COREP & FINREP REPORTING – SOME PRACTICAL EXPERIENCES

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FEDERATION OF FINNISH FINANCIAL SERVICES (FFI)

- Trade association that represents Finnish
  - Banks
  - Insurers
  - Finance houses
  - Securities dealers
  - Fund management companies
  - Financial employers
- Some members also provide statutory motor liability, workers compensation and employee pension insurances, which are all part of Finnish social security.
- About 407 member organisations who employ a total of 42,000 people.
REGULATORY ENVIRONMENT

- Significant regulatory pressure continues
- New European authorities (EBA, EIOPA, ESMA)
- New supervisory role of the ECB – creation of the SSM
Hands on:
- EBA ITS on Reporting
  - FINREP, COREP, AE, Liquidity, Leverage Ratio, Large exposures,
- ECB reporting requirements
  - BSI, MIR, AnaCredit, MMSR

Following:
- ESMA Reporting
  - EMIR, SFTR
- FSB/BIS reporting requirements
  - G-SIBs reporting
- Eurostat
  - ESA2010
- IAS/IFRS
PRACTICAL CHALLENGES IN REPORTING

• New **COREP** (based on CRR/CRDIV)
  • Finnish banks already reported COREP (based on CRD III)
    • Risk systems were built for Basel II in 2006-2007
    • New elements: Liquidity, Leverage, Asset encumbrance

• New **FINREP**
  • Brand new requirement for Finnish banks
  • Reporting started at Q1/2014 – before EBA requirement
  • Most difficult part of the EBA Reporting ITS
  • Mix of Risk and Finance
  • Currently, Finnish banks do not report FINREP with XBRL – instead they send CSV-files to Finnish NSA who converts the reports to XBRL format
PROS AND CONS OF THE EBA ITS PACKAGE

PROS:

Regulatory harmonisation in Europe
  • uniform formats, frequencies and dates of prudential and financial reporting
Uniform reporting requirements increases efficiency, especially for cross-border banking groups

CONS:

Gains from international harmonisation are not obvious for smaller banks – principle of proportionality could be stronger
ECB is accelerating and leveraging the EBA ITS requirements
  • For example FINREP solo and LCR reporting (STE)
  • In practise, there is no Single Rulebook for euro-area vs non-euro area
National authorities unable to answer to practical questions – EBA Q&A register too slow