

I. Key Messages

A- General comments

FBF welcomes the opportunity to comment on the EBA consultation paper related to the draft implementing technical standards on additional liquidity monitoring metrics under Article 403(2) of the draft Capital Requirements Regulation (CRR).

Overall, we feel that the amount of new information to be reported to EBA is significant and that the reporting templates are complex. They will generate significant additional costs without necessarily creating much added value for bank supervision. We ask EBA to balance the added-value of the new reportings with their costs when setting the reporting framework, and to simplify the reporting framework. Moreover, we ask EBA to leave enough time to institutions to implement these new reporting templates.

- Maturity ladders should derive from existing reports and not add new dimensions;
- For the other reports **National supervisors should report to EBA on the existing reports already provided by the institutions and propose adjustments where deemed necessary based on the analysis of the existing reports ;**
- Phase-in implementation and proportionality is necessary.

We insist that it is important to avoid unnecessary costs by identifying before implementation, entities for which those reporting templates would not necessarily make sense and for which there would be many costs and little benefits.

Summary of proposal

Report	Our Proposal: ✓ Keep report ✎ Modify report ✗ Delete report	If reports are retained			
		Suggested frequency	Suggested remittance delay	Exemption clauses	
		M: Monthly Q: Quaterly S: Semestrially Y: Yearly		Criterion 1	Criterion 2
Maturity Ladder	✓ ✎ to derive from existing report	Similar to existing reports	Process similar to existing reports Phase-in period to forecast	Size criteria: - BS < 5% of all entities within the scope of supervisor (SSM being considered one supervisor) - < 50 bn	
Behaviour ladder	✗ if business plan oriented (if retained: to derive from existing report)	Y if business plan-oriented	Particular process to be determined		
Funding Prices	✗ to be defined and reported to national supervisors according to their own needs	Q or S or Y	To be determined (in relation to the use of FO data)	- BS < 5% of all entities within the scope of supervisor (SSM being considered one supervisor) - < 50 bn	If the entity is funded for more than 70% by intra-group or Local supervisor could give exemptions or modify frequency of remittance for non-significant entities
Funding Concentration	✎ if retained: to only take into account data from treasuries (ie exclude retail funding) and include only wholesale funding				
Funding Roll over	✗ not required by Basel, no obvious added value				
Product Concentration	✗ to derive from LCR				
Buffer Concentration	✗ because more of a credit risk than liquidity risk				

❖ **Strike the right balance between additional data and their value-added:**

It is unfortunate that the Consultation Paper does not present any rationale for the suggested additional reports, nor explain how those reports will be used.

Without having a clear description of the purpose of those reports, and the process to use them, it is difficult to determine to which extent those reports are useful to supervisors, or to banks. As illustrations, it is clear that some of the reports are not usable by reporting institutions: Maturity Ladder (since it is not behaviorized) and Behaviour Contractual Template (since it is neither behaviorized nor does the bank run a 10 year business plan on a monthly basis).

Without knowing the purpose of the reports it is difficult to determine how EBA could strike the right balance between additional reporting workload and the real value added.

It would be helpful that EBA explains the purpose and how the reported data will be used for with specific examples.

❖ **Phase-in additional liquidity metrics reports:**

Rather assuming that there is one single opportunity to create reports, in 2013, to be first reported from 2014 on, it would be valuable to adopt a more progressive approach, and introduce additional reports to the extent they are needed, when they are needed.

Even for additional reports that EBA would elect to choose, it would be efficient to phase in the scope of application of those reports: with consolidated level first, then, if it makes sense, the most significant entities in the Group. For example, depending on the outcome of the BCBS's work on NSFR, the maturity and behavior ladders might not be necessary.

On the other reports, national supervisors should report to EBA on the current metrics provided by institutions could be adapted in order to give comprehensive harmonized reports to EBA depending on the scale and the business model of the institutions.

The first requirement could be reports to be provided by global SIFIS and local SIFIS.

❖ **Need for simplification:**

It seems to us that the reporting framework considered by EBA is rather complex and costly to implement.

Indeed, there is potentially seven reportings to report, on a social and consolidated basis, and by currency. For a group with 100 individual entities declaring on a social basis, with an average number of significant currencies of 2, that makes 1400 monthly reportings. Are we certain that the cost of implementation balances the added value? Will the supervisor have enough resources to monitor efficiently such a number of reportings, which complexity is varied but which are generally not straightforward? We think that the number and complexity of reportings is such that it may divert resources that would have been otherwise useful to monitor the liquidity risk of the bank on pure reporting tasks with no added-value.

Thus, we would like to suggest some ways to simplify the reporting framework:

- Eliminating some reportings which added value is not obvious (mostly the indicators not recommended by the Basel Committee):
 - For example, the renewal of funding, which is ill-defined in the instructions so that it is difficult to understand what the regulator wants us to report;
 - The “behavioral maturity ladder”, which to our understanding is in fact a forecasted maturity ladder based on the budget and the refinancing plan.
 - The concentration of liquid assets: indeed, it is important for banks to monitor the concentration of their liquid assets, but it appears to us that this risk is more a credit risk issue than a liquidity issue.
- Simplifying the reporting templates:
 - We urge EBA not to add new concepts in the maturity ladder compared to the LCR reporting framework, when their added-value is not obvious. This is for example the case for cross-border financing, or for the notion of resident / non-resident applied to retail deposits. More generally, an alignment of the maturity ladder format with the existing format would allow lowering the implementation costs. Such an alignment should be made at an aggregate level of the existing reports without the same level of detail required as the objective is not to do those reports again.
 - In any case, the maturity ladder should include all assets including financial equities as this metric is not under stress.
- Being more flexible in terms of exemptions that can be granted to report on a social & consolidated basis, and by currency.
- Make the most of existing LCR/SF reports:
 - Rather than adding liquidity reports, it should be systematically analyzed how the existing LCR/SF reports could be marginally adapted to cover the desired objective.
- Adopting a proportionate approach for entities or group of entities subject to those reports.
- Decreasing the frequency.

❖ **Need to distinguish between two types of reporting, with a different level of data quality requirement:**

The type and the detail of the information required for the additional liquidity monitoring metrics are very different from a template to another. It seems to us that there are in fact two types of reporting:

- one type of reporting (LCR, NSFR and the contractual maturity ladder) which aim at covering all the balance sheet and off-balance sheet but do not cover all items;
- another type of reporting, which is more related to internal indicators used to monitor the activity, and which should probably be supplied by Treasuries on a significant perimeter basis (concentration of funding, renewal of funding if retained, cost of funding...).

To lower the cost of implementation without damaging the quality of the bank supervision, it seems to us that a simple solution would be to recognize clearly that there are two kinds of reportings and that the level of data quality requirement is different for each of them:

- ex-post reconciliation with accounting would be required for the first type of reporting;
- this would not be the case for the second type of reporting, based on data of front-office quality and possibility already existing internal indicators. **National supervisors should report to EBA on the existing reports already provided**

by the institutions and propose adjustments where deemed necessary based on the analysis of the existing reports.

Moreover, it should be clearly stated that the perimeter of these two types of reporting is not the same:

- the first type of reporting is based on the totality of the balance sheet and off-balance sheet ;
- the second type is based only on the market funding issued by Treasuries and long-term refinancing teams.

It is not really clear whether the concentration by product should be an indicator based on the balance sheet or based on the funding issued by Treasuries. As-is, it seems more related to the LCR and maturity ladder than to the other indicators that should be reported by Treasuries.

❖ Scope and Consolidation:

The threshold of 1% evoked in chapter XX §3 of the ITS is too low a threshold as far as proportionality is concerned: it should be a 5% threshold.

This criterion could be complemented by another one based on the absolute value of the balance sheet of the entities: entities with a total balance sheet amount lower than 50 bn EUR) would be concerned, as is used in the US where the \$50bn balance sheet threshold applies.

We propose to adjust the proportionality rule evoked in Chapter XX §3 as described in our response in Question 2 on the adequation of the proportionality principle.

We would suggest that entities respecting one of those criteria are being exempted from the production of the additional reportings (on an individual and consolidated basis) instead of just decreasing the frequency. Indeed, we are sceptical concerning the ability of supervisors to examine all the reporting provided by banks.

Moreover, we suggest adjusting the perimeter requirements for the reportings related to internal indicators monitored by the Treasury:

- these reportings would be required on an individual basis only for entities which market funding, external to the Group, is significant;
 - Otherwise these entities will report a significant concentration of funding without it to be significant;
 - The waivers could be granted by supervisors on a case-by-case basis, taking into account the situation of individual entities:
 - to be really efficient, it would be important to have the opportunity to discuss with local supervisors to use internal existing indicators because, the proposed additional reportings will not necessarily make sense. Instead of requiring all reportings to be done indifferently without taking into account entities' structure and type of funding. For instance, an entity which contractual gaps shows little volatility should be authorised to use the existing reports as long as it regularly backtest the stability of those gaps.
 - or a criterion could be found: entities whose funding comes overwhelmingly (>70%) from the parent company should be exempted

from these reports: these companies solely rely on the funding of the mother company which therefore manages and controls the liquidity risk of this entity.

- The roll-over of funding, if retained, and the concentration of funding by counterparty, should not be reported by currency.

❖ **Frequency of reporting :**

We would favor more flexibility relating to the frequency of reporting required.

When exemption is not permitted, we propose that as a minimum local supervisors decrease the frequency the expected reporting on the criteria mentioned above and taking in account the volatility of the data. Hence, reports showing little volatility should be required only on a limited frequency.

❖ **Europe should be considered as one single jurisdiction:**

Notwithstanding our call not to introduce new dimensions in the report (cf. infra), including '*resident*' and '*cross border*' dimensions, **we strongly recommend that EBA makes clear that the Europe should be considered as a single country and consequently:**

- All European customers are considered '*resident*' for a European institution;
- Transactions between entities that are located in two Member States are not considered cross border transactions.

It also should be made clear that **the Single Supervisory Mechanism (SSM) should be considered as one competent authority** to apply the 5% threshold test.

It should be made clear that the country where the entity is incorporated is the driver to allocate a transaction to a country. In other words, a transaction between a branch in the UK of a French company and a branch in Germany of a Belgium company is considered a transaction between France and Belgium.

❖ **Avoiding introducing new dimensions for each report:**

The introduction of any new dimension in a report requires modifying the entire data collection process in each institution which means from a pure IT prospective a minimum 1-year development if the reporting format is fixed and will not change.

As much as possible, notably to ensure consistency between the different liquidity reports, French banks aims at collecting the same data to populate *all* the regulatory required reports.

As those regulatory liquidity reports are *not* aligned in terms of definitions and dimensions, this requires collecting data for all the possible combinations of dimensions over all liquidity reports. This is definitively a very well known '*curse of dimension*' as the required data increases exponentially with the number of dimensions.

The LCR and SF reports are already not consistent in their dimensions.

We urge EBA to align the liquidity reports along the same dimensions, and to avoid introducing new dimensions, and to make the most of existing reports that could accommodate most of the desired additional data.

As illustrations of new dimensions that we recommend not being introduced:

- Time band breakdown should be aligned with LCR and SF reports: ≤1m, 1m-3m, 3m-6m, 6m-9m, 9m-12m; then 1y-2y, 2y-5y, 5y-10y, 10y+; open maturity should be reported to a maturity bucket
- Hybrid bonds (1.1.2 in Maturity Ladder; 2.1.2 in Behaviour Template)
- Securitization (1.1.4 in Maturity Ladder; 2.1.4 in Behaviour Template)
- Short term paper (1.1.5 in Maturity Ladder; 2.1.5 in Behaviour Template)
- Resident / non-resident deposits (1.4.1 in Maturity Ladder)
- Domestic financial customers (1.6.1, 2.3.1, in Maturity Ladder; 1.8.1, 2.3.1, in Behavioural Template)
- Cross border financial customers (1.6.2, 2.3.2 in Maturity Ladder; 1.8.2, 2.3.2 in Behaviour Template)
- Intragroup (1.5.2.1, 1.6.1.1.1, 1.6.1.2.1, 1.6.2.1.1, 1.6.2.2.1, 1.6.3.1, 2.2.2.1, 2.2.4.1,, 2.3.1.1.1, 2.3.1.2.1, 2.3.2.1.1, 2.3.2.2.1 in Maturity Ladder; 1.2.1, 1.3.1, 1.8.1, 1.8.2.1, 2.2.2.1, 2.2.4.1,, 2.3.1.1.1, 2.3.1.2, 2.3.2.1.1, 2.3.2.2.1 in Behavioural Template; in Concentration of Funding by Product Type)
- Group and related parties (3.6.2 and 3.6.3 in Maturity Ladder)
- FX-Swaps (1.7, 2.4 Maturity Ladder; 1.4, 2.4 in Behaviour Template)
- The definition of SME loan is not aligned with the LCR since it applies a €1mm cap on deposit to classify a loan to an SME as a retail loan, which is a requirement that does not apply in LCR (2.2.1 Maturity Ladder)
- Marketable vs. non marketable assets (3.3.6.1, 3.3.6.2, 3.4.6.1 and 3.4.6.2 in Maturity Ladder)
- Sight deposits in Concentration of Funding by Product Type
- Fixed Term Deposits in Concentration of Funding by Product Type
- Savings in Concentration of Funding by Product Type

Moreover, the instructions to allocate cash flows by time band should be consistent across all reports.

❖ Precise definition of Intragroup:

As the reports are designed for both individual report and consolidated report, it should be made clear that 'intragroup' should be left blank when reporting the consolidated level

(i.e.: all the transactions that are between entities that are consolidated in the report are assumed not to exist).

Additionally, it should be made clear whether 'intragroup' should be considered balance sheet-wise or prudential scope-wise. As an illustration, an insurance company in the Group is not part of the banking prudential scope whereas it is part of the consolidated balance sheet: we recommend adopting the prudential scope approach, to be consistent with the prudential role of the envisaged reports.

❖ **Not enough time to implement these new tools:**

As a general rule, we would favour the respect of a minimal time limit between the publication of the **final templates** of a reporting and the beginning of the reporting (at least one year).

This is all the more necessary in a context in which the LCR and the NSFR templates are not yet finalised.

B- Specific remarks on the different reporting mentioned by the EBA

❖ **Contractual Flow Maturity:**

The type of information asked for this reporting is comparable to the one asked for the LCR but the details are very different. This complexifies a lot the implementation of this reporting. As mentioned above, we recommend an alignment of the categories to report under the LCR and NSFR framework and in the maturity ladder.

Currently, we can see that a lot of complementary details are to be supplied in the maturity ladder, among which:

1) In the "Outflows"

- Line "**1.4 Retail deposits**" and "**1.5 [...]**" corresponding to **wholesale deposits not supplied by financial customers**: the split between resident and non-resident deposits;
- Line "**1.6 Liabilities not reported in (Liabilities from secured lending and capital market driven transactions as defined in article 188 of CRR), resulting from deposits by clients that are financial customers**": the split between "Domestic financial customers" and "Cross-border financial customers";
- The line "**1.7 FX-Swaps maturing**";
- The line "**interest flows due**".

2) Characteristics not already collected for the LCR, in the "Inflows"

- Line "**2.3 Monies due from financial customers**": the split between "**Domestic financial customers**" and "**Cross-border financial customers**";
- The lines, "**2.4 FX-Swaps maturing**";
- The line "**interest flows due**".

It seems to us that the counterbalancing capacity has no interest, as it is a piece of information needed to operate a stress, which is furthermore already reported under the LCR

❖ **Behavioural Flow Maturity:**

As previously stated, the added-value of this reporting is not obvious.

Should this reporting template be retained, we have the following remarks.

The reporting template granularity is too detailed and brings little added value in terms of liquidity risk follow-up:

- Indeed, most of the business forecasts are not so precise and cannot be reported with the detail mentioned. For example:
 - details like resident/non-resident are not available in budgets related to the activity on deposits or loans;
 - items like Contracts of Derivatives and FX-swap, undrawn facilities are not usually planned; and the related data represents little value in terms of liquidity risk follow-up in normal times (not in stressed times);
 - in fact, it seems to us that only a few lines are needed: one for the loan activity, one for the client deposit activity.
- This is also true as far as refinancing plans are concerned:
 - details like cross-border financing are not available in refinancing plans;
 - Refinancing plans are usually only related to long-term debt issuances. There is no such plan for short-term debt issuances which represent the adjustment variable in terms of liquidity (activity of the Treasury); it should therefore be stated that Treasury is out of the scope of this template.
 - New deposits cannot be reported

Time buckets proposed are not relevant as budget and refinancing plans are never supplied on such a long-term basis. Budgets and refinancing plans are usually done on a yearly basis. Some forecasts can be found on a longer term horizon but usually only on the business activity (not financial issuances) and never on a maturity of more than 3 years.

Moreover, even if budgets are prepared, most of the time it is not an automatic process and for a part of the elements it isn't a monthly process. Systems are not prepared for that type of requirement.

❖ **Concentration of funding by counterparty:**

This template could raise a general problem of confidentiality, especially for private banking.

More specifically, another problem concerns securities issuances as the name of the counterparty is not always known.

If this condition should be retained, it should only be given on a small perimeter corresponding to the central refinancing institutions and not on a consolidated basis.

❖ **Rollover of funding:**

The methodology and aim of this indicator are not clear at all. Further instructions would be needed to ensure a common interpretation and implementation across Europe.

If this condition should be retained, it should only be given on a small perimeter corresponding to the central refinancing institutions and not on a consolidated basis.

We recommend EBA to look at first to the reports already provided to national supervisors and how those reports are analysed.

II. Answer to specific questions

Q1: Are the proposed remittance dates feasible? Does the specification in paragraph 2 give sufficient clarity on which flows are included and excluded for the purposes of this RTS? If not, please provide us with an alternative specification.

Depending on the data needed to report the maturity ladders, we suggest to align the remittance time period on the one given for the existing reports.

The other reports should derive from management data hence a shorter remittance than for the NSFR is possible on an on-going basis.

The remittance time period for the consolidated reports should be longer than the one for the individual reports considering the work of intragroup reconciliation.

We propose that EBA take full benefit of the current observation period in order to analyse the existing reports and afterwards decide what reports are necessary compared to the scale and the complexity of an institution.

As producing this whole new set of reports will lead to significantly review the existing information, we suggest for the first year of reporting a D+45 quarterly reporting.

Q2: Are the proposed frequency dates feasible? Has the proportionality been adequately considered?

To lower the reporting burden, we suggest adjusting the perimeter requirements for the reportings related to internal indicators monitored by the treasury department:

- these reportings would be required on an individual basis only for entities which market funding, external to the Group, is significant
 - otherwise these entities will report a significant concentration of funding without it to be significant;
 - The waivers could be granted by supervisors on a case-by-case basis, taking into account the situation of individual entities.
- Small entities belonging to a group may be excluded from the consolidated reporting
- The roll-over of funding, if retained, and the concentration of funding by counterparty, should not be reported by currency.

Article XX(3) should be:

*As an exception from paragraphs 1 and 2, institutions ~~may~~ **may not** report the information described therein ~~with a quarterly reporting frequency, from the following year, where all of the following requirements are met: (i) the institution does not form part of a group with subsidiaries or parent institutions located in jurisdictions other than the one of its competent authority; (ii) **when** the ratio of the individual balance sheet total of an institution, **consolidated Group or Liquidity Sub Group** (without intra-group liabilities) to the sum of individual balance sheet totals of all institutions under the supervision of its competent authority is below **one of the two following thresholds below.**~~*

- i. ~~4%~~, **5%** for two consecutive years preceding the year of reporting. Balance sheet total figures for calculating the ratio shall be based on year-end audited figures for the year before the year preceding the reporting reference date. **The scope of the Single Supervisory Mechanism is considered as one competent authority.**
- ii. **Balance sheet greater than €50bn**

Consolidated information may be calculated on a reduced scope excluding smaller entities of the group whose market funding, external to the Group, is not significant.

Q3: Is the above size threshold of 1% of total assets suitable to determine a higher reporting frequency? Should such threshold be substituted or complemented by a liquidity-risk-based threshold or other quantitative criteria? If so, by which?

We suggest the 1% threshold is substituted by a 5% threshold, and that SSM is clarified as being considered as one competent authority.

We suggest that small entities belonging to a group should be exempted from the reporting on additional liquidity metrics as proposed in our response to question N°2.

An additional proposal could be the following: entities whose funding comes overwhelmingly (>70%) from the parent company (as calculated by the funding concentration template) should be exempted from these reports: these companies solely or mainly rely on the funding of the parent company which therefore manages and controls the liquidity risk of this entity.

As detailed earlier, we propose that proportionality rules takes in account the volatility of data based on existing indicators, to avoid implementing those reports in entities for which they would not necessarily make sense or at least to modify the reporting frequency.

Q4: Are the reporting templates and instructions sufficiently clear? Shall some parts be clarified? Shall some rows/columns be added or deleted?

The perimeter of the reportings should be more clearly specified, notably concerning the price of funding, the concentration by counterparty and the roll-over of funding (if maintained): it should be clearly specified that these reportings are based only on the market funding issued by Treasuries department and long-term refinancing teams.

1. Maturity Ladder:

The Maturity Ladder is very similar to the existing reports. As such, we recommend not creating an additional report and to complement the existing reports with additional time bands beyond 1 year without modifying the existing time-bands below 1 year: ≤1m, 1m-3m, 3m-6m, 6m-9m, 9m-1y, 1y-2y, 2y-5y, 5y-10y, 10y+. We suggest an alignment on the existing reports (at a more aggregate level).

The instruction for reporting cash flows from derivatives is inconsistent with options: the expected cash flows should be allocated to the time band they are expected to occur, whatever the type of reports.

Note that for Maturity Ladder, as for LCR/SF, it is unclear how to report cash flows from derivatives when they are of a different currency from the collateralizing currency.

The instruction "2.2.1 of which are retail" is inconsistent with LCR/SF reports: the CRR €1mm threshold applies only for deposits from SME. An SME with more than €1mm deposits remains a SME: its loans and off balance sheet commitments are reported as such, whereas its deposits are considered as corporate deposits. Please delete this inconsistency.

1/ Overall approach of the "counterbalancing capacity section"

Please confirm in the Counterbalancing capacity section, whether it is required to report with:

- An **"inventory" approach**: i.e. the asset when held at the bank is reported in all the buckets preceding the maturity bucket

Ex 1 : A reverse repo with a maturity of 2 weeks will be reported in the corresponding category of the Counterbalancing capacity section for the three buckets during which is the security is unencumbered, that means for all the buckets "overnight", "up to 1 week" and "up to 2 weeks".

Ex 2: A repo maturing in 2 weeks with an underlying security maturing in 1 month will be reported in the corresponding category of the Counterbalancing capacity in the bucket "up to 2 weeks", "up to 3 weeks" and then as an inflows in the category "2.6 Paper in own portfolio maturing" for the bucket "up to 1 month"

- A **"flow approach"**, i.e. the asset is reported with a negative value when it goes out the portfolio and with a positive value when it enters the security portfolio

Ex 1 : A reverse repo with a maturity of 2 weeks will be reported with a negative value in the bucket "up to 2 weeks" when the security is given back to the counterparty

Ex 2 : A repo with a maturity of 2 weeks with an underlying security of a maturity of 1 month will be reported with a positive value in bucket "up to 3 weeks" when the security reappears in the portfolio security of the entity , and then with a negative value in "up to 1 month" **when the security matures**

⇒ **If the "flow approach" is required, there should be a "stock" column at the beginning of the spreadsheet.**

2/ Liabilities from secured lending and capital market driven transactions

1. Where should be reported a security non eligible to the categories listed in the counterbalancing Capacity?

Example: Should an equity issued by a financial institution be reported in the "Counterbalancing capacity"? If yes, where should this security be reported?

2. In which bucket equity should be reported?

We understand that:

- If the underlying equity is not hedged, it is reported in "open maturity" bucket;

- If the underlying equity is hedged, it is reported in different time buckets accordingly to the maturity of the hedge;
- The template should include financial equities, the report are not based on a stress scenario as the LCR;
- An item "other assets" and "other liabilities" should be taken into account as for the SF report.

3/ Central bank open market operations

We understand that the undrawn part of a liquidity line accorded to the entity against a pool collateral (for central bank refinancing operations) should not be reported in the "3.6 undrawn committed liquidity lines granted to the reporting institution" in order to avoid double counting as the unencumbered assets (representing the undrawn part of the liquidity line) are already reported in the counterbalancing capacity section in the corresponding sections of "3.3. Unencumbered CB eligible collateral deposited at central credit institutions". Could you confirm our understanding?

4/ sub categories of the whole funding and monies sections

Are the "out of which" subcategories exclusive or can an operation be reported in different subcategories?

For example

1. A deposit of a domestic bank part of an institutional network: should be reported in both the following subcategories

- "of which domestic financial customers » and
- "of which members of an institutional network »

Is our understanding correct? If not, please explain how it should be reported

2. A deposit from a non resident non financial corporate : should be reported in both the following subcategories

- "non-financial corporate"
- "non-resident client deposits"

Is our understanding correct? If not, please explain how it should be reported

5/ FX swaps maturing

1. We understand that the reporting of the notional amount of the FX swaps in either the Inflows or Outflows sections is only required for individual currency reporting? For all currency reporting, it is not required to report these amounts because it assumes reporting the same amounts for the same bucket in the inflow and the outflows section " 1.7 Fx swap maturing" and "2.4 Fx swap maturing".

Is our understanding correct? If not, please explain how it should be reported

2. Confirmation is asked if FX swaps concerns only cross currency swaps

6/ 1.8 & 2.5 Net amount payable/receivables from the contracts listed in Annex II of the regulation

We understand that flows linked to derivatives with a collateral agreement requiring an adequate collateralisation of counterparty shall be excluded.

It is specified that stocks of cash and securities collateral already received shall not be reflected, which is technically impossible to do as those cash and securities are fungible and therefore might already have been reused.

However securities received are part of the counterbalancing capacity if there is a rehypothecation right: can you confirm?

7/ 1.9 Other cash flows & 2. 7 Any other commitment received

1. Should all the Off BS commitments received , except for those reported under 3.6 Undrawn committed credit line granted to the institution, be reported here?
2. We understand that the material cash flows from non-financial activities such as taxes, bonuses, dividends and rents must be reported in "1.9.Other cash flows". Could you confirm our understanding? If not, please explain where these outflows must be reported. Furthermore, we need more clarification for the definition of "material".

8/ Collateral swaps and unsecured lending or borrowing of securities

1. We understand that the contractual outflows and inflows of securities associated to collateral swaps or unsecured lending or borrowing of securities should be reported exclusively in the "Counterbalancing Capacity" and not reported in the "Inflows" or "Outflow" section.

Could you confirm our understanding? If not, please explain how it should be reported.

2. Behaviour Maturity Ladder:

The report is very unclear, notably to determine its articulation with the Maturity Ladder. And it is unclear what exactly the suggested Behaviour Maturity Ladder attempts to cover.

The current report reflects a mix of dynamic, contractual and behaviourized on existing transactions approach. Its economic interpretation would not make any sense.

There are shortcomings in the construction of the suggested template, for instance: new deposits seem to be excluded from the report (if not where should they be reported in the template) and the time bands over 10 years make no sense in regards to the future expected transactions (as our budget data is supplied on such a long term basis), therefore:

We suggest

- To delete the behavioural maturity ladder
- If the the Behaviour Maturity Ladder template was to be maintained, it should be aligned on the contractual Maturity Ladder template (derived from existing reportings) at an aggregate level, and precisions are required to clarify what this indicator covers.

Generally speaking all maturity ladders should be aligned with existing reportings and be required at an aggregate level with a limited number of time bands.

4. Funding Concentration:

This report makes sense only to the extent that the reporting entity's funding is materially dependent on non-intragroup unsecured wholesale entities.

It should be clarified whether the 1% threshold applies to each individual funding source or to the 10 largest funding sources for their combined funding. Ten entities providing funding for 0.2% would not be reported in the former approach, and would have to be reported in the latter approach.

As the concentration risk occurs on very concentrated counterparties, we suggest to only report counterparties exceeding 10% of total funding.

The product breakdown is unnecessary when it is not aligned with LCR/SF template: there is no reason to breakdown RSD (retail sight deposit), RFTDWP (retail fixed term deposits greater than 30 days with a penalty for early withdrawal significantly greater than the loss of interest), RFTDNP (retail fixed term deposits greater than 30 days with no penalty for early withdrawal significantly greater than the loss of interest), RSWNP (retail savings accounts with a notice period for withdrawal greater than 30 days) or RSWNNP (retail savings accounts with no notice period for withdrawal greater than 30 days); all of which should be aligned with LCR/SF reports' breakdown for retail deposits.

Scope of application:

It makes no sense to consider secured and unsecured funding in the same category: we suggest that the scope of application is limited to unsecured funding.

For marketable debt instrument, the reporting institution doesn't and can't determine the debt holder: marketable debt instrument should be excluded from the scope of application of this report.

5. Product Concentration:

This report is unnecessary since the product concentration can be directly derived from the LCR/SF reports.

The product breakdown is unnecessary when it is not aligned with LCR/SF template: there is no reason to breakdown RSD (retail sight deposit), RFTDWP (retail fixed term deposits greater than 30 days with a penalty for early withdrawal significantly greater than the loss of interest), RFTDNP (retail fixed term deposits greater than 30 days with

no penalty for early withdrawal significantly greater than the loss of interest), RSWNP (retail savings accounts with a notice period for withdrawal greater than 30 days) or RSWNNP (retail savings accounts with no notice period for withdrawal greater than 30 days); all of which should be aligned with LCR/SF reports' breakdown for retail deposits.

6. Funding Prices:

The time bands should be aligned with LCR/SF reports: ≤1m, 1m-3m, 3m-6m, 6m-9m, 9m-1y, 1y-2y, 2y-5y, 5y-10y, 10y+

The funding sources should be aligned with LCR/SF: Asset backed securities including ABCP are not aligned with LCR/SF

With a quarterly report, monthly average over the last 3 months would make sense.

Could you be more specific about what to include in the spread (country risk, related derivatives, etc)?

7. Roll over of funding: **Scope:** the types of funding are not specified. The scope should be specified to have clear information about the funding of the institution.

- **Positioning:** the instruction is not clear about the way to fill the template concerning the positioning with regard to the reference date, is it a past view or a future view? Do we fill the funding with regard to the last thirty days or with regard to the next thirty days considering the reference date?
- **It is not clear how we are supposed to fill the template.** Should a new funding transaction appear only in one line (the value date), or should it appear on the value date and the following dates? Do the time buckets correspond to residual maturities?

The time bands should be aligned with LCR/SF reports: ≤1m, 1m-3m, 3m-6m, 6m-9m, 9m-1y, 1y-2y, 2y-5y, 5y-10y, 10y+

With a quarterly report, monthly average rather than daily report over the last 3 months would be more appropriate.

Q5: Could you indicate whether all the main drivers of costs and benefits have been identified in the table above? Are there any other costs or benefits missing? If yes, could you specify which ones?

No other costs and benefits have been identified. However, we are sceptical concerning the fact that the implementation of such a complex and heavy reporting framework will really benefit bank supervision. It would be more relevant to require the reporting of a more restrained but consistent set of reportings.

We welcome proportionality guidance from EBA:

- ⇒ Size of the entity compared to the size of the institutions in the Member State (including their peers): e.g. is the institution is a local SIFIS?
- ⇒ Size of the entity compared to the parent company's balance sheet

This set of additional reportings will not replace our existing monitoring tools for liquidity which give more sense given the different business models.

We insist that it is important to avoid unnecessary costs by identifying before implementation, entities for which those reportings would not necessarily make sense and for which it will be costly and bring little benefits. This is the case for entities that do not access the market and rely on intra-group funding. The current set of reporting should be analysed first by EBA as for example the existing liquidity gap metrics before putting in place additional reports that give less information on the liquidity risk profile of the institution.

Q6: For institutions, could you indicate which type of costs (A1, A2, A3) are you more likely to incur? Could you explain what exactly drives these costs and give us an indication of their expected scale?

Variable costs are driven by the complexity of the balance sheet and of the activity of an entity. There are also fixed costs when implementing the reporting in each individual entity. That is why we favour a simplification of the rules concerning the scope and consolidation of the indicators.

Q7: Do you agree with our analysis of the impact of the proposals in this CP? If not, can you provide any evidence or data that would explain why you disagree or might further inform our analysis of the likely impacts of the proposals?

According to us, the implementation costs on indicators such as the concentration of funding by counterparty, the prices for various maturities of funding and the roll-over of funding will depend on the data quality expected by the supervisor. That is why, as currently drafted, we do not agree that the compliance costs are low.

We also disagree that production for little entities will be less difficult / costly than for more important and complex ones, as this mostly depends on the level of maturity of the IT systems.

Significant IT developments will have to be done in 2014 to take in account the shortening of the remittance delay of LCR as of 2015, therefore independently of cost issues; it will be heavy to handle significative additional modifications to enable the production of new reportings.

The compliance costs for indicators such as the contractual and behavioural maturity ladder will depend on the alignment or not of these indicators on the LCR and NSFR framework. New demands (splitting between cross-border flows and resident / non-resident deposits) could increase significantly the reporting burden.

We call for simplifying and reducing the reporting workload, notably by making the most of existing LCR/SF reports, by potentially marginally complementing them, as illustrated above with the Maturity Ladder.