



**Single
Rulebook
Q&A**

Question ID	2019_4946
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Asset Encumbrance
Article	Annex XVII point 3.1.
Paragraph	21
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 XVII, AE-MAT, r010
Date of submission	15/10/2019
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Disclose name of institution / entity	Yes
Name of institution / submitter	ING
Country of incorporation / residence	Belgium
Type of submitter	Credit institution
Subject matter	Residual maturity of the source of encumbrance
Question	What is the residual maturity of an ABS issued, the WAL or the FORD? For an encumbrance reason without maturity date, should we place it in the bucket Open Maturity or in the bucket 5yrs <= 10 yrs, as stated in Annex XXV, 1.1. 12 (e)

Background on the question	E.g. We have a total of 350 assets encumbered: 100 are encumbered by TLTRO (collateralized central bank deposit) with a maturity date of 31/10/2020; 150 are encumbered by Covered bonds issued, 100 in a series with a maturity date of 31/12/2020 and 50 in a series with a maturity date of 30/06/2020; 50 are encumbered by ABS issued, with a FORD of 31/10/2021 and WAL of 4 years; and 50 are encumbered by another source, without maturity date. Should the split be: a) Open Maturity >6mths <=1yr >1yr <=2yrs >2yrs <=3yrs 50 50 200 50 b) >6mths <=1yr >1yr <=2yrs 3yrs <=5yrs 5yrs <=10yrs 50 200 50 50
EBA answer	According to 3.2.2 of Annex XVII to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting), assets on demand or without a specific maturity date have to be reported in the bucket “Open Maturity” (c010). Regarding the residual maturity of an ABS issued, assets with optionality should be reported on the basis of a conservative approach according to Part I, paragraph 12 of Annex XXIII, hence the relevant asset shall be assigned to the time bucket of the weighted average life considered in the legal contract.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2019_4946

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