Single Rulebook Q&A

Question ID	2023_6954
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	Template 1
Type of submitter	Competent authority
Date of submission	21/12/2023
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Subject matter	Template 1 – Equity instruments
Question	The instructions state *"Institutions shall disclose the gross carrying amount, referred to in Part 1 of Annex V to Implementing Regulation (EU) 2021/451, of those exposures towards non-financial corporates, including loans and advances, debt securities and equity instruments, classified in the accounting portfolios in the banking book in accordance with that Implementing Regulation, excluding financial assets held for trading or held for sale assets".* In this case, should the definition of equity instruments also include investments in subsidiaries, joint ventures and associates, or should entities consider the definition of accounting portfolios of financial instruments provided by Annex V of FINREP, which specifically excludes investments in subsidiaries, joint ventures and associates?
Background on the question	Instructions state *"Institutions shall disclose the gross carrying amount, referred to in Part 1 of Annex V to Implementing Regulation (EU) 2021/451, of those exposures towards non-financial corporates, including loans and advances, debt securities and equity instruments, classified in the accounting portfolios in the banking book in accordance with that*

	Implementing Regulation, excluding financial assets held for trading or held for sale assets”, however it is not clear which definition of "Equity instruments" should be considered.
Final answer	The instructions provided in Annex XL of Regulation (EU) 2021/637 for Template 1 do not exclude the scope of investments in subsidiaries, joint ventures and associates within equity instruments. It defines the scope as “[…] *exposures towards non-financial corporates, including* […]”, but not limited to, “[…] *loans and advances, debt securities and equity instruments, classified in the accounting portfolios in the banking book* […]”. Therefore, investments in subsidiaries, joint ventures and associates should be included and considered when completing Template 1. This is strengthened by the DPM table layout and data point categorisation updated on October 30, 2023 (EBA DPM for Reporting Framework 3.3) which defines the scope as *“Accounting portfolio for financial assets other than trading or held for sale, including Investments in subsidiaries, joint ventures and associates”.*
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_6954

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