

Template for comments

ECB Guide on effective risk data aggregation and risk reporting

Institution/Company

KBC Group

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General comments

Template for comments

ECB Guide on effective risk data aggregation and risk reporting

Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant chapter/ section/ paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion; and
- you include a rewording suggestion in case of a proposed amendment.

Deadline: 6 October, 2023

| ID | Chapter/ section | Sub-point/ bullet/ paragraph | Page | Type of comment | Detailed comment | Concise statement as to why your comment should be taken on board | Name of commenter | Personal data |
|----|------------------|---|------|-----------------|---|---|-------------------|---------------|
| 1 | 1 Introduction | <i>to any data used to steer and manage institutions, both strategically and operationally, as well as data used for risk, financial and supervisory reporting.</i> | 1 | Clarification | Unclear exists to exactly what the scope of the targeted data is. In the most broad interpretation this can mean all data. However institutions need to make plans and priorities. Can you please clarify whether e.g. data that is used for commercial decision taking is also in scope? Is data that is used for customer model predictions (like an offer on a specific moment in the life of the customer) is in scope? | Clarifies the scope of BCBS239 and the application within the institution. The goal is that the whole institution complies, so all data should comply in the most strict interpretation. Best is to leave no room for interpretation in case this is the ECB-stance | KBC Group | Publish |
| 2 | 1 Introduction | <i>The crucial nature of risk data aggregation was initially observed during the 2008 financial crisis² and, more recently, has been highlighted in the various data collection activities launched by ECB Banking Supervision during the global pandemic and other stress situations.</i> | 1 | Amendment | <i>during the financial crisis . Hence, when significant institutions need to address their shortcomings and develop bcbs239 roadmaps, it's imperative that their first priority and focus is on ensuring the financial risk & data aggregation processes are compliant first. More recently, in the various data collection activities ...</i> | Clarifies the priority setting of BCBS239 implementation roadmaps, institutions struggle on what to focus on first. It's clear that the text is written to first ensure compliancy in the (financial) risk area, and secondary on all other risks (but this means all data is in scope, as operational risks can occur everywhere in theory?) | KBC Group | Publish |
| 3 | 1 Introduction | <i>Overall, the results of the thematic review and the findings from on-site inspections revealed shortcomings in the effective data risk aggregation frameworks.</i> | 2 | Clarification | please add some examples of the most important shortcomings | This will help the institutions in interpreting the text | KBC Group | Publish |
| 4 | 1 Introduction | <i>none of the significant institutions in the sample of the thematic review</i> | 2 | Clarification | please clarify the reference group (e.g.: 20 participants, of which 5 G-SIBS, 15 D-SIBS) | This will help the institutions in interpreting the text | KBC Group | Publish |
| 5 | 1 Introduction | <i>ECB Banking Supervision has identified deficiencies in RDARR as a key vulnerability in its planning of supervisory priorities for the 2023-25 cycle, and has developed a comprehensive, targeted supervisory strategy for the upcoming years.</i> | 2 | Clarification | Please explain the contents of the strategy, preferably situating milestones on a timeline | This will help the institutions in interpreting the text and preparing answers | KBC Group | Publish |
| 6 | 1 Introduction | <i>Supervision expects from institutions regarding their implementation programmes is re-stated, with a focus on tangible results</i> | 3 | Clarification | Please clarify the focus of the re-statement and please shed a light on the tangible results (e.g.: expectation that financial risk data aggregation & reporting processes are fully compliant by 2026). | This will help the institutions in interpreting the text and setting priorities in their BCBS239 programmes | KBC Group | Publish |

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|----|--|---|---|---------------|---|--|-----------|---------|
| 7 | 3 Supervisory expectations | <i>They are intended to be addressed within a reasonably short time frame</i> | 5 | Clarification | Please clarify what 'a reasonably short time frame' means in practice; e.g.: 1 year | This will help the institutions in interpreting the text and setting priorities in their BCBS239 programmes | KBC Group | Publish |
| 8 | 3.1 Responsibilities of the management body | <i>the management body must oversee the implementation of the institution's strategic objectives, risk strategy and internal governance.</i> | 5 | Amendment | <i>the management body must oversee the implementation of the institution's strategic objectives, risk and data strategy and internal governance.</i> | This will help institutions in interpreting the text | KBC Group | Publish |
| 9 | 3.1 Responsibilities of the management body | <i>as well as regularly assessing RDARR capabilities in relation to the best practices described in the BCBS 239 principles</i> | 5 | Amendment | <i>as well as regularly assessing RDARR capabilities in relation to the best practices described in the BCBS 239 principles and Basel's publications on Progress in adopting the "principles for effective risk data aggregation and risk reporting"</i> | This will help the institutions in interpreting the text and setting priorities in their BCBS239 programmes | KBC Group | Publish |
| 10 | 3.1 Responsibilities of the management body | <i>The management body</i> | 5 | Amendment | <i>The executive management body</i> | This will help institutions in interpreting the text | KBC Group | Publish |
| 11 | 3.2 Sufficient scope of application | <i>Furthermore, clear, proportionate and measurable criteria for material legal entities to be included in the scope of application should be defined.</i> | 6 | Clarification | Please include some examples of the criteria that are intended, preferably an exhaustive summation | This will help institutions in interpreting the text | KBC Group | Publish |
| 12 | 3.3 Effective data governance framework | <i>managing metadata relating to the data lineage and data dictionary (see Section 3.4).</i> | 8 | Clarification | Can you further clarify the extent (granularity) of data lineage you are aiming to obtain (system level, attribute level, technical data level (very granular; table to table etc) and for which data this is necessary | This will avoid that institutions are facing large investments (for possibly a small added value) | KBC Group | Publish |
| 13 | 3.4 Integrated data architecture | <i>a metadata repository</i> | 8 | Clarification | Please clarify what type of data (at minimum) should be in the metadata repository as well as what ECB considers to be essential information in the metadata repository. | This will avoid that institutions are facing large investments (for possibly a small added value) | KBC Group | Publish |
| 14 | 3.5 Group-wide data quality management and standards | <i>with other sources and reports (i.e. in the areas of accounting, finance, and with external trusted sources like credit bureaus, land or housing registries, national authorities' lists etc.) applied</i> | 8 | Clarification | This requirement is not stipulated in BCBS239 and is not proportionate for sound risk data aggregation and risk reporting practices. However, in some contexts, e.g.: criticality of the external data used wrt to the specific risk monitoring (potential impact) it can make sense. | This will avoid that institutions are facing huge costs for a small added value as well as avoiding the misuse of supervisors and national authorities of their position towards institutions that are active within the areas of governance of the supervisors and national authorities | KBC Group | Publish |