



**Single
Rulebook
Q&A**

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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	99
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	FINREP Annex V, Part 2, 328
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Validation rules between template F 18.01 and F 24.01
Question	<p>We have three groups of rules affected:</p> <p>A. There are these validations in template F 18.01 :</p> <p>Template ID columns Formula</p> <p>F 18.01 v7866_m (0010) {r0050} >= {r0070} + {r0080}</p> <p>F 18.01 v7867_m (0010) {r0050} >= {r0090}</p> <p>F 18.01 v7868_m (0010) {r0100} >= {r0110}</p> <p>F 18.01 v7869_m (0010) {r0100} >= {r0120}</p>

	<p>F 18.01 v8114_m (0010) {r0050} >= {r0060} F 18.01 v8115_m (0010) {r0060} >= {r0070} F 18.01 v8116_m (0020) {r0050} <= {r0060} F 18.01 v8117_m (0020) {r0060} <= {r0070}</p> <p>B. There are validations between these templates:</p> <p>ID Formula</p> <p>v8509_i {F 18.01, r0060, c0010}=={F 24.01, r0020, c0050} v8510_i {F 18.01, r0060, c0020}=={F 24.01, r0120, c0050} v8511_i {F 18.01, r0070, c0010}=={F 24.01, r0020, c0060} v8512_i {F 18.01, r0070, c0020}=={F 24.01, r0120, c0060} v8513_i {F 18.01, r0080, c0010}=={F 24.01, r0020, c0070} v8514_i {F 18.01, r0080, c0020}=={F 24.01, r0120, c0070} v8517_i {F 18.01, r0110, c0010}=={F 24.01, r0020, c0030} v8518_i {F 18.01, r0110, c0020}=={F 24.01, r0120, c0030}</p> <p>C. And this within template F 24.01:</p> <p>ID Template Formula</p> <p>v8051_m F 24.01 {r0320} = {r0010} + {r0020} + {r0120}</p> <p>Knowing that we have to comply with rule group A, rules B and C cannot be complied simultaneously. What set of rules should we follow, B or C?</p>
<p>Background on the question</p>	<p>According to Annex V, templates 24.1 and 18.01 shall provide a reconciliation of the opening and closing balances of the volume of loans and advances, excluding those classified as financial assets intended for trading, held for trading or held for sale, which are classified as doubtful according to points 213 to 239 or 260. We do not have to take into account the reclassification that has occurred during the year to report the variation of the items “of which” in template F 18.01. If such is taken into account, and, for example, a change during the year in an enterprise size from Small and Medium-sized Enterprises to Large size is performed, we would be in breach of rules v8114_m and v8116_m. Based on that premise, we cannot both comply with the validation rules (v8509_i , v8510_i) and simultaneously with the validation rule v8051_m in column 0050 of template F 24.01.</p>
<p>EBA answer</p>	<p>The inflows and outflows refer only to the movements to/from the non-performing category and do not consider the possibility of any change in the classification of counterparty. Therefore, in case there is a change in the status of the size of the counterparty (i.e from Large to SME) and also an increase/decrease in the NPE amount, the modification of the SME attribute as an inflow/outflow in templates F 24.01 and F 18.01 should not be considered and the “of which SME” opening balance from template F 24.01 (row 010, column 050) should be adjusted adding/removing the amount previously considered as “non SME” to reflect the real situation at the reporting date.</p>

An example can illustrate this situation:

An operation in the previous period had the following attributes:

- NPE
- Non-financial corporations sector. Non-SME.
- Amount 400.000 €

In the current period, it has the following attributes:

- NPE
- Non-financial corporations sector. SMEs. (It changes to SME during the period)
- Amount 450.000 €

Therefore, it is an exposure with an increase in its doubtful amount, so such increase should be treated as an entry in both templates F 24.01 and F 18.01.

In F 24.01, in columns 010, 040 and 050:

- In row 010, the opening amount shall be reported (400 000).
- In row 020 (and sub-rows where relevant), the inflow shall be reported (50 000).
- In row 320, the closing balance of 450 000 shall be reported.

In F 18.01, the inflow of NPE (50 000) shall be reported in rows 050 and 060.

Instructions should be amended to reflect this specific situation.

Link

https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5613

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