

Question ID	2014_1018
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	99
Paragraph	4
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
Article/Paragraph	157 (b)
Date of submission	26/03/2014
Published as Final Q&A	16/01/2015
Disclose name of institution / entity	No
Type of submitter	Consultancy firm
Subject matter	Start of Probation Period
Question	<p>For exiting the non-performing category Art. 17 no. 157 requires that one year has passed since the forbearance measures were extended. Does that mean that, a) the probation period starts already at the date of the forbearance measure. b) The probation period starts only when the exposure is no longer considered impaired or defaulted.</p>
Background on the question	<p>Interpretation b) would (significantly) increase the probation period in cases when default/impairment statuses do not end with the FBE-measure. This would give an incentive to grant more generous forbearance measures.</p>
Final answer	<p>For the purposes of Art. 17 par. 157 (b) of the draft ITS on Supervisory reporting regarding exit criteria of non-performing exposures with forbearance measures, the one year cure period starts running since the date when the forbearance measures were extended.</p> <p>For the sake of completeness, it should be pointed out that according to Art. 17 par. 176, a minimum 2 year probation period starting as soon as the exposure is considered as</p>

	<p>"performing", is required in order to exit from the forborne category.</p> <p>Therefore non performing forborne exposures shall stay in the forborne exposure category for at least 3 years (1 year at least in the non-performing forborne exposure category for the cure period stated by Art. 17 par. 157 (b) and 2 years at least in the performing forborne exposure category for the probation period required by Art. 17 par. 176).</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1018

European Banking Authority, 29/05/2023
www.eba.europa.eu