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Le socle de données structurées pour le reporting & les activités du BIRD

DISCLAIMER: The views and opinions expressed in this presentation are those of the author and do not necessarily represent official policy or position of the ECB.

XBRL France conférence on Données financières digitalisées : obligations et perspectives

Paris, 6 December 2018
## Overview

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1. Envisaged approach to statistical reporting (1/3)

- In *moving beyond the aggregates*, the ESCB is targeting a **holistic approach to data reporting**

**Integration**

managing areas of statistical and supervision reporting as parts of a single system

**Harmonisation**

of practices, methodologies and processes followed for data production = *longer-term objective*

- **Goal:** *extract the most out of existing data* (high value for analysis) and *minimise reporting burden*
1. Envisaged approach to statistical reporting (2/3)

- **Approach to data collection from banks:**
  - Standardise and integrate existing frameworks for banks’ reporting across domains and across countries
  - Presented to the industry (EBF; EBIC) in the Dialogue meeting on 16.3.18

**IReF**

*Integrated Reporting Framework*

Collect the data only once, via an integrated reporting scheme

Focus on **ESCB statistical requirements**

**BIRD**

*Banks’ Integrated Reporting Dictionary*

Support reporting agents to optimally organise the information available in their internal systems
The role of the BIRD in the reporting process

1. Envisaged approach to statistical reporting (3/3)

(*) Using the ECB Single Data Dictionary
2.1. Banks’ Integrated Reporting Dictionary (BIRD)

**BIRD in a nutshell**

**What is BIRD**
- BIRD as set of definitions & transformation rules, jointly developed with and applied by banks to help the regulatory reporting

**Main characteristics**
- The BIRD documentation is on a public website [http://banks-integrated-reporting-dictionary.eu](http://banks-integrated-reporting-dictionary.eu)
- Use of BIRD is free & voluntary for reporting agents

**Work done**
- AnaCredit Manual
- SHS Group reporting
- Integrate FinRep
- Implement a governance
- Define a work plan

**Current and next steps**
- Integrate CoRep
- Integrate new/other supervisory templates
2.2. The cost-benefit analysis for IReF

**Aim**

Assess jointly with the banking industry the IReF impact prior to any decision on implementation.

- Various scenarios will be evaluated
  - combining *reporting, production* and *dissemination* aspects

- Different from the *ESCB procedure for establishing a legal act*

- Two main steps are envisaged
  - starting with a *qualitative stock-taking exercise, and*
  - continuing with a (more quantitative) *cost-benefit questionnaire*

- *Cost-benefit analysis* is expected to run over 2018 and 2019
2.2. Main features of the IReF

- The draft scheme
  - *Integrated set of reports*
    - Actual number and structure depend on outcome of the cost-benefit analysis
  - *Higher granularity* only if required for the multipurpose use of data
  - *Combination* of different granularity levels, plus anchor values
  - *Minimise reporting burden*, through
    - Less redundancy in reporting
    - More stability over time
  - *Proportionality* to be ensured via a suitable derogation scheme
- No single taxonomy or standard for reporting, left to NCBs to assess
3. AnaCredit: why did we go for it?

**Financial crisis**
triggered a massive increase in fragmentation across countries, sectors, markets, etc.

**Aggregated statistics no longer sufficient**
to serve policy needs, as they don’t shade light on the underlying distribution.

**Available granular data inadequate**
for a meaningful cross-country comparison: different concepts & definitions.

**Policy makers**
need to zoom in the data to design appropriate (unconventional) policy measures.

**AnaCredit**
to provide policy makers with more complete, timely, high-quality and fully comparable granular information on credit and credit risk.
3. AnaCredit in a nutshell

- AnaCredit = *Analytical Credit Datasets*

- *Loan-by-loan* information on (euro area) *banks’ credit exposures* to *all legal entities* – including Small and Medium size Enterprises

- All euro area (19) and (27) *EU countries*
  - Reporting from Credit institutions

- Basic features:
  - 88 *data attributes per loan* (e.g. credit and credit risk, interest rate), plus 7 *identifiers* (→ link to *business register*)
  - Reporting frequency: *monthly* (quarterly for some attributes)
  - *Proportionality* with possibility for NCBs to grant (full or partial) *derogations to smaller institutions* and € 25,000 *reporting threshold*
  - *First reporting in November 2018* → 1st reference period *Sept. 18*
3. A magnifying glass for several Central Banks’ tasks

AnaCredit will support several key functions of the ECB → multi-purpose dataset for many potential uses

- **Monetary policy**
  - Demand & supply in credit markets and access to finance of SMEs

- **Monetary policy implementation**
  - Collateral and leverage of financial intermediaries

- **Risk management**
  - Sectoral risk analysis/monitoring for macro stress testing

- **Financial stability / Macro-prudential policies**
  - Risk exposures, interconnectedness and potential contagion

- **Developing new / enhanced statistics**
  - Micro-macro data comparison, derivation of aggregates
3. AnaCredit also beneficial for reporting agents

After the initial investment, reporting agents will also get a return and benefit from AnaCredit.

- **Lower reporting burden**
  - more stable reporting requirements and less ad-hoc surveys

- **Easier compliance with regulatory requirements**
  - definitions and transformation rules in the BIRD
  - requirements *closer to data as available* in the banks’ systems

- **Better assessment of credit-worthiness**
  - with feedback information (possibly) provided by NCBs

- **Benchmarking**
  - meaningful comparison with clusters of banks

- **Increased standardisation**
  - allows more automation and banks to ‘speak a common language’ between themselves
3. Support to the industry for AnaCredit

- ECB and NCBs strongly committed in supporting banks in implementing reporting requirements, also for ensuring data quality

  - **publication** of (3 Parts of) detailed Manual completed in May 2017 [link]
    i.e. 18 months ahead of initial reporting

  - **publication** of Validation checks [link]

  - **publication** - and regular update – of Q&As [link] based on queries by banks to the relevant NCB

  - structured **dialogue** via the Banks’ Integrated Reporting Dictionary (BIRD)

- Work Completed in November 2018 🎉 🎉 🎉
4. RIAD - In a nutshell

The Register of Institutions and Affiliates Data (RIAD)

- Collects business information on (financial) counterparties for statistical and several other business purposes

- Shares data provided to the full ESCB, SSM and other (selected) users

- Assures high data quality of information on reporting populations
  - complete
  - timely
  - accurate, and
  - homogenously defined

- Allows linking different data from different sources
4. RIAD - Salient features

- RIAD moved from **0.5 to 8 million reference/master data on legal entities**
  - Resident in the *euro area*
  - Resident in *other EU countries*
  - Resident in the ‘*rest of the world*’

... and structural data about ~**6,500 groups**

- RIAD allows the ECB to regularly publish *lists* of:

<table>
<thead>
<tr>
<th>Overview</th>
<th>Total</th>
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<tbody>
<tr>
<td>Ref date 03/05/2018</td>
<td></td>
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<tr>
<td>Monetary Financial Institutions</td>
<td>~9,000</td>
</tr>
<tr>
<td>Investment Funds</td>
<td>~58,000</td>
</tr>
<tr>
<td>Financial Vehicle Corporations (securitization)</td>
<td>~4,000</td>
</tr>
<tr>
<td>Payment Statistics Relevant Institutions</td>
<td>~7,000</td>
</tr>
<tr>
<td>Insurance Corporations</td>
<td>~5,000</td>
</tr>
<tr>
<td>Pension Funds (reporting to the ECB)</td>
<td>Soon ~2,000</td>
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- *Stores all relevant data on AnaCredit counterparts*
4. RIAD - Salient features

Comprehensive data model

- Identification e.g. identifiers, address
- Stratification e.g. industrial activity, geographical allocation
- Demographic developments e.g. birth/closure date, corporate actions
- Relationships between units e.g. ownership, control, (fund) management

Linking different datasets: a key feature for data integration!

Full historisation of all data ... new data versioning

No direct access by the industry, but facility envisaged by some NCBs for supporting “Know your customer” and data quality on counterparts
5. Legal framework for supervisory data – EU-wide requirements

- **CRD/CRR provisions on supervisory reporting**
- **ESRB Recommendation on funding plans**
- **BRRD provisions on resolution reporting**

**EBA reporting framework 2.8**

- **ITS on Supervisory Reporting (Regulation (EU) No 680/2014, as amended).**
- **ITS on supervisory benchmarking (Regulation (EU) 2016/2070).**
- **EBA GL on funding plans.**
- **ITS on resolution reporting.**

- **ECB Regulation on financial information (ECB/2015/13).**
  Extension of the ITS to FINREP nGAAP reporters and at solo level

- **EBA Q&As**
5. Legal framework for supervisory data – ECB additional requirements

Regular supervisory data requirements centrally collected

Regulatory reporting

- CRR and CRD IV
- ITS on supervisory reporting, on supervisory benchmarking and on resolution reporting
- GL on funding plans

ECB (EU) 2015/534

- ECB Banking Supervision defines the requirements collected under Article 10 of the SSM Regulation

Ad hoc collections to cover data gaps

- Pilot Exercises and structured Short Term Exercises (STE)

Other Supervisory data collected directly by supervisors

Harmonised COREP FINREP, …

Extension of FINREP
6. Holdings and issues of securities

- **Security-by-security** information
  - Identification through ISIN

- Securities **assets / holdings**
  - Reported by MFIs, IFs, increasingly FVCs, ICs; soon PFs
  - Complemented by custodians

- Securities **liabilities / issuance**
  - Market sources to the *Centralised Securities Database* (CSDB)
  - Numbering and Rating agencies
  - Complemented and quality-checked by National central banks

- **Statistical classifications from CSDB**
  - Criteria defined by compiler (issuer sector, issuer country, maturity, price)
  - Cross-country harmonisation
6. Securities Holdings Statistics Database (SHSDB) (1/2)

- Collecting data on holdings on a *security-by-security basis*

- ESCB/Eurosystem joint project by **ECB** and **Deutsche Bundesbank**

- As for most ESCB statistics, decentralised reporting with **NCBs** receiving input files from reporting agents (*input validation and contact to reporters*)

- *Legal basis* concerning statistics on holdings of securities
  - **Regulation** of the European Central Bank of 17 October 2012 concerning statistics on holdings of securities (amended by ECB/2015/18)
  - **Guideline** of the European Central Bank of 22 March 2013 concerning statistics on holdings of securities (amended by ECB/2015/19)
• 25 (EU) countries participate

• Reporting on a quarterly or monthly frequency

• Holdings of debt securities, quoted shares and investment fund shares

• Positions and transactions

• At market value or nominal value/number of shares

• Classified by investors
  - institutional sector (sector data module)
  - banking groups (group data module)

• Direct reporting (financial sectors) or via custodians (non-financial sectors)
thank you!

For info and questions please contact: AnaCredit-Support@ecb.europa.eu
ANNEX. AnaCredit: State-of-affairs

- **AnaCredit data model** is complex, as reality is (even more!) complex

- Data on counterparts are **loaded in RIAD** and available to NCBs

- **ECB** and **NCBs move hand in hand in implementing** also for ensuring as smooth a start as possible and data quality
  
  - **ECB system rolled out in production in August 18**
    
    Yes! 😊
  
  - **NCBs on track – testing of data transmission**
    
    ongoing
  
  - **First delivery of data to the ECB in November 18**
    
    Yes! 😊
  
  - **Meetings at national level with the banking industry on pending issues and discussing Q&As**
    
    😊😊