Leveraging iXBRL for banking & insurance Pillar III disclosures

Proof of Concept

- Antoine Bourdais – Clément Duhamel
- Invoke
  - o Direct Member XBRL International
  - o Premium Member XBRL Europe
  - o Member XBRL France, UK, Spain, Sweden

The European System of Financial Supervision

A multi-levels network around 3 European Supervisory Authorities (ESA)

EBA
European Banking Authority

Regulation : CRR2 – CRD V

- **Prudential reporting**
  - Mandatory in **XBRL**

- **Public Disclosure availability**
  - No mandatory format
  - Templates introduced in the regulation

EIOPA
European Insurance and Occupational Pensions Authority

Regulation : Solvency II

- **Prudential reporting**
  - Mandatory in **XBRL**

- **Public Disclosure availability**
  - No mandatory format
  - Templates introduced in the regulation and in the taxonomy since 2018

ESMA
European Securities and Markets Authority

Regulation : Transparency directive – ESEF

- **Public Annual Financial Report**
  - Mandatory in **inline XBRL**

- **Public Disclosure availability**
  - inlineXBRL on a voluntary basis for the 2020 Annual Report[*]
  - inline XBRL mandatory for the 2021 Annual Report

* A majority of countries have opted for the optional postponement

Objectives of the proof of concept

- Leveraging iXBRL for the insurance Pillar 3 disclosures

- Why this example ?
  - ESEF is already a digital reality for public narrative reports – Pillar 3 public disclosures not yet

  - Insurance Pillar 3 reports (Solvency and Financial Conditions reports SFCR) are publicly available in PDF

  - An opportunity to highlight that implementing inlineXBRL for narrative reports production and analysis is not a huge topic from a technology point of view

- Proof of Concept in 2 steps : production and analysis

Live Proof Of Concept – Part #1

Production of an iXBRL Pillar 3 report

- From an existing PDF Pillar 3 report

- Based on the Solvency 2 taxonomy and public disclosures templates published by the European Authority (EIOPA)

iXBRL PRODUCTION PLATFORM
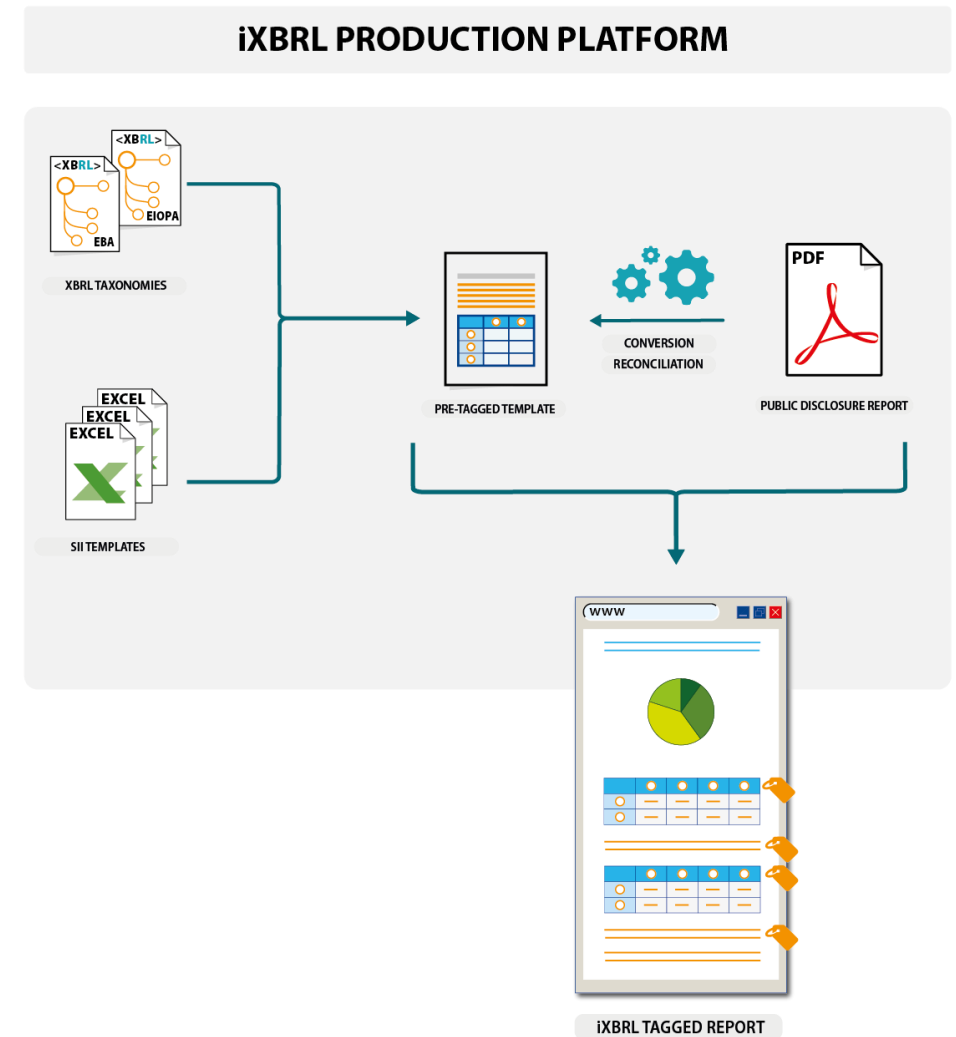
Live Proof Of Concept – Part #2

Analysis of iXBRL Pillar 3 reports published by many European insurance groups of companies

- From a stock of iXBRL reports prepared by Invoke as seen in Part 1

- By crossing the data extracted from this new stock of digital information

LIVE XBRL ANALYSIS PLATFORM
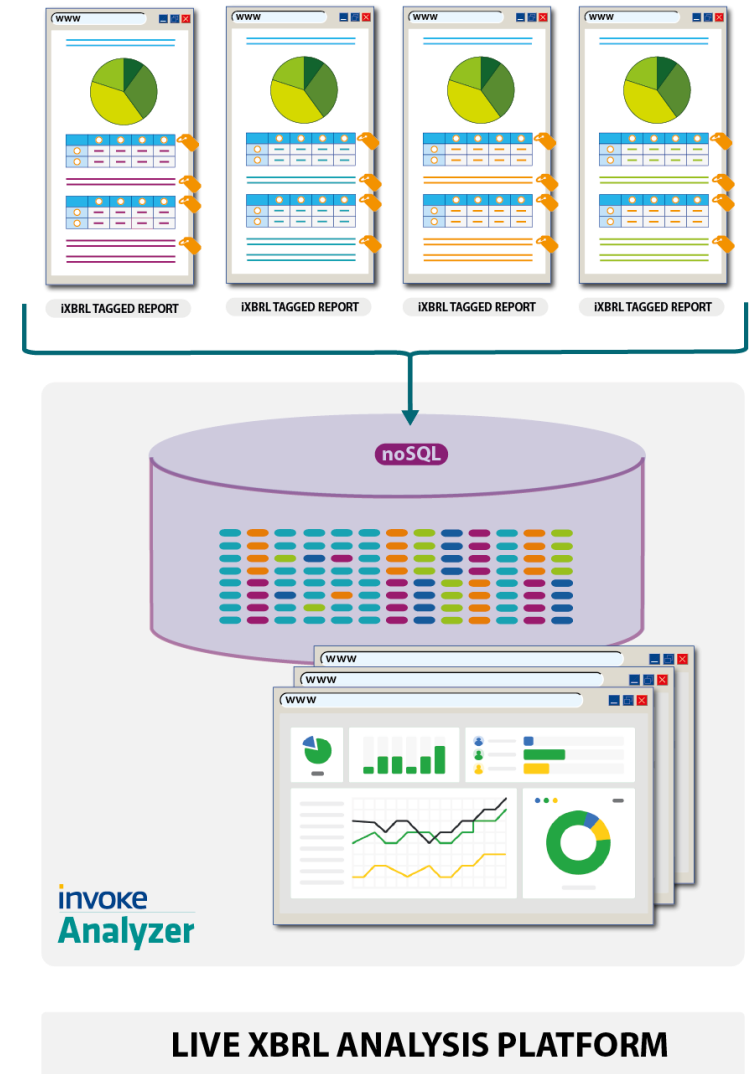
Conclusion

- Main issues during the preparation of this Proof of Concept :
    - o Some entities do not necessarily publish today the required level of public information
    - o Some entities have used solo template for group information in their PDF reports
    - o Frequent errors on currencies, accuracy…
    - → Digitization helps to evaluate and benchmark the data quality

- The technology is mature enough for digitization of public information both for production and analysis

- inlineXBRL is a very smart vehicle to support this digitization

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