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Consultation Response

EBA Reporting Simplification: Module 9 – Other Changes

July 2026

Consultation Questions

Question 1. Are the instructions and templates clear to the respondents?

Leverage ratio Templates can, in general, be considered sufficiently clear, as they are already integrated into existing processes. Template C_43 is used as an input for the Pillar 3 LR3 semi-annual disclosure according to the EBA mapping tool and is also used on a quarterly basis for consistency checks with Credit Risk and with template C 08.07, which follows leverage ratio metrics under Article 429 CRR.

Question 2. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?

While the removal of template LR4 is welcome, we also don't see the need for LR1 in light of the underlying regulation for leverage ratio, and propose that LR1 is also removed.

No specific discrepancies are identified. Leverage ratio templates are already aligned with leverage ratio metrics under Article 429 CRR; Template C_43 is used for consistency checks with Credit Risk and C 08.07. Unless it is intention of the Regulator to delete Table LR3 in Pillar 3 disclosure amending related EBA mapping tool with Template C_43 (possibility not recalled in the CP EBA), we suggest deleting only columns related to RWAs (columns c0030 and c0040) and maintaining columns related to the Leverage Exposure (columns c0010 and c0020), which also act as a check with Template C_47.

Question 3. 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.**

Association for Financial Markets in Europe
London Office: Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700
Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540
Frankfurt Office: c/o SPACES – Regus, First Floor Reception, Große Gallusstraße 16-18, 60312, Frankfurt am Main, Germany T:+ 49 (0)69 710 456 660
www.afme.eu

For COREP Leverage ratio proposals only, we see:

- No particularly high or disproportionate cost elements are identified.
- No significant additional implementation or ongoing costs are expected;
- The template is already embedded in existing reporting and control frameworks

Question 4. Is the deletion of rows in template C 47.00 of Leverage ratio reporting, related to cash pool arrangement, cost reducing to institutions?

We welcome the proposed simplification measures, in particular the reduction in reporting frequency for certain templates from quarterly to annual reporting, the removal of template C 43, and the simplification of cash pooling reporting requirements.

These changes are expected to generate tangible operational benefits for some banks by reducing reporting effort, implementation costs and ongoing maintenance requirements. In our view, several of the affected templates were largely redundant, providing limited additional supervisory value while requiring complex reporting developments and controls.

Furthermore, the information reported in these templates does not generally have a direct impact on prudential ratios or key supervisory metrics. Therefore, their simplification or removal represents a proportionate measure that reduces operational burden without materially affecting supervisory oversight.

2.2.1. Aggregate exposure to shadow banking entities (C 37.00)

On Shadow Banking Aggregate Exposure Template (C 37.00):

We acknowledge the CRR3 mandate under Article 394(2) requiring institutions to report aggregate exposures to shadow banking entities (Module 9, Section 1.1, paragraphs 3–15). We support the EBA's decision under Option 1b to request only aggregate exposure without a country breakdown, recognising that the regulatory framework on shadow banking entities is subject to further review under Article 395(2a) CRR3.

However, we are concerned that the template as proposed does not include any materiality or reporting threshold for scoping exposures. For large institutions with diverse counterparty bases, this creates significant operational overhead for reporting teams to scrub and aggregate immaterial exposure data. We urge the EBA to introduce a reporting threshold consistent with the rest of the Large Exposures framework — for example, limiting reporting to aggregate exposures that exceed a defined percentage of Tier 1 capital or a fixed monetary threshold.

Large Exposures Reporting

Furthermore, we note that the existing EUR 300 million reporting threshold for the 10 largest exposures to shadow banking entities (in templates LE1–LE3) remains unchanged. For large institutions, this threshold is disproportionately low and captures a large volume of immaterial exposures. We advocate for the removal or significant increase of this threshold for large institutions, replacing it with a relative threshold based on Tier 1 capital (e.g., 10% of Tier 1 capital).

On Counterparty Identifiers in Large Exposure Reporting:

Consistent with the EBA's own approach in Module 1 (ALMM), where the National Code column has been removed from template C 67.00/01 in favour of LEI as the standard identifier (Module 1, Section 1.5, paragraph 109), we advocate for the removal of mandatory national identifiers (e.g., BBK ID) from Large Exposure reporting templates. The optional use of LEI could harmonise reporting across jurisdictions and multiple databases, reduce reconciliation burden, and align with the EBA's stated objective of semantic integration.

A further question is whether template C37 should be filled out “without thresholds,” i.e., including all consolidated exposures to shadow banks, or whether it should actually replicate the shadow bank content of templates C28 and C29. It seems more logical to compile without thresholds. We discussed these issues with other banks, and they confirmed this line of thinking. Furthermore, given that it states: “This information is consistent with the one already required in the reporting template LE2 (C 28.00) and shall be reported at aggregated level”, the question arises as to whether template C37 will have to be filled in, in the event that the obligation to include all “without thresholds” exposures is confirmed, including all “shadow” groups (therefore having parents falling into this category), or whether more generally it must include all the amounts of shadow components, regardless of the groups to which they belong. It should be noted in this regard that template C28 includes group-level exposures equal to or greater than €300 million.

To be clarified the following potential issues:

- field of application of new template C37: required at conso level or at solo level as well ?
- Pillar 3 disclosure required in advance (31/12/26) in comparison with first Pillar 1 remittance date (30/9/27) even if new Pillar 3 table should be driven by Pillar 1 template

Question 5. Is the design for the reporting of the aggregate exposure to shadow banking entities clear enough? If you identify any issues, please specify the related instructions.

The design is clear as it is similiar to the LE2 template but would be welcomed to have a more simple structure. It is noted that in the future more granular breakdown will be considered which can result high cost of compliance.

<u>2.2.2. IRRBB</u>

Question 6. What are the views of respondents' on the current reporting templates? Do respondents see opportunities for simplification, and if so, how could such simplification be implemented in order to reduce reporting costs?

We see scope for simplification of the current reporting templates. In particular, we propose removing the carrying amount, as it is an accounting figure already reported through FINREP and supported by existing reconciliation processes between IRRBB and accounting data, making its inclusion in IRRBB templates redundant. While further reductions in rows or columns would entail potential additional IT implementation costs.

Overall, the current IRRBB and CSRBB reporting templates provide a useful and harmonised supervisory framework, however, a relevant opportunity for simplification would be to improve the clarity and consistency of the reporting instructions. In several cases, the operational burden does not arise only from the number of templates or data points, but also from the need to interpret how certain products, transactions or assumptions should be reflected in the templates.

The instructions should be more explicit and should include additional practical examples for complex or frequently debated cases, such as derivatives, accounting hedges, internal hedges, forward-starting transactions, forward bond purchases or sales, pipeline operations and other off-balance-sheet commitments. Clear worked examples would help institutions apply the templates more consistently, reduce interpretation differences across entities and jurisdictions, and limit the need for bilateral clarifications with supervisors.

This would also reduce reporting costs by avoiding rework, internal interpretation papers and repeated validation discussions. In our view, clearer instructions and product-specific examples would be one of the most effective simplification measures, even if the structure of the templates remained broadly unchanged.

Simplification should be implemented through a structured impact assessment, with clear mapping between existing and simplified templates, parallel-run periods and sufficient lead time before mandatory application. It must be highlighted as an important point that the FINREP-related deadlines do not fit the regulatory deadlines: as a matter of fact, usually the FINREP certified data is checked the day before the day when this data is sent (D-1), thereby raising the risk of misalignment and subsequent inspections by the Authority; in the meantime, before D-1 the activities are carried out using a provisional data.

Question 7. Do respondents consider that removing certain columns, rows, or sheets (e.g. memorandum or currency breakdown) items would reduce reporting costs? Or, would it rather create additional costs due to the necessary reporting systems adjustments?

We believe that a key opportunity for simplification lies in removing the contractual view for Template J05. Most data points reported under the contractual view are duplicated, as positions are not modelled, while key assumptions such as CPR or pass-through are already reported in Template J08. In our view, template J_08.00 could further be simplified by limiting the information reported to the contractual baseline scenario and the behavioural baseline scenario, rather than requiring the same behavioural parameters under each of the six SOT EVE scenarios. Providing only the behavioural view, used for the metrics, would therefore significantly reduce reporting effort without any loss of information.

We also consider that a major source of reporting costs arises from reporting detailed templates (J02, J05 and J08) for more than the main currency. We suggest limiting these templates to the main currency (e.g. EUR) by definition, instead of applying the materiality thresholds set out in point 91 of the EBA Guidelines (EBA/GL/2022/14). It should be noted that Template J01 already includes exposure information for all currencies used for managerial steering, which typically exceeds the minimum regulatory requirement.

Beyond these specific proposals, we would also like to highlight our concern regarding the growing number of supervisory reporting requests introduced outside the formal ITS framework. In recent years, institutions have increasingly been required to provide information through ad hoc supervisory exercises, national data collections and other requests that are not subject to the same consultation, governance and cost-benefit assessment processes as formal ITS reporting requirements. While each individual request may appear limited in scope, their cumulative impact is significant and often exceeds the burden associated with formal reporting templates. As a result, any assessment of reporting simplification should consider not only the requirements established through the ITS, but also the broader ecosystem of supervisory reporting demands. Otherwise, the benefits achieved through the removal or simplification of ITS templates may be offset by the continued expansion of parallel reporting requests. We therefore encourage the EBA to take a holistic view of reporting burden and to work with competent authorities to ensure that additional supervisory data collections are subject to appropriate governance, proportionality and coordination principles.

In addition, we suggest retaining only the information that is strictly necessary to control the banking book perimeter and materiality assessment, namely the information reported in J_02.00 and the notional amounts reported in J_05.00b, while removing the remaining memorandum information. These targeted changes would not generate additional costs, given the flexibility of existing reporting systems.

We also notice that template 5, template 8 and the field of the percentage Subject to behavioural modelling are redundant.

We would also like to highlight a specific concern regarding the currency scope of Template J_01.00. Under the current reporting architecture, institutions are required to report all currencies that individually account for at least 5% of the banking book. Where these currencies do not collectively represent at least 90% of the banking book, additional currencies below the 5% threshold must be included until a minimum coverage of 90% is achieved. While this rule represents a proportionate and reasonable approach, in certain cases it results in a significant number of currencies falling outside the reporting perimeter. Consequently, the strict application of the current requirement may lead to the exclusion of up to 10% of the banking book. For prudential and risk-management purposes, many institutions nonetheless include additional currencies that are considered relevant to the banking group for managerial and risk management reasons, even though they do not meet the regulatory materiality threshold. Conversely, where institutions wish to provide information on the remaining currencies, the completion of the template becomes particularly burdensome, as it requires the identification and inclusion of a set of individually non-material currencies. In our own case, this has required a corresponding adaptation of the SOT measurement system to accommodate this situation. We therefore propose retaining the current materiality rule while introducing the possibility of an additional J_01.00 sheet dedicated to "Other" currencies (including the currency aggregation rule), where all currencies currently excluded from the standard scope could be reported. Such a solution would preserve the proportionality principle underpinning the existing framework while enabling institutions to provide a complete and consistent representation of the banking book perimeter, without materially increasing the reporting burden.

Question 8. Where do the respondents consider that the main costs stem from? Other changes to reporting templates and instructions.

In our view, the main costs stem from the need to interpret complex reporting instructions, adapt internal systems and data transformations, implement and maintain validation rules, perform recurrent reconciliations, and respond to additional supervisory requests outside the regular ITS framework. These costs are particularly relevant where the same or similar information is requested under different templates, formats or supervisory exercises.

In addition, validation rules appear to be designed for relatively simple IRRBB frameworks and do not always allow for the proper representation of more advanced practices, such as multi curve approaches or forward starting trades. Moreover, these validation rules are often deployed into production before adequate testing and validation of their correctness. This frequently leads to time consuming clarification processes and discussions with the regulator, further increasing the operational burden.

To address these challenges, we believe that technical validation rules should be provided sufficiently in advance, together with detailed instructions, explanations of controls and validation checks, and practical examples. Adequate implementation periods and parallel-run windows should also be granted for material reporting changes to ensure a smooth transition and reduce implementation risks. In addition, reducing memorandum items and stabilising the list of mandatory data points would help lower recurring reporting costs while preserving the supervisory value of the information reported.

2.2.3. Reasons for resubmission

Question 9. Which one of the options described above for the future treatment of submission metadata would be the preferred one, in terms of reporting costs?

In addition, it is important that the transmission of submission metadata continues to remain on a voluntary basis and does not become a de facto reporting obligation through supervisory expectations. At the current stage, institutions and competent authorities have different processes, operational needs and levels of technological maturity. Maintaining the voluntary nature of the approach would support a gradual and pragmatic adoption, allowing stakeholders to assess its benefits and implementation implications before any consideration of broader use.

From a reporting burden perspective, the institution considers it essential that the scope of metadata comments remains focused on the report, module, template, table and validation-rule levels. Requiring comments or explanations at individual data point level would create a significant operational burden for reporting institutions, introducing substantial challenges in terms of preparation, governance, review and population of the information. Such a level of granularity would considerably increase implementation and ongoing compliance costs, while the incremental supervisory benefit may not be proportionate with the effort required. Accordingly, any future implementation should avoid mandatory data point-level commenting and instead prioritise mechanisms aligned with template-, report- or validation-level explanations, which are more operationally feasible and proportionate.

Question 10. Do you have any specific comment or suggestion regarding the specifications envisaged for the transmission of submission metadata?

We support the objective of standardising the transmission of submission metadata and improving communication between institutions and competent authorities.

In this regard, we would suggest the following principles:

1. **Voluntary usage**

The provision of submission metadata should remain voluntary and should not become a de facto reporting obligation through supervisory expectations.

2. **Reuse of existing reporting package components**

Whenever possible, metadata should be incorporated through extensions of existing artefacts (e.g. report.json) rather than through the introduction of additional reporting templates or tables.

3. **Proportionality**

The solution should avoid requiring institutions to build new data collection, storage or reconciliation processes exclusively for explanatory information.

4. **Flexible granularity**

Metadata should be allowed at different levels (submission, module, template, validation rule and datapoint), depending on the reporting issue being explained.

5. **Standardised classification**

Where possible, common categories should be defined for typical cases such as:

- Resubmission reasons.
- Validation rule explanations.
- Methodological changes.
- Data corrections.
- System incidents.

This would improve comparability and reduce free-text processing requirements.

6. **Avoid duplication**

Institutions should not be required to provide the same explanation simultaneously through metadata files and separate supervisory communication channels.

<u>2.2.4. Voluntary reporting by small and non-complex institutions (SNCIs) and by institutions other than large institutions</u>

Question 11. Do you have any comments on the possibility introduced in the ITS, for SNCIs and for institutions other than large institutions to report on a voluntary basis and with the same frequency, as respectively non-SNCIs and large institutions? If so, please explain.

We support the principle of proportionality and acknowledge that it has traditionally been applied to small and non-complex institutions. However, we believe that proportionality should also be considered for large international banking groups.

In practice, being classified as a large institution often results in more frequent reporting requirements and increasingly granular data requests, regardless of whether the information provides commensurate supervisory value.

Similarly, institutions may be required to provide highly detailed information for exposures or entities located in third countries where equivalent data are not required, collected or managed locally.

As a result, large cross-border groups frequently face significant implementation and operational burdens associated with collecting, reconciling and consolidating information across multiple jurisdictions, even where the supervisory benefit of the additional granularity is limited.

We therefore encourage the EBA to adopt a broader interpretation of proportionality that goes beyond institution size and also considers the usefulness, availability, stability and supervisory relevance of the information requested. Proportionality should not only reduce requirements for smaller institutions but should also help ensure that reporting obligations for large institutions remain targeted, risk-based and operationally feasible.

In the meantime, it is not clear in the ITS that it is for the institution to notify its competent authority of its intention to report on a voluntary basis and not to have to request permission from its competent authority to do so. This is mentioned in Module 9 but not repeated in the Level 2 text.

It is noteworthy that reporting the simplified NSFR can be detrimental for an SNCI because of the condensed bucketing/factors applied e.g., loans to financials with a residual maturity of less than six months C80 r0730 vs C82 r0290 and liabilities to financial customers with a residual maturity of a minimum of six months but less than one year C81 r0300 and C83 r0090. Therefore although the burden of producing the NSFR is simplified, the ratio itself is negatively impacted.