

Bank of England

Prudential Regulation Authority

Template UKB OV1 – Overview of risk-weighted exposure amounts. Fixed format

1. Institutions shall apply the instructions below in order to complete template UKB OV1 as presented Chapter 6 of the Disclosure (CRR) Part of the PRA Rulebook, and in ~~Annex I to this Implementing Regulation, in application of point (d) of Article 438 CRR~~ Article 438 (d) of the Disclosure (CRR) Part of the PRA Rulebook.
 2. Institutions shall explain, when relevant, in the narrative accompanying the template the effect on the calculation of own funds and risk weighted exposure amounts that results from applying capital floors and not deducting items from own funds.
 3. For the purpose of this Annex, references to the CRR should be interpreted to include a reference to the relevant CRR rule, where appropriate.
- 3a. References to Risk Weighted Assets (RWAs) and Risk Weighted Exposure Amounts (RWEAs) in the templates and these instructions are intended to be interchangeable. References to own funds, minimum capital requirements, and capital requirements are also intended to be interchangeable. All terms should be interpreted in the context of the relevant legal references (CRR rules) set out within these instructions, and in paragraph 3.

Legal reference and instructions	
Column letter	Explanation
a	Risk-weighted exposure amount (RWEAs) (T) calculated in accordance with <u>Articles 92(3) of the Required Level of Own Funds (CRR) Part of the Rulebook and 95, 96 and 98 CRR</u> .
b	RWEAs (T-1) RWEAs as disclosed in the previous disclosure period.
c	Total own funds requirements Own fund requirements corresponding to the RWEAs for the different risk categories.
Legal reference and instructions	
Row Number	Explanation
1	Credit risk (excluding counterparty credit risk (CCR)) <u>RWEAs and own funds requirements calculated in accordance with Credit Risk General Provisions (CRR) Part, Credit Risk: Standardised Approach (CRR) Part, Credit Risk: Internal Ratings Based Approach (CRR) Part, Credit Risk Mitigation (CRR) Part, and remaining Articles from Chapters 1 to 4 of Title II of Part Three CRR, and with Article 379 CRR. RWEAs for securitisation exposures in the non-trading book and for CCR are excluded and disclosed in rows 6 and 16 of this template. Institutions shall include in the amount disclosed in this row RWEAs and own funds requirements for free deliveries risk calculated in accordance with Article 379 CRR. RWEAs for equity positions that shall be reported in rows 11-14</u>

Bank of England

Prudential Regulation Authority

	<u>of this template are excluded.</u>
2	Credit risk (excluding CCR) - Of which the standardised approach (SA) RWEAs and own funds requirements calculated in accordance with the CR standardised approach (<u>Credit Risk General Provisions (CRR) Part, Credit Risk: Standardised Approach (CRR) Part Chapter 2 of Title II of Part Three CRR and Article 379 CRR</u>) to credit risk.
3	Credit risk (excluding CCR) - Of which the foundation IRB (FIRB) approach RWEAs and own funds requirements calculated in accordance with the <u>FIRB Approach (Credit Risk: Internal Ratings Based Approach (CRR) Part Chapter 3 of Title II of Part Three CRR)</u> , excluding the RWEAs disclosed in row 4 for specialised lending exposures subject to the slotting approach and in row UK 4a for equities under Effective from 1 January 2022 the simple risk weighted approach and including the RWEAs and own funds requirements calculated in accordance with Article 379 CRR.
4	Credit risk (excluding CCR) - Of which: <u>the slotting approach</u> RWEAs and own funds requirements for specialised lending exposures subject to the slotting approach in accordance with Article 153(5) <u>of the Credit Risk: Internal Ratings Based Approach (CRR) Part, CRR.</u>
UK 4a	Credit risk (excluding CCR) - Of which: equities under the simple risk weighted approach RWEAs and own funds requirements for equities under the simple risk weighted approach in accordance with Article 155(2) CRR.
5	Credit risk (excluding CCR) - Of which the advanced IRB (AIRB) approach RWEAs and own funds requirements calculated in accordance with the <u>CR AIRB approach (Credit Risk: Internal Ratings Based Approach (CRR) Part Chapter 3 of Title II of Part Three CRR)</u> , excluding the RWEAs disclosed in row 4 for specialised lending exposures subject to the slotting approach and in row UK 4a for equities under the simple risk weighted approach and including the RWEAs and own funds requirements calculated in accordance with Article 379 CRR.
6	Counterparty credit risk – CCR RWEAs and own funds requirements calculated in accordance with <u>Chapter 6 of Title II of Part Three CRR Chapter 3 of the Counterparty Credit Risk (CCR) Part of the PRA Rulebook</u> for counterparty credit risk.
7	CCR - Of which the standardised approach <u>for counterparty credit risk</u>

Bank of England

Prudential Regulation Authority

	<p>RWEAs and own funds requirements and own funds requirements computed in accordance with Section 3 of Chapter 6 of Title II of Part Three CRR <u>the Counterparty Credit Risk (CCR) Part of the PRA Rulebook</u>.</p>
8	<p>CCR - Of which internal model method (IMM)</p> <p>RWEAs and own funds requirements computed in accordance with Article 283 of Section 6 of Title II of Part Three CRR.</p>
UK 8a	<p>CCR – Of which exposures to a central counterparty (<u>CCP</u>)</p> <p>RWEAs and own funds requirements computed in accordance with Section 9 of <u>the Counterparty Credit Risk (CCR) Part of the PRA Rulebook</u>.</p> <p>Central counterparty clearing, also referred to as a central counterparty, is a financial institution that takes on counterparty credit risk between parties to a transaction and provides clearing and settlement services for trades in foreign exchange, securities, options, and derivative contracts.</p> <p><u>A central counterparty (CCP) is a clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts. A CCP becomes counterparty to trades with market participants through novation, an open offer system, or another legally binding arrangement. For the purposes of the capital framework, a CCP is a financial institution.</u></p>
UK 8b	<p>CCR – Of which credit valuation adjustment – CVA</p> <p>RWEAs and own funds requirements calculated in accordance with Title VI of Part Three CRR.</p>
9	<p>CCR - Of which other CCR</p> <p>CCR RWEAs and own funds requirements that are not disclosed under rows 7, 8, UK 8a and UK 8b.</p>
10	<p><u>Credit valuation adjustment (CVA)</u></p> <p><u>RWEAs and own funds requirements calculated in accordance with the Credit Valuation Adjustment Risk (CRR) Part of the PRA Rulebook.</u></p>
11	<p><u>Equity positions under the IRB Transitional Approach:</u></p> <p><u>The amounts in row 11 correspond to RWEAs where the firm applies the IRB Transitional Approach in paragraphs 3.5 to 3.8 of the Credit Risk General Provisions (CRR) Part of the PRA Rulebook during the transition period. Where RWEAs are elected to be calculated under Article 133 of the Credit Risk: Standardised Approach (CRR) Part and have been</u></p>

Bank of England

Prudential Regulation Authority

	<p><u>moved to end-state Standardised Approach as part of the Transitional Approach, RWEAs should be reported in row 2.</u></p> <p><u>Where the regulatory treatment of equities is in accordance with Article 133 of the Credit Risk: Standardised Approach (CRR) Part, the corresponding RWEA are reported in Template CR4 and should also be included in row 2 of this template.</u></p>
12	<p><u>Equity investments in funds - look-through approach:</u></p> <p><u>RWEAs and own funds requirements calculated where the firm applies the look-through approach for the treatment of equity investments in funds and collective investment undertakings, according to Article 132 of the Credit Risk: Standardised Approach (CRR) Part or Article 152 (4) (a) of the Credit Risk: Internal Ratings Based Approach (CRR) Part</u></p>
13	<p><u>Equity investments in funds - mandate-based approach:</u></p> <p><u>RWEAs and own funds requirements calculated where the firm applies the mandate-based approach for the treatment of equity investments in funds and collective investment undertakings, according to Article 132 (a) (2) of the Credit Risk: Standardised Approach (CRR) Part or Article 152 (4) of the Credit Risk: Internal Ratings Based Approach (CRR) Part</u></p>
14	<p><u>Equity investments in funds - fall-back approach:</u></p> <p><u>RWEAs and own funds requirements calculated where the firm applies the fall-back approach for the treatment of equity investments in funds and collective investment undertakings, according to Article 132 (2) of the Credit Risk: Standardised Approach (CRR) Part or Article 152 (4) of the Credit Risk: Internal Ratings Based Approach (CRR) Part</u></p>
15	<p>Settlement risk</p> <p>RWEAs and own funds requirements calculated for settlement/delivery risk in accordance with Article 378 CRR.</p>
16	<p>Securitisation exposures in the non-trading book (after the cap)</p> <p>RWEAs and own funds requirements calculated according to Chapter 5 of Title II of Part Three CRR.</p>
17	<p>Securitisation - Of which SEC-IRBA approach</p> <p>RWEAs and own funds requirements calculated in accordance with the SEC-IRBA regulatory approach, used in accordance with the hierarchy of approaches of Article 254 CRR.</p>
18	<p>Securitisation - Of which SEC-ERBA (including IAA)</p> <p>RWEAs and own funds requirements calculated in accordance with the</p>

Bank of England

Prudential Regulation Authority

	SEC-ERBA (including IAA) regulatory approach, used in accordance with the hierarchy of approaches of Article 254 CRR.
19	Securitisation - Of which SEC-SA approach RWEAs and own funds requirements calculated in accordance with the SEC-SA regulatory approach, used in accordance with the hierarchy of approaches of Article 254 CRR.
UK 19a	Securitisation - Of which 1250%/ deduction RWEAs and own funds requirements for securitisation exposures on the non-trading book risk-weigh at 1250% or deducted from own funds in accordance with Chapter 5 of Title II of Part Three CRR.
20	Position, foreign exchange and commodities risks (Market risk) RWEAs and own funds requirements calculated in accordance with <u>Title IV of Part Three CRR the Market Risk Part of the PRA Rulebook.</u>
<u>20a</u>	<u>Market risk – Of which the simplified standardised approach (SSA)</u> <u>RWEAs and own funds requirements calculated in accordance with Market Risk: Simplified Standardised Approach (CRR) Part of the PRA Rulebook.</u>
<u>20b</u>	Market risk - Of which the <u>advanced standardised approach (ASA)</u> RWEAs and own funds requirements calculated in accordance with <u>Chapters 2 to 4 of Title IV of Part Three CRR Market Risk: Advanced Standardised Approach (CRR) Part of the PRA Rulebook.</u>
21	Market risk - Of which <u>internal model approach (IMA)</u> RWEAs and own funds requirements calculated in accordance with <u>Chapter 5 of Title IV of Part Three CRR Market Risk: Internal Model Approach (CRR) Part of the PRA Rulebook.</u>
<u>22</u>	<u>Capital charge for the reassignment of positions between the trading book and the non-trading book</u> <u>RWEAs and own funds requirements calculated in accordance with point 5 of Article 104a of Trading Book (CRR) Part of the PRA Rulebook.</u>
UK 22a	Large exposures RWEAs and own funds requirements calculated in accordance with point (b)(ii) of Article 92(3) <u>of the Required Level of Own Funds (CRR) Part of the Rulebook.</u>

Bank of England

Prudential Regulation Authority

23	Operational risk RWEAs and own funds requirements calculated in accordance with Title III of Part Three CRR.
UK 23a	Operational risk – Of which standardised approach RWEAs and own funds requirements calculated in accordance with Chapter 2 of Title III of Part Three CRR.
UK 23b	Operational risk – Of which standardised approach RWEAs and own funds requirements calculated in accordance with Chapter 3 of Title III of Part Three CRR
UK 23c	Operational risk – Of which advanced measurement approach RWEAs and own funds requirements calculated in accordance with Chapter 4 of Title III of Part Three CRR
24	<p>Amounts below the thresholds for deduction (subject to 250% risk weight) (for information):</p> <p>The amounts correspond to items subject to a 250% risk weight in accordance with Article 48(4) CRR after application of the 250% risk weight. It includes:</p> <ul style="list-style-type: none"> - deferred tax assets that are dependent on future profitability and arise from temporary differences, and in aggregate are equal to or less than 10 % of the Common Equity Tier 1 items of the institution calculated in accordance with point (a) of Article 48 (1) CRR. - significant investments in a financial sector entity, the direct, indirect and synthetic holdings of that institution of the Common Equity Tier 1 instruments of those entities that in aggregate are equal to or less than 10 % of the Common Equity Tier 1 items of the institution calculated in accordance with point (b) of Article 48 (1) CRR. <p>This row is disclosed for information purposes only as the amount included here is also included in row 1, where institutions are asked to disclose information on credit risk</p>
25	Empty set in the UK
26	<p><u>Output floor multiplier</u></p> <p><u>Indicate the output floor multiplier applicable during the reporting period, as per Article 92 (5) of the Required Level of Own Funds (CRR) Part of the PRA Rulebook.</u></p>
27	<u>Output floor adjustment</u>

Bank of England

Prudential Regulation Authority

	<u>The impact of the output floor if applicable as per Article 92 of the Required Level of Own Funds (CRR) Part of the PRA Rulebook.</u>
28	Empty set in the UK
29	Total Total risk-weighted exposure amount calculated in accordance with Articles 92(3) <u>of the Required Level of Own Funds (CRR) Part of the Rulebook</u> , 95, 96 and 98 CRR.

Draft for consultation