



5 July 2017
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Mr Andrea ENRIA
European Banking Authority
One Canada Square (Floor 46)
Canary Wharf
UK - London E 14 5AA

Subject: Deferral of FINREP submissions with reference date of 31 March 2018

Dear Mr Enria,

At the beginning of December 2016, the EBA published its final report on updating the implementing technical standards (ITS) for FINREP. These will require modifications to both IFRS and non-IFRS templates due to the implementation of IFRS 9. Commission Implementing Regulation (EU) No 680/2014 has been amended to reflect these changes, which banks have to apply for the first time to reports with the reference date of 31 March 2018.

The first-time adoption of IFRS 9 is expected to create significant additional workload for financial institutions that will be required to amend and validate the opening balances in relation to financial instruments, stemming from the different measurement and presentation principles of IFRS 9. Further, for financial institutions that prepare quarterly financial statements, time available for validating opening balances following the adoption of IFRS 9 will be even shorter. In particular, opening balances will be firstly reported for the interim accounting periods ending in March 2018 (i.e. 1 January 2018 – 31 March 2018). Only then, the first IFRS 9 quarterly financial statements can be prepared. It is reminded that an audit review of such quarterly financial statements, when required, is not expected to be completed before the end of May 2018.

To conclude, it will not be feasible to submit FINREP reports using the new, significantly modified templates by 12 May 2018.

The same applies to COREP reports as they are based on the same accounting data as FINREP, and to the calculation of IFRS 9 transitional amounts according to Art. 473a of the draft CRR review proposal which is based on the IFRS 9 opening balance sheet as of 1 January 2018. Asset encumbrance and NSFR reporting which are based on or linked to FINREP/COREP are also affected, owing to the cross-validation requirements in force.

Furthermore, the daily monitoring of large exposures in accordance with IFRS 9 cannot start until the end of May 2018 at the earliest. If the deadlines remain unchanged, there is a real risk of firms submitting data that have to be corrected later, which would help neither the firms nor the regulator.



Considerations should also be given to the overlaps with the EBA IFRS 9 stress test at the beginning of 2018 given that in many banks same teams will be involved in financial statements preparations and the stress test, creating additional workload.

In view of these processes, we would kindly ask the EBA to defer the deadlines for submitting these reports at least by four weeks.

We remain available for any additional request for information and exchange.

Yours sincerely,

Wim MIJS
EBF Chief Executive

Chris DE NOOSE
ESBG Managing Director

Hervé GUIDER
EACB General Manager

Marcel ROY
EAPB Secretary General