

WAYS FOR POLICY-MAKERS TO IMPROVE THE USE OF BANKING STATISTICS: WHAT IS REASONABLE, WHAT IS FEASIBLE AND WHAT THE SSM AND THE BANKING UNION ARE CALLING FOR

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“Towards the Banking Union. Opportunities and challenges for statistics”.

Session 2: *Statistics for multipurpose usage: Synergies between the central banking and the supervisory functions*

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THE LIMITS OF THE SEPARATION PRINCIPLE



Agreement on the need to separate decision-making processes for monetary policy and banking supervision (separation principle)

...but make it compatible with due regard to the intersections of the analytical bodies informing both decision-making processes.

- Micro-perspective required for a good analysis of transmission mechanism
- Macro-perspective required for good understanding of risks faced by financial institutions
- Other central banking functions(PSs, monetary policy implementations) do require bank-level information

Design of information requirements and procedures should provide for the full harnessing of existing synergies.



Outline:

1. Towards a more integrated statistical system
2. The scope of an integrated approach for banking statistics
3. A road map for a Europe-wide integrated approach for banking statistics
4. Challenges ahead

1. TOWARDS A MORE INTEGRATED STATISTICAL SYSTEM (I)



Starting point:

Banking data are the backbone of the information required for both monetary policy and the supervisory function

- Much of the required information is from the same source: financial instruments included on banks' balance sheets
- Although with differences: in terms of measurement criteria, level of aggregation, level of consolidation, reporting frequency...

An observation:

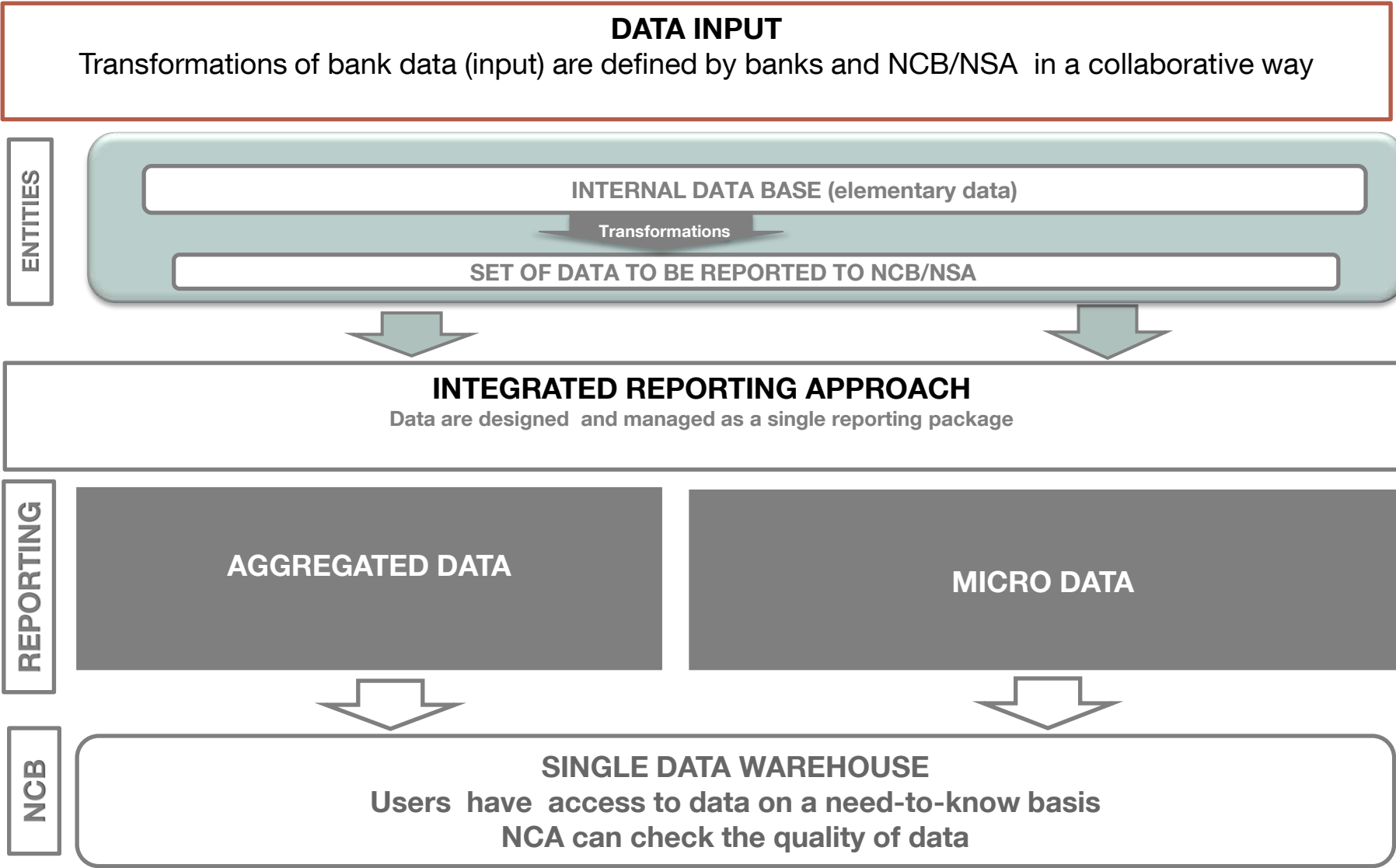
In many EU countries, the compilation of banking information for monetary policy and for supervisory functions is to some extent disconnected



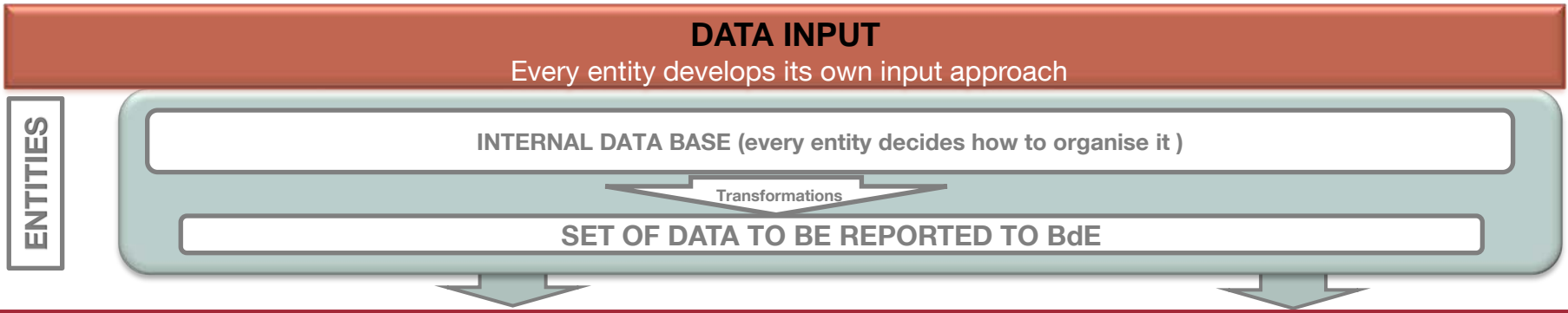
Drawbacks of the lack of integration

- Non-integrated approach is (seemingly) more flexible
- Yet a high price has to be paid:
 - Reporting costs for banks
 - Handling costs for central banks
 - Quality checks are more cumbersome
 - More importantly: makes synergies (combination of different types of policy-relevant information) more difficult.

THE SCOPE OF AN INTEGRATED APPROACH FOR BANKING STATISTICS

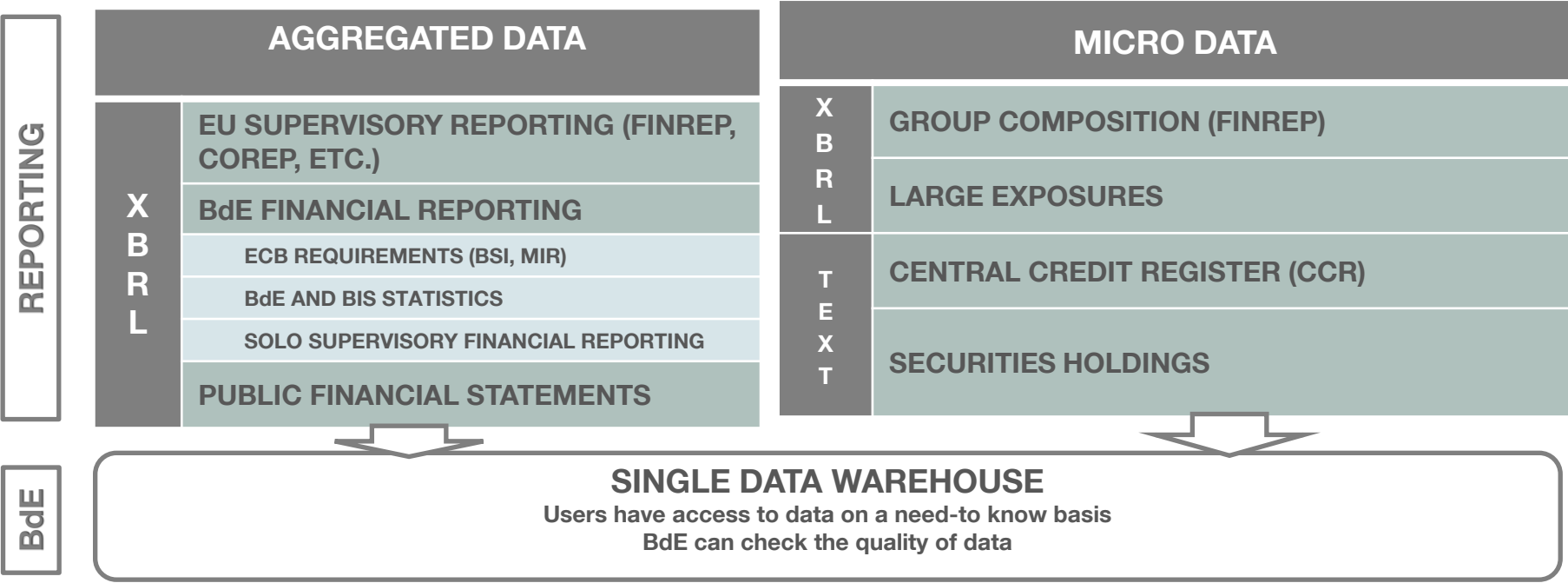


THE (PARTIALLY) INTEGRATED APPROACH AT BANCO DE ESPAÑA

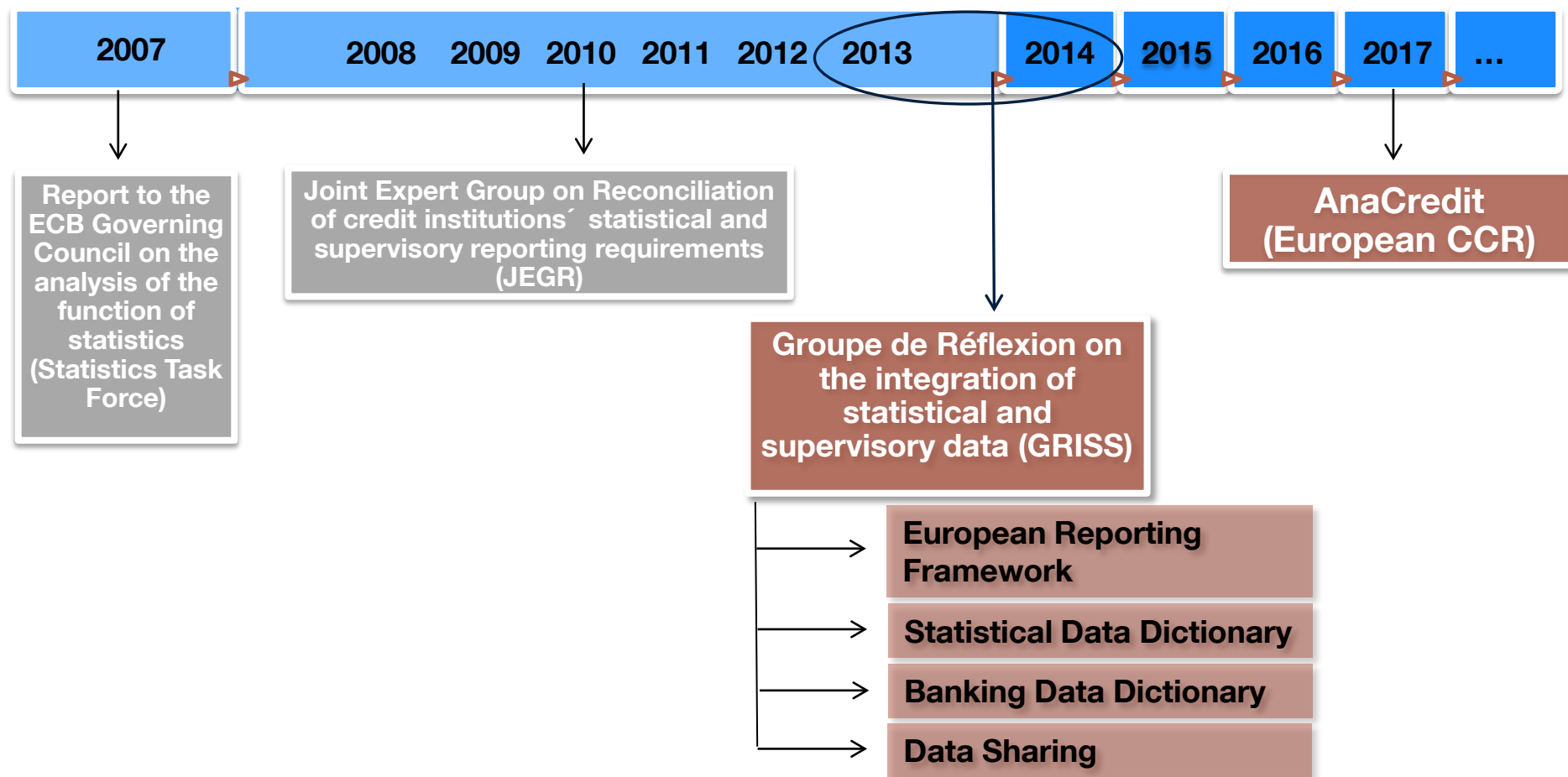


INTEGRATED REPORTING APPROACH

Data are managed as a single reporting package. BdE is working on a single data dictionary based on EBA DPM



A ROAD MAP FOR A EUROPE-WIDE INTEGRATED APPROACH FOR BANKING STATISTICS



OTHER CHALLENGES AHEAD (I)



- Take serious steps to develop an integrated statistical system
- In parallel, develop IT devices to make possible the use of standard packages
- Make the medium-term target compatible with servicing increasing information request.
- Confidentiality issues need to be addressed, through IT tools and legal instruments



Challenges at the SSM level

- Need for deeper harmonisation on reporting requirements across countries
- Need to further harmonise definitions and accounting practices
- Allowing some flexibility in the short run in that endeavour
- but without compromising the long-term objective of having a totally level playing field, harmonised in keeping with the most ambitious practices
- In particular, consider moving soon beyond COREP and FINREP



THANK YOU FOR YOUR ATTENTION