Dear Sir, Madam,

Following the call for comments on EBA consultation CP50, Rabobank delivers the following views and responses.

Introduction
First we want to remark that we have contributed to the comments from EBF through the Dutch Bankers Association as well as from the EACB. We subscribe to both sets of comments and fully support the letters and recommendations. But we want to highlight in addition in this letter several issues which are important to Rabobank in particular.

First time application
The consultation paper mentions that banks have to submit the first set of data with reference date of 31 March 2013 to the national supervisors by May 13, 2013. Given the estimated time of final voting in the European Parliament (June 2012) and the time necessary to compile the final templates, Rabobank has only a limited timeframe available to prepare itself for reporting. We stress that also a small change to an existing report has huge repercussions in terms of processing, testing and documentation. We also remark that we can prepare for changes already on beforehand as well as analyze the present proposals, but we can start effectively building new templates and adapting IT-systems only after the final requirements have been locked down. We propose to apply the new framework in full from 1 January 2014 onwards. And use the present reporting templates, added with certain CA-related information, during 2013.

Mandate
The mandate for EBA to develop the draft Technical Implementation Standards is found in Article 95 of the proposed regulation. We are of the opinion that EBA should provide explanations to demonstrate it has remained within this mandate.
In our view especially the set of FinRep data in its details goes far beyond the aim of getting a view on a bank’s risk profile as well as to obtain a view on the systemic risks posed by the bank. We would appreciate some extra explanations to demonstrate EBA has remained within the given mandate.

Proportionality
The consultation paper takes in our view a too strict approach to the concept of proportionality. Given the criteria of ‘the nature, scale and complexity of the credit institution’s activities’ we would expect that ‘materiality’ would be an important factor. Against this background then rules should be developed that could form the basis for exceptions for:
- certain templates that only report a very small number of rwa’s;
- certain risk categories (e.g settlement risk) that contribute a relatively and/or absolutely very small number of rwa’s to the total;
- very small business entities compared to the total risk numbers, et cetera.
And this of course within a prudent framework under EBA guidelines or with supervisors consent.

FinRep needs to be aligned with IFRS
In most banks and also in Rabobank two reporting streams are in place: one for financial reporting and one for risk reporting. This has been organized throughout the whole group in this way. Financial information should therefore be drawn from the EU endorsed IFRS framework, FinRep terminology should be consistent with IFRS and the use of options permitted under IFRS should be left to the bank. This results in an optimal match of the presented financial statements and annual accounts and of the FinRep figures.

IT solutions
Rabobank is in favour of a harmonized reporting infrastructure. The proposed generalized introduction of XBRL undoubtedly contributes to reducing manual processes and increasing data quality. However, we are not in favour of a mandatory implementation from start on or on a country by country basis. In our view we expect EBA and the supervisory community at large to accommodate the future use of XBRL and work to achieve a switch-over in 2 to 5 year’s time.

We appreciate if you could consider our views and responses.

Yours sincerely,

Loek Cremers
Advisor Prudential Regulation