



Bank Polski

**Response of the PKO Bank Polski SA to EBA
Consultation Paper on Draft Implementing Technical
Standards on Supervisory reporting requirements for
large exposures” (CP51)**

Warsaw, March 2012

Abbreviations used in the document:

Group – Group of PKO Bank Polski SA, Bank – PKO Bank Polski SA, Subsidiaries – subsidiaries within the Group of PKO Polish Bank

CHAPTER Format and frequency of reporting on large exposures

1. What would be the minimum implementation period to adjust IT and reporting systems to meet the new ITS reporting requirements? Please elaborate on the challenges which could arise.

Bank's answer:

At present the answer to this question is not possible. The minimum implementation period is determined by the final scope of the disclosure under ITS, and changes in the XBRL taxonomy.

Currently as the Bank prepares LE reports on the individual and consolidated basis using XBRL, challenges that are identified today include: 1) obtain an additional set of data 2) an additional parameterization due to the additional disclosure. In addition, the adjustment period would result from the time needed to adapt to the new XBRL taxonomy.

LE Reporting will be an integral part of ITS, whereas the period of implementation of new solutions across the entire reporting to the European Authority cannot be treated separately.

2. What would be the minimum implementation period required for institutions NOT subject to large exposures guidelines reporting at the moment to implement the large exposures reporting described in this consultation paper?

Bank's answer:

The question is not applicable to the Bank nor the Group, because they are subject to reporting of large exposures.

3. Would the required implementation period be the same for reporting requirements on an individual basis and on a consolidated basis?

Bank's answer:

The period of implementation of consolidated data will be longer because it will require adjustments to the reporting tools and introduction appropriate changes in subsidiaries.

Annex VIII and Annex IX

4. Compared to previous versions of the large exposures templates are there additional reporting requirements which, cause disproportionate costs?

Bank's answer:

In the Bank's opinion additional disclosures regarding the aforementioned disclosures will require additional workload, modification or extension the functionality of reporting systems / applications as well as the preparation of an additional parameterization related to the reporting sheets, however the Bank possesses all the additional information in the source systems or Data Warehouse.

5. Are the templates, related instructions and validation rules included in Annex VIII and Annex IX sufficiently clear? Please provide concrete examples where the implementation instructions are not clear to you.

Bank's answer:

In the Bank's opinion the templates, related instructions and validation rules included in Annex VIII and Annex IX seems to be sufficiently clear.

6. What are the cost implications of introducing a breakdown by residence of the counterparties?

Bank's answer:

Bank possesses all the additional information in the source systems or Data Warehouse, so the cost implications of such breakdown will result from additional workload, modification or extension the functionality of reporting systems / applications as well as the preparation of an additional parameterization related to the reporting sheets.

7. What are the cost implications of introducing a breakdown by sector of the counterparties?

Bank's answer:

Answer as above.

8. What are the cost implications of introducing a breakdown by economic sector by using NACE codes?

Bank's answer:

Polish institutions use the division into sectors of the economy according to the Polish Classification of Activities (PKD 2007) which was introduced by Council of Ministers Regulation of 24 December 2007 on the Polish Classification of Activities (PKD) (OJ No 251, item 1885). PKD 2007 was based on the statistical classification of economic activities NACE Rev2, introduced by Regulation (EC) No 1893/2006 of the European Parliament and the Council of 20 December 2006 on the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No. 3037/90 and certain EC Regulations on specific statistical domains (EU Official Journal L 393/1 of 30.12.2006). Therefore PKD seems to retain compatibility and consistency with NACE Rev. 2. The difference between PKD 2007 and NACE refers only to a number of levels of classification (PKD - 5 levels, NACE - 4 levels).

Information about economic sector by using PKD 2007 codes is available in the source systems or Data Warehouse, so the cost implications of such breakdown will result from additional workload, modification or extension the functionality of reporting systems / applications as well as the preparation of an additional parameterization related to the reporting sheets.

9. Would other classifications be more suitable or cost efficient?

Bank's answer:

Referring to the answer above to question No. 8 - no comments.