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Consultation paper on Draft Implementing Technical Standards amending Commission Implementing Regulation (EU) 2024/3117 regarding Credit Risk and IFRS 9 Benchmarking¹ reporting

General 1: Are subject matter, scope of application, definitions and date of application appropriate and sufficiently clear?

The proposed IFRS 9 templates impose an undue burden on (smaller) institutions applying the Standardised Approach (SA). Typical SA institutions focus on internal/economic Pillar II credit risk reporting within the credit risk controlling function and therefore keep the regulatory reporting function free from more complex data points such as ratings, PDs, or LGDs. In particular, the available data infrastructure is optimised for this separation of functions. Consequently, the requested reporting templates would need to be compiled manually on an ongoing basis.

In our view, the added value of these regular reporting exercises for supervisory purposes is limited as the overall portfolio in terms of PD distribution, LGD factors and business model are relatively stable over time. We do not see how regular reporting of highly granular credit risk measures would lead to enhanced supervision. Instead, it would be more proportionate to collect IFRS 9 data from SA institutions:

- on an ad hoc and voluntary basis; and
- with significantly greater flexibility regarding data formats, portfolio definitions and other attributes.

Regarding IRB institutions overall, the instructions and templates are generally understandable. However, we note that certain existing fields have undergone material changes in their definitions. These changes would be helpful to be clearly highlighted to ensure transparency and avoid misinterpretation.

In addition, while the revised benchmarking framework aims to achieve closer alignment and structural integration with COREP reporting, further guidance on reconciliation between benchmarking templates and COREP data (e.g. C08 and C09) would be beneficial to support consistent implementation across institutions. We also note that, for certain fields (e.g. RWA excluding MoC and supervisory measures at parameter level or portfolio-level add-ons), the definitions are not fully clear and would benefit from additional clarification.

Additional detailed instructions and guidance for template C104 would be helpful, given that it is newly introduced and relatively complex. In particular, the required data points may be challenging to source and derive, and further clarification would support accurate and consistent reporting.

Furthermore, the calculation of certain metrics, such as default rates and loss rates over a five-year horizon, will be challenging in cases where portfolios are newly defined. Reconstructing historical data under new definitions would require significant effort and resources.

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

At this stage, we have not identified material discrepancies between the templates and the underlying regulatory framework. However, further validation will be required during implementation.

General 3: Do the respondents agree that the amended ITS on Supervisory Reporting allows to fulfil the requirements and purpose of the Article 78 of the CRD?

We generally agree that the amended ITS on Supervisory Reporting contributes to fulfilling the objectives of Article 78 CRD, which requires supervisors to assess the consistency and comparability of internal models (PD, LGD, RWA) across institutions. However, the increased granularity and complexity of the framework may lead to higher implementation effort and potential inconsistencies in interpretation. In particular, differences in definitions (e.g. collateral treatment), the absence of explicit reconciliation guidance between COREP and ITS Benchmarking templates, and data availability constraints—especially for template C104, which requires long historical time series and detailed tracking of recovery processes—may limit consistent application in practice.

Overall, while the framework is broadly aligned with the objectives of Article 78, we see limited evidence that the proposed changes deliver on the simplification aims outlined in the consultation paper. On the contrary, the increased complexity and granularity appear to

run counter to the simplification objective, potentially adding implementation burden rather than reducing it.

General 4: what is the information (please refer to single columns) that you see as particularly costly to be provided? Please provide detailed information about the implementation and running costs of the proposed changes, also compared to the current total costs.

The amended ITS is expected to result in a significant increase in costs, mainly driven by the enhanced granularity and the introduction of new data requirements.

In particular:

- The multi-dimensional portfolio segmentation in template C102 necessitates a substantial redesign of existing data structures.
- The requirement to provide decomposed model outputs (PD, LGD, and RWA) further increases complexity.
- Columns 0203 and 0204 (RWA excluding MoC and add-ons) are particularly burdensome, as they require additional calculations that are not typically available in current systems.
- Template C104 presents considerable challenges due to the need for long historical time series and the continuous tracking of recovery processes

As a result, both implementation and ongoing operational costs are expected to increase compared to the current framework. The overall impact will depend on each institution's IT landscape and data availability.

Furthermore, considering that the final ITS is expected to be published only in December, the implementation timeline is highly constrained and poses additional challenges.

General 5: what is the reporting level for banking groups that you deem more appropriate?

We consider the consolidated (group) level to be the most appropriate reporting level for templates C101, C102, C104 and C105.

This approach is consistent with the regulatory capital framework and provides a coherent and comprehensive view of risk and model usage across the group.

Requiring full reporting at individual entity level would significantly increase complexity, create duplication, and raise reconciliation challenges, while reducing comparability. Geographic breakdowns within portfolios already provide sufficient granularity where needed.

CR 1: Do you foresee any issues with supplementing the sample of counterparties listed in C 100.00 by the Large Exposures counterparties reported in the Template C 27.00 at the same reference date in order to expand the sample of low default counterparties for the reporting for template C 101.01/.02?

The inclusion of Large Exposures counterparties from template C27.00 may raise challenges related to data consistency, duplication, and scope alignment. Clear guidance would be needed to ensure consistent implementation across institutions. In particular, from a data consistency perspective, the Counterparty Code field may contain different domain values depending on the source. For example, in template C 101.01, the counterparty code may follow internal domain values (e.g. “LC_0000250”), whereas for counterparties reported in template C27.00 (column 011), external identifiers such as LEIs (e.g. “5493000EZB4GETCGFX34”) are used. This difference in coding standards may complicate the reconciliation and integration of data across templates.

Template “C 101.02 - Details of Low Default Portfolio counterparties: IFRS 9”:

- **Single-name reporting templates** are very uncommon for SA institutions. Therefore, the mapping of, for example, LEI codes to internal customer identifiers in credit risk data is operationally challenging and prone to errors.
- **Column 0010:** The instructions refer to columns 0040-0042 (model IDs), but this template does not contain such columns. We assume that the counterparty identifier should be supplemented with model IDs from template C 101.01 (columns 0040-0042). If this interpretation is correct, how should SA institutions provide these model IDs given that template C 101.01 is not applicable to them?
- **Column 0020:**
 - 1) As model IDs are not available for SA institutions, which exposure class should be reported if a counterparty has exposures across multiple exposure classes (e.g. Z21 and Z30)?
 - 2) Should values be assigned based on the exposure class before credit risk mitigation (with the exception of real estate collateral)?

Template “Details on exposures in Low Default and High Default Portfolios, IFRS 9”:

- Economic and regulatory (CRR3) definitions of collateral differ; IFRS 9 models typically use economic collateral. In our view, it would be more appropriate to report based on economic collateral definitions.
- Overall, the definition of Portfolio ID appears unnecessarily complex and does not provide clear added value.
- The definition of “exposure value” is unclear:
 - Is the reference to FINREP, COREP, or an economic exposure measure?
 - Should exposure be reported as of the reporting date or as an average expected exposure over a defined period (e.g. one year)?
 - In our view, it would be appropriate to focus on economic exposure as of the reporting date (e.g. total carrying amount including off-balance sheet items).

- The reporting of certain data points is highly complex and would require simulation-based (“what-if”) values rather than values generated by production systems. Examples include:
 - Values with and without overlays (overlays are often embedded within models and not separately identifiable).
 - Low credit risk exemption thresholds (typically linked to rating categories such as investment grade rather than explicitly derived from PDs).
 - Stage 1 exposures with more than a threefold increase in PD (same limitation as above).
 - Additional ECL amounts in case of transfer to Stage 2 (requires simulation of a counterfactual ECL and effectively combines stress testing/sensitivity analysis with regulatory reporting).

CR 2: Do you identify any errors in the list of counterparties in C 100.00? If so, please report it to us.

The removal of certain identifiers (e.g. Credit Register Code, Commercial Register Code, ISIN) may create challenges for mapping counterparties across internal systems. This may increase the risk of incomplete coverage and should be reconsidered.

CR 3: Do you foresee any issues with the transfer of the portfolio/model split from the former template C 105.02 to the template C 101.01 and the new template C 102.01? Do you agree with the EBA’s assessment that the portfolio/model split in the new template C 102.01 is the preferred option compared to designing a separate template increasing the reporting details of the former templates C 105.01 and C 105.02?

We support the integration of the portfolio/model split into templates C101 and C102. This approach simplifies the reporting architecture, reduces duplication, and improves consistency and analytical value. The removal of template C105.02 is therefore considered a positive development.

CR 4: Do you think it is possible to provide the details of the impacts of the RWEA add-ons and MoCs (columns 0203, 0204, 0205 of Template C 102.01) at the required segmentation level?

We note that the definition and calculation of RWEA add-ons and MoC at the required level of granularity are not sufficiently clear. In particular, isolating MoC at the parameter level may pose practical challenges and would require further clarification. Addressing these requirements would likely necessitate additional simulations, resulting in increased implementation effort.

CR 5: Do you agree with the proposed simplification in the reporting for column 0202 (RWEA Standardised) of the template C 102.01? Do you deem the segmentation level for which the information is requested sufficient to highlight the key differences between the IRB approach and the Standardised Approach?

We support the proposed simplification for column 0202 (RWA Standardised).

The current level of aggregation is sufficient to highlight key differences between the IRB and Standardised approaches, while avoiding unnecessary complexity and processing effort.

CR 6: The split by collateral type (column 0061 of new template C 102.01) differs from the split used in the current Benchmarking portfolios. Do you foresee any issues or disadvantages with the new definition and instructions as compared to the ones currently in use?

The new definition of collateral types introduces stricter and more structured classifications compared to the previous framework. While this represents a methodological change, we do not foresee major obstacles in providing the required information.

CR 7: Do you see material obstacles in providing the information required by the column 0302 of the template C 102.01 (Long-run average realized loss rate of assigned facility grades)?

The main challenge relates to providing long-run average realized loss rates at the Portfolio ID level as required in template C 102.01.

Currently, long-run average realized losses are calculated at a more aggregated level, namely country, rating grade, LGD model ID, and LGD pool. The current level of granularity that can be provided is at country, rating grade, LGD model ID, and LGD pool level. Moving to the requested Portfolio ID granularity might require a significant level of data disaggregation that is not supported by our existing data structures.

In practice, reconstructing historical loss data at this level is likely not feasible, as the necessary information is not consistently available at such a detailed granularity. As a result, we expect that meeting the requested Portfolio ID level may not be achievable, and providing the information at the current aggregation level would be a more realistic approach.

CR 8: Do you see material obstacles in providing the information required by the new loss rate template (C 104.00)? Would alternative measures of loss rates be more appropriate?

Template C104 presents significant implementation challenges. The requirement to provide up to 15 years of default history, combined with harmonized definitions of default and recovery, necessitates substantial data integration and tracking capabilities.

In addition, we consider long time horizons between default and realized losses may reduce the comparability of results. A much shorter observation period could be considered as a more proportionate alternative.

Moreover, the requested data points (0041-0044 and 0071-0074) related to realized losses (cured, written-off, disposals and repossessions) may be challenging to provide at the requested level of granularity. The current calculation framework does not incorporate breakdowns at the exposure class level, and it is currently being assessed to what extent such an implementation would be feasible.

CR 9.1: The split by facility type (column 0062 of template C 102.01) is designed to collect information on the functioning of the CCF models. The classification into buckets (facility types) of off-balance-sheet items is based on Annex I of Regulation (EU) No 575/2013. Do you think there exist other classifications (for example product types) of off-balance-sheet items that would be more useful for representing the CCF models?

We agree with the proposed changes to the split by facility type in template C 102.01.

The alignment with Annex I of Regulation (EU) No 575/2013 reflects the existing COREP framework for CCF reporting and is therefore appropriate from a consistency and regulatory coherence perspective. This harmonization supports comparability across reporting frameworks and helps ensure a consistent interpretation of off-balance-sheet exposures.

CR 9.2: Template C 101.01 and C 102.01 propose two alternatives to collect the information on the CCF, either by one column (column 0110 in C 101.01 and column 0120 in C 102.01) or by two separate columns (columns 0111/0112 in C 101.01 and columns 0121/0122 in C 102.01). Which of these reporting alternatives do you prefer?

The single-column approach is preferred as it aligns with existing practices, avoids unnecessary derivation of SA-CCF values.

CR 10> Do you support the use and the proposed granularity of the common master scale to limit the number of reported rating grades? What alternative would you propose.

We support the use of a common master scale, as it enhances comparability and consistency across institutions. However, for our institution, it is likely to increase rather than reduce the number of portfolios, given that the current master scale in use ranges from 1 to 10.

IFRS9 1: Do you agree with the proposed definition of SA institutions as relevant for the benchmarking reporting?

We agree with the proposed definition of SA institutions based on the classification of Large institutions pursuant to Article 4(1)(146) of Regulation (EU) No 575/2013 (CRR), provided that they are subject to IFRS 9 requirements.

We expect that the EBA will publish the list of institutions within the scope of the ITS benchmarking exercise for 2027 (reference date: 31 December 2026) as each year.

We would appreciate clarification on the following point:

where a parent institution is included in the scope, should its subsidiaries applying the Standardised Approach (SA), which are not explicitly included in the published list, also be considered within scope at the consolidated level of the parent institution, or are they deemed out of scope?

IFRS9 2: Do you agree with the proposal to refer to SA exposure classes in defining the portfolios for SA institutions?

We would appreciate clarification on the following point:

-in the table C 102.02, for Relevant SA banks and IRB banks for exposures under the SA approach, only exposure classes started with Z** are in the scope. However, according to the definition of exposure classes for table C 101.01, these codes are dedicated to SA banks only. Does it mean that exposures under the SA approach in case of IRB banks are not reported in C 101.01? Only in C 102.02?

- in the definition of Portfolio ID (102.02), it is mentioned that:

I) Relevant SA banks and IRB banks for exposures under the SA approach: • Columns 0400 to 0451 template C 102.02 - for the Exposure Classes (col 0010 template C 101.01): Z21, Z30, Z31, Z40, Z60 and o for each value of the column 0020 template C 102.02 (geographical area) and for the values 'R98' of the column 0030 template (rating) C 102.01 and for the value 99 of the columns 0040 to 0062. (= split by area, only performing exposures)

Is reference to C102.02 (geographical area) correct? The same request is in the is in the part "II) IRB banks for exposures under the IRB approach.

Template C 102.02:General remarks/questions:

- The title of this template is incorrect in the file "Templates Benchmarking reporting.xls". It should read C 102.02 (instead of C 102.01).
- Do we correctly understand that reporting is required only for the exposure classes defined in template C 101.01, column 0020 (i.e. Z21, Z30, Z31, Z40 and Z60), while other exposure classes are excluded?

- There are multiple references to template C 102.01 to determine for which data constellations reporting is required. As this template is not relevant for SA institutions, how should SA institutions identify the relevant reporting scope?
- **Column 0005:** The Portfolio ID is based on data provided in template C 102.01. As this template is not applicable to SA institutions, how should this field be defined?