



Additional Leverage Ratio Buffer Model Requirements for G-SIIs

Definitions

1.1 In these requirements the following definitions shall apply:

common equity tier 1 capital

has the meaning given in the Leverage Ratio Part of the PRA Rulebook.

countercyclical leverage ratio buffer

has the meaning given in the Leverage Ratio Part of the PRA Rulebook.

firm

means [to be specified in the individual requirement].

G-SII additional leverage ratio buffer

means the amount of *common equity tier 1 capital* the *firm* must calculate in accordance with 2.1

leverage ratio

has the meaning given in the Leverage Ratio Part of the PRA Rulebook.

total exposure measure

has the meaning given in the Leverage Ratio Part of the PRA Rulebook

1.2 Unless otherwise specified, italicised expressions used in these requirements have the meaning given in the Glossary in the PRA Rulebook.

G-SII additional leverage ratio buffer

2.1 The *firm* must calculate a *G-SII additional leverage ratio buffer* of *common equity tier 1 capital* equal to

(a) [amount to be specified in the individual requirement]% multiplied by 35%; multiplied by

(b) the *firm's total exposure measure*.

2.2 The *firm* must not count *common equity tier 1 capital* that is maintained for the purposes of its *countercyclical leverage ratio buffer* (calculated in accordance with Leverage Ratio 4.1) and its minimum *leverage ratio* (in accordance with the requirement in Leverage Ratio 3.1) towards the calculation in 2.1.

2.3 The *firm* must notify the *PRA* immediately if, at any time, it does not hold, or is likely not to hold, an amount and quality of capital that is equal to or greater than its *G-SII additional leverage ratio buffer*.

2.4 When the *firm* is required to make a notification to the *PRA* under 2.3, it must prepare a capital plan and submit it to the *PRA* no later than 5 *business days* after the *firm* identified that the notification was necessary.

2.5 The capital plan must include the following:

(1) measures to secure that the amount of the *firm's common equity tier 1 capital* is equal to or greater than the *firm's G-SII additional leverage ratio buffer*, and

(2) a plan and timeframe for the measures outlined for the purposes of 2.5(1).

Level of application of the *G-SII additional leverage ratio buffer*

2.6 If the *firm* is a *parent institution in a Member State* it must comply with these requirements on the basis of its *consolidated situation*.

- 2.7 If the *firm* 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*, it must comply with these requirements on the basis of the *consolidated situation* of that holding company.

Reporting and Disclosure of the *G-SII additional leverage ratio buffer*

- 2.8 Subject to 2.9 and 2.10, the *firm* must report information relating to its *G-SII additional leverage ratio buffer* in *data item* FSA083 in accordance with the Reporting Leverage Ratio Part of the *PRA* Rulebook.
- 2.9 For 12 months from the date that the Reporting Leverage Ratio Part of the *PRA* Rulebook comes into force the *firm* must, instead of completing the *data item* referred to in 2.8, report information relating to its *G-SII additional leverage ratio buffer* in *data item* FSA084 in accordance with the Reporting Leverage Ratio Part of the *PRA* Rulebook.
- 2.10 The *firm* must comply with the Public Disclosure Part of the *PRA* Rulebook with rule 3.3 modified as follows:
- 3.3 A *firm* must disclose each of the following quarterly as at the relevant quarterly end date:
- (1) *leverage ratio*;
 - (2) *average exposure measure*;
 - (3) *average leverage ratio*; ~~and~~
 - (4) *countercyclical leverage ratio buffer*; ~~and~~
 - (5) *G-SII additional leverage ratio buffer*.

Effective Date

- 3.1 These requirements take effect on [date to be specified in the individual requirement].

General

- 4.1 The requirements apply in addition to the *PRA*'s leverage ratio rules and the *PRA*'s expectations set out in SS45/15 and SS46/15.

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