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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Large exposures
Article	389
Paragraph	1
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	n.a.
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Disclose name of institution / entity	No
Type of submitter	Investment firm
Subject matter	Exposure for Large Exposure Reporting - Accrued interests
Question	Article 389 of the CRR states that for Large Exposure Reporting, the exposure should be identical to those in the standardised approach (Part II, Title 2, Chapter II) just without applying risk weights. According to Standard Approach for assets the risk position is defined by the balance sheet value including accrued interest and impairments being deducted. Can you confirm that this is also the definition for Large Exposures?
Background on the question	In Germany, credit institutions have been informed that in contrast to credit risk calculation, accrued interest should not be included in Large Exposure calculation.
Final answer	For the purposes of the large exposures regime, "exposures" are defined in Article 389 of Regulation (EU) No. 575/2013 (CRR) as any asset or off-balance sheet item referred to in Part Three, Title II, Chapter 2 of the CRR (i.e. Standardised Approach, Article 111 of the CRR et seq.), without applying the risk weights or degrees of risk.

The exposure value of an asset item is the same for large exposures purposes as for the

calculation of capital requirements for credit risk under the Standardised Approach, which is the accounting value remaining after some adjustments in accordance with Article 111 of the CRR, but without the application of risk weights or degrees of risk.

The accounting value (and thus the treatment of accrued interests) is determined by the applicable accounting framework (see Article 4(1)(77) of the CRR).

Link

https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_638

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