



EBA

Technical standards on supervisory reporting

Public hearing on 20 February 2012

European
Banking
Authority

European System of Financial Supervision

Agenda

- EBA's mandate to develop implementing technical standards (ITS)
- Main features of the ITS
- ITS development process and impact assessment
- Technical details on COREP
- Technical details on FINREP
- Next Steps and timeline
- Questions and feedback from participants

EBA regulatory tasks

Common rulebook

Maximum harmonisation

...but proportionate to different financial institutions

EU Commission
Sectoral Directives

EU Commission
'Implementing legislation'

EBA to
provide advice

EBA developing binding
technical standards

ITS on Reporting – CRR mandate

- EBA to deliver ITS by 1.1.2013 in the following areas (CRR):
 - Art 95 Own funds reporting – CP published in Dec 2011
 - Art 96 Mortgage exposures reporting – CP published in Dec 2011
 - Art 383 Large exposures reporting – CP published in Feb 2012
 - Art 403 Liquidity – CP to be published
 - Art 417 Leverage – CP to be published
- Integrated approach to ITS development
 - Several ITS packaged as one EU Regulation
 - Use of common structure/conventions/concepts/definitions

ITS on Reporting – main features

- Objectives:
 - Increase efficiency in reporting systems (cost reduction for banks)
 - Enhance analytical ability for NSA and EBA (common set of data, quality)
- Adoption by EU Commission via implementing acts in form of regulation or decision
- Direct application – no further implementing regulation on national level
- Proportionate to nature, scale and complexity of institutions' activities
- Details: data templates, definitions, data point model, XBRL taxonomies (not mandatory)

ITS on Reporting - proportionality

- Proportionate to nature, scale and complexity of institutions' activities
 - Frequency (Risk assessment systems, nature of information)
 - Thresholds (specific requirements for significant institutions, material exposures)
 - Reductions for small and domestic-only banks
 - Exemptions for certain investment firms

ITS on Reporting – uniform implementation

- ITS features to ensure uniform implementation:
 - Legal references point to relevant parts of EU law (CRR, Accounting Directive)
 - Data definitions included in the instructions – to further clarify legal references
 - Validation rules (quantitative relations between data points)
 - Data point model containing all the relevant technical specifications necessary for developing an IT reporting format
 - XBRL taxonomies to ensure unambiguous IT interpretation of the data included in the ITS (XBRL not mandatory – depending on national authority)

ITS development – main drivers

Starting point

- COREP and FINREP guidelines

Streamlining

- Reduction of reporting cost with uniform reporting formats

EU regulation:

- Single rule book
- CRR (proposal as of July 2011)

Data gaps:

- Increased information need of national supervisors
- Additional information needs for EBA and ESRB

ITS development process



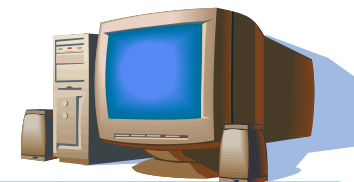
Data definitions (CP 50)

- Data sheets (bi-dimensional)
- References
- Data definitions
- Based on CEBS guidelines (COREP and FINREP)
- Policy experts



Data point model

- Standardisation of data
- Multi-dimensional
- Focus on analytical data use
- Validation rules
- Policy and IT experts



Taxonomy

- Multi-dimensional
- Integrated validation rules
- IT experts

ITS Reporting – improved data usage

Own

Funds

(COREP, FINREP)

Art 477 CRR reporting

Art 485 CRR monitoring

Liquidity

Art 481 CRR monitoring

Leverage

Art 482 CRR monitoring

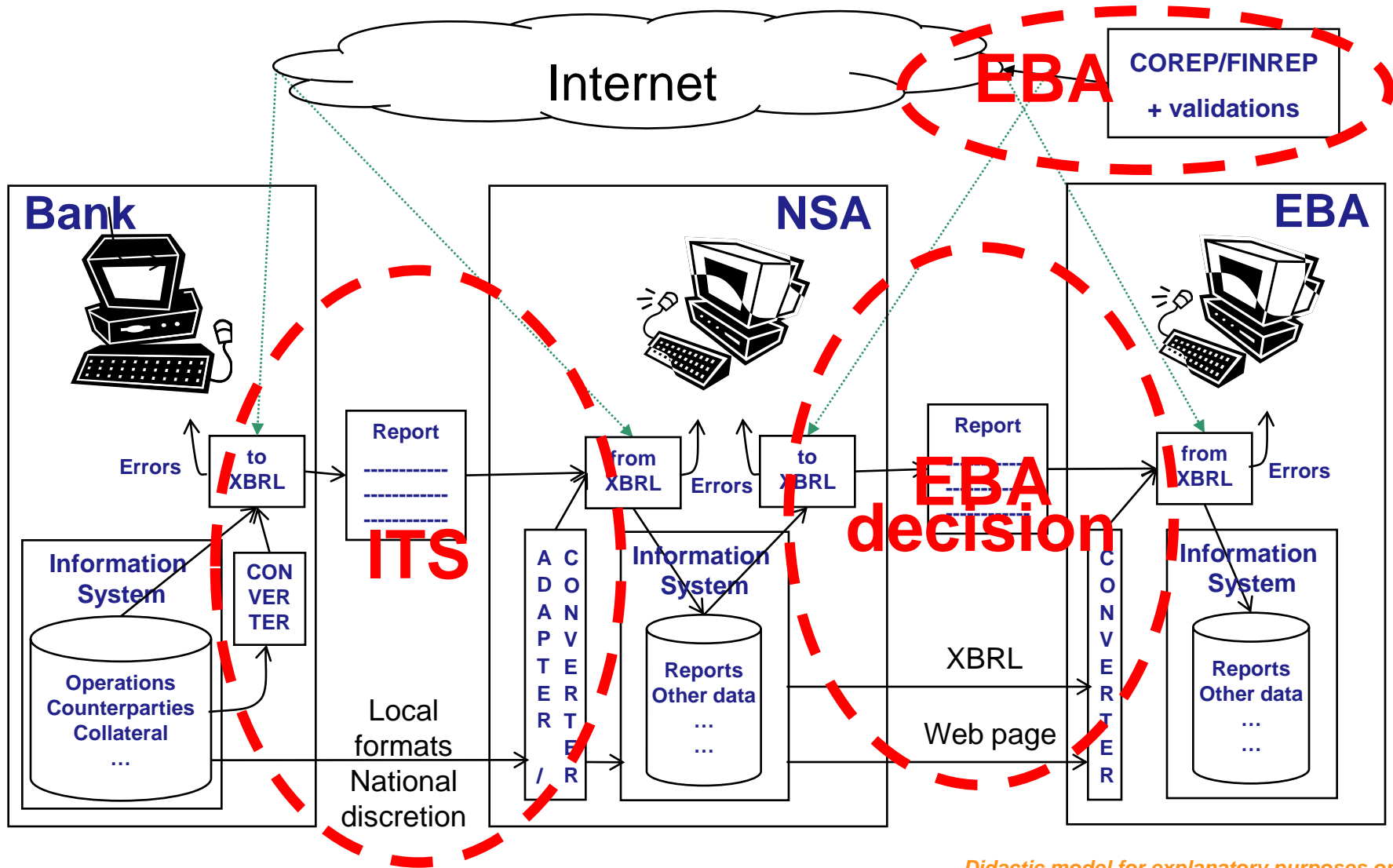
Mortgage exposures

Art 96 CRR disclosure

Large exposures

Art 79 CRD – concentration risk

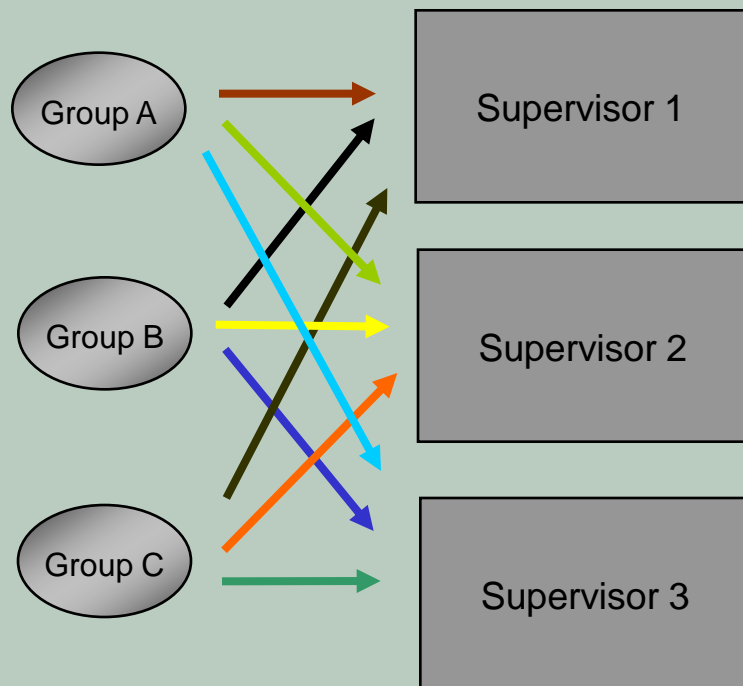
EBA reporting data flow



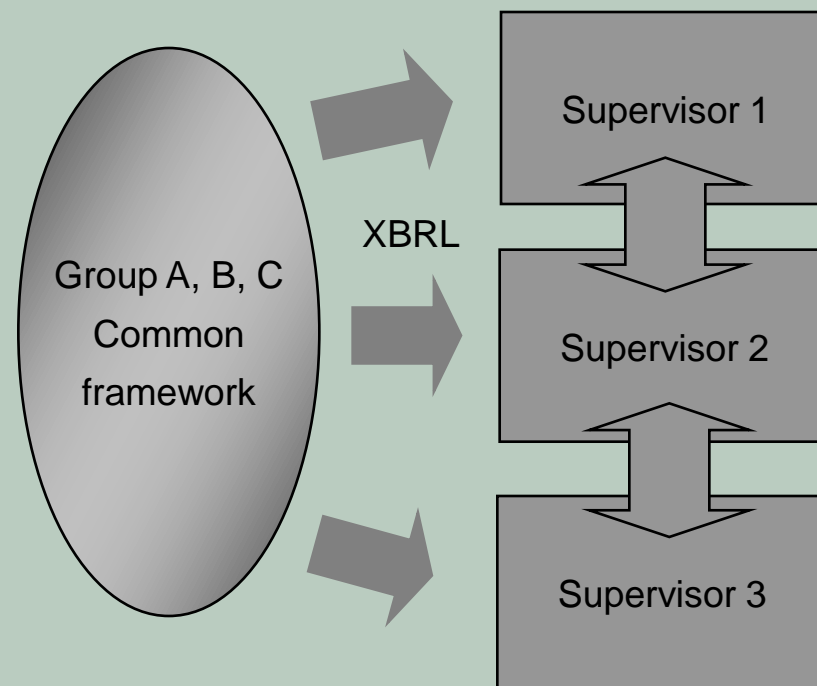
Didactic model for explanatory purposes only

ITS Reporting – impact assessment

- Reporting before...



and after...



Benefits and costs:

- Time and cost savings
- Accelerated production process
- Minimising manual interventions and risk of errors
- Increased data quality

COREP – Main Features

- Reporting population
 - Credit institutions and investment firms
 - Consolidated level and individual level
- Frequency
 - Quarterly
 - Exception: semi-annually
 - Small, domestic institutions (NSA decision)
 - Entities within scope of consolidation (GS)
 - Exception: annually
 - Material operational risk losses (OPR Details)
- Proportionality
 - Different levels of proportionality due to use of different approaches
 - Use of materiality thresholds
 - Market risk (interest rate risk, equity risk, fx risk)
 - Group contributions in GS template
 - Country-specific information in IRB
 - Reduced loss reporting when using TSA/ASA in OPR Details
 - Reduced reporting requirements for particular investment firms

COREP – Capital adequacy (CA1 to CA5)

Revision of CA due to new CRR provisions for own funds

- Complete revision of CA information due to new own funds definitions
- New: Additional information on own funds components and transitional provisions
 - Supervisory information needs regarding own funds calculation
 - Coverage of Basel III reporting

Reporting of transitional provisions - Use of gross-approach

- Easier analysis of data (e.g. comparisons between years/ cross border)
- Easier calculation of own funds and its components (only limited number of items reflecting transitional provisions)
- Disclosure requirements of CRR

COREP – Group Solvency

Part 1: Information relating to individual entities subject to own funds requirements	Part 2: Information relating the contribution of entities to solvency of the group
<p>Detailed information on those entities, being within CRR scope of consolidation, which are effectively subject to particular solvency requirements.</p>	<p>Information on the contributions of all entities, including unregulated entities, within CRR scope of consolidation</p>
<p>Includes information about all individual entities, that are effectively subject to own funds requirements, regardless where they are located</p>	<p>Identifies those entities of a consolidated group which generate the most risks and raise own funds from the market</p>
<p>→ Host data</p> <p>→ Includes intra-group exposures/ own funds</p>	<p>→ Home data</p> <p>→ Includes only those exposures/ own funds which are not intra-group related</p>

COREP – Credit risk information

- CR SA
 - Detailed information limited to 5 exposure classes (instead of 16 CRD classes)
- CR IRB
 - Countryspecific information of risk parameters
 - Detailed analysis of changes and trends in risk drivers PD, LGD, risk weights
 - figure out poorly performing models
 - movements in risk and exposure per country
 - Reporting of sub-exposure classes considering in addition size of counterparty and real estate collateral
 - Detailed analysis of portfolio structure, insight in SME-portfolio
- CR IRB GB ,Geographical breakdown of financial exposures subject to credit risk (IRB approach)‘
 - New template to close data gaps for EBA´s assessment of credit risk
 - Reporting of risk parameters broken down by countries on the one hand and on the other hand by exposure type and counterparties (FINREP definition)
 - Reported portfolio: Financial exposures (i.e. all IRB exposure classes except of ,other non credit-obligation assets‘)

COREP - Securitisation

- CR SEC SA/ CR SEC IRB
 - Reporting of information on outstanding positions (at inception date) according to credit quality steps
 - Purpose: Analysis of the impact on the institution's capital requirements of changes in credit ratings of their securitisation positions

- SEC Details
 - Extention of the scope:
 - Who should report SEC Details?
 - Which transactions shall be reported?
 - Deeper insight into the securitisation structure and into securitisation positions
 - Purpose: Additional information needs about the securitisation market, supervisory needs learned from the crisis

FINREP – Main Features

- Reporting population
 - Credit institutions reporting on consolidated basis
- Frequency
 - Quarterly
 - Exception: the following templates to be reported semi-annually
 - Breakdown of loans and advances to non-financial corporations by NACE codes and by residence of the counterparty (Table 10.2)
 - Breakdown of debt securities from general governments by residual maturity and by residence of the counterparty (Table 10.3)
- Data content
 - Tables 1 to 20 (ITS Parts I to IV of Annexes III and IV)
 - Additional data content for IFRS reporters
 - Tables 21 to 31 (ITS Part V of Annex III)
 - Submission of this additional data content is not automatic but subject to prior decision
- Proportionality
 - “Implicit” in the templates, reporting frequencies, additional data content
 - Materiality thresholds for breakdowns “country-by-country” (Tables 10.1, 10.2, 10.3 and 14.3)

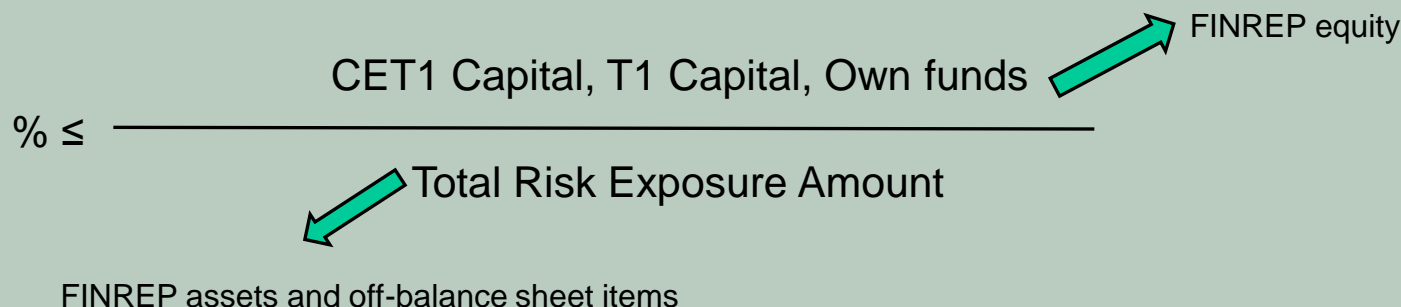
FINREP – Reporting on own fund requirements

- CRD/CRR scope of consolidation
- *Application on consolidated level disregarding the accounting standard used*
 - *Separate templates to represent data definitions for IFRS and non-IFRS*

Regulation (EC) No 1606/2002 of on the application of International Accounting Standards (“IAS Regulation”)

Directive 86/635/ECC on the annual accounts and consolidated accounts of banks and other financial institutions (“Bank Accounts Directive” or “BAD”)

- CRR Article 87 *Own fund requirements*



FINREP – IFRS and National GAAP reporters

- Both IFRS and National GAAP reporters are subject to the same regime of own fund requirements (CRR)
- Own funds
 - Definitions of own funds components refers to the relevant accounting framework (CRR Article 22)
 - As under IFRS: *'Accumulated other comprehensive income has the same meaning as under International Accounting Standard (IAS) 1, as applicable under Regulation (EC) No 1606/2002'*
 - As under BAD: *'Funds for general banking risk has the same meaning as under Article 38 of Directive 86/635/EEC'*
 - As under IFRS or under National GAAP: *'Share premium account has the same meaning as under the applicable accounting standard'*
 - CET1 Capital items (CRR Article 24): (a) capital instruments eligible; (b) share premium accounts related; (c) retained earnings; (d) accumulated other comprehensive income; (e) other reserves; (f) funds for general banking risk
- Total risk exposure amount (CRR Article 94 *Valuation*)
 - “*The valuation of assets of assets and off-balance-sheets items shall be done in accordance with the accounting framework to which the institution is subject (...)*”

FINREP – Assets: “Integrated approach”

1. Balance Sheet Statement [Statement of Financial Position]

1.1. Assets

	Accounting Framework	References based on BAD	References based on IFRS	Breakdown in lines	Carrying amount
				010	
010 Cash and cash equivalents	IFRS/GAAP	BAD art 4 Assets (1)	IAS 7.6-7, 45; IAS 1.54		
020 Cash on hand	IFRS/GAAP	ITS part 2.1	ITS part 2.1		
030 Cash balances at central banks	IFRS/GAAP	BAD art 13(2); ITS part 2.2	ITS part 2.2		
040 Other demand deposits and cash equivalents	IFRS		IAS 7.6-7, 45; ITS part 2.2	3	
050 Financial assets held for trading	IFRS/GAAP	4th Directive art 42a(1), (5a); IAS 39.9	IFRS 7.8 (a)(b); IAS 39.9, AG 14	3	
060 Derivatives held for trading	IFRS/GAAP	CRR Annex II	IAS 39.9	7	
070 Equity instruments	IFRS/GAAP	ECB/2008/32 Annex 2 part 2.5	IAS 32.11		
080 Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15		
090 Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35	9	
100 Trading financial assets	GAAP	ITS part 1.5		3	
110 Derivatives held for trading	GAAP	CRR Annex II; ITS part 2.4		7	
120 Equity instruments	GAAP	ECB/2008/32 Annex 2 part 2.5			
130 Debt securities	GAAP	ITS part 1.14, 15			
140 Loans and receivables	GAAP	ITS part 1.14, 15		9	
150 Financial assets designated at fair value through profit or loss	IFRS/GAAP	4th Directive art 42a(1), (5a); IAS 39.9	IFRS 7.8 (a) (i); IAS 39.9	3	
160 Equity instruments	IFRS/GAAP	ECB/2008/32 Annex 2 part 2.5	IAS 32.11		
170 Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15		
180 Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35	9	
190 Available-for-sale financial assets	IFRS/GAAP	4th Directive art 42a(1), (5a); IAS 39.9	IFRS 7.8(d); IAS 39.9	3	
200 Equity instruments	IFRS/GAAP	ECB/2008/32 Annex 2 part 2.5	IAS 32.11		
210 Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15		
220 Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35	9	
230 Non-trading non-derivative financial assets measured at fair value through profit or loss	GAAP	4th Directive art 42a(1), (4)		3	
240 Equity instruments	GAAP	ECB/2008/32 Annex 2 part 2.5			
250 Debt securities	GAAP	ITS part 1.14, 15			
260 Loans and advances	GAAP	4th Directive art 42a(1), (4)(b); ITS part 1.14, part 3.35		9	
270 Non-trading non-derivative financial assets measured at fair value to equity	GAAP	4th Directive art 42a(1); art 43(c) (2)		3	
280 Equity instruments	GAAP	ECB/2008/32 Annex 2 part 2.5			
290 Debt securities	GAAP	ITS part 1.14, 15			
300 Loans and advances	GAAP	4th Directive art 42a(1), (4)(b); ITS part 1.14, part 3.35		9	
310 Loans and receivables	IFRS/GAAP	4th Directive art 42a(4)(b); IAS 39.9	IFRS 7.8 (c); IAS 39.9, AG16, AG26; ITS part 1.16	3	
320 Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15		
330 Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35	9	
340 Held-to-maturity investments	IFRS/GAAP	4th Directive art 42a(4)(a); IAS 39.9	IFRS 7.8 (b); IAS 39.9, AG16, AG26	3	
350 Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15		
360 Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35	9	
370 Non-trading debt instruments measured at a cost-based method	GAAP	BAD art 37.1; art 42a(4)(b); ITS part 1.6		3	
380 Debt securities	GAAP	ITS part 1.14, 15			
390 Loans and advances	GAAP	ITS part 1.14, part 3.35			
400 Other non-trading non-derivative financial assets	GAAP	BAD art 35-37		3	
410 Equity instruments	GAAP	ECB/2008/32 Annex 2 part 2.5			
420 Debt securities	GAAP	ITS part 1.14, 15			
430 Loans and advances	GAAP	ITS part 1.14, part 3.35			
440 Derivatives – Hedge accounting	IFRS/GAAP	42a(1)(a); IAS 39.9	IFRS 7.22 (b); IAS 39.9	8	
450 Fair value changes of the hedged items in portfolio hedge of interest rate risk	IFRS/GAAP	4th Directive art 42a(5), (5a); IAS 39.89A (a)	IAS 39.89A (a)	25	
460 Tangible assets	IFRS/GAAP	BAD art 4 Assets (10)		25	
470 Property, Plant and Equipment	IFRS/GAAP		IAS 16.6; IAS 1.54 (a)		
480 Investment property	IFRS/GAAP		IAS 40.5; IAS 1.54 (b)		
490 Intangible assets	IFRS/GAAP	BAD art 4 Assets (9); CRR art 22(1)(b)	IAS 1.54 (c); CRR art 22(1)(b)	25	
500 Goodwill	IFRS/GAAP	BAD art 4 Assets (9); CRR art 22(1)(b)	IFRS 3.867 (c); CRR art 22(1)(b)		
510 Other intangible assets	IFRS/GAAP	BAD art 4 Assets (9)	IAS 38.118		
520 Investments in -subsidiaries, joint ventures and associates	IFRS/GAAP	BAD art 4 Assets (7)-(8); 4th Directive art. 17; ITS part 2.5	IAS 1.54 (e); ITS part 2.5	31	
530 Tax assets	IFRS/GAAP		IAS 1.54 (n-n)		
540 Current tax assets	IFRS/GAAP		IAS 1.54 (n); IAS 12.5		
550 Deferred tax assets	IFRS/GAAP	4th Directive art 43(1)(11); CRR art 22(9)	IAS 1.54 (o); IAS 12.5; CRR art 22(9)		
560 Prepayments and accrued income	IFRS/GAAP	BAD art 4 Assets (15); ITS part 2.6	ITS part 2.6		
570 Other assets	IFRS/GAAP	ITS part 2.7	ITS part 2.7		
580 Non-current assets and disposal groups classified as held for sale	IFRS		IAS 1.54 (j); IFRS 5.38		
590 Total assets	IFRS/GAAP	BAD art 4 Assets	IAS 1.9 (a); IAS 6		

Financial assets designated at fair value through profit or loss	IFRS/GAAP	4th Directive art 42a(1), (5a); IAS 39.9	IFRS 7.8 (a) (i); IAS 39.9
Equity instruments	IFRS/GAAP	ECB/2008/32 Annex 2 part 2.5	IAS 32.11
Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15
Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35
Available-for-sale financial assets	IFRS/GAAP	4th Directive art 42a(1), (5a); IAS 39.9	IFRS 7.8(d); IAS 39.9
Equity instruments	IFRS/GAAP	ECB/2008/32 Annex 2 part 2.5	IAS 32.11
Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15
Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35
Non-trading non-derivative financial assets measured at fair value through profit or loss	GAAP	4th Directive art 42a(1), (4)	
Equity instruments	GAAP	ECB/2008/32 Annex 2 part 2.5	
Debt securities	GAAP	ITS part 1.14, 15	
Loan and advances	GAAP	4th Directive art 42a(1), (4)(b); ITS part 1.14, part 3.35	
Non-trading non-derivative financial assets measured at fair value to equity	GAAP	4th Directive art 42a(1); art 42c (2)	
Equity instruments	GAAP	ECB/2008/32 Annex 2 part 2.5	
Debt securities	GAAP	ITS part 1.14, 15	
Loan and advances	GAAP	4th Directive art 42a(1), (4)(b); ITS part 1.14, part 3.35	
Loans and receivables	IFRS/GAAP	4th Directive art 42a(4)(b); IAS 39.9	IFRS 7.8 (c); IAS 39.9, AG16, AG26; ITS part 1.16
Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15
Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35
Held-to-maturity investments	IFRS/GAAP	4th Directive art 42a(4)(a); IAS 39.9	IFRS 7.8 (b); IAS 39.9, AG16, AG26
Debt securities	IFRS/GAAP	ITS part 1.14, 15	ITS part 1.14, 15
Loans and advances	IFRS/GAAP	ITS part 1.14, part 3.35	ITS part 1.14, part 3.35
Non-trading debt instruments measured at a cost-based method	GAAP	BAD art 37.1; art 42a(4)(b); ITS part 1.6	
Debt securities	GAAP	ITS part 1.14, 15	
Loans and advances	GAAP	ITS part 1.14, part 3.35	
Other non-trading non-derivative financial assets	GAAP	BAD art 35-37	
Equity instruments	GAAP	ECB/2008/32 Annex 2 part 2.5	
Debt securities	GAAP	ITS part 1.14, 15	
Loans and advances	GAAP	ITS part 1.14, part 3.35	

Level 1st Accounting Portfolios (valuation rules)

→ Level 2nd Instruments

→ → Level 3rd Counterparties or Common asset classes

(templates with breakdowns of balance sheet items)

FINREP – Assets: Draft ITS Annexes II and IV

1.1. Assets

	“Implicit” proportionality	References based on IFRS	Breakdown in table	Carrying amount
				010
010	Cash and cash equivalents	IAS 7.6-7, 45; IAS 1.54 (i)		
020	Cash on hand	ITS part 2.1		
030	Cash balances at central banks	ITS part 2.2		
040	Other demand deposits and cash equivalents	IAS 7.6-7, 45; ITS part 2.3	3	
050	Financial assets held for trading	IFRS 7.8 (a)(ii); IAS 39.9, AG 14	3	
060	Derivatives held for trading	IAS 39.9	7	
070	Equity instruments	IAS 32.11		
080	Debt securities	ITS part 1.14, 15		
090	Loans and advances	ITS part 1.14, part 3.35	9	
150	Financial assets designated at fair value through profit or loss	IFRS 7.8 (a) (i); IAS 39.9	3	
160	Equity instruments	IAS 32.11		
170	Debt securities	ITS part 1.14, 15		
180	Loans and advances	ITS part 1.14, part 3.35	9	
190	Available-for-sale financial assets	IFRS 7.8.(d); IAS 39.9	3	
200	Equity instruments	IAS 32.11		
210	Debt securities	ITS part 1.14, 15		
220	Loans and advances	ITS part 1.14, part 3.35	9	
310	Loans and receivables	IFRS 7.8 (c); IAS 39.9, AG16, AG26; ITS part 1.16	3	
320	Debt securities	ITS part 1.14, 15		
330	Loans and advances	ITS part 1.14, part 3.35	9	
340	Held-to-maturity investments	IFRS 7.8 (b); IAS 39.9, AG16, AG26	3	
350	Debt securities	ITS part 1.14, 15		
360	Loans and advances	ITS part 1.14, part 3.35	9	
440	Derivatives – Hedge accounting	IFRS 7.22 (b); IAS 39.9	8	
450	Fair value changes of the hedged items in portfolio hedge of interest rate risk	IAS 39.89A (a)		
460	Tangible assets		25	
470	Property, Plant and Equipment	IAS 16.6; IAS 1.54 (a)		
480	Investment property	IAS 40.5; IAS 1.54 (b)		
490	Intangible assets	IAS 1.54 (c); CRR art 22(18)	25	
500	Goodwill	IFRS 3.867 (d); CRR art 22(16)		
510	Other intangible assets	IAS 38.8,118		
520	Investments in -subsidiaries, joint ventures and associates	IAS 1.54 (e); ITS part 2.5	31	
530	Tax assets	IAS 1.54 (n-o)		
540	Current tax assets	IAS 1.54 (n); IAS 12.5		
550	Deferred tax assets	IAS 1.54 (o); IAS 12.5; CRR art 22(9)		
560	Prepayments and accrued income	ITS part 2.6		
570	Other assets	ITS part 2.7		
580	Non-current assets and disposal groups classified as held for sale	IAS 1.54 (j); IFRS 5.38		
590	Total assets	IAS 1.9 (a), IG 6		

1.1. Assets

	References based on BAD	Breakdown in table	Carrying amount
			010
010	Cash and cash equivalents	BAD art 4 Assets (1)	
020	Cash on hand	ITS part 2.1	
030	Cash balances at central banks	BAD art 13(2); ITS part 2.2	
050	Financial assets held for trading	4th Directive art 42a(1), (5a); IAS 39.9	3
060	Derivatives held for trading	CRR Annex II	7
070	Equity instruments	ECB/2008/32 Annex 2 part 2.5	
080	Debt securities	ITS part 1.14, 15	
090	Loans and advances	ITS part 1.14, part 3.35	9
100	Trading financial assets	ITS part 1.5	3
110	Derivatives held for trading	CRR Annex II; ITS part 2.4	7
120	Equity instruments	ECB/2008/32 Annex 2 part 2.5	
130	Debt securities	ITS part 1.14, 15	
140	Loans and advances	ITS part 1.14, part 3.35	9
150	Financial assets designated at fair value through profit or loss	4th Directive art 42a(1), (5a); IAS 39.9	3
160	Equity instruments	ECB/2008/32 Annex 2 part 2.5	
170	Debt securities	ITS part 1.14, 15	
180	Loans and advances	ITS part 1.14, part 3.35	9
190	Available-for-sale financial assets	4th Directive art 42a(1), (5a); IAS 39.9	3
200	Equity instruments	ECB/2008/32 Annex 2 part 2.5	
210	Debt securities	ITS part 1.14, 15	
220	Loans and advances	ITS part 1.14, part 3.35	9
230	Non-trading non-derivative financial assets measured at fair value through profit or loss	4th Directive art 42a(1), (4)	3
240	Equity instruments	ECB/2008/32 Annex 2 part 2.5	
250	Debt securities	ITS part 1.14, 15	
260	Loans and advances	4th Directive art 42a(1), (4)(b); ITS part 1.14, part 3.35	9
270	Non-trading non-derivative financial assets measured at fair value to equity	4th Directive art 42a(1); art 42c (2)	3
280	Equity instruments	ECB/2008/32 Annex 2 part 2.5	
290	Debt securities	ITS part 1.14, 15	
300	Loans and advances	4th Directive art 42a(1), (4)(b); ITS part 1.14, part 3.35	9
310	Loans and receivables	4th Directive art 42a(4)(b),(5a); IAS 39.9	3
320	Debt securities	ITS part 1.14, 15	
330	Loans and advances	ITS part 1.14, part 3.35	9
340	Held-to-maturity investments	4th Directive art 42a(4)(a),(5a); IAS 39.9	3
350	Debt securities	ITS part 1.14, 15	
360	Loans and advances	ITS part 1.14, part 3.35	9
370	Non-trading debt instruments measured at a cost-based method	BAD art 37.1; art 42a(4)(b); ITS part 1.6	3
380	Debt securities	ITS part 1.14, 15	
390	Loans and advances	ITS part 1.14, part 3.35	
400	Other non-trading non-derivative financial assets	BAD art 35-37	3
410	Equity instruments	ECB/2008/32 Annex 2 part 2.5	
420	Debt securities	ITS part 1.14, 15	
430	Loans and advances	ITS part 1.14, part 3.35	
440	Derivatives – Hedge accounting	4th Directive art 42a(1), (5a); art 42c(1)(a); IAS 39.9	8
450	Fair value changes of the hedged items in portfolio hedge of interest rate risk	4th Directive art 42a(5), (5a); IAS 39.89A (a)	
460	Tangible assets	BAD art 4 Assets (10)	25
470	Property, Plant and Equipment		
480	Investment property		
490	Intangible assets	BAD art 4 Assets (9); CRR art 22(18)	25
500	Goodwill	BAD art 4 Assets (9); CRR art 22(16)	
510	Other intangible assets	BAD art 4 Assets (9)	
520	Investments in -subsidiaries, joint ventures and associates	BAD art 4 Assets (7)-(8); 4th Directive art. 17; ITS part 2.5	31
530	Tax assets		
540	Current tax assets		
550	Deferred tax assets	4th Directive art 43(1)(11); CRR art 22(9)	
560	Prepayments and accrued income	BAD art 4 Assets (15); ITS part 2.6	
570	Other assets	ITS part 2.7	
590	Total assets	BAD art 4 Assets	

ITS on reporting – next steps and timeline

Dec 2011

- Draft ITS
- Consultation period 3 months

Q2 2012

- Draft DPM consultation
- Draft XBRL taxonomy consultation
- Adoption of ITS due to CRR changes by EU institutions

Jun 2012

- ITS submission to EC
- Assumption: CRD IV/CRR final 2 months beforehand

Mar 2013

- First ITS reporting reference date
- First possible date after CRD IV application
- No need for national interim solutions

Questions and feedback from the public hearing

- Reporting reference date 31.03.2013 (first possible date after CRD 4 application) vs alternative: national interim solutions
- Main points raised by participants
 - Implementation timeline of the ITS coincides with other projects (FSB reporting, Basel 3 monitoring, other reporting requirements of CRR) which require changes to several primary systems and reports at the same time -> resource constraints in many banks -> operational risk
 - Implementation of changes can only start after publication of final CRR and ITS
 - Testing of the changed systems and reporting procedures is very important and should be considered in the timeline
 - Data quality depends on implementation period and level of details included in the ITS (definitions, validation rules)
 - ITS start date should remain linked to CRR application in order to avoid national interim solutions
 - Implementation in two phases seen as potential solution to overcome above problems
- EBA conclusion
 - Responses to CP 50 consultation should
 - spell out those areas within the ITS which pose the biggest implementation challenges and explain in detail the underlying problems/reasons
 - suggest implementation time needed for implementation of those areas

Questions and feedback from the public hearing 2

- Materiality threshold – reduction of reported facts vs complexity of threshold calculation
- Main points raised by participants
 - Calculation of thresholds is not always clear and different in COREP and FINREP (alignment would ease implementation burden)
 - Article 5 (1) c of ITS: 0.5 % threshold is difficult to implement and maintain
 - Threshold related to group solvency (1 % contribution) is difficult to implement for groups with a large number of entities
- EBA conclusion
 - Responses to CP 50 consultation should spell out any problems with calculating thresholds -> alternatives should be included in responses
 - Responses to CP 50 should identify data points which are not defined adequately/clearly (data sourcing was seen as an important step to take in order to inform responses to CP 50)

Questions and feedback from the public hearing 3

- **Data quality**
 - Respondents stressed that data quality depends on (i) sufficient time to implement requirements, (ii) adequate definitions and validation rules and (iii) the availability of a technical solution.
- **XBRL taxonomies as unique interpretation of requirements – optional usage vs mandatory XBRL taxonomies**
 - Participants suggested that institutions should have the option to use XBRL taxonomies when submitting data to national competent authorities
- **Data revision/re-submission**
 - EBA staff clarified that Article 4 (3) of the ITS does not impose a requirement for figures/submissions to be audited
 - Several participants requested a materiality threshold regarding data revisions/re-submissions to be included in the ITS
- **Additional feedback by participants**
 - For some institutions the scope of consolidation would change -> additional implementation burden
 - Some breakdowns in both COREP and FINREP appear similar and could be completely aligned
 - Reporting population of FINREP is not clear (ITS vs. CRR vs. Danish proposal CRR) – clarity is key in order for implementation projects to start



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