

EXECUTIVE BOARD

Patrick Flynn
Chief Financial Officer

European Banking Authority
EBA Secretariat
Tower 42
25 Old Broad Street
London EC2N 1HQ
United Kingdom
CP50@eba.europa.eu

Subject
EBA CP 50

Date
20 March 2012

Dear Sir/ Madam,

ING Bank welcomes an initiative aiming to reduce reporting burdens for banks. In particular, banks operating cross border are often exposed to extensive reporting requirements which differ across national jurisdictions. A well thought through and fit for purpose EU wide harmonisation in the area of reporting is to be welcomed.

With regard to your Consultation paper CP 50 on Draft Implementing Technical Standards on Supervisory reporting requirements for institutions we concur in general with the overall comments given by the European Banking Federation (EBF) and also with the comments given by the Dutch Banking Association (NVB) on CP 50.

In addition to these comments from EBF and NVB we like to bring to your attention that we have very significant concerns on especially the following elements of the proposal:

1. Core templates

Although we fully concur with the intention to harmonise EU reporting requirements, we have serious concerns about the magnitude of the new data requirements compared with the current situation. The proposed number of FINREP reports 4-times outnumbers the existing CORE templates reported to DNB. However, because of the new data dimensions being requested (countries, customer dimensions) the increase in data elements could in reality well be much higher. Especially the Risk related dimensions now being mixed up with Finance dimensions will lead to substantial efforts when they have to be implemented.

This begs a question for what reason EBA needs so much more information. The absence of a clear explanation of the purpose of the data is a grave concern. It also prevents value added input from the reporting banks, making it difficult to develop an efficient reporting model that is fit for purpose.

Our initial analysis is that many data elements are not available and require significant effort, cost and time to identify. Materiality should also be taken into account, based on which, smaller immaterial data elements or geographic views could be excluded.

We propose a phased introduction starting with the existing core templates as agreed by CEBS and to decide over time to address additional templates.

2. Introduction date

The new CRD and CRR start from 1 January 2013. EBA can supply final requirements only after Parliament has made its final vote. EBA will submit its ITS to the Commission by 30 June 2012. It should be recognised that institutions cannot begin adapting their systems and processes before the requirements have been finalised. It may be noted that the actual proposal asks for substantially more information (dimensions) than earlier documents, which already demonstrates the risk of starting to adapt systems before requirements have been finalised.

We need at least 12 months preparation time from the publication date of the final requirements and a phased implementation approach. We consider a first official reporting date of 31 March 2013 (reports to be submitted by 13 May 2013 to national authorities) unworkable without significant modifications to the requirements.

We request EBA to reconsider the first reporting date which should include the numbers of reports, the timelines, frequencies and competing other new regulations. We repeat our suggestion to start with the existing core templates to allow time to critically address the more contentious requests, including a clear explanation of what purpose they serve and to allow institutions sufficient time to adapt, and allow transitional arrangements which was also suggested by EBF. Further it should be clear that the reporting should be based on IFRS which will be a fundamental requirement to ensure consistency of data provided.

3. Submission dates and Frequency of reporting

All FINREP reports are being requested on a quarterly basis within 30 business days. Also referring to items 1 and 2 of this letter we consider this highly disproportionate and leading to significant extra cost. As still a wide variety exists in the way COREP and FINREP have been implemented throughout EU, we believe a big bang is not a feasible approach. Although we believe that especially for banks operating internationally it is in the end highly beneficial to have uniform reporting requirements but this now is a step too far and is not realistic. Further we notice that the submission date of 30 business days could be before our own external results publication date. If parts of FINREP would be published by EBA or local supervisors this could compromise our external disclosure.

We propose to leave room for national authorities to have a phased implementation approach in which considerable time is given to institutions to adapt themselves to move from the very different national regimes to uniform submission dates and frequencies.

4. Next ITS coming up

EBA has announced the intention for Consultation Papers on Liquidity reporting and on Leverage ratio in the second quarter of 2012. If reporting is to start in 2015, final testing by banks and national authorities would have to be done approximately in the fourth quarter of 2014 and final requirements from EBA should be given no later than approximately the fourth quarter of 2013. Although it would seem as if many years are still available we think that lessons learned from the actual CP 50 should be taken at heart and that for future changes a strong overall implementation process is needed. Only in this way lawmakers, regulators, supervisors and the industry will be able to have a sound process for implementation.

We propose that EBA takes further steps jointly with the industry to seek improved cooperation and communication as also suggested at a recent EBF Roundtable in which EBA, ESRB, ECB, EC and EBF have had a discussion on a more structured approach towards improved reporting by banks.

Best regards,

Patrick Flynn