

UniCredit response to Discussion Paper on Pillar 3 Data Hub

Q1: In your view, which are the main benefits in operational terms that the new EBA legal mandate would bring to Large and Other institutions? And the main challenges? Would you agree that given the complexity of Large institutions, when compared to SNCIs, the proposed solution in terms of process for the Large and Other institutions is a well-balanced one? Please explain why.

UniCredit answer:

The main benefits of P3 DH are:

- improvement in terms of comparability and transparency between institutions,
- possibility to use e reuse of the data from all stakeholders
- a single access to P3 disclosure (not always easy to find)

The main challenges referring to the institution process are the following:

- Consistency of information between XBRL file and PDF report that are under the institution's responsibility. In this regard, the institutions need (i) to design and implement control mechanisms to prevent any type of inconsistencies between the two sources of information and (ii) to design an internal process to take into account also this point as the responsibility of P3 data are allocated in different functions of the institutions;
- Implementation and maintenance of a new regulatory P3 reporting (considering the EBA technical package evolution, mapping tool and validation rules)

Q2: Would you agree with the current EBA considerations on the sign-off process (i.e., submission of Pillar 3 information by the institutions is performed once the sign-off is complete and accompanied by the corresponding confirmation)? Would you have any other suggestions or comments on this point?

UniCredit answer:

Yes, we agree with the sign-off process which represents the confirmation by the bank of the compliance with Article 431(3) of CRR as specified in the discussion paper (par. 2.4).

Q3: In addition to the sign off of information by institutions of the PDF report and xBRL-CSV report upon submission, which will be republished without any transformation, do you see the need of an additional sign-off process of information contained in these files once they are on the EBA dissemination portal and before opening the portal to the public, beyond the preview for the technical acceptance step? If you see this need, how long would you deem necessary for the signing-off process? How would you see the process for this additional signing-off within the institutions, including who should provide this signing off?

UniCredit answer:

The Pillar 3 disclosure is subject to approval by the Institution's Board of Director and published on the website with the sign-off of Manager charged with preparing the financial reports and attestation according to Article 431(3) of CRR.

Therefore, a further confirmation of data from institutions does not appear to bring any benefit in terms of further internal verification.

Moreover, the **technical acceptance step**, as clarified by EBA in the meetings with the banks of the pilot and according to par. 35 of DP¹, represents only a technical step for approve the submission and not a data validation step.

The responsibility of the institutions remains **on data** submitted and **on technical acceptance performed**, as commented above (just technical step and not data validation step, hence it should not take a long time to be performed).

Data dissemination is under EBA responsibility. It is not the responsibility of financial institutions to intervene in case of any discrepancies or technical problems in the EBA environment.

In this regard, on the EBA website (at the time of dissemination) a statement should be reported saying that the official data are those submitted by the institutions in XBRL/PDF format, while the representation via visualization tool is under EBA responsibility as well as any discrepancy with what was submitted by the institutions.

The technical acceptance is useful insofar as it allows for the preview **of how** the information will be visualized by the public on the EBA website.

Any control and internal verification have to be performed before this step, also considering the role of the “EBA Data Submitter” and the different functions of the institution involved in the responsibility of Pillar 3 data.

Moreover, we disagree that the institution’s failure to respond within the acceptance deadline can be understood as no objection to the publication and that the publication can therefore go ahead.

Q4: Would end-June as limit date for year-end submission be adequate for most of the jurisdictions / institutions? Should a different window be defined? Which one and for which reasons? Would you see any advantages of having more flexibility as regards the timing for this submission? Why? What would be, in your view, a proper window-period for the different interim reports?

UniCredit answer:

Considering:

- ✓ the requirement of Article 434(1) of the CRR (Pillar 3 publication no later than the date on which the institutions publish their financial statements or as soon as possible thereafter)
- ✓ the consistency required with supervisory reporting
- ✓ the main objective of comparability and usability of P3 data

The more appropriate deadline should be a **window period** between the date of publication of the financial statements and “**as soon as possible thereafter**”. It would be useful that EBA also define this last deadline, for example within 20 days after the date of publication of the financial statements.

Q5: Do you agree that at this stage the inclusion of this information in the PDF report is the best approach?

UniCredit answer:

Yes. Moreover, it’s very important to define what does it mean “machine readable for qualitative information”. In the published discussion paper it says that: “*...these solutions would be part of the future evolution of the P3DH, and not of the “go live” planned for 2025*”. Any IT solution requires time and cost for implementation.

¹ DP footnote 24 of paragraph 35: “Technical acceptance” means to accept the previsualization of the publication just to confirm that the institution agrees on how the information will be visualized by the public. Technical acceptance should not be understood as a sign-off, as at this moment the documents submitted by the institution have already been signed off at the submission stage.

Q6: Views are asked on the possibility to request this information in the future in machine readable format like block tagging. Would you consider any other format (than PDF) better suited for the purpose? Would ODF (OpenDocumentFormat) better serve this purpose? Why?

UniCredit answer:

As commented in Q5, at this stage the PDF report is the best approach, considering in extractable format as defined in EBA DP on paragraph 33².

It's very important that, as reported in EBA DP paragraph 34, any solution (like block tagging, etc.), would be part of the future evolution of the P3DH, and not of the "go live" planned for 2025.

Q7: Would you agree that having a centralised calculation for Large and Other institutions (as it is required for SNCIs) would bring some benefits? How would you measure these benefits in relation to the described main potential challenges? Please refer to the challenges described in the respective sub-section of this Discussion Paper, providing your views to each one of the points.

UniCredit answer:

A centralised approach, as it is required for SNCIs, may bring benefits in terms of reduction of compliance costs (also if limited to some step of internal process) but this would require significant changes to the Data Hub process both for EBA and Institutions.

In particular, considering main challenges described in the DP:

- To derive the quantitative disclosure data based on supervisory reporting, a **mapping tool should fill in all the fields of the templates (no fields with "no mapping" should be maintained)**;
- the technical acceptance should be binding for publication, becoming a **data validation step** (providing more time for internal checks). Therefore, Institutions need to prepare the P3 disclosure template to validate each calculation on how the data should be derived;
- according to Article 431 of CRR, *Institutions shall also have policies in place to verify that their disclosures convey their risk profile comprehensively to market participants. Where institutions find that the disclosures required under this Part do not convey the risk profile comprehensively to market participants, they shall publicly disclose information in addition to the information required to be disclosed under this Part. Nonetheless, institutions shall only be required to disclose information that is material and not proprietary or confidential as referred to in Article 432.* **A centralised approach must consider this point**, for example, providing on the EBA website a section where additional quantitative information can be submitted in a free format and providing a formal step in the process where Institutions can decide whether to omit, from the centralized EBA output, any information according to Article 432 of CRR.
- As for SNCIs, qualitative information needs to be produced by Institutions.

Q8: What would your opinion be as regards full alignment of the process for all institutions vs benefits that a decentralised calculation of disclosures figures might represent at the moment? When providing your answer, please consider aspects like efficiency, accuracy, burden for institutions, flexibility in terms of publication date and any other challenges or benefits mentioned in this Discussion Paper or others that you deem relevant.

UniCredit answer:

A full alignment of the process for all institutions is not feasible, considering what we say in response to Q7. A specific step/changes to the process for Large and Other Institutions must be foreseen to

² DP footnote 22: *This means that users should be able to search for text contained in the document. In this context, for example, a text-based PDF document allowing to search for text in the document and allowing to extract the words contained in the document would be considered a data-extractable format, whereas a PDF containing the reported information as a scanned or photographed image would not fulfil the data extractable format requirements.*



take in to account the disclosure requirements specified in the level 1 legal text on (i) proportionality and (ii) institutions responsibility according to Articles 431 and 432 of CRR, that could not be changed by Data Hub obligations.

For opinion on a centralised calculation for Large and Other institutions as it is required for SNCIs, refer to Q7 response.

Q9: In terms of costs, would the P3DH reduce the costs of producing the Pillar 3 reports for Large and Other institutions if these reports are produced centrally by the EBA on the basis of the supervisory reporting data?

UniCredit answer:

A centralised approach to calculate the figures could reduce institutions's cost of compliance (also if limited to some step of internal process) and bring more benefits only in case of a mapping tool is used for feeding **all data points of the templates and it is** always aligned with the latest DPM.

In this case, some aspects already commented on Q7 should be addressed and properly considered in the Regulation.

Q10: Would you see any other positive or negative impacts on your current disclosures process if the P3DH process for SNCIs is extended to Large and Other institutions?

UniCredit answer:

Refer to Q7, Q8 and Q8.

Q11: Would you have any particular observations on the possibility to implement the “technical acceptance” step? How do you see this step in terms of relevance to the whole process, time needed to conclude it and “automatic acceptance” in case no answer is provided by the institution (considered as non-objection to publication)?

UniCredit answer:

Refer to Q3 response.

Q12: In your view, which are the main benefits, in operational terms, that the new EBA legal mandate will bring to SNCIs? And the main challenges? Would you have any views on the challenge related to those disclosure requirements where there are not similar reporting requirements and therefore reporting data? Would you anticipate / identify any specific situation where this could be the case? Do you agree that the new proposed approach reduces the burden for SNCIs as regards the Pillar 3 disclosures preparation? Please explain why.

UniCredit answer:

No comment as the question is addressed to SNCIs.

Q13: Feedback is asked on how to set up the process for the submission of qualitative information by SNCIs. The feedback should cover the process for the qualitative information required in the tables specified in the comprehensive Pillar 3 ITS and the process for the accompanying narrative to quantitative templates.

UniCredit answer:

No comment as the question is addressed to SNCIs.



Q14: For the submission of qualitative information by the SNCIs, which formats / approaches would you consider more viable in operational terms? What would be your views as regards the submission of a PDF report? And on the use of a block tagging approach? Would you consider any other format (than PDF) better suited for the purpose? Would ODF (OpenDocumentFormat) better serve this purpose? Why?

UniCredit answer:

No comment as the question is addressed to SNCIs.

Q15: In your view, how could the sign-off of the Pillar 3 reports prepared by the EBA be done by SNCIs?

UniCredit answer:

No comment as the question is addressed to SNCIs.

Q16: Would you agree with the definition of a common date to publish the required disclosure information to all the SNCIs? Should this common date be linked to the supervisory reporting deadlines (for instance, "x" number of months following the legal deadline for the submission of the supervisory data)? If not, how could this common date be defined in order to ensure that this information is disclosed on a timely manner to the market?

UniCredit answer:

No comment as the question is addressed to SNCIs.

Q17: Would end-June be regarded as an appropriate date for this purpose? How well would this date work in conjunction with the audit processes?

UniCredit answer:

No comment as the question is addressed to SNCIs.

Q18: Which are your views in relation to the language challenges presented in the sub-section for SNCIs? Which possible solutions could be, in your view, pursued?

UniCredit answer:

No comment as the question is addressed to SNCIs.

Q19: Would you have any aspects related to the process for institutions that is not covered by the previous questions but you would still like to highlight?

UniCredit answer:

According to Article 434 of CRR, a cross reference table included at the beginning of UniCredit Group Pillar 3 disclosure reports:

- many qualitative information provided via cross reference to Consolidated Financial Statements
- remuneration disclosure under article 450 of CRR provided via cross reference to the web link to the Remuneration policy document on Group website.

For EBA submission to data hub platform, won't we be able to use this approach in the future?

Moreover, for annual disclosure, if the institution publishes annual Pillar 3 disclosure in to the Annual Report as a single document, can the institutions submit this single document or need to extract the Pillar 3 disclosure and submit only this part? Also considering international practice on one Annual Report for annual disclosure.

Q20: Data dissemination: do you think the P3DH would significantly reduce the time of searching and downloading of data?

UniCredit answer:

Yes, we agree. Institutions Pillar 3 documents are not always easy to find.

Q21: Data dissemination: would you agree that the tools to be developed would increase the usage of the Pillar 3 data and, as such, better promote market discipline?

UniCredit answer:

Yes, we agree. It is very important to require uniform templates with (i) common criteria and frequency of templates and (ii) complete mapping tool to reporting data.

Q22: Would you see any challenges in the described process that would deserve further consideration by the EBA?

UniCredit answer:

It is worth mentioning the crucial role of the:

- complete **mapping** between disclosure data and reporting data for comparability of prudential information and transparency and market discipline purposes.
- **evaluation and visualization tools** that would be more useful from the users' perspective to perform their own analysis. In this regard, to avoid reputational damage to Institutions and misunderstandings among users, EBA must guarantee correct and adequate display of information, also in terms of its processing for comparative purposes (main EBA challenge).

Q23: In your view, how would you tackle the requirements of Article 432 of the CRR (non-material, proprietary and confidential information) in accordance with the proposed process?

UniCredit answer:

According to Article 432 (3) of CRR *“the institution concerned shall state in its disclosures the fact that specific items of information are not being disclosed and the reason for not disclosing those items, and publish more general information about the subject matter of the disclosure requirement, except where that subject matter is, in itself, proprietary or confidential.”*

According to Article 431 (3) of CRR *“Where institutions find that the disclosures required under this Part do not convey the risk profile comprehensively to market participants, they shall publicly disclose information in addition to the information required to be disclosed under this Part”.*

For both cases, the current institutions process for preparing Pillar 3 disclosure does not change. Therefore, for Data Hub purposes, this point should be explained, on the EBA website, for example through a pop up, before the downloading by the users, that states that PDF file and quantitative templates have to be seen in conjunction for any omissions or additional information provided by Institutions according to Articles 432 and 431 of CRR).

Q24: As regards the archiving period to be considered by the EBA under the respective legal provision, what is the number of years set in your jurisdiction as regards the storage for information included in the institutions' financial reports?

UniCredit answer:

10 years.



Q25: What are users of information views on how the timeline for availability of information in the EBA P3DH should look like? Some options could be further explored by the EBA, if considered useful, like automatic alerts or the preparation of dashboard of reports for specific periods.

UniCredit answer:

An automatic alert on different publications could be a useful tool.

Q26: What are the users views on the approach proposed in terms of visualization and bulk downloading tools? What kind of functionalities and tools would be useful for users in this regard?

UniCredit answer:

It would be useful if the visualization tool allowed, based on the user needs, downloading with various views; for example:

- all the templates of the single institutions;
- one or more specific template for a specific set of institutions;
- aggregations of specific information (for type of risk, for Exposure class, etc...) for a set of institutions.

Q27: Would you have any other suggestions, from a user perspective, that could be considered by the EBA when developing the P3DH and the users' interface?

UniCredit answer:

The way to access and use data should be simple and intuitive as well as fast in processing.

Q28: Would you have any comments or observations on the presented links and synergies with other on-going projects?

UniCredit answer:

Considering the synergies with other projects reported in the Discussion Paper, chapter 5, and that the data dissemination is one of the key milestones of the EBA data strategy, we suggest to publish a Final ITS that is comprehensive of all disclosure requirements under CRR3 which, therefore, assembles all the Consultation Paper once the consultations have been finalized (e.g. EBA/CP/2024/06 and EBA/CP/2023/38 which are separate CP but both refer to the new information under CRR3).

Q29: Do you agree that there is merit in leveraging the vLEI solution as a decentralized organizational digital identity management system?

UniCredit answer:

No particular elements to disagree with vLEI solution.

Q30: If you agree with Q29, do you agree that the EBA Pillar 3 reporting use case represents an opportunity to introduce vLEI into the market? And what are the main challenges that you perceive in the practical implementation of the vLEI from your point of view? If you disagree with Q29, are there alternative options you would suggest the EBA consider?

UniCredit answer:

Yes, we agree that EBA Pillar 3 reporting use case represents an opportunity to introduce vLEI into the market. Main challenges from EBA side could be ensure adequate support to institutions and provide a user-friendly application.

Q31: If you agree on the adoption of the vLEI for Pillar 3, what should the EBA do to facilitate its practical application and promote market acceptance?

UniCredit answer:

Once tested in the Pilot exercise, EBA could provide a specific session for all institutions.

Q32: Please provide your views for each one of the particularities that would need to be defined or further clarified as regards the resubmission policy.

UniCredit answer:

Following the points of discussion outlined in the paragraph 138 of the Discussion Paper:

- **Scope of the information to be resubmitted:**
A submission policy should cover all templates and not only core templates (also if defined in the ITS to ensure an harmonized approach).
- **Key metrics involving more than one period:**
The period should be resubmitted need to be aligned with those requested for reporting purposes (Guidelines on resubmission of historical data - EBA/CP/2023/06 par. 10) and it should depend on the (i) frequency of the disclosure information affected by the corrections and (ii) the reference dates affected by the errors.
Therefore, the institutions should resubmit the corrected data for the current reference date and historical data affected by the errors/inaccuracies for past reference dates going back at least one calendar year according to par. 11 of EBA/CP/2023/06).
- **Materiality approach:** materiality assessment according to Article 432 of CRR and EBA/GL/2014/14 for Pillar 3 requirements is left to Institutions that should apply it also for resubmission assessment. If the potential adjustment is considered material and involves more than one period, the considerations of the point above should be applied. Moreover, differences on materiality approach between resubmission policy for reporting and for disclosure may be appropriate also due to the different purposes/users of these frameworks.
- **Qualitative vs quantitative information:** the resubmission should be required for quantitative information and directly related qualitative information; while amended qualitative information not related to any impacted quantitative figures would be corrected in the next period and, as such, would not be subject to resubmission.
- **Consistency between supervisory and disclosure data** should be achieved considering the amount in Eur Millions, based on the following:
 - the process of finalising the *Guidelines on resubmission of historical data under the EBA reporting framework* (EBA/CP/2023/06) does not include materiality thresholds for defining which errors as the filing rules include tolerance limits/thresholds in the form of precision requirements;
 - according to the Reporting Framework 3.3³, the Pillar 3 disclosure are requested in millions, therefore, the precision of the data transmitted will be of millions of units⁴;
 - for P3 DH purposes, the resubmission should follow a materiality approach (as commented above).

Q33: Do you have any comments regarding the resubmission of disclosure data and the process of the publication via the EBA? Do you see specific requirements regarding the process and timing EBA will republish updated disclosure figures?

UniCredit answer:

³ [Reporting framework 3.3 | European Banking Authority \(europa.eu\)](#)

⁴ In accordance with Article 19, point 4 (a) of the ITS on public disclosures (EU) 2021/637 and Filing rules v5.3) (@decimals >= "-6").



Considering the consideration provided on Q32, in case of resubmission of disclosure data, the process should require (i) a communication from the Institutions to EBA with the intention to republish some data, (ii) EBA easing the re-submission process (e.g. EBA website accessible or open for resubmission step) and (ii) publication, from EBA side, immediately after upload.

Q34: Do you identify any other aspects that would need to be taken into account when defining the final resubmission policy? Which ones and why?

UniCredit answer:
Refer to Q32.

Q35: Would you have any other observation or comments on any of the aspects covered in this section?

UniCredit answer:
No further comment.