



**Single  
Rulebook  
Q&A**

<b>Question ID</b>	2014_1504
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - FINREP (incl. FB&NPE)
<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>	Art.1 , Art.10
<b>Date of submission</b>	30/09/2014
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<b>Disclose name of institution / entity</b>	Yes
<b>Name of institution / submitter</b>	Cassa Lombarda S.P.A.
<b>Country of incorporation / residence</b>	ITALY
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	Application of requirements on a consolidated basis to a stand-alone bank in a Member State owned by a financial holding institution in another Member State and by a third-country bank: submission of FINREP on a consolidated basis.
<b>Question</b>	A stand-alone bank in a Member State that, according to Article 11 of CRR,

	<p>has to respect prudential requirements on the basis of a consolidated perimeter including financial companies located in other States shall submit FINREP information on a consolidated basis, in addition to COREP information?</p>
<p><b>Background on the question</b></p>	<p>Bank A is a stand-alone entity of EU member state 1; since bank 1 is not part of a banking group, it does not provide consolidated financial statements. The shareholder of bank A is a quoted financial holding company (FHC X) of EU member state 2, which owns 63,13% of the share capital directly and 33,94% through bank B, a located in a third (i.e. non-EU) country. FHC X prepares IAS compliant consolidated financial statements on the basis of a perimeter which includes not only bank A and bank B, but also other not financial companies excluded from the scope of the prudential consolidation. The prudential requirements supervision is done by the national competent authority of the third country, in agreement with the national competent authority of EU member state 2, through bank B which is the biggest bank, in term of assets, within the FHC X group. According to Article 11 of CRR, which has become effective from January 1st of this year, bank A has to respect prudential requirements on the basis of the consolidated situation of the parent financial holding company. The perimeter of prudential consolidation comprises, in addition to bank A, the other financial companies of FHC X which cannot be excluded from the consolidation perimeter according to Article 19, paragraphs 1 and 2 of CRR.</p>
<p><b>EBA answer</b></p>	<p>Article 11, paragraph 2, first subparagraph of Regulation (EU) No 575/2013 (CRR) states that:</p> <p><i>Institutions controlled by a parent financial holding company or a parent mixed financial holding company in a Member State shall comply, to the extent and in the manner prescribed in Article 18, with the obligations laid down in Parts Two to Four and Part Seven on the basis of the consolidated situation of that financial holding company or mixed financial holding company.</i></p> <p>The obligations laid down in Part two to Four include, among the others, reporting on own funds requirements and financial information (specifically Article 99 of CRR). Articles from 9 to 11 of Commission Implementing Regulation (EU) No 680/2014, as amended (ITS on supervisory reporting), determines the format and frequency of reporting financial information (FinRep).</p> <p>Against this background, a stand-alone institution controlled by a parent financial holding established in another Member State and subject to Article 99 of CRR shall report CoRep and FinRep information on the basis of the consolidated situation of the controlling parent financial holding. Reporting</p>

	<p>shall be in accordance with the ITS on supervisory reporting.</p> <p>In the specific instance:</p> <ul style="list-style-type: none"> <li>• The perimeter of consolidation of FHC X shall include bank A, and bank B if not subject to Article 19 of CRR; and</li> <li>• Financial reporting shall be submitted according to international accounting standards considering that the controlling parent financial holding prepare its consolidated accounts in conformity with the IAS/IFRS.</li> </ul> <p>In other cases, where the parent company does not prepare its consolidated accounts in conformity with the IAS/IFRS, the competent authority shall consult EBA on the extension of the reporting requirements of financial information on a consolidated basis according to Article 99(6) of CRR.</p>
<b>Link</b>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1504">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1504</a></p>

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