
EBA/ITS/2020/04

24 June 2020

Final report

Final draft implementing technical standards

on public disclosures by institutions of the information referred to
in Titles II and III of Part Eight of Regulation (EU) No 575/2013

Contents

1. Executive summary	3
2. Background and rationale	4
2.1 New banking regulatory package	5
2.2 Integration of Pillar 3 disclosure requirements with supervisory reporting	6
2.3 Proportionality in Pillar 3 disclosures	7
2.4 Templates and tables: use of fixed and flexible formats	8
2.5 Other general considerations	8
2.6 Disclosure topic by topic	9
2.6.1 Disclosure of key metrics and overview of risk-weighted exposure amounts (Articles 438 and 447)	9
2.6.2 Disclosure of risk management objectives and policies (Article 435)	10
2.6.3 Disclosure of information on the scope of application (Article 436 of the CRR)	11
2.6.4 Prudent valuation adjustments (PVAs) disclosure (point (e) of Article 436)	12
2.6.5 Disclosure on own funds (Article 437)	12
2.6.6 Disclosure of countercyclical capital buffers (Article 440)	15
2.6.7 Disclosure of the leverage ratio (Article 451)	15
2.6.8 Disclosure of liquidity requirements (Articles 435 and 451a)	17
(i) Net stable funding ratio disclosure	18
2.6.9 Credit risk disclosure package	19
2.6.10 Disclosure of exposures to counterparty credit risk (Articles 435, 438 and 439)	30
2.6.11 Disclosure of exposures to securitisation positions (Article 449)	31
2.6.12 Disclosure of use of standardised approach and internal model for market risk (Articles 435, 438, 445 and 455)	32
2.6.13 Disclosure of operational risk (Articles 435, 438, 446 and 454)	33
2.6.14 Disclosure of remuneration policy (Article 450)	33
2.6.15 Disclosure of encumbered and unencumbered assets (Article 443)	34
2.7 Timeline for the ITS on disclosures under Titles II and III of Part Eight of the CRR	35
3. Final draft implementing standards	36
4. Accompanying documents	54
4.1 ‘Mapping tool’ – mapping of disclosure quantitative data with supervisory reporting	54
4.2 Draft cost–benefit analysis/impact assessment	54
4.3 Views of the Banking Stakeholder Group (BSG)	61
4.4 Feedback on the public consultation	63

1. Executive summary

Regulation (EU) No 575/2013 (the Capital Requirements Regulation (CRR)) mandates the EBA, in Article 434a, to develop draft implementing technical standards (ITS) specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III of Part Eight of the CRR shall be made. Those uniform disclosure formats shall convey sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions and their degree of compliance with the requirements laid down in Parts One to Seven. To facilitate the comparability of information, the ITS shall seek to maintain consistency of disclosure formats with international standards on disclosures.

Following the new mandate, the EBA has updated its strategy regarding its policy on institutions' Pillar 3 disclosures, in order to foster the role of institutions' disclosures in promoting market discipline through, among other actions, the development of a comprehensive ITS on disclosure. The key goals of this strategy and of the new ITS are:

- a. Optimise the Pillar 3 policy framework to provide a single comprehensive package, improving clarity for users of information.
- b. Promote market discipline further, by increasing the consistency and comparability of the information disclosed by institutions, and its alignment with the new regulatory changes introduced by Regulation (EU) 2019/876 of the European Parliament and of the Council¹ (the revised Capital Requirements Regulation (CRR2)) and with the Basel Committee on Banking Supervision (BCBS) revised Pillar 3 disclosure framework.
- c. Facilitate access by users of information to institutions' key prudential data by introducing the new key metrics templates.
- d. Foster ease of implementation for institutions by facilitating their access to, and understanding of, all the disclosure templates and tables.
- e. Increase the efficiency of disclosures by institutions and reduce costs via technology, through the integration of quantitative disclosure data and supervisory reporting.

For this purpose the EBA is developing several all-inclusive regulatory disclosure products, including the comprehensive draft ITS on institutions' public disclosures, applicable to all institutions subject to the disclosure requirements under Part Eight of the CRR, which is the subject of this final report.

¹ Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, OJ L 150, 7.6.2019, p. 1–225.

2. Background and rationale

1. Regulation (EU) No 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (CRR) mandates the EBA, in Article 434a, to develop draft implementing technical standards (ITS) specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III of Part Eight of the CRR shall be made. Those uniform disclosure formats shall convey sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions and their degree of compliance with the requirements laid down in Parts One to Seven. To facilitate the comparability of information, the ITS shall seek to maintain consistency of disclosure formats with international standards on disclosures.
2. Currently, the EBA Pillar 3 policy framework is disseminated across a range of different regulatory products, with a limited scope in terms of disclosures and of institutions, following the partial mandates included in the Level 1 text. The framework includes ITS and regulatory technical standards (RTS):
 - a. ITS on disclosure of own funds²;
 - b. ITS on disclosure of leverage ratio³;
 - c. RTS on disclosure of countercyclical capital buffers⁴;
 - d. RTS on disclosure of encumbered and unencumbered assets⁵;
 - e. ITS on disclosure of global systemically important institution (G-SII) indicators⁶.
3. It also includes the following guidelines:
 - a. Guidelines on disclosures under Part Eight of the CRR, mainly applicable to G-SIIs and other systemically important institutions (O-SIIs)⁷;
 - b. Guidelines on disclosure of non-performing and forborne exposures⁸;

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1400597718546&uri=CELEX:32013R1423>

³ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOL_2016_039_R_0004

⁴ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOL_2015_244_R_0001

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R2295&from=EN>

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014R1030&from=DE>

⁷

<https://eba.europa.eu/documents/10180/1696202/Final+report+on+the+Guidelines+on+disclosure+requirements+under+Part+Eight+of+Regulation+575+2013+%28EBA-GL-2016-11%29.pdf/20370623-9400-4b5e-ae22-08e5baf4b841>

⁸ <https://eba.europa.eu/documents/10180/2531768/Final+GLs+on+disclosure+of+non-performing+and+forborne+exposures.pdf>

- c. Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013⁹;
 - d. Guidelines on liquidity coverage ratio (LCR) disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013¹⁰;
 - e. Guidelines on disclosure requirements of international financial reporting standard 9 (IFRS 9) transitional arrangements¹¹;
 - f. Guidelines on disclosure of G-SII indicators¹².
4. Following the mandate included in Article 434a of CRR2, the EBA is implementing a comprehensive, more standardised approach in terms of its policy regarding institutions' Pillar 3 disclosures. For this purpose the EBA is implementing several all-inclusive regulatory disclosure products, including the comprehensive final draft ITS on institutions' public disclosures, applicable to all institutions subject to the disclosure requirements under Part Eight of the CRR, which is the object of this final report. This final draft ITS will replace the disclosure templates and tables included in the regulatory products and guidelines mentioned above, with the exception of guidelines on disclosure requirements of IFRS 9 transitional arrangement, which will continue to apply.
5. Other regulatory disclosure products that the EBA is finalising include:
- a. draft ITS on public disclosures by investment firms, following the mandate included in the proposal for a regulation of the European Parliament and of the Council on the prudential requirements of investment firms;
 - b. draft ITS on total loss absorption capacity (TLAC) and minimum requirement for own funds and eligibility liabilities (MREL) disclosure and reporting, which will include in a single package the disclosure and reporting requirements on eligible liabilities (TLAC and MREL), following the mandates included in CRR2 and the revised Bank Recovery and Resolution Directive (BRRD2).

2.1 New banking regulatory package

⁹ <https://eba.europa.eu/documents/10180/1314839/EBA-GL-2015-22+Final+report+on+Guidelines+on+Sound+Remuneration+Policies.pdf>

¹⁰ <https://eba.europa.eu/documents/10180/1807490/Guidelines+on+LCR+disclosure+to+complement+the+disclosure+of+liquidity+risk+management+%28EBA-GL-2017-01%29.pdf>

¹¹ <https://eba.europa.eu/documents/10180/2084796/Final+Report+on+Guidelines+on+uniform+disclosure+of+IFRS9+transitional+arrangements+%28EBA-GL-2018-01%29.pdf>

¹² <https://eba.europa.eu/regulation-and-policy/own-funds/guidelines-for-the-identification-of-global-systemically-important-institutions-g-siis->

6. The Basel Committee on Banking Supervision (BCBS) published in December 2018 updated Pillar 3 disclosure requirements¹³. These requirements, together with the updates published previously in January 2015¹⁴ and March 2017¹⁵, and the revisions to leverage ratio disclosure requirements published in June 2019¹⁶, complete the BCBS revised Pillar 3 framework, and were integrated in the Basel consolidated framework in December 2019¹⁷. The revised Pillar 3 framework reflects the Committee's December 2017 Basel III post-crisis regulatory reforms.
7. CRR2 amends significantly the CRR in a number of aspects, such as the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, or the counterparty credit risk, and introduces some clarifications regarding disclosures on remunerations, as these should be compatible with the aims of the remuneration rules. It also includes new disclosure requirements on performing, non-performing and forborne exposures, and on collateral and financial guarantees received.
8. In addition, CRR2 amends significantly the disclosure requirements under Part Eight of the CRR in order to implement the new international standards and to reflect the regulatory changes introduced by CRR2 and provides for the adoption of the final draft ITS that is the object of this final report with a view to ensuring comparability of disclosures. To facilitate the comparability of information with international non-EU-active banks, this regulation has been developed seeking consistency of disclosure formats with the BCBS Pillar 3 standards. The final draft ITS covers most of the disclosure requirements included in Titles II and III of CRR2, with some exceptions:
 - a. Disclosure of own funds and eligible liabilities, in accordance with Article 437a of the CRR. As explained above, this will be part of a separate ITS which will cover the disclosure and reporting requirements on eligible liabilities (TLAC and MREL).
 - b. Disclosure of exposures to interest rate risk on positions not held in the trading book, in accordance with Article 448 of the CRR, disclosure of indicators of global systemic importance in accordance with Article 441 and disclosure of environmental, social and governance risks in accordance with Article 449a. The disclosure templates and tables implementing these disclosure requirements are undergoing consultation or will be consulted at a later stage and added to the comprehensive disclosure ITS.

2.2 Integration of Pillar 3 disclosure requirements with supervisory reporting

9. The commonalities of the information that institutions have to report to their supervisors and the regulatory information that they have to make public in the interest of investors and external stakeholders drove the EBA Board of Supervisors' strategic decision to maximise the integration of

¹³ 'Pillar 3 disclosure requirements – updated framework', December 2018. <https://www.bis.org/bcbs/publ/d455.pdf>

¹⁴ 'Revised Pillar 3 disclosure requirements', January 2015. <https://www.bis.org/bcbs/publ/d309.pdf>

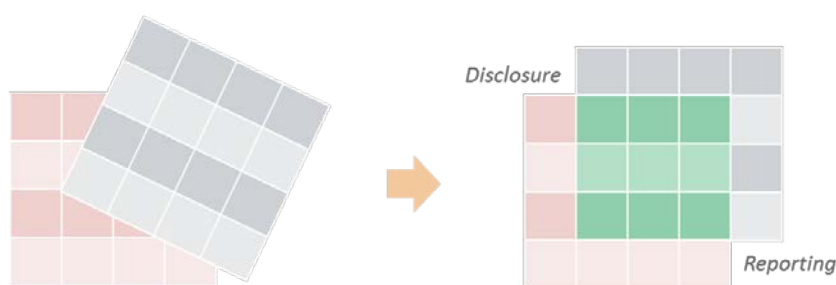
¹⁵ 'Pillar 3 disclosure requirements – consolidated and enhanced framework', March 2017. <https://www.bis.org/bcbs/publ/d400.pdf>

¹⁶ 'Revisions to leverage ratio disclosure requirements', June 2019. <https://www.bis.org/bcbs/publ/d468.pdf>

¹⁷ https://www.bis.org/basel_framework/standard/DIS.htm

and consistency between the disclosure and the reporting frameworks'. To ensure consistency, integration with supervisory reporting requirements was taken into account when developing the comprehensive final draft ITS on public disclosures, including a mapping between the quantitative disclosure templates and supervisory reporting.

10. The information disclosed by institutions is the basis for market participants to understand and assess the institutions' risk profile and exercise market discipline. Information relevant for market participants is also relevant to supervisors when carrying out their tasks, thereby emphasising the importance of striving for congruency.
11. Improving consistency between reporting and disclosure requirements, including standardisation of formats and definitions, should also facilitate institutions' compliance with both sets of requirements, as institutions will be required to use the same data to fulfil their reporting and disclosure obligations. Further, integration with supervisory reporting will improve the quality of disclosed information: as the former is subject to scrutiny by the supervisor, the mapping of reporting and disclosure data will lead to improvement in the disclosure data, which will benefit all market participants, enabling them to take more informed decisions.



12. The final draft ITS on supervisory reporting requirements for institutions under Regulation (EU) No 575/2013 is being finalised at the same time as this final draft ITS. In this context, the EBA is publishing a mapping between the disclosures and the reporting templates to demonstrate how the frameworks have been integrated. This mapping was also published during the consultation on both draft ITS.

2.3 Proportionality in Pillar 3 disclosures

13. CRR2 introduced definitions of '**small and less complex institutions**' and '**large institutions**' to support enhanced proportionality. Proportionality in the revised Pillar 3 framework is reflected in Part Eight, which defines which disclosures are applicable to different institutions, depending on their size, complexity and on whether they are listed or non-listed institutions. Small and non-complex institutions' disclosures will focus on key metrics while large and listed institutions will disclose more detailed information.
14. Proportionality is also reflected in the frequency of disclosures as well as in disclosure formats to ensure that the information provided is sufficient to enable market participants to assess the risk profile of different institutions. Additionally, the EBA introduces in the final draft ITS thresholds to trigger additional disclosures by large banks, based on their risk profiles, to ensure the availability

of ‘sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions and their degree of compliance with the requirements laid down in Parts One to Seven’. Thresholds are introduced for this purpose in the disclosures on credit risk quality (disclosures on information on non-performing exposures), and in the disclosures on encumbered and unencumbered assets.

2.4 Templates and tables: use of fixed and flexible formats

15. Templates have been developed to implement quantitative disclosure requirements while tables implement disclosure requirements of qualitative information.

16. The final draft ITS introduces quantitative templates that are mostly based on fixed formats, with some exceptions where standardisation was not feasible (as in the case of those disclosures that are based on published financial statements for which there is no standard template, e.g. balance-sheet account). The use of standardised fixed templates for quantitative data will further promote comparability and consistency of the data disclosed, and facilitate the integration with supervisory reporting, notwithstanding the fact that institutions will apply the criteria regarding non-material, proprietary or confidential information in accordance with Article 432 of CRR2. In this regard, institutions should, in accordance with Article 432 of CRR2, explain their reasons for omitting any information required in the templates and tables included in this final draft ITS. In addition, institutions will be able to complement their quantitative standardised disclosure with accompanying narratives to explain quantitative disclosures, provide any additional relevant information and explain any significant change in any given disclosure compared to the information contained in the previous disclosures.

17. As per the qualitative disclosures, the final draft ITS provide flexible tables with instructions on the type of information that institutions will have to explain.

2.5 Other general considerations

18. The Basel Pillar 3 framework includes some general considerations and principles that should facilitate users’ access to and understanding of the information disclosed, as well as comparability across institutions, contributing to the promotion of the ultimate objective of market discipline. These principles, together with other general rules, are reflected in the EU in the CRR and, when relevant, in the instructions for use of the templates and tables that are part of the final draft ITS. Some of the messages related to these general considerations and principles, also emphasised in the EBA report on assessment of institutions’ Pillar 3 disclosures¹⁸ published in the first quarter of 2020, are reflected below:

- a. There is a need for comprehensive and meaningful disclosure that should include all the information required in the Level 1 text and in the final draft ITS. Information can be omitted only in the exceptional cases specified in Article 432 of the CRR. Institutions

18

https://eba.europa.eu/sites/default/documents/files/document_library/Publications/Reports/2020/870112/Report%20on%20institutions%27%20Pillar%203%20disclosures.pdf

shall highlight in their Pillar 3 reports any omission of templates or tables included in the final draft ITS, or parts of them, explaining the exceptional reasons for the omission and disclosing more general information about the subject matter, when possible.

- b. In accordance with Article 431 of the CRR, all quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information, including information that is meaningful and explanatory of the quantitative data. The accompanying narrative should be located in the Pillar 3 report next to the related quantitative templates and should not be dispersed throughout the report.
- c. Following Article 434 of the CRR, Pillar 3 disclosures by EU institutions shall be included in a single medium and location, which should be easy to identify and find by users of information.
- d. Interim Pillar 3 reports cannot be oversimplified compared to end-of-year reports. The CRR envisages in Articles 433, 433a, 433b and 433c different frequencies of disclosure for different disclosure requirements, and for different types of institution, depending on their size and complexity. Disclosures are required on a quarterly, semi-annual or annual basis. While proportionality is addressed in the CRR by the scope of application of the disclosures and by the frequency of the disclosures, all disclosures are equally relevant for users of information and for the purpose of market discipline. In the case of disclosures required with a semi-annual or quarterly frequency, interim disclosures have the same relevance as end-of-year disclosures and they should include all the information required in the Level 1 text, in accordance with the templates and tables included in this ITS, including the qualitative narrative necessary to explain the quantitative data disclosed.
- e. Following Article 431 of the CRR, disclosures shall be subject to internal verification. The information disclosed should be accurate and correct. In this regard, it is important that institutions reconcile quantitative data across and within the disclosure templates, to ensure consistency of the data.

2.6 Disclosure topic by topic

2.6.1 Disclosure of key metrics and overview of risk-weighted exposure amounts (Articles 438 and 447)

19. The final draft ITS includes two templates already implemented in the EU in the EBA 2016 Guidelines on disclosure requirements under Part Eight of the CRR (EBA/GL/2016/11):

- a. Template EU OV1 on the overview of risk-weighted exposure amount (RWEA). This template provides an overview of the total RWEA forming the denominator of the risk-based capital requirements calculated in accordance with Article 92 of the CRR. It has been adjusted in the final draft ITS in order to reflect the different new frameworks for securitisation exposures and counterparty credit risk.

- b. Template EU INS1 on insurance participations remains unchanged. It provides users with information on the exposure value and on the RWEA of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds.

20. In addition, there are three templates or tables that are new in the EU: the key metrics template, template EU KM1; table EU OVC, on the internal capital adequacy assessment process (ICAAP) information; and template EU INS2, on financial conglomerates' information on own funds and capital adequacy ratio:

- a. Template EU KM1, on institutions' key metrics, has been developed in application of Article 447 of the CRR, and includes a summary of the main prudential and regulatory information and ratios covered by the CRR. This template has been developed taking as a basis the BCBS standard and making the adjustment needed from the EU regulation perspective. It also includes information on Pillar 2 requirements.

Template EU KM1 in the BCBS standard includes specific rows with information on institutions' capital and capital ratios on an IFRS 9 fully loaded basis, relevant for institutions applying IFRS 9 transitional arrangements. However, these rows have not been included in template EU KM1 in the final draft ITS because, in the EU, institutions applying IFRS 9 transitional arrangements are required to disclose own funds, risk exposure amount and capital and leverage ratios on an IFRS 9 fully loaded basis using a specific disclosure template. This template is included in the EBA Guidelines on uniform disclosures under Article 473a, paragraph 8, of Regulation (EU) No 575/2013 as regards the transitional period for mitigating the impact on own funds of the introduction of IFRS 9 (EBA/GL/2018/01).

Institutions applying IFRS 9 transitional arrangements will have to disclose both templates EU KM1 and the template in the EBA/GL/2018/01 until the end of the IFRS 9 transitional period.

21. Table EU OVC on ICAAP information is a flexible table that has been developed following the requirements included in points (a) and (c) of Article 438 of the CRR. It provides information on the institutions' ICAAP approach. Institutions will also have to disclose, when required by their relevant competent authority, information on the results of their ICAAP.

22. Template EU INS2 on financial conglomerates' information on own funds and capital adequacy ratio has been developed following the requirements included in point (g) of Article 438 of the CRR. It provides information on supplementary own funds requirement and capital adequacy ratio for financial conglomerates.

2.6.2 Disclosure of risk management objectives and policies (Article 435)

23. The final draft ITS includes two tables:

- a. table EU OVA – institution risk management approach;

- b. table EU OVB – information on governance arrangements.

24. Table EU OVA is currently implemented in the EU through the EBA 2016 Guidelines on disclosure requirements under Part Eight of the CRR. This table implements the disclosure requirements included in Article 435(1) of the CRR and its purpose is to describe the institution's risk strategy and how the risk management function and the management body assess and manage risks and set limits, enabling users to gain a clear understanding of the institution's risk tolerance/appetite in relation to its main activities and all significant risks. It has been revised to bring it into alignment with the BCBS Pillar 3 relevant standard and with CRR2 requirements.

25. Table EU OVB is new and provides information on institutions' governance arrangements, in application of Article 435(2) of the CRR, including the number of directorships, recruitment and diversity policy, and on whether the institution has set up a separate risk committee, with information on the frequency of the committee meetings.

2.6.3 Disclosure of information on the scope of application (Article 436 of the CRR)

26. This set of templates implements the requirements set out in Article 436 of the CRR. It includes one table and three templates currently implemented in the EU through the EBA 2016 Guidelines on disclosure requirements under Part Eight of the CRR. The disclosures have been revised as follows:

- a. Template EU LI1, 'Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories'. This template remains largely unchanged. This is a flexible template, as institutions have to align the rows with those in the balance sheet that they publish as part of their financial statements.
- b. Template EU LI2, 'Main sources of differences between regulatory exposure amounts and carrying values in financial statements'. The purpose of this template is to provide information on the main sources of differences other than differences in the scope of consolidation, which are shown in template EU LI1, between the financial statements' carrying value amounts and the exposure amounts used for regulatory purposes. In order to achieve further consistency and comparability among banks' disclosures, the EBA has revised institutions' public disclosures and conducted a stocktake of the main drivers of differences that banks include in this template. The template in the final draft ITS include a set of common drivers that institutions shall disclose, when relevant, and a row with a residual category for 'other differences', where institutions shall include the differences driven by other drivers, and explain them in the narrative accompanying the template.
- c. Template EU LI3, 'Outline of the differences in the scopes of consolidation (entity by entity)'. The purpose of this template is to provide information on the consolidation method applied for each entity within the accounting and the regulatory scopes of consolidation, where the consolidation methods are different for accounting and

regulatory purposes. The template is implemented as a fixed template, with fixed columns and flexible rows depending on the composition of the group. The template now includes a column to reflect those cases where the equity method is applied.

- d. Table EU LIA: explanations of differences between accounting and regulatory exposure amounts. This table provides qualitative explanations for the differences observed between accounting carrying values (as defined in table EU LI1) and amounts considered for regulatory purposes (as defined in table EU LI2) under each framework. The table has been simplified and any reference to prudent valuation adjustments (PVAs) removed.
- e. Table EU LIB (new): other qualitative information on the scope of application. This table has been added in order to reflect the disclosure requirement included in points (f) to (h) of Article 436 of CRR2.

2.6.4 Prudent valuation adjustments (PVAs) disclosure (point (e) of Article 436)

27. Following the disclosure requirement included in point (e) of Article 436, the EBA has developed template EU PV1, 'Prudent valuation adjustments (PVAs)'. The purpose of this template is to provide a breakdown of the constituent elements of the institution's PVAs. The template is based on the BCBS Pillar 3 template PV1, but with the technical adjustments necessary to address the specificities of EU regulations. It has been developed in integration with reporting, and all the information that institutions have to disclose can be extracted from their supervisory reporting data. During the consultation process, a question was raised regarding this template requesting feedback on whether the proposed template can be improved regarding the disclosures for institutions under the simplified approach.

2.6.5 Disclosure on own funds (Article 437)

28. The disclosure on own funds requirements are currently implemented in the EU in Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 laying down ITS with regard to disclosure of own funds requirements for institutions in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council.

29. This package includes the following templates, taken from the ITS mentioned above and adjusted as necessary:

- a. Template EU CC1, 'Own funds disclosure template'. The purpose of this template is to provide a breakdown of the constituent elements of institutions' own funds.
- b. Template EU CC2, 'Reconciliation of regulatory own funds to balance sheet in the audited financial statements'. The purpose of this template is to enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between an institution's balance sheet in its published financial statements and the numbers that are used in the composition of own funds disclosure template (template EU CC1).

- c. Table EU CCA, 'Main features of regulatory own funds instruments and of other TLAC-eligible instruments'. This table provides a description of the main features of institutions' own funds and eligible liabilities instruments.

30. These templates and tables have been revised. The main changes are described below.

Template EU CC1, 'Own funds disclosure' template

- 31. Column (b) has been added to facilitate the implementation of the disclosure requirement included in Article point (a) of 437 (full reconciliation of accounting and regulatory own funds) of CRR2, and also in line with the amended BCBS template CC1. In this column, institutions shall include in the relevant rows a cross-reference to the corresponding rows in template EU CC2.
- 32. In row 22 the threshold value was changed from 15% to 17.65%, in line with point (b) of Article 48(2) of CRR2.
- 33. In rows 27 and 42 the word 'capital' was replaced with the word 'items' for alignment with the new terminology used in point (j) of Article 36(1) and in point (b) of Article 56 of CRR2.
- 34. In row 27a, the text 'Other regulatory adjustments' was added to allow institutions to include here the amount corresponding to IFRS 9 transitional arrangements (when relevant and until IFRS 9 is fully implemented) and any other regulatory adjustments envisaged in the CRR and reported in the EBA's common reporting framework (COREP) and whose breakdown is not relevant for disclosure purposes (e.g. adjustment to own funds following point (c) of Article 33(1) of the CRR). Similar rows were added for AT1 instruments and T2 instruments (new row 42a for additional tier 1 (AT1) instruments and new row 56b for tier 2(T2) instruments).
- 35. Row 54a was added in the new BCBS CC1 template included in the March 2017 framework. In the BCBS this row is labelled 'Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)'. Row 54a has also been added to template EU CC1 as an 'empty set in the EU', as it is not applicable under EU regulation.
- 36. Row 56a was added in order to reflect the new deductions included in new letter (e) of Article 66 of CRR2.
- 37. Following the addition of row 56a, it was necessary to adjust the calculation in row 57 to include the amounts in row 56a. Row 57 is now equal to the sum of the amounts reported in rows 52–56b.
- 38. The label of row 64 has been amended as follows, in order to reflect the stacking order applicable in the EU (Pillar 2 requirements (P2R) sit in between the Pillar 1 requirements and the capital buffers) and the common equity tier 1 (CET1) ratio below which the institution will be subject to capital distribution constraints:

- Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92(1) of Regulation (EU) No 575/2013, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) of CRD) expressed as a percentage of risk exposure amount).

39. The EBA considered whether or not to change the wording of row 68 to align it with the same row of the new BCBS CC1 template ('Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements'). The BCBS wording was adjusted to take account of the different treatment of P2R in different jurisdictions and to avoid the disclosure of P2R in those jurisdictions where banks are not allowed/required to disclose them. The EBA decided, in contrast to the BCBS, to keep the label for this row unchanged, as – considering the stacking order of P2R in the EU and the requirement for EU institutions to disclose their requirements of additional own funds under Pillar 2 – the wording is still valid.

40. The wording of row 72 was slightly adjusted to reflect the new TLAC framework, in line with the BCBS template, and now reads 'Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)'.

41. Row 73 was adjusted in order to add the 17.65% threshold, in line with the Level 1 text.

42. New rows (rows EU-33a, EU-33b, EU-47a and EU-47b, where 'EU' denotes that these rows are EU specific and not part of the Basel template; see also paragraph 54, below) have been added when necessary to reflect the grandfathered instruments in accordance with the new CRR2 provisions.

Template EU CC2, 'Reconciliation of regulatory own funds to balance sheet in the audited financial statements'

43. This template remains flexible. The reason for its flexibility is that institutions are requested to provide the reconciliation of regulatory own funds with the own funds elements included in the balance sheet that is part of their audited financial statements. Institutions are not required to apply a uniform format/template in their audited/published financial statements and therefore it is not possible to provide a fixed template for this disclosure requirement.

44. The columns are fixed, and institutions shall disclose the following:

- a. column (a): figures reported by the institutions in the balance sheet included in the published financial statements according to the accounting scope of consolidation;
- b. column (b): figures corresponding to the regulatory scope of consolidation;
- c. column (c): cross-reference between the own funds item in template EU CC2 and the relevant items in the own funds disclosure template (EU CC1).

Template EU CCA, 'Main features of regulatory own funds instruments and of other TLAC-eligible instruments'

45. The scope of template EU CCA has been extended such that it applies not only to regulatory own funds instruments (following the disclosure requirement in Article 437(b) of CRR2) but also to other TLAC-eligible instruments (following the disclosure requirement in Article 437a(b) of CRR2). For this reason, the title of the template has been amended.

46. In addition, three new rows have been added to the template EU CCA in order to reflect the new disclosure requirements set in Article 437a of CRR2:

- a. row 3a: means by which the enforceability requirement of Article 52 of the CRR is achieved (for other eligible liabilities instruments governed by foreign law);
- b. row 34a: type of subordination;
- c. row EU 34b: ranking in insolvency procedures.

47. Finally, row 37a, 'Link to the full terms and conditions of the instrument (signposting)', was added so that institutions can include here a hyperlink to the prospectus of the issuance, thus complying with the disclosure requirement included in Article 437(c) of CRR2.

2.6.6 Disclosure of countercyclical capital buffers (Article 440)

48. This requirement is currently implemented in the EU in Commission Delegated Regulation (EU) 2015/1555 of 28 May 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to RTS for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical capital buffer in accordance with Article 440. Two templates are proposed for the new ITS:

- a. template EU CCYB1, 'Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer';
- b. template EU CCYB2, 'Amount of institution-specific countercyclical capital buffer'.

49. Template EU CCYB1 has been amended in order to reflect the changes in the securitisation framework. Two new columns have also been added to reflect the risk exposure amount by country, as requested by Article 440 of CRR2, and the aggregate relevant credit risk exposures. The labels have been revised and adjusted when necessary.

50. Template EU CCYB2 remains mostly unchanged compared to the one currently applicable.

2.6.7 Disclosure of the leverage ratio (Article 451)

51. The leverage ratio (LR) disclosure requirements are currently implemented in the EU in Commission Implementing Regulation (EU) 2016/200 of 15 February 2016 laying down ITS with regard to

disclosure of the LR for institutions. The disclosure templates have been revised in order to cater for the changes in the LR framework implemented in CRR2. The principal changes are as follows:

- a. The templates now take account of the implementation of the 3% LR requirement in the EU.
- b. The templates now take account of the surcharge for G-SIIs.
- c. The definition of the LR now differs in several respects from the definition of LR included in the delegated act of October 2014. These changes mostly reflect the changes to the definition of LR as laid out in the 2017 BCBS revised framework.
- d. The requirement to disclose some averaged components, in order to identify potentially undue volatility between disclosure dates, has been added.
- e. Finally, changes have been made to account for a number of EU specificities, often leading to exemptions of certain exposures from the LR calculation.

52. Finally, the Basel III Pillar 3 standard on LR was published in December 2018, as part of the BCBS ‘Pillar 3 disclosure requirements – updated framework’. The BCBS templates were further revised in order to address the potential volatility and window-dressing issues between disclosure periods by including average values for some parameters (‘June 2019 BCBS Revisions to leverage ratio disclosure requirements’). The LR disclosure templates included in the new draft ITS have been amended taking into account not only the CRR2 changes but also the new December 2018 BCBS Pillar 3 standards and the changes implemented by the BCBS in June 2019.

Template EU LR1, ‘LRSum: summary reconciliation of accounting assets and leverage ratio exposures’

53. This template has been developed in application of Article 451(1)(b) of the CRR in order to provide a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements.

54. The template was part of the 2016 ITS on disclosure of LR (ITS/2016/200) and has been amended in line with the updated BCBS standard and the updated CRR2 LR framework. The template now includes a breakdown of all the adjustments that lead from the total assets as published in the financial statements to the LR exposure measure, including existing adjustments and new CRR2 adjustments, some of them in common with the Basel framework and some of them EU specific. Those that are EU specific are identified by prefixing the number of the corresponding rows with ‘EU’.

Template EU LR2, ‘LRCom: Leverage ratio common disclosure’

55. The purpose of this template is to provide a detailed breakdown of the components of the LR denominator, as well as information on the actual LR, minimum requirements and buffers. The

ITS/2016/200 template has been fully revised and amended, again in line with the new BCBS standard and the new CRR2 provisions:

- a. The new template provides more granular information on on-balance sheet exposures, derivative exposures, and other off-balance sheet exposures.
- b. It provides similar information on securities financing transaction (SFT) exposures.
- c. It also includes the granular updated list of exempted exposures, which is information that is not required by the BCBS but it is specific to the EU standard and reflects the breakdown of all the exposures that are excluded from the LR exposure measure.
- d. It provides information not only on institutions' LR (as before) but also on institutions' LR without the adjustment to exclude exposures of public development banks – public sector investments, the LR excluding the impact of any applicable temporary exemption of central bank reserves, and the LR requirements, including P2R and applicable leverage buffer.
- e. Finally, and following the BCBS amendments to the LR disclosure requirements and the Level 1 text provisions to address volatility issues and potential window-dressing between disclosure periods, the template now includes information on mean SFTs, and LR exposure measure and LR estimated based on mean SFTs.

Template EU LR3, 'LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)'

56. This template has been developed in application of Article 451(1)(b) of the CRR in order to provide a breakdown of the institutions' total exposures measures, and includes granular information on the composition of institutions' on-balance sheet exposures. This template is EU specific, i.e. it goes beyond the BCBS Pillar 3 standards for LR, and it remains the same as the version included in ITS/2016/200.

Table EU LRA, 'Disclosure of LR qualitative information'

57. This table has been developed to implement the disclosures required by points (d) and (e) of Article 451(1) of the CRR: Institutions shall include in their Pillar 3 reports, together with the LR quantitative information, qualitative information explaining the process they use to manage the risk of excessive leverage and any relevant factors that may have had an impact on the institution's LR during the disclosure period. This disclosure requirement is also EU specific, and it is not included in the BCBS LR standards.

2.6.8 Disclosure of liquidity requirements (Articles 435 and 451a)

Liquidity coverage ratio (LCR) disclosure and qualitative information on liquidity

58. The LCR disclosure package includes the following:

- a. Table EU LIQA, 'Liquidity risk management'. The purpose of this table is to provide information that should allow users of information to understand the soundness of the institutions' liquidity risk management framework and liquidity position.
- b. Template EU LIQ1, 'Quantitative information on LCR'. This template provides information on the institution's LCR, its liquidity buffers, cash outflows, cash inflows and high-quality liquid assets.
- c. Table EU LIQB, 'Qualitative information on LCR'. This table complements template EU LIQ1.

59. These disclosures are currently implemented in the EBA Guidelines on LCR disclosure.

60. Instructions for the use of template EU LIQ1 and table EU LIQA have been amended and the cross-references to the ITS on supervisory reporting have been replaced with the correct instructions. The quantitative disclosure template is fully mapped with the reporting relevant data points. The qualitative information has been reviewed in order to reflect all the requirements included in the Level 1 text.

61. Table EU LIQB is a new table that has been developed following the requirements included in Article 451a(2) of the CRR, and includes qualitative flexible information that institutions have to provide in order to further explain their LCR data.

(i) Net stable funding ratio disclosure

62. Under CRR2, institutions will need to comply with a 100% net stable funding ratio (NSFR) requirement from June 2021. This requirement is new and no related disclosure requirement is currently in force in the EU. CRR2 introduces the NSFR disclosure requirement in Article 451a(3).

63. The NSFR disclosure package includes:

- a. Template EU LIQ2: net stable funding ratio. The purpose of this template is to provide details on the institution's NSFR ratio and on its main components, including available stable funding (ASF) items and required stable funding (RSF) items.
- b. The instructions provide explanations on how the different rows and columns have to be populated by institutions. The instructions refer to the relevant Level 1 text articles and have been drafted in alignment with the supervisory reporting instructions.

64. Following Article 433a, 433b and 433c of CRR2, only large institutions and other listed institutions will have to disclose the detailed NSFR information required by Article 451a(3). Small non-complex institutions and other non-listed institutions shall disclose the NSFR only as part of the key metrics template, which includes a summary of the main solvency and liquidity ratios of the institution. For this reason, while the supervisory reporting framework includes a simplified version of the NSFR templates for smaller institutions, this is not necessary in the disclosure framework and only the extended template is included.

2.6.9 Credit risk disclosure package

65. The credit risk disclosure package includes the following set of templates:

- a. Disclosure of exposures to credit risk, dilution risk and credit quality, in accordance with Articles 435 and 442 of the CRR. Templates, tables and related instructions are included in Annexes XV and XVI of the final draft ITS.
- b. Disclosure of the use of credit risk mitigation techniques, in accordance with Article 453 of the CRR, implemented in Annexes XVII and XVIII of the final draft ITS.
- c. Disclosure of the use of the standardised approach, in accordance with Articles 444 and 453 of the CRR and in line with Annexes XIX and XX of the final draft ITS.
- d. Disclosure of the use of the internal ratings-based (IRB) approach to credit risk, in accordance with Articles 438, 452 and 453 of the CRR, implemented in Annexes XXI and XXII of the final draft ITS.

Disclosure of exposures to credit risk, dilution risk and credit quality, in accordance with Articles 435 and 442 of the CRR (credit risk quality disclosures) – Annexes XV and XVI

66. The 'credit risk quality disclosures' package includes a set of templates and tables that reflect the quality of credit risk exposures in terms of classification and composition: performing/non-performing exposures, defaulted/non-defaulted exposures and related impairments/credit risk adjustments. It is fully integrated with supervisory reporting and fully based on existing disclosure templates already implemented in the EU through the following products:

- a. EBA/GL/2016/11 on disclosure requirements under Part Eight of Regulation (EU) No 575/2013;
- b. EBA/GL/2018/10 on disclosure of non-performing and forborne exposures.

67. The credit risk quality-related templates in both products have been reviewed. Where overlaps were identified in the information that institutions are required to disclose in the templates, the EBA has simplified the disclosures, keeping only those templates which include more comprehensive and relevant information. During this process, 13 templates from EBA/GL/2016/11 and 10 templates from EBA/GL/2018/10 were reviewed and, as a result, 10 templates from EBA/GL/2016/11 were dropped.



68. Table 1, below, shows the templates revised when developing the final draft ITS, and the actions taken.

Table 1 – Templates on credit risk quality revised when developing the final draft ITS

Current product	Current template	Status	Final template	Legal basis
EBA/GL/2016/11	Table 2: EU CRA, 'General qualitative information about credit risk'	Renamed	Table EU CRA, 'General qualitative information about credit risk'	Article 435
EBA/GL/2016/11	Table 6: EU CRB-A, 'Additional disclosure related to the credit quality of assets'	Renamed	Table EU CRB. 'Additional disclosure related to the credit quality of assets'	Article 442(a) and (b)
EBA/GL/2016/11	Template 7: EU CRB-B, Total and average net amount of exposures	Dropped as requirement no longer exists		
EBA/GL/2016/11	Template 8: EU CRB-C, 'Geographical breakdown of exposures'	Dropped. Covered by template EU CQ4		
EBA/GL/2016/11	Template 9: EU CRB-D, 'Concentration of exposures by industry or counterparty types'	Dropped. Covered by template EU CQ5		
EBA/GL/2016/11	Template 10: EU CRB-E, 'Maturity of exposures'	Renamed	Template EU CR1-A, 'Maturity of exposures'	Article 44(g)
EBA/GL/2016/11	Template 11: EU CR1-A, 'Credit quality of exposures by exposure class and instrument'	Dropped. Covered by template EU CR1		
EBA/GL/2016/11	Template 12: EU CR1-B, 'Credit quality of exposures by industry or counterparty types'	Dropped. Covered by template EU CQ5		
EBA/GL/2016/11	Template 13: EU CR1-C, 'Credit quality of exposures by geography'	Dropped. Covered by template EU CQ4		
EBA/GL/2016/11	Template 14: EU CR1-D, 'Ageing of past-due exposures'	Dropped. Covered by template EU CQ3		



Current product	Current template	Status	Final template	Legal basis
EBA/GL/2016/11	Template 15: EU CR1-E, 'Non-performing and forborne exposures'	Dropped. Covered by template EU CR1		
EBA/GL/2016/11	Template 16: EU CR2-A, 'Changes in the stock of general and specific credit risk adjustments'	Dropped as requirement no longer exists		
EBA/GL/2016/11	Template 16: EU CR2-B, 'Changes in the stock of defaulted and impaired loans and debt securities'	Dropped. Covered by template EU CR2		
EBA/GL/2018/10	Template 1, 'Credit quality of forborne exposures'	Renamed	Template EU CQ1, 'Credit quality of forborne exposures'	Article 442(c)
EBA/GL/2018/10	Template 2, 'Quality of forbearance'	Renamed	Template EU CQ2, 'Quality of forbearance'	Article 442(c)
EBA/GL/2018/10	Template 3, 'Credit quality of performing and non-performing exposures by past due days'	Renamed	Template EU CQ3, 'Credit quality of performing and non-performing exposures by past due days'	Article 442(c) and (d)
EBA/GL/2018/10	Template 4, 'Performing and non-performing exposures and related provisions'	Renamed	Template EU CR1, 'Performing and non-performing exposures and related provisions'	Article 442(c)
EBA/GL/2018/10	Template 5, 'Quality of non-performing exposures by geography'	Renamed	Template EU CQ4, 'Quality of non-performing exposures by geography'	Article 442(c) and (e)



Current product	Current template	Status	Final template	Legal basis
EBA/GL/2018/10	Template 6, 'Credit quality of loans and advances by industry'	Renamed	Template EU CQ5, 'Credit quality of loans and advances by industry'	Article 442(c) and (e)
EBA/GL/2018/10	Template 7, 'Collateral valuation – loans and advances'	Renamed	Template EU CQ6, 'Collateral valuation – loans and advances'	Article 442(c)
EBA/GL/2018/10	Template 8, 'Changes in the stock of non-performing loans and advances'	Renamed and split into two, as there is a minimum set of information that has to be disclosed by all institutions subject to this disclosure requirement, and an additional set of information that has to be disclosed by institutions with a threshold ratio at or above 5%	Template EU CR2, 'Changes in the stock of non-performing loans (NPLs) and advances, applicable to all institutions subject to the disclosure requirement' Template EU CR2a, 'Changes in the stock of NPLs and advances and related net accumulated recoveries – applicable to institutions with threshold ratio on NPLs at or above 5%'	Article 442(c) and (f)
EBA/GL/2018/10	Template 9, 'Collateral obtained by taking possession and execution processes'	Renamed	Template EU CQ7, 'Collateral obtained by taking possession and execution processes'	Article 442(c)



Current product	Current template	Status	Final template	Legal basis
EBA/GL/2018/10	Template 10, 'Collateral obtained by taking possession and execution processes – vintage breakdown'	Renamed	Template EU CQ8, 'Collateral obtained by taking possession and execution processes – vintage breakdown'	Article 442(c)

69. Table 2, below, lists 14 tables and templates that, following this revision, should be included in the consultation paper (CP) as part of the new draft ITS:

Table 2 – Templates and tables on credit risk quality included in the final draft ITS

Current product	Final template	Legal basis	Scope	Frequency
EBA/GL/2016/11	Table EU CRA, 'General qualitative information about credit risk'	Article 435	All institutions	Annual
EBA/GL/2016/11	Table EU CRB, 'Additional disclosure related to the credit quality of assets'	Article 442(a) and (b)	Large and other listed institutions	Annual
EBA/GL/2018/10	Template EU CR1, 'Performing and non-performing exposures and related provisions'	Article 442(c)	Large and other listed institutions	Large listed institutions and G-SIIs – semi-annual Large non-listed and other listed institutions – annual
EBA/GL/2016/11	Template EU CR1-A, 'Maturity of exposures'	Article 442(g)	Large and other listed institutions	Large listed institutions and G-SIIs – semi-annual Large non-listed and other listed institutions – annual
EBA/GL/2018/10	Template EU CR2, 'Changes in the stock of non-performing loans and advances'	Article 442(f)	Large and other listed institutions	Large listed institutions and G-SIIs – semi-annual Large non-listed and other listed institutions – annual



Current product	Final template	Legal basis	Scope	Frequency
EBA/GL/2018/10	Template EU CR2a, 'Changes in the stock of non-performing loans and advances and related net accumulated recoveries'	Article 442(c) and (f)	Large institutions with a threshold ratio on NPLs of 5% or above	Annual
EBA/GL/2018/10	Template EU CQ1, 'Credit quality of forborne exposures'	Article 442(c)	Large and other listed institutions	Large listed institutions and G-SIIs – semi-annual Large non-listed and other listed institutions – annual
EBA/GL/2018/10	Template EU CQ2, 'Quality of forbearance'	Article 442(c)	Large institutions with a threshold ratio on NPLs of 5% or above	Annual
EBA/GL/2018/10	Template EU CQ3, 'Credit quality of performing and non-performing exposures by past due days'	Article 442(c) and (d)	Large and other listed institutions	Large listed institutions and G-SIIs – semi-annual Large non-listed and other listed institutions – annual
EBA/GL/2018/10	Template EU CQ4, 'Quality of non-performing exposures by geography'	Article 442(c) and (e)	Large and other listed institutions. Columns (b) and (d): large institutions with a threshold ratio on NPLs of 5% or above	Large listed institutions and G-SIIs – semi-annual Large non-listed and other listed institutions – annual Columns (b) and (d) – annual
EBA/GL/2018/10	Template EU CQ5, 'Credit quality of loans and advances by industry'	Article 442(c) and (e)	Large and other listed institutions. Columns (b) and (d): large institutions with a threshold ratio on NPLs of 5% or above	Large listed institutions and G-SIIs – semi-annual Large non-listed and other listed institutions – annual Columns (b) and (d) – annual



Current product	Final template	Legal basis	Scope	Frequency
EBA/GL/2018/10	Template EU CQ6, 'Collateral valuation – loans and advances'	Article 442(c)	Large institutions with a threshold ratio on NPLs of 5% or above	Annual
EBA/GL/2018/10	Template EU CQ7, 'Collateral obtained by taking possession and execution processes'	Article 442(c)	Large institutions and other listed institutions	Large institutions – semi-annual Other listed institutions – annual
EBA/GL/2018/10	Template EU CQ8, 'Collateral obtained by taking possession and execution processes – vintage breakdown'	Article 44 (c)	Large institutions with a threshold ratio on NPLs of 5% or above	Annual

70. The proposed templates are based on the Article 442 disclosure requirements. Paragraph c of this article requests institutions to disclose information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received. This is a broad requirement which is implemented through the proposed templates on non-performing exposures, forborne exposures and collaterals.

71. Comparison of the disclosure requirements included in the existing guidelines and the disclosure package proposed for the new draft ITS revealed some aspects requiring clarification, as follows.

72. Scope of application:

- a. The guidelines on disclosure of non-performing and forborne exposures include a set of four templates that are applicable to all institutions and a set of six additional templates that are applicable only to significant institutions with a threshold ratio on non-performing loans (NPLs) of 5% or above. This means that from the reference date of 31 December 2019 all institutions, including small and other non-listed institutions, will start disclosing relevant information on non-performing exposures based on the guidelines.
- b. Following the CRR2 provisions, the proposed disclosure package based on Article 442(c) in the new ITS will be applicable to large institutions and other listed institutions, and it will replace the guidelines at least for these institutions.

73. Large institutions (CRR and draft ITS) versus significant institutions (EBA/GL/2018/10): the scope of application of the templates in the guidelines refers to significant institutions, whereas CRR2 (and therefore the new draft ITS) refers to large institutions:

- a. According to Article 4(146) of CRR2, ‘“large institution” means an institution that meets any of the following conditions:
 - (a) it is a G-SII;
 - (b) it has been identified as an other systemically important institution (O-SII) in accordance with Article 131(1) and (3) of Directive 2013/36/EU;
 - (c) it is, in the Member State in which it is established, one of the three largest institutions in terms of total value of assets;
 - (d) the total value of its assets on an individual basis or, where applicable, on the basis of its consolidated situation in accordance with this Regulation and Directive 2013/36/EU is equal to or greater than EUR 30 billion;’
- b. According to paragraph 12 of EBA/GL/2018/10, credit institutions that meet one or more of the following criteria are significant:

- (a) The credit institution is one of the three largest credit institutions in its home Member State.
 - (b) The credit institution's consolidated assets exceed EUR 30 billion.
 - (c) The credit institution's 4-year average of total assets exceeds 20% of the 4-year average of its home Member State's GDP.
 - (d) The credit institution has consolidated exposures as per Article 429 of the CRR exceeding EUR 200 billion or the equivalent in foreign currency using the reference exchange rate published by the European Central Bank at the end of the applicable financial year.
 - (e) The credit institution has been identified by competent authorities as a global systemically important institution (G-SII), as defined in Commission Delegated Regulation (EU) No 1222/2014, or as an other systemically important institution (O-SII) pursuant to paragraph 3 of Article 131 of Directive 2013/36/EU.
- c. Based on these definitions, any institution complying with any of the FOUR possible conditions to qualify as large according to CRR2 would be classed as significant based on the conditions set out in EBA/GL/2018/10. The guidelines include two additional criteria based on which an institution may be considered significant. This means that all credit institutions classified as large according to the CRR definition would qualify as significant according to the guidelines. The final draft ITS will replace the guidelines for all large institutions.

Disclosure of the use of credit risk mitigation techniques, disclosure of specialised lending and equity exposures under the simple risk weight approach and disclosure of the use of the IRB approach to credit risk, in accordance with Articles 438, 452 and 453 of the CRR – Annexes XVII, XVIII, XXI, XXII, XXIII and XXIV

74. The starting point for the implementation of these disclosure requirements was the tables and templates included in EBA/GL/2016/11 on disclosure requirements under Part Eight of Regulation (EU) No 575/2013. The following tables and templates are included:

- a. Table EU CRC, 'Qualitative disclosure requirements related to CRM techniques'. The purpose of this template is to provide qualitative information on the mitigation of credit risk.
- b. Table EU CRE, 'Qualitative disclosure requirements related to IRB approach,'.
- c. Template EU CR3, 'CRM techniques overview', which provides information on the extent of use of CRM techniques by the institution.

- d. Template EU CR6, 'IRB approach – Credit risk exposures by exposure class and PD range'. This template provides information on the main parameters used for the calculation of capital requirements for IRB models. This disclosure requirement aims to show the exposure classes according to probability of default (PD) grades to allow for an assessment of the credit quality of the portfolio. The purpose of disclosing these parameters is to enhance the transparency of institutions' RWEA calculations.
- e. Template EU CR6-A, 'Scope of the use of IRB and SA approaches'. This template provides, for each exposure class referred to in Article 147, the percentage of the total exposure value subject to the standardised approach (SA) and to the IRB approach, as well as the part of each exposure class subject to a roll-out plan. Institutions are asked to disclose the exposure value of IRB exposures in accordance with Article 166 CRR and, in order to provide an exposure measure valid for both SA exposures and IRB exposures, the aggregate exposure value of IRB and SA exposures using the leverage ratio exposure measures.
- f. Template EU CR7, 'IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques'. The purpose of this template is to show the impact of credit derivatives on the calculation of RWEAs and of capital requirements for exposures under the IRB approach. Template EU CR7 provides information on the impact of credit derivatives on RWEAs due to the substitution effect and incidence on PD and loss given default (LGD) parameters in accordance with Part Three, Title II, Chapter 4 of the CRR.
- g. Template EU CR7-A, 'IRB approach – Disclosure of the extent of the use of CRM techniques'. This template provides more granular information on the type of CRM techniques that the institution applies.
- h. Template EU CR8, 'RWEA flow statements of credit risk exposures under the IRB approach'. The purpose of this template is to provide information on the main drivers that explain changes in the IRB RWEAs between disclosure periods.
- i. Template EU CR9, 'IRB approach – Back-testing of PD per exposure class (fixed PD scale)'. This template provides back-testing data to validate the reliability of PD calculations. In particular, the template compares the PD used in IRB capital calculations, grouped in fixed PD ranges, with the effective default rates of institutions' obligors. In order to facilitate comparability of disclosures across institutions, the PD scale used in this template is based on fixed predefined ranges, which mirror the PD ranges applied in template EU CR6.
- j. Template EU CR9.1, 'IRB approach – Back-testing of PD per exposure class (only for PD estimates according to Article 180(1)(f))'. This template is similar to template EU CR9 but with an additional column for information on 'external rating equivalent', relevant only for those cases where PDs are estimated in accordance with point (f) of Article 180(1) of the CRR, i.e. based on mappings of the institution's internal grades to

the scale used by an external credit assessment institution (ECAI) or similar organisation.

- k. Template EU CR10, 'Specialised lending and equity exposures under the simple risk-weighted approach', including the following sub-templates:
 - i. template EU CR10.1 on project finance;
 - ii. template EU CR10.2 on income-producing real estate and high-volatility commercial real estate;
 - iii. template EU CR10.3 on object finance;
 - iv. template EU CR10.4 on commodities finance;
 - v. template EU CR10.5 on equity exposures under the simple risk-weighted approach.

Disclosure of the use of the standardised approach, in accordance with Articles 444 and 453 of the CRR and in line with Annexes XIX and XX of the final draft ITS

75. The templates implementing these disclosure requirements are currently included in EBA/GL/2016/11. The revision of the credit risk standardised approach (CR-SA) regulatory framework is still ongoing in the EU. The related disclosure templates will have to be revised and amended once the regulatory framework is closed. The CR-SA templates included in the final draft ITS will be unchanged, i.e. they will be as they currently are in EBA/GL/2016/11. Once the regulatory reform is closed, the EBA will conduct a more ambitious review of this disclosure package, enhance the relevant templates and amend the final draft ITS as necessary. The reason behind this decision is to avoid institutions having to adjust their CR-SA disclosure templates twice.

76. The following templates and tables are included in the final draft ITS:

- a. Table EU CRD, 'Qualitative disclosure requirements related to standardised model'. The purpose of this table is to supplement the information on an institution's use of the standardised approach with qualitative data on the use of external ratings.
- b. Template EU CR4, 'standardised approach – credit risk exposure and CRM effects'. This template shows the impact of all CRM techniques applied in accordance with Part Three, Title II, Chapter 4 of the CRR, including the financial collateral simple method and the financial collateral comprehensive method in the application of Articles 222 and 223 of the same regulation on capital requirements' calculations using the standardised approach. In addition, the RWEA density provides a synthetic metric on the riskiness of each portfolio.
- c. Template EU CR5, 'Standardised approach'. This template presents the breakdown of exposures under the standardised approach by asset class and risk weight

(corresponding to the riskiness attributed to the exposure according to the standardised approach). The risk weights in template EU CR5 encompass all those assigned to each credit quality step in Articles 113 to 134 in Part Three, Title II, Chapter 2 of the CRR.

2.6.10 Disclosure of exposures to counterparty credit risk (Articles 435, 438 and 439)

77.CRR2 amends the counterparty credit risk (CCR) framework following the Basel III reforms, and replaces the standardised method (SM) and the mark-to-market method (MtMM) with the standardised approach for counterparty credit risk (SA-CCR). The SA-CCR is more risk sensitive but may prove to be too complex and costly to implement for smaller institutions. For this reason, CRR2 also includes a simplified version of the SA-CCR (the 'simplified SA-CCR') and an updated version of the original exposure method (OEM), as alternative approaches for institutions that meet predefined eligibility criteria.

78.The counterparty credit risk templates that are currently implemented in the EU in EBA/GL/2016/1 have been fully revised in order to align them with the new regulatory framework and with the revised Basel standards. The following tables and templates, and associated instructions, are part of the final draft ITS:

- a. Table EU CCRA, 'Qualitative disclosure related to CCR'. The purpose is to describe the main characteristics of CCR management including, among others, operating limits, use of guarantees and other CRM techniques, wrong-way risk and the impact of own credit downgrading.
- b. Template EU CCR1, 'Analysis of CCR exposure by approach'. This template provides a comprehensive view of the methods used to calculate CCR regulatory requirements and the main parameters used within each method.
- c. Template EU CCR2, 'Transactions subject to own funds requirements for CVA risk'. The template provides CVA regulatory calculations, with a breakdown by standardised and advanced approaches.
- d. Template EU CCR3, 'Standardised approach – CCR exposures by regulatory exposure class and risk weights'. The purpose of this template is to provide a breakdown of CCR exposures calculated in accordance with Part Three, Title II, Chapter 6 of the CRR and risk weighted in accordance with Chapter 3 of the same title by portfolio (type of counterparties) and by risk weight (riskiness attributed according to the standardised approach).
- e. Template EU CCR4, 'IRB approach – CCR exposures by exposure class and PD scale'. The purpose of this template is to provide information on all relevant parameters used for the calculation of CCR capital requirements for IRB models.

- f. Template EU CCR5, 'Composition of collateral for CCR exposures'. The template provides a breakdown of all types of collateral posted or received by banks to support or reduce CCR exposures related to derivative transactions or to SFTs.
- g. Template EU CCR6, 'Credit derivatives exposures'. The template illustrates the extent of an institution's exposures to credit derivative transactions broken down between derivatives bought or sold.
- h. Template EU CCR7, 'RWA flow statements of CCR exposures under the IMM'. The template presents a flow statement explaining changes in the CCR RWAs determined under the internal model method (IMM) for CCR (derivatives and SFTs) in accordance with Part Three, Title II, Chapter 6 of the CRR.
- i. Template EU CCR8, 'Exposures to CCPs'. The template provides a comprehensive picture of the institution's exposures to central counterparties (CCPs) in the scope of Part Three, Title II, Chapter 6, Section 9 of the CRR. In particular, the template includes all types of exposures (due to operations, margins, and contributions to default funds) and related capital requirements.

2.6.11 Disclosure of exposures to securitisation positions (Article 449)

79. The disclosure package on securitisation positions has been developed in alignment with the new regulatory securitisation framework and with the relevant BCBS Pillar 3 standards. It includes the following set of templates:

- a. table EU-SECA, 'Qualitative disclosure requirements related to securitisation exposures';
- b. template EU-SEC1, 'Securitisation exposures in the non-trading book';
- c. template EU-SEC2, 'Securitisation exposures in the trading book';
- d. template EU-SEC3, 'Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor';
- e. template EU-SEC4, 'Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor';
- f. template EU-SEC5, 'Exposures securitised by the institution – Exposures in default and specific credit risk adjustments'.

80. Templates EU-SEC1 and EU-SEC2 include in the columns 'institution acts as originator', as defined by Article 4.1(13) of the CRR, the securitisation exposures that are the retained positions, even where not eligible for the securitisation framework owing to the absence of significant risk transfer. Templates EU-SEC3 and EU-SEC4 include information on securitisation exposures in the non-trading book only where there has been significant risk transfer. Template EU-SEC5 has been added

in order to reflect the exposures in default and credit risk adjustments made during the period, and this is specific for the EU, not in the Basel Pillar 3 standards.

2.6.12 Disclosure of use of standardised approach and internal model for market risk (Articles 435, 438, 445 and 455)

81. The disclosure requirements related to market risk are included in Articles 445 and 455 of CRR2. The text and requirements of these articles are unchanged from the currently applicable versions in the CRR.

82. The content of these articles changed during the legislative process that led to the final text of CRR2. While some versions of these articles published during the legislative process included the disclosure requirements adjusted to the regulatory framework that will be applicable to market risk in the future, the disclosure requirements in final text of CRR2 are the same as in the CRR, and reflect the currently applicable regulatory framework.

83. The EBA own initiative guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11) include the following disclosure tables and templates on market risk, aligned with the regulatory framework currently applicable:

- a. Table EU MRA, 'Qualitative disclosure requirements related to market risk'. The template provides a description of the risk management objectives and policies concerning market risk.
- b. Table EU MRB, 'Qualitative disclosure requirements for institutions using the IMA'. The template provides the scope, the main characteristics and the key modelling choices of the different models used for regulatory calculation of market risks.
- c. Template EU MR1, 'Market risk under the standardised approach'. The template provides the breakdown and components of own funds requirements under the standardised approach for market risk.
- d. Template EU MR2-A, 'Market risk under the IMA'. The template provides the breakdown and components of the own funds requirements under the internal models approach (IMA) for market risk.
- e. Template EU MR2-B, 'RWA flow statements of market risk exposures under the IMA'. The template provides a statement with the flow of market risk RWA, explaining the main drivers of variations in RWAs.
- f. Template EU MR3, 'IMA values for trading portfolios'. The template discloses the values (maximum, minimum, average and final values for the reporting period) resulting from the different types of models approved for use in computing the regulatory capital charge at the group level, before any additional capital charge is applied on the value in accordance with Article 365 in Part Three, Title V, Chapter 5 of the CRR.

- g. Template EU MR4, 'Comparison of VaR estimates with gains/losses'. The template provides a comparison of the results of estimates from the regulatory value at risk (VaR) model approved in the application of Part Three, Title IV, Chapter 5 of the CRR with both hypothetical and actual trading outcomes, in order to highlight the frequency and the extent of the back-testing exceptions. The template also aims to provide an analysis of the main outliers in back-tested results.

84. The abovementioned tables and templates included in EBA/GL/2016/11 have been included in the new draft ITS with some minor adjustments. This part of the ITS, along with the market risk templates, will be revised at a later stage, once the disclosure requirements in Articles 445 and 455 of the CRR are amended in accordance with the new market risk regulatory framework.

2.6.13 Disclosure of operational risk (Articles 435, 438, 446 and 454)

85. The following templates have been developed in the new ITS:

- a. template EU OR1, 'Operational risk own funds requirements and risk-weighted exposure amounts';
- b. table EU ORA, 'Qualitative information on operational risk'.

86. The two templates on operational risk (a quantitative template and a table with qualitative information) have been developed as transitional disclosure formats that institutions shall apply until the revised framework for operational risk is agreed. The ITS will be then amended and new templates on operational risk will be developed.

2.6.14 Disclosure of remuneration policy (Article 450)

87. This package implements Article 450 of the CRR and has been developed taking as a basis EBA/GL/2015/22 on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013 and the applicable Basel standards. The templates and instructions have been revised in order to align them with the CRR2 disclosure requirements and with the BCBS Pillar 3 standards. The disclosure package on remuneration includes the following templates:

- a. Table EU REMA, 'Remuneration policy'. The purpose of this template is to describe the institutions' remuneration policy as well as key features of the remuneration system to allow meaningful assessments by users of information of institutions' compensation practices.
- b. Template EU REM1, 'Remuneration awarded for the financial year'. This template provides quantitative information on remuneration for the financial year.
- c. Template EU REM2, 'Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)'. The purpose of this

template is to provide quantitative information on special payments for the financial year.

- d. Template EU REM3, 'Deferred remuneration'. This template provides quantitative information on deferred and retained remuneration.
- e. Template EU REM4, 'Remuneration of 1 million EUR or more per'. This template provides information on the number of staff who have been remunerated EUR 1 million or more per financial year. This is an EU-specific template, not included in the BCBS Pillar 3 framework.
- f. Template EU REM5, 'Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)'. Institutions are required to disclose in this template information on the number of staff and aggregate remuneration by business area. Following consultation, the scope of the disclosure template was adjusted and it now applies only to identified staff, in line with the disclosure requirement in the Level 1 text, while the benchmarking template continues to apply to all staff.

2.6.15 Disclosure of encumbered and unencumbered assets (Article 443)

88. Encumbered assets or collateral received and other off-balance-sheet items may be pledged to secure funding. Therefore, in order to allow market participants to better understand and analyse the liquidity and solvency profiles of institutions and access information about the availability of assets to secure funding, institutions are required to disclose the level of encumbrance of all on-balance-sheet assets and of all off-balance-sheet items separately. The disclosure shall relate to all collateral received, arising from all on-balance-sheet and off-balance-sheet transactions regardless of their maturity, including all operations with central banks.

89. While assets disclosed as encumbered assets include assets encumbered as a result of all operations with any counterparty (including central banks), it is not necessary to disclose the encumbrance resulting from operations with central banks separately from the encumbrance resulting from operations with other counterparties. This is without prejudice to the freedom of central banks to establish the modalities for the disclosure of emergency liquidity assistance.

90. The EBA has concluded in its reports on asset encumbrance that disclosure of encumbrance in the Union is vitally important as it allows market participants to better understand and analyse the liquidity and solvency profiles of institutions and compare those profiles across Member States in a clear and consistent manner. Based on those conclusions, the EBA developed draft RTS in order to ensure a fully harmonised approach to asset encumbrance disclosure.

91. Commission Delegated Regulation (EU) 2017/2295 of 4 September 2017 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to RTS for disclosure of encumbered and unencumbered assets includes the asset encumbrance disclosure templates and tables currently applicable in the EU. This RTS has been applicable since January 2019. Three

templates on asset encumbrance will be part of the new comprehensive draft ITS on disclosure, and these remain unchanged from the templates currently in force:

- a. template EU AE1, 'Encumbered and unencumbered assets';
- b. template EU AE2, 'Collateral received and own debt securities issued';
- c. template EU AE3, 'Sources of encumbrance'.

92. The new ITS also includes a table with qualitative information that institutions have to disclose, including general information on asset encumbrance and information on the impact of the institutions' business models on asset encumbrance and the relevance of asset encumbrance in their business models.

In order to ensure consistency and promote comparability and transparency, the provisions relating to the disclosure templates on encumbrance are based on the reporting requirements on encumbrance. However, to avoid unintended consequences (such as the ability to identify emergency central bank funding), some deviations are needed. In particular, and taking into account the requirement included in Article 443 of the CRR, according to which 'Disclosure of information on encumbered and unencumbered assets shall not reveal emergency liquidity assistance provided by central banks', the disclosure of information relating to the amount of encumbered and unencumbered assets should be based on median values (median of the quarterly values reported by the institution) rather than point-in-time values, as required in supervisory reporting. Similarly, the level of granularity of the information to be disclosed for specific values and transactions should be less than that of the reporting requirements. Furthermore, since asset encumbrance depends heavily on the risk profile and business model of the institution concerned, the quantitative data should be supplemented with narrative information.

2.7 Timeline for the ITS on disclosures under Titles II and III of Part Eight of the CRR



3. Final draft implementing standards

COMMISSION IMPLEMENTING REGULATION (EU) No .../...

Of XXX

laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for institutions and investment firms and amending Regulation (EU) No 648/2012¹⁹ and in particular Article 434a thereof,

Whereas:

- (1) The currently applicable legal framework on institutions' disclosures (Pillar 3 disclosure framework) should be improved as to its completeness: at the moment, uniform formats, templates and tables are foreseen only for the certain disclosure items, such as the own funds, the leverage ratio, the countercyclical capital buffers or the asset encumbrances. Furthermore, fragmentation should be avoided; adopting a single Regulation setting out the Pillar 3 disclosure framework would significantly increase legal certainty.
- (2) The Basel Committee on Banking Supervision (BCBS) published in December 2018 updated Pillar 3 disclosure requirements²⁰. These requirements, together with the updates published previously in January 2015²¹ and March 2017²², and the revisions to leverage ratio disclosure requirements published in June 2019²³, complete the BCBS revised Pillar 3 framework. The revised Pillar 3 framework reflects the Committee's December 2017 Basel III post-crisis regulatory reforms.
- (3) In response to the international initiatives, Regulation (EU) 2019/876 of the European Parliament and of the Council²⁴ amends significantly Regulation (EU) 575/2013 in a number of aspects, indicatively the leverage ratio, the net stable funding ratio, the

¹⁹ OJ L 176, 27.6.2013, p. 1.

²⁰ 'Pillar 3 disclosure requirements – updated framework', December 2018. <https://www.bis.org/bcbs/publ/d455.pdf>.

²¹ 'Revised Pillar 3 disclosure requirements', January 2015. <https://www.bis.org/bcbs/publ/d309.pdf>

²² 'Pillar 3 disclosure requirements – consolidated and enhanced framework', March 2017. <https://www.bis.org/bcbs/publ/d400.pdf>

²³ 'Revisions to leverage ratio disclosure requirements', June 2019. <https://www.bis.org/bcbs/publ/d468.pdf>

²⁴ Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, OJ L 150, 7.6.2019, p. 1–225.

requirements for own funds and eligible liabilities, or the counterparty credit risk. The disclosure of those items is therefore also impacted.

- (4) Along with the amendment of the underlying prudential elements impacting on the Pillar 3 disclosure framework, new disclosure requirements on performing, non-performing and forborne exposures and on the collaterals and financial guarantees received, are foreseen in the new regime as set out in Regulation (EU) 575/2013 as amended by Regulation (EU) 2019/876. It also introduces some clarifications to the disclosure on remunerations.
- (5) This Regulation, enabled by the new mandate set out in Article 434a of Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876, aims precisely at responding to the need for a consistent and complete Pillar 3 disclosure framework, in line with the BCBS revised Pillar 3 framework and allowing for the comparability of the information disclosed thereby also reflecting the new disclosure and other prudential requirements set out in Regulation (EU) 575/2013 as amended by Regulation (EU) 2019/876.
- (6) More specifically, this Regulation introduces a key metrics disclosure template, which will facilitate the access by users of information to the institutions' key information on own funds and liquidity, and includes templates and tables that implement the disclosures required in Titles II and III of Part Eight of Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876.
- (7) Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 introduced definitions for '**small and non- complex institutions**' and '**large institutions**' for enhanced proportionality. Part Eight of the same Regulation defines which disclosures and with which frequency are applicable to different institutions, depending on their size, complexity and on whether they are listed or non-listed institutions.
- (8) While proportionate, the provisions of this Regulation aim at achieving transparency and comparability and, more specifically, they try to ensure that the relevant templates and tables used for disclosure indeed convey sufficiently comprehensive and comparable information, enabling the users of that information to assess the risk profiles of institutions and their degree of compliance with the requirements laid down in Regulation (EU) No 575/2013. The uniform disclosure formats, templates and tables set out in this Regulation take due account of the differences between institutions in size and complexity, which gives rise to different levels and types of risks, including in some cases thresholds to determine extended disclosures for institutions beyond those thresholds.
- (9) In response to the introduction of newly calibrated leverage ratio and G-SIIs leverage ratio buffer by Regulation (EU) No 575/2013 as amended Regulation (EU) No 2019/876, this Regulation sets out the templates and tables required to reflect the new requirements and the necessary adjustments in the exposure calculation.
- (10) In response to the introduction of new disclosure requirements for the net stable funding stable ratio (NSFR) by Regulation (EU) No 575/2013 as amended Regulation (EU) No 2019/876, this Regulation sets out the template required for such disclosure.
- (11) Regulation (EU) No 575/2013 as amended by Regulation (EU) No 2019/876 has updated the counterparty credit risk framework by replacing the standardised approaches by a more risk sensitive one called Standardised Approach for Counterparty Credit Risk (SA-CCR). A simplified version (Simplified SA-CCR) has also been

introduced to be applied by institutions that meet predefined eligibility criteria. The Original Exposure Method, which remains also for institutions meeting predefined criteria, has also been revised. In response to these developments, this Regulation incorporates a comprehensive set of disclosure tables and templates.

- (12) Regulation (EU) No 575/2013 as amended by Regulation (EU) No 2019/876 has introduced a new disclosure requirement on information on performing, non-performing and forborne exposures, including information on collaterals and financial guarantees received. This Regulation includes a comprehensive set of templates and tables that implement these disclosure requirements, having also regard to the disclosure templates and tables already developed by the EBA²⁵ in response in response to the Council conclusions on Action plan to tackle non-performing loans in Europe²⁶.
- (13) A new EU securitisation framework came into force in the EU in January 2018. This includes the Securitisation Regulation (Regulation (EU) No 2017/2402) and the Regulation (EU) No 2017/2401 containing targeted amendments to the Regulation (EU) No 575/2013 with regards to securitisation. This Regulation introduces new disclosure templates and tables with quantitative and qualitative information on securitisation in line with the new framework.
- (14) Finally, Regulation (EU) No 575/2013 as amended by Regulation (EU) No 2019/876 has introduced certain amendments to the disclosure requirements on remuneration, to align them with the remuneration provisions requiring that remuneration policies and practices consistent with effective risk management should be put in place and that institutions should disclose of information on derogation from certain remuneration rules, when relevant. This regulation includes a set of disclosure templates and tables implementing these disclosure requirements.
- (15) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.
- (16) EBA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010²⁷ in relation to those.

HAS ADOPTED THIS REGULATION:

CHAPTER 1

²⁵ EBA guidelines on disclosure of non-performing and forborne exposures (EBA/GL/2018/10) <https://eba.europa.eu/documents/10180/2531768/Final+GLs+on+disclosure+of+non-performing+and+forborne+exposures.pdf>

²⁶ <https://www.consilium.europa.eu/en/press/press-releases/2017/07/11/conclusions-non-performing-loans/>

²⁷ 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/EC (OJL 331, 15.12.2010, p. 12).

SUBJECT MATTER AND SCOPE

Article 1

SUBJECT MATTER AND SCOPE

1. This Regulation lays down uniform disclosure formats, and associated instructions in accordance with which institutions shall make the disclosures required under Titles II and III of Part Eight of Regulation (EU) No 575/2013, pursuant to Article 434a of Regulation (EU) No 575/2013.

UNIFORM DISCLOSURE FORMATS AND INSTRUCTIONS

Article 2

DISCLOSURE OF KEY METRICS AND OVERVIEW OF RISK-WEIGHTED EXPOSURE AMOUNTS

1. Institutions shall make the disclosures required in Article 447 (a) to (g) and point (b) of Article 438 of Regulation (EU) No 575/2013, in accordance with the Templates EU KM1 of Annex I and the relevant instructions set out in Annex II.
2. Institutions shall make the disclosures required in point (d) of Article 438 of Regulation (EU) No 575/2013, in accordance with the Template EU OV1 of Annex I and the relevant instructions set out in Annex II.
3. Institutions shall make the disclosures required in points (a) and (c) of Article 438 of Regulation (EU) No 575/2013, in accordance with the Table EU OVC in Annex I and the relevant instructions set out in Annex II.
4. Institutions shall make the disclosures required in points (f) and (g) of Article 438 of Regulation (EU) No 575/2013, in accordance with the Templates EU INS1 and EU INS2 of Annex I and the relevant instructions set out in Annex II.

Article 3

DISCLOSURE OF RISK MANAGEMENT OBJECTIVES AND POLICIES

Institutions shall make the disclosures required in Article 435 of Regulation (EU) No 575/2013, in accordance with the Tables EU OVA and EU OVB of Annex III and the relevant instructions set out in Annex IV.

Article 4

DISCLOSURE OF THE SCOPE OF APPLICATION

1. Institutions shall make the disclosures required in points (b) and (c) of Article 436 of Regulation (EU) No 575/2013, in accordance with the Templates EU LI1 and EU LI3 of Annex V and the relevant instructions set out in Annex VI.
2. Institutions shall make the disclosures required in points (b) and (d) of Article 436 of Regulation (EU) No 575/2013, in accordance with the Template EU LI2 and Table LIA of Annex V and the relevant instructions set out in Annex VI.
3. Institutions shall make the disclosures required in point (e) of Article 436 of Regulation (EU) No 575/2013, in accordance with the Template EU PV1 of Annex V and the relevant instructions set out in Annex VI.
4. Institutions shall make the disclosures required in points (f), (g) and (h) of Article 436 of Regulation (EU) No 575/2013, in accordance with the Table EU LIB of Annex V and the relevant instructions set out in Annex VI.

Article 5

DISCLOSURE OF OWN FUNDS

Institutions shall make the disclosures on own funds, required in Article 437 of Regulation (EU) No 575/2013, as follows:

- (a) For the disclosures required in points (a), (d), (e) and (f) of Article 437 of Regulation (EU) No 575/2013, in accordance with the templates EU CC1 and EU CC2 of Annex VII and the relevant instructions set out in Annex VIII.
- (b) For the disclosures required in points (b) and (c) of Article 437 in accordance with the table EU CCA of Annex VII and the relevant instructions set out in Annex VIII.

Article 6

DISCLOSURE OF COUNTERCYCLICAL CAPITAL BUFFERS

Institutions shall make the disclosures on the countercyclical capital buffer required in Article 440 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in point (a) of Article 440 in accordance with the Template EU CCYB1 of Annex IX and the relevant instructions set out in Annex X.
- (b) For the disclosures required in point (b) of Article 440 in accordance with the Template EU CCYB2 of Annex IX and the relevant instructions set out in Annex X.

Article 7

DISCLOSURE OF THE LEVERAGE RATIO

Institutions shall make the disclosures on the leverage ratio, required in Article 451 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in points (a), (b), and (c) of Article 451(1) and in Articles 451(2) and 451(3) of Regulation (EU) No 575/2013, in accordance with the Templates EU LR1, EU LR2 and EU LR3 of Annex XI and the relevant instructions set out in Annex XII.
- (b) For the disclosures required in points (d) and (e) of Article 451(1) of Regulation (EU) No 575/2013, in accordance with the Table EU LRA of Annex XI and the relevant instructions set out in Annex XII.

Article 8

DISCLOSURE OF LIQUIDITY REQUIREMENTS

Institutions shall make the disclosures on the liquidity requirements, required in Articles 435(1) and 451a of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in Article 435 (1) and in Article 451a(4) of Regulation (EU) No 575/2013, in accordance with the table EU LIQA of Annex XIII and the relevant instructions set out in Annex XIV.
- (b) For the disclosures required in Article 451a(2) of Regulation (EU) No 575/2013, in accordance with the template EU LIQ1 and table EU LIQB of Annex XIII and the relevant instructions set out in Annex XIV.
- (c) For the disclosures required in Article 451a(3) of Regulation (EU) No 575/2013, in accordance with the template EU LIQ2 of Annex XIII and the relevant instructions set out in Annex XIV.

Article 9

DISCLOSURE OF EXPOSURES TO CREDIT RISK, DILUTION RISK AND CREDIT QUALITY

1. Institutions shall make the disclosures on credit risk and dilution risk required in Articles 435 and 442 of Regulation (EU) No 575/2013 in as follows:

- (a) For the disclosures required in points (a), (b), (d) and (f) of Article 435 (1) regarding credit risk of Regulation (EU) No 575/2013, in accordance with the Table EU CRA of Annex XV and the relevant instructions set out in Annex XVI.
- (b) For the disclosures required in points (a) and (b) of Article 442 of Regulation (EU) No 575/2013, in accordance with the Table EU CRB of Annex XV and the relevant instructions set out in Annex XVI.
- (c) For the disclosures required in points (d) of Article 442 of Regulation (EU) No 575/2013, in accordance with the Table EU CQ3 of Annex XV and the relevant instructions set out in Annex XVI
- (d) For the disclosures required in point (g) of Article 442 of Regulation (EU) No 575/2013, in accordance with the Template EU CR1-A of Annex XV and the relevant instructions set out in Annex XVI.
- (e) For the disclosures required in point (f) of Article 442 of Regulation (EU) No 575/2013, in accordance with the Template EU CR2 of Annex XV and the relevant instructions set out in Annex XVI.

2. Institutions shall make the disclosures required in points (c), (e) and (f) of Article 442 of Regulation (EU) No 575/2013 in accordance with templates EU CR1, EU CQ1, and EU CQ7, columns a, c, e, f and g of template EU CQ4 and columns a, c, e and f of template EU CQ5 set out in Annex XV and with the instructions set out in Annex XVI.

3. In addition to the templates referred to in paragraph 2 and in order to convey sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions in accordance with Article 434a of Regulation (EU) No 575/2013, large institutions with a ratio of gross carrying amount of non-performing loans and advances divided by the total gross carrying amount of loans and advances subject to the definition of non-performing according to Article 47a of Regulation (EU) No 575/2013 equal to or higher than 5% shall make the disclosure required in points (c) and (f) of Article 442 of Regulation (EU) No 575/2013 also in accordance with templates EU CR2a, EU CQ2, CQ6 and EU CQ8, columns b and d of templates EU CQ4 and EU CQ5 set out in Annex XV and with the instructions set out in Annex XVI, on an annual basis.

4. For the purpose of paragraph (3), loans and advances classified as held for sale, cash balances at central banks and other demand deposits shall be excluded both from the denominator and the numerator of the ratio.

5. Institutions shall commence disclosure in accordance with paragraph 3, where they have reached or exceeded the 5% threshold in two consecutive quarters during the four quarters prior to the reference date of the disclosure. For the reference date of the first disclosure, institutions shall disclose the templates subject to the 5% threshold if they comply with the threshold on that disclosure reference date.

6. Institutions shall stop having the obligation to disclose in accordance with paragraph 3, where they have fallen below the threshold in three consecutive quarters during the four quarters prior to the disclosure reference date.

Article 10

DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

Institutions shall make the disclosures on the use of credit risk mitigation techniques, required in points (a) to (f) of Article 453 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in points (a) to (e) of Article 453 of Regulation (EU) No 575/2013, in accordance with the table EU CRC of Annex XVII and the relevant instructions set out in Annex XVIII.
- (b) For the disclosures required in point (f) of Article 453 of Regulation (EU) No 575/2013, in accordance with the template EU CR3 of Annex XVII and the relevant instructions set out in Annex XVIII.

Article 11

DISCLOSURE OF THE USE OF THE STANDARDISED APPROACH

Institutions calculating risk-weighted exposure amounts under the Standardised Approach, shall make the disclosures on the use of the standardised approach, required in Article 444 and in points (g), (h) and (i) of Article 453 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in points (a) to (d) of Article 444 of Regulation (EU) No 575/2013, in accordance with the table EU CRD of Annex XIX and the relevant instructions set out in Annex XX.
- (b) For the disclosures required in points (g), (h) and (i) of Article 453 and in point (e) of Article 444 of Regulation (EU) No 575/2013, in accordance with the template EU CR4 of Annex XIX and the relevant instructions set out in Annex XX.
- (c) For the disclosures required in point (e) of Article 444 of Regulation (EU) No 575/2013, in accordance with the template EU CR5 of Annex XIX and the relevant instructions set out in Annex XX and, for the disclosure of the exposure values deducted from own funds required in the same Article in accordance with the template EU CC1 of Annex VII and the relevant instructions set out in Annex VIII.

Article 12

DISCLOSURE OF THE USE OF THE IRB APPROACH TO CREDIT RISK

Institutions calculating risk-weighted exposure amounts under the IRB Approach, shall make the disclosures on the use of the IRB approach, required in Articles 438, 452 and in points (g) and (j) of Article 453 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in points (a) to (f) of Article 452 of Regulation (EU) No 575/2013, in accordance with the Table EU CRE and Template EU CR6-A of Annex XXI and the relevant instructions set out in Annex XXII.
- (b) For the disclosures required in point (g) of Article 452 of Regulation (EU) No 575/2013, in accordance with the Template EU CR6 of Annex XXI and the relevant instructions set out in Annex XXII.
- (c) For the disclosures required in points (g) and (j) of Article 453 of Regulation (EU) No 575/2013, in accordance with the Templates EU CR7-A and CR7 of Annex XXI and the relevant instructions set out in Annex XXII.
- (d) For the disclosures required in point (h) of Article 438 of Regulation (EU) No 575/2013, for IRB Approach to credit risk, in accordance with the Template EU CR8 of Annex XXI and the relevant instructions set out in Annex XXII.
- (e) For the disclosures required in point (h) of Article 452 of Regulation (EU) No 575/2013, in accordance with the Template EU CR9 and CR9.1 of Annex XXI and the relevant instructions set out in Annex XXII.

Article 13

DISCLOSURE OF SPECIALISED LENDING AND EQUITY EXPOSURES UNDER THE SIMPLE RISK WEIGHT APPROACH

Institutions shall make the disclosures required in point (e) of Article 438 of Regulation (EU) No 575/2013, in accordance with the Template EU CR10 of Annex XXIII and the relevant instructions set out in Annex XXIV.

Article 14

DISCLOSURE OF EXPOSURES TO COUNTERPARTY CREDIT RISK

Institutions shall make the disclosures on the exposures to counterparty credit risk, required in Articles 435, 438 and 439 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in points ((a), (b), (c) and (d) of Articles 439 of Regulation (EU) No 575/2013, in accordance with the Table EU CCRA of Annex XXV and the relevant instructions set out in Annex XXVI.
- (b) For the disclosures required in points (f), (g), (k) and (m) of Article 439 of Regulation (EU) No 575/2013, in accordance with the Template EU CCR1 of Annex XXV and the relevant instructions set out in Annex XXVI.
- (c) For the disclosures required in point (h) of Article 439 of Regulation (EU) No 575/2013, in accordance with the template EU CCR2 of Annex XXV and the relevant instructions set out in Annex XXVI.
- (d) For the disclosures required in point (l) of Article 439 of Regulation (EU) No 575/2013, in accordance with the Templates EU CCR3 and EU CCR4 of Annex XXV and the relevant instructions set out in Annex XXVI.
- (e) For the disclosures required in point (e) of Article 439 of Regulation (EU) No 575/2013, in accordance with the Template EU CCR5 of Annex XXV and the relevant instructions set out in Annex XXVI.
- (f) For the disclosures required in point (j) of Article 439 of Regulation (EU) No 575/2013, in accordance with the Template EU CCR6 of Annex XXV and the relevant instructions set out in Annex XXVI.
- (g) For the disclosures required in point (h) of Article 438 of Regulation (EU) No 575/2013, for Internal Model Method, in accordance with the Template EU CCR7 of Annex XXV and the relevant instructions set out in Annex XXVI.
- (h) For the disclosures required in point (i) of Article 439 of Regulation (EU) No 575/2013, in accordance with the template EU CCR8 of Annex XXV and the relevant instructions set out in Annex XXVI.

Article 15

DISCLOSURE OF EXPOSURES TO SECURITISATION POSITIONS

Institutions shall make the disclosures on the exposures to securitisation positions, required in Article 449 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in points (a) to (i) of Article 449 of Regulation (EU) No 575/2013, in accordance with the Table EU SECA of Annex XXVII and the relevant instructions set out in Annex XXVIII.
- (b) For the disclosures required in point (j) of Article 449 of Regulation (EU) No 575/2013, in accordance with the Templates EU SEC1 and EU SEC2 of Annex XXVII and the relevant instructions set out in Annex XXVIII.
- (c) For the disclosures required in point (k) of Article 449 of Regulation (EU) No 575/2013 in accordance with the templates EU SEC3 and EU SEC4 of Annex XXVII and the relevant instructions set out in Annex XXVIII.
- (d) For the disclosures required in point (l) of Article 449 of Regulation (EU) No 575/2013 in accordance with the Templates EU SEC5 of Annex XXVII and the relevant instructions set out in Annex XXVIII.

Article 16

DISCLOSURE OF USE OF STANDARDIZED APPROACH AND INTERNAL MODEL FOR MARKET RISK

1. Institutions shall make the disclosures required in Article 445 of Regulation (EU) No 575/2013, in accordance with the Template EU MR1 of Annex XXIX and the relevant instructions set out in Annex XXX.
2. Institutions shall make the disclosures required in Articles 435, 438 and 455 of Regulation (EU) No 575/2013 as follows:
 - (a) For the disclosures required in points (a) to (d) of Article 435(1) of Regulation (EU) No 575/2013 regarding market risk, in accordance with the table EU MRA of Annex XXIX and the relevant instructions set out in Annex XXX.
 - (b) For the disclosures required in points (a), (b), (c) and (f) of Article 455 of Regulation (EU) No 575/2013, in accordance with the table EU MRB of Annex XXIX and the relevant instructions set out in Annex XXX.
 - (c) For the disclosures required in point (e) of Article 455 of Regulation (EU) No 575/2013, in accordance with the template EU MR2-A of Annex XXIX and the relevant instructions set out in Annex XXX.
 - (d) For the disclosures required in point (h) of Article 438 of Regulation (EU) No 575/2013, for internal market risk models, in accordance with the template EU MR2-B of Annex XXIX and the relevant instructions set out in Annex XXX.

- (e) For the disclosures required in point (d) of Article 455 of Regulation (EU) No 575/2013, in accordance with the template EU MR3 of Annex XXIX and the relevant instructions set out in Annex XXX.
- (f) For the disclosures required in point (g) of Article 455 of Regulation (EU) No 575/2013, in accordance with the template EU MR4 of Annex XXIX and the relevant instructions set out in Annex XXX.

Article 17

DISCLOSURE OF OPERATIONAL RISK

Institutions shall disclose the information on operational risk required in articles 435, 438 (d), 446 and 454 of Regulation (EU) No 575/2013, in accordance with the Table EU ORA and Template EU OR1 of Annex XXXI and the relevant instructions set out in Annex XXXII.

Article 18

DISCLOSURE OF REMUNERATION POLICY

Institutions shall make the disclosures on the remuneration policy, required in Article 450 of Regulation (EU) No 575/2013 as follows:

- (a) For the disclosures required in points (a) to (f), (j) and (k) of Article 450(1) and in Article 450(2) of Regulation (EU) No 575/2013, in accordance with the Table EU REMA of Annex XXXIII and the relevant instructions set out in Annex XXXIV.
- (b) For the disclosures required in points (h)(i) and (h)(ii) of Article 450(1) of Regulation (EU) No 575/2013, in accordance with the Table EU REM1 of Annex XXXIII and the relevant instructions set out in Annex XXXIV.
- (c) For the disclosures required in points (h)(v), (h)(vi) and (h)(vii) of Article 450(1) of Regulation (EU) No 575/2013, in accordance with the Table EU REM2 of Annex XXXIII and the relevant instructions set out in Annex XXXIV.
- (d) For the disclosures required in points (h)(iii) and (h)(iv) of Article 450(1) of Regulation (EU) No 575/2013, in accordance with the Table EU REM3 of Annex XXXIII and the relevant instructions set out in Annex XXXIV.
- (e) For the disclosures required in points (g) and (i) of Article 450(1) of Regulation (EU) No 575/2013, in accordance with the Templates EU REM4 and EU REM5 of Annex XXXIII and the relevant instructions set out in Annex XXXIV.

Article 19

DISCLOSURE OF ENCUMBERED AND UNENCUMBERED ASSETS

Institutions shall disclose the information regarding their encumbered and unencumbered assets required in Article 443 of Regulation (EU) No 575/2013, in accordance with the Templates EU AE1, EU AE2 and EU AE3, and Table EU AE4 of Annex XXXV and the relevant instructions set out in Annex XXXVI.

CHAPTER 3

GENERAL PROVISIONS

Article 20

GENERAL PROVISIONS

1. Where Article 432 of Regulation (EU) No 575/2013 applies also having regard to the relevant EBA guidelines, the institution shall not be obliged to populate the relevant rows or columns of the templates and tables referred to in this Regulation. In this case the numbering of subsequent rows or columns shall not be altered.

2. Institutions shall make a clear note in the relevant template or table of the rows or columns not populated and of the reason of the omission of the disclosure.

3. The qualitative narrative and any other necessary supplementary information accompanying quantitative disclosures in accordance with Article 431 of Regulation (EU) No 575/2013 shall be adequately clear and comprehensive, enabling users of information to understand the quantitative disclosures and shall be placed next to the templates, which they describe.

3. Where disclosing information in accordance with this Regulation, institutions shall ensure that numeric values are submitted as facts according to the following:

- (a) Quantitative monetary data shall be disclosed using a minimum precision equivalent to millions of units;
- (b) Quantitative data disclosed as 'Percentage' shall be expressed as per unit with a minimum precision equivalent to four decimals.

4. Where disclosing information in accordance with this Regulation, institutions shall ensure that the data are associated with the following information:

- (a) disclosure reference date and reference period;

- (b) reporting currency;
- (c) name and where relevant, identifier of the disclosing institution (LEI);
- (d) where relevant, accounting standard; and
- (e) where relevant, scope of consolidation

CHAPTER 4

FINAL PROVISIONS

Article 21

REPEAL

1. COMMISSION IMPLEMENTING REGULATION (EU) No 1423/2013 of 20 December 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council is repealed.
2. COMMISSION DELEGATED REGULATION (EU) 2015/1555 of 28 May 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical capital buffer in accordance with Article 440 is repealed.
3. COMMISSION IMPLEMENTING REGULATION (EU) 2016/200 of 15 February 2016 laying down implementing technical standards with regard to disclosure of the leverage ratio for institutions, according to Regulation (EU) No 575/2013 of the European Parliament and of the Council is repealed.
4. COMMISSION DELEGATED REGULATION (EU) 2017/2295 of 4 September 2017 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for disclosure of encumbered and unencumbered assets

Article 22

ENTRY INTO FORCE

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from 28 June 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President

On behalf of the President

[Position]

LIST OF ANNEXES

- Annex I – Disclosure of key metrics and overview of risk-weighted exposure amounts
- Annex II – Disclosure of key metrics and overview of risk-weighted exposure amounts (instructions)
- Annex III – Disclosure of risk management objectives and policies
- Annex IV – Disclosure of risk management objectives and policies (instructions)
- Annex V – Disclosure of the scope of application
- Annex VI – Disclosure of the scope of application (instructions)
- Annex VII – Disclosure of own funds
- Annex VIII – Disclosure of own funds (instructions)
- Annex IX – Disclosure of countercyclical capital buffers
- Annex X – Disclosure of countercyclical capital buffers (instructions)
- Annex XI – Disclosure of the leverage ratio
- Annex XII – Disclosure of the leverage ratio (instructions)
- Annex XIII – Disclosure of liquidity requirements
- Annex XIV – Disclosure of liquidity requirements (instructions)
- Annex XV – Disclosure of credit risk quality
- Annex XVI – Disclosure of credit risk quality (instructions)
- Annex XVII – Disclosure of the use of credit risk mitigation techniques
- Annex XVIII – Disclosure of the use of credit risk mitigation techniques (instructions)
- Annex XIX – Disclosure of the use of the standardised approach
- Annex XX – Disclosure of the use of the standardised approach (instructions)
- Annex XXI – Disclosure of the use of the IRB approach to credit risk
- Annex XXII – Disclosure of the use of the IRB approach to credit risk (instructions)
- Annex XXIII – Disclosure of specialised lending and equity exposures under the simple risk weight approach
- Annex XXIV – Disclosure of specialised lending and equity exposures under the simple risk weight approach (instructions)
- Annex XXV – Disclosure of exposures to counterparty credit risk
- Annex XXVI – Disclosure of exposures to counterparty credit risk (instructions)
- Annex XXVII – Disclosure of exposures to securitisation positions
- Annex XXVIII – Disclosure of exposures to securitisation positions (instructions)
- Annex XXIX – Disclosure of use of standardized approach and internal model for market risk

Annex XXX – Disclosure of use of standardized approach and internal model for market risk (instructions)

Annex XXXI – Disclosure of operational risk

Annex XXXII – Disclosure of operational risk (instructions)

Annex XXXIII – Disclosure of remuneration policy

Annex XXXIV – Disclosure of remuneration policy (instructions)

Annex XXXV – Disclosure of encumbered and unencumbered assets

Annex XXXVI – Disclosure of encumbered and unencumbered assets (instructions)

4. Accompanying documents

4.1 ‘Mapping tool’ – mapping of disclosure quantitative data with supervisory reporting

The ‘mapping tool’ is a comprehensive set of Excel files that enables mapping of most of the quantitative disclosure templates with the relevant reporting data points. Mapping is not possible for disclosure tables with qualitative information or in the small number of cases of quantitative templates with flexible format, such as the templates that compare quantitative information under the regulatory scope of consolidation with information disclosed by institutions in their published financial statements.

The ‘mapping tool’ is not part of the final draft ITS but it is provided as an accompanying document for informative purposes and to support institutions when populating the quantitative disclosure template.

4.2 Draft cost–benefit analysis/impact assessment

In accordance with Article 16(2) of Regulation (EU) No 1093/2010 (EBA Regulation), any guidelines and recommendations developed by the EBA shall be accompanied by an impact assessment (IA) that analyses ‘the potential related costs and benefits’.

This analysis presents the IA of the main policy options included in this final report on the final draft ITS on disclosure templates and instructions. The latter concern disclosure requirements as set out in Titles II and III of Part Eight of CRR2. The IA is high level and qualitative in nature.

A. Problem identification and background

At present, the specifications of the quantitative and qualitative disclosure requirements included in Part Eight of the CRR are not implemented in the EU through a single, comprehensive, uniform framework but are dispersed across different legal texts and guidelines, and, in fact, some requirements are yet to be developed. The CRR version in place prior to the publication of CRR2 mandated the EBA to specify uniform disclosure formats in only some disclosure areas (e.g. data on own funds, leverage or asset encumbrance). In addition, the EBA has developed some templates and tables on its own initiative by way of issuing guidelines. The most comprehensive guidelines, the EBA Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013, are mainly applicable only to G-SIIs and O-SIIs. Nevertheless, in many areas, the format of the disclosures is left to the discretion of each institution, as allowed under Article 434 of the CRR. For many disclosed items this implies differences in, inter alia, (i) the formats used for disclosure across institutions; (ii) the degree of granularity of the disclosed information; and (iii) the specific information disclosed by each institution.

This in turn has implications for the usability of the disclosed information for external stakeholders and market participants and in particular for the consistency and comparability of the publicly disclosed information not only across EU institutions, but also between EU institutions and non-EU internationally active banks.

Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019, amending Regulation (EU) No 575/2013 (CRR2), addresses these issues in order to improve the way that prudential information required by the same legal text is publicly disclosed by EU institutions. The aim is to, eventually, increase the consistency and comparability of this information, fostering the role of institutions' Pillar 3 disclosures in promoting market discipline. Article 434a of CRR2 mandates the EBA to develop an implementing technical standard (ITS) specifying uniform disclosure formats and associated instructions for the disclosure requirements included in Titles II and III of Part Eight of the same Regulation. In compliance with this mandate, the EBA is developing a disclosure framework which includes a comprehensive set of disclosure templates, tables and related instructions, ensuring alignment and consistency with the international disclosure standards, i.e. the Basel Pillar 3 standards. The Basel framework provides disclosure templates in its Standards on Pillar 3 Disclosure Requirements, developed between 2015 and 2018, with further revisions of the leverage ratio disclosure standard published in 2019.

B. Policy objectives

The draft proposed disclosure templates and instructions presented in the final report aim to provide a uniform disclosure framework for all institutions across the EU, to maximise comparability and consistency not only across Europe, but also with non-EU internationally active banks at the global level. The final draft ITS follow the EBA mandate under Article 434a of CRR2. They provide the practical tools and framework for institutions to comply with the revised disclosure requirements under CRR2.

C. Options considered, assessment of the options and the preferred option

Section C presents the main policy options discussed and the decisions made during the development of the templates and instructions. Advantages and disadvantages, as well as potential costs and benefits of the policy options and the preferred options resulting from this analysis, are assessed below.

The new disclosure templates have been drafted such that they fully reflect CRR2 disclosure requirements and align with the Basel standards as much as possible. Alignment with Basel standards (templates) wherever feasible has been the default setting and the starting point; however, owing to some differences between the Basel standards and CRR2, it is not feasible to fully mirror each Basel template in the corresponding template for European institutions and markets (i.e. one-to-one mapping is not possible). Therefore, in order that the disclosure templates better reflect EU regulatory specificities, some amendments and adjustments to the templates included in the Basel standards have been introduced. Whilst this is important to mention, it has

not been regarded as a policy choice as such, but, rather, necessary to ensure maximum alignment of the templates with both CRR2 and the Basel standards.

Integration of the disclosure and the reporting templates

Option 1a: fully integrate the disclosure templates with the reporting templates ('one-to-one mapping')

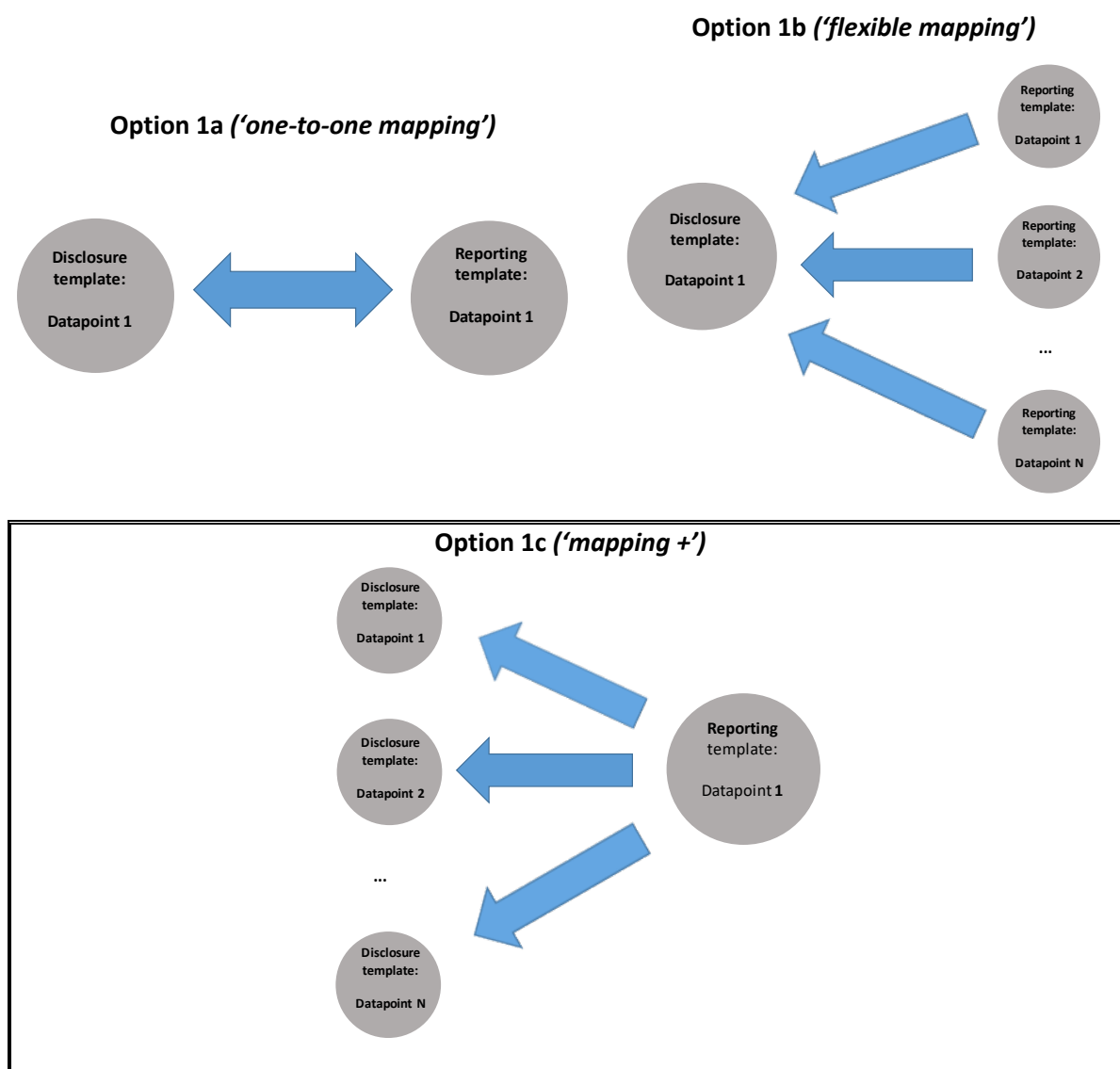
Option 1b: fully but flexibly integrate the disclosure templates with the reporting templates ('flexible mapping')

Option 1c: no or only partial integration of the disclosure templates with the reporting templates ('mapping +')

Full integration of the disclosure templates with the reporting templates in this context implies that every single item of quantitative information that features in the disclosure templates is either (i) also included in the reporting templates (one-to-one mapping) (option 1a) or (ii) derived from a combination of reporting items (one disclosure item for one or several, possibly aggregated, reporting items) (option 1b). Therefore, for every single disclosure item (bar qualitative information; see further below), a counterparty item can be identified among one or several reporting items.

No or only partial integration of the two frameworks (i.e. option 1c) means that disclosure items cannot be directly mapped to reporting items. Instead, items included in the disclosure templates could represent a more granular breakdown of the reporting items.

The figures below provide a schematic illustration of the possible approaches described by the three options above:



Option 1c has been eliminated as it would compromise consistency and comparability across institutions' disclosed information: since data points in the disclosure templates would not be directly traceable in the reporting data, the application of uniform consistent definitions could be compromised and hence the disclosed data could vary across institutions.

Option 1a would ensure consistency and comparability and would limit the additional burden to institutions because information required in the disclosure templates would be fully integrated with and direct linked to reporting data. However, this option would also limit the scope for shaping and

selecting information to be included in the disclosure templates, or would considerably increase the reporting burden for institutions.

Option 1b, in contrast, would ensure comparability and consistency and limit the burden to institutions, but at the same time leave more room to design disclosure templates that are fit for their purpose since this option does not confine the source data to any specific entries in the reporting templates. Therefore, **option 1b has been assessed as the preferred option.**

Some of the disclosed information is qualitative in nature. Such information, by definition, is additional to reporting requirements and, therefore, the above approaches are not relevant.

Numbering of rows in the disclosure templates

Option 2a: apply continuous numbering of the rows in the new EU disclosure templates, regardless of the numbering in the Basel templates

Option 2b: apply continuous numbering of the rows in the new EU disclosure templates, whilst at the same time respecting the numbering of the Basel templates

As outlined at the beginning of section C, there are some differences between the Basel disclosure templates and the EBA reporting templates, reflecting some subtle differences between Basel regulation and the EU's CRR2 regulation. This, by definition, implies that not all information covered by the Basel disclosure templates should be included in the EBA templates, and vice versa. As a result, the ordering and numbering of information items and rows in the two templates will not be identical.

One option is to simply apply continuous numbering to the items and rows in the EU disclosure templates, reflecting CRR2 information. However, this option makes it difficult to compare the Basel and EU templates and, in particular, to compare the disclosed information of two institutions of which one is located in the EU and the other in a non-EU jurisdiction, since identical items/rows will not always have the same row numbers. For this reason, **option 2a has been eliminated.**

To maximise global comparability of disclosure templates, EU templates should be aligned to the Basel row numbering whilst at the same time following their own logical, continuous numbering system to ensure it remains easy for institutions to populate the templates and for market participants to read them. **Option 2b has therefore been chosen.** In the case of items included in the EU regulation but not in the Basel framework, EU templates introduce an additional suffix, a, b, c, etc. Whenever an additional row is required, the row number is prefixed by 'EU' and a lower case letter is added after the number of the last item that was consistent with Basel (i.e. the row numbering could look as follows: 19, 20, EU-20a, EU-20b, 21, 22, ...). Similarly, if the EU templates do not include a row that is included in the Basel templates, the numbering continues but that data point will be listed as 'not applicable in the EU'.

This way, the new EU disclosure templates follow a continuous, easy-to-use numbering system but at the same time respect the Basel numbering system, thereby enabling seamless comparison at the global level.

Treatment of existing disclosure templates

Option 3a: disregard existing disclosure templates and build entirely new templates

Option 3b: build on existing templates, and amend and align as needed

Some disclosure templates already exist, as part of ITS/RTS developed by the EBA following mandates included in the CRR, or in own initiative guidelines. These existing templates require some amendments to align them with Basel templates, and with the updated CRR2 framework, however.

Templates aligned both with CRR2 and with the Basel disclosure templates can be achieved in one of two ways: start from scratch and design entirely new templates, or build on the existing templates, amending these as needed. The latter option, **option 3b, has been chosen as the preferred option**. Building on the existing templates and amending them as needed has been assessed as providing continuity and minimising the burden for institutions. At the same time, maximising the continuity of disclosure (templates) also provides continuity for other market players and users of both current and past disclosed information.

Treatment of PD ranges in credit risk IRB templates

Option 4a: institutions to report PD ranges in accordance with their internally defined ranges (in line with Basel template CR9)

Option 4b: institutions to report PD ranges in accordance with predefined, set ranges

Basel's disclosure template CR9 (IRB – back-testing of probability of default (PD) per portfolio) allows each institution to disclose the data in accordance with its own PD ranges. This allows institutions to provide information that is as granular and precise, since each institution is able to list information exactly according to its individual PD ranges and no fitting into predefined buckets is required. Nevertheless, it is extremely difficult for the disclosed information to be evaluated and compared. A large number of different PD ranges will appear in the disclosure templates across institutions. For this reason, **option 4a has been eliminated**.

Option 4b has been chosen as the preferred option. When developing the EU IRB back-testing template (EU CR9), in application of Article 452(h) of the CRR, the EBA leveraged on the predefined PD scale according to which institutions already have to disclose the information required in the IRB template, EU CR6 (IRB approach – credit risk exposures by exposure class and PD range), which implements Article 452(g) of the CRR. Template EU CR6 was developed in alignment with Basel template CR6, which requests that information be disclosed in accordance with the PD scale predefined in the Basel standard. This PD scale, predefined for the purpose of template EU CR6, has now also been extended to template EU CR9. The approach followed ensures consistent and

comparable disclosure data across all institutions in the EU and limits the additional burden on institutions.

Reconciliation of accounting and regulatory data²⁸

Option 5a: disclosure of reconciliatory data in the form of additional columns in the regular audited financial statements disclosed by institutions

Option 5b: disclosure of reconciliatory data in the form of separate columns for accounting versus regulatory data in relevant FINREP templates

Article 436 of the CRR requires institutions to disclose the differences between their regulatory/prudential and financial information. There is general agreement that differences in the scope of regulatory versus financial information should be clear for the users of disclosed information.

Reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation is therefore crucial.

There are two ways to achieve this. Under option 5a, institutions would disclose reconciliatory data alongside their audited public financial statements, even though in Europe there is no common template for the disclosure of financial information. Under the second option, option 5b, reconciliatory data would instead allow the regulatory information disclosed to be compared with the relevant financial reporting (FINREP) balance sheet common templates.

Despite aiming for full integration in the design of the disclosure templates and reporting templates, and aiming also for comparability and consistency of disclosures among institutions, in this case, **option 5a has been chosen as the preferred option** and the templates envisage reconciliation using the public audited financial statements. Whilst there is no uniform format for financial statements to be published by institutions, option 5a will, crucially, allow users of information to reconcile the financial figures disclosed by institutions in their financial statements with the relevant prudential regulatory figures.

Treatment of disclosure requirements for which a broad revision of the applicable regulatory framework is on-going

Option 6a: implement either the existing disclosure templates, without changes, or simple reporting-based disclosure templates and delay the full review of the templates until the new regulatory amendments have been introduced

Option 6b: revise the existing disclosure templates or develop more complex templates and review them once the new regulatory amendments have been introduced

²⁸ Refers to templates EU CC2 (reconciliation of regulatory own funds to balance sheet in the audited financial statements) and EU L (differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories).

For some disclosure requirements included in Part Eight of the CRR, the related regulatory framework is still under revision and important amendments are expected in the near future, as part of so-called CRR3. This is in particular the case in the areas of market risk, for which the fundamental review of the trading book (FRTB) is not closed yet; credit risk under the standardised approach, the review of which will be finalised in CRR3; and operational risk. The EBA has assessed how the two policy options described above could be applied in these areas and, as a result, has decided to disregard option 6b and follow option 6a. The main reason for this decision is to alleviate the burden on those institutions that are already disclosing as much information as they can by not requiring them to change their disclosure templates twice in a short period. In those cases where there is no pre-defined disclosure template, a simple disclosure has been developed based on available reporting data. In addition, changing the templates twice, now and then again after the finalisation of the regulatory amendments, may confuse users of the information and make it difficult to compare the disclosed information across different disclosure periods.

D. Conclusion

CRR2 mandates the EBA to develop uniform and complete disclosure tables and templates. The policy choices discussed above were made with the aim of combining and achieving the following key objectives:

- i) maximise alignment with the Basel templates;
- ii) integrate the quantitative information disclosed with the EBA reporting templates;
- iii) ensure the quality of the data disclosed;
- iv) minimise additional burdens to institutions;
- v) improve consistency and comparability of information disclosed by institutions.

Whilst there are trade-offs in every policy decision taken with the aim of meeting all five of the above goals, the final draft ITS and disclosure templates strive for the most effective and efficient outcome.

The proposed templates will greatly support the overarching goal of improved transparency across EU institutions' disclosure (and financial) data. They permit consistency and comparability of data across the EU as well as globally, whilst limiting the additional burden to institutions as much as possible, and ensuring the quality of the data.

4.3 Views of the Banking Stakeholder Group (BSG)

The BSG welcomes the EBA's general strategy of aligning, as far as possible, the information to be reported to supervisors and the regulatory information that has to be disclosed to investors and other interested parties. The BSG also supports the development of a comprehensive set of ITS on disclosure. The standardisation of formats and definitions and the usage of a common integrated

database are key to achieving these goals. It is also essential to fulfil the principle of proportionality. Based on that common understanding, the BSG has developed some recommendations.

CRR3 is due to be proposed soon and is likely to lead to further amendments to the supervisory reporting templates. In particular, reporting templates regarding the COREP standardised approaches (solvency) are expected to change significantly. The BSG believes that it is necessary to change the templates to take account of CRR2. However, the EBA might consider that templates that are likely to be significantly affected by CRR3 can be left largely unchanged for now – especially if implementation of such changes would be complex.

It is possible that regulatory templates that are necessary (only) to show compliance with the thresholds for the use of a relief or simplified approaches might not be completed by larger institutions that do not intend to make use of those reliefs. That might hold especially for derivatives, exposure to which is reported in detailed templates linked to the SA-CCR or IMA. On the other hand, the templates do not allow for exemption from disclosure in the case of small and simple institutions to which they are not applicable (e.g. REM3, deferred remuneration).

Also relating to remuneration disclosure, the BSG suggests that the aim of a gender-neutral remuneration policy (Article 92(2) aa) CRD V) should be incorporated in the disclosure templates. This would require, at a minimum, disclosure of quantitative data on remuneration of both sexes separately.

The BSG is keen to emphasise that, although it expects that integrating the information to be presented to investors and other interested parties with supervisory reporting information will result in an improvement in the disclosed information, this should not be taken to mean that it believes that current data quality is generally low. However, the BSG believes that aligning the data and taking the same data basis for both requirements might lead to further improvement.

The BSG suggests that the EBA should communicate directly with investors and other interested parties that it thinks might not readily accept current Pillar 3 disclosure requirements. According to the BSG, there might be a variety of reasons for less than complete acceptance of the requirements, for example the need to disclose too many details and the high level of granularity of information expected. The BSG proposes to conduct a field study into necessary disclosure levels – including disclosures required by IFRS 7 (for those banks that use International Financial Reporting Standards). The BSG also suggests to check whether double requirements and Pillar 3 and IFRS 7 can be avoided. Maybe, some of the formalised templates and tables could be streamlined.

The BSG also suggests that the frequency of the data submission should be reconsidered. In particular, the reporting of counterparty credit risk has been extended by several templates which in the past had to be disclosed on a semi-annual basis only whereas the draft ITS requires the submission on a quarterly basis.

It is the BSG's impression that the process of resubmissions of restated data is at present practised quite differently by supervisors and banks. However, the integration of disclosure templates into supervisory reporting will lead to stricter validation processes and to the resubmissions (according

to Article 3(4) of the ITS on supervisory reporting). Therefore, the BSG suggests that the EBA should carefully consider whether or not resubmission of restated data should have an impact on disclosure.

4.4 Feedback on the public consultation

The EBA publicly consulted on the draft proposal contained in this paper.

The consultation period lasted for three months and ended on 16 January 2020. Sixteen responses were received, of which 11 were published on the EBA website.

This section presents a summary of the key points and other comments arising from the consultation, the analysis and discussion triggered by these comments and the actions taken to address them if deemed necessary.

Often several industry bodies made similar comments or the same body repeated its comments in the response to different questions. In such cases, the comments and EBA analysis are included in the section of this paper where EBA considers them most appropriate.

The final draft ITS incorporate the feedback to the responses received during the public consultation.

4.4.1 Summary of key issues and the EBA's response

In general, respondents showed broad support for the EBA's strategic approach to the policy work on Pillar 3 disclosures. In particular, respondents welcome the proposed integration of disclosure quantitative requirements and supervisory reporting. They also welcome the proportionality criteria included in CRR2 and the alignment with the Basel standards, which will allow for international comparability with non-EU international active banks.

Some respondents raised issues on the level of granularity of the templates and instructions. This is driven by the disclosure requirements included in the Level 1 text, and by the need to align the templates with international standards, given that the EBA's mandate is to implement, and not to define, those disclosure requirements, and to do so in alignment with the Basel Pillar 3 standards.

The feedback received also refers to the need to define a correction/restatement policy, providing institutions with instructions on what to do if the data already published need to be amended. The EBA recognises that it is important that the Pillar 3 information disclosed by institutions is accurate and precise, and that errors and inaccuracies need to be addressed. The definition of a 'correction policy' goes beyond the mandate included in Article 434a of the CRR, and will be tackled by the EBA separately.

The feedback received from the stakeholders group on the need for information by gender is addressed to some extent in table EU OVB, on disclosure of governance arrangements, implemented on accordance with Article 435(2) of the CRR. This table requires institutions to

disclose information on diversity policy, including gender diversity policy. The EBA will assess the need for further disclosures in this regard when implementing the disclosures required on environment, social and governance risks in accordance with Article 449a of the CRR. The disclosure requirements on remuneration currently reflected in the draft ITS implement Article 450, which includes information relevant from the point of view of identified staff, i.e. staff whose professional activities have a material impact on institutions' risk profile, and do not address broader governance issues such as the need for a gender-neutral remuneration policy.

Finally, respondents provided very relevant technical comments on most of the disclosure packages that are included in the draft ITS. This feedback has been very useful and enables the EBA to understand the concerns of both preparers and users of information, and to identify areas where changes or adjustments are needed in order to better reflect the disclosures required and the underlying regulatory requirements. As a result this feedback, the templates and instructions have been amended and clarified when necessary.

This section includes a summary of the main feedback and of the changes applied to the different disclosure packages as a result of the consultation process. For more detailed responses to the issues raised, please refer to the feedback table.

Disclosure of key metrics and overview of risk-weighted exposure amounts

Template EU KM1 on key metrics

The definition of disclosure periods was revised and adjusted, in order to address questions and doubts raised by respondents.

The template now includes two additional rows: 'cash outflows – total weighted value' and 'cash inflows – total weighted value'. These two rows were added as a result of the feedback received and in order to comply with the requirements set out in Article 447 of the CRR. This information was already requested in the LCR disclosure templates.

Instructions for the completion of rows 18 and 19 on available stable funding (ASF) and required stable funding (RSF) were adjusted to clarify that weighted ASF and RSF values shall be disclosed, rather than the unweighted values.

Template EU OV1 on overview of risk-weighted exposure amounts

A new row with information on amounts below the thresholds for deduction, subject to 250% risk weight, in accordance with Article 48(4) of the CRR has been added, which includes information on deferred tax assets and participations on financial institutions. The row was added in order to align the template with the Basel template and following the feedback received in this regard during the consultation process.

Following questions from some respondents, the instructions regarding the information on settlement risk have been further clarified in order to explain that row 15 includes information on

settlement/delivery risk in accordance with Article 378 of the CRR, and that exposures to settlement/free deliveries according to Article 379 of the CRR are part of the credit risk amount in row 1 of the same template.

Disclosure of the scope of application:

One of the issues that was identified in the EBA's report on assessment of institutions' Pillar 3 disclosures²⁹, published in February this year, is the lack of a proper reconciliation of quantitative data disclosed in different templates. This was particularly true in the case of some of the quantitative information disclosed in template EU LI1, 'Differences between accounting and regulatory scopes of consolidation', and template EU LI2, 'Main sources of differences between regulatory exposure amounts and carrying values in financial statements'. The instructions for both templates have been revised and additional guidance is provided in those cases where the data need to be reconciled.

In template EU LI2 the rows that are not relevant for the information on market risk framework (column (e) of the template) have been greyed out.

Regarding template EU LI2 a clarification applicable to all columns has been added on how to disclose those items that are subject to capital requirements in accordance with more than one risk framework.

Finally, during the consultation process, many comments on disclosure template EU PV1 on prudent valuation adjustments were received. As a result the template has been revised and those columns that are needed to understand the calculation of the adjustments have been kept while those columns that are not in the Basel template and are not needed to estimate the adjustments have been dropped.

Disclosure of the leverage ratio

In addition to some drafting suggestions and clarifications to aid alignment with the reporting instructions, one of the most important comments received related to the definition of excluded promotional loans that institutions have to disclose in template EU LR2 on 'leverage ratio common disclosure', with some respondents asking for clarifications on the composition of such loans. These comments have been addressed by asking institutions to explain, in the narrative accompanying the template, the composition of the promotional loans, including information on the type of counterparty. This information will help users of information to understand the type of excluded loans and potential differences among institutions in this regard.

The instructions to row 26 of the same template, EU LR2, were also reviewed, adjusted and simplified following the banking package adopted by the Commission on 28 April 2020 aimed at

²⁹ <https://eba.europa.eu/eba-notes-enhanced-consistency-institutions%E2%80%99-pillar-3-disclosures-calls-improvements-reinforce>

facilitating bank lending to support the economy and help mitigate the economic impact of Covid-19. The package has two impacts on the leverage ratio rules:

- Amendment of the mechanism to offset exempted central bank exposures. This has an impact on the original instructions for row 26 of the template, regarding the calculation of the regulatory minimum LR requirement. We have simplified the instructions for this row, which included references to central bank reserves. Now the instructions only refer to the relevant articles of the Level1 text, and any further guidance on how the requirement should be calculated has been dropped.
- Postponement of the date of application of the LR buffer. This amendment did not have any impact in the package, as there was not any reference to the date of application of this buffer.

Disclosure of the liquidity requirements

93. In addition to editorial and drafting changes, the following amendments have been applied:

- Legal references were added to the instructions for completing some rows of the NSFR template.
- The instructions for completing the NSFR template were further clarified to explain that institutions should disclose quarter-end figures for each quarter of the relevant disclosure period.
- Some adjustments in the legal references were requested to avoid some inconsistency in the instructions for rows 20 and 22 of the NSFR template. These rows include information on loans to non-financial corporates. The instructions excluded Article 428ad(c) of the CRR, which refers to monies due from transactions with non-financial corporates with a residual maturity of less than one year. The instructions have been adjusted and now include the transactions from point (c) of Article 428ad of the CRR.
- Clarifications have been added when necessary also to the instructions for the templates on disclosure of liquidity coverage ratio (LCR).

Disclosure of credit risk quality

Template EU CR1-A, 'Maturity of exposure'. Some respondents were concerned that the breakdown by exposure class applied in this template, in accordance with Article 147 of the CRR, is different from the breakdown applied in other templates in the same package, and difficult to combine with financial information coming from FINREP. The former breakdown was inherited from the EBA 2016 Guidelines on disclosures under Part Eight of the CRR, and is not requested in the Level 1 text. For the sake of consistency with the other templates in this package, and also with the type of financial information that is requested in the Level 1 text, the breakdown has been dropped and replaced with the breakdown between 'loans and advances' and 'securities'.

Template EU CR2, ‘Changes in the stock of non-performing loans and advances and related net accumulated recoveries’. Some respondents pointed out that, although this template need be completed only by institutions with a threshold ratio on NPL, as defined in the ITS, of 5% or above, the Level 1 text requires all institutions, and not only those with a threshold ratio at or above 5%, to disclose some information required in this template. To address this issue, the template has been split into two:

- template EU CR2 includes the minimum disclosures required in the Level 1 text, and is applicable to all institutions;
- template EU CR2a is an extended version of template EU CR2, and is applicable to institutions with an NPL threshold ratio of 5% or over, in order to properly convey the risk profile of the institutions.

In addition, a row including information on ‘cash balances at central banks and other demand deposits’ has been added to three of the disclosure templates in alignment with supervisory reporting:

- template EU CR1, ‘Performing and non-performing exposures and related provisions’;
- template EU CQ1, ‘Credit quality of forborne exposures’;
- template EU CQ3, ‘Credit quality of performing and non-performing exposures by past due days’.

This way, the data used for the calculation of the ratio of NPLs and advances in accordance with the EBA risk dashboard³⁰ will be available for users of information.

Disclosure of the use of credit risk mitigation techniques

The main issue regarding CRM raised during the consultation process was about the instructions for template EU CR3 on the use of CRM, and relates to an error in the definition of the term ‘secured exposures’. This error gave rise to concerns among respondents about potentially inconsistent definitions across templates. The definition of secured exposures has been amended such that it now includes both the secured and the unsecured part of the exposures.

Disclosure of the use of the IRB approach to credit risk

Following the consultation feedback, several adjustments were made to the mapping table and the instructions were clarified.

In response to some questions on whether or not equity exposures under the IMA are included in the disclosures, it has been clarified that they are excluded from most of the templates.

30

Templates EU CR9 and EU CR9.1 on back-testing of PDs have been amended and some columns have been dropped:

- Many respondents raised concerns on how to calculate the values to be disclosed in the column on average margin of conservatism, and also on how to combine this information with the fixed PD scale. The way the average margin of conservatism (MoC) has to be estimated is explained in the EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures. However, the date of application of these guidelines has been postponed and for this reason, as well the challenges of combining this information with fixed PD scales, and given that this information is not required in the Basel template, it was decided to drop this column. Once the guidelines come into force, the need for this information will be reassessed.
- The information on short-term obligors was also dropped, partly for the same reason, i.e. because the application of the abovementioned guidelines has been delayed, but also because the relevance of this information, which is not included in the related Basel standard, was not clear.
- Following the feedback received, it was assessed that the disclosure required in the column originally consulted headed 'Long-run average default rate' is challenging if combined with fixed PD ranges, and not with internal grades. It was decided to go back to the Basel proposal, and change this column to 'Average historical annual default rate'.
- A column on exposure-weighted average PD, as included in the Basel template, has been added to template EU CR9, for the sake of further alignments with the Basel template. The addition of this information does not represent any extra burden for banks, as the same column with the same content is also requested in template EU CR6 of the same package on disclosure of the IRB approach.
- In addition, during the consultation the question was raised of whether or not template CR9.1 on 'back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)' is relevant or whether respondents can propose an alternative way to disclose this information, required in the Level 1 text. The answers to this question point out the convenience of retaining the template as it is.
- Finally, template EU CR8 on the flow of RWEAs under the IRB approach has been amended in order to ensure that the template is disclosed as a fixed template. The instructions on how to estimate the flows, which should be reported as inter-disclosure periods values and not as cumulative values, have also been clarified, as this is one of the shortcomings mentioned in the EBA report on assessment of institutions' Pillar 3 disclosures, which identified that institutions were not providing these data correctly, and that there were inconsistencies in the way they were disclosing this information.

Disclosure of exposures to counterparty credit risk

The instructions have been clarified and drafting suggestions implemented in order to address some of the questions raised during consultation, and to achieve further alignment with the instructions in supervisory reporting.

In addition, for template EU CCR7 on flow of RWEAs under CCR, the instructions on how to estimate the flows (as inter-disclosure periods values and not as cumulative values) have also been clarified, as this is one of the shortcomings mentioned in the EBA report on assessment of institutions' Pillar 3 disclosures. This was also the case for template EU MR2-B , 'RWA flow statements of market risk exposures under the IMA', which is part of the disclosure package on market risk.

Disclosure of remuneration policy

The main change applied to the remuneration templates is to restrict the scope of application of some of the templates such that they are not applicable to all staff (as in the case of the benchmarking templates) but limited to staff whose professional activities have a material impact on institutions' risk profile (identified staff), in accordance with the disclosure requirements in the Level 1 text. This applies particularly to template EU REM5, 'Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)', whose scope of application, now restricted to identified staff, covered all staff when published for consultation.

Table EU REMA on qualitative information on remuneration policy is now defined as a flexible template, which means that institutions shall disclose all the required information, but can exercise leeway in the format/way the information is disclosed.

Following the questions received during consultation, the instructions now clarify when headcount and full-time equivalent (FTE) staff numbers should be used when disclosing information on number of staff. In general, information on management body members should be disclosed on a headcount basis whereas the number of FTEs is relevant when disclosing information on other identified staff.

Finally, the instructions have been further amended to clarify various concepts, such as the difference between awarded and vested remuneration; to provide examples of, for example, other forms of variable remuneration; to include legal references; and to clarify how to convert foreign currency figures into euros or how to disclose the information required at business area level.



4.4.2 Summary of responses to the consultation and the EBA's analysis – feedback table

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
General comments			
Harmonisation of public disclosure and supervisory reporting requirements	In general, respondents welcome the idea of harmonising disclosure and supervisory reporting provided that it will reduce the reporting burden on banks as they believe that it is possible to derive all quantitative disclosure data from supervisory reporting templates. At present, it is not expedient to complete the disclosure or reporting forms included in the regulatory reporting system for the purpose of disclosure based on an unaudited annual financial statement. The duplication of effort required to the prepare reports first on the basis of the unaudited provisional annual accounts and then again on the basis of the certified annual accounts should not be underestimated.	The EBA agrees with the respondents' view and aims at maximum alignment and integration between the quantitative data that institutions are required to disclose and report.	No amendment.
Potential issues with harmonisation of public disclosure and supervisory reporting requirements (shortening of time available for creation of templates)	One problem identified by respondents is the reduction in the time available for the completion of the templates. Although some templates can be filled in quite easily as part of the report creation, the requirements of other templates, such as templates C34.01, 'Size of derivative business', C08.04, 'RWEA flow statements', and C08.05, 'IRB approach to capital' requirements: back-testing of PD', are significantly more complex and require a high level of coordination within the institutions.	The date of publication of the disclosure templates, and therefore the time available for their creation, is set out in the Level 1 text, Article 433 of the CRR, and cannot be amended or adjusted by the ITS.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Potential issues with harmonisation of public disclosure and supervisory reporting requirements (inclusion in the reporting system and the associated early submission and completion dates)	Another problem identified by some respondents is the additional burden imposed by inclusion of public data in the reporting system and, as a result, the early dates set for submission and completion of templates. These respondents would therefore welcome extra time for the submission of more complex templates. For example, it was suggested that the current submission dates could be maintained in the case of the original registration templates and some of the simpler disclosure templates, but that the deadline for submission of other, more complex, disclosure templates could perhaps be extended by around four weeks. Moreover, in the event of centralised disclosure, it is necessary to ensure that, even in the case of less complex data, disclosures generated by the EBA from supervisory reporting are not made available before the publication of the corresponding officially audited annual or interim financial statements.	The date of publication of the disclosure templates, and therefore the time available for their completion, is set out in the Level 1 text, Article 433 of the CRR, and cannot be amended or adjusted by the ITS.	No amendment.
Potential issues with harmonisation of public disclosure and supervisory reporting requirements (submission of correction)	Some respondents consider that corrections to supervisory reports can also result from subsequent adjustments to supervisory validation rules and, although they understand that an adjustment to the disclosure may be necessary in the event of major adjustments to the regulatory reporting, they do not consider re-disclosure in the event of minor or insignificant corrections to be expedient since, in addition to the effort required to prepare new disclosure reports, this will also contribute to irritation among investors without any gain in knowledge or increased transparency. They therefore advocate the introduction of	The final draft ITS has been developed following the mandate included in Article 434a of the CRR. According to this mandate, the EBA shall develop draft ITS specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III shall be made. The definition of a policy on submission of corrections to Pillar 3 disclosures is not part of the mandate and therefore is not covered by the ITS.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	materiality limits, below which a new disclosure or a correction of the disclosure can be omitted.		
Potential issues with harmonisation of public disclosure and supervisory reporting requirements (year-end disclosures)	One respondent noted that different submission deadlines are also needed for year-end disclosures. It would make little sense to prepare disclosures or the templates included in supervisory reporting for disclosure purposes on the basis of unaudited annual accounts. It should not be underestimated how much additional time and effort would be involved in preparing disclosures first on the basis of provisional, unaudited annual financial statements and then once again on the basis of the audited accounts. This respondent would welcome it if the templates included for disclosure purposes had to be submitted only after the annual financial statements had been audited. Disclosure at an earlier date is simply not possible.	The date of publication of the disclosure templates, and therefore the time available for their creation, is set out in the Level 1 text, Article 433 of the CRR, and cannot be amended or adjusted by the ITS.	No amendment.
Overload of information/high granularity	Some respondents noted that Pillar 3 templates are becoming increasingly difficult to interpret for non-regulatory experts, which is in contrast to the original objectives of these disclosures. These respondents indicated that they do not expect that the integration of Pillar 3 disclosure into supervisory disclosure will lead to a higher acceptance by investors, noting reasons such as the fact that the Pillar 3 disclosure is overloaded. Owing to the huge granularity of Pillar 3 data, only regulatory experts will be able to interpret the data correctly. Against this background, they suggest a streamlining of information provided instead of more formalised templates and tables.	Templates and instructions implement the disclosure requirements in the Level 1 text and are aligned with the international standards.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Proportionality (1)	Some respondents welcome the EBA's recognition that a proportionate approach to reporting and disclosure is appropriate, reflecting the reality of smaller organisations, which often have more focused business models and risk profiles. Equally, market participants and the users of disclosures would want to see meaningful disclosures based on the risks firms run.	Noted.	No amendment.
Proportionality (2)	One respondent asked that the EBA consider and implement clearer instructions that expressly outline the specific disclosures that are required for small and non-complex institutions; and requested that the EBA construct a method that simplifies access to all applicable tables, templates and instructions. For example, within any given table or template, a cited reference and a hyperlink to the corresponding instructions and regulation(s) would provide a more streamlined and manageable process for those responsible for completing the required disclosures. A simpler system for disclosure reporting would reduce the need for additional training and the resources required, and ease the overall administration of the process. Excessive administrative burden is costly for small and non-complex institutions such as credit unions and adversely affects the ability of such organisations to provide much needed services to their consumers.	The proportionality criteria for small and non-complex institutions are set out in the Level 1 text, where they are easily accessible to all stakeholders.	No amendment.
Pillar 3 transparency exercise (quantitative and qualitative data disclosure)	One respondent stated that, according to the European Commission's recent consultation document on implementing the Basel reforms in the EU, data for Pillar 3 disclosures may in the future be automatically generated	The EBA as a centralised data hub for Pillar 3 is part of the EBA strategy on Pillar 3 disclosure but this is beyond the	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	by the EBA from supervisory reporting data. The respondent recommended that, if this is the EBA's objective, then it should dispense altogether with Pillar 3 disclosures by banks (quantitative data). The respondent also pointed out that, as the details of the potential centralised disclosure are not yet known, it is not possible at this stage to make a definitive assessment of the idea. Quantitative and qualitative data might, however, end up being disclosed separately. It is questionable whether this would be compatible with Article 434(1) of CRR2 (disclosure 'in a single medium or location'). If the EBA published quantitative figures only, these could be misinterpreted and lead to erroneous or distorted analysis. Major changes compared with a previous period need to be accompanied by explanations, which can be provided only by the holder of the original data. The quantitative data would probably lack coherence as well, since not all quantitative data can be derived from supervisory reporting. The responsibility for inaccuracies would also need to be clarified, as would the possibly limited ability of banks to respond to any inaccuracies. Assuming that qualitative data will still need to be provided, the respondent recommended that banks should have to regularly supply and/or update only information that is subject to regular change. Finally, the respondent recommended dispensing with the annual EBA transparency exercise.	scope of this ITS and of the mandate that is the basis for this ITS.	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Inclusion of legal entity identifier	One respondent thanked the EBA for requesting the legal entity identifier (LEI) along with the name of the disclosing institution in the 'Draft regulatory implementing standards' section, 'Article 20 – General Provisions'. However, the respondent suggested that paragraph (c) be changed to read '(c) where relevant, the Legal Entity Identifier (LEI) of the disclosing institution and the legal name of the entity as it appears on the LEI Data Record', thus ensuring that this data field is completed in a consistent and standardised manner, as intended. The respondent pointed out that requiring the LEI as well as the name of the legal entity as it appears in the institution's LEI data record could aid the EBA's objective of consistent and comparable data across the EU and the globe. The complete database of LEIs and the associated LEI reference data are available to all free of any charge or barrier on the web. The respondent pointed out that institutions operate under the Open Data Charter terms, which means that the data can be used by all users without limitations.	The objective mentioned by the respondent is already achieved with the requirement for institutions to include, when relevant, Legal Entity Identifier.	No amendment.
Cross-validation	One respondent suggested the inclusion of internal cross-validations within and between templates.	The integration with reporting and the mapping table proposed by the EBA in addition to this ITS should help in this regard, as the ITS on supervisory reporting includes validation rules and cross-validation between templates.	No amendment.
Unit system	One respondent stated that the units required for disclosures, amounts in thousands and percentages to four decimal places, are too precise and are unlikely to be useful. Analysts do not look at this level of detail and such	The EBA agrees with this and has amended the ITS accordingly.	Article 20 of the final draft ITS has been amended and the minimum precision



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	exactitude will not help to understand the written comments. Furthermore, tables containing many figures are unlikely to be clear.		equivalent required is now millions of units instead of thousands of units.
Article 20 (unpopulated columns)	One respondent suggested that Article 20 of the draft ITS should also include confirmation that columns and rows that are unpopulated can be removed from the disclosure templates, notwithstanding paragraphs 1 and 2.	Information can be omitted, in accordance with Article 432 of the CRR; in this case explanations should be provided. Numbering of rows and columns should be kept unchanged even if information is omitted. Keeping the empty rows or columns in templates that include other information does not add burden to banks, facilitates the integration with supervisory reporting and helps users to understand which information has been omitted.	No amendment.
Article 20.1 (relevant EBA guidelines)	One respondent pointed out that Article 20.1 refers to relevant EBA guidelines and asked which guidelines mention that the intention of this draft ITS is to consolidate previous technical standards and guidelines into a single new document (section 3 paragraph 4, of the consultation).	Article 20 refers to the EBA Guidelines on materiality, proprietary and confidentiality, which are still relevant in accordance with Article 432 of the CRR.	No amendment.
The relationship between the own funds requirement and RWEA	One respondent suggested that the relationship between the own funds requirement (capital charge) and RWEA of 8% should be stated.	The ITS implements the disclosure requirement in the Level 1 text, and cannot include additional disclosure requirements.	No amendment.
Article 434 (disclosure of information in a single medium or location)	In relation to the requirements of Article 434 for the disclosure of information in a single medium or location, one respondent mentioned it would be helpful if the ITS specifically confirmed that firms can signpost/refer to	The Level 1 text requires that all the information is included in a single medium or location, and does not include the possibility of signposting. This cannot be amended in the ITS.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	other disclosure documents as needed, such as the annual report and accounts.		
Frequency of disclosure and comparison periods	Two respondents noted that the EBA, in an earlier document, 'Report on the Guidelines on disclosure EBA requirements under Part Eight of Regulation (EU) No 575/2013' (EBA/GL/2016/11, version 2*), introduced a definition of a comparison period following the specific frequency of a disclosure – referring to page 35, #19 ('each template [...] should have its quantitative information supplemented with a narrative commentary to explain (at a minimum) any significant changes between reporting periods'). They pointed out that the different comparison periods in a given Pillar 3 report would result in inconsistent ways of analysing and commenting on observed movements and could create additional confusion. For example in the case of a year-end report, some analysis and commentary refers to Q4 (for quarterly tables), some to H2 (for semi-annual tables) and some to year-on-year figures (for annual tables). This is all in contradiction to the industry practice of the 'prior principle', according to which 'year to date' figures should be used consistently to present significant changes. These respondents strongly recommended keeping the guidance of the frequency of the templates but not combining this with the definition of the prior period. For the definition of a reporting or comparison period the	The EBA agrees that institutions should be consistent in the disclosure of quantitative data and in the way that the data are calculated between periods. Institutions should do this in line with the disclosure requirement in the Level 1 text, and in alignment with the Basel framework.	Instructions to the templates have been amended when relevant in order to add clarifications on how institutions shall calculate and disclose information between periods.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	‘year-to-date’ concept (i.e. prior year-end) should be defined consistently.		
Mapping of the reporting requirements (general comments)	One respondent commented that the mapping of the reporting requirements to the disclosure requirements was a very useful document and commended the EBA for producing this; however, during the process of preparing this response, the respondent, while not validating the mapping tables, identified several errors in them. It is therefore possible that the tables may contain other errors and the respondent suggested that the EBA perform its own validation of the mapping tables.	The EBA is revising the mapping table in order to address the errors identified during the consultation process.	Mapping table has been adjusted when relevant.
Consistency EBA/CP/2019/09 EBA/CP/2019/10 terminology)	One respondent has stated that the new EU CQ templates in these disclosure guidelines (previous templates from EBA/GL/2018/10) require, among other things, the disclosure of a ‘gross carrying amount’ whereas the draft ITS on supervisory reporting requirements requires the ‘accounting value’ to be reported (see also the German Banking Industry Committee comments on the draft ITS on supervisory reporting). The respondent requested that uniform terminology be used, being at the same time critical of the time lag between the implementation of disclosure requirements for non-performing and forborne exposures, which had to be implemented by 31 December 2019, and the corresponding FINREP requirements, which are to be implemented by 30 June 2020.	The EBA agrees that terminology and wording has to be aligned between the ITS on disclosure and the ITS on supervisory reporting. However, the date of application of other regulatory products is something that cannot be addressed in the ITS.	The EBA has revised the wording and aligned it with reporting when relevant.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Empty rows (general comments)	One respondent observed that It is not clear if totally empty rows and columns can be omitted from the templates and expressed concern that fixed formats will create large empty spaces in reports. This respondent recommended allowing empty columns or rows to be omitted from fixed format templates but conceded that renumbering should not be carried out and that the original numbering of rows and columns should always be retained.	Information can be omitted, in accordance with Article 432 of the CRR; in this case explanations should be provided. Numbering of rows and columns should be kept unchanged even if information is omitted. Keeping the empty rows or columns in templates that include other information does not add burden to banks, facilitates the integration with supervisory reporting and helps users to understand which information has been omitted.	No amendment.
Timing of implementation	One respondent noted that the application date of the proposed changes is currently set for 28 June 2021. This implies that, if banks are to report correctly in Q2 2021, they should be able to collect data at least from Q1 2021. In the opinion of this respondent, this timeline is not realistic given that the proposed changes require the integration of two reporting processes that have until now been separate. The respondent also pointed out that further changes to COREP and Pillar 3 disclosure are expected when the finalised Basel III framework is introduced, planned for Q1 2022. This will inevitably cause considerable changes to reporting tables, accompanying taxonomies, validation rules, etc. Making fundamental changes to the reporting and disclosure framework less than a year before this Basel III overhaul would place a significant burden on institutions. The respondent proposed staggering the implementation, with the changes due to CRR2 continuing to be applicable	The date of application is included in the Level 1 text and cannot be amended in the ITS.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	as of 28 June 2021, but the integration of Pillar 3 into COREP/FINREP being merged with the expected changes due to the implementation of Basel III. This would give banks some more time to carefully prepare for implementation. This respondent contends that, in any case, for banks to be able to deliver the proposed integration of Pillar 3, the reporting ITS must be finalised well in advance. The respondent also expressed concern about the simultaneous implementation of different disclosure practices; for example, Shareholder Rights Directive II (SRD II) will also come into effect soon. The respondent requested that the disclosure practice and definitions across remuneration templates (REM1–REM5) be aligned with SRD II to avoid overlapping reporting, which would obviously cause confusion to readers.		
Responses to questions in consultation paper EBA/CP/2019/09			
- Disclosure of key metrics and overview of risk-weighted exposure amounts			
Question 1. Are the instructions, tables and templates clear to respondents?			
Template EU OV1 (amounts below the thresholds for deduction)	One respondent noted that it is not clear in which row to include 'Amounts below the thresholds for deduction (subject to 250% risk weight)'.	This row should be added to OV1.	Template OV1 has been amended and a row added.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU KM1 (reporting periods) and all elements of consultation	One respondent asked for further clarity on how the 'reporting periods' should be applied. The current guidelines state that 'institutions disclosing this template on an annual basis should provide data for periods T and T-4.'. However, according to this respondent, it is unclear what 'T-4' means in this context (i.e. does T-4 mean only one year prior to the reporting date?).	The first sentence of the instructions is misleading: Reporting periods T, T-1, T-2, T-3 and T-4 are defined as quarterly, semi-annual or annual periods and should be populated depending on the frequency set by Articles 433a, 433b and 433c of the CRR. The instructions have been adjusted accordingly.	Instructions have been adjusted accordingly: Reporting periods T, T-1, T-2, T-3 and T-4 are defined as quarterly periods and should be populated depending on the frequency set by Article 433a, 433b and 433c of the CRR.
Question 2. Do respondents identify any discrepancies between these tables, templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU KM1 (inconsistencies between CRR2 and template KM1)	One respondent pointed out that there is an inconsistency between the CRR (Delegated Regulation 2019/876) and what has been incorporated in Annex I, 'Disclosure of key metrics and overview of risk-weighted exposure amounts', specifically in template EU KM1. CRR2 introduces a new requirement in terms of disclosure of the liquidity coverage ratio (LCR), clearly stating that firms must disclose liquidity outflows and inflows; this was not a previous requirement. Although the text in CRR2 has been updated, as highlighted in Article 447, there is no inclusion in template EU KM1 of the 'average of outflows and average of inflows' based on end of the month observations over the preceding 12 months for each quarter of the relevant disclosure period. Furthermore, in	Level 1 text indeed requires the disclosure of not only net flows but also inflows and outflows. This information is also included in template EU LIQ1 and therefore does not involve any additional disclosure. For this reason, two rows for this information have been added to template KM1 and also to the mapping tables.	Two rows have been added to template EU KM1 for the provision of this information.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Annex II, which provides instructions on how to disclose the template, there is nothing to suggest that inflows and outflows need to be disclosed.		
Template EU KM1 (row 12)	Some respondents noted that in template EU KM1, the meaning of line 12, 'CET1 available after meeting the total SREP own funds requirements (%)', is not clear. The wording seems to refer to the CET1 available after meeting all requirements including P2R. However, it is also mapped with COREP C03, which refers to 'Tier 1 shortfall' which is not recognised/required by CRR2 (either in articles related to own funds or in Article 447 on disclosures). Hence, the respondents proposed removing line 12 to increase clarity for investors and for consistency with COREP.	COREP C03, according to the consultation paper published in October 2019, refers to Surplus(+)/Deficit(–) of CET1 capital considering the requirements of Article 92 of the CRR and Article 104a of the CRD, and the instructions are consistent with the instructions for row 12 of EU KM1.	No amendment.
Question 3. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
Question 4. In particular, and regarding the disclosure on Pillar 2 requirements for leverage ratio, do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
- Disclosure of risk management objectives and policies			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 5. Are the instructions, tables and templates clear to respondents?			
No issues were identified by respondents.		N/A	No amendment
Question 6. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
Question 7. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
- Disclosure of the scope of application			
Question 8. Are the instructions, tables and templates clear to the respondents?			
The setup of the trading book and banking book columns (template EU PV1)	One respondent noted that it should be clarified whether the trading book and banking book numbers are expected to sum to the total core approach or whether netting and diversification effects are allowed.	Template EU PV1: it has been clarified that the amount to be disclosed in columns (g) and (h) should be consistent with the amount of the total core approach as reflected in column (f). The amount disclosed in column (f) includes the diversification benefits disclosed in accordance with Articles 9(6), 10(7) and 11(7) of Delegated Regulation (EU) 2016/101 on prudent valuation.	Instructions for completing template EU PV1 have been clarified as suggested.
The allocation of AVAs to risk classes	One respondent suggested that the choice of allocation to risk classes be specified, preferably by requiring the use of the same setup as in COREP to ensure consistency.	The allocation to AVA risk classes must be aligned with allocation in COREP, as it is confirmed by the mapping.	Reference to the reporting template has been changed in



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		The mapping tool should mention C32.02 rather than C32.00.	the mapping tool regarding template EU PV1.
Template EU LI1	In relation to template EU LI1, some respondents noted the following: – Column (a), 'Total'. Instructions for completing column (a), 'Total', would be useful for preparers. Indeed, there are instructions for column (b) to (e) and for rows 1–12, but none for column (a). For example, the instructions should specify if the total in column (a) for each row is equal to the sum of columns (b) to (e). – Columns (d), 'Counterparty credit risk framework', and (e), 'Market risk framework'. Market risk is a component of counterparty credit risk (CCR). The instructions are not clear or sufficiently specific. For example, it should be specified whether or not the amount in column (e), 'Market risk', should be included in column (d), 'Counterparty credit risk'. If the amount for market risk is to be included in the CCR, then it might appear twice on the same row. – Row 12, 'Exposure amounts considered for regulatory purposes'. A mapping tool related to this row would be useful for preparers.	The instructions regarding template EU LI2 and the interactions with information in template EU LI1 should be clarified, based on the FAQ published by the BCBS in this regard: The BCBS FAQ clarifies the interactions between templates EU LI1 and EU LI2, and specifically that column (a) in template EU LI2 = the sum of columns (b) to (g) in template EU LI1. Retaining the same rule in the ITS would clarify that, as is stated in the instructions for template EU LI1, 'Where a single item attracts capital requirements according to more than one risk framework, it shall be reported in all columns corresponding to the capital requirements it attracts. As a consequence, the sum of the amounts in columns (c) to (g) may be greater than the amount in column (b). Institutions shall provide qualitative explanations on assets and liabilities that are subject to capital requirements for more than one risk framework listed in Part Three of the CRR'. Template EU LI2 should be aligned with the latest version of the Basel LI2 template (by greying out the requirement to provide information in rows 4 to 11 of column (e) on market risk). Linkage across disclosure templates EU LI1 and EU LI2 has been explained in the instructions.	The instructions to template EU LI1 have been clarified in line with the BCBS FAQ. Instructions on the linkages between templates EU LI1 and EU LI2 have been provided. Template EU LI2 has been aligned with the BCBS standard and the relevant cells have been greyed out.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Proportionality principle	One respondent from a group comprising a large listed institution with many smaller subsidiaries, both listed and non-listed, asked for further specification of the application of the proportionality principle, in the light of the new differentiation criteria (small and non-complex, other, large institutions; listed and non-listed), and its impact on the scope and frequency of disclosure requirements. Furthermore, the respondent enquired as to how this principle is to be applied to the smaller subsidiaries in the case of a larger group reporting requirement.	Proportionality is explicitly defined in the Level 1 text (Article 4, paragraphs 145 to 148; Article 13; and Article 433a to 433c of CRR2); further explanation of the Level 1 text is not part of the EBA mandate. In practice, regarding subsidiaries, only large subsidiaries are subject to some requirements of Part Eight of the CRR, as specified in Article 13.	No amendment.
Question 9. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU PV1 (the allocation of AVAs to risk classes – fall-back approach)	One respondent suggested that, for consistency and to enable total AVA values to be compared, it would be advisable to allow use of the fall-back approach.	Currently, details on the amounts determined under the fall-back approach are not provided, but they are included in the amount calculated using total core approach, i.e. column (f)/row 12 (corresponding to row 0010, column 0110, of reporting template C32.02). The amount calculated under the fall-back approach can be found from the current information required in disclosure template EU PV1, in column (f)/row 12 (column EU f1/row 12 – column EU f2/row 12). Information available on the basis of the current reporting template includes the total AVA for portfolios under the fall-back approach (row 0180/column 0110 of reporting template C32.02) and details of determination of AVA in accordance with Article 7(2)b) of Delegated Regulation	Clarification added that the amount of AVA according to the fall-back approach can be found from information disclosed in template EU PV1.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		(EU) 2016/101 on the prudent valuation for the fall-back approach.	
Template LI3 (LEI)	One respondent thought that the LEI should be integrated into Annex V – Disclosure of the scope of application, template EU LI3, ‘Outline of the differences in the scopes of consolidation (entity by entity)’, which currently requires only ‘name of the entity’. Identification of entities through their LEI, not only by their name, can facilitate comparison of data by regulators.	Point (c) of Article 20(4) on the ‘General Provisions’ of this ITS requires the inclusion of the LEI when relevant.	No amendment.
Question 10. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU PV1 (prudent valuation)	One respondent noted that the prudent valuation template, EU PV1, is a reasonable application of the regulation. For instance, CRR2 requires ‘a breakdown of the amounts of the constituent elements of an institution’s prudent valuation adjustment’; in the ITS, ‘constituent elements’ is interpreted as referring to the different AVAs. This provides additional clarity.	The respondents agree that the new draft ITS fits the purpose of the underlying regulation regarding template EU PV1.	No amendment.
Template EU LI1	One respondent suggested that column (f), ‘Items subject to market risk framework’, be removed from template EU LI1. According to the respondent, market risk exposure is not a concept used when calculating the regulatory capital charge applicable to positions subject to market risk. The primary measure for measuring market risk uses a value at risk (VaR) method, which is a statistical risk method that quantifies a portfolio’s potential loss as well as the probability of that potential loss. This probable potential loss is what is used to calculate the regulatory	In template EU LI1, column (f) must be filled in with the carrying amounts of assets and liabilities from the balance sheet (under the regulatory scope of consolidation) subject to own funds requirements for market risk according to Title IV of the CRR.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	capital charge, rather than an exposure, as used for credit risk reporting. The respondent went on to point out that the guidance provided in Annex VI – Disclosure of the scope of application (instructions)', references 'Title IV: Market Risk' of the CRR but provides no further instruction on how an exposure would be produced for market risk purposes (detailed guidance is provided for credit risk). Therefore, argued this respondent, even if a method were to be prescribed, it would not represent a true component metric of an institution's market risk and, therefore, there is a case that disclosing such information would be potentially misleading to stakeholders.		
Question 11. Rows in template EU LI1 are flexible as they are based on the published financial statements. Do respondents see any way to provide higher standardisation to the rows of this template without deviating from the requirement that it should be based on the published financial statements?			
Template EU LI1 flexibility of rows)	Overall, respondents agreed that there is no need for greater standardisation and that the rows in template EU LI1 should remain flexible to enable institutions to provide relevant information. Instructions for template EU LI1 (columns (a) and (b)) are clear and respondents agreed that the structure should be in line with published financial statements.	Respondents are in favour of the current format (flexibility of rows in template EU LI1).	No amendment.
Question 12. Regarding template EU LI2, do respondents agree that the information to be disclosed in row 4 should be pre CCF and that the information to be disclosed in row 12 should be post CRM?			
Template EU LI1	One respondent noted that the wording in Annex VI, 'Disclosure of the scope of application (instructions)',	The wording of the instructions in the EBA guidelines was deliberately changed when Annex VI was drawn up, to	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	differs from that in the final report on the Guidelines on disclosure requirements under Part Eight of Regulation EU No 575/2013, which is confusing. Annex VI does not take into account CRM whereas previously it was stated in the explanation that amounts before CRM should be used. Annex VI states the following: ‘Aggregate amount considered as a starting point of the RWA calculation after the application of CRM methods other than netting in Part Three, Title II, Chapter 4 of CRR and after the application of netting requirements in Part Three, Title II, Chapters 4 and 5, and Title IV of the same regulation for each of the risk categories.’ However, the final report on the EBA Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013, states the opposite, referring to amounts before CRM: ‘Exposure amount considered for regulatory purposes: The expression designates the aggregate amount considered as a starting point of the RWA calculation before the application of CRM methods other than netting in Part Three, Title II, Chapter 4 of the CRR but after the application of netting requirements in Part Three, Title II, Chapters 4 and 5 and Title IV of the same regulation for each of the risk categories. Under the credit risk framework, this should correspond either to the exposure amount applied in the credit risk standardised approach (see Article 111 in Part Three, Title II,	clarify the impact of the CCF and CRM, which are now included in rows 8 and 9.	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Chapter 2 of the CRR) or to the exposures at default (EAD) in the credit risk – IRB approach.’		
Question 13. Regarding template EU PV1, could respondents provide their view on how should institutions under the simplified approach provide the disclosures required?			
Template EU PV1 (prudential valuation)	One respondent provided a document containing a suggested template for use by institutions adopting the simplified approach. The template in effect comprised row 12/columns (a), (b), (c), (d), (e), (f), (g) and (h) of template EU PV1.	This proposal does not seem to fit with the way the AVA is computed under the simplified approach in accordance with Article 5 of Delegated Regulation (EU) 2016/101 on prudent valuation.	No amendment.
Template EU PV1 (prudential valuation) – columns EU e1, EU e2, EU f1 and EU f2	Two respondents noted that four columns labelled ‘EU’ (EU e1, EU e2, EU f1 and EU f2) are neither recommended by the Basel standard nor listed as information required in the CRR2 text. The respondents were particularly concerned that the disclosure of this sensitive information would put European banks at a competitive disadvantage in comparison with their non-EU peers. It was suggested that, to avoid such ‘European gold plating’, these four columns should be deleted.	As disclosure of the data to be included in columns EU f1 and EU f2 is required neither in the Basel template nor in Article 436(e) of the CRR, these two columns will be dropped. However, the information requested in columns EU e1 and EU e2 is necessary to know the amounts of AVA under the fall-back approach.	Columns EU f1 and EU f2 have been replaced by a single column: ‘Total category level-post diversification (portfolios under Articles 9–17)’.
- Disclosure of own funds			
Question 14. Are the instructions, tables and templates clear to respondents?			
Alignment of items with instructions	One respondent noted that banks are asked to specify ‘contractual recognition of write-down and conversion powers of resolution authorities’, whereas the instructions in the accompanying Word file request that they fill in the ‘amount of accumulated other comprehensive income and other reserves in accordance with Article 26(1)(d) and (e)	The submitter of the questions confused two different templates: 1. Template EU CC1, row 3, ‘Accumulated other comprehensive income (and other reserves)’. (Instructions: Amount of accumulated other	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	of CRR'. Thus, the respondent contended, the item and the instruction do not seem to be fully aligned.	comprehensive income and other reserves in accordance with Article 26(1)(d) and (e) of the CRR.) 2. Template EU CCA, row 3a, 'Contractual recognition of write down and conversion powers of resolution authorities'. (Instructions: Specifies whether the instrument contains a clause whereby, upon decision by a resolution authority or a relevant third country authority, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments, in the meaning, where applicable, of the following provisions: – In relation to Additional Tier 1 instruments, Article 52(1)(p) of CRR; – In relation to Tier 2 instruments, Article 63(n) or (o); – In relation to eligible liabilities, Article 72b(2)(n); – In relation to any of the above and governed by third country law, Article 55 of the BRRD.	
Template EU CCA	One respondent had the following comments in relation to template CCA: 'Row 3a on enforceability: the Basel disclosure standards as well as paragraph 45 of Section 3 of the consultation state that this row should scope only eligible liabilities. However, when reading the instructions, this makes reference to AT1, Tier 2 and eligible liabilities. This row should be dedicated only to providing a yes or no answer on whether eligible	Row 3a already allows only 'yes' or 'no' as potential answers. Information related to private placements is not currently confidential; it simply is not public. Regarding row 37a, the requirement comes from the Level 1 text, which does not include any threshold.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	liabilities instruments subject to third country law contain enforceability clauses.’ ‘Additionally, in paragraph 45, there is a reference to article 52 of CRR. This appears erroneous.’ This respondent also emphasised that information related to private placements should remain confidential (rows 2a and 37a) and pointed out that it would be highly beneficial for investors to be able to select and prioritise the most valuable information and to the limit the signposting (row 37a) to the main public placements above a size threshold.		
Template (clarifications)	EU CC2 One respondent asked the EBA to clarify whether or not institutions which are required to disclose only ‘point (a) of Article 437’ (as per Regulation (EU) 2019/876 (Articles 433b/c) are required to complete column (c) of template EU CC2. This cross-references template EU CC1, completion of which appears to be required only by firms having to disclose the requirement set out in Article 437a. Therefore, the completion of column (c) would require firms to disclose information beyond the intended scope of Regulation (EU) 2019/876.	Institutions subject to the disclosure requirement in Article 437(a) are required to complete both template EU CC1 and template EU CC2, including column (c) of template EU CC2.	Clarifications have been added to the instructions.
Template (clarifications)	EU CC1 One respondent noted that the proposed version of template EU CC1 is not clear enough, row 75 showing the wording ‘... amount below 10% threshold ...’ while the COREP reference relates to the amount below 17.65% threshold {C04.00, r096, c010}.	There was a typo in the Excel template. The correct wording, in line with the instructions, is: ‘Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38(3) are met)’.	The typo has been corrected.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	The same respondent asked the EBA to clarify if row 75 of template EU CC1 should be filled with amounts below 17.65%, as stated for rows 72 and 73.		
Question 15. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU CC2 (deletion)	One respondent questioned the relevance of template EU CC2 on reconciliation of regulatory own funds with the audited balance sheet as similar information related to reconciliation between amounts used in the financial statements and amounts used for regulatory purposes is provided in templates EU LI1 and EU LI2, including own funds elements. Moreover, the respondent was of the belief that template EU CC2 would not – in a more appropriate manner than templates EU LI1 and EU LI2 – identify the differences related to own funds between the scope of accounting consolidation and the scope of regulatory consolidation. The respondent therefore suggested deleting template EU CC2 to avoid any duplication of similar information provided in other templates and, as a consequence, to avoid confusion for users of Pillar 3 disclosures (who are required to provide specific information related to own funds in template EU LI1).	This information is required in the Level 1 text and is in the Basel framework, and cannot be dropped.	No amendment.
Legal entity identifier (LEI)	One respondent suggested that the EBA add the LEI to the list of unique identifiers field in Annex VII, 'Disclosure of own funds', Table EU CCA, where the LEI is not provided.	Article 20(4) of the ITS already requires institutions to associate the disclosed information with the LEI. If the question is related to the international securities identification number (ISIN) code of the instrument issued,	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	The respondent pointed out that making it mandatory to include the LEI, a global standard for unique identification of entities, in all relevant templates would help improve standardisation and consistency with other regulations.	the EBA points out that this information is already included in template EU CCA, row 2.	
Template EU CCA (discrepancy between row 8 and instructions)	With regards to template EU CCA, one respondent noted a discrepancy between row 8, 'Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)', and the corresponding instructions 'Specifies the amount recognised in regulatory own funds or eligible liabilities (total amount of the instrument recognised before transitional provisions for the relevant level of the disclosure – currency used for the reporting obligations)'. The respondent pointed that, in the case of grandfathered instruments, the instruction 'before transitional provisions' would always mean an amount of zero, as, when fully phased in, i.e. before the application of the transitional provisions, a grandfathered instrument is no longer eligible. However, the relevant information is the amount currently recognised in regulatory capital or eligible liabilities. The Basel disclosure framework therefore limits the instruction for row 8 to 'Specifies amount recognised in regulatory capital'. The respondent therefore asserted that the text 'before transitional provisions' must be deleted. (This discrepancy was present in Delegated Regulation (EU) 1423/2013.)	The EBA agrees that the meaning of 'before transitional provisions' is not clear and that this text is unnecessary.	The reference to transitional provisions in the instructions has been deleted.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 16. Do the respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Template of instruments of material importance)	EU CCA One respondent expressed doubts that template EU CCA will provide meaningful information on the grounds that some banks have hundreds, or even thousands, of such instruments and disclosure of each individual instrument would be totally excessive. According to this respondent, the requirement should be limited to instruments of material importance to the bank in question. Alternatively, categories of instruments could be disclosed (e.g. broken down by ranking in the event of insolvency) with ranges for prices and other conditions and without details of ISINs or other identification numbers. Disclosure along these lines would offer users a more useful basis for making decisions.	The Level 1 text requires disclosure of this type of information.	No amendment.
Template EU CCA (confidential information)	One respondent emphasised that information in template EU CCA related to private placements should remain confidential (rows 2a and 37a) and suggested that it would be more interesting for investors to select and prioritise the most valuable information by limiting the signposting (row 37a) to the main public placements above a size threshold.	Information related to private placement has not been disclosed so far but is not confidential.	No amendment.
Template (requirement of Level 1)	EU CC2 Following comments on question 15, one respondent was of the opinion that template EU CC2 does not fit with the requirements of point (a) of Article 437.	The template implements the disclosure requirements in the CRR in accordance with the BCBS Pillar 3 standard.	No amendment.
Template EU CC2	One respondent noted that the cross-references required for a full reconciliation of accounting and regulatory own funds in column (c) of template EU CC2 might not be	This requirement is included in Level 1 text and in the Basel Pillar 3 standard.	No amendment



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	meaningful for banks with a substantial minority interest as institutional protection system (IPS) adjustments and regulatory adjustments apply. Those adjustments are already disclosed in the template for total equity (based on CRR Article 436b) to enable comprehensive reconciliation of IFRS equity to CRR own funds. Consequently, the increase in transparency is likely to mislead investors/external parties, and additional clarifications would need to be included to fully justify those differences. The respondent suggested that in this context the EBA should reconsider this additional column, and should not demand additional disclosure requirements which will not be beneficial to third parties.		
Template EU CCA (alignment with Basel standards)	One respondent noted that not as regards the frequency of disclosure, as in certain cases the disclosure of the ‘main features’ template (EU CCA) is delayed. The Basel text requires an update whenever the bank issues or repays a capital/EL instrument and whenever there is a redemption, conversion/write-down or other material change in the nature of an existing instrument. In contrast, the CRR/ITS does not require such an ad hoc disclosure. The ITS should be aligned with the Basel text in this regard. The respondent also observed that the EBA, its response to comments on the draft ITS on disclosure in 2013 (EBA/ITS/2013/01), stated that the frequency of reporting is defined in the Level 1 text and does not fall within the EBA mandate for the ITS. In this case, alignment with the Basel text should be achieved by an amendment of the Level 1 text in CRR3.	Disclosure required in the Level 1 text, which cannot be amended through the ITS	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 17. Rows in template EU CC2 are flexible as they are based on the published financial statements. Do respondents see any way to provide higher standardisation to the rows of this template without deviating from the requirement that it should be based on the published financial statements?			
Template EU CC2 (higher standardisation)	In general, respondents did not see the need for further standardisation, observing that, as the structure of published figures has to be in line with the actual IFRS standards, the structure will have to be changed in the event of new/additional accounting standards, as was the case with IFRS 9.	Respondents agree with the proposal for template EU CC2.	No amendment.
- Disclosure of countercyclical capital buffers			
Question 18. Are the instructions, tables and templates clear to respondents?			
No issues were identified by respondents.		N/A	No amendment.
Question 19. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
Question 20. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
- Disclosure of the leverage ratio			
Question 21. Are the instructions, tables and templates clear to respondents?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Lack of technical guidance in definitions (template EU LR2)	One respondent noted a lack of technical guidance in how to define template EU LR2 row EU 22 d and e (Article 429 a p2 and 429 a 1 (e) in CRR2).	The definition of promotional loans is provided in the Level 1 text. The EBA recognises that clarity can be provided in the disclosure regarding the composition of the promotional loans disclosed by the institution so that users of information are able to understand and compare information on promotional loans	The instructions have been amended and institutions are now asked to explain in the accompanying narrative to the template the composition of promotional loans in terms of type of counterparty.
Alignment of templates with instructions (template EU LR1, row 11)	One respondent noted that in template EU LR1, row 11, the title does not match the instructions. The title mentions only adjustment for 'general' provisions, whereas the instructions refer to specific and general credit risk adjustments. The mapping tool also only links general credit risk adjustments, i.e. rows 181 and 191 of template C47.	The title is not in line with the instruction (includes the specific provisions). The specific provisions are already taken into account with the 'total assets as per published financial statements' for the IFRS accounts but not for some local generally accepted accounting principles. It is necessary to amend the template/instruction.	Specific provisions have been added to the label and it has been explained in the instructions that these provisions will be included only if not deducted from the gross carrying amount according to the applicable accounting framework.
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting (template EU LR1, row 6)	One respondent noted that template EU LR1 ('Summary reconciliation of accounting assets and leverage ratio exposures') includes a dedicated row for 'Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting' (row 6) and asked how this item	This information shall be included in row 1 of template EU LR2.	The instructions for row 1 of EU LR2 have been amended to say that the exemptions in accordance with



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	should be reported on templates EU LR2, 'Leverage ratio common disclosure' (as there is no dedicated row and no 'Other adjustments' row under 'On-balance sheet exposures (excluding derivatives and SFTs)') and EU LR3, 'Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)'.		Article 429g of the CRR shall be taken into account.
Template EU LR2	One respondent pointed out that the instructions for row EU-22b of template EU LR2 refer to Article 429(14) of the current LR delegated act, which no longer exists in CRR2 and has been replaced by point (j) of Article 429a(1).	The EBA agrees that the reference in the instruction should be to point (j) of Article 429a(1) and not Article 429(14).	Reference has been changed in the instructions.
Template EU LR2 (mapping tool)	One respondent stated that in the mapping tool, with reference to template EU LR2, row 25a, the formula is incorrect in that it shows an exposure adjustment to the numerator (capital) rather than to the denominator (exposure).	The EBA agrees that the adjustment should be to the denominator and not to the numerator (Tier 1 capital).	Mapping has been revised.
Question 22. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU LR1 (mapping tool)	One respondent noted that in the mapping tool for template EU LR1, row 11, the PVA deduction is linked to C01.00, r290, c010, but the PVA amount in C01.00 would be related to both assets and liabilities and not only to assets and hence would not comply with Article 429a(1)(b) of CRR2.	Article 429a(1)(b) of CRR2 mentions the assets deducted from the Tier 1 capital. The amount deducted from the prudential valuation in Tier 1 is the netting between the prudent valuation of the assets and liabilities. The mapping is correct.	No amendment.
Template EU LR2 (excluded exposures)	One respondent asked where in template EU LR2 institutions should report the following exemptions as the	LR2Com does not require institutions to report separately all of the exposure exclusions listed in Article 429a. Article 429a lists many types of exclusions, and only those that are considered to be material are required to be	The last paragraph of row 1 of LR2com has been changed in order to be precise



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	‘excluded exposure’ section of EU LR2 does not refer to them: a) Article 429a(1)(h) b) Article 429a(1)(i) c) Article 429a(1)(m) d) Article 429a(1)(n) e) Exempted CCP leg of client-cleared trade exposures (initial margin) including all IMM RWAs (CVA, derivatives, central counterparties, exchange traded derivatives, etc.) would give a complete view of the IMM portfolio in the disclosures.	disclosed separately. The ‘Total’ row includes the total amount of all the exclusions.	about what excluded exposures should and should not be considered (Basel allows exemptions to be deducted from this row). Exemptions proposed by the respondent should be deducted or considered in the ‘Total’ row.
Template EU LR2 (mapping tool)	One respondent suggested that the following references are incorrect in the mapping tool for template EU LR2: a) Row 4. Currently this is mapped to C40, r230, c010, which does not exist. Should this be mapped to C47, r230, c010? Although the row in template C40 looks more appropriate than the row in template C47, the specific column within template C40 does not exist. b) Row 15. This row is mapped to C40, rows 070 and 080, which are deleted from new COREP template C40. c) Row 27. Is the mapping to C47.00, r390, c010 correct? Rather than r390, should it not read r380 instead? d) Row 28. There is no row 020 or column 60 in template C48 so the reference is incorrect.	EBA assessment: a) The row is currently mapped to template C40, row 230, column 020. The mapping is correct. b) Correct mapping should be adjusted. c) According to the instructions, row 27 concerns ‘Applicable leverage buffer, following the G-SII leverage ratio buffer requirement’, so the mapping is incorrect (i.e. row 27 should be mapped to row 380 in C47.00). In the EBA’s view the following mapping (value in %) is also possible: {C47.00, r460, c010} → {C47.00, r430, c010}. d) The mapping is incorrect and should be changed since there are no corresponding rows/columns in C48.01/02.	Mapping has been corrected when necessary.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU LR2	Two respondents pointed out that the positions for rows 26 and 27 in template EU LR2 are not correctly mapped to the leverage reporting template, C47.00. Their proposal is to change the mapping in row 26 from {C47.00, r350, c010} to {C47.00, r430, c010} and in row 27 from {C47.00, r390, c010} to {C47.00, r460, c010} – {C 47.00, r430, c010}.	Regarding row 26, the correct mapping would be {C47.00, r420, c010} because, according to the disclosure instructions (Annex XII), ‘regulatory minimum leverage ratio requirement’ is the requirement according to Articles 429a(1)(n), 429a(7) and 92(1)(d) of CRR. This is reflected in row 420 of C47.00, ‘Pillar 1 leverage ratio requirement’, which according to COREP instructions (Annex XI), also concerns the above-mentioned articles of the CRR. As far as row 27 is concerned, the correct mapping is {C47.00, r380, c010}. Moreover, institutions should disclose the information in row 27 as a percentage.	Mapping for row 26 has been changed. Mapping for row 27 has been changed to reflect ratio (%).
Question 23. Do the respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Template EU LR2 (excluded exposures – central bank exposures)	One respondent noted that it appears that the exemption of central bank exposures is no longer included in the ‘Excluded exposure’ section of LRCom disclosure in Annex XV, in template EU LR2. According to Article 429a(1)(n), certain central bank exposures are allowed to be exempt and COREP table C47 includes a row for this, row 255, as per the recent consultation paper on the supervisory reporting ITS. In the Pillar 3 LRCom disclosure table, this row does not exist although it is picked up in the leverage ratio total exposure measure, as this links directly to the COREP C47 table total. Is it the intention of the EBA that institutions should not directly disclose the central bank cash exemption in the Pillar 3 disclosure?	Template EU LR2, like the BCBS standard, does not require this information to be disclosed separately. There is no risk of miscalculation because this exemption, when relevant, has to be deducted from row 25a.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
ITS on supervisory reporting requirements	Two respondents referred to their statement on the ITS on supervisory reporting requirements (question 20.3), which has a direct impact on the disclosure requirement: ‘The new reporting requirement is unduly burdensome and cost intensive (with system and resources constraints) and not at all proportionate to the presumed window-dressing allegation without concrete evidence. Also, the simplicity of the leverage ratio as a simple non-risk based backstop tends to disappear. Furthermore, this new requirement is in direct contradiction with other EBA mandates (such as the cost-benefit-assessment) for small and non-complex institutions, as many savings banks within a group or IPS are indirectly affected. In addition, ESMA has introduced a transaction based reporting for SFTs, where detailed information on many attributes (such as type, date, amount and rate) of SFT must be reported. Based on the information received, competent authorities and the EBA should be able to investigate whether an institution may be involved in window-dressing-related activities. If this data shows a strong indication of activities related to window-dressing, ESMA may forward the information to other authorities (such as the competent authorities or the EBA) for further investigation.’	The disclosure requirements are defined in the Level 1 text and the EBA is mandated to implement these requirements through the ITS, in alignment with the Basel Pillar 3 standards. Proportionality criteria are also included in the Level 1 text. This means that the ITS cannot introduce additional disclosure requirements or waive institutions’ obligation to comply with the disclosure requirements included in the CRR.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
- Disclosure of liquidity requirements			
Question 24. Are the instructions, tables and templates clear to respondents?			
Liquidity risk management (EU LIQA)	Two responses were received. The respondents considered that the instructions and table are clear.		No amendment.
LCR (EU LIQ1 and EU LIQB)	Two responses were received. The respondents considered that the instructions, tables and templates are clear.		No amendment.
NSFR (EU LIQ2 and EU KM1)	Two responses were received. The respondents considered that the instructions, tables and templates are clear.		No amendment.
LCR delta (clarifications)	Two respondents requested further instructions on LCR delta, suggesting that it would be useful to have an indication of the threshold above which an explanation of the delta is to be disclosed.	The EBA does not provide materiality thresholds. Institutions should rely on the EBA Guidelines on materiality to determine if a change is sufficiently material that it needs to be explained. If the change is material, information should be added. If an institution considers a change non-material, it should state that it is not providing this information and explain the reasons why.	No amendment.
Consistency of mapping	Some respondents noted that the mapping between template EU LIQ2, for disclosure of NSFR, and drafted templates C80 and C81, for reporting on NSFR, is not clear. It appears that template EU LIQ2 is based on the NSFR quantitative impact study (QIS) template. Specifically, the information in row 23 is already included in row 21. The	As explained in the instructions for EU LIQ2, row 23 refers to performing residential mortgages whereas row 21 refers to other performing loans to non-financial corporate clients, retail and small business customers as well as sovereigns and public sector entities. Hence, row 21 does not include performing residential mortgages. Rows 21 and	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	respondents queried if the information in row 23 should be omitted in order to avoid double counting.	23 both refer only to loans where the assigned risk weight is less than or equal to 35%. Rows 21 and 23 of EU LIQ2 in the mapping tool include correct references to C80.00.	
Question 25. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Reference to Article 435	One respondent noted that the contents page of the consultation paper reads '3.5.8 Disclosure of liquidity requirements (Articles 435 and 451a)' and suggested that reference to Article 435 be removed. According to this respondent, nowhere in CRR2 or in any of the instructions is it stated that any of the liquidity templates (EU LIQ1, EU LIQ2, EU LIQB and EQ LIQA) need to be in accordance with this article.	Paragraph 1 of Article 435 of the CRR establishes the specific elements that need to be included in the disclosures on risk management objectives and policies for each category of risk referred to in Title II, Part Eight, of the CRR, where liquidity risk is included. Hence, EU LIQA, on disclosure of qualitative information on the liquidity risk management of an institution, builds on that article.	No amendment.
Reference to Article 451a(4) (table EU LIQA)	One respondent noted that there are inconsistencies between the consultation paper and what is shown in the annexes to the templates. This respondent pointed out that the consultation paper states that EU LIQA should be disclosed as part of Article 451a(4) but that Annex XVII states that EU LIQA is part of Article 451a(1). The respondent asked that the EBA clarify which paragraph in CRR2 EU LIQA should be in accordance with.	Both legal references are correct in the context of disclosures of liquidity risk management. Article 451a(1) of the CRR makes a general reference to the disclosure requirements on liquidity risk, by simply indicating that they encompass disclosures on the LCR, NSFR and liquidity risk management. Article 451a(4) of the CRR refers more specifically to the obligation for institutions to disclose their liquidity risk management process by indicating the big topics that it should encompass, i.e. systems, processes and strategies put in place to identify, measure, manage and monitor liquidity risk. Paragraph 1 of Article 435 gives further detail of the elements to be disclosed in the context of liquidity risk management as mentioned above.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Treatment of call options in capital items (table EU LIQ2)	One respondent pointed out that the consultation paper states that ‘capital shall be assigned weighting buckets based on the earliest call date’. However, CRR2 says that reputational factors should also be considered in determining the residual maturity. The respondent requested clarification on how to apply these rules.	The instructions for row 2 of EU LIQ2 clarify the treatment of call options in capital items in line with Article 428o of the CRR. They indicate that, in the case of AT1 or Tier 2 items callable by the institution, and irrespective of whether the institution has exercised the call option, the residual maturity of the instrument will be determined by the date of the call option. In this case, the institution shall disclose these items in the relevant time bucket and shall not apply a 100% ASF factor if the option may be exercised within one year. This is clearly reflected in Article 428o of the CRR, which is explicit for these cases and states that AT1 and Tier 2 items with a residual maturity of one year or more will receive 100% ASF factor <i>‘excluding any instruments with explicit or embedded options that, if exercised, would reduce the effective residual maturity to less than one year’</i> .	No amendment.
NSFR disclosure (number of disclosed quarters for each reference date)	One respondent noted that the consultation paper does not address in detail how many quarters should be included in each disclosure under Article 451a(3) of CRR2. The respondent requested clarification on whether banks should disclose the required information only for the current reference quarter or should also disclose information on previous quarters. In the respondent’s opinion, if banks have to disclose information on previous quarters, the EBA needs to provide further details about the number of quarters as well as instructions for using the NSFR disclosure template (EU LIQ2) for more than one reference date.	Article 451a(3) of the CRR, on NSFR, states that disclosures shall incorporate quarter-end figures for each quarter of the relevant disclosure period. Article 433a establishes that the NSFR disclosure frequency is semi-annual for large institutions unless large institutions other than G-SIIs are non-listed institutions, in which case the disclosure will be on an annual basis. This means that, in the case of semi-annual disclosure, figures (from EU LIQ2) from each of the two quarters of that semi-annual period should be disclosed. In the case of annual disclosure, figures (from EU LIQ2) for each of the four quarters of the annual period should be disclosed.	Paragraph 12 of Annex XVIII has been adjusted by adding the following text: <i>‘Quarter-end figures for each quarter of the relevant disclosure period shall be disclosed. For example: annual disclosure includes four data sets covering the latest</i>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
			and the three previous quarters.'
NSFR disclosure (key metrics)	One respondent asked if, when disclosing the NSFR, changes compared with the last reference date have to be reported. For small and non-complex institutions disclosing key metrics, this means changes compared with the previous year. In the respondent's view, this information is of no value to users. The respondent requested clarification of how comprehensive this information needs to be.	This comes from Level 1 text and the BCBS template and, therefore, cannot be changed. Article 447 of the CRR, on disclosure of key metrics, establishes that institutions shall disclose key metrics on the NSFR, as set out in its point (g), referred to the end of each quarter of the relevant disclosure period. Article 433b establishes that small and non-complex institutions shall disclose key metrics on a semi-annual basis unless they are non-listed institutions, in which case they will disclose them on an annual basis. From this, key metrics referred to the end of each quarter will be published (on either a semi-annual or an annual basis) which will allow for assessing quarterly variations.	No amendment.
Discrepancies of disclosure requirements under liquidity	While reviewing the annexes consisting of tables, templates and instructions, one respondent noted some discrepancies and uncertainty with the liquidity requirement disclosures. According to Article 8 of the Uniform Disclosure Formats and Instructions, liquidity requirement disclosures are required subject to Articles 435(1) and 451a of Regulation (EU) No 575/2013, and in accordance with the table in Annex XII; however, neither the table nor the instructions specify the disclosures required subject to Article 435(1), only those subject to Article 451a. As small and non-complex institutions are not required to disclose information under Article 451a, the respondent suggested that is unclear which disclosures apply to these institutions.	The scope of application of the disclosure requirements in Part Eight of the CRR and of the related templates is in the Level 1 text, Article 433a, b and c.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	The respondent suggested that additional instructions are necessary and should include the legal basis for disclosures under Article 435(1), and specify which disclosures are not required by small and non-complex institutions. This clarification will, according to the respondent, cut down on time and costs, which can deplete budget and resources within small institutions such as credit unions.		
Question 26. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Monthly averages vs. month-end figures (LCR)	One respondent agreed that this new ITS fits the purpose of the underlying regulation, but remarked that month-end LCR figures are to be preferred to monthly averages as the latter are not reconcilable with other information provided on a quarterly basis, in contravention of the aim of transparency. As the stated aim is to deter 'window-dressing', this would be better achieved through other means.	Disclosure of averages is consistent with the requirements of Article 451a(2) as well as international standards (Basel LIQ1 template). The reason behind such an approach seems to be not only window-dressing, but also volatility of the disclosed items. Additionally, averages of month-end values are easy to calculate.	No amendment.
Date of application	One respondent suggested that the disclosure requirements in relation to template EU LIQ2 be postponed by a year to allow firms to fully understand the metric and to implement the necessary internal governance frameworks.	Article 3 of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 (the CRR) establishes that the Regulation shall apply from 28 June 2021 as regards disclosures of liquidity requirements.	No amendment.
NSFR (spot basis vs averaging quarter-end figures)	In terms of the NSFR, one respondent noted that template EU LIQ2 would require firms to disclose the NSFR as of a particular date. This respondent is aware of the move towards the disclosure of other regulatory ratios, including the LCR, the asset encumbrance ratio and the leverage ratio, on an average basis and believes that the use of spot	The use of quarter-end figures in the NSFR disclosures is set out in the Level 1 text. Paragraph 3 of Article 451a of the CRR establishes that the NSFR disclosures shall be quarter-end figures for each quarter of the relevant disclosure period.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	disclosure may send a negative signal to the market at times of stress and potentially create the very systemic issues that NSFR is intended to mitigate. The respondent requested that the EBA clarify whether the disclosure of the NSFR is likely to remain on a spot basis or whether a form of averaging quarter-end figures might be considered, as this would align NSFR with other regulatory ratios. The respondent acknowledged that there are arguments both for disclosure to remain on a spot basis and for the introduction of an average measurement but suggested that, consistent with LCR disclosure, which became effective a reasonable time after the implementation of the delegated act, NSFR disclosure requirements be postponed by a year to allow firms to fully understand the metric and to implement the necessary internal governance frameworks.		
NSFR disclosure (disclosure of ASF and RSF in mapping of the key metrics, template EU KM1)	One respondent noted that the disclosure mapping of the key metrics template, EU KM1, asks (in rows 18 and 19) for the notional ASF and RSF. This means that, when firms are disclosing their NSFR as part of their key metrics template, they are disclosing the notional amounts of ASF and RSF, while the requirement is to disclose the weighted amount of the ratio. This is an inconsistency and also provides the market with information above and beyond what is required in the regulation rule set. The main reason for this discrepancy is that Article 447(g) is not clear on whether the amount being disclosed is the notional or the weighted amount.	Rows 18 and 19, 'Total available stable funding' and 'Total required stable funding', respectively, aim to capture their weighted amounts, i.e. after applying stable funding factors. This allows the calculation of row 20 of EU KM1, 'NSFR ratio (%)'. The instructions for EU KM1 will clarify that rows 18 and 19 should capture the same values as rows 14 and 33, 'Total available stable funding' and 'Total required stable funding', respectively, in EU LIQ2, which are their weighted amounts. The mapping tool, as regards the NSFR key metrics versus supervisory reporting templates, will be amended accordingly.	A reference has been added in the instructions of template EU KM1, pointing out at rows 14 and 33 of EU LIQ2 so that it is clear that it is weighted. Mapping with reporting to be adjusted.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Table EU LIQA in relation to CRR2 requirements	One respondent was of the opinion that certain items in EU LIQA require to be completed in significantly more detail than required by CRR2 and that this puts an excessive burden on firms. In addition, some information, such as ‘contingency funding plans’, which is not referred to in any part of CRR2, could be construed as proprietary. The respondent believes not only that the provision of this information is onerous but also that the information to be disclosed is confidential and could influence market sentiment. The solution would be to keep EU LIQA in line with the previous guidelines (EBA/GL2017/11).	The content of EU LIQA builds on the details of paragraph 1 of Article 435 of the CRR, on disclosures of risk management objectives and policies, which includes liquidity risk. Paragraph 2 of Article 432 of the CRR allows banks to omit those disclosures that include information that is regarded as proprietary or confidential in the terms indicated therein. According to the same article, institutions shall in those cases explain that the information is omitted and the reasons for the omission. Therefore, the EBA does not find any risk that the ITS might be going beyond what the CRR states.	No amendment.
- Disclosure of credit risk quality			
Question 27. Are the instructions, tables and templates clear to respondents?			
Gross carrying amount vs. accounting value	One respondent noted that the consultation paper refers to EBA/GL/2018/10. The reporting template of these guidelines provides for the reporting of the ‘gross carrying amount’, whereas the draft ITS on reporting refers to the ‘accounting value’. The respondent requests that the terms used be uniform.	The terms used in EBA/GL/2018/10, in the ITS on supervisory reporting and in the disclosure template related to non-performing and forborne exposures are aligned. All of these documents refer to gross carrying amount.	No amendment.
Scope of template EU CQ5	Two respondents enquired about the scope of the template, citing FINREP template F06.01, which contains non-trading loans and advances only to non-financial corporations; however, the instructions for EU CQ5 do not	The scope of the template includes non-trading loans and advances to non-financial corporations only.	Instructions have been adjusted.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	specify that it is limited to non-financial corporations only. The respondents, therefore, requested clarification on the scope of the template.		
Template EU CQ6	Some respondents requested clarifications with regards to the following rows of template EU CQ6: – Row 070, ‘Accumulated impairment for secured assets’. What is the treatment of accumulated impairment for partially secured instruments? – Row 020, ‘Of which: secured’. Please confirm that this row should include the secured portion of the gross carrying amount (including the secured part of partially secured deals). Please explain the treatment of overcollateralisation. Should these cases be capped at the gross carrying amount, bearing in mind its ‘of which’ position? – Row 110, ‘Of which: value above the cap’. Please provide further details of what constitutes ‘value above the cap’? Is it the difference between rows 090 and 020 (which would assume potential capping at the gross carrying amount in the case of collateralisation), or is it the difference between row 090 and the market value of collaterals used? If it is the latter, please take into consideration the request that the column be split to enable presentation of collateral for categories that are related to exposure only (performing/non-performing and days past due bucket). Therefore, in order to present collateral in such a way, some allocation has to	– Row 020. The treatment of partially secured exposures is aligned to the treatment in FINREP. The amount shall include the unsecured and secured parts of a partially secured or partially guaranteed exposure. (Refer also to paragraph 323 of version 2.9 of FINREP.) – Row 020. The amount disclosed in this row shall be the gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014. Hence it shall not be capped. – Row 070. The treatment follows the rule mentioned above. In this row shall be disclosed the accumulated impairment of the unsecured part and secured part of a partially secured or partially guaranteed exposure. – Row 110. The amount reported in row 90 shall be capped at the carrying amount of the related exposures. Hence, row 110 is not the difference between row 20 which includes the gross carrying amount of secured exposures and row 90. The amount shall be calculated as the difference between the actual value (market value) of the collateral and row 90. – Rows 040–060. The LTV ratio shall be calculated according to the method defined for the ‘current loan-to-value ratio’ (LTV-C) in Section 2, chapter 1, paragraph 1 of the European Systemic Risk Board	Row 070 – no amendment. Row 020 – the instructions have been further amended to make it clear that the secured loans will include both the secured and unsecured parts of the loan. In the case of overcollateralisation, the value will still be the gross carrying amount of the loan. Rows 040–060 – no amendment. Row 110 – no amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	be assumed, at least to the gross carrying amount (as requested in row 020). Rows 040–060. Does the loan to value (LTV) ratio calculation assume collateral allocation to deals? Please provide further details on what to do when one form of collateral covers two different loans (or possible m:n relationships). Please give further instructions on how a potential off-balance (not yet disbursed part of the loan) should be treated in LTV calculation?	(ESRB) recommendation on closing real estate data gaps. Hence, for the purpose of the calculation of current value (VC), the VC values are to be adjusted for changes in the prior liens on the property according to the contractual specificities. The current loans (LC) shall be measured as the outstanding balance of the loan at the reporting date.	
Question 28. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template approach/ approach)	EU CR1-A (IRB standardised One respondent noted that the instructions for template EU CR1-A indicate that all exposure classes listed in Article 147(2) of the CRR (IRB exposure classes) and Article 112 (standardised exposure classes) should be disclosed. These articles include securitisation positions and non-credit obligation assets but the templates do not. In addition, the EBA goes further than Article 442(g), which requires the breakdown of loans and advances only by residual maturity. The proposed split into the IRB approach and the standardised approach in not required by CRR2 and is not likely to be needed by investors and liquidity risk analysts. For this reason, the respondent proposes that this requirement be removed.	The EBA agrees with the respondent. The breakdown of rows in the template should be simplified, differentiating between loans and advances and debt securities. This would also avoid mixing accounting concepts (carrying amount) with regulatory concepts in the same package.	The template has been simplified by dropping the breakdown according to Article 147 of the CRR and replacing it with loans and advances and debt securities.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU CR2 (disclosure if the threshold ratio on NPL is < 5%)	Some respondents noted that the template for NPLs (i.e. EU CR2) requires disclosure of the NPL ratio even if it is < 5% (though reporting is not required). This represents a tightening of existing regulations. The respondents requested that disclosure of NPLs be required only if the NPL ratio is above 5%. The disclosure template EU CR2 e.g. refers to FINREP template 24.1. This template is part of the reporting requirements only if the NPL ratio is above 5%. Template EU CR2-B of EBA/GL/2016/11 corresponds to the requirements of Article 442(f) of CRR2.	Template EU CR2 requires the disclosure of information requested by Article 442(f) of CRR2 for large and other listed institutions. The EBA agrees that changes are needed in order to request the information included in the Level 1 text from all institutions subject to this disclosure requirement, and to request additional breakdown from institutions whose threshold ratio on NPL is at or above 5%.	In order to be more aligned with the scope of reporting, the instructions have been changed as follows: a) All the rows will be disclosed by large institutions with a threshold ratio on NPL of 5% or above (template EU CR2-A). b) Rows 10, 20, 30, 100, 110 and 130 will be disclosed by large institutions and other listed institutions other than those specified in point a), where row 110 includes all the outflows other than write-off (template EU CR2).
Question 29. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU CR1	One respondent observed that the information expected in template EU CR1 is described in Article 442(c) of CRR2 but that the inclusion of column (m) (accumulated partial write-off) goes beyond the requirements of CRR2 and this column should be deleted.	Template EU CR1 includes information requested by Article 442(c) and (f) of CRR2. The instructions have been amended to include a reference to Article 442(f).	A reference to Article 442(f) has been added to the instructions.
Template CQ7	One respondent noted that the ITS specifies that the legal basis of template CQ7 is Article 442(c). However, Article 442(c) (and Article 442 in general) does not mention the disclosure of information related to foreclosed assets. Therefore, completion of template CQ7 can be requested on the basis of conveying properly the risk profile of institutions, but it should be requested only for institutions exceeding the 5% threshold ratio on NPL.	Article 442(c) is very broad and also requests information on collateral. This template is necessary to give the market a comprehensive view of the types of collateral held by institutions, including the status of that collateral and which forms of collateral have been repossessed by the institution. Hence this information is relevant and has to be requested from all large and other listed institutions.	No amendment
Question 30. Do respondents agree that the disclosure templates on credit risk quality included in new draft ITS convey properly the risk profile of the institutions?			
Template EU CQ5	Some respondents pointed out that this template is focused on loans and advances with non-financial corporations and were concerned that the total of column (a) is different from the total of column (a) of EU CQ4 and, therefore, could be misinterpreted by investors. In addition, Article 442e of CRR2 requires the disclosure of the total exposures. The respondents recommended that total of the two templates be the same.	Template EU CQ5 gives a breakdown by industry and consequently relates only to non-financial corporations. Therefore, the total of column (a) cannot be equal to the total of column (a) of template EU CQ4.	The instructions have been clarified to explain that the total does not include financial corporations.
- Disclosure of the use of credit risk mitigation techniques			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 31. Are the instructions, tables and templates clear to respondents?			
Template EU CR3 (non-performing exposures)	One respondent noted that Annex XXII refers to Article 47a of the CRR for non-performing exposures, which would not seem to be relevant.	Article 47a refers to the backstop regulation, which amended CRR 575/2013 as regards minimum loss coverage for non-performing exposures.	Annex XXII has been amended to clarify the definition to be used for supervisory reporting purposes.
Template EU CR3 (CRM techniques recognised under the CRR)	Some respondents pointed out the following discrepancy. The requirement in Annex XXII says that all CRM techniques under the applicable accounting framework should be considered, whether or not these techniques are recognised under the CRR, implying that CRR/Basel collateral eligibility should not be taken into consideration (which is in line with the reference given to FINREP tables F05.01/13.01/18.00). However, the second part of the requirement, ‘including all types of collateral, financial guarantees and credit derivatives used as credit risk mitigants to reduce capital requirements’, implies that only CRR/Basel eligible collaterals should be taken into consideration, as only those are reducing capital requirement. The respondents requested that the second part of the definition be rephrased.	The requirement in Annex XXII says that all CRM techniques under the applicable accounting framework should be considered, whether or not these techniques are recognised under CRR, implying that CRR/Basel collateral eligibility is not taken into consideration, in line with FINREP.	The instructions have been amended to clarify that the template applies not only to the CRR CRM techniques but to all techniques, in alignment with the requirements in point (f) of Article 453.
Question 32. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU CR3 (unsecured part of a partially secured or partially guaranteed exposure)	One respondent was concerned that the unsecured part of a partially secured or partially guaranteed exposure is now to be included in unsecured carrying amount. The previous guidelines read ‘secured exposure shall be carrying	The unsecured part of a partially secured exposure shall not be included under unsecured exposures.	The instructions have been amended to clarify that the unsecured part of



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
included in unsecured carrying amount)	amount of exposures (net of allowances/impairments) partly or totally secured by collateral'. According to this respondent, this will require significant system amendments and, from a cost/benefit perspective, it is arguably a point of concern for industry.		partially secured exposures is excluded from unsecured exposures but should be disclosed as secured.
Question 33. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
- Disclosure of the use of the standardised approach			
Question 34. Are instructions, tables and templates clear to the respondents?			
Template EU CR5 (deductions column 'P')	One respondent asked for clarification of what is required should appear in the deduction column. Column (p), and requested that an example be provided.	Information on deductions is provided in template EU CC1, and is not necessary in this template. The Basel standard does not include information on deductions in this template either. To avoid confusion this column should be dropped from template EU CR5.	Column (p) on deducted items has been dropped from the template.
Template EU CR5 (mapping)	Some respondents commented that the definition given in Annex XXIV, 'Institutions shall disclose the information on the allocation of risk weights within the respective exposure class according to Part Three, Title II, Chapter 2, Section 2 of CRR', implies that only exposures that are subject to credit risk (without counterparty credit risk) should fall under the template. However, EU CR5 references C07.00, column 200, which also includes	The ITS on disclosure requests information related to CCR separately in Annex XXIX. The scope of EU CR5 does not include exposures subject to CCR.	Mapping has been adjusted to point at column c200 minus column 210.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	exposures subject to counterparty credit risk. Thy respondent requested clarification with regards to the scope of EU CR5.		
	One respondent made the following observations: Template EU CR5 in Annex XXIII includes, next to other risk weight classes, column (p), 'Deducted', which means exposure deducted from capital (and therefore not part of the RWA). Column (q), 'Total', is the sum of all exposures in columns (a) to (p), as one could conclude from the template itself and as is stated in the mapping table for this template. If column (p), 'Deducted', is included in the sum, the value in column (q), 'Total', would reflect total exposures, i.e. not only those subject to credit risk RWA calculation, but also those that are included in the capital adequacy ratio (CAR) calculation through capital as a deducted item. However, according to the instructions template for EU CR5 in Annex XXIV, column (q), 'Total', reflects 'Total amount of on-balance-sheet and off-balance sheet exposures under the regulatory scope of consolidation in accordance with Article 111 of CRR, net of specific credit risk adjustments(...), additional value adjustments, other own funds reductions and write-offs', after the application of conversion factors and CRM techniques.	The 'Total' column does not include the amount of deducted exposures. The mapping has been modified accordingly. Information on deductions is included in template EU CC1, and it is not necessary to include it in this template as well.	Column (p) has been dropped from the template.
Template EU CR5 (deductions column (p))			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	The definition in Article 111 of the CRR relates only to exposures included in RWA calculation, and, accordingly, exposures treated as capital deductions are not to be included in column (q), 'Total'. The same problem occurred in the draft reporting templates, but was corrected in the final version, so now exposures deducted from capital are reported in template CRSA only as a memorandum item (not included in the sum of RWA). Accordingly, in the respondent's opinion, either: – the instructions for column (q) in Annex VVIV should be adjusted (to reflect also deducted exposures); or – the template (and mapping) should be changed so that column (p) is excluded from the value in the 'Total' column. In addition, the respondent points out that, for the same reason, the current instructions for row 16 in Annex XXIV are not complete. They cover only 'other items' that are part of RWA calculation. But with the inclusion of deduction items in the template, the instruction does not cover the likely possibility that some of them (i.e. intangible assets) will be allocated in row 16, 'other items'.		
Question 35. In particular, are the instructions for row 16 in template EU CR4 clear to respondents?			
Template EU CR4 (deferred tax)	One respondent requested clarification with regards to the implication of the instructions that deferred tax should be 'other items' rather than 'sovereign'.	The deferred tax which is not deducted is included in 'Other items'. The instructions are clear enough	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 36. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU CR4 (mapping)	One respondent noted that the RWA column is linked to column 215 of C07.00, which is 'Risk weighted exposure amount pre SME supporting factor', stating that this should be column 220, i.e. 'post SME supporting factor'.	The exposures amount post CCF and post CRM also take into account the CCF for SME in accordance with Article 501 of CRR.	The mapping has been changed from column 215 to column 220.
Question 37. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Template EU CR5 (disclosure of exposure values post-CRM)	One respondent commented that it is their current understanding that template EU CR5 requires only the disclosure of exposure values post CRM. Article 444(e) of CRR2 refers to 'the exposure values and the exposure values after credit risk mitigation'. In the past, this has often been interpreted to mean that exposure values before credit risk mitigation also have to be disclosed in a second EU CR5 template. They respondent recommended including a clarification in the final ITS that the disclosure of template EU CR5 complies in full with the requirements of Article 444(e) of CRR2.	Template EU CR4 includes information on exposure value before and after CRM. The information required in Article 444(e) is disclosed through both templates EU CR4 and EU CR5. The instructions will be clarified in order to add a reference to Article 444(e).	Reference to Article 444(e) has been included in template EU CR4.
Template EU CR4 (CRR requirements)	One respondent also noted that disclosure of the RWA density is not linked to a CRR requirement and therefore appears to be going beyond the Level 1 text. Additionally, it can be calculated (as per instructions) very simply so the value of its disclosure is unclear.	The information on RWA density is requested in Article 453(i) of CRR2.	No amendment.
Question 38. Are the instructions, tables and templates clear to respondents?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU CR-A (exposure class breakdown)	One respondent noted that exposure class breakdown includes in Article 147(2) includes the 'non-credit obligation assets' exposure class. The exclusion of this exposure class is missing from the instructions in Annex XXVI.	It should be clear that the exposure class corresponding to Article 147(2)(e) is excluded, since no risk parameters are derived within this exposure class. Thus, further explanation is not needed.	No amendment.
Template EU CR9 (average margin of conservatism)	One respondent observed, with regard to template EU CR9, that it is not all that clear what should be included in the column 'Average margin of conservatism at the disclosure date (%)' and requested a working example of its application. The respondent pointed out that 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 leading to a high degree of variability across the banks. The respondent went on to comment that the level of uncertainty surrounding how firms will assess this across all their models, despite being well intentioned, may result in a great deal of noise in the Pillar 3 disclosure. If regulators are looking for the new framework to drive greater consistency, then something which does not immediately require full disclosure, such as a QIS or simply a reporting exercise, could look to drive this type of supervisory monitoring and understanding while avoiding sending unhelpful noise to the investor community.	Treatment of MoCs is specified in the EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures. As the date of application of these guidelines has been postponed, information on MoC has been dropped from the disclosure templates. The addition of this column will be considered in future revisions of the template.	The column 'Average margin of conservatism' has been dropped.
Template EU CR9 (PD range)	One respondent noted that current disclosure for IRB back-testing requires data to be populated based on the PD attributed at the beginning of the period and asked the EBA to clarify if this will continue to be the case for the new	PD should be in all cases the PD at the beginning of the disclosure year except for the column (f), which should contain the PD at the beginning of the previous disclosure period.	Clarification has been added to the instructions.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	back-testing disclosure template or what the new basis will be.		
Template EU CR9 (obligors with short or terminated contracts)	One respondent asked if it is necessary to report in the column 'Of which obligors with short term contracts', all products in the qualifying revolving retail exposures (QRREs) class, in which case more detailed instructions are required.	This information was added following the EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures. As the date of application of these guidelines has been postponed, this information has been dropped from the disclosure templates. The addition of this column will be considered in future revisions of the template.	The column has been dropped from the final template.
Template EU CR9 (PD range typo)	One respondent noted that within the PD range column says '30 to < 30' but this should be '20 to < 30'.	This was a typo, and it has been corrected.	Typo corrected.
Template EU CR6 (equity exposures under the simple risk weight approach)	Some respondents noted that in the instructions in Annex XXII, in point 2, the text 'or data on equity exposures under the simple risk weight approach' is redundant, as all equity exposures are excluded from this template. Additionally, reference to Article 167 in point 2, table item (e), should be removed.	As 'equity exposures under the simple risk weight approach' are subject to separate prudential regulations, it is reasonable to mention them separately. Reference to Article 167 should be deleted.	The instructions have been clarified, and reference to Article 167 has been dropped.
Template EU CR6-A (exposures under all advanced IRB approaches for equity exposures)	Some respondents pointed out in regard to Template EU CR6-A, 'IRB approach', that In Annex XXII, the description of column (d), 'exposures under all A-IRB approaches for equity exposures', is different from that in the instructions for COREP template C08.07, where is stated: 'immaterial equity exposures not included in columns 0020 or 0040'. The respondents requested that the definitions be aligned.	The instructions should aligned with reporting.	The instructions have been aligned with reporting.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 39. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Template EU CR6	One respondent pointed out that the instructions for template EU CR6 state that it 'shall not include data on specialised lending referred to in Article 153(5) of the CRR', but in fact specialised lending is referred to in Article 153(4).	Agree.	Instructions adjusted and reference to Article 153(5) replaced with reference to Article 143(4).
Template EU CR6-A (cross-reference to leverage ratio)	One respondent observed that the exposure measure in template EU CR6-A cross-references the leverage exposure measure and that this does not seem appropriate. In addition, the proposed three-column disclosure is burdensome and appears to add little value. A split between IRB/SA would be enough information for investors. Column (d) should be removed as this information is not likely to be useful for investors, particularly in the context of the output floor to be implemented in the EU via the implementation of the finalisation of Basel III.	Cross-reference to leverage ratio is necessary. Otherwise the output of columns (e) and (f) would be biased since both exposure values would be calculated by different methods. A column should be added only for IRB exposures in order to reflect the exposure value in accordance with Article 166 of the CRR. But the total exposure value that includes both exposures under the IRB approach and CR-SA should be disclosed applying an exposure measure common to both types of exposures, like the leverage ratio exposure measure.. Apart from the output floor, Basel III requires the roll-out per asset-class. Column 6 provides a first good indication whether or not this requirement is met.	No amendment.
Question 40. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Template EU CR6 (PD bands)	One respondent has stated that in this template it is not clear why PD bands are shown sub-totalled.	For the purpose of alignment with the BCBS standard it is necessary to use the same PD scale. It was assessed during the development of the templates that some ranges have	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		a big concentration of exposures, and, therefore, it was decided to add further breakdown to some BCBS buckets.	
Template EU CR7-A (Article 453(g) of the CRR)	One respondent noted that template EU CR7-A goes beyond the requirements of the CRR Article 453(g) as the ‘credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect’ should be limited to types of mitigation techniques as opposed to the disclosing a breakdown between funded and unfunded credit protection etc. Article 453(g) requires only ‘credit risk mitigation associated with the exposure and the incidence of CRM with and without substitution effect’. The respondent recommended limiting the template to columns (a), (b), (c), (g), (k), (l), (m) and (n).	Article 453(g) provisions are quite broad and actually require the disclosure of the credit risk mitigation associated with the exposures. The breakdown included in this template is in line with the breakdown included in the CRR (Articles 197, 199 and 200).	Instructions for these rows have been further aligned with the instructions in supervisory reporting.
Template EU CR9 (average margin of conservatism)	One respondent pointed out that template EU CR9, ‘Average margin of conservatism disclosure’, goes beyond the requirements of Article 452(h) and will require a significant amount of work that may not be meaningful to users/investors/analysts.	Treatment of MoCs is specified in the EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures. As the date of application of these guidelines has been postponed, information on MoC has been dropped from the disclosure templates. The addition of this column will be considered in future revisions of the template.	Column on ‘Average margin of conservatism’ has been dropped.
Template CR6 (Article 452(g) of the CRR on disclosure of obligor rates)	One respondent noted that template EU CR6 is based on Article 452(g) of the CRR. However, the ITS goes beyond CRR as Article 452(g) requires disclosure across a sufficient number of obligor grades (including default), but not by PD range. This gold plating applies also to template EU CCR4.	The provision of fixed PD ranges - instead of individual internal scales - is necessary to be in line with the Basel framework. Without using the PD ranges a comparison across institutions would be impossible.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU CR6-A (use of different definitions)	In the case of template EU CR6-A, ‘Scope of the use of IRB and SA approaches’, one respondent welcomed the initiative from the EBA to include a synthesis template in these ITS presenting exposure values in accordance with the leverage ratio exposures amount with IRB exposure classes. However, the respondent considered that the multiple definitions of ‘amount’ in the various Pillar 3 templates are also a source of complexity for investors (leading to different totals in different templates) and burdensome for banks (harder reconciliation exercises). Indeed, Pillar 3 templates uses FINREP (accounting) amounts, COREP (risk amounts and LR amounts, sometimes gross of provisions and sometimes net of provisions, which may lead to significant discrepancies. Moreover, in addition to multiple sources (COREP, FINREP, LR, etc.) in Pillar 3, the respondent points out that exposures are classified differently in the various ITS templates, leading to confusion and complexity for investors and banks. As a result, investors must face complexity arising from the various definitions: • In EU CR6-A, all exposures are split by COREP IRB approach asset classes. • In EU CQ3, all exposures are split by FINREP asset classes.	The use of different definitions stemming from different frameworks depends on the content-related requirements of the information to be published. A unique definition for all disclosure templates is not possible. For better understanding, the institutions are therefore expected to supplement the quantitative data with relevant explanations.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	- In EU CR4 and EU CR5, standard exposures are split by COREP standardised approach asset classes. - These COREP/FINREP asset classifications sometimes use the same or a very similar name (e.g. 'Institutions') but with significantly different definitions, leading to significant differences in amounts between two templates with the same or similar title. This complexity is harmful for the large number of investors who are not familiar with all the EU regulations. - These differences in asset classification also make it difficult for banks to understand and implement these regulations especially when supervisors are constantly requiring banks to carry out reconciliation exercises (stress tests, loan tapes, etc.) The respondent invited the EBA to harmonise asset classification as much as possible.		
Question 41. Regarding template EU CR7-A, do respondents agree that for the purpose of meaningful disclosure of the aggregate values of CRM, the value of each collateral and unfunded credit protection should be capped to the exposure value at the level of individual exposure?			
Template EU CR7-A (capping of values of collateral)	One respondent suggested that it is operationally difficult to cap the values when multiple CRM techniques are involved for one facility/counterparty. In addition, if capping needs to be applied, should this be at the counterparty or facility level? In the case of retail, collateral data capping has to be done on portfolio level, which will distort the results.	The value of collateral cannot be recognised more than once. It is expected that an institution is in a position to map collateral to the corresponding exposure. The requirement that the sum of the exposures considered secured may not exceed the value of the item of the credit protection is valid whether the collateral refers to a facility or to all facilities belonging to an obligor.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU CR7-A (level of granularity)	One respondent has noted that the detailed level of information related to funded credit protection is too granular a no added value for market participants. Therefore, columns (d), (e), (f), (h), (i) and (j), of template EU CR7-should be deleted for a more readable template.	Since CRM constitutes an important risk driver it is important that the template provides granular information on the type of CRM techniques that the institution applies.	No amendment.
Question 42. Regarding template EU CR7-A, do respondents think that the information in this template should be presented in accordance with the classification of exposures before or after the substitution effect??			
Template EU CR7-A (classification: after the substitution effect)	One respondent thought that the classification should be presented after the substitution effect.	The template includes information on RWEAs before and after substitution effect, as required by Article 453(g) of the CRR.	No amendment.
Template EU CR7-A (classification: before the substitution effect)	Some respondents agree with the classification of exposures before the substitution effect. One respondent noted that Article 453(g) requires disclosure with and without substitution effects in any case. For this template they consider that information should be presented in accordance with the classification of exposures before the substitution effect. Another respondent stated that information in this template should be presented in accordance with the classification of exposures before the substitution effect, to be aligned with COREP templates.	According to Article 419 of the policy advice on the 'Basel III reforms: credit risk', the use of the substitution approach should not imply a change in the exposure class to which the covered part of the exposure is assigned. It is expected that this aspect will be captured via the implementation of Basel III. Hence the classification of the exposure before substitution effect should be used. Moreover, this is in line with reporting.	No amendment.
Template EU CR7-A (substitution effect and mapping)	Another respondent commented that the penultimate column in this template should show 'RWEAs without substitution effects (reduction effects only)' and pointed out that both types of collateralisation are normally included in the calculation of RWAs. The additional calculation and separate presentation of exposures after	Please refer to the EBA analysis for the previous comment regarding the substitution effect. Mapping tool to be amended	No change in response to the first comment. As a result of the second comment, mapping tool amended.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	deduction of collateral and before substitution would impose a significant additional burden on many banks with, moreover, no additional benefit for users given that the collateral types are already broken down in great detail in the preceding columns. An additional comment related to template EU CR7-A pointed out that, in the EBA's mapping tool, column (g), 'Part of exposures covered by leasing (%)', is the only column to indicate 'no mapping to reporting'. As EU CR7-A of Annex XXV does not contain this column, the respondent assumes that this column has been included in the mapping tool in error .		
Question 43. Regarding template EU CR8 (flow of RWAs), do respondents agree that the drivers included for the variations of the RWEA are a good reflection of the main factors driving these variations or is there any additional relevant driver that should be added?			
No issues were identified by respondents.		No issues were raised during consultation. The EBA has assessed the need for further clarifications in the instructions in order to ensure consistent disclosures across institutions.	Instructions clarified in order to ensure consistent disclosures.
Question 44. Regarding template EU CR9, do respondents agree that the standardisation of PD ranges will allow for increased consistency and comparability of the disclosures by institutions, compared to the use of internal PD ranges?			
Template EU CR9 (PD scale)	Two respondents noted that the PD scale currently used in EU CR9 is the same as that in EU CR6. According to the detailed instructions for EU CR6, 'Exposures should be broken down according to the PD scale used in the template instead of the PD scale used by institutions in	The template requests a fixed PD scale for the sake of consistency and comparability of information across institutions.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	their RWA calculation. Institutions should map the PD scale they use in the RWA calculations into the PD scale provided in the template’. There is no incremental value in providing this extra level of granularity, as EU CR9 already requires disclosure of the average PD, which helps users understand the distribution mix, and allows for comparability across banks.		
Question 45. Regarding template EU CR9.1, do respondents agree that this template provides an appropriate disclosure for the information on the external rating equivalent according to Article 452(h) of the CRR? Could respondents provide suggestions on alternative ways to disclose this information?			
Template EU CR9 (MoC)	One respondent proposed as a solution the inclusion in EU CR9.1 of a column for margin of conservatism (MoC)-adjusted long-run average default rate (LRDF), meaning one column for LRDF without MoC and one column for LRDF with MoC.	Treatment of MoCs is specified in the EBA Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures. As the date of application of these guidelines has been postponed, information on MoC has been dropped from the disclosure templates. The addition of this column will be considered in future revisions of the template.	The column ‘Average margin of conservatism’ has been dropped.
Question 46. This package includes very limited information on equity exposures and on specialised lending under the slotting approach. Could respondents, especially users of information, provide their views on whether additional information on these two exposure classes and approaches should be provided? In particular, should a specific template on equity exposures under the PD/LGD approach be added under template EU CR6? Similarly, should a specific template for all equity exposures and for specialised lending under slotting approach be added under template EU CR7-A?			
Template EU CR6/template EU CR7-A (additional templates)	One respondent noted that a specific template on equity exposures under the PD/LGD approach should be added under template EU CR6. However, a specific template for all equity exposures and specialised lending under the slotting approach should not be added in EU CR7-A.	Following the feedback provided by a majority of the respondents to this question on the materiality of this type of exposures, and also the Basel Pillar 3 standards, which do not include this type of exposures, it was decided not to add new templates on equity exposures under the PD/LGD approach.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU CR6/template EU CR7-A (additional templates)	Another respondent noted that it would not be appropriate to include specialised lending under the slotting approach in EU CR7-A as the scope is too limited and no special focus is required. There is a need to prioritise the information given to investors.	The EBA agrees with this comment.	No amendment.
Template EU CR6/template EU CR7-A (additional templates)	Some respondents thought that additional templates on equity exposures and on specialised lending under the slotting approach are not necessary. Indeed, similar information is already available under existing templates. Moreover, as there is a need to prioritise Pillar 3 disclosures, the scope of equity exposures and specialised lending under the slotting approach is too narrow to develop additional information that would be meaningful for market participants.	The EBA agrees with this comment.	No amendment.
- Disclosure of specialised lending and equity exposures under the simple risk weight approach			
Question 47. Are the instructions, tables and templates clear to respondents?			
No issues were identified by the respondents.		N/A	No amendment.
Question 48. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
No issues were identified by the respondents.		N/A	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 49. Do respondents, specially users of information, think that additional information on equity exposures under internal models approach would be useful? In particular, should a template similar to template EU CR10.5 be added for equity exposures under internal models approach?			
Template EU CR10 (level of granularity)	One respondent acknowledged that Article 438(e) requires disclosure of 'on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending'. This disclosure could be provided on a total basis and a split by category shown below the table. This would still meet the requirement without the need for multiple tables. For large institutions, it will take considerable amount of time and system changes to extract multiple tables per category, and some of the granularity may not be material.	Template EU CR10 (IRB – specialised lending, Equity Exposures under the simple risk weight approach) is aligned with the Basel III framework (template CR10). Template EU CR 10 is not deviating from the CRR/Basel requirements. It is not feasible to use one template to cover all requirements.	No amendment.
Template EU CR10 (deletion of column (f))	One respondent felt that templates EU CR10.x meet the requirement based on Article 438(e) of the CRR. To be in alignment with this requirement, column (f) (expected losses amount) should be deleted because it is not requested.	The requirement to disclose expected losses are included in point (e) of Article 438 CRR. According to this Article, institutions shall disclose the on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending referred to in Table 1 of Article 153(5) and the on- and off-balance- sheet exposures and risk-weighted exposure amounts for the categories of equity exposures set out in Article 155(2). Each category is expected to be disclosed.	No amendment.
Question 50. Do respondents, especially users of information, think that additional information on equity exposures under internal models approach would be useful? In particular, should a template similar to template EU CR10.5 be added for equity exposures under internal models approach?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Template EU CR10 (additional template)	One respondent thought that adding a template for equity exposures under internal models approach would not be useful to users, saying that, given the relatively low weight of specialised lending exposure, it does not appear relevant to request such a high level granularity, necessitating five templates (CR10.1 to CR10.5) rather than just one as in the EBA guidelines (EBA/GL/2016/11). According to the same respondent, specialised lending weights less than 0.2% of the RWA on credit risk and counterparty (and 0.1% of the EAD) of French banks.	Article 438 clarifies that each category must be disclosed.	No amendment.
- Disclosure of exposures to counterparty credit risk			
Question 51. Are the instructions, tables and templates clear to respondents?			
Template EU CCR5 (level of granularity)	One respondent noted that this section will impose a significant cost burden on institutions arising from supervisory reporting requirements as many of the reporting templates are too complex. The respondent questioned the value of some of the data reported, for example credit derivatives in template EU CCR5 (Article 300 of the CRR).	This template is aligned with the disclosure requirements in the Level 1 text and with the BCBS standard.	No amendment.
RWAs for free deliveries	One respondent requested clarification of the CCR section relating to RWAs for free deliveries (as per Article 379), asking if this should be populated on row 9, 'Of which other CCR', of the OV1 template. Currently, RWAs for free deliveries are reported in row 70 of COREP C.7 (CR-SA) or in row 20 of COREP C.8.1 (CR-IRB). There is no	Settlement from free deliveries is reported under credit risk (SA or IRB approach): Paragraph 51 of Annex 2 of the consultation paper on reporting states 'The scope of the CR SA template covers the following own funds requirements:	The instructions have been amended to clarify where free deliveries are to be disclosed in OV1 and what is to be included



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	mapping/reference in the 'mapping tool' file covering these rows of COREP. Hence, this respondent asks if RWAs for free deliveries should be reported in row 9 of OV1, i.e. 'Of which other CCR'.	... (c) Settlement risk arising from free deliveries in accordance with Article 379 of CRR in respect of all the business activities.' Templates C07 and C08.1 include Article 379 in rows 070 (for template C07) and 020 and 170 (C08.1).	under the row on settlement risk in the same template.
Question 52. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
Question 53. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Template (breakdown)	EU CCR5 One respondent pointed out that template EU CCR5 does not fully meet the requirements defined in the CRR in that Article 439(e) specifies 'the amount of segregated and unsegregated collateral received and posted per type of collateral [...]' but the template does not distinguish between segregated and non-segregated collateral. The breakdown relates to type of collateral and the use of collateral (SFT or derivatives). Therefore, the template should consist of four columns rather than eight.	The disclosure template is aligned with the Basel standard. The disclosure requirement is broad in this case and it is specified through the template.	No amendment.
Inconsistencies in the population of transactions to be disclosed and in the mapping tool	One respondent noted that there are inconsistencies in the population of transactions to be disclosed here (and in the mapping tool). On the one hand, the introduction to Article 439 of CRR2 refers only to counterparty credit risk under Part Three, Title II, Chapter 6. On the other hand,	Amend the reporting instructions to further clarify the scope of the templates in accordance with Article 439: Paragraph 1: 1. This annex includes the instructions that institutions shall apply when disclosing the information regarding their exposure to counterparty credit risk as	Clarifications added to the scope of application of the package at the beginning of the instructions in



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	securities financing transactions dealt with under Chapter 4 (e.g. Article 439(g) of CRR2) also appear. In the view of this respondent, no clear distinction is made in the disclosure templates and, in principle, only exposures under Part Three, Title II, Chapter 6 should be presented in the disclosure under Article 439 unless explicitly required otherwise. Duplicate disclosure (in both credit risk and counterparty credit risk) is not appropriate and should be avoided.	referred to in Chapter 6 of Title II of Part Three included in the CCR disclosure table and templates as presented in Annex XXIX in accordance with Article 439 of Regulation (EU) No 575/2013 (CRR). Paragraph 4: 4. This template excludes own funds requirements for CVA risk (Part Three, Title VI of the CRR) and exposures to a central counterparty (Part Three, Title I, Chapter 6, section 9 of the CRR) as defined for the purpose of template EU CCR8. For securities financing transactions, it includes the exposure values before and after the effect of credit risk mitigation as determined under the methods set out in Chapters 4 and 6 of Title II of Part Three, whichever method is used, in accordance with Article 439(g), and the associated risk exposure amounts broken down by applicable method.	Anne XXX and in the introductory paragraphs of the instructions for template EU CCR1.
Question 54. Regarding template EU CCR7 (flow of RWAs), do respondents agree that the drivers included for the variations of the RWEA are a good reflection of the main factors driving these variations or is there any additional relevant driver that should be added?			
No issues were identified respondents.		N/A	No amendment.
Question 55. Regarding template EU CCR7 (flow of RWAs), do respondents agree that this template should exclude RWEAs to central counterparties?			
Template EU CCR7 (flow of RWAs)	One respondent stated that, in order to be consistent, it is important to work on the same basis between template EU CR8 and EU CCR7. This means that the approach should be to take into account all of the operations subject to an RWA calculation in the IRB approach.	Agree with comment.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	With regard to the central counterparties, the exclusion will allow the reader to have a crossover with some Pillar 3 templates such as EU CCR4.		
- Disclosure of exposures to securitisation positions			
Question 56. Are the instructions, tables and templates clear to respondents?			
Template (breakdown)	EU SEC1 One respondent noted that this template requires investors to split exposures into what seem to be ‘mutually exclusive’ types of exposure classes whereas, in reality, many asset-backed securities (ABS) exposures (i.e. securities in which banks might be invested) are collateralised by different types of receivables, e.g. the underlying pool can contain both residential and commercial loans (i.e. 3 vs. 9), both loans/leases to retail and corporates (i.e. 5 vs. 8). It thus remains unclear how such classification shall be reflected in the provided table. Is it according to the majority of the relevant receivables in the pool? No such clarification can be found in Annex XXXII.	To ensure consistency between the information that institutions have to report to their supervisors and the regulatory information that they have to make public in the interest of investors and external stakeholders, the EBA has developed a mapping tool for the disclosure of quantitative data. This mapping tool provides clear references to the information to be disclosed in template EU SEC1. According to the instructions for C14, c160 of Annex 2 of ITS on supervisory reporting changes related to CRR2 and the Backstop Regulation, the classification of pool exposures shall be as follows: ‘In case the pool of securitised exposures is a mix of the previous types, the institution shall indicate the most important type’.	The instructions for columns (l) to (o) of template EU SEC1 have been amended.
Question 57. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Templates EU SEC3 and EU SEC4 (Article 449(k)(i) and (ii))	One respondent noted that Article 449(k)(i) and (ii) does not ask for segregation of retail and wholesale exposures, although templates EU SEC3 and EU SEC4 imply that these should be provided separately. In addition, capital charges	The breakdown between retail and wholesale exposures is necessary for alignment with the Basel framework.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	after application of ‘caps’ (see columns (o) to (q) of templates EU SEC3 and EU SEC4) are not part of the regulatory requirement. This respondent even doubts that they are applicable for investors (i.e. with reference to template EU SEC4) at all, as the maximum capital requirements according to Article 268 should be applicable only for originators/sponsors.	The requirement is in Article 449(k)(i) and ii (‘... and capital requirements by regulatory approaches ...’) . Moreover, the templates are in line with the Basel framework. Caps for securitisation positions in accordance with Article 267 of the CRR are applicable for all institutions and those in accordance with Article 268 are applicable to investors when using the SEC-IRBA.	
Question 58. Do the respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Templates EU SEC3 and EU SEC4 (disclosure of RWAs before cap)	Another respondent pointed out that requiring disclosure of RWAs before the CAP is not required by the CRR and seems excessive detail.	This breakdown is requested in Article 449(k) (i) and (ii) of CRR2 and also in the BCBS templates, with which we have to align according to the Article 434a mandate.	No amendment.
Template EU SEC1 (securitisation exposures in the banking book)	One respondent believes that the presentation of exposure amounts in EU SEC1, ‘Securitisation exposures in the banking book’, could be misleading for investors and would prefer to disclose non-significant risk transfer (SRT) exposures in a separate template, keeping only SRT amounts in EU SEC1 (bearing in mind that the RWAs of non-SRT operations (i.e. underlying assets) are already considered in credit risk templates).	Even if positions with respect to SRT and non-SRT transactions are disclosed in the same template, the EBA sees no risk that this might be ‘misleading to investors’ as the positions are not disclosed in just one aggregated figure but the information ‘of which is SRT’ is reported too. This allows positions to be separated with respect to SRT and non-SRT. In addition, disclosing only exposures in SRT transactions would lead to an important deviation from the Basel standard that would be misleading (Basel template SEC1 includes in its heading: ‘Banks may in particular modify the breakdown and order proposed in rows if another breakdown (e.g. whether or not criteria for recognition of risk transference are met) would be more appropriate to reflect their activities. Originating and sponsoring activities may be presented together.’).	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
- Disclosure of use of standardised approach and internal model for market risk			
Question 59. Are the instructions, tables and templates clear to respondents?			
Template EU MR2-A (row 5, 'Other')	Some respondents questioned the need for row 5, 'Other', in template EU MR2-A. The respondents' interpretation was that this row would include the capital add-ons required by banking supervisors in relation to banks' internal models. From perspective of these respondents, this row should be removed because (i) it is not a CRR2 requirement and (ii) the supervisory reporting (COREP template C24) does not include this information.	This information is relevant for users. Institutions are allowed to omit confidential or proprietary information provide they explain the reasons for the omission, in accordance with Article 432 of CRR2.	No amendment.
Template EU MR2-B (row 7, 'Other')	In the instructions for row 7, 'Other', it is written that 'This category must be used to capture changes that cannot be attributed to any other category. Institutions should add additional rows between rows 6 and 7 to disclose other material drivers of RWA movements over the reporting period'. This is not consistent with the fixed format of the template	The instructions need to be changed, by dropping the last sentence, as follows: 'other': 'This category must be used to capture changes that cannot be attributed to any other category of drivers included in rows 2–6, and the explanations regarding the origin of these changes must be provided in the accompanying narrative. Institutions should add additional rows between rows 6 and 7 to disclose other material drivers of RWA movements over the reporting period. ' This is a fixed template and institutions shall explain any material drivers that are not included in the template in the narrative accompanying the template, not adding new rows.	Instructions clarified.
Question 60. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
No issues were identified by respondents.		N/A	No amendment.
Question 61. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Template EU MR4	One respondent expressed some concerns regarding some preconditions about the centralisation of disclosure, suggesting that, owing to its flexible design and the need for accompanying analysis and explanation, template EU MR4 is an example of a template that cannot be generated either by a central authority or from supervisory reporting.	The EBA as a centralised data hub for Pillar 3 is part of the EBA strategy on Pillar 3 disclosure but is beyond the scope of this ITS and of the mandate that is the basis for this ITS.	No action needed.
Question 62. Regarding template EU MR2-B (flow of RWAs), do respondents agree that the drivers included for the variations of the RWEA are a good reflection of the main factors driving these variations or is there any additional relevant driver that should be added?			
Template EU MR2-B (rows 1a/b and 8a/b)	Regarding template EU MR2-B, some respondents agree that the drivers included for the variation of the RWEA are a good reflection of the main factors driving these variations. However, these respondents do not agree with the explanation of rows 1a/b and 8a/b of template EU MR2-B in Annex XXXIV. According to the instructions, if RWEAs/own funds requirements are calculated as a 60-day average (VaR/SVaR) or 12-week average or floor measure (incremental risk charge/comprehensive risk measure), and not as RWA/own funds requirement at the end of period, rows 2, 3, 4, 5, 6 and 7 reconcile the value in rows 1b and 8a, but – since RWEAs/own funds requirements are calculated as average over the time	There seems to be a misunderstanding regarding the purpose of optional rows 1a and 8b and the wording of the instructions. When the derived RWEAs are not defined directly by the model, but calculated from the average or floor measure, the ability to add rows to disclose the regulatory adjustment (which is equal to the difference between the final derived RWA on average measure, as reported in row 1 or 8, and the measure derived directly from the model disclosed in rows 1b and 8a) allows institutions to determine the movements to disclose in rows 2 to 7 directly on the basis of the model outputs. The Basel Pillar 3 standard includes an illustration on template EU MR2: In this example, it can be seen that, when the average measure/floor is retained for	Instructions have been adjusted.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	period – the reconciliation should be performed with the value in rows 1 and 8.	computation of the regulatory RWAs instead of the end of period measure, a row 1a/8b regulatory adjustment (difference between end of period value and average value) is added in order to allow institutions to reconcile rows 2 to 7 with the end of day value, which is reflected in rows 1b and 8a.	
Template EU MR2-B (flow statements)	One respondent noted that template EU MR2-B, as another example, is a flow statement. This and other templates contain various fields that cannot be derived from supervisory reporting. This is also reflected in the mapping tool ('No mapping to reporting'). This respondent is therefore highly sceptical of the idea of centralising the disclosure of such templates. The respondent also made a general comment about all templates with flow statements. This is an issue for banks which make intra-year disclosures. Where templates showing changes over time are concerned (EU CR8, EU CCR7, EU MR2-B, EU CR2), it is not appropriate to use an intra-year comparison period (e.g. data as at end of June or September) for the annual report, as reconciliation with the annual report is not possible and in some cases no (published) intra-year accounting data are available. The comparison period for the annual report should therefore always be the previous year. This means the end value of the previous period (= start value) should always be as at the end of the previous year.	Regarding the second paragraph, the comment confirms what was noted in the assessment of the 2018 Pillar 3 disclosures of a sample of institutions: flows of quantitative information are inconsistently calculated by institutions (inter-disclosure-period changes vs. yearly changes or vs. cumulative changes). The purpose of quarterly Pillar 3 disclosures on flow statements is to provide more frequent information on the origin of changes. Flows of RWAs should be estimated based on the changes between disclosure periods. Given that these templates have to be disclosed on a quarterly basis, institutions should report the changes between the disclosure reference date and the end of the quarter prior to the quarter of the disclosure reference date. As good practice, some institutions disclose information not only on the quarter under review but also on previous quarters.	The instructions on how flows have to be calculated have been adjusted.
- Disclosure of operational risk.			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 63. Are the instructions, tables and templates clear to respondents?			
Template EU OR1 (definition of 'banking activities')	One respondent requested clarifications on the definition of 'banking activities' on the grounds that is not obvious what the scope of the table is.	References to the relevant articles of the CRR, which identify the figures that should be considered under each approach, already provide clarity.	No amendment.
Question 64. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
Question 65. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
Template EU OR1 (disclosure of quantitative information)	One respondent noted that the required disclosure of quantitative information for the relevant indicator (columns (a), (b) and (c)) goes beyond the requirements set out in the CRR.	Article 446 of the CRR requests institutions to disclose information on the approaches for the management of operational risk that should help to understand the assessment of own funds requirements for operational risk. The information included in the columns of template EU OR1 referred to is relevant to understand the assessment of the own funds required.	No amendment.
- Disclosure of remuneration policy			
Question 66. Are the instructions, tables and templates clear to respondents?			
General comments (legal references)	In relation to legal references provided in the instructions, one respondent requested clarification on why the instructions to the table and templates only occasionally	Legal references are included in the paragraph introducing each template and table.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	include legal references. As regards remuneration templates (REM1 to REM5), only some explanations of rows and columns refer to the corresponding CRR provision (subsections of Article 450) and/or CRD provision (Article 92; subsections of Article 94(1)) when, in principle, all remuneration disclosures should be linked to their corresponding legal reference.		
General comments (awarded vs. paid)	One respondent commented that the draft ITS should include definitions of what is understood by these concepts or, alternatively, refer to definitions already in existence (e.g. EBA Guidelines on sound remuneration policies).	The definitions are those in the Level 1 text, but some clarifications added to the instructions.	Clarification of the definitions of awarded vs. paid have been added.
General comments ('during' the financial year vs. 'for' the financial year)	One respondent requested clarification regarding the remuneration expected to be disclosed, commenting that it is important that institutions adequately understand what exactly has to be reported in each template, particularly in template REM1, which refers to the remuneration awarded for the financial year. According to the respondent, in general, in this template institutions disclose the 'annual bonus' accrued for the financial year, even if technically awarded once the financial year has ended (i.e., for 2019, disclosure is made of the bonus that would be linked to the performance over the 2019 financial year but which amount is technically granted in 2020, primarily because performance figures have to be final before the amount can be determined). If annual bonuses for the financial year ended are, indeed, what is expected	Consistency to be ensured 'during the financial year' refers to the present financial year, whereas 'for the financial year' refers to the financial year to which a piece of information refers.	Some minor clarifications have been added to the instructions.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	to be disclosed, then instructions should not refer to the term ‘during’. Under this interpretation, the respondent believes that instructions to the ITS are likewise unclear as regards severance payment disclosure as, for instance, they expect ‘guaranteed variable remuneration awards for the financial year’ and ‘severance payments awarded during the year’ to be added (REM1, row 10). Severance payments tied to financial year 2019 – in their variable component – might not be awarded until 2020 for the same reasons as variable remuneration for said financial year (the institution needs certain information in order to calculate its share component, for example). Therefore, if institutions were to take the wording literally, they might have to disclose severance payments corresponding to financial year 2018 that were awarded in 2019. Interpretative issues would likewise arise with the following (non-exhaustive) instructions: • ‘amounts of variable remuneration awarded for the financial year’ (REM 1, row 15); • ‘guaranteed variable remuneration paid during the financial year’ (REM2, row 3); • ‘Severance payments awarded in previous periods, that have been paid out during the financial year’ (REM2, row 5).		



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
General comments (FTEs)	One respondent noted that the ITS includes repeated references to the method by which the number of employees of the institution should be calculated (REM1, rows 1 and 9; REM2, rows 1, 4 and 6; REM5, row 1). This requirement may result in complicated calculations for institutions, even more so when they have to disclose information on risk takers within a group, given that labour conditions are not uniform and employees are subject to a wide array of regulations across different jurisdictions. Calculating the number of FTEs among all employees for the purpose of Pillar 3 disclosures is a burdensome process that will be imposed if the ITS remains as it stands. The responded suggested that this requirement be eliminated, to enable institutions to o report the total number of staff using methodologies already in place.	Again, the number of FTEs is needed for the purpose of calculating the average remuneration. The EBA agrees that, in the case of members of the management board, information should be disclosed based on headcount. The instructions should make it clear when FTEs should be used and when headcount should be used.	The instructions for the management body to clarify that remuneration information should be based on headcount rather than number of FTEs. The instructions now indicate when FTEs and when headcount should be used.
General comments (business areas of the model)	One respondent suggested that, for the purposes of correctly compiling the information, the instructions, tables and templates need to be clarified concerning the placement of the staff working in private banking and wealth management within the following business areas of the model: • management body supervisory function; • management body management function; • investment banking; • retail banking; • asset management;	This is clarified in the EBA Guidelines on sound remuneration policies. Staff who perform several different activities should be allocated to the predominant activity. Definitions of management body and senior management are provided in the CRR.	No amendments.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	• corporate functions; • independent internal control functions; • all other business areas that were not covered in the previous columns separately.		
General comments (clarity of format)	Some respondents noted that, as a whole, the instructions are clear enough to render it possible to respond as intended. However, the templates and tables are likely to be used and filled out digitally in Excel format, in which case they are unnecessarily wide, making it hard to read along from headings to the individual data cells. Formatting, colouring etc. could be used to make the templates visually clearer. In addition, the purpose of greyed-out cells of somewhat unclear. For example, one respondent assumed that the greyed-out cells in table REM5 are not applicable, given that there is no requirement in CRR2 to report this information. This respondent also suggested that guidance is given to firms as to how to populate other fields that are not applicable. For example, if it were permitted to remove fields from the disclosure, this would make the tables more user-friendly and would save space.	The ITS and the instructions provide comprehensive instructions to institutions on how to fill in the templates. In addition, the long-standing convention used both in supervisory reporting and in disclosures is that those cells that are greyed out do not need to be filled in.	No action needed.
General comment (clarity of templates and instructions; terminology used)	One respondent reported multiple issues in relation to the clarity of instructions and templates, especially with regards to the terminology used. For example, they stated that the proposed tables and templates do not provide a clear distinction between management levels. As credit institutions' internal organisation consists of multi-level	The instructions should indicate when FTEs and when headcount (the latter in the case of the management body) should be used.	The instructions have been clarified and now indicate when FTEs and when headcount are used.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	hierarchies, a clear terminology needs to be used (e.g. ‘management board’ instead of ‘management function’, etc.). This respondent also commented that is not clear how tables are connected to each other, which is necessary both to understand the requirements and also to provide consistent reporting (e.g. some tables have totals, some do not). Throughout all the tables it is not clear whether headcount or FTE number should be used to quantify employees. The terminology used will cause misunderstanding of requirements (e.g. guaranteed variable remuneration is not allowed except in the case of a first-year sign-on bonus); therefore, more to the point and clear terminology is necessary otherwise, some disclosure tables should be understood as difficult questions, leading to incorrect reporting. The respondent pointed out questionnaires need to take into account the fact that the tables may need to be filled in by more than 100 entities, and therefore very simple, clear terminology is paramount. A clear distinction needs to be made between the number of staff and amount of payment, when it comes to special payments. Ideally, the structure of the sentence would be changed in a way that makes this is very obvious. Throughout all the tables it is not clear whether the historical payments are necessary, or the pay-out year, it needs to be kept in mind when variable remuneration can be paid out for a performance year. The timeline of the requirements, the respondent contended, needs to be more clearly specified.		



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Finally, this respondent thought that in the table 'Remuneration awarded for the financial year' the requirements with regards to separation of deferred parts per type are structured in an unnecessarily complicated way and that, instead of asking for a deferral after each type, this should say 'Amount of deferral – of which cash, or instruments, etc.)'.		
General comment (regulatory consistency)	Some respondents noted that the requirements set out in the instructions and tables completely overshoot the objectives set out in EBA Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013. According to one respondent, the proposed questions require not disclosure of 'sufficient general information' as set out in the mentioned regulation, but detailed information about the institution's remuneration policy. They require the disclosure of names and mandates, and a detailed description of performance management linked to variable remuneration, bonus pool guidelines, explanations on internal rules, internal governance and the entire cycle of HR policies and practices, and not only remuneration policy.	The templates and tables reflect the disclosure requirements in the Level 1 text and in Basel. The scope of application of some templates that should apply only to identified staff has been adjusted and clarified.	The scope of application of some templates has been changed, clarifying that they shall apply only to identified staff.
General comment (collective agreements and effective risk management)	One respondent raised the issue of compatibility between remuneration rules, intended to establish and maintain remuneration policies, and practices that are consistent with effective risk management. Although the respondent strongly supports the idea of remuneration policies and	Disclosure requirements should be limited to staff whose professional activities have a material impact on institutions' risk profile, and this is clear according to Article 450 of the CRR.	Clarifications added in instructions and templates, limiting the scope of



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	practices being consistent with and promoting sound risk management, collective agreements hold primacy when it comes to remuneration policies. This is the cornerstone of the Nordic model, where social partners assume responsibility for sound remuneration policies and practices. It is also in accordance with Article 153.5 of the Treaty on the Functioning of the European Union (TFEU), recital 69 of the CRD, recital 10 in Directive 2014/91/EU and recital 14 in Directive 2010/76/EU. Thus, it must be clarified that any provisions or suggested actions within the ITS do not apply to matters agreed within the scope of collective agreements. Furthermore, increased transparency concerning how companies work with their remuneration policies is a positive development, especially in the context of the increased publicity that the financial sector is attracting. Against that background, this issue should also be addressed with caution, especially having in mind the proposed line of thinking concerning the integration of Pillar 3 disclosure requirements and supervisory reporting. While the idea of facilitating administrative burden is commendable, the amount of information that needs to be available, and in some cases also made public, could move those proportions. The essential precondition to keep in mind is that the professional and personal integrity of employees is protected, i.e. specific amounts earned by individual employees should not be made publicly available. Ultimately, in order to maintain proportionality, it is important that the disclosure applies only to 'identified		application to identified staff.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	staff' (material risk-takers with a certain level of salary) and not to all employees.		
Table EU REMA (fixed vs. flexible format)	One respondent believes that further clarity would be helpful in a number of areas to ensure consistent reporting across all firms. For instance, according to this respondent, qualitative information on a firm's remuneration policy is not necessarily best suited to a table format. Therefore, if the instructions were updated such that this table is not a 'fixed format', this would help firms to disclose their remuneration policy in the format most appropriate for their policy, so long as all the required data points are included. This would also help global firms who may be making equivalent qualitative disclosures in non-EU jurisdictions as well as listed firms required to make similar disclosures in their annual reports. This approach would be consistent with paragraph 17 (section 3.4) of the EBA's consultation as well as the BCBS Pillar 3 standards from March 2017, which define table REMA as 'flexible' in format.	The EBA agrees that table REMA should have a flexible format.	The instructions have been adjusted and table REMA is now defined as flexible.
Table EU REMA (fixed vs. flexible format)	One respondent seeks clarity with regards to how 'tables' should be interpreted. According to section 3.4 of the consultation paper (Templates and tables. Use of fixed and flexible formats): 15. Templates are developed to implement quantitative disclosure requirements while tables implement qualitative information.	The EBA agrees that the words 'fixed format' should be removed from the label in the instructions as this is a qualitative table and replaced with 'flexible format'.	Instructions adjusted and table REMA is now defined as flexible.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	17. As per the qualitative disclosures, the draft ITS provides flexible tables with instructions on the type of information that institutions will have to explain. However, table REMA, pertaining remuneration policy, expressly states ‘fixed format’ alongside it. Although it is this respondent’s view that the provisions of paragraph 17 should prevail, and that the purpose of the ITS is not to impose fixed formats for qualitative information, it would be useful to accommodate the wording of the tables to the aforementioned paragraphs.		
Table EU REMA (reference to EBA Guidelines on sound remuneration policies)	In relation to table REMA, one respondent suggested that, in order to ensure a clear understanding of the difference between the information to be reported under rows (h) and (j), a reference be included in the 2015 EBA Guidelines on sound remuneration policies, paragraph 311.	Row (h) applies to individual remuneration (national discretion) whereas row (j) is collective of the whole body. This is clear from the labelling of the rows, and there is no need for further clarification.	No amendment.
Table EU REMA (weak performance metrics)	One respondent stated that institutions are expected to disclose in table REMA information on the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution’s criteria for determining ‘weak’ performance metrics. This section, the respondent points out, includes no reference to the applicable CRR provision, and the concept of ‘weak performance metrics’ is not envisaged in either the CRD or the CRR. It is likewise not defined in the EBA Guidelines on sound remuneration policies. It appears to have been taken directly from the Basel standards of	Weak performance metrics are included in the Basel template, and there is a mandate to align with Basel. Clarifications have been added to the instructions to say that institutions have to indicate the thresholds or criteria according to which a performance is assessed as weak.	Clarifications have been added to the instructions.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Pillar 3 disclosure requirements (part 13, on remuneration), which likewise contain no instructions for qualitative information. Clarity is thus sought on what should be disclosed in accordance with the extract above.		
Table EU REMA (total remuneration for each member of the management body or senior management)	One respondent noted the following with regards to the total remuneration for each member of the management body or senior management (row (h)): Firstly, and in line with the general comments regarding legal references, it would be useful if the ITS could include a reference to Article 450(1)(k) of the CRR, which originates the obligation. Additionally, this information, if it must be disclosed in accordance with specific Member States' demands, should be relocated to template REM1, where institutions disclose remuneration for the financial year. Indeed, the information which is asked for under this row is not quantitative but qualitative in nature. It is not, strictly speaking, an explanation of an institution's remuneration policy, but rather a result of its application, in the same way that the remaining data for template REM1ares.	In relation to total remuneration for each member of the management body or senior management, reference to Article 450 (1)(k) of the CRR has been added to the instructions. EBA is of the view that this information should remain in table REMA, rather than moving it to template REM1.	The instructions have been amended by adding a reference to Article 450 (1)(k) of the CRR.
Table EU REMA (number of staff members)	One respondent pointed out that the instructions for row (i) in Annex XXXIV should be amended as follows 'for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and, where a derogation is applied on the basis of point (b) of Directive 2013/36/EU, their total remuneration, split into fixed and variable	This disclosure is required in the Level 1 text, point (k) of Article 450(1).	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	remuneration’ as firms which benefit from a derogation on the basis of point (a) of Article 94(3) of Directive 2013/36/EU are by definition not classified as large institutions. As firms have to comply with the remuneration rules in a way that is proportionate to their size, the respondent believes that requiring these firms to disclose annually on an individual basis (in particular for small subsidiaries of large banking group) their remuneration policy and all details concerning the total remuneration split into fixed and variable remuneration would be disproportionate without bringing useful information to the public. In some cases, these disclosures would not allow firms to respect the necessary confidentiality and protection of individual data.		
Table REM1 (FTE approach)	In relation to table REM1, one respondent noted that the guidelines state that this should be completed using the FTE approach (this sentence is highlighted in blue, the reason for which is unclear). However, the respondent suggested that this should be amended to number of staff, as is the case, for example, in table REM4. Using the FTE approach is likely to result in misleading disclosures. For example, members of the management body are remunerated on the basis of their role and not on how many hours they are contracted to work, so should be counted as a single staff member (i.e. 1 FTE). In addition, remuneration rules such as the variable pay cap, deferral rules, etc., are applied at the individual employee level irrespective of working hours. Similarly, remuneration for part-time employees should be considered per staff member rather than, for example, the remuneration of	Information on the number of FTEs is needed for the calculation of average remuneration. In this regard, the RTS on identified staff base the quantitative criteria on FTEs and include some clarifications. For the management body headcount should be used instead.	The instructions have been amended to reflect the fact that management body remuneration is based on headcount rather than number of FTEs.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	two part-time employees being combined as though it were the remuneration for a single full-time employee. If the EBA persists in requiring the use of the FTE approach, it should provide further clarity in its guidelines to ensure that the data can be fully understood and to ensure consistency between tables.		
Table EU REM1 ('other forms' of fixed remuneration)	One respondent noted that the instructions for completion of template REM1 indicate that institutions should disclose in row 7 'The amounts of fixed remuneration awarded for the financial year that are other than disclosed in rows 3, EU-5a, EU-5b and EU-6x' and asked for clarification of 'fixed remuneration awarded', especially as regards the pension commitments of institutions. as well as what is included in 'other forms' with reference to the fixed and variable components (rows 7 and 16). It was also pointed out that, according to the EBA Guidelines on sound remuneration policies, remuneration can be considered either fixed or variable (the latter being any remuneration which is not fixed and complies with section 7), but the only type of variable remuneration defined in the guidelines is 'awards'. Likewise, according to the EBA Guidelines on sound remuneration policies, pension contributions are to be categorised into fixed or variable remuneration, yet there is no guidance as to when, if considered fixed remuneration, they should be understood as having been 'awarded'. Fixed pension contributions, generally, do not imply legal ownership of the contributions made by the institutions during the financial year. They are a right 'to be expected',	Recital 64 of the CRD defines proportionate regular pension contributions as fixed remuneration. To clarify this, the instructions should specify that proportionate regular pension contributions can be considered another form of fixed remuneration in accordance with recital 64 of the CRD.	Clarification has been added to the instructions.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	i.e. remuneration to vest in the future if conditions are met as per applicable pension contribution plans, but not considered realised or consolidated pay for the financial year. According to the respondent, in the light of the above, institutions are left with no clear guidance as to whether the fixed pension contributions of risk takers are expected to be included in REM1. Such interpretation (i.e. that they should be added to total fixed remuneration, as ‘other forms’ of fixed remuneration) would appear to be contrary to the very nature of pension contributions, as explained.		
Table EU REM1 (different types of component of variable remuneration)	One respondent asked if ‘Different types of component of variable remuneration’ (row 12, EU-14a, EU-14b) has any additional meaning or if it should be understood as variable remuneration components, in accordance with Article 94 (i.e. there are variable or fixed components of remuneration, but not an ‘ad hoc’ category of ‘types of component’ within variable remuneration).	The instructions are already clear that this row refers to types of variable remuneration in accordance with Article 94. The instructions now include examples of other forms of variable remuneration	Examples of other forms of variable remuneration have been added to the instructions
Table EU REM2 (number of identified staff)	One respondent sought clarity on how rows 4 and 6 of the table are to be completed, given that both rows refer to ‘number of identified staff’. In accordance with Article 450(1)(vi) and (vii), institutions must disclose severance payments paid out during the financial year and severance payments awarded during the financial year (split into paid and deferred), but the number of beneficiaries of severance payments is requested only for the latter. Thus, the reason for requesting information on emoluments paid during the year attributable to	The disclosure required in Article 450(1)(h)(vi) is expressed quite broadly and refers to ‘severance payments awarded in previous periods that have been paid out during the financial year’, which can include both the amounts and the number of beneficiaries, which is the way it has been implemented in Table EU REM2	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	severance payments awarded in previous years is not clear, since lines 7–9 show the composition of the severance awarded during the financial year, specifying how much is paid during the financial year and how much is deferred. The fact that the EBA has included separate rows to disclose the number of beneficiaries may imply that the number of beneficiaries of severance payments awarded in previous years but paid in the financial year might not coincide with the number of risk takers reported in the remaining tables for the current financial year. It would thus be useful to understand the reasoning behind expressly including two sets of risk takers in REM2 or, alternatively, that the EBA clarify what severance payments are expected to be disclosed under rows 5 and 7.		
Table EU REM2 (highest severance payment)	One respondent observed that the template and its disclosures would appear to suggest that institutions should report not only the highest payment, but also the ‘category’ of risk taker, and suggested that this poses an important confidentiality problem should only one risk taker be entitled to remuneration in any particular year, especially if part of a smaller collective such as senior managers or directors. Consequently, the respondent advocated that the obligation to categorise the highest severance payment be eliminated.	Article 450(1)(h)(vii) requires institutions to disclose ‘the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person’; this is a disclosure requirement included in the Level 1 text. T Template EU REM2 requires institutions to disclose the amount of the highest severance payment awarded to a single person, but it does not require do disclose the category of the risk taker, as suggested by the respondent.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Tables EU REM1, EU REM2 and EU REM3 (management body of subordinate significant institutions)	One respondent asked the EBA to confirm that the management body referred to in tables REM1, REM2 and REM3 is the management body only of the institution for which information is being disclosed and does not include members of the management bodies of subordinate significant institutions.	Following Article 13 of the CRR, disclosures are applicable at consolidated level and in the case of large subsidiaries at individual or sub-consolidated level, including in this case information only on the management body of the consolidating institution. In the case of management body of subsidiaries, the information shall be disclosed under the relevant business areas, and not in the part relating to the management body.	Some clarifications have been added to the instructions.
Table EU REM3	One respondent stated that it would be helpful to discuss with the EBA each row of table REM3 in order to have further clarity on what is required, with examples given where possible. The respondent set out some specific questions with a worked example below, but the key points raised included the following: - Columns (a), (e) and (h) refer to performance periods whereas columns (b), (c), (d), (f) and (g) refer to financial years – could the EBA confirm that ‘performance period’ is meant throughout? - Could the EBA confirm that column (a) refers only to remuneration that was outstanding at the start of the performance period to which the disclosure relates? Furthermore, could the EBA confirm that column (a) is equal to sum of columns (b) and (c), and that columns (a), (b) and (c) are meant to be populated with initial awarded amounts? - What is expected to be disclosed under column (e)?	Columns (a) and (h) of REM3 refer to the award for performance periods but the remaining columns refer to actual payments made, and this is why they refer to financial year (update column (e), which should refer to the financial year). Column (a) of REM3 refers to the total amount of deferred remuneration awarded and is in fact the sum of columns (b) and (c). The instructions now clarify that column (a) is the sum of these two columns. Regarding column (e), performance years have been changed to financial years. Clarifications regarding column (g) have been added to the instructions. The EBA considers that column (h) should be clear enough. The EBA also thinks that the order of columns is clear enough and the intention is to reflect this information separately.	Clarifications have been added to the instructions.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	- Can the EBA clarify if column (g) refers to what was paid out after the end of 'retention period', as opposed to what was vested but was still subject to retention in the financial year under column (b)? It would also be helpful for terms such as 'deferred', 'vested' and 'paid out' to be clearly defined. - Could the EBA confirm that column (h) includes only retained awards that were previously deferred (i.e. that it excludes retained awards that were immediately vested)? Given that this would be a subset of column (b), perhaps the columns could be reordered the columns so that column (h) follows column (b) and the words 'and retained' could be removed from the heading in cell B5. - Remuneration can be awarded in units other than currency, for example as a number of restricted stock Units (RSU). Further guidance is therefore requested as to how these should be valued – e.g. value at time of award, time of forfeiture, start of performance period or end of performance period.	The issue of the units is not the purpose of this ITS. Further guidance is provided in the EBA's Guidelines on sound remuneration policies. The templates have to respect fully the CRR. Some clarifications are needed in the annexes to the ITS, but further clarification can be found on in the EBA's Guidelines on sound remuneration policies	
Table EU REM3 (Implicit adjustments)	One respondent pointed out that, according to the instructions, deferred amounts reported in column (f) should include, inter alia, changes in the value of shares that occurred during the financial year, even if the variable remuneration has not been paid, i.e. even if the variable remuneration simply remained deferred during the financial year. This has important implications for institutions that currently report variable remuneration both as cash in euros and as number of	This information is required in the Basel standard and the ITS needs to be aligned with it. EBA staff recognise that there can be challenges in estimating this information, and that this information should be requested on a best effort basis.	The instructions on column (f) have been amended and the information is now required on a best effort basis.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	shares/instruments. It would oblige institutions to perform yearly calculations of changes in the value of shares/other instruments. This would be an incredibly burdensome process for institutions. Moreover, this calculation would appear not to be required by CRR2, which, in subparagraphs (iii) and (iv) of Article 450(1)(h), expects disclosure of: 1. deferred remuneration, split into vested and unvested (this requisite would appear to be linked to columns (a)–(c)); and 2. out of the vested deferred remuneration, the amount paid and affected by performance adjustments (this requisite would appear to be linked to columns (d) and (g). Taking into account that the provision this information would be very complicated for institutions, along with it not being a disclosure expected by the prevailing regulation, the respondent advocated the elimination of column (f).		
Table EU REM3 (inconsistencies in column (f))	Notwithstanding the comments above, one respondent pointed out that Annex XXXIII apparently contains an error in column (f) (it should read ‘total amount of adjustment’, as the instruction does, instead of ‘amendment’). The respondent also pointed out that the instructions first refer to changes in the price of instruments as the only thing that could lead to implicit adjustments but, immediately after, appear to suggest that changes in the price of instruments are only one example of implicit	The EBA agrees that the label in the Excel file should be changed and ‘amendment’ should be replaced with ‘adjustment’.	The label of column (f) has been amended in order to correct this typo



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	adjustments ('like changes of value ...'). Greater clarity in this respect would be welcome.		
Table EU REM3 (other forms of remuneration)	In relation to the same template, one respondent asked the EBA to specify what is included in the 'other forms' item referring to the remuneration of the identified staff disaggregated into the different business areas (rows 7, 12 and 24) as well as clarifying what should be indicated in the column (e), 'Amount of performance adjustment to deferred remuneration that was due to vest in future performance years'.	Regarding column (e), the wording 'performance years' has been replaced with 'financial years'. Examples have been added to clarify what should be disclosed under the rows on 'Other forms' of variable remuneration.	Clarifications have been added to the annexes. Examples of other forms of variable remuneration have been added.
Table EU REM3 (risk takers of institutions)	One respondent noted, in relation to the total number of staff (rows 1 and 5), a need to align the scope of the EBA's draft ITS with that of CRR2, pointing out that, in accordance with Part Eight, and as established in Article 450 on disclosures of remuneration policy, the scope of application of said disclosures is confined to 'risk takers' of an institution, i.e. categories of staff whose professional activities have a material impact on the institution's risk profile (Article 450(1) of the CRR). In line with the CRR's scope, the EBA's draft ITS should not apply to all employees within an institution. Moreover, the respondent pointed out that, if the ITS remain as they stand, disclosures would now have to be made for large workforces and a great number of group undertakings. In many undertakings, especially those outside the EU framework, these workforces are not categorised under the business areas that the EBA would expect to see reported (investment banking, retail banking,	Templates EU REM3 and EU REM5 should be limited to staff whose professional activities have a material impact on institutions' risk profile. Data will still need to be collected for benchmarking purposes, as the total is needed for proper benchmarking as the ratio of risk takers to all staff differs widely. But for the purpose of disclosure, the templates need to be in line with the Level 1 text and limited to identified staff.	Adjustments have been made to the annexes to clarify that the scope of templates EU REM3 and EU REM5 is restricted to identified staff.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	asset management, corporate functions, independent internal control functions, and all others). Adapting the entire workforce to this categorisation would be a burdensome process, that would not be exempt from cost, for reporting institutions and subsidiaries alike.		
Template EU REM3 (consistency and clarity)	One respondent considers template REM3, ‘Deferred remuneration’, completely misleading and unclear, stating that it is not clear if what is required is outstanding payments from previous years, pay-out in the reporting year or future payments. The timeline for reporting is completely unclear. The respondent recommended making the requirements clearer by moving the types of employees to the columns and the types of payment to the rows. The same respondent observed that tables REM1 and REM5 have overlapping requirements for material risk takers, but with inconsistent reporting (i.e. ‘What is the point of reporting identified staff in each business area in one table and then in the other table asking to classify them in one column as “other identified staff”, when a simple sum formula can be added to the first table to provide this figure?). The respondent went on to comment that the overall amount of information requested in the tables, as well as the lack of consistency between the tables, will just overcomplicate the entire process and lead to incorrect reporting.	The EBA considers the instructions and tables to be sufficiently clear and that no further action is needed.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	This respondent also thought that it would be very helpful to provide an example of what needs to be reported in each column, as the table is very hard to read. Marking remuneration in a graphic and linking to the specific cell in the table, as well as giving an example of years (timeline) would provide much needed clarity.		
Template EU REM4 (consistency and clarity)	One respondent noted that in template REM4, 'Remuneration of 1 million EUR or more per year', there is again no clarification of what value needs to be entered (headcount or number of FTEs) and recommended that, in the case of additional reporting requirements, old tables could be amended as necessary. The process of disclosure requires very complicated coordination on a group level, instruction and guidance for the consolidated subsidiaries, etc. Therefore, sticking to 'old' (from previous years) templates which would be supplemented only in the case of new requirements made necessary by new regulation would be more user-friendly and would enable institutions to successfully achieve the objectives of the disclosure on remuneration policy.	The EBA considers that the instructions and tables are clear but the instructions have been clarified in order to specify when number of FTEs and when headcount (in the case of management body) should be used.	The instructions have been clarified to indicate when number of FTEs and when headcount should apply.
Question 67. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
Regulatory consistency	One respondent notes that believes that there are instances where the templates appear to ask for more information than is required in Article 450 of CRR2 and that these should be revised. For example: - Table REM2: rows 3 and 10 appear to go beyond what is required by Article 450(1)(h)(v-vii) in referencing the	First comment. Rows 3 and 10 of template REM2 are not outside the mandate provided to the EBA in Article 434a of the CRR. According to that provision the uniform disclosure formats and associated instructions should convey sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions and their degree of compliance with the	No amendment regarding rows 3 and 10 of template EU REM2. No amendments either regarding



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	bonus cap. They suggest that these rows should be removed; - REM3: Column (h), goes beyond what is required in by Article 450(1)(h)(iv) “the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;” by requiring the disclosure of amounts that have vested but are subject to retention periods. In addition, in Table REM5 capturing data on all staff, this goes beyond what is required in Article 450(1)(g), which applies only to Material Risk Takers and this table is not in the BCBS Standards. They suggest that this is revised to refer only to Identified Staff / Material Risk Takers. We note that in the draft Instructions for Table REM3, column (h), there is a reference to “Article 9 of Directive 2013/36/EU”. They believe this is a typo and should refer to “Article 94”.–	relevant prudential requirements. In particular, with regard to disclosures on remuneration, recital 58 of CRR2 provides that they should be compatible with the aims of the remuneration rules, namely to establish and maintain, for categories of staff whose professional activities have a material impact on the institution’s risk profile, remuneration policies and practices that are consistent with effective risk management. According to Article 450 of the CRR, institutions shall disclose at least the following information regarding the remuneration policy and practices of the institution for those categories of staff whose professional activities have a material impact on its risk profile: • aggregate quantitative information on remuneration, broken down by business area (Article 450(1)(g) of the CRR); and • aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following: – new sign-on and severance payments made during the financial year (Article 450(1)(h) point (v) of the CRR), and – the number of beneficiaries of such payments (Article 450(1)(h) point (vi) of the CRR). The requirement of bonus cap, notably the restriction of variable remuneration not exceeding certain thresholds of fixed remuneration, as further specified for calculation	template EU REM3 and column (h) The instructions for template REM5 have been clarified and the scope is now restricted to staff whose professional activities have a material impact on institutions’ risk profile.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		purposes in the EBA Guidelines on remuneration policies mandated under the CRD and explicitly excluding from the calculation certain severance payments and sign on bonuses depending on their nature, is key in ensuring that the applicable remuneration policy is consistent with the effective risk management of the institution. According to the' mandate and the relevant recital referred to above, the EBA has to design the relevant template in a way that immediately available and transparent information is disclosed as to whether compliance with the bonus cap requirement is being achieved by the institution. Thus, the template should, on the basis of Article 450 (g) and (h) points (v) and (vi) CRR, clearly state whether the aggregate quantitative information on remuneration broken down by business area, fully reflects the bonus cap when new sign-on and severance payments are involved Second comment on REM 3 - No action needed, as column h "Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods"" is aligned with the requirement in the level 1 text "the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;"" Third comment- Action needed- the scope of application of template REM 5 needs to be restricted, which cannot apply to all the staff but only to the "staff whose professional activities have a material impact on institutions' risk profile""	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Regulatory consistency	One respondent noted possible discrepancies between the templates and instructions and the calculation of requirements set out in the underlying regulation. The respondent agrees that the summary tables on remuneration policies, and details of some items, are necessary to achieve a homogeneous comparison at European level of qualitative and quantitative information on the topic. However, according to the respondent, bearing in mind that the consultation is aimed at clarifying the scope of the Article 450, in which it is envisaged that ‘Institutions shall disclose the following information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on institutions’ risk profile’, table REM5 regarding ‘Information on remuneration for all staff’ does not fulfil the requirement contained in the EU legislation, and, therefore, the disclosure of this information should be optional, i.e. each company should be able to assess the appropriateness of such public disclosure.	The scope of application of template REM5 needs to be restricted such that it applies not to all staff but only to ‘staff whose professional activities have a material impact on institutions’ risk profile’.	The instructions for templates REM3 and REM5 have clarified been and the scope is now restricted to staff whose professional activities have a material impact on institutions’ risk profile.
Granularity of information	With regards to the granularity of the proposed information, one respondent currently disaggregates remuneration information by business area for the purposes of the benchmarking exercise carried out pursuant to EBA Guidelines on the remuneration benchmarking exercise (GL/2014/08). However, the respondent considers it appropriate to apply proportionality in the application of the discipline based on company size, to avoid small companies, required to	No action - on privacy issues for small institutions when disclosing template REM 5 - This is the legal requirement in the Level 1 text, and the EBA cannot in the ITS waive the requirement for institutions to comply with the he CRR .	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	compile table REM5, having to face privacy because of the limited number of subjects in the individual business areas proposed.		
Template EU REM1/2 (level of breakdown)	One respondent requested that in quantitative tables reporting information on identified staff (i.e. tables REM1 and REM2), companies be allowed, where they deem it to be appropriate, to disaggregate the information based on the same areas of activity as proposed in table REM5. Specifically, for banks in the scope of benchmarking at European and/or national level – which already, in tables relating to identified staff, break down information by the business areas proposed in table REM5 – can the same accounting be reported, in order to avoid further management burden and to provide a consistent market picture?	Need to allow institutions under the benchmarking exercise to include in REM1 and REM2 the level of breakdown by areas included in template REM5. A paragraph can be added in the instructions for both templates to clarify that institutions can provide further breakdown in templates REM1 and REM2 in line with the breakdown included in REM5.	Instructions for the column on ‘Other identified staff’ have been clarified. The following sentence has been added to the instructions: ‘Institutions may include in this template the breakdown of other identified staff by business areas as proposed in template EU REM5’.
Table EU REMA (weak performance metrics)	One respondent pointed out that Annex 37 of REMA (e) mentions a ‘weak’ performance matrix and associated evaluation of variable remuneration and asked that it be clarified if this relates to individual, business unit or institutional performance. Since the focus should be on clearly identified staff, a more individual focus is possible, but this should not be required for other groups of staff whose influence on risk is smaller, as it would lead to more pressure among employees.	This comment is not limited to staff performance (see also Article 94(1)(n) of the CRD). Without prejudice to the general principles of national contract and labour law, total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the institution occurs, taking into account both current remuneration and reductions in pay-outs of amounts previously earned, including through malus or clawback arrangements.	Instructions clarified and now ask institutions to explain the criteria/thresholds for determining that the performance is weak and that does not justify that the variable



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
			remuneration can be paid or vested.
Table EU REMA (variable remuneration linked to performance)	One respondent commented that the text ‘description of ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration’ suggests a clear link between variable remuneration and performance only and thinks that it is important to acknowledge that most employees do not receive excessive amounts of variable remuneration, with local agreements on variable remuneration being extremely limited. In this case variable remuneration could play a limited role, if any, in, for example, credit granting. This respondent believes in the principle that employees should be adequately paid for performing their job and that variable pay should be additional income. The respondent believes that remuneration policies and practices should be decided by the social partners. Also, again as a matter of principle, to reduce or reverse any compensation, as indicated under d) in connection with long-term performance, is not a means of addressing or managing risk, especially when employees have been following internal rules and policies.	This comment is related not to the disclosure templates, but to the broader topic of how remuneration policies should be defined and, therefore, is beyond the scope of this ITS.	No amendment.
Question 68. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
General comment (risk takers)	One respondent asked for the Pillar III disclosure report to include only information that is not already included in documents on remuneration that the subject entity is	The scope of application of all templates is restricted to identified staff and we cannot be extended to all staff as this goes beyond Article 450.	The instructions have been amended to clarify that the scope of templates



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	required to publish according to the regulations of the countries where it is present. The respondent pointed out that, according to the scope of application of the draft Commission Implementing Regulation laying down implementing technical standards, and as stated in the background and rationale of the consultation paper, under Article 434(a) of CRR2, the EBA has a mandate to develop draft ITS specifying uniform disclosure formats in accordance with the disclosures required under Part Eight. In accordance with Part Eight, and as established by Article 450 on disclosures of remuneration policy, the scope of application of said disclosures is confined to ‘risk takers’ of an institution, i.e. categories of staff whose professional activities have a material impact on the institution’s risk profile (Article 450(1) of CRR2). In this sense, the CRR does not require institutions to disclose remuneration information on all employees within an institution; it seeks transparency regarding the remuneration of personnel who are deemed to have an impact on the risk profile. Therefore, in line with the CRR’s scope, the EBA’s draft ITS should not include disclosures of all employees within an institution, as appears to be expected from the instructions for template REM5. (Please see table on page 4 on the document provided by the EBF) Furthermore, as established in Article 15 of the EBA regulation (Regulation (EU) No 1093/2010 of the European Parliament and of the Council), the EBA may develop ITS by		EU REM3 and EU REM5 is now restricted to identified staff.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	means of implementing acts pursuant to Article 291 of the TFEU, ‘which shall be technical, shall not imply strategic decisions or policy choices and their content shall be to determine the conditions of application of those acts. The Authority shall submit its draft implementing technical standards to the Commission for endorsement’. The main objective of ITS is thus to establish uniform conditions for the application of legally binding EU acts, which responsibility lies primarily with EU Member States but which the TFEU exceptionally empowers the EU Commission to adopt. In the light of the aforementioned legal framework, it is clear that ITS should not be a vehicle to expand the scope of a legally binding EU act (in this case, CRR2), nor should they determine conditions of application of those acts, which would seem to exceed the competence of the EBA and enter into the domain of the EU legislator (the European Parliament and the Council). The respondent advocates that any references to ‘all employees’ in the EBA’s tables, templates and corresponding instructions be eliminated.		
	- Disclosure of encumbered and unencumbered assets		
Question 69. Are the instructions, tables and templates clear to the respondents?			



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Templates AE1/2/3 (high-quality liquid assets (HQLA) and extremely high-quality liquid assets (EHQLA))	Some respondents noted that the wording could be aligned with the LCR Delegated Regulation (i.e. refer to liquid assets rather than HQLA/EHQLA).	Institutions are obliged to indicate extremely high-quality and high-quality liquid assets within the categories of liquid assets listed in the LCR Delegated Regulation. In addition, the concept has been already introduced in Regulation 2017/2295 and came into force just recently (2 January 2019). Frequent changes undermine the stability of supervision. With reference to the rest of wording – it is mostly aligned with ITS on Supervisory Reporting in order to ensure integrity of requirements.	No amendment.
Templates AE1/2/3 ('ABS' to 'securitisation')	Some respondents proposed that 'ABS' be changed to 'Securitisations' in all instances (i.e. both in the disclosure templates as well as in the ITS).	The EBA agrees that the reference to ABS should be changed with the reference to securitisation. Changes proposed: – Template EU AE1, row 060, change 'of which: asset-backed securities', to 'of which: securitisations'. – Template EU AE2, row 0180, change 'of which: asset-backed securities' to 'of which: securitisations/ – Also make the corresponding changes to the relevant instructions. – Correct a typo in templates EU AE1 and AE2 –'eligible' should be 'eligible'.	The wording has been changed in templates and instructions.
Question 70. Do respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 71. Do respondents agree that the new draft ITS fits the purpose of the underlying regulation?			
No issues were identified by respondents.		N/A	No amendment.
- Other questions			
Question 72. Do respondents consider that the ‘mapping tool’ appropriately reflects the mapping of the quantitative disclosure templates with supervisory reporting?			
Flexible mapping	One respondent noted that, despite assessing, in the consultation paper, option 1b, ‘flexible mapping,’ as the preferred option for integration of the disclosure and the reporting templates there are (1) items in the disclosure templates that are currently not mapped to reporting templates in the mapping tool and (2) disclosure templates which are not included in the mapping tool: 1. There is no mapping to the following reporting templates: EU INS1, EU INS2, EU CC1, EU CR5, EU CR7-A, EU MR2-A, EU MR2-B and EU MR3/ 2. The following disclosure templates are not in the mapping tool: EU LI1, EU LI2, EU LI3, EU CC2, EU CCYB1, EU CCYB2, EU CR1-A, EU MR4, REM1, REM2, REM3, REM4 and REM5. What, asks the respondent, is the plan going forward with regard to these items not mapped to supervisory reporting?	Mapping has been added when possible. In the case of some flexible templates mapping is not possible.	Mappings added when relevant.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Mapping (timing and future changes in supervisory reporting)	Another respondent noted that, according to the draft ITS, the mapping tool 'is not part of the draft ITS but it is provided as an accompanying document for informative purposes and to support institutions when populating the quantitative disclosure template' and commented that it is not clear to what extent use of the mapping tool is mandatory or how deviations from the mapping tool will be dealt with by the EBA or national competent authorities. The respondent considers the mapping tool to be error-prone, especially with respect to future changes to supervisory reporting. The respondent also believes that insufficient time has been granted to assess the consistency and accuracy of the mapping. It took the EBA several years to develop the tool. Banks were given three months for its assessment, during which time they were simultaneously preparing their interim reports and supervisory reporting templates for the third quarter, as well as dealing with several parallel consultations on disclosure by the Basel Committee. Some CRR2 implementation project work which is covered by the ITS is not starting in many banks until 2020. This respondent requested more time to submit comments on mapping.	N/A	No amendment.
Specific issues with mapping (inconsistencies between labels of the mapping tool and the annexes)	One respondent identified the following issues: – Inconsistencies between the labels (columns and rows) of the mapping tool file and the annexes (Excel template) published on the EBA website.	Mapping labels to be updated when relevant.	Mapping amended relevant. labels when



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	– EU CR6: in the annexes, column (i) of table A-IRB (first table) requires the average maturity of weighted exposures in ‘years’, whereas the same column of the mapping tool requires these data in ‘days’. – EU CR6: in the annexes, column (j) of table F-IRB (second table) indicates ‘Risk-weighted exposure amount after supporting factors’, whereas the mapping tool indicates ‘Risk-weighted exposure amount after SME supporting factor’. – EU CC1: in lines 16, 37, 52, 54, 55 of the annexes, the term ‘synthetic’ has been added to the corresponding wording in the mapping tool with a potential impact on the formula. For example, line 16 reads ‘Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)’. – EU CC1: the appendix, in line 60, refers to ‘Total Risk exposure amount, whereas the mapping tool refers to ‘total risk-weighted assets’. – EU LR1: line 11 of the annex reads ‘Adjustment for prudent valuation adjustments and general provisions which have reduced Tier 1 capital’ whereas the mapping tool reads ‘Adjustment for prudent valuation adjustments and general credit risk adjustments which have reduced Tier 1 capital)’.		
Specific issues with mapping (regulatory references)	In the draft ITS, some references to CRR/CRR2 are not accurate:		



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	– CC1: the ITS (3.5.5.5, § 31) indicates that ‘line 22 has been modified to reflect the 17.65% threshold, and not the 15% threshold of the existing model, in accordance with Article 48(2)(b) of CRR2’. In fact, the change only corrects the initial template, which was not correct, and the template is now aligned with the regulation. In some instances, the instructions would benefit from further clarification: – CC1: the first lines mention ‘of which: instruments of type 1, 2 or 3’. However, the instructions provide guidance only on the first line, ‘Capital instruments and the related share premium accounts’. Clarification are needed on these three types of instruments.		
Templates CCYB1 and CCYB2 – mapping tool	One respondent suggested including tables CCYB1 and CCYB2 in the mapping tool since they already correspond to supervisory reporting templates.	Yes, agree, this mapping should be added.	Mapping for CCYB has been added to the mapping tool.
Specific issues with mapping	Two respondents requested the following: – EU CR5 – revise reference to COREP (see response to question 34). – EU LR2 – revise reference to COREP (see response to question 22). In order to avoid misunderstanding between the COREP templates’ names and scope, please consider adjusting the titles of templates C08.03, C08.04, C08.05 and C08.05b to exclude the wording ‘counterparty credit risk and free deliveries’.	Mapping should be adjusted when necessary.	Mapping has been adjusted when necessary.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	as this type of risk is out of the scope of the mentioned templates.		
Question 73. In case of the need for corrections of any of the information disclosed by institutions in their Pillar 3 reports, could respondents provide their views on the best way to publicly communicate these corrections?			
Materiality when it comes to corrections	One respondent pointed out that each individual bank's understanding of materiality should govern how corrections are handled as the bank itself is best placed to assess the need for correction. When an error is identified, the bank should assess whether a correction is necessary in the next report. The assessment could be based on the materiality and decision-usefulness of the information, as well as the number of report retrievals (downloads), if ascertainable. The time that has elapsed since the incorrect disclosure was made should also play a role.	This feedback will be taken into account when addressing this topic, which is not part of the mandate included in Article 434a of the CRR and therefore is not covered by the ITS and shall be addressed separately.	No amendment.
Posting of corrections	Another respondent noted that, currently, Pillar 3 disclosures are an integral part of the reference document that presents the organisation, the activity, the financial performance and perspectives of an entity. The reference document is publicly issued and posted on the entity's website. So, provided that the update or correction is significant and will contribute to increase transparency for investors, any update or correction of the information disclosed should be made in the same way, i.e. posted on the entity's website.	This feedback will be taken into account when addressing this topic, which is not part of the mandate included in Article 434a of the CRR and therefore is not covered by the ITS and shall be addressed separately.	No amendment
Posting of corrections	Another respondent suggested a statement in the same location as the disclosure and/or an additional page in the	This feedback will be taken into account when addressing this topic, which is not part of the mandate included in	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	disclosure report, describing the nature of the change and the effects.	Article 434a of the CRR and therefore is not covered by the ITS and shall be addressed separately.	