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Finance for Europe

Association for Financial Markets in Europe

AFME Response:

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

January 2020

Overarching/General comments:

- The inclusion of internal cross validations within and between templates would be useful.
- The first reference date for the implementation of these technical standards is expected to be 30 June 2021. Where CRR 2 changes are already in force these will continue to be reported using the existing templates.
- Additional guidance is required for credit risk mitigation techniques and how these should be treated under the large exposures regime. There is a current lack of clarity surrounding the application of the substitution effect and funded credit protection.
- Substitution effects due to credit risk mitigation should continue to be included in the calculation of RWAs for the purpose of reporting on the leverage ratio.
- The NSFR reporting requirements do not map directly to the COREP template and the netting of reverse repos secured with Level 1 HQLA together with reverse repos secured by other collateral results in the application of a RSF requirement to the Level 1 reverse repo. This is contrary to the treatment under the CRR where such assets receive a RSF of 0%.
- For liquidity reporting, it would be very useful for the EBA vocabulary to be aligned with EU regulation instead of BCBS standards.
- In terms of reporting on Asset Encumbrance we note that ABS is not replaced by securitisations in all templates (remains in the F36.02) and not in the disclosure templates.

Answers to the consultation and focus on specific templates

- Please refer to table over the coming pages

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Questions	Points
5.4.1 Own funds	
Question 1: Are the instructions and templates clear to the respondents?	**Capital Adequacy** C01.00: Rows 335/365: Accounting revaluation of subsidiaries' goodwill derived from the consolidation of subsidiaries attributable to third persons and Accounting revaluation of subsidiaries' other intangible assets derived from the consolidation of subsidiaries attributable to third persons: Requirements are not that clear and it is important that they do not exceed the requirements of CRR2. C01.00: Row 514: Minimum value commitment shortfalls: Could EBA confirm that the shortfall of funds not treated under LTA is expected in that cell (meaning should the institution has not retained the RW ponderation up to 1250%). C01.00: Row 515: Other foreseeable tax charges: The requirements is not clear, which taxes the EBA foresee to be deducted from CET1? Is the EBA able to provide some examples. C01.00: Row 955: We would value further guidance on the calculations in relation to the excess of deductions from eligible liabilities over eligible liabilities.

	C02.00: The opportunity should be taken to align the C:02 template to the Pillar 3 OV1 - Specific rows in the C:02 should be created for RWA amounts arising from significant investments and deferred tax that are below the threshold for deduction and can instead be risk weighted. C02.00: As the COREP template does not currently cater separately for these RWA amounts, they must be assigned to one of the other exposure classes. To satisfy validation rules they must also be included in the specific credit risk templates as appropriate (C07-C10). Pillar 3, in contrast, has a specific row in the OV1 to report these items, which are also excluded from the other Pillar 3 credit risk tables. C03.00: Row 220: Surplus (+)/Deficit (-) of CET1 capital considering the requirements of Article 92 CRR and 104a CRD: EBA seems to go beyond than CRR2 as the latter does not require to have total capital broken down into CET1, T1 and AT1. Could the EBA confirm if our understanding as follows is correct: From Total CET1, the following items need to excluded to determine the surplus/deficit: a) Article 92 CRR after fulfilling the requirement of total Capital (e.g. which will go in range of 4.5% - 8%) b) Art. 104a CRD V which refers to P2Requirement **<u>Group Solvency</u>** C06:02: Column 27 – National code It is not clear whether National code would be the same as country code? A definition of National code would be helpful to understand what is required to be reported in this column. **<u>Credit Risk: CCR specific templates</u>** The draft ITS retains a mix of credit risk and CCR in the C07 - C09 template series, however much of the CCR specific information has been

	removed. Most of this information is captured in the new comprehensive CCR tables, however it feels as though this draft misses the opportunity to completely separate CCR from the rest of credit risk, which would enhance visibility and comparability. *<u>Number of obligors</u>* C08.05 – The definition of "of which: short term and terminated contracts" contained within the draft ITS is inconsistent with the disclosure requirement in Article 452(h) upon which this reporting template is based. Annex 2 of the draft ITS defines the column as: "Number of obligors holding a contract with residual maturity of less than 12 months by the end of the previous year." The column is a subset of column 050 which means obligors that had short term contracts at the end of the previous year would only be reported if they are obligors at the end of the current period – it is unclear how the requested data could be useful and the requirement would require significant resource to implement the necessary change. Article 452(h) simply requires the number of obligors at the end of the previous year and the number of obligors at the end of the current year to be disclosed. There is no requirement to identify those obligors that have been present for both current and prior reporting periods, nor is there a requirement to specifically report the number of obligors with short term and terminated contracts.
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?	See above
Question 3: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?	Agree but with some overlapping as above mentioned

5.4.2 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.	We agree with the review of instructions on the definition of NPEs and Forbereance as it is appropriate to refer to the definitions included in the CRR.
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?	**F39.00** The new reporting requirements appear to be clear but will involve significant enhancements in current infrastructure to capture and monitor this information, beyond what is currently captured. No benefits are expected on that matter taking into consideration high challenges to report both this information in the two sets of reporting COREP and FINREP in a different way. As NPL backstop are prudential focused we would advocate EBA to let this requirement into COREP framework and to remove it from FINREP as the breakdown by exposure classes and instruments does not bring any highlights for the supervisors to have an accurate monitoring.
Question 6: Are the instructions and templates C35.01 to C35.03 clear to the respondents?	They are.
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 discrepancies identified
Question 8: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?	Overall, we agree that the amended ITS fits the purpose of the underlying regulation, however the inclusion into FINREP framework is not relevant as above mentioned.

5.4.3 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?	**C 08.07** Credit and counterparty credit risks and free deliveries: IRB approach to capital requirements: scope of use of IRB and SA approaches (CR IRB 7) : We question the relevance of this new template as the information is already computed through C07 and C08. **C09.01** Methodologies to compute Additional Valuation Adjustments (AVAs) as described in the regulation EU 2016/101 prescribe the rule of computation to be performed on the basis of Valuation Exposure (Article 6) which are based on financial instruments or portfolio of financial instruments. For those purposes, financial instruments may be combined with portfolio when, for market price uncertainty and close out cost AVA, the instruments are valued on the basis of the same risk factor or when for model risk AVAs they are valued on the basis of the same pricing model. Reporting in the C09.01 is only related to financial instruments, and the AVAs deducted from Own Funds cannot be split using this granularity since the computation is performed accordingly to Article 6 of regulation EU 2016/101. Furthermore, the scope of the template C09.01 is Credit Risk and Counterparty Risk made of both receivable in Amortized Cost or in Fair Value. This scope is not compatible and comparable to the scope of the regulation EU 2016/101 which defines the scope of the core approach in article 8.1: For fair-valued assets and liabilities for which a change in accounting valuation has a partial or zero impact on CET1 capital, AVAs shall only be calculated based on the proportion of the accounting valuation change that impacts CET1 capital. The COREP Templates 32.01/32.02/32.03/32.04 have already defined precise information on Prudent Valuation reporting, which respect the

	way the prudent value is computed, by type of AVA (Close-out Cost, Market Price Uncertainty etc.) and even requiring the largest Valuation Exposure in the context of Model Risk AVA and Concentrated Position AVA. We encourage EBA to remove C09.01
Question 10: Are the instructions and templates clear to the respondents?	**C 07.00 (CR SA), C 08.01 (CR IRB 1), C 08.02 (CR IRB 2), C 09.01 (CR GB 1), and C 09.02 (CR GB 2)** Included in the credit risk templates is a new *of which* line item that requires *exposures subject to Infrastructure Projects supporting factor* to be reported. Only exposures that meet the requirement set out in Article 501a of the CRR are to be reported and the frequency of reporting these exposures is every six months as set out in Article 501a (3) of the CRR. However the frequency of the credit risk returns are quarterly. Clear guidance is required setting out the reporting frequency for these exposures included in the credit risk templates. **C 08.01 (CR IRB 1)** 1. Column 310 – New memorandum item 'Pre-credit derivatives risk weighted exposure amount' It is not clear from the instructions whether the risk weighted exposure amount reported in this column would be after the application of supporting factors and in particular for the exposures subject to Infrastructure projects supporting factor reported on row 016? or should column 310 have been greyed out for row 016 as it has been for row 015 – exposures subject to SME-supporting factor? 2. Column 170 – Own estimates of LGDs are used: Other funded credit protection From the template instructions it is expected that Cash on deposit and Life insurance policies that comply with the criteria in Article 212 of the CRR would be reported in this column. Guidance is required on whether this would also include Instruments held by third party subject to Article 200(c) of the CRR?

	3. Columns 171-173 New columns: Col 171 - Cash on deposit, Col 172 - Life insurance policies and Col 173 Instruments held by third party Following on from question 2 above, are columns 171 to 173 of which items of column 170? **C 08.04 (CR IRB 4)** 1. The template heading refers to both Credit and Counterparty credit risk however 3.3.6.1 of the instructions to this template states that counterparty credit risk exposures are to be excluded. Should we assume the instructions to the template are correct as it stands? Further clarification is required. **C 08.05 (CR IRB 5)** 1. The definition of 'Of which: Margin of Conservatism (%)' is not clear and a working example would be helpful. This information is part of the IRB Repair package and is quite proprietary in nature in the sense that as yet there is no agreed industry practice. Hence there may be a high degree of variability across the banks 2. Detailed instructions would be helpful on the definition of Column 60 - 'Of which: with short term and terminated contracts' Would all revolving products from the QRRE exposure class be reported in this column? 3. The current disclosure for IRB backtesting (EU CR9) requires data to be populated based on the p.d. attributed at the beginning of the period. Could the EBA please confirm whether this would also apply to the new backtesting supervisory reporting template (C8.05) or what the basis should be for reporting the p.d. range in the template. **C 08.07 (CR IRB 7)** 1. From the reading of the instructions, column 10 refers to Total exposure value before CRM in accordance with Article 429(4) of the CRR which would include exposures under standardised and IRB approaches. Subsequently columns 20 to 40 is expected to cover the full spectrum of exposures so the sum of each row for those three columns should be 100%. However there are exposures under the

	standardised approach that would not be reported in any of the columns 20 to 40 and would therefore not sum up to 100% of the total exposures reported in column 10. Further clarification and guidance is required. Would it be possible to have a clear definition of "immovable property" (is it confirmed that it corresponds to RW<= 35%)?
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?	See response question 9.
Question 12: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?	They do but some overlapping are raised (refer to response 9)
5.4.4 Counterparty credit risk	
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?	**C 34.08 (CCR 8)** It is possible for segregated collateral to include variation margin therefore it would not be correct to assume that segregated collateral is only initial margin. This is also stated in the instructions to the template for columns 10, 40, 70 and 110. The relevance of IM/VM reporting is questioned as it is not required so far for Pillar3 purposes nor required by CRR2. Implementation of such requirement is very burdensome.
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.	Reporting thresholds should be introduced so only those Institutions with material CCR exposures are subject to the increased reporting burden introduced by this template. A proportional threshold considering the size of the CCR exposure in relation to the overall credit risk exposure, would help to ensure that the reporting burden is not excessive for those Institutions with immaterial CCR.
Question 14.1: If further proportionality would introduced for this templates, would a threshold be an appropriate way? If yes, which	**C 34.06 (CCR 6)**

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?	We would propose that any threshold which looks at top CCR exposures should be based on the total amount of CCR exposure in the entity. Reporting thresholds should use a proportionate approach. Arbitrary exposure limits would likely bring into scope large organisations with CCR exposures that are immaterial relative to their overall risk profile.
Question 14.2: Would a semi-annual frequency for small and non-complex institutions be adequate to capture the volatility of these exposures?	It would be.
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?	**C34.01** It appears to be very complex to implement especially for GSIIB where part of SACCR would not be so much significant. We would encourage EBA to remove this template from the ITS. The draft Supervisory reporting templates introduces a number of new CCR specific schedules. This is a significant change versus current reporting requirements. On the whole, we think the new CCR templates are logical and data points requested seems reasonable.
Question 16: Are the instructions and templates clear to the respondents?	They are so far.
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?	Subsidiaries sub consolidated of the Group seem to stick to the whole requirement on COREP templates (especially C08.06 and C34.08) even those related to Pillar3 alignment whereas these entities are not required to provide the whole information through their Pillar 3 as mentioned in article 13 of CRR (respectively CR6 and CCR5 in Pillar 3 framework). We would encourage EBA to align the COREP Templates submission for these sub-consolidated entities with Pillar 3 requirements. C 34.01: The template captures the data points required to determine whether or not the criteria for applying the Simplified Standardised Approach to CCR is met.

	The CRR introduces a requirement for Institutions to notify their competent authority when they cease to meet the criteria but does not require ongoing monitoring and reporting. Many Institutions will have derivative businesses that significantly exceed the maximum levels permitted under this approach and realistically, will never meet the eligibility criteria. For those Institutions, this template is an unnecessary reporting burden. In addition, disclosure of this information under Part 8 of the CRR is only required by those institutions applying the approach, which is inconsistent with the request for all Institutions to include in their supervisory reporting. C34.03: The objective of this template is not clear. It appears more a template designed for market activities (i.e. could be for interest rates), not very useful for counterparties credit risk. In addition, we believe the details to be provided by rows (e.g. 020-040) are not sufficiently clear.
Question 18: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?	Refer to answer to question 17.
5.4.5 Leverage ratio	
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?	
Question 19.2: Do the proposed amendments provide for an adequate reporting on exposures of credit institutions that are involved in these structures?	-
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?	We agree with the BCBS statement (468 Revisions to leverage ratio disclosure requirements – June 2019) that only SFT exposures are susceptible to temporary reductions in transaction volumes. The computation of an average of daily calculations for SFTS should only be done with management data on a best effort basis, as evidenced by UK and US banks experience and allowed by UK and US regulators. In particular, we deem that the item mostly susceptible to temporary reductions/increases is the Gross Accounting balance sheet value of Repo and Reverse Repo transactions, meaning the exposure value before the application of the: • Reverse of any accounting off-setting according to article 429(7)(b) as emended by article 2(117) of CRR2 • Netting of cash receivables and cash payable according to article 429(b)(4) as amended by article 2(117) of CRR2. We deem appropriate to monitor the Gross Accounting balance sheet value, as it represents the real volume of the transactions across the whole reporting period, while the remaining figures (accounting off-setting, cash-netting, add-on) provide non-significant information for the purpose of analysing the volume evolution. In particular, with reference to the add-on, being it a risk based measure not strictly correlated with the volume of the transactions, we would suggest not to rely on this item to assess the potential volatility

	of SFT transactions (e.g. in case of Repos and Reverse Repos with Central Counterparties, the gross amount can be significantly high with a relative low add-on). Moreover, we would recommend to assess the alternative to compute an average amount for SFTs only based on the observation of the last 3 months end of the reporting period.
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?	We do not agree with the proposed approach. Given the current nature of RWA calculation, where the substitution effect is fully integrated in the assessment, we don't deem it significant to calculate an RWA value which doesn't consider the substitution effect and that would not be taken into account for any other steering process of the bank. In addition, there is the following drawback to this proposal: the information would not match with that included in the credit COREP reports N7 and N8, which is used for the calculation of RWAs and capital ratios. For this reason, we would think that either the current reporting RWEAs and exposure after substitution effects would be better options.
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?	Yes. Should the bank be required to implement a new, specific RWA calculation only for Leverage ratio C 43.00 template purpose, the relevant implementation and maintenance would be expensive, time consuming and would provide less significant results for the reasons stated above.

	We believe that it is important to make sure that the information reported is useful, in order to avoid unnecessary burden. The preferred options would be the current reporting or reporting RWEAs and exposure after substitution effects.
Question 22: Are the instructions and templates clear to the respondents?	**C40:00** Row 71: As CRR2 has not changed the requirement for the above data point, was it intentional to block/blank out this cell when Rows 70 and 80 were combined into row 71? It is recognised that the same cell information is reported on template C47.00 (row 20), but that duplicate reporting exists currently. **C 48.01 and C 48.02** It is our understanding that the mean value for the reporting period is calculated using calendar days for reporting in template C 48.01 and the daily values reported in C48.02 would be business days. Clarification in the instructions to the template would be helpful. C 47.00 - LEVERAGE RATIO CALCULATION (LRCalc): • Row: 185-189 (regular way purchases or sales), 190 (Other assets), 193-198 (Cash pooling related): The extensive data collection on regular way purchases or sales ("pending settlements") and cash pooling leads to a complex and confusing reporting structure with only minor additional insights. This also contradicts the initial idea of an easily comprehensive and comparable ratio/reporting. In addition, the reporting of on-balance sheet items (excluding SFTs and derivatives) is inconsistent as items that logically belong to row 190 (Other assets) need to be carved out artificially, e.g. accounts subject to daily physical cash pooling. The respective reporting requirements should therefore be simplified by aligning them to the "Delta" approach used in Pillar 3 disclosures. For template C47.00 this would mean:

	1) Row 190 to include pending settlements (if reflected on-balance sheet, i.e. under trade date accounting) and the accounting values of cash pooling arrangements so that this row reflects all assets (excluding SFT and derivatives) before regulatory adjustments. 2) Rows 185-189 and 193-198 to be replaced with the respective "delta" rows. Proposal: o Regular-way purchases or sales awaiting settlement under trade date accounting: adjustments to values in accounting framework o Regular-way purchases or sales awaiting settlement under settlement date accounting: effect of recognition as off-balance sheet items after offsetting o Notional cash pooling arrangements: adjustments to values in accounting framework o Physical cash pooling arrangements: adjustments to values in accounting framework • Row 251 IPS exposures exempted in accordance with Article 429a(1)(c) of the CRR: Instructions shall be more explained on IPS exposures
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?	The instructions in the ITS includes long settlement transactions in the definition of the SFT exposures. This seems to be contrary to the regulation as article 429(4) of CRR2 states that long settlement transactions do not necessarily have to be classified as SFTs. **C 40.00 (LR1)** Paragraph 22 of instructions refers to rows 250 and 260 which have been deleted from the new template. Row 350, Large Institutions that are not G-SIIs shall report total of financial assets on an annual frequency whereas they are required to report the same amount on a semi-annual frequency in the template LR1/LSUM. We would suggest alignment of the frequencies between COREP templates and Pillar 3 templates.

	C 47.00 (LRCalc) • Row 190, column 10, 'Other assets' - it is unclear why reference to SFTs in the old instruction was replaced with 'all positions' referred to in Article 429e of the CRR2. Article 429e refers to SFT add-ons, rather than SFTs • Rows 270 and 280, column 10, - is the reference to article 429(4) correct or should this be 429a (1) (b) instead? Deduction related to 429(4) is already reported in row 191. • Row320, column 10 - should this row include reference to article 473a (7) - IFRS 9 Transitional adjustments, in line with row 280? Furthermore we identified a discrepancy related to the description of row 188 "Regular-way purchases or sales awaiting settlement: Full recognition of assets under settlement date accounting" and row 189 "(-) Regular-way purchases or sales awaiting settlement: offset for assets under settlement date accounting in accordance with 429(g)(3) of the CRR" and the related instructions. In particular, for row 188 the instructions state: "The full nominal value of commitments to pay related to regular-way purchases, for institutions that, in accordance with the applicable accounting framework, apply settlement date accounting to regular-way purchases and sales." Hence only the commitments related to the purchases have to be included in the present row. For about row 189 the instructions state: "The full nominal value of cash receivables offset by the institutions, when they are allowed to offset the full nominal value of the commitments to pay related to regular-way purchases by the full nominal value of cash receivables related to regular-way sales awaiting settlement, in accordance with Article 429g(3) of the CRR." Hence only the cash to be received related to the sales have to be included in the present row. So we would propose to change the descriptions of rows 188 and 189 as following: Row 188: "Regular-way purchases awaiting settlement: Full recognition of assets under settlement date accounting"

	Row 189: "(-) Regular-way sales awaiting settlement: offset for assets under settlement date accounting in accordance with 429(g)(3) of the CRR". **C48.01** Daily values for SFTs for the reporting period should be aligned with Pillar 3 on an annual basis
Question 24: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?	Agree.
5.4.6 Large exposures	
Question 25: Are the instructions and templates clear to the respondents?	Additional guidance is required for credit risk mitigation techniques and how these should be treated under the large exposure regime. It is currently unclear when the funded credit protection without substitution effect should be applied vis-a-vis when the substitution effect should be applied. This is mainly due to the wording of the CRR rather than the instructions. Additional guidance is required for C 28.00 (LE2) Column 200. In particular we would ask to clarify if the EBA Q&A 2014_787 is still valid due to article 390 (6) e) of CRR2 and is it correct that also voluntary deducted items of CET1 or AT1 in accordance to article 36 and 56 CRR need to be included in this column and reduce the total exposure. In general with reference to Point 15 'Exposures' with reference to the sentence "The definitions here may not differ in any possible respect from the definitions provided in the basic act" we would please ask EBA if it is foreseen to be launched a working group on the "indirect Exposures" topic, currently not present in EBA Roadmap. With reference to chapter 5.1 referred to C 27.00 template, column 10 "Code", we would recommend to specify how the cell should be fulfilled in case of missing or unknown LEI Code. In fact it is stated:

	“For other entities the code shall be the LEI code, or if not available, a national code.” But this could be in contrast with the sentence: “The code shall be unique and used consistently across the templates and across time”. Because in case an Entity receive the LEI code after being reported with the national code, then if the reporting code will be changed from National Code to LEI, this code would be different to the codes previously reported. Besides for Institutions the LEI code is always required and it is not specified how the cell should be fulfilled in case of missing or unknown LEI Code. As a consequence we would propose the following: Provided that both codes, national and LEI code are unique and used consistently across the templates: • At the time of entry into force of this draft ITS, customers with only a local ID must be reported in c010. • Later on, when those customers finally receive a unique LEI code, LEI has to be used in c010. However, when we use also c035 and continue providing the national code here together with LEI code in c010, Central Banks will be able to map the customers which got switched to LEI reporting later. In order to work as intended, c035 “National code column” should be changed to “Institutions shall […]” There are numerous references in the reporting instructions to Article 394 (2) of CRR 2 which refers to additional information required to be reported on a consolidated basis. For example, Column 070 of Template C27 (Identification of the Counterparty) “ The type of the counterparty of the ten largest exposures to institutions and the ten largest exposures to shadow banking entities shall be specified by using “I” for institutions or “S” for shadow banking entities, which carry out banking activities outside the regulated framework.

	Do these reporting items such as identification of Shadow Banking entities have to be completed by institutions who prepare COREP templates only on an individual basis?
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?	Main discrepancies are observed around calculation and reporting of credit risk mitigation: • Substitution Approach - calculation and presentation guidelines are not clear and not aligned between instructions and underlying regulation. **C 29.00 (LE 3)** Group of connected counterparties - do we need to present guarantees from parent to subsidiaries and vice versa in the template or does this only apply to transactions with third parties? If according to Q&A 20171107_2352 we think that we need to report the guarantees from parent to subsidiaries, we believe column 210 “Exposure value before application of exemptions and CRM” does not have an economic meaning. This will artificially inflate the original exposure duplicating the exposure (direct and indirect exposure) because with the Group of connected counterparties we have one exposure of them (for instance, only the indirect). We have also identified a discrepancy in chapter 7.1 referred to C 29.00 template in which the column 40 “Type of Connection” has been deleted. This seems in contrast with article 4(1)(39) of CRR as further developed in the EBA Guidelines on connected clients under Article 4(1)(39) of Regulation (EU) No 575/2013 (EBA/GL/2017/15), which requires to represent the economic connection which can lead to a

	multiple mapping of the entity in more than a Group of Connected Clients - GCC .
Question 27: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?	The ITS generally fits the purpose of the underlying regulation, however more detailed technical guidance is required to address the issues highlighted under questions 25 and 26 above. In addition, regarding the scope and level of the LE reporting, the new threshold proposed of EUR 300 million (defined in the paragraph 1. 6. Scope and level of the Large Exposure reporting) will cause a very significant increase of burden of work, because the number of Groups of connected counterparties that we may have to include in the report, it could be an exponential increase in subsidiaries that have to delivery to regulator the LE report. The difference between 10% of Tier 1 capital and EUR 300 million is very important in some subsidiaries.

5.4.7 NSFR	
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	1. Reference to Articles 428k(3) and 428ag(3) are incorrect in the context of netting sets with matching settlement currencies. We believe the former should reference 428k(4) and the latter 428ah(2) which will need to be updated. 2. Following the Example 1 provided in 5.1.3 on netting FX derivatives with principal exchange on derivatives netting, do netting sets refer to individual counterparties? i.e. Netting Set 1 is Counterparty A, Netting Set 2 is Counterparty B or Counterparty A but with USD flows and Netting Set 3 is Counterparty C? 3. Further to the above example could the EBA confirm the 'all currencies' return in which we would recognise -15 refers to be consolidated return. The question on whether looking at all payables and receivables related to derivatives and calculating a net amount, is this meant to suggest to ignore the single currency and just report -15 in a currency that the firms expects the outflow to occur i.e. USD only?

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?	4. Non performing off-balance sheet is weighted with a RSF factor of 100% in row 1080 of C80.00 whereas it is not explicitly mentioned in the CRR2 and not mentioned in Basel III. We would be grateful if this part could be removed from the updated ITS. 5. It is unclear how settlement currency should be interpreted for FX derivatives. Upon settlement counterparts will exchange the 2 currencies. In this scenario EBA should clarify what the settlement currency should be. Our understanding is that netting is performed across currencies and then a single net amount reported in the significant currency return. Our proposal would be to determine the currency in which there is the net position and report accordingly. What needs to be done in the case that it is possible to settle in multiple currencies? 6. It is unclear in the case of the netting of derivatives in different currencies whether this is allowed only for those that involve a full exchange of principal amounts on the same date (CCS). E.g. in case of two IRS derivatives in EUR (Euribor rate) and USD (Libor rate) with the same counterparty with netting agreement and opposite Mark to Market, could these be netted?
Question 29: Do respondents consider that the "NSFR calculation tool" appropriately translates the use of the different templates for informative purposes?	The proposed new NSFR template introduces a number of changes including new rows and columns. It cannot be directly mapped to the existing COREP NSFR template. As a result, we will need more time to quantify NSFR based on the proposed template and assess whether the NSFR calculation tool works as intended. In relation to the RSF sections of securities and loans, it should be highlighted that the "NSFR calculation tool" templates is not representing: 1) The contractual maturity of the security profile, even if the RSF factor is constant. 2) The split between unencumbered and encumbered below 6 months, although the RSF factor is constant. This is the case also for the loans section.

	We would suggest that such details are requested in the template, in order to have a better representation of the liquidity profile of institutions and to be able to better reconcile data with the previous template.
Question 30: Are the instructions and templates clear to the respondents?	There are two additional types of deductions from capital instruments in CA1 Solvency rows (524, 529,744, 748, 974, 978), which are not addressed by the ITS on the NSFR or in CRRII. As they are not explicitly mentioned in the regulation, should it be assumed that these deductions should be applied to the capital amounts reported under the NSFR (or should they be treated in the same way as all the other deductions? Treatment of termed Initial Margin payable is not specifically covered in the text. Proposed treatment is to apply applicable liability ASF weights per counterparty and residual maturity e.g. 50% for financial customers with a residual maturity of >6mths to 1yr. The template combines both cash and reserves and lending to central banks. This is a different approach to the Basel QIS template. We would suggest that these are split out for simplicity. Could the EBA also clarify that this would include transactions with central banks where we have received, for example, government securities against cash and that we would report this as encumbered if the asset had subsequently been lent out? The BCBS Standard and the accompanying Quantitative Impact Study (QIS) templates provide a list of off-balance sheet products which the national competent authorities can apply discretion to when applying the RSF factors. No details have been provided in the ITS on the types of products and the applicable RSF factors which the EBA intends to include in the reporting of this section. Banks would need further guidance from the EBA on what constitutes non-performance for off-Balance Sheet exposures and how these should be included in the NSFR. For example, an analogy to the non-performing on Balance Sheet assets, or categorization based on non-performing customers would provide more clarity in reporting.

	In particular, the non-performing off-balance sheet exposures is a category which is not previously required for reporting either in the QIS or the legacy EBA NSFR templates. While institutions can draw parallels on the definition of such exposures from the EBA's ITS forbearance and Non-Performing Exposures, no clear guidance is provided on the application of this newly introduced category. It would be preferable for the EBA to provide further guidance in the final ITS on the items from the BCBS standard that would be considered for this section. While there may not be an RSF factor applicable immediately upon the compliance deadline (June 2021) banks would like to have sufficient indication as to what funding requirements they would need to account for going forward. Regarding the templates C80.00 and C81.00, we believe 'grey' and 'blank' areas should be reviewed. For example, row 760 (1.4.5.01) and 810 of C80:00 (1.4.6.0.1) required the total amount. Regarding the standard RSF factor columns 'I' to 'K' are filled in grey, however it makes no sense for columns 'M' to 'O' to be filled in (are now in blank) and should be put in grey as well. It is important that there is consistency across templates. We continue to work through all the instructions and are likely to have further questions, please advise the most appropriate method to ask for additional guidance and/or clarification. Some details about the treatment of retained covered bonds would be useful, including where a bank is issuing and buying back its own covered bonds to improve short-term liquidity positions. E.g. in the case the Bank is issuing 1 bn € own covered bonds and buying it back: 1) should be this 1 bn € shown as a gross approach in the ASF (row 2.5.3.3 Other liabilities) and in the RSF (row 1.3.3 non-HQLA securities)? Or in a net approach not showing these positions? 2) should be the loans underlying this 1 bn € retained funding be considered unencumbered or encumbered?

	Finally, the instructions require reporting securities as HQLA regardless if they comply with Article 8 of LCR DR. This article also includes convertibility, transferability requirements (whereas in line with Asset Encumbrance reporting, both Article 7 and 8 need to be complied with to report in HQLA columns). Could the EBA clarify the reasoning for this discrepancy?
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?	As already noted, accurate referencing to the articles is required in order to ensure a correct interpretation of the ITS. In particular, further clarification on Example 1: Reporting derivatives by currency subject to separate reporting stated on page 49 is required: • Definition of Netting set – question 2 on the attached already establishes the need for this, but it would be really useful to have the additional guidance on definition of "netting set" with examples. • Definition of Settlement currency – in line with the above question – definition of the "settlement currency" and the expected source of this will really help the analysis. • Definition Amounts – there is no specific reference on the document on amounts or treatments per currency. In addition, 'Example 2: Netting SFTs with a single counterparty' described on page 50 is contradicting CRRII by netting Level 1 Reverse repos with the rest of HQLA transactions and risks having unintended consequence including a punitive NSFR RSF weight which is: • Not reflective of the asset quality mix i.e. predominantly level 1 assets • Misaligned with netting logic applied elsewhere in Liquidity reporting • **Produces an RSF greater than if no netting had been applied** • Discourages Firms from reversing in higher quality assets if there are lower quality repos within the same netting set. Based on our understanding of Article 428c(3) we believe 'Proposal 1' detailed below is the most appropriate NSFR representation of Example

2, i.e. the level 2A liability should be allocated against the lower quality collateral first, i.e. the level 2B asset. This treatment would consistent with other Liquidity reporting guidance, specifically:

- LCR 2020 ITS general remarks re. Collateral Swaps requires initial pairing of the lowest quality assets: 'non-cash assets lent shall be assigned individually to non-cash assets borrowed, according to the liquid assets categories…starting from the least liquid combination (i.e. non-liquid non-cash assets lent, non-liquid non-cash assets borrowed).
- LCR 2013 Basel III Unencumbered Stock guidance for securities pledged in collateral pools: 'assets are encumbered in order of increasing liquidity value in the LCR, ie assets ineligible for the stock of HQLA are assigned first, followed by Level 2B assets, then Level 2A and finally Level 1'.

Net assets that have subsequently been encumbered as part of a separate repo trade would be subject to equivalent RSF weights where appropriate. This latter treatment is aligned with articles 428c(3) and 428p(4).

Implementation may vary depending on firm's operational capabilities and as a result should be able to implement an alternative pro-rata asset netting approach i.e. 'Proposal 2' which would also be compliant with CRR guidance.

Counterparty: XXX, USD, trades maturing 31.12.19

RSF %	Asset Quality	Start	EBA Approach: *Worst asset quality*	$ RSF	AFME Proposal 1: *Literal Read / LCR Consistent Approach*	$ RSF	AFME Proposal 2: *Pro-Rata Approach*	$ RSF
0%	Lvl 1 Reverse	100	0	0.0	100	0.0	61	0.0
5%	Lvl 2B Reverse	80	110	5.5	10	0.5	49	2.4
-	Lvl 2A Repo	(70)	0	-	0	-	0	-
-	**NET**	**110**	**110**	**5.5**	**110**	**0.5**	**110**	**2.4**

In addition to the above EBA should clarify:

- How netting of open position repo/reverse repos should be undertaken, i.e. whether these should be considered to have the same residual maturity. The proposed treatment should consider the ability to close out security on demand versus perpetual

	instruments, securities which meet the former requirement would be treated with an overnight maturity. • In the case of netting of SFTs: According to CRR Article 428p (5), reverse repos should be encumbered for the maturity of the repo in cases where maturity of the repo is longer than reverse repo. However, there could be occurrences where such reverse repo would no longer be present on the balance sheet as a result of netting. The proposed treatment should consider that (1) securities are often managed as pool, which means that there is no 1-to-1 matching of transactions (see FSB discussion on SFT reporting); (3) if netting is to be reversed, this would unnecessarily extend the balance sheet (e.g. in case reverse repo is done with a basket of securities and only one of them is lent out via repo, or where only a small amount is reused). In order to achieve an envisaged increase in RSF, it is possible to encumber an amount of a comparative reverse repo. • Treatment of assets that do not have a maturity date such as overdrafts and roll-overs that can be unilaterally cancelled by the bank: There is no clarification in the text of the regulation but it would be very punitive if institutions need to assume that such assets would fall into the longest maturity bucket. • How paragraphs (2) and (3) of Article 428p on beneficial ownership should be applied when to securities financing transactions when calculating the amount of RSF?" The items listed under Art. 428f (2) are considered to meet the conditions set out in paragraph 1 of the same article (i.e. conditions for interdependent assets and liabilities). While for items that would be considered interdependent under paragraph 1 it is clear that competent authority approval is necessary, as well as fulfilling the respective criteria, the CRR does not clarify whether those products listed under Art. 428f (2) require the approval of the competent authority in order to be considered as interdependent. It is however understood such products already fulfil the potential conditions that would allow them to be interdependent. Furthermore, included within this category is derivative client clearing activities, provided that the institution does not provide to its clients guarantees of the performance of the CCP and, as a result, does not incur any funding risk. It is not clear if this category

	is intended to automatically exclude initial margin posted for client clearing which would fulfil this definition (in line with BCBS rules – FN 18). However, the draft EBA ITS instructions on the NSFR (Annex 27) state that approval from the CA is required in order to report the positions corresponding to Art. 428f (2) as interdependent. As an example, for Art. 428f (2) (d) it reads: "Liabilities related to derivatives client clearing activities that have been approved by the relevant competent authority to be treated as interdependent with assets in accordance with Article 428f(2)(d) of CRR. As the CRR is not restrictive on this issue, it is proposed to include in the final ITS a reporting category for items listed under Art. 428f (2) that are considered as interdependent without the approval of the CA. Simply deleting the part saying "that have been approved by the CA" is not sufficient as it would still keep the regulatory uncertainty on whether CA approval is required or not. Included within this category not requiring prior approval should be initial margin posted for client clearing activities, provided that the institution does not provide to its clients guarantees of the performance of the CCP and, as a result, does not incur any funding risk.
Question 32: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?	As above. The template would be fit for purpose to the extent that the above issues are addressed.
5.4.8 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	In terms of the FINREP template, we do not see any added value to completing tab 39 given the COREP requirements already in place.

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?	Overall we agree with the separate presentations of POCI outside the IFRS9 impairment stage even though the new breakdown, in some cases, may result redundant and overlaps with information provided in other templates. For instance we suggest to request the above mentioned data only for F 18 instead of F 04.04.01 and 04.03.01.
Question 33.2: Are the criteria to distinguish between "non-performing" and "performing" POCIs clear? Which challenges with regard to the practical application of these criteria do you envisage?	The criteria to distinguish between "non-performing" and "performing" POCIs seems clear. We do not envisage any particular challenge regarding the practical application of these criteria.
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?	We do not envisage any particular challenge regarding the reporting of "Cash balances at central banks and other demand deposits" and the information requested is consistent with data already collected in other FINREP templates.
Question 34.2: Do you see any inconsistencies between this data and the data collected in other FINREP templates?	-Consistency check within F18 templates should be amended accordingly as impairments on cash balances at central banks and other demand deposits are currently mapped with exposures instead of impairments
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	No major challenges, but the relevance is questioned on that matter. The additional columns regarding the direct transfers between Stages without taking into consideration any intermediate stage implies that

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?	the Reporting Institution shall be able to track all passages between stages during the period and feed the template using simultaneously a Year to Date approach and a Quarterly to Date approach. This solution results contradictory with the i) current instructions of F 12.02 and ii) other FINREP flow tables (e.g. Annex V Part 2.239iii: For an exposure that is reclassified multiple times from non-performing to performing or vice versa during the period, the amount of inflows and outflows shall be identified based on a comparison between the status of the exposure (performing or non-performing) at the beginning of the financial year or at initial recognition and its status at the reporting reference date) and may imply additional burden arising from the maintenance of two parallel processes for the feeding of the Template. Member banks have advised that capturing this data will be disproportionately difficult and costly and question the added value it will provide.
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?	We do not envisage any particular challenge regarding the reporting of this information. No major challenges but according to IFRS9 the 30 days-past-due as a backstop to stage2 is refutable; hence the relevance of these amendments is questioned.

5.4.9 Other amendments	
Question 37: Are the instructions and templates clear to the respondents?	1. Asset encumbrance: • ABS replaced by securitisations not in all ITS templates (remains in the F36.02) and not in the disclosure templates • A clear definition of “immovable property” is essential (is it confirmed that it corresponds to RW<= 35%)? 2. FIN 2 - Row 320 and FIN 20.3 – Row 120 « Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net » • The rows are presented as existing rows but with "amendments in their content / definition" (yellow colour code). In our opinion, as these rows do not exist in the current FINREP models (including FINREP 2.9) at least for IFRS models since 2014, they should be considered as new. • We would appreciate that the EBA clarifies the point and confirms the status of these rows, i.e. new or not applicable for IFRS models. 3. In terms of ‘Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net’, no specific guidance has been provided. While we can interpret that this relates to gains/losses on disposal it would be good to have an understanding of what derecognition means to the EBA. It may cover more than just disposal – i.e., if a firm were to repatriate capital from a subsidiary but not dispose to what extent would this be recognised here? It would be good for this to be clarified to ensure a consistent approach across firms 4. Although in the main the reporting requirements are relatively clear, with regards to Table 39 (NPL), if there was a case where an exposure moved between Performing and Non-Performing a few times during the 2-year period, would the time passed be from the latest moment the exposure moved to Non-Performing or the first time the event occurred? Would be beneficial to include any references to specific pieces of regulatory text that clarify the position, again ensuring consistency across firms.

	5. Trade date/ settlement date encumbrance - IFRS allows a choice of date/ settlement measurement per category. In cases where trade date accounting is chosen it may result in a discrepancy with the liquidity report where settlement date reporting is required to be applied (e.g. for a repurchase transaction traded on 30/11 and to be settled on 02/12: an HQLA asset would be reported as unencumbered an included in the liquidity buffer, whereas it would need to be reported as encumbered asset in AE F 32.01 column 50 ('of which notionally eligible EHQLA and HQLA'). 6. Misalignment between the ITS and recent EBA Q&A: In the recently published Q&A 2015_2190 the EBA is suggesting a different way of reporting of the repurchase transactions in F32.04 (AE-SOU), which contradicts the instructions of the ITS. The ITS presented for consultation requires institutions to report 'carrying amounts under the applicable accounting framework' (Item 1.2), 'carrying amount of selected financial liabilities'(Item 2.4.2, row 010) and 'carrying amount of the repurchase agreements' (Item 2.4.2, row 050), whereas the answer in the Q&A states that netting of repurchase transactions is not allowed (thereby requiring reporting of gross amounts). Therefore we would like to request EBA to clarify their intention (by either revising the ITS to include tan exception to the rule or revising the EBA Q&A). As a side note: validation rule v2855 was deactivated at the end of 2015. 7. The allocation method for Non-Cash Collateral Re-Use F 33.00 AE-MAT: The ITS does not provide detailed guidance on the on the allocation method expected to be applied to the collateral re-use. Such guidance has been provided in a meanwhile by the FSB and ESMA in the context of the securities financing data standards. We would like to understand whether the EBA considers application of the same allocation methodology as appropriate for Asset Encumbrance reporting. (For the institution required to report under SFTR it may be beneficial to apply the same reporting methodology in order to streamline reporting).

Question 38: Do respondents agree with the proposal to harmonise templates and instructions with regard to the reporting of the information of LEI codes?	While we agree, clarification is needed on the various codes in template 40. The "LEI code" columns have been replaced by a "code" column (column 010) where the LEI code shall be reported or, if not available, the national code of the entity. A "type of code" column (column 015) is added as well as a "National Code" column (column 025) to be completed when the code indicated in column 010 is a LEI code. We would appreciate the EBA to confirm that the column "National Code" (column 025) will be 0 if a National Code is filled in the "Code" column (column 10). In addition, If LEI code or National Code are not available then what else can be entered in Code column? Is it required that each cell has to be filled or is an empty cell allowed? As per BuBa requirement, 20 digit LEI code must be entered. If 8 digit borrower code is used instead, this would not fulfil BuBa requirement. How is this expected to be accommodated? Is this former requirement still valid or is it now allowed to show a different number of digits dependant on the code (e.g. 20 digits for LEI or 8 digits for the National (Borrower) Code)? In terms of the 'Type of Code' column, does this only apply for institutions and can it be blank for Other Entities. If we only have the LEI code for Institutions and no National (Borrower) Code, do we have to enter the LEI again although it is already shown in column "Code"? Does "may" in the guidance mean that it's not a mandatory field and can therefore stay empty?
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?	**Asset encumbrance** The integration has improved consistency, however there are some instances where the pillar 3 disclosure has a different format than the supervisory reporting. Another difference is that Pillar 3 shall be disclosed using median value (average) whereas quarter-end values are used for supervisory reporting.

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