Cost-benefit assessment on the Integrated Reporting Framework

Analysis of high-level considerations and high-priority technical aspects
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Executive summary

The ESCB has embarked on the development of an Integrated Reporting Framework (IReF) that consolidates the existing ESCB statistical reporting for banks that will be directly applicable across the euro area and might also be adopted by other EU Member States. In this context, the ESCB is closely collaborating with other European authorities, in particular the European Banking Authority, which is responsible for the feasibility study on the integrated reporting of statistical, prudential and resolution reporting envisaged by Article 430(c) of the Capital Requirements Regulation (CRR)\(^1\).

In November 2020, the ESCB/SSM Statistics Committee launched a cost-benefit assessment (CBA) on the implementation of the IReF. The CBA is a follow-up to the qualitative stock-taking that was conducted in 2018.\(^2\) These exercises represent the fundamental steps of the ongoing cost-benefit analysis on the IReF, the purpose of which is assess, in close cooperation with the banking industry, the impact of the initiative on all stakeholders.

All euro area countries, plus Sweden, joined the exercise.

**The banking industry was very responsive.** Overall, 275 responses were received, representing over 2,500 institutions and ensuring coverage of about 76% of the banking industry in the euro area in terms of total assets, with a high level of representativeness across countries. Results were analysed by also taking into account sub-groups of the population in terms of group structure and size classes.

A broad majority of respondents from the banking industry (68%) indicated that the benefits of IReF implementation would outweigh the costs. Only 19% of respondents indicated that the costs of IReF implementation would outweigh the benefits, while 13% indicated that there would be no difference compared with the status quo. As expected, the level of support is highest among members of cross-border groups. Standalone institutions are less supportive, although even in this case almost half of the respondents indicated that the benefits would outweigh the costs. When breaking down the responses by size of respondent, for all groups a large majority of respondents indicated that the benefits would outweigh the costs. As expected, support was highest among large and mid-sized institutions. It should also be noted that, while the CBA was limited to an assessment of the expected benefits of implementing the IReF over the medium to long term to allow for the integration of the ESCB’s statistical data requirements into the IReF, several respondents stressed the importance of a broader data integration strategy for an integrated reporting system for statistical, resolution and prudential data in the European Union.

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2 See also the report entitled “Qualitative stock-taking questionnaire on the integrated reporting framework” published on the ECB’s website.
This report also reviews the feedback received from the banking industry on some high-priority topics that were assessed in the CBA. The following points are worth noting in particular.

- The banking industry overall supports the scenario of collecting data on all loans to legal entities at a granular level, thus dropping the current threshold of €25,000 specified in the AnaCredit Regulation\(^3\).

- The approach of defining the IReF reporting scheme in such a way that variables refer to detailed (and redundancy-free) lists of members and share the same lists of members (as far as possible) was also assessed as bringing greater benefits than costs. For example, under this approach the currency of denomination would be collected for all instruments where a currency breakdown exists, and variables relating to the original and residual maturities of an instrument would refer to the same list of members.

- As regards the approach to data collection from branches of euro area credit institutions, the majority of the banking industry supports the scenario in which the head office would be responsible for the data reporting of its euro area branches under the IReF.

- The feedback on whether to collect data on holdings of non-ISIN securities on a granular basis was more balanced.

- The banking industry indicated that the costs of collecting data on custodian activities for legal entities at the instrument level, broken down by individual holder, would be slightly higher than the benefits, although a large proportion of respondents indicated that they would face only moderate costs.

The other topics covered in the CBA will be analysed in a series of publications to be released during 2022. The Eurosystem will then match the benefits and costs of the scenarios under consideration for all topics in order to define the preferred scenarios to be implemented in the IReF. This exercise will take into account the feedback received from all stakeholders and will represent the basis for drafting an IReF regulation. The results of the matching exercise will be published to provide background information for the public consultation on the draft regulation.

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\(^3\) Regulation (EU) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit and credit risk data (ECB/2016/13), OJ L 144, 1.6.2016, p. 44.
1 Introduction

The cost-benefit assessment (CBA) for the banking industry was aimed at credit institutions, other deposit-taking corporations, banking associations and service providers. National central banks (NCBs) were also addressed in their role as reporting agents and as compilers of statistical data, while ESCB user committees were invited to provide feedback through a dedicated questionnaire.

This report summarises the feedback received from the banking industry on the high-level considerations, with the aim of supporting the overall discussion on the appropriateness of establishing an Integrated Reporting Framework (IReF). The responses regarding certain high-priority technical aspects are then presented in order to provide an overview of the feedback collected from the banking industry on the main general features that will be incorporated into the IReF. In parallel, the ESCB is continuing to analyse the answers received on the other aspects and will publish additional focused reports on the outcome of the assessment work in the course of 2022. At the end of this process, the Eurosystem will perform a comprehensive matching of benefits and costs based on the feedback received from all stakeholders, which will represent the basis for the drafting of an ECB regulation on the IReF. In line with the steps of the ECB merits and costs procedure, the results of the matching exercise will be published to provide background information for the public consultation on the draft regulation.

While the main text analyses the responses from a euro area perspective for the banking industry as a whole, Annex A presents a decomposition of the results in terms of the group structure and size classes of the respondents. Annex B reviews in detail the technical approach used in the analyses.

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4 The selection of the scenarios to be incorporated into the draft ECB regulation and the corresponding reporting scheme will therefore take into account the input of all stakeholders and may not be fully aligned to the particular feedback from the banking industry presented in this report.
2 Organisation of the questionnaire and overview of responses

Each NCB participating in the CBA exercise decided which domestic entities should be invited to respond to the questionnaire, with the aim of including about 80% of the national banking sector in terms of total assets. At the same time, each bank resident in a participating country was given the opportunity to express an interest in joining the exercise. See Annex B for an overview of the approaches followed by participating NCBs.

**Chart 2.1**
Responding institutions broken down by country

Branches and subsidiaries of credit institutions resident in the participating countries could opt to reuse the answer of the head office or parent institution. Similarly, credit institutions and other deposit-taking corporations could provide responses on behalf of other institutions resident in the same country (e.g. other institutions in the same banking group). Several NCBs also invited banking associations and service providers to participate in the questionnaire on behalf of their members/customers (e.g. savings or cooperative banks) or on their own account.

Overall, 275 institutions responded to the CBA. Chart 2.1 provides an overview of the answers received, broken down by country. As shown in Chart 2.2, most responding institutions were credit institutions (248), while only a few other deposit-taking corporations participated in the exercise (8). Of the other institutions responding to the questionnaire, 8 were banking associations, while 11 were service providers.

Notes: A total of 275 institutions responded to the CBA. The category "Other" refers to a service provider that was invited to participate by the ECB directly.
As explained in Annex B, the analysis of the results takes into account cases where invited respondents preferred not to participate in the questionnaire directly but instead chose to reuse the answer of their head office or parent institution. Similarly, whenever an institution responded on behalf of other entities, the response was considered as being provided by all entities involved. This resulted in an increase in the answers received from 275 (direct responses from institutions) to 2,561 (direct and indirect responses from all entities). The increase is mainly attributable to Germany, Italy, Austria, France and Finland, where banking associations and service providers, as well as banking groups, answered on behalf of many other entities. Chart 2.3 shows the number of responses in each participating country once indirect feedback is taken into account.

Chart 2.4 shows the distribution of institutions participating (directly or indirectly) in the CBA in terms of total assets.5 In the analyses, institutions were grouped into three size classes: (i) large institutions, with total assets above €30 billion; (ii) mid-sized institutions, with total assets between €1 billion and €30 billion; and (iii) small institutions, with total assets below €1 billion. The €30 billion threshold was chosen to reflect the “asset size” criterion used for identifying significant institutions so as to allow comparability with supervisory definitions. Small institutions are in the majority (1,306) owing to their strong indirect participation through their corresponding banking associations.

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5 The reference period used is June 2020.
Chart 2.3
Reponses taking into account indirect feedback

Note: Overall, 109 branches and subsidiaries opted to reuse the answer of their head office or parent institution, while for 2,177 entities the answer was provided by another institution.

Chart 2.4
Distribution of institutions participating in the CBA by total assets

Notes: The €30 billion threshold was chosen to reflect the "asset size" criterion used for identifying significant institutions. The small institutions are predominantly from Germany (603), Italy (185), Austria (165) and Finland (116).
Taking indirect responses into account, the breakdown shows that most institutions participating in the CBA are standalone banks (1,111), while 786 belong to domestic banking groups and 645 are members of cross-border groups. Chart 2.5 shows the distribution of the size of respondents broken down by group structure. Standalone institutions and institutions belonging to domestic groups are predominantly small or mid-sized, while the great majority of large institutions are members of cross-border groups. The analyses will highlight cases where the responses were not homogeneous across these groups of respondents.

As explained in Annex B, national results were based on weighting schemes that were defined at national level to reflect the composition of the national respondents. Banking associations and service providers were excluded from the analysis of the individual questions (i.e. zero weight was applied to them), while positive weights were given to the institutions they represented. The simple average was used to calculate the results for the euro area.

Chart 2.6 shows the market coverage of the CBA in terms of total assets. At euro area level, market coverage stood at 76%, while at individual country level it was highest in Estonia, Greece and Latvia, standing at 97% in all three cases. The market coverage is lowest in Germany, at 53%, but a very large number of institutions (81%) participated in the exercise.
### Chart 2.6
Market coverage of the CBA in terms of total assets

<table>
<thead>
<tr>
<th>Euro area</th>
<th>Coverage of CBA in terms of total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE</td>
<td>76%</td>
</tr>
<tr>
<td>DE</td>
<td>91%</td>
</tr>
<tr>
<td>EE</td>
<td>87%</td>
</tr>
<tr>
<td>IE</td>
<td>97%</td>
</tr>
<tr>
<td>GR</td>
<td>97%</td>
</tr>
<tr>
<td>ES</td>
<td>88%</td>
</tr>
<tr>
<td>FR</td>
<td>82%</td>
</tr>
<tr>
<td>IT</td>
<td>76%</td>
</tr>
<tr>
<td>CY</td>
<td>77%</td>
</tr>
<tr>
<td>LV</td>
<td>97%</td>
</tr>
<tr>
<td>LT</td>
<td>92%</td>
</tr>
<tr>
<td>LU</td>
<td>62%</td>
</tr>
<tr>
<td>MT</td>
<td>68%</td>
</tr>
<tr>
<td>NL</td>
<td>66%</td>
</tr>
<tr>
<td>AT</td>
<td>83%</td>
</tr>
<tr>
<td>PT</td>
<td>91%</td>
</tr>
<tr>
<td>SI</td>
<td>69%</td>
</tr>
<tr>
<td>SK</td>
<td>88%</td>
</tr>
<tr>
<td>FI</td>
<td>77%</td>
</tr>
<tr>
<td>SE</td>
<td>85%</td>
</tr>
</tbody>
</table>

Note: The percentages are calculated as the total assets of institutions participating in the CBA (including indirect respondents) divided by the total assets of institutions in the euro area and each participating country.
3 Drivers of benefits and costs

The CBA analysed a number of benefit and cost drivers for the IReF and asked respondents to evaluate their impact, comparing the overall IReF baseline scenario proposed in the questionnaire with the current situation that respondents are faced with at national level.

As regards benefits, the following drivers were analysed.

- The IReF would use a unique data model and a unique data dictionary, making it possible to standardise the concepts and methodologies underlying the data submissions. The new approach would limit the need for reporting agents to interpret the reporting requirements and would therefore be more open to automation.

- Data reporting would be free of redundancies and standardised across countries. The higher granularity and level of detail of the IReF reporting scheme would allow for greater stability in the reporting requirements.

- By establishing a common collection layer for statistical data from banks across euro area countries, the IReF would enable reporting agents to use the Banks’ Integrated Reporting Dictionary (BIRD) directly for statistical reporting without national adjustments.

- The IReF may also lead to organisational enhancements, e.g. more precise and efficient communication between reporting agents and the authorities, as potential enquiries about granular data could be linked directly to the relevant instrument.

In the CBA, respondents were asked to assess the expected benefits of these drivers in the medium to long term (i.e. for a time horizon longer than five years) compared with the status quo.
Chart 3.1
Drivers of benefits

<table>
<thead>
<tr>
<th>Drivers of benefits</th>
<th>None</th>
<th>Very low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of standardised definitions and modelling</td>
<td>29%</td>
<td>52%</td>
<td>15%</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automation of reporting</td>
<td>9%</td>
<td>32%</td>
<td>45%</td>
<td>24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single reporting across statistical datasets with no redundancies</td>
<td>7%</td>
<td>17%</td>
<td>48%</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single reporting across countries</td>
<td>9%</td>
<td>7%</td>
<td>19%</td>
<td>30%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Using the BIRD for statistical reporting</td>
<td>10%</td>
<td>32%</td>
<td>42%</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stability in the reporting requirements</td>
<td>5%</td>
<td>27%</td>
<td>45%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational enhancements and improvements in internal processes</td>
<td>17%</td>
<td>25%</td>
<td>41%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated for each driver as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart 3.1 shows the distribution of the responses at euro area level for each driver. For all drivers, a large majority of respondents indicated that they would expect at least moderate benefits. The possibility of using standardised definitions and modelling is considered the most beneficial driver overall, with 96% of respondents indicating that it would bring at least moderate benefits. Meanwhile, 91% of respondents indicated that they would expect at least moderate benefits to arise from stability in the reporting requirements. The automation of the reporting process and the provision of a unique reporting scheme across statistical domains which reduces overlaps in statistical reporting are also considered by respondents to be two very beneficial features: in both cases, 90% of respondents indicated that they would expect at least moderate benefits.

Single reporting across countries is assessed as providing at least moderate benefits by 76% of the respondents; as expected, this outcome is mostly driven by respondents that are members of cross-border groups (see Annex A). About 84% of respondents indicated that they saw at least moderate benefits from using the BIRD for statistical reporting, although Annex A shows that small institutions generally replied less favourably than mid-sized and large institutions, which is probably a reflection of their more limited involvement in the project.

The introduction of the IReF may create various challenges for reporting agents. In assessing cost drivers in the IReF baseline scenario, respondents were asked to take into account (i) that implementation costs would probably also materialise for the status quo and (ii) that current approaches often have high regular costs. As regards implementation costs, respondents were asked to assess the implications of the scenario in terms of workload, organisational changes and the need for staff members.
to develop new competences. Chart 3.2 shows the euro area distribution of responses regarding drivers of implementation costs.

**Chart 3.2**
Drivers of implementation costs

<table>
<thead>
<tr>
<th>Driver</th>
<th>None</th>
<th>Very low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workload for establishing data extractions from the internal systems, from a conceptual perspective</td>
<td>17%</td>
<td>24%</td>
<td>41%</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workload for developing or adapting the IT infrastructure for data extractions, compilation, checking and submissions</td>
<td>7%</td>
<td>19%</td>
<td>45%</td>
<td>26%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational changes</td>
<td>9%</td>
<td>32%</td>
<td>33%</td>
<td>22%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Development of new competences for staff members (e.g. training)</td>
<td>17%</td>
<td>48%</td>
<td>25%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated for each driver as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

For all drivers, the majority of respondents indicated that they would expect at least moderate implementation costs. The workload for developing or adapting the IT infrastructure is assessed as generating the highest implementation costs overall, with 93% of respondents indicating that they would be faced with at least moderate costs. The introduction of organisational changes to reflect the new approach to data reporting would be expected to drive the lowest implementation costs, with 37% of respondents indicating that the costs of such changes would be low or very low. As shown in Annex A, the results were fairly homogeneous across bank types and sizes, although standalone institutions indicated somewhat higher costs as regards the IT workload implications and the development of new competences for staff members.

**Chart 3.3**
Drivers of regular costs

<table>
<thead>
<tr>
<th>Driver</th>
<th>None</th>
<th>Very low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workload for data management (e.g. extractions, quality checks)</td>
<td>13%</td>
<td>40%</td>
<td>37%</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workload for data submissions</td>
<td>27%</td>
<td>60%</td>
<td>19%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance of the system</td>
<td>24%</td>
<td>50%</td>
<td>19%</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated for each driver as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.
As regards regular costs, respondents were asked to assess the implications of the IReF baseline in terms of workload and maintenance of the system. The euro area distributions of responses regarding drivers of regular costs are shown in Chart 3.3.

For all drivers, most respondents indicated at least moderate regular costs. The workload for data management would lead to the highest costs in the overall view of respondents, with 87% indicating that they would be faced with at least moderate costs. For all drivers, the proportion of respondents assessing regular costs to be moderate was much higher than the proportion indicating moderate implementation costs. As shown in Annex A, standalone institutions indicated higher regular costs than other types of respondents.
4 Overall assessment

The CBA also asked respondents to directly balance the costs and benefits of IReF implementation by assessing whether, under the IReF baseline scenario, the expected benefits in the medium to long term (i.e. for a time horizon longer than five years) would be higher than the costs. Chart 4.1 shows the euro area distribution of responses.

**Chart 4.1**
Overall assessment

<table>
<thead>
<tr>
<th>Overall assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits will be significantly lower than costs</td>
</tr>
<tr>
<td>Benefits will be moderately lower than costs</td>
</tr>
<tr>
<td>No difference</td>
</tr>
<tr>
<td>Benefits will be moderately higher than costs</td>
</tr>
<tr>
<td>Benefits will be significantly higher than costs</td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

In all, 68% of respondents indicated that benefits would outweigh costs. In particular, 59% of respondents assessed benefits to be moderately higher and 9% significantly higher. Only 19% of respondents indicated that costs would outweigh benefits, and 13% indicated that there would be no difference compared with the status quo. This assessment is in line with results for individual drivers of benefits and costs, as on average benefits tend be higher than costs. At the same time, it is noted several respondents stressed the importance of a broader data integration strategy for an integrated reporting system for statistical, resolution and prudential data in the European Union, including the need for a common data dictionary across the various frameworks.

When breaking down the responses by type of respondent (see Chart 4.2), support is highest among members of cross-border groups, with 76% indicating that benefits would outweigh costs and 15% indicating the opposite. Standalone institutions are less supportive, although even in their case 48% of respondents indicated that benefits would outweigh costs. A relatively large proportion of standalone institutions (27%) indicated that there would be no difference compared with the status quo.
Chart 4.2
Overall assessment – decomposition by type of respondent

<table>
<thead>
<tr>
<th>Type of Respondent</th>
<th>Benefits will be significantly lower than costs</th>
<th>Benefits will be moderately lower than costs</th>
<th>No difference</th>
<th>Benefits will be moderately higher than costs</th>
<th>Benefits will be significantly higher than costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standsalone</td>
<td>7%</td>
<td>18%</td>
<td>27%</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Member of domestic group</td>
<td>11%</td>
<td>8%</td>
<td>12%</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>Member of cross-border group</td>
<td>12%</td>
<td>9%</td>
<td>64%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart 4.3 decomposes the answers received according to the size of the respondents. Support is highest among large and mid-sized institutions, with 75% and 74% respectively indicating that benefits would outweigh costs, while 17% and 18% respectively indicated the opposite. Small institutions are the least supportive, although even in their case, 61% of respondents indicated that benefits would outweigh costs. A relatively large proportion of small institutions (18%) indicated that there would be no difference compared with the status quo.

Chart 4.3
Overall assessment – decomposition by size of respondent

<table>
<thead>
<tr>
<th>Size of Institution</th>
<th>Benefits will be significantly lower than costs</th>
<th>Benefits will be moderately lower than costs</th>
<th>No difference</th>
<th>Benefits will be moderately higher than costs</th>
<th>Benefits will be significantly higher than costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small institutions</td>
<td>19%</td>
<td>18%</td>
<td>47%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Mid-sized institutions</td>
<td>6%</td>
<td>12%</td>
<td>8%</td>
<td>64%</td>
<td>19%</td>
</tr>
<tr>
<td>Large institutions</td>
<td>7%</td>
<td>10%</td>
<td>9%</td>
<td>62%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
5 Loans to legal entities below €25,000

The qualitative stock-taking exercise conducted in 2018 revealed strong support for reusing loan-level information to compile statistical aggregates on loans, thus overcoming the existing parallel reporting of granular and aggregated data on loans to legal entities. Accordingly, the CBA assessed the following three scenarios for collecting data on loans to legal entities below the threshold of €25,000.

- **Scenario 1** (baseline): All loans to legal entities would be collected at a granular level, with the same requirements in terms of variables and measures to be reported.

- **Scenario 2**: All loans to legal entities would be collected at a granular level. For loans below €25,000, only a limited set of variables and measures would be requested (i.e. those needed for compiling derived reports).

- **Scenario 3**: Loans to legal entities below €25,000 would be collected on an aggregated basis. Only the variables and measures which apply to aggregated loan requirements would be collected for such loans.

**Chart 5.1**

Benefits of the proposed scenarios

As shown in Chart 5.1, Scenario 1 is assessed as bringing the greatest benefits to the banking industry, with 68% of respondents indicating that it would provide at least moderate benefits. The benefits of Scenario 2 are considered similar to those of Scenario 3, with more than 50% of respondents indicating that they would expect either no benefits, very low benefits or low benefits. These results were fairly homogeneous across different types and size classes of institutions (see also Annex A).
Chart 5.2
Implementation costs of the proposed scenarios

Chart 5.3
Regular costs of the proposed scenarios

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart 5.2 shows the distribution of the responses regarding implementation costs. Scenario 1 is assessed as entailing the lowest costs, with 33% of respondents indicating that they would face low costs at most. For Scenarios 2 and 3, 84% and 78% of respondents respectively indicated at least moderate costs. As regards regular costs, Scenario 2 would have the highest costs in the view of respondents, with 76% indicating at least moderate costs. Meanwhile, Scenarios 1 and 3 are assessed as bringing lower costs by comparison, with 35% and 34% of respondents respectively expecting either no costs, very low costs or low costs (see Chart 5.3). As shown in Annex A, when decomposing the analysis across types and size classes of institutions, the results do not change significantly, although in the view of domestic group members, implementation and regular costs would be lowest under Scenario 3.

Overall, comparing benefits and costs, the baseline scenario (i.e. Scenario 1) received the most support from the banking industry in the CBA. However, various factors need to be reflected upon further to fully assess the implications of this scenario. For
instance, the volume of data would be much increased compared with the existing AnaCredit flows, and may result in complex and costly data quality management processes. In addition, for certain types of loans (e.g. factoring pools and cash-pooling agreements) the granular information may not be readily available in banks’ data warehouses.
6 Collection of data on holdings of non-ISIN securities

The qualitative stock-taking exercise revealed strong support for collecting data on holdings of non-ISIN securities at the instrument level, in line with current practice in several euro area countries. The IReF baseline scenario reflected in the draft scheme that accompanied the CBA was therefore based on the following.

- **Proposed scenario**: Granular collection of data regarding holdings of non-ISIN securities.

Chart 6.1 shows that the proposed scenario would be expected to provide at least moderate benefits for the majority of respondents from the banking industry (59%). As shown in Annex A, the expected benefits are slightly lower for members of domestic groups than for standalone institutions and members of cross-border groups.

**Chart 6.1**
Benefits of the proposed scenario

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

**Chart 6.2**
Implementation costs of the proposed scenario

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.
Charts 6.2 and 6.3 show that the majority of respondents from the banking industry would expect at least moderate implementation costs (66%), while in terms of regular costs the distribution was more balanced, with 54% of respondents indicating that they would face at least moderate costs. In addition, the large majority of responses on expected regular costs indicate that these would be moderate or low (68%), possibly implying that once the requirements were implemented, the costs would decrease to some extent. For both implementation and regular costs, members of domestic and cross-border groups would expect to face lower costs compared with standalone institutions (see also Annex A).

The feedback received from the banking industry is quite balanced overall. \(^6\) When matching benefits and costs with a view to defining the scenario that will be implemented under the IReF, the Eurosystem will also consider the significance of non-ISIN securities holdings. Some respondents indicated that their assessment of the costs of the proposed scenario reflected the view that variables such as the primary asset classification and the asset securitisation type would also be collected for non-ISIN securities. \(^7\) The costs would have been assessed as being lower without these variables.

---

\(^6\) The results remain broadly unchanged when restricting the analysis to respondents that are engaged in holding unlisted ISIN securities and non-ISIN securities. Benefits are assessed as being slightly higher in the filtered data (61% versus 59% indicating at least moderate benefits), while expected implementation and regular costs are also slightly higher (70% versus 66% and 56% versus 54% respectively indicating at least moderate costs).

\(^7\) The benefits and costs of these variables were assessed in Section 4.2.4 of the CBA. These results will be analysed at a later stage of the process.
7 Collection of custodian data on ISIN securities

The current Regulation on Securities Holdings Statistics\(^8\) provides for the collection of security-by-security data on ISIN securities for which the reporting/observed agent acts as custodian at the level of the institutional sector and area of residency of the holder (i.e. without breaking down the holdings by individual holder). In line with current practice in several euro area countries, the following proposed scenario was assessed in the CBA.

- **Proposed scenario**: Collect instrument-level data on ISIN securities for which the reporting/observed agent acts as custodian for legal entities for each individual holder.

This approach would align the collection of data on custodians’ activities for legal entities to the counterparty information collected in the IReF for granular data requirements. Data on holdings of ISIN securities by households would continue to be collected on a security-by-security basis at the level of the institutional sector and area of residency of the holder. Individual households would therefore not be identifiable.

**Chart 7.1**

**Benefits of the proposed scenario**

<table>
<thead>
<tr>
<th>Proposed scenario</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>15%</td>
</tr>
<tr>
<td>Very low</td>
<td>16%</td>
</tr>
<tr>
<td>Low</td>
<td>20%</td>
</tr>
<tr>
<td>Moderate</td>
<td>32%</td>
</tr>
<tr>
<td>High</td>
<td>15%</td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart 7.1 shows that the banking industry provided balanced feedback on the benefits of the proposed scenario, with 49% of respondents indicating that they would experience at least moderate benefits. The proportion of respondents indicating moderate to very high benefits is higher for mid-sized institutions and for members of domestic and cross-border groups (see also Annex A).

---

As shown in Charts 7.2 and 7.3, the proposed scenario would provide at least moderate implementation and regular costs for the majority of respondents from the banking industry (67% and 58% respectively). However, a large proportion of respondents indicated moderate costs (32% for implementation costs and 45% for regular costs). Members of cross-border groups and mid-sized and large institutions assess costs as being higher, possibly because these institutions are more likely to provide custodian services (see also Annex A).

Overall, the feedback received from the banking industry indicates that costs would be somewhat higher than benefits. At the same time, the banking industry’s assessment (of regular costs in particular) also indicates that a large proportion of respondents would face only moderate costs.

---

9 The results remain broadly unchanged when restricting the analysis to respondents that are engaged in custodian activities. Benefits are assessed as being slightly higher in the filtered data (54% versus 49% indicating at least moderate benefits), while expected implementation and regular costs are also slightly higher (71% versus 67% and 64% versus 58% respectively indicating at least moderate costs).
8 Assessment of additional level of detail

The qualitative stock-taking exercise revealed significant support for structuring the IReF scheme so that variables refer to detailed (and redundancy-free) lists of members (or subdomains) and share the same subdomains, as far as possible. The IReF baseline scenario reflected in the draft scheme that accompanied the CBA was therefore based on the following scenario.

- **Proposed scenario**: Subdomains are defined at a detailed level, with no overlaps or redundancies, and variables share the same subdomains, as far as possible.

For example, the IReF baseline scenario foresees that the individual currency of denomination will be collected for all instruments where a currency breakdown exists, instead of reporting agents being asked to perform intermediate aggregations (e.g. aggregates for currencies other than the euro). In addition, variables relating to the original and residual maturities of an instrument will refer to the same list of members.

As shown in Chart 8.1, the proposed scenario would be expected to provide at least moderate benefits for the broad majority of respondents: 78% indicated that they would experience at least moderate benefits, and within this Chart, 45% of the total indicated high or very high benefits. These results are fairly homogeneous across different types of respondents, although the benefits are assessed as being slightly higher by large and mid-sized institutions than by small institutions (see also Annex A).

**Chart 8.1**

Benefits of the proposed scenario

![Chart showing percentage of respondents experiencing different levels of benefits](chart)

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Charts 8.2 and 8.3 show the distribution of responses regarding the implementation and regular costs of the proposed scenario. In all, 72% of the respondents indicated that they would face at least moderate implementation costs, while regular costs are assessed as being lower, with 56% of respondents indicating at least moderate costs. A relatively large proportion of respondents indicated that both types of costs would be moderate (39% for implementation costs, 41% for regular costs). The results were
fairly homogeneous across types and size classes of institutions, although expected costs seem to be somewhat higher for mid-sized institutions (see also Annex A).

**Chart 8.2**
Implementation costs of the proposed scenario

The results show that, overall, the banking industry would expect the benefits of the proposed scenario to outweigh the costs.
Approach to data collection from branches of euro area credit institutions

Under the current approach to statistical data collection, branches are directly responsible for reporting to the NCB of the country in which they are resident. The qualitative stock-taking exercise tested the level of interest in applying a new approach to data reporting under the IReF for branches of euro area credit institutions. Under this approach, the head office could become responsible for transmitting all IReF data for its branches to the home NCB. Such a change would resolve the current cases of double-reporting of AnaCredit data at the level of primary reporting, where both the home and the host NCBs collect granular loan data.

Based on the results of the qualitative stock-taking, it was proposed that, as a baseline scenario, data from euro area credit institutions would be collected at the level of the legal entity. The scenario would only affect data reporting obligations – in reality, reporting agents would remain free to organise technical reporting in the way they found most suitable. In line with the AnaCredit approach, under this scenario the draft IReF scheme would distinguish between the \textit{reporting agent} (i.e. the legal entity) and the \textit{observed agent} (i.e. the institutional unit to which the data refer). Different reports would be expected for each observed agent. Country-specific requirements would be submitted for the observed agent, so that the requirements applicable in the country where each specific branch is resident could be collected. Two additional scenarios were proposed, also in line with the principle of avoiding double-reporting. Scenario 2 would entail splitting the requirements between statistical reporting on the one hand and accounting/risk data reporting on the other, with responsibility falling to the branches and the head office respectively. Meanwhile, under Scenario 3, the branch would be responsible for the reporting of all IReF data. Under all scenarios, the accounting standards underpinning the reporting of data on branches would be those applicable at the level of the legal entity.\footnote{Similarly to what is provided for in the AnaCredit Regulation, in the event of a non-euro area Member State adopting the IReF, the selected scenario will apply to all branches of credit institutions established in the reporting Member State (i.e. whether inside the euro area or not). In turn, branches of credit institutions that are not established in a reporting Member State will report as independent reporting agents on the basis of the accounting standards applicable in the country where they are resident.}

The scenarios can be summarised as follows.

- **Scenario 1** (baseline): The head office would be responsible for the data reporting of its euro area branches under the IReF.
- **Scenario 2**: The head office would be responsible for the reporting of IReF accounting and risk requirements, while branches would be responsible for the reporting of the remaining IReF requirements.
- **Scenario 3**: Branches would be responsible for the reporting of all IReF data.
This section applied only to respondents that are either branches with a head office resident in the euro area or head offices with euro area branches, plus respondents replying on behalf of such entities. To avoid biases in the analyses, indirect responses were only considered when the entity belonged to a cross-border banking group, as only those entities can have branches operating in the euro area according to the definition used in the questionnaire. Chart 9.1 shows the distribution of responses. Of the direct respondents, 100 are either branches with a head office resident in the euro area or head offices with euro area branches. Taking into account the indirect responses, 465 responses were considered in the analysis.

Chart 9.1
Distribution of respondents considered in the analysis

The benefits and costs of the proposed scenarios were assessed in relative terms, i.e. by comparing Scenarios 2 and 3 with the baseline scenario (Scenario 1).

Chart 9.2
Benefits of Scenarios 2 and 3 compared with Scenario 1

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

11 It should be noted, however, that the results are essentially unaffected by this filtering.
As shown in Chart 9.2, a broad majority of respondents from the banking industry (i.e. more than 70%) indicated that both Scenario 2 and Scenario 3 would bring fewer benefits than the baseline scenario. The results were homogeneous across the size classes of the respondents (see also Annex A).

**Chart 9.3**
Implementation costs of Scenarios 2 and 3 compared with Scenario 1

![Chart 9.3](chart_url)

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

**Chart 9.4**
Regular costs of Scenarios 2 and 3 compared with Scenario 1

![Chart 9.4](chart_url)

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Charts 9.3 and 9.4 show the distribution of responses as regards implementation and regular costs. The assessment is fully aligned between the two. In the case of both Scenario 2 and Scenario 3, more than 70% of respondents indicated that they would face higher implementation and regular costs compared with the baseline. As for the assessment of benefits, there are no significant differences in the distributions across members of different size classes (see also Annex A).

Overall, comparing benefits and costs, the baseline scenario (i.e. Scenario 1) received the most support from the banking industry in the CBA.
Annex A: Results by type and size of respondent

A1 Drivers of benefits and costs

Chart A1.1
Benefits: Use of standardised definitions and modelling – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.2
Benefits: Use of standardised definitions and modelling – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.

12 See Sections 3.1 and 3.2 of the CBA.
Chart A1.3
Benefits: Automation of reporting – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.4
Benefits: Automation of reporting – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.5
Benefits: Single reporting across statistical datasets with no redundancies – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.6
Benefits: Single reporting across statistical datasets with no redundancies – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.7
Benefits: Single reporting across countries – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.8
Benefits: Single reporting across countries – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
**Chart A1.9**
Benefits: Using the BIRD for statistical reporting – decomposition by type of respondent

<table>
<thead>
<tr>
<th>None</th>
<th>Very low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>29%</td>
<td>34%</td>
<td>12%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

**Chart A1.10**
Benefits: Using the BIRD for statistical reporting – decomposition by size of respondent

<table>
<thead>
<tr>
<th>Small institutions</th>
<th>Mid-sized institutions</th>
<th>Large institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>Very low</td>
<td>18%</td>
<td>31%</td>
</tr>
<tr>
<td>Low</td>
<td>25%</td>
<td>44%</td>
</tr>
<tr>
<td>Moderate</td>
<td>36%</td>
<td>44%</td>
</tr>
<tr>
<td>High</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Very high</td>
<td></td>
<td>11%</td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.11
Benefits: Stability in the reporting requirements – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.12
Benefits: Stability in the reporting requirements – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.13
Benefits: Organisational enhancements and improvements in internal processes – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.14
Benefits: Organisational enhancements and improvements in internal processes – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.15
Implementation costs: Workload for establishing data extractions from the internal systems from a conceptual perspective – decomposition by type of respondent

Chart A1.16
Implementation costs: Workload for establishing data extractions from the internal systems from a conceptual perspective – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.
Chart A1.17
Implementation costs: Workload for developing or adapting the IT infrastructure for data extractions, compilation, checking and submissions – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.18
Implementation costs: Workload for developing or adapting the IT infrastructure for data extractions, compilation, checking and submissions – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.19
Implementation costs: Organisational change – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.20
Implementation costs: Organisational change – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.21
Implementation costs: Development of new competences for staff members (e.g. training) – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.22
Implementation costs: Development of new competences for staff members (e.g. training) – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.23
Regular costs: Workload for data management (e.g. extractions, quality checks) – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.24
Regular costs: Workload for data management (e.g. extractions, quality checks) – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A1.25
Regular costs: Workload for data submissions – decomposition by type of respondent

Chart A1.26
Regular costs: Workload for data submissions – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.
Chart A1.27
Regular costs: Maintenance of the system – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A1.28
Regular costs: Maintenance of the system – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
A2  Loans to legal entities below €25,000\(^\text{13}\)

Chart A2.1
Benefits – decomposition by type of respondent

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

See Section 4.1.1 of the CBA.
Chart A2.2
Benefits – decomposition by size of respondent

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A2.3
Implementation costs – decomposition by type of respondent

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.
Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A2.5
Regular costs – decomposition by type of respondent

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.
Chart A2.6
Regular costs – decomposition by size of respondent

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
A3  Collection of data on holdings of non-ISIN securities\textsuperscript{14}

Chart A3.1
Benefits – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A3.2
Benefits – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.

\textsuperscript{14} See Section 4.1.2 of the CBA.
Chart A3.3
Implementation costs – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A3.4
Implementation costs – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.
A4 Collection of custodian data on ISIN securities

Chart A4.1
Benefits – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A4.2
Benefits – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.

---

15 See Section 4.1.3 of the CBA.
Chart A4.3
Implementation costs – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A4.4
Implementation costs – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A4.5
Regular costs – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A4.6
Regular costs – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
A5 Assessment of additional level of detail\textsuperscript{16}

Chart A5.1
Benefits – decomposition by type of respondent

Chart A5.2
Benefits – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

\textsuperscript{16} See Section 4.1.4 of the CBA.
Chart A5.3
Implementation costs – decomposition by type of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

Chart A5.4
Implementation costs – decomposition by size of respondent

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
**Chart A5.5**
Regular costs – decomposition by type of respondent

<table>
<thead>
<tr>
<th>Category</th>
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<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standalone</td>
<td>7%</td>
<td>8%</td>
<td>20%</td>
<td>52%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Member of domestic group</td>
<td>9%</td>
<td>35%</td>
<td></td>
<td>34%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Member of cross-border group</td>
<td>15%</td>
<td>27%</td>
<td></td>
<td>43%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated.

**Chart A5.6**
Regular costs – decomposition by size of respondent

<table>
<thead>
<tr>
<th>Category</th>
<th>None</th>
<th>Very low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small institutions</td>
<td>6%</td>
<td>16%</td>
<td>25%</td>
<td>40%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Mid-sized institutions</td>
<td>8%</td>
<td>30%</td>
<td></td>
<td>46%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Large institutions</td>
<td>16%</td>
<td>24%</td>
<td></td>
<td>34%</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
A6  Approach to data collection from branches of euro area credit institutions

Chart A6.1
Benefits – decomposition by size of respondent

<table>
<thead>
<tr>
<th>Scenario 2</th>
<th>Large institutions</th>
<th>Mid-sized institutions</th>
<th>Small institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66%</td>
<td>42%</td>
<td>57%</td>
</tr>
<tr>
<td></td>
<td>20%</td>
<td>33%</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>13%</td>
<td>6%</td>
<td>12%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario 3</th>
<th>Large institutions</th>
<th>Mid-sized institutions</th>
<th>Small institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>59%</td>
<td>39%</td>
<td>52%</td>
</tr>
<tr>
<td></td>
<td>17%</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>16%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.

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17 See Section 4.1.5 of the CBA.
Chart A6.2
Implementation costs – decomposition by size of respondent

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Chart A6.3
Regular costs – decomposition by size of respondent

Notes: The percentages are calculated for each scenario as the simple average of the corresponding frequencies across euro area countries. See Annex B for information on how national results are calculated. Large, mid-sized and small institutions are defined as having total assets above €30 billion, between €1 billion and €30 billion, and below €1 billion respectively.
Annex B: Technical notes on the analyses

As explained in Section 2, the NCBs of the countries participating in the cost-benefit assessment (CBA) selected the national respondents for the questionnaire. In doing so, they aimed to ensure the participation of about 80% of their domestic banking sector in terms of total assets, while also making sure that institutions of all sizes and types were included. At the same time, each bank residing in one of the participating countries was given the opportunity to express an interest in joining in the exercise.

The answers received were validated by each NCB. In this process, the NCB verified the internal consistency of the answers and translated the free text into English whenever this was provided in the national language. As shown in Figure B1, at this stage the answers received were classified into four categories: (i) credit institutions and other deposit-taking corporations responding individually, (ii) credit institutions and other deposit-taking corporations also responding for other entities, (iii) banking associations and service providers responding on behalf of other entities and iv) banking associations and service providers responding on their own account.

**Figure B1**
Extension of answers received

The set of the answers was thus extended in two stages as follows. First, answers were introduced for credit institutions and other deposit-taking corporations that indicated that they would reuse the response of the head office or parent institution. As
a second step, answers were introduced for credit institutions and other deposit-taking corporations for which a response was provided by another entity.

The analyses were conducted as follows. First, national results were calculated based on the answers relating to the corresponding domestic entities and including the indirect responses. Each NCB was responsible for defining the weighting scheme to be applied at national level. However, it was agreed that answers provided by banking associations and service providers on their own account would not be considered when calculating national scores. Answers provided by banking associations and service providers on behalf of their members or customers would be considered as the indirect respondents’ answers. Euro area results were calculated in each case as the simple average of the national results. The approach is shown in Figure B2.

**Figure B2**

Analysis of the results

<table>
<thead>
<tr>
<th>Responses</th>
<th>Weights</th>
<th>Two-stage analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIs &amp; ODCs</td>
<td></td>
<td>National results</td>
</tr>
<tr>
<td>Individual</td>
<td></td>
<td>FR</td>
</tr>
<tr>
<td>responses</td>
<td></td>
<td>DE</td>
</tr>
<tr>
<td>CIs &amp; ODCs</td>
<td></td>
<td>IT</td>
</tr>
<tr>
<td>Report by other CIs, ODCs, BA &amp; SPs</td>
<td>0</td>
<td>ES</td>
</tr>
<tr>
<td>CIs &amp; ODCs</td>
<td></td>
<td>...</td>
</tr>
<tr>
<td>Reuse of head office / parent</td>
<td>?</td>
<td>...</td>
</tr>
<tr>
<td>CIs &amp; ODCs</td>
<td></td>
<td>National responsibility</td>
</tr>
<tr>
<td>On their own account</td>
<td>0</td>
<td>EE</td>
</tr>
<tr>
<td>BAs &amp; SPs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On behalf of other entities</td>
<td>?</td>
<td>SE</td>
</tr>
<tr>
<td>CIs &amp; ODCs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reporting also for other entities</td>
<td>?</td>
<td></td>
</tr>
<tr>
<td>Individual responses</td>
<td>?</td>
<td></td>
</tr>
</tbody>
</table>

Note: CI = credit institution; ODC = other deposit-taking corporation; BA = banking association; SP = service provider.

Table B1 below summarises the approach followed by NCBs participating in the CBA exercise to select which domestic institutions to invite and to weight the responses.
<table>
<thead>
<tr>
<th>Country</th>
<th>Selection of participants</th>
<th>Weighting scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE</td>
<td>Census approach.</td>
<td>Respondents consisted of three groups: large, mid-sized and small banks. Within each group, responses were given equal weight. National results were calculated as averages across the groups weighted by the total assets of each group.</td>
</tr>
<tr>
<td>DE</td>
<td>Sample selected in cooperation with banking associations to ensure a comprehensive representation of institutions by size and type.</td>
<td>Responses were weighted based on total assets.</td>
</tr>
<tr>
<td>EE</td>
<td>Large institutions (in terms of total assets).</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>IE</td>
<td>All institutions were invited to participate, either individually or through the banking association.</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>GR</td>
<td>Census approach.</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>ES</td>
<td>All institutions were invited to participate, either directly or through banking associations or service providers.</td>
<td>Equal weights, with zero weight being given to subsidiaries of domestic groups where the parent is a direct respondent.</td>
</tr>
<tr>
<td>FR</td>
<td>All deposit-taking corporations that are not subject to derogations in the national collection framework for banks (i.e. the larger institutions) were invited to participate. Banking associations representing smaller institutions were also invited to participate.</td>
<td>Responses were weighted based on total assets.</td>
</tr>
<tr>
<td>IT</td>
<td>All credit institutions were invited to participate, either individually or through the banking association.</td>
<td>Equal weights, with zero weight being given to subsidiaries of groups where the parent is a direct respondent.</td>
</tr>
<tr>
<td>CY</td>
<td>Large institutions (accounting for about 95% of the market in terms of total assets) were invited to participate. An e-money institution was also invited.</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>LV</td>
<td>Selected institutions were invited to participate from the following strata: cross-border banks, standalone banks and members of domestic groups.</td>
<td>Within each group, average responses were calculated based on equal weights. National results were calculated as averages across the groups weighted by coefficients reflecting the total assets and the number of institutions in each group.</td>
</tr>
<tr>
<td>LT</td>
<td>All institutions were invited to participate.</td>
<td>Respondents consist of three groups: large, mid-sized and small credit institutions. Within each group, responses were weighted based on total assets. National results were calculated using equal weights for each group.</td>
</tr>
<tr>
<td>LU</td>
<td>All institutions were invited to participate.</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>MT</td>
<td>Large institutions (accounting for about 80% of the market in terms of total assets) were invited to participate.</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>NL</td>
<td>Large institutions (in terms of total assets) were invited to participate.</td>
<td>Equal weights, with zero weight being given to subsidiaries of domestic groups where the parent is a direct respondent.</td>
</tr>
<tr>
<td>AT</td>
<td>Most credit institutions were invited to participate through the service provider that takes care of the reporting of around 90% of the market. The remaining share of the market is represented either individually or through banking associations. Some branches of euro area credit institutions were also considered.</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>PT</td>
<td>Large institutions (in terms of total assets) were invited to participate.</td>
<td>Responses were weighted based on total assets.</td>
</tr>
<tr>
<td>SI</td>
<td>All institutions were invited to participate.</td>
<td>Responses were weighted based on total assets.</td>
</tr>
<tr>
<td>SK</td>
<td>The sample was selected in such a way as to ensure coverage of all types of entity and all sizes.</td>
<td>Equal weights.</td>
</tr>
<tr>
<td>FI</td>
<td>Census approach.</td>
<td>Responses were weighted in two stages based on total assets excluding derivatives and reverse repos. First the population was stratified according to the size and the business focus of the institutions (i.e. domestic, euro area and extra-euro area). Corrections for non-response were then made in the sub-groups identified.</td>
</tr>
<tr>
<td>SE</td>
<td>All reporting agents and banking associations were invited to participate. The Swedish Bankers' Association provided an answer on behalf of the main credit institutions, while the Swedish Savings Bank Association responded on behalf of all savings banks. In addition, a few credit institutions decided to provide independent answers.</td>
<td>Responses were weighted based on total assets.</td>
</tr>
</tbody>
</table>