

# Swedish Bankers' Association

## Svenska Bankföreningen

RESPONSE

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CEBS  
Committee of European Banking  
Supervisors

By E-mail to  
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### **CEBS Consultation Paper on the New Solvency Ratio: Towards a Common Reporting Framework**

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(CEBS CP04)

The Swedish Bankers' Association welcomes the opportunity to comment on the CEBS Consultation Paper on a Common Reporting Framework (CEBS CP04).

The Swedish Bankers' Association is in general positive to a common reporting framework for Solvency Ratio. There are several advantages with a harmonised reporting framework, both for banks and supervisory authorities. It would promote a level playing field among banks in different markets and banks operating on a cross-border basis would face the same reporting requirements in different European countries. It is of great importance that reporting items are comparable between different European countries and the proposed common reporting framework is an important step in that direction.

The European Banking Federation (FBE), in cooperation with The Swedish Bankers' Association and other European bankers' associations, has written a common response letter on the CEBS consultation paper. The FBE response letter, which has been sent to CEBS, consists of general and detailed views and comments. The Swedish Bankers' Association finds the FBE response letter thorough and well balanced and we share the views and comments expressed in it.

With regard to the FBE response letter the Swedish Bankers' Association would like to point out some broad views and comments that we find especially important:

- It is the general view of The Swedish Bankers' Association that the common reporting framework should only cover Pillar I. Pillar II still is a moving target and closely linked to how the prudential supervision will be carried out. Financial data incorporating Pillar II should be dedicated to another framework. One argument is for

example that it is not obvious that all risk categories within Pillar II should involve additional capital requirements if supervisors recognise inadequate compliance.

- The Swedish Bankers' Association also considers the proposed reporting framework too detailed for Pillar I reporting. The general feeling is that the proposed framework covers all types of reporting in the different European countries instead of achieving a framework based on best practice. The magnitude of the common framework should be limited to figures that can be motivated and actually used in the on-going analyses and supervision.
- The breakdown in too many levels and items would probably overload the supervisory authorities with information and put a considerable burden on the institutions collecting and analysing them. The information overload would mean an obvious risk that certain items and information never or seldom would be analysed.
- Flexibility in choosing the level of aggregation in the reporting by each supervisor is a great advantage in several aspects. However, flexibility in choosing country specific reporting items is a considerable obstacle to a harmonised European reporting framework. Therefore, the Swedish Bankers' Association believes that CEBS should be very restrictive when permitting country specific reporting possibilities. Country specific reporting items should, if considered necessary, as far as possible be collected separately by the different local supervisory authorities.
- The structure of the reporting templates diverges in many ways from the requirements in the directive. Several reporting items are not required or go beyond what is required in the directive, breakdown in different sub-classes are not harmonised with the directive, etc. All the differences compared with the directive and the insufficient explanations, make it hard to understand the reporting templates and create risk of misunderstandings. The divergences between the directive and the reporting framework will also create a considerable burden on the banks when reporting systems have to be adapted to differences in legal and reporting requirements. This is further elaborated and pointed out in the FBE response.

SWEDISH BANKERS' ASSOCIATION  
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