## Consultation Response

# *EBA Reporting Simplification – Module 2 - FINREP*

July 2026


### *Summary*

We highlight significant concerns around clarity, feasibility, and proportionality. Our response argues that several new requirements—particularly on collateral (templates F37 and F48)—introduce management and prudential concepts into an accounting framework, creating misalignment with IFRS and requiring costly new data infrastructures.

There is direct feedback concerning unclear definitions (e.g. collateral haircuts, private credit activities) and of proposals that rely on data not currently collected by banks, such as detailed counterparty classifications.

The response also stresses structural inconsistencies between CRR3 prudential concepts and IFRS accounting treatment, especially for commitments. It supports some alignment efforts (e.g. SME definition) but warns of historical breaks.

Overall, the industry calls for simplification, retention of materiality thresholds, separation of stress-testing data, and a longer implementation timeline to avoid disproportionate costs and operational burden.


### *Consultation Questions*

Q5. Is the definition of 'Maximum amount of the collateral that can be considered' clear? Which challenges regarding the practical application of this definition do you envisage?

The proposed definition of the "Maximum amount of the collateral or the guarantee that can be considered" is not clear, as the notion of haircut to which the EBA refers remains undetermined: (i) IFRS standards do not provide for haircuts; (ii) the EBA's instructions do not specify the nature of the prudential haircuts that could apply. In this regard, the industry underlines the fact that prudential haircuts dealt with in the CRR are relevant to the COREP. Therefore, a FINREP template is not the appropriate space for dealing with prudential haircuts within the meaning of the CRR.

Consequently, we respectfully request that the EBA specifies the definition and nature of the haircuts expected to establish the "Maximum amount of the collateral that can be considered" in the FINREP templates.

Considering that a single exposure may be secured by different types of collateral, there would be a role for clear guidance regarding the hierarchy to be followed. This would allow for greater uniformity and comparability across the banking system.


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Q6. Are the instructions and the new templates F 37 and F 48 sufficiently clear? If not, what changes would you suggest facilitating the reporting by institutions and at the same time improving the supervisors' understanding of the levels of collateral liquidity and its recoverability?

The data requested in these templates (F37 & F48) is management data and not accounting data:

- The amount of the guarantee to be taken into account must be constructed by the bank and remains to be specified by the EBA, in particular for the nature of the haircuts to be used in this determination.
- The valuation method and the type of appraiser are also not accounting data, nor are they required by any accounting standard. It is based on guarantee and evaluation systems never designed to feed the FINREP chain.

This data is not reconcilable with accounting, structuring it in a declarable form for FINREP would require building a new data chain without accounting anchoring to validate.

We ask for the removal of these collateral management templates F37 and F48.

If there is a real need for the EBA, we ask for an appropriate assessment of the costs via a dedicated prudential channel designed for data management.

In any case, regarding templates F37 and F48 on NPL breakdowns, we believe that the previously applicable 5% materiality threshold should be maintained.

The removal of the current templates and their replacement with new requirements without any materiality threshold does not constitute an effective simplification of reporting. On the contrary, it increases both the volume of information to be reported and the associated operational burden.

We do not consider it justified to require the reporting of such information without applying materiality criteria, particularly given the limited supervisory relevance of low-volume exposures.

The implementation of new templates F37 and F48 will require particular effort as banks will have to identify a series of specific information present in different management repositories and converge them towards their reporting systems. A significant implementation required is specifically represented from the new data of column 0100, template F37, "Weighed average of haircuts applied to non-overcollateralized loans (%)".

Moreover, the removal of some current templates (for example F 23.5) and their replacement with new requirements without any materiality threshold as previously established for the "module 2" finrep templates (5% materiality threshold) does not constitute an effective simplification of reporting.

For additional considerations, please consult question 26.

Furthermore, we identify a conceptual inconsistency in requiring a breakdown of guarantees received by property types (such as "Residential" or "Office"); since these categories are only applicable to physical real estate collateral rather than financial guarantees, these specific reporting fields are illogical and should be greyed out to ensure reporting accuracy and operational efficiency.

Q7. Do respondents agree with the reporting proposed in the examples on template F 37 provided in Section 3.2 of the consultation paper?

In general, it would be better to provide more sophisticated examples in order to reflect the complexity of real business cases. With specific regard to example no. 3 of how to complete template F 37 provided in the Consultation Paper on page 38, please confirm that the completion is as follows: row 010 column 010 CU20 (gross carrying amount), row 010 column 20 and 40 CU 10 (ship) and row 010 column 110 and column 130 CU5 (financial guarantee).

The examples provided in Section 3.2 are, nevertheless, a useful step forward, they illustrate in a theorical way the logic of breakdown by bucket past-due and by type of CRE, the example on the heading rule (carrying amount) and the illustration of the calculation of the weighted average haircut is appreciable.

However, the example is based on an implicit assumption that does not reflect the operational reality of the vast majority of our exposures: each guarantee is associated with one and only one exposure (1-for-1 relationship).

In practice, this configuration is the exception and not the rule.

The example does not cover cases of: (i) Collateral covering multiple NPL exposures in different buckets, including NPL corporate portfolios, in which case a single collateral simultaneously covers several separate NPL loans belonging to different past-due buckets; (ii) Collateral partially re-repossed during the period, sale of a lot in co-ownership, partial taking of possession in the context of legal proceedings, the residual value of the collateral may not be updated in real time in the collateral management system, overestimating the collateral actually available.

- Therefore, we propose to: (i) Complete the examples in Section 3.2 with at least two additional cases: (1) a guarantee covering several NPL exposures in different past-due buckets, with an illustration of the pro-rata allocation rule and the calculation of the resulting weighted average haircut; (2) a guarantee that has been reclaimed and partially sold during the recovery period; (ii) Specify in the instructions the allocation rule applicable when a guarantee covers more than one exposure: pro-rata allocation of amount, priority allocation to the riskiest exposure, or other method. The chosen rule must be precise enough to be implemented without any margin of interpretation in the reporting systems; (iii) Explicitly acknowledge in the instructions that the N-to-N data model of collateral management systems requires a transformation step before feeding F 37.00 and provide guidance on acceptable allocation rules.

In any case, regarding templates F37 (as well as F48 and 13.12) on NPL breakdowns, we believe that the previously applicable 5% materiality threshold should be maintained.

The removal of the current templates and their replacement with new requirements without any materiality threshold does not constitute an effective simplification of reporting. On the contrary, it increases both the volume of information to be reported and the associated operational burden.

In case of commercial real estate loan (CRE) covered by several collateral, the annex V (paragraph 380) estabilishes that "In case of different types of commercial real estate collaterals backing a CRE loan, the 'maximum amount of the collateral or guarantee that can be considered' shall be allocated according to its quality, starting from the one with the best quality, in accordance with paragraph 174 of this Part. In this case, the corresponding gross carrying amount of the CRE loan and any related amount of financial guarantee shall be reported only once in this template; both amounts shall be allocated to the type of collateral that is the most relevant in terms of amount for the mitigation of credit risk." It would be possible to report only once in this template also the related amount of "Maximum amount of the collateral that can be considered"? Otherwise there will be a not aligned representation between the column of Gross carrying amount where the CRE is represented "only once" and the columns of "Maximum amount of the collateral that can be considered" represented in all rows for each collateral.

Furthermore, we do not consider it justified to require the reporting of such information without applying materiality criteria, particularly given the limited supervisory relevance of low-volume exposures.

Other financial corporations

Q8. Do respondents agree with the proposed breakdown by subsector of 'Other financial corporations'? To which extent is it compatible with your internal classification?

Please refer to comment for background to text up date:

"Monitoring the interconnections between the banking sector and non-bank financial entities is a legitimate supervisory objective.

However, the breakdown by sub-sector of other financial companies (OFC) proposed in templates F 27.01, F 27.02 and F 27.03 is based on knowledge of the main activity of each counterparty, and this information is not data systematically collected when entering into a relationship with the client, neither by regulatory KYC processes nor by credit systems, nor by counterparty repositories. It must be reconstructed from indirect information (regulatory status, NACE code, contractual documentation), with a high degree of uncertainty and instability over time."

Implementing such a proposal would entail significant costs for many banks, particularly for international banking groups operating across multiple jurisdictions, including non-EU countries. Each entity within the group would need to identify, capture and integrate this information into its local systems before it could be consolidated at group level.

This would result in a substantial increase in systems development costs and dedicated staff resources, without a clearly demonstrated supervisory or operational added value.

To ensure consistency in classification across the banking system, it would be desirable to provide a clear link between the proposed breakdown by subsector and international classification code (for example NACE codes). In absence of clear guidance, the complexity of FINREP reporting would increase producing additional costs and administrative burden.

A breakdown based more fully on the ESA 2010 sector codes might be more workable and useful.

Q9. Is the definition of 'private credit activities' sufficiently clear? Which challenges regarding the practical application of this definition do you envisage?

While we understand the supervisory interest in monitoring the growth of non-bank lending channels and their potential interconnections with the banking sector, the proposed definition of "private credit activities" lacks the necessary clarity and precision required for robust regulatory reporting.

Because credit institutions currently possess no systematic data points or flags to identify these counterparties, compliance would necessitate intrusive, manual client outreach during onboarding and an operationally unfeasible retroactive remediation of legacy portfolios. Given that banks' direct exposures to private credit entities are highly concentrated and represent a minor fraction of total assets, implementing a blanket, system-wide tracking mechanism imposes a highly disproportionate operational burden that fails to align with a risk-based approach to prudential reporting.

We strongly urge the EBA to reconsider this requirement or, at a minimum, defer its implementation until a harmonized, globally accepted definition of private credit is established.

As a further observation, we would note that the definitions of Private Credit, Shadow Banking and unregulated FSEs are closely aligned, yet remain distinct. This implies that each will require separate implementation. Furthermore, the ECB is expected to introduce its own definition of Private Market related entities, which could also differ from the EBA's approach. We encourage Semantic Integration efforts before finalisation of the ITS.

Please explain more clearly and objectively how the concept of "primarily involved" and "private credit activities" should be understood. In absence of clear guidance, it would be better to delete the information required.

Q10. Which challenges regarding the inclusion of the information on 'debt securities issued' broken-down by subsector of 'Other financial corporations' do you envisage?

We understand the expectation in Template F 27.2 as being a breakdown of the details of the securities by issuing counterparts, can you please confirm this?

In the meantime, we do not consider the proposed sectoral breakdown to be appropriate.

These are issuance instruments and, once the securities are placed in the market, they may subsequently be traded on the secondary market. As a result, the issuer no longer has complete visibility over the identity or sector classification of the holders. Consequently, many institutions generally do not have access to reliable sector-level information regarding the final investors holding the instruments.

In general, it is challenging to identify the broken-down by subsector.

With specific reference to column 0060 "debt securities issued" issuer systems have information only about the first taker. If the securities placed in the market have negotiations on the secondary market, institutions generally do not have access to sector information regarding the final investors and, as a result, the information required may be inconsistent with the final title holder.

Crypto-assets

Q11. Are the instructions and the new template F 38 sufficiently clear? If not, what changes would you suggest facilitating the reporting by institutions and at the same allowing supervisors to properly monitor the related emerging risks for institutions?

The template name is '38.0 Information on crypto assets' whereas it includes both assets and liabilities. This needs to be amended.

Regarding crypto-assets, the industry would like to acknowledge that Article 3 (5) of the MiCA Regulation, crypto-assets are defined, as a result, column 0030 and 0040 of the F 38.00 template, that respectively relate to "other crypto-assets" and "of which: Non-MICAR compliant ART/EMT", are residual categories. There is no taxonomy of "other crypto-assets" but rather a list shortly detailed by the EBA in the Consultation paper at paragraph 63.

In parallel, COREP template C 36.00 is structured around different notions: (i) tokenised traditional assets (TTA), including EMTs, (ii) asset referenced tokens, (iii) exposures to other crypto assets.

At first glance, as the TTA category comprises EMTs, the remaining cryptoassets composing the "other" category appear to differ from the "other cryptoassets" category of FINREP template F 38.00. : since F 38 is structures around EMTs, ARTs and a remaining category titled "other cryptoassets", the latter could be understood as comprising the TTAs minus the EMTs under the C 36.00 template.

Only a reading of paragraph 396 of the FINREP instructions, which lay out that "the tokenized traditional assets (as defined by CRR. Article 5a, point 5) are excluded from the scope of this template", helps to understand that the "other cryptoassets" column under F 38.00 coincides perfectly with the corresponding column in C 36.00.

However, the industry would like the EBA to confirm that it is indeed the case.

Further more detailed observations include:

1) Row 0120 "of which: crypto-assets compliant with IFRS-IC definition": we suggest eliminating this row since in our view it duplicates the information required in row 0090 "Intangible assets". If the request is not accepted, we suggest eliminating the reference to "holding for sale in the ordinary course of business" in order to include a general reference to IAS 2 paragraph 6, as anticipated. "Crypto-assets compliant with IFRS-IC are those that meet the definition of 'intangible asset' and they are accounted for under IAS 38, or in case of holding for sale in the ordinary course of business, under IAS 2 'Inventories'.

2) Row 0190 requires the off-balance sheet exposures: a more precise definition of the cases to be disclosed would be useful, as Annex V.Part 2.391 remains too general.

Q12. Do respondents agree that the asset-referenced token as defined in the MICA Regulation, Article 3, point 1, (6) could meet the definition of an intangible asset? If not, please provide the rationale backing your view.

The accounting analysis will from scoping as per our earlier observation.

Other changes

Q13. In the instructions to Loan commitments, financial guarantees and other commitments (F 9), do you agree with the proposed splitting for "Undrawn amount of unconditionally cancellable commitments" and "Undrawn amount of commitments" in paragraphs 115(i) and 113(b) of the instructions (IT solutions- Annex V to the ITS on reporting) or do you think they should be grouped together? Please provide the rationale backing your answer.

As an overall comment, we believe they should be grouped together, due to the information on the conditionality of cancellable commitment would trigger additional costs to integrate in the financial reporting system.

More clarity is needed regarding the treatment of credit cards, as operationally these facilities are generally unconditionally cancellable by the bank. The proposed change would have a significant impact in terms of the reclassification of balances between loan commitments and other commitments.

CRR3 introduces a broader prudential definition of commitments, including arrangements that may not be recognised or disclosed under IFRS. This creates misalignment in FINREP F 09.01, where rows follow a prudential scope while columns remain accounting based.

As a result, it is unclear how to report exposures that qualify as commitments under CRR3 but fall outside IFRS recognition. In the absence of a dedicated prudential/residual category, these exposures may not be reported at all, despite being in scope.

______________ detailed explanation below______________

Under the revised Capital Requirements Regulation (CRR3), the prudential definition of a commitment has been clarified and broadened.

CRR3 now captures any contractual arrangement offered by an institution and accepted by a client and explicitly distinguishes between commitments and other contractual arrangements that are not commitments.

The definition explicitly also contains commitments that are unconditionally cancellable by the institution. (Annex I CRR3).

Both of which may give rise to off balance sheet exposures for prudential purposes.

By contrast, the scope of commitments recognised or disclosed under IFRS (notably IFRS 9, IFRS 7 and IAS 37) remains more restrictive and is driven by accounting concepts such as irrevocability, the existence of a present or possible obligation and specific recognition or disclosure thresholds.

As a result, certain contractual arrangements may fall within the prudential scope of CRR3, while remaining outside IFRS recognition or disclosure requirements.

This difference has direct implications for supervisory reporting.

EBA Q&A 2025_7592 highlights uncertainty in the context of FINREP template F 09.01, questioning whether exposures that qualify as commitments or other contractual arrangements under CRR3, but are not recognised or disclosed under IFRS, should nevertheless be included in the FINREP commitment columns.

The question was rejected on the basis that addressing it would require an amendment to the reporting framework; however, the underlying issue was explicitly acknowledged and flagged for future consideration.

However, the absence of expected changes to FINREP template F 09.01 in the ongoing EBA Consultation on the simplification and integration of supervisory reporting means the identified definitional tension remains unsolved.

The proposed revisions to ITS Annex V do pursue a broader objective of improving consistency and integration across FINREP, COREP and Pillar 3, but do know clarify how the (mis)alignment with IFRS should be handled.

Against this background, the absence of a clear and aligned interpretation of commitments across CRR3, IFRS and statistical reporting frameworks represents a structural reporting tension rather than a firm specific implementation issue. In practice, institutions face:

- uncertainty as to whether prudentially relevant contractual arrangements that fall outside IFRS should nevertheless be reported in FINREP;

- a risk of inconsistent practices across institutions and jurisdictions, particularly where FINREP remains accounting anchored while COREP, Pillar 3 and IReF increasingly reflect CRR3 concepts; and

- growing reconciliation challenges between FINREP, COREP, Pillar 3 and statistical reporting as reporting frameworks continue to evolve towards closer integration.

From a supervisory and statistical perspective, further clarification on the treatment in supervisory reporting of prudentially scoped commitments that fall outside IFRS recognition would support consistency, comparability and audit robustness, and help ensure that ongoing simplification and integration initiatives do not inadvertently amplify definitional mismatches between accounting, prudential and statistical frameworks.

We question how to treat exposures that qualify as commitments or other contractual arrangements under CRR3 (row 0010), but do not meet any IFRS recognition or disclosure criteria (columns). Given that there is no residual or prudential-only column, is it then correct that such exposures would not be reported in FINREP F09.1.1 at all, despite being explicitly included in the row definition?

Rows (scope): Include all off-balance sheet items from Annex I CRR + Article 111(4) → i.e. prudential scope (CRR3)

Columns (measurement): Require classification by accounting treatment (IFRS 9 / IAS 37 / IFRS 17)

Could you confirm that the purpose of this change is to identify all and only the irrevocable commitments in row 0010 “Loan commitments given” of FINREP template F 9.1.1 (Off-balance sheet exposures Loan commitments, financial guarantees and other commitments given) while the “Undrawn amount of unconditionally cancellable commitments” (revocable ones) should be shown in row 0170 “Other Commitments given” ?

In any case, presenting all the information within row 0010 would facilitate cross-checking with COREP reporting.

Q14. In the instructions to template F 40.01 with regard to the ‘Equity of investee’, ‘Total assets of the Investee’ and ‘Profit or (loss) of the Investee’, do respondents agree to require the latest available amounts of those items instead of the amounts in the last financial statements approved by the investee’s board of directors or similar authorised body? Is the proposed change consistent with your internal practices for consolidation purposes where the last investee’s financial statements are not available?

Yes, agreed, it's consistent with consolidation practices, and in line with annual financial reporting.

Q15. Which benefits and challenges regarding the compilation and reporting of the information of template F 41.01 on a more frequent basis do you envisage? In addition, are the instructions on the fair value calculation in IT solutions (Annex V. Part 2, paragraphs 298, 298a) clear and in line with your accounting practices?

We do not see any real simplification in the proposal.

Although certain hierarchies are removed, the underlying information will still be required for annual reporting purposes. As a result, the associated operational burden would not effectively disappear in practice. Therefore, it is requested to maintain the annual frequency or, alternatively, a semi-annual frequency, in alignment with financial statement reporting.

In addition, the introduction of new columns and the increase in reporting frequency for this template would represent a further increase in reporting effort.

We also do not clearly see the benefit of the proposed new columns. If the objective is to obtain additional information for purposes other than FINREP, we believe such information should instead be requested through the specifically relevant module or template, thereby avoiding an unnecessary increase in the complexity of FINREP reporting

Q16. Which benefits and challenges regarding the proposed change of the definition of ‘small and medium-sized enterprises’ by referring to CRR Article 5 do you envisage?

We note that in the consultation paper, the EBA explains that the definition of SMEs in FINREP is changed to consider the CRR3 definition that is also used in COREP.

A single SME definition across FINREP and COREP removes a reconciliation difference, reducing the risk of inconsistent classification of the same counterparty across the two frameworks. Therefore, we support the said change that aligns with the simplification objective.

However, we kindly ask the EBA to note that the change in definition will create a one-off break in the historical SME series, and exposures will migrate between the SME and non-SME categories at the changeover.

Therefore, we ask the EBA to acknowledge this series break and to confirm that no restatement of prior periods under the new definition will be required, to ensure that no additional costs will follow. The benefit would stem from the alignment of SMEs between the COREP and FINREP regulations.

Q17. In the instructions to template F 01.01, is the proposed reporting of the compulsory reserves in line with your accounting practices? If not, please describe your current reporting and the rationale behind it.

This is not aligned with all banks' accounting practices. We do not understand why compulsory reserves, are excluded from demand deposits. The fact that reserves are compulsory should not automatically imply that they are unavailable; since it depends on type and treatment in each jurisdiction.

We currently report based on the immediate availability of the accounts, which is the definition understood under the previous instructions.

With this change, we would be forced to modify the accounting disclosure approach currently applied.

Q18. In Finrep the definition of 'subordinated debt' refers to the definition included in Table of Part 2 of Annex II to the ECB BSI Regulation. In the CRR 3, the new article 128 provides for a definition of 'subordinated debt exposures'. Do respondents believe that the definition of 'subordinated debt' in Finrep should be changed and aligned with the definition of CRR 3 Article 128? Which benefits and challenges in this alignment do you envisage?

No, we are concerned that a direct alignment with the CRR framework could materially broaden the FINREP perimeter, since the two definitions do not capture the same instruments. The current FINREP/BSI concept is a simple economic one, determining "subordinated debts" as per their rank in the queue, whereas Article 128/72b CRR lay out legal eligibility conditions designed for resolution purposes: eligibility does not only depend on ranking, it also relies on maturity, the absence of set-off, the absence of early-redemption incentives and governing-law requirements.

Consequently, an instrument can be subordinated under ECB BSI regulation and therefore caught by today's FINREP line, without satisfying all the 128 (1) (c) / 72b CRR conditions, and the reverse can also occur. Aligning the two is therefore not a clarification; it is a change of population. The figures reported on the "subordinated debt" line would shift, and the historical series would break. Given the significant volume of eligible liabilities held by many institutions subject to MREL requirements, that shift in definition is definitely an issue. This could shift the FINREP notion of subordinated debt away from the legal ranking of the instrument towards a broader prudential or resolution-based concept.

We are also concerned that, on the asset side, it may not be operationally feasible for holders to determine consistently whether a given instrument qualifies as an eligible liability instrument for the issuer under Article 72b CRR.

As a result, this could lead to significant inconsistencies between institutions' public disclosures and FINREP reporting.

Moreover, aligning definitions in this particular instance pulls FINREP away from its accounting base. FINREP is an accounting framework: its lines reconcile to the financial statements, and its validation rules assume an accounting origin. "Subordinated debt" as an accounting concept fits that logic. A resolution-eligibility concept does not: it has no counterpart in the accounts, it is sourced from contractual and resolution analysis rather than from the ledger, and it cannot be reconciled to a balance-sheet line. Replacing the accounting concept with the prudential one places, once again, a non-accounting qualification inside an accounting return.

We do not object to FINREP and the CRR speaking to each other; consistency is valuable. But alignment should be evidence-based, not presumed. Consequently, we ask the EBA to enhance its impact assessment on the matter notably via:

- The publication of a side-by-side analysis of the current FINREP/BSI subordination concept and the Article 128/72b concept, showing concretely which instruments each captures and where they diverge;
- if they materially coincide, proceed with alignment, since the consistency gain would then be real and costless.

If definitions do not materially coincide, which is expected, we ask the EBA to retain the accounting-based definition in FINREP and provide a mapping to the Article 128 concept, rather than replacing the accounting concept with the prudential one. A mapping preserves the comparability and reconcilability that make FINREP work, while still letting users bridge to the prudential view.

Q19. Do respondents have any further comments on the structure and content of the proposed templates?

Regarding templates F37, F48 and 13.12 on NPL breakdowns, we believe that the previously applicable 5% materiality threshold should be maintained.

The removal of the current templates and their replacement with new requirements without any materiality threshold does not constitute an effective simplification of reporting. On the contrary, it increases both the volume of information to be reported and the associated operational burden.

Furthermore, we do not consider it justified to require the reporting of such information without applying materiality criteria, particularly given the limited supervisory relevance of low-volume exposures.

We believe Finrep F48 will require a significant implementation effort across the entire reporting chain, from source systems to the systems responsible for aggregation.

Furthermore, regarding template F37, we identify a conceptual inconsistency in requiring a breakdown of guarantees received by property types (such as "Residential" or "Office"); since these categories are only applicable to physical real estate collateral rather than financial guarantees, these specific reporting fields are illogical and should be greyed out to ensure reporting accuracy and operational efficiency.

Also, for template F18, opening up the cells relating to impairments on fair valued position looks to be illogical as the fair valued positions would have impairments inherent to the value.

Q20. Do respondents find the proposed instructions clear? Are there specific parts where definitions or instructions should be clarified?

As being flagged in Q19 we consider regarding templates F37, F48 and 13.12 on NPL breakdowns, that the previously applicable 5% materiality threshold should be defined.

Further, to clarify the addition of breakdown of guarantees received in template F37 and opening up of the impairment cells on the fair valued positions for template F18 (as noted in Q19).

Simplification

Q21. Do respondents believe that the proportionality introduced for small and non-complex institutions to report the templates F 10 and F 11 on derivatives can effectively reduce the reporting costs for these institutions? If not, please provide the rationale backing your view.

N/A

Q22. Do respondents believe that the simplification proposal of the template F 22.01 'Fee and commission income and expenses by activity' by deleting or bundling some details under the activities of 'Securities', 'Corporate finance', 'Custody', 'Payment services' and 'Customer resources distributed but not managed' can effectively reduce the institution's reporting cost? If not, please provide the rationale backing your view.

We welcome the simplification of the template, and confirm that it would reduce reporting costs, particularly for international banking groups, although some banks have noted that items are sometimes already fed automatically.

In many cases, this type of information is requested at local entity level within a Group solely for the purpose of completing this FINREP template, as such breakdowns are not necessarily used by institutions for internal management purposes.

As a result, removing or simplifying these requirements could generate operational savings by reducing the need for additional local data collection, controls and reconciliations performed exclusively for reporting purposes. It would be helpful if the application date could be brought forward, perhaps to end-March 2027.

However, the industry would like to obtain assurances that the deletion of the template will not be followed by an ad hoc collection from the ECB under the SSM regulation or National Competent Authorities, that would again raise costs and generate an unwarranted complexity.

It would be useful to have clarification regarding the additional details on commissions on crypto-assets, as follow: "ANNEX V - 281. The fee and commission income and expenses shall be reported by type of activity. In addition, fee and commission income and expenses from crypto assets services as defined in MICA Regulation, Article 3, point 16 shall be reported separately."

For the purposes of compiling the aforementioned template, it would be more effective and feasible to also include traditional tokenized assets as per Article 5 bis, point 5 of European Regulation 575/2013 (e.g., tokenized bonds) within the scope of crypto-assets, in order to avoid separating these assets with underlying DLT technology. This approach would allow the bank to overcome costly technical and operational difficulties while providing reliable information to financial statement readers.

This is because clients will be able to open custody or administration accounts with the bank that include both tokenized financial instruments and crypto-assets in the same wallet. In this regard, it should also be noted that crypto-assets are necessary, among other things, for the movement of tokenized assets themselves (given that movement in the Blockchain requires "consuming" crypto-assets to pay gas fees).

Q23. Do respondents believe that the introduction of the additional layer of proportionality for templates F 20 where foreign exposures less than 1% are aggregated in z-axis 'Other countries' can effectively reduce the institution's reporting cost? If not, please provide the rationale backing your view.

Although this could be considered a simplification measure, requiring the information at consolidated level does not result in a genuine simplification for large international banking groups, as the calculations and underlying data collection would still need to be performed at local entity level and overall add another layer of complexity.

Further, the proposed 1% exposure threshold for grouping minor exposures under "other countries" is operationally restrictive. Raising this threshold to 10% would align with standard materiality principles. Alternatively, allowing institutions to report all countries directly without mandatory threshold-based clubbing would eliminate the need for complex, run-time data aggregation logic. A more meaningful simplification would arise if any materiality threshold were applied at subsidiary level rather than at consolidated group level.

Further, to clarify the addition of breakdown of guarantees received in template F37 and opening up of the impairment cells on the fair valued positions for template F18 (as noted in Q19)

We would note in addition that introducing a threshold would require further IT developments and built-in logistics for the threshold validation, and therefore additional expense. While the introduction of a threshold may reduce the number of reportable datapoints in the final output, it does not materially reduce the underlying operational effort required to produce the information. Institutions would still need to identify, capture and process the full population of exposures at granular level in order to determine whether the threshold is met.

In practice, the implementation of such a threshold may even increase operational complexity and costs. Additional logic needs to be developed, implemented and maintained in reporting systems to apply the threshold consistently, including controls, auditability and reconciliation to the underlying data.

As a result, the proposal does not constitute a genuine simplification from an operational perspective, as the primary cost drivers (data sourcing, classification and processing) remain unchanged, while additional implementation and governance requirements are introduced.

Q24. Could respondents describe and quantify the reporting costs associated with providing the information of template F 31.02 ‘Related parties: expenses and income generated by transactions with’? Do respondents believe that the deletion of this template can effectively reduce the institution’s reporting cost?

We welcome the deletion of the template, but the reduction in terms of cost for the reporting is limited compared to the increase related to new information and templates introduced.

The removal of this template could effectively reduce reporting costs, as institutions are currently required to adjust the reporting perimeter solely for reporting purposes in relation to information that is already publicly available in the audited annual report.

In fact, this rationale could also be extended to the removal of other templates, such as all F31 related templates, and potentially F14, F41 and F30, where similar overlaps may exist. Particularly template F14 that requires presentation of data unique to FINREP (change in fair value for the period and accumulated change in fair value), requiring reporting institutions to join P&L data to balance sheet and create a new grossed-up analytical view could be reviewed for its supervisory value. The level of granularity required  is not used anywhere and also management does not analyze P&L at such grossed-up level (i.e. nil internal management utility). This adds to reporting burden as the view is solely created for FINREP purposes. Removal of this template could yield higher cost saving compared to the benefit it yields.

We therefore propose that the EBA conduct a broader assessment aimed at identifying and avoiding unnecessary overlaps between publicly available audited information and financial information separately required through supervisory reporting.

However, the industry would like to obtain assurances that the deletion of the template will not be followed by an ad hoc collection from the ECB under the SSM regulation or National Competent Authorities, that would again raise costs and generate an unwarranted complexity.

The industry would also like to insist on the fact that quantifying the costs of the provision of a given template is hardly doable: costs vary from one bank to another, as the cost of labor, operational set ups, geographical presence and internal governance all differ. In this regard, should banks be capable of precisely defining the costs associated with the production of a specific template, comparability is more than limited and should not per se constitute the basis for a proportionality assessment of the current reform.

Q25. Could respondents describe and quantify the reporting costs associated with providing the information of template F 40.02 ‘Group structure: ‘instrument-by-instrument’? Do respondents believe that the deletion of this template can effectively reduce the institution’s reporting cost?

We support the removal of template F 40.02.

Its elimination could generate cost savings for some banks, as the information required is sourced from multiple systems and data sources. Consequently, removing the template would reduce the additional control, reconciliation and validation efforts currently performed solely for FINREP reporting purposes.

In addition, with regard to both templates F 40.01 and F 40.02, we believe that the reporting frequency required by certain national competent authorities (for example, in Spain) should be aligned with the EBA requirements. These additional local reporting requests significantly increase the reporting burden in terms of both time and dedicated resources, thereby undermining the intended simplification benefits.

However, the industry would like to insist on the fact that quantifying the costs of the provision of a given template is hardly doable: costs vary from one bank to another, as the cost of labor, operational set ups, geographical presence and internal governance all differ. In this regard, should banks be capable of precisely defining the costs associated with the production of a specific template, comparability is more than limited and should not per se constitute the basis for a proportionality assessment of the current reform.

Q26. Cost of compliance with the reporting requirements: Is or are there any element(s) of this proposal for new and amended reporting requirements that you expect to trigger a particularly high, or in your view disproportionate, effort or cost of compliance? If yes, please:

- specify which element(s) of the proposal trigger(s) that particularly high cost of compliance,

- explain the nature/source of the cost (i.e. explain what makes it costly to comply with this particular element of the proposal) and specify whether the cost arises as part of the implementation, or as part of the on-going compliance with the reporting requirements,

- offer suggestions on alternative ways to achieve the same/a similar result with lower cost of compliance for you.

This proposal is expected to trigger significant additional reporting costs and efforts for compliance. The new templates proposed to be introduced are disproportionately more complex compared to the ones being simplified or deleted, as a significant portion of template deletions relate to annual ones or conditional ones (e.g. F23).

1) Inclusion of stress-testing related templates in FINREP, additional templates related to Collaterals. These templates are typically produced in risk or IFRS 9 modelling environments rather than within FINREP reporting processes.

2-3) Please refer to  Stress testing module for explanations.

We encourage the EBA to reassess whether FINREP should continue to collect information that is already disclosed publicly and audited, albeit under a different perimeter or presentation. In our view, unnecessary overlaps between public disclosures and supervisory reporting should be avoided wherever possible.

As being flagged in Q24, we believe F31 related templates as well as templates F14, F41 and F30, where similar overlaps may exist.

The removal of these templates would effectively reduce reporting costs, as institutions are currently required to adjust the reporting perimeter solely for reporting purposes in relation to information that is already publicly available in the audited annual report.

Moreover, regarding specifically the integration of stress testing starting point data into regular FINREP reporting, we respectfully question the following (also laid out in response to the EBA questions relative to Module 4 of the consultation).

First, complex reporting requirements combining accounting, risk and management dimensions, partially scenario-driven into tight supervisory reporting timelines (D+42) – particularly F 50.00, F 49.01 and F 49.02, as well as F 16.03 – constrains the ability to integrate such "cross chain" information in the FINREP production process, introducing material feasibility, integration, and governance challenges. Indeed, integrating stress-testing information (credit risk, market risk, internal management data) into FINREP is not conceptually appropriate, FINREP being designed for accounting-based supervisory information, whereas stress-testing data is forward-looking and model-driven and that is not readily available within the FINREP production timeframe.  The increased cost is both an implementation cost (a full redesign of data flows, new reconciliations between risk, finance and regulatory layers, and granular data lineage) and an ongoing cost (producing and reconciling these metrics within the tight FINREP D+42 window, which is operationally incompatible with risk-data production). The proposed quarterly frequency for F 49.02 multiplies this strain further.

Specifically:

- Template F12.1: It is requested to provide information regarding "overlays" only in column 00105. Given that the template is required on a quarterly basis, we believe that requiring this information in column 0095 would not be particularly significant in terms of disclosure but very onerous in terms of data production.

- Template F16.3: For the new rows 0096 and 0097, with the aim of  obtaining "Simplification and proportionality" it is proposed to introduce a materiality threshold (for example: in relation to the impact of the amount of row 0090 template F16.3  compared to the value of the NET INTERMEDIATE INCOME shown in row 356 of template F2. Suggested threshold >=5%).

- Template NEW F37 COLL: The information requested in column 0100 "Weighted average of haircuts applied to non-overcollateralized loans (%)" represents a significant burden in order to collect and automatize this business information not provided within the current workflow used for preparing reporting information. Template NEW F48: in order to provide the information requested in column 0100 "Net cumulated loan recoveries from collateral liquidation during the financial year", new interfaces should be developed for a limited informational value to fill in breakdowns from row 0020 to 0070 and from row 0090 to 0140. We suggest limiting the information to row 0010, 0080 and 0150.

- Template NEW F49.1 and NEW F50: The risk information (F49.1) and financial information (F50) required in these two templates entail strong IT implementations, as they are not provided within the current workflow used for preparing reporting information. For this reason, it probably would be more appropriate to include this information in other risk reporting template outside of Finrep ITS.

- Template NEW F49.2: The new information required in columns from 250 to 360 entails a significant burden in terms of data production and the related process controls.

That is why the industry proposes to separate stress-testing-related data requirements from FINREP, COREP and ESG into a dedicated module (whether regulated under ITS), to be submitted annually at a later stage (e.g. around day +70) and at group level only. This would alleviate current timing constraints, which are not compatible with the complexity and dependencies of stress-testing data, while improving data quality and operational feasibility. Such an approach would preserve the integrity of FINREP while ensuring that stress test data are produced under appropriate methodologies and governance frameworks.

Second, the industry worries about the extremely short timeline envisaged by the EBA for the application date of the finalized ITS. Given the burden for banks in the operationalization of the revised ITS, the scale and simultaneity of changes, the significant risks of disruption, data quality issues, and potential non-compliance, a phased implementation is required, especially since many changes are not linked to regulatory developments (except FRTB and IFRS 18). As such, the application date should be pushed by 2 years, until Q3 2029, so that banks enjoy sufficient time to properly implement the changes and avoid later corrections that prove costly. As a fallback proposal, a postponement by one year would be necessary.

In addition, the stress test EBA exercise should follow a best-efforts approach, with an explicit supervisory waiver on quality assurance findings linked to first implementation. The EBA should also provide, at least six months in advance, consistency checks & controls it foresees to apply on this new information (being part of a dedicated supervisory reporting set and even more if kept within FINREP & ESG) this a pre-requisite for suitable preparation of next stress test EBA exercise relying on this data. Separately, the new 'private credit activities' breakout in template F27 is highly burdensome because institutions hold no systematic data flags to identify these counterparties, forcing intrusive manual client outreach at onboarding and an operationally unfeasible retroactive remediation of legacy portfolios — a disproportionate burden given that direct exposures to private credit are a minor fraction of total assets.

We would also highlight that additions to loan-related reporting appear to duplicate data already collected under existing national and Eurosystem statistical reporting frameworks (example: AnaCredit), requiring institutions to maintain parallel, non-aligned data extraction pipelines for the same exposures.

Q27. Do respondents have any further comments on the proposed simplification measures?

First, the scale of the simplification should not be overstated. The EBA proposes template deletions as well as template additions. But templates have a low production cost once systems exist, whereas the added templates — the Stress test templates, F 27 subsector series, the collateral templates, the crypto template — are demanding to populate. In addition, a reduction in template count does not necessarily equate a reduction in burden, especially where additions entail particularly cumbersome data collections; as a result, the two should not be conflated in the headline. The same comment applies to the 50% reduction in data points announced by the EBA.

Second, stability and data integrity should precede new granularity. That is why we ask the EBA to commit to a defined period of stability.

Overall, the package is presented as simplification. But measured against its own objective it is, as drafted, at best cost-neutral and quite possibly cost-increasing for a G-SIB through the implementation period: it places non-accounting data in an accounting framework, several additions are not proportionate to their burden, and the most significant new collection is specified on a taxonomy that diverges from the integrated framework being built in parallel. All of these elements lead the industry to request the EBA that it keeps accounting and risk data conceptually separate; to make the disproportionate additions proportionate with the materiality thresholds it already uses elsewhere; to align the new collections with the JBRC common data dictionary and the ESA 2010 sectors so they harmonise rather than fragment; and to leave stress test starting point data collection out of FINREP and divert it to a dedicated supervisory reporting with its own remittance dates — which is, in the end, a request that the proportionality assessment the law entrusts to the Authority be carried out, and shown, in full.

We would like to continue to express our very serious concerns regarding the proposed adoption timeline of the Implementing Technical Standards (ITS). Given the novelties introduced in the templates, the indicated implementation period of nine months (December 2026 – September 2027) appear particularly challenging and may not allow institutions sufficient lead time to ensure a correct and comprehensive implementation of the new requirements, including – but not limited to – IT requirements, data governance, budget allocation and planning

In terms of proportionality the proposed ITS appears to give limited consideration to proportionality in certain areas. New thresholds and reporting requirements may have a particularly significant impact on larger international banking groups, especially where reporting obligations are expanded without a corresponding assessment of materiality.

For the incremental Templates for Stress test viz. F49.01, F49.02 & F50, the frequency of submission also needs to be revisited. As F49.01 & F50 have been noted to be Annual, F49.02 seems to have been proposed for Quarterly submission. Quarterly submission of F49.02 will be operationally burdensome. Further, part of the information from template F49.02 seems to have an overlap with the existing template F20.04 which could be reconsidered in finalizing the template requirements.

For Template F.07 clarity is needed on whether the name change to the row has any implication on the underlying balances reported in the them

Need clarification on the ask on 'of which: overlays' in Template 12 ‘Movements in allowances and provisions for credit losses’ as the template proforma does not list any guidance.

Under IFRS there is no booking requirement to report negative interest on a gross basis, however, for FINREP Template F2 Row 85 & 145 there is a requirement to report negative interest. This is a quarterly requirement and is a time consuming, manual exercise we propose to be removed.

Further, the Regulator ought to publish clear guidance for report resubmission based on triggers/ thresholds. This will create efficiency and avoid resubmissions for insignificant changes

In below instances, FINREP reporting should be aligned to IFRS wherein:

1. No requirement of reporting unrealized P&L (Inception to Date and YTD) unlike on Template F14

2. No requirement to disclose accumulated write-offs pending extinguishment of legal rights unlike on Template F04.04.1.

This will help to align with IFRS Reporting requirements and bring in efficiencies. These disclosures involve complex calculation for trading entities having high volumes.