



## **ANNEX XIV – Instructions for the liquidity requirements templates**

### **Instructions on Table UK LIQA on liquidity risk management and on Template UK LIQ1 regarding LCR**

1. Institutions subject to Part Six of Regulation (EU) 575/2013<sup>1</sup> (“CRR”) shall disclose the information included in Table UK LIQA, Template UK LIQ1 and Table UK LIQB table in application of Article 451a CRR.

#### **Table UK LIQA - Liquidity risk management**

2. Institutions subject to Part Six CRR shall apply the instructions provided below in this Annex in order to complete table UK LIQA as presented in Annex XIII to this Implementing Regulation, in accordance with Article 451a(4) CRR.
3. For the purposes of table UK LIQA, institutions subject to Part Six CRR shall consider the text boxes provided in the template as free-text boxes. They shall provide relevant information, both qualitative and quantitative, on risk management objectives and policies for liquidity risk, depending upon their business models and liquidity risk profiles, organisation and functions involved in liquidity risk management, in accordance with Article 435(1) CRR and the Commission Delegated Regulation (EU) 2015/61<sup>2</sup> with regard to liquidity coverage requirement for Credit Institutions.

#### **Template UK LIQ1 - Quantitative information of LCR**

4. Institutions subject to Part Six CRR shall apply the instructions provided below in this Annex in order to complete template UK LIQ1 as presented in Annex XIII to this Implementing Regulation, in accordance with Article 451a(2) CRR.
5. When disclosing the information required in this template, institutions subject to Part Six CRR shall include the values and figures required for each of the four calendar quarters (January-March, April-June, July-September, October-December) preceding the disclosure date. Institutions shall calculate these values and figures as the simple averages of month-end observations over the twelve months preceding the end of each quarter.
6. The information required in template UK LIQ1 shall include all items irrespective of the currency in which they are denominated and shall be disclosed in the reporting currency as defined in Article 3 of Commission Delegated Regulation (EU) 2015/61.
7. In order to calculate the unweighted and weighted inflows and outflows and the weighted HQLA for the purpose of template UK LIQ1, institutions shall apply the following instructions:

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<sup>1</sup> REGULATION (EU) 2019/876 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150/1, 7.6.2019)

<sup>2</sup> COMMISSION DELEGATED REGULATION (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11/1, 17.1.2015)

- (a) Inflows/outflows: the unweighted value of inflows and outflows shall be calculated as the outstanding balances of various categories or types of liabilities, off-balance sheet items or contractual receivables. The 'weighted' value for inflows and outflows shall be calculated as the value after the inflow and outflow rates are applied.
- (b) HQLA: the 'weighted' value of High Quality Liquid Assets (HQLA) shall be calculated as the value after haircuts are applied.
8. In order to calculate the adjusted value of the liquidity buffer in item 21 and the adjusted value of total net cash outflows in item 22 of Template UK LIQ1, institutions shall apply each of the following instructions:
- (a) the adjusted value of the liquidity buffer is the value of total HQLA after the application of both haircuts and any applicable cap;
- (b) the adjusted value of net cash outflows shall be calculated after the cap on inflows is applied, where applicable.

Legal references and instructions	
Row number	Explanation
1	<p><b>Total high quality liquid assets (HQLA)</b></p> <p>Institutions shall disclose as the weighted value the amount in accordance with Article 9 of Commission Delegated Regulation (EU) 2015/61 of the liquid assets before applying the adjustment mechanism as referred to in Article 17(2) of Commission Delegated Regulation (EU) 2015/61.</p>
2	<p><b>Retail deposits and deposits from small business customers, of which:</b></p> <p>Institutions shall disclose as the unweighted value the amount of the retail deposits in accordance with Articles 24 and 25 of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose as the weighted value the outflow of the retail deposits in accordance with Articles 24 and 25 of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose here on retail deposits in accordance with Article 411(2) CRR.</p> <p>In accordance with Article 28(6) of Commission Delegated Regulation (EU) 2015/61 institutions shall also disclose within the appropriate retail deposit category the amount of the notes, bonds and other securities issued which are sold exclusively in the retail market and held in a retail account. Institutions will consider for this category of liability the applicable outflow rates provided for by the Commission Delegated Regulation (EU) 2015/61 for the different categories of retail deposits.</p>

3	<p><b>Stable deposits</b></p> <p>Institutions shall disclose as the unweighted value the sum of the amount of the stable deposits in accordance with Article 24 of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose as the weighted value the sum of the outflow of the stable deposits in accordance with Article 24 of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose here the part of the amounts of retail deposits covered by a Deposit Guarantee Scheme in accordance with Directive 94/19/EC<sup>3</sup> or Directive 2014/49/EU<sup>4</sup> or an equivalent deposit guarantee scheme in a third country and either is part of an established relationship making withdrawal highly unlikely or is held in a transactional account in accordance with Article 24 (2) and (3) of the Commission Delegated Regulation (EU) 2015/61 respectively and where:</p> <ul style="list-style-type: none"> <li>• These deposits do not fulfil the criteria for a higher outflow rate in accordance with Article 25(2), (3), or (5) of Commission Delegated Regulation (EU) 2015/61, and</li> <li>• These deposits have not been taken in third countries where a higher outflow is applied in accordance with Article 25(5) of Commission Delegated Regulation (EU) 2015/61.</li> </ul>
4	<p><b>Less stable deposits</b></p> <p>Institutions shall disclose as the unweighted value the sum of the amount of the retail deposits in accordance with Article 25 (1), (2) and (3) of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose as the weighted value the sum of the outflow of the retail deposits in accordance with Article 25(1), (2) and (3) of Commission Delegated Regulation (EU) 2015/61.</p>
5	<p><b>Unsecured wholesale funding</b></p> <p>Institutions shall disclose the sums of the unweighted and weighted amounts that are necessary to be disclosed in row {6} 'Operational deposits (all counterparties) and deposits in networks of cooperative banks', row {7} 'Non-operational deposits (all counterparties)' and row {8} 'Unsecured debt' of these instructions.</p>
6	<p><b>Operational deposits (all counterparties) and deposits in networks of cooperative banks</b></p>

<sup>3</sup> DIRECTIVE 94/19/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 30 May 1994 on deposit-guarantee schemes (OJ L135.5, 31.5.1994)

<sup>4</sup> DIRECTIVE 2014/49/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014 on deposit guarantee schemes (OJ 173/149, 12.6.2014)

	<p>Institutions shall disclose as the unweighted value the amount of the operational deposits in accordance with Article 27 of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose as the weighted value the outflows of the operational deposits in accordance with Article 27 of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose here the part of the operational deposits, in accordance with Article 27 of the Commission Delegated Regulation (EU) 2015/61, which is necessary for the provision of operational services. Deposits arising out of a correspondent banking relationship or from the provision of prime brokerage services shall be considered non-operational deposits in accordance with Article 27(5) of Commission Delegated Regulation (EU) 2015/61.</p> <p>The part of the operational deposits in excess of the amount necessary for the provision of operational services shall not be disclosed here.</p>
7	<p><b>Non-operational deposits (all counterparties)</b></p> <p>Institutions shall disclose as the unweighted value the amount of the non-operational deposits following Article 27(5), Article 28(1) and Article 31A(1) of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose as the weighted value the outflow of the non-operational deposits following Article 27(5), Article 28(1) and Article 31A(1) of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall disclose here on deposits arising out of a correspondent banking or from the provision of prime brokerage services in accordance with Article 27(5) of Commission Delegated Regulation (EU) 2015/61.</p> <p>The part of operational deposits in accordance with Article 27(5) of Commission Delegated Regulation (EU) 2015/61, in excess of those required for the provision of operational services, shall be disclosed here.</p>
8	<p><b>Unsecured debt</b></p> <p>Institutions shall disclose as the unweighted value the outstanding balance of notes, bonds and other debt securities, issued by the institution other than that disclosed as retail deposits as referred to in Article 28(6) of Commission Delegated Regulation (EU) 2015/61. This amount includes also coupons that come due in the next 30 calendar days referred to all these securities.</p> <p>Institutions shall disclose as the weighted value the outflow of those notes, bonds and other debt securities indicated in the previous paragraph.</p>
9	<p><b>Secured Wholesale funding</b></p> <p>Institutions shall disclose as the weighted value the sum of the outflow resulting from secured lending or capital market-driven transactions as referred to in in Article 28(3) of Commission Delegated Regulation (EU) 2015/61 and from collateral swaps and other transactions with a similar form</p>

	in accordance with Articles 28(4) of Commission Delegated Regulation (EU) 2015/61.
10	<p><b>Additional requirements</b></p> <p>Institutions shall disclose the sums of the unweighted and weighted amounts that are necessary to be disclosed in row {11} 'Outflows related to derivative exposures and other collateral requirements', row {12} 'Outflows related to loss of funding on debt products' and row {13} 'Credit and liquidity facilities' of these instructions.</p>
11	<p><b>Outflows related to derivative exposures and other collateral requirements</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the sum of the following amounts and outflows respectively:</p> <ul style="list-style-type: none"> <li>• The market value and relevant outflows of collateral other than Level 1 collateral which is posted for contracts listed in Annex II CRR and credit derivatives, following Article 30(1) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• The market value and relevant outflows of Level 1 EHQ Covered Bonds assets collateral posted for contracts listed in Annex II CRR and credit derivatives following Article 30(1) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• The total amount of additional outflows calculated and notified to the competent authorities in accordance with Article 30(2) of Commission Delegated Regulation (EU) 2015/61 as material outflows due to deterioration of own credit quality.</li> <li>• The amount of outflows stemming from an impact of an adverse market scenario on derivatives transactions as envisaged in Article 30(3) of Commission Delegated Regulation (EU) 2015/61 and calculated in accordance with Commission Delegated Regulation (EU) 2017/208<sup>5</sup>.</li> <li>• The amount of outflows expected over 30 calendar days from contracts listed in Annex II CRR and from credit derivatives as envisaged in Article 30(4) of Commission Delegated Regulation (EU) 2015/61 and calculated in accordance with Article 21 of Commission Delegated Regulation (EU) 2015/61.</li> <li>• The market value, and relevant outflows, of excess collateral that the institution holds and that can be contractually called at any times by the counterparty as envisaged in point (a) of Article 30(6) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• The market value, and relevant outflows, of collateral that is due to be posted to counterparty within the 30 calendar day period as envisaged in point (b) of Article 30(6) of Commission Delegated Regulation (EU) 2015/61.</li> </ul>

<sup>5</sup> COMMISSION DELEGATED REGULATION (EU) 2017/208 of 31 October 2016 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for additional liquidity outflows corresponding to collateral needs resulting from the impact of an adverse market scenario on an institution's derivatives transactions (OJ L 33/14, 8.2.2017)

	<ul style="list-style-type: none"> <li>The market value, and relevant outflows, of collateral that qualifies as liquid assets for the purpose of Title II of Commission Delegated Regulation (EU) 2015/61 that can be substituted for assets corresponding to assets that would not qualify as liquid assets for the purpose of Title II of the same Regulation without the consent of the institution, as envisaged in point (c) of Article 30(6) of Commission Delegated Regulation (EU) 2015/61.</li> </ul>
12	<p><b>Outflows related to loss of funding on debt products</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the amount and outflows respectively, of the loss of funding on structured financing activities, as envisaged in Article 30(8) to 30(10) of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall assume 100 % outflow for loss of funding on asset backed securities, covered bonds and other structured financing instruments maturing within the 30 calendar day period issued by the credit institution or by sponsored conduits or SPVs.</p> <p>Institutions that are providers of liquidity facilities associated with financing programs disclosed here do not need to double count the maturing financing instrument and the liquidity facility for consolidated programs.</p>
13	<p><b>Credit and liquidity facilities</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the amount and outflow respectively, of the credit and liquidity facilities in accordance with Article 31 of Commission Delegated Regulation (EU) 2015/61.</p> <p>Institutions shall also disclose here on committed facilities in accordance with Article 29 of the Commission Delegated Regulation (EU) 2015/61.</p>
14	<p><b>Other contractual funding obligations</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the sum of the amounts and outflows respectively, of the following items:</p> <ul style="list-style-type: none"> <li>Assets borrowed on an unsecured basis, and maturing within the 30 days as envisaged in Article 28(7) of Commission Delegated Regulation (EU) 2015/61. These assets shall be assumed to run off in full, leading to a 100 % outflow. Institutions shall disclose the market value of assets borrowed on an unsecured basis and maturing within the 30 days period where the credit institution does not own the securities and they do not form part of institutions liquidity buffer.</li> <li>Short positions covered by an unsecured security borrowing. As established in Article 30(5) of Commission Delegated Regulation (EU) 2015/61, institutions shall add an additional outflow corresponding to 100% of the market value of the securities or other assets sold short unless the terms upon which the credit institution has borrowed them require their return only after 30 calendar days. If the short position is covered by a collateralized securities financing transaction, the credit</li> </ul>

	<p>institution shall assume the short position will be maintained throughout the 30 calendar day period and received a 0% outflow.</p> <ul style="list-style-type: none"> <li>• Liabilities resulting from operating expenses. As established in Article 28(2) of Commission Delegated Regulation (EU) 2015/61, institutions shall disclose the amount of the outstanding balance of liabilities resulting from the credit institution's own operating expenses. These liabilities do not trigger outflows.</li> <li>• Other unsecured transactions that come due in the next 30 calendar days and are not included in Articles 24 to 31 of Commission Delegated Regulation (EU) 2015/61, that, as established in Article 31A(1) of Commission Delegated Regulation (EU) 2015/61, trigger 100% outflows.</li> </ul>
15	<p><b>Other contingent funding obligations</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the sum of the amounts and outflows respectively, of the following items:</p> <ul style="list-style-type: none"> <li>• Other products and services as referred to in Article 23 of Commission Delegated Regulation (EU) 2015/61. Institutions shall disclose here on those products or services referred to in Article 23(1) of Commission Delegated Regulation (EU) 2015/61. The amount to be disclosed shall be the maximum amount that could be drawn from those products or services referred to in Article 23(1) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• Excess of contractual commitments to extend funding to non-financial customers within 30 calendar days as envisaged in Article 31A(2) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• Internal netting of clients positions in accordance with Article 30(11) of Commission Delegated Regulation (EU) 2015/61. Institutions shall disclose here the market value of the non-liquid assets of a client that, in relation to prime brokerage services, the credit institution has used to cover short sales of another client by internally matching them.</li> </ul>
16	<p><b>TOTAL CASH OUTFLOWS</b></p> <p>Institutions shall disclose the sum of the weighted value of the following items under these instructions:</p> <ul style="list-style-type: none"> <li>• Row {2} Retail deposits and deposits from small business customers</li> <li>• Row {5} Unsecured wholesale funding,</li> <li>• Row {9} Secured wholesale funding,</li> <li>• Row {10} Additional requirements,</li> <li>• Row {14} Other contractual funding obligations and</li> <li>• Row {15} Other contingent funding obligations.</li> </ul>
17	<p><b>Secured lending (e.g. reverse repos)</b></p> <p>Institutions shall disclose as the unweighted value the sum of:</p> <ul style="list-style-type: none"> <li>• The amounts of secured lending and capital market driven transactions with a residual maturity of no more than 30 days as</li> </ul>

	<p>envisaged in points (b), (c) and (f) of Article 32(3) of Commission Delegated Regulation (EU) 2015/61.</p> <ul style="list-style-type: none"> <li>• The market value of collateral lent in collateral swaps as envisaged in Article 32(3) of Commission Delegated Regulation (EU) 2015/61.</li> </ul> <p>Institutions shall disclose as the weighted value the sum of:</p> <ul style="list-style-type: none"> <li>• Inflows from secured lending and capital market driven transactions with a residual maturity of no more than 30 days as envisaged in points (b), (c) and (f) of Article 32(3) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• Inflows from collateral swaps as envisaged in Article 32(3) of Commission Delegated Regulation (EU) 2015/61.</li> </ul>
18	<p><b>Inflows from fully performing exposures</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the sum of the total amounts and inflows, respectively, of the items:</p> <ul style="list-style-type: none"> <li>• monies due from non-financial customers (except for central banks) as envisaged in point (a) of Article 32(3) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• monies due from central banks and financial customers as envisaged in point (a) of Article 32(2) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• monies due from trade financing transactions as envisaged in point (b) of Article 32(2) of Commission Delegated Regulation (EU) 2015/61 with a residual maturity of no more than 30 days in accordance with point (b) of Article 32(2) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• inflows corresponding to outflows in accordance with promotional loan commitments as referred to in Article 31(9) of Commission Delegated Regulation (EU) 2015/61.</li> </ul>
19	<p><b>Other cash inflows</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the sum of the total amounts and inflows respectively, of the items:</p> <ul style="list-style-type: none"> <li>• monies due from securities maturing within 30 days as envisaged in point (c) of Article 32(2) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• loans with an undefined contractual end date as envisaged in point (i) of Article 32(3) of Commission Delegated Regulation (EU) 2015/61.</li> <li>• monies due from positions in major index equity instruments provided that there is no double counting with liquid assets as envisaged in point (d) of Article 32(2) of Commission Delegated Regulation (EU) 2015/61. Position shall include monies contractually due within 30 calendar days, such as cash dividends from those major indexes and cash due from those equity instruments sold but not yet settled, if they are not recognized as liquid assets in accordance with Title II of Commission Delegated Regulation (EU) 2015/61.</li> </ul>



	<ul style="list-style-type: none"> <li>inflows from the release of balances held in segregated accounts in accordance with regulatory requirements for the protection of customer trading assets as envisaged in Article 32(4) of Commission Delegated Regulation (EU) 2015/61. Inflows shall only be considered if these balances are maintained in liquid assets as specified in Title II of Commission Delegated Regulation (EU) 2015/61.</li> <li>inflows from derivatives as envisaged in Article 32(5) in conjunction with Article 21 of Commission Delegated Regulation (EU) 2015/61.</li> <li>inflows from undrawn credit or liquidity facilities provided by members of a group or an institutional protection scheme where the competent authorities have granted permission to apply a higher inflow rate in accordance with Article 34 of Commission Delegated Regulation (EU) 2015/61.</li> <li>other inflows following Article 32(2) of Commission Delegated Regulation (EU) 2015/61.</li> </ul>
UK-19a	<p><b>(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)</b></p> <p>As envisaged in Article 32(8) of Commission Delegated Regulation (EU) 2015/61, institutions shall disclose as the weighted value the excess of those weighted inflows with respect to those outflows. .</p>
UK-19b	<p><b>(Excess inflows from a related specialised credit institution)</b></p> <p>As envisaged in point (e) of Article 2(3) and in Article 33(6) of Commission Delegated Regulation (EU) 2015/61, credit institutions, for the purposes of disclosing in a consolidated basis, shall disclose as the weighted value the inflows arising from a related specialised credit institution referred to in Article 33(3) and (4) of Commission Delegated Regulation (EU) 2015/61 that are in excess of the amount of outflows arising from the same undertaking.</p>
20	<p><b>TOTAL CASH INFLOWS</b></p> <p>Institutions shall disclose the sum of the unweighted and weighted value of the following items under these instructions:</p> <ul style="list-style-type: none"> <li>Row {17} Secured lending (e.g. reverse repos)</li> <li>Row {18} Inflows from fully performing exposures</li> <li>Row {19} Other cash inflows</li> <li>minus:</li> <li>Row {UK-19a} (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)</li> <li>Row {UK-19b} (Excess inflows from a related specialised credit institution).</li> </ul>
UK-20a	<b>Fully exempt inflows</b>

	<p>Institutions shall disclose as the unweighted value and as the weighted value the total amount of assets/monies due/maximum amount that can be drawn and their relevant total inflows, respectively, which are exempted from the cap on inflows in accordance with Article 32, Article 33 and Article 34 of Commission Delegated Regulation (EU) 2015/61.</p>
UK-20b	<p><b>Inflows subject to 90% cap</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the total amount of assets/monies due/maximum amount that can be drawn and their relevant total inflows, respectively, which are subject to the 90% inflows cap in accordance with Article 32, Article 33 and Article 34 of Commission Delegated Regulation (EU) 2015/61.</p>
UK-20c	<p><b>Inflows subject to 75% cap</b></p> <p>Institutions shall disclose as the unweighted value and as the weighted value the total amount of assets/monies due/maximum amount that can be drawn and their relevant total inflows, respectively, which are subject to the 75% inflows cap in accordance with Article 32, Article 33 and Article 34 of Commission Delegated Regulation (EU) 2015/61.</p>
UK-21	<p><b>LIQUIDITY BUFFER</b></p> <p>Institutions shall disclose as the adjusted value the value of the institution's Liquidity buffer calculated in accordance with Annex I – Formulae for the determination of the liquidity buffer composition of Commission Delegated Regulation (EU) 2015/61.</p>
22	<p><b>TOTAL NET CASH OUTFLOWS</b></p> <p>Institutions shall disclose as the adjusted value the net liquidity outflow which equals total outflows less the reduction for fully exempt inflows less the reduction for inflows subject to the 90% cap less the reduction for inflows subject to the 75% cap.</p>
23	<p><b>LIQUIDITY COVERAGE RATIO (%)</b></p> <p>Institutions shall disclose as the adjusted value the percentage of the item 'Liquidity coverage ratio (%)' as defined in Article 4(1) of Commission Delegated Regulation (EU) 2015/61.</p> <p>The liquidity coverage ratio shall be equal to the ratio of a credit institution's liquidity buffer to its net liquidity outflows over a 30 calendar day stress period and shall be expressed as a percentage.</p>

**Table UK LIQB on qualitative information on LCR, which complements template UK LIQ1.**

9. Institutions subject to Part Six of CRR shall apply the instructions provided below in this Annex in order to complete table UK LIQB as presented in Annex XIII to this Implementing Regulation, in accordance with Article 451a(2) CRR.
10. Table UK LIQB shall provide qualitative information on the items included in Template UK LIQ1 on quantitative information on LCR.
11. Institutions subject to Part Six CRR shall consider the text boxes provided in this table as free-text boxes and disclose the items included there, where possible, in accordance with their consideration in the context of the definition of the LCR in Commission Delegated Regulation (EU) 2015/61 and of the additional liquidity monitoring metrics as set out in Chapter 7b of Commission Implementing Regulation (EU) No 680/2014<sup>6</sup>.

#### **Instructions on Template UK LIQ2 on disclosure of Net Stable Funding Ratio (NSFR)**

12. Institutions subject to Part Six CRR shall disclose the information included in Template UK LIQ2 in application of Article 451a(3) CRR in accordance with the instructions included in this Annex. Quarter-end figures for each quarter of the relevant disclosure period shall be disclosed. For e.g. annual disclosure this includes four data sets covering the latest and the three previous quarters.
13. The information required in template UK LIQ2 shall include all assets, liabilities and off-balance sheet items irrespective of the currency in which they are denominated and shall be disclosed in the reporting currency as defined in Article 411(15) CRR.
14. In order to avoid any double counting, institutions shall not disclose assets or liabilities that are associated with collateral posted or received as variation margin in accordance with Articles 428k(4) and with Article 428ah(2) CRR, initial margin and contribution to the default fund of a CCP in accordance with point (a) of Article 428ag and with point (b) of Article 428ag CRR.
15. Deposits maintained in the context of an institutional protection scheme or a cooperative network that are considered as liquid assets shall be disclosed as such. Other items within a group or an institutional protection scheme shall be disclosed in the relevant general categories in the template of stable funding required or available.
16. Institutions shall always disclose as “Unweighted value by residual maturity” in columns a, b, c and d of the template the accounting values, except for the cases of derivative contracts, for which institutions shall refer to the fair value as specified in Article 428d(2) CRR.
17. Institutions shall disclose the “weighted value” in column e. This value shall reflect the value in accordance with Article 428c(2) CRR which is the result of the unweighted value multiplied by the stable funding factors.

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<sup>6</sup> COMMISSION IMPLEMENTING REGULATION (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ 191/1, 28.6.2014)

18. The amount of assets and liabilities resulting from securities financing transactions (SFTs) with a single counterparty shall be considered on a net basis where Article 428e CRR applies. In the case that the individual transactions netted were subject to different required stable funding (RSF) factors if they were considered separately, the netted amount to be disclosed, if an asset, shall be subject to the higher RSF factor of them.
19. Institutions shall provide in the narrative accompanying this template any explanations needed to facilitate an understanding of the results and the accompanying data. At least, institutions shall explain:
  - a. the drivers of their NSFR results and the reasons for intra-period changes as well as the changes over time (e.g., changes in strategies, funding structure, circumstances); and
  - b. the composition of the institution's interdependent assets and liabilities and to what extent these transactions are interrelated.

#### **Available stable funding (ASF) Items**

20. In accordance with Article 428i CRR, unless specified otherwise in Chapter 3 of Title IV of Part Six CRR, the amount of available stable funding (ASF) shall be calculated by multiplying the amount of liabilities and own funds, as unweighted value, by the available stable funding factors. The weighted value disclosed in column "e" reflects the amount of available stable funding.
21. All liabilities and own funds shall be disclosed with a breakdown by their residual maturity in columns a, b, c and d, calculated in accordance with Articles 428j, 428o and 428ak CRR, with the following breakdown in terms of maturity buckets:
  - a. no maturity: Items to be disclosed in the "no maturity" time bucket do not have a stated maturity or are perpetual;
  - b. residual maturity of less than six months;
  - c. residual maturity of a minimum of six months but less than one year; and
  - d. residual maturity of one year or more.

#### **Required stable funding (RSF) Items**

22. Institutions shall disclose in the appropriate category all assets on which they retain beneficial ownership even if they are not accounted for in their balance sheet. Assets on which institutions do not retain beneficial ownership shall not be disclosed even if these assets are accounted for in their balance sheet.
23. In accordance with Article 428p CRR, unless specified otherwise in Chapter 4 of Title IV of Part Six CRR, the amount of required stable funding (RSF) shall be calculated by multiplying the unweighted value of assets and off-balance sheet items by the required

stable funding factors.

24. Assets that are eligible as high-quality liquid assets (HQLA) in accordance with Commission Delegated Regulation (EU) 2015/61 shall be disclosed as such, in a designated row regardless of their residual maturity.
25. All non-HQLA assets and off-balance sheet items shall be disclosed with a breakdown by their residual maturity in accordance with Article 428q CRR. The maturity buckets of the amounts, standard factors and applicable factors are the following:
  - a. residual maturity of less than six months or without stated maturity;
  - b. residual maturity of a minimum of six months but less than one year; and
  - c. residual maturity of one year or more.

FOR CONSULTATION ONLY

<b>Legal references and instructions</b>	
<b>Row</b>	<b>Explanation</b>
	<b>Available stable funding (ASF) Items</b>
1	<p><b>Capital items and instruments</b></p> <p>Institutions shall disclose here the sum of row 2 and row 3.</p>
2	<p><b>Own funds</b></p> <p>Points (a), (b) and (c) of Article 428o CRR.</p> <p>Institutions shall include here the sum of the following items:</p> <ul style="list-style-type: none"> <li>• common Equity Tier 1 (CET1) items before the application of prudential filters, deductions and exemption or alternatives stipulated in Articles 32 to 36, 48, 49 and 79 CRR;</li> <li>• additional Tier 1 items (AT1) before the application of the deductions and exemptions stipulated in Articles 56 and 79 CRR; and</li> <li>• tier 2 (T2) items before the application of the deductions and exemptions stipulated in Articles 66 and 79 CRR and having a residual maturity of one year or more at the disclosure reference date.</li> </ul> <p>CET1 and AT1 items are perpetual instruments that shall be disclosed in the “no maturity” bucket. In the case of AT1 items callable by the institution, only if the time period to the date of the call options is below one year, they will not be disclosed in the no maturity bucket but in the applicable time bucket (i.e., residual maturity of less than six months or residual maturity of a minimum of six months but less than one year). This is regardless of whether the option has been exercised or not.</p> <p>Regarding T2 items, the maturity bucket of one year or more shall include those instruments with an equivalent residual maturity and, in the exceptional cases of T2 instruments with no maturity, also these instruments. In case T2 items were callable by the institution, and irrespective of whether the institution has exercised the call option, the residual maturity of the instrument will be determined by the date of the call option. In this case, the institution shall disclose these items in the relevant time bucket and shall not apply a 100% ASF factor if the option may be exercised within one year.</p>
3	<p><b>Other capital instruments</b></p> <p>Point (d) of Article 428o and point (d) of Article 428k(3) CRR.</p> <p>Other capital instruments with a residual maturity of one year or more at the disclosure reference date.</p> <p>In case other capital instruments were callable by the institution, and</p>

	irrespective of whether the institution has exercised the call option, the residual maturity of the instrument will be determined by the date of the call option. In this case, the institution shall disclose these items in the relevant time bucket and shall not apply a 100% ASF factor if the option may be exercised within one year.
4	<p><b>Retail deposits</b></p> <p>Institutions shall disclose here the sum of row 5 and row 6.</p>
5	<p><b>Stable retail deposits</b></p> <p>Article 428n CRR.</p> <p>Institutions shall include the part of the amounts of retail deposits covered by a Deposit Guarantee Scheme in accordance with Directive 94/19/EC or Directive 2014/49/EU or an equivalent deposit guarantee scheme in a third country and either is part of an established relationship making withdrawal highly unlikely or is held in a transactional account in accordance with Articles 24(2) and (3) of Commission Delegated Regulation (EU) 2015/61 respectively and where:</p> <ul style="list-style-type: none"> <li>• these deposits do not fulfill the criteria for a higher outflow rate in accordance with Articles 25(2), (3) and (5) of Commission Delegated Regulation (EU) 2015/61 in which case they shall be included as “less stable deposits”; or</li> <li>• these deposits have not been taken in third countries where a higher outflow is applied in accordance with Article 25(5) of Commission Delegated Regulation (EU) 2015/61 in which case they shall be included as “less stable deposits”.</li> </ul>
6	<p><b>Less stable retail deposits</b></p> <p>Article 428m CRR.</p> <p>Institutions shall disclose the amount of other retail deposits than those captured as “stable retail deposits” in row 5 of this template.</p>
7	<p><b>Wholesale funding:</b></p> <p>Institutions shall disclose here the sum of row 8 and row 9.</p>
8	<p><b>Operational deposits</b></p> <p>Point (a) of Article 428l CRR.</p> <p>Institutions shall disclose here the part of deposits received (both from financial customers and from other non-financial customers) that fulfil the criteria for operational deposits set out with Article 27 of Commission Delegated Regulation (EU) 2015/61 which is necessary for the provision of operational services. Operational deposits in excess of the amount necessary for the provision of operational services shall not be included here but within</p>

	<p>row 9, "Other wholesale funding".</p> <p>Deposits arising out of a correspondent banking relationship or from the provision of prime brokerage services shall be considered non-operational deposits in accordance with Article 27(5) of Commission Delegated Regulation (EU) 2015/61 and shall be disclosed under row 9 "Other wholesale funding."</p>
9	<p><b>Other wholesale funding</b></p> <p>Points (b) to (d) of Article 428l, Article 428g and points (c) and (d) of Article 428k (3) CRR.</p> <p>Institutions shall disclose here wholesale funding other than the amount of operational deposits that is necessary for the provision of operational services. This shall include liabilities provided by central governments, regional governments, local authorities, public sector entities, multilateral development banks, international organisations, central banks and by any other non-financial or financial customers as well as liabilities where the counterparty cannot be determined, including securities issued where the holder cannot be identified.</p>
10	<p><b>Interdependent liabilities</b></p> <p>Point (b) of Article 428k(3) CRR.</p> <p>Institutions shall disclose liabilities that, having been approved by the relevant competent authority, are treated as interdependent with assets in accordance with Article 428f CRR.</p>
11	<p><b>Other liabilities</b></p> <p>Institutions shall disclose here the sum of rows 12 and 13.</p>
12	<p><b>NSFR derivative liabilities</b></p> <p>Article 428k(4) CRR.</p> <p>Institutions shall disclose the absolute amount of the negative difference between netting sets calculated in accordance with Article 428k(4) CRR.</p>
13	<p><b>All other liabilities and capital instruments not included in the above categories</b></p> <p>Articles 428k(1) and 428k(3) CRR.</p> <p>Institutions shall disclose here the sum of the following items:</p> <ul style="list-style-type: none"> <li>• trade date payables arising from purchases of financial instruments, foreign currencies and commodities that are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transactions or that have failed to, but are</li> </ul>



	<p>still expected to settle, in accordance with point (a) of Article 428k(3) CRR;</p> <ul style="list-style-type: none"> <li>• deferred tax liabilities, considering the nearest possible date on which their amount can be realised as residual maturity, in accordance with point (a) of Article 428k(2) CRR;</li> <li>• minority interests, considering the term of the instrument as residual maturity, in accordance with point (b) of Article 428k(1) CRR; and</li> <li>• other liabilities, for example short positions and open maturity positions, in accordance with Articles 428k(1) and 428k(3) CRR.</li> </ul>
14	<p><b>Total available stable funding (ASF)</b></p> <p>Chapter 3 of Title IV of Part Six CRR.</p> <p>Institutions shall disclose here the total of the items providing available stable funding in accordance with Chapter 3 of Title IV of Part Six CRR (sum of rows 1, 4, 7, 10 and 11).</p>
	<p><b>Required stable funding (RSF) Items</b></p>
15	<p><b>Total high-quality liquid assets (HQLA)</b></p> <p>Institutions shall also include here encumbered and unencumbered high-quality liquid assets pursuant to Commission Delegated Regulation (EU) 2015/61, regardless if they comply with the operational requirements referred to in Article 8 of that Delegated Regulation, in accordance with Articles 428r to 428ae CRR.</p>
UK-15a	<p><b>Assets encumbered for a residual amount of one year or more in a cover pool</b></p> <p>Article 428ag(h) CRR.</p> <p>Institutions shall disclose here the amount of monies due from loans that are not in default in accordance with Article 178 CRR and liquid assets, that are encumbered for a residual maturity of one year or more in a cover pool funded by covered bonds as referred to in Article 52(4) of Directive (EC) 2009/65<sup>7</sup> or covered bonds which meet the eligibility requirements for the treatment as set out in Article 129(4) or (5) CRR.</p>
16	<p><b>Deposits held at other financial institutions for operational purposes</b></p> <p>Point (b) of Article 428ad CRR</p> <p>Institutions shall disclose here those amounts of monies due from loans that are not in default in accordance with Article 178 CRR, that are operational</p>

<sup>7</sup> DIRECTIVE 2009/65/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302/32, 17.11.2009, p. 32)

	deposits pursuant to Commission Delegated regulation (EU) 2015/61 and necessary for the provision of operational services.
17	<p><b>Performing loans and securities:</b></p> <p>Institutions shall disclose here the sum of rows 18, 19, 20, 22 and 24.</p>
18	<p><b>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</b></p> <p>Article 428e, point (g) of Article 428r(1) and point (b) of Article 428s CRR.</p> <p>Institutions shall disclose here the amount of monies due from securities financing transactions, that are not in default in accordance with Article 178 CRR, with financial customers and that are collateralized by level 1 assets eligible for 0% haircut pursuant to Commission Delegated Regulation (EU) 2015/61.</p>
19	<p><b>Performing securities financing transactions with financial customers collateralised by other assets and other loans and advances to financial institutions</b></p> <p>Point (b) of Article 428s, point (d) of Article 428ad, point (b) of Article 428ah(1) and point (a) of Article 428v CRR.</p> <p>Institutions shall disclose here the sum of the following items:</p> <ul style="list-style-type: none"> <li>the amount of monies due from securities financing transactions, that are not in default in accordance with Article 178 CRR, with financial customers and are collateralized by assets other than level 1 assets eligible for 0% haircut pursuant to Commission Delegated Regulation (EU) 2015/61; and</li> <li>the amount of monies due from other loans and advances, that are not in default in accordance with Article 178 CRR, to financial customers, in accordance with point (a) of Article 428v and with point (d)(iii) of Article 428ad CRR.</li> </ul>
20	<p><b>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</b></p> <p>Point (c) of Article 428ad, 428af and point (c) of Article 428ag CRR</p> <p>Institutions shall disclose here those amounts of monies due from loans that are not in default in accordance with Article 178 CRR, which are residential loans fully guaranteed by an eligible protection provider as referred to in point (e) of Article 129(1) CRR or loans, excluding loans to financial customers and loans referred to in Articles 428r to 428ad except point (c) of Article 428ad CRR, regardless the risk weights assigned to these loans. This amount shall not include exposures secured by mortgages on residential property.</p>
21	<b>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</b>

	<p>Point (c) of Article 428ad and 428af CRR.</p> <p>Institutions shall disclose here those amounts of loans from row 21 which are assigned a risk weight of less than or equal to 35% in accordance with Chapter 2 of Title II of Part Three CRR.</p>
22	<p><b>Performing residential mortgages, of which:</b></p> <p>Point (c) of Article 428ad, point (a) of 428af and point (c) of 428ag CRR</p> <p>Institutions shall disclose here those amounts of monies due from loans that are not in default in accordance with Article 178 CRR, which are loans secured by mortgages on residential property, excluding loans to financial customers and loans referred to in Articles 428r to 428ad CRR, except paragraph (c) of Article 428ad CRR, regardless the risk weights assigned to these loans.</p>
23	<p><b>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</b></p> <p>Point (c) of Article 428ad and point (a) of 428af CRR.</p> <p>Institutions shall include here those amounts of loans from row 22, which are assigned a risk weight of less than or equal to 35% in accordance with Chapter 2 of Title II of Part Three CRR.</p>
24	<p><b>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</b></p> <p>Institutions shall disclose here the sum of:</p> <ul style="list-style-type: none"> <li>• following points (e) and (f) of Article 428ag CRR, securities that are not in default in accordance with Article 178 CRR and that are not liquid assets pursuant to Commission Delegated Regulation (EU) 2015/61, regardless if they comply with the operational requirements laid down therein; and</li> <li>• trade finance on-balance sheet related products in accordance with point (b) of Article 428v, point (e) of 428ad and point (d) of 428ag CRR.</li> </ul>
25	<p><b>Interdependent assets</b></p> <p>Article 428f and point (f) of Article 428r(1) CRR.</p> <p>Institutions shall disclose here assets that, having been authorized by competent authorities, are being interdependent with liabilities in accordance with Article 428f CRR.</p>
26	<p><b>Other assets:</b></p> <p>Institutions shall disclose here the sum of rows 27, 28, 29, 30, and 31.</p>

27	<p><b>Physically traded commodities</b></p> <p>Point (g) of Article 428ag CRR.</p> <p>Institutions shall disclose here the amount of physically traded commodities. This amount shall not include commodity derivatives.</p>
28	<p><b>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</b></p> <p>Institutions shall disclose here the sum of the following amounts:</p> <ul style="list-style-type: none"> <li>• the amount of required stable funding arising from derivatives, in accordance with Articles 428d, 428s(2), point (a) of Article 428ag and 428ah(2) CRR, which is related to initial margins for derivative contracts; and</li> <li>• The amount related to items posted as contribution to the default fund of a CCP, in accordance with point (b) of Article 428ag CRR.</li> </ul>
29	<p><b>NSFR derivative assets</b></p> <p>Articles 428d and 428ah(2) CRR.</p> <p>Institutions shall include here the amount of required stable funding arising from derivatives, in accordance with Articles 428d, 428s(2), point (a) of Article 428ag and 428ah(2) CRR, which is calculated as the absolute amount of the positive difference between netting sets calculated in accordance with Article 428ah(2) CRR.</p>
30	<p><b>NSFR derivative liabilities before deduction of variation margin posted</b></p> <p>Article 428s(2) CRR.</p> <p>Institutions shall disclose here the amount of required stable funding related to derivative liabilities, in accordance with Articles 428d, 428s(2), point (a) of 428ag and 428ah(2) CRR, which is the absolute fair value of netting sets with a negative fair value calculated in accordance with Article 428s(2) CRR.</p>
31	<p><b>All other assets not included in the above categories</b></p> <p>Institutions shall include here the sum of the following items:</p> <ul style="list-style-type: none"> <li>• trade date receivables in accordance with point (e) of Article 428r(1) CRR;</li> <li>• non-performing assets in accordance with point (b) of Article 428ah(1) CRR;</li> <li>• reserves at central banks that are not considered as HQLA; and</li> <li>• other assets not referred to in the previous items listed above.</li> </ul>

32	<b>Off-balance sheet items</b>  Institutions shall disclose here the amount of off-balance sheet items that are subject to the required stable funding requirements.
33	<b>Total required stable funding (RSF)</b>  Chapter 4 of Title IV of Part Six CRR.  Institutions shall include here the total items subject to the required stable funding in accordance with Chapter 4 of Title IV of Part Six CRR (sum of rows 15, UK-15a, 16, 17, 25, 26, and 32).
34	<b>Net Stable Funding Ratio (%)</b>  NSFR calculated in accordance with Article 428b(1) CRR.

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