

PRA RULEBOOK: CRR FIRMS: REPORTING LEVERAGE RATIO INSTRUMENT 2015

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms: Reporting Leverage Ratio Instrument 2015

- D. The PRA makes the rules in the Annex to this instrument.

Commencement

- E. This instrument comes into force on 1 January 2016.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Reporting Leverage Ratio Instrument 2015.

By order of the Board of the Prudential Regulation Authority

26 November 2015

Annex A

In this Annex, the text is all new and is not underlined.

Part

REPORTING LEVERAGE RATIO

Chapter content

1. APPLICATION AND DEFINITIONS
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1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is a *UK bank* or a *building society* that, on the *firm's* last *accounting reference date*, had *retail deposits* equal to or greater than £50 billion either on:

- (1) an individual basis;
- (2) if the *firm* is a *parent institution in a Member State*, on the basis of its *consolidated situation*; or
- (3) if the *firm* is controlled by a *parent financial holding company in a Member State* or by a *parent mixed financial holding company in a Member State* and the *PRA* is responsible for supervision of that holding company on a *consolidated basis* under Article 111 of the *CRD*, on the basis of the *consolidated situation* of that holding company.

1.2 In this Part, the following definitions shall apply:

average leverage ratio

means the average *leverage ratio* calculated in accordance with 3.2 or 4.2, as applicable.

data element

means a discrete fact or individual piece of information relating to a particular field within a *data item*.

data item

means one or more related *data elements* that are grouped together into a prescribed format and required to be submitted by a *firm*.

leverage ratio

has the meaning given in Leverage Ratio 1.2.

quarterly reference date

means 31 March, 30 June, 30 September and 31 December.

remittance date

means 12 May, 11 August, 11 November or 11 February.

retail deposits

has the meaning given in Leverage Ratio 1.2.

tier 1 capital

has the meaning given in Leverage Ratio 1.2.

total exposure measure

has the meaning given in Leverage Ratio 1.2.

- 1.3 Unless otherwise defined, any italicised expression used in this Part and in the *CRR* has the same meaning as in the *CRR*.

2 BASIS OF APPLICATION

- 2.1 A *firm* that is not a member of a *consolidation group* in relation to which 2.2 or 2.3 applies must comply with this Part on an individual basis.
- 2.2 A *firm* that is a *parent institution in a Member State* must comply with this Part on the basis of its *consolidated situation*.
- 2.3 A *firm* that is controlled by a *parent financial holding company in a Member State* or a *parent mixed financial holding company in a Member State* for which the *PRA* is responsible for supervision on a *consolidated basis* under Article 111 of the *CRD* must comply with this Part on the basis of the *consolidated situation* of that holding company.

3 REPORTING

- 3.1 Subject to 4.1, a *firm* must complete the *data item* FSA083 using the template for the *data item* set out [here](#).
- 3.2 When completing the *data item* in 3.1, the average *leverage ratio* for a quarter must be calculated by a *firm* as its capital measure divided by its exposure measure where the:
- (1) capital measure is the arithmetic mean of the *firm's tier 1 capital* on the last day of each month in the quarter ending on the relevant *quarterly reference date*; and
 - (2) exposure measure is the sum of:
 - (a) the arithmetic mean of the *firm's total exposure measure* in relation to on-balance sheet assets on each day in the quarter ending on the relevant *quarterly reference date*; and
 - (b) the arithmetic mean of the *firm's total exposure measure* excluding on-balance sheet assets on the last day of each month in the quarter ending on the relevant *quarterly reference date*.

4 TRANSITIONAL

- 4.1 For 12 months from the date that this Part comes into force a *firm* must, instead of completing the *data item* referred to in 3.1, complete the *data item* FSA084 using the template for the *data item* set out [here](#).
- 4.2 When completing the *data item* in 4.1, the *average leverage ratio* for a quarter must be calculated by a *firm* as its capital measure divided by its exposure measure where the:
- (1) capital measure is the arithmetic mean of the *firm's tier 1 capital* on the last day of each month in the quarter ending on the relevant *quarterly reference date*; and
 - (2) exposure measure is the arithmetic mean of the *firm's total exposure measure* on the last day of each month in the quarter ending on the relevant *quarterly reference date*.

5 SUBMISSION

- 5.1 A *firm* must submit the completed *data items* referred to in this Part to the *PRA* by close of business of the *remittance date* immediately following each *quarterly reference date*.
- 5.2 If a *remittance date* is a public holiday or a Saturday or Sunday, the *data item* must be submitted on the following business day.
- 5.3 *Data items* must be submitted to the *PRA* by electronic means.

Part**REPORTING LEVERAGE RATIO**

Externally defined glossary terms

Term	Definition source
<i>consolidated basis</i>	Article 4(1)(48) CRR
<i>consolidated situation</i>	Article 4(1)(47) CRR
<i>EEA State</i>	s425 FSMA
<i>parent institution in a Member State</i>	Article 4(1)(28) CRR
<i>parent mixed financial holding company in a Member State</i>	Article 4(1)(32) CRR