

Single Rulebook Q&A

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| Question ID | 2013_685 |
| Status | Final Q&A |
| Legal act | Regulation (EU) No 575/2013 (CRR) |
| Topic | Supervisory reporting - FINREP (incl. FB&NPE) |
| Article | Art 99 |
| Paragraph | - |
| Subparagraph | - |
| COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations | Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed) |
| Article/Paragraph | Annex III., F 5 |
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| Disclose name of institution / entity | Yes |
| Name of institution / submitter | Magyar Nemzeti Bank (The Central Bank of Hungary) |
| Country of incorporation / residence | Hungary |
| Type of submitter | Competent authority |
| Subject matter | Allocation of loans and advances secured by more than one type of collateral in F 05.00 Breakdown of loans and advances by product |
| Question | In FINREP table F5. "Breakdown of loans and advances by product" the carrying amount of mortgage loans and other collateralized loans shall be reported in row 090 and row 100. If loans and advances are simultaneously secured by more than one type of collateral, for example secured by immovable property and other collateral, then how they shall be reported? |
| Background on the question | There are no clear instructions on how to allocate the amount of loans secured by more than one type of collateral in rows 090 and 100 of F.5. |
| Final answer | F 05.00 Template requires a breakdown of loans and advances both by product and by type of counterparty. In this template, the entire amount of a given loan contract should be reported in the corresponding type (or types) of loans and advances and not been distributed among various types. The |

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| | <p>instructions for classifying loan contracts between the two types of collateralized loans ('<i>mortgage loans</i>' and '<i>other collateralized loans</i>') say that '<i>mortgages loans</i>' include '<i>loans formally secured by immovable property independently of the loan/collateral ratio</i>' (Annex V. Part 2. Paragraph 41.(h) of the draft ITS on Supervisory reporting). Therefore, the entire amount of the contract should be reported in 'mortgage loans' regardless whether the loan is over-collateralized, under-collateralized or the real estate collateral is complemented by other collateral. The purpose of F 05.00 Template is to collect the amount of all contracts that are 'formally' mortgages.</p> <p>The information on loans that are 'formally' mortgages is supplemented by information of the financial effect of the collateral in F 13.01 Template. The instructions for F 13.01 Template explicitly contemplate the case of loans with '<i>simultaneously more than one type of collateral</i>' and indicate that the allocation amount of the various types should be based on the 'quality' of the collateral (Annex V. Part 2. Paragraph 82 of the draft ITS on Supervisory reporting). It is expected that the institution will apply the allocation criterion consistently. See also EBA Q&A 2013_124.</p> |
| Link | https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_685 |

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