



**Single
Rulebook
Q&A**

Question ID	2020_5239
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 Part 2 Para 360 (a) (ii)
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Disclose name of institution / entity	Yes
Name of institution / submitter	Banca d'Italia - PUMA cooperation
Country of incorporation / residence	Italy
Type of submitter	Competent authority
Subject matter	FinRep Table 26: Loans and advances to which forbearance measures were granted in addition to already existing forbearance measures
Question	It is unclear if the following exposures have to be reported in row 120 of template F 26.00: - Example A : an exposure was classified as non-performing with forbearance

	<p>measures and fulfilled all required exit criteria mentioned in paragraph 231. During the 2 year probation period mentioned in paragraph 256 the exposure is granted an additional forbearance measure. At the reference date the exposure is classified as non-performing because the new forbearance measure has been extended to a performing forborne exposure under probation that has been reclassified out of non-performing category (according to paragraph 260).</p> <p>- Example B : a performing exposure is granted a forbearance measure. During the 2 year probation period the exposure is granted an additional forbearance measure. According to Q&A 2014_736 the exposure shall not be automatically reclassified into the "non-performing forborne" category and then at the reference date the exposure is classified as performing.</p> <p>- Example C: a performing exposure is granted a forbearance measure. During the 2 year probation period the exposure is granted an additional forbearance measure. According to Q&A 2014_736 the exposure shall not be automatically reclassified into the "non-performing forborne" category. Nevertheless, if the bank considers that there exist some conditions of "unlikelihood to pay", the exposure A shall be reclassified into the "non-performing forborne" category. Then at the reference date the exposure is classified as non-performing.</p>
<p>Background on the question</p>	<p>According to paragraph 360 (a) (ii) « ‘Loans and advances to which forbearance measures were granted in addition to already existing forbearance measures’ shall mean forborne exposures under probation to which forbearance measures were applied in addition to forbearance measures granted at an earlier point in time, without the exposure having cured in between ». The meaning of this sentence is not clear to us, in particular the phrasing « without the exposure having cured in between ». It would appear that the paragraph in question requires that in row 120 of template F 26.00 should be reported the exposures that are non performing at the reference date and to which, during the 2 year probation period, forbearance measures were applied in addition to forbearance measures granted at an earlier point in time.</p>
<p>EBA answer</p>	<p>Paragraph 360(a)(ii) of Annex V to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting), specifies that for an exposure to be classified in row 120 of template F 26.00, it needs to fulfil the following definition: “forborne exposures under probation to which forbearance measures were applied in addition to forbearance measures granted at an earlier point in time, without the exposure having cured in between”.</p> <p>According to this paragraph, when additional forbearance measures were granted to a performing forborne exposure under probation period without exiting the forborne status, the exposures shall be reported in row 120, regardless of their classification as non-performing or performing forborne exposures.</p>

	For this reason, all examples laid out in the question shall be reported in row 120 of template F 26.00, as the exposures have not exited the forborne status.
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5239

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