

Dear Madam, dear Sir,

On behalf of Banque et Caisse d'Épargne de l'État of Luxembourg (BCEE), we would like to submit our comments on your consultation paper on the development of **a standardised consolidated financial reporting framework (CP06)** for credit institutions.

As a local Bank without subsidiaries in other European countries, our views might slightly differ from those of internationally active banks that need to consolidate the accounts of numerous European subsidiaries and are focused on the objective of a maximum harmonization of the European financial reporting in order to streamline consolidation processes and decrease their overall administrative burden.

1. Do respondents agree that the reporting framework is IAS/IFRS consistent? Please indicate where you believe this is not the case.

We agree that the reporting framework is IAS/IFRS consistent as these standards form the basis of the financial reporting framework developed by CEBS. We agree with the FBE that the framework goes well beyond the requirements of IFRS regarding the amount of disclosures and a whole range of additional information and breakdowns required. We do not necessarily consider this as a cause for concern as long as all requirements are IAS compliant, do respect XBRL taxonomy and do not ask for breakdowns which are not in line with those at the basis of the COREP reporting. We understand that supervisory requirements may differ from market requirements under IFRS to ensure a proper prudential supervision. We do however wonder how the sheer amount of information required will serve the purpose of a transparent and harmonized reporting scheme and would like to invite CEBS members to review the proposed reporting framework in the light of the relevance of the primary information itself and its breakdown into various categories. Conversely, we also located tables where the breakdown of information does not seem detailed enough. E.g., table 21 "Debt certificates, including bonds" which does not provide for a category encompassing Commercial Paper and Euro medium term notes issued by banks.

2. Do respondents believe that the use of Common Practice (CP) is appropriate? Please indicate where you believe this is not the case.

As a local bank well aware of common practice applied by its own regulator, this question is less critical for our consolidated reporting. Nevertheless, on the specific issue of common practice regarding a separate reporting of exchange gains and losses, we would like to point out that this requirement is difficult to put into practice and that we do not see the relevance and added value of this detail of information.

3. Do respondents believe that the data contained in the framework are available within the reporting entity? Please indicate for which data you believe this is not the case.

We believe our coverage of information to be quite extensive, however not fully automated. There are still tables where the data coverage is not available, e.g., table 4 "Related party disclosures".

The level of data in tables A and B is extremely detailed and not available in the bank's IT systems for associates consolidated in accordance with the equity methodology. The consolidating entity does not necessarily have easy access to the kind of information required here.

We do not have specific comments on question 4.

5. Do respondents believe that the guidance provided in Annex 2 is appropriate in all respects? We particularly welcome comments on the first chapter of the explanatory guidance.

We agree with the FBE that the guidance prescribed should not include accounting schemes and details concerning the posting of e.g. impairments of financial assets. As long as the reporting information is not altered in substance, banks should remain free to define their accounting schemes individually.

Yours sincerely,

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