

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

Fernando Restoy

Deputy Governor, Banco de España

SEVENTH ECB STATISTICS CONFERENCE

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

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

Frankfurt am Main, 15 October 2014

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:

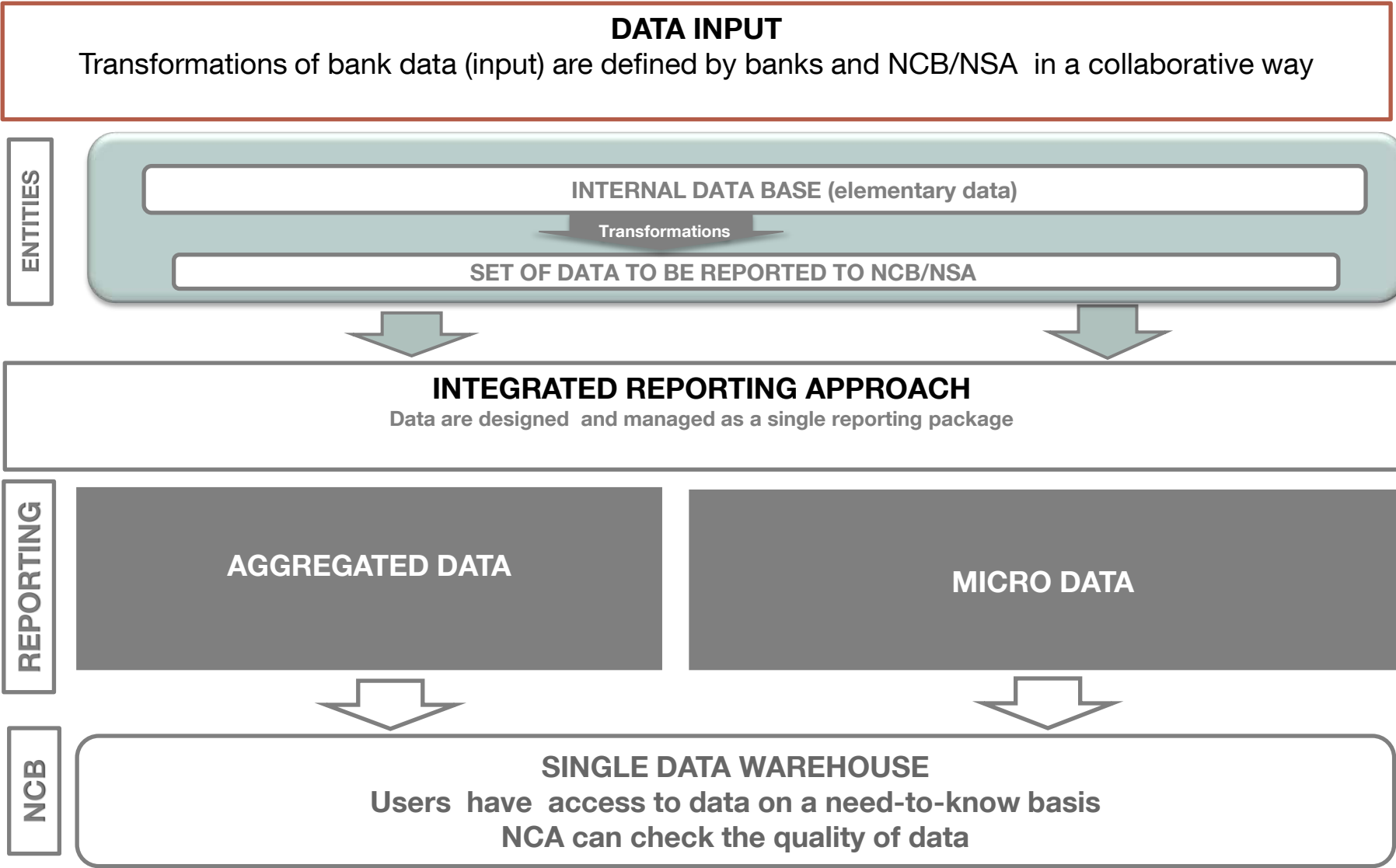
In many EU countries, the compilation of banking information for monetary policy and for supervisory functions is to some extent disconnected



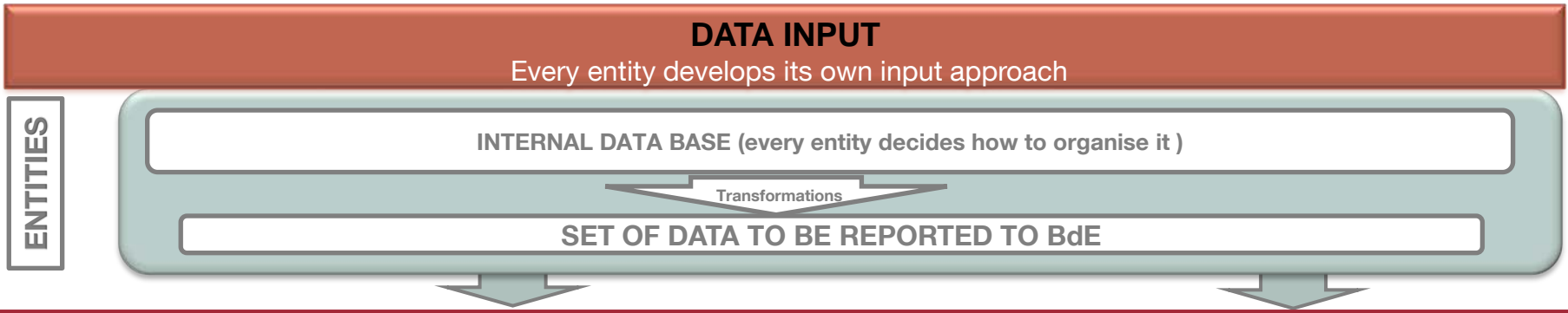
Drawbacks of the lack of integration

- 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

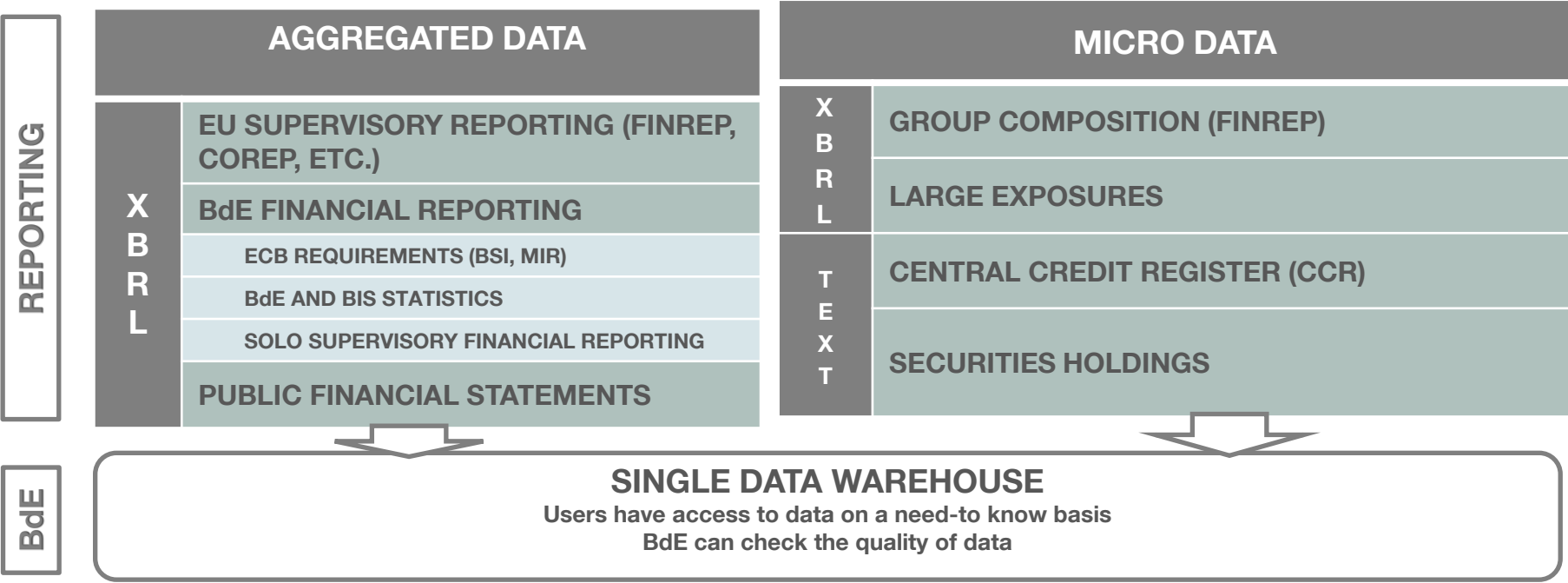


THE (PARTIALLY) INTEGRATED APPROACH AT BANCO DE ESPAÑA

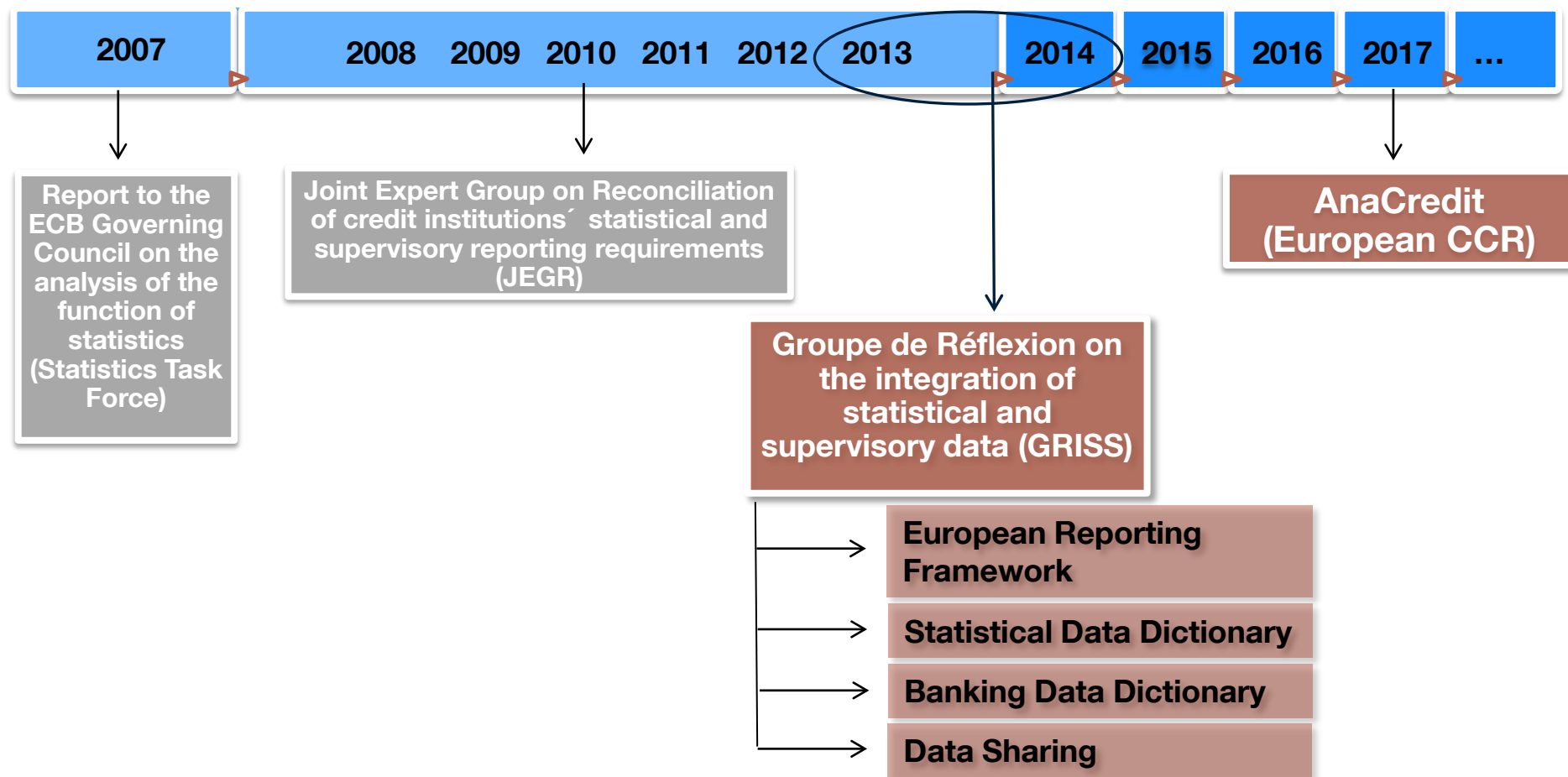


INTEGRATED REPORTING APPROACH

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