

Question ID	2022_6517
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Transparency and Pillar 3
Article	Article 449a CRR
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	EBA/ITS/2022/01, Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR
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	Multiple collaterals reporting for Pillar 3 ESG risks disclosure, Template 2 and 5
Question	In case a loan has multiple collaterals (of which immovable property and also other collateral types) should the entire gross carrying amount be reported as collateralised by the immovable property or should the amount be pro-rated?
Background on the question	In Template 2 of Annex XXXIX to the Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR we are asked to report on our loans collateralised by immovable property. Guidance is given for loans collateralised by multiple immovable properties but no guidance is given for those loans collateralised by both immovable property and other collateral types.
Final answer	The general treatment of a loan with multiple collaterals is explained or addressed in 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, even though the developed example refers to a loan with two immovable collaterals.

	<p>Therefore, the instructions in Paragraph 15 apply: <i>“More specifically, institutions shall calculate the share of each collateral in the gross carrying amount of exposure on the basis of the value of the collateral”</i>. As a result, when dealing with a loan collateralized by both immovable property and other types of collaterals, the gross carrying amount of the exposure shall be computed pro-rata, <i>i.e.</i> on the basis of the market value of the immovable property part of the collaterals only. Therefore, the value to be indicated as the gross carrying amount of exposure is the carrying amount of the loan minus the market value of the collaterals that are not immovable property collaterals.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6517

European Banking Authority, 29/01/2023
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