



EBA/GL/2018/10

17/12/2018

Guidelines

on disclosure of non-performing and
forborne exposures



1. Compliance and reporting obligations

Status of these guidelines

1. This document contains guidelines issued pursuant to Article 16 of Regulation (EU) No 1093/2010.¹ In accordance with Article 16(3) of Regulation (EU) No 1093/2010, competent authorities and financial institutions must make every effort to comply with the guidelines.
2. Guidelines set out the EBA's view of appropriate supervisory practices within the European System of Financial Supervision or of how Union law should be applied in a particular area. Competent authorities as defined in Article 4(2) of Regulation (EU) No 1093/2010 to which guidelines apply should comply by incorporating them into their practices as appropriate (e.g. by amending their legal framework or their supervisory processes), including where guidelines are directed primarily at institutions.

Reporting requirements

1. In accordance with Article 16(3) of Regulation (EU) No 1093/2010, competent authorities must notify the EBA that they comply or intend to comply with these guidelines, or give reasons for non-compliance, by ([dd.mm.yyyy]). In the absence of any notification by this deadline, competent authorities will be considered by the EBA to be non-compliant. Notifications should be sent by submitting the form available on the EBA website to compliance@eba.europa.eu with the reference 'EBA/GL/2018/10'. Notifications should be submitted by persons with appropriate authority to report compliance on behalf of their competent authorities. Any change in the status of compliance must also be reported to the EBA.
2. Notifications will be published on the EBA website, in line with Article 16(3).

¹ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

2. Subject matter, scope and definitions

Subject matter

3. These guidelines specify the content and uniform disclosure formats for credit institutions for disclosures related to non-performing exposures (NPEs), forborne exposures (FBEs) and foreclosed assets.

Scope of application

4. These guidelines apply to credit institutions that are subject to all or some of the disclosure requirements specified in Part Eight of Regulation (EU) No 575/2013 (the CRR),² in accordance with Articles 6, 10 and 13 of the CRR.
5. These guidelines apply to all exposures meeting the definitions of 'non-performing' and 'forbearance' as set out in Annex V to Commission Implementing Regulation (EU) No 680/2014.³
6. Proportionality applies based on the significance of the credit institution and on the level of NPEs reported according to the scope of application specified for each individual template. While some templates apply to all credit institutions, some are applicable only to credit institutions that are significant and have a gross NPL ratio of 5% or above.

Addressees

7. These guidelines are addressed to competent authorities as defined in point (i) of Article 4(2) of Regulation (EU) No 1093/2010 and to credit institutions as defined in Article 4(1) of Regulation (EU) No 575/2013.

Definitions

8. Unless otherwise specified, terms used and defined in Regulation (EU) No 575/2013 and in Commission Implementing Regulation (EU) No 680/2014 have the same meaning in the guidelines.

² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

³ Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 191, 28.6.2014, p. 1).



9. In addition and in particular, for the purposes of these guidelines, the following definitions apply:

10. **Credit institutions** that meet one or more of the following criteria are significant:

- a. The credit institution is one of the three largest credit institutions in its home Member State.
- b. The credit institution's consolidated assets exceed EUR 30 billion.
- c. The credit institution's 4-year average of total assets exceeds 20% of the 4-year average of its home Member State's GDP.
- d. The credit institution has consolidated exposures as per Article 429 of the CRR exceeding EUR 200 billion or the equivalent in foreign currency using the reference exchange rate published by the European Central Bank at the end of the applicable financial year.
- e. The credit institution has been identified by competent authorities as a global systemically important institution (G-SII), as defined in Commission Delegated Regulation (EU) No 1222/2014, or as an other systemically important institution (O-SII) pursuant to paragraph 3 of Article 131 of Directive 2013/36/EU.

11. **The gross NPL ratio** is the ratio of the gross carrying amount of NPLs and advances to the total gross carrying amount of loans and advances subject to the NPE definition. For the purpose of this calculation, loans and advances classified as held for sale, cash balances at central banks and other demand deposits are to be excluded both from the denominator and from the numerator.

12. **Non-performing loans and advances** includes loans and advances that are classified as non-performing according to Annex V to Regulation (EU) No 680/2014.

Frequency of disclosures

13. The guidelines introduce a harmonised frequency⁴ for the templates as follows:

- a. Template 1 ('Credit quality of forborne exposures'), Template 3 ('Credit quality of non-performing exposures by past due days'), Template 4 ('Performing and non-performing exposures and related provisions') and Template 9 ('Collateral obtained by taking possession and execution processes') should be disclosed by all

⁴ Credit institutions should ensure that the date of publication of the information included in these guidelines is close to the date of publication of their financial statements and that there is no more than a reasonable period of time between these dates.



credit institutions specified in the scope of application of these templates with the following frequency:

- i. on a semi-annual basis by credit institutions that have been identified by competent authorities as a G-SII or O-SII in accordance with point (e) of paragraph 12;
 - ii. on an annual basis by all other credit institutions;
 - iii. those credit institutions that meet at least one of the criteria for significance specified in points (a) to (d) of paragraph 12 and that, at the reference date for half-year disclosures, have a gross NPL ratio of 5% or above should disclose these templates at the half-year reference date.
- b. Template 2 ('Quality of forbearance'), Template 5 ('Quality of non-performing exposures by geography'), Template 6 ('Quality of loans and advances by industry'), Template 7 ('Collateral valuation – loans and advances'), Template 8 ('Changes in the stock of non-performing loans and advances') and Template 10 ('Collateral obtained by taking possession and execution processes – vintage breakdown') should be disclosed on an annual basis by credit institutions meeting at least one of the criteria for significance specified in paragraph 12 and having a gross NPL ratio of 5% or above, in line with the scope of application of these templates. Credit institutions under the scope of application of the templates subject to the 5% gross NPL ratio threshold should start disclosing these templates if they have been at or above the threshold in two consecutive quarters during the four quarters prior to the disclosure reference date. For the first disclosure reference date on which credit institutions should comply with the guidelines, institutions should disclose the templates subject to the 5% gross NPL ratio threshold if they comply with the threshold on that disclosure reference date. Credit institutions may stop disclosing the templates subject to the 5% gross NPL ratio threshold if they have fallen below the threshold in three consecutive quarters during the four quarters prior to the disclosure reference date.

3. Implementation

Date of application

14. These guidelines apply from 31 December 2019.

Amendments

15. These guidelines replace the following templates from the Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11):

- a. 'Template 14: EU CR1-D – Ageing of past-due exposures'
- b. 'Template 15: EU CR1-E – Non-performing and forborne exposures'

16. This means that those institutions that, according to the EBA 2016 guidelines, are required to disclose the abovementioned templates must comply with this obligation by disclosing the information required in these guidelines.

17. Institutions that, according to the EBA 2016 guidelines, are to disclose 'Template 12 – EU CR1-B – Credit quality of exposures by industry or counterparty types' and 'Template 13 – EU CR1-C – Credit quality of exposures by geography' will be able to comply with this obligation by disclosing 'Template 5: Quality of non-performing exposures by geography' and 'Template 6: Credit quality of loans and advances by industry' of these guidelines on a semi-annual basis. Alternatively, institutions may choose to disclose Templates 5 and 6 of these guidelines including only the information on NPEs (excluding the information in the column 'of which defaulted'), and complete Templates 12 and 13 of the EBA 2016 guidelines for information on defaulted exposures.



Annex I – Disclosure forbearance

templates:

Template 1: Credit quality of forborne exposures

Purpose: provide an overview of the quality of forborne exposures as per Commission Implementing Regulation (EU) No 680/2014.
Scope of application: the template applies to all credit institutions as defined in paragraph 6.
Content: gross carrying amount of forborne exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, and collateral and financial guarantees received, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.
Frequency: semi annual or annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period.

a	b	c	d	e	f	g	h
Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which defaulted	Of which impaired				



1	Loans and advances								
2	Central banks								
3	General governments								
4	Credit institutions								
5	Other financial corporations								
6	Non-financial corporations								
7	Households								
8	Debt securities								
9	Loan commitments given								
10	Total								

Definitions

Columns:

Gross carrying amount: gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014. For loan commitments given, the nominal amount as defined in paragraph 118 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014 should be reported.

The gross carrying amount related to the exposures subject to impairment is the net of accumulated partial and total write-off.

Forborne exposure: forborne exposures as defined in paragraphs 240 to 244 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014. Depending on whether forborne exposures satisfy the required conditions set out in Annex V to that Regulation, they can be identified as performing or non-performing.

Impaired exposures: forborne exposures that are also impaired in accordance with the applicable accounting framework under paragraph 215 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Defaulted exposures: forborne exposures that are also classified as defaulted in accordance with Article 178 of the CRR.

Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions: this should include the amounts determined in accordance with paragraphs 11, 69 to 71, 106 and 110 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Collateral and guarantees received on forborne exposures: these should be reported for all exposures with forbearance measures, regardless of their performing or non-performing status. Amounts reported for collateral received and guarantees received should be calculated in accordance with paragraph 239 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014. The sum of the amounts reported for both collateral and guarantees is to be capped at the carrying amount of the related exposure.



Non-performing exposures with forbearance measures: these (non-performing forborne exposures) should comprise forborne exposures that meet the criteria to be considered non-performing and are included in the non-performing exposures category. Those non-performing forborne exposures are to include the following: (a) exposures that have become non-performing due to the application of forbearance measures; (b) exposures that were non-performing prior to the extension of forbearance measures; (c) forborne exposures that have been reclassified from the performing category, including exposures reclassified pursuant to paragraph 260 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Rows:

Counterparty breakdown: institutions should apply the breakdown by counterparty as defined in paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Counterparty sector allocation should be based exclusively on the nature of the immediate counterparty. The classification of exposures incurred jointly by more than one obligor should be done based on the characteristics of the obligor that was the more relevant, or determinant, for the institution's decision to grant the exposure. Among other classifications, the distribution of jointly incurred exposures by counterparty sector, country of residence and NACE code should be driven by the characteristics of the more relevant or determinant obligor.



Template 2: Quality of forbearance

Purpose: provide an overview of quality of forbearance.
Scope of application: the template applies to credit institutions meeting at least one of the criteria for significance, as defined in paragraph 12, and having a gross NPL ratio of 5% or above.
Content: gross carrying amount of forborne loans and advances exposures, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.
Frequency: annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period.

		a
		Gross carrying amount of forborne exposures
1	Loans and advances that have been forborne more than twice	
2	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	

Definitions**Columns:**

Gross carrying amount: see the definition in Template 1, 'Credit quality of forborne exposures'.

Forborne exposure: see the definition in Template 1, 'Credit quality of forborne exposures'.

Rows:

Having been forborne more than twice: gross carrying amount of loans and advances that had been granted forbearance measures in the past and more than twice. Loans and advances for which forbearance was granted that exited the forborne category (i.e. cured forborne loans and advances) are also included here when a new forborne measure has been granted.



Non-performing forborne loans and advances that failed to meet the non-performing exit criteria: gross carrying amount of non-performing forborne loans and advances that are in the category of non-performing forborne loans and advances under the cure period of 1 year and that failed to comply with the forbearance measures after the 12-month cure period and therefore did not succeed in moving towards performing forborne status but retained non-performing forborne within cure period status.



Annex II – Disclosure performing exposures

templates: non-

Template 3: Credit quality of performing and non-performing exposures by past due days

Purpose: provide an overview of credit quality of non-performing exposures, as per Commission Implementing Regulation (EU) No 680/2014.
Scope of application: the template applies to all credit institutions as defined in paragraph 6.
Content: gross carrying amount of performing and non-performing exposures according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.
Frequency: semi annual or annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period. Institutions are also expected to disclose the gross NPL ratio, which is calculated as column (d) row (1) divided by the sum of column (d) row (1) plus column (a) row (1).

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
1	Loans and advances											
2	Central banks											



3	General governments												
4	Credit institutions												
5	Other financial corporations												
6	Non-financial corporations												
7	Of which SMEs												
8	Households												
9	Debt securities												
10	Central banks												
11	General governments												
12	Credit institutions												
13	Other financial corporations												
14	Non-financial corporations												
15	Off-balance-sheet exposures												
16	Central banks												
17	General governments												
18	Credit institutions												
19	Other financial corporations												
20	Non-financial corporations												
21	Households												
22	Total												

Definitions

Columns:

Gross carrying amount: see the definition in Template 1, 'Credit quality of forborne exposures'.

Non-performing exposures: as defined in paragraph 213 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.



Defaulted exposures: see the definition in Template 1, 'Credit quality of forborne exposures'.

Not past due or past due ≤ 30 days: subcategory of performing exposures that are not past due or are 1–30 days past due.

Past due >30 days ≤ 90 days: subcategory of performing exposures that are 31–90 days past due. In addition, exposures that are more than 90 days past due that are not material are included in this subcategory.

Unlikely to pay that are not past due or are past due ≤ 90 days: subcategory of exposures that are either not past due or are up to 90 days past due but are nevertheless identified as non-performing, pursuant to point (b) of paragraph 213 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Rows:

Counterparty breakdown: institutions should apply the breakdown by counterparty as defined in paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Counterparty sector allocation should be based exclusively on the nature of the immediate counterparty. The classification of exposures incurred jointly by more than one obligor should be done based on the characteristics of the obligor that was the more relevant, or determinant, for the institution's decision to grant the exposure. Among other classifications, the distribution of jointly incurred exposures by counterparty sector, country of residence and NACE code should be driven by the characteristics of the more relevant or determinant obligor.

SMEs: as defined in paragraph 5(i) of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.



Template 4: Performing and non-performing exposures and related provisions

Purpose: provide an overview of the credit quality of non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class.
Scope of application: the template applies to all credit institutions as defined in paragraph 6.
Content: gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, accumulated partial write-off, and collateral and financial guarantees received, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.
Frequency: semi annual or annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures		Non-performing exposures				Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3							
1	Loans and advances														
2	Central banks														
3	General governments														
4	Credit institutions														



Non-performing exposures: see the definition in Template 3, 'Credit quality of performing and non-performing exposures by past due days'.

Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions: see the definition in Template 1, 'Credit quality of forborne exposures'.

Accumulated partial write-off: this is to include the accumulated partial amount at the reference date of principal and accrued past-due interest and fees for any debt instrument that has been de-recognised to date using either of the methods described in paragraph 74 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014, to be reported because the institution has no reasonable expectation of recovering the contractual cash flows. These amounts are to be reported until the total extinguishment of all the reporting institution's rights by expiry of the statute-of-limitations period, forgiveness or another cause, or until recovery. Therefore, where the written-off amounts are not recovered, they are to be reported while they are subject to enforcement activities.

Write-offs constitute a de-recognition event and relate to a financial asset in its entirety or (in the case of a partial write-off) to a portion of it, including where the modification of an asset leads the institution to give up its right to collect cash flows either on a portion or on the entirety of that asset.

Of which stage 1/stage 2/stage 3: categories of impairment, as defined in IFRS 9.5.5. 'Stage 1' refers to impairment measured in accordance with IFRS 9.5.5.5. 'Stage 2' refers to impairment measured in accordance with IFRS 9.5.5.3. 'Stage 3' refers to impairment on credit-impaired assets, as defined in Appendix A to IFRS 9.

The columns 'Of which stage 1', 'Of which stage 2' and 'Of which stage 3' should not be reported by institutions that apply national generally accepted accounting principles based on Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions.

Collateral and guarantees received: see the definition in Template 1, 'Credit quality of forborne exposures'.



Template 5: Quality of non-performing exposures by geography

Purpose: provide an overview of the credit quality of non-performing exposures and related accumulated impairment, provisions and valuation adjustments by geography.
Scope of application: the template applies to credit institutions meeting at least one of the criteria for significance, as defined in paragraph 12, and having a gross NPL ratio of 5% or above and where non-domestic original exposures in all non-domestic countries in all exposure classes are equal to or higher than 10% of the total (domestic and non-domestic) original exposures.
Content: gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions and accumulated change in fair value due to credit risk, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.
Frequency: annual in accordance with paragraph 15.
Format: fixed with flexible rows depending on the number of material countries.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period. When the materiality of countries has been determined using a materiality threshold, that threshold should be disclosed, as should the list of immaterial countries included in the 'Other countries' rows.

	a	b	c	d	e	f	g
	Gross carrying/nominal amount			Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing						
			Of which defaulted				
1	On-balance-sheet exposures						
2	Country 1						
3	Country 2						
4	Country 3						
5	Country 4						



6	Country N							
7	Other countries							
8	Off-balance-sheet exposures							
9	Country 1							
10	Country 2							
11	Country 3							
12	Country 4							
13	Country N							
14	Other countries							
15	Total							

Definitions

Columns:

Gross carrying amount: see the definition in Template 1, 'Credit quality of forborne exposures'.

Nominal amount: for financial guarantees, loan commitments and other commitments given, the nominal amount as defined in paragraph 118 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014 should be reported.

Non-performing exposures: see the definition in Template 3, 'Credit quality of performing and non-performing exposures by past due days'.

Defaulted exposures: see the definition in Template 1, 'Credit quality of forborne exposures'.

Gross carrying/nominal amount – of which subject to impairment: the gross carrying/nominal amount related to exposures that are subject to the impairment requirements of the applicable accounting framework.

Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions: see the definition in Template 1, 'Credit quality of forborne exposures'.

Rows:

Country: a country in which the institution's exposures are material in accordance with EBA/GL/2014/14.

When the materiality of countries is determined using a materiality threshold, that threshold should be disclosed, as should the list of immaterial countries included in the 'Other countries' rows.



Institutions should allocate exposures to a significant country based on the residence of the immediate counterparty. Exposures to supranational organisations should be assigned not to the country of residence of the institution but to 'Other countries'.



Template 6: Credit quality of loans and advances by industry

Purpose: provide an overview of the credit quality of loans and advances to non-financial corporations and related impairments, provisions and valuation adjustments by industry.
Scope of application: the template applies to credit institutions meeting at least one of the criteria for significance, as defined in paragraph 12, and having a gross NPL ratio of 5% or above.
Content: gross carrying amount of loans and advances to non-financial corporations and the related accumulated impairment and accumulated change in fair value due to credit risk, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.
Frequency: annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period.

		a	b	c	d	e	f
		Gross carrying amount			Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing					
				Of which defaulted			
1	Agriculture, forestry and fishing						
2	Mining and quarrying						
3	Manufacturing						
4	Electricity, gas, steam and air conditioning supply						



5	Water supply						
6	Construction						
7	Wholesale and retail trade						
8	Transport and storage						
9	Accommodation and food service activities						
10	Information and communication						
11	Financial and insurance activities						
12	Real estate activities						
13	Professional, scientific and technical activities						
14	Administrative and support service activities						
15	Public administration and defence, compulsory social security						
16	Education						
17	Human health services and social work activities						
18	Arts, entertainment and recreation						
19	Other services						
20	Total						

Definitions

Columns:

Gross carrying amount: see the definition in Template 1, 'Credit quality of forborne exposures'.

Gross carrying amount – of which loans and advances subject to impairment: the gross carrying amount related to exposures that are subject to the impairment requirements of the applicable accounting framework.

Non-performing exposures: see the definition in Template 3, 'Credit quality of performing and non-performing exposures by past due days'.



Defaulted exposures: see the definition in Template 1, 'Credit quality of forborne exposures'.

Accumulated impairment and negative fair value adjustments due to credit risk: this should include the amounts determined in accordance with paragraphs 69 to 71 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Rows:

Counterparty sector allocation should be based exclusively on the nature of the immediate counterparty. The classification of exposures incurred jointly by more than one obligor should be done based on the characteristics of the obligor that was the more relevant, or determinant, for the institution's decision to grant the exposure.

The rows should be used to disclose the material industry sectors or counterparty types to which institutions have exposures. Materiality should be assessed based on EBA/GL/2014/14, and immaterial industry sectors or counterparty types should be aggregated in the row 'Other services'.



Annex III – Disclosure valuation

templates: collateral

Template 7: Collateral valuation – loans and advances

Purpose: disclose collateral valuation and other information on loans and advances.
Scope of application: the template applies to credit institutions meeting at least one of the criteria for significance, as defined in paragraph 12, and having a gross NPL ratio of 5% or above.
Content: gross carrying amount on loans and advances and the related accumulated impairment, collateral and financial guarantees received, and partial write-offs, according to the scope of regulatory consolidation in accordance with Chapter 2 of Title II of Part One of the CRR.
Frequency: annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period.

a	b	c	d	e	f	g	h	i	j	k	l
Loans and advances											
Performing		Non-performing									
		Unlikely to pay that are not past due or are past due ≤ 90 days				Past due > 90 days					



				Of which past due > 30 days ≤ 90 days				Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
1	Gross carrying amount												
2	<i>Of which secured</i>												
3	<i>Of which secured with immovable property</i>												
4	<i>Of which instruments with LTV higher than 60% and lower or equal to 80%</i>												
5	<i>Of which instruments with LTV higher than 80% and lower or equal to 100%</i>												
6	<i>Of which instruments with LTV higher than 100%</i>												
7	Accumulated impairment for secured assets												
8	Collateral												



9	<i>Of which value capped at the value of exposure</i>													
10	<i>Of which immovable property</i>													
11	<i>Of which value above the cap</i>													
12	<i>Of which immovable property</i>													
13	Financial guarantees received													
14	Accumulated partial write-off													

Definitions

Columns:

Of which past due > 30 days: subcategory of performing loans and advances that are 31–90 days past due.

Non-performing exposures: see the definition in Template 3, ‘Credit quality of performing and non-performing exposures by past due days’.

Unlikely to pay that are not past due or are past due ≤ 90 days: subcategory of loans and advances that are either not past due or are up to 90 days past due but are nevertheless identified as non-performing, because of the likelihood of non-full repayment pursuant to point (b) of paragraph 213 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Of which past due > 90 days ≤ 180 days: subcategory of loans and advances that are 91–180 days past due.

Of which past due > 180 days ≤ 1 year: subcategory of loans and advances that are 181 days to 1 year past due.

Of which past due > 1 years ≤ 2 years: subcategory of loans and advances that are 1–2 years past due.

Of which past due > 2 years ≤ 5 years: subcategory of loans and advances that are 2–5 years past due.

Of which past due > 5 years ≤ 7 years: subcategory of loans and advances that are 5–7 years past due.

Of which past due > 7 years: subcategory of loans and advances that are more than 7 years past due.

Rows:

Gross carrying amount: see the definition in Template 1, ‘Credit quality of forborne exposures’.

Secured loans and advances should also include the parts of these exposures that are unsecured.



Unsecured loans and advances should include exposures for which neither collateral was pledged nor financial guarantees were received; the unsecured part of a partially secured or partially guaranteed exposure should not be included, according to paragraph 327(c) of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Therefore, secured loans and advances must be calculated as the difference between the gross carrying amount of all loans and advances and the gross carrying amount of unsecured loans and advances.

Instruments with LTV higher than 60% and lower or equal to 80%: the loan-to-value (LTV) ratio should be calculated using the calculation method specified for 'LTV Current' in the Recommendation of the European Systemic Risk Board of 31 October 2016 on closing real estate data gaps (ESRB/2016/14). Institutions should disclose the gross carrying amount of loans and advances having an LTV ratio higher than 60% and lower or equal to 80%.

Instruments with LTV higher than 80% and lower or equal to 100%: institutions should disclose the gross carrying amount of loans and advances having an LTV ratio higher than 80% and lower than or equal to 100%.

Instruments with LTV higher than 100%: gross carrying amount of loans and advances having a LTV ratio higher than 100%.

Accumulated impairment for secured assets: for secured debt instruments, accumulated impairment should be calculated as the cumulative amount of impairment losses, net of use and reversals that has been recognised, where appropriate for each of the impairment stages (paragraph 70 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014).

Collateral – of which value capped at the value of exposure: amounts reported for collateral received should be calculated in accordance with paragraph 239 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014. The sum of the amounts reported for collateral in this row should be capped at the carrying amount of the related exposure.

Of which immovable property: the part of the collateral consisting of residential or commercial immovable property (point (a) of paragraph 173 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014). The sum of the amounts reported for collateral in this row should be capped at the carrying amount of the related exposure.

Collateral – of which value above the cap: in this row, the difference between the actual value of the collateral and the capped value of the collateral should be disclosed (institutions should not apply for the calculation of the actual value of the collateral paragraph 239 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014).

Of which immovable property: the difference between the actual value and the capped value of the part of the collateral consisting of residential or commercial immovable property (point (a) of paragraph 173 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014).

Financial guarantees received: as defined in paragraph 114 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.

Accumulated partial write-off: see the definition in Template 4, 'Performing and non-performing exposures and related provisions'.



Annex IV – Disclosure the stock of NPLs

templates: changes in

Template 8: Changes in the stock of non-performing loans and advances

Purpose: provide an overview of the movements (inflows and outflows) of non-performing loans and advances.
Scope of application: the template applies to credit institutions meeting at least one of the criteria for significance, as defined in paragraph 12, and having a gross NPL ratio of 5% or above.
Content: movements of gross carrying amounts of non-performing loans and advances during the period.
Frequency: annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of a significant amount in the row 'Outflow due to other situations'.

		a	b
		Gross carrying amount	Related net accumulated recoveries
1	Initial stock of non-performing loans and advances		
2	Inflows to non-performing portfolios		
3	Outflows from non-performing portfolios		
4	Outflow to performing portfolio		
5	Outflow due to loan repayment, partial or total		
6	Outflow due to collateral liquidation		
7	Outflow due to taking possession of collateral		
8	Outflow due to sale of instruments		
9	Outflow due to risk transfer		



10	Outflow due to write-off		
11	Outflow due to other situations		
12	Outflow due to reclassification as held for sale		
13	Final stock of non-performing loans and advances		

Definitions

Columns:

Gross carrying amount: see the definition in Template 1, 'Credit quality of forborne exposures'.

Rows:

Initial stock of non-performing loans and advances: the gross carrying amount of the stock of non-performing loans and advances at the end of the last financial year.

Inflows to non-performing portfolios: the gross carrying amount of loans and advances that entered non-performing status during the period (since the end of last financial year).

Outflow to performing portfolio: the gross carrying amount of loans and advances that exited non-performing status and became performing during the period (since the end of last financial year).

Outflow due to loan repayment, partial or total: the reduction in the gross carrying amount of non-performing loans and advances due to cash payments, namely regular payments of capital and any ad hoc repayments during the period (since the end of last financial year).

Outflow due to collateral liquidations: the effect on the gross carrying amount of an instrument from the liquidation of any kind of collateral should be reported in this row. Outflows due to other liquidation or legal procedures and voluntary sale of property are also to be included in this row. For the avoidance of doubt, please note that the gross carrying amount of the instrument should be reported, including any potential accompanying partial write-off. Please also note that outflows might not be equal to the sum of net cumulated recoveries and partial write-offs.

Related net accumulated recoveries: cash recoveries or cash equivalents collected due to collateral liquidations (net of respective collateral liquidation costs) are to be reported in this row.

Outflow due to taking possession of collateral: the effect on the gross carrying amount of an instrument due to the foreclosure of any kind of collateral should be reported in this row. Taking possession refers to the acquisition of non-cash collateral of which the credit institution or a group subsidiary has acquired ownership and which it has not yet sold to a third party. Debt asset swaps, voluntary surrenders and debt equity swaps are also to be included in this category. For the avoidance of doubt, please note that the gross carrying amount of the instrument should be reported, including any potential accompanying partial write-offs. Please also note that outflows might not be equal to the sum of net cumulated recoveries and partial write-offs.



Related net accumulated recoveries: the initial recognition in the bank's balance sheet of the fair value of the collateral at the moment of taking possession is to be reported in this row. Cash recoveries or cash equivalents collected in the context of taking possession of collateral net of costs should not be included in this row but be reported under 'Outflow due to loan repayment, partial or total'.

Outflow due to sale of instruments: total balance changes stemming from loans and advances sold to other institutions, excluding intragroup transactions. For the avoidance of doubt, please note that the gross carrying amount of the loans and advances sold is to be reported (including any potential accompanying partial write-offs) and not its valuation or price during the transaction. Please also note that outflows might not be equal to the sum of net cumulated recoveries and partial write-offs.

Related net accumulated recoveries: cash recoveries or cash equivalents collected in the context of the sale of loans and advances, net of selling costs, are included in this row.

Outflow due to risk transfers: the gross reduction in non-performing loans and advances due to securitisation or other risk transfers qualifying for de-recognition from the balance sheet. Please also note that outflows might not be equal to the sum of net cumulated recoveries and partial write-offs.

Related net accumulated recoveries: cash recoveries or cash equivalents collected in the context of the outflows due to significant risk transfers are to be reported in this row.

Outflow due to write-offs: full or partial write-offs of total loans and advances recorded during the reference period. A write-off (full or partial) constitutes a de-recognition event. Therefore, the gross carrying amount of loans and advances is reduced by the amount of the write-offs. For the avoidance of doubt, please note that this row reflects changes in the gross carrying amount of loans and advances, and any potential partial write-offs that have already been reported in previous rows (e.g. accompanying sale of loans and advances, collateral liquidation, taking possession of collateral or significant risk transfer) should not be included in this row. Furthermore, debt forgiveness in the context of forbearance measures, i.e. write-offs for which the amount of debt outstanding from the borrower was cancelled (the bank forfeits the right to legally recover it), is also to be included in this category.

Outflow due to reclassification as held for sale: decreases to the carrying amount of non-performing loans and advances due to their reclassification as instruments held for sale.

Outflow due to other situations: any other decreases to the carrying amount of loans and advances that are not covered by the events mentioned above should be included in this row. Those adjustments might include, for instance, FX changes, other closure actions, reclassifications between asset classes, etc. Where the amount for this category is significant, reporting institutions are expected to provide details in the text box located to the right of the template and labelled 'Notes on inflows/outflows to/from NP portfolios'.





Annex V – Disclosure assets

templates: foreclosed

Template 9: Collateral obtained by taking possession and execution processes

Purpose: provide an overview of foreclosed assets obtained from non-performing exposures.
Scope of application: the template applies to all credit institutions as defined in paragraph 6.
Content: information on the instruments that were cancelled in exchange for the collateral obtained by taking possession and on the value of the collateral obtained by taking possession.
Frequency: semi-annual or annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period.

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)		
2	Other than PP&E		
3	<i>Residential immovable property</i>		
4	<i>Commercial Immovable property</i>		



5	Movable property (auto, shipping, etc.)		
6	Equity and debt instruments		
7	Other		
8	Total		

Definitions

Columns:

Value at initial recognition: the gross carrying amount of the collateral obtained by taking possession at initial recognition in the reporting institution's balance sheet should be reported in this column.

Accumulated negative changes: accumulated impairment or accumulated negative changes to the initial recognition value of the collateral obtained by taking possession, as described above. Please note that accumulated negative changes due to amortisation in the case of PP&E and investment properties, if applicable, should also be included.

Rows:

Collateral obtained by taking possession classified as PP&E: the stock of collateral obtained by taking possession that remains recognised in the balance sheet at the reporting reference date and that is classified as PP&E should be reported in this row.

Collateral obtained by taking possession other than that classified as PP&E: the stock of collateral obtained by taking possession that remains recognised in the balance sheet at the reporting reference date and is not classified as PP&E will automatically be reported in this row. The total stock will be calculated taking into account the initial stock (since the end of the last financial year), and the inflows and the outflows that occurred during the disclosure period (since the end of the last financial year). Collateral obtained by taking possession (other than PP&E) is reported in rows by type of collateral.

Residential immovable property: collateral obtained by taking possession of residential property (e.g. houses, apartments, etc.) or property with potential use in the future as such (e.g. unfinished residential property etc.).

Commercial immovable property: collateral obtained by taking possession of commercial or industrial property that can be used for business and/or investment purposes, or of any immovable property that is not residential property, as described above. Land (both non-agricultural and agricultural) should also be included in this category.

Movable property: collateral obtained by taking possession of property other than immovable property should be reported in this row.

Equity and debt instruments: collateral obtained by taking possession of equity or debt instruments should be reported in this row.

Other collateral: collateral obtained by taking possession not falling into the categories of the other rows. If the amount reported in this row is relatively material, reporting institutions are asked to provide additional information in the free text box located on the right-hand side of the template and labelled 'Notes on other collateral obtained by taking possession'.





Template 10: Collateral obtained by taking possession and execution processes – vintage

breakdown

Purpose: provide an overview of collateral obtained by taking possession (by type and by time since date of foreclosure)
Scope of application: the template applies to credit institutions meeting at least one of the criteria for significance, as defined in paragraph 12, and having a gross NPL ratio of 5% or above.
Content: information on the instruments that were cancelled in exchange for the collateral obtained by taking possession and on the value of collateral obtained by taking possession.
Frequency: annual in accordance with paragraph 15.
Format: fixed.
Accompanying narrative: institutions should explain the drivers of any significant changes in the amounts from the previous disclosure period.

		a	b	c		d		e	f		g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession												
				Foreclosed ≤ 2 years				Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale				
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	
1	Collateral obtained by taking possession classified as PP&E															
2	Collateral obtained by taking possession other than that															



	classified as PP&E												
3	Residential immovable property												
4	Commercial immovable property												
5	Movable property (auto, shipping, etc.)												
6	Equity and debt instruments												
7	Other												
8	Total												

Definitions

Columns:

Gross carrying amount: the gross amount of the debt that was cancelled in exchange for the collateral obtained by taking possession, at the exact moment of the exchange, through judicial procedures or bilateral agreement. The gross amount should be calculated as the gross reduction of the instrument balance, not taking into account any provisions. For the avoidance of doubt, balance reductions due to other reasons (e.g. cash collections) should not be reported in this column.

Accumulated impairment: the accumulated impairment of the instrument that was cancelled in exchange for the collateral obtained by taking possession, at the exact moment of the exchange, should be reported in this column. The corresponding information should be filled out with a negative sign.

Value at initial recognition: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.

Accumulated negative changes: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.



Foreclosed ≤ 2 years: 'Value at initial recognition' and 'Accumulated negative changes' for collateral obtained by taking possession and recognised in the balance sheet for 2 years or less at the reporting reference date.

Foreclosed > 2 years ≤ 5 years: 'Value at initial recognition' and 'Accumulated negative changes' for collateral obtained by taking possession and recognised in the balance sheet for more than 2 years and up to 5 years at the reporting reference date.

Foreclosed > 5 years: 'Value at initial recognition' and 'Accumulated negative changes' for collateral obtained by taking possession and recognised in the balance sheet for more than 5 years at the reporting reference date.

Of which non-current assets held for sale: 'Initial value' and 'Accumulated negative changes' for collateral obtained by taking possession that is classified as non-current assets held for sale should be reported in these columns. If this classification is not relevant according to the accounting framework applicable to the credit institution, this information should not be provided.

Rows:

Collateral obtained by taking possession classified as PP&E: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.

Residential immovable property: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.

Commercial Immovable property: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.

Movable property: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.

Equity and debt instruments: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.

Other collateral: see the definition in Template 9, 'Collateral obtained by taking possession and execution processes'.

