



Single Rulebook Q&A

Question ID	2019_5048
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	99
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex II
Date of submission	13/12/2019
Published as Final Q&A	30/04/2021
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Exposure value according to Articles 247(5) and 249(2) CRR2 to be reported in C13.01 column 180
Question	<p>In the context of regulatory reporting of securitization positions under the new EBA regulatory reporting framework 2.9, the question regards the metric expected to be reported in the column [0180] EXPOSURE VALUE of template C13.01.</p> <p>On one hand, the supervisory reporting requirements on ITS under the framework 2.9 define the column [0180] EXPOSURE VALUE of template</p>

	<p>C13.01 as “Securitisation positions according to Article 248 of CRR”.</p> <p>The Article 248 of Regulation 2017/2401 states that the “exposure value of an on-balance sheet securitisation position shall be its accounting value remaining after any relevant specific credit risk adjustments on the securitisation position have been applied in accordance with Article 110”.</p> <p>As any reference to the application of credit risk mitigation is mentioned on the article 248, we conclude at this point that the column [0180] EXPOSURE VALUE of template C13.01 should be the exposure value after specific credit risk adjustment after the application of CCF and before application of CRM.</p> <p>On the other hand, the Article 249(2) indicates that the exposure value subject to risk weights has to be after application of credit risk mitigation. However, in Article 247(5), the exposure value subject to risk weights is defined as the exposure value set out in Article 248. There is not a reference to the article 249(2) in article 247(5) or article 248.</p> <p>Could you please give the correct metric to report in column [0180] EXPOSURE VALUE of template C13.01 : is it the exposure value before or after the application of credit risk mitigations ?</p>
Background on the question	<p>The Article 248 of Regulation 2017/2401 states that the “exposure value of an on-balance sheet securitisation position shall be its accounting value remaining after any relevant specific credit risk adjustments on the securitisation position have been applied in accordance with Article 110”.</p> <p>Besides, the Article 249(2) indicates that the exposure value subject to risk weights has to be after application of credit risk mitigation. However, in Article 247(5), the exposure value subject to risk weights is defined as the exposure value set out in Article 248. There is not a reference to the article 249(2) in article 247(5) or article 248.</p>
EBA answer	<p>In Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2), there is no reference to the article 249(2) in article 247(5) or article 248 of the same regulation. However, by referring to article 248, article 247(5) does not imply that credit risk mitigation cannot be applied. Indeed, article 248 is without prejudice to the application of credit risk mitigation as referred to in article 249.</p> <p>The column 180 for exposure value of template C13.01 of Annex I of Regulation (EU) No 680/2014 (ITS on Supervisory Reporting) is the exposure value after specific credit risk adjustment after the application of credit conversion factors and after application of credit risk mitigation.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2019_5048</p>

