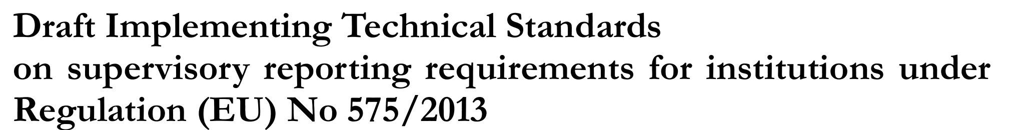
POSITION PAPER



Draft Implementing Technical Standards on supervisory reporting requirements for institutions under Regulation (EU) No 575/2013

ESBG (European Savings and Retail Banking Group)

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ESBG

Own funds

General Comments/Questions to the relevant part of the CP:

Article 5, para 5. of the draft ITS:

Can a bank voluntarily report information on the geographical distribution of exposures, also for non-domestic original exposures in all "non-domestic" countries, in all exposure classes that are below the 10% threshold – i.e. for all such exposures?

Article 6, para 3 of the draft ITS:

Can a bank voluntarily report all information on sovereign exposures, irrespective of being below or above the thresholds mentioned in this paragraph?

Question 1: Are the instructions and templates clear to the respondents?

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?

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

In general, we consider the templates and instructions to be clear, with the sole exception of the treatment of prudently valued software assets (pursuant to Article 36(1) (b) CRR) for which the particular RTS are currently under development. In this context, we urge the EBA to provide clear instructions in due time so that EU banks can achieve a level playing field with US banks, as early as June 2021 with the Reporting Framework 3.0.

NPL backstop

Question 4: The definitions of NPEs and Forbearance are now included in the CRR. So, FINREP instructions on templates 18 and 19 have been reviewed, wherever appropriate, to refer to the CRR. The review of the instructions takes into account that the basis for reporting in FINREP are the accounting values and consistency across FINREP templates have to be kept. In addition, the request of information of NPEs and Forbearance in FINREP is relevant for supervisory purposes other than monitoring the prudential backstop calculation.

Do respondents agree with the review of instructions on the definitions of NPEs and Forbearance?

Yes, we agree.

Question 5: The template F39 requests information on the stock of NPEs and related loss allowances/provisions broken-down by the same time buckets as introduced in Article 47c of the CRR and used in the new NPE LC templates of COREP as well. These data allow supervisors to monitor institutions' NPE coverage strategies more effectively and capture their risk profiles more accurately. They complement, from an accounting perspective, the information provided in COREP on prudential backstop calculation.

Which benefit and challenges with regard to the compilation and reporting of this information do you envisage?

We do not envisage any challenges regarding the mentioned template.

Question 6: Are the instructions and templates C35.01 to C35.03 clear to the respondents?
Yes.

Question 7: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?
No.

Question 8: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?
Yes.

Credit risk

Question 9: Do respondents consider that the new proposed supervisory reporting templates reflect correctly the disclosure requirements, in particular new templates which introduced considerable change? Given that the integration aims at improving consistency, including a standardisation in formats and definitions, do respondents agree that this objective is achieved?
Yes.

Question 10: Are the instructions and templates clear to the respondents?
Yes.

Question 11: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?
No.

Question 12: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?

Yes.

Counterparty credit risk

General Comments/Questions to the relevant part of the CP:
Page 13, point 44. of the CP:
Changes such as additional information on LGD scales, supervisory add-ons and internal rating systems will be implemented in the next reporting framework v3.1. -> According to the EBA, some changes/additional information are deemed as critical in supervisory reporting in this respect. As the banks are forced to heavily invest due to EBA v3.0 it would have been more efficient to ensure that all changes in this respect are included in v3.0 and not gradually released which forces the banks to extend the project durations and hence costs.

Question 13: The template C 34.08 contains information on the collateral used in derivatives and

SFTs transactions at fair value. It is relevant to understand, on one hand, the part of the collateral that is either segregated or unsegregated and on the other hand, whether it is initial margin, variation margin or the SFT security. Therefore, the unsegregated collateral have been split between initial margin, variation margin and SFT security. However, the segregated collateral has not been split as it is considered that all segregated collateral is initial margin.

Do respondents agree that the segregated collateral is only initial margin? I.e. variation margin and the STF security are only unsegregated collateral?
In most of the legal contracts Initial Margin must be segregated. Nevertheless, there are some exceptions and we would therefore recommend splitting both - variation and initial margin - into a segregated and an unsegregated part.

Question 14: The template C 34.06 provides information on the 20 counterparties with higher counterparty credit risk exposure, including CCPs. The template should be provided by all institution with counterparty credit risk on quarterly frequency.

Question 14.1: If further proportionality would introduced for this templates, would a threshold be an appropriate way? If yes, which thresholds would respondents recommend to distinguish between institutions that should report on quarterly basis and those that should report with lower frequency? Should it be based on the size of the reporting institution, the size of the derivative business, the total amount of CCR exposure or something else?
According to the Consultation Paper on the ITS on Supervisory Reporting (EBA CP 2019/10) the template C 34.01 (size of the derivative business) has been included in the ITS to allow supervisors to monitor whether institutions meet the predefined eligibility criteria to apply the more simplified standard methods/approaches. This template should therefore, not be considered mandatory to report, unless institutions want to apply the simplified SA-CCR.

To keep it simple we would propose to use the overall size of the derivative business.

Question 14.2: Would a semi-annual frequency for small and non-complex institutions be adequate to capture the volatility of these exposures?
Definitely, but also for banks with larger derivative portfolios the frequency for breakdowns and details (34.5, 34.6, 34.7, 34.8) should be increased only in a second phase in order to allow banks to fully automatize these reporting details.

Question 15: Do respondents consider that the supervisory reporting templates reflect correctly the disclosure requirements, in particular new templates which introduced considerable change? Given that the integration aims at improving consistency, including a standardisation in formats and definitions, do respondents agree that this objective is achieved?
Templates for supervisory reporting and disclosure are more harmonized but full harmonization was not achieved. From an implementation perspective it would help if the templates relevant for both reports are 100% harmonized.

Question 16: Are the instructions and templates clear to the respondents?
Yes.

Question 17: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?
No.

Question 18: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?
Yes, but as mentioned above the quarterly reporting frequency for details (34.5, 34.6, 34.7, 34.8) should not come into force from the beginning to give banks more time to implement the new requirements.

Leverage ratio

General Comments/Questions to the relevant part of the CP:

Page 15, point 56. of the CP:
Clearer definition and specification of promotional loans is needed as it is currently ambiguous to some extent.

Art. 15, para 4 of the draft ITS:
Can a bank voluntarily report all information, irrespective of being below or above the thresholds mentioned in the paragraph?

Leverage Ratio "Window-Dressing"
Under the draft ITS, the new templates C 48.01 and C 48.02 request large institutions (on solo and consolidated level) to report averages of SFTs over the reporting period and daily values of SFTs (for every business day!) used by the institution to calculation those averages.

- This new reporting requirement is unduly burdensome and cost incentive (with system and resources constraints) and not proportionate to the presumed "window dressing" allegation (without concrete evidence);
- The simplicity of the leverage ratio (as a simple non-risk-based backstop) tends to disappear;
- Daily values are in general not under the same level of scrutiny as the quarterly values (check and controls). Vast adaptation would be necessary to provide the required quality of data for reporting purposes;
- This new requirement is contrary to other EBA initiatives (e.g. cost-benefit-assessment and cost reduction) for small and non-complex institutions, such as Savings Banks within our IPS that do not have SFT business or only small portfolios;
- Overlaps or redundancy in relation to the reporting requirements due to the Securities Financing Transactions Regulation (SFTR) developed by ESMA, which is applicable from April 2020. For both reporting requirements, two different IT reporting solutions are required, each having a significant cost factor. In order to avoid double reporting, it is feasible for the competent authorities and the EBA to align with ESMA on sharing the required information.

Alternatives:

- As of April 2020, the SFTR requires all counterparties to SFTs to report the details of any SFT

they have concluded, as well as any modification or termination thereof. This transaction-based reporting requirement developed by ESMA will provide transparency regarding SFTs around reporting reference dates. Therefore, in order to avoid double reporting, ESMA shall share the information collected according to the SFTR reporting with the competent authorities and the EBA;

- Alternatively, the reporting of daily values of SFTs (as LR component) should only be required after a careful analysis of the SFTR reporting data and based on reasonable and provable concerns that window dressing has been practiced. This would require a reasonable extension of the implementation period (given other complex regulatory projects).

Question 19: Article 429a (1)(d) and (e) of the CRR states that "1.By way of derogation from Article 429(4), an institution may exclude any of the following exposures from its total exposure measure: (d) where the institution is a public development credit institution, the exposures arising from assets that constitute claims on central governments, regional governments, local authorities or public sector entities in relation to public sector investments and promotional loans; (e) where the institution is not a public development credit institution, the parts of exposures arising from passing-through promotional loans to other credit institutions".

Question 19.1: Are the structures presented in Section 5.1.2 complete? If not, could respondents provide detailed information on other structures in which a credit institution may have exposures exempted in accordance with Article 429a(1)(d) or (e) of the CRR?

In order to evaluate these structures we would require more specific details and examples.

Question 19. 2: Do the proposed amendments provide for an adequate reporting on exposures of credit institutions that are involved in these structures?

See answer to Question 19.1.

Question 20: Regarding the proposals to include averaging for some components of the leverage ratio in accordance with Article 430(2) and (7) of the CRR, to develop the standards the EBA shall take into account the how susceptible a component is to significant temporary reductions in transaction volumes that could result in an underrepresentation of the risk of excessive leverage at the reporting reference date.

Question 20.3: What leverage ratio components do respondent consider most and least susceptible to temporary reductions in transaction volumes?

Savings and retail banks typically don't have significant trading portfolios, which could be strongly volatile in transaction volumes. In this context, this new reporting requirement is unduly burdensome and cost incentive (with system and resources constraints) and not at all proportionate to the presumed window dressing allegation without concrete evidence. Also, the simplicity of the leverage ratio as a simple non-risk-based backstop tends to disappear.

Furthermore, this new requirement is in direct contradiction with other EBA mandates (such as the cost-benefit-assessment) for small and non-complex institutions, as many savings banks within a group or IPS are indirectly affected.

In addition, we would like to point out that ESMA has introduced a transaction based reporting for SFTs, where detailed information on many attributes (such as type, date, amount and rate) of SFT must be reported. Based on the information received, competent authorities and the EBA should be

able to investigate whether an institution may be involved in window dressing related activities. If this data shows a strong indication of activities related to window dressing, ESMA may forward the information to other authorities (such as the competent authorities or the EBA) for further investigation.

Question 21: Regarding the clarification of the reporting in template C43.00 on whether the breakdown of the RWA should take into account potential substitution effects due to credit risk mitigation, i.e. whether to perform the exposure type categorisation of RWEA by original obligor or guarantor, and bearing in mind that in any case the RWEA reported in C 43.00 is after the RWEA reducing effect of CRM, the respondents are requested to provide the information below considering the importance of consistency as well as reporting costs.

Question 21.1: Would respondents agree to align the information reported by requiring the RWEA in this template without taking into account potential substitution effects due to credit risk mitigation?

Yes.

Question 21.2: Would respondents strong reasons based on costs to prefer instead the reporting of both values, the RWA as well as the leverage ratio exposure, after substitution effects? What would be the reasons?

In this context, it is unclear whether these amendments would be only applicable for leverage ratio reporting or as well for other COREP reports. We recommend following a harmonised approach for all COREP reports and not only for the leverage ratio report.

Question 22: Are the instructions and templates clear to the respondents?

We require further clarification if adjustments for SFT sales accounting transactions are only applicable for reverse repo transactions. If not, please provide examples for other sales accounting adjustments.

Question 23: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?

No.

Question 24: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?

Yes.

Large Exposures

General Comments/Questions to the relevant part of the CP:

Article 14, para 4. of the draft ITS:

Further clarifications on the definition of Shadow Banking entities would be welcomed.

Question 25: Are the instructions and templates clear to the respondents?
Most of the relevant RTS for the new large exposure framework are still under development. Therefore, we have currently no clear picture of the impact of the proposed instructions and templates. In this context, the EBA should provide the institutions with sufficient time for implementation by publishing the relevant RTS and ITS on time.

Furthermore, in respect of column 10 of template C 27.00, we believe that the mixed-use of LEI and national codes should be avoided, as many counterparties do not have an LEI code available.

Question 26: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?
No.

Question 27: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?
Yes.

NSFR

General Comments/Questions to the relevant part of the CP:
Reporting positions 80. RSF 0940 1.7.2 and **ASF 81 0320 2.7:**
What is the intention of the asymmetrical treatment of "NSFR derivative assets" and "ASF from net derivatives liabilities", the first having 100% weight and the latter 0% weight?

Reporting position 80. RSF 0930 1.7.1.:
What is the intention for adding a 5% RSF to "required stable funding for derivative liabilities"?

Question 28: Paragraph 4 of Article 428d in the CRR2 states: "*all derivative contracts referred to in points (a) to (e) of paragraph 2 of Annex II that involve a full exchange of principal amounts on the same date shall be calculated on a net basis across currencies, including for the purpose of reporting in a currency that is subject to a separate reporting in accordance with Article 415(2), even where those transactions are not included in the same netting set that fulfils the requirements set out in Article 429c(1)* "

Reporting by *currency subject to separate reporting* is required to be made on a net basis across different netting sets. This might envisage a situation of derivatives across various counterparties with different settlement currencies. There is a need to provide further instructions on which specific currency subject to separate reporting report should capture the net value in these cases. The implication is that the CRR2 requires consistency between ASF and RSF by currency subject to separate reporting on which specific requirements can be set by CAs.

It is proposed to look at each netting set and calculate the fair value for each of them in its settlement currency. For all netting sets with matching settlement currencies a net amount shall be calculated in accordance with Article 428k(3) and 428ag(3), and reported in the relevant currency subject to separate reporting.

Do respondents agree with this proposal? Would respondents consider it more adequate to look at all payables and receivables related to derivatives and calculate a net amount?
Yes, we agree with the proposed approach.

Further clarification is needed in Paragraph 4 of Article 428d in the CRR2 “net basis across currencies”; what is currencies referring to?

In addition, we would like to point out that another approach would be to align with LCR DA (Corrigendum).

Question 29: Do respondents consider that the “NSFR calculation tool” appropriately translates the use of the different templates for informative purposes?
For informative purposes yes, but the template cannot be effectively populated as further development would be required.

Question 30: Are the instructions and templates clear to the respondents?
Yes

Question 31: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?
No.

Question 32: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?
Yes.

FINREP

Question 33: Under Appendix A (IFRS 9), purchased or originated financial assets (POCIs) correspond to purchased or originated financial assets that are credit-impaired on initial recognition.

IFRS 9 sets out specific rules to measure the expected credit losses (ECL) for POCIs, outside the general approach to impairment by Stage. In order to have a presentation of POCIs more consistent with their measurement criteria, in the following templates F04.03.1; F04.04.1; F07.01; F12.01; F18.00, POCIs are included in separate columns outside the Impairment Stages.

In the template F18, POCIs are also split between non-performing and performing, to take into account any cases where, after the initial recognition, POCIs do not meet the definition of “credit-impaired” of Appendix A (IFRS 9) anymore.

Question 33.1: Do respondents agree with the separate presentation of POCIs outside the IFRS 9 Impairment stages?
Yes. In our opinion, this separate presentation improves the consistency between POCIs presentation and measurement within the FINREP reporting package. Especially considering that the measurement of POCIs differs from the measurement of financial assets in Stage 2 or Stage 3, irrespective of

whether they are still credit-impaired or not anymore at the current reporting date. Additionally, this separate presentation improves the consistency between POCIs presentation in the FINREP reporting package and in the IFRS financial statements of the reporting entity.

At the same time, please consider the adequacy of potentially inserting a separate POCI-dedicated linear section also within the off-balance section of the template F12.01 ("Total provisions on commitments and financial guarantees given"). While admitting that IFRS 9 introduces the POCI concept only as an attribute of "financial assets" (hence: of on-balance exposures), we nevertheless believe that, when financial instruments are deemed credit-impaired upon their initial recognition, it can be that some or even all of the related credit risk exposure is not yet on-balance (that is: disbursed) already at that date. Hence, in our view, it could make sense that the requirement of presenting the POCIs outside the three stages in the template FIN 12.01 is extended to also cover the off-balance section of this template. Alternatively, it would be useful to clarify in which of the existing rows (Stage 2 or Stage 3) the movements in the credit loss allowances recognized in respect of such off-balance components shall be reported, potentially depending on whether the related customer is still in default or not anymore at the reporting date

Question 33.2: Are the criteria to distinguish between "non-performing" and "performing" POCIs clear?

Not fully. As per our understanding of the related draft instructions (Annex V.215), the entity shall report as "non-performing" the POCIs that are still "credit-impaired" (as defined in Appendix A of IFRS 9) at the current reporting date. Also, the entity shall report as "performing" the POCIs that are no longer "credit-impaired" at the current reporting date, provided that all the conditions set out in the Article 47a (4) or (6) of the CRR (as amended by the EU Regulation 2019/630/17.04.2019) are also met at that date. If this understanding is correct, it is not fully clear to us under which category ("non-performing" or "performing") the entities shall report the POCIs that both (i) are assessed as no longer "credit-impaired" at the current reporting date and (ii) don't meet all the conditions set out in Article 47a (4) or (6) of the CRR. For instance, POCI assets that are no longer rated "defaulted" at the current reporting date but the obligor still has some amount - lower than the materiality threshold internally set for triggering the 90 DPD default criterion - past due by more than 90 days and having fallen overdue after the date on which forbearance measures were granted. Or, less than one year has passed since the date on which the forbearance measures were granted or the date on which the exposure was classified as non-performing, whichever is later. Alternatively, it may not be necessary to distinguish whether the POCIs are credit-impaired at the current date: in accordance with IFRS 9, the credit-impaired status is relevant at initial recognition of POCI only and subsequently no further tracked. Therefore, from an IFRS perspective, this criterion seems to be redundant. As a result, it may be sufficient to distinguish "non-performing" and "performing" POCIs only based on the regulatory criteria in CCR.

Which challenges with regard to the practical application of these criteria do you envisage?

As already hinted in the last part of the answer above, we believe that it might be an unnecessary complication to mix the terms "credit-impaired" and "non-performing" for distinguishing between the two POCI sub-populations to be reported in F18, having also in mind that the new regulation harmonizes the definitions of "non-performing" and respectively "default".

Question 34: The information on cash balances at central banks and other demand deposits has been included in template F12.01. Although the amount of impairment for cash balances at central banks and other demand deposits should not be relevant in general, these assets are subject to impairment as the other financial assets included in the accounting portfolios of "financial assets at

cost or amortized cost” and “financial assets through equity subject to impairment or at fair value through other comprehensive income”. The inclusion of these data is also consistent with data reported in templates F18 and F19.

Question 34.1: Which challenges with regard to reporting of this information do respondents envisage?

No particular challenges are foreseen in addressing this new requirement, except for the possible technical difficulties in fully capturing the related credit loss allowance movements given the potentially very short contractual maturity (hence: the potentially very intensive turnover) of such exposures within any given current reporting period.

For the same reason, it could be that the figures reported in the columns “Increases due to origination” and “Decreases due to de-recognition” end up unnecessarily inflated (without any other movements being reported), e.g. in respect of overnight deposits with central banks and other credit institutions, which could be originated and de-recognized on a daily basis and in large volumes. One possibility to avoid such an overstatement could be to request entities to derive the net difference between reporting period’s opening and closing related credit loss allowance balances (separately per each stage), then report it either in the column “Increases due to origination” (if adverse) or in the column “Decreases due to de-recognition” (if favourable). Such an approach would also reflect a reasonable expectation that the credit risk associated to such exposures (against central banks and other credit institutions) is unlikely to change significantly in between the date of origination and the date of de-recognition (contractual maturity).

Otherwise, we believe that, indeed, by including cash balances at central banks and other demand deposits into the scope of the template F12.01, increased consistency and cross-checking possibilities will be achieved in between, on the one hand, F12.01 and F12.02 and, on the other hand, F18 and F19. In the same time, strictly from a F12.01 perspective, the additional informative value will be rather limited, given that all or most of such exposures are typically allocated to Stage 1 and the related credit loss allowances are very small (relative to the underlying exposures).

Question 34.2: Do you see any inconsistencies between this data and the data collected in other FINREP templates?

At the first sight, one might observe some inconsistency arising from the fact that “cash balances at central banks and other demand deposits” are newly included as a separate linear category in F12.01 (distinctly for each Stage except the newly introduced POCI “stage”), but not in F12.02. One could argue that this inconsistency is justified by not expecting such exposures to change Stage throughout their contractual life, within any given reporting period. However, this argument seems somehow undermined by the updated F12.01 separately collecting the movements in the related credit loss allowances for each Stage (except POCI).

Also, one can observe that, while proposed to be considered in F12.01, cash balances at central banks and other demand deposits would continue to stay outside the scope of F4.3.1/F4.4.1. It means that, inevitably, closing balances of credit loss allowances reported in the former will not reconcile against the accumulated impairments reported in the latter.

Question 35: In template F12.02, additional columns have been added to report the direct transfers between Stage 1 and Stage 3, without considering any intermediate passage through Stage 2. This information is useful in the context of monitoring IFRS 9 post-implementation initiatives and supervisory activities.

Which challenges with regard to reporting of this information do respondents envisage?

We see one potential challenge resulting from the fact that, for the purpose of addressing FIN 12.02, for the reporting entity it is currently sufficient to collect the stage information of the relevant exposures at the two ends of the reporting period, irrespective of how they might have further changed their stage in between. But this new requirement would imply that the stage information would need to be collected and stored continuously throughout the reporting period, so that the “direct” transfers in between the Stages 1 and 3 are distinguished from the “indirect” ones (i.e. those involving a transit through Stage 2).

Additionally, please clarify whether the more particular cases, e.g. the ones described below, would fall in the scope of the would-be newly inserted columns dedicated to direct transfers in between the Stages 1 and 3:

- An exposure is transferred as follows during the reporting period: Stage1->Strage3->Stage2->Stage3. Would this exposure fall in the scope of the sub-column “Direct transfer to Stage3 from Stage1”?
- An exposure is transferred as follows during the reporting period: Stage3->Stage2->Stage3->Stage1. Would this exposure fall in the scope of the sub-column “Direct transfer to Stage1 from Stage3”?

Furthermore, we are of the opinion that the terms “direct transfer” or “without any intermediate passage” can take different meanings (and hence result in different outcomes) depending on the frequency of the impairment assessment process in the reporting entity. For instance, if a SICR (Stage 2) trigger and a credit-impairment (Stage 3) trigger occur both within the same month, the related deal would not be deemed a “direct transfer to Stage 3 from Stage 1” by an entity having a daily frequency of the impairment assessment process, but it would be deemed a “direct transfer to Stage 3 from Stage 1” by an entity having a monthly frequency of the impairment assessment process. This further means that a group including entities with different frequency set-ups of the impairment assessment process would inevitably report inconsistent consolidated figures in these newly proposed columns of FIN 12.02, given that deals behaving identically in respect of credit risk dynamics (and maybe even having the same counterpart) would be reported in different sections of the table, which might result into a misleading overview of inter-stage consolidated exposure transfers in the reporting period.

Question 36: In template F18.00, the information on loss allowances for more than 30 days-past-due exposures has been added. This information is already reported in template F23.04 by institutions which fulfil both of the conditions referred to in points (i) and (ii) of Article 9(2) (h) of the current ITS on reporting. Since this information is relevant for monitoring IFRS 9 post-implementation initiatives and supervisory activities, it has been included in template F18.00 for all institutions, although it may create some overlaps with F23.04.

Which challenges with regard to reporting of this information do respondents envisage?

Other amendments

Question 37: Are the instructions and templates clear to the respondents?

Question 38: Do respondents agree with the proposal to harmonise templates and instructions with regard to the reporting of the information of LEI codes?

Since a complete harmonised code instruction is not feasible, due to the fact that not every entity can be identified via LEI code, a mixture of LEI and other codes cannot be the ideal solution.

Question 39: The integration between disclosure and reporting aims at improving consistency, including a standardisation in formats and definitions. Do respondents agree that this objective is achieved?

On the one hand, we welcome the idea of integrating supervisory reporting and disclosure, which ensures coherence between the two requirements, including the standardisation of formats and definitions. On the other hand, the integration with the disclosure requirements is not required by the CRR2 but is solely based on a "strategic decision" by the EBA itself. Therefore, we call on the EBA to at least limit the proposed integration to those reporting templates that are already existing and due to be amended under the CRR2 and not to introduce additional templates beyond the new CRR2 requirements at the same time.

About ESBG (European Savings and Retail Banking Group)

ESBG represents the locally focused European banking sector, helping savings and retail banks in 21 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 900 banks, which together employ more than 650,000 people driven to innovate at roughly 50,000 outlets. ESBG members have total assets of €5.3 trillion, provide €1 trillion in corporate loans (including to SMEs), and serve 150 million Europeans seeking retail banking services. ESBG members are committed to further unleash the promise of sustainable, responsible 21st century banking. Our transparency ID is 8765978796-80.

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