

Question ID	2014_1441
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	430
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2021/451 - ITS on supervisory reporting of institutions
Article/Paragraph	Annex III - F 02.00, F 04.04 - c 010, c 020
Date of submission	22/08/2014
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Disclose name of institution / entity	Yes
Name of institution / submitter	National Bank of Romania
Country of incorporation / residence	Romania
Type of submitter	Competent authority
Subject matter	Reporting the income or expense resulting from the recalculation of the carrying amount of the financial asset or financial liability as prescribed by IFRS 9.B5.4.6.
Question	Our question is where (under what item) should be presented in the template F 02.00 "Statement of profit or loss" the income or expense resulting from the recalculation of the carrying amount of the financial asset or financial liability as prescribed by IFRS 9.B5.4.6. Furthermore, it would be helpful for us to have your confirmation that the respective adjustment is deducted when presenting the gross carrying amount of the financial asset.
Background on the question	Paragraph IFRS 9.B5.4.6 states: "If an entity revises its estimates of payments or receipts (excluding modifications in accordance with paragraph 5.4.3 and changes in estimates of expected credit losses), it shall adjust the gross carrying amount of the financial asset or amortised cost of a financial liability (or group of financial instruments) to reflect actual and revised

	<p>estimated contractual cash flows. The entity recalculates the gross carrying amount of the financial asset or amortised cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate calculated in accordance with paragraph 6.5.10. The adjustment is recognised in profit or loss as income or expense..”</p>
Final answer	<p>Any adjustment resulting from the recalculation of the carrying amount of financial assets or liabilities as a consequence of a change in the timing or amount of the estimated cash flows according to IFRS 9.B5.4.6 should be reported in F02.00 respectively as part of interest income (r010) or interest expenses (r090), unless it is related to the recognition of an impairment loss or to a reversal of impairment on a financial asset. Indeed, in the latter cases, such an adjustment should be reported in the appropriate rows of table F02.00 referring to the impairment or reversal of the impairment on financial assets not measured at fair value through profit or loss.</p> <p>Furthermore, where the adjustment is to a financial asset and it is not due to an impairment loss or to an impairment reversal, it should also be reflected in the gross carrying amount of the asset as reported in F4.3.1 and F4.4.1.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1441</p>

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