Appendix 1: Abbreviations

AA-CVA – alternative approach - credit valuation adjustment

AAD – adjoint algorithmic differentiation

AMA – advanced measurement approach

ASA – alternative standardised approach

BA-CVA – basic approach - credit valuation adjustment

BCBS – Basel Committee on Banking Supervision

BI – business indicator

BIA – basic indicator approach

BIC – business indicator component

CBA – cost benefit analysis

CCPs – central counterparties

CCR – counterparty credit risk

CDS – credit default swaps

CET1 – Common Equity Tier 1

CFD – contracts for difference

CIU – collective investment undertaking

CMD – correct modified duration

CP – consultation paper

CRD V – Capital Requirements Directive V

CRM – credit risk mitigation

CRR or Capital Requirements Regulation – the onshored and amended UK version of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012

C-SREP – Capital-Supervisory Review and Evaluation Process

CTP – correlation trading portfolios

CVA – credit valuation adjustment

DP – discussion paper

DRC – default risk charge

DRC-IMA – default risk charge-internal models approach

EAD – exposure at default

EBA – European Banking Authority

EE – expected exposure

EEA – European Economic Area

EEPE – effective expected positive exposure

ELGD – expected loss given default

EMIR – European Market Infrastructure Regulation

EPA – external party approach

ES – expected shortfall

ESMA – European Securities and Markets Authority

EU – European Union

EUR – euro

FBA – fall-back approach

FCA – Financial Conduct Authority

FC – financial component

FPC – financial policy committee

FRTB – Fundamental Review of the Trading Book

FS Act – Financial Services Act 2021

FSMA 2000 – Financial Services and Markets Act 2000

FMSA 2023 – Financial Services and Markets Act 2023

FX – foreign exchange

GBP – Great British Pound

GSE – government sponsored enterprise

HMT – HM Treasury

ICAAP – Internal Capital Adequacy Assessment Process

ICR – Interim Capital Regime

ILDC – interest, leases, and dividend component

ILM – internal loss multiplier

IM – internal model

IMA – internal model approach

IMM – internal model method

IRB – internal ratings based

IRR – internal rate of return

JTD – jump to default

LC – loss component

LGD – loss given default

LTA – look-through approach

MBA – mandate-based approach

MPoR – margin period of risk

MRT – material risk takers

MtM – mark to market

NFC – non-financial counterparty

NMRF – non-modellable risk factors

ORC – operational risk capital

OTC – over-the-counter

P&L – profit and loss

PD – probability of default

PFE – potential future exposure

PLAT – profit and loss attribution test

PRA – Prudential Regulation Authority

PS – policy statement

PSA – pension scheme arrangement

QCCPs – qualifying central counterparties

RFB – ring-fenced body

RNIM – risks not in model

RNIV – risks not in value-at-risk

RRAO – residual risk add-on

RWA – risk-weighted asset

SA – standardised approach

SA-CCR – standardised approach to counterparty credit risk

SA-CVA – standardised approach to credit valuation adjustment

SbM – sensitivities-based method

SC – services component

SDDT – small domestic deposit taker

SFT – securities financing transaction

SFX – structural foreign exchange

SI – statutory instrument

SIF – significant influence function

SME – small and medium-sized enterprise

SMF – senior management function

SoP – statement of policy

SREP – supervisory review and evaluation process

SS – supervisory statement

SSA – simplified standardised approach

SVaR – stressed value-at-risk

TCR – Transitional Capital Regime

TRR – Temporary Recognition Regime

UCITS – undertakings for the collective investment in transferable securities

USD – United States dollar

VaR – value-at-risk