



**Single  
Rulebook  
Q&A**

<b>Question ID</b>	2017_3349
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - COREP (incl. IP Losses)
<b>Article</b>	99
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
<b>Article/Paragraph</b>	Annexes I and II
<b>Date of submission</b>	16/06/2017
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<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	Clarification of the collateral amounts -validation rules v4759_m & v4774_m
<b>Question</b>	Could you please clarify what amounts need to be reported in columns 150-210 of template C08.01, specifically, for 'funded credit protection' 'real estate' (column 190), when own estimates of LGD are used.
<b>Background on the question</b>	Validation rules v4759_m & v4774_m indicate that in templates C08.01a & C08.02 column 090 'Exposure after CRM substitution effects pre-conversion factors' should be more than or equal to columns 150-210 'Credit risk mitigation techniques taken into account in LGD estimates excluding double

	<p>default treatment'. In the example where market value of the property exceeds the exposure amount, the above validation rule would not be met, unless the market value is to be capped at the exposure value. The instructions for template C08.01a (Annex_II of Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)) state that 'when own estimates of LGD are used the amount to be reported shall be the estimated market value.' In addition, Q&amp;A 2016_2866 suggests the value reported should equal the market value of the property, which may exceed exposure.</p>
<b>EBA answer</b>	<p>The relevant amount of collateral which has to be reported in columns 150 - 210 of template C 08.01 respectively of template C 08.02 of Annex I to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting) shall be determined in accordance with the instructions on these rows provided in Annex II to the ITS on Supervisory Reporting.</p> <p>The amount of collateral taken into account for a specific exposure does not have to be capped at the exposure value of the exposure in question. In this regard, validation rules v4759_m and v4774_m have been deleted, as they did not fully reflect all possible situations.</p> <p>See also <a href="#">Q&amp;A 2015_2010</a> for Standardised approach.</p>
<b>Link</b>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2017_3349">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2017_3349</a></p>