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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	(4)
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	Annexes I and II
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Disclose name of institution / entity	Yes
Name of institution / submitter	SAS R&D (India) PVT LTD
Country of incorporation / residence	USA/India
Type of submitter	Other
Subject matter	Sign Convention
Question	Column 030 in C 07.00 (-) VALUE ADJUSTMENTS AND PROVISIONS ASSOCIATED WITH THE ORIGINAL EXPOSURE) has negative sign, while in C 09.01 columns 050to 070 has (+) sign convention. We would like to know that what is the rationale behind having different sign convention for same fact?
Background on the question	As of now we have to store same fact with two different sign conventions for reporting purpose. If there is no calculation / formula present on C 09.01 which use C050 to C070, should it contain the same sign as on Column 030 in C 07.00 ?
EBA answer	According to EBA Q&A 2014_1064 write-offs (i.e. column 060 of template C 09.01 of Annex I to the ITS on Supervisory Reporting) cannot be compared to accounting provisions. Therefore, from now on we consider the question only

related to columns 050, 055 and partially 070 of C 09.01, where credit risk adjustments according to Art. 110 CRR are reported.

The two templates have different purposes. Indeed, C 07.00 aims at collecting the different components of the risk-weighted exposure amount, while C 09.01 focuses its attention on the geographical breakdown of institutions' exposures subject to credit and counterparty risk.

Therefore, C 07.00 is built to collect figures from the 'Original exposure pre conversion factors' to risk-weighted exposure amounts and in this process values reported in column 030 of C 07.00 count as a negative figure. On the contrary, template C 09.01 has been realized to collect the main values by country. In this context, credit risk adjustments are to be considered as a figure useful for assessing the credit quality status of exposures in each country.

So, even if figures of credit risk adjustments reported in columns 050, 055 and 070 of template 09.01 refer to the same phenomenon as column 030 of template C 07.00 (i.e. value adjustment and provisions), the context of information included in the two templates is different which is also represented in the different dimensions in the z-axis of each template (exposure classes vs. countries).

The different purposes of C 07.00 and C 09.01 are also reflected in EBA's list of validation rules, where column 030 of template C 07.00 of Annex I to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting) has negative sign (v3699_s), while columns from 050 to 070 of template C 09.01 have positive sign (v3724_s).

Link

https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1625

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