

Ref: EBA CP 50 (subject)

Referring to EBA Consultation Paper on Draft Implementing Technical Standards (CP 50) please find attached our comments on supervisory reporting requirements for institutions (ITS).

The new regulatory framework, including IT standards, will be closely related to the new regulations which means that banks will get precise information on laws and regulations, this should make implementation of the new reporting standards easier and ensure better comparability.

However, new reporting package for the financial information (Annex 3) contains a much greater degree of information compared with existing consolidated package FINREP. There are a lot completely new information e.g. geographical breakdowns, industry, collateral and the fair values. Simultaneously, significant part of data is duplicated comparing FINREP package. Acquiring new information will inevitably lead to changes in IT systems to meet the new reporting requirements. Obtaining data from subsidiaries is time-consuming and applying different scope (e.g. CRR) requires additional time during the reporting process on a consolidated level. Moreover, it is an additional burden of reporting units, while preparing existing several reporting packages.

As far as the COREP package is concerned, the new aspects (exposures broken down by industries and geographies, credit quality) are not strictly new in the context of the applicable Polish regulations on the scope and method of capital adequacy disclosures. The new, more detailed standards for reporting on large exposures are very similar to the existing data model and coincide with the scope of information provided by the Bank at present.

The foregoing is key for the date of implementing the new reporting packs. If the requirements are well defined and clear references are made to the existing regulations, 12 months should be sufficient to implement the new reporting process, counting from the date when the final and binding requirements are published. The Bank and the software provider are now waiting for the final paper describing the new reporting pack and IT standards.

Cost-wise, consistent EU standards may reduce regulatory reporting costs in the long run, provided that local packages are eliminated in their entirety and that reporting dates and scope of FINREP and COREP are harmonised.

In the short term perspective, i.e. during implementation, the Bank will have to pay again for getting adjusted to the new regulatory requirements. The process will require in-house resources as well as cooperation with software providers, which will result additional costs and capital expenses.

We are positive, however, that the project is important and will bring benefits in the long term, once the requirements are fully harmonised.

Answering the specific questions in the CP document:

Q1 We would prefer to report using the accounting scope of consolidation. In our opinion, CRR scope of consolidation would be another dimension requiring another set of data. The CRR scope cannot be used to verify calculation of own funds, as only financial institutions with a stake hold exceeding 10% limit are taken into account (polish regulations).

Q4, Q27 Our understanding was that for the financial information the reporting in this proposal includes only reporting on a consolidated level. Reporting both packages does not allow for a more streamlined reporting process. Implementation of both reporting packages (on individual and consolidated level) might be considered beneficial if replacing existing FINREP packages.

Q5 We strongly agree with differentiating remittance dates for consolidated and individual reporting process. Obtaining data from subsidiaries is time consuming and applying different scope (e.g. CRR) requires additional time and reporting burden during the reporting process.

Q6 The earliest possible point of time to submit audited figures is 3-month period. Taking into account that the same reporting team is preparing public financial statements and reporting packages for regulatory bodies, such a period of time is needed to fulfill both obligations.

Q23 It is of no significance whatever the reference date will be. One way or another (reporting to national or European institutions) the reporting requirement commences on 1Q2013. The implementation costs could be lower, if the whole process postponed by mentioned 6 months (first reporting date being 30 June 2013).

Q25 Previous FINREP reporting does not significantly cut implementation period. The reason is that national FINREP packages have been significantly changed and extended in comparison with its European prototype. Moreover, application of CRR scope of consolidation also changes the perspective and might be time-consuming.

Q33 Materiality threshold (geographical breakdown). Our understanding is that an entity provides tables 10.1 to 10.3 only when applicable threshold is met. Otherwise such tables are left blank.

Q34, Q41 We strongly agree with the application of materiality threshold. It would significantly reduce reporting burden for institutions with minimal foreign exposures.

Best regards,

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