

Question ID	2013_227
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	266
Paragraph	3
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
Article/Paragraph	ITS - Annex XV Validation formulas
Date of submission	10/09/2013
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Disclose name of institution / entity	Yes
Name of institution / submitter	Commerzbank AG
Country of incorporation / residence	Germany
Type of submitter	Credit institution
Subject matter	Validation Rules (SEC) - Rule v531_m does not take into account value adjustments on deductions from own funds
Question	<p>Validation rule v531_m does not seem to take into account that as stated in CRR 266(1) deductions from own funds can be reduced by the specific credit risk adjustments made in respect of the exposure leading to the deduction. Column 180 of C 13.00 (CR SEC IRB) reports these deductions as specified in CRR 266(3). Crr 266(3a) in turn refers to CRR 266(1) and (2) for the calculation of the deduction amounts. When there are such specific credit risk adjustments on deductions from own funds, the value in column 180 is reduced accordingly and the sum of columns 170 and columns 180 does not add up to the value of column 190. Should therefore this validation rule not be weekend to $\{c190\} \leq \{c170\} + \{c180\}$?</p>
Background on the question	Validation rule v531_m states that the value fo column 190 of C 13.00 ist to be equal the sum of columns 170 and 180 (negative) of C 13.00. In columns

	<p>170 (all exposure values) and 190 (exposure values subject to risk weights only) there are to be reported the exposure values according to CRR 246. In case of the IRBA approach this means, that value adjustments are not to be included in these columns as stated in CRR 246 (1b). However, as in column 180 these adjustments are taken into account, one cannot expect $190 = 170 + 180$ to hold true, when such adjustments arise. This is for the institution issuing this question actually the case.</p>
Final answer	<p>We agree with the proposed answer. Validation rule v0531_m will be amended accordingly: $\{c190\} \leq \{c170\} + \{c180\}$ instead of $\{c190\} = \{c170\} + \{c180\}$.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_227</p>

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