

Circulaire

Brussels, 21/05/2019

Reference: NBB_2019_11

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Guidelines of the European Banking Authority (EBA) of December 17th 2018 on disclosure of non-performing and forborne exposures (EBA/GL/2018/10)

Scope

Credit institutions governed by Belgian law.

Summary/Objective

The purpose of this circular is to implement the guidelines of the European Banking Authority (EBA) of December 17th 2018 on disclosure of non-performing and forborne exposures (EBA/GL/2018/10).

Dear Sir or Madam,

The purpose of this circular is to implement the guidelines of the European Banking Authority (hereinafter EBA) of December 17th 2018 on disclosure of non-performing and forborne exposures. The English version of the text drawn up by the EBA is annexed to this circular. Said annexe can be consulted on the website of the National Bank of Belgium.

As a result of the action plan developed by the European Council in July 2017 to address Non-Performing Exposures in Europe, the EBA has taken the initiative to develop guidelines on uniform disclosure requirements for non-performing and forborne exposures (hereinafter the EBA guidelines).

One of the objectives of the EBA guidelines is to inform market participants on asset quality and non-performing exposures of credit institutions as provided for in paragraph 6 of the EBA guidelines. To this end, the EBA guidelines extend the existing disclosure requirements and specify a common content and uniform disclosure requirements for information on non-performing and forborne exposures. In addition, the EBA guidelines also amend a number of existing disclosure requirements¹.

¹ Inter alia the EBA Guidelines of 14 December 2016 on disclosures requirements (so-called Pillar III requirements) under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11).

The EBA guidelines provide for some proportionality. Some tables apply to all credit institutions within the scope, while others apply only to those credit institutions within the scope that are considered significant and have a gross NPL ratio of 5% or above.

The criteria for determining whether a credit institution is significant, as well as the definition for the NPL threshold are included in the EBA guidelines.

This circular aims to incorporate the EBA guidelines into the national regulatory framework for credit institutions governed by Belgian law, which are subject to some or all of the disclosure requirements set out in Part 8 of the CRR. The institutions concerned are expected to comply with the EBA guidelines.

The EBA guidelines will apply from 31 December 2019. These guidelines will therefore be applied for the first time in Pillar 3 disclosures as of 31 December 2019.

A copy of this circular will be sent to your undertaking's accredited auditor(s).

Yours faithfully,

Pierre Wunsch
Governor

Annexe : 1. EBA guidelines on uniform disclosure requirements for non-performing and forborne exposures