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Cc:

- Mr Jan Hendrik Schmidt – *Head of Division Supervisory Methodology, ECB*
- Mr Florian Weidenholzer – *Head of Division Supervisory Policy, ECB*

RTT/Let. 134

Brussels, 8 November 2023

Subject: Draft ECB STE Package for the SREP 2024 data collection - implementation postponement

Dear Mr Walter,

The European Savings and Retail Banking Group (ESBG) would like to follow-up regarding the Draft ECB STE Package for the SREP 2024 data collection after the discussion that took place at the last ECB industry dialogue on 12 October, and the ESBG paper on this topic submitted on 20 October. **In particular, we would like to raise our concerns on the planned significant extension of and changes to the STE templates.** This refers particularly to the IRRBB, Market Risk and Digitalisation templates, which significantly increases the operational burden associated with the STE reporting for banks compared to last year.

In general, we critically observe that the STE reporting package is extended year by year. This year more than 1000 new data points have been added and in 2023 the package has been extended again, with 3 new topics. The completely new templates are not the only major challenge for banks, but also the fact that the existing / recurring more than 10 templates are materially reviewed and changed on an annual basis. This makes a stable technical implementation impossible.

Furthermore, we acknowledge and appreciate that templates that have been included in applicable EBA ITS or other reporting requirements get excluded from the STE package to avoid duplication and overlaps. Nevertheless, for banks this is not a relief since the requirements still have to be fulfilled, leading to massive steadily raising reporting requirements in the end.

In more detail, please keep in mind that the new regulatory reporting framework for both IRRBB (ITS on Supervisory Reporting regarding IRRBB) and market risk (Consultation Paper on amendments to the ITS on specific reporting requirements for market risk) already go beyond the scope and requirements of the existing STE templates, thus making the information in the STE



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templates redundant. Considering the pending changes in regulatory requirements on IRRBB and FRTB, we would like to point out that the changes will have to be implemented simultaneously with the changes required in the regulatory reporting area for both IRRBB and MR. Furthermore, according to the draft instructions and the presentation to the industry, the ECB intends to request a new EBA IRRBB ad-hoc data collection from Q4 2023 with same remittance dates as the STE. In addition, some of the proposed changes introduce dependencies to COREP and FINREP reports. Furthermore, the proposed materiality thresholds are set very low, which effectively means that banks will be forced to report even if the relative importance of the specific risk figure is not material at all.

Considering the material expansion in both scope and volume of required data, in our view the implementation timeline is much too short. Given that some of the new reporting requirements also pose challenges of a methodological nature, we urge the ECB to approach this exercise in a more structured way. The ECB should therefore **permit a longer time period between the date of presentation of the STE package** (which this year happened later than in the past) **and the date of its implementation** to give banks appropriate time for operationalization. In the level 1 text of the CRR a period for at minimum 6 month is foreseen for new standardized data requirements to be fulfilled.

Therefore, we would strongly request to postpone the first remittance dates for at least the IRRBB and Market Risk templates starting with Q2 instead of Q1 2024 and for Digitalisation data by 6 months, as well as to narrow the scope and the volume of the required data.

We thank you in advance for your attention and remain at your disposal should you wish to discuss our views in greater detail.

Sincerely yours,

Peter Simon