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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	430
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2021/451 - ITS on supervisory reporting of institutions
Article/Paragraph	Annex V
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Interest income from other assets in F 02.00 and F 16.01
Question	Should 'Interest income - other assets' be the same in templates F 02.00 and F 16.01 (correctness of validation rule v5598_i and Q&A 4009)?
Background on the question	Based on Q&A 4009: 'Interest income and interest expenses in template F02-Statement of profit and loss are broken down by accounting portfolio and include an item for other assets or other liabilities for items that cannot be classified in accounting portfolios (Annex V, Part 1.13 to Regulation (EU) No 680/2014). Per Annex V, Part 2.36, row 080 - Interest income - Other assets of template F 02.00 shall include amounts of interest income not included in other items [in this template [which correspond to accounting portfolio]], like interest income related to cash, cash balances at central banks and other demand deposits and to non-current assets and disposal groups classified as held for sale as well as net interest income from net defined benefit asset. Per Annex V, Part 2.38, row 140 - Interest expenses - Other liabilities of template F 02.00 shall include amounts of interest expenses not included in the other items, like interest expenses related to liabilities included in disposal groups classified as held for sale, expenses derived from increases in the carrying amount of a provision reflecting the

passage of time or net interest expenses from net defined benefit liabilities. Template F 16.01 is a representation of the Interest income and interest expenses shown in template F 02.00 by type of instruments. Therefore, the accounting portfolios are presented in this template by instrument. For those assets and liabilities that cannot be classified by accounting portfolio, the interest income and expenses should be assigned to “other assets” and “other liabilities”. Therefore, ‘Interest income - other assets and ‘Interest expenses - other liabilities’ are the same in templates F 02.00 and F 16.01 and the validation rules v5598_i* and v5601_i are correct.” *v5598_i: {F 02.00, r0080, c0010}=={F 16.01, r0150, c0010} References presented in Regulation (EU) 2021/451, Annex III for template 16.01: Row 0080 Loans and Advances - Annex V.Part 1.32, 44(a); and Row 0150 Other assets - Annex V.Part 2.5 Annex V, Part 1.32: ‘Loans and advances’ are debt instruments held by the institutions that are not securities. That item includes loans as defined in the Table of Part 2 of Annex II to the ECB BSI Regulation (including demand deposits at credit institutions and central banks, irrespective of their classification as per the applicable accounting framework) as well as advances that cannot be classified as ‘loans’ defined in the Table of Part 2 of Annex II to the ECB BSI Regulation. ‘Advances that are not loans’ are further characterized in paragraph 85(g) of Part 2 of this Annex. Annex V, Part 2.5: Assets that are not financial assets and that due to their nature could not be classified in specific balance sheet items shall be reported in ‘Other assets’. Other assets shall include, among others, gold, silver and other commodities, even where they are held with trading intent. Could you please give to us your opinion: Q&A 4009 isn’t correct because it isn’t aligned with Annex III and Annex V and validation rules v5598_i is not correct; or References in Annex III for template 16.01 aren’t correct?

Final answer

In template F 02.00 of Annexes III and IV to Regulation (EU) 2021/451 (ITS on Supervisory Reporting, ITS), the items referred to the interest income are broken down by accounting portfolios. The interest income referred to assets not classified in accounting portfolios (Annex V, Part 1.13, of the ITS) shall be included in row “0080- Other assets”, such as interest income related to cash, cash balances at central banks and other demand deposits’ (Annex V, Part 2.36 , of the ITS).

In template F 16.01 the presentation of the interest income shown in template F 02.00 is by instruments. Nevertheless, for the purpose of template F 16.01, in accordance with Annex V, Part. 2.187, point (a) of the ITS, this classification shall be done in accordance with the breakdown of the interest income by financial assets included in the accounting portfolios and other assets (the latter including cash, cash balances at central banks and other demand deposits).

On these basis, as for template F 02.00 also for template F 16.01 cash, cash balances at central banks and other demand deposits shall be included in other assets (row 0150).

	<p>Therefore, 'Interest income - other assets' is the same in templates F 02.00 and F 16.01 and for this reason it is classified with the same data-point. This mean that EBA Q&A 2018_4009 is correct with reference to the presentation of "Interest income - other assets" included in F 16.01, and leading from this validation rules v5598_i is correct as well.</p> <p>In template F 16.01 (row 0080, 'Loans and advances') the 'loans' definition (Table of Part 2 of Annex II to the ECB BSI Regulation) must not include any demand deposits at credit institutions and central banks.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6388

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