



**Single
Rulebook
Q&A**

Question ID	2014_1604
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	COREP Template 8.01a
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Disclose name of institution / entity	Yes
Name of institution / submitter	Central Bank of Ireland
Country of incorporation / residence	Ireland
Type of submitter	Competent authority
Subject matter	Specialised Lending Supervisory Slotting Method and CRM Substitution Approach
Question	1) Can the CRM substitution method be used for specialised lending exposures when the supervisory slotting method is applied under the CRR?

	2) If this answer is yes, can we request that the relevant cells in template C8.01a (i.e. columns 70 and 80) are opened for rows 90-150 to allow banks to report this information correctly?
Background on the question	An Irish bank has advised that they are unable to reflect the impact of the CRM substitution approach for their 'specialised lending' exposures subject to the supervisory slotting method because the relevant inflows/outflows cells are greyed out in template C8.01a. In light of a response to a CEBS CRD TG query in 2009 (internal reference 381), it appears that the substitution method can be applied for these types of exposures. Therefore, columns 70 and 80 of rows 90-150 of template C8.01a should be opened up to allow banks to report the effects of the CRM substitution approach for their 'specialised lending' exposures subject to the supervisory slotting method. We previously raised a query with the CEBS CRD TG on whether eligible guarantees from a parent bank can be used to reduce the risk weight that is applied to 'specialised lending' exposures when the supervisory slotting method is applied. The response provided by the EU Commission (internal reference 381) clarified that the CRM substitution method can be used for specialised lending exposures when the supervisory slotting method is applied. However, the cells for reporting the substitution method (i.e. columns 70 and 80) are currently greyed out in COREP template C8.01a for rows 90-150 (i.e. the rows for the supervisory slotting method). This means that banks are unable to report the impact of the substitution method on their specialised lending exposures subject to the slotting approach correctly because they cannot reflect the resulting inflows/ outflows without impacting on validation rule v1662m whereby: {c090} = {c020} + {c070} + {c080}
EBA answer	The answer to question 1 has been provided in Q&A 2017 3295. Therefore, the cells for reporting the substitution method (i.e. columns 70 and 80) will remain greyed out in COREP template C8.01a for row 080 (i.e. the row for the supervisory slotting method), thus resulting in column 020 being equal to column 090 for these rows.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1604

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