  $1/((1+(43P+1A))^{34P})$   
 284 [deleted – replaced by validation 333]  
 285 46C =  $1/((1+(43C-1A))^{34C})$   
 286 46D =  $1/((1+(43D-1A))^{34D})$   
 287 46E =  $1/((1+(43E-1A))^{34E})$   
 288 46F =  $1/((1+(43F-1A))^{34F})$   
 289 46G =  $1/((1+(43G-1A))^{34G})$   
 290 46H =  $1/((1+(43H-1A))^{34H})$   
 291 46J =  $1/((1+(43J-1A))^{34J})$   
 292 46K =  $1/((1+(43K-1A))^{34K})$

|     |     |   |                        |
|-----|-----|---|------------------------|
| 293 | 46L | = | $1/((1+(43L-1A))^34L)$ |
| 294 | 46M | = | $1/((1+(43M-1A))^34M)$ |
| 295 | 46N | = | $1/((1+(43N-1A))^34N)$ |
| 296 | 46P | = | $1/((1+(43P-1A))^34P)$ |
| 297 | 47B | = | 28B*44B                |
| 298 | 47C | = | 28C*44C                |
| 299 | 47D | = | 28D*44D                |
| 300 | 47E | = | 28E*44E                |
| 301 | 47F | = | 28F*44F                |
| 302 | 47G | = | 28G*44G                |
| 303 | 47H | = | 28H*44H                |
| 304 | 47J | = | 28J*44J                |
| 305 | 47K | = | 28K*44K                |
| 306 | 47L | = | 28L*44L                |
| 307 | 47M | = | 28M*44M                |
| 308 | 47N | = | 28N*44N                |
| 309 | 48B | = | 28B*45B                |
| 310 | 48C | = | 28C*45C                |
| 311 | 48D | = | 28D*45D                |
| 312 | 48E | = | 28E*45E                |
| 313 | 48F | = | 28F*45F                |
| 314 | 48G | = | 28G*45G                |
| 315 | 48H | = | 28H*45H                |
| 316 | 48J | = | 28J*45J                |
| 317 | 48K | = | 28K*45K                |
| 318 | 48L | = | 28L*45L                |
| 319 | 48M | = | 28M*45M                |
| 320 | 48N | = | 28N*45N                |
| 321 | 49B | = | 28B*46B                |
| 322 | 49C | = | 28C*46C                |
| 323 | 49D | = | 28D*46D                |
| 324 | 49E | = | 28E*46E                |
| 325 | 49F | = | 28F*46F                |
| 326 | 49G | = | 28G*46G                |
| 327 | 49H | = | 28H*46H                |

328 49J = 28J\*46J  
329 49K = 28K\*46K  
330 49L = 28L\*46L  
331 49M = 28M\*46M  
332 49N = 28N\*46N  
333 46B = 1/1((1+43B-1<sup>a</sup>))^34B  
334 47P = 28P\*44P  
335 48P = 28P\*45P  
  
336 49P = 28P\*46P  
  
337 31N = 31P + 28N  
  
338 31P = 28P  
  
339 38B = 48B-47B  
  
340 38C = 48C-47C  
  
341 38D = 48D-47D  
  
342 38E = 48E-47E  
  
343 38F = 48F-47F  
  
344 38G = 48G-47G  
  
345 38H = 48H-47GH  
  
346 38J = 48J-47J  
  
347 38K = 48K-47K  
  
348 38L = 48L-47L

349 38M = 48M-47M  
350 38N = 48N-47N  
351 38P = 48P-47P  
352 39B = 49B-47B  
353 39C = 49C-47C  
354 39D = 49D-47D  
355 39E = 49E-47E  
356 39F = 49F-47F  
357 39G = 49G-47G  
358 39H = 49H-47H  
359 39J = 49J-47J  
360 39K = 49K-47K  
361 39L = 49L-47L  
362 39M = 49M-47M  
363 39N = 49N-47N  
364 39P = 49P-47P

## **FSA018 – Exposures from the core UK group to the noncore large exposures group**

This data item is only applicable to *firms* that have both a *core UK group permission* and a *non-core large exposures group permission*. It captures information on *exposures* from the members of a *firm's core UK group* (and the *firm*) to the members of a *firm's non-core large exposures group*. A single report is required for exposures from all members of the *firm's core UK group* (and the *firm*), reflecting the exposures at the reporting date.

FSA018 was originally constructed to capture information on the level of exposures from the UK integrated group to the diverse blocks and residual blocks. However, *firms* should interpret this form on the basis of the *core UK group* and *non-core large exposures group* respectively, and follow the specific instructions provided for the individual data cells.

### **Valuation**

Unless indicated otherwise, the valuation of data elements should follow article 390 of the *EU CRR*.

### **Currency**

You should report in the currency of your annual audited accounts (ie, in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen). Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B. Individual rows within an element are identified as 2B.1, 2B.2 etc.

### **General**

**1**

Ignore

### **2 Firm reference numbers**

List the firm reference numbers for all the authorised firms in the *firm's core UK group* only. Firms should be listed sequentially in 2A, with the firm reference numbers being entered in 2B. Ignore cell 2C.

### **3A Core UK group eligible capital**

This is *core UK group eligible capital*

### **4A Exposure number**

Complete one line in relation to Section 4B. Ignore line marked 'Total'.

**4B Non-core large exposures group**

Complete one line only for aggregate exposure of the *core UK group* (and the *firm*) to all members of the *noncore large exposures group*.

**4C Gross exposure**

Report here the gross exposures (*non-trading book* and *trading book*) of all members of the *firm's core UK group* (and the *firm*) to all members of the *non-core large exposures group*.

**4D % of core UK group eligible capital**

This is column C as a percentage of data element 3A (*core UK group eligible capital*). It should be entered to two decimal places, omitting the % sign.

**4E Exposure after credit risk mitigation**

This is the figure reported in column C after credit risk mitigation. This figure is subsequently broken down in columns F to M.

**4F Amount of the exposure that is exempt**

That part of the amount reported in column E that is exempted under the *firm's non-core large exposures group permission*.

**4G % of core UK group eligible capital**

This is column F as a percentage of data element 3A (*core UK group eligible capital*). It should be entered to two decimal places, omitting the % sign.

**4H Amount of the exposure that is not exempt and is in the non-trading book**

That part of the exposure reported in column E that is not exempt and is in the *non-trading book*.

**4J % of core UK group eligible capital**

This is column H as a percentage of *core UK group eligible capital*. It should be entered to two decimal places, omitting the % sign.

**4K Amount of the exposure that is not exempt and is in the trading book**

Ignore.

**4L % of core UK group eligible capital**

Ignore.

**4M** **Aggregate % of core UK group eligible capital**

Ignore.

**4N** **CNCOM**

Ignore.

## **FSA019 – Pillar 2 questionnaire**

This data, supplemented by other relevant data, will be used to inform the intensity of our risk assessment of a firm, or its group, under the Supervisory Review and Evaluation Process (SREP). It will allow us to reduce supervisory time by helping us to identify those firms with a risk profile for which we will carry out additional individual or thematic work.

This data has to be completed by *BIPRU firms* and *IFPRU investment firms*. Some questions may not, on the face of it, appear to be relevant for *IFPRU investment firms*, because the question references *GENPRU* and *BIPRU*. To answer those questions *IFPRU investment firms* should refer to the guidance notes to find equivalent *EU CRR* and *IFPRU* references.

### **Valuation**

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3 for *BIPRU firms* and article 24 of the *EU CRR* for *IFPRU investment firms*.

### **Currency**

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

#### **1B Does GENPRU 1.2 apply to your firm?**

If you are a *BIPRU firm* see *GENPRU* 1.2.1R and *GENPRU* 1.2.44G to *GENPRU* 1.2.59R. If you are an *IFPRU investment firm* see *IFPRU* 2.2.45R to *IFPRU* 2.2.49R. The answer is either 'Yes' or 'No'.

Subsequent sections are only completed if the answer to 1B is 'Yes'.

#### **2B How much capital do you consider adequate for the nature, scale and complexity of your firm's activities in line with its Internal Capital Adequacy Assessment Process (ICAAP)?**

See *GENPRU* 1.2.26R if you are a *BIPRU firm* and *IFPRU* 2.2.1R if you are an *IFPRU investment firm*. Enter the figure in 000s.

#### **3B What is the actual amount of capital resource that your firm holds at the accounting reference date?**

See *GENPRU* 1.2.26R if you are a *BIPRU firm* and *IFPRU* 2.2.1R if you are an *IFPRU investment firm*. Enter the figure in 000s.



**4B Have you documented your ICAAP?**

See *GENPRU* 1.2.60R if you are a *BIPRU firm* and *IFPRU* 2.2.43R if you are an *IFPRU investment firm*. The answer is either ‘Yes’ or ‘No’.

**5B When did you last review the ICAAP?**

If you are a *BIPRU firm* see *GENPRU* 1.2.39R and *GENPRU* 1.2.40G. If you are an *IFPRU investment firm* see *IFPRU* 2.2.13R and *IFPRU* 2.2.16G. The answer should be in ‘ddmmyy’ format.

**6B Have your external auditors audited your firm’s financial statements in the last 12 months?**

The answer ‘Yes’, ‘No’ or ‘Not applicable’. Firms that have a small firm’s exemption audit should choose ‘not applicable’.

**7B If so, has any audit opinion you received in the last year been qualified in any respect?**

This question should only be answered if the response to data element 6B was ‘Yes’. The answer to this question is either ‘Yes’ or ‘No’.

**8B What is the ratio of dealing errors in relation to the total number of transactions your firm has undertaken in the last 12 months?**

If you are a *BIPRU firm* see *GENPRU* 1.2.30R. If you are an *IFPRU investment firm* see *IFPRU* 2.2.7R. This figure should be a percentage to one decimal place.

**9B Have you considered your firm’s risk appetite when developing its ICAAP?**

If you are a *BIPRU firm* see *GENPRU* 1.2.75G (2). If you are an *IFPRU investment firm* see 2.2.76G (1). The answer is either ‘Yes’ or ‘No’.

**10B and 11B In your ICAAP, have you considered the impact of an economic downturn on your firm’s financial capital, and your business plans?**

If you are a *BIPRU firm* see *GENPRU* 1.2.30R (1) and *GENPRU* 1.2.73AG (1). If you are an *IFPRU investment firm* see *IFPRU* 2.2.7R (1) and *IFPRU* 2.2.73G (1). The answer to each question is either ‘Yes’ or ‘No’.

**12A to 23A Is your firm exposed to the risks listed**

If you are a *BIPRU firm* see *GENPRU* 1.2.30R. If you are an *IFPRU investment firm* see *IFPRU* 2.2.7R. The answer to each question is either ‘Yes’ or ‘No’.

*BIPRU firms* and *IFPRU investment firms* that also have to consider a fixed overheads requirement should assess their capital requirements under each of the headings even though their fixed overheads requirement may be higher. *Data element* 23A should include not only any risks other than those separately identified above, but it should also include the *firm’s* assessment of how much capital is required to cover the fixed overheads requirement.

**12B to 23B** If so, what is the amount of capital resource you have allocated to each of them?

For each answer in Column A that is 'Yes', enter the gross amount excluding any management action offsets in column B in 000s.

*BIPRU firms* and *IFPRU investment firms* should include in 23B their assessment of the capital required to cover the fixed overheads requirement. A *firm* may assess that capital to be allocated to cover the fixed overheads requirement is more than one quarter of their annual fixed overheads.

**40B** Have you calculated the cost of an orderly wind down of the firm's business?

The answer is either 'Yes' or 'No'. Examples of factors to consider include costs of transferring clients and any client assets, liquidating/closing any positions etc.

**41B** What length of time have you calculated it will take you to orderly wind down?

If the answer to data element 40B is 'Yes', enter the number of months here in digits. Examples of factors to consider include the time it takes to transfer clients and any client assets, liquidating/closing any positions etc.

**42B** What is the gross cost to your firm of a wind down?

If the answer to data element 40B is 'Yes', enter the amount here in 000s. This is the total cost of winding down excluding any offsets from revenue/income gained during the wind down period.

**43B** What is the net cost to your firm of a wind down?

If the answer to data element 40B is 'Yes', enter the amount here in 000s. This is the total cost of winding down including any offsets from revenue/income gained during the wind down.

**24B** Does your firm have any professional indemnity insurance?

The answer is either 'Yes' or 'No'.

**25B** If so, what is the limit of the indemnity in the aggregate?

If the answer to data element 24B is 'Yes', enter the amount here in 000s.

**26B** What is the largest single claim that can be made on the insurance cover?

If the answer to data element 24B is 'Yes', enter the amount here in 000s.

**44B** What is the policy excess amount for any single claim?

If the answer to data element 24B is 'Yes', enter the amount here in 000s.

**27B What is the credit rating of the lead underwriter?**

Only answer if you answered ‘Yes’ to data element 24B. This is a text field to accept any value.

**28B In your firm’s ICAAP, do you take account of the results of stress tests?**

The answer is either ‘Yes’ or ‘No’.

**29B Does your firm deduct illiquid assets as set out in GENPRU 2.2.17R to GENPRU 2.2.19R?**

See *GENPRU 1.2.30R*, *GENPRU 2.2.17R* to *GENPRU 2.2.19R*, and *GENPRU 2.2.260R* to *GENPRU 2.2.262G*. The answer is either ‘Yes’ or ‘No’.

**30B Does your firm have sufficient liquidity to meet your liabilities as they fall due in the circumstances of an orderly wind down?**

If you are a *BIPRU firm* see *GENPRU 1.2.30R*. If you are an *IFPRU investment firm* see *IFPRU 2.2.7R*. The answer is either ‘Yes’ or ‘No’.

**31B Report the amount of illiquid assets**

See *GENPRU 1.2.30R*, and *GENPRU 2.2.260R* to *GENPRU 2.2.262G*. This number should be entered in integers. This row is not completed by *IFPRU investment firms*.

**32B Do you use credit risk mitigation techniques?**

If you are a *BIPRU firm* see *GENPRU 1.2.30R*. If you are an *IFPRU investment firm* see *IFPRU 2.2.7R*. The answer is either ‘Yes’ or ‘No’.

**33B If so, have you considered in your ICAAP the fact that those techniques may not fully work as anticipated?**

This is only relevant if you answered ‘Yes’ to data element 32B. See *GENPRU 1.2.30R*. The answer is either ‘Yes’ or ‘No’.

**34B Have you securitised assets in the last 12 months?**

If you are a *BIPRU firm* see *GENPRU 1.2.30R*. If you are an *IFPRU investment firm* see *IFPRU 2.2.7R*. The answer is either ‘Yes’ or ‘No’.

**35B Do you use an internal model as described in BIPRU 7.10 to calculate your regulatory market risk?**

If you are a *BIPRU firm* see *BIPRU 7.10*. If you are an *IFPRU investment firm* see Part Three, Title IV, Chapter 5 of the *EU CRR* and *IFPRU 6.1.4R*. The answer is either ‘Yes’ or ‘No’.

**36B If so, have you taken the results of the market risk stress tests in your ICAAP into account?**

This is only relevant if you answered 'Yes' to data element 35B. If you are a *BIPRU firm* see *BIPRU 7.10*, *BIPRU 7.10.72R* and *BIPRU 7.10.73G*. If you are an *IFPRU investment firm* see Part Three, Title IV, Chapter 5 of the *EU CRR*, article 368(1)(g) of the *EU CRR*, *IFPRU 6.1.4R*. The answer is either 'Yes' or 'No'.

**37B Report the result of a 200 basis point shock to interest rate on your firm's economic value**

If you are a *BIPRU firm* see *BIPRU 2.3.7R (2)*. If you are an *IFPRU investment firm* see *IFPRU 2.2.31R (2)*. Enter the figure in 000s.

**38B Does the result of the above stress test exceed 20% of your capital resources?**

If you are a *BIPRU firm* see *BIPRU 2.3.7R (3)*. If you are an *IFPRU investment firm* see *IFPRU 2.2.31R (3)*. The answer to this is either 'Yes' or 'No'.

**39B Would the valuation adjustments required under GENPRU 1.3.35G enable you to sell out or hedge your firm's positions within a short period without incurring material losses under normal market conditions?**

If you are a *BIPRU firm* see *GENPRU 1.3.29R* to *GENPRU 1.3.35G*. If you are an *IFPRU investment firm* see article 105 of the *EU CRR* The answer to this is either 'Yes' or 'No'.

## **FSA019- Pillar 2 questionnaire validations**

### **Internal validations**

There are no validations for this data item.

## **FSA020- Balance sheet (ELMis)**

There are no definitions for this data item.

## FSA020 – Balance sheet (ELMIs) validations

### Internal validations

Data elements are referenced by row then column.

| Validation number | Data elements |   |                                       |
|-------------------|---------------|---|---------------------------------------|
| 1                 | 10A           | = | 1A+2A+3A+4A+5A+6A+7A+8A+9A            |
| 2                 | 12A           | ≤ | 11A                                   |
| 3                 | 20A           | = | 15A+16A+17A+18A+19A                   |
| 4                 | 23A           | = | 20A+21A-22A                           |
| 5                 | 26A           | = | 24A+25A                               |
| 6                 | 28A           | = | 26A+27A                               |
| 7                 | 29A           | = | 23A+28A                               |
| 8                 |               |   | [deleted – replaced by validation 10] |
| 9                 | 33A           | = | 10A                                   |
| 10                | 33A           | = | 11A+13A+14A+20A-21A+28A+30A+31A+32A   |
| 11                | 22A           | ≥ | 6A+8A                                 |

### External validations

| Validation number | Data elements |   |           |
|-------------------|---------------|---|-----------|
| 1                 | 11A           | = | FSA022.2A |
| 2                 | 29A           | = | FSA022.1A |
| 3                 | 3A            | = | FSA025.3A |
| 4                 | 4A            | ≥ | FSA025.3A |
| 5                 | 11A           | = | FSA025.5A |

## **FSA021- Income statement (ELMis)**

There are no definitions for this data item.



## **FSA021- Income statement (ELMis) validations**

### **Internal validations**

There are no validations for this data item.

## **FSA022- Capital adequacy (ELMis)**

There are no definitions for this data item.

## **FSA022 – Capital adequacy (ELMIs) validations**

### **Internal validations**

Data elements are referenced first by row then by column.

| Validation number | Data element |   |                     |
|-------------------|--------------|---|---------------------|
| 1                 | 4A           | = | 1A/(maximum 2A, 3A) |

### **External validations**

| Validation number | Data element |   |            |
|-------------------|--------------|---|------------|
| 1                 | 1A           | = | FSA020.29A |
| 2                 | 2A           | = | FSA020.11A |

## **FSA023- Foreign exchange risk (ELMis)**

There are no definitions for this data item

## FSA023 – Foreign exchange risk (ELMIs) validations

### Internal validations

Data elements are referenced first by row then by column.

| Validation number | Data element |   |                                      |
|-------------------|--------------|---|--------------------------------------|
| 1                 | 9A           | = | 1A+2A+3A+4A+5A+6A+7A+8A              |
| 2                 | 10B          | = | 1B+2B+3B+4B+5B+6B+7B+8B              |
| 3                 | 11C          | = | Maximum 9A, 10B                      |
| 4                 |              |   | [deleted – replaced by validation 5] |
| 5                 |              |   | [deleted – replaced by validation 8] |
| 6                 | 15C          | = | 13C-12C                              |
| 7                 | 16C          | = | 14C-12C                              |
| 8                 | 12C          | = | 11C*8%                               |

## **FSA024- Large exposures (ELMis)**

There are no definitions for this data item.

## **FSA024 – Large exposures (ELMIs) validations**

### **Internal validations**

| Validation number | Data element |   |             |
|-------------------|--------------|---|-------------|
| 1                 | 1BT          | = | $\Sigma 1B$ |
| 2                 | 1CT          | = | $\Sigma 1C$ |

## **FSA025- Liquidity (ELMis)**

There are no definitions for this data item.



## FSA025 – Liquidity (ELMIs) validations

### Internal validations

Data elements are referenced first by row then by column.

| Validation number | Data elements |        |                                       |
|-------------------|---------------|--------|---------------------------------------|
| 1                 |               |        | [deleted – see external validation 5] |
| 2                 | 6A            | =      | 4A/5A ( $\geq 1$ )                    |
| 3                 |               |        | [deleted – see external validation 6] |
| 4                 |               |        | [deleted – replaced by validation 5]  |
| 5                 | 4A            | $\leq$ | 1A+2A+3A                              |

### External validations

| Validation number | Data elements |        |                                      |
|-------------------|---------------|--------|--------------------------------------|
| 1                 | 2A            | =      | FSA020.3A                            |
| 2                 |               |        | [deleted – replaced by validation 4] |
| 3                 | 5A            | =      | FSA020.11A                           |
| 4                 | 3A            | $\leq$ | FSA020.4A                            |
| 5                 | 1A            | =      | FSA020.1A+FSA020.2A                  |
| 6                 | 4A            | =      | 1A+2A+(min (FSA020.29A*20%), 3A)     |

## **FSA026 – ELM I questions**

There are no definitions for this data item.

## **FSA026 – ELMI questions validations**

### **Internal validations**

There are no validations for this data item.

## **FSA028 – Non-EEA sub-groups**

This data item should be completed if a *BIPRU firm* is a member of a *non-EEA sub-group*, as set out in *BIPRU 8*.

Firms should use *BIPRU 8.3* to help them understand in the first instance whether a *non-EEA sub-group* exists. If a *non-EEA sub-group* exists, and has been identified as existing on FSA001 (or FSA009), then this data item should be completed. However, where a firm concludes that the reporting requirement is fully met by another regulatory submission of FSA003/FSA009 (which will either be a solo- consolidated submission, or a *UK consolidation group* submission), it should be noted on this data item, which can then be submitted with no further information required.

### **Valuation**

For the general policy on valuation, please see the rules and guidance set out in *GENPRU 1.3*.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

#### **27A Do you have a non-EEA group you are reporting on behalf of?**

*Firms* should refer to *BIPRU 8.3* which describes how to identify a *non-EEA sub-group*.

Thus for any *non-EEA sub group*, there should only be a single firm that answers 'yes' to this data element.

Firms that answer 'no' need not complete the data item further, but are still required to submit the data item.

**1A** [deleted]

**2A** [deleted]

**3A** [deleted]

#### **4A What is the currency of the report?**

Firms should identify the currency of the data item from the selection provided. Acceptable currencies are Sterling, Euro, US Dollar, Canadian Dollar, Swedish Kroner, Swiss Franc and Japanese Yen. Figures should be reported in 000s.

#### **5A Total tier one capital after deductions**

This figure is equivalent to Stage F in:

- *GENPRU 2 Annex 4R*, for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

## **6A Total tier two capital after deductions**

This figure is equivalent to stage K in:

- *GENPRU 2 Annex 4R*, for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

## **7A Deductions from the totals of tier one and two**

This figure is equivalent to stage M in:

- *GENPRU 2 Annex 4R*, for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

## **8A Total tier one capital plus tier two capital after deductions**

This is equivalent to Stage N in:

- *GENPRU 2 Annex 4R*, for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

## **9A Total tier three capital**

This figure is equivalent to Stage Q in:

- *GENPRU 2 Annex 4R*, for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

## **10A Deductions from total capital**

This is equivalent to Stage S in:

- *GENPRU 2 Annex 4R*, for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

### **11A Total capital after deductions**

This figure is equivalent to Stage T in:

- *GENPRU 2 Annex 4R*, for a *BIPRU firm* deducting *material holdings*;
- *GENPRU 2 Annex 5R*, for a *BIPRU firm* deducting *illiquid assets*; and
- *GENPRU 2 Annex 6R*, for a *BIPRU firm* with a waiver from consolidated supervision.

Firms should also see *BIPRU 8.6* and *BIPRU 8.7.1R*.

### **12A Credit risk requirement under existing rules**

This data element is only relevant up to and including 31 December 2007. Thereafter, it must be zero.

This should only be completed by firms that have not yet adopted one of the approaches to credit risk set out in *BIPRU 3* and *BIPRU 4*.

### **13A Market risk capital requirement under existing rules**

This data element is only relevant up to and including 31 December 2007. Thereafter, it must be zero.

This should only be completed by firms that have not yet adopted one of the approaches to credit risk set out in *BIPRU 3* and *BIPRU 4*.

### **14A Other capital requirements under existing rules**

This data element is only relevant up to and including 31 December 2007. Thereafter, it must be zero.

Enter here any other capital requirements, other than credit or market risk, under existing rules including any secondary requirements arising under *BIPRU TP 8.11 R*.

### **15A Total credit risk capital component**

During 2007, this will be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *GENPRU 2.1.39R* as modified if a firm has an IRB permission, as well as *BIPRU 8.7.6R* to *BIPRU 8.7.11R*.

### **16A Total operational risk capital requirement**

During 2007, this will be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU 6*, *BIPRU 8.7.14R* and *BIPRU 8.7.15R*.

### **17A [deleted]**

### **18A Counterparty risk capital component**

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU 14.1.3R*, as well as *BIPRU 8.7.6R* to *BIPRU 8.7.11R*.

### **19A Total market risk capital requirement**

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU 7*, *GENPRU 2.2.46R*, *BIPRU 8.7.12R* and *BIPRU 8.7.13R*.

#### **20A Concentration risk capital component**

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *BIPRU 10.5.14R* to *BIPRU 10.5.21G*, as well as *BIPRU 8.7.6R* and *BIPRU 8.9*, for details of how this is calculated.

#### **21A Fixed overheads requirement**

During 2007, this will only be completed by firms that have adopted one of the new approaches to credit risk at the reporting date.

See *GENPRU 2.1.40R* to *GENPRU 2.1.46G*.

#### **22A Capital requirements**

Report here your calculation of your capital requirement.

For firms that have not adopted the new approaches to credit risk yet, the figure may well differ from that reported in your existing regulatory returns under *SUP 16.12*. Although this may be expected, firms should be able to explain how the differences from that have arisen.

#### **23A Capital resources requirement arising from the operation of capital floors**

This will only be completed by firms that have adopted the *IRB approach* to credit risk or *AMA* for operational risk.. See *BIPRU TP2*.

When reporting, the scaling factors set out in *BIPRU TP2.8R* should have been applied.

#### **24A Surplus/Deficit of own funds**

This is data element 11A less data element 22A.

Although not reported here, firms that have adopted the *IRB approach* should also be monitoring data element 23A in relation to item 11A.

### **Large exposures**

#### **25A Capital resources**

Enter here either a figure based on the previously reported capital resources for this *non-EEA sub-group* in data element 8A on the last submission, adjusted for those items excluded under *BIPRU 10.5.5R*, or alternatively a figure based on the capital resources figure reported in data element 8A above on this report, adjusted for those items excluded under *BIPRU 10.5.5R*. Firms should report figures on a consistent basis.

#### **26 Counterparty details**

Enter each counterparty name or group name for each large exposure at the reporting date, together with the appropriate details of the exposure.

#### **26A Exposure number**

Please number each *large exposure* consecutively.

#### **26B Counterparty name**

List here the names of the *counterparties*, *groups of connected clients*, and *connected counterparties* (as set out in *BIPRU 10.3*) that represent *large exposures*.

**26C Amount of the exposure that is exempt**

The amount of the exposure, after credit risk mitigation techniques, that is exempt under *BIPRU* 10.6

**26D Amount of the exposure that is not exempt and is in the non-trading book**

The amount of the exposure, after credit risk mitigation techniques, that is not exempt and is in the non-trading book.

**26E Amount of the exposure that is not exempt and is in the trading book**

The amount of the exposure, after credit risk mitigation techniques, that is not exempt and is in the trading book.

**26F Non-exempt % of capital resources under *BIPRU* 10.5.2R**

This is columns D plus E as a percentage of the capital resources under *BIPRU* 10.5.2R reported in data element 25A. It should be entered to two decimal places, omitting the % sign.

**26G CNCOM**

The amount of CNCOM calculated as set out in *BIPRU* 10.5.14R to 10.5.21G.



## FSA028 – Non-EEA sub-groups validations

### Internal validations

Data elements are referenced by row then column.

| Validation number | Data element |   |               |
|-------------------|--------------|---|---------------|
| 1                 | 8A           | = | 5A + 6A - 7A  |
| 2                 | 11A          | = | 8A + 9A - 10A |
| 3                 | 17A          | ≤ | 16A           |
| 4                 | 24A          | = | 11A-22A       |

## FSA029 – Balance Sheet

### Introduction

The purpose is to provide a framework for the collection of information required by the appropriate regulator as a basis for its supervision activities. It also has the purpose to help the appropriate regulator to monitor firms' capital adequacy and financial soundness.

### Defined Terms

Terms referred to in these notes where defined by the Companies Acts 1985 and 2006, as appropriate, or the provisions of the firm's accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Acts 1985 and 2006 as appropriate) or IFRS.
- The data item should be unconsolidated.
- For a sole trader, only the assets and liabilities of the business should be included.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory Annual Accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the firm. A data item is likely to give a misleading impression if a firm wrongly omits or includes a material item or presents a material item in the wrong way.
- The requirement that any figures be audited does not apply to small companies exempted from audit under the Companies Act 2006.

| Description         | Data element | Guidance  |
|---------------------|--------------|---|
| <b>Fixed Assets</b> |              | Fixed assets include all assets used by the firm in its activities on a continuing basis.   |
| Intangible assets   | 1A           | Intangible assets include goodwill, capitalised development costs, patents, licences, exchange seats (such as seats on LIFFE), trademarks and similar rights. Exchange seats held for investment purposes may be treated as a fixed asset investment. |

| <b>Current assets</b>                                  |     |  |
|--|-----|--|
| Trade debtors due within 90 days                       | 6A  | Amounts due from counterparties should be reflected at gross amounts less any provisions for bad and doubtful debts. Netting is only permitted to the extent that there is express agreement with the counterparty that balances may be settled on a net basis. Firms should ensure that trading book debtors under and over 90 days are disclosed separately. |
| Trade debtors due after 90 days                        | 7A  |  |
| Non-trade debtors                                      | 8A  | These include debtors not arising from trading book activities. Examples of these are corporate finance fees, commissions, interest and dividends not directly related to items in the trading book. Firms should ensure that non-trading book debtors under and over 90 days and debts with affiliates and non-affiliates are disclosed separately.           |
| Cash at bank and in hand segregated                    | 11A | Segregated client monies on the balance sheet should be disclosed separately from other non segregated funds.  |
| Cash at bank and in hand non segregated                | 12A |  |
| <b>Capital - <u>for incorporated entities only</u></b> |     |  |
| Ordinary shares  | 29A |  |
| Non cumulative preference shares – fixed term          | 30A | Cumulative and non cumulative preference shares for fixed and non fixed terms should be disclosed separately. Preference share capital can only be included in financial resources, provided that there is an agreement in place, that redemption may not take place if it would take the firm into a deficit of financial resources.                          |
| Non cumulative preference shares – non fixed term      | 31A |  |
| Cumulative preference shares – fixed term              | 32A | Preference share capital may only be included in initial capital where the dividends are non-cumulative.   |
| Cumulative preference shares – non fixed term          | 33A |  |
| Retained earnings                                      | 38A | This figure should include audited figures where applicable.<br><br>The requirement that this figure be audited does not apply to small companies exempted from audit under the Companies Act 2006.  |

|  |               |   |
|--|---------------|---|
| Profit / (loss) current year - externally verified         | 39A           | Incorporated firms should ensure that for both prior year brought forward and current year profit and loss, amounts representing externally audited balances and unverified trading and non trading book balances are identified and disclosed separately.<br><br>Interim profits may only be included in a firm's initial capital where they have been verified by an external auditor.<br><br>The requirement that this figure be audited does not apply to small companies exempted from audit under the Companies Act 2006. |
| Profit / (loss) current year – unverified trading book     | 40A           |   |
| Profit / (loss) current year – unverified non trading book | 41A           |   |
| Off Balance sheet items                                    | 43A, 43B, 43C | Select the off-balance sheet items from the following items: structured products; OTCs; derivatives; operating leases; offshore entities; securitised transactions; and 'other'.  |

**Capital – for Partnerships or sole traders only**

|  |               |   |
|--|---------------|---|
| Capital account  | 44A           | This represents capital introduced by the partners or sole trader There should be a legal agreement in place to ensure that this capital can not be removed if it would take the firm into a deficit of its financial resources.  |
| Retained earnings  | 45A           | These can only be included in a firm's capital where they have been verified by an external auditor.  |
| Current account current year – externally verified         | 46A           | Unincorporated firms should ensure that for both prior year brought forward and current year current account, amounts representing externally audited balances and unverified trading and non trading book balances are identified and disclosed separately.<br><br>Interim current account may only be included in a firm's initial capital where they have been verified by an external auditor.<br><br>The requirement that this figure be audited does not apply to small companies exempted from audit under the Companies Act 2006. |
| Current account current year – unverified trading book     | 47A           |   |
| Current account current year – unverified non trading book | 48A           |   |
| Off Balance sheet items                                    | 50A, 50B, 50C |   |
| Off Balance sheet items                                    | 50A, 50B, 50C | Select the off-balance sheet items from the following items: structured products; OTCs; derivatives; operating leases; offshore entities; securitised transactions; and 'other'.  |

| <b>Capital – <u>for Limited Liability Partnerships only</u></b> |               |  |
|---|---------------|--|
| Off Balance sheet items   | 54A, 54B, 54C | Select the off-balance sheet items from the following items: structured products; OTCs; derivatives; operating leases; offshore entities; securitised transactions; and ‘other’. |

## FSA029 – Balance sheet validations

### Internal validations

Data elements are referenced by row, then column.

| Validation number | Data element |   |  |
|-------------------|--------------|---|--|
| 1                 | 4A           | = | 1A + 2A + 3A   |
| 2                 | 13A          | = | 5A + 6A + 7A + 8A + 9A + 10A + 11A + 12A   |
| 3                 |              |   | [deleted – replaced by validation 16]  |
| 4                 | 27A          | = | 22A + 23A + 24A + 25A + 26A  |
| 5                 | 28A          | = | 4A + 13A – 55A -27A  |
| 6                 | 34A          |   | If 29A = 0, then 0, else (32A + 33A)   |
| 7                 | 42A          |   | If 29A = 0, then 0, else (29A + 30A + 31A + 34A + 35A + 36A + 37A + 38A + 39A + 40A + 41A) |
| 8                 | 42A          |   | If 29A = 0, then 0, else 28A   |
| 9                 | 44A          |   | If 29A > 0, then 0   |
| 10                | 49A          |   | If 44A > 0, then (44A + 45A + 46A + 47A + 48A), else 0                                     |
| 11                | 49A          |   | If 44A > 0, then 28A, else 0   |
| 12                | 51A          |   | If (29A + 44A) > 0, then 0   |
| 13                | 53A          |   | If 51A > 0, then (51A + 52A), else 0   |
| 14                | 53A          |   | If 51A > 0, then 28A, else 0   |
| 15                | 55A          | = | 14A + 15A + 16A + 17A + 18A + 19A + 20A  |
| 16                | 21A          | = | 13A – 55A  |

## FSA030 – Income Statement

### Introduction

The purpose is to provide a framework for the collection of information required by the appropriate regulator as a basis for its supervision activities. It also has the purpose to help the appropriate regulator to monitor firms' capital adequacy and financial soundness.

The Income Statement should be reported on a cumulative basis throughout the firm's financial year.

### Defined Terms

Terms referred to in these notes where defined by the Companies Acts 1985 and 2006, as appropriate, or the provisions of the firm's accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Acts 1985 and 2006 as appropriate) or IFRS.
- The data item should be unconsolidated.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory Annual Accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the firm. A data item is likely to give a misleading impression if a firm wrongly omits or includes a material item or presents a material item in the wrong way.
- The requirement that any figures be audited does not apply to small companies exempted from audit under the Companies Act 2006.

| Description   | Data element | Guidance  |
|---|--------------|---|
| <b>Dealing Profit /(Loss)</b>   |              |   |
| <b>A firm should complete only the sections relevant to the business it undertakes.</b> |              |   |
| Dealing profits or (loss) - trading   | 1A           | This is the total gross profit or loss which arises from market making and other dealings as principal in the financial year to date. Stamp duty, exchange fees, commissions and brokerage and any related interest paid or payable should be deducted. |

| <b>Revenue</b>                 |     | <b>A firm should complete only the sections relevant to the business it undertakes</b>   |
|--------------------------------|-----|--|
| Gross Commission and brokerage | 5A  | <p>This includes all commission income in respect of the relevant regulated business.</p> <p>Gross commissions will include commission that is received and passed on to another person.</p> <p>Where commission is shared between two or more firms, the gross commission should not be double counted, i.e. each firm should report only the commission it has received.</p> |
| Performance fees               | 6A  | Fees received in relation to the firms regulated activities.   |
| Investment management fees     | 7A  | <p>This is the total of underwriting fees and commissions, valuations, management of investments and unit trusts, pension funds, discretionary management and collective investment schemes.</p> <p>Data element 7A and data element 10A are mutually exclusive.</p>   |
| Investment Advisory Fees       | 8A  | Include all fees arising from investment advice (see <i>PERG 2.7.15G</i> ).  |
| Corporate Finance              | 9A  | This is the total of all income earned by the firm from corporate finance business.  |
| UCITS management fees          | 10A | <p>The total fees attributable from UCITS fees should be disclosed here.</p> <p>Data element 7A and data element 10A are mutually exclusive.</p>   |
| Other revenue                  | 12A | <p>You should record here any income that has derived from its business in the financial year, which has not been recorded under commissions or fees.</p> <p>Such income may include interest on client money, where the firm is permitted to retain this, or payments made by product providers on a basis other than fees or commissions.</p>                                |
| Total revenue                  | 14A | This is the sum of the revenue which is split under data elements 5-13.  |
| <b>Expenditure</b>             |     |  |
| Commissions and fees           | 15A | This is the total of commissions paid and shared, plus fees, brokerage and other charges paid in   |



|                         |     |   |
|-------------------------|-----|---|
|                         |     | relation to the business.   |
| Foreign exchange losses | 18A | This is the total of foreign exchange losses.   |
| Interest expense        | 20A | This is the total of interest payable on borrowings of the firm and interest payable on client bank accounts. |

| <b><u>Following section for incorporated entities only</u></b> |     |  |
|--|-----|--|
| Profit or (loss) on ordinary activities before taxation        | 23A | Profit / (loss) from the activities carried out by a firm in the carrying out of its business. |
| Appropriations   | 26A | Includes dividends paid, or any other items paid out by the firm.                              |
| <b><u>Following section for LLPs only</u></b>                  |     |  |
| Operating Profit or (loss)                                     | 28A | Operating profit / (loss) arising from the day to day activities of the firm.                  |

## FSA030 – Income statement validations

### Internal validations

Data elements are referenced by row, then column.

| Validation number | Data element |   |  |
|-------------------|--------------|---|--|
| 1                 | 4A           | = | 1A + 2A + 3A                                   |
| 2                 | 14A          | = | 5A + 6A + 7A + 8A + 9A + 10A + 11A + 12A + 13A |
| 3                 | 22A          | = | 15A + 16A + 17A + 18A + 19A + 20A + 21A        |
| 4                 | 23A          | = | 4A + 14A – 22A                                 |
| 5                 | 25A          | = | 23A – 24A                                      |
| 6                 | 27A          | = | 25A – 26A                                      |
| 7                 | 28A          |   | If 23A ≠ 0, then 0, else (4A + 14A – 22A)      |
| 8                 | 31A          | = | 28A + 29A + 30A                                |

## FSA031 – Capital Adequacy (for exempt CAD firms subject to IPRU(INV) Chapter 9)

### Introduction

The purpose is to provide a framework for the collection of information required by the appropriate regulator as a basis for its supervision activities. It also has the purpose to help the appropriate regulator to monitor a firm's capital adequacy and financial soundness.

### Defined Terms

Terms referred to in these notes where defined by the Companies Acts 1985 and 2006, as appropriate, or the provisions of the firm's accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Acts 1985 and 2006 as appropriate) or IFRS.
- The data item should be unconsolidated.
- For a sole trader, only the assets and liabilities of the business should be included.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory annual accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the firm. A data item is likely to give a misleading impression if a firm wrongly omits or includes a material item or presents a material item in the wrong way.

| Description               | Data element                 | Guidance  |
|---------------------------|------------------------------|---|
| <b>Regulatory capital</b> | This section has four parts. | <ul style="list-style-type: none"> <li>• <b>Part 1</b> should be completed by all firms</li> <li>• <b>Part 2</b> should only be completed by those firms whose own funds requirement is calculated in accordance with <i>IPRU(INV)</i> 9.2.9R</li> <li>• <b>Part 3</b> should only be completed by those firms whose own funds requirement is calculated in accordance with <i>IPRU(INV)</i> 9.5</li> <li>• <b>Part 4</b> should be completed by all firms</li> </ul> |

|  |   |  |
|--|---|--|
| <b>Part 1</b>  |   |  |
| Ordinary share capital which is fully paid   | 1A  | Item 1 in <i>IPRU(INV)</i> 9.3.1R                          |
| Perpetual non-cumulative preference share capital which is fully paid                        | 5A  | Item 2 in <i>IPRU(INV)</i> 9.3.1R                          |
| Share premium account  | 3A  | Item 3 in <i>IPRU(INV)</i> 9.3.1R                          |
| Reserves excluding revaluation reserves  | 4A  | Item 4 in <i>IPRU(INV)</i> 9.3.1R                          |
| Audited retained earnings  | 36A   | Item 5 in <i>IPRU(INV)</i> 9.3.1R                          |
| Externally verified interim net profits  | 37A   | Item 6 in <i>IPRU(INV)</i> 9.3.1R                          |
| Partners' capital  | 38A   | Item 7 in <i>IPRU(INV)</i> 9.3.1R                          |
| Eligible LLP Members Capital (in accordance with the provisions of <i>IPRU(INV)</i> Annex A) | 2A  | Item 8 in <i>IPRU(INV)</i> 9.3.1R                          |
| Sole trader capital  | 39A   | Item 9 in <i>IPRU(INV)</i> 9.3.1R                          |
| Initial capital  | 17A   | This comprises the items listed in <i>IPRU(INV)</i> 9.3.1R |
| <b>Part 2</b>  | To be completed by those firms whose own funds requirement is calculated in accordance with <i>IPRU(INV)</i> 9.2.9R |  |
| Initial capital  | 40A   | As calculated in Part 1 data element 17A                   |
| Investment in own shares at book value   | 6A  | Item 5 in <i>IPRU(INV)</i> Table 5.2.2(1)                  |
| Intangible shares  | 7A  | Item 6 in <i>IPRU(INV)</i> Table 5.2.2(1)                  |
| Material current year losses   | 8A  | Item 7 in <i>IPRU(INV)</i> Table 5.2.2(1)                  |
| Revaluation reserves   | 11A   | Item 9 in <i>IPRU(INV)</i> Table 5.2.2(1)                  |
| Fixed term cumulative preference share capital   | 12A   | Item 10 in <i>IPRU(INV)</i> Table 5.2.2(1)                 |
| Long term subordinated loans   | 13A   | Item 11 in <i>IPRU(INV)</i> Table 5.2.2(1)                 |

|  |  |   |
|--|--|---|
| Perpetual cumulative preference share capital and qualifying capital instruments       | 14A  | Item 12 in <i>IPRU(INV)</i> Table 5.2.2(1)  |
| Qualifying arrangements  | 15A  | Item 13 in <i>IPRU(INV)</i> Table 5.2.2(1)  |
| Material holdings in credit and financial institutions and material insurance holdings | 9A   | Item 8 in <i>IPRU(INV)</i> Table 5.2.2(1)   |
| <b>Part 3</b>  | To be completed by those firms whose own funds requirement is calculated in accordance with <i>IPRU(INV)</i> 9.5 |   |
| Initial capital  | 41A  | As calculated in Part 1 data element 17A  |
| Investments in own shares at book value  | 18A  | In <i>IPRU(INV)</i> Table 9.5.2, item 1 of part B   |
| Intangible assets  | 19A  | In <i>IPRU(INV)</i> Table 9.5.2, item 2 of part B   |
| Material current year losses   | 20A  | In <i>IPRU(INV)</i> Table 9.5.2, item 3 of part B   |
| Perpetual cumulative preference share capital  | 22A  | In <i>IPRU(INV)</i> Table 9.5.2, item 2 of part C   |
| Fixed term capital preference shares   | 23A  | In <i>IPRU(INV)</i> Table 9.5.2, item 5 of part C   |
| Perpetual long term subordinated loans   | 24A  | In <i>IPRU(INV)</i> Table 9.5.2, item 4 of part C   |
| Long term subordinated loans   | 25A  | In <i>IPRU(INV)</i> Table 9.5.2, item 3 of part C   |
| Revaluation reserves   | 26A  | In <i>IPRU(INV)</i> Table 9.5.2, item 1 of part C   |
| <b>Part 4</b>  | Regulatory capital test to be completed by all firms   |   |
| How do you meet your regulatory capital requirement?                                   | 29A  | <p>The rules allow a firm to specify the method in which it will meet the regulatory capital requirement. A firm can:</p> <ul style="list-style-type: none"> <li>• use capital to meet the regulatory requirement; or</li> <li>• use PII to meet the regulatory requirement; or</li> <li>• use a combination of capital and PII to meet the regulatory requirement.</li> </ul> <p>A firm should select from the drop-down options.<br/>(If a firm uses PII to meet the regulatory</p> |

|  |     |  |
|--|-----|--|
|  |     | requirement it will nevertheless always require a minimum of £5,000 initial capital)   |
| Own funds requirement  | 30A | The own funds requirement ('OFR') should be calculated in accordance with section <i>IPRU(INV)</i> 9.2.<br><br>Where a firm chooses to meet the regulatory requirements using PII the OFR will always be a minimum of £5,000.  |
| Other appropriate regulator own funds requirements (if applicable)   | 31A | Firms subject to a requirement under another chapter of <i>IPRU(INV)</i> should include that requirement to the extent it exceeds the own funds requirement in 30A.<br><br>For example, where an ECF also conducts non-MiFID activities, such as operating an unregulated collective investment scheme, it may be subject to a liquid capital requirement under <i>IPRU(INV)</i> chapter 5. The firm would need to express the liquid capital requirement in terms of 'own funds' by adjusting (adding back or deducting as relevant) those items of liquid capital which do not constitute items of the own funds computation e.g. the illiquid assets deduction. Where the liquid capital requirement, expressed in terms of own funds, exceeds the own funds requirement reported in 30A, the difference between both requirements should be reported here. |
| <i>Professional Indemnity Insurance</i>  |     |  |
| This section requires each firm to confirm it is in compliance with the prudential requirements in relation to professional indemnity insurance (PII). Data is required in relation to all PII policies that a firm has in place, up to a limit of ten (this is provided in columns A-H). If a firm has more than ten policies, it should report only on the ten largest policies by premium. For each insurer, if there are any business lines with different excess, then they should be reported in columns J and K (so there can be multiple entries in columns J and K for each insurer). |     |  |
| Does your firm hold a Comparable Guarantee in lieu of PII or is it otherwise exempt from PII?  | 33A | This question will establish whether a firm is exempt from the requirements and so is not required to hold PII.<br><br>If the firm is required to hold PII – i.e. is not exempt from holding PII – you should enter 'no' in the data field.<br><br>A firm is NOT exempt from holding PII if: <ul style="list-style-type: none"> <li>• the firm has a group policy with an insurer; or</li> <li>• the firm has permission for the regulated business that requires PII, but does not</li> </ul>   |

|  |     |   |
|--|-----|---|
|  |     | <p>currently carry it out; or</p> <ul style="list-style-type: none"> <li>it is a personal investment firm meeting the exemption requirements for mortgage intermediaries and insurance intermediaries in <i>MIPRU</i> 3.1.</li> </ul> <p>Select either 'Comparable guarantee' or 'Exempt'.</p>  |
| Does your firm conduct insurance mediation activities? | 34A | Insurance mediation activities are defined in the Handbook glossary.  |
| Annualised premium                                     | 35A | This should state the premium payable (in descending order of size), net of tax and any other add-ons. If the premium covers a period other than 12 months, it should be annualised before ranking.   |
| PII Insurer  | 35B | Select the PII insurer from the list provided (to follow). If you have more than one policy with the same insurer, they should be combined. If the insurer is not listed, select 'Other'. If a policy is underwritten by more than one insurance undertaking or Lloyd's syndicate, you should select 'multiple'.  |
| Start date   | 35C | Enter the start date of the policy.   |
| Renewal date   | 35D | Enter the renewal date of the policy  |
| Currency of indemnity limits                           | 35L | Using the appropriate International Organization for Standardization ISO 4217 three digit code (e.g. GBP), enter the currency in which the indemnity limits, in fields 35E to 35H are reported.   |
| Limit of indemnity required – single                   | 35E | <p>You should record here the required indemnity limits on the firm's PII policy or policies, in relation to single claims. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than Euros.</p> |
| Limit of indemnity required – aggregate                | 35F | <p>You should record here the required indemnity limits on the firm's PII policy or policies, in aggregate. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than euros.</p>                 |



|   |     |  |
|---|-----|--|
| Limited of indemnity obtained – single    | 35G | <p>You should record here the indemnity limits on the firm’s PII policy or policies obtained in relation to single claims. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than euros.</p>   |
| Limited of indemnity obtained – aggregate | 35H | <p>You should record here the indemnity limits on the firm’s PII policy or policies obtained in aggregate. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than euros.</p>   |
| Business line                             | 35J | <p>For policies that cover all business lines, firms should select ‘All’ from the list provided (to follow). Where the policy contains different excess for different business lines, firms should identify these business lines from the list (or the closest equivalent) and report the (highest) excess for that business line in data element 35K. Once these ‘non-standard’ excesses have been identified, the remaining business lines should be reported under ‘All other’.</p> <p>(Some typical business types include pensions, endowments, FSAVCs, splits/zeroes, precipice bonds, income drawdown, lifetime mortgages, discretionary management).</p> |
| Policy excess                             | 35K | <p>For policies that cover all business lines with no difference in excesses, this should be the excess applicable. Otherwise, it should contain the highest excess for each business line that differs.</p>   |

## FSA031 – Capital Adequacy (for exempt CAD firms subject to IPRU(INV) Chapter 9) validations

### Internal validations

Data elements are referenced by row, then column.

| Validation number | Data element |   |   |
|-------------------|--------------|---|---|
| 1                 |              |   | [deleted –replaced by validation 9]                       |
| 2                 |              |   | [deleted – replaced by validation 10]                     |
| 3                 |              |   | [deleted]   |
| 4                 |              |   | [deleted]   |
| 5                 |              |   | [deleted – replaced by validation 12]                     |
| 6                 |              |   | [deleted]   |
| 7                 | 17A          | = | 1A +5A +3A +4A + 36A + 37A + 38A + 2A + 39A               |
| 8                 | 40A          | = | 17A or 0  |
| 9                 | 10A          | = | 40A – 6A – 7A – 8A  |
| 10                | 16A          | = | 10A + 11A + 12A + 13A +14A +15A – 9A                      |
| 11                | 41A          | = | 17A or 0  |
| 12                | 28A          | = | 41A – 18A – 19A – 20A + 22A + 23A + 24A + 25A + 26A – 27A |
| 13                |              |   | [deleted – replaced by validation 15]                     |
| 14                | 42A          | = | 30A+31A   |
| 15                | 32A          | = | (16A or 28A) – 42A  |

## FSA032 – Capital Adequacy (for exempt CAD firms subject to IPRU(INV) Chapter 13)

### Introduction

The purpose is to provide a framework for the collection of information required by the appropriate regulator as a basis for its supervision activities. It also has the purpose to help the appropriate regulator to monitor a firms' capital adequacy and financial soundness.

### Defined Terms

Terms referred to in these notes where defined by the Companies Act 2006 or the provisions of the firm's accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Act 2006) or IFRS.
- The data item should be unconsolidated.
- For a sole trader, only the assets and liabilities of the business should be included.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory annual accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the firm. A data item is likely to give a misleading impression if a firm wrongly omits or includes a material item or presents a material item in a wrong way

| Description   | Data element | Guidance                            |
|---|--------------|-------------------------------------|
| <b>Regulatory Capital</b>                                     |              |                                     |
| Ordinary share capital which is fully paid up                 | 1A           | Item 1 in <i>IPRU(INV)</i> 13.1A.6R |
| Perpetual non-cumulative preference share which is fully paid | 5A           | Item 2 in <i>IPRU(INV)</i> 13.1A.6R |
| Share premium account   | 3A           | Item 3 in <i>IPRU(INV)</i> 13.1A.6R |
| Reserves excluding  | 4A           | Item 4 in <i>IPRU(INV)</i> 13.1A.6R |

|   |     |   |
|---|-----|---|
| revaluation reserves  |     |   |
| Audited retained earnings   | 45A | Item 5 in <i>IPRU(INV)</i> 13.1A.6R   |
| Externally verified interim net profits   | 46A | Item 6 in <i>IPRU(INV)</i> 13.1A.6R   |
| Partners' capital   | 47A | Item 7 in <i>IPRU(INV)</i> 13.1A.6R   |
| Eligible LLP members' capital (in accordance with the provisions of <i>IPRU(INV)</i> Annex A) | 2A  | Item 8 in <i>IPRU(INV)</i> 13.1A.6R   |
| Sole trader capital   | 48A | Item 9 in <i>IPRU(INV)</i> 13.1A.6R   |
| Revaluation reserves  | 13A | Revaluation reserves (unrealised reserves arising from revaluation of fixed assets) can only be included here if audited.   |
| <b>Regulatory capital test(s)</b>   |     |   |
| How do you meet your regulatory capital requirement?  | 23A | <p>The rules allow a firm to specify the method in which it will meet the regulatory capital requirement. A firm can:</p> <ul style="list-style-type: none"> <li>• use capital to meet the regulatory requirement; or</li> <li>• use PII to meet the regulatory requirement; or</li> <li>• use a combination of capital and PII to meet the regulatory requirement.</li> </ul> <p>A firm should select from the drop-down options.<br/>(If a firm uses PII to meet the regulatory requirements it will nevertheless always require a minimum of £20,000 of <i>own funds</i>.)</p> |
| <i>Capital requirement</i>  |     |   |
| Own funds requirement   | 24A | <p>The own funds requirement ('OFR') should be calculated in accordance with section <i>IPRU(INV)</i> 13.1A (excluding the calculation under <i>IPRU(INV)</i> 13.13 if that is higher).</p> <p>Where a firm chooses to meet the regulatory requirements using PII the OFR will be a minimum of £20,000.</p>   |
| Additional capital resources requirement for PII (if applicable)                              | 25A | If the firm has any excesses over the minimum prescribed or exclusions in its PII policies, this should be the total of the additional capital resources requirements required by <i>IPRU(INV)</i> 13.1.27R and/or 13.1.23R, respectively.  |

|   |     |  |
|---|-----|--|
| Other appropriate regulatory capital / own funds requirements (if applicable)   | 26A | <p>Under <i>IPRU(INV)</i> 13.1A.2R, a <i>firm</i> will be potentially subject to a requirement under <i>IPRU(INV)</i> 13.13.2R and should include that requirement here to the extent it exceeds the own funds requirement in 24A.</p> <p>This section excludes capital resources requirements in relation to PII.</p>   |
| Surplus / (deficit)   | 28A | <p>This is the difference between the firm's <i>own funds</i> as calculated under <i>IPRU(INV)</i> 13.1A and its capital resources requirement. A firm's capital resources requirement is the total of 24A, 25A and 26A. So, such a firm should compare this requirement with the <i>own funds</i> in 27A to compute the surplus/(deficit).</p>  |
| <p><i>Professional Indemnity Insurance</i></p> <p>This section requires each firm to confirm it is in compliance with the prudential requirements in relation to professional indemnity insurance (PII). Data is required in relation to all PII policies that a firm has in place, up to a limit of ten (this is provided in columns A-H). If a firm has more than ten policies, it should report only on the ten largest policies by premium. For each insurer, if there are any business lines with different excess, then they should be reported in columns J – L (so there can be multiple entries in columns J, K and L for each insurer).</p> |     |  |
| Does your firm hold a Comparable Guarantee or equivalent cover in lieu of PII or is it otherwise exempt from holding PII?   | 32A | <p>This question will establish whether a firm is exempt from the requirements and so is not required to hold PII.</p> <p>If the firm is required to hold PII – i.e. is not exempt from holding PII – you should enter 'no' in the data field.</p> <p>A firm is NOT exempt from holding PII if:</p> <ul style="list-style-type: none"> <li>• the firm has a group policy with an insurer; or</li> <li>• the firm has permission for regulated business that requires PII, but does not currently carry it out; or</li> <li>• it is a personal investment firm meeting the exemption requirements for mortgage intermediaries and insurance intermediaries in <i>MIPRU</i> 3.1.</li> </ul> <p>Select either 'Comparable guarantee' or 'Exempt'.</p> |

|  |     |   |
|--|-----|---|
| If your firm does not hold a Comparable Guarantee or equivalent cover and is not exempt, does the firm currently hold PII?   | 33A | This is either 'Yes' or 'No'.   |
| Does the firm conduct insurance mediation activities?  | 34A | This is either 'Yes' or 'No', and enables us to check that the PII cover meets the minimum requirements.  |
| Has your firm renewed its PII cover since the last reporting date?   | 35A | This is either 'Yes' or 'No'.   |
| If your policy excludes all business activities carried on prior to a particular date (i.e. a retroactive start date), then insert the date here. If not insert N/A. | 36A | <p>Required terms of PII are set out in <i>IPRU(INV)</i> 13.1.4.</p> <p>Examples of a retroactive start date:</p> <p>(1) A firm has a retroactive start date of 01/01/2005 on its policy if:</p> <ul style="list-style-type: none"> <li>• A client is advised by the firm to purchase an XYZ policy on 01/03/2004 (i.e. before the retroactive date) <ul style="list-style-type: none"> <li>• The client makes a formal complaint about the sale of the XYZ policy to the firm on 01/04/2006 (i.e. while this PII cover is still in place).</li> </ul> </li> <li>• The complaint is upheld, but the firm's current PII Insurer will not pay out any redress for this claim as the transaction took place before 01/01/2005, the retroactive date in the policy.</li> </ul> <p>Insert '01/01/05' for this question on the data item.</p> |

|                                      |     |   |
|--------------------------------------|-----|---|
|                                      |     | <p>(2) A firm does not have a retroactive start date if:</p> <ul style="list-style-type: none"> <li>• A client is advised by the firm to purchase an XYZ policy on 01/03/2006.</li> <li>• The client makes a formal complaint about the sale of the XYZ policy to the firm on 01/04/2006 (i.e. while this PII cover is still in place).</li> <li>• The complaint is upheld, and the firm's current PII Insurer will pay out any redress owed by the firm to the client over any prescribed excess, and to the limit of indemnity provided for. There is no date in the policy before which any business transacted may not give rise to a valid claim.</li> </ul> <p>Insert 'n/a' for this question on the data item.</p> |
| Is the cover compliant?              | 37A | This is either 'Yes' or 'No'.   |
| Annualised premium                   | 38A | This should state the premium payable (in descending order of size), net of tax and any other add-ons. If the premium covers a period other than 12 months, it should be annualised before ranking.   |
| PII Insurer                          | 38B | Select the PII insurer from the list provided (to follow). If you have more than one policy with the same insurer, they should be combined. If the insurer is not listed, select 'Other'. If a policy is underwritten by more than one insurance undertaking or Lloyd's syndicate, you should select 'multiple'.  |
| Start date                           | 38C | Enter the start date of the policy.   |
| Renewal date                         | 38D | Enter the renewal date of the policy  |
| Currency of indemnity limits         | 38M | Using the appropriate International Organization for Standardization ISO 4217 three digit code (e.g. GBP), enter the currency in which the indemnity limits, in fields 38E to 38H are reported.   |
| Limit of indemnity required – single | 38E | <p>You should record here the required indemnity limits on the firm's PII policy or policies, in relation to single claims, as under <i>IPRU(INV)</i> 13.1.4(2)R. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than euros.</p>   |

|   |     |   |
|---|-----|---|
| Limit of indemnity required – aggregate   | 38F | <p>You should record here the required indemnity limits on the firm’s PII policy or policies, in aggregate, as under <i>IPRU(INV)</i> 13.1.4(2)R. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than euros.</p>   |
| Limited of indemnity obtained – single    | 38G | <p>You should record here the indemnity limits on the firm’s PII policy or policies obtained in relation to single claims, as under <i>IPRU(INV)</i> 13.1.4(2)R. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than euros.</p>  |
| Limited of indemnity obtained – aggregate | 38H | <p>You should record here the indemnity limits on the firm’s PII policy or policies obtained in aggregate, as under <i>IPRU(INV)</i> 13.1.4(2)R. These can be reported either in Euros or the currency of the report, if different.</p> <p>See <i>MIPRU</i> 3.2.8R for requirements about the calculation of indemnity limits where the <i>policy</i> is denominated in a currency other than euros.</p>  |
| Business line                             | 38J | <p>For policies that cover all business lines, firms should select ‘All’ from the list provided (to follow). Where the policy contains different excess for different business lines, firms should identify these business lines from the list (or the closest equivalent) and report the (highest) excess for that business line in data element 38K. Once these ‘non-standard’ excesses have been identified, the remaining business lines should be reported under ‘All other’.</p> <p>(Some typical business types include pensions, endowments, FSAVCs, splits/zeros, precipice bonds, income drawdown, lifetime mortgages, discretionary management).</p> |
| Policy excess                             | 38K | <p>For policies that cover all business lines with no difference in excesses, this should be the excess applicable. Otherwise, it should contain the highest excess for each business line that differs.</p>  |
| Policy exclusions                         | 38L | <p>If there are any exclusions in the firm’s PII policy, the business type(s) to which they relate should be entered here. This is a free text field.</p>   |



|   |     |   |
|---|-----|---|
| Annual income as stated on the most recent proposal form              | 39A | <p>This should be the income as stated on the <i>firm's</i> most recent PII proposal form.</p> <p>This is relevant income arising from all of the <i>firm's</i> activities for the last accounting year before the policy began or was renewed (<i>IPRU(INV)</i> 13.1.3(3)R).</p> |
| Amount of additional capital required for policy excess(es)           | 40A | <p>This should be calculated using the tables in <i>IPRU(INV)</i> 13.1.4(12)E. The total of additional capital (i.e. in relation to all of the firm's PII policies) should have been reported under 'additional own funds requirement for PII' (data element 25A).</p>            |
| Total amount of additional own funds required for policy exclusion(s) | 41A | <p>This should be calculated in line with <i>IPRU(INV)</i> 13.1.4(13)R. The total of additional own funds (i.e. in relation to all of the firm's PII policies) should have been reported under 'additional own funds for PII' (data element 25A).</p>                             |
| Total of additional own funds required                                | 42A | <p>This represents the total of additional own funds required under <i>IPRU(INV)</i> 13.1.4 to 13.1.4(13)G for all of the firm's PII policies (data element 25A).</p>   |
| Total of readily realisable own funds                                 | 43A | <p>State here the total of the own funds that are classed as 'readily realisable' under the terms of <i>IPRU(INV)</i> 13.1.4(4)G.</p>   |
| Excess / (deficit) of readily realisable own funds                    | 44A | <p>In this field, enter the result of the 'total of readily realisable own funds' less the 'total of additional own funds required'.</p>  |

## FSA033 – Capital Adequacy (for firms subject to IPRU(INV) Chapter 3)

### Introduction

The purpose is to provide a framework for the collection of information required by the appropriate regulator as a basis for its supervision activities. It also has the purpose to help the appropriate regulator to monitor firms' capital adequacy and financial soundness.

### Defined Terms

Terms referred to in these notes where defined by the Companies Acts 1985 and 2006, as appropriate, or the provisions of the firm's accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Acts 1985 and 2006 as appropriate) or IFRS.
- The data item should be unconsolidated.
- For a sole trader, only the assets and liabilities of the business should be included.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory Annual Accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the firm. A data item is likely to give a misleading impression if a firm wrongly omits or includes a material item or presents a material item in the wrong way.
- the requirement that any figures be audited does not apply to small companies exempted from audit under the Companies Act 2006.

| Description               | Data element | Guidance  |
|---------------------------|--------------|---|
| <b>Regulatory Capital</b> |              |   |
| <i>Tangible net worth</i> | 1B and 2B    | <p>For an incorporated firm, tangible net worth includes ordinary share capital plus redeemable preference shares, meeting the criteria set out in <i>IPRU(INV)</i> 3- 62R, approved reserves as explained in <i>IPRU(INV)</i> 3-62R, share premium account and retained earnings, less any intangible assets.</p> <p>For a partnership or sole trader, tangible net worth includes the capital account plus current account, less any intangible assets.</p> |

|                                     |          |  |
|-------------------------------------|----------|--|
| <i>Eligible Capital Substitutes</i> | 3B to 5B | There are certain limits on subordinated loans, approved bank bonds and approved undertakings which may be taken into financial resources. The total should not exceed four times tangible net worth. The other limits are detailed in <i>IPRU(INV)</i> 3-63R.   |
| <i>Primary requirement</i>          |          | This is the requirement set out in <i>IPRU(INV)</i> 3-70R  |
| Base requirement                    | 7B       | The base requirement is the greater of: <ul style="list-style-type: none"> <li>• the absolute minimum requirement which is determined in accordance with <i>IPRU(INV)</i> 3-72R;</li> <li>• the expenditure requirement which is determined in accordance with <i>IPRU(INV)</i> 3-73R; and</li> <li>• the volume of business requirement which is 3.5% of the aggregate of the firm's counterparties' total initial margin requirement.</li> </ul> |
| Total liquidity adjustment          | 10B      | The liquidity adjustment should be calculated in accordance with <i>IPRU(INV)</i> 3-75R and should be deducted in order to arrive at the financial resources.  |
| Charged assets                      | 11B      | This is the balance sheet value of each asset charged to a third party ( <i>IPRU(INV)</i> 3-76R) unless the related exposure has already been recorded as a liability or is subject to CRR.  |
| Contingent liabilities              | 12B      | An amount should be added to primary requirement in accordance with <i>IPRU(INV)</i> 3-77R.  |
| Deficiencies in subsidiaries        | 13B      | Unless a provision has already been made (ie a reduction of the firm's financial resources), the amount is equal to the deficiency in shareholders' funds in the subsidiary of the firm ( <i>IPRU(INV)</i> 3-78R).   |
| <b>Regulatory capital test</b>      |          |  |
| Position Risk Requirement           | 16A      | A firm which trades on its own account should calculate a position risk requirement. The methods and position risk weightings (known as PRRs) to be used can be found in <i>IPRU(INV)</i> 3-80R to 3-169R and <i>IPRU(INV)</i> 3 App 26.   |

|                               |     |  |
|-------------------------------|-----|--|
| Counterparty Risk Requirement | 17A | This section is split into debtors and creditors arising on the trading book. The headings for assets and liabilities are designed to reflect the balance sheet values of transactions analysed by type. |
|-------------------------------|-----|--|

## **FSA033 – Capital Adequacy (for firms subject to IPRU(INV) Chapter 3) validations**

### **Internal validations**

Data elements are referenced by row, then column.

| Validation number | Data element |   |                            |
|-------------------|--------------|---|----------------------------|
| 1                 | 6B           | = | 1B – 2B + 3B + 4B + 5B     |
| 2                 | 10B          | = | 8A + 9A                    |
| 3                 | 14B          | = | 7B + 10B + 11B + 12B + 13B |
| 4                 | 15A          | = | 14B                        |
| 5                 | 18B          | = | 15A + 16A + 17A            |
| 6                 | 19B          | = | 6B                         |
| 7                 | 20B          | = | 19B – 18B                  |

## **FSA034 – Capital Adequacy (for firms subject to IPRU(INV) Chapter 5 not subject to exemption in IPRU(INV) 5.2.3(2)R)**

### **Introduction**

The purpose is to provide a framework for the collection of information required by the appropriate regulator as a basis for its supervision activities. It also has the purpose to help the appropriate regulator to monitor firms' capital adequacy and financial soundness.

### **Defined Terms**

Terms referred to in these notes where defined by the Companies Acts 1985 and 2006, as appropriate, or the provisions of the firm's accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Acts 1985 and 2006 as appropriate) or IFRS.
- The data item should be unconsolidated.
- For a sole trader, only the assets and liabilities of the business should be included.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory annual accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the firm. A data item is likely to give a misleading impression if a firm wrongly omits or includes a material item or presents a material item in the wrong way.
- The requirement that any figures be audited does not apply to small companies exempted from audit under the Companies Act 2006.

## **FSA034 – Capital Adequacy (for firms subject to IPRU(INV) Chapter 5 not subject to exemption in IPRU(INV) 5.2.3(2)R) validations**

### **Internal validations**

Data elements are referenced by row, then column.

| Validation number | Data item |                                       |
|-------------------|-----------|---------------------------------------|
| 1                 |           | [deleted – replaced by validation 10] |
| 2                 |           | [deleted – replaced by validation 11] |
| 3                 | 16B       | = 10B + 11B + 12B + 13B + 14B + 15B   |
| 4                 | 21B       | = 16B + 17B + 18B – 19B + 20B         |
| 5                 | 22B       | = 21B                                 |
| 6                 | 28B       | = 23A + 24A + 25A + 26A + 27A         |
| 7                 | 29B       | = 22B – 28B                           |
| 8                 |           | [deleted – replaced by validation 12] |
| 9                 | 34B       | = 6 or 13                             |
| 10                | 9B        | = 5A + 6A + 7A + 8A + 36A             |
| 11                | 10B       | = 1B + 35B + 2B + 3B + 4B – 9B        |
| 12                | 33B       | = 32B*(34B/52)                        |

## **FSA035 – Capital Adequacy (for firms subject to IPRU(INV) Chapter 5 and to the exemption in IPRU(INV) 5.2.3(2)R)**

### **Introduction**

The purpose is to provide a framework for the collection of information required by the appropriate regulator as a basis for its supervision activities. It also has the purpose to help the appropriate regulator to monitor firms' capital adequacy and financial soundness.

### **Defined Terms**

Terms referred to in these notes where defined by the Companies Acts 1985 and 2006, as appropriate, or the provisions of the firm's accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Acts 1985 and 2006 as appropriate) or IFRS.
- The data item should be unconsolidated.
- For a sole trader, only the assets and liabilities of the business should be included.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory Annual Accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the firm. A data item is likely to give a misleading impression if a firm wrongly omits or includes a material item or presents a material item in the wrong way.
- The requirement that any figures be audited does not apply to small companies exempted from audit under the Companies Act 2006.



## **FSA035 – Capital Adequacy (for firms subject to IPRU(INV) Chapter 5 and to the exemption in IPRU(INV) 5.2.3(2)R) validations**

### **Internal validations**

Data elements are referenced by row, then column.

| Validation number | Data element |   |                                       |
|-------------------|--------------|---|---------------------------------------|
| 1                 |              |   | [deleted – replaced by validation 8]  |
| 2                 |              |   | [deleted – replaced by validation 9]  |
| 3                 | 16B          | = | 10B + 11B + 12B + 13B + 14B + 15B     |
| 4                 | 18A          | = | blank or 5                            |
| 5                 | 19A          | = | blank or 4000                         |
| 6                 | 19A          |   | If 18A = blank, then 4000, else blank |
| 7                 | 20B          | = | 17B – (18A + 19A)                     |
| 8                 | 9B           | = | 5A + 6A + 7A + 8A + 22A               |
| 9                 | 10B          | = | 1B + 21B + 2B + 3B + 4B – 9B          |

**FSA036- Capital Adequacy (for UCITS firms)**

**[deleted]**

## **FSA038 – Volumes and Type of Business**

### **Invested/uninvested funds**

As far as possible, the amount reported should be a true reflection of the value of funds that are available to buy assets at the time of reporting, added to the value of the assets themselves. Funds 'in process' should not be included.

### **Discretionary/advisory clients**

*Firms* should include any FUM relating to all investment management clients whether managed under a discretionary or an advisory arrangement.

### **Delegation and extent of delegation**

- (a) FUM should exclude the value of those parts of the managed portfolios in respect of which the responsibility for the discretionary management has been formally delegated to another *firm* (and which *firm* will include the value of the assets in question in its own FUM total).
- (b) However, the *firm* must include FUM where:
  - (i) the *firm* to whom the management is delegated will not be reporting it – e.g. if it is not appropriate regulator-regulated, or is a non-UK firm; and
  - (ii) the reporting *firm* has discretion over the delegation or retains the right to terminate an arrangement for third party asset management, and the reporting *firm* may either bring the management of that FUM back in-house or delegate it to another party.
- (c) Funds under management should include the value of those parts of the managed portfolios in respect of which the responsibility for the discretionary management has been formally delegated **to** the *firm* (including delegations from non appropriate regulator regulated and non-UK firms).

### **Valuation issues**

As a general rule, *firms* should apply a consistent basis for valuation across the range of clients in respect of which they are reporting. *Firms* should be able to express and justify the basis of valuation they select and should, as far as possible, consistently apply the methodology, such that time-series analysis is meaningful.

The appropriate regulator is encouraged by the ongoing development of industry standards in relation to valuation and encourages reporters to make use of any relevant industry-agreed standards.

### **Debt gearing**

The value of assets purchased through borrowing should be reported as FUM, including any cash amount available for investment as a result of debt gearing.

### **Value of derivatives**

The value of derivative instruments and other assets is calculated as the fair value (i.e. on a mark-to-market basis). This is not the exposure value. If the *firm* is managing an overlay portfolio where the *firm* does not manage the underlying assets, the *firm* should report the combined fair value of the overlay and the underlying investment portfolio.

## Double-counting

*Firms* should make all reasonable efforts to eliminate double-counting in the submission of sums. However, it is accepted that reporting on the basis of our guidance may in certain circumstances lead to the overstatement of FUM.

## Timing of calculation

In respect of the timing for calculating of total FUM, we expect *firms* to collect and aggregate the information to base their reporting on within a reasonable timeframe. However, the valuation point used for any client should be the last mandatory valuation point and the total valuation should not include the sum of valuations that are more than 30 days apart.

## Client/fund domicile

The value of all clients' assets, regardless of domicile, should be included in the calculation.

## Private equity and venture capital business

In relation to *investment management firms* carrying out *venture capital business*, those firms should report that element of their total FUM by reference to the value of their *drawn down capital* plus any remaining committed but un-drawn investor capital and loans. All the preceding guidelines apply to reporting by these firms.

| Description  | Data element | Guidance  |
|--|--------------|---|
| Total funds under management   | 1A           | This should be reported by all firms with permission of <i>managing investments</i> .   |
| Of which drawn down capital  | 5A           | All <i>firms</i> carrying out <i>venture capital business</i> should report here the amount of <i>drawn down capital</i> included within data element 1A above.   |
| Do you conduct <i>designated investment business</i> with or for retail clients? | 3A           | <p>This data element in part helps us to differentiate between firms that have direct contact with retail clients in carrying on designated investment business services and firms which are operators, trustees or depositaries of Authorised Unit Trusts (AUTs), Open Ended Investment Companies (OEICs), Recognised schemes (RSs) and Unregulated collective investment schemes (UCISs) in which the unit/shareholders would be retail clients but the firms do not conduct designated investment business directly with or for them. So, a firm that is conducting designated investment business directly with or for an AUT, OEIC, RS or UCIS should, when answering the question in respect of those clients, have regard to how the AUT, OEIC, RS or UCIS has been classified by the firm and not the notional classification of the underlying unit/share holders. Clearly, where the firm has other clients, it will need to take into account their classification when answering the question.</p> <p>If your firm is eligible and has applied under Rule 1.1.7 of <i>DISP</i> (Dispute Resolution: Complaints) for exemption from <i>DISP</i> 1.2 – <i>DISP</i> 1.7, in that the firm does not conduct and</p> |

|  |  |  |
|--|--|--|
|  |  | <p>is not reasonably likely to conduct, business with eligible complainants, then, in respect of data element 3A, it is possible that you will not be conducting designated investment business for or with retail clients, but firms should note that the definition of eligible complainant is different to that of retail client.</p> <p>Where firms conduct non advised investment services (execution only services) for retail clients and are required to complete an appropriateness test (under MiFID) for a retail client in relation to a transaction or service, please be aware that the outcome of that appropriateness test does not alter the classification of that client.</p> |
|--|--|--|

|   |           |   |
|---|-----------|---|
| <p>What is the current approximate percentage of your clients are retail clients?</p> | <p>4A</p> | <p>The purpose of this data element is to give supervisors an indication of the make up of the firm's client base. Whilst it is accepted that this question does not demonstrate a firm's compliance with a particular rule, it will assist supervisors in understanding the level of potential risk facing a firm from those risks that are specific to activities with private customers/retail clients. Firms should be aware that the appropriate regulator is not expecting firms to be able to determine an exact number of private customers/retail clients when answering this question, rather the appropriate regulator is asking for an approximate answer and is not explicitly or implicitly requiring firms to implement systems, or modify existing ones, to collate client classification and activity information. However, the appropriate regulator does expect firms to have adequate risk management systems and controls in place to manage their affairs and risks responsibly and would expect an authorised firm to be able to make a reasonable estimate in answer to this question within the bands specified.</p> <p>It is acknowledged that a client may have different accounts and be classified as a private customer/retail client in relation to one area of business and classified as an intermediate customer or market counterparty/professional client for another. It is acknowledged that this may lead to double counting of some clients between classifications. It is not envisaged that this situation will cause great anomalies in the information provided within the bands specified.</p> <p>The appropriate regulator will not expect firms to apply a stringent criteria to filter out customers that become inactive for the purpose of this question. The answer provided by the firm should, however reflect a firm's recent and ongoing activities. The appropriate regulator would expect a firm to have sufficient management information to be able to avoid a large discrepancy between the true current position and a distorted position through the inclusion of inactive clients, when answering this question.</p> |
|---|-----------|---|

## **FSA038 – Volumes and Type of Business validations**

### **Internal validations**

Data elements are referenced by row, then column.

| Validation number | Data element |                                      |
|-------------------|--------------|--------------------------------------|
| 1                 | 2A           | If 1A > 0, then $\geq 0$ , else 0    |
| 2                 | 4A           | If 3A = Yes, then $\geq 0$ , else, 0 |

## FSA039 – Client Money and Client Assets

| Description   | Data element | Guidance   |
|---|--------------|--|
| Has your firm held <i>Client Money</i> or Client Assets in this reporting period?               | 1A           | <p>Firms should choose from the options: No; Yes – Client assets; Yes – Client Money; and Yes – Both.</p> <p>Please see the <i>Handbook Glossary</i> for the defined term of <i>Client Money</i>.</p>  |
| Does the firm undertake or allow stock lending activities using <i>clients'</i> custody assets? | 2A           | <p>Please answer yes or no as applicable.</p> <p>For the purposes of this question, stock lending is an agreement for the temporary transfer of securities, in which the borrower undertakes to return equivalent securities at a pre-determined time. The lender retains ownership of the securities, and typically earns income from the borrower for agreeing to the loan, but the borrower is able to exercise the voting rights attached to the securities.</p> <p><i>Firms</i> should note that <i>CASS</i> requires <i>firms</i> to obtain express prior consent from clients to enter into securities financing transactions and have due regard to the client's best interest rule.</p> |



## **FSA039- Client Money and Client Assets validations**

### **Internal validations**

There are no internal validations for this data item.

## FSA040 – CFTC

| Description   | Data element | Guidance   |
|---|--------------|--|
| Balance per previous reporting date                                 | 1A           | Total amount of all bank bonds held to cover customers' unrealised LME profits as at the previous reporting date.  |
| Addition  | 2A           | Total additions to those bank bonds during the current reporting period.   |
| Termination / cancellation  | 3A           | Total reductions to those bank bonds during the current reporting period.  |
| Current balance   | 4A           | Total amount of all those bank bonds held to cover customers' unrealised LME profits as at the current reporting date.                                     |
| Deficit open trade equity at LME                                    | 5A           | Total open trade deficit of US and non-US LME customer positions as at the current reporting date.   |
| House losses at LCH   | 6A           | Any net deficit in the firm's proprietary positions at LCH.Clearnet.   |
| Deficit open trade equity of non-LME customers at LCH               | 7A           | Aggregate customer deficit related to non-segregated non-LME positions cleared at LCH.Clearnet.  |
| LME forward profit  | 8A           | The aggregate of all forward profits on LME positions of US customers.   |
| Total   | 9A           | The lower of (8A) or (5A+6A+7A)  |
| Excess / (deficiency)   | 10A          | 4A-9A  |
| Number of occasions when the omnibus letter of credit was deficient | 11A          | The number of days during the current reporting period when 10A would have been negative.  |
| Secured amount  | 12A          | The secured amount covered by individual letters of credit.  |
| Value of letter of credit   | 12B          | The amount of the individual letter of credit covering that secured amount.  |
| Excess / (deficiency)   | 12C          | 12B – 12A  |
| Date rectified  | 12D          | Where a letter of credit was not sufficient to cover the relevant secured amount as at the reporting date, the date on which the deficiency was rectified. |

|  |     |   |
|--|-----|---|
| Number of occasions when any one individual letter of credit was deficient | 13A | The number of deficiencies on individual letters of credit during the current reporting period. |
|--|-----|---|

## FSA040 – CFTC validations

### Internal validations

Data elements are referenced by row, then column.

| Validation number | Data item |   |                                  |
|-------------------|-----------|---|----------------------------------|
| 1                 | 4A        | = | $1A + 2A - 3A$                   |
| 2                 | 9A        | = | $\text{Min}(8A, (5A + 6A + 7A))$ |
| 3                 | 10A       | = | $4A - 9A$                        |
| 4                 | 12C       | = | $12B - 12A$                      |
| 5                 | 12CT      | = | $\Sigma 12C$                     |

# FSA041-Asset Managers that use Hedge Fund Techniques Report

[deleted]



## **FSA042 – UCITS**

[deleted]

## **FSA042 – UCITS validations**

[deleted]



Validation Data  
number item

## **FSA045 – IRB portfolio risk**

2 3A  
**Currency**

You should report in the currency of your annual audited accounts i.e. in Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s, to 3 decimal places.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **PiT, TTC or Hybrid PiT**

This should be based on the firm's rating philosophy.

Point in Time (PiT): A rating system which explicitly estimates default risk over a fixed period, typically one year.

Through the Cycle (TTC): A rating system which seeks to take cyclical volatility out of the estimation of default risk by assessing a borrower's performance over the business cycle.

Hybrid PiT: A rating system which sits in-between the PiT and TTC rating systems described above.

### **Definition of default – number of days**

The exact number of days past due that is applied to each asset class as part of the definition of default.

For *IFPRU firms* the number of days past due must be reported as 90 days except for retail exposures secured by residential or SME commercial real estate; and exposures to public sector entities. The definition of default for those two asset classes is 180 days past due, except where a waiver has been given to report defaults that are 90 days past due.

## **Credit risk**

### **Gross exposure value**

Exposure value without taking into account value adjustments and provision/impairments, conversion factors and the effect of credit risk mitigation techniques, except in the case of Funded Credit Protection in the form of master netting agreements.

### **Exposure at default estimate**

Calculate in accordance with article 166 of the *EU CRR*. This should be the downturn EAD.

### **Maturity**

This is the exposure weighted average maturity in days. It should take into account the maturity floor and ceiling.

### **PD – Probability of default**

The probability of default of a counterparty over a one year period, calculated in accordance with *BIPRU 4* for *BIPRU firms* and articles 160, 163 and 180 of the *EU CRR* for *IFPRU firms*. This should be the long-run PD and take into account the 0.03% PD floor.

### **LGD – Loss given default**

The ratio of the loss on an *exposure* due to the default of a counterparty to the amount outstanding at default, calculated in accordance with *BIPRU 4* for *BIPRU firms* and Part 3 Title II Chapters 3 and 4 of the *EU CRR* for *IFPRU firms*. This should be the downturn LGD.

### **Expected loss**

*BIPRU* firms should calculate in accordance with *BIPRU 4*. *IFPRU* firms should calculate in accordance with article 158 of the *EU CRR*.

### **Risk weighted exposure amount**

Calculate in accordance with *BIPRU 4* articles 153 and 154 of the *EU CRR*. The SME-supporting factor according to article 501 of the *EU CRR* should be excluded.

### **Counterparty credit risk**

#### **Gross exposure value**

Exposure value without taking into account value adjustments and provision/impairments, conversion factors and the effect of credit risk mitigation techniques, except in the case of Funded Credit Protection in the form of master netting agreements.

#### **Exposure at default estimate**

Calculate in accordance with *BIPRU 4*. This should be the downturn EAD.

#### **Maturity**

This is the exposure weighted average maturity in days. It should take into account the maturity floor and ceiling.

### **PD – Probability of default**

The probability of default of a counterparty over a one year period, calculated in accordance with *BIPRU 4*. This should be the long-run PD and take into account the 0.03% PD floor.

### **LGD – Loss given default**

The ratio of the loss on an exposure due to the default of a counterparty to the amount outstanding at default, calculated in accordance with *BIPRU 4*. This should be the downturn LGD.

### **Expected loss**

Calculate in accordance with *BIPRU 4*.

### **Risk weighted exposure amount**

Calculate in accordance with *BIPRU 4*.

## **FSA045 – IRB portfolio risk validations**

### **Internal validations**

PD bands should be mutually exclusive and numerically sequential.

### **External validations**

There are no validations for this data item.

**FSA047****Daily Flows**

The purpose of this *data item* is to record details of an *ILAS BIPRU firm's* liquidity flows. This *guidance* should be read in conjunction with the *rules and guidance* in *SUP 16.12.4R*.

**Valuation**

Except where outlined, a *firm* should follow the *appropriate regulator's rules and guidance* on valuation set out in *GENPRU 1.3* if you are a *BIPRU firm* and Article 24 of the *EU CRR* if you are an *IFPRU investment firm*. A *firm* not subject to *GENPRU 1.3*, for example, an *incoming EEA firm*, should follow its applicable accounting standards.

All collateral, cash and related deposits segregated for the benefit of a *client* should be excluded from FSA047 irrespective of the accounting treatment used by the *firm*.

**Currency**

The reporting currency for this *data item* is whichever of the following currencies the *firm* chooses, namely USD (the United States Dollar), EUR (the euro), GBP (sterling), JPY (the Japanese Yen), CHF (the Swiss Franc), CAD (the Canadian Dollar) or SEK (the Swedish Krona).

Amounts should be entered in multiples of 1,000 of the relevant currency unit.

**Completion in a material currency**

Where a *firm* is completing this *data item* in a *material currency*, the *firm* should only report positions and flows denominated in the *material currency* in question. In the case of off balance sheet items reportable in Part 8 where contingent liabilities or commitments may be drawn in multiple currencies, a *firm* should report these in the base currency of that contingent liability or commitment. Any payments and receipts in the *material currency* resulting from foreign exchange and currency swap flows are reported on line 57. If this *data item* is not being reported in a *material currency*, line 57 is left blank.

**Data elements**

These are referred to by row first and then by column. So, *data element* 2B will be the element entered in row 2 and column B.

Note this *data item* requires the completion of daily flows for only a subset of the rows in FSA048 and a *firm* is only required to complete the *data elements* as outlined.

For the rows for which a *firm* is required to complete this *data item*, it should make entries in Column A for any daily flows of cash or securities on the day (not being a Saturday or Sunday) following the reporting date, such date being "Date +1", and each day after that (not being a Saturday or a Sunday) in Column B onwards. If there are multiple flows on a single day these should be reported in a single Column.

The final Column required in this form is for the day (not being a Saturday or a Sunday) immediately prior to the earliest date a *firm* would report entries in Column F of FSA048. None of the information entered in rows in FSA047 will therefore overlap with any of the information entered in rows on FSA048 and vice versa.

### **Completion and submission to the appropriate regulator**

A *firm* should complete this *data item* and report cash flows and security flows in the relevant time bands based on their residual contractual maturity. Asset flows should be entered according to their latest maturity. Liability cash flows should be entered according to their earliest possible date of outflow. Any flows or balances between entities included within the scope of the return should be eliminated in accordance with generally accepted accounting principles.

**A *firm* should refer to the relevant Guidance Notes for FSA048 to complete the relevant *data elements* of this *data item*.**

FSA047 time bands are defined by the reporting date and the application of the 'modified following' market convention, ignoring the existence of any non-settlement weekdays (bank holidays) in any currency.

### **Validation rules**

No rule as cell can be zero, positive or negative.

## **FSA048**

## **Enhanced Mismatch Report**

The purpose of this *data item* is to record details of an *ILAS BIPRU firm's* liquidity mismatch positions. This *guidance* should be read in conjunction with the *rules* and *guidance* in SUP 16.12.4R.

### **Valuation**

Except where outlined, a *firm* should follow the *appropriate regulator's rules* and *guidance* on valuation set out in GENPRU 1.3 if you are a *BIPRU firm* and article 24 of the *EU CRR* if you are an *IFPRU investment firm*. A *firm* not subject to GENPRU 1.3, for example, an *incoming EEA firm*, should follow its applicable accounting standards.

All collateral, cash and related deposits segregated for the benefit of a *client* should be excluded from FSA048 irrespective of the accounting treatment used by the *firm*.

### **Currency**

The reporting currency for this *data item* is whichever of the following currencies the *firm* chooses, namely USD (the United States Dollar), EUR (the euro), GBP (sterling), JPY (the Japanese Yen), CHF (the Swiss Franc), CAD (the Canadian Dollar) or SEK (the Swedish Krona).

Amounts should be entered in multiples of 1,000 of the relevant currency unit.

### **Completion in a material currency**

Where a *firm* is completing this *data item* in a *material currency*, the *firm* should only report positions and flows denominated in the *material currency* in question. In the case of off balance sheet items reportable in Part 8 where contingent liabilities or commitments may be drawn in multiple currencies, a *firm* should report these in the base currency of that contingent liability or commitment. Any payments and receipts in the *material currency* resulting from foreign exchange and currency swap flows are reported on line 57. If this *data item* is not being reported in a *material currency*, line 57 is left blank.

### **Data elements**

These are referred to by row first and then by column. So, *data element* 2B will be the element entered in row 2 and column B.

### **Completion and submission to the FSA**

A *firm* should complete this *data item* and report cash flows in the relevant time bands based on their residual contractual maturity. Asset flows should be entered according to their latest maturity. Liability cash flows should be entered according to their earliest possible date of outflow. Any flows or balances between entities included within the scope of the return should be eliminated in accordance with generally accepted accounting principles.

FSA048 time bands are defined by the reporting date and the application of the 'modified following' market convention, ignoring the existence of any non-settlement weekdays (bank holidays) in any currency.

### **General**

The completion table at the end of this guidance note identifies the columns which should be populated in respect of each row of *data item* FSA048.

## **Part 1 Memo items**

### **1 Non-dated capital resources**

A *firm* should report here the amount of its *capital resources* which do not have a contractual maturity date, including, but not limited to, a call date. If any instrument comprising a *firm's capital resources* includes a put option for the holder or a call option for the issuer with a pre-determined step and call structure they should be reported in line 41 with a maturity date assuming the option is exercised. Any instrument where the *firm* has a perpetual open call option to buy back the instrument, with no underlying step up or predetermined call structure should be reported as non-dated capital resources.

A *firm* may use the most recent figures from its management accounts for the amount of reserves included within non-dated capital resources and update this *data element* on a monthly basis.

### **2 Bank of England liquidity facilities**

A *firm* should report in this row the total of any secured transactions with the Bank of England.

The Bank of England conducts regular Open Market Operations to provide to the banking system the amount of central bank money needed to enable reserve-scheme members, in aggregate, to achieve their reserves targets and the Operational Standing Lending Facility to give certain banks a means to manage unexpected 'frictional' payments shocks. In *data element* 2B, a *firm* should report the cash received, if any, pursuant to the usage of these or similar Bank of England facilities.

The Bank of England operates facilities to provide liquidity insurance to the banking system, whereby a *firm* can exchange its own collateral for government bonds. In *data element* 2C, a *firm* should report the market value of government bonds it receives pursuant to such Bank of England facilities, if any, in exchange for the *firm's* own collateral.

The Bank of England may also operate other facilities whereby a *firm* may repo securities, distinct from Open Market Operations, such as longer-term repo operations, or operations in exchange for wider collateral. In *data element* 2D, a *firm* should report the cash, if any, received pursuant to the usage of such facilities.

### **3 Other central bank liquidity facilities**

A *firm* should report in this row the total of any secured transactions with central banks other than the Bank of England, mapping such transactions to the following categories:

In *data element* 3B, a *firm* should report outstanding borrowings from other central banks in routine open market operations secured against narrow collateral.

In *data element* 3C, a *firm* should report the market value of any government bonds or other collateral of a comparable quality that it receives in exchange for the *firm's* lower quality collateral.

In *data element* 3D, a *firm* should report the cash received from all other central bank facilities, including those that are for a longer-term or against wider collateral than routine open market operations.

#### **4 Prior period's peak intra-day collateral used for UK settlement and clearing systems**

*Firms* that are direct participants of clearing and settlement systems within the United Kingdom should report here the peak amount of cash and collateral that they used on an intra-day basis to meet the requirements of clearing and settlement systems in the *United Kingdom* since their previous reporting date for this *data item*.

A *firm* should note that the amount to be reported in this *data element* should be the minimum amount of collateral it would have needed to post in order to meet its actual payment and settlement obligations as mandated by the requirements of the system(s) in question. It is not, therefore, the amount of collateral that was in fact posted by the *firm* which could include significant over-collateralisation.

Direct participation in settlement systems does not include intra-day floating charges associated with facilities provided by custodians to facilitate securities settlement.

#### **5 Prior period's peak intra-day collateral used for settlement and clearing systems outside the UK**

*Firms* that are direct participants of clearing and settlement systems outside the United Kingdom should report here the peak amount of cash and collateral that they used on an intra-day basis to meet the requirements of clearing and settlement systems outside the *United Kingdom* since their previous reporting date for this *data item*.

A *firm* should note that the amount to be reported in this *data element* should be the minimum amount of collateral it would have needed to post in order to meet its actual payment and settlement obligations as mandated by the requirements of the system(s) in question. It is not, therefore, the amount of collateral that was in fact posted by the *firm* which could include significant over-collateralisation.

Direct participation in settlement systems does not include intra-day floating charges associated with facilities provided by custodians to facilitate securities settlement.

### **Part 2 Security, transferable whole-loan and commodity flows**

In this part of the *data item* a *firm* should report the current unencumbered stock of securities and their flows based on contractual maturities in the following types of securities by asset class:

- (1) securities and commodities held on the *firm's* own account;
- (2) securities and commodities held as *clients'* or other customers' assets in relation to which the *firm* has re-hypothecation rights;
- (3) securities and commodities held by the *firm* as collateral pursuant to a *margin agreement*; and,
- (4) transferable whole-loans held by the *firm* that meet the criteria set out below in relation to line 9



Contractual security flows will occur as a result of:

- (1) the settlement or maturity of own account securities or certain loans;
- (2) the settlement or maturity of a *repo*, reverse *repo*, securities loans or collateral swap; and
- (3) collateralised lending and borrowing transactions;

A *firm* should report positions at their clean market value (i.e. excluding accrued interest) and assume the maturity date of any collateral is the latest contractual maturity date possible. For securities without contractual maturity dates, it should report a maturity flow in Column J “>5 years”.

The inflow of securities or position balance should be positive while contractual outflow or maturity should be negative. For example, if a *firm* were to purchase a four month security with a market value excluding accrued interest of £100m that it held unencumbered as at the reporting date it would report +100,000 in Column A and - 100,000 in column F of the appropriate row 6 to 17.

#### Own-account security flows (long positions):

Any own-account securities should be reported as a positive flow in Column A if unencumbered or on the settlement date of purchase as appropriate; and as a negative flow at maturity.

A corresponding cash outflow on settlement date and inflow on maturity date should be reported on line 23.

#### Own-account security flows (short positions):

Any short sale of a security should be treated as having a negative flow on the settlement date of the sale and a positive flow on the maturity date of the underlying security sold.

A corresponding cash inflow on settlement date and outflow on maturity date should be reported on line 23.

#### Repos, reverse repos, securities loans and collateral swaps:

Repos, reverse repos, securities loans and collateral swaps should be reported as inflows on the date securities are received and outflows on the date securities are delivered. A *firm* should report all such transactions involving own account, client and margin collateral.

Tri-party repo and tri-party reverse repo transactions should be treated in the same manner as all other *repo* and reverse *repo* transactions. For the purpose of this *data item*, any such trade where the cash provider can unilaterally change the collateral eligibility criteria should be treated as having an overnight maturity, irrespective of the stated contractual maturity of the transaction.

In the case of a tri-party reverse repo, where the collateral provider has an option over the nature of the collateral provided, firms should report the actual collateral held on the reporting date, then on the earliest effective date of substitution, report that collateral leaving and an inflow of substitution collateral on a “worst case” basis, and assume that position will then remain unchanged until the maturity date of the transaction. Repo transactions should be reported on the basis of the actual collateral posted for the direction of the transaction.

Where a *firm* enters into forward-starting reverse repo transactions against unspecified collateral that would be reportable in more than one row, it should in the case of reverse repos, assume that it will be delivered collateral, as qualifying, in the following order: lines 17; 9 and 12; 10; 13 to 15; 16; 11; 8; 7; and 6. On settlement it should allocate securities flows based on the collateral it receives.

For similar repo transactions it may assume it delivers any securities it holds unencumbered that are eligible.

In the case of reverse repos and repos corresponding cash outflows and inflows should be reported in lines 25 to 30 and lines 34 to 39 as appropriate.

Margin collateral:

A *firm* should report the net collateral received as margin in Column A if it is unencumbered, and not report a flow for its maturity. Any repos, reverse repos, securities loans or collateral swaps using margin collateral should be reported as outlined above.

Client collateral:

A *firm* should report any client collateral over which it has rehypothecation rights in Column A if it is unencumbered, and not report a flow for its maturity. Any repos, reverse repos, securities loans or collateral swaps using *client* collateral should be reported as outlined above.

--

In relation to rows 6 to 17, when determining the *applicable credit quality step* (if any), a *firm* should make such determination in accordance with the *rules and guidance* in *BIPRU 3.6* if it is a *BIPRU firm* (or articles 135 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) regardless of whether *BIPRU 3.6* if it is a *BIPRU firm* (or articles 135 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) would apply to determine risk weighting. For the avoidance of doubt, this includes covered bonds and own-name securities. The description of which securities or loans should be reported in each row is as follows:

**6 Liquid assets buffer-eligible securities**

A *firm* should report in this row the unencumbered balances and the contractual securities flows of any securities it holds that qualify for inclusion in its liquid assets buffer as defined in *BIPRU 12.7*.

**7 Other high quality central bank, supranational and central government debt**

A *firm* should report in this row the unencumbered balances and the contractual securities flows of any securities not reported in line 6 or 8 whose obligor is a central government, *multilateral development bank* or central bank whose credit rating maps to *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of *BIPRU 3* if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAs credit assessment to credit quality steps (Long term mapping)).

For the avoidance of doubt, any securities that are issued by an agency explicitly guaranteed by the US government and which qualify for inclusion in line 8 should be reported in that line and not in line 7.

## **8 US GSE/GSA securities**

A *firm* should report in this row the unencumbered balances and the contractual securities flows of any senior securities that it holds issued by, or guaranteed by one or more of, the United States Government Sponsored Enterprises (GSEs) or Government Sponsored Agencies (GSAs).

For the purposes of this row, GSAs and GSEs include only the Federal Home Loan Banks, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Federal Farm Credit Banks and the Federal Agricultural Mortgage Corporation (Farmer Mac).

## **9 Own-name securities and transferable whole-loans**

A *firm* should report in this row (i) the unencumbered balances and contractual securities flows of any own-name covered bonds and asset-backed securities that it holds secured by the *firm's* assets where the credit rating of such *exposures* has a credit rating associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping (ii) the unencumbered balances and maturity flows of any whole-loans whose credit rating is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping where such *exposures* are held on the *firm's* balance sheet for which there is no operational or contractual impediment to their being transferred to a third party.

Any own-name securities or whole-loans that do not qualify for inclusion on line 9 should not be reported elsewhere in part 2. Any repo collateralised using own-name securities or whole-loans that do not qualify to be reported in part 2 should be reported as an unsecured borrowing in part 6.

## **10 High quality asset-backed securities**

A *firm* should report in this row the unencumbered balances and contractual securities flows of any asset backed securities that it holds where the credit rating of such *exposures* is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the

case of short-term mapping, provided that such *exposure* is the most senior tranche of the issuing *securitisation special purpose entity*. All asset backed securities that are not included in this row should be reported in row 17.

For avoidance of doubt, a *firm* should exclude any unencumbered balances and securities flows of covered bonds in this row.

### **11 High quality covered bonds**

A *firm* should report in this row the unencumbered balances and contractual securities flows of all covered bonds, where the credit rating of such *exposures* is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAIs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping.

For the avoidance of doubt, own-name covered bonds, and covered bonds issued by *group* entities should not be reported in this row, but in rows 9 and 12 respectively.

### **12 Securities issued by group entities**

A *firm* should report in this row the unencumbered balances and security flows attributable to securities where the obligor of those securities forms part of the *firm's group* and where the issuing vehicle is excluded from the scope of the report. If the issuing vehicle is included in the scope of the report, the securities should be reported as own-name securities and reported on line 9, if:

- (1) the securities are own-name covered bonds or asset-backed securities; or
- (2) the credit rating of such *exposures* is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the *appropriate regulator* for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAIs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping.

If (1) or (2) are not met the securities should be omitted from this report.

For avoidance of doubt, if a *firm* holds bonds issued by its *group*, the security flows attributable to them should be included only in this row, even if such security would otherwise qualify for inclusion in another row in Part 2.

### **13 High quality corporate bonds (UK credit institutions)**

A *firm* should report in this row the unencumbered balances and contractual securities flows of all senior corporate bonds that it holds whose obligor is a credit institution incorporated in the *United Kingdom*, if the credit rating of such *exposures* is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAIs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping.

For avoidance of doubt, a *firm* should not report in this row any balances or flows from securities whose obligor is a member of the *firm's group*.

#### **14 High quality corporate bonds (non-UK credit institutions)**

A *firm* should report in this row the unencumbered balances and contractual securities flows of all senior corporate bonds that it holds whose obligor is a credit institution not incorporated in the *United Kingdom*, if the credit rating of such *exposures* is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping.

For avoidance of doubt, a *firm* should not report in this row any balances or flows from securities whose obligor is a member of the *firm's group*.

#### **15 High quality corporate bonds (excluding credit institutions)**

A *firm* should report in this row the unencumbered balances and contractual securities flows of all senior corporate bonds that it holds whose obligor is not a credit institution, if the credit rating of such *exposures* is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping.

In addition a *firm* should include any securities whose obligor is a local government, state or municipality in this line, whose credit rating is associated with *credit quality step 2* or above in the *credit quality assessment scale* published by the appropriate regulator for the purpose of BIPRU 3 if it is a *BIPRU firm* (or articles 111 to 141 of the *EU CRR* if it is an *IFPRU investment firm*) (the Standardised Approach to Credit Risk: mapping of the ECAs credit assessment to credit quality steps (Long term mapping)) or *credit quality step 1* in the case of short-term mapping.

#### **16 Equities included in major indices**

A *firm* should report in this row the unencumbered balances and contractual securities flows of all equities that it holds to the extent they are constituents one or more of the indices listed in the table at *BIPRU 7.3.39R*.

For the purposes of computing maturity, a *firm* should treat equity securities as if they were instruments with a contractual maturity greater than five years.

#### **17 Other securities and commodities**

A *firm* should report in this row unencumbered balances and the contractual securities flows of all other securities, commodities and exchange-traded funds that it holds not reported on lines 6 to 16 of this *data item*.

For the purposes of computing maturity, a *firm* should treat equity securities or commodities as if they were instruments with a contractual maturity greater than five years.

### **Part 3 Wholesale asset cash flows**

In this Part of the *data item*, a *firm* should report the principal cash flows associated with its wholesale assets. Transactions which do not have a specific contractual maturity date should be entered in column A for rows 18 to 22 and column B for rows 25 to 30. Cash flows from outright sales, purchases and maturities associated with securities reported on line 6 may, at the *firm's* election, be reported either on line 25 or on line 23.

#### **18 Designated money market funds**

A *simplified ILAS BIPRU firm* should report in this row the balance of any funds it holds in a *designated money market fund*. *Firms* that are not *simplified ILAS BIPRU firms*, should report the balance of any funds held in a *designated money market fund* in row 31 below.

#### **19 Liquid assets buffer-eligible central bank reserves and deposits**

A *firm* should report in this row any closing balances placed on deposit or as reserves with a central bank, where such reserves or deposits are eligible for inclusion in a *firm's* liquid assets buffer as defined in *BIPRU* 12.7. Deposit placed or reserves maintained with other central banks should be reported in row 22.

#### **20 Lending to group entities**

A *firm* should report here all lending, except reverse repo transactions reportable in rows 25 to 30, on both a term and open-maturity basis to entities in that *firm's group*.

#### **21 Lending to UK credit institutions**

A *firm* should report here lending on both a term and open-maturity basis to all *credit institutions* incorporated in the *United Kingdom*, except reverse repo transactions reportable in rows 25 to 30. A *firm* should include any cash balances placed on deposit with its agents in payment or settlements systems if appropriate.

A *firm* should report cash flows based on their latest contractual maturity date.

#### **22 Lending to non-UK credit institutions**

A *firm* should report here lending on both a term and open-maturity basis to all *credit institutions* incorporated outside the *United Kingdom*, except reverse repo transactions reportable in rows 25 to 30. A *firm* should include any cash balances placed on deposit with its agents in payment or settlements systems and central bank deposits not reported in line 19, if appropriate.

#### **23 Own account security cash flows**

A *firm* should report here the cash flows, based on the contractual principal inflows, resulting from the maturity, forward sale or purchase of own account securities reportable in rows 6 to 8 & 10 to 17. Cash flows from outright sales, purchases and maturities associated with securities reported on line 6 may, at the *firm's* election, be reported here or on line 25.

Where a *firm* has written down the principal of a security it should report this written-down principal as the cash inflow.

A *firm* should report cash flows based on their latest contractual maturity date.

#### **24 Notional flows of own-name securities and transferable whole-loans**

A *firm* should report here the contractual principal cash flows that would be receivable by a third-party owner of any own-name covered bonds and asset-backed securities and transferable loans reported in line 9.

#### **25 Reverse Repo (items reported in line 6)**

A *firm* should report here all cash flows resulting from secured lending transactions where the flow of securities arising from the transactions is reported in line 6.

Cash flows from outright sales, purchases and maturities associated with securities reported on line 6 may, at the *firm's* election, be reported here or on line 23.

A *firm* should only report in this row any secured lending transactions where securities flows are reported in row 6.

#### **26 Reverse Repo (items reported in lines 7 and 8)**

A *firm* should report here all cash flows resulting from secured lending transactions where the flow of securities arising from the transactions is reported in rows 7 and 8.

A *firm* should only report in this row any secured lending transactions where securities flows are reported in rows 7 and 8.

#### **27 Reverse Repo (items reported in lines 10 and 11)**

A *firm* should report here all cash flows resulting from secured lending transactions where the flow of securities arising from the transactions reported in rows 10 and 11.

A *firm* should only report in this row any secured lending transactions where securities flows are reported in rows 10 and 11.

#### **28 Reverse Repo (items reported in lines 13, 14 and 15)**

A *firm* should report here all cash flows resulting from secured lending transactions where the flow of securities arising from the transactions is reported in row 13 to 15.

A *firm* should only report in this row any secured lending transactions where securities flows are reported in rows 13 to 15.

#### **29 Reverse Repo (items reported in line 16)**

A *firm* should report here all cash flows resulting from secured lending transactions where the flow of securities arising from the transactions is reported in row 16.

A *firm* should only report in this row any secured lending transactions where securities flows are reported in row 16.

#### **30 Reverse Repo (items reported in lines 9, 12 and 17)**

A *firm* should report here all cash flows resulting from secured lending transactions where the flow of securities arising from the transactions is reported in rows 9, 12 and 17.

A *firm* should only report in this row any secured lending transactions where securities flows are reported in rows 9, 12 and 17.

### **Part 4 Other asset cash flows**

In this Part, a *firm* should report lending not reportable in Part 3. In column A, a *firm* should report any open maturity balances, or balances for which it does not have at the time of the reporting date information as to the term.

A *firm* should only report contractual principal repayments and treat all loans using their latest contractual maturity.

A *firm* is not required to update the amounts in rows 31 to 33 more frequently than monthly.

### **31 Non-retail lending exposures**

A *firm* should report here the principal cash flows resulting from lending *exposures* that are not *retail exposures* not reported elsewhere in Parts 3 or 4. These assets represent loans to all enterprises.

### **32 Retail lending exposures**

A *firm* should report here the principal cash flows resulting from all lending *exposures* that are *retail exposures*, provided that they are not reportable in line 33.

### **33 SSPE asset cash flows**

A *firm* should report in here the principal cash flows of the underlying assets transferred to any *securitisation special purpose entities* (SSPEs), that are consolidated in the *firm's* consolidated financial statements and whose liabilities are reported on line 51.

## **Part 5 Repo cash flows**

This part of the *data item* relates to the gross cash flows of secured or collateralised borrowing transactions which encumber the *firm's* securities or transferable whole-loans and/or those of its *clients* in relation to which the *firm* has re-hypothecation rights. This section is further sub-divided into rows 34 to 39 according to the security encumbered in these secured transactions.

### **34 Repo (items reported in line 6)**

A *firm* should report here all cash flows resulting from secured borrowing transactions where the flow of securities arising from the transactions is reported in row 6.

A *firm* should only report in this row any secured borrowing transactions where securities flows are reported in row 6.

### **35 Repo (items reported in lines 7 and 8)**

A *firm* should report here all cash flows resulting from secured borrowing transactions where the flow of securities arising from the transactions is reported in rows 7 to 8.

A *firm* should only report in this row any secured borrowing transactions where securities flows are reported in rows 7 to 8.

### **36 Repo (items reported in lines 10 and 11)**

A *firm* should report here all cash flows resulting from secured borrowing transactions where the flow of securities arising from the transactions is reported in rows 10 and 11.



A *firm* should only report in this row any secured borrowing transactions where securities flows are reported in rows 10 and 11.

**37 Repo (items reported in lines 13, 14 and 15)**

A *firm* should report here all cash flows resulting from secured borrowing transactions where the flow of securities arising from the transactions is reported in row 13 to 15.

A *firm* should only report in this row any secured borrowing transactions where securities flows are reported in rows 13 to 15.

**38 Repo (items reported in line 16)**

A *firm* should report here all cash flows resulting from secured borrowing transactions where the flow of securities arising from the transactions is reported in row 16.

A *firm* should only report in this row any secured borrowing transactions where securities flows are reported in row 16.

**39 Repo (items reported in lines 9, 12 and 17)**

A *firm* should report here all cash flows resulting from secured borrowing transactions where the flow of securities arising from the transactions is reported in rows 9, 12 and 17.

A *firm* should only report in this row any secured borrowing transactions where securities flows are reported in rows 9, 12 and 17.

**Part 6 Wholesale liability cash flows**

In this Part of the *data item*, a *firm* should report cash flows arising from wholesale liabilities not reported in Part 5. A *firm's* wholesale liabilities are those liabilities not reported in Part 7.

Contractual cash flows related to any open-maturity, callable, puttable or extendable issuance should be analysed based on the earliest possible repayment date and reported in part 6 unless these instruments are perpetually callable (by the *firm*) and qualify as non-dated capital resources reported on line 1.

A *firm* should first assess whether a liability qualifies for reporting in row 44, then row 50, prior to assessing which other row a liability qualifies for.

Contractual cash flows from securities issued should be reported in one of lines 40 to 43 or 51. Contractual cash flows from deposits taken should be reported in one of lines 44 to 50.

**40 Primary issuances – senior securities**

A *firm* should report here the contractual cash flows of its vanilla senior unsecured debt securities, for the purposes of this row, vanilla means any debt security not reportable in row 41 to 43. A *firm* should include in this row any of its primary issuance that is government-guaranteed.

**41 Primary issuances - dated subordinated securities**

A *firm* should report here the contractual cash flows of its dated subordinated securities.

A *firm* should, however, exclude from this row any undated capital instrument that it issues. Issuance of this type should be reported in row 1 of this *data item*.

#### **42 Primary issuance – structured notes**

A *firm* should report here the contractual cash flows of its senior securities containing embedded *derivatives*.

#### **43 Covered bonds**

A *firm* should report here the contractual cash flows of its covered bonds excluding own-name covered bonds it holds for its own account and reports in line 9 of this *data item*.

#### **44 Group entities**

A *firm* should report here the contractual cash flows of its borrowing from other entities in its *group*, where such borrowings are not reported in lines 34 to 39.

To the extent the *rules* in SUP 16.12 require a *firm* to report on a basis which includes other entities in its *group*, the *firm* should not report in this line borrowings from those *group* entities.

#### **45 UK credit institutions**

A *firm* should report here the contractual cash flows of its borrowing from other from *credit institutions* which are incorporated in the *United Kingdom*, where such borrowings are not reported in lines 34 to 44.

A *firm* should not include in this row unsecured cash deposits received from the Bank of England.

#### **46 Non-UK credit institutions**

A *firm* should report here the contractual cash flows of its borrowing from other from *credit institutions* which are not incorporated in the *United Kingdom*, where such borrowings are not reported in lines 34 to 44.

A *firm* should not include in this row unsecured cash deposits received from central banks other than the Bank of England.

#### **47 Governments, central banks and supranationals**

A *firm* should report here the contractual cash flows of its borrowing from central and local governments, local authorities, central banks and supra-nationals, where such borrowings are not reported in lines 34 to 44.

#### **48 Non-credit institution financials**

A *firm* should report here the contractual cash flows of its borrowing from financial entities which are not *credit institutions*, where such borrowings are not reported in lines 33 to 42.

This category would, for example, include unsecured borrowings from a *depository* or an *investment manager*.

#### **49 Non-financial large enterprises – Type A**

A *firm* should report here the contractual cash flows of its borrowing from non-financial large enterprises, where such borrowings are not reported in lines 34 to 44, subject to the funds provider being Type A as assessed by the *firm* according to the guidance in *BIPRU* 12.5.

A non-financial large enterprise is, for the purpose of identifying depositors in rows 49 and 52 of this *data item*, any depositor-type not captured by rows 44 to 48 and 53 to 56.

#### **50 Conditional liabilities pre-trigger contractual profile**

A *firm* should report here the contractual cash flows of liabilities where early repayment can be triggered upon the occurrence of an event or events related to the financial health of the company, (for example, a downgrade of the *firm*'s credit rating, or breach of a financial covenant). For avoidance of doubt, acceleration of payment obligations triggered by the *firm*'s default does not, in and of itself, qualify a liability for inclusion in this line. A typical example of such liabilities is Guaranteed Investment Contracts (GICs).

Any liability with a trigger and which would otherwise be included in lines 40 to 49 should be included in this row and not any other row.

In addition to reporting in this line, a *firm* should further breakdown the liabilities where those triggers are dependent on its credit rating, in the appropriate *data element* on line 71.

#### **51 SSPE liability cash flows**

A *firm* should report here the contractual cash flows of liabilities issued by any *securitisation special purpose entities (SSPEs)* that are consolidated in the *firm*'s consolidated financial statements. The maturity profile of the *firm*'s assets contained in these SSPEs should be reported on row 33.

### **Part 7 Other liability cash flows**

A *firm* should report in this section of the *data item*, cash flows related to other liabilities according to the following criteria.

#### **52 Non-financial large enterprises – Type B**

A *firm* should report here the contractual cash flows of its borrowing from non-financial enterprises, where such borrowings are not reported in lines 33 to 42, subject to the funds provider being Type B as assessed by the *firm* according to the guidance in *BIPRU* 12.5.

A non-financial enterprise is, for the purpose of identifying depositors in rows 49 and 52 of this *data item*, any depositor-type not captured by rows 44 to 48 and 53 to 56.

#### **53 SME deposits**

A *firm* should report in this row all its deposits and account balances where the account holder is a *small or medium enterprise (SME)*. A *firm* should also report here deposits and account balances where the account holder is a partnership, a sole trader, or a charity which would be an SME if it were a company.

A non-EEA *firm* may use its local definition of an SME.

#### **54 Retail Deposits – Type A**

A *firm* should report in this row, its retail deposits that are Type A, as assessed by the *firm* according to the guidance for *ILAS BIPRU firms* and for *simplified ILAS firms* in *BIPRU 12.5.25G*.

A retail deposit is any deposit in a retail banking account or product type predominantly used by an individual or individuals acting outside their trade, industry or profession, and includes, in each case, savings bonds.

A *firm* should report all deposits in column A, unless the deposit is for a fixed term. In considering whether a deposit is fixed term, a *firm* should assume the immediate exercise of any notice period or other right of the depositor to claim the repayment of funds at the earliest possible repayment date.

#### **55 Retail Deposits – Type B**

A *firm* should report in this row, its retail deposits that are Type B, as assessed by the *firm* according to the guidance for *ILAS BIPRU firms* and for *simplified ILAS firms* in *BIPRU 12.5*.

A retail deposit is any deposit in a retail banking account or product type predominantly used by an individual or individuals acting outside their trade, industry or profession, and includes, in each case, savings bonds.

A *firm* should report all deposits in column A, unless the deposit is for a fixed term. In considering whether a deposit is fixed term, a *firm* should assume the immediate exercise of any notice period or other right of the depositor to claim the repayment of funds at the earliest possible repayment date.

#### **56 Client / brokerage free cash**

A *firm* should report here all cash balances which it has received from its prime brokerage/prime services *clients* and which are not segregated from the *firm's* own assets. A *firm* should not include *derivatives* margin cash in this row.

Balances should be reported in Column A without regard to their contractual maturity.

### **Part 8 - Off balance sheet flows and balances**

A *firm* should report commitments given and received and contingent liabilities in rows 57 to 69.

A *firm* should separate its commitments and contingent liabilities according to:

(i) stand-by facilities, which would typically be used to backstop outstanding debt of the borrower; and,

(ii) other facilities which would typically be revolving loan facilities to corporate borrowers where utilisation rates will vary over time or letters of credit.

Unless either is reportable in rows 59 to 61, stand-by facilities provided should be reported in rows 62 or 63 and other facilities should be reported in row 64.

#### **57 Principal FX cash flows (including currency swaps)**

A *firm* should only make entries on this row where it is completing this *data item* on a non-consolidated *material currency* basis as defined in [SUP 16.], otherwise it should be left blank.

Where a *firm* is completing this *data item* on a *material currency* basis, it should report here all outright flows for its spot foreign exchange and foreign exchange forward transactions and all principal flows on any cross currency swaps, where those flows are payments or receipts of the *material currency* in which the *firm* is completing this *data item*.

For example, if a *firm* was completing this *data item* to show its contractual assets and liabilities denominated in *US dollars* and it had transacted a forward foreign exchange contract to **sell** \$75m against the **purchase** of an equivalent amount of another currency four months after the reporting date, it would enter -75,000 in column F and make no other entries.

### **58 Committed facilities received**

A *firm* should report the balance of any undrawn committed facilities received which the appropriate regulator has permitted it to rely on for the purposes of meeting its *individual liquidity guidance*, as outlined in *BIPRU 12.9*.

Facilities of this kind received by the *firm* should be reported as a positive balance in the column of maturity. Facilities maturing in less than three months should be reported in Column A.

### **59 Secured facilities provided - liquidity buffer securities**

A *firm* should report here the undrawn balance of all committed facilities where the borrower is contractually required to deliver securities eligible for inclusion in the *firm's* liquid assets buffer as defined in *BIPRU 12.7* and where the market value of those securities will exceed the amount of the loan drawn down.

Note a *firm* should only report committed facilities in this row if there is no impediment to using the securities deliverable under such borrowings for repo transactions.

### **60 Secured facilities provided - other securities**

A *firm* should report here the undrawn balance of all committed facilities where the borrower is contractually required to deliver securities not eligible for inclusion in the *firm's* liquid assets buffer as defined in *BIPRU 12.7*.

Note a *firm* should only report committed facilities in this row if there is no impediment to using the securities deliverable under such borrowings for repo transactions.

### **61 Unsecured facilities provided - credit institutions**

A *firm* should report here the balance of any undrawn committed financing facilities provided by the *firm* to *credit institutions* not reported on lines 59 and 60. Facilities of this kind provided to *credit institutions* should be reported as a negative balance.

### **62 Unsecured stand-by facilities provided - firm's SSPEs**

A *firm* should report here undrawn balance of any committed stand-by facilities provided to the *firm's* SSPEs that are consolidated in its consolidated financial statements.

The assets and liabilities, if any, of these SSPEs will be reported on lines 33 and 51 respectively.

**63 Unsecured stand-by facilities provided – entities other than credit institutions and firm’s SSPEs**

A *firm* should report here the undrawn balance of committed stand-by facilities to entities other than *credit institutions* and the *firm’s SSPE’s*. Facilities provided should be reported as a negative balance.

**64 Unsecured facilities provided by firm’s SSPEs to third parties**

A *firm* should report here the undrawn balance of any committed facilities provided to third parties by *SSPEs* that are consolidated in its consolidated financial statements and whose assets and liabilities, if any, are reported on lines 33 and 51.

**65 Unsecured facilities provided – entities other than credit institutions**

A *firm* should report here the undrawn balance of other committed facilities provided to entities other than credit institutions.

Any facilities provided to *credit institutions* and/or secured against securities reportable in Part 2 of this *data item* should be reported on lines 59 to 61 as appropriate.

**66 Overdraft and credit card facilities provided**

A *firm* should report here the total balance of undrawn retail overdrafts and credit cards facilities provided to retail customers. Facilities provided should be reported as a negative balance.

**67 Pipeline Lending Commitments**

A *firm* should report here the total balance of any lending commitments to retail customers. A *firm* should only report contractual lending commitments which, if and when exercised, would be reportable in line 32.

**68 Contingent obligations to repurchase assets financed through third parties**

A *firm* should report here the balance of any of the *firm’s* assets financed by third parties, where a *firm* has a contingent obligation to repurchase those assets triggered by deterioration in the *firm’s* financial condition.

**69 Other commitments and contingent facilities provided**

A *firm* should report here all other undrawn commitments, guarantees and contingent liabilities not included elsewhere in Part 8.

**Part 9 Downgrade triggers**

For the purpose of rows 70 to 73, a *firm* should analyse and report, in the way described, in each of those rows any contractual outflows that would result from a downgrade of the *firm’s* current long-term credit rating. A *firm* should consider downgrades of all its long-term counterparty, issuer and debt credit ratings.

A *firm* should assume that each *ECAI* that provides it with a long-term credit rating simultaneously downgrades that rating.

In addition a *firm* should consider the impact of a downgrade of its short-term credit rating. As *ECAIs* may not publish when a specific downgrade of a *firm*'s long-term credit rating would result in a downgrade of a *firm*'s short-term credit rating, a *firm* should assume its short-term credit rating would be downgraded at the highest long-term rating specified by each agency as being consistent with publically available information.

A *firm* should report such outflows on a non-cumulative basis in the appropriate column according to the severity of the downgrade that would cause such an outflow.

For the purpose of identifying which of columns B to K this Part of the *data item* a "notch" is the smallest discrete step by which a *firm*'s long-term credit rating may be downgraded.

### **70 Asset put-backs from third parties**

A *firm* should analyse and report here the outflows that may result from asset put-backs which would be triggered by a downgrade of its existing long and short-term credit rating according to the methodology outlined above.

The triggers for asset put-backs include but are not limited to:

- (1) as past originator of assets the downgrade of the *firm*'s credit rating now precludes the continued financing of the assets in the structured vehicle;
- (2) as a swap provider against the assets placed in the vehicle the downgrade of the *firm*'s credit rating now renders the *firm* ineligible to continue providing any *derivatives* (e.g. including but not limited to credit default swaps or total return swaps) to the structured vehicle. For the avoidance of doubt, if a *firm* was required to margin this exposure, it would be reported in line 70; and
- (3) the rating of the assets placed is linked to the rating of the *firm*; following a downgrade of the *firm* these assets are ineligible for continued financing by the third party vehicle.

### **71 Conditional Liabilities**

A *firm* should analyse and report here the cash flow impact of a downgrade of its existing credit rating according to the methodology outlined above, on its conditional liabilities reported in row 50.

### **72 Over the counter (OTC) derivative triggers**

A *firm* should analyse and report here any outflows that would be triggered by a downgrade of its credit rating according to the methodology outlined above.

A *firm* should include in this row the impact of increased collateralisation requirements and any termination payments.

### **73 Other contingent liabilities**

A *firm* should report in this row, any other contractual outflows that would occur from the downgrade of its credit rating according to the methodology outlined above.

## Part 10 Derivatives margining and exposure

Figures reported in rows 74 to 77 relate to any variation and initial margin given or received in respect of *derivatives* transactions. A *firm* should report together figures for own account and client accounts but exclude any margin (cash or collateral) segregated for the benefit of a *client* and any subsequent placement of segregated margin.

For each row, a *firm* should report:

- (1) In column B, the nominal amount of cash collateral given or received as initial plus variation margin;
- (2) In column C, the market value of collateral securities given or received as initial plus variation margin;
- (3) In column E, the initial margin paid or received;
- (4) In column G, the mark-to-market exposure of underlying *derivatives* transactions that are currently subject to margining for all or part of the exposure; and
- (5) In column H, the mark-to-market exposure of underlying *derivatives* transactions that are currently not subject to margining for any portion of the exposure.

Where a *firm* gives or receives initial margin on a net basis across *derivative* and non-*derivative* transactions, it should report the total amount in Column E without regard to the underlying transaction.

Margin and mark-to-market receivables should be reported with a positive sign while margin received and mark-to-market payables should be reported with a negative sign.

A *firm* should report the gross margin balances received or given by counterparty, e.g. if a *firm* transacts OTC derivatives with two counterparties, from one of which it has received cash collateral as margin of £25m and to the other of which it has paid cash collateral of margin to of £20m, it should report +20,000 in *data element* 72B and -25,000 in *data element* 74B, it should not report a net figure of -5,000 in 74B

### 74 OTC derivative margin given

A *firm* should report here cash and collateral margin given and mark-to-market on margined *OTC derivatives*.

### 75 Exchange traded margin given

A *firm* should report here cash and collateral margin given on exchange traded *derivatives*.

### 76 OTC derivative margin received

A *firm* should report here cash and collateral margin received and mark-to-market on margined *OTC derivatives*.

### 77 Exchange traded margin received

A *firm* should report here cash and collateral margin received on exchange traded *derivatives*.

## Part 11 Assets included in Part 2 held under re-hypothecation rights



Rows 78 to 89 relate to securities reported in Part 2 of this *data item*, held as *clients'* assets or net **derivatives** margin collateral received in relation to which the *firm* has re-hypothecation rights. Row 81 is intentionally left blank.

The definitions of securities reported in rows 78 to 89 are the identical to those in rows 6 to 17 inclusive.

Amounts in lines 78 to 89 should be reported as positive numbers.

### Validation rules

| Validation number | Data element                        |    |   |
|-------------------|-------------------------------------|----|---|
| 1                 | 2B                                  | >= | 0 |
| 2                 | 2C                                  | >= | 0 |
| 3                 | 2D                                  | >= | 0 |
| 4                 | 3B                                  | >= | 0 |
| 5                 | 3C                                  | >= | 0 |
| 6                 | 3D                                  | >= | 0 |
| 7                 | 4A                                  | >= | 0 |
| 8                 | 5A                                  | >= | 0 |
| 9                 | 6A                                  | >= | 0 |
| 10                | 7A                                  | >= | 0 |
| 11                | 8A                                  | >= | 0 |
| 12                | 9A                                  | >= | 0 |
| 13                | 10A                                 | >= | 0 |
| 14                | 11A                                 | >= | 0 |
| 15                | 12A                                 | >= | 0 |
| 16                | 13A                                 | >= | 0 |
| 17                | 14A                                 | >= | 0 |
| 18                | 15A                                 | >= | 0 |
| 19                | 16A                                 | >= | 0 |
| 20                | 17A                                 | >= | 0 |
| 21                | 18A                                 | >= | 0 |
| 22                | 19A                                 | >= | 0 |
| 23                | 31A+31C+31D+31E+31F+31G+31H+31I+31J | >= | 0 |
| 24                | 32A+32C+32D+32E+32F+32G+32H+32I+32J | >= | 0 |
| 25                | 33A+33C+33D+33E+33F+33G+33H+33I+33J | >= | 0 |
| 26                | 52A+52C+52D+52E+52F+52G+52H+52I+52J | <= | 0 |
| 27                | 53A+53C+53D+53E+53F+53G+53H+53I+53J | <= | 0 |
| 28                | 54A+54C+54D+54E+54F+54G+54H+54I+54J | <= | 0 |
| 29                | 55A+55C+55D+55E+55F+55G+55H+55I+55J | <= | 0 |
| 30                | 56A                                 | <= | 0 |
| 31                | 58A+58C+58D+58E+58F+58G+58H+58I+58J | >= | 0 |
| 32                | 59A                                 | <= | 0 |
| 33                | 60A                                 | <= | 0 |
| 34                | 61A                                 | <= | 0 |
| 35                | 62A                                 | <= | 0 |
| 36                | 63A                                 | <= | 0 |
| 37                | 64A                                 | <= | 0 |
| 38                | 65A                                 | <= | 0 |
| 39                | 66A                                 | <= | 0 |

|    |                                   |    |   |
|----|-----------------------------------|----|---|
| 40 | 67A                               | <= | 0 |
| 41 | 68A                               | <= | 0 |
| 42 | 69A                               | <= | 0 |
| 43 | Each cell in row 70 (70B to 70K ) | <= | 0 |
| 44 | Each cell in row 71 (71B to 71K ) | <= | 0 |
| 45 | Each cell in row 72 (72B to 72K ) | <= | 0 |
| 46 | Each cell in row 73 (73B to 73K ) | <= | 0 |
| 47 | 74B                               | >= | 0 |
| 48 | 74C                               | >= | 0 |
| 49 | 74E                               | >= | 0 |
| 50 | 74G                               | <= | 0 |
| 51 | 74H                               | <= | 0 |
| 52 | 75B                               | >= | 0 |
| 53 | 75C                               | >= | 0 |
| 54 | 75E                               | >= | 0 |
| 55 | 76B                               | <= | 0 |
| 56 | 76C                               | <= | 0 |
| 57 | 76E                               | <= | 0 |
| 58 | 76G                               | >= | 0 |
| 59 | 76H                               | >= | 0 |
| 60 | 77B                               | <= | 0 |
| 61 | 77C                               | <= | 0 |
| 62 | 77E                               | <= | 0 |
| 63 | 78A                               | >= | 0 |
| 64 | 79A                               | >= | 0 |
| 65 | 80A                               | >= | 0 |
| 66 | 82A                               | >= | 0 |
| 67 | 83A                               | >= | 0 |
| 68 | 84A                               | >= | 0 |
| 69 | 85A                               | >= | 0 |
| 70 | 86A                               | >= | 0 |
| 71 | 87A                               | >= | 0 |
| 72 | 88A                               | >= | 0 |
| 73 | 89A                               | >= | 0 |

**Cross validation rules for FSA047 and FSA048 (combined)**

| Validation number | Data element   |   |   |
|-------------------|--|---|---|
| 1                 | FSA048(6A) + FSA048(6B) + FSA047(6A+6B+6C+-----+6n) +FSA048(6F) +FSA048(6G)+FSA048(6H)+FSA048(6I) +FSA048(6J)-FSA048(78A)          | = | 0 |
| 2                 | FSA048(7A) + FSA048(7B) + FSA047(7A+7B+7C+-----+7n) +FSA048(7F) +FSA048(7G)+FSA048(7H)+FSA048(7I) +FSA048(7J)-FSA048(79A)          | = | 0 |
| 3                 | FSA048(8A) + FSA048(8B) + FSA047(8A+8B+8C+-----+8n) +FSA048(8F) +FSA048(8G)+FSA048(8H)+FSA048(8I) +FSA048(8J)-FSA048(80A)          | = | 0 |
| 4                 | FSA048(9A) + FSA048(9B) + FSA047(9A+9B+9C+-----+9n) +FSA048(9F) +FSA048(9G)+FSA048(9H)+FSA048(9I) +FSA048(9J)                      | = | 0 |
| 5                 | FSA048(10A) + FSA048(10B) +FSA047(10A+10B+10C+-----+10n) +FSA048(10F)+FSA048(10G)+FSA048(10H)+FSA048(10I) +FSA048(10J)-FSA048(82A) | = | 0 |
| 6                 | FSA048(11A) + FSA048(11B) +FSA047(11A+11B+11C+-----+11n)   | = | 0 |

|    |   |    |   |
|----|---|----|---|
|    | +FSA048(11F)+FSA048(11G)+FSA048(11H)+FSA048(11I) +FSA048(11J)-<br>FSA048(83A)   |    |   |
| 7  | FSA048(12A) + FSA048(12B) +FSA047(12A+12B+12C+-----+12n)<br>+FSA048(12F)+FSA048(12G)+FSA048(12H)+FSA048(12I) +FSA048(12J)-<br>FSA048(84A) | =  | 0 |
| 8  | FSA048(13A) + FSA048(13B) +FSA047(13A+13B+13C+-----+13n)<br>+FSA048(13F)+FSA048(13G)+FSA048(13H)+FSA048(13I) +FSA048(13J)-<br>FSA048(85A) | =  | 0 |
| 9  | FSA048(14A) + FSA048(14B) +FSA047(14A+14B+14C+-----+14n)<br>+FSA048(14F)+FSA048(14G)+FSA048(14H)+FSA048(14I) +FSA048(14J)-<br>FSA048(86A) | =  | 0 |
| 10 | FSA048(15A) + FSA048(15B) +FSA047(15A+15B+15C+-----+15n)<br>+FSA048(15F)+FSA048(15G)+FSA048(15H)+FSA048(15I) +FSA048(15J)-<br>FSA048(87A) | =  | 0 |
| 11 | FSA048(16A) + FSA048(16B) +FSA047(16A+16B+16C+-----+16n)<br>+FSA048(16F)+FSA048(16G)+FSA048(16H)+FSA048(16I) +FSA048(16J)-<br>FSA048(88A) | =  | 0 |
| 12 | FSA048(17A) + FSA048(17B) +FSA047(17A+17B+17C+-----+17n)<br>+FSA048(17F)+FSA048(17G)+FSA048(17H)+FSA048(17I) +FSA048(17J)-<br>FSA048(89A) | =  | 0 |
| 13 | FSA048(20A) + FSA047(20A+20B+20C+-----+20n) + FSA048(20F) +<br>FSA048(20G) + FSA048(20H) + FSA048(20I) + FSA048(20J)                      | >= | 0 |
| 14 | FSA048(21A) + FSA047(21A+21B+21C+-----+21n) + FSA048(21F) +<br>FSA048(21G) + FSA048(21H) + FSA048(21I) + FSA048(21J)                      | >= | 0 |
| 15 | FSA048(22A) + FSA047(22A+22B+22C+-----+22n) + FSA048(22F) +<br>FSA048(22G) + FSA048(22H) + FSA048(22I) + FSA048(22J)                      | >= | 0 |
| 16 | FSA047(24A+24B+24C+-----+24n) + FSA048(24F) + FSA048(24G) +<br>FSA048(24H) + FSA048(24I) + FSA048(24J)                                    | >= | 0 |
| 17 | FSA048(25B) + FSA047(25A+25B+25C+-----+25n) + FSA048(25F) +<br>FSA048(25G) + FSA048(25H) + FSA048(25I) + FSA048(25J)                      | >= | 0 |
| 18 | FSA048(26B) + FSA047(26A+26B+26C+-----+26n) + FSA048(26F) +<br>FSA048(26G) + FSA048(26H) + FSA048(26I) + FSA048(26J)                      | >= | 0 |
| 19 | FSA048(27B) + FSA047(27A+27B+27C+-----+27n) + FSA048(27F) +<br>FSA048(27G) + FSA048(27H) + FSA048(27I) + FSA048(27J)                      | >= | 0 |
| 20 | FSA048(28B) + FSA047(28A+28B+28C+-----+28n) + FSA048(28F) +<br>FSA048(28G) + FSA048(28H) + FSA048(28I) + FSA048(28J)                      | >= | 0 |
| 21 | FSA048(29B) + FSA047(29A+29B+29C+-----+29n) + FSA048(29F) +<br>FSA048(29G) + FSA048(29H) + FSA048(29I) + FSA048(29J)                      | >= | 0 |
| 22 | FSA048(30B) + FSA047(30A+30B+30C+-----+30n) + FSA048(30F) +<br>FSA048(30G) + FSA048(30H) + FSA048(30I) + FSA048(30J)                      | >= | 0 |
| 23 | FSA048(34B) + FSA047(34A+34B+34C+-----+34n) + FSA048(34F) +<br>FSA048(34G) + FSA048(34H) + FSA048(34I) + FSA048(34J)                      | <= | 0 |
| 24 | FSA048(35B) + FSA047(35A+35B+35C+-----+35n) + FSA048(35F) +<br>FSA048(35G) + FSA048(35H) + FSA048(35I) + FSA048(35J)                      | <= | 0 |
| 25 | FSA048(36B) + FSA047(36A+36B+36C+-----+36n) + FSA048(36F) +<br>FSA048(36G) + FSA048(36H) + FSA048(36I) + FSA048(36J)                      | <= | 0 |
| 26 | FSA048(37B) + FSA047(37A+37B+37C+-----+37n) + FSA048(37F) +<br>FSA048(37G) + FSA048(37H) + FSA048(37I) + FSA048(37J)                      | <= | 0 |
| 27 | FSA048(38B) + FSA047(38A+38B+38C+-----+38n) + FSA048(38F) +<br>FSA048(38G) + FSA048(38H) + FSA048(38I) + FSA048(38J)                      | <= | 0 |
| 28 | FSA048(39B) + FSA047(39A+39B+39C+-----+39n) + FSA048(39F) +<br>FSA048(39G) + FSA048(39H) + FSA048(39I) + FSA048(39J)                      | <= | 0 |
| 29 | FSA047(40A+40B+40C+-----+40n) + FSA048(40F) + FSA048(40G) +<br>FSA048(40H) + FSA048(40I) + FSA048(40J)                                    | <= | 0 |
| 30 | FSA047(41A+41B+41C+-----+41n) + FSA048(41F) + FSA048(41G) +<br>FSA048(41H) + FSA048(41I) + FSA048(41J)                                    | <= | 0 |
| 31 | FSA047(42A+42B+42C+-----+42n) + FSA048(42F) + FSA048(42G) +<br>FSA048(42H) + FSA048(42I) + FSA048(42J)                                    | <= | 0 |

|    |   |    |   |
|----|---|----|---|
| 32 | FSA047(43A+43B+43C+-----+43n) + FSA048(43F) + FSA048(43G) + FSA048(43H) + FSA048(43I) + FSA048(43J)               | <= | 0 |
| 33 | FSA048(44A) + FSA047(44A+44B+44C+-----+44n) + FSA048(44F) + FSA048(44G) + FSA048(44H) + FSA048(44I) + FSA048(44J) | <= | 0 |
| 34 | FSA048(45A) + FSA047(45A+45B+45C+-----+45n) + FSA048(45F) + FSA048(45G) + FSA048(45H) + FSA048(45I) + FSA048(45J) | <= | 0 |
| 35 | FSA048(46A) + FSA047(46A+46B+46C+-----+46n) + FSA048(46F) + FSA048(46G) + FSA048(46H) + FSA048(46I) + FSA048(46J) | <= | 0 |
| 36 | FSA048(47A) + FSA047(47A+47B+47C+-----+47n) + FSA048(47F) + FSA048(47G) + FSA048(47H) + FSA048(47I) + FSA048(47J) | <= | 0 |
| 37 | FSA048(48A) + FSA047(48A+48B+48C+-----+48n) + FSA048(48F) + FSA048(48G) + FSA048(48H) + FSA048(48I) + FSA048(48J) | <= | 0 |
| 38 | FSA048(49A) + FSA047(49A+49B+49C+-----+49n) + FSA048(49F) + FSA048(49G) + FSA048(49H) + FSA048(49I) + FSA048(49J) | <= | 0 |
| 39 | FSA048(50A) + FSA047(50A+50B+50C+-----+50n) + FSA048(50F) + FSA048(50G) + FSA048(50H) + FSA048(50I) + FSA048(50J) | <= | 0 |
| 40 | FSA048(51A) + FSA047(51A+51B+51C+-----+51n) + FSA048(51F) + FSA048(51G) + FSA048(51H) + FSA048(51I) + FSA048(51J) | <= | 0 |

## **FSA050**

### **Liquidity Buffer Qualifying Securities**

The purpose of this *data item* is to record details of an *ILAS BIPRU firm's* unencumbered assets eligible for inclusion in its liquid assets buffer as defined in *BIPRU 12.7*. See further the *rules and guidance* in *SUP 16.12.4*.

A *firm* should complete this *data item* for each of the securities reported in column A, row 6 in Part 2 of FSA048.

#### **Valuation**

Except where outlined, a *firm* should follow the *appropriate regulator's rules and guidance* on valuation set out in *GENPRU 1.3* if you are a *BIPRU firm* and article 24 of the *EU CRR* if you are an *IFPRU investment firm*. A *firm* not subject to *GENPRU 1.3*, such as an *incoming EEA firm*, should follow its applicable accounting standards.

#### **Currency**

The reporting currency for this *data item* is whichever of the following currencies the *firm* chooses, namely USD (the United States Dollar), EUR (the euro), GBP (sterling), JPY (the Japanese Yen), CHF (the Swiss Franc), CAD (the Canadian Dollar) or SEK (the Swedish Krona).

Amounts should be entered in multiples of 1,000 of the relevant currency unit.

#### **General**

A *firm* reports unencumbered holdings of securities eligible for inclusion in its liquid assets buffer in column A, row 6 in Part 2 of FSA048. A *firm* should report in this *data item* a further breakdown by issuer of those securities.

#### **Data elements**

These are referred to by row first, and then by column, so *data element 2B* will be the element numbered 2 in column B.

#### **Completion and submission to the appropriate regulator**

A *firm* should complete this *data item* on a contractual basis irrespective of whether the position in question is held in the banking book or *trading book*.

A *firm* should report the clean market value of unencumbered securities held in its liquid assets buffer, according to the issuer in rows 1 to 24.

A *firm* should only report balances in row 24 to the extent that it has unencumbered securities delivered under reverse repo transactions where it cannot identify the issuer, but that all eligible issuers would qualify for inclusion in the liquid assets buffer as defined in *BIPRU 12.7*.

#### **Validation rules**

No rule as column A can be zero, positive or negative.

## Cross validation rules between FSA048 and FSA050

(General note: cross validation rule should be applied only when the returns under consideration are for the same reporting date)

| Validation number | Data element   |   |            |
|-------------------|--|---|------------|
| 1                 | FSA050(1A) + FSA050(2A)+FSA050(3A)+-----<br>+FSA050(23A)+FSA050(24A) | = | FSA048(6A) |

## FSA051

## Funding Concentration

The purpose of this *data item* is to record details of an *ILAS BIPRU firm's* funding concentrations. This *guidance* should be read in conjunction with the *rules* and *guidance* in SUP 16.12.4R.

### Valuation

Except where outlined, a *firm* should follow the *appropriate regulator's rules* and *guidance* on valuation set out in GENPRU 1.3 if you are a *BIPRU firm* and article 24 of the *EU CRR* if you are an *IFPRU investment firm*. A *firm* not subject to GENPRU 1.3, such as an *incoming EEA firm*, should follow its applicable accounting standards.

### Currency

The reporting currency for this *data item* is whichever of the following currencies the *firm* chooses, namely USD (the United States Dollar), EUR (the euro), GBP (sterling), JPY (the Japanese Yen), CHF (the Swiss Franc), CAD (the Canadian Dollar) or SEK (the Swedish Krona).

### General

This *data item* provides information on funding concentration risk of the *firm*.

### Data elements

These are referred to by row first, and then by column, so *data element 2B* will be the element numbered 2 in column B.

### Completion and submission to the appropriate regulator

A *firm* should complete this *data item* on a contractual basis irrespective of whether the position in question is held in the banking book or *trading book*.

The following fields are required for each row on this *data item*.

### Column A Counterparty

A *firm* should report the identity of the ultimate parent of the entity which provides the *firm* with funding. As an example, where a *firm* raises funding from various entities that are each members of the same *group*, the *firm* should aggregate all such amounts and attribute them to the ultimate parent.

However, a *firm* should distinguish between entities in a *group* investing their own funds and funds which they invest on behalf of others, for example, as a fiduciary. If a fiduciary money manager provides funding to the *firm*, such amounts should not be aggregated outside the entity which holds the fiduciary responsibility for managing the funds. For example, if a Bank XYZ provides funding of £50m to the *firm* and its asset management subsidiary provides funding of £100m from one or more fiduciary accounts, the *firm* should report this as two sources of funding in separate rows.

Where there is a lack of clarity about the ultimate parent to which funding should be attributed, a *firm* should complete this column of this *data item* on a “best efforts” basis.

### **Column B Amount**

Amounts should be entered in multiples of 1,000 of the relevant currency unit.

A *firm* should report the total amount of funding received from the counterparty identified in Column A.

### **Column C Weighted average residual maturity**

A *firm* should report figures in this column in months rounded to one decimal place.

In relation to each counterparty identified in column A, a *firm* should report the weighted average remaining maturity of funding provided by that counterparty and by any other counterparty in that counterparty’s *group* which is reported in column B. An example of this would be the following: XYZ Bank receives funding from two ABC Bank group entities. These are aggregated into one line. One ABC Bank entity provides 50% of the funding with 3 months remaining to maturity, while the other ABC Bank entity provides 50% of the funding with 6 months remaining to maturity, producing a weighted average remaining maturity of 4.5 months.

### **Part 1 Wholesale deposits**

In this part of the *data item* the *firm* should analyse and report the counterparties responsible for the 30 largest concentrations of deposits reported in lines 45 to 50 inclusive of FSA047 and FSA 048.

### **Part 2 Repo funding**

In this part of the *data item* a *firm* should analyse and report the counterparties responsible for the 30 largest concentrations of repo funding as reported in Part 5 of FSA047 and FSA 048.

### **Validation rules**

| Validation number | Data element          |    |   |
|-------------------|-----------------------|----|---|
| 1                 | Each cell in column B | >= | 0 |
| 2                 | Each cell in column C | >= | 0 |



## FSA052

## Pricing Data

The purpose of this *data item* is to record details relating to the average transaction volume of, and prices which the *firm* pays for, certain of its wholesale liabilities. This *guidance* should be read in conjunction with the *rules* and *guidance* in SUP 16.12.4R.

### Valuation

Except where outlined, a *firm* should follow the *appropriate regulator's rules* and *guidance* on set out in GENPRU 1.3 if you are a BIPRU *firm* and article 24 of the EU CRR if you are an IFPRU *investment firm*. A *firm* not subject to GENPRU 1.3, such as an *incoming EEA firm*, should follow its applicable accounting standards.

### Currency

A *firm* should report any wholesale liabilities denominated in sterling in rows 1 to 4, in US dollars in rows 5 to 8 and in euro in rows 9 to 12. A *firm* does not need to report liabilities denominated in any other currency in this *data item*.

Spreads should be reported as a percentage, rounded to two decimal places and volumes should be reported in multiples of 1,000's.

### Data elements

These are referred to by row first, and then by column, so *data element* 2B will be the element numbered 2 in column B.

### Completion and submission to the appropriate regulator

A *firm* should complete this *data item* on a contractual basis based on the trade date of the liability in question, recording all relevant liabilities issued during the reporting period.

### General

There are three different pieces of information required about each type of liability reportable in this *data item*:

- (1) average spread paid;
- (2) volume raised; and
- (3) maturity of the liability.

For the purpose of this *data item*, a *firm* should report the liabilities of the following types in the relevant rows for the currency

#### (i) Cash deposits

A *firm* should report all fixed term cash deposits reportable in lines 45 to 49 of FSA047 and FSA 048 in row 1 if denominated in GBP, in row 5 if denominated in USD or in row 9 if denominated in EUR.

#### (ii) Senior unsecured securities

A *firm* should report all senior unsecured securities issued reportable in line 40 of FSA047 and FSA 048 in row 2 if denominated in GBP, in row 6 if denominated in USD or in row 10 if denominated in EUR.

#### (iii) Covered Bonds

A *firm* should report all covered bonds encumbering the *firm's* own assets the issuance of which would be reportable in line 43 of FSA047 and FSA 048 in row 3 if denominated in GBP, in row 7 if denominated in USD or in row 11 if denominated in EUR.

#### (iv) Asset-backed securities (including ABCP)

A *firm* should report all debt issued by the *firm's* SSPEs as reported on line 51 of FSA047 and FSA 048. A *firm* should report such liabilities in row 4 if denominated in GBP, in row 8 if denominated in USD or in row 12 if denominated in EUR.

Weighted Average Spread and Volume Analysis:

A *firm* should report the weighted average spread paid and volume data in the following maturity bands, according to the maturity of the instrument issued:

- (1)  $\geq 1$  month  $\leq 3$  months in columns A and B;
- (2)  $> 3$  months  $\leq 6$  months in columns C & D;
- (3)  $> 6$  months  $\leq 1$  year in columns E & F;
- (4)  $> 1$  year  $\leq 2$  years in columns G & H;
- (5)  $> 2$  years in columns I & J.

For the purposes of this *data item*, a *firm* should ignore the time period between trade date and settlement date in calculating the maturity of a liability, e.g. a three month liability settling in two weeks time would, for the purposes of this *data item*, be considered as having a three month maturity and be reported in columns A & B.

In relation to each instrument of a type identified in this *data item* and issued by the *firm* or the *firm's* SSPEs, it should report:

- (1) the volume issued; and
- (2) the average spread paid (weighted by volume).

For the purposes of reporting the volume of liabilities issued, a *firm* should sum the net proceeds of each liability in the relevant maturity band according to the applicable currency.

For the purpose of reporting the average spread paid, a *firm* should report:

- (1) for an instrument with an original maturity of less than or equal to one year, the spread payable by the *firm* for that liability, if it were to have been swapped to the benchmark overnight index for the appropriate currency no later than close of business on the day of the transaction, and;
- (2) for an instrument with an original maturity in excess of one year, the spread at issuance were it to be swapped to the relevant benchmark floating three month LIBOR for GBP and USD and EURIBOR for EUR, no later than close of business on the day of the transaction.

For the purposes of calculating the average spread paid a *firm* should calculate the all-in cost in the currency of issue ignoring any FX swap, but including any premium or discount and fees payable or receivable, with the term of any theoretical or actual interest rate swap matching the term of the liability. The spread is the liability rate minus the swap rate.

### Validation rules

| Validation number | Data element           |        |   |
|-------------------|------------------------|--------|---|
| 1                 | Each cell in columns B | $\geq$ | 0 |
| 2                 | Each cell in columns D | $\geq$ | 0 |
| 3                 | Each cell in columns F | $\geq$ | 0 |
| 4                 | Each cell in columns H | $\geq$ | 0 |
| 5                 | Each cell in columns J | $\geq$ | 0 |

## **FSA053      Retail, SME and Large Enterprises Type B Funding**

The purpose of this *data item* is to record details relating to a *firm's* retail accounts and non-credit sensitive corporate accounts. See further the *rules* and *guidance* in SUP 16.12.4.

### **Valuation**

Except where outlined, a *firm* should follow the *appropriate regulator's rules* and *guidance* on set out in GENPRU 1.3 if you are a BIPRU *firm* and article 24 of the EU CRR if you are an IFPRU *investment firm*. A *firm* not subject to GENPRU 1.3, such as an *incoming EEA firm*, should follow its applicable accounting standards.

### **Currency**

All figures should be entered in multiples of 1,000 of the relevant currency unit. The reporting currency for this *data item* is whichever of the following currencies the *firm* chooses, namely USD (the United States Dollar), EUR (the euro), GBP (sterling), JPY (the Japanese Yen), CHF (the Swiss Franc), CAD (the Canadian Dollar) or SEK (the Swedish Krona).

### **Data elements**

These are referred to by row first, and then by column, so *data element 2B* will be the element numbered 2 in column B.

### **Completion and submission to the appropriate regulator**

A *firm* should complete this *data item* on a contractual basis based on an analysis of the *firm's* balance sheet on the reporting date in question.

### **General**

A *firm* should report in Column A the outstanding balance at the close of business of the final business day of the month for which the *data item* is submitted, in each category of account identified in this *data item*.

## **Part 1 Retail deposits (type A and type B)**

A *firm* should report information related to the retail accounts reported in lines 54 and 55 of FSA048 in rows 1 to 5 of Part 1 of this *data item*.

A *firm* should report Type A balances in Column A of Part 1 and Type B balances in Column B.

### **1      Current and/or transactional accounts**

A *firm* should report here the total balances of retail deposits held in instant access current and/or transactional accounts. Transactional accounts are those used to process transactions such as day-to-day outgoings, salary and bill payments.

### **2      Tax-advantaged savings accounts**

A *firm* should report here the total balances of cash deposits held in ISA or other tax-advantaged accounts.

### **3      On demand or instant access accounts**

A *firm* should report here the total balances of any remaining instant access retail accounts not reported in lines 1 & 2 of this *data item*.

### **4      Fixed term accounts**

A *firm* should report here the total balances of all retail deposits held in fixed term deposit accounts in relation to which a depositor is unable to access their deposit prior to its contractual maturity.

### **5      Fixed notice accounts**

A *firm* should report here the total balances of all retail deposits held in fixed notice deposit accounts in relation to which a depositor can:

- require the early repayment of an otherwise fixed term deposit by paying an early access charge; or,
- require the repayment of a deposit by giving a specified notice period.

## **Part 2 SME and large enterprises Type B**

A *firm* should report information related to the SME and Large financial Enterprise (Type B) accounts reported in lines 52 and 53 of FSA048 in rows 6 to 10.

### **6 Current and/or transactional accounts**

A *firm* should report here the total of deposits held in instant access current and transactional accounts. Transactional accounts are those used to process transactions such as day-to-day outgoings, salary and invoice payments.

### **7 Tax-advantaged savings accounts**

A *firm* should report here the total balances of deposits held in tax-advantaged accounts.

### **8 On demand or other instant access accounts**

A *firm* should report here the total balances of any remaining instant access accounts not reported in lines 6 or 7 of this *data item*.

### **9 Fixed term accounts**

A *firm* should report here the total balances of all deposits held in fixed term deposit accounts in relation to which a depositor is unable to access their deposit prior to its contractual maturity.

### **10 Fixed notice accounts**

A *firm* should report here the total balances of all deposits held in fixed notice deposit accounts in relation to which a depositor can:

- require the early repayment of an otherwise fixed term deposit by paying an early access charge; or,
- require the repayment of a deposit by giving a specified notice period.

## **Part 3 Deposit insurance schemes such as FSCS**

Part 3 of this *data item* relates to an analysis of a *firm*'s retail deposits, as reported on lines 54 and 55 of FSA048, insured by *FSCS* or other similar deposit insurance schemes.

In relation to each depositor who would in principle be eligible to claim compensation from the *FSCS* or another similar deposit insurance scheme in respect of his deposits with a *firm*, that *firm* should report the protected balances of accounts covered by the scheme in question. A *firm* should follow the current rules of any relevant scheme in reporting the protected balances.

### **11 Deposits covered by deposit insurance schemes such as FSCS**

A *firm* should report here the total protected balances held in deposit accounts that would in principle be covered by the *FSCS* or other similar deposit insurance scheme, up to the maximum amount that depositor may be eligible to claim under the relevant scheme.

### **12 Deposits not covered by deposit insurance schemes such as FSCS**

A *firm* should report here the excess of deposit account balances over the total protected balances held in those accounts that would in principle be covered by the *FSCS* or other similar deposit insurance scheme.

### Validation rules

| Validation number | Data element |    |   |
|-------------------|--------------|----|---|
| 1                 | 1A           | >= | 0 |
| 2                 | 1B           | >= | 0 |
| 3                 | 2A           | >= | 0 |
| 4                 | 2B           | >= | 0 |
| 5                 | 3A           | >= | 0 |
| 6                 | 3B           | >= | 0 |
| 7                 | 4A           | >= | 0 |
| 8                 | 4B           | >= | 0 |
| 9                 | 5A           | >= | 0 |
| 10                | 5B           | >= | 0 |
| 11                | 6B           | >= | 0 |
| 12                | 7B           | >= | 0 |
| 13                | 8B           | >= | 0 |
| 14                | 9B           | >= | 0 |
| 15                | 10B          | >= | 0 |
| 16                | 11A          | >= | 0 |
| 17                | 12A          | >= | 0 |

### Cross validation rules between FSA048 and FSA053

(General note: cross validation rule should be applied only when the returns under consideration are for the same reporting date)

| Validation number | Data element                 |   |  |
|-------------------|------------------------------|---|--|
| 1                 | ABS{FSA053(1A+2A+3A+4A+5A)}  | = | ABS{FSA048(54A+54C+54D+54E+54F+54G+54H+54I+54J)}   |
| 2                 | ABS{FSA053(1B+2B+3B+4B+5B)}  | = | ABS{FSA048(55A+55C+55D+55E+55F+55G+55H+55I+55J)}   |
| 3                 | ABS{FSA053(6B+7B+8B+9B+10B)} | = | ABS{FSA048(52A+52C+52D+52E+52F+52G+52H+52I+52J) + FSA048(53A+53C+53D+53E+53F+53G+53H+53I+53J)} |

## FSA054

## Currency Analysis

The purpose of this *data item* is to record details of a *firm's* currency mismatches. This *guidance* should be read in conjunction with the *rules* and *guidance* in SUP 16.12.4R.

### Valuation

Except where outlined, a *firm* should follow the *appropriate regulator's rules* and *guidance* on valuation set out in GENPRU 1.3 if you are a BIPRU *firm* and article 24 of the EU CRR if you are an IFPRU *investment firm*. A *firm* not subject to GENPRU 1.3, such as an *incoming EEA firm*, should follow its applicable accounting standards.

### Currency Not

relevant. **Data**

### elements

These are referred to by row first, and then by column, so *data element 2B* will be the element numbered 2 in column B.

### Completion and submission to the appropriate regulator

A *firm* should complete this *data item* on a contractual basis based on an analysis of the *firm's* cash flow and cash balances as reportable for FSA047 and FSA 048, combined (rows 1, 18 to 23 and 25 to 56), based on the FSA047 and FSA048 reporting date closest to the FSA054 reporting date in question.

### General

This report has two aspects. It asks a *firm* to report:

- (1) the currencies in which that *firm's* assets and liabilities and shareholders' equity are denominated; and
- (2) the percentage of that *firm's* total assets and liabilities and shareholders' equity which are denominated in those currencies.

A *firm* should exclude from its balance sheet derivative financial instruments as defined under IFRS.

In considering whether a *firm's* assets, liabilities or shareholders' equity are denominated in a specific currency, a *firm* should ignore the effect of any *derivatives*.

For example, if a *firm* issues a liability in GBP and enters into a *derivative* to swap the cash flows of that liability to another currency, for the purposes of this *data item*, it should be denominated in GBP.

For each row from 1 to 13, a *firm* should report column A and B. For example, for row 1, cell 1A should contain GBP (sterling) assets, excluding derivative financial

instruments, expressed as a percentage (rounded to two decimal places) of the total assets, excluding derivative financial instruments, of the *firm*.

**Validation rules**

| Validation number | Data element             |        |      |
|-------------------|--------------------------|--------|------|
| 1                 | Each cell in column A    | $\geq$ | 0    |
| 2                 | Each cell in column B    | $\geq$ | 0    |
| 3                 | Each cell in column A    | $\leq$ | 100% |
| 4                 | Each cell in column B    | $\leq$ | 100% |
| 5                 | $1A+2A+3A+\dots+12A+13A$ | $=$    | 100% |
| 6                 | $1B+2B+3B+\dots+12B+13B$ | $=$    | 100% |

**FSA055****Systems and Controls Questionnaire**

The purpose of this *data item* is to enable the *appropriate regulator* to monitor a *non-ILAS BIPRU firm's* compliance with the requirements set out in *BIPRU 12.3* (Liquidity risk management) and *BIPRU 12.4* (Stress testing and contingency funding).

In relation to the questions in FSA055, a *firm* should, as appropriate, answer “yes” or “no”, or choose a response from the drop-down menu.

Should a *firm* answer “no” to the first question in FSA055, it need not complete the rest of the *data item*.

**Validation rules**

All cells are controlled by drop-down menu. The menu option for each row is as under:

| Validation number | Data element | Menu options   |
|-------------------|--------------|--|
| 1                 | 1A           | Yes / No   |
| 2                 | 2A           | Yes / No   |
| 3                 | 3A           | Yes / No   |
| 4                 | 4A           | Yes / No   |
| 5                 | 5A           | Yes / No   |
| 6                 | 6A           | Yes / No   |
| 7                 | 7A           | Yes / No   |
| 8                 | 8A           | <= 52  |
| 9                 | 9A           | Yes / No   |
| 10                | 10A          | Monthly/Quarterly/Semi-annually/Annually/less than once a year |
| 11                | 11A          | <=52   |
| 12                | 12A          | Yes / No   |
| 13                | 13A          | Monthly/Quarterly/Semi-annually/Annually/less than once a year |
| 14                | 14A          | Yes / No   |
| 15                | 15A          | Yes / No   |
| 16                | 16A          | Yes / No   |
| 17                | 17A          | Yes / No   |
| 18                | 18A          | Yes / No   |
| 19                | 19A          | Yes / No   |
| 20                | 20A          | Yes / No   |



## **FSA058 – Securitisation: trading book**

This data item allows a greater understanding of the prudential risk profile of the *firm*. It also enables the *appropriate regulator* to lead debate on credit risk transfer in international discussions.

This data item captures information on the *firm's trading book securitisation positions* which fall under *BIPRU 7.2* where they are acting as *originator, sponsor* or investor. *Non-trading book securitisations* are captured in FSA046.

The data item has been separated into three sections:

- general *trading book securitisation* information;
- information on *non-correlation trading portfolio securitisations*, and
- *correlation trading portfolio securitisations*.

### **Currency**

You should report in the currency of your annual audited accounts i.e. in Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

### **Non-correlation trading portfolio securitisations**

#### **Transaction level information - Where the firm is an originator or sponsor**

All *securitisations*, on a cumulative basis, where you have acted as an *originator* or *sponsor* where the assets are held in the *trading book* should be shown in this section, irrespective of whether you meet *BIPRU 9.3.1R*.

### **3A Programme name**

Enter the common name of the programme in the market.

[*COREP CR SEC Details column 2*]

### **3B Asset class**

This is the class of assets securitised in accordance with the options in FSA004 with an additional entry for "Asset Backed Commercial Paper Programme". Where the underlying *exposures* consist of different types of assets, a *firm* should indicate the most important type.

[COREP CR SEC Details column 9]

### **3C Originator's interest**

For the purposes of reporting, *originator's* interest means the exposure value of the notional part of a pool of drawn amounts sold into a *securitisation*, the proportion of which in relation to the amount of the total pool sold into the structure determines the proportion of the cash-flows generated by principal and interest collections and other associated amounts which are not available to make payments to those having *securitisation positions* in the *securitisation*. The *originator's* interest may not be subordinate to the investors' interest.

### **3D Investors' interest**

Investors' interest means the exposure value of the remaining notional part of the pool of drawn amounts.

[COREP CR SEC Details 7]

### **3E Location of investor reports**

Provide either a URL to the location of the investor reports published on the performance of the assets or, if not available via the internet, a description of where to find the investor reports.

### **3F Assets appear in FSA001?**

Yes/No to indicate whether the assets appear on the balance sheet provided in FSA001.

### **3O– Retention of net economic interest (% to 2DP)**

Percentage of the nominal value of the securitised exposures retained by an *originator* or *sponsor* as calculated under *BIPRU* 9.15.4R.

### **3P– Method of retention of net economic interest**

Please detail a number according to the method of retention as calculated under *BIPRU* 9.15.4R.

1. = *BIPRU* 9.15.4R(1);
2. = *BIPRU* 9.15.4R(2);
3. = *BIPRU* 9.15.4R(3);
4. = *BIPRU* 9.15.4R(4).

### **Risk positions – standardised exposures**

All *non-correlation trading portfolio securitisation positions* that are treated under *BIPRU 7.2.48DR* should be shown in this section, broken down by credit quality, how the *exposure* arose, and whether the position is a *securitisation* or *resecuritisation*.

#### **Row 31 & 32: Originator**

This is for *exposures* where the *firm* originated the underlying assets.

#### **Row 33 & 34: Sponsor**

This is for *exposures* where the firm acts as a *sponsor*.

#### **Row 35 & 36: Counterparty credit risk**

This is the *exposure* values generated under *BIPRU 13*.

#### **Row 37 & 38: All other exposures**

This is for any standardised *exposures* not included in *data elements* 31 – 38 above. For example, a firm that is an investor in *trading book securitisations*.

#### **Columns A – E**

Positions should be split by credit rating according to *BIPRU 7.2.48DR*.

#### **Column F**

This is for *positions* deducted from capital at part 1 of stage M of the capital calculations in *GENPRU 2*, Annexes 2R, 3R, 4R, 5R or 6R as appropriate.

### **Risk positions – IRB exposures**

All *exposures* that are treated under *BIPRU 7.2.48ER* should be shown in this section, broken down by credit quality, granularity and how the *exposure* arose.

#### **Rows 8 – 10 & 23 -24: Originator**

This is for *exposures* where the *firm* originated the underlying *exposures*.

#### **Rows 11 – 13 & 25 - 26: Sponsor**

This is for *exposures* where the firm acts as a *sponsor*.

#### **Rows 14 – 16 & 27 - 28: Counterparty credit risk**

This is for exposure values generated under *BIPRU 13* where the *exposure* is also a *securitisation position*.

#### **Rows 17 – 19 & 29 - 30: All other exposures**

This covers any *IRB exposures* not included above. For example, a *firm* that is an investor in *trading book securitisations*.

#### **Columns B – M**

This should be split by credit rating according to *BIPRU 7.2.48ER*.

#### **Column N**

*Firms* should state the exposure value calculated under *BIPRU* 7.2.48AR to *BIPRU* 7.2.48CR.

#### **Column O**

This is for *positions* deducted from capital at part 1 of stage M of the capital calculations in *GENPRU* 2, Annexes 2R, 3R, 4R, 5R or 6R as appropriate.

#### **Column P**

*Firms* should state the capital requirement calculated under *BIPRU* 7.2.48FR.

### **Total capital requirement (net long positions plus net short positions) broken down by underlying assets**

#### **Rows 39 – 47:**

Enter the total capital requirement (net long positions & net short positions) broken down by underlying assets as shown.

### **Correlation trading portfolio positions**

#### **Risk positions – standardised exposures**

All *correlation trading portfolio securitisation positions* that are treated under *BIPRU* 7.2.48DR should be shown in this section, broken down by credit quality and how the *exposure* arose.

#### **Row 48: Originator**

This is for *exposures* where the *firm* originated the underlying assets.

#### **Row 49: Sponsor**

This is for *exposures* where the firm acts as a sponsor.

#### **Row 50: Counterparty credit risk**

This is the exposure values generated under *BIPRU* 13.

#### **Row 51: All other exposures**

This is for any standardised *exposures* not included in *data elements* 48 - 50 above. For example, a firm that is an investor in *correlation trading portfolio positions*.

#### **Columns A – E**

*Positions* should be split by credit rating according to *BIPRU* 7.2.48DR.

#### **Column F**

This is for *positions* deducted from capital at part 1 of stage M of the capital calculations in *GENPRU* 2, Annexes 2R, 3R, 4R, 5R or 6R as appropriate.

#### **Risk positions – IRB exposures**

All *exposures* that are treated under *BIPRU 7.2.47ER* should be shown in this section, broken down by credit quality, granularity and how the *exposure* arose.

**Rows 52 - 54: Originator**

This is for *exposures* where the *firm* originated the underlying *exposures*.

**Rows 55 - 57: Sponsor**

This is for *exposures* where the *firm* acts as a sponsor.

**Rows 58 - 60: Counterparty credit risk**

This is for exposure values generated under *BIPRU 13* where the *exposure* is also a *securitisation position*.

**Rows 61 - 63: All other exposures**

This covers any *IRB exposures* not included above. For example, a *firm* that is an investor in *correlation trading portfolio positions*.

**Columns B – M**

This should be split by credit rating according to *BIPRU 7.2.48E R*.

**Column N**

*Firms* should state the exposure value calculated under *BIPRU 7.2.48AR* to *BIPRU 7.2.48CR*.

**Column O**

This is for positions deducted from capital at part 1 of stage M of the capital calculations in *GENPRU 2*, Annexes 2R, 3R, 4R, 5R or 6R as appropriate.

**Column P**

*Firms* should state the capital requirement calculated under *BIPRU 7.2.48FR*.

## **FSA058 – Securitisation: non-trading book validations**

### **Internal validations**

There are no validations for this data item.

### **External validations**

There are no validations for this data item.

## FIN066 – Capital Adequacy (for *collective portfolio management firms*)

### Introduction

FIN066 provides a framework for the collection of prudential information required by the *FCA* for its supervision activities. The data item is intended to reflect the underlying prudential requirements in *IPRU(INV)* 11 and allows monitoring against those requirements.

### Defined terms

Where terms used in these notes are defined by the Companies Act 2006, as appropriate, or the provisions of the *firm's* accounting framework (usually UK GAAP or *IFRS*) they should have that meaning. The descriptions in these notes are designed to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the *firm's* accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Act 2006 as appropriate) or *IFRS*.
- The data item should be completed on an unconsolidated basis.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the *firm's* *annual report and accounts* and consistently applied.
- Information required should be prepared in line with generally accepted accounting standards.
- The data item should not give a misleading impression of the *firm*. A data item is likely to give a misleading impression if a *firm* wrongly omits or includes a material item or presents a material item in the wrong way.

### Currency

You should report in the currency of your annual audited accounts, ie in Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### Data elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

| Regulatory capital  |         |   |
|---|---------|---|
|   | 1 to 15 | The figures in this section should be consistent with those submitted in FSA029 for the same reporting period and should be allocated based on <i>EU CRR</i> definitions of regulatory capital.<br><br>Deductions should be reported as a minus figure. |
| Regulatory capital test   |         |   |
| <i>Own funds test for collective portfolio management firms</i> |         |   |
| Own funds   | 16A     | The amount of <i>own funds</i> calculated in line with article 4(1)(118) of the <i>EU CRR</i> . This is the figure entered at 15A.  |

|   |     |   |
|---|-----|---|
| Funds under management requirement          | 17A | <p>Up to a maximum of €10,000,000, this is the <i>base capital resources requirement</i> plus 0.02% of the amount by which the <i>firm's funds under management</i> exceeds €250,000,000.</p> <p>If the data item is not submitted with figures in Euros, then the figure should be converted to the currency of the submission using the closing mid-market rate of exchange on the reporting period end date.</p> <p>The appropriate definition of <i>funds under management</i> to be used in this calculation is that set out in the <i>FCA Handbook Glossary of definitions</i>.</p>   |
| Fixed overheads requirement                 | 18A | <p>This is one quarter of the annualised fixed expenditure calculated in line with <i>IPRU(INV)</i> 11.3.3AEU.</p>  |
| Professional negligence capital requirement | 19A | <p>The amount of additional <i>own funds</i> used to cover potential liability risks arising from professional negligence for <i>AIFM</i> activities in lieu of professional indemnity insurance, as per <i>IPRU(INV)</i> 11.3.11G(1)(a).</p> <p>When calculating this amount, <i>firms</i> should include the amount of any assets under management that are delegated to the firm by mandate, see <i>IPRU(INV)</i> 11.3.14EU. Note that this treatment is different from that prescribed for the <i>funds under management requirement</i> (see the guidance in line 17A).</p> <p>If a firm makes an entry in 19A it should not make an entry in 20A.</p> <p>This entry is only relevant for <i>full-scope UK AIFMs</i> and should be left blank if the <i>firm</i> is not a <i>full-scope UK AIFM</i>.</p> |
| PII capital requirement                     | 20A | <p>The amount of any additional <i>own funds</i> required to cover any defined excess and exclusions in the insurance policy, as required by <i>IPRU(INV)</i> 11.3.11G(1)(b).</p> <p>If a firm makes an entry in 20A it should not make an entry in 19A.</p> <p>This entry is only relevant for <i>full-scope UK AIFMs</i> and should be left blank if the <i>firm</i> is not a <i>full-scope UK AIFM</i>.</p>  |
| Total capital requirement                   | 21A | <p>This is the higher of 17A and 18A, plus either</p>   |



|  |     |  |
|--|-----|--|
|  |     | 19A or 20A.  |
| Surplus / deficit of own funds   | 22A | This is 16A less 21A.  |
| <i>Liquid assets test</i>  |     |  |
| Liquid assets requirement  | 23A | For a <i>collective portfolio management firm</i> , this is the amount required by <i>IPRU(INV)</i> 11.2.1R(3).  |
| Liquid assets held   | 24A | This is the amount of liquid assets held by the <i>firm</i> at the reporting date. Assets are regarded as liquid if they are readily convertible to cash within one month. This figure must not include speculative positions.   |
| Surplus / deficit of liquid assets   | 25A | This is 24A less 23A.  |
| <b>Professional Indemnity Insurance</b>  |     |  |
| Specify whether your firm holds additional own funds or PII in accordance with regulatory requirements | 26A | The <i>firm</i> should report either “Own funds” or “PII”. Where a <i>firm</i> has PII but also holds <i>own funds</i> to cover any excesses and/or exclusions on the policy, the <i>firm</i> should report “PII”.   |
| <i>PII Basic information</i>   |     |  |
|  | 27  | <i>Firms</i> should enter details on all relevant PII policies, using a separate line for each policy.<br><br>A <i>firm</i> may satisfy its requirements for professional indemnity insurance with a policy that also provides cover to one or more entities other than the <i>firm</i> , provided the policy satisfies the conditions of the <i>AIFMD level 2 regulation</i> in respect of the <i>firm</i> , exclusive of the cover provided to other entities by the policy. If such a policy is held, each <i>firm</i> covered by the policy should include the policy information on their return. |
| Annualised premium   | 27A | This should state the premium payable (in descending order of size, where relevant), net of tax and any other add-ons. If the premium covers a period other than 12 months, it should be annualised before ranking.  |
| Insurer (from list)  | 27B | Select the PII insurer from the list provided. If you have more than one policy with the same insurer, they should be combined. If the insurer is not listed, select ‘Other’. If a policy is underwritten by more than one insurance undertaking or Lloyd's syndicate, you should select ‘multiple’.   |
| Start date   | 27C | Enter the start date of the policy.  |
| Renewal date   | 27D | Enter the renewal date of the policy.  |
| Required Indemnity   | 27E | Specify whether the indemnity limit in field 27F   |

|  |     |  |
|--|-----|--|
| Limits: Single Indemnity<br>Limits: Sterling/Euros or Unlimited                        |     | is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 27F blank.  |
| Required Indemnity<br>Limits: Single Limit of Indemnity                                | 27F | You should record here, in the currency specified in 27E, the required indemnity limits on the <i>firm's</i> PII policy or policies, in relation to single claims. A <i>firm</i> should calculate this amount with reference to <i>IPRU(INV)</i> 11.3.15EU and include the amount of any assets under management that are delegated to the firm by mandate.          |
| Required Indemnity<br>Limits: Aggregate Indemnity Limit in Sterling/Euros or Unlimited | 27G | Specify whether the indemnity limit in field 27H is reported in GBP or EUR.<br><br>If the aggregate limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 27H blank.  |
| Required Indemnity<br>Limits: Aggregate Limit of Indemnity                             | 27H | You should record here, in the currency specified in 27G, the required indemnity limits on the <i>firm's</i> PII policy or policies, received in relation to single claims. A <i>firm</i> should calculate this amount with reference to <i>IPRU(INV)</i> 11.3.15EU and include the amount of any assets under management that are delegated to the firm by mandate. |
| Indemnity Limits: Single Indemnity Limits: Sterling/Euros or unlimited                 | 27I | Specify whether the indemnity limit in field 27J is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 27J blank.   |
| Indemnity Limits: Single Limit of Indemnity  | 27J | You should record here, in the currency specified in 27I, the indemnity limits on the <i>firm's</i> PII policy or policies, received in relation to single claims.   |
| Indemnity Limits: Aggregate Indemnity Limit in: Sterling/Euros or unlimited            | 27K | Specify whether the indemnity limit in field 27L is reported in GBP or EUR.<br><br>If the aggregate limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 27L blank.  |
| Indemnity Limits: Aggregate Limit of Indemnity   | 27L | You should record here, in the currency specified in 27K, the indemnity limits on the <i>firm's</i> PII policy or policies, received in aggregate.   |
| <i>PII detailed information</i>  |     |  |
| Business line (from list)  | 27M | For policies that cover all business lines, <i>firms</i> should select 'All' from the list provided.<br><br>Where the policy contains different excesses for   |

|                   |     |  |
|-------------------|-----|--|
|                   |     | different business lines, <i>firms</i> should identify these business lines from the list (or the closest equivalent) and report the (highest) excess for that business line in data element 27N. Once these ‘non-standard’ excesses have been identified, the remaining business lines should be reported under ‘All other’.  |
| Policy excess     | 27N | For policies that cover all business lines with no difference in excesses, this should be the excess applicable. Otherwise, it should contain the highest excess for each business line that differs.<br><br>In line with <i>IPRU(INV)</i> 11.3.11G(1)(b), a <i>firm</i> should include additional own funds sufficient to cover the highest excess in the amount reported in 20A. |
| Policy exclusions | 27O | If there are exclusions in the <i>firm</i> ’s PII policy, the business type(s) to which they relate should be selected here from the list provided.<br><br>In line with <i>IPRU(INV)</i> 11.3.11G(1)(b), a <i>firm</i> should include additional own funds sufficient to cover any liabilities arising in the amount reported in 20A.  |

**FIN066 – Capital Adequacy (for *collective portfolio management firms*) validations**

**Internal validations**

Data elements are referenced by row, then column.

| Validation number | Data element |   |                                      |
|-------------------|--------------|---|--------------------------------------|
| 1                 | 7A           | = | $\Sigma(1A:6A)$                      |
| 2                 | 10A          | = | 8A + 9A                              |
| 3                 | 14A          | = | $\Sigma(11A:13A)$                    |
| 4                 | 15A          | = | 7A + 10A + 14A                       |
| 5                 | 16A          | = | 15A                                  |
| 6                 | 21A          | = | (higher of 17A and 18A) + 19A or 20A |
| 7                 | 22A          | = | 16A – 21A                            |
| 8                 | 25A          | = | 24A-23A                              |

## **FIN067 – Capital adequacy – supplemental (for *collective portfolio management investment firms* subject to *IFPRU*)**

### **Introduction**

FIN067 provides a framework for the collection of prudential information required by the *FCA* for its supervision activities. The data item is intended to reflect the underlying prudential requirements in *IPRU(INV)* 11 and *IFPRU* and allows monitoring against those requirements.

### **Defined terms**

Where terms used in these notes are defined by the Companies Acts 2006, as appropriate, or the provisions of the *firm's* accounting framework (usually UK GAAP or *IFRS*) they should have that meaning. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the firm's accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Acts 2006 as appropriate) or *IFRS*.
- The data item should be completed on an unconsolidated basis.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in *annual report and accounts* and should be consistently applied.
- Information required should be prepared in line with generally accepted accounting standards.
- The data item should not give a misleading impression of the *firm*. A data item is likely to give a misleading impression if a *firm* wrongly omits or includes a material item or presents a material item in the wrong way.

### **Currency**

You should report in the currency of your annual audited accounts, ie in Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data Elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

|                                    |    |  |
|------------------------------------|----|--|
| Own funds                          | 1A | This amount should be equal to the figure entered in the appropriate fields under COREP for the same reporting period.   |
| Funds under management requirement | 2A | The <i>base capital resources requirement</i> plus the amount which is 0.02% of <i>funds under management</i> that exceeds €250,000,000, up to a maximum of €10,000,000.<br><br>If the data item is not submitted with figures in Euros, then the figure should be converted to the currency of the submission using the closing mid-market rate of exchange on the reporting period |

|   |    |  |
|---|----|--|
|   |    | <p>end date.</p> <p>The appropriate definition of <i>funds under management</i> to be used in this calculation is that set out in the <i>FCA Handbook Glossary of definitions</i>.</p>   |
| Fixed overheads requirement                 | 3A | The amount calculated in line with <i>IPRU(INV)</i> 11.3.3AEU. The amount should equal the appropriate fields under COREP for the same reporting period.   |
| Professional negligence capital requirement | 4A | <p>The amount of additional <i>own funds</i> used to cover potential liability risks arising from professional negligence in relation to <i>AIFM</i> activities in lieu of professional indemnity insurance, as per <i>IPRU(INV)</i> 11.3.11G(1)(a).</p> <p>When calculating this amount, <i>firms</i> should include the amount of any assets under management that are delegated to the firm by mandate, as set out in <i>IPRU(INV)</i> 11.3.14EU. Note that this treatment is different from that prescribed for the <i>funds under management requirement</i> (see the guidance in line 2A).</p> <p>If a <i>firm</i> makes an entry in 4A it should not make an entry in 5A.</p> <p>This entry is only relevant for <i>full-scope UK AIFMs</i> and should be left blank if the <i>firm</i> is not a <i>full-scope UK AIFM</i>.</p> |
| PII capital requirement                     | 5A | <p>The amount of any additional <i>own funds</i> required to cover any defined excess and exclusions in the insurance policy, as required by <i>IPRU(INV)</i> 11.3.11G(1)(b).</p> <p>If a <i>firm</i> makes an entry in 5A it should not make an entry in 4A.</p> <p>This entry is only relevant for <i>full-scope UK AIFMs</i> and should be left blank if the <i>firm</i> is not a <i>full-scope UK AIFM</i>.</p>  |
| Subtotal                                    | 6A | This is higher of 2A and 3A plus 4A or 5A.   |
| Own funds requirements                      | 7A | The amount of <i>own funds requirements</i> in line with article 92 of the <i>EU CRR</i> . The amount should equal the appropriate fields under COREP for the same reporting period.   |
| Total requirement                           | 8A | This is the higher of 6A and 7A.   |
| Surplus / deficit of own funds              | 9A | This is 1A less 8A.  |
| <b>Liquid assets test</b>                   |    |  |

|  |     |  |
|--|-----|--|
| Liquid assets requirement  | 10A | The amount of <i>own funds</i> required by (INV) 11.2.1R(3).   |
| Liquid assets held   | 11A | The amount of liquid assets held by the <i>firm</i> at the reporting date. Assets are regarded as liquid if they are readily convertible to cash within one month. This figure must not include speculative positions.   |
| Surplus / deficit of liquid assets   | 12A | This is 11A less 10A.  |
| <b>Professional Indemnity Insurance</b>  |     |  |
| Does your firm hold additional own funds or PII in accordance with regulatory requirements | 13A | The <i>firm</i> should report either “Own funds” or “PII”. Where a <i>firm</i> has PII but also holds <i>own funds</i> to cover any excesses and/or exclusions on the policy, the <i>firm</i> should report “PII”.   |
| <i>PII Basic information</i>   |     |  |
|  | 14  | <i>Firms</i> should enter details on all relevant PII policies, using a separate line for each policy.<br><br>A <i>firm</i> may satisfy its requirements for professional indemnity insurance with a policy that also provides cover to one or more entities other than the <i>firm</i> , provided the policy satisfies the conditions of the <i>AIFMD level 2 regulation</i> in respect of the <i>firm</i> , exclusive of the cover provided to other entities by the policy. If such a policy is held, each <i>firm</i> covered by the policy should include the policy information on their return. |
| Annualised premium   | 14A | This should state the premium payable (in descending order of size, where relevant), net of tax and any other add-ons. If the premium covers a period other than 12 months, it should be annualised before ranking.  |
| Insurer (from list)  | 14B | Select the PII insurer from the list provided. If you have more than one policy with the same insurer, they should be combined. If the insurer is not listed, select ‘Other’. If a policy is underwritten by more than one insurance undertaking or Lloyd's syndicate, you should select ‘multiple’.   |
| Start date   | 14C | Enter the start date of the policy.  |
| Renewal date   | 14D | Enter the renewal date of the policy.  |
| Required Indemnity Limits: Single Indemnity Limits: Sterling/Euros or Unlimited            | 14E | State whether the indemnity limit, in field 14F is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited, select ‘unlimited’ from the dropdown and leave 14F blank.   |
| Required Indemnity Limits: Single Limit of   | 14F | You should record here, in the currency specified in 14E, the required indemnity limits on the <i>firm</i> ’s  |

|  |     |  |
|--|-----|--|
| Indemnity  |     | PII policy or policies for single claims. A <i>firm</i> should calculate this amount with reference to <i>IPRU(INV)</i> 11.3.15EU and include the amount of any assets under management that are delegated to the firm by mandate.   |
| Required Indemnity Limits: Aggregate Indemnity Limit in: Sterling/Euros or Unlimited | 14G | Specify whether the indemnity limit in field 14H is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited, select 'unlimited' from the dropdown and leave 14H blank.  |
| Required Indemnity Limits: Aggregate Limit of Indemnity                              | 14H | You should record here, in the currency specified in 14G, the required indemnity limits on the firm's PII policy or policies in relation to single aggregate claims. A <i>firm</i> should calculate this amount with reference to <i>IPRU(INV)</i> 11.3.15EU and include the amount of any assets under management that are delegated to the firm by mandate.  |
| Indemnity Limits: Single Indemnity Limits: Sterling/Euros or Unlimited               | 14I | Specify whether the indemnity limit in field 14J is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 14J blank.   |
| Indemnity Limits: Single Limit of Indemnity  | 14J | You should record here, in the currency specified in 14I, the required indemnity limits on the <i>firm's</i> PII policy or policies, received in aggregate. A <i>firm</i> should calculate this amount with reference to <i>IPRU(INV)</i> 11.3.15EU and include the amount of any assets under management that are delegated to the firm by mandate.   |
| Indemnity Limits: Aggregate Indemnity Limit in: Sterling/Euros or Unlimited          | 14K | Specify whether the indemnity limit in field 14J is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 14L blank.   |
| Indemnity Limits: Aggregate Limit of Indemnity                                       | 14L | You should record here, in the currency specified in 14I, the indemnity limits on the <i>firm's</i> PII policy or policies, received in aggregate.   |
| <i>PII detailed information</i>  |     |  |
| Business line (from list)  | 14M | For policies that cover all business lines, <i>firms</i> should select 'All' from the list provided. Where the policy contains different excess for different business lines, <i>firms</i> should identify these business lines from the list (or the closest equivalent) and report the (highest) excess for that business line in data element 14N. Once these 'non-standard' excesses have been identified, the |

|                   |     |   |
|-------------------|-----|---|
|                   |     | remaining business lines should be reported under 'All other'.  |
| Policy excess     | 14N | For policies that cover all business lines with no difference in excesses, this should be the excess applicable. Otherwise, it should contain the highest excess for each business line that differs.<br><br>In line with <i>IPRU(INV)</i> 11.3.11G(1)(b), a <i>firm</i> should include additional own funds sufficient to cover the highest excess in the amount reported in 5A. |
| Policy exclusions | 14O | If there are exclusions in the <i>firm's</i> PII policy, the business type(s) to which they relate should be selected from the list provided.<br><br>In line with <i>IPRU(INV)</i> 11.3.11G(1)(b), a <i>firm</i> should include additional own funds sufficient to cover any liabilities arising in the amount reported in 5A.  |

**FIN067 – Capital adequacy – supplemental (for *collective portfolio management investment firms* subject to *IFPRU*) validations**

**Internal validations**

Data elements are referenced by row, then column.

| Validation number | Data element |   |                                  |
|-------------------|--------------|---|----------------------------------|
| 1                 | 6A           | = | (Higher of 2A and 3A) + 4A or 5A |
| 2                 | 8A           | = | Higher of 6A and 7A              |
| 3                 | 9A           | = | 1A – 8A                          |
| 4                 | 12A          | = | 11A – 10A                        |



## **FIN068 – Capital Adequacy - supplemental (for *collective portfolio management investment firms* subject to *GENPRU/BIPRU*)**

### **Introduction**

FIN068 provides a framework for the collection of prudential information required by the *FCA* for its supervision activities. The data item is intended to reflect the underlying prudential requirements in *IPRU(INV)* 11 and *GENPRU/BIPRU* and allows monitoring against those requirements.

### **Defined terms**

Where terms used in these notes are defined by the Companies Act 2006, as appropriate, or the provisions of the *firm's* accounting framework (usually UK GAAP or *IFRS*) they should have that meaning. The descriptions in these notes are designed to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the *firm's* accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Act 2006 as appropriate) or *IFRS*.
- The data item should be completed on an unconsolidated basis.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the *firm's* *annual report and accounts* and consistently applied.
- Information required should be prepared in line with generally accepted accounting standards.
- The data item should not give a misleading impression of the *firm*. A data item is likely to give a misleading impression if a *firm* wrongly omits or includes a material item or presents a material item in the wrong way.

### **Currency**

You should report in the currency of your annual audited accounts, ie in Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### **Data elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

| <b>Regulatory capital</b>                    |         |   |
|--|---------|---|
|  | 1 to 15 | The figures in this section should be consistent with those submitted in FSA001 for the same reporting period and should be allocated based on <i>EU CRR</i> definitions of regulatory capital.<br><br>Deductions should be reported as a minus figure. |
| <b>Regulatory capital tests</b>              |         |   |
| <i>Own funds test – AIFMD/UCITS business</i> |         |   |
| Own funds                                    | 16A     | The amount of <i>own funds</i> calculated in line with article 4(1)(118) of the <i>EU CRR</i> . This is the   |

|   |     |  |
|---|-----|--|
|   |     | figure entered at 15A.   |
| Funds under management requirement          | 17A | <p>Up to a maximum of €10,000,000, this is the <i>base capital resources requirement</i> plus 0.02% of the amount by which the <i>firm's funds under management</i> exceeds €250,000,000.</p> <p>If the data item is not submitted with figures in Euros, then the figure should be converted to the currency of the submission using the closing mid-market rate of exchange on the reporting period end date.</p> <p>The appropriate definition of <i>funds under management</i> to be used in this calculation is that set out in the <i>FCA Handbook</i> Glossary of definitions.</p>  |
| Fixed overheads requirement                 | 18A | This is one quarter of the annualised fixed expenditure calculated in line with <i>IPRU(INV)</i> 11.3.3AEU.  |
| Professional negligence capital requirement | 19A | <p>The amount of additional <i>own funds</i> used to cover potential liability risks arising from professional negligence for <i>AIFM</i> activities in lieu of professional indemnity insurance, as per <i>IPRU(INV)</i> 11.3.11G(1)(a).</p> <p>When calculating this amount, <i>firms</i> should include the amount of any assets under management that are delegated to the firm by mandate, see <i>IPRU(INV)</i> 11.3.14EU. Note that this treatment is different from that prescribed for the <i>funds under management requirement</i> (see the guidance in line 17A).</p> <p>If a <i>firm</i> makes an entry in 19A it should not make an entry in 20A.</p> <p>This entry is only relevant for <i>full-scope UK AIFMs</i> and should be left blank if the <i>firm</i> is not a <i>full-scope UK AIFM</i>.</p> |
| PII capital requirement                     | 20A | <p>The amount of any additional <i>own funds</i> required to cover any defined excess and exclusions in the insurance policy, as required by <i>IPRU(INV)</i> 11.3.11G(1)(b).</p> <p>If a <i>firm</i> makes an entry in 20A it should not make an entry in 19A.</p> <p>This entry is only relevant for <i>full-scope UK AIFMs</i> and should be left blank if the <i>firm</i> is not a <i>full-scope UK AIFM</i>.</p>  |

|  |     |  |
|--|-----|--|
| Total capital requirement  | 21A | This is the higher of 17A and 18A, plus either 19A or 20A.   |
| Surplus / deficit of own funds   | 22A | This is 16A less 21A.  |
| <i>Liquid assets test – AIFMD/UCITS business</i>   |     |  |
| Liquid assets requirement  | 23A | This is the amount required by <i>IPRU(INV)</i> 11.2.1R(3).  |
| Liquid assets held   | 24A | This is the amount of liquid assets held by the <i>firm</i> at the reporting date. Assets are regarded as liquid if they are readily convertible to cash within one month. This figure must not include speculative positions.   |
| Surplus / deficit of liquid assets   | 25A | This is 24A less 23A.  |
| <i>Own funds tests – MiFID business</i>  |     |  |
| Own funds  | 26A | This amount should be equal to the figure entered in element 15A of FSA003 for the same reporting period.  |
| Variable capital requirement   | 27A | The amount calculated in line with <i>GENPRU</i> 2.1.45R. The amount should equal element 70A on FSA003 for the same reporting period.   |
| Surplus (deficit)  | 28A | This amount should be equal to the figure entered in element 106A of FSA003 for the same reporting period.   |
| <b>Professional Indemnity Insurance</b>  |     |  |
| Specify whether your firm holds additional own funds or PII in accordance with regulatory requirements | 29A | The <i>firm</i> should report either “Own funds” or “PII”. Where a <i>firm</i> has PII but also holds <i>own funds</i> to cover any excesses and/or exclusions on the policy, the <i>firm</i> should report “PII”.   |
| <i>PII Basic information</i>   |     |  |
|  | 30  | <i>Firms</i> should enter details on all relevant PII policies, using a separate line for each policy.<br><br>A <i>firm</i> may satisfy its requirements for professional indemnity insurance with a policy that also provides cover to one or more entities other than the <i>firm</i> , provided the policy satisfies the conditions of the <i>AIFMD level 2 regulation</i> in respect of the <i>firm</i> , exclusive of the cover provided to other entities by the policy. If such a policy is held, each <i>firm</i> covered by the policy should include the policy information on their return. |
| Annualised premium   | 30A | This should state the premium payable (in descending order of size, where relevant), net of tax and any other add-ons. If the premium covers a period other than 12 months, it should be   |

|  |     |  |
|--|-----|--|
|  |     | annualised before ranking.   |
| Insurer (from list)  | 30B | Select the PII insurer from the list provided. If you have more than one policy with the same insurer, they should be combined. If the insurer is not listed, select 'Other'. If a policy is underwritten by more than one insurance undertaking or Lloyd's syndicate, you should select 'multiple'.   |
| Start date   | 30C | Enter the start date of the policy.  |
| Renewal date   | 30D | Enter the renewal date of the policy.  |
| Required Indemnity Limits: Single Indemnity Limits: Sterling/Euros or Unlimited      | 30E | Specify whether the indemnity limit in field 30F is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 30F blank.   |
| Required Indemnity Limits: Single Limit of Indemnity                                 | 30F | You should record here, in the currency specified in 30E, the required indemnity limits on the <i>firm's</i> PII policy or policies in relation to single claims.<br><br>A <i>firm</i> should calculate this amount with reference to <i>IPRU(INV)</i> 11.3.15EU and include the amount of any assets under management that are delegated to the firm by mandate.    |
| Required Indemnity Limits: Aggregate Indemnity Limit in: Sterling/Euros or Unlimited | 30G | Specify whether the indemnity limit in field 30H is reported in GBP or EUR.<br><br>If the single limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 30H blank.   |
| Required Indemnity Limits: Aggregate Limit of Indemnity                              | 30H | You should record here, in the currency specified in 30G, the required indemnity limits on the <i>firm's</i> PII policy or policies in relation to aggregate claims.<br><br>A <i>firm</i> should calculate this amount with reference to <i>IPRU(INV)</i> 11.3.15EU and include the amount of any assets under management that are delegated to the firm by mandate. |
| Indemnity Limits: Single Indemnity Limits: Sterling/Euros or unlimited               | 30I | Specify whether the indemnity limit in field 30J is reported in GBP or EUR.<br><br>If the single limit is unlimited, select 'unlimited' from the dropdown and leave 30J blank.   |
| Indemnity Limits: Single Limit of Indemnity  | 30J | You should record here, in the currency specified in 30J, the indemnity limits on the <i>firm's</i> PII policy or policies, received in relation to single claims.   |
| Indemnity Limits:  | 30K | Specify whether the indemnity limit in field 30L   |

|   |     |  |
|---|-----|--|
| Aggregate Indemnity Limit in: Sterling/Euros or unlimited |     | is reported in GBP or EUR.<br><br>If the aggregate limit of indemnity is unlimited select 'unlimited' from the dropdown and leave 30L blank.   |
| Indemnity Limits: Aggregate Limit of Indemnity            | 30L | You should record here, in the currency specified in 30 K, the indemnity limits on the <i>firm's</i> PII policy or policies received in aggregate.   |
| <i>PII detailed information</i>                           |     |  |
| Business line (from list)                                 | 30M | For policies that cover all business lines, <i>firms</i> should select 'All' from the list provided.<br><br>Where the policy contains different excesses for different business lines, <i>firms</i> should identify these business lines from the list (or the closest equivalent) and report the (highest) excess for that business line in data element 30N. Once these 'non-standard' excesses have been identified, the remaining business lines should be reported under 'All other'. |
| Policy excess   | 30N | For policies that cover all business lines with no difference in excesses, this should be the excess applicable. Otherwise, it should contain the highest excess for each business line that differs.<br><br>In line with <i>IPRU(INV)</i> 11.3.11G(1)(b), a <i>firm</i> should include additional own funds sufficient to cover the highest excess in the amount reported in 20A.   |
| Policy exclusions   | 30O | If there are exclusions in the <i>firm's</i> PII policy, the business type(s) to which they relate should be selected here from the list provided.<br><br>In line with <i>IPRU(INV)</i> 11.3.11G(1)(b), a <i>firm</i> should include additional own funds sufficient to cover any liabilities arising in the amount reported in 20A.   |

## **FIN068 – Capital Adequacy (for *collective portfolio management investment firms*) validations**

### **Internal validations**

Data elements are referenced by row, then column.

Validation number      Data element

1                      7A      =       $\Sigma(1A:6A)$

|   |     |   |                                     |
|---|-----|---|-------------------------------------|
| 2 | 10A | = | 9A-8A                               |
| 3 | 14A | = | $\Sigma(11A:12A) - 13A$             |
| 4 | 15A | = | 7A + 10A + 14A                      |
| 5 | 16A | = | 15A                                 |
| 6 | 21A | = | (higher of 17A and 18A) + 19A + 20A |
| 7 | 22A | = | 16A - 21A                           |
| 8 | 25A | = | 24A - 23A                           |
| 9 | 28A | = | 26A - 27A                           |

## **FIN069: Financial resources requirements for operators of an electronic system in relation to lending**

### **Introduction**

The purpose is to provide a framework for the collection of information required by the *FCA* as a basis for its supervision function. It also has the purpose to help the *FCA* monitor *firms'* capital adequacy and financial soundness. This data item is intended to reflect the underlying *financial resources requirements* contained in *IPRU(INV)* 12 (as they apply to an *operator of an electronic system in relation to lending*) and facilitates monitoring against the requirements set out there.

### **Defined Terms**

Terms referred to in these notes where defined by the Companies Act 2006, as appropriate, or the provisions of the *firm's* accounting framework (usually UK GAAP or IFRS) bear that meaning for these purposes. Interpretive provisions of the *Handbook* apply to this guidance in the same way as they apply to the *Handbook*. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the *firm's* accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Act 2006 as appropriate) or IFRS.
- The data item should be provided on a solo basis (not on a consolidated basis).
- For a *sole trader*, only the assets and liabilities of the business should be included.
- The data item should be consistent in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory annual accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The data item should not give a misleading impression of the *firm*. A data item is likely to give a misleading impression if a *firm* wrongly omits or includes a material item or presents a material item in the wrong way.
- The requirement that any figures be audited does not apply to small companies exempted from audit under the Companies Act 2006.

### **Currency**

You should report in sterling. Figures should be reported in 000s.

### **Data Elements**

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

| <b>Description</b>  | <b>Data Element</b> | <b>Guidance</b>   |
|---|---------------------|---|
| <b>Financial resources</b>  |                     |   |
|   | 1 to 14             | The figures entered in this section should be consistent with those entered in FSA029 submitted for the same reporting period.  |
| Qualifying ordinary <i>share</i> capital (excluding preference shares)  | 1 B                 | For a definition of this term, see <i>IPRU(INV)</i> 12.3.2R – Item 1 (1). This does not include the share premium account (see Data Element 5B).  |
| Qualifying preference <i>share</i> capital  | 2 B                 | For a definition of this term, see <i>IPRU(INV)</i> 12.3.2R – Item 1 (2)  |
| Eligible <i>limited liability partnership</i> member's capital, <i>sole traders</i> capital or <i>partnership</i> capital | 3 B                 | For a definition of this term, see <i>IPRU(INV)</i> 12.3.2R – Item 2  |
| Reserves  | 4 B                 | For a definition of this term, see <i>IPRU(INV)</i> 12.3.2R – Item 3. This figure does not include revaluation reserves (see Data Element 7B) and the share premium account (see Data Element 5B).  |
| Share premium account   | 5 B                 |   |
| Interim net profits   | 6 B                 | For a definition of this term, see <i>IPRU(INV)</i> 12.3.2R – Item 4  |
| Revaluation reserves  | 7B                  |   |
| Subordinated loans/debt   | 8 B                 | For a definition of this term, see <i>IPRU(INV)</i> 12.3.2R – Item 6 and <i>IPRU(INV)</i> 12.3.4R. Insert gross figure prior to any excess deductions (see <i>IPRU(INV)</i> 12.3.5R). Any subordinated loans/debt excess deduction will be inserted in Data Element 14A.  |
| <b>Less:</b>  |                     |   |
| <i>Investments</i> in own shares  | 9A                  |   |
| <i>Investments</i> in subsidiaries  | 10 A                | For a definition of this term, see <i>IPRU(INV)</i> 12.3.3R – Note 1  |
| Intangible assets   | 11 A                | For a definition of this term, see <i>IPRU(INV)</i> 12.3.3R – Note 2  |
| Interim net losses  | 12 A                | For a definition of this term, see <i>IPRU(INV)</i> 12.3.3R – Note 3  |
| Excess <i>limited liability partnership</i> member's drawings   | 13 A                | For a definition of this term, see <i>IPRU(INV)</i> 12.3.3R – Note 3  |
| Excess subordinated loans/debt  | 14 A                | Insert the figure which is calculated in accordance with <i>IPRU(INV)</i> 12.3.5R. For further guidance, please see <i>IPRU(INV)</i> 12.3.6G.   |
| Total Deductions  | 15 B                | The sum of cells 9A to 14A  |
| <i>Financial resources</i>  | 16 B                | The sum of cells 1B to 8B minus total deductions (15B).   |
| <b>Annual calculation of financial resources requirement</b>  |                     |   |
| Total amount of <i>loaned funds</i>   | 17 A                | The <i>loaned funds</i> definition is any funds that have been provided to borrowers under a <i>P2P agreement</i> through the operator of an <i>electronic system in relation to lending</i> . (See <i>IPRU(INV)</i> 12.2.5R and <i>IPRU(INV)</i> 12.2.8G). Check whether <i>IPRU(INV)</i> 12.2.7R or <i>IPRU(INV)</i> 12.2.9R should apply when calculating total amount of loaned |



|   |      |  |
|---|------|--|
|   |      | funds outstanding.   |
| 0.2% of first £50m of <i>loaned funds</i>           | 17 B | Insert the figure that equals 0.2% of the volume of <i>loaned funds</i> outstanding up to £50m. For further guidance, please see <i>IPRU(INV)</i> 12.2.4R and <i>IPRU(INV)</i> 12.2.8G.              |
| 0.15% of <i>loaned funds</i> between £50m and £250m | 17 C | Insert the figure that equals 0.15% of the volume of <i>loaned funds</i> outstanding above £50m up to £250m. For further guidance, please see <i>IPRU(INV)</i> 12.2.4R and <i>IPRU(INV)</i> 12.2.8G. |
| 0.1% of <i>loaned funds</i> between £250m and £500m | 17 D | Insert the figure that equals 0.1% of the volume of <i>loaned funds</i> outstanding above £250m up to £500m. For further guidance, please see <i>IPRU(INV)</i> 12.2.4R and <i>IPRU(INV)</i> 12.2.8G. |
| 0.05% of <i>loaned funds</i> above £500m            | 17 E | Insert the figure that equals 0.05% of the volume of <i>loaned funds</i> outstanding above £500m. For further guidance, please see <i>IPRU(INV)</i> 12.2.4R and <i>IPRU(INV)</i> 12.2.8G.            |
| Variable financial resources requirement            | 18 A | The sum of cells 17B to 17E.   |
| Total <i>financial resources requirement</i>        | 19 B | The higher of the base requirement <i>IPRU(INV)</i> 12.2.4R(1) or the variable financial resources requirement in Data Element 21A.  |
| <b>Financial resources test</b>                     |      |  |
| Surplus / deficit of financial resources            | 20 A | 16 B – 19 B  |

## FIN070: Information on P2P agreements

### Introduction

The purpose of this data item is to provide a framework for the collection of information required by the *FCA* as a basis for its supervision activities. It will help the *FCA* monitor investor experience and alert us to problems or changes in the risk profile of the market as a whole.

### Data Elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

| Description  | Data Element | Guidance  |
|--|--------------|---|
| <b>Total number of investors/ average returns</b>  |              |   |
| Number of investors at the start of the period   | 1 A          | The total number of investors registered with the platform who have funded loans at the start of the reporting period   |
| New investors during the period  | 1 B          | The number of new investors who register with the platform and fund loans over the reporting period   |
| Number of investors withdrawing over the period  | 1 C          | The number of investors who cancel their registration during the reporting period   |
| Number of investors at the end of the period   | 1 D          | The total number of investors registered with the platform who have funded loans as at the end of the reporting period  |
| Amount invested at the start of the period   | 2 A          | The total amount loaned as at the start of the reporting period   |
| New money invested during the period   | 2 B          | The amount of new money invested in loans during the reporting period   |
| Money withdrawn during the period  | 2 C          | The amount of money withdrawn from the platform by investors over the reporting period  |
| Amount invested at the end of the period   | 2 D          | The total amount loaned as at the end of the period   |
| Proportion invested into unsecured loans over period   | 3 A          | The proportion (expressed as a percentage to two decimal places) of the amount shown in 2 B accounted for by unsecured loans  |
| Average interest rate net of charges and expected defaults over period                             | 4 A          | The average interest rate (to two decimal places) expected by all investors over the reporting period, net of all relevant charges and allowance for expected defaults. Do not make any deductions for tax not paid at source |
| Average expected default rate over period  | 5 A          | The average expected default rate (to two decimal places) across all loans over the reporting period  |
| Average actual default rate over period  | 6 A          | The average default rate (to two decimal places) across all loans over the reporting period   |
| Average term of new loans over the period  | 7A           | The average term (in months) across all loans over the reporting period   |
| Do you operate a contingency fund?   | 8A           | Answer yes if you operate a contingency fund that aims to cover defaults  |
| <b>Answer the next two questions if you operate a contingency fund that aims to cover defaults</b> |              |   |
| Total amount held in the   | 9 A          | The total amount held in the contingency  |

|  |      |  |
|--|------|--|
| contingency fund at the end of the period  |      | fund as at the end of the reporting period   |
| Amount held in the contingency fund as a proportion of total loans outstanding at the end of the period  | 10 A | The amount held in the contingency fund as at the end of the reporting period expressed as a percentage (to two decimal places) of the total amount of outstanding loans   |
| Do you allow investors to choose from different loan categories which have different rates of return and expected default rates?   | 11A  | Answer yes if you allow investors to choose from different loan categories which have different rates of return and expected default rates   |
| <p><b>If you do not allow investors to choose from different loan categories which have different rates of return and expected default rates, do not provide any further answers</b><br/> <b>If you do, please complete the following information for the loan categories attracting the greatest amount of money, starting with the category raising the greatest amount of investment over the period, up to a maximum of 10</b></p> |      |  |
| Total number of investors over the period  | 12A  | The number of investors who fund this category of loans over the reporting period  |
| Total amount invested over the period  | 12B  | The amount of money invested in this category of loans during the reporting period   |
| Proportion invested into unsecured loans over period   | 12C  | The proportion (expressed as a percentage to two decimal places) of the amount shown in 12B accounted for by unsecured loans   |
| Average interest rate net of charges and expected defaults over period   | 12D  | The average interest rate (to two decimal places) expected by investors for this category of loans over the reporting period, net of all relevant charges and allowance for expected defaults. Do not make any deductions for tax not paid at source |
| Average expected default rate over period  | 12E  | The average expected default rate (to two decimal places) for this category of loans over the reporting period   |
| Average actual default rate over period  | 12F  | The average default rate (to two decimal places) for this category of loans over the reporting period  |
| Average term over the period   | 12G  | The average term (in months) for this category of loans over the reporting period  |

# FIN071: Capital adequacy for firms with the permission of establishing, operating or winding up a personal pension scheme

## Introduction

The purpose of reporting form FIN071 is to provide a framework for the collection of information required by the *FCA* as a basis for its supervision activities. It also has the purpose of helping the *FCA* monitor *firms'* capital adequacy and financial soundness. This data item is intended to reflect the underlying prudential requirements contained in *IPRU(INV)* 5.2.3(4)R(a)(i) and allows monitoring against the requirements set out there.

## Defined Terms

Terms referred to in these notes where defined by the Companies Act 2006, or the provisions of the *firm's* accounting framework (usually UK GAAP or IFRS), bear that meaning for the purposes of this guidance and completing FIN071. The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The *data item* should comply with the principles and requirements of the *firm's* accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Act 2006 as appropriate) or IFRS.
- The *data item* should be unconsolidated.
- For a sole trader, only the assets and liabilities of the business should be included.
- The *data item* should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the statutory annual accounts and should be consistently applied.
- Information required should be prepared in accordance with generally accepted accounting standards.
- The *data item* should not give a misleading impression of the *firm*. A *data item* is likely to give a misleading impression if a *firm* wrongly omits or includes a material item or presents a material item in the wrong way.

## Currency

You should report in the currency of your annual audited accounts i.e. in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. **Figures should be reported in 000s.**

## Data Elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

| Description               | Data Element | Guidance  |
|---------------------------|--------------|---|
| <b>Regulatory Capital</b> |              |   |
|                           | 1 to 22      | The figures entered in this section should be consistent with those entered in FSA029 |

|  |      |  |
|--|------|--|
|  |      | submitted for the same reporting period.   |
| Liquid Capital   | 23 B | The amount of own funds in accordance with Table 5.2.2(1) in <i>IPRU(INV)</i> .  |
| <b>Regulatory Capital Test</b>   |      |  |
|  |      |  |
| Assets under Administration  | 24 B | The average of the sum of the <i>personal pension schemes</i> administered by the <i>firm</i> at the most recent 4 quarter end dates, in accordance with Table 5.2.3(4)(a) in <i>IPRU(INV)</i> . |
| Number of Plans  | 25 B | The number of pension plans that the <i>firm</i> operates.   |
| Fraction of plans containing non-standard asset types                  | 26 B | The fraction of plans that the <i>firm</i> operates that contains non-standard assets, in accordance with Table 5.2.3(4)(a) in <i>IPRU(INV)</i> .  |
| Initial Capital Requirement  | 27 B | A <i>firm</i> must calculate its Initial Capital Requirement in accordance with Table 5.2.3(3)(a) in <i>IPRU(INV)</i> .  |
| Capital Surcharge  | 28 B | A <i>firm</i> must calculate its Capital Surcharge in accordance with Table 5.2.3(4)(a) in <i>IPRU(INV)</i> .  |
| Total Capital Requirement  | 29 B | This is the sum of 27B and 28B, in accordance with Table 5.2.3(3)(a) in <i>IPRU(INV)</i> .   |
| Capital held in accordance with Note 2 of <i>IPRU(INV)</i> 5.2.3(4)(a) | 31 B | The <i>firm</i> should enter “YES” or “NO”.  |

## FIN072 – Financial resources requirements for UCITS depositaries

### Introduction

The report provides a framework for the collection of prudential information required by the FCA for its supervision activities. The data item is intended to reflect the underlying prudential requirements in *IPRU(INV) 5* and allows monitoring against those requirements.

### Defined terms

Where terms used in these notes are defined by the Companies Act 2006, as appropriate, or the provisions of the *firm's* accounting framework (usually UK GAAP or *IFRS*) they should have that meaning. The descriptions in these notes are designed to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

- The data item should comply with the principles and requirements of the *firm's* accounting framework, which will generally be UK GAAP (including relevant provisions of the Companies Act 2006 as appropriate) or *IFRS*.
- The data item should be completed on an unconsolidated basis.
- The data item should be in agreement with the underlying accounting records.
- Accounting policies should be consistent with those adopted in the *firm's annual report and accounts* and consistently applied.
- Information required should be prepared in line with generally accepted accounting standards.
- The data item should not give a misleading impression of the *firm*. A data item is likely to give a misleading impression if a *firm* wrongly omits or includes a material item or presents a material item in the wrong way.

### Currency

You should report in the currency of your annual audited accounts, i.e. in Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

### Data elements

These are referred to by row first, then by column, so data element 2A will be the element numbered 2 in column A.

| <b>Regulatory capital</b>                    |            |  |
|--|------------|--|
|  | 1 to<br>15 | The numbers in this section should be consistent with those submitted in FSA029 for the same reporting period and should be allocated based on <i>EU CRR</i> definitions of regulatory capital. Deductions should be reported as a minus figure. |
| <b>Regulatory capital test</b>               |            |  |
| <i>Own funds test for a UCITS Depositary</i> |            |  |
| £4,000,000                                   | 16         | This is the minimum capital resources requirement.   |

|                                       |    |  |
|---------------------------------------|----|--|
| Operational risk requirement          | 17 | This is the requirement calculated depending on the selected approach in accordance with article 315 or 317 of the <i>EU CRR</i> . |
| <b>SURPLUS / DEFICIT OF OWN FUNDS</b> | 18 | This is 15 less whichever is the higher of 16 and 17.  |