

ANNEX XXVIII – Instructions for disclosure on exposures to securitisation positions

Table UK-SECA - Qualitative disclosure requirements related to securitisation exposures. Free format text boxes for disclosure of qualitative information

1. Institutions shall apply the instructions provided below in this Annex in order to complete table UK-SECA as presented in Annex XXVII of PRA Rulebook, Disclosure (CRR) Part, in application of points (a) to (i) of Article 449 of CRR. For the purposes of this Annex, references to the CRR should be interpreted to include a reference to the relevant CRR rule, where appropriate.

Legal references and instructions	
Row reference	Explanation
a	Description of securitisation and re-securitisation activities; including their risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy, in accordance with point (a) of Article 449 CRR.
b	The type of risk they are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and: i) risk retained in own-originated transactions; ii) risk incurred in relation to transactions originated by third parties, in accordance with point (b) of Article 449 CRR.
c	Institutions' approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions, in accordance with point (c) of Article 449 CRR.
d	A list of SSPEs falling into any of the following categories, with a description of their types of exposures to those SSPEs, including derivatives contracts: (i) SSPEs which acquire exposures originated by the institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; (iv) SSPEs included in the institutions' regulatory scope of consolidation, in accordance with point (d) of Article 449 CRR.

e	A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with point (e) of Article 449 of Chapter 5 of Title II of Part Three CRR.
f	A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions, in accordance with point (f) of Article 449 CRR.
g	A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions, in accordance with point (g) of Article 449 CRR.
h	The names of the ECAs used for securitisations and the types of exposure for which each agency is used, in accordance with point (h) of Article 449 CRR.
i	Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR, including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (i), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels, in accordance with point (i) of Article 449 CRR.

UK-SEC1 - Securitisation exposures in the non-trading book. Fixed format.

- Institutions shall apply the instructions provided below in this Annex in order to complete template UK-SEC1 as presented in Annex XXVII of PRA Rulebook, Disclosure (CRR) Part, in application of point (j) of Article 449 CRR. Institutions shall explain in the narrative accompanying the template if they have within their traditional securitisations, ABCP programmes, and, if they have, the volume of ABCP transactions.

Legal references and instructions	
Column reference	Explanation
a - g	<p>Institution acts as originator</p> <p>When the “institution acts as originator”, as defined in point (13) of Article 4 (1) CRR, the securitisation exposures are the retained positions, even where not eligible for the securitisation framework due to the absence of significant risk transfer, Securitisation exposures in transactions that have achieved significant risk transfer (SRT) shall be presented separately.</p> <p>Originator institutions must disclose the carrying amount at the disclosure date of all current securitisation exposures they hold in the securitisation transactions that they originated. As such, on-balance sheet securitisation exposures (e.g. bonds, subordinated loans) as well as off-balance sheet exposures and derivatives (e.g. subordinated credit lines, liquidity facilities,</p>

	interest rate swaps, credit default swaps, etc.) in those securitisation shall be disclosed.
h - k	<p>Institution acts as sponsor</p> <p>When “the institution acts as sponsor” (as defined in point (14) of Article 4(1) CRR) the securitisation exposures include exposures to commercial paper conduits to which the institution provides programme-wide enhancements, liquidity and other facilities. Where the institution acts both as originator and sponsor, it must avoid double-counting. In this regard, the institution can merge the two columns of “institution acts as originator” and “institution acts as sponsor” and use “institution acts as originator/sponsor” columns.</p>
l - o	<p>Institution acts as investor</p> <p>Securitisation exposures when “the institution acts as an investor” are the investment positions purchased in third-party deals.</p> <p>The CRR does not provide an explicit definition for investor. Therefore, in this context it shall be understood as an institution that holds a securitisation position in a securitisation transaction for which it is neither the originator, nor the sponsor.</p> <p>In case the pool of securitised exposures is a mix of the types of securitisation position, the institution shall indicate the most important type.</p>
a – d; h, i, l, m	<p>Traditional transactions</p> <p>In accordance with point (13) of Article 242 CRR, in connection with point (9) of Article 2 of Regulation (EU) 2017/2402¹, “traditional securitisation” means a securitisation involving the transfer of the economic interest in the exposures being securitised. This shall be accomplished by the transfer of ownership of the securitised exposures from the originator institution to an SSPE or through sub-participation by an SSPE. The securities issued do not represent payment obligations of the originator institution.</p> <p>In the case of traditional securitisations where the originator does not hold any position, then the originator shall not consider that securitisation in the disclosing of this template.</p>
e, f, j, n	<p>Synthetic transactions</p> <p>In accordance with point (14) of Article 242 CRR, in connection with point (10) of Article 2 of Regulation (EU) 2017/2402, “synthetic securitisation” means a securitisation where the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the originator institution.</p> <p>If the institution has purchased protection it must disclose the net exposure amounts to which it is exposed and which are not subject to the purchased protection under columns originator/sponsor (i.e. the amount that is not</p>

¹ REGULATION (EU) 2017/2402 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ 347/35, 28.12.2017, p.11)

	secured). If the institution has sold protection, the exposure amount of the credit protection must be disclosed in the “investor” column.
a, b, h, l,	STS exposure Total amount of STS securitisation positions in accordance with the criteria set out in Articles 18 to 26 of the Regulation (EU) 2017/2402.
b, d, f	SRT exposure Total amount of securitisation positions in respect of which the originator institution has achieved significant risk transfer (SRT) in accordance with Article 244 (traditional securitisation) and Article 245 (synthetic securitisation) CRR.

Legal references and instructions	
Row number	Explanation
06, 12	Re-securitisation Total amount of outstanding re-securitisation positions as defined in points (63) and (64) of Article 4(1) CRR. All securitisation exposures related to re-securitisation must be completed in rows “re-securitisation”, and not in the preceding rows (by type of underlying asset) which contain only securitisation exposures other than re-securitisation.

Template UK-SEC2 - Securitisation exposures in the trading book. Fixed format.

- Institutions shall apply the instructions provided below in this Annex in order to complete template UK-SEC2 as presented in Annex XXVII of PRA Rulebook, Disclosure (CRR) Part, in application of point (j) of Article 449 CRR.
- Refer to instructions to template UK-SEC1 - Securitisation exposures in the non-trading book.

Template UK-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor. Fixed format.

- Institutions shall apply the instructions provided below in this Annex in order to complete template UK-SEC3 as presented in Annex XXVII of PRA Rulebook, Disclosure (CRR) Part, in application of point (k)(i) of Article 449 CRR.

Legal references and instructions	
Column reference	Explanation
a to d	Exposure values (by risk weight bands /deductions)

	Columns (a) to (d) are defined in relation to regulatory risk weights in accordance with Chapter 5 of Title II of Part Three CRR.
f to h	Exposure values (by regulatory approach) Columns (f) to (h) correspond to the regulatory approach used in accordance with the hierarchy of approaches of Article 254 CRR.
j, k, l	RWEA (by regulatory approach) Risk weighted exposure amount (RWEA) by regulatory approach in accordance with Chapter 5 of Title II of Part Three CRR Part Three before application of cap.
n to p	Capital charge after cap These columns refers to capital charge after application of the cap in accordance with Articles 267 and 268 CRR.
e, i, m, q	1250% /deductions Columns refer to items: <ul style="list-style-type: none"> • Subject to a 1250% risk weight or deducted in accordance with Chapter 5 of Title II of Part Three CRR • Subject to a 1250% risk weight or deducted in accordance with point (b) of Article 244(1)) and with point (b) of Article 245(1) CRR • Subject to a 1250% risk weight in accordance with Article 254(7) CRR • or deducted in accordance with Article 253 CRR

Legal references and instructions	
Row number	Explanation
1	Total Exposures Total exposures refer to the total amount of securitisation and re-securitisation positions held by the institution acting as originator or sponsor. This row summarises information on traditional and synthetic securitisation disclosed by originators and sponsors in subsequent rows.
2	Traditional transactions See explanation for UK-SEC1.
3, 10	Securitisation Total amount of outstanding securitisation positions as defined in point (62) of Article 4(1) CRR which are not re-securitisation positions as defined in point (64) of Article 4(1) CRR.
5, 7	STS

	See explanation for UK-SEC1.
8, 13	Re-securitisation See explanation for UK-SEC1.
9	Synthetic transactions See explanation for UK-SEC1.

Template UK-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor. Fixed format.

6. Institutions shall apply the instructions provided below in this Annex in order to complete template UK-SEC4 as presented in Annex XXVII of PRA Rulebook, Disclosure (CRR) Part, in application of point (k)(ii) of Article 449 CRR.
7. Refer to instructions to UK-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor.

Template UK-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments. Fixed format.

8. Institutions shall apply the instructions provided below in this Annex in order to complete template UK-SEC5 as presented in Annex XXVII of PRA Rulebook, Disclosure (CRR) Part, in application of Article 449(l) CRR, by type of securitisation exposure.

Legal references and instructions	
Column reference	Explanation
a	Total outstanding nominal amount Total outstanding nominal amount of exposures securitised by the institution (institution acts as originator or as sponsor), broken down by type of securitisation exposure.
b	Total outstanding nominal amount - Of which exposures in default Total outstanding nominal amount of exposures securitised by the institution (institution acts as originator or as sponsor) which have been classified as “defaulted exposures” in accordance with Article 178 CRR, broken down by type of securitisation exposure.
c	Specific credit risk adjustments made during the period Amount of the specific credit risk adjustments made during the period, in accordance with Article 110 CRR, on the exposures securitised by the institution (institution acts as originator or as sponsor), broken down by type of securitisation exposure.