



**Single
Rulebook
Q&A**

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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	99
Paragraph	-
Subparagraph	-
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 II, C 06.00, c350, c400, pp. 59, 60
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Disclose name of institution / entity	Yes
Name of institution / submitter	BearingPoint Software Solutions GmbH
Country of incorporation / residence	Germany
Type of submitter	Consultancy firm
Subject matter	Group Solvency report: The distinction between the contents of the columns 350 "Goodwill / Negative goodwill" and 400 "Goodwill / Negative goodwill" of the Group Solvency report
Question	To what extent the contents of the columns 350 "Goodwill / Negative goodwill" and 400 "Goodwill / Negative goodwill" differ from each other?

	<p>Does the content of the column 400 “Goodwill / Negative goodwill” of the Group Solvency report correspond with the row 300 “Goodwill” of the CA1 report on group level (subgroup level) in case of goodwill (not negative goodwill)? Furthermore, does the content of column 350 “Goodwill / Negative goodwill” of the Group Solvency exclusively concern the goodwill / negative goodwill referring to minority interests? (EBA/ITS/2013/02, Annex II, C 06.00, c350, c400, pp. 59, 60)</p>
<p>Background on the question</p>	<p>The Group Solvency report asks for the goodwill / negative goodwill twice: once by column 350 in context with the “Qualifying own funds included in consolidated own funds” and once by column 400 in context with the “Consolidated own funds”. However, the Group Solvency report and also the document EBA/ITS/2013/02, Annex II, C 06.00, c350, c400, pp. 59, 60 do not clearly specify the differences in the contents of these columns. In our opinion, the content of column 400 “Goodwill / Negative goodwill” corresponds with that of row 300 “Goodwill” of the CA1 report on group level (subgroup level) for the case of a goodwill (not negative goodwill). However, in case of negative goodwill there is no correspondence since the row 300 “Goodwill” of the CA1 report does not consider any negative goodwill and therefore turns to zero for this case. Consequently, the case of negative goodwill requires further calculations in order to obtain the content of column 400 “Goodwill / Negative goodwill” of the Group Solvency report. Furthermore, since column 350 “Goodwill / Negative goodwill” of the Group Solvency report concerns the “Qualifying own funds included in consolidated own funds” this column might exclusively ask for the corresponding goodwill / negative goodwill referring to minority interests.</p>
<p>EBA answer</p>	<p>Group Solvency templates are defined in Annex I of the Regulation (EU) 2021/451 (ITS on Supervisory Reporting). Following Annex II of the ITS on Supervisory Reporting, column 350 is the goodwill for those entities contributing to the own funds of the group by minority interest, qualifying Tier 1 capital or qualifying own funds according to Part II Title II of Regulation (EU) No 575/2013 (CRR). Whereas column 400 shall be reported for all consolidated entities which contribute to the consolidated own funds as indicated in Article 18 of the CRR.</p> <p>The amounts to be reported in columns 350 and 400 refer to goodwill (not negative goodwill). The templates and instructions will be amended in this respect.</p> <p>Moreover, the information reported in the column 400 is subject to a threshold of 1 % of the total risk exposure amount of the group or when its contribution to the total own funds exceeds 1% of the total own funds of the group.</p>

	<p>Both column 350 and 400 include goodwill accounted for as intangible asset, goodwill included in the valuation of significant investments and deferred tax liabilities associated to goodwill.</p> <p>Column 350 shall be used to report the goodwill, if the respective entity contributes to the solvency of the group either by qualifying own funds only or by qualifying own funds and consolidated own funds (see also answer to Q&A 2014 1396). Column 400 shall be used only if the respective entity contributes to the solvency of the group by consolidated own funds, subject to the thresholds described above.</p>
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