

<b>Question ID</b>	2013_201
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - FINREP (incl. FB&NPE)
<b>Article</b>	99
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
<b>Article/Paragraph</b>	Annex III - F 04.04, F 07.00; Annex V, Part 2, para.36-38
<b>Date of submission</b>	02/09/2013
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<b>Disclose name of institution / entity</b>	Yes
<b>Name of institution / submitter</b>	National Bank of Romania
<b>Country of incorporation / residence</b>	Romania
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	Allocation of the collective impairment allowances
<b>Question</b>	In order to fill in the FINREP templates, how should be performed the allocation of the collective impairment allowances among group assets?
<b>Background on the question</b>	F 04.04 and F 07.00 templates request the reporting of three categories of impairment allowances: specific allowances for individually assessed financial assets, specific allowances for collectively assessed financial assets and collective allowances for incurred but not reported losses. According to the provisions of para.36-38 from Part 2 of Annex V to the ITS (FINREP instructions): - the specific allowances for individually assessed financial assets should be determined for individually significant financial assets found to be impaired on individual basis; - the specific allowances for individually assessed financial assets may be determined for individually insignificant financial assets found to be impaired on individual basis; - the specific allowances for collectively assessed financial assets may be determined for individually insignificant financial assets found to be impaired on individual basis; - the collective allowances for incurred but not

	reported losses should be determined for the financial assets which are not impaired on individual basis.
<b>Final answer</b>	<p>We summarize below the text of paragraphs 36-38 of Part 2 of Annex V (FINREP Instructions).</p> <ol style="list-style-type: none"> <li>1. <u>"Specific allowances for individually assessed financial assets "</u> shall include the cumulative amount of impairments related to financial assets which have been assessed individually.</li> <li>2. <u>"Specific allowances for collectively assessed financial assets "</u> shall include the cumulative amount of <b>collective impairments</b> calculated on <b>insignificant loans</b> which are <b>impaired on individual basis</b> and for which the institution decides to use a statistical approach (portfolio basis). This approach does not preclude performing individual impairment evaluations of loans that are individually insignificant and reporting these as specific allowances for individually assessed financial assets.</li> </ol> <p><u>"Collective allowances for incurred but not reported losses "</u> shall include the cumulative amount of collective impairments determined on financial assets which are not impaired on individual basis. For "allowances for incurred but not reported losses ", IAS 39.59(f), AG87 and AG90 may be followed. In order to fill in the FINREP templates F 04.04 and F 07.00, the collective impairment allowances should be proportionally allocated among group assets that are unimpaired but subject to impairment.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_201">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_201</a>