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EBA BS 2023 514

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3 August 2023

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# Decision of the European Banking Authority EBA/DC/501

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of 3 August 2023

concerning ad-hoc collection by competent authorities to the EBA of institutions' IRRBB data and amendment of the Annex to EUCLID Decision

**The Board of Supervisors**

**Having regard to**

- (1) Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC1 (the 'EBA Regulation' and 'the EBA'), in particular Article 29(1) letter (c) and Article 35 thereof.
- (2) Decision EBA/DC/2020/335 of 5 June 2020 on the European Centralised Infrastructure of Data, as further amended by Decision EBA/DC/2021/403 of 3 August 2021 and Decision EBA/DC/2022/448 of 10 June 2022 ('Decision on EUCLID').<sup>2</sup>

**Whereas:**

1. According to EBA Regulation, the EBA, among its main tasks, has to monitor and assess market developments in the area of its competence (Article 8(1)(f)), to contribute to the development of a common supervisory culture (Article 8(1)(b)), perform a general coordination function also by means of facilitating the exchange of information between competent authorities (Article 31), to duly consider systemic risk (Article 22(1)), assess the existence of emergency situations and take proper action (Article 18), to undertake market

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<sup>1</sup> OJ L 331, 15.12.2010, p. 12–47.

<sup>2</sup> [https://www.eba.europa.eu/sites/default/documents/files/document\\_library/Risk%20Analysis%20and%20Data/Reporting%20by%20Authorities/885459/Decision%20on%20the%20European%20Centralised%20Infrastructure%20of%20Data%20%28EUCLID%29.pdf](https://www.eba.europa.eu/sites/default/documents/files/document_library/Risk%20Analysis%20and%20Data/Reporting%20by%20Authorities/885459/Decision%20on%20the%20European%20Centralised%20Infrastructure%20of%20Data%20%28EUCLID%29.pdf).

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analyses to inform on the discharge of the EBA's functions (Article 8(1)(g)), conduct publications and update regularly information relating to the field of its activities (Article 8(1)(k)), cooperate closely with the ESRB in particular with regard to the implementation of its warnings and recommendations (Article 8(1)(d)), and provide technical advice to the European Parliament, the Council and the Commission in the areas set out in the legislative acts referred to in Article 1(2) (Article 16a(4)).

2. The above also applies to the area of interest rate risk in the banking book (IRRBB) where relevant and meaningful data are necessary to implement the EBA scrutiny plans agreed in December 2022 by the BoS for monitoring specific technical aspects of the implementation of the new regulatory package on IRRBB and credit spread risk from the banking book (CSRBB) and the consequences of the evolution of interest rates.
3. The EBA has been carrying out policy work in the area of IRRBB, which includes the development of: draft Regulatory Technical Standards (RTS)<sup>3</sup> specifying supervisory shock scenarios, common modelling and parametric assumptions for the supervisory outlier test (SOT) on economic value of equity (EVE) and the SOT on net interest income (NII), and providing a definition and calibration of the large decline for the SOT on NII; draft RTS setting out a standardised (SA) and simplified standardised (S-SA) methodology for the purpose of the evaluation of the risks arising from potential changes in interest rates that affect both EVE and NII of an institution's non-trading book activities<sup>4</sup>; guidelines specifying aspects of the identification, evaluation, management and mitigation of the risks arising from potential changes in interest rates and of the assessment and monitoring of CSRBB activities<sup>5</sup> which will replace the EBA Guidelines on the management of IRRBB activities<sup>6</sup>.
4. Given the completion of the EBA's policy work on IRRBB, a detailed monitoring of the implementation of that IRRBB package is required. Furthermore, given the current environment of high inflation combined with growing interest rates, the impact of interest rates' changes on institutions' management of the interest rate risk shall be closely monitored. Data on IRRBB will be crucial to equip supervisors with the tools necessary to monitor risks arising from interest rates' changes and to support the implementation of the scrutiny plans.
5. In order to meet the EBA's and the supervisory community's data needs in relation to the IRRBB, the EBA has developed the draft Implementing Technical Standards (ITS) on

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<sup>3</sup> Draft Regulatory Technical Standards specifying supervisory shock scenarios, common modelling and parametric assumptions and what constitutes a large decline for the calculation of the economic value of equity and of the net interest income in accordance with Article 98(5a) of Directive 2013/36/EU ([EBA/RTS/2022/10](#)).

<sup>4</sup> Draft Regulatory Technical Standards specifying standardised and simplified standardised methodologies to evaluate the risks arising from potential changes in interest rates that affect both the economic value of equity and the net interest income of an institution's non-trading book activities in accordance with 84(5) of Directive 2013/36/EU ([EBA/RTS/2022/14](#)).

<sup>5</sup> Guidelines specifying aspects of the identification, evaluation, management and mitigation of the risks arising from potential changes in interest rates and of the assessment and monitoring of credit spread risk, of institutions' non-trading book activities ([EBA/GL/2022/14](#)).

<sup>6</sup> Guidelines on the management of interest rate risk arising from non-trading book activities ([EBA/GL/2018/02](#)).

supervisory reporting with regard to IRRBB reporting requirements<sup>7</sup>, which have been published and submitted to the European Commission on 28 July 2023.

6. The first application date is likely foreseen in Q3 2024. This implies that the first data could be expected to be available in Q4 2024, at the earliest. This date is far too late in the current rate environment to serve appropriately the needs of supervisors and of the EBA in terms of monitoring/understanding IRRBB.
7. Already since last year, with the view to supporting the monitoring of the implementation of the EBA regulatory products mentioned above and of the impact of the interest rates' changes on institutions' IRRBB management, an amendment was applied to the Decision on the information required for the monitoring of Basel supervisory standards (EBA/DC/2021/373) via EBA/DC/426 of 26.01.2022 ('Quantitative Impact Study Decision-QIS Decision') so as to allow the first targeted collection of data on IRRBB, the final submission of which took place on 15 June 2023. Nevertheless, the IRRBB-related templates of that Decision are limited in extent, and the supervisory reporting templates developed in the meantime for the purposes of the draft ITS mentioned above would provide a fuller, more accurate and comprehensive picture of the IRRBB. As a result, and in order to speed up the availability of the full IRRBB data for the monitoring by supervisors and by the EBA, it is necessary to proceed with an *ad hoc* data collection of such data the soonest possible, in advance of the adoption and publication of the Implementing Regulation (containing the final ITS) in the Official Journal of the EU. This approach is only an *interim* solution as, following the first application date of the ITS (expected in Q3 2024), institutions will be required to report information on IRRBB risks as part of the supervisory reporting framework.
8. In order to ensure that the fuller set of IRRBB data is made available to the supervisors and the EBA at a timing that it is still useful to them, this data collection should be based on the templates contained in the final draft ITS templates for IRRBB reporting, as they are published on the EBA website.
9. With regard to the scope of institutions to be covered by the *ad hoc* data collection, it is possible to build upon the QIS, and therefore only cover the same institutions that are already required to produce IRRBB data under the QIS decision. This can allow an adequate level of representative data for monitoring IRRBB, while ensuring minimal burden for the rest of the institutions which are not covered by the QIS.
10. The *ad hoc* collection of IRRBB data from competent authorities to the EBA in accordance with this decision is without prejudice to, and does not replace the monitoring of IRRBB risks by competent authorities, including through collection of relevant information from the supervised institutions, that competent authorities may already have in place. Competent authorities should ensure consistency and integration with the data in scope of

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<sup>7</sup> Draft Implementing Technical Standards amending Commission Implementing Regulation (EU) 2021/451 with regard to IRRBB reporting

this EBA decision to avoid double reporting from institutions under the scope of this decision.

11. The Decision on EUCLID shall be applied to the submission of the IRRBB data by competent authorities in accordance with this Decision, in order to ensure consistency with, and interaction or comparison with other EBA data, as well as rendering it suitable for immediate analysis by ensuring a proper format and data quality, as well as to allow also here the application of the standard sequential approach applied in all supervisory reporting.

Has decided as follows:

### **Article 1 – Data to be reported**

1. The competent authorities shall submit to the EBA, in accordance with the provisions set out in this Decision, the quantitative and qualitative data reported by the institutions which are subject to the EBA decision on information required for the monitoring of Basel supervisory standards<sup>8</sup> and at the same consolidation level. This information shall be submitted according to the templates set out in the final draft Implementing Technical Standards amending Commission Implementing Regulation (EU) 2021/451 with regard to IRRBB reporting, which are required to be developed pursuant to Article 470(7), last subparagraph of Regulation (EU) No 575/2013<sup>9</sup>.
2. Competent authorities shall request institutions to submit the data referred to in paragraph 1 in accordance with the data point definitions of the data point model referred to in Annex XIV and the validation formula referred to in Annex XV of Commission Implementing Regulation (EU) 2021/451<sup>10</sup>.

### **Article 2 – Date of the submission**

1. The competent authorities shall submit to the EBA the data referred to in Article 1 as a one off with reference date 31 December 2023.
2. The competent authorities shall submit to the EBA the data referred to in Article 1, by 31 March 2024.

### **Article 3 – Format and procedure of the submission**

The Decision on EUCLID shall apply with regard to the submission of the data referred to in this Decision.

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<sup>8</sup> EBA Decision on information required for the monitoring of Basel supervisory standards (EBA/DC/2021/373), as further amended by EBA/DC/426 of 26.01.2022.

<sup>9</sup> OJ L 176, 27.6.2013, p. 1.

<sup>10</sup> Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regards to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014

#### **Article 4 – Amendment of Decision on EUCLID**

Decision EBA/DC/2020/335 is amended as follows:

The following act setting out Data Reporting Obligation is added to the Annex: “28) Decision concerning ad-hoc collection by competent authorities to the EBA of institutions’ IRRBB data”.

#### **Article 5 - Final provision**

This Decision enters into force immediately.

Done at Paris.

[signed]

José Manuel Campa  
Chairperson

[For the Board of Supervisors]