

Single Rulebook Q&A

Question ID	2014_1156
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Asset Encumbrance
Article	99
Paragraph	n/a
Subparagraph	n/a
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex XVI - F34.00
Date of submission	07/05/2014
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Disclose name of institution / entity	Yes
Name of institution / submitter	British Bankers' Association
Country of incorporation / residence	UK
Type of submitter	Industry association
Subject matter	30% shock - template Part C-34.00-AE-CONT 120-020.
Question	30% shock - template Part C-34.00-AE-CONT 120-020 - regarding Funding for Lending (FLS) pools, we have made an assumption that a 30% shock is applied to the Bank of England Fair Value amount, is this correct?
Background on the question	Instead of using internal valuations under IFRS 13 we are using BoE provided Fair Values for FLS pools and applying the 30% shock to these.
EBA answer	<p>The whole reporting framework of asset encumbrance (Annexes XVI and XVII to Regulation (EU) No 680/2014 - ITS on Supervisory Reporting) is based on FINREP definitions and concepts, which is, at the same time, based on IFRS. On these grounds, the determination of fair value of those encumbered assets subject to the 30% shocked shall be based on the relevant provisions by IFRS.</p> <p>To the extent that fair value amounts within the FLS pools comply with the</p>

	provisions in IFRS, and more in particular with IFRS 13 (in terms of transactions, market participants, price,...) on the determination of fair values, reporting institutions can use these amounts for the reporting of contingent encumbrance in template F 34.00 of Annex XVI to the ITS on Supervisory Reporting.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1156

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