SimpleBankReporter

An EXCEL based tool and related methodology to facilitate reporting to European Authorities and minimise cost and time

http://www.simplepraxis.net

Reporting Requirements for Banks in Europe

- The European Union dictates that about 5.000 Banks have to report on a Monthly / Quarterly and Annual basis, a large number of “Figures”.
- All these Banks come from EEA (European Economic Area) countries, i.e.. EU plus Norway, Iceland & Liechtenstein.
- Each “Figure” represents an economic index that is necessary to be provided by Banks to the Regulatory Authorities.
- The flow of Reporting from Banks to Authorities, can be briefly presented by the following diagram:

Annual requirements per Bank:

- 50+ report submissions,
- about 40.000 distinct Figures,
- about 120.000 reported Figure Facts

Annual Reporting Workload from European Banks to Authorities

- There are about 20 different report types:
  - 2 out of them are monthly,
  - 10 Quarterly and
  - 8 Annual.
  - Note that each bank maybe exempted from some of the above report submissions on a case-by-case basis
- Total Submissions: From 50 to 70 Reports per Bank per Year on average
- There are 5.000 Banks but also other types of institutions (i.e. Banking groups, resolution groups, investment firms etc) that may reach even 7.000 total Institutions (still, out of Banks, the other institutions submit limited specific number of reports).
- In reality, each Report type consists of several Tabular Templates. There are reports with 1 Template and others with 70 Templates.
  - Estimated Average number of Templates submitted per Bank per Year: 700
- Average Number of reported Figures (i.e. Cells) per Template: 170
- Total Anticipated Figure Facts required to be submitted per Bank per Year: 700 X 170 = 119.000

Example of a Report Template (in EXCEL)

F 32.03.b - Asset encumbrance: Not pledged. Own covered bonds and ABS issued and not yet pledged (b)

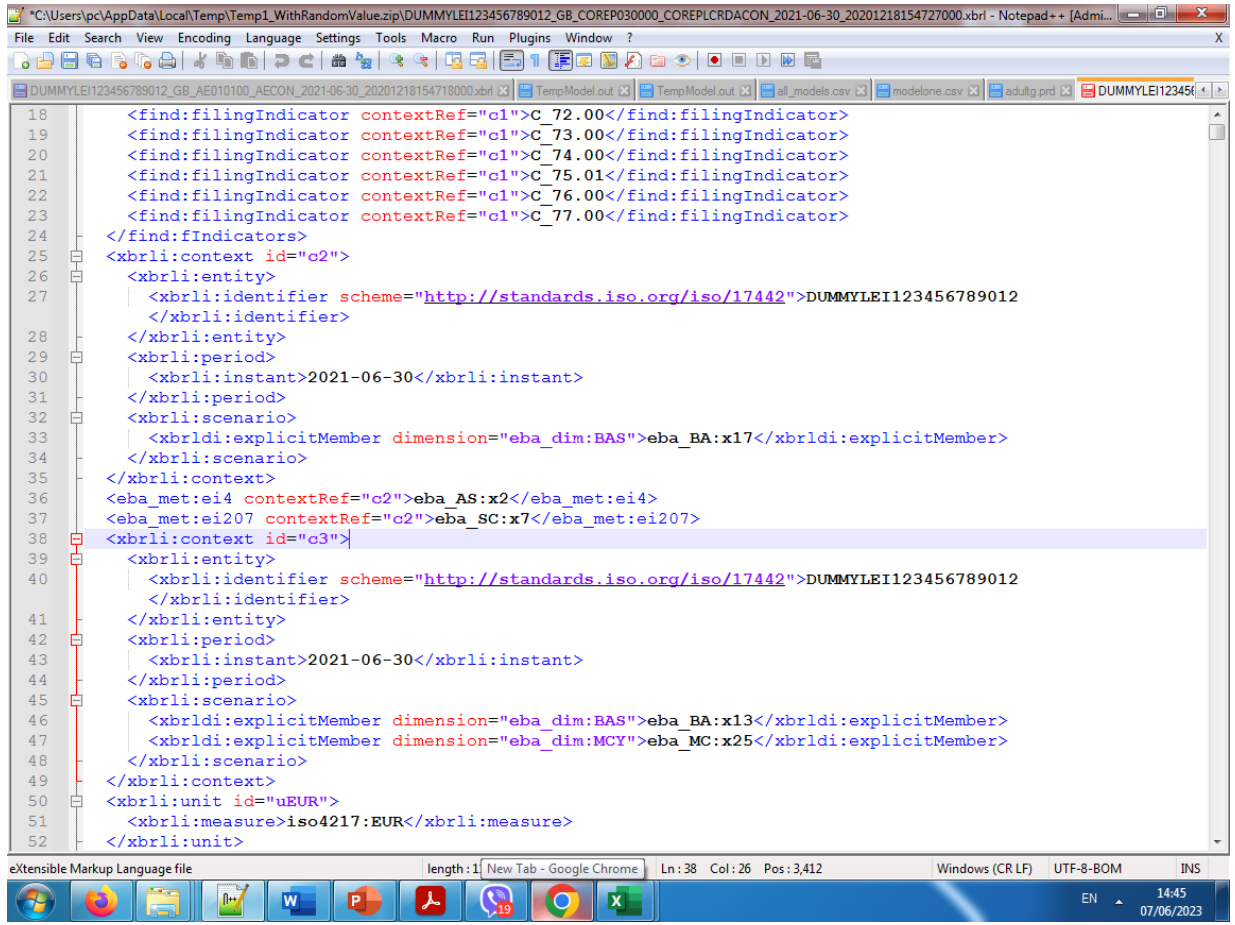
(contains 24 Figures and the values supplied are the Figure Facts that are reported)

			Columns			
			Non-encumbered			
			Fair value of debt securities issued available for encumbrance			Nominal of own debt securities issued non available for encumbrance
				Of which: central bank's eligible	Of which notionally eligible EHQLA and HQLA	
			020	030	035	040
Rows	Own covered bonds and securitisations issued and not yet pledged	010	15,000,000	12,000,000	3,000,000	9,000,000
	Retained covered bonds issued	020	8,000,000	7,000,000	1,000,000	6,200,000
	Retained asset-backed securities issued	030	7,000,000	5,000,000	2,000,000	2,800,000
	Senior	040	4,500,000	3,200,000	1,300,000	1,700,000

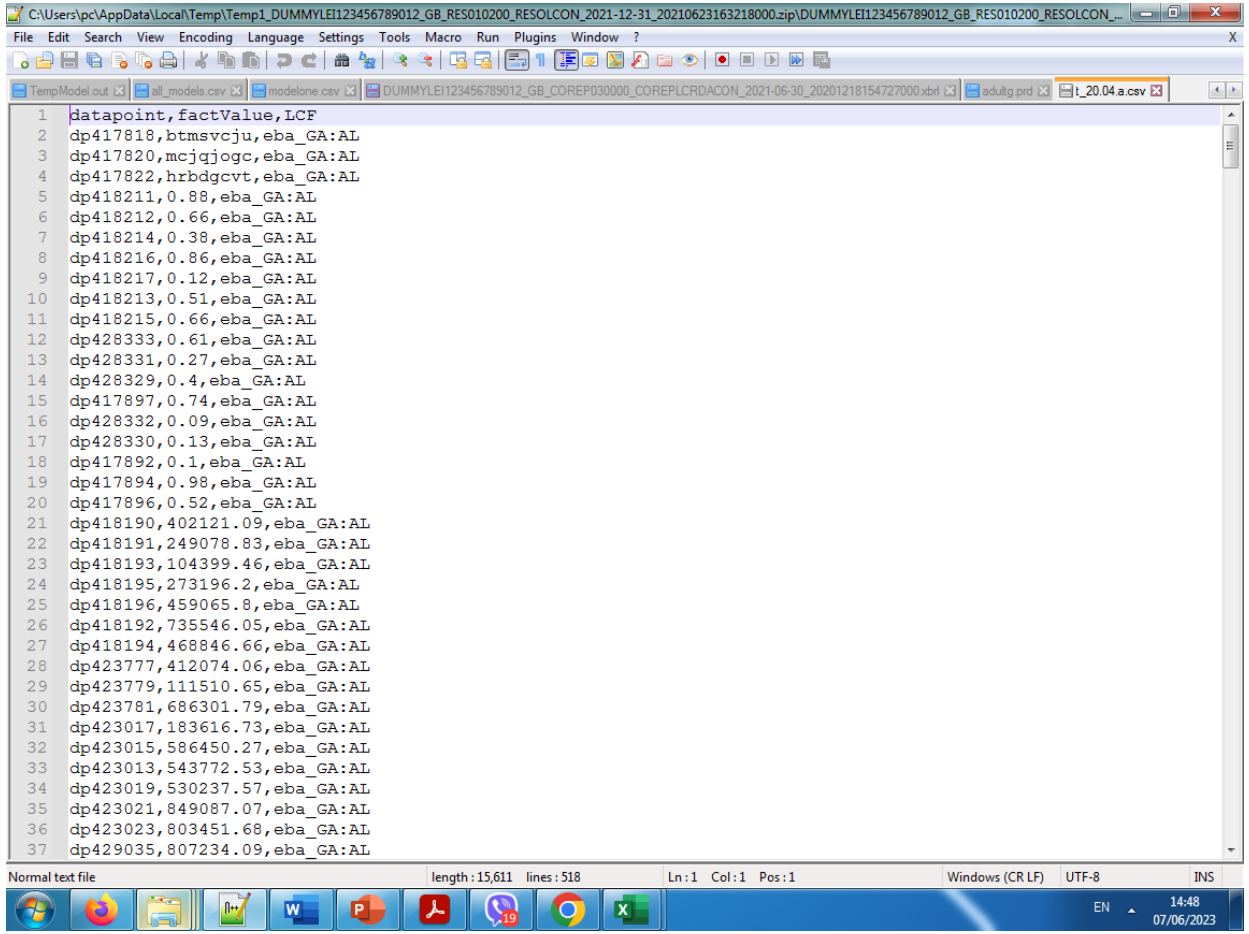
Challenges in Bank Reporting

- Each Bank has to submit about 120,000 Fact Figures (i.e.Report Cells) annually.
- Each such Figure is itself an Index that needs to be either calculated and estimated manually or extracted as a derivation by another system in the Bank. The extraction of some of these figures is also a process that needs to spend some time especially if these figures are estimates.
- The extraction and data entry of these 120,000 Figures is an extremely time consuming task.
- This task is made even more challenging since the figures are not reported in EXCEL format but in either XBRL/XML format or in a specific CSV format. Both these formats are user-unfriendly and need specific Bank Experts to encode the figures in the required report formats and submit to Authorities.
- Moreover, the submitted report files must follow specific name conventions and compliance to standards.

Example of XBRL/XML Report Format



Example of CSV Report Format



Steps to Facilitate Report Generation by “Simple Bank Reporter” Tool in EXCEL

- The user enters the EXCEL file of the Tool and selects the Report he / she wants to generate
- He / she is prompted to input the right Report Information (e.g. Banking Entity Code, Report Reference Date ad other parameters).
- Then automatically he / she is presented with all the required Report Templates in EXCEL sheet format.
- The user enters Fact Figures in EXCEL.
- Some Automation of figure data entry is also possible and will be discussed later
- After completing Report development the User can proceed to Report Generation.
- ***By pressing a button, the tool automatically Generates the proper CSV file and the proper XBRL file (as preferred by the user).***
- Then the user is ready to submit the Report to the Authorities.

Automation of Data Entry with “Simple Bank Reporter” Tool in EXCEL

- Banks are moving towards automation of processes. Several of the required figures could be extracted by other systems of the Bank and entered automatically to the EXCEL report without the user having to do manual data entry.
- To enable this facility, ***“Simple Bank Reporter” can provide an easy to use interface file and methodology which would lead the automatically extracted values to be stored into a file and then by pressing a button, the user automatically incorporates them from the file to the report***.
- The exact methodology of automating data importing into EXCEL reports, depends on each Bank technical environment and requirements. Experts can train and provide services to the Banks (if required) in order to assist them in automating data entry.
- An ideal target for a Bank would be to automate all its Report Figure data entry by extracting all the required figures from its systems. Then by a single import action all the Report EXCEL file would be ready and the Bank would directly generate the final reprt in XBRL/XML or CSV format, ready to submit.
- In such ideal circumstances as above, only a report coordinator would be required to import the data, supervise the report integrity and eventually generate the final file formats to be submitted. This would save huge time, cost and also data entry risks from the Bank itself.

Advantages of the Proposed Solution

- Report data entry is done in EXCEL files and automatic conversion is carried out within a moment to the required XBRL and/or CSV formats ready to submit. Hence:
  - Bank persons have a user friendly EXCEL environment that facilitates data entry and data auditing.
  - No bank experts are required to care for report generation in XBRL or CSV
  - The resulting XBRL and CSV files are free of syntactic errors and ready to be submitted. Note that such files are usually prone to errors when they are manually prepared.
  - Time and cost for Report file generation and submission is greatly reduced.
- Data Entry automation would lead to:
  - Drastic reduction of Report Generation time & cost
  - Reduction of any type of data entry errors (if we assume that the source data extracted by other systems are correct).
  - As already mentioned, a full automation would make the report generation task, eventually “lights off” with maximisation of all the advantages mentioned above.

Scope of Services provided with “Simple BankReporter Tool”

- “Simple Reporter Tool” in EXCEL in Annual Subscription packages.
  - Each package covers a group of report types
  - An annual license is valid for a whole Banking Institution to be used by any department of it for all reports of the annual period.
- Updates of the EXCEL tool every time updated report packages are issued.
- Identification of changes from one Package Release to the Next, so that Banks are adapted.
- Support Services:
  - Training and demonstration on how to carry out data entry and report generation to the required XBRL/XML and CSV formats.
  - Basic Explanation of the Interfacing method employed for automating Data Entry and Consulting Services to implement Automation based on the Banks’ own technical environment and systems.
  - Consulting and Recommendation to a Bank in order to maximise data entry automation process and hence minimise report generation time, cost and data entry risks.
  - Free email support is provided for ordinary issues.

Target Attainments for the Banks

- Drastically reduce time and cost of report preparation.
- No need of XBRL reporting experts and manual XBRL preparation or scripting that might also be a significant investment for each Bank individually
- Minimal time to adjust to updates and identification of the required updates for each new version.
- Maximal automation can be attained in data entry task and eventually make the task of report generation even “lights off” by maximising the above-mentioned advantages.

Thank You!

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