

21 January 2013



**ESRB**  
European Systemic Risk Board  
European System of Financial Supervision

## ESRB Staff note

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# BENEFITS OF A STANDARDISED REPORTING OF PILLAR 3 INFORMATION

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The content of this note shall not be understood as a macro-prudential policy action by the ESRB as described in Article 16 of the ESRB Regulation 1092/2010.



## 1. Introduction

The aim of this note is to explain the benefits of Pillar 3 information released by banks and to outline a medium-term vision for a standardised disclosure and data access in the EU, against best international practices. In doing so, the note encourages further work towards the development and harmonised implementation of common standard disclosure templates in the EU, in a step-wise approach. Once these templates are in place, the ultimate goal would be for the EBA (or other EU institution) to create a publicly available database of Pillar 3 disclosures of (large) EU banks, as this would greatly facilitate their analytical use by the public, in general.

This note does not call at all for a restricted access to the Pillar 3 information limited to the ESRB for the conduct of macro-prudential oversight, but rather for the optimization of the use of publicly available information on Pillar 3 by all participants in the financial markets, in line with the objectives set out in the Basel framework. Although comparability and harmonization *per se* are not the main goals of Pillar 3, if the proposed way forward is observed, the public in general would be the main beneficiary of the enhanced definition and dissemination of Pillar 3 information.

This note is structured as follows. Section 2 provides a short description of Pillar 3 information and in particular which “unique” information, not already available elsewhere, it provides; it also touches on the links between Pillar 3 and the Transparency Directive. Section 3 illustrates the value added for financial stability analysis of Pillar 3 information. Section 4 reviews on-going developments at EU and international level, in particular the EBA and BCBS work in this field, and compares the approach followed in the US as a useful benchmark for the medium-term. Lastly, Section 5 proposes a step-wise way forward to achieve the medium-term goal of implementing standardised disclosure templates for the purpose of a common public database.

## 2. Description of Pillar 3 information and links with other public disclosures

The Basel framework (BCBS, 2006) consists of three Pillars: 1. “minimum capital requirements”, 2. “supervisory review process” and 3. “market discipline”<sup>1</sup>. The purpose of Pillar 3 is to provide detailed information to the market about minimum capital requirements (Pillar 1) and supervisory review process (Pillar 2), that is to say, covering banks’ capital, level of various types of risks, and underlying methodologies. The aim of Pillar 3 is to allow market discipline to operate as sharing of information facilitates assessment of the bank by others, including investors, analysts, customers, other banks, and rating agencies, which leads to an improved corporate governance. Providing disclosures that are based on a common

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<sup>1</sup> The regulatory reporting requirements for Pillar 1 are covered by the Implementing Technical Standards (ITS) on supervisory reporting being finalised by EBA, while Pillar 2 reporting requirements remain a matter of national discretion.

framework (Pillar 3) is an effective means of informing the market about a bank's exposure to risks and enhances comparability so that market participants can adequately differentiate between those banks that manage their risks prudently and those that do not.

Since part of Pillar 3 disclosure requirements overlaps with the forthcoming Implementing Technical Standards (ITS) on supervisory reporting the EBA is currently developing as mandated in Article 95 of the draft Capital Requirements Regulation (CRR)<sup>2</sup>, Pillar 3 can be regarded as "disclosure" of some quantitative information that would already be made available to supervisors. Pillar 3 also complements the ITS on supervisory reporting by disclosing qualitative information about the internal models serving for the assessment of credit and market risk, which is susceptible to strengthen the credibility of such assessments. In a separate ITS, the EBA has dealt with the public disclosure of own funds (based on standards of the Basel Committee on Banking Supervision – see section 4), but not yet with other parts of Pillar 3.

Pillar 3 is about providing public access to regulatory data for all banks, which is different from the accounting-based information made public in accordance with the Transparency Directive (TD)<sup>3</sup>. The TD is addressed to listed banks only and it requires them to publish a wide range of financial information (e.g. annual reports, as well as semi-annual and quarterly information). Another important difference between Pillar 3 and TD requirements, in terms of institutional arrangements in the European Union, is that the former falls within the areas of work of the EBA<sup>4</sup> while the European Commission is responsible for the latter. Moreover, the scope of consolidation of information included in accounting reports and Pillar 3 information is different<sup>5</sup>. Despite these differences, the EBA has often stressed the importance of clear links between these two data sources, accounting and Pillar 3 disclosures, in order to enable users to find a complete and consistent set of disclosures. This point was also echoed by the FSB

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<sup>2</sup> Implementing Technical Standards (ITS) are legislative provisions made by the European Commission on the basis of advice received from the ESAs. They determine the conditions of application of delegated acts. They are purely technical and do not imply strategic decisions or policy choices. The ITS on supervisory reporting covers information for internal supervisory use (capital adequacy, leverage ratio, liquidity ratios).

<sup>3</sup> Directive 2004/109/EC.

<sup>4</sup> Although not directly mandated by the CRR, the annex to the EBA work programme for 2013 (<http://www.eba.europa.eu/cebs/media/aboutus/Work%20Programme/EBA-BS-2012-163-FINAL-Annex--EBA-work-programme-for-2013-.xls>) explicitly envisages further work, starting from EBA's own initiative, on Pillar III disclosures by EU banks (see lines 250, 258 and 259).

<sup>5</sup> Information published under the Transparency Directive follow a broad consolidation approach (following accounting standards) as it aims to provide the investor with a full picture of the financial information related to the entire group of the listed entity. Pillar 3 information, on the other hand, follows a regulatory scope of consolidation with consolidation among entities of the same group by sector of activity (banking, excluding therefore insurance corporations).

Enhanced Disclosure Task Force (see next paragraphs). However, access to the information that the TD requires listed companies to publish is quite limited at the current moment<sup>6</sup>.

In addition to Pillar 3 and transparency requirements, banks may be subject to other complementary public disclosures, such as the results of stress-test exercises. The following table provides a summary of all relevant information sets:

Table 1. Main public quantitative disclosure requirements for banks

Disclosure	Coverage	Data type	Frequency
Pillar 3	All banks	Own funds, exposures	At least, annual (in the EU) <sup>7</sup>
Transparency	Listed banks	Balance sheet, P&L	Annual, semi-annual
Stress-tests	Sample of banks	Risk parameters, exposures	Ad-hoc, not recurring

As stated in the EBA 2012 report on 2011 banks' Pillar 3 disclosures (EBA, 2012), the complementary character of Pillar 3 and the nature of market discipline have led many national supervisors to adopt a non-prescriptive approach regarding practical aspects of the publication of Pillar 3 information, which leads to differences in timeliness, presentation formats and verification of disclosures. The current Capital Requirements Directive (CRD) only requires Pillar 3 information to be publicly disclosed, but does not prescribe a location or format. Furthermore, the CRD does not require a specific deadline for publication of Pillar 3 disclosures, but rather expects financial institutions to publish them as soon as practicable. Although Basel II and "Basel 2.5", as well as the respective CRDs do not foresee the use of harmonized formats for the disclosure of Pillar 3 information, national supervisors, at least in Europe, may set deadlines and prescribe specific formats, and actually some do so. The actual publication dates of annual Pillar 3 disclosures vary significantly among banks, ranging from early March to early June. A reduction of the time lag between the publication dates of the annual report and the Pillar 3 information is expected this year as a result of the entry into force of the CRD / CRR, as the new requirements explicitly state that "annual disclosures shall be published in conjunction with the date of publication of the financial statements". Currently, most banks produce a stand-alone Pillar 3 report, while others present their Pillar 3

<sup>6</sup> Currently, the TD requires listed companies to publish information on their websites and also requires national Officially Appointed Mechanisms (OAM) to centralise the same information on their websites. However, this is currently done in a very heterogeneous way across countries (some publish pdf, for example) and the information included in the annual and, semi-annual reports is not harmonised: the TD does not provide for an obligation to publish the Annual Report in one specific EU language. This makes it difficult for EU policy makers to have an easy and user-friendly access to relevant information from the TD.

<sup>7</sup> In the Basel framework, the frequency of Pillar 3 disclosure is generally semi-annual.

disclosures within their annual reports. Furthermore, some banks prepare separate Pillar 3 reports with cross-references for certain data in their annual reports.

Regarding the data content of Pillar 3, in addition to qualitative information, banks shall disclose quantitative information on the following categories: own funds, capital requirements, exposure to counterparty credit risk, credit risk adjustments, exposure to market risk, exposures to equities not included in the trading book, exposure to interest rate risk on positions not included in the trading book, exposure to securitisation positions, and (soon possibly after the entry in force of the CRD / CRR) on leverage and capital buffers. Most of this information can be linked to EBA's COREP templates<sup>8</sup> although COREP was essentially built considering the Pillar 1 requirements of the CRD, and not considering its disclosures requirements, a fact that leads to some presentation differences between these templates and Pillar 3 reports. Indeed, in the EBA version of the BCBS disclosure template for own funds, a direct link to the CRR articles is available<sup>9</sup>, while for the other Pillar 3 disclosures a link between the disclosure requirements and Pillar 1 requirements is still missing.

Following the crisis, banks have certainly improved their disclosure of Pillar 3 information but this information is still not harmonised, difficult to find and insufficiently granular. To this extent, the 2012 EBA report on banks' transparency (EBA, 2012)<sup>10</sup> notes that, in addition to specific improvements needed in terms of granularity of information for all the areas assessed in the report, one of the main challenges of Pillar 3 information is comparability amidst banks, and that greater comparability or some standardisation would enhance the benefits of Pillar 3 information for users, as disclosures should be sufficiently detailed to enable users to perform meaningful comparisons of businesses and risks between different banks, including across various national regulatory regimes.

This need for better comparability has also been acknowledged by other stakeholders, including banks themselves. For example, the report of the FSB Enhanced Disclosure Task Force (EDTF)<sup>11</sup> provides "*illustrations of particular instances where investors have suggested*

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<sup>8</sup> The COmmon REPorting (COREP) guidelines on prudential reporting are part of a supervisory reporting framework based on common formats, which is expected to become part of EBA's implementing technical standards on reporting in 2013.

<sup>9</sup> See the draft EBA disclosure standard EBA/CP/2012/04: <http://www.eba.europa.eu/Publications/Consultation-Papers/All-consultations/2012/EBA-CP-2012-04.aspx>.

<sup>10</sup> The 2012 EBA Transparency reports focus on disclosures regarding scope of application, own-funds, credit risk for IRB exposures, securitisation, market risk and remuneration.

<sup>11</sup> The EDTF was established by the FSB in May 2012 following an FSB roundtable in December 2011 of experts from around the world. The roundtable outlined broad goals for improving the quality, comparability and transparency of risk disclosure, while reducing redundant information and streamlining the process of bringing relevant disclosures to the market quickly. The EDTF has established six workstreams reflecting banks' primary risk areas: 1) risk governance/management; 2) capital adequacy and RWA; 3) liquidity and funding; 4) market risk; 5) credit risk; and 6) other risks. The work of the EDTF has been focused on the disclosure of accounting-based information to the public; hence it does not touch upon regulatory reporting. As such, the EDTF was mainly private-sector- led initiative which comprised no representative from supervisory authorities, although contacts took place between them.



*that consistency of presentation would improve their understanding of the disclosed information and facilitate comparability among banks” (FSB, 2012).*

Also credit rating agencies are keen to see improvements in this domain (Moody’s, 2009; Standard’s & Poor’s, 2009). Indeed, on the occasion of a recent EBA user consultation, rating agencies commented that Pillar 3 disclosures suffer from the following issues: i) lack of a consistent and transparent format; ii) absence of consistent definitions; iii) timing of the publication of Pillar 3 reports, especially the time lag between the end of a credit institution’s accounting period and the publication of its Pillar 3 report; and iv) lack of comprehensive information of the risk profile of the institutions.

In conclusion, Pillar 3 is a sub-set of what banks report to national supervisors (Pillars 1 and 2), with additional qualitative information and different presentation and granularity levels. Hence, Pillar 3 remains an additional and unique source of risk-related information, which complements, not overlaps, others (transparency, stress-tests). Banks, rating agencies, the press and the public would benefit as well from enhanced disclosure of Pillar 3 and other information, as they currently face difficulties due to lack of harmonisation and access channels. Actually, the ESRB General Board has expressed its views in this sense by stating that *“to reduce uncertainty regarding banks’ assets, possible measures, in addition to banks’ own restructuring efforts, could include: improved standardised public information, including enhanced disclosure of loan loss provisioning and availability of collateral”* (ESRB, 2012).

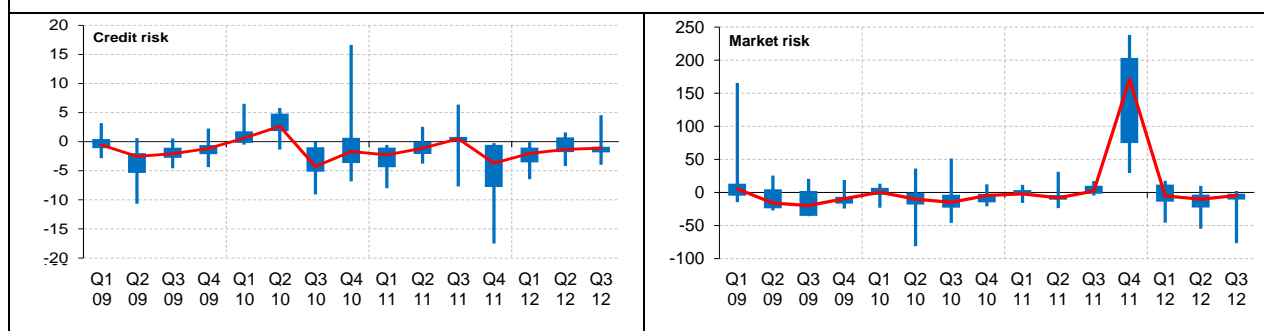
### **3. Value added for financial stability analysis**

The information contained in banks’ Pillar 3 disclosures can be of great use for financial stability analysis for two main reasons. First, more comprehensive information on the composition of banks’ risk weighted assets and on how they are computed is important when analysing the solvency positions of banks. Second, information on banks’ various exposures is a key element for understanding and analysing the risk profile of a bank. Moreover, Pillar 3 information is a unique data source for macro-prudential authorities, which do not often have direct regular access to supervisory information, at least not on an individual-group level. The uses of Pillar 3 information for financial stability purposes are not restricted to these two presented below, which must be understood as indicative examples, but would cover a multitude of other areas.

First, detailed information on the composition of banks’ risk weighted assets is important when identifying possible bank solvency fragilities. Regular and timely information is needed since the composition of risk-weighted assets can change significantly over time and across banks (see Chart 1). A recent example of such changes was the fluctuations in the composition of euro area large and complex banks groups’ (LCBGs) risk-weighted assets as a result of the implementation of the CRD III on 31 December 2011 (this Directive implemented in the EU the “Basel 2.5” amendments). These changes did indeed result in significant shifts in the composition of some banks’ capital ratios in the final quarter of 2011 (see Chart 1), in particular by applying considerably higher risk weights to securitisations in the trading book and to market risks measured via internal models.

To assess the quality of banks' risk weighted asset calculations and comparability across banks, detailed and harmonized Pillar 3 disclosure information can be of great use. Comparing aggregate risk-weighted asset levels across banks is prone to shortcomings since, for example, the credit quality and historical information used in the computations can vary widely across banks. A comparison of risk weightings on a more detailed portfolio level can therefore be more informative. In addition, comparing a bank level changes in their portfolios over time can provide valuable information on how banks' change their risk-weighted asset calculations (i.e. to compare risk weightings of bank A's AA-rated corporate loans to bank B's AA-loans over time<sup>12</sup>).

Chart 1. Changes in euro area risk-weighted assets for credit and market risk of a sample of large and complex banking groups, Q1 2009 to Q3 2012, median and interquartile range, percentage points per quarter



Source: SNL Financial and own calculations

Information on banks' various exposures at default is needed to be able to assess how fragilities in, for example, different non-financial private sectors could increase credit risks for banks. This information is in particular relevant when conducting top-down stress test of banking sectors. The usefulness of exposure disclosures was evident in the recent stress test and recapitalisation exercises by the EBA, which included the publication of detailed bank-level data. This information was widely used by the official sector and was also very welcomed and widely used by private sector analysts.

In addition to the above mentioned more direct benefits for financial stability analysis of collecting Pillar 3 information, a regular collection of standardised Pillar 3 information (or a subset of it) could also bring the benefit of comparisons of harmonised information over time (and also, on a cross-country basis), which in turn would improve financial stability analyses.

<sup>12</sup> This approach has also been followed by analysts in recent reports. It must however be borne in mind that the quality of such comparison depends on other factors, such as the granularity of the disclosures on the links between internal and external grades, and the information on the boundaries between portfolios.



#### 4. On-going developments at EU and global level

At EU level, as mentioned above, the EBA carries out an annual exercise, as part of its regular tasks, of assessing Pillar 3 reports of a sample of European banks with cross-border activities to monitor their compliance with the CRD requirements (EBA, 2012). This exercise has been running since 2008. In the 2012 exercise, beyond the identification and promotion of best practices, as it did in the previous assessments, the EBA has decided to include in the report additional explanations on the objective and expected content of specific Pillar 3 disclosure areas with the aim of promoting better harmonisation and comparability of banks' Pillar 3 disclosures on a voluntary basis. In addition, during the first quarter of 2012, in an effort to enhance the outcome of the analysis, the EBA issued a questionnaire in order to start a targeted dialogue with investors and/or users of Pillar 3 information.

The EBA Chair, Andrea Enria, at the sixth ECB Statistics Conference, mentioned that in the exercise carried out by EBA in 2011 progress made by banks in implementing Pillar 3 requirements was noticed (Enria, 2012). However, he identified important areas for improvements as regards content and form. Regarding the former, the range of information released to the market needs to be broadened. As regards the latter, since the presentation of the information is still very diverse, it raises comparability issues. He also agreed that a strengthened Pillar 3 is crucial but the disclosure of banking information should go beyond Pillar 3, envisaging the possibility of EBA playing a role in setting up a pan-European data hub, bringing together in a common database the reports of top EU banks after their content has been first of all harmonised through use of common template or enhanced guidance in key areas.

At global level, many initiatives are under way. These include the above-mentioned FSB Enhanced Disclosure Task Force by the Financial Stability Board, which was mandated to develop principles and best practice for risk disclosures in a coordinated manner. At the same time, the Financing Accounting Standards Board (FASB), the accounting standard-setter in the US, has launched projects on Disclosures about Liquidity Risk and Interest Rate Risk, and on Disclosure Framework<sup>13</sup>. The International Accounting Standards Board (IASB), which issues the IFRS, has also launched a project on disclosures, which is currently at its initial stages<sup>14</sup>. A second important initiative in promoting standardisation of Pillar 3 disclosure is led by the Basel Committee on Banking Supervision (BCBS). The BCBS work in this field is coordinated by its Working Group on Disclosure (WGD). In addition, the BCBS has issued templates for disclosures on the composition of capital under the Basel III regime. This initiative has been translated at the EU level into an ITS on disclosures for own-funds, which will be applicable when the CRR comes into force in the EU. For other Basel III requirements (e.g. on credit risk capital requirements), no disclosure guidelines have been defined yet and need to be developed.

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<sup>13</sup> See <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1218220137074>.

<sup>14</sup> See <http://www.ifrs.org/Current-Projects/IASB-Projects/Conceptual-Framework/Pages/Conceptual-Framework-Summary.aspx>.



It is important to mention that, in December 2011, the ECB, via its Directorate General Statistics, responded to the BCBS consultative document on the definition of capital disclosure requirements under Basel III (BCBS, 2011). In particular, the ECB welcomed the BCBS proposal and its EU transposition, in view of the current data limitations<sup>15</sup>. The ECB also suggested making this information available in electronic format within a centralised database, right at the time of publication, in order to allow a timely access and use of Pillar 3 information for macro-prudential analysis. It was also stressed that the impact of the common templates on the reporting burden of respondents would be minimised if these templates would be a sub-set of the existing supervisory reporting requirements.

The ECB response was inspired by the approach followed in the US. There, information made available by banks, stored in a public database<sup>16</sup>, follows the same format and structure than the regular (quarterly) supervisory reports<sup>17</sup>. US subsidiaries of EU banking groups are also applying the US disclosure approach and no strong comments in the direction that such disclosure is found to be burdensome or affecting the confidentiality of information is recurrently made. For this reason, the US approach may represent a benchmark for Europe in the longer-term.

## 5. A proposed way forward

As discussed above, regulatory supervisory reporting and Pillar 3 disclosure fall within the EBA scope, while the Transparency Directive requirements do not. However, in accordance with the principles advocated by the BCBS<sup>18</sup>, all quantitative public disclosure requirements should, in theory, be covered by supervisory reporting requirements as included in the ITS on supervisory reporting (COREP, FINREP<sup>19</sup>, Liquidity, Leverage). Exceptions should only occur with information that is not deemed useful for supervisory purposes.

In order to achieve the disclosure of and an enhanced access to harmonised Pillar 3 information, this note proposes a way forward, which comprises four steps, under the coordination of the EBA. Fully aware of the need to have a global approach to the enhanced disclosure of Pillar 3 information, this way forward seeks to complement global initiatives and does not suggest any parallel work to that currently carried out by the BCBS. To that aim, it

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<sup>15</sup> See <http://www.bis.org/publ/bcbs212/europecentral.pdf>. The letter stressed that information on banking groups is often collected according to different (accounting, supervisory) purposes, valuation methods and degrees of granularity, making any comparison and aggregation of data amongst banking groups difficult and thereby also hampering the macro-prudential analysis. Moreover, since public disclosure lacks a consistent implementation, the data collection implies error-prone manual handling of scattered information.

<sup>16</sup> See <https://cdr.ffiec.gov/public/Default.aspx>.

<sup>17</sup> As Basel II is not applied in the US, there cannot be a reporting of Pillar III information by US banks.

<sup>18</sup> See paragraph 810 of the Basel II Agreement (BCBS, 2006).

<sup>19</sup> Financial Reporting (FINREP) templates are a set of templates, based on accounting concepts. FINREP templates are part of the ITS on supervisory reporting.

would be important if the EBA reflects on how to best cooperate with the BCBS in the area of Pillar 3 reporting, so that an open and fluid dialogue can be established. Furthermore, it is the intention here to raise awareness of and to invite relevant stakeholders to agree on a working agenda in this area. The proposed four steps are the following:

- i. To identify those requirements of Pillar 3 information suitable for standardization<sup>20</sup> and to map them with regulatory supervisory reporting, once the requirements in CRR/CRD IV are stabilised.
- ii. To identify, in cooperation with users and seeking involvement of the reporting banks, which parts of the templates in the ITS on supervisory reporting partially or fully overlap with Pillar 3 requirements, and if needed to further work on their harmonisation<sup>21</sup>. A harmonisation of the presentation and content of a common set of quantitative disclosures shall not prevent banks from disclosing beyond the standardised templates, as banks will need to assess the recommendations of other global or European standard setters and may, as a result, disclose additional information. This process shall not limit the qualitative information within Pillar 3, which is highly relevant to better understand the risks faced by the individual institutions.
- iii. To work on further harmonisation of those Pillar 3 disclosures which exceed information covered by the ITS on supervisory reporting (via common definitions, guidelines, templates), especially in cases of qualitative disclosures and new requirements or differences in the granularity level between regulatory reporting and Pillar 3 disclosures. This work should not hamper the flexibility of reporting banks to adapt their qualitative reporting to changing conditions and scenarios.
- iv. At a later stage, when work in the previous three steps so suggests, to make this harmonised Pillar 3 information publicly available through the establishment of an EU-wide data base.

Involvement of reporting banks under step 2 shall be sought in order to ensure that the standardization of parts of Pillar 3 information is not carried out in a way which substantially increases the reporting burden, and that a fruitful and constructive dialogue is held regarding the most efficient way to articulate the various reporting obligations of banks. In this process, the introduction of lengthy, detailed and complex requirements which may hamper the flexibility needed by banks to report on issues of concern to the public shall be avoided. In fact, excessive complexity and detail would have negative undesired effects. Actually, the standardisation sought in steps 2 and 3 above should contribute to an improvement in the

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<sup>20</sup> It must be acknowledged that some of the requirements in Pillar 3 cannot be subject to standardised reporting, such as, among others, the disclosures of qualitative nature covering the risk management strategies of the reporting bank.

<sup>21</sup> The standardization of parts of the Pillar 3 requirements must take adequately into account the risk of creating a “filling-the-form” or “check-list” attitude towards Pillar 3, which would certainly damage the transparency it shall provide, by principle, to financial markets.

main characteristics that make information transparent (understandability, relevance, reliability and materiality) and should not be made at the expense of these decisive characteristics.

If the proposed four steps are followed, Pillar 3 information would become more visible to its potential users (understood, in a broad way, as the European general public) and would foster its role as a factor effectively contributing to financial stability purposes, to macro-prudential analysis and to an assessment of the risk behaviour of banks.

Finally, in what regards information covered by the TD and always ensuring that the main objective of the TD is met<sup>22</sup>, the European Commission, as the institution in charge of the accounting-based information in Europe, is encouraged to pursue further harmonisation efforts of this information. In particular, the European Commission could open a dialogue with financial stability, supervisory and other users in order:

- to find an agreement on some disclosures of FINREP which are directly derived from the accounting standards (IFRS) and which therefore could be used to comply with some of the IFRS disclosures requirements, especially those laid down in IFRS 7, with the goal of reaching the maximum possible alignment<sup>23</sup>; and
- to consider further work on some harmonisation (definition, presentation) of the TD information covering banks only (similarly to the work undertaken at national level by some accounting standards setters in liaison with NSAs) and which could also result in the public use of parts of FINREP disclosures and definitions.

While harmonisation is a concern for accounting disclosures in general and for banks in particular, any extension beyond banks would imply the involvement of ESMA and, for insurance companies and pension funds, EIOPA as well.

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<sup>22</sup> The TD shall be applied by all institutions, financial and non-financial, listed in a securities market in the EU. Therefore, the TD is not mandatory for non-listed banks.

<sup>23</sup> Since the TD applies the accounting scope of consolidation and the CRR the prudential scope of consolidation, the amounts reported under the TD and under FINREP would not be the same, but, at least, some convergence in the way information is disclosed would be desirable.



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