

Capital Adequacy, Leverage and TLAC

Regulation 38 of the Regulations relating to Banks (Regulations)

Instructions relating to the completion of the form BA 700 are furnished with reference to the headings and item descriptions of certain columns and line-item numbers appearing on the form BA 700, as follows:

Line items relating to the summary information of capital adequacy.

Line-item number	Description
2	<p>Non-modelling approaches</p> <p>This item shall reflect risk weighted exposure equivalent amount, calculated using only standardised approaches specified in regulation 38(2)(h) of the Regulations.</p>
3	<p>Aggregate risk weighted exposure for purposes of the Output Floor (Output Floor)</p> <p>This item shall reflect total risk weighted exposure after applying the relevant phase-in percentage specified in table 1 of regulation 38(2)(h) of the Regulations, to the respective risk weighted exposures calculated using standardised approaches.</p> <p>The phase-in requirement for the purpose of the output floor apply as follows:</p> <p>1 July 2025: 60% 1 January 2026: 65% 1 January 2027: 70% 1 January 2028: 72.5%</p> <p>Output floor may not be binding for banks using only standardised approaches to report aggregate risk weighted exposure equivalent amounts, therefore this item shall be equal to item 1 of the form BA700 in instances where the output floor is not a binding constraint.</p>
4	<p>Risk equivalent amount in respect of concentration risk</p> <p>Based on the relevant requirements specified in regulation 24 of the Regulations and such further requirements as may be specified in writing by the Authority, this item shall reflect the relevant risk equivalent amount related to any capital requirement in respect of the large exposure framework.</p>
5	<p>Risk weighted exposure in respect of threshold items</p> <p>When reporting on a solo basis, based on, among other things, the relevant requirements specified in regulation 38 (5)(b) of the Regulations this line item shall reflect the relevant amount reported in item 195 of the form BA 700, after applying the relevant risk weight of 250%, plus the relevant amount reported in item 196 of the form BA 700, after applying the relevant risk weight of 1250%.</p>
7	<p>Risk weighted exposure equivalent amounts specified by the Authority</p> <p>This item shall reflect the relevant risk exposure equivalent amount related to any additional requirement specified in writing by the Authority that relates to items such as floors and other specified add-ons.</p>

Columns relating to the summary information of capital adequacy, items 1 to 8

Column number	Description
1 of item 1	<p>This item shall reflect the relevant required aggregate amount of risk weighted credit exposure respectively reported in the specified items of the forms specified below:</p> <p>Item 41 , column 8, of the form BA 200; plus Item 201, column 13, of the form BA 200; plus Item 1, column 2, of the form BA 500; less Item 40, column 8, of the form BA 200; less Item 200, column 13, of the form BA 200 less Item 141 column 18, of the form BA 200 less Item 349, column 20, of the form BA 200</p>
1 of item 2	<p>This item shall reflect the relevant required aggregate amount of risk weighted credit exposure that the reporting bank would have been required to hold if only non-modelled approaches were used, that is, the standardised approach for credit risk, the external ratings-based approach (SEC-ERBA) and the standardised approach (SEC-SA) for securitisation.</p> <p>Accordingly, the item shall reflect the amount that would be reported in the specified items of the forms specified below:</p> <p>Item 41, column 8, of the form BA 200; plus Item 3, column 2 of the form BA 500; plus Item 4, column 2 of the form BA 500 ,less Item 40, column 8, of the form BA 200; less Item 141 column 18, of the form BA 200</p> <p>and the amount reported in the specified items of the forms specified below will be zero:</p> <p>Item 201, column 13, of the form BA 200; Item 2, column 2, of the form BA 500; Item 200, column 13, of the form BA 200; and Item 349, column 18, of the form BA 200</p>
2 of item 2	<p>This item shall reflect the relevant required aggregate amount of risk weighted counterparty credit exposure that the reporting bank would have been required to hold if only non-modelled approaches were used, that is, the standardised approach for credit risk and the standardised approach for counterparty credit risk (SA-CCR).</p> <p>Accordingly, this item shall reflect the amount that would be reported in Item 141, column 18, of the form BA 200 and the amount reported in Item 349 column 18, of the form BA 200 will be zero.</p>
2 of item 1	<p>This item shall reflect the relevant required aggregate amount of risk weighted counterparty credit exposure reported in the items of the form BA 200 specified below:</p> <p>Item 141 column 18, of the form BA 200 plus Item 349, column 18, of the form BA 200</p>

Columns relating to the summary information of capital adequacy, items 1 to 8

Column number	Description
3 of Item 1	<p>This item shall reflect the relevant required aggregate amount of risk weighted credit valuation adjustment (CVA) exposure reported in the items of the CVA return:</p> <p>Item 21, column 1 of the form CVA return.</p>
4 of item 1	<p>This item shall reflect the relevant required risk weighted exposure equivalent amount related to operational risk reported in item 57, column 10, of the form BA 400.</p>
5 of item 1	<p>This item shall reflect the relevant required risk weighted exposure amount related to market risk calculated in the manner specified below.</p> <p>Item 1 Column 3 of the FRTB Standardised Approach <i>plus</i> Item 1 column 6 of the FRTB Standardised Approach (trading desks) <i>plus</i> Item 1 column 1 of the FRTB IMA.</p>
6 of item 1	<p>This item shall reflect the relevant required aggregate amount of risk weighted credit exposure related to equity instruments held in the bank's banking book, as reported in the relevant items of the form BA 340 specified below:</p> <p>Item 1, column 2, of the form BA 340; plus Item 2, column 2, of the form BA 340; plus Item 3, column 2, of the form BA 340; plus Item 6, column 3, of the form BA 340; plus Item 36, column 4, of the form BA 340; plus Item 37, column 2, of the form BA 340; plus Item 38, column 2, of the form BA 340; plus Item 39, column 2, of the form BA 340.</p>
7 of item 1	<p>This item shall reflect the relevant required risk weighted exposure equivalent amount in respect of assets or risks other than credit risk, counterparty credit risk, operational risk, market risk, risk related to equity instruments held in the bank's banking book, or the relevant risk weighted exposure amount related to threshold items including any relevant amount of risk weighted exposure related to items reported in-</p> <p>Item 124, column 3, of the form BA 200; Item 263, column 3, of the form BA 200; and</p> <p>any other relevant amount of risk weighted exposure related to an asset or exposure specified in writing by the Authority.</p>

Line items relating to required capital adequacy ratios and amounts

Line-item number	Description
14	Additional idiosyncratic capital requirement specified by the Authority This item shall reflect any relevant additional capital requirement in respect of idiosyncratic risk specified in writing by the Authority as envisaged in regulation 38(8)(e)(iii) of the Regulations which capital add-on shall be allocated to the respective specified categories of required capital in accordance with such requirements as may be specified in writing by the Authority from time to time.
22	Specified floors or add-ons This item shall reflect any additional capital requirement specified in writing by the Authority.

Line items relating to Common Equity Tier 1 capital and reserve funds

Line-item number	Description
30	Paid in capital This item shall reflect the relevant aggregate amount of any issued common stock, including any related premium, and other instruments that comply with the relevant criteria specified in regulation 38 of the Regulations, net of any shares or instruments derecognised in terms of relevant Financial Reporting Standards issued from time to time, but shall exclude any relevant amount related to minority interests.
31	Retained earnings. This item shall reflect the relevant aggregate amount of retained earnings prior to the application of any regulatory adjustment, provided that any negative amount due to accumulated losses shall be reported in line item 198, as part of regulatory adjustments or deductions, and not in this line item 31.
42	Minority interest This item shall reflect the relevant aggregate amount of minority interests in shares or instruments qualifying as Common Equity Tier 1 capital, which shall be the same amount as the amount included in the form BA 600 in respect of subsidiaries that issued capital to third parties.

Line items relating to Common Equity Tier 1 capital and reserve funds

Line-item number	Description
47	<p>Deferred tax assets (excluding temporary differences)</p> <p>This item shall reflect the relevant aggregate amount of deferred tax assets that rely on the future profitability of the bank to be realised, provided that-</p> <ul style="list-style-type: none">the relevant amount may be netted with any associated deferred tax liabilities if such amount relates to taxes levied by the same taxation authority and offsetting is permitted by that authority;any relevant amount related to an overinstallment of tax, giving rise to a claim or receivable amount from the government or local tax authority, which amount is typically classified as part of current tax assets, shall be reported in the form BA 200, and assigned the relevant risk weight.
54	<p>Securitisation gain on sale (expected future margin income)</p> <p>This item shall reflect the relevant aggregate amount related to any relevant securitisation gain on sale, which amount shall be equal to line item 5 column 3 of the form BA 500.</p>

Line items relating to additional Tier 1 capital and reserve funds

Line-item number	Description
68	<p>Additional Tier 1 instruments issued</p> <p>This item shall reflect the relevant aggregate amount related to instruments issued that comply with the criteria specified in regulation 38 of the Regulations to qualify as additional Tier 1 capital. Provided that the bank shall report any relevant premium received in line item 72.</p>

Line items relating to additional Tier 1 capital and reserve funds

Line-item number	Description
71	<p>Minority interest</p> <p>This item shall reflect the relevant aggregate amount of minority interests in shares or instruments qualifying as additional tier 1 capital and reserve funds, prior to the deduction of any relevant surplus amount, which shall be the same amount as the amount included in the form BA 600 in respect of subsidiaries that issued capital instruments to third parties, provided that any minority interest in respect of common or ordinary shares of non-banking entities shall be included in this line item 71 and not in line item 42.</p>

Line items relating to Tier 2 capital and reserve funds

Line-item number	Description
79	Tier 2 instruments issued This item shall reflect the relevant aggregate amount related to instruments issued that comply with the criteria specified in regulation 38 of the Regulations to qualify as Tier 2 capital, including any relevant premium received.
80	Minority interest This item shall reflect the relevant aggregate amount of minority interests in shares or instruments qualifying as Tier 2 capital, which shall be the same amount as the amount included in the form BA 600 in respect of subsidiaries that issued capital instruments to third parties.

Line items relating to reconciliation in respect of unappropriated profits

Line-item number	Description
94	Unappropriated profits This item shall reflect the relevant aggregate amount in respect of unappropriated profits, provided that any negative amount due to accumulated losses shall be reported in line item 198, as part of regulatory adjustments or deductions.

Line items relating to capital adequacy

Line-item number	Description
95 columns 1 to 3	Capital adequacy ratio, including unappropriated profits after the application the transitional arrangements in respect of the output floor. This item shall reflect the relevant adjusted capital adequacy ratio after the transitional arrangements in respect of the output floor.
96 columns 4 to 6	Capital adequacy ratio: percentages excluding the output floor These items shall reflect the relevant capital adequacy ratio excluding the impact of the output floor.

Line items relating to specified regulatory adjustments and deductions

Line-item number	Description
158 to 164	<p>Risk weighted assets of amounts below the threshold, not deducted</p> <p>These items shall reflect the relevant aggregate amounts in respect of assets or instruments held in the bank's banking book or trading book respectively, and which assets or instruments-</p> <ul style="list-style-type: none"> • are risk weighted and reported in accordance with the relevant requirements respectively specified in regulations 23 and 28 of the Regulations; • shall not be included in line item 5, column 7 of the form BA 700.
184	<p>Net deferred tax assets due to temporary differences</p> <p>This item shall reflect the relevant aggregate amount of deferred tax assets relating to temporary differences such as allowance for credit impairment, provided that the relevant amount may be netted with any associated deferred tax liabilities if such amount relates to taxes levied by the same taxation authority and offsetting is permitted by that authority.</p>

Line items relating to capital distribution and income

Line-item number	Description
207 to 217	<p>Income and distributions</p> <p>These items shall only be completed by banks that have utilised part of their specified capital buffers and that have reported a percentage lower than 100 per cent in line item 224 of the form BA 700, provided that, when required to be completed, the items shall be completed based on six-month rolling balances.</p>
210 to 216	<p>Distributions</p> <p>All relevant specified distributions shall be reported in the period in which they are recognised in the relevant accounting records of the bank in accordance with the relevant Financial Reporting Standards, provided that the bank shall reverse or derecognise any relevant tax implication or impact of making such payments.</p>

Line items relating to leverage

Line-item number	Description
228	<p>Leverage exposure measure</p> <p>A bank's total leverage ratio exposure measure is the sum of the on-balance sheet exposures (excluding on-balance sheet derivatives and security financing transaction exposures) and adjusted derivative exposures, securities financing transaction exposures, and off-balance sheet items.</p>
254	<p>Securities financing transaction exposures</p> <p>Banks must report the amounts of gross securities financing transaction (SFT) assets based on either monthly or quarterly average values, depending on whether the reporting period coincides with the end of a quarter, using average of daily values over such period when reporting this line item. This is intended to smooth out the heightened volatility in SFT markets around quarter-end dates.</p>