



EUROPEAN CENTRAL BANK

BANKING SUPERVISION

New reporting requirements and developments towards integrated reporting



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Supervisory Reporting Conference

Outline

- 1. New reporting requirements arising from CRD6 and CRR3**
- 2. New SSM reporting requirements for SREP purposes**
- 3. Developments towards integrated reporting**
 - Setting a Joint Banking Reporting Committee
 - Three levels of integration

New reporting requirements arising from CRD6-CRR3*

Credit risk

- **Standardised Approach.** Introducing the Standardised Credit Risk assessment Approach; specialised lending; exposures secured by immovable property; mapping between SA and IRB exposure classes
- **IRB Approach.** New exposure classes for “Regional Governments and Local Authorities” and “Public Sector Entities” not associated with governments; optimisation of Corep reporting (exploring more granularity)

Output floor

- Unfloored and floored (72.5%) total risk exposure amount (TREA) calculation
- Potential impact on SA reporting (reported for positions in scope and for all positions)
- Level of consolidation still unclear
- Phasing-in and transitional arrangements
- Alignment with BCBS disclosure requirements

ESG risk

- Building on existing ITS on ESG disclosure
- Assessment of further risk dimensions (CR, MR, OR) and on Finrep
- Sustainable finance view (green lending)
- Possible data needs for stress test
- Alignment with European Sustainability reporting Standards (ESRS)

New reporting requirements arising from CRD6-CRR3*

Market risk & Credit Valuation Adjustment (CVA) risk

- **Market risk.** Rescaling of OFRs and removal of internal model approach
- **CVA risk.** Replacing template C.25 to cover exposures and excluded transactions

Operational risk

- **Changes in the calculation of OFRs:** one single approach instead of three, alignment with Finrep and disclosure, mergers and acquisitions, etc.
- **Data collection:** calculation of aggregated losses, risk taxonomy

Third country branches

- EBA report in 2021 to remedy national regulatory fragmentation
- CRD6 proposal for **minimum harmonization regime**, including on reporting: simplified Finrep/Corep, proportionality

Pillar 3 data hub

- Non-SNCI to submit P3 data to EBA, for publication in data hub
- EBA derives SNCIs' disclosure from supervisory reporting. Mapping P3-Reporting
- Feasibility study on deriving P3 from reporting for institutions other than SNCIs

Other topics

- Limited changes to leverage ratio, supervisory benchmarking, central counterparties, top 20 counterparties, issues detected in Q&As, intermediate parent undertakings (IPU) monitoring

New SSM reporting requirements for SREP purposes

Changes to STE 2023 templates

Templates	Nature of change
Profitability	Update
Capital projection	Update
Article 23 LCR Delegated Regulation	Update
ICAAP/ILAAP	Change of remittance date
IRRBB	Significant streamlining
Climate risk	New
Irrevocable payment commitment	Previous yearly ad-hoc data collection
Risk of excessive leverage	Previous yearly ad-hoc data collection

Developments towards integrated reporting (IR)

Key milestones and achievements since the EBA feasibility study on IR

- **Preparatory work in 2022 among European authorities**
 - Proposal for a Joint Bank Reporting Committee (JBRC)
 - Reports on semantic and syntactic integration
- **Two workshops with national authorities and the banking industry (Nov-Dec 2022)**
- **Support from EBA Board of Supervisors, SSM Supervisory Board, SRB Board**
- **Three levels of integration** – see next slide

Next steps

- **Preparation of a roadmap** to be finalised by the JBRC
- **EBA work on CRR3/CRD6 to contribute to granular reporting**
- **Setting up the JBRG** – see next slide

Three levels of integration that strengthen each others

Syntactic integration: DPM Refit as a common “container” to facilitate semantic integration

What is it?

Using the same metamodel (the “container”) to describe statistical and supervisory reporting through codes.

Next steps

ECB-EBA-EIOPA propose a common governance (Q3 2023) for ECB to decide using DPM Refit

Semantic integration: the main driver for reducing reporting burden and a core JBRC task

What is it?

Building a common data dictionary (the “content”) for all authorities (glossary, concepts decomposition, relationships, conceptual model)

Next steps

Building a roadmap to strategically address new reporting and legacy; validating IReF/Finrep integration as a first step

Integration of reporting: the final objective that implies good will from the authorities

What is it?

Regulatory authorities whenever possible 1) align diverging definitions 2) dynamically refer to each other 3) decommission overlapping reporting 4) build common reporting

Next steps

1) Receive CBA feedback on IReF and Finrep solo alignment 2) EBA discussion for supervisory granular reporting to take account 3) assess legal solutions

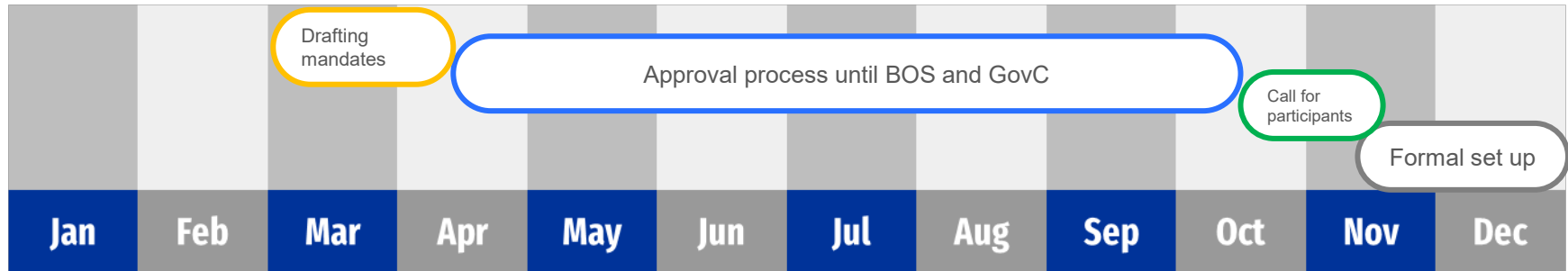
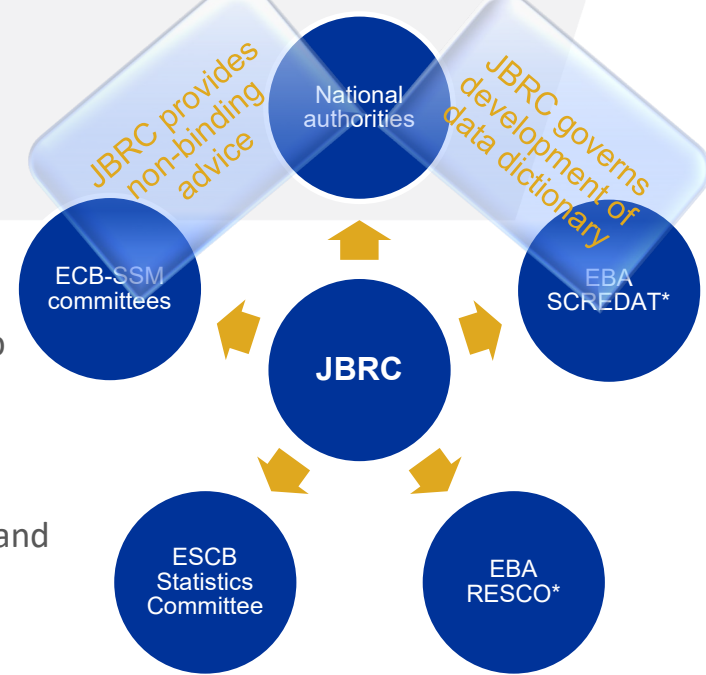
Setting a Joint Bank Reporting Committee

Objectives:

- Involves all concerned authorities, including national ones
- Involves the industry permanently through a Reporting Contact Group

Challenges:

- To reach a high level of ambition, a stepwise approach is needed
- Complex governance as authorities keep separate regulatory powers and the JBRC is still informal



* SCREDAT= Standing Committee on Reporting and Data

* RESCO = Resolution Committee

Thank you

Questions or observations

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