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# The future of supervisory and statistical reporting in Europe

Seminar on AnaCredit

Milan, 11 March 2016

# Overview

**1** High quality data – the key to effective policy making

**2** Holistic approach to data reporting

**2.1** Vision and recommendations on integration (GRISS)

**2.2** Banks' Integrated Reporting Dictionary (BIRD)

**2.3** European Reporting Framework (ERF)

**2.4** Standardisation



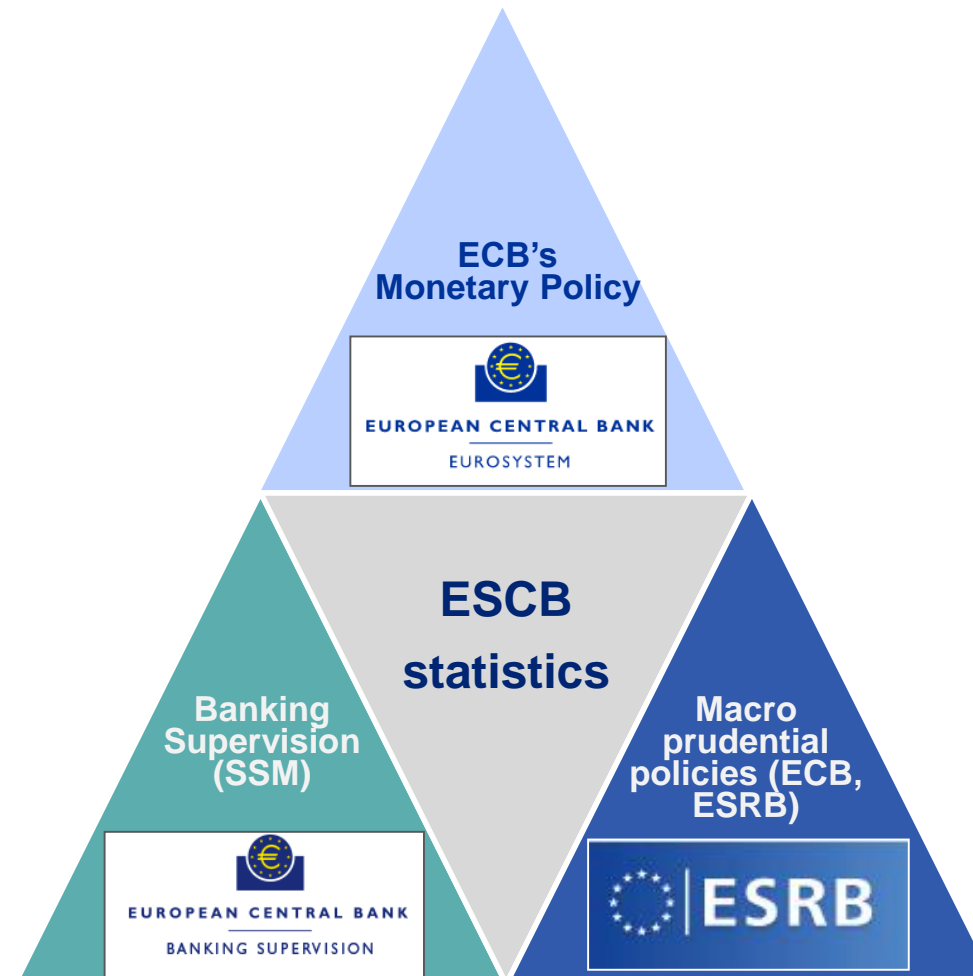
**ECB President  
Mario Draghi**

***“Policy-making and, indeed, decision-making are only as good as the information on which they are based”***

Seventh ECB Statistics Conference, Frankfurt am Main,  
15 October 2014

<https://www.ecb.europa.eu/press/key/date/2014/html/sp141015.en.html>

The remarkable expansion of ECB's functions has increased significantly its data needs



## Quantitative and qualitative impact on ECB statistics

- **More granular data** is needed to serve multiple purposes
- **More flexibility** is needed to serve ad-hoc and urgent data requests
- **Need to capture heterogeneity and interconnectedness**
- **Need to complete the statistical coverage of:**
  - all financial sectors, markets and instruments ;
  - financial vehicle corporations (FVCs) and insurance companies;
  - the shadow banking system.
- **Need to serve the substantial needs of the ECB's banking supervision (Single Supervisory Mechanism)**

## **Micro-databases to support ECB tasks**

### **Some ESCB current projects relating to granular data to cover multi-purpose information needs**

- Centralised Securities Database (CSDB) - extension
- Securities Holdings Statistics (SHS) - extension
- Analytical Credit dataset (AnaCredit) – new
- Money market statistical reporting (MMSR) - new

### **Other micro data for ECB banking supervision**

- EBA's Implementing Technical Standards on supervisory reporting
- Own needs of the ECB banking supervision - new

## Analytical Credit Dataset (Anacredit)



**Multipurpose set of harmonised granular data on credit and credit risk [*under development*]**

- **When?** to be implemented in a stepwise approach; the first stage (tentatively) introduced in 2018
- **What?** bank loans (and guarantees) to legal entities above €25,000 e.g. *non-financial corporations* (not households, at least in the first stage!)
- **Who?** all banks in the euro area
- **For whom?** central banking purposes e.g. monetary policy, risk management, macro prudential supervision... and statistics
- **Legal basis?** ECB regulation in preparation

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ECB President  
Mario Draghi

*“The **big challenge** for statistics in the coming years is not only “many more numbers”, but, perhaps much more so, the **reconciliation of statistical information** collected in support of monetary policy and financial stability with the until now rather separate world of supervisory information”*

Seventh ECB Statistics Conference, Frankfurt am Main,  
15 October 2014

<https://www.ecb.europa.eu/press/key/date/2014/html/sp141015.en.html>

## 2014 vision and recommendations from ESCB's Groupe de Réflexion on the integration of statistical and supervisory data (GRISS)

### Integration

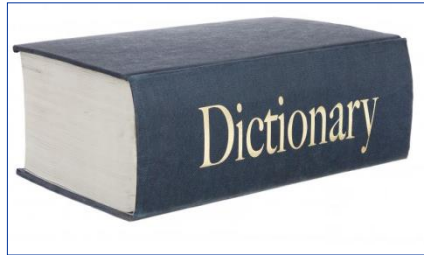
managing different areas of statistical and supervision information as parts of a single system



### Long-term harmonisation

of practices, methodologies and processes currently followed for data production

## Three key elements



### **Banks' Integrated Reporting Dictionary (BIRD)**

Common language with the industry

Logical description of data at the banks and transformation rules to produce existing reports



### **ECB Single Data Dictionary (SDD)**

Common language within the ECB

Methodological and semantic integration of existing European reporting frameworks

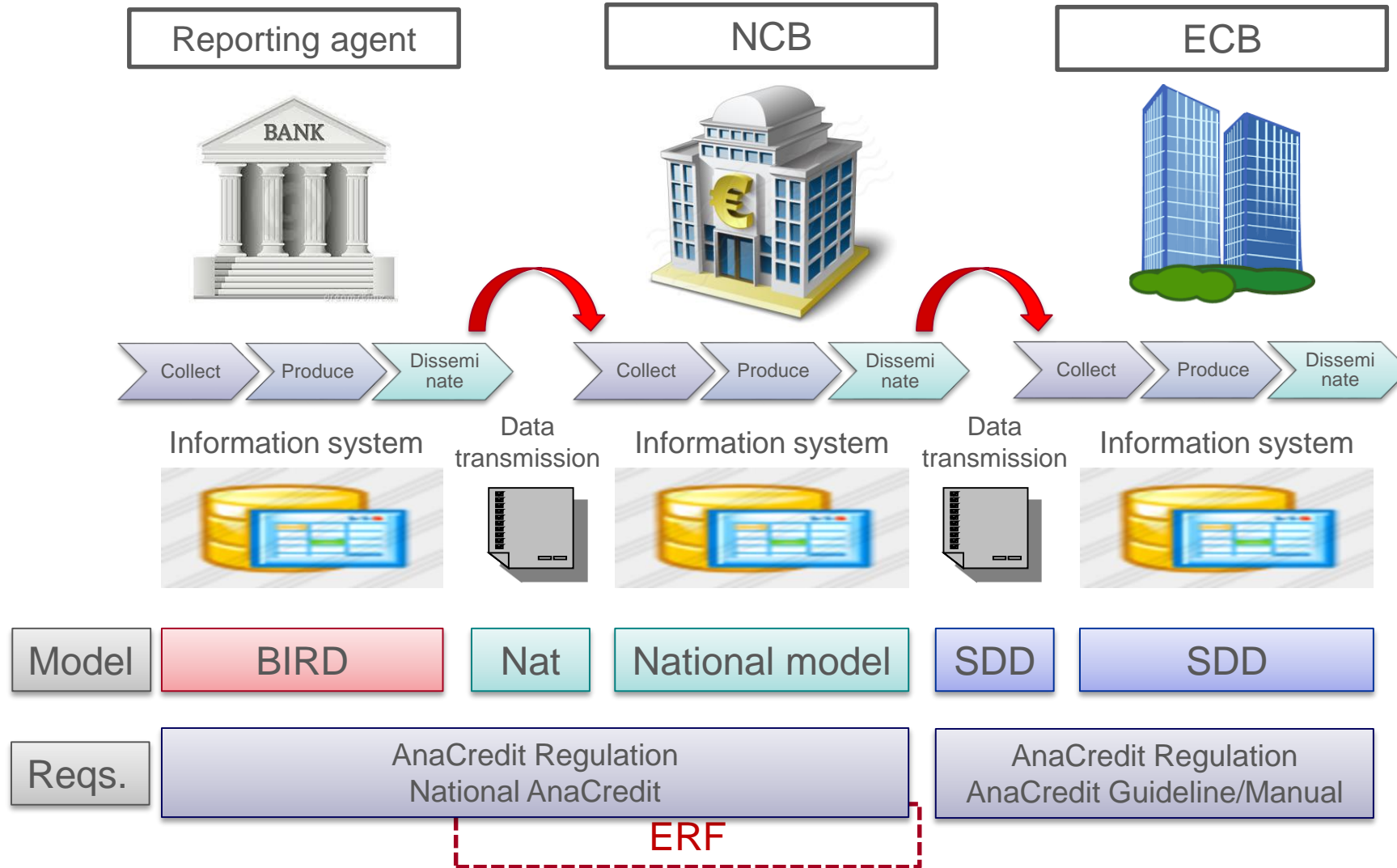


### **European Reporting Framework (ERF)**

“One report” replacing the multiple, overlapping reports

Vision: single and integrated ERF for the ECB and EBA (ITS)

# Envisaged application to AnaCredit project



## Further GRISS recommendations for data integration

- ✓ Institutional coordination at operational and high levels
- ✓ Removing legal barriers for data sharing
- ✓ Unique accounting standard: impact study
- ✓ IT - Streamline
- ✓ Maintenance of manual and database mapping statistical and supervisory data

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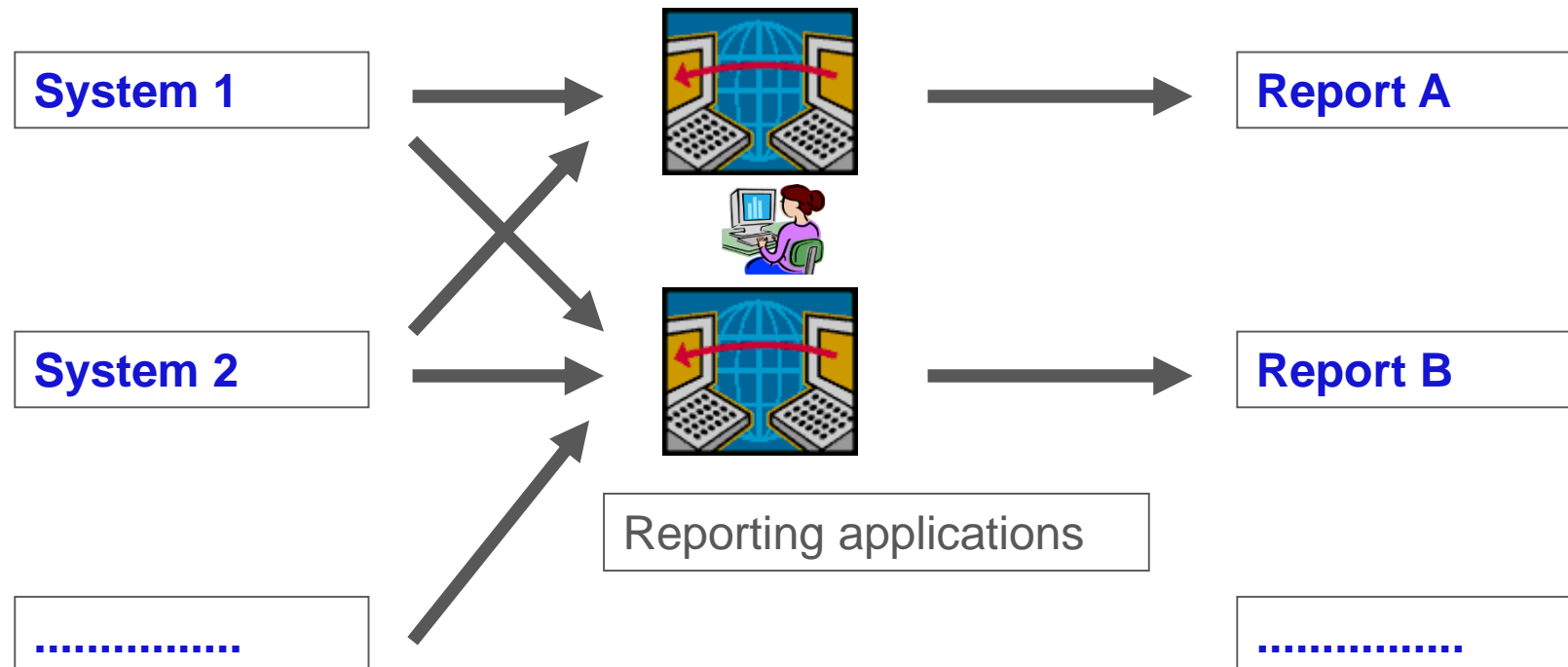
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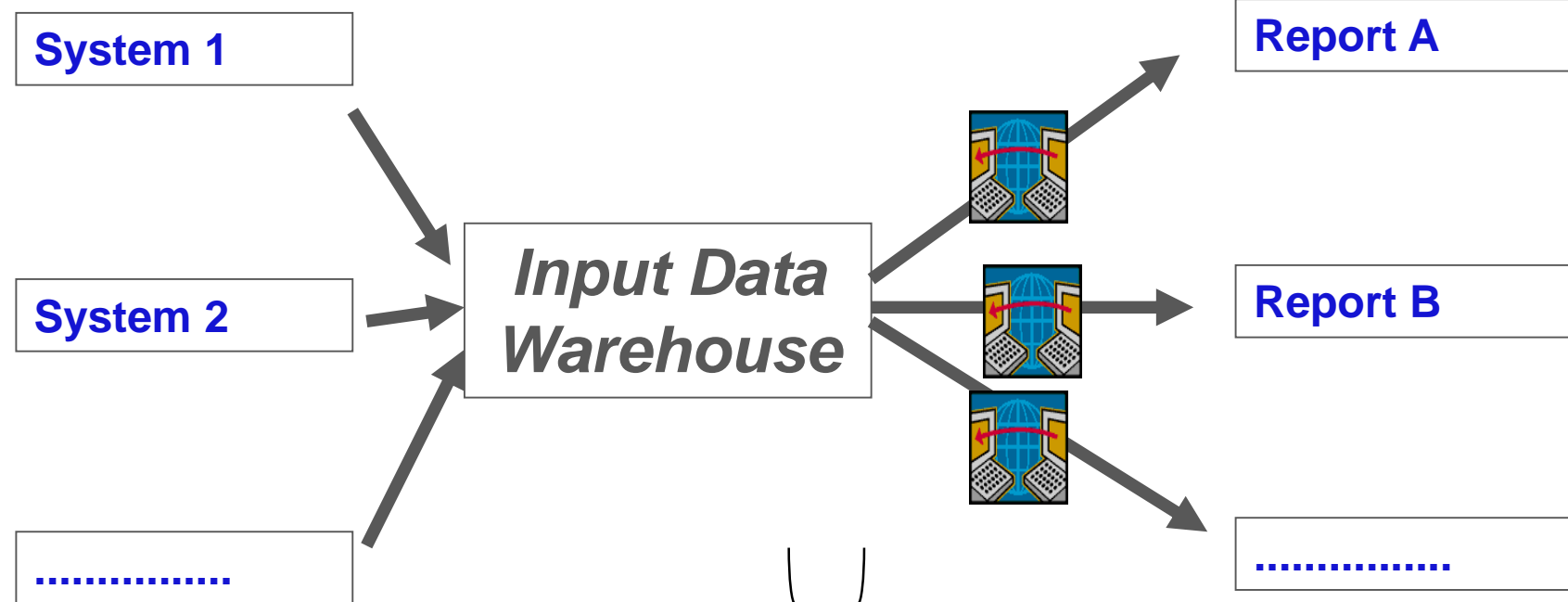
## Banks' processes to produce reports

### NON-INTEGRATED APPROACH

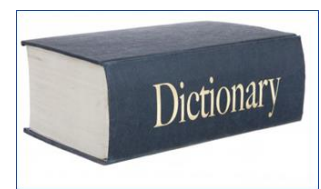


# Banks' processes to produce reports

## INTEGRATED APPROACH



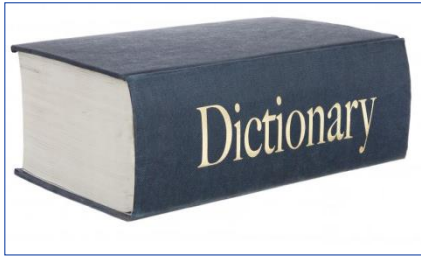
Defined by banks and authorities  
in cooperation



↓  
**BIRD**



## BIRD features



- precise description of the **input data** to be extracted from banks' internal IT systems; and
- data **transformations** needed to derive the reports requested by authorities

- ✓ Carried out and maintained by banks and authorities in close **cooperation**
- ✓ It will be available, as a "**public good**", to banks and all interested parties
- ✓ Its **adoption is voluntary**

**BIRD  
key facts**

## BIRD advantages

### For the banking industry



- **Data consistency:** integrated production of different reports
- **Univocal interpretation of requirements**
- **Facilitates IT solutions for reporting:** automated data processing from banks' internal systems to the authorities
- **Contained reporting burden:** some activities are performed centrally

## BIRD advantages

### For the authorities



- **Data quality:**
  - more harmonized data at the banking system level
  - ease to detect and correct mistakes
- **Flexibility:** quickness to satisfy new reporting requirements

## State of play

### Collaboration model:



- **ECB** plays leading role: it proposes the methodology, organises activities, moderates the discussions, maintains the data dictionary
- **NCBs/NCAs**: they participate on a voluntary basis (currently 7) and promote the initiative at national level
- **Commercial banks**: they participate on a voluntary basis (currently 26)

### Goals:



- **Short-term goal**: BIRD for AnaCredit
- **Long-term goal**: steady state solution to cover all reporting frameworks

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## European Reporting Framework (ERF)



**Integrated and harmonised cross-country reporting scheme for banks, covering most reporting requirements of ECB and EBA**



Best practice for collecting banks' data for different purposes, **avoiding duplication** across various reports



Basis for harmonised production of secondary statistics via **unique transformation rules**



Project in its early stages: design, adoption and timeline of eventual implementation are **“work in progress”**



ERF **key facts** and information (June 2015) available at:  
<http://www.ecb.europa.eu/pub/pdf/other/europeanreportingframeworkkeyfactsandinformation062015.en.pdf>

**ERF  
key facts**

1

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**Standardisation**

## Standardisation

### Legal Entity Identifier (LEI)

- Unambiguous identification of counterparties engaging in financial transactions with a 20-character alphanumeric code
  - Relationships level (planned)
  - Identifier level (already operational)
  - Specific views on relationship networks (planned)

### Unique Trade and Product Identifier (UTI, UPI)

- Going beyond counterparties, cataloguing financial transactions and products themselves
- Under development for OTC derivatives by CPMI-IOSCO harmonization group



Thank you for your attention!

Any questions?

