

COMMISSION IMPLEMENTING REGULATION (EU) 2022/631**of 13 April 2022****amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for institutions and amending Regulation (EU) No 648/2012 ⁽¹⁾, and in particular Article 434a thereof,

Whereas:

- (1) In December 2019, the Basel Committee on Banking Supervision (BCBS) reviewed its Pillar 3 framework, including the disclosure requirements on interest rate risk in the banking book (IRRBB) ⁽²⁾. In line with the development of the international standards agreed by the BCBS, IRRBB disclosure requirements, applicable from June 2021, were introduced in Article 448 of Regulation (EU) No 575/2013 by Regulation (EU) 2019/876 of the European Parliament and of the Council ⁽³⁾.
- (2) Commission Implementing Regulation (EU) 2021/637 ⁽⁴⁾ should also incorporate the new implementing technical standards on the public disclosures of the IRRBB information set out in Article 448 of Regulation (EU) No 575/2013.
- (3) In order to ensure that institutions disclose comprehensive and comparable information on IRRBB, a table containing qualitative information on interest rate risks of non-trading book activities and a template containing quantitative information on interest rate risks of non-trading book activities should be laid down.
- (4) In order to provide institutions with sufficient time to prepare for the disclosure of information in accordance with this Regulation, institutions should be required to provide in their first-time disclosure only the information for the current period.
- (5) Implementing Regulation (EU) 2021/637 should therefore be amended accordingly.
- (6) This Regulation is based on the draft implementing technical standards submitted to the Commission by the European Banking Authority.
- (7) The European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits, and requested the advice of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ⁽⁵⁾,

⁽¹⁾ OJ L 176, 27.6.2013, p. 1.

⁽²⁾ 'Disclosure requirements: DIS70: Interest rate risk in the banking book'. Version effective as of 15 December 2019. https://www.bis.org/basel_framework/chapter/DIS/70.htm.

⁽³⁾ Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, (OJ L 150, 7.6.2019, p. 1).

⁽⁴⁾ Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295 (OJ L 136, 21.4.2021, p. 1).

⁽⁵⁾ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, (OJ L 331, 15.12.2010, p. 12).

HAS ADOPTED THIS REGULATION:

Article 1

Amendment to Implementing Regulation (EU) 2021/637

Implementing Regulation (EU) 2021/637 is amended as follows:

(1) the following Article 16a is inserted:

Article 16a

Disclosure of exposures to interest rate risk on positions not held in the trading book

1. Institutions shall disclose the information referred to in Article 448(1), points (a) and (b), of Regulation (EU) No 575/2013 by using template EU IRRBB1 set out in Annex XXXVII to this Regulation and by following the instructions set out in Annex XXXVIII to this Regulation.
 2. Institutions shall disclose the information referred to in Article 448(1), points (c) to (g), of Regulation (EU) No 575/2013 by using table EU IRRBBA set out in Annex XXXVII to this Regulation and by following the instructions set out in Annex XXXVIII to this Regulation.
 3. Where institutions disclose an information in accordance with paragraph 1 or 2 for the first time, the disclosure of that information relating to the previous reference date shall not be required.;
- (2) Annex XXXVII, as set out in Annex I to this Regulation, is added;
- (3) Annex XXXVIII, as set out in Annex II to this Regulation, is added.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 13 April 2022.

For the Commission
The President
Ursula VON DER LEYEN

Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities*Free format text boxes for disclosure of qualitative information*

| Row number | Qualitative information - free format | Legal basis |
|------------|--|--|
| (a) | A description of how the institution defines IRRBB for purposes of risk control and measurement | Article 448(1), point (e) |
| (b) | A description of the institution's overall IRRBB management and mitigation strategies | Article 448(1), point (f) |
| (c) | The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB | Article 448(1), points (e) (i) and (v); Article 448(2) |
| (d) | A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable) | Article 448(1), point (e) (iii); Article 448(2) |
| (e) | A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable) | Article 448(1), point (e) (ii); Article 448(2) |
| (f) | A high-level description of how the Institution hedges its IRRBB, as well as the associated accounting treatment (if applicable) | Article 448(1), point (e) (iv); Article 448(2) |
| (g) | A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable) | Article 448(1), point (c); Article 448(2) |
| (h) | Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures | Article 448(1), point (d) |
| (i) | Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional) | |
| (1) (2) | Disclosure of the average and longest repricing maturity assigned to non-maturity deposits | Article 448(1), point (g) |

Template EU IRRBB1 - Interest rate risks of non-trading book activities

| Supervisory shock scenarios | | a | b | c | d |
|-----------------------------|-------------------|---|-------------|------------------------------------|-------------|
| | | Changes of the economic value of equity | | Changes of the net interest income | |
| | | Current period | Last period | Current period | Last period |
| 1 | Parallel up | | | | |
| 2 | Parallel down | | | | |
| 3 | Steeper | | | | |
| 4 | Flattener | | | | |
| 5 | Short rates up | | | | |
| 6 | Short rates down' | | | | |

ANNEX II

'ANNEX XXXVIII

Instructions for interest rate risk on positions not held in the trading book disclosure templates*Disclosure instructions for Template EU IRRBBA*

Institutions are to disclose the qualitative information specified below on the basis of their internal risk measurement system methodology, standardised methodology or the simplified standardised methodology, when applicable, in accordance with Article 84 of Directive 2013/36/EU.

These instructions have been developed based on the requirements in Article 448 of Regulation (EU) No 575/2013 and in line with the Basel Pillar 3 disclosure standard.

| Legal references and instructions | |
|-----------------------------------|--|
| Row number | Explanation |
| (a) | <p>A description of how the institution defines IRRBB for purposes of risk control and measurement</p> <p>In accordance with Article 448(1), point (e), of Regulation (EU) No 575/2013, institutions are to provide a general description of how the interest rate risk of their non-trading book activities for the purposes of the competent authorities' review in accordance with Article 84 of Directive 2013/36/EU is defined, measured, mitigated and controlled.</p> |
| (b) | <p>A description of the institution's overall IRRBB management and mitigation strategies</p> <p>In accordance with Article 448(1), point (f), of Regulation (EU) No 575/2013, institutions are to provide a general description of the overall IRRBB management and mitigation strategies, including: the monitoring of economic value of equity and net interest income in relation to established limits, hedging practices, conduct of stress testing, outcome analysis, the role of independent audit, the role and practices of the asset and liability management committee, the institution's practices to ensure appropriate model validation, and timely model updates in response to changing market conditions.</p> |
| (c) | <p>The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB</p> <p>In accordance with Article 448(1), point (e)(i) and (v), of Regulation (EU) No 575/2013, institutions are to provide a general description of the specific risk measures that are used to estimate changes in their economic value of equity and in their net interest income and indicate the periodicity of the evaluation of the interest rate risks.</p> <p>In accordance with Article 448(2) of Regulation (EU) No 575/2013, the description of the specific risk measures used to gauge the sensitivity to IRRBB are not to apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.</p> |
| (d) | <p>A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable)</p> <p>In accordance with Article 448(1), point (e)(iii), of Regulation (EU) No 575/2013, institutions are to provide a general description of the interest rate shock scenarios used to estimate the interest rate risk.</p> <p>In accordance with Article 448(2) of Regulation (EU) No 575/2013, those disclosure requirements are not to apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.</p> |
| (e) | <p>A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable)</p> <p>In accordance with Article 448(1), point (e)(ii), of Regulation (EU) No 575/2013, where key modelling and parametric assumptions used in the institution's internal measurement systems differ from those referred to in Article 98(5a) of Directive 2013/36/EU used for disclosure of template EU IRRBB1, the institution is to provide a general description of those assumptions, including the rationale for those differences (e.g. historical data, published research, management judgement and analysis, etc.).</p> |

| | |
|----------|--|
| | <p>In accordance with Article 448(2) of Regulation (EU) No 575/2013, those disclosure requirements are not to apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.</p> |
| (f) | <p>A high-level description of how the institution hedges its IRRBB, as well as the associated accounting treatment (if applicable)</p> <p>Specifically, in accordance with Article 448(1), point (e)(iv), of Regulation (EU) No 575/2013, institutions are to identify the effect of hedges against their interest rate risks, including internal hedges that meet the requirements laid down in Article 106(3) of Regulation (EU) No 575/2013.</p> <p>In accordance with Article 448(2) of Regulation (EU) No 575/2013, those disclosure requirements are not to apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.</p> |
| (g) | <p>A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)</p> <p>In accordance with Article 448(1), point (c), of Regulation (EU) No 575/2013, institutions are to provide a general description of the key modelling and parametric assumptions, other than those referred to in Article 98(5a), points (b) and (c), of Directive 2013/36/EU used for the purpose of calculating changes to the economic value of equity and to the net interest income in template EU IRRBB1. This general description is to include at least:</p> <ul style="list-style-type: none"> (a) how the average repricing maturity of non-maturity deposits has been determined, including any unique product features that affect the assumed behavioural repricing date; (b) the methodology used to estimate the loan prepayment rates, and/or the early withdrawal rates for fixed-term deposits, and other significant assumptions; (c) any other assumptions, including for instruments with behavioural optionalities, that have a material impact on the IRRBB measures disclosed in template EU IRRBB1, including an explanation of why these are material. <p>In accordance with Article 448(2) of Regulation (EU) No 575/2013, those disclosure requirements are not to apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.</p> |
| (h) | <p>Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures</p> <p>In accordance with Article 448(1), point (d), of Regulation (EU) No 575/2013, institutions are to provide a general explanation of the significance of the IRRBB measures disclosed in template EU IRRBB1 and of any significant variations of those IRRBB measures since the previous disclosure reference date.</p> |
| (i) | <p>Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)</p> <p>Any other relevant information which institutions wish to disclose regarding the IRRBB measures included in template EU IRRBB1.</p> <p>. Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, institutions are to disclose the parameters used for the supervisory shock scenarios, the definition of net interest income they are using and any other relevant information for understanding how the changes of net interest income have been computed in template EU IRRBB1.</p> |
| (1), (2) | <p>Disclosure of the average and longest repricing maturity assigned to non-maturity deposits</p> <p>In accordance with Article 448(1), point (g), of Regulation (EU) No 575/2013, institutions are to disclose the average and longest repricing maturity assigned to non-maturity deposits from retail and non-financial wholesale counterparties. The disclosure shall refer separately to both the core part and the full amount of non-maturity deposits from retail and non-financial wholesale counterparties.</p> |

Disclosure instructions for Template EU IRRBB1

1. Institutions are to assess the interest rate risk of non-trading book activities on the basis of their internal measurement system methodology, standardised methodology or simplified standardised methodology, when applicable, as defined in accordance with Article 84 of Directive 2013/36/EU, given the supervisory shock scenarios and the common modelling and parametric assumptions defined in Article 98(5a) of Directive 2013/36/EU.
2. These instructions have been developed based on the requirements in Article 448 of Regulation (EU) No 575/2013 and in line with the Basel Pillar 3 disclosure standard.
3. Institutions are not required to provide in their first-time disclosure the information for the previous period.

| Instructions for completing the disclosure template EU IRRBB1 | |
|--|---|
| Column | Explanation |
| a, b | <p>Changes of the economic value of equity</p> <p>Article 448(1), point (a), of Regulation (EU) No 575/2013. Institutions shall report the changes in the economic value of equity under each supervisory interest rate shock scenario, for the current and previous period, in accordance with the requirements under Articles 84 and 98(5) of Directive 2013/36/EU.</p> |
| c, d | <p>Changes of the net interest income</p> <p>Article 448(1), point (b), of Regulation (EU) No 575/2013. Institutions shall report the changes in the net interest income under the two supervisory interest rate shock scenarios envisaged in the template for the current and previous period, in accordance with the requirements under Articles 84 and 98(5) of Directive 2013/36/EU. Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, institutions shall describe the definition and key characteristics (scenarios, assumptions and net interest income horizons) of net interest income they are using in point (i) of table EU IRRBBA or, if they leave those columns blank, they shall explain the reasons in point (i) of table EU IRRBBA.</p> |
| Row | Explanation |
| 1 | <p>Parallel up</p> <p>Institutions are to disclose the changes of the economic value of equity and the changes of the net interest income under a constant parallel upward shock in the yield curve. Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, the parameters used for this scenario shall be described in point (i) of table EU IRRBBA.</p> |
| 2 | <p>Parallel down</p> <p>Institutions are to disclose the changes of the economic value of equity and the changes of the net interest income under a constant parallel downward shock in the yield curve. Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, the parameters used for this scenario shall be described in point (i) of table EU IRRBBA.</p> |
| 3 | <p>Steepener</p> <p>Institutions are to disclose the changes of the economic value of equity under a scenario of short rates down and long rates up of the yield curve. Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, the parameters used for this scenario shall be described in point (i) of table EU IRRBBA.</p> |

| | |
|---|---|
| 4 | <p>Flattener</p> <p>Institutions are to disclose the changes of the economic value of equity under a scenario of short rates up and long rates down of the yield curve.</p> <p>Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, the parameters used for this scenario shall be described in point (i) of table EU IRRBBA.</p> |
| 5 | <p>Short rates up</p> <p>Institutions are to disclose the changes of the economic value of equity under a scenario of short rates up of the yield curve.</p> <p>Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, the parameters used for this scenario shall be described in point (i) of table EU IRRBBA.</p> |
| 6 | <p>Short rates down</p> <p>Institutions are to disclose the changes of the economic value of equity under a scenario of short rates down of the yield curve.</p> <p>Until the criteria of the guidelines specified in Article 84(6) of Directive 2013/36/EU and the further elements listed in Article 98(5a) of Directive 2013/36/EU are applicable, the parameters used for this scenario shall be described in point (i) of table EU IRRBBA.'</p> |