



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-Public

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

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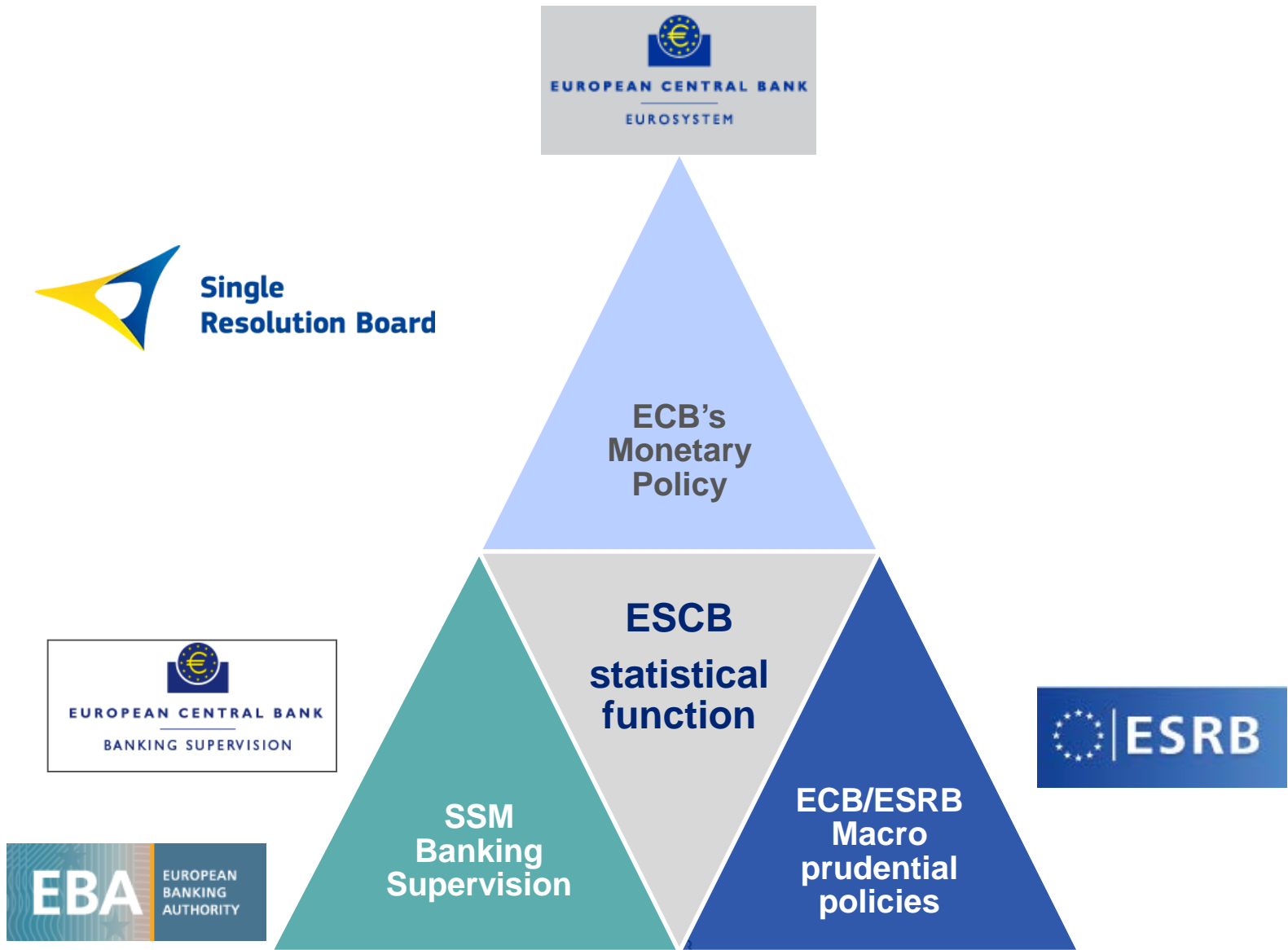
XBRL France conférence
on Données financières digitalisées :
obligations et perspectives

Paris, 6 December 2018

Overview

- 1 *Overall approach to statistical reporting*
- 2 *BIRD and IReF*
- 3 *AnaCredit*
- 4 *RIAD*
- 5 *Supervisory Statistics*
- 6 *Securities Issues and Holdings Statistics*

Introduction: the ESCB Statistical Function



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)

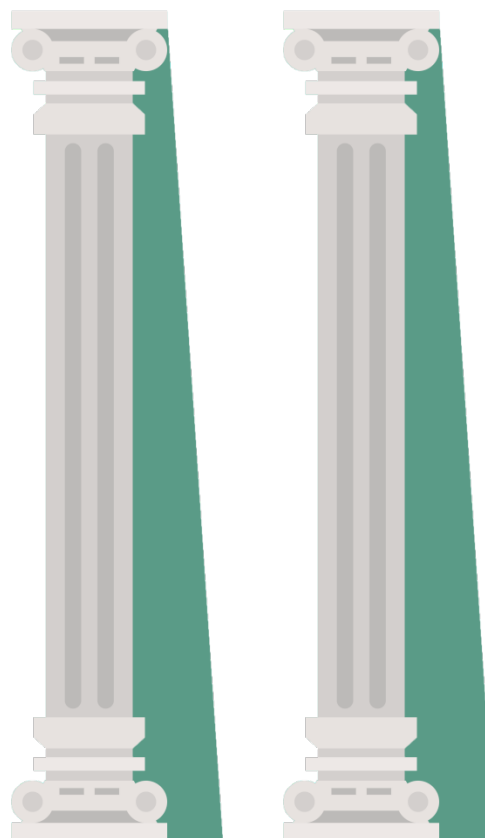
- *Approach to data collection from banks:*
 - *Standardise and integrate existing frameworks* for banks' reporting across domains and across countries
 - *Presented to the industry (EBF; EBIC) in the Dialogue meeting on 16.3.18*

IReF

Integrated Reporting Framework

Collect the data only once,
via an integrated reporting
scheme

Focus on *ESCB*
statistical requirements



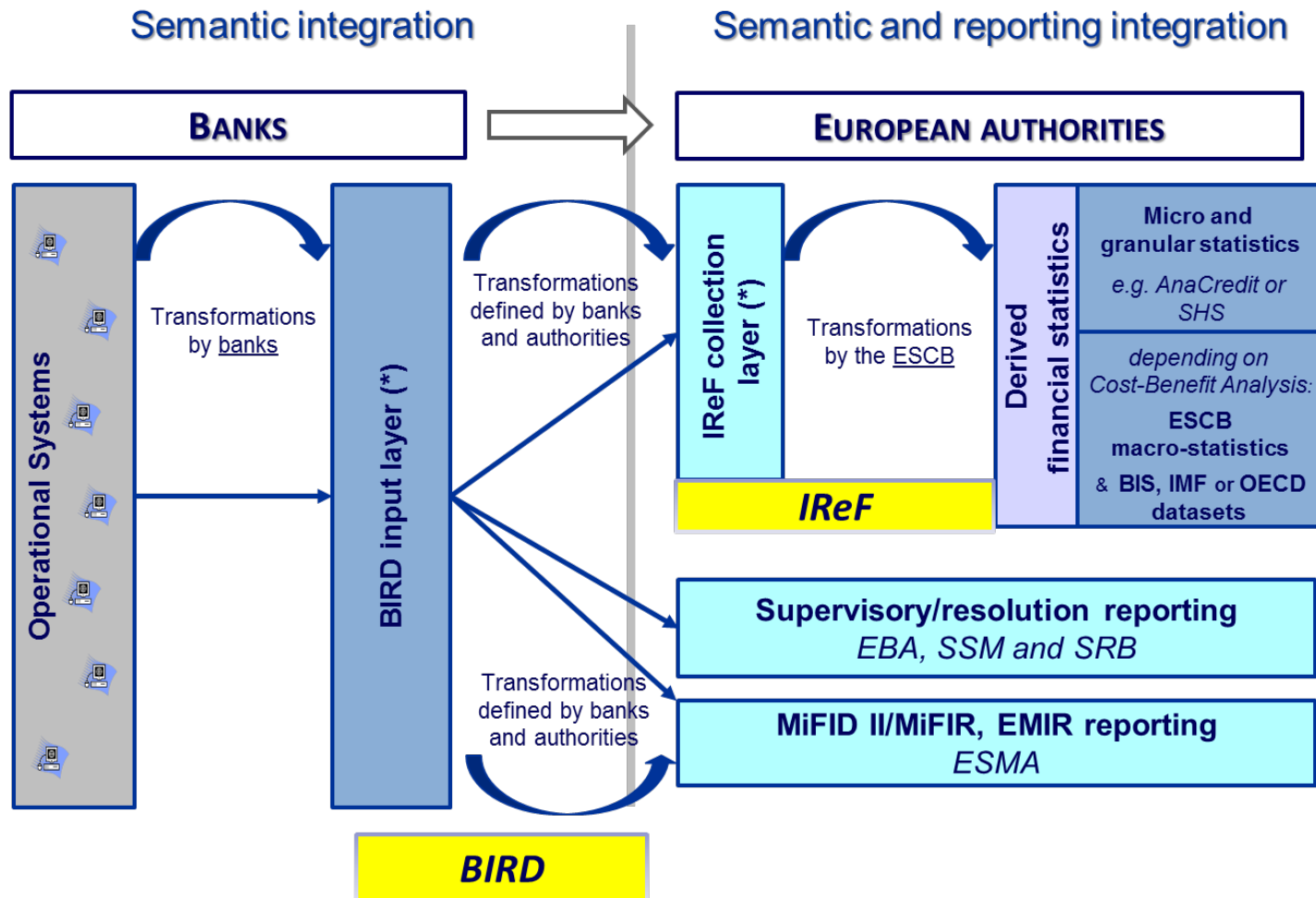
BIRD

Banks' Integrated Reporting Dictionary

Support reporting agents
to optimally organise the
information available
in their internal systems

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

The role of the BIRD in the reporting process



(*) Using the ECB Single Data Dictionary

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>
- 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

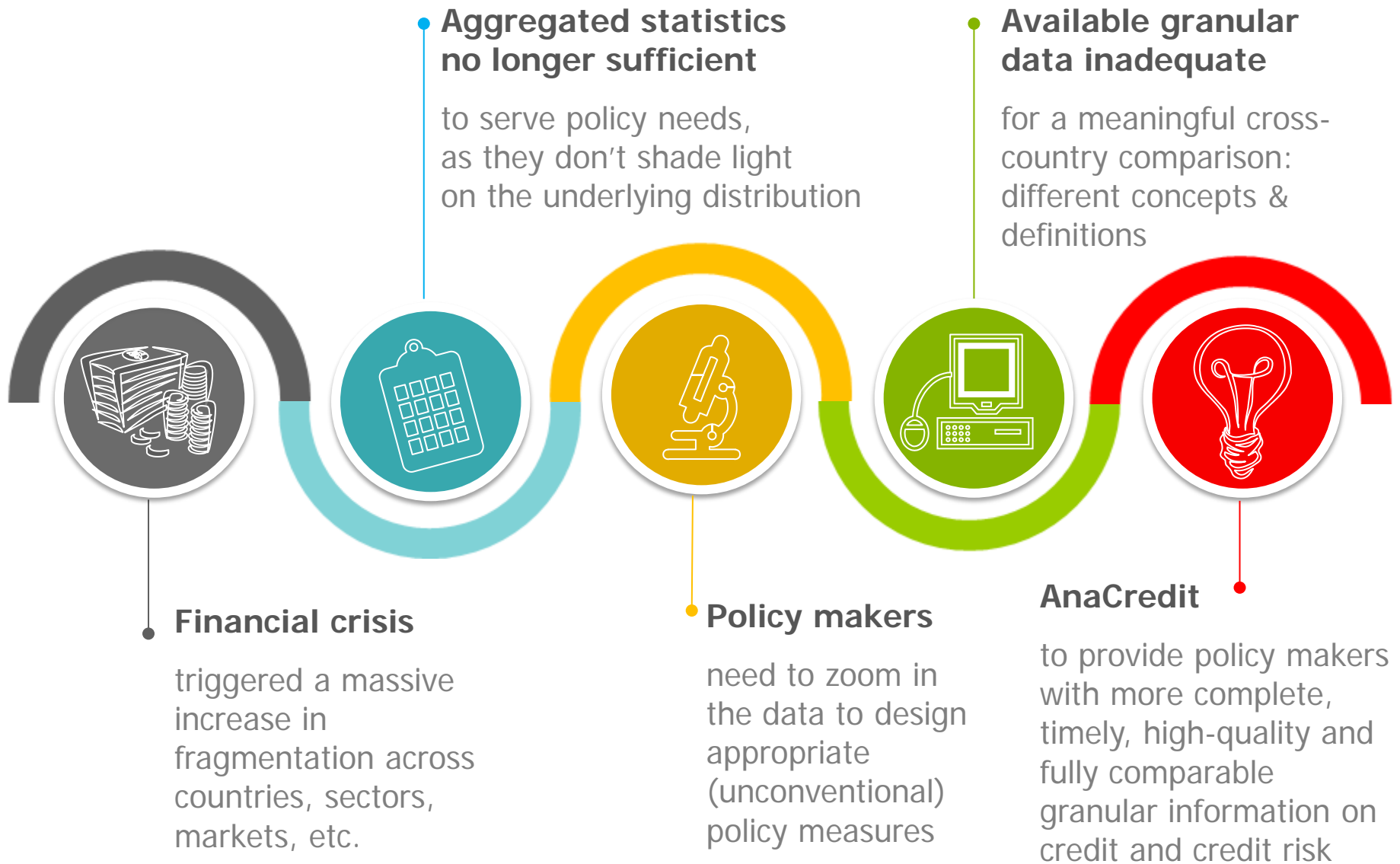
Assess jointly with the banking industry
the IReF impact prior to any decision on implementation

- 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?



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* performed on data [link](#)
 - **publication** - and regular update – of *Q&As* based on queries by banks to the relevant NCB [link](#)
 - structured *dialogue* via the *Banks' Integrated Reporting Dictionary (BIRD)*
- *Work Completed in November 2018* 

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:

Overview Ref date 03/05/2018	Total
Monetary Financial Institutions	~9,000
Investment Funds	~58,000
Financial Vehicle Corporations (securitization)	~4,000
Payment Statistics Relevant Institutions	~7,000
Insurance Corporations	~5,000
Pension Funds (reporting to the ECB)	Soon ~2,000

- *Stores all relevant data on AnaCredit counterparts*





Comprehensive data model

. reference data on individual units plus relationships among them

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



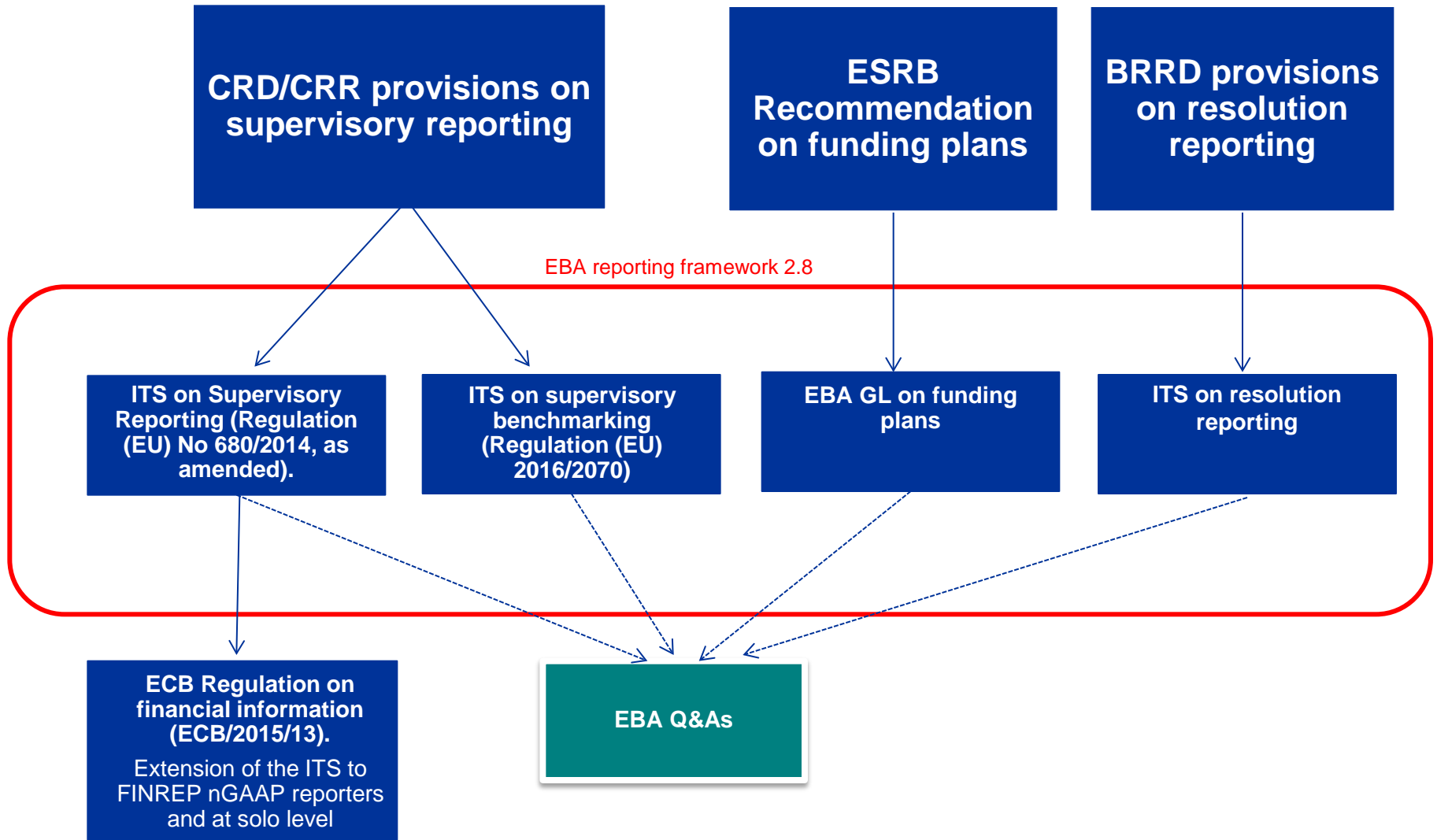
Linking different datasets: a key feature for data integration!



Full **historisation** of all data ... *new* data versioning

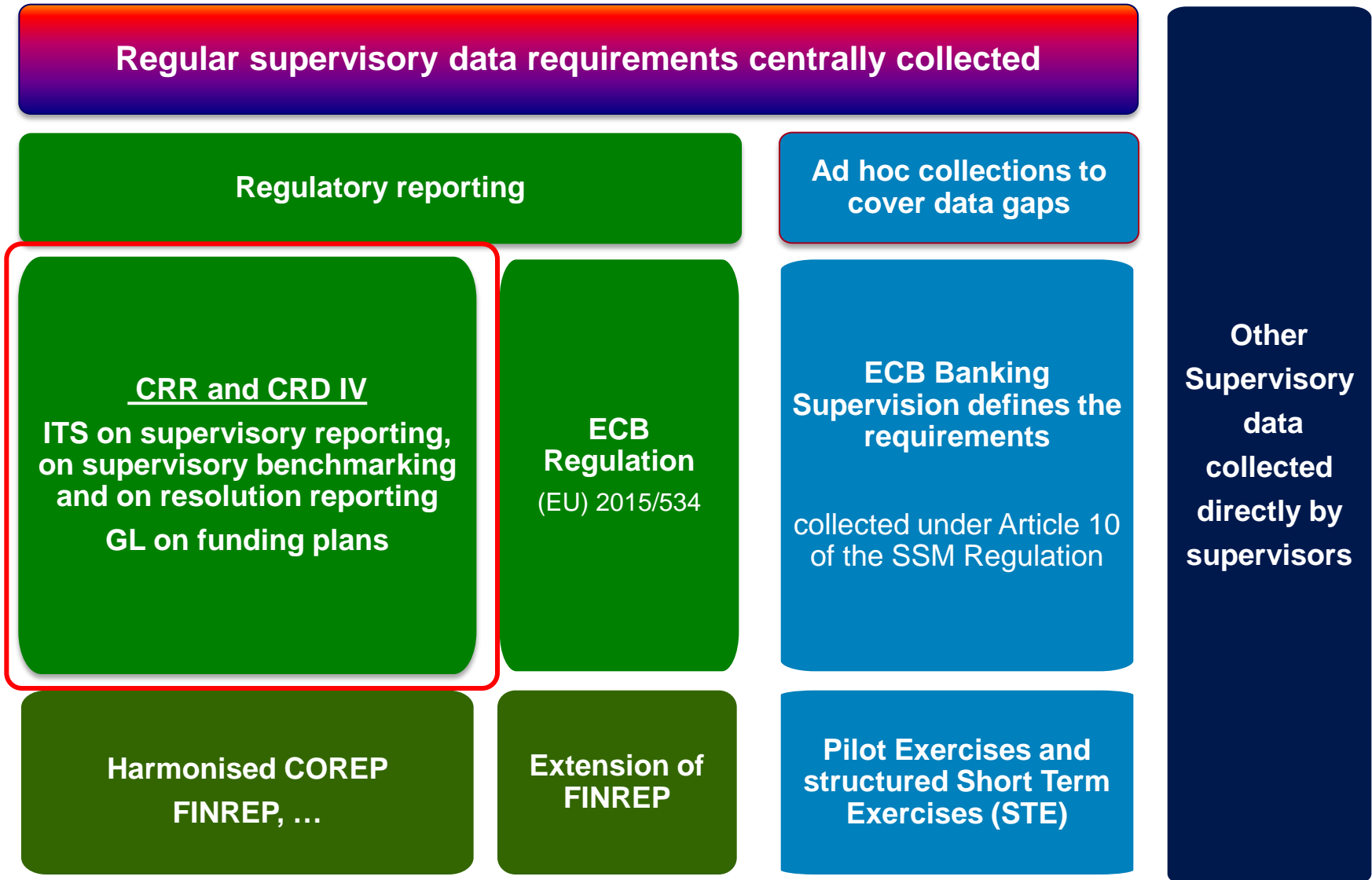
No direct access by the industry, but *facility envisaged* by some NCBs for supporting “Know your customer” and data quality on counterparts

5. Legal framework for supervisory data – EU-wide requirements



5. Legal framework for supervisory data – ECB additional requirements

EBA reporting framework 2.8



- *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

- 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)

6. Securities Holdings Statistics Database (SHSDB) (2/2)

- **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

- *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* 😊 😊