

Question ID	2022_6515
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	Regulation (EU) 2022/2453 - ITS on ESG disclosures
Article/Paragraph	paragraph 33
Date of submission	13/07/2022
Published as Final Q&A	25/11/2022
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Maturity reporting for Pillar 3 ESG risks disclosure, Template 1 and 5
Question	<p>How should we treat products without stated maturity (such as on demand, equity, perpetual loans) in the maturity buckets and in the average weighted maturity computation?</p> <p>E.g. perpetual loans will probably end up in the >20 years bucket, but which year should we use for the computation of the average weighted maturity? Or Equity holdings are mentioned in the instructions, but it's not clear in which maturity bucket we should report them and which year to use for the computation of the average weighted maturity.</p>
Background on the question	<p>We are asked to report on remaining maturity and on the average weighted maturity of products, under the ITS on prudential disclosures on ESG risks. The template is not aligned with other reporting (e.g. FINREP) and the guidance for the products without a stated maturity is not clear enough. More guidance from the EBA is asked in order to report this template in a way which can be comparable among banks.</p>

<p>Final answer</p>	<p>The treatment of products without stated maturity (<i>e.g.</i> equity) with regards to the maturity buckets is addressed in Template 1 chapter within ANNEX XL - Instructions for disclosure of ESG risks of Final draft implementing technical standards (EBA/ITS/2022/01) on prudential disclosures on ESG risks in accordance with Article 449a CRR, as well as associated delegated and implementing acts, and guidelines and recommendations, adopted under these legislative acts: <i>“Where an exposure has no stated maturity for reasons other than the counterparty having the choice of the repayment date, or in the case of equity holdings, the amount of this exposure shall be disclosed in the largest maturity bucket ‘> 20 years.”</i></p> <p>With regards to the computation of the weighted average maturity for products without stated maturity, the EBA encourages reporters to develop their methodology which takes into account both the current market practices and the specificities of the financial product and/or local normative framework.</p>
<p>Link</p>	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6515</p>

European Banking Authority, 29/01/2023
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