

30.04.2024

**FBF RESPONSE TO THE CONSULTATION ON DRAFT IMPLEMENTING
TECHNICAL STANDARDS AMENDING COMMISSION IMPLEMENTING
REGULATION (EU) 2021/637 ON PUBLIC DISCLOSURES BY
INSTITUTIONS OF THE INFORMATION ON OPERATIONAL RISK
UNDER ARTICLE 446 OF REGULATION (EU) NO 575/201
(EBA/CP/2024/06).**

I - General comments:

The French Banking Federation (FBF) represents the interests of the banking industry in France. Its membership is composed of all credit institutions authorised as banks and doing business in France, i.e. 326 commercial, cooperative and mutual banks. FBF member banks have more than 34,000 permanent branches in France. They employ 349,100 people in France and around the world, and service 48 million customers.

The French Banking Federation (FBF) welcomes the opportunity to comment on the draft implementing technical standards on public disclosures on operational risk under Article 446 of Regulation (EU) No 575/2013 concerning operational risk (EBA/CP/2024/06).

Considerations linked to the reference date used for reporting quarterly BI calculation on EU OR2

The same comments than those made on the Corep equivalent C 16.02 apply.

Institutions raise difficulties and inconsistencies in the proposed framework for the reporting of the full set of information on the Business Indicator as of 31/12/N at the Q4 remittance date. The draft RTS on the adjustments to the Business Indicator requires to calculate and to report information based on audited financial figures. However, it will be not feasible to use the 31/12/N data, as these audited financial figures are not available when producing and publishing the Q4 Corep.

Based on these considerations, we strongly ask to report data as of 31/12/N-1 for all remittances of the year (i.e., from Q1 to Q4). This would allow institutions and supervisors to have consistent audited figures over the same calendar year.

Frequency of disclosures

The EBA did not provide at this stage information on the frequency of disclosures. Institutions shall consequently deduct the frequencies of the Pillar 3 templates based on their understanding of the related CRR3 requirements (Article 433 CRR3 mainly). This could result in different and possible wrong interpretations among institutions.

In this sense, could the EBA clarify the frequencies expected for all Pillar 3 disclosures (i.e., not only for the new operational risk disclosures but also for all current, reviewed and new disclosures)?

Track changes Final draft ITS

The respondents noticed that when final versions of ITSs are published on the EBA's website the track changes versions of the templates (Excel) and instructions (Word) provided are the ones between the former ITSs and the amended ITSs. No track changes versions of templates / instructions are provided between draft ITSs consultation and final draft ITSs.

In this sense, to ease the comparison between the consultation versions and the final amended versions, could the EBA:

1. Continue to provide the track changes versions of templates/disclosures between the current ITSs in application and the amended ITSs to be applied? (as is currently the case)
2. Also provide the track changes versions of templates and instructions between draft ITSs submit to consultation and final draft ITSs?

Decorrelation between the deadline for the submission of comments to the EBA consultations relating to operational risk.

We would like to highlight the decorrelation between the deadline for the submission of comments to the EBA consultations relating to operational risk: the two consultations on supervisory reporting and Pillar 3 disclosures, for which the deadline for comments is 30 April, and the consultation on Business Indicator calculation elements, for which the deadline for comments is 21 May. Following the consultation period, the two draft ITS will be finalised and be submitted to the European Commission by end-June 2024, while the draft TS on BI indicators will be finalised and be submitted to the European Commission by end 2024. The responses to the consultation on BI calculation elements will potentially have an impact on the information to be collected for supervisory reporting and Pillar 3 disclosure purposes, and therefore, on the implementation of all the requirements relating to operational risk.

II –Answers to the questions related to the consultation.

Question 1: Are the amended/new templates EU ORA, EU OR1, EU OR2 and EU OR3 and the related instructions clear to the respondents? If no, please motivate your response.

Frequency of operational risk disclosures.

We would like confirmation that templates OR1 and OR2 are published on an annual basis. Article 446 of the CRR3 referenced for OR1 and OR2 is not cited in the derogations from annual disclosures in article 433 a) of CRR3 relating to quarterly and half-yearly publications.

Question 2: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?

Decorrelation between templates C17.01 and C17.02 and template OR1 on operational risk losses.

As acknowledge by the EBA, we would like to point out that templates C17.01 and C17.02 will be maintained based on the current method, whereas the template OR1 in pillar 3 is moving towards a view of losses on operational risk in accordance with CRR3.

C17.01 and C17.02 will be adjusted once all the ITS texts (level 2) have been published. There will therefore be a decorrelation between the Pillar 3 publication (template OR1) and the supervisory reporting (templates C17.01 and C17.02) on this subject.

Question 3: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?

We have no comments.

Question 4: Do the respondents consider that the “mapping tool” appropriately reflects the mapping of the quantitative disclosure templates with supervisory reporting templates?

We have no comments.