EUROPEAN CENTRAL BANK

BANKING SUPERVISION

Andrea ENRIA
Chair of the Supervisory Board

Mr Matt Carthy
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 17 June 2019

Re: Your letter (QZ32)

Honourable Member of the European Parliament, dear Mr Carthy,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 22 May 2019.

As a follow-up to my predecessor's written response of 21 March 2018,[1] and in answer to your question, let me further clarify the criteria that have to be met for a restructured loan to exit non-performing status on the basis of the applicable regulation.

In order for a restructured non-performing loan to exit non-performing status, all the criteria in paragraphs 156 and 157 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014 have to be met.[2] In this context, with respect to your specific question, before the exposure can be reclassified as performing the borrower has to pay for at least one year interest and capital according to the restructured schedule, and not on the basis of the original repayment schedule.

Yours sincerely,

[signed]

Andrea Enria

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1 https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter180321_Carthy.en.pdf

2 See Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council.

European Central Bank
60640 Frankfurt am Main

Tel.: +49 69 1344 0
E-mail: info@ecb.europa.eu
Website: www.bankingsupervision.europa.eu