



**Single
Rulebook
Q&A**

Question ID	2020_5509
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
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 II
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	EBA/ITS/2020/05 - COREP-Template 35.03
Question	<p>We kindly ask for clarification which exposures shall be reported in template C 35.03. Do we interpret correctly that only those exposures shall be reported which fulfill the following conditions (of Art. 47c (6)):</p> <p>a) only one forbearance measure was granted after the classification as non-performing of the account</p> <p>b) this first forbearance measure was granted during the 2nd year of classification as non-performing if related to the unsecured part of the exposure/account</p>

	<p>c) this first forbearance measure was granted during the 3 - 6 year of classification as non-performing if related to the secured part of the exposure/account</p> <p>d) the (first) forbearance measure was granted during the last 12 months</p>
Background on the question	<p>Due to discussions with various internal and external stakeholders different interpretations how to interpret the reporting requirements of template C 35.03 were identified, for which we kindly ask for clarification.</p>
EBA answer	<p>In accordance with Art. 47b and Art. 47c of Regulation 575/2013 (CRR) as amended by Regulation (EU) 2019/630, exposures reported in template C 35.03 shall meet two criteria:</p> <p>1) A forbearance measure must have been granted as it is established in Art.47b.</p> <p>2) The first forbearance measure must have been granted within the time buckets specified by Art.47c (6).</p> <p>Therefore:</p> <p>Exposures which have been granted with successive forbearance measures shall be reported in template C 35.03.</p> <p>a. provided they meet the requisites of Art.47c (6) with the first forbearance measure. Nevertheless, the factor applicable on the date on which the successive forbearance measure is granted shall not be applicable for an additional period. For example:</p> <p>A secured exposure is granted with a first forbearance measure between > 3 and <= 4 years after classification as NPE. Therefore, 0,25 factor will be applied for 2 years.</p> <p>In case a second forbearance measure is granted the following year, this will not affect the calendar, that is: the factor applied shall be 0,25 (second year of application) and next factor applicable shall be 0,55.</p>

	<p>b. The first forbearance measure that has been granted since the classification of the exposure as non-performing must be granted between one year and two years following its classification as non-performing (unsecured) or between two and six years following its classification as non-performing (secured). Exposures with forbearance measures which are not covered by these time buckets do not meet Art.47c (6).</p> <p>c. Non-performing exposures falling in the cases laid down in in Art. 47c (4) shall not be reported in template C 35.03. In fact, Art.47c (6) only refers to paragraphs 2 and 3.</p> <p>Lastly, Art.47c (1) states which exposures are considered secured or unsecured in order to apply factors included in paragraphs 2 and 3. Therefore, secured or unsecured condition defines the factors applied, however, it is not a requisite specified in Art.47c (6). In sum, both parts of the exposure could be reported in template C 35.03.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5509

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