

**PRESS RELEASE**

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Publication of the Financial Stability Journal (number 29)

The Financial Stability Journal (number 29), published today by the Banco de España on its website (www.bde.es), comprises four articles on the following issues:

Xavier Torres analyses the main characteristics of the Single Supervisory Mechanism (SSM), paying particular attention to the role of the national competent authorities (NCAs) and to the challenges associated with the interaction between the ECB and these NCAs. He highlights the importance of striking a balance between the advantages of a supranational approach and harnessing the experience of the NCAs, and of promoting an all-encompassing culture in which the staff of the NCAs play a role in keeping with their knowledge and experience. He also stresses the significance of moving towards the full harmonisation of supervisory practices.

Emilio Muñoz de la Peña and Adrian van Rixtel contribute to a better understanding of the international banking statistics compiled and published by the Bank for International Settlements (BIS). The authors offer a description of the two main sets of data available [locational banking statistics (LBS) and consolidated banking statistics (CBS)] and present, drawing on examples, the comparative advantages of each of them in analysing developments in global banking. For instance, the former are particularly suited for assessing trends in international interbank markets. The latter allow for the analysis of global banks' consolidated positions, in line with consolidation practices adopted in accounting and by banking supervisors.

Víctor Rodríguez Quejido and José Manuel Portero Bujalance present an approach to the resolution framework for central counterparties (CCPs), which requires a specific focus responding to the special characteristics of their activity. The increasingly important role they play in financial transactions, following the new regulatory requirements and the now-compulsory clearing of OTC derivatives, warrants giving attention to the potential systemic effects to which their particular exposure to risks and the possible breaches by their members might give rise. The authors review the characteristics that a resolution regime for these CCPs should display and the initiatives under way internationally.

Carlos Trucharte Artigas, Carlos Pérez Montes, María Elizabeth Cristófoli, Alejandro Ferrer Pérez and Nadia Lavín San Segundo analyse the data on credit exposures and risk weighted assets (RWAs) disclosed by the EBA as a result of the comprehensive assessment of European banks in 2014. They examine exposure volumes, RWAs and RWA densities of different sub-portfolios. They find

that the IRB approach is extensively used in exposures to the private sector and that this usage is more intense in situations in which there is a greater reduction in RWA density with respect to the standardised approach (SA). Both in IRB use and in savings in terms of RWA density there is significant variation across countries.

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