

Question ID	2023_6897
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Transparency and Pillar 3
Article	449a
Paragraph	
Subparagraph	
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2022/2453 - ITS on ESG disclosures
Article/Paragraph	Annex 1 - Template 2
Type of submitter	Credit institution
Date of submission	28/09/2023
Published as final Q&A	22/03/2024
Subject matter	ITS ESG P3 - Template 2 - Should loan/collateral ratio (loan-to-value) be taken into account?
Question	We have interpreted column a in Template 2 to be filled in with the gross carrying amount of the loan collateralized with commercial and residential immovable property and of repossessed real estate collaterals. What if the collateral value is less than the gross carrying amount of the loan? Should we in this case fill in the gross carrying amount of the loan or use the amount of the loan that is actually collateralized with commercial/residential immovable property in Template 2?
Background on the question	The guidance given in the ITS is misleading in some way. It refers to Annex V of CIR (EU) 2021/451; that is, the instructions for Finrep. The Part 1 of Annex V is the general part where you find the definition of gross carrying amount etc. However, it does not give guidance on what should be done if the loan is undercollateralised.
Final answer	According to EBA Q&A 6714 and the reviewed Q&A 6517 , Annex II - Instructions for disclosure of ESG risks of Regulation (EU) 2022/2453 (ITS on ESG disclosures) shall be followed. The instructions state that the gross

	carrying amount is to be reported as defined in Part 1 of Annex V of Commission Implementing Regulation (EU) 2021/451. Therefore, the amounts reported as “loans collateralized by immovable property” in template 2 (and template 5) shall match the gross carrying amount of the loans collateralized by immovable property reported in FINREP.
Answer prepared by	Answer prepared by the EBA.
Note to Q&A	
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2023_6897

European Banking Authority, 09/04/2024
www.eba.europa.eu