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| **beQuestion ID** |  |
| **Status** |  |
| **Legal act**  | Regulation (EU) No 575/2013 (CRR) |
| **Topic**  | Supervisory reporting |
| **Article** |  |
| **Paragraph** |  |
| **Subparagraph** |  |
| **EBA technical standards & guidelines** | Regulation (EU) No 680/2014 ITS on Supervisory Reporting of institutions |
| **Article/Paragraph**  | Annex XXV, C\_66.01 |
| **Date of submission** |  |
| **Name of institution** | Magyar Nemzeti Bank (The Central Bank of Hungary) |
| **Country of incorporation / residence** | Hungary |
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| **Disclose name of institution / entity**  | No |
| **Subject matter**  | Presentation of cash flows related to non performing exposures in the template (C\_66.01.a) |
| **Question** | It is not clear how to interpret the following instruction::“17. Past due items and items for which the institution has a reason to expect non- performance shall not be reported.” |
| **Background on the question** | In the maturity ladder template (C\_66.01.a) the cash-flow elements shall be reported according to the **contractual** repayment schedule. In deed the non-performing loans are kept in the portfolio at a reduced value, which corresponds to the expectation on recovery, based on the expectation of future cash flows that is lower than the contractual ones. Should the institution report the expected cash flows used for impairement calculation instead of the contractual ones for non performing exposures ? Or the above mentioned provision requires the complete omission of future cash flows related to the default portfolio in the calculation of the funding gaps?  |
| **Proposed answer**  | Either possibilities have pros and cons, plus the contractual approach is in contradiction with the exceptional handling of non performing items or exposures.  |
| **Answer** |  |
| **Internal comment** |  |