

Single Rulebook Q&A

Question ID	2015_2272
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Asset Encumbrance
Article	100
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 1030/2014 - ITS on disclosure of values used to identify global systemically important institutions (as amended)
Article/Paragraph	Annex XVII
Date of submission	04/09/2015
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	F35.00 Covered Bonds - Solo Legal Entity Split
Question	How should we report <u>Solo Legal Entities cases</u> , where assets are included in the covered bond pool, but the liabilities are held on another entity's balance sheet?
Background on the question	In the circumstance where one Group entity issues covered bonds on behalf of the Group, and uses assets from both its own balance sheet and another Group entity, it is unclear how this should be reflected in Solo submissions. By reporting as per the balance sheet, this will show that the entity issuing the bonds is undercollateralized, and that the entity providing assets will have no collateralization requirement (either from Ratings Agencies or for relevant covered bond regime).
EBA answer	Annex XVII chapter 5.2.3 states in the description for row 040: "Carrying amount of a covered bond liability or a cover pool asset is the accounting value at the covered bond issuer." It depends on the contract between the group entities.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2272

