



## CRD IV Health Checker

### Your report through a regulator's lens

Following the financial crisis in the late 2000's, regulators worldwide have stepped up supervision of the financial industry. As a consequence the European Banking Authority (EBA) is requesting extensive, very detailed information from banks under Basel III. Both national supervisors and the EBA use this dataset to identify banks with a high risk of failing. CRD IV Health Checker looks at your bank's filing to spot data points that require special attention prior to submittal to the regulator.

Banks are likely to trigger close scrutiny by the national supervisor or EBA if deemed risky. Knowing what areas might draw their attention, can help you to anticipate possible questions from these regulators.

#### The regulator's lens

The supervisor evaluates the health of your organization by running two types of tests on your data. The data used is in the XBRL format that has been adopted by EBA to enable the efficient processing of financial information in digital form.

The first test verifies the quality of the data to check whether the dataset meets all technical validation rules as defined by the EBA, e.g. Surplus or Deficit of T1 capital reported must equal T1 capital minus 6% of your total risk exposure amount. If your data fails these checks, it might indicate that your control of the data submitted and the underlying processes are insufficient.

Following the technical test, the supervisor will run a content evaluation, which looks at the actual data reported, e.g. looking at the Credit Quality Step: does the percentage of clients in each subsequent bucket decrease? If this test fails, your bank could be labeled risky and therefore merit a closer inspection.

#### CRD IV Health Checker

The Deloitte's CRD IV Health Checker validates your report against the technical validation rules as documented by EBA. It checks the structure of the data against the EBA templates and the consistency between the data points.

Also, CRD IV Health Checker incorporates custom business rules at EU, country and client level to assess your company's performance/risk profile. With these custom business rules the vast amount of data can be harvested to improve your business in many different ways.

The result of the CRD IV Health Check is an easy-to-read document that shows all the data in your CRDIV report, highlighting technical validation errors and pinpointing datapoints that might trigger closer inspection. These findings will be discussed with you by a Deloitte domain expert. Carrying out the health check gives you the possibility to fix errors in your report prior to submittal.

#### **Why Deloitte**

Deloitte supports many banks in improving their regulatory programs and has an in-depth understanding of the regulations and the challenges being encountered. We also bring our extensive experience of digital reporting using XBRL to the service. Deloitte's XBRL experts advise both public and private sector clients in the adoption and implementation of XBRL. That collective know how of Deloitte domain experts across the EU has been applied to formulate the custom rule sets in the CRD IV Health Checker and provide our clients with this service.

#### **Contact**

##### **Paul Hulst**

Senior XBRL Expert

[phulst@deloitte.nl](mailto:phulst@deloitte.nl)

+31 6 1258 1923

##### **Dave van den Ende**

Director

[Dqvandenende@deloitte.com](mailto:Dqvandenende@deloitte.com)

+31 6 5204 8163