Jersey Financial Services Commission

Completion Guide

Prudential Reporting on Leverage

This document establishes detailed requirements relating to the prudential reporting of the Leverage ratio under the Leverage Capital requirements and Buffers part. This applies to banks that are either highly systemic or have material overseas banking operations.

Near final draft

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1 Overview

1.1 Introduction

1.1.1 This document specifies requirements that apply to JIBs relating to internal monitoring and prudential reporting of the Leverage Ratio. This document should be read in conjunction with the relevant sheets in the JFSC's Prudential Reporting template, being 6A.1 LR calculation.

1.2 Applicability

1.2.1 This guide specifies the reporting of the Leverage Ratio for a JIB that is highly systemic and/or has material overseas banking operations in the form of branches or subsidiaries.

1.2.2 A JIB that is not highly systemic and does not have material overseas banking operations in the form of branches or subsidiaries should instead report its leverage ratio in accordance with the 'Completion guide: Prudential reporting of Capital Ratios'.

1.2.3 A JIB should report under the approach applicable to it and not under both approaches.

1.3 Numbering convention

1.3.1 The document will follow the labelling convention set in the following paragraphs, when referring to the columns, rows and cells of the templates. These numerical codes are extensively used in the validation rules.

1.3.2 The following general notation is followed in the instructions: {Template; Column; Row}. An asterisk sign will be used to refer to the whole row or column.

1.3.3 In the case of validations within a template, where only data points from that template are used, notations will not refer to a template: {Column; Row}.

1.3.4 For the purpose of the reporting on leverage, "of which" refers to an item that is a subset of a higher level exposure category whereas "memo item" refers to a separate item that is not a subset of an exposure class. Reporting of both types of cells is mandatory unless otherwise specified.

1.4 Glossary definitions

1.4.1 In these instructions, the terms Leverage Ratio, Tier 1 Capital, and Total Exposure Measure have the same definition as in the Glossary of the Prudential Parts of the Code.

1.5 Abbreviations

1.5.1 For the purposes of this template the following abbreviations are used:

a) CRR, which is an abbreviation of Capital Requirements Regulation and shall mean Regulation (EU) No 575/2013;

b) CRD, which is an abbreviation of Capital Requirements Directive and shall mean Directive 2013/36/EU;

1.5.1.1 SFT, which is an abbreviation of Securities Financing Transaction and shall mean "a repurchase transaction, a securities or commodities lending or borrowing transaction, or a margin lending transaction" as referred to in point (139) of Article 4(1) of the CRR;

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1.5.1.2 CRM, which is an abbreviation for Credit Risk Mitigation.

1.5.1.3 CSD, which is an abbreviation for Central Securities Depository.

1.5.1.4 QCCP, which is an abbreviation for Qualifying Central Counterparty.

1.5.1.5 PFE, which is an abbreviation for Potential Future Exposure.

1.6 Sign convention

1.6.1 All amounts shall be reported as positive figures. With the exception of:

a) The items whose label is preceded by a negative sign (-), where no positive figure is expected to be reported for that item.

b) {0010;0310}, {0010; 0320}, {0010; 0330}, {0010; 0340}, which could take negative values in extreme cases, otherwise they take positive values.

c) {0010; 0280} can take a positive values due to Article 473a(7) of the CRR, otherwise they take negative values.

2 Template related instructions

2.1 Formulas for leverage ratio calculation

2.1.1 The Leverage Ratio is based on a capital measure and a Total Exposure Measure, which can be calculated with cells from 6A.1 LR calculation.

2.1.2 Leverage Ratio excluding claims on central banks – fully phased-in definition:

{0010; 0330} = {0010; 0310} / {0010; 0290}.

2.1.3 Leverage Ratio excluding claims on central banks – transitional definition:

{0010;0340} = {0010; 0320} / {0010;0300}.

2.2 Materiality thresholds for derivatives

2.2.1 In order to reduce the reporting burden for institutions with limited exposures in derivatives, the following measures are used to gauge the relative importance of derivatives exposures to the Total Exposure Measure. Institutions shall calculate these measures as follows:

$$\text{Derivatives share} = \frac{Derivative\ exposure\ measure}{Total\ exposure\ measure}.$$

2.3 6A.1 LR calculation– Leverage ratio calculation (LRCalc)

2.3.1 This template collects the data that are needed to calculate the leverage ratio as defined in Part Seven of the CRR.

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2.3.2 Institutions shall perform the reporting of the leverage ratio quarterly. In each quarter, the value “at reporting reference date” in column 0010 shall be the value at the last calendar day of the third month of the respective quarter.

2.3.3 Institutions shall report the items in the Exposure values section with positive sign (excluding {LRCalc; 0010;0270} and {LRCalc;0010;0280}), as if the items with a negative sign.

2.3.4 Any amount that increases the own funds or the leverage ratio exposure shall be reported as a positive figure. On the contrary, any amount that reduces the total own funds or the leverage ratio exposure shall be reported as a negative figure. Where there is a negative sign (-) preceding the label of an item no positive figure is expected to be reported for that item.

› 2.3.5 Where an amount could qualify for deduction on multiple grounds, the amount shall only be reduced from the exposure in one of the rows of template 6A.2 LR Calculation.

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3 Legal References and Instructions

Column	Legal references and instructions
0010	**LR Exposure: Reporting reference date** Institutions shall report the data at the reporting reference date.

Row	Exposure Values
0010	**SFTs: Exposure value** Point (b) of paragraph (1) and paragraphs (4) and (5) of Article 429b of the Leverage Ratio (CRR) Part The exposure for SFTs calculated in accordance with point (b) of paragraph (1) and paragraphs (4) and (5) of Article 429b of the CRR part of the JFSC prudential Handbook. Institutions shall consider in this row transactions in accordance with point (c) of Article 429e(7) of the CRR of the JFSC prudential Handbook. Institutions shall not include in this row cash received or any security that is provided to a counterparty via the aforementioned transactions and is retained on the balance sheet (i.e. the accounting criteria for derecognition are not met). Institutions shall instead include those items in row 0190. Institutions shall not include in this row agent SFTs where the institution provides an indemnity or guarantee to a customer or counterparty limited to any difference between the value of the security or cash the customer has lent and the value of collateral the borrower has provided in accordance with point (a) of Article 429e(7) of the Leverage Ratio (CRR) Part.
0020	**SFTs: Add-on for counterparty credit risk** Article 429e(1) CRR of the JFSC Prudential Handbook. The add-on for counterparty credit risk of SFTs, including those that are off-balance sheet, determined in accordance with paragraph (2) or (3) and paragraph (4) of Article 429e of the CRR, as applicable. Institutions shall consider in this row transactions in accordance with point (c) Article 429e(7) of the CRR. Institutions shall not include in this row agent SFTs where the institution provides an indemnity or guarantee to a customer or counterparty limited to any difference between the value of the security or cash the customer has lent and the value of collateral the borrower has provided in accordance with point (a) of Article 429e(7) of the CRR. Institutions shall instead include those items in row 0040.

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Row	Exposure Values
0030	**Derogation for SFTs: Add-on in accordance with Articles 429e(5) and 222 of the CRR** Article 429e(5) and 222 of the CRR. The exposure value for SFTs, including those that are off-balance sheet, calculated in accordance with Article 222 of the CRR, subject to a 20% floor for the applicable risk weight. Institutions shall consider in this row transactions in accordance with point (c) of Article 429e(7) of the CRR. Institutions shall not consider in this row transactions for which the add-on part of the leverage ratio exposure value is determined in accordance with the method refer to in Article 429e(1) of the CRR part of JFSC Handbook.
0040	**Counterparty credit risk of SFT agent transactions** Point (a) of paragraph (7) and paragraphs (2) and (3) of Article 429e of the Leverage Ratio (CRR) Part. The exposure value for agent SFTs where the institution provides an indemnity or guarantee to a customer or counterparty limited to any difference between the value of the security or cash the customer has lent and the value of collateral the borrower has provided in accordance with point (a) of Article 429e(7) of the CRR, consists only of the add-on determined in accordance with paragraph (2) or (3) of Article 429e of the CRR, as applicable. Institutions shall not include in this row transactions in accordance with point (c) of Article 429e(7) of the CRR part of the JFSC Handbook. Institutions shall instead include those items in rows 0010 and 0020 or rows 0010 and 0030, as applicable.
0050	**(-) Exempted CCP leg of client-cleared SFT exposures** Point (g) of Article 429a(1) and point (c) of Article 306(1) of the CRR. The exempted CCP leg of client-cleared trade exposures of SFTs, provided that those items meet the conditions laid down in point (c) of Article 306(1) of the CRR. Where the exempted leg to the CCP is a security it shall not be reported in this row unless it is a re-pledged security that under the applicable accounting framework (i.e. in accordance with the first sentence of Article 111(1) of the CRR) is included at full value. Institutions shall, as if no exemption applies, also include the amount reported in this row in rows 0010, 0020 and 0030, and, if it is a re-pledged security that under the applicable accounting framework is included at full value, additionally in row 0190. Where there is initial margin posted by the institution for an exempted leg of an SFT that is reported in row 0190 and not reported in row 0020 or row 0030, then the institution can report it in this row.
0061	**Derivatives: Replacement cost contribution under the SA-CCR (without the effect of collateral on net independent collateral amount (NICA))**

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Row	Exposure Values
	Articles 429c (1) of the CRR. The replacement cost as per Article 275 of the CRR without the effect of collateral on NICA, and without the effect of any variation margin. Institutions shall not apply the derogations of paragraph (3) and (4) of Article 429c and point (g) of Article 429a(1) of the CRR for the purposes of this row. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. As determined by Article 429c(1) of the CRR, institutions may take into account the effects of contracts for novation and other netting agreements in accordance with Article 295 of the CRR. Cross-product netting shall not apply. However, institutions may net within the product category referred to in point (25)(c) of Article 272 of the CRR and credit derivatives when they are subject to a contractual cross-product netting agreement referred to in Article 295(c) of the CRR. Institutions shall include all credit derivatives, not solely those in the trading book. Institutions shall not consider in this row contracts measured by application of the simplified Standardised approach or the original exposure method.
0065	**(-) Effect of the recognition of collateral on NICA on QCCP client-cleared transactions (SA-CCR - replacement cost)** Article 429c(4) of the Leverage Ratio (CRR) Part. Application of the derogation of 429c(4) of the CRR on the calculation of the replacement cost for derivative contracts with clients where those contracts are cleared by a QCCP. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Where collateral is 'net posted' (i.e. where the amount posted to a counterparty exceeds the amount received), institutions should report a negative amount in this row. Institutions shall include the amount reported in this row also in row 0061 as if no derogation applies.
0071	**(-) Effect of the eligible cash variation margin received offset against derivatives market value (SA-CCR - replacement cost)** Article 429c(3) of the CRR. Variation margin received in cash from the counterparty eligible for offsetting against the replacement cost portion of the derivatives exposure in accordance with Article 429c(3) of the CRR. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Where variation margin is 'net posted' (i.e. where the amount posted to a counterparty exceeds the amount received), institutions should report a negative amount in this row. Any cash variation margin received on an exempted CCP leg in accordance with point (g) of Article 429a(1) of the CRR shall not be reported. Institutions shall include the amount reported in this row also in row 0061 as if no

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Row	Exposure Values
	deduction of cash variation margin applies.
0081	**(-) Effect of the exempted CCP leg of client-cleared trade exposures (SA-CCR - replacement cost)** Point (g) of Article 429a(1) of the CRR. The replacement cost portion of exempted trade exposures to a QCCP from client-cleared derivatives transactions, provided that those items meet the conditions laid down in point (c) of Article 306(1) of the CRR. This amount shall be reported gross of cash variation margin received on this leg. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Institutions shall include the amount reported in this row also in row 0061 as if no exemption applies.
0091	**Derivatives: Potential future exposure contribution under SA-CCR (multiplier at 1)** Article 429c(5) of the CRR part of the JFSC Handbook. Potential future exposure as per Article 278 of the CRR assuming a multiplier of 1, i.e. without the application of the derogation regarding contracts with clients where those contracts are cleared by a QCCP of Article 429c(5) of the CRR. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR.
0092	**(-) Effect lower multiplier for QCCP client-cleared transactions on the PFE contribution (SA-CCR - Potential future exposure)** Article 429c(5) of the CRR. Application of the derogation of Article 429c(5) of the CRR on the calculation of the PFE for derivative contracts with clients where those contracts are cleared by a QCCP. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Institutions shall include the amount reported in this row also in row 0091 as if no derogation applies.
0093	**(-)Effect of the exempted CCP leg of client-cleared trade exposures (SA-CCR approach-potential future exposure)** Point (g) of Article 429a(1) of the CRR. The potential future exposure of exempted trade exposures to a QCCP from client-cleared derivatives transactions, provided that those items meet the conditions laid down in point (c) of Article 306(1) of the CRR. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Institutions shall include the amount reported in this row also in row 0091 as if no exemption applies.
0101	**Derogation for derivatives: Replacement costs contribution under the simplified standardised approach**

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Row	Exposure Values
	Articles 429c(6) and 281 of the CRR. This row provides the exposure measure of contracts listed in points 1 and 2 of Annex II of the CRR calculated in accordance with the simplified standardised approach set out in Article 281 of the CRR. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Institutions that apply the simplified standardised approach shall not reduce the Total Exposure Measure by the amount of margin received in accordance with Article 429c(6) of the CRR. Hence the exception for derivative contracts with clients where those contracts are cleared by a QCCP in Article 429c(4) of the CRR shall not apply. Institutions shall not consider in this row contracts measured by application of the SA-CCR or the Original Exposure Method..
0102	**(-) Effect of exempted CCP leg of client-cleared trade exposures (simplified Standardised approach - replacement costs)** Point (g) of Article 429a(1) of the CRR. The replacement cost portion of exempted trade exposures to a QCCP from client-cleared derivatives transactions, provided that those items meet the conditions laid down in point (c) of Article 306(1) of the CRR. This amount shall be reported gross of cash variation margin received on this leg. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Institutions shall include the amount reported in this row also in row 0101 as if no exemption applied.
0103	**Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach (multiplier at 1)** Point (f) of Article 281(2) and Article 429c(6) of the CRR. The potential future exposure in accordance with the simplified standardised approach set out in Article 281 of the CRR, assuming a multiplier of 1. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Institutions that apply the simplified standardised approach shall not reduce the Total Exposure Measure by the amount of margin received in accordance with Article 429c(6) of the CRR.
0104	**(-) Effect of exempted CCP leg of client-cleared trade exposures (simplified standardised approach - potential future exposure)** Point (g) of Article 429a(1) of the CRR. The potential future exposure of exempted trade exposures to a QCCP from client-cleared derivatives transactions, provided that those items meet the conditions laid down in point (c) of Article 306(1) of the CRR. The amount shall be reported with the alpha factor applied as specified in Article 274(2) of the CRR. Institutions shall include the amount reported in this row also in row 0103 as if no exemption applied.

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Row	Exposure Values
0110	**Derogation for derivatives: Original exposure method** Articles 429c(6) and 282 of the CRR. This row provides the exposure measure of contracts listed in points 1 and 2 of Annex II of the CRR calculated in accordance with the Original Exposure Method set out in Article 282 of the CRR. Institutions that apply the original exposure method shall not reduce the Total Exposure Measure by the amount of margin received in accordance with Article 429c(6) of the CRR. Institutions that do not use the original exposure method shall not report this row. Institutions shall not consider in this row contracts measured by application of the SA-CCR or the simplified standardised approach.
0120	**(-) Exempted CCP leg of client-cleared trade exposures (original exposure method)** Point (g) of Article 429a(1) of the CRR. The exempted CCP leg of client-cleared trade exposures when applying the Original Exposure Method as set out in Article 282 of the CRR, provided that those items meet the conditions laid down in point (c) of Article 306(1) of the CRR. Institutions shall include the amount reported in this row also in row 0110 as if no exemption applied.
0121	**Derogation for derivatives: SDDT method** Leave blank as our Leverage Ratio (CRR) Part does not include the SDDT method.
0130	**Capped notional amount of written credit derivatives** Article 429d of the CRR. Capped notional amount of written credit derivatives (as defined in Article 429d(1)) as set out in Article 429d of the CRR.
0140	**(-) Eligible purchased credit derivatives offset against written credit derivatives** Article 429d of the CRR. Capped notional amount of purchased credit derivatives (i.e. where the institution is buying credit protection from a counterparty) on the same reference names as those credit derivatives written by the institution, where the remaining maturity of the purchased protection is equal to or greater than the remaining maturity of the sold protection. Hence, the value shall not be greater than the value entered in row 0130 for each reference name.
0150	**Off-balance sheet items with a 10% CCF in accordance with Article 429f of the CRR** Article 429f, point (d) of Article 111(1) and Article 166(9) of the CRR. The exposure value, in accordance with Articles 429f and point (d) of Article 111(1) of the CRR, of low risk off-balance sheet items that would be assigned a 0% credit conversion factor referred to in points 4(a) to (c) of Annex I of the CRR (as a reminder the exposure value here shall be 10% of the nominal value). That is commitments which may be

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Row	Exposure Values
	cancelled unconditionally at any time by the institution without prior notice (UCC), or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness. As a reminder the nominal value shall not be reduced by specific credit risk adjustments. Instead, as indicated in Article 429f(2) of the CRR institutions may reduce the credit exposure equivalent amount of an off-balance-sheet item by the corresponding amount of specific credit risk adjustments. This calculation is subject to a floor of zero. Where a commitment refers to the extension of another commitment, the lower of the two conversion factors associated with the individual commitment shall be used in accordance with Article 166(9) of the CRR. Institutions shall not consider in this row contracts listed in Annex II CRR, credit derivatives, SFTs and positions referred to in Article 429d in accordance with Article 429 of the Leverage Ratio (CRR) Part.
0160	**Off-balance sheet items with a 20% CCF in accordance with Article 429f of the CRR** Article 429f, point (c) of Article 111(1) and Article 166(9) of the CRR. The exposure value, in accordance with Articles 429f and point (c) of Article 111(1) of the CRR, of medium/low risk off-balance-sheet items that would be assigned a 20% credit conversion factor referred to in points 3(a) and (b) of Annex I of the CRR (as a reminder the exposure value here shall be 20% of the nominal value). As a reminder the nominal value shall not be reduced by specific credit risk adjustments. Instead, as indicated in Article 429f(2) institutions may reduce the credit exposure equivalent amount of an off-balance-sheet item by the corresponding amount of specific credit risk adjustments. This calculation is subject to a floor of zero. Where a commitment refers to the extension of another commitment, the lower of the two conversion factors associated with the individual commitment shall be used in accordance with Article 166(9) of the CRR. Institutions shall not consider in this row contracts listed in Annex II of the CRR, credit derivatives, SFTs and positions referred to in Article 429d in accordance with Article 429f of the CRR.
0170	**Off-balance sheet items with a 50% CCF in accordance with Article 429f of the CRR** Article 429f, point (b) of Article 111(1) and Article 166(9) of the CRR. The exposure value, in accordance with Articles 429f and point (b) of Article 111(1) of the CRR, of medium risk off-balance sheet items that would be assigned a 50% credit conversion factor as defined in the Standardised Approach to credit risk referred to in points 2(a) and (b) of Annex I of the CRR (as a reminder the exposure value here shall be 50% of the nominal value). As a reminder the nominal value shall not be reduced by specific credit risk adjustments. Instead, as indicated in Article 429f(2) of the CRR institutions may reduce the credit exposure equivalent amount of an off-balance-sheet item by the corresponding amount of specific credit risk adjustments. This calculation is subject to a floor of zero. This row includes liquidity facilities and other commitments to securitizations. In other

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Row	Exposure Values
	words the CCF for all liquidity facilities in accordance with Article 255 of the CRR is 50% regardless of the maturity. Where a commitment refers to the extension of another commitment, the lower of the two conversion factors associated with the individual commitment shall be used in accordance with Article 166(9) of the CRR. Institutions shall not consider in this row contracts listed in Annex II of the CRR, credit derivatives, SFTs and positions referred to in Article 429d in accordance with Article 429f of the CRR.
0180	**Off-balance sheet items with a 100% CCF in accordance with Article 429f of the CRR** Article 429f, point (a) of Article 111(1) and Article 166(9) of the CRR. The exposure value, in accordance with Articles 429f and point (a) of Article 111(1) of the CRR, of high risk off-balance sheet items that would be assigned a 100% credit conversion factor referred to in points 1(a) to (k) of Annex I of the CRR (as a reminder the exposure value here shall be 100% of the nominal value). As a reminder the nominal value shall not be reduced by specific credit risk adjustments. Instead, as indicated in Article 429f(2) of the CRR institutions may reduce the credit exposure equivalent amount of an off-balance-sheet item by the corresponding amount of specific credit risk adjustments. This calculation is subject to a floor of zero. This row includes liquidity facilities and other commitments to securitisations. Where a commitment refers to the extension of another commitment, the lower of the two conversion factors associated with the individual commitment shall be used in accordance with Article 166(9) CRR. Institutions shall not consider in this row contracts listed in Annex II of the CRR, credit derivatives, SFTs and positions referred to in Article 429d in accordance with Article 429f of the CRR.
0181	**(-) General credit risk adjustments to off balance sheet items** Article 429(4) of the CRR. The amount of general credit risk adjustments corresponding to off-balance sheet items referred to in point (d) of Article 429(4) of the CRR, which institutions deduct in accordance with the last paragraph of Article 429 (4) of the CRR. The amount reported shall not be taken into account as a reduction in the calculation of off-balance sheet items reported in rows from 0150 to 0180.
0185	**Regular-way purchases and sales awaiting settlement: Accounting value under trade date accounting** Article 429g(1) of the CRR. The sum of :

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Row	Exposure Values
	- The amount of the cash related to regular-way purchases which remain on the balance sheet until the settlement date as assets in accordance with point (a) of Article 429(4) of the CRR. - The cash receivables related to regular-way sales which remain on the balance sheet as assets until the settlement date in accordance with point (a) of Article 429(4) of the CRR. This amount is after the effect of offsetting between cash receivables for regular-way sales awaiting settlement and cash payables for regular-way purchases awaiting settlement, as allowed under the applicable accounting framework. Institutions that follow the trade date accounting shall report the abovementioned sum in this row instead of row 0190 "other assets", while they shall report the securities related to regular-way purchases in row 0190.
0186	**Regular-way sales awaiting settlement: Reverse out of accounting offsetting under trade date accounting** Article 429g(2) of the CRR. The amount offset between cash receivables for regular-way sales awaiting settlement and cash payables for regular-way purchase awaiting settlement allowed under the accounting framework.
0187	**(-) Regular-way sales awaiting settlement: Offset in accordance with 429g(2) of the CRR** Article 429g(2) of the CRR. The amount offset between cash receivables and cash payables where both the related regular-way sales and purchases are settled on a delivery-versus-payment basis in accordance with Article 429g(2) of the CRR.
0188	**Regular-way purchases awaiting settlement: Full recognition of commitments to pay under settlement date accounting** Article 429g(3) of the CRR. The full nominal value of commitments to pay related to regular-way purchases, for institutions that, in accordance with the applicable accounting framework, apply settlement date accounting to regular-way purchases and sales. Securities related to regular-way sales shall be reported in row 0190 "other assets".
0189	**(-) Regular-way purchases awaiting settlement: Offset to commitments to pay under settlement date accounting in accordance with 429g(3) of the CRR** Article 429g(3) of the CRR. The part of the amount reported in row 0188 offset by the full nominal value of cash receivables related to regular-way sales awaiting settlement in accordance with Article 429g(3) of the CRR.

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Row	Exposure Values
0190	**Other assets** Point (a) of Article 429(4) of the CRR. All assets other than derivatives contracts listed in Annex II of the CRR, credit derivatives and SFTs (e.g. amongst others assets to be reported in this row are accounting receivables for cash variation margin provided where recognised under the operative accounting framework, liquid assets as defined under the liquidity coverage ratio, failed and unsettled transactions). Institutions shall base valuation on the principles set out in Article 429b(1) and 429(7) of the CRR. Institutions shall include in this row cash received or any security that is provided to a counterparty via SFTs and that is retained on the balance sheet (i.e. the accounting criteria for derecognition are not met). Furthermore, institutions shall recognise items that are deducted from CET1 and Additional Tier 1 items (e.g. intangibles, deferred tax assets etc.) here. The amount reported in row 0191 shall not be taken into account as a reduction in the calculation of this row. Cash pooling arrangements shall be reported in rows 0193, 0194, 0195, 0196, 0197 and 0198 and not here.
0191	**(-) General credit risk adjustments to on balance sheet items** Article 429(4) of the CRR. The amount of general credit risk adjustments corresponding to on-balance sheet items referred to in point (a) of Article 429(4) CRR, which institutions deduct in accordance with the last paragraph of Article 429 (4) of the CRR. The amount reported shall not be taken into account as a reduction in the calculation of other assets reported in row 0190.
0193	**Cash pooling arrangements that cannot be netted prudentially: Value in the accounting framework** Paragraphs (2) and (3) of Article 429b of the CRR. The accounting value of cash pooling arrangements, i.e. of arrangements whereby the credit or debit balances of several individual accounts are combined for the purposes of cash or liquidity management, that cannot be netted in accordance to paragraphs (2) and (3) of Article 429b of the CRR.
0194	**Cash pooling arrangements that cannot be netted prudentially: Effect of grossing-up the netting applied in the accounting framework** Point (b) of Article 429(7) and paragraph (2) and (3) of 429b of the CRR The amount netted under the applicable accounting framework on the cash pooling arrangements that cannot be netted prudentially, reported in row 0193.
0195	**Cash pooling arrangements that can be netted prudentially: Value in the accounting framework** Paragraph (2) and (3) of Article 429b of the CRR. The accounting value of cash pooling arrangements, i.e. of arrangements whereby the

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Row	Exposure Values
	credit or debit balances of several individual accounts are combined for the purposes of cash or liquidity management, that can be netted in accordance to paragraph (2) and (3) of Article 429b of the CRR.
0196	**Cash pooling arrangements that can be netted prudentially: Effect of grossing-up the netting applied in the accounting framework** Paragraph (2) and (3) of Article 429b of the CRR. The amount netted under the applicable accounting framework on the cash pooling arrangements that can be netted prudentially, reported in row 0195. Where the institution meets point (b) of Article 429b(2), they shall not apply the gross-up in this row to balances extinguished on the basis of the process set out in point (a) of Article 429b(2) of the CRR.
0197	**(-) Cash pooling arrangements that can be netted prudentially: Recognition of netting in accordance with Article 429b(2) of the CRR** Article 429b(2) of the CRR. The amount netted from the gross exposure related to cash pooling arrangements (sum of rows 0195 and 0196) in accordance with Article 429b(2) of the CRR.
0198	**(-) Cash pooling arrangements that can be netted prudentially: Recognition of netting in accordance with Article 429b(3) of the CRR** Article 429b(3) of the CRR. The amount netted from the gross exposure related to cash pooling arrangements (sum of rows 0195 and 0196) in accordance with Article 429b(3) of the CRR.
0200	**Gross-up for derivatives collateral provided** Article 429c(2) of the CRR. The amount of any derivatives collateral provided where the provision of that collateral reduces the amount of assets under the applicable accounting framework, as set out in Article 429c(2) of the CRR. Institutions shall not include in this row initial margin for client-cleared derivative transactions with a qualifying CCP (QCCP) or eligible cash variation margin, as defined in Article 429c(3) of the CRR.
0210	**(-) Receivables for cash variation margin provided in derivatives transactions** Point (c) of Article 429c(3) of the CRR. The receivables for variation margin paid in cash to the counterparty in derivatives transactions if the institution is required, under the applicable accounting framework, to recognise these receivables as an asset, provided that the conditions in points (a) to (e) of Article 429c(3) of the CRR are met. The amount reported shall also be included in the other assets reported in row 0190.

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Row	Exposure Values
0220	**(-) Exempted CCP leg of client-cleared trade exposures (initial margin)** Point (g) of Article 429a(1) of the CRR. The initial margin (posted) portion of exempted trade exposures to a QCCP from client-cleared derivatives transactions, provided that those items meet the conditions laid down in point (c) of Article 306(1) of the CRR. This value should be reported on a gross basis. The amount reported shall also be included in the other assets reported in row 0190.
0230	**Adjustments for SFT sales accounting transactions** Article 429e(6) of the CRR. The value of securities lent in a repurchase transaction that are derecognised due to a sales accounting transaction under the applicable accounting framework.
0240	**(-) Fiduciary assets** Point (i) of Article 429a(1) of the CRR. The value of fiduciary assets that are recognised on the institution's balance sheet by national generally accepted accounting principles, meet the IFRS9 criteria for non-recognition and, where applicable, IFRS 10 for non-consolidation, in accordance with point (i) of Article 429a(1) of the CRR, assuming no accounting netting or other CRM effects (i.e. any effects of accounting netting or CRM that have affected the accounting value shall be reversed). The amount reported shall also be included in the other assets reported in row 0190.
0250	**(-) Intragroup exposures (solo basis) exempted in accordance with point (c) of Article 429a(1) of the CRR** Point (c) of Article 429a(1) and Article 113(6) of the CRR. Exposures that have not been consolidated on the applicable level of consolidation, that can benefit from the treatment laid down in Article 113(6) of the CRR, provided that all the conditions set out in points (a) to (e) of Article 113(6) of the CRR are met and where the competent authorities have given their approval. The amount reported shall also be included in the applicable rows above as if no exemption applied.
0251	**(-) IPS exposures exempted in accordance with point (c) of Article 429a(1) of the CRR** Point (c) of Article 429a(1) and Article 113(7) of the CRR. Exposures that can benefit from the treatment laid down in Article 113(7) of the CRR, provided that all the conditions set out in points (a) to (i) of Article 113(7) of the CRR are met and where the competent authorities have given their approval. The amount reported shall also be included in the applicable rows above as if no exemption applied.

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Row	Exposure Values
0253	**(-) Excluded excess collateral deposited at triparty agents** Point (k) of Article 429a(1) of the CRR. The excess collateral deposited at triparty agents that has not been lent out, which can be excluded in accordance with point (k) of Article 429a(1) of the CRR. The amount reported shall also be included in the applicable rows above as if no exemption applied.
0254	**(-) Excluded securitised exposures representing significant risk transfer** Point (m) of Article 429a(1) of the CRR. The securitised exposures from traditional securitisations that meet the conditions for significant risk transfer set out in Article 244(2) of the CRR. The amount reported shall also be included in the applicable rows above as if no exemption applied.
0260	**(-) Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR** Point (j) of Article 429a(1) of the CRR. Exposures exempted in accordance with point (j) of 429a(1) of the CRR subject to the therein stated conditions being met. The amount reported shall also be included in the applicable rows above as if no exemption applied.
0270	**(-) Value of items deducted - tier 1 capital (leverage) - fully phased-in definition** Point (b) of Article 429a(1), Article 468, Article 473a and Article 494b of the CRR. It includes all the adjustments that target the value of an asset and which are required by: - Articles 32 to 35 of the CRR, or - Articles 36 to 47 of the CRR, or - Articles 56 to 60 of the CRR, as applicable. Institutions shall take into account the exemptions, alternatives and waivers to such deductions laid down in Articles 48, 49 and 79 of the CRR, without taking into account the derogation laid down in Chapters 1, 2 and 4 of Title I of Part Ten of the CRR. To avoid double counting, institutions shall not report adjustments already applied pursuant to Article 111 of the CRR when calculating the exposure value in rows 0010 to 0260, nor shall they report any adjustment that does not deduct the value of a specific asset. All the amounts already deducted from the capital measure reduce the *total exposure measure* and shall be reported as a negative figure.
0280	**Value of items deducted (-) or added (+) - tier 1 capital (leverage) - transitional definition**

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Row	Exposure Values
	Point (b) of Article 429a (1), Article 468, Article 473a and Article 494b of the CRR. It includes all the adjustments that adjust the value of an asset and which are required by: - Articles 32 to 35 of the CRR, or - Articles 36 to 47 of the CRR, or - Articles 56 to 60 of the CRR as applicable. Institutions shall take into account exemptions, alternatives and waivers to such deductions laid down in Articles 48, 49 and 79 of the CRR, in addition to taking into account the derogations laid down in Chapter 1, 2 and 4 of Title I of Part Ten of the CRR. To avoid double counting, institutions shall not report adjustments already applied pursuant to Article 111 of the CRR when calculating the exposure value in rows 0010 to 0260 nor shall they report any adjustment that does not deduct the value of a specific item. All the amounts already deducted from the capital measure reduce the *total exposure measure* and shall be reported as a negative figure. In addition, institutions shall report in this row as a positive value the amounts to be added back to the Total Exposure Measure in accordance with Article 473a (7) and (7a) of the CRR.
0281	**Total exposure measure including claims on central banks - using a fully phased-in definition of tier 1 capital (leverage)** Institutions shall report the sum of all rows from 0010 to 0260 and row 0270. This shall be calculated using the following formula: r0281=Sum(r0010: r0260) + r0270 or C55 =SUM(C4:C52)+C53
0282	**Total exposure measure including claims on central banks - using a transitional definition of tier 1 capital (leverage)** Institutions shall report the sum of all rows from 0010 to 0260 and row 0280. This shall be calculated using the following formula: r0282=Sum(r0010: r0260) + r0280 or C56 =SUM(C4:C52)+C54
0283	**(-) Claims on central banks excluded** Institutions shall report the total amount of central bank claims that are excluded from *the total exposure* measure in accordance with paragraph (A1) of Article 429a of the CRR.
0284	**(-) of which claims in sterling to the Bank of England** Institutions shall report the amount of claims in sterling to the Bank of England excluded from the Total Exposure Measure.

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Row	Exposure Values
0290	**Total exposure measure - excluding claims on central banks using a fully phased-in definition of tier 1 capital (leverage)** Institutions shall report the sum of all rows from 0010 to 0260, row 0270 and row 0283. This shall be calculated using the following formula: r0290=Sum(r0010: r0260) +r0270+ r0283 or C59 =SUM(C4:C52)+C53+C57
0300	**Total exposure measure - excluding claims on central banks using a transitional definition of tier 1 capital (leverage)** Institutions shall report the sum of all rows from 0010 to 0260, row 0280, and row 0283. This shall be calculated using the following formula: r0300=Sum(r0010: r0260) +r0280 + r0283 or C60 = SUM (C4:C52) +C54+C57

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Row	Capital
0310	**Tier 1 capital (leverage) - fully phased-in definition** Article 429(3), Article 468, Article 473a and Article 494b of the CRR. This is the amount of tier 1 capital (leverage) as calculated in accordance with Article 25 of the CRR, without taking into account the derogation laid down in Chapters 1, 2 and 4 of Title I of Part Ten of the CRR.
0320	**Tier 1 capital - transitional definition** Articles 429(3), Article 468, Article 473a and Article 494b of the CRR. This is the amount of tier 1 capital (leverage) as calculated in accordance with Article 25 of the CRR, after taking into account the derogation laid down in Chapters 1, 2 and 4 of Title I of Part Ten of the CRR. Institutions that have chosen to apply IFRS9 transitional provisions should include their benefit in this row.
Row	**Leverage Ratio**
0330	**Leverage ratio excluding claims on central banks – using a fully phased-in definition of tier 1 capital (leverage)** Institutions shall report the ratio of row 0310 to row 0290. This shall be calculated using the following formula; r0330 = r0310/r0290 or C65=C62/C59
0340	**Leverage ratio excluding claims on central banks – using a transitional definition of tier 1 capital (leverage)** Institutions shall report the ratio of row 0320 to row 0300. This shall be calculated using the following formula: r0340 =r0320 /r0300 or C66=C63/C60

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Row	Memorandum items
0341	**Leverage ratio including claims on central banks – using a fully phased-in definition of tier 1 capital (leverage)** Institutions shall report the ratio of row 0310 to row 0281. This shall be calculated using the following formula: r0341= r0310/r0281 or C68= C62/C55
0342	**Leverage ratio including claims on central banks - using a transitional definition of tier 1 capital (leverage)** Institutions shall report the ratio of row 0320 to row 0282. r0342= r0320/r0282 or C69=C63/C56
0490	**Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income have not been applied** Article 468(5) of the CRR. Institutions that have decided to apply the temporary treatment set out in paragraph 5 of Article 468 of the CRR shall report the leverage ratio they would have in case they were not to apply that treatment.
0500	**Tier 1 capital (leverage) - fully phased-in definition but including the benefit of IFRS9 transitional provisions** Institutions shall report the amount of Tier 1 Capital (Leverage) as reported in row 0310 but including the benefit of IFRS9 transitional provisions, as defined in Article 473a of the CRR.
0510	**Total exposure measure excluding claims on central banks – using, where that is affected by deductions and adjustments from tier 1 capital (leverage), a fully-phased in definition but including the benefit of IRFS9 transitional provisions** Institutions shall report the sum of all rows from 0010 to 0260, and row 0283, and the (negative) value of items deducted from Tier 1 Capital (Leverage) using a fully-phased in definition, as reported in row 0270 but including the benefit of IFRS9 transitional provisions, as defined in Article 473a of the CRR.
0520	**CET1 capital** Institutions shall report the total Common Equity Tier 1 capital that can be counted as *tier 1 capital (leverage).*

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