

158. Past-due exposures shall be reported separately within the performing and non-performing categories. Performing exposures past-due by less than 90 days shall be reported separately.

159. Non-performing exposures shall be reported broken down by past-due time bands. Exposures that are not past-due or are past-due by 30 days or less but nevertheless are identified as non-performing due to likelihood of non-full repayment shall be reported in a dedicated column. Exposures that present both past-due amounts and likelihood of non-full repayment shall be allocated by past-due time bands consistent with their number of days past-due.

160. The following exposures shall be identified in separate columns:

- (a) exposures which are considered impaired in accordance with the applicable accounting framework, except, when they are exposures with incurred but not reported losses;
- (b) exposures in respect of which a default is considered to have occurred in accordance with Article 178 of Regulation (EU) No 575/2013.

161. "Accumulated impairment" and "accumulated changes in fair value due to credit risk" figures shall be reported in accordance with paragraph 46. "Accumulated impairment" means the reduction in the carrying amount either directly or through use of an allowance account. "Accumulated impairment" figures reported for non-performing exposures shall not include incurred but not reported losses. Incurred but not reported losses shall be reported in "accumulated impairment" figures for performing exposures. "Accumulated changes in fair value due to credit risk" shall be reported for exposures designated at fair value through profit and loss in accordance with the applicable accounting framework.

162. Information on collateral held and financial guarantee received on non-performing exposures shall be reported separately. Amounts reported for collateral received and financial guarantees received shall be calculated in accordance with paragraphs 79 to 82. Therefore, the sum of the amounts reported for both categories shall be capped at the carrying amount of the related exposure.

18. FORBORNE EXPOSURES (19)

163. For the purpose of template 19, forbore exposures are debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ("financial difficulties").

164. For the purpose of template 19, a concession refers to either of the following actions:

- (a) a modification of the previous terms and conditions of a contract the debtor is considered unable to comply with due to its financial difficulties ("troubled debt") to allow for sufficient debt service ability, that would not have been granted had the debtor not been in financial difficulties;

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- (b) a total or partial refinancing of a troubled debt contract, that would not have been granted had the debtor not been in financial difficulties.

A concession may entail a loss for the lender.

165. Evidence of a concession includes:

- (a) a difference in favour of the debtor between the modified and the previous terms of the contract;
- (b) cases where a modified contract includes more favourable terms than other debtors with a similar risk profile could have obtained from the same institution.

166. The exercise of clauses which, when enforced at the discretion of the debtor, enable the latter to change the terms of the contract (“embedded forbearance clauses”), shall be treated as a concession when the institution approves the exercise of the clauses and assesses that the debtor is in financial difficulties.

167. “Refinancing” means the use of debt contracts to ensure the total or partial payment of other debt contracts the current terms of which the debtor is unable to comply with. For instance, a contract has been refinanced if it is completely repaid with a new contract granted on or close to the day when the initial contract expires.

168. For the purpose of template 19 “debtor” includes all the natural and legal entities in the debtor’s group which are within the accounting scope of consolidation.

169. For the purpose of template 19 “debt” includes loans, debt securities and revocable and irrevocable loan commitments given, but excludes exposures held for trading.

170. “Exposure” has the same meaning as given for “debt” in paragraph 169.

171. For the purpose of template 19 “institution” means the institution which extended the forbearance measures.

172. Exposures shall be treated as forborne if a concession has been made, irrespective of whether any amount is past-due or of the classification of the exposures as impaired in accordance with the applicable accounting standards or as defaulted in accordance with Article 178 of Regulation (EU) No 575/2013. Exposures shall not be treated as forborne when the debtor is not in financial difficulties. Nevertheless the following situations shall be treated as forbearance measures:

- (a) a modified contract was classified as non-performing or would in the absence of modification be classified as non-performing;
- (b) the modification made to a contract involves a total or partial cancellation by write-offs of the debt;
- (c) the institution approves the use of embedded forbearance clauses for a debtor who is under non-performing status or who would be considered as non-performing without the use of these clauses;
- (d) simultaneously with or close in time to the concession of additional debt by the institution, the debtor made payments of principal or interest on another contract with

the institution that was non-performing or would in the absence of refinancing be classified as non-performing.

173. A modification involving repayments made by taking possession of collateral shall be treated as a forbearance measure when the modification constitutes a concession.

174. There is a rebuttable presumption that forbearance has taken place when:

- (a) the modified contract was totally or partially past-due by more than 30 days (without being non-performing) at least once during the three months prior to its modification or would be more than 30 days past-due, totally or partially, without modification;
- (b) simultaneously with or close in time to the concession of additional debt by the institution, the debtor made payments of principal or interest on another contract with the institution that was totally or partially 30 days past due at least once during the three months prior to its refinancing;
- (c) the institution approves the use of embedded forbearance clauses for 30 days past-due debtors or debtors who would be 30 days past-due without the exercise of these clauses.

175. Financial difficulties shall be assessed at the debtor level as defined in paragraph 168. Only exposures to which forbearance measures have been extended shall be identified as forborne exposures.

176. The forbearance classification shall be discontinued when all the following conditions are met:

- (a) the contract is considered as performing, including if it has been reclassified from the non-performing category after an analysis of the financial condition of the debtor showed it no longer met the conditions to be considered as non-performing,
- (b) a minimum 2 year probation period has passed from the date the forborne exposure was considered as performing;
- (c) regular payments of more than an insignificant aggregate amount of principal or interest have been made during at least half of the probation period;
- (d) none of the exposures to the debtor is more than 30 days past-due at the end of the probation period.

177. When the conditions are not met at the end of the probation period, the exposure shall continue to be identified as performing forborne under probation until all the conditions are met. The conditions shall be assessed on at least a quarterly basis.

178. A forborne exposure may be considered as performing from the date when forbearance measures were extended if either of the following conditions is met:

- (a) this extension has not led the exposure to be classified as non-performing;
- (b) the exposure was not under non-performing status at the date the forbearance measures were extended.

179. If a performing forborne contract under probation is extended additional forbearance measures or becomes more than 30 days past-due, it shall be classified as non-performing.

180. Performing exposures with forbearance measures comprise forborne exposures that do not meet the criteria to be considered as non-performing. Forborne exposures under probation period that have been reclassified out of the non-performing forborne exposures shall be reported separately within the performing exposures with forbearance measures in the column “of which: Performing forborne exposures under probation”. Non-performing exposures with forbearance measures comprise forborne exposures that meet the criteria to be considered as non-performing. These exposures are those that have been non-performing due to the extension of forbearance measures, which were non-performing prior to the extension of forbearance measures and to which conditions in paragraph 157 apply, and forborne exposures which have been reclassified from the performing category, including exposures under probation having been re-forborne or more than 30 days past-due. Exposures to which paragraph 157 applies shall be separately identified in the column “of which: forbearance of non-performing exposures”.

181. The column “Refinancing” comprises the gross carrying amount of the new contract (“refinancing debt”) granted as part of a refinancing transaction qualifying as forbearance, as well as the part of the re-paid other contract (“refinanced debt”) that is still outstanding, if any.

182. Forborne exposures combining modification and refinancing shall be allocated to the column “Instruments with modifications of the terms and conditions” or the column “Refinancing” according to the measure that had the most impact on cash-flows, if any. Refinancing by a pool of banks shall be reported in the column “Refinancing” for the total amount of refinancing debt provided by or refinanced debt still outstanding at the reporting institution. Repackaging of several debts in a new one shall be reported as a modification, unless there is also a refinancing transaction that has the largest impact on cash-flows. When forbearance through modification of the terms and conditions of a troubled exposure leads to its derecognition and to the recognition of a new exposure, the new exposure shall be treated as forborne debt.

183. “Accumulated impairment” and “Accumulated changes in fair value due to credit risk” shall be reported in accordance with paragraph 46. “Accumulated impairment” means the reduction in the carrying amount either directly or through use of an allowance account. The amount of “accumulated impairment” to be reported in the column “on non-performing exposures with forbearance measures” for non-performing exposures shall not include incurred but not reported losses. Incurred but not reported losses shall be reported in the column “on performing exposures with forbearance measures”. “Accumulated changes in fair value due to credit risk” are reported for exposures designated at fair value through profit and loss in accordance with the applicable accounting framework.

5. paragraph 109 in Annex V Part 2 is replaced as follows:

“109. In template 20.4 for debt instruments, “gross carrying amount” shall be reported as defined in paragraph 45 of Part 2. For derivatives and equity instruments, the amount to be reported is the carrying amount. “Of which: Non-performing” loans and advances shall be reported as defined in paragraphs 145 to 157 of this Annex. Debt forbearance comprises all “debt” contracts for the purpose of template 19 to