

Parallel session B: Data and reporting

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On the process and timelines of the various reporting requirements, on new data systems and procedures at DNB.



Objectives & content

Objective: create a joint clear overview of reporting requirements and DNB's systems and procedures

Content of the session

1. Quality of information
2. Reporting and CRD IV
3. Implementation and timelines
4. DNB's systems and procedures for CRD IV



Quality of information

- Quality of information creates a meaning for data
- Prudential information of good quality is a key attribute of a bank's sound operations and business practices
- Sound internal controls, internal audit and external audit are to create the level of assurance that is required for banks
- DNB evaluates the quality of information systemically and thematically
- CRD IV data reported by banks are key to the quality of prudential information, since the (international) alignment and the granularity of information have been improved

Therefore CRD IV creates momentum for a new era for better quality of information to regain trust in the banking system (and prudential supervision) ...
once implemented well



Reporting and CRD IV

Main reporting requirements have been published by EBA

- Reporting additional prudential information
 - New key indicators (CET 1, LCR, CVA capital requirement)
 - More aggregated information (country breakdown)
 - National discretions on existing requirements have disappeared
- More reporting requirements to come.....
 - EU perspectives through [EBA](#); i.e. Asset Encumbrance Reporting and Forbearance and non-performing exposures
 - EURO perspectives through single supervisory mechanism (“SSM”); requirements are coming)
 - National perspectives through [DNB](#); i.e. BW2T9 FINREP

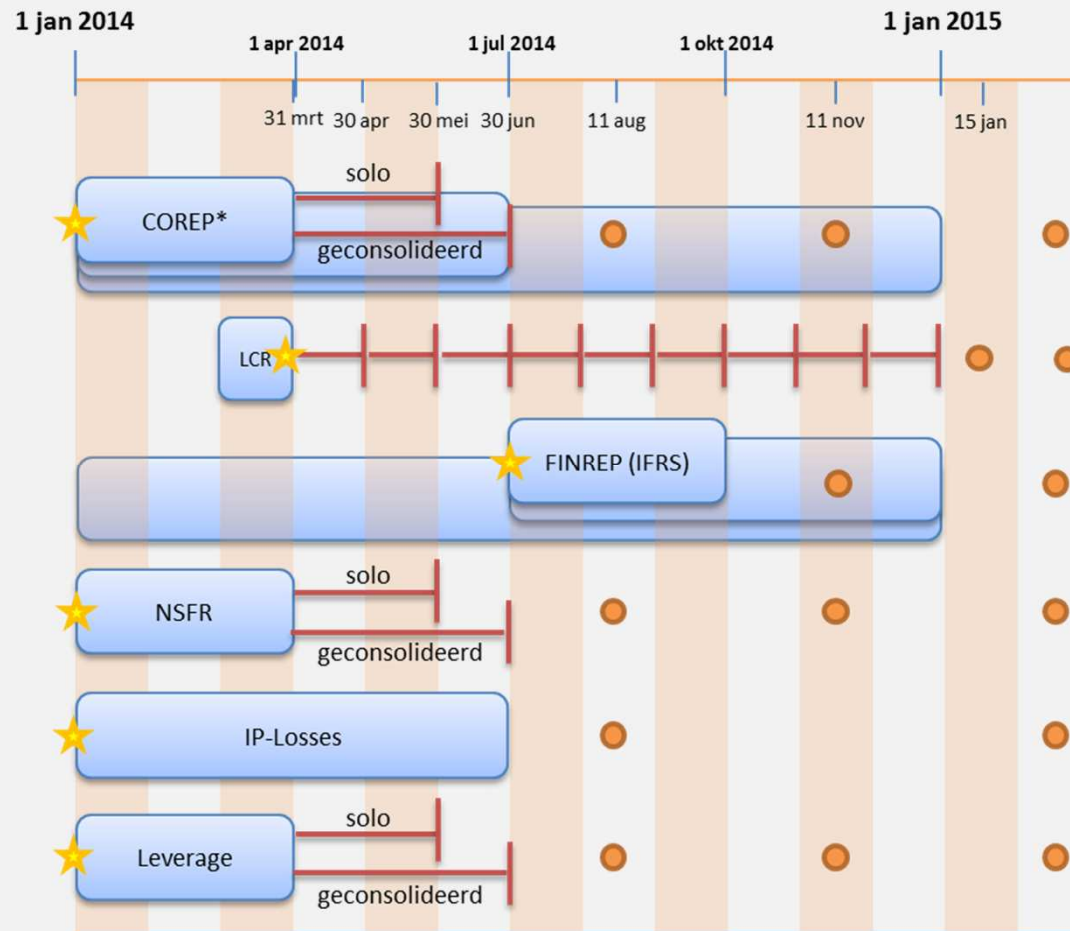


Implementation

- Timelines have been extended, but are now set
- Comparison between implementation of reporting for CRD II and CRD IV
- From CRD III to CRD IV reporting
 1. DNB's expectations
 2. Parallel run COREP & FINREP
 - COREP; existing CRD III reporting forms & - definitions as per 31 march 2014 are due as per 30 june 2014;
 - FINREP; existing CRD III reporting forms & - definitions as per 30 september 2014 are due as per 25 november 2014;
 3. Basel III monitoring
- Validations requirements are key for banks to fulfil their reporting obligation.



Timelines for reporting





DNB's systems and procedures for CRD IV reporting

- DNB has started significant revisions in usage, processes and [systems](#)
- The portal for CRD IV reporting forms is currently based on E-line and XML. XBRL is not yet supported
- New technology is being implemented:
 1. New data and systems infrastructure to manage and present information to stimulate and support usage;
 2. New business rule engine to verify compliance of validation rules and trend-, outlier- and peergroup-/benchmark- analysis;
 3. New tool to monitor resolution of integrity- and analytical findings.
- Basel III monitoring & CRD III data are used by DNB as reference in time series



The process; national and international

1. Banks are assumed to comply with all validations rules once reported
2. DNB should perform “rigorous internal controls and quality checks” and to interact with banks to resolve the outcome of those within the first 10 business days (15 days in 2014)
3. Granular information is submitted to EBA/SSM
4. Extended role of EBA both on scope as well as granularity
5. New scope for the single supervisory mechanism



Issues, challenges & questions

For discussion



Thank you, let's stay close



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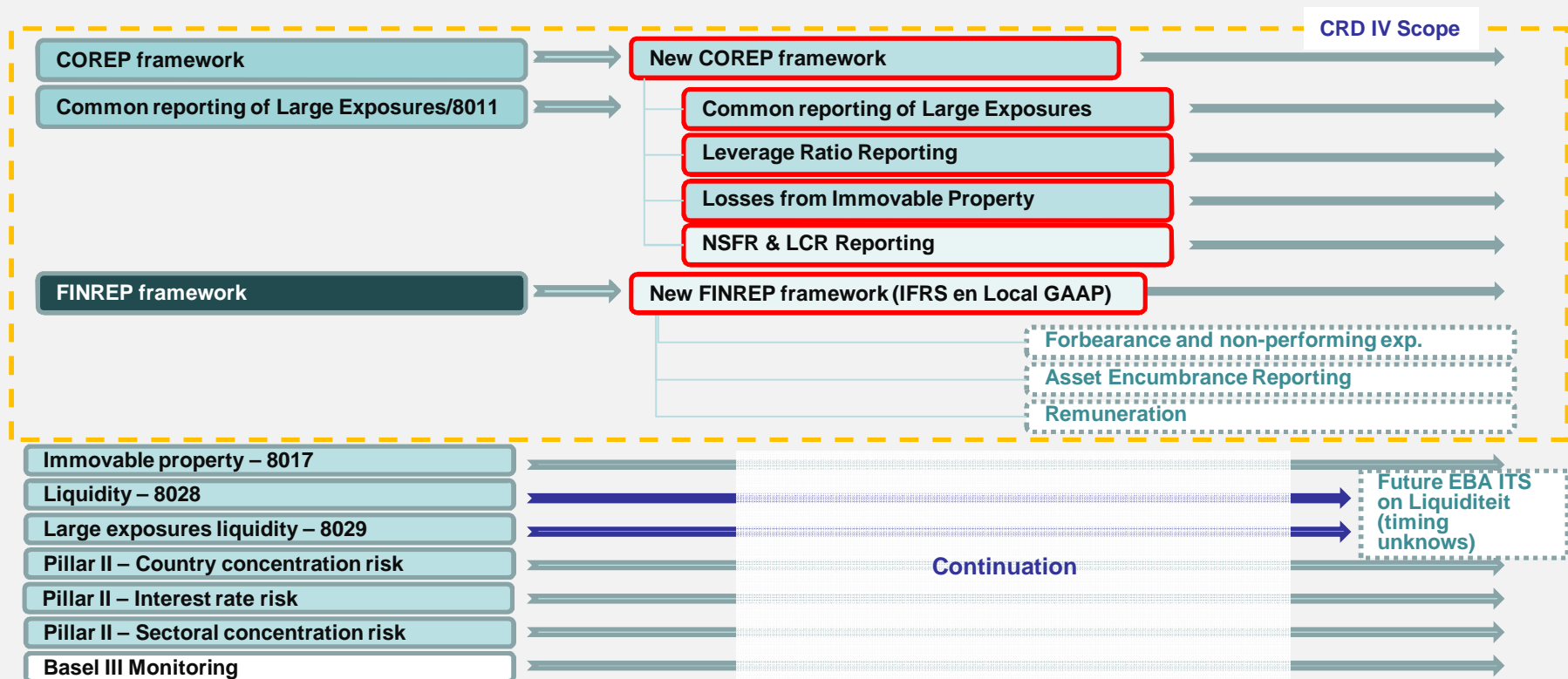
Reference materials

Materials for the session

- I. Transition of reporting for Dutch banks
- II. Overview: CRD IV/CRR en EBA-ITS
- III. CRD IV reporting – Frequency
- IV. Reporting requirements on entity level

Appendix I.

Transition of reporting for Dutch banks



Appendix II.

Overview: CRD IV/CRR en EBA-ITS

Reporting Framework (ITS)	CRR	Subject	Expected implementation date	Legal Status
COREP	Art 95	Capital Adequacy	1 January 2014	CRD IV and CRR
	Art 96	Losses from immovable property	1 January 2014	
	Art 95	Large Exposures	1 January 2014	
FINREP	Art 95	Financial Information	1 July 2014	
LCR/NSFR	Art 416 & 417	LCR en NSFR	1 January 2014	
Leverage Ratio	Art 481 & 403	Leverage Ratio	1 January 2014	
FINREP (phase 2)	Art 95	Forbearance and non-performing exposures	t.b.d.	Consultation Paper
	Art 95	Asset Encumbrance Reporting	t.b.d.	Consultation Paper
Remuneration	Art 22	Remuneration	t.b.d.	

Appendix III.

CRD IV reporting - Frequency

Reporting Framework	Topic	Frequency
COREP	Capital Adequacy	<ul style="list-style-type: none"> • Quarterly • Semi-annual for securitisation details, material losses operational risk
	Mortgage Losses	<ul style="list-style-type: none"> • Semi-annual
	Large Exposures	<ul style="list-style-type: none"> • Quarterly
Leverage Ratio	Leverage Ratio	<ul style="list-style-type: none"> • Quarterly
LCR and NSFR	LCR and NSFR	<ul style="list-style-type: none"> • Monthly
FINREP	Financial Information	<ul style="list-style-type: none"> • Quarterly Part 1 and Part 2 • Semi-annual Part 3 • Annual Part 4

Appendix IV.

Reporting requirements on entity level

Reporting Framework	Subject	Solo/stand-alone Level	Sub-consolidated Level*	Consolidated Level
COREP	Capital Adequacy	Mandatory**		
	Mortgage Losses			
	Large Exposures			
LCR and NSFR	LCR and NSFR			
Leverage Ratio	Leverage Ratio			
FINREP	Financial Information	At NSA discretion	Mandatory for IFRS Local GAAP at NSA discretion	Mandatory for IFRS Local GAAP at NSA discretion
FINREP (phase 2)	Forbearance and non-performing exposures	To be determined		
	Asset Encumbrance Reporting			