

COREP & FINREP XBRL projects update

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Agenda



1. COREP XBRL scope

2. COREP implementation model

3. Project timeframe

4. COREP & FINREP *today*

5. Next Steps

COREP concept: extension

COREP vs. Pillars

Future templates?

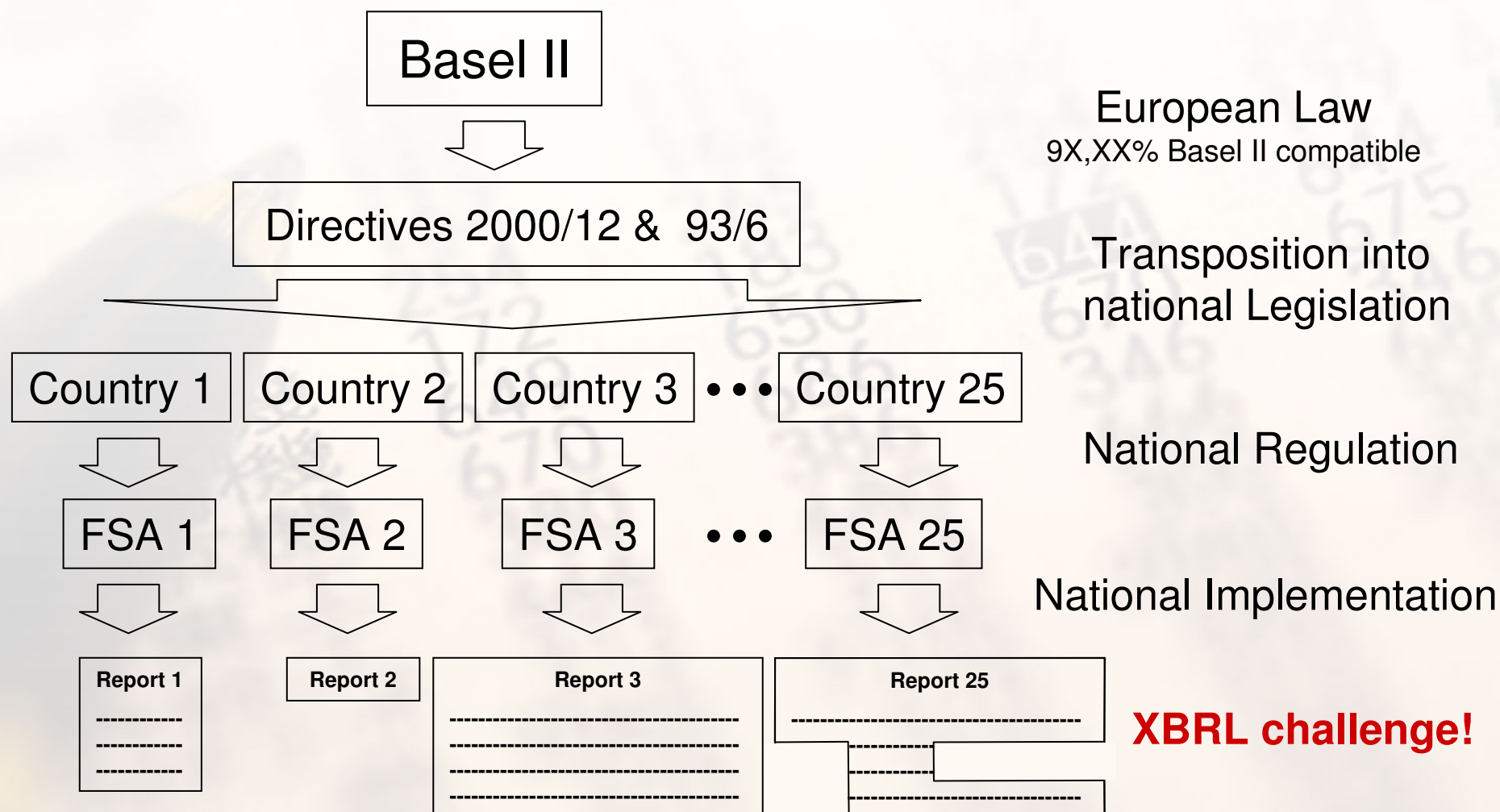
COREP Templates
Today

Pillar I
Capital

Pillar II
Supervision

Pillar III
Market

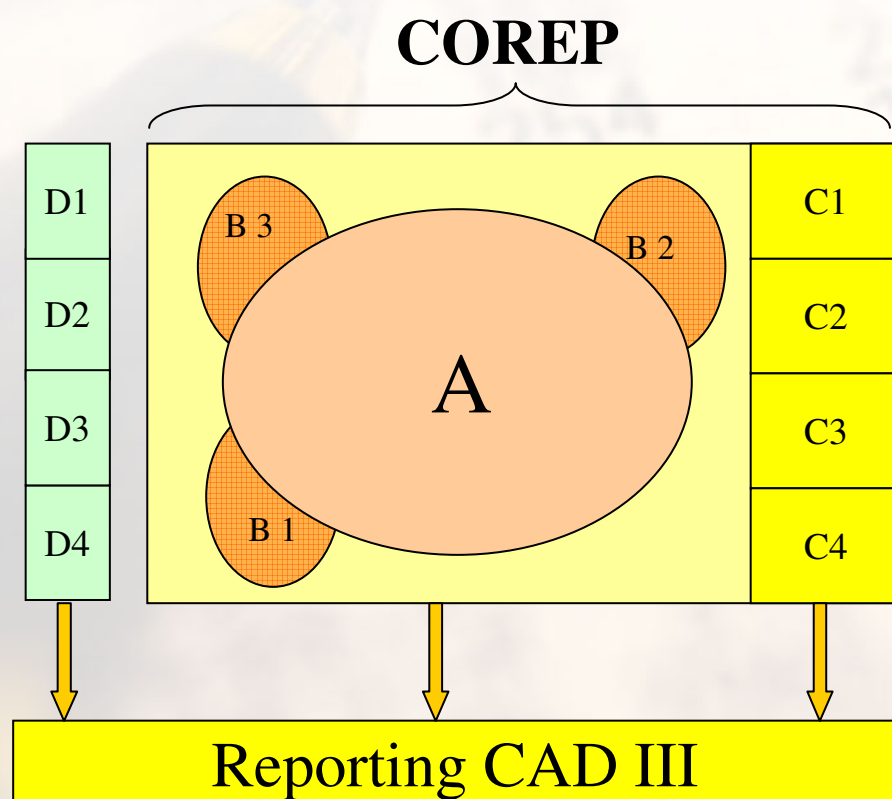
3 • COREP: Flexibility Principle



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➔ Flexibility

3 levels of flexibility (A, B & C)



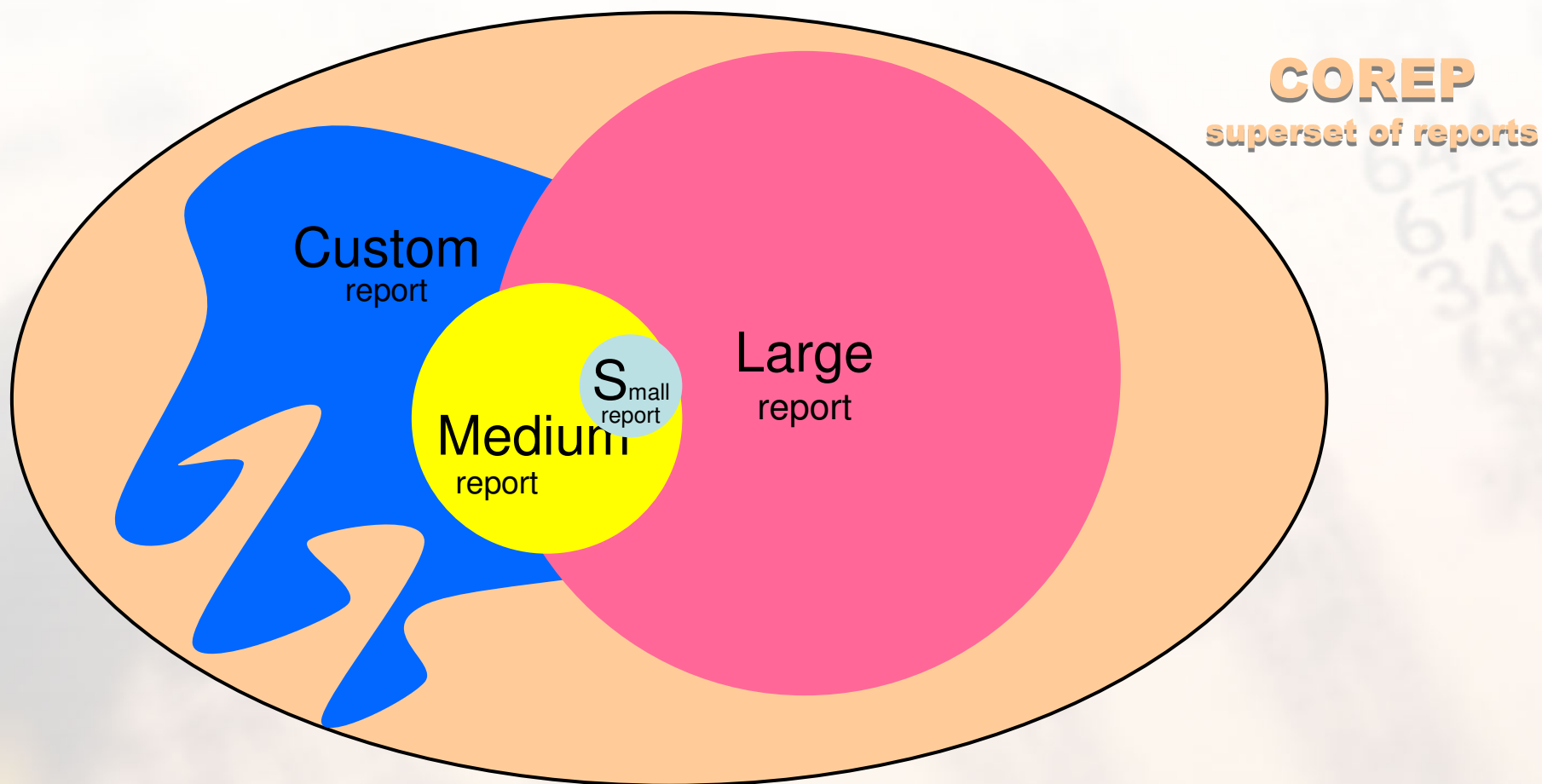
A: data needed by all Supervisors.

B: specific to a country or a group of countries but integrated in the dictionary of common data.

C: data specific to a country or sector (leasing...). To be integrated when possible.

D: data outside COREP (credit register...)

COREP concept: extension



Depending on the national requirements each country will determine a framework and a level of detail.

COREP concept: template



A	B	C	D	E	F
1	Back to the Case sheet				
	SA				
2		Template: STANDARDISED APPROACH: CAPITAL REQUIREMENTS			
3	Exposure class:		Regional governments and local authorities		
4	Exposure type:		Off-balance sheet items		
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RISK WEIGHTS	Measure ORIGINAL CREDIT & COUNTERPARTY RISK EXPOSURE PRE CREDIT CONVERSION FACTOR	Measure VALUE ADJUSTMENTS AND PROVISIONS ASSOCIATED WITH THE ORIGINAL EXPOSURE (-)	Measure EXPOSURE NET OF VALUE ADJUSTMENTS AND PROVISIONS	Measure FULLY ADJUSTED EXPOSURE VALUE (E*)
	1	2	3=1-2	4
TOTAL	111111,11	222222,22	333333,33	444444,44
0%	555555,55	666666,66	777777,77	888888,88
of which: past due				
without credit assessment by a nominated ECAI				

COREP concept: Data Matrix

All the dimensions are optional!

EXPOSURE
TYPES

EXPOSURE
CLASSES

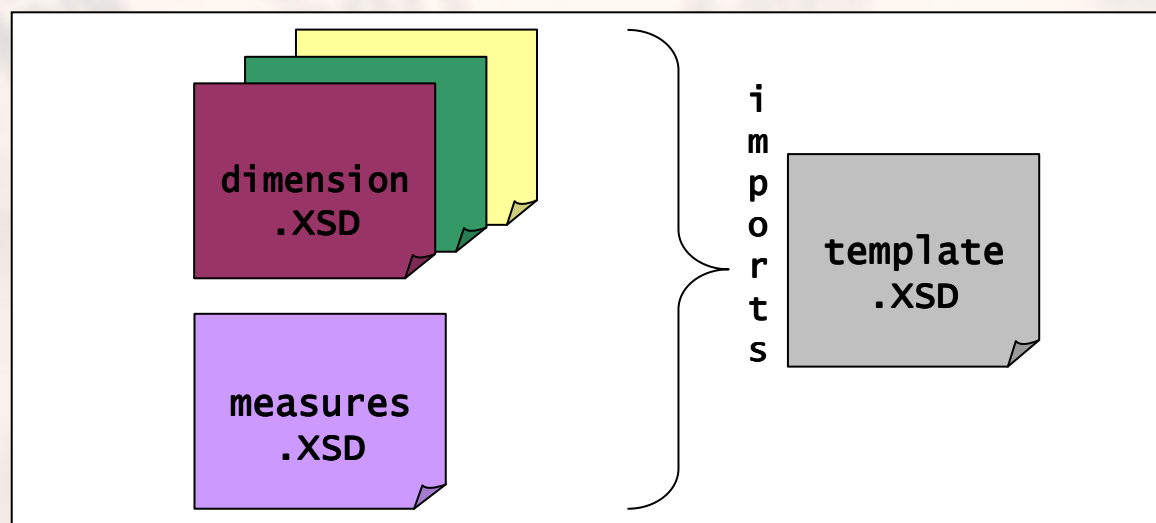
Data Matrix		Data List						
Template		<u>Exposure Types</u>	<u>Exposure Classes</u>	<u>Risk Weights</u>	<u>SA Specific Exposure</u>	<u>Obligor Grade</u>	<u>2.5YearsMat urity</u>	<u>Equity Exposure</u>
SA	<u>Capital Requirements</u>	1	2	3	4			
	<u>CRM Techniques</u>	1	2					
IRB	<u>Capital Requirements</u>	1	2			3		
	<u>Slotting Criteria & Equity</u>		1	3			2	
	<u>Simple Risk Weight</u>		1	2				
	<u>Memorandum Items</u>	1	2			3		
			1	3			2	
			1	2				
	<u>Equity PD/LGD</u>		1			3		2
	<u>Equity Internal Models</u>		1					
	<u>CRM Techniques</u>	1	2					

STANDARD APPROACH
CAPITAL REQUIREMENTS

COREP taxonomy customisation requirements



- COREP defines a **superset** of possible reporting items.
- Each country has the right to **choose** the level of detail.
- The COREP framework must be highly **flexible** and extensible.
- To meet this goal the framework is as **modular** as possible.



Customisation of Labels: I

FIRB CRM

Exposure type:

Total

EXPOSURE CLASSES	ORIGINAL CREDIT & COUNTERPARTY RISK EXPOSURE PRE CREDIT CONVERSION FACTOR	EXPOSURE AFTER NETTING AGREEMENTS	UNFUNDED CREDIT ADJUSTED VALUE
			GUARANTEES: ADJUSTED VALUE (Ga)
	1	2	3
1. CENTRAL GOVERNMENTS AND CENTRAL BANKS			
1.1 Regional governments and local authorities			

English labels

FIRB CRM

Art der Adressenausfallrisikoposition

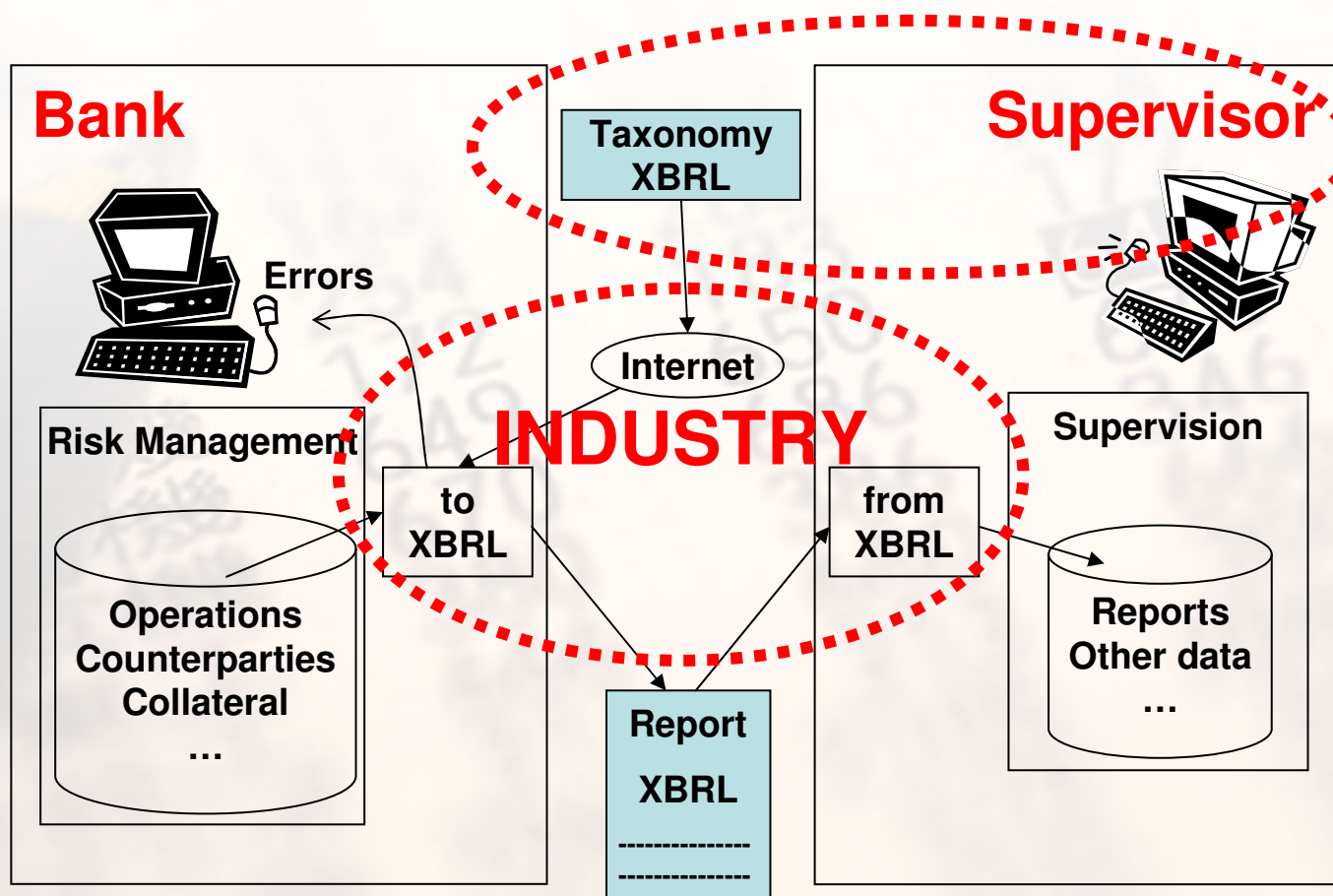
Gesamtsumme

IRBA-Forderungsklasse	IRBA-Bemessungsgrundlage vor Berücksichtigung von Aufrechnungsvereinbarungen	IRBA-Bemessungsgrundlage nach Berücksichtigung von Aufrechnungsvereinbarungen	Gewährleistungsbeträge
			Garantien: Angepasste Beträge
	1	2	3
1. Bundesregierungen und Zentralbanken			
1.1 Landesregierungen und Kreisverwaltungen			

German labels

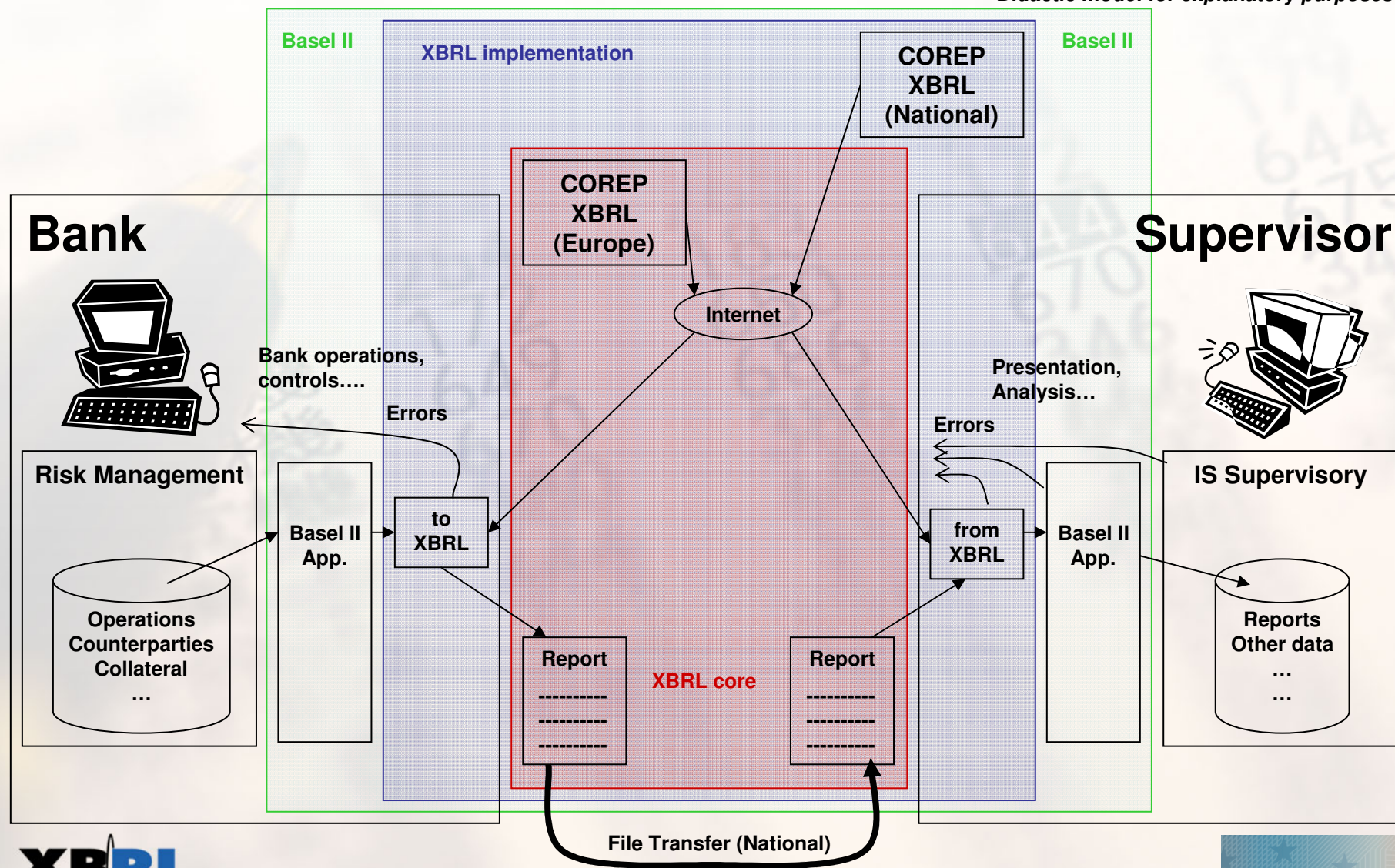
- meaningful names of the items to be reported
- are used in reports to hide the technical name

COREP implementation: Model



COREP implementation: Model

Didactic model for explanatory purposes only



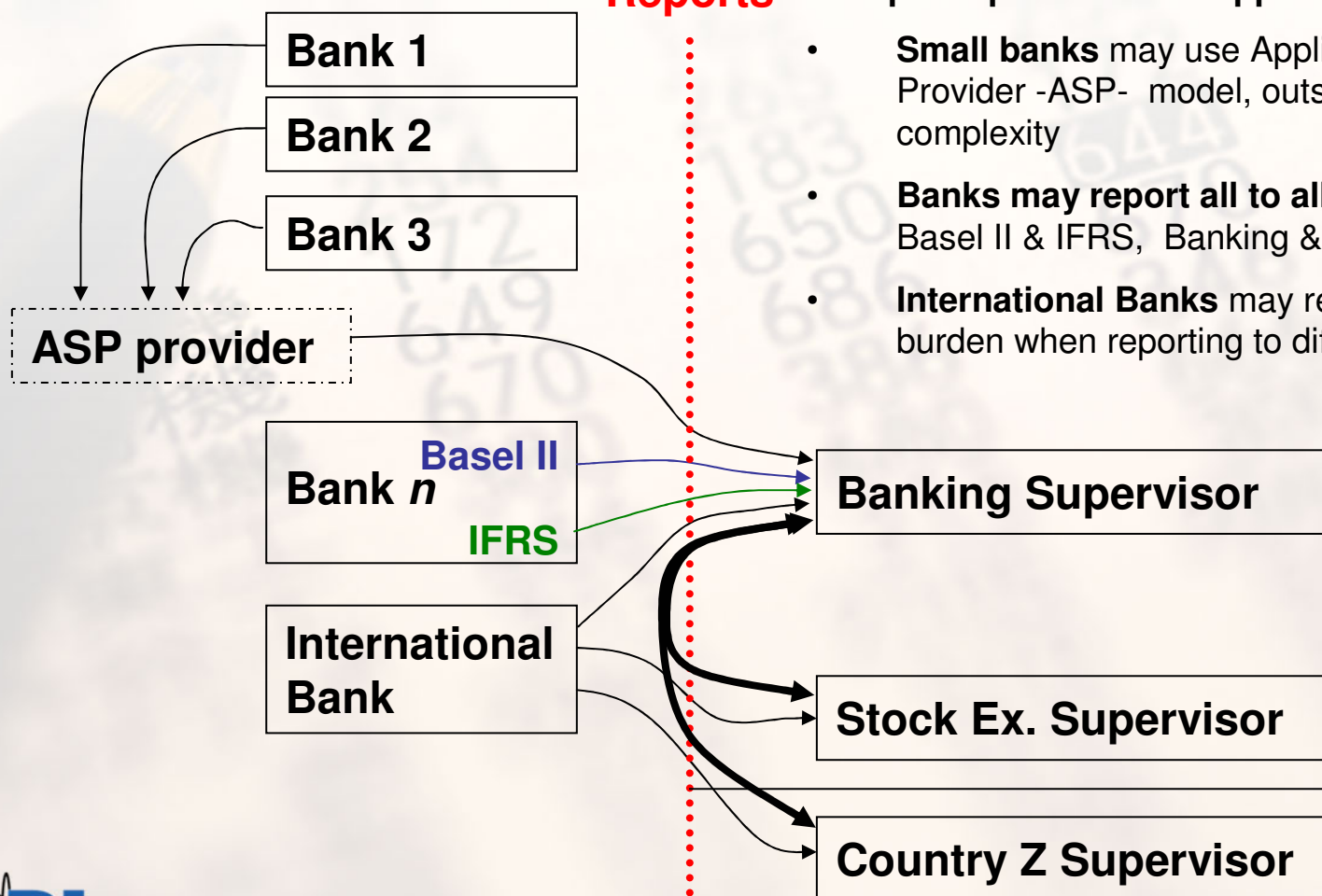
COREP implementation: Banks



XBRL Reports

Multiple implementation approaches:

- **Small banks** may use Application Service Provider -ASP- model, outsourcing technical complexity
- **Banks may report all to all** the Supervisors: Basel II & IFRS, Banking & Stock Exchange...
- **International Banks** may reduce supervisory burden when reporting to different countries



Opportunity window



2002 2003 2004 2005 2006 2007 2008

Too late

Operational:
Basel II
IFRS/IAS
...

Too early

Establishing:
CEBS
XBRL EU
...



COREP prerequisites completed ✓



16 Dec. 2005 CEBS GUIDELINES ON **FINANCIAL REPORTING**

CEBS has published guidelines establishing a standardised financial reporting framework (FINREP) for credit institutions operating in the EU.

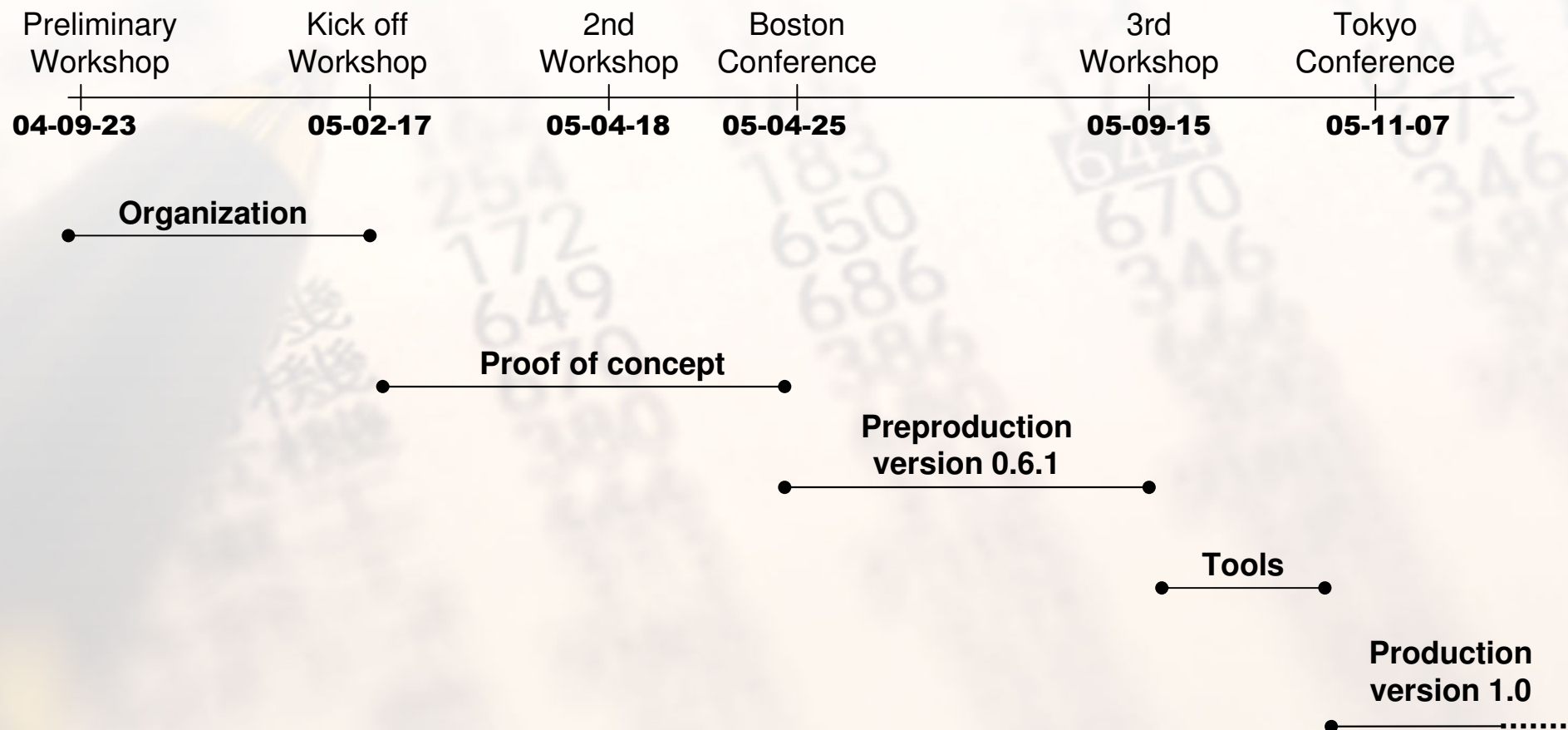
31 Dec. 2005 **Dimensions 1.0 (Candidate Recommendation)**

The Dimensions 1.0 Specification is a modular, optional extension to the XBRL 2.1 Specification which allows XBRL taxonomy authors to define and restrict dimensional information.

13 Jan. 2006 CEBS GUIDELINES ON **COMMON REPORTING**

CEBS has published guidelines on a common reporting framework (COREP) to be used by credit institutions and investment firms when they report their solvency ratio to supervisory authorities under the Capital Requirements Directive.

COREP past steps



COREP:

Production version 1.0 in advanced development.
Starting quality review. Scheduled by end February.

FINREP:

Project team (BE, FR, ES) working actively.
Results in weeks.

XBRL Tools: Being upgraded with the
Dimensional Specification. Please ask for demos
at the exhibition area.

Who is who



Chairmanship

Danièle Nouy, CEBS Chair, Secretary General French Banking Commission

José María Roldán, CEBS past Chair, Director General Bank of Spain

Pierre-Yves Thoraval, COREP Chair, French Banking Commission

Mark Pickeur, FINREP Chair, Belgium Banking Commission

Louis Matherne, XBRL Int'l Chair, Director American Institute of CPAs

Federico Florez, XBRL Spain CEO, IT Head Bank of Spain

FINREP

Giancarlo Pellizari – Belgium Banking Commission

Patrick Amis – Banque de France

Jacobo Varela – Bank of Spain

Mark Creemens - National Bank of Belgium



COREP project team



Full time developers

Katrin Schmehl – Bundesbank

Daniel Hamm – Bundesbank

Panagiotis Voulgaris – Bank of Greece

Magdalena Llano – XBRL Spain

Support

Ignacio Boixo – Bank of Spain

Project Coordination

Michele Romanelli – Bank of Italy

Data Modeling

Fernando Wagener - Bank of Spain

Data Input & Mapping)

Walter Hamscher - XBRL Int'l

Strategic Consultant

Fernando Navarrete - Bank of Spain

Business Relationship

Olivier Servais – XBRL in Europe

Workshops & dissemination

Ignacio Hernández-Ros – XBRL Int'l

Dimensions & Implementation

And many many more....

ORGANIZATION *TODAY*



CEBS:

Fully supporting XBRL Developments.
Chairperson (Danièle Nouy) very active in promoting XBRL.

XBRL:

Fully supporting CEBS developments.
Chairperson (Louis Matherne) facilitating Dimensions at our requirement.

SDMX:

Agreement with SDMX community (statisticians) for the shake of cooperation and coordination.

COREP next steps



May 2006: 5th European Banking Supervisors XBRL Workshop

To be held in Madrid on 18 – 19 May 2005, included in the 13th XBRL International Conference entrance fee. Final COREP and FINREP XBRL taxonomies to be presented.

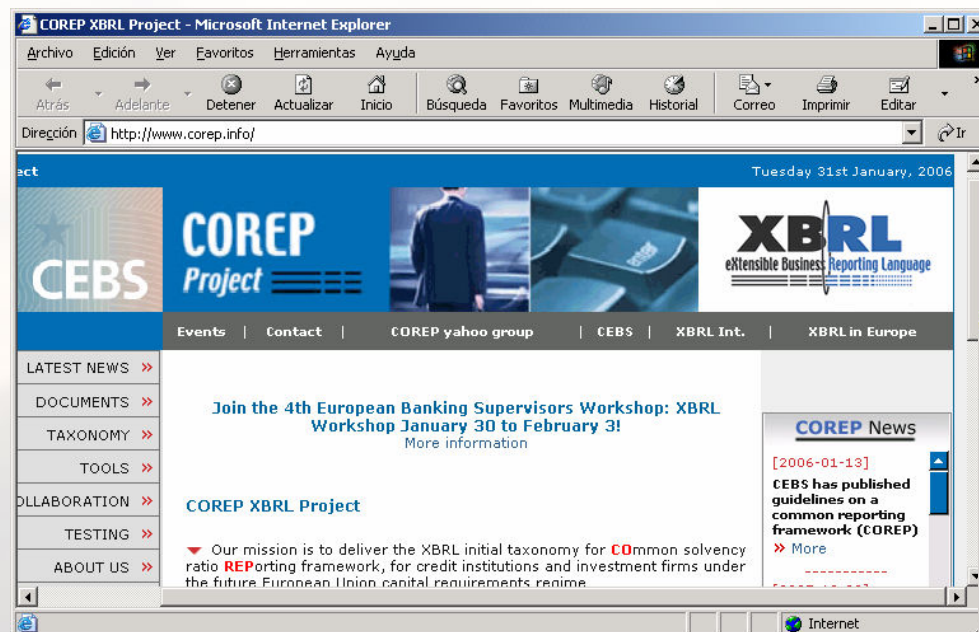
September 2006: 6th European Banking Supervisors XBRL Workshop

All the countries deciding implement XBRL will be working. Time for exchanging ideas and implementation issues.

December 2006: 7th European Banking Supervisors XBRL Workshop

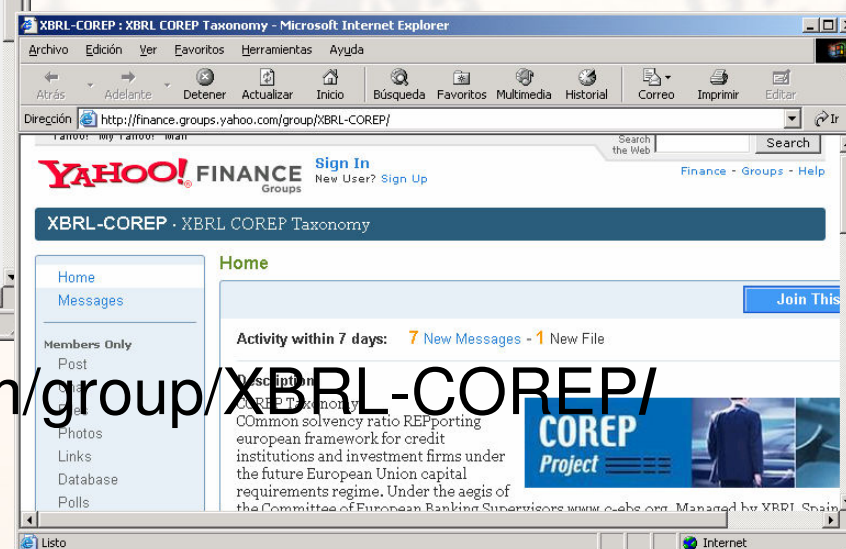
Reporting will go “live” in 2007. Time for last-minute fine-tuning of the taxonomies. Scheduling of COREP XBRL upgrades and versioning. The future XBRL coordination will be determined.

Collaborative Tools



www.corep.info
www.finrep.info

<http://finance.groups.yahoo.com/group/XBRL-COREP/>

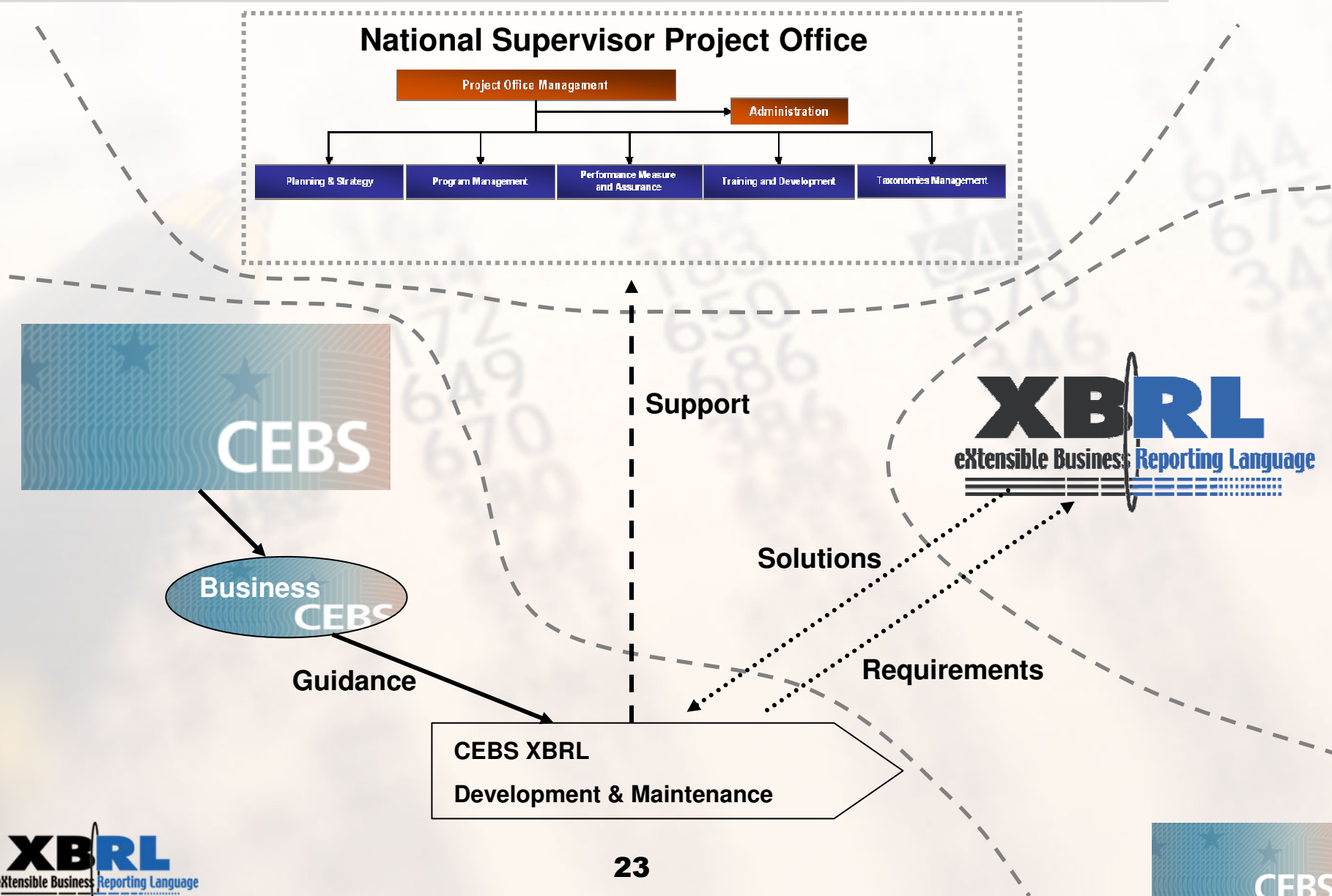


Conference Call every Thursday.

Time: 16:00 CET, 15:00 London, 10:00 Boston, 07:00 Seattle

Phone number: +34 91 983 857 Conference ID: 563 483

CEBS XBRL flows



COREP Intellectual Property



Supporting the **royalty free** use of **XBRL** on COREP & FINREP, an **Intellectual Property** Strategy is being implemented as a pre-emptive measure in the IT world.

Trademark: CEBS Secretariat Ltd. has applied for the name “**COREP**” according to European law. FINREP will follow soon...

Copyright: The deliverables the COREP XBRL Projects version 1.0 will be protected by copyright, owned by the CEBS Secretariat Ltd.

Challenge



The real challenge is not the design of the taxonomy; a group of enthusiastic people is ready to carry out this job, as it has been demonstrated.

The real challenge is the real XBRL implementation

The XBRL coordination among Supervisors is the critical success factor.

**Thanks - Obrigado - Merci - Gracias
Danke - Grazie - Ευχαριστίες - Спасибо**

Pieter Bruegel
The Tower of Babel. 1563

