



2 December 2016

2016 EU-wide transparency exercise:

Frequently Asked Questions

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1. What is a transparency exercise?

The transparency exercise is a means 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. The 2016 EU-wide transparency exercise will enable all market participants to better understand and assess the EU banking system thanks to the detailed data on banks' capital positions, risk exposure amounts and asset quality.

2. How does it differ from a stress test?

Transparency exercises are purely disclosure exercises where only bank-by-bank actual data is published, and no shocks are applied. 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 types of exercise aim at promoting market and supervisory discipline and providing transparency on banks' exposures, so as to address any uncertainties that may still remain.

3. How many banks are involved?

The 2016 EU-wide transparency exercise provides detailed bank-by-bank data for 131 banking groups from 24 countries of the European Union (EU) and the European Economic Area (EEA).



4. Who will use this information?

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

5. How is it related to the Risk Assessment Report (RAR)?

For the first time, the EU-wide transparency exercise is published together with the Risk Assessment Report (RAR), which is based on a wider sample of 157 banks. In the transparency exercise database, as well as in the interactive tools, data is also disclosed for the bucket "All other banks", which includes the aggregated values for 26 banks which are in the RAR sample but not in the transparency exercise. These banks report to the EBA at the highest level of consolidation and, therefore, their data contributes to the EU averages. The disclosure of figures for the rest of the sample allows users to reconcile the transparency data with the respective figures for the EU provided in the RAR.

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

The extensive disclosure released in December 2016 is in line with past exercises and covers the following areas: capital, RWA, profit and losses, market risk, credit risk, exposures to sovereigns, non-performing exposures and forborne exposures. To promote efficiency and consistency across time, the 2016 transparency exercise, and future exercises, will rely on supervisory reporting data. Therefore, this year, the information on sovereign exposures is based on the current FINREP reporting from banks which is at present slightly less granular than in previous years. We are working to improve the supervisory reporting framework to include the same level of granularity on sovereigns for the future. The new requirements are now in consultation and are expected to be adopted in 2017.

7. In which format is the data being released?

The EBA has developed a set of practical tools to help users navigate through the 2016 EU-wide transparency data. These include interactive maps and excel 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 five 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.

8. What is the reference date of the transparency exercise data and of the risk assessment report?

The reference dates for the data of the transparency exercise are Q4 2015 and Q2 2016. The risk assessment report covers all quarters since Q4 2014. The cut-off date for this data, as included in the transparency exercise and risk assessment report, is 18 November 2016.

9. How often will the EBA release this data?

The EBA conducts transparency exercises on an annual basis.