

<b>Question ID</b>	2013_517
<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>	Annexes III various tables and Annex V.46
<b>Date of submission</b>	11/11/2013
<b>Published as Final Q&amp;A</b>	21/03/2014
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	Accumulated Changes in Fair Value due to Credit Risk
<b>Question</b>	<p>Tables 4.1, 4.2, 6, 8, 20.4, 20.7 and 45.1 all require information pertaining to accumulated changes in fair value due to credit risk, and point the respondent to Annex V.46 and IFRS 7.9 as technical references. Annex V.46 requires that “accumulated changes in fair value due to credit risk” figures shall be reported for financial assets at fair value through profit or loss”. The related IFRS guidance (IFRS 7.9) under the heading “Financial assets or financial liabilities at fair value through profit or loss” requires that if the entity has designated as measured at fair value a financial asset (or group of financial assets) that would otherwise be measured at amortised cost, it shall disclose . . . the amount of change, during the period and cumulatively in the fair value of the financial asset (or group of financial assets) that is attributable to changes in the credit risk of the financial asset”. Could the EBA confirm that this request relates only to financial assets that would otherwise be measured at amortised cost, and that it does not relate to trading assets?</p>
<b>Background on the question</b>	As per above

<p><b>Final answer</b></p>	<p>The information regarding the cumulative amount of changes in fair value due to credit risk is collected in order to identify the amount of "credit risk adjustments" which is included in the fair value changes. The reference to IFRS 7.9 (c) used in templates F4.01 and F4.02 aims at explaining how to assess the amount of changes in fair value due to credit risk and not to determine for which financial assets and liabilities this information should be collected.</p> <p>Taking that into consideration, this component of the fair value changes has to be declared for each portfolio for which it is expected. For instance:</p> <ul style="list-style-type: none"> <li>• Within templates 4, it has to be reported for both trading and fair value option portfolios (F 04.01 and F 04.02 in Annex III templates)</li> </ul> <p>Within F 06.00, as stated in paragraph 46 from Part 2 of Annex V to the ITS "Accumulated changes in fair value due to credit risk" figures shall be reported for financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are both the financial assets designated as such upon initial recognition and the financial assets classified as held for trading in accordance with IAS 39 (see IFRS 7.8(a) provisions).</p>
<p><b>Link</b></p>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_517">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_517</a></p>

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