



**Bank Association of Slovenia**

**EBA/CP/2012/05**

**General comments and answers - EBA Consultation Paper on Draft Implementing Technical Standards on Supervisory reporting requirements for Liquidity Coverage and Stable Funding**

Hereby we submit the comments and answers received from two of our member banks, namely **Nova kreditna banka Maribor d.d. and Abanka Vipava d.d.**

**Abanka Vipava d.d.:**

- **Are the proposed dates for first remittance of data, i.e. end of January and end of March 2013 feasible?**

The submission of data as of 31 January 2013 on an individual basis for LCR is feasible. As regards reporting on a consolidated basis, additional consultation with subsidiaries is needed and it should also be stressed that the reporting on consolidated basis will increase costs and will represent an additional burden. Therefore we propose the definition of a threshold value in percentage of total assets for which monthly reporting of consolidated data is not obligatory.

Information about the final version of the ITS is needed in order to confirm the feasibility of reporting for NSFR. Test reporting has been conducted in the framework of the SIQIS study for the year 2009, but with a different template than the one provided for official reporting in 2013. To assess whether we are able to report NSFR already in the beginning of 2013, we need to perform test reporting and check the feasibility of automatic reporting. Therefore, we suggest postponing the deadline for the first remittance of data for at least 6 months. This would also be in line with the difference in deadlines for LCR and NSFR fulfillment.

- **Do respondents agree with this proposal for defining significant currency?**

We disagree with the proposal and suggest that the definition of a currency where institution has significant liquidity risk pertains to currencies which comprise 8 % of institution's liabilities.

- **Is the proposed remittance period of 15 days feasible?**

Proposed timeline is too short and represents the biggest problem for the group. Due to the complexity of the report that includes both data on individual and consolidated basis, the longevity of acquiring data and reporting procedure the 15 days remittance period is absolutely too short. Thus, the submission of reports is feasible according to the following timeline:

- for LCR: at least 30 days after the reporting reference date and 45 days after the year end. It should be noted that these deadlines need to be confirmed by the bank's subsidiaries as well.
- for NSFR: 45 days after the reporting reference date and 60 days after the year end.



In case of shorter timeline than proposed, the feasibility of shortening the data acquiring procedures from subsidiaries, the preparation of consolidated data and capital requirements reports needs to be examined, because some data for calculation of LCR are based on these reports.

- **Are there additional sub-categories of inflows and outflows that are consistent with the specification of the liquidity coverage requirement in the CRR and would inform policy options that should be reported?**

We believe that the CRR should include other categories of liquid assets, especially government-backed bonds (for example Slovene export and development bank bonds) and liquid stocks with high credit rating.

#### **Nova kreditna banka Maribor d.d.:**

- The bank **cannot agree** with the **proposed first submission dates** of January 2013 and March 2013, respectively. Considering that all new ratios are to be governed by the new CRR Directive, which has not been adopted yet and the implementation of which is being postponed from month to month, we propose that the dates of first reporting on LCR and NSFR must be adjusted accordingly.
- The bank **agrees with the proposed definition of significant currency**, namely the currency that accounts for more than 5% of a bank's liabilities.
- The bank **does not agree with the reporting deadline being the 15th calendar day**. We propose that the reporting deadline for LCR to be calculated on an individual should be on the 15th business days and a consolidated basis on 20th business days, respectively. Considering that the calculation of NSFR is directly linked to the calculation of LCR and LR, with the latter being tied to the compiling of the COREP reports, we propose that the NSFR reporting on an individual basis takes place by 25th of the month for the previous month, while on a consolidated basis, the reporting deadline shall be 15th of the month for the month before last.
- The bank **does not propose any additional sub-categories** to be introduced for inflows and outflows in the calculation of LCR.
- The bank **does not propose any additional assets** should be collected with respect to the data on **transferable securities** of high or extremely high credit and liquidity quality.
- The bank **can by no means agree with the template for the calculation of NSFR**, as proposed by the CRR Directive. The instructions for filling in the NSFR template, which is divided into *stable funding items* (numerator) and *required funding items* (denominator), contain the description of individual items. The description of individual items refers to specific articles of the CRR Directive that are supposed to provide a clear definition of these items. As an example, we quote here the item under Point "1.1 Own funds", which contains a reference to Article 414.1(a) of the CRR Directive, where only the term "own funds" is stated, without any further explanation. Following a thorough search, it was established that an accurate definition of "own funds" is set out in Article 69 of the CRR Directive. The same problem is present in practically all items included in the NSFR template. We give here another example: the item under Point "1.2.1 retail deposits", which makes reference to Article 414.1(b)(i), which, in turn, makes reference to



Article 409(1), is an item that is already calculated for LCR. To ensure the correct calculation of ratios, accurate references to relevant items shall be provided. By this we do not mean only references to articles, but also to additional clarifications as to the content of items to enable comparison of ratios between banks, and references to items in other ratios, for which the requested data are already calculated.

- The bank would like to make **an additional comment on the definition of "retail deposits"**. In the instructions for the calculation of LCR (from line 74 to line 86), which we have received from the Bank of Slovenia, retail deposits were defined as deposits from natural persons, whereas deposits up to €1 million from sole proprietors and legal entities were reported within lines 90 to 103, and deposits over €1 million from large legal entities were reported within lines 108 to 117. Article 400, point (2), of the CRR Directive defines "retail deposits" as liabilities of natural persons or SMEs, or a group of related persons, the total amount of which is less than €1 million. Considering the foregoing, we ask for **an additional explanation concerning the requirements of the existing LCR template in connection with the CRR Directive (the definitions of individual ratios shall be harmonised)**.