Consultation Response

EBA Reporting Simplification – Market Risk

July 2026

Summary

AFME and its members broadly welcome some simplification measures, notably the removal of certain prudent valuation templates, but argues that overall market risk reporting—especially under FRTB—remains overly complex and insufficiently simplified.

The consultation paper acknowledges that a further Delegated Act was under consideration and describes its potential effects in tentative terms. Now that the draft Delegated Regulation is public and its provisions are substantively fixed for consultation purposes, we consider that several sections of the consultation paper require reframing, and that the interaction between the Delegated Regulation and the FRTB reporting templates raises issues that are not addressed in the consultation paper at all.

A key concern, however, is that integrating stress-testing data into regular reporting shifts burden from ad hoc exercises into quarterly COREP reporting without reducing total effort.
The response highlights major operational challenges during the FRTB transition period, including unclear timelines, overlapping frameworks (CRR2 vs FRTB), and the need to avoid parallel reporting regimes.

The trading book template C 90.05 is identified as particularly problematic due to excessive granularity and the need to merge accounting, risk, and business data, requiring significant system redesign.

Overall, the industry calls for clearer guidance, reduced granularity, delayed implementation aligned with regulatory timelines, and greater reliance on materiality to ensure proportionality and manageable compliance costs.

Consultation Questions

Question 1 – Alignment with the regulatory framework (BOU, MKR, PRUVAL, CCR, CVA)

Did you identify any issues of the representation of the regulatory framework in the reporting framework, as regards the reporting on the boundary and thresholds, market risks, Prudent Valuation, CCR or CVA risk?

If you have suggestions on how to address these issues, please share them.

We welcome the EBA's decision to delete templates C 32.03 (Model Risk AVA) and C 32.04 (Concentrated Position AVA) as set out in Module 5 of the consultation paper (EBA/CP/2026/07, Module 5, Section 1.2.5). This represents a genuine simplification for institutions applying the core approach to prudent valuation.

However, we note that the integration of stress-testing data needs into templates C 32.02 and C 25.01 - specifically the new rows for AVA and fair value adjustments broken down by banking book

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positions designated at FVOCI and FVPL, and the new column for 'other adjustments' in C 32.02, as well as the opening of cells in C 25.01 for incurred CVA and the addition of a column for fair value of CVA hedges (Module 4, paragraphs 28–29) — effectively transfers burden from the biennial stress test exercise into quarterly ITS reporting. To realise a genuine net saving, we urge the EBA to confirm that the corresponding data points will be permanently removed from future ad-hoc stress test templates, and not collected in parallel.

Furthermore, the new column for 'other adjustments' in C 32.02 (described as capturing "residual fair value adjustments that do not enter the AVA calculation") requires additional guidance. We request the EBA to provide clear definitions and examples of what constitutes such residual adjustments to avoid heterogeneous interpretations across institutions.

The Draft Delegation Regulation Impact on Template Architecture.

The Commission's draft Delegated Regulation introduces two categories of provisions that directly affect the design and completeness of the FRTB reporting templates consulted upon in EBA/CP/2026/007.

The first category consists of targeted transitional reliefs in Articles 495i to 495t of the draft Delegated Regulation. These include, among others: modified CIU look-through thresholds and frequency under Articles 495n and 495o; a zero multiplier for specific RRAO instruments under Article 495p; a 0.9 multiplier applied to SBM own funds requirements under Article 495s(1); a corresponding 0.9 multiplier for the simplified standardised approach under Article 495s(2); modified DRC maturity assignments for equity positions under Article 495q; expanded ACTP treatment under Article 495t; and an adjusted EU ETS tenor correlation parameter under Article 495r. Each of these modifies the inputs to or outputs of the ASA calculation in ways that the current template structure does not separately identify.

The second category is the institution-specific multiplier under Article 495v. An institution that elects to apply the multiplier calibrates it quarterly as the ratio of its CRR2 market risk own funds requirements to its CRR3 own funds requirements (taking into account the Articles 495i to 495t reliefs). Under Article 495v(6), an institution applying the multiplier is explicitly required to continue reporting its CRR2-based own funds requirements in parallel with its FRTB reporting. Under Article 495v(7), it must also continue to comply with CRR2 Pillar 3 disclosure requirements.

The implications for the ITS are as follows:

On the targeted reliefs under Articles 495i–495t: the FRTB reporting templates as currently proposed do not include data fields that separately identify whether individual ASA sub-calculations have been performed with or without the applicable transitional relief. We would like to further understand how these provisions need to be applied and presented in the templates

On Article 495v(6) and the parallel CRR2 reporting obligation: the consultation paper (paragraph 23) describes C 24.00 retention as conditional on an institution electing to apply the multiplier. Now that the Delegated Regulation is public, this conditionality is confirmed.

The CRR2 templates are designed for the framework as it applied under the version of CRR in force on 8 July 2024 (the reference version under Article 495v(5)). We request that the EBA confirm whether the existing CRR2 templates, as currently designed, are the correct vehicle for the Article 495v(6) parallel reporting obligation, or whether modified or supplementary templates are required.

Impact of the 3rd DA in Supervisory reporting and P3 disclosures

We welcome the EBA initiative to provide in the consultation paper preliminary guidance of the impact of changes to regulatory framework in the supervisory reporting. However, the impact on Pillar 3 Disclosures is not addressed. We encourage EBA to provide **further guidance and clear**

instructions on the impact of the 3rd DA amendments to the whole reporting framework (for Supervisory reporting and Pillar 3), so that institutions can implement the necessary updates in time and in a harmonized manner. Subsequent publication containing all EBA technical clarifications and implementation issues would be very welcome. This could be done in the same manner as the EBA did in August 2024, when publishing its considerations on technical questions and issues arising from the FRTB postponement. We invite the EBA to consider it in coordination with the relevant disclosure ITS workstream.

We **are questioning the applicability and feasibility of the C 90.05 TB template** – specifically designed for the purpose of the new market risk Boundary - **in the context of the application of the 3rd DA and the overall EC multiplier**. According to clarifications provided by the European Commission, the multiplier must be calculated using the boundary requirements that were in force prior to the FRTB ("CRR2-boundary"). To prevent the parallel maintenance of two different boundaries, banks using the multiplier should also apply, throughout the three-year duration of the delegated act, the CRR2-boundary requirements for the actual calculation of the capital requirements. Banks not using the multiplier should also be afforded the same flexibility as those banks applying the multiplier. Therefore, to be aligned with the EC requirements and to avoid excessive operational complexity, including the application of multiple coexisting boundary concepts within the same institution, **this template should not be applicable until the transitional provision expires (i.e., until end of 2029).** The **C24.01 Reclassifications** template should also become applicable after end of 2029.

As it is crucial that the implementation of the boundary is consistent to avoid unnecessary operational burden and costs, we also very much encourage EBA to confirm its intention to continue granting relief to banks by extending the no-action letter on the treatment of the boundary.

Under Art. 495m 3rd DA, the ES and SSRM metrics may be calculated weekly. Hence, for institutions choosing to reduce the frequency of calculation of the measure to weekly, reporting should also follow the same approach and be required on a weekly basis.

Lastly, transitional relief measures could also be considered for reporting purposes, allowing for a reduced reporting burden during the transition period. The FRTB calculation will be mitigated by the global multiplier, implying that the detailed specifics are not as critical. Furthermore, as the FRTB may be subject to review (alongside other sections of the CRR under the competitiveness mandate), we should refrain from anticipating the reflection of these final rules through reporting.

Structural FX

Proper understanding of requirements col. 0050 in C 24.02 and mapping with related concepts in the RTS SFX need to be clarified. Could the EBA confirm which information is expected in col. 0050? According to the following formula: S_OP exempted = min (S_OP; MaxCoreOp), is EBA expecting information on the gross S_OP before applying any cap (the 'S_OP') or information on the 'S_OP exempted'? If gross S_OP is effectively expected, then the exempted amount would be derived from the comparison between col.0050 (the S_OP) and col.0090 (the Maximum Core Open Position) rather than being reported directly in a dedicated column.

For col. 0060 in C 24.02, could the EBA confirm that it should contain information stemming from all trading book positions subject to effective FX capital risk charge regardless of the market risk approach used (and which would be also already reported elsewhere in the templates dedicated to market risk own funds requirements)?

Feed of Parallel Market Risk Data to the Pillar 3 Data Hub

The EBA Pillar 3 Data Hub centralises the publication of institutions' Pillar 3 disclosures. The parallel disclosure obligation under Article 495v(7) has direct implications for how market risk data is fed to, stored in, and presented through the Hub during the transitional period. We invite the EBA to clarify:

- Whether the Pillar 3 Data Hub will ingest both the Basel 2.5 / CRR2 market risk disclosure tables and the FRTB market risk disclosure tables in parallel for multiplier institutions, and how the Hub will label and present two sets of own funds figures for the same risk category to avoid confusing users of the data;
- How the Hub's data model and validation rules will accommodate the coexistence of legacy CRR2 and CRR3 market risk disclosure taxonomies for the same institution and reference date, given that the Hub relies on standardised, machine-readable submissions;
- Whether the resubmission, versioning and comparability functions of the Hub will treat the two parallel disclosure sets as independent series or as linked series connected by the disclosed multiplier; and
- Whether institutions will be required to submit the parallel CRR2 disclosure data to the Hub through the same channel and at the same frequency as their FRTB disclosures, and how this aligns with the quarterly multiplier recalibration cycle under Article 495v(5).

Clarity on these points is necessary to allow institutions to plan their disclosure production and Hub submission processes ahead of 1 January 2027, and to ensure that the public information made available through the Hub is coherent and not misleading during a period in which two market risk frameworks coexist for the same institution. We would welcome coordination between the supervisory reporting and Pillar 3 disclosure workstreams on this issue, given the shared underlying data.

The EU FRTB arrangements envisage a transitional period during which effective capital requirements would continue to be determined using the existing framework, with a multiplier or adjustment mechanism subsequently applied. In this context, imposing the proposed level of reporting detail at this stage would create a significant operational burden without delivering a commensurate prudential benefit during the transitional period.

Double Disclosure of Basel 2.5 and FRTB Market Risk Tables Under Article 495v(7)

Article 495v(7) of the draft Delegated Regulation requires an institution that applies the multiplier to disclose that it does so, and to continue complying with the Part Eight CRR (Pillar 3) disclosure requirements for market risk own funds requirements in the version in force on 8 July 2024 – that is, the Basel 2.5 / CRR2 market risk disclosure tables. At the same time, the institution is subject to FRTB market risk disclosure under the CRR3 Pillar 3 framework. The combined effect is that, for the duration of a multiplier election (until 31 December 2029 at the latest), a multiplier institution must publicly disclose two parallel sets of market risk own funds figures: the Basel 2.5 / CRR2 set and the FRTB set.

This raises questions that the consultation paper does not address and that, to our knowledge, are not yet resolved in the disclosure framework:

- Whether the EBA intends to require both the legacy CRR2 market risk disclosure templates and the FRTB market risk disclosure templates to be published in full for multiplier institutions, or whether a consolidated or reconciled presentation is envisaged that avoids publishing two unreconciled own funds figures for the same risk;
- How the two disclosure sets are to be reconciled for users of Pillar 3 information, given that the multiplier itself is the ratio between them; in particular, whether the EBA expects disclosure of the multiplier value and its components so that the relationship between the two figures is transparent to the market.

Question 2 – Clarity of the reporting requirement (BOU, MKR, PRUVAL, CCR, CVA)

Is it clear, which entities are subject to which reporting obligation?

Are the amended templates and instructions clear?

If you identify an issue, please also make suggestions on how to address that issue.

Calendar, expected templates and key questions

Further clarity and detailed overview of the expected templates for Q1, Q2 and Q3 27, depending on the approaches used by the institutions, and in the context of the use of the multiplier, are needed. **Could the EBA confirm the following understanding** based on the CP and information shared during the Public Hearing:

Q1 - Q2 27

COREP: The current version of pre-FRTB reporting will be used, supplemented by information on AIMA: SSA: C18 to C23 '.00' until revised technical package is available, then '01' version / Thresholds: C90 / ASA: Current C91.0**0** / AIMA: Only row 0585 in C 02.00 / P&L: N/A / Boundary: N/A / All topics: Updated C02 market risk sections and current market risk reporting C18.00 to C24.00 if multiplier applied [Art. 495v(6) DA]

PILLAR 3: **New FRTB disclosures:** EU MR1 / part of EU MR2 / EU MR3 starting Q2 27 (as semi-annual frequency) and current market risk disclosures if multiplier applied [Art. 495v(7) DA].

From Q3 27

COREP: New FRTB templates will be introduced: SSA: C18 to C23 '.01' version / Thresholds: C90.00 / ASA: C91.0**1** & C92.01 to C94.03 / AIMA: C95.00 & C96.01 to C98.02.2 / P&L: C99.00 / Boundary: Only C24.02 (as C90.05 & C24.01 N/A until end of 2029) / All topics: Updated C02 market risk sections and current market risk reporting C18.00 to C24.00 if multiplier applied [Art. 495v(6) DA]. A question that the consultation paper does not resolve, and which acquires concrete importance now that the draft Delegated Regulation is public, is precisely which CRR2 reporting templates an institution electing the Article 495v multiplier must continue to submit. The consultation paper (paragraph 23) refers to continued reporting of C 24.00, but this appears to understate the scope of the Article 495v(6) obligation.

PILLAR 3: **Rest of new FRTB disclosures:** EU MRA / EU MRB / part of EU MR2 starting Q4 27 (as annual frequency) and current market risk disclosures if multiplier applied [Art. 495v(7) DA].

As the information would be expected in parallel for the P3DH, **would the taxonomy be available in time for market risk P3 disclosures**? The **availability of such taxonomy is a pre-requisite** for starting to produce these templates in Q2 27.

Could the EBA confirm that **all other COREP templates drawing data from market risk metrics (e.g., C09.04, C04, C06.02, C14.01 etc.) must report under new FRTB rules? Or should they report under pre-FRTB rules?**

Moreover, there is a **reinforcing call for clear reporting instructions following the publication of the final 3rd DA**. The FRTB framework under CRR3 applies from 1 January 2027. From that date, institutions with AIMA approval under Article 325az CRR3 must calculate own funds requirements using the AIMA methodology; institutions subject to ASA under Article 325 CRR3 are similarly bound. The reporting obligation under Article 99 CRR arises in respect of those requirements from the first applicable reference date.

However, the EBA's published reporting framework 4.4 places the FRTB reporting templates (ASA details and AIMA, including C 90.xx to C 99.00) in Phase 2, with an expected first reference date of September 2027. This creates a nine-month gap during which:

- FRTB capital requirements are legally in force and institutions must calculate own funds requirements under CRR3 Part Three, Title IV;
- The CRR2 market risk templates, which are the current reporting vehicle for market risk own funds requirements, are designed for the CRR2 methodology and do not reflect the FRTB calculation structure; and
- The FRTB reporting templates do not yet apply, leaving no defined ITS mechanism through which institutions can discharge their Article 99 CRR reporting obligation in respect of FRTB own funds requirements.

For institutions electing the Article 495v multiplier, Article 495v(6) mandates parallel CRR2 reporting, which provides a partial bridge. However, this covers only the CRR2-based denominator of the multiplier, not the FRTB own funds requirements themselves, which remain unreported in a standardised format during the gap period.

This is not a minor sequencing issue. It creates a period during which the Article 99 CRR reporting obligation is in force with respect to FRTB own funds requirements, but the ITS does not provide the templates through which to discharge it. Institutions that attempt to resolve this individually – by continuing to populate the legacy templates with FRTB-based outputs, or through bilateral arrangements with their competent authority – will do so without a legal basis in the ITS and inconsistently across the Union.

We kindly ask that the EBA address this gap explicitly.

A **gradual and sequential implementation approach for FRTB-related reporting changes is also encouraged**: Sept. 2027 at the earliest; Sept. 2028 should the framework or calibration remain subject to further adjustments.

Scope of CRR2 Templates to be retained under Article 495v Multiplier Election

Article 495v(5) defines the multiplier denominator as the institution's own funds requirements for market risk calculated by applying Part Three, Title IV of CRR in the version in force on 8 July 2024 – that is, the CRR2 framework in its entirety, encompassing both the standardised and internal model approaches as applicable to the institution. Article 495v(6) then requires the institution to continue to also report information on those CRR2-version own funds requirements. On a plain reading, this obligation is not limited to the internal model template (C 24.00) but extends to the full set of CRR2 market risk reporting templates relevant to the institution's permissions – the MKR SA templates (C 18.00 to C 23.00) and, where the institution holds internal model permission, C 24.00.

The consultation paper does not confirm this scope, and the framework 4.4 release plan does not indicate which legacy templates are retained, for which institutions, and for how long. This creates material uncertainty for implementation planning. We kindly ask that the EBA clarify the following points explicitly in the final ITS:

- Whether an institution electing the Article 495v multiplier and using the standardised approach must continue to report the full CRR2 MKR SA template chain (C 18.00 to C 23.00), or only a subset, in order to evidence the multiplier denominator under Article 495v(5);
- Whether an institution electing the multiplier and holding internal model permission must continue to report C 24.00 in full, in addition to (or instead of) the MKR SA templates, given that the Article 495v(5) denominator references the institution's actual CRR2 own funds requirements under whichever approach applied to it;
- Whether the retained CRR2 templates are required at the same reporting frequency as the quarterly multiplier recalibration under Article 495v(5), or at the standard reporting frequency otherwise applicable to those templates; and

Resolving this scope question is a precondition for institutions to assess the true cost of a multiplier election and to plan the retention of legacy CRR2 reporting infrastructure. We consider that clarity here is at least as important as the simplification measures that are the consultation paper's primary focus.

Details on ASA/AIMA/Boundary

Clarifications are needed regarding the EBA explanatory text for ASA SUM template, as the design of the current C91.00 does not accommodate reporting AIMA positions: "*[…] At least for the reference date of 31 March 2027, institutions will still be reporting the '.00'-version (i.e. C 91.00 instead of C 91.01). As that '.00'-version only enables the reporting of the information for one single scope of positions, AIMA institutions that apply the AIMA only to parts of its portfolio should continue filling in the template for their entire portfolio, not only for positions excluded from the scope of the model*".

The **information to be reported in C 02 ASA and C 91.00 template during Q1 and Q2 27 is not clear**. Will these follow pre-FRTB rules or new CRR3 FRTB rules?

Could the EBA also confirm why row 0580 dedicated to current internal model is maintained and not removed?

Further clarifications are expected in the C 90.05 TB template instructions. In particular:
i) The **allocation rules to apply when an instrument can be classified in multiple categories** (for e.g., a listed equity can be classified in col. 0080 dedicated to listed equities or in col. 0060 dedicated to instruments resulting from market making activities). It is complex to mix information on the nature of instruments and their management intention as one does not preclude the other.
ii) **No instructions and regulatory references are provided for the long and short positions and main risk driver rows leading to challenging understanding**. What does the EBA mean by aggregated positions and net (+) positive and net (-) negative market values?

The EBA did not removed instructions in par. 14 on duplicating sheets by OGs for ASA SBM details templates. There is a mismatch of cells between C 98.02.1 instructions and template (template ends with col. 0060 while instructions refer to col. 0060 and 0070).

iii) The CP introduces a change to the determination of materiality for multi-entity offsetting groups (OGs): rather than automatic qualification as material, OGs will be assessed "based on quantitative and qualitative criteria" as set out in Annex 5.06. This determines whether institutions are required to report the ASA detail templates (C 92.01 to C 94.03) per material OG in addition to total-level reporting. The CP does not disclose those criteria. If they are to appear only in the final ITS, institutions responding to this consultation cannot evaluate the actual scope reduction this measure delivers or assess the cost of compliance with what may be a fact-intensive annual assessment exercise.

For PruVal purposes it would be necessary to provide the new validation rules aligned with the proposed regulatory framework

On CVA, we do not consider that the proposed amendment would reduce the operational burden. On the contrary, it introduces additional breakdowns and new information requirements, while also creating further internal reconciliation needs. This is particularly challenging and demanding for international banking groups when considering the coexistence of different management-based CVA metrics and accounting-based CVA metrics.

On market risk, we have identified potential inconsistencies in the proposed implementation timelines. According to the documentation reviewed, some FRTB templates would start being reported from the first quarter of 2027, while other consultation documents indicate September 2027 as the intended application date.

We therefore recommend that the EBA provide further clarification and ensure alignment across implementation timelines. Institutions should not be required to report specific COREP templates before the official implementation date of the underlying framework. A consistent and clearly communicated timetable would help avoid unnecessary implementation complexity and uncertainty.

Question 3 – Simplification measures

To which extent will the simplification measures proposed entail a reduction of the cost of compliance with the reporting requirements for you?

If you can, please provide quantitative estimate (by individual measure or for all the measures presented in this section).

We welcome very positively the simplification initiative launched by the EBA. However, the **FRTB reporting remains overly complex and too granular, only few deletions are proposed, burden is maintained and simplification measures rather benefit to institutions without significant exposures to market risk**. Therefore, the initiative is perceived more as a first step towards simplification than as genuine simplification and the rationale for the additional information that is currently being proposed is not clear.

On Prudent Valuation (C 32.02 and C 25.01 amendments):

We welcome the EBA's decision to delete templates C 32.03 (Model Risk AVA) and C 32.04 (Concentrated Position AVA) as set out in Module 5 of the consultation paper (EBA/CP/2026/07, Module 5, Section 1.2.5). This represents a genuine simplification for institutions applying the core approach to prudent valuation.

However, we note that the integration of stress-testing data needs into templates C 32.02 and C 25.01 — specifically the new rows for AVA and fair value adjustments broken down by banking book positions designated at FVOCI and FVPL, and the new column for 'other adjustments' in C 32.02, as well as the opening of cells in C 25.01 for incurred CVA and the addition of a column for fair value of CVA hedges (Module 4, paragraphs 28–29) — effectively transfers burden from the biennial stress test exercise into quarterly ITS reporting. To realise a genuine net saving, we urge the EBA to confirm that the corresponding data points will be permanently removed from future ad-hoc stress test templates, and not collected in parallel.

Furthermore, the new column for 'other adjustments' in C 32.02 (described as capturing "residual fair value adjustments that do not enter the AVA calculation") requires additional guidance. We request the EBA to provide clear definitions and examples of what constitutes such residual adjustments to avoid heterogeneous interpretations across institutions.

On Trading Book Composition (C 90.05):

The re-introduction of template C 90.05 on Trading Book Composition, which becomes applicable once the FRTB framework is fully applied from 1 January 2027 (Module 5, Section 1.2.1, paragraphs 10–12), is expected to have a significant operational impact. The scope and breadth of this template requires the merging of data from multiple internal functions — including legal entity controllers, product controllers, and risk teams — into a single dataset. While we acknowledge the EBA's simplification measure limiting C 90.05 reporting to institutions whose trading book exceeds the Article 94 CRR threshold, we urge the EBA to explore further simplification of the data points within C 90.05 to bring them more closely in line with data already available through existing reporting, thereby preventing the need for complex cross-functional data merges.

On Economic Profits and Losses (C 99.00):

We welcome the EBA's simplification measure restricting C 99.00 reporting to institutions that both (a) have a non-small trading book (Article 94 CRR) and (b) have sizeable business subject to market risk (Article 325a CRR), as set out in Module 5, Section 1.2.3. This appropriately exempts institutions without significant market risk exposure. However, for institutions in scope, C 99.00 will create additional reporting burden for risk teams and product controllers. We request the EBA to clarify the interaction between C 99.00 and any potential institution-specific multiplier that may be introduced under a 3rd Delegated Act on the FRTB (Module 5, Section 1.2.4, paragraph 23), to avoid institutions being required to maintain parallel reporting under both CRR2 internal models (C 24.00) and FRTB frameworks simultaneously for an extended period. Clarification is also requested as to whether the reporting requirement is limited to A-IMA trading desks only. Clarifying the intended scope would help ensure consistent implementation across institutions and avoid divergent interpretations of the reporting requirements.

AIMA templates

AIMA templates are extremely granular leading to **a significant burden borne by only a limited number of institutions that intend to apply the AIMA.** It raises concerns around proportionality, particularly given the significant operational effort and workload placed on the AIMA institutions. **Simplification measures should deliver tangible benefits for institutions of all sizes and business models, ensuring that burden reduction is achieved across the banking sector.**

Templates designed for market risk are **generally viewed as not aligned with COREP purposes (not 'COREP-oriented')**. Instead, they rather contain information that is expected to be submitted during ad-hoc data collections, within the context of supervision of entities by supervisory authorities.

The potentially impacted elements include the PLA, IRT, and the treatment of sovereign issuers within the DRC framework. Therefore, we suggest that the reporting requirements related to the Profit and Loss Attribution (PLA) test could be temporarily suspended pending the final consolidation of the Delegated Act amendments. Should the proposed measures be confirmed, it is important to assess whether banks would still be required to submit the information for these three areas or whether such requirements could be put on hold at least until the end of the phase-in period in 2029.

This approach would avoid generating results that may not be fully representative of the future regulatory framework and would help prevent an unnecessary operational burden on institutions.

Simplification on ASA / AIMA

There remains significant room for improvement and further work will be needed for simplification of ASA and AIMA templates. Thus, additional **deletions of cells** would need to be considered.

As a top priority, removing the additional breakdown by main risk drivers and long and short positions in C 90.05 TB template. The current design of banks' systems does not allow to produce such information in conjunction with the other conflicting information requested in the template (see justification question 4).
Costs: Very high – Benefits: Very low

The **removal of information on accounting classification (col.0120 and Memo item)** would also particularly help on simplifying the production of this template.
Costs: Very high – Benefits: Low

Less granularity in C 96.01.1 RFET and C 96.05 SSRM templates by removing detailed reporting by sub risk classes (and keep only rows for main risk classes: interest rate risk, credit spread risk, equity risk, FX risk, commodity risk). Such information requires a mapping to granular and highly heterogeneous buckets that do not correspond to what is expected under the Regulation and is lost in the aggregation of figures within banks' reporting systems. Furthermore, such information does not materialize our risk analysis axis to help monitoring the business activity which make it complex for the Front Office to recognize and understand the figures dynamics.
Costs: High – Benefits: Very low

Removing the ESt(99%,1d) col.0030 in **C96.04.1 BTI** and and the Est (99%,1d) and Est (97.5%,1d) col.0050 and col.0060 in **C 96.04.2 BTTD.** The usefulness and relevance of this data for supervisory purposes are being questioned as it is not requested per se in the CRR. It is not readily available in the reporting systems and not typically monitored. In addition, back-testing data is not relevant information to provide within a COREP exercise. It may be useful for conducting ad-hoc statistical tests, especially for distribution testing and more appropriate to categorize it as detailed information provided in the context of 'supervisor-supervised entity' relationship but we question the on-going benefit. Furthermore, the reporting of such elements would require important BAU cost, which is complex to manage while having to maintain the current (Basel 2.5) risks monitoring and regulatory reporting framework. We anticipate serious impact on our bandwidth; it would require implementing a dedicated taskforce to control and remediate the quality of the metrics and properly explain their dynamic without any perceived benefit on the overall risk monitoring framework.
Costs: High - Benefits: Very low

Removing the description of the trading desk activity col.0500 in **C97.00 template**. The purpose of the COREP is not to provide qualitative information and descriptions of specific aeras; rather, it aims to supply supervisors with standardized prudential data necessary for monitoring institutions' capital requirements and regulatory risks. The process of industrializing, maintaining, and updating this information within the systems incurs additional and unnecessary costs. Furthermore, this information is already provided through the AIMA application.
Costs: High - Benefits: Very low

Less granularity in C98.01.1 and C 98.01.2 templates, removing the issuer sub-category level as this data is complex to collect and reflect only a mapping between specific rating and category. This mapping is not implemented nor used and would require additionally specific dedicated BAU bandwidth to maintain while it is currently not used in our usual risk monitoring framework.
The template requiring a split of the JTD by bucket of default probability seems to give already the contemplated information from our perspective.
Costs: High - Benefits: Very low

Removing the Average PD, weighted by JTD DRC (col. 0110) and Average LGD, weighted by JTD DRC (col.0110) in **C98.01.1 and C 98.01.2** templates. The 'JTD' can be either positive or negative, and there are multiple methods to calculate this average that does not have economic justification. There seems no clear reason for reporting the average.
Costs: Medium - Benefits: Very low

Removing the sum of squared rescaled stress scenario risk measures (∑RSS2) (col. 0110, 0120, 0130) in C 96.05 SSRM template. It would result in figures with no meaningful interpretation (hundreds of millions squared), without added value for reporting.
Costs: Medium - Benefits: Very low

Additional deletion of templates should also be considered, particularly the **C 99 MKR P&L** and the **C 98.02.2 CORR2** templates (see justification question 4).

On CVA, we do not consider that the proposed amendment would reduce the operational burden. On the contrary, it introduces additional breakdowns and new information requirements, while also creating further internal reconciliation needs. This is particularly demanding/challenging for international banking groups when considering the coexistence of different management-based CVA metrics and accounting-based CVA metrics.

As mentioned earlier, we welcome the simplification proposal to delete COREP 32.03 and 32.04 templates.

With respect to COREP 32.02 and 32.01 templates, we consider that a targeted simplification would allow to reduce operational burden for banks with very limited loss on Prudential insight.

Our proposal includes the removal of non-essential item from 32.02 template and the simplification/clarification of submission rule for other items.

Items proposed for removal:

- QTD Revenue
  - No clear linkage between QTD revenue and Prudent Valuation
  - Concern around comparability of number reported across banks as guidance are open to a range of interpretation
- DAY1 P&L
  - Day1 P&L has no clear relevance to Pruval
  - Offset of Day1 P&L against AVA is not permitted
  - Day1 Pnl reserve are held at position level while AVA on derivatives are usually computed at portfolio level
- Trading vs banking
  - Operational complexity to produce Trading/banking splits across products/AVAs

Item proposed for simplification/clarification :

- Zero AVA
  - Suggestion to provide clearer RTS guidance on zero AVA disclosure to allow standardization across banks. Current regulation is seen as too open to interpretations.

Question 4 - 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.

The **C 90.05 template stands out as one of the most complex templates to produce within COREP and is the perfect example of reporting that would trigger particularly high, and disproportionate efforts and costs of compliance. Its feasibility is called into question if its structure remains unchanged.** Specifically, it requires combining views that are not readily available within banks' existing architecture. It consolidates into a single template management intention of the instruments, directions of the positions, instruments nature, accounting classifications, prudential classifications, as well as risk and accounting data. To enable banks generating this template, several challenging actions would be required: 1. Merging accounting and risk channels, 2. Introducing accounting tagging into risk systems, 3. Implementing a highly granular view within accounting systems, 4. **Undertaking a comprehensive shift and redesign of current system, which would be costly and time-consuming**. Isolated, this template demands substantial efforts and investments unachievable within the implementation period available. The primary aim of this template is to present a view of banks' prudential trading book classification, and not to identify where risks are incurred and their nature. Such a very complex breakdown with multiple axes is not required by the Regulation. For all these reasons, **it is imperative to simplify it by eliminating at least the breakdown by main risk drivers and long and short positions**. **Removal of information on accounting classification** should also be considered.
Costs: Very high – Benefits: Very low

It is operationally complex and costly to produce information on exemptions from RRAO capital risk charge col. 0020 to 0050 in **C93 template**. While this information is accessible from the front business side, it is not inherently available within risk systems. Tracking the calculation logic and reconciling data across such complex environments poses significant challenges. Although product names may occasionally provide insight, **generating this information is often impractical**. Furthermore, questions arise regarding the genuine necessity to capture all elements that do not directly contribute to RRAO. The **additional breakdown** row 0090 to 0200 is also challenging to produce as there is no clear taxonomy to define such detailed categorization that is not used for regulatory metrics calculation.
Costs: High – Benefits: Low

It is operationally complex and costly to produce information on calibration of modellable and non-modellable risk factors in C 96.01.1 RFET template. This necessitates manual inputs. The intent behind this effort is to quantify modellable and non-modellable risk factors; however, from a calculation perspective, this does not provide any added value. There are no specific criteria mandating for such an inventory within Level 1 text (CRR),. It is regarded more as qualitative/ methodological information rather than as COREP data and the relevance of this template within the COREP framework is called into question.
Costs: High – Benefits: Very low

The **C 98.02.2 CORR2 template** is sophisticated and complex to produce while offering limited supervisory utility. Additional data on correlations between issuers are not used for risk management purposes. It is not raw data available in reporting systems but deduced from a factor-model based on sectors, region etc. It necessitates the retrieval of ad-hoc information (extraction of the correlation matrix) solely for this template's needs, making it a costly endeavor for negligible added value. High-level correlations within hypothetical scenario distributions allow for the generation of coherent Monte Carlo scenarios but do not justify the template's necessity. C98.02.1 template already provides sufficient information on the default risk charge attributed to the most significant issuers.
Costs: High – Benefits: Very low

The C99 template is also regarded as particularly challenging to produce and would incur significant additional costs of compliance and effort. It mixes risk granularity with business granularity, complicating reporting process. While the split of economic P&L by risk classes may

be available, it is not actively monitored, which necessitates additional monitoring processes. This information is neither required by the Regulation nor used in capital calculations. As it covers all desks, not just those in IMA (for which P&L data are already provided in the BTI template), it is not for assessing back-testing but more related to a methodological description of P&L arising from market risk operations, suggesting it would be more appropriately generated in a 'supervisor-supervised entity' context rather than within COREP framework.
Costs: High – Benefits: Low

The Q1-Q2 2027 reporting gap: The reporting gap identified above carries a distinct compliance cost dimension. In the absence of a defined transitional reporting mechanism for Q1 and Q2 2027:

- Institutions will potentially be required to engage bilaterally with competent authorities to determine what each institution is expected to report for FRTB own funds requirements during the gap. This produces inconsistent outcomes across institutions supervised by different competent authorities and represents a recurring analysis cost with no ongoing supervisory benefit.
- For AIMA institutions in particular, the absence of AIMA templates during the gap means that, for example, P&L attribution test results, stressed ES outputs, and desk-level capital allocations – all subject to supervisory review under CRR3 – will have no standardised reporting vehicle. The risk of ad hoc supervisory data requests is elevated, and ad hoc requests are operationally more disruptive than scheduled regulatory reporting.

A transitional reporting instruction published before 1 January 2027, with sufficient lead time for institutions to implement, would eliminate these costs entirely. The cost of not providing clarity falls entirely on institutions and yields no supervisory benefit.