



08 June 2020

Spring 2020 EU-wide transparency exercise: Frequently Asked Questions

1. What is a transparency exercise?

The transparency exercise is a mean through which the EBA disseminates bank-by-bank information on a wide sample of EU banks in a consistent and comparable way. Since its establishment in 2011, the EBA has promoted additional disclosure and transparency in the EU banking sector as a way to improve market discipline and restore confidence in EU banks.

2. How often does the EBA release this data?

The EBA conducts transparency exercises on an annual basis, usually in late Autumn in conjunction with the publication of the Risk Assessment Report.

3. Why do we have a Spring exercise in 2020?

The Spring 2020 EU-wide transparency exercise comes as an exceptional disclosure in response to the outbreak of COVID-19. After postponing the EU-wide Stress Test to 2021, in order to allow banks to focus on and ensure continuity of their core operations, the Board of Supervisors agreed on an additional EU-wide transparency exercise to be carried out with the aim of providing updated information on banks' exposures and asset quality to market participants. The EBA considers that the provision to market participants of continuous information on banks' exposures and asset quality is crucial, particularly in moments of increased uncertainty.

4. How does it differ from a stress test?

Transparency exercises are purely disclosure exercises where only supervisory reporting data on a bank by bank level is published, and no shocks are applied (as it is the case for stress tests).



Transparency exercises, just like stress tests, are conducted by the EBA on a regular basis at the EU-wide level and cover the largest EU banks at their highest level of consolidation. Both exercises aim at promoting market and supervisory discipline and providing transparency on banks' exposures, so as to address any uncertainties that may still remain.

5. What is the reference date of the Spring transparency exercise data?

The reference dates for the data of the Spring 2020 Transparency exercise are September 2019 and December 2019.

6. Does the data from transparency exercise shed light on the impact from Covid-19?

The data included in the Spring 2020 exercise can serve a benchmark on the condition of the banking sector before the pandemic crisis and as a starting point for the analysis of the crisis impact. The direct impact from Covid-19 on the banking sector will be more evident with the disclosure of 2020 data in the next Transparency exercises.

7. How many banks are involved?

The Spring 2020 EU-wide transparency exercise provides detailed bank-by-bank data for 127 banks from 27 countries of the European Union (EU) and the European Economic Area (EEA).

8. Who will use this information?

The information disclosed is expected to be extensively used by banks, market analysts, academics and international organizations in their assessments of EU banks, which will result in better understanding of and confidence in the EU banking sector.

9. How is the transparency exercise related to the Risk Assessment Report (RAR)?

The year-end EU-wide transparency exercise is usually published together with the Risk Assessment Report (RAR). Instead, the Spring exercise is complemented with a booklet with key statistics on EU banks, which are based on a wider sample of banks.

10. What kind of data is disclosed and which are the main changes in comparison with previous exercises?



The disclosure templates are mostly in line with the ones used in the 2019 exercise. The most significant changes for this year's exercise derive from the disclosure of two additional templates, disclosing information related to Liabilities and exposures towards industry sectors (by NACE activities). The templates for the Spring 2020 exercise cover the following areas: capital, leverage ratio, risk exposure amounts, profit and losses, assets, liabilities, market risk, credit risk, exposures to sovereign, non-performing exposures, forbore exposures and Breakdown of loans and advances to non-financial corporation. All the templates are entirely populated with supervisory reporting data.

11. How are capital increases, merges and acquisitions or any restructuring action on banks' balance sheets treated in the Spring 2020 EU-wide transparency exercise?

The Spring 2020 EU-wide transparency exercise includes supervisory reporting data as of September 2019 and December 2019. Therefore, any banks' actions having an impact on their balance sheets happened after these reference dates are not considered in the exercise. In case of major events, a footnote to the templates explains the impact of such events.

12. In which format is the data being released?

The EBA has developed a set of practical tools to help users navigate through the Spring 2020 EU-wide transparency data. These include interactive maps and aggregation tools, as well as a complete dataset in CSV format, which can be imported into any analytical software for analysis purposes.

The transparency dataset itself is stored in four different CSV files and shows all the bank-by-bank data contained in the transparency templates. Each CSV file is related to a particular data category, reflecting the content of one or more transparency templates. The maps tool allows users visualizing and analysis data by country and by bank through maps.