

## Deloitte Banking Alert

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### EBA publishes its final amending technical standards on supervisory reporting to introduce new reporting on IRRBB

This Final Report proposes amendments to the implementing technical standards (ITS) on supervisory reporting with regard to interest rate risk in the banking book (IRRBB) reporting requirements. This new, harmonised reporting aims to bring the data quality required for assessing IRRBB risks on an appropriate scale of institutions, including large institutions, small and noncomplex institutions (SNCIs) and institutions other than large institutions and SNCIs ('other institutions'), which cannot be left outside the scrutiny of IRRBB risks.

#### Key takeaways

The Single Rulebook aims to provide a single set of harmonised prudential rules for financial institutions throughout the EU, helping to create a level playing field for all regulated institutions and providing high protection to depositors, investors and consumers. These **draft ITS reflect the Single Rulebook provisions at the reporting level and are an integral part of it for financial institutions in Europe**. These standards become directly applicable in all Member States once adopted by the European Commission and published in the Official Journal of the EU.

The Final Report is strictly related to the completion of the policy work on:

- i. The regulatory technical standards (RTS) on supervisory outlier test (SOT), which specify the common modelling assumption and supervisory shock scenarios that institutions shall apply to evaluate the decline in economic value of equity (EVE) and net interest income (NII) in the context of the supervisory review and evaluation process (SREP). The RTS also define and calibrate the 'large decline' and its compliance threshold for the supervisory outlier test on NII.*
- ii. The RTS on the standardised methodologies, which specifies the details for the evaluation of changes in the NII and EVE under the standardised and simplified standardised approaches.*
- iii. The Guidelines on IRRBB and credit spread risk arising from non-trading book activities (CSRBB), which provide criteria to identify, monitor and manage IRRBB and its evaluation in the internal measurement systems.*

Proportionality measures have been considered for evidence drawn from the Cost of Compliance study. The proposal for the IRRBB templates is for SNCIs and 'other institutions' to report simplified templates. **Once adopted, these ITS will replace the existing national reporting requirements for IRRBB.**

## Conclusions and next steps

The draft ITS will be submitted to the Commission for endorsement before being published in the Official Journal of the European Union. **The first reference date for the application of these technical standards is envisaged to be in September 2024.** The expected implementation period for the proposed changes is approximately 1 year.

The templates and instructions of the draft will be used in an advanced data collection for a sample of selected institutions, to equip supervisors in the monitoring of IRRBB risks in the current rate environment in a timely manner. The EBA will also develop the data-point model (DPM), XBRL taxonomy and validation rules based on the final draft amending ITS.

For further questions regarding the aspects mentioned in this alert, please don't hesitate to contact us:



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## Sources:

[Final report on Final draft ITS on supervisory reporting on IRRBB.pdf \(europa.eu\)](#)