



**Single
Rulebook
Q&A**

Question ID	2017_3600
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
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	ANNEX V
Date of submission	22/11/2017
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Disclose name of institution / entity	Yes
Name of institution / submitter	BNL Gruppo BNP Paribas
Country of incorporation / residence	Italy
Type of submitter	Credit institution
Subject matter	EBA validation rule v2708_m for DPM 2.6 and 2.7
Question	In the latest version of Annex V of Finrep IFRS9, in the Part 1 paragraph 44 (h) “the immediate counterparties shall be for loan commitments, financial guarantees and other commitments received, the GUARANTOR or the COUNTERPARTY that has provided the commitment to the reporting

	<p>institution” instead of the debtor of the loan. We would like to know whether this definition refers to all Finrep ITS’ templates or only to some of them. In particular, the use of the guarantor shall apply: • only to template 9.2 “Loan commitments, financial guarantees and other commitments received” or • to template # 9.2 “Loan commitments, financial guarantees and other commitments received”, template # 18 “Information on performing and non-performing exposures” and template # 19 “Information forborne exposures”.</p>
Background on the question	<p>Notwithstanding that EBA issued the EBA 2017_3377 Q&A on v2708_m validation rule, we would like to insist on this check which expects that the amount of collateral and financial guarantee received should be equal or lower to the Gross carrying amount, per counterparty. Indeed, we observe an inconsistency between the amount of received guarantees considered in the template 9.2 (broken down by Guarantor) and the amount considered in the templates 18-19 (this amount should be broken down by Guarantor in the same way, according to the general rule of Paragraph 44 (h)).</p>
EBA answer	<p>Validation rule v2708_m applies to template F 18.00 of Annexes III and IV and checks that the amount of collateral and financial guarantee received on non-performing exposures (column 200 and 210 of template F 18.00 - “Maximum amount of the collateral and financial guarantee that can be considered”) is capped at the carrying amount of the related exposure The amount of Financial guarantees received on non-performing exposures is broken down by exposure counterparty. For this reason, the validation rule 2708_m (and the corresponding validation rule v3091_m for template F 19.00) has been deactivated in March 2021. The validation rule will be replaced by others to make a check row-by-row in the next release.</p> <p>Template F 09.02 provides different information. In particular it requires, for financial guarantees received, the maximum amount the counterparty would have to pay if the guarantee is called on, broken down by guarantor. The amount of financial guarantees as reported under template F 09.02 of Annexes III and IV is not necessarily identical to that reported under template F 18.00 due to the capping applied in the latter.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2017_3600</p>