

Single Rulebook Q&A

Question ID	2022_6509
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Transparency and Pillar 3
Article	449a
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR - template 10
Date of submission	01/07/2022
Published as Final Q&A	25/11/2022
Disclose name of institution / entity	Yes
Name of institution / submitter	Finance Denmark
Country of incorporation / residence	Danmark
Type of submitter	Industry association
Subject matter	Template 10: Other climate change mitigating actions - Repurchases double counting
Question	How do we avoid double counting if we invest in our own covered bonds? Both the loan and the covered bond will be in Template 10.
Background on the question	Our members issue and invest in covered bonds making double counting an issue.
Final answer	Template 10 "Other climate change mitigating actions that are not covered in the EU Taxonomy" of Annex XXXIX to the Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR covers other climate change mitigating actions and includes exposures of the institutions that are not taxonomy aligned according to Templates 7 and 8 but that still support counterparties in the

	<p>transition and adaptation process for the objectives of climate change mitigation and climate change adaptation.</p> <p>In this regard, only items recognised as assets and maintained on balance sheet can be considered exposures and only exposures to other counterparties should be included in the template. Therefore, when a credit institution repurchases the green bonds it has issued, as per IFRS accounting framework, they should be removed from the liabilities and then, the asset will not be recognised anymore on the balance sheet. It follows that double counting of the original asset will not occur.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6509

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