

# Single Rulebook Q&A

<b>Question ID</b>	2013_491
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - Asset Encumbrance
<b>Article</b>	100 and 95a
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Draft ITS on Supervisory Reporting of Institutions
<b>Article/Paragraph</b>	5.2. Template: AE-CB Issuance, covered bonds issuance
<b>Date of submission</b>	01/11/2013
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<b>Disclose name of institution / entity</b>	Yes
<b>Name of institution / submitter</b>	Austrian Federal Economic Chamber, Division Bank and Insurance
<b>Country of incorporation / residence</b>	Austria
<b>Type of submitter</b>	Industry association
<b>Subject matter</b>	Reporting of Collateral of Covered Bonds
<b>Question</b>	In the template for the Covered Bonds Issuances, the collateral has to be reported separately for each CB. The respective bank, however, has one cover pool backing several issuances. Should this cover pool be broken down proportionally on each CB or is no breakdown required?
<b>Background on the question</b>	A cover pool with different issuances is backing all those issuances together. It is not possible to assign parts of the pool to each issuance.
<b>Final answer</b>	For Part D, the item to be reported separately in template F 35.00 as sets of rows 010 to 040 has to be determined along the perimeter of the protective measures applicable to the reporting institution's covered bond(s) as per the respective national covered bond regime(s). For instance, starting from one arbitrary covered bond in circulation, the reporting item would be constructed from the cover pool backing that covered bond and would

expand to all other covered bonds backed by that same cover pool. The definitive perimeter of the reporting item has to reflect the perimeter of each applicable covered bond regime (e.g. depending on whether the applicable covered bond regime would avail a preferential claim of covered bond investors to the portion of a mortgage exceeding a loan-to-value necessary for cover pool eligibility or not, the reporting item would have to include such portion or must not include it).

**Example 1 - reporting at solo level:**

Reporting institution is a German Pfandbrief bank; Pfandbriefe in circulation are for each of the types of mortgage Pfandbriefe (Hypothekenspfandbriefe) and public sector Pfandbriefe (Öffentliche Pfandbriefe) multiple issues of bearer bonds (Inhaberspfandbriefe) - different ISINs - and multiple registered Pfandbriefe (Namenspfandbriefe). Since the German Pfandbrief Act applies its protective measures - especially the ring-fencing mechanism in case of insolvency of the issuer - along the perimeter of types of Pfandbriefe in circulation of an issuer (i.e. liabilities from Pfandbriefe of a given type in circulation including cover pool derivatives registered to that type of Pfandbrief's cover pool, and cover assets registered to that type of Pfandbrief's cover pool), the items to be reported were one public sector Pfandbrief cover pool and one mortgage Pfandbrief cover pool.

Therefore, in the example given of a bank with several issuances of covered bonds backed by only one cover pool, the cover pool should not be broken down proportionally on each covered bond

**Example 2 - reporting at consolidated level:**

Within the reporting group the only issuers of UCITS-compliant covered bonds are a Danish bank - issuer of SDOs separately covered by real estate mortgage loans in three distinct capital centres - and a German bank - issuer of mortgage Pfandbriefe. For the reporting in relation to the Pfandbriefe, the reporting would be effected mutatis mutandis as in the first example; since the Danish covered bond regime's protective measures apply at the level of each capital centre (e.g. the balance principle), in respect of the Danish subsidiary three separate SDO capital centres were to be reported.

**DISCLAIMER:**

The present Q&A on Supervisory reporting is provisional. It will be reviewed after the respective Implementing Regulation is in force and published in the Official Journal, which may differ from the text of the relevant draft ITS to which it relates.

**Link**

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