

<b>Question ID</b>	2013_329
<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>	2
<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 17.01 and F 17.03
<b>Date of submission</b>	04/10/2013
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<b>Disclose name of institution / entity</b>	Yes
<b>Name of institution / submitter</b>	Swedish Bankers' Association
<b>Country of incorporation / residence</b>	Sweden
<b>Type of submitter</b>	Industry association
<b>Subject matter</b>	Reconciliation of assets and liabilities in reinsurance and insurance contracts
<b>Question</b>	<p>A bank has an insurance sub-group with unit-link insurance plans (aka ULIP. ULIPs give the holder the ability to invest in financial instruments and be hold the insurance contract) and traditional life insurance contracts. The insurance sub-group is fully consolidated in the Group (IFRS scope) but not consolidated in the Financial Group (Finrep scope). Shall instructions in ITS Annex V §105, §106 for template 17.1 row 270 and template 17.3 row 170 be interpreted: · Strict: only to be used for insurance contracts, or · Wide: to be used for both insurance contracts and investment contracts (i.e. ULIPs)</p>
<b>Background on the question</b>	<p>A bank has an insurance sub-group with unit-link insurance plans (aka ULIP. ULIPs give the holder the ability to invest in financial instruments and be hold the insurance contract) and traditional life insurance contracts. The insurance sub-group is fully consolidated in the Group (IFRS scope) but not consolidated in the Financial Group (Finrep scope).</p>

<p><b>Final answer</b></p>	<p>For the reporting of assets and liabilities in insurance and reinsurance contracts, the definitions in IFRS 4 shall be applied. In addition, the treatment of embedded derivatives, as described in IAS 39, shall be taken into account as well. The Application Guidance of IAS 39 (especially, AG33 (g) and (h)) touches upon this issue.</p> <p>Therefore, after the assessment of the contract against the provisions in IFRS 4 and IAS 39, and if the investment contracts entered in the framework of the unit-link insurance plans must be accounted for as part of the insurance contract, they shall be reported under rows 270 and 170 of F17.01 and F17.03, respectively.</p> <p>If this is not the case, the investment contracts shall be reported in the lines of F17.01 and F17.03 which best describe its content.</p>
<p><b>Link</b></p>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_329">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_329</a></p>

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