Supervisory Benchmarking Exercises - 2019 ITS Public hearing

EBA staff

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- **Market risk**

  - Changes on booking, valuation and remittance dates to give banks more time to review their IMV results, if needs, before computing the risk measures.

  - Additional information related to the Regulatory Stressed VaR period (and methodology) shall be reported in the relevant template in order to let EBA make further in-depth analysis.

- **Market risk**

  - New set of market risk benchmarking portfolios (after suggestions from both CAs, and from banks during the interviews).

  - This **new set of market risk benchmarking portfolios** has the following structure (divided in **three layers**):
    - 1st layer: financial instruments split by risk factor categories where IMV shall be computed;
    - 2nd layer: individual portfolios defined by combining different instruments (to assess the effect of grouping instruments and the effect of partial or full hedging) where Risk Measures shall be computed;
    - 3rd layer: definition of the aggregated portfolios (to assess the diversification effects and the implied capital requirements) where Risk Measures shall be computed.

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- **Credit risk**

  - New split by on-balance sheet vs off-balance sheet items to improve the accuracy of the CCF (C102.00 and C103.00)

  - Replacement of RWA* and RWA** with confidence intervals (C103.00)

  - Specialised lending exposures:
    - C101.00: Clarify that are out of scope in this template;
    - C102:00: Dedicated portfolios’ IDs to be able to separate them from the others credit risk exposures;

- **Credit risk**

  - Enlargement (more values) of the economic sector classification for portfolios to cover all the sovereigns and institutions exposures and harmonisation of the definitions between the Institution and sovereign (C102.00);

  - Enlargement of the split by collateral type to have the complete breakdown (C102.00).

  - Annex I:
    - C101.00: the list of the counterparties is going to be update by EBA and the TFSB. (Elimination of the counterparties that no longer exist and addition of new (few) relevant counterparties).
    - C102.00 and C103.00: new portfolios' IDs will be assigned at the new portfolios' IDs.

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- **Next steps**
  - Dec 2017 - Jan 2018: **Get feedback from banks** on the amended ITS **via a public consultation;**
  - Jan – Mar 2018: **Approval** of the changes from **BoS**;
  - Mar - Apr 2018: **Submission to the COM** (publication of the amended ITS on the EBA website)
  - **COM adopt regulation**
  - **COM publish in the Official Journal**

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