High-Level principles according to the Supervisory Reporting Manual

- EFFICIENCY
- COMPARABILITY
- COHERENCE
- ADAPTABILITY
- PROPORTIONALITY
- TRANSPARENCY AND TRACEABILITY
SSM data requirements according to the Supervisory Reporting Manual

1. **Module 1:** Core supervisory data: EBA ITS Supervisory Rep.
2. **Module 2:** MFI Statistics, Securities Holdings Statistics
3. **Module 3:** Granular credit data
4. **Module 4:** Ad-hoc data (e.g. top-down stress testing)
5. **Module 5:** Other supervisory national data (IRR reporting)
6. **Module 6:** Public disclosure (Pillar 3, financial markets data)
Supervisors need reliable & consistent data
Using the synergies of one reporting-system by exploiting existing data

Advantages of integrated systems

- One-stop-shop (institutional)
- Integrated statistics
- Avoid multiple reporting
- Identical data quality methods
- Identical compilation
- Consistent interpretation
- Use the same technical infrastructure
Ideal process chain

Supervisors: address their needs & use the data

Statisticians: integration & implementation, collection & compilation of the data

Supervisors: concentrate on core activities

- complete
- consistent
- parsimonious
- timely
- reliable
- usable

Data needs!!
Supervisory requirements towards statisticians in terms of products

Quantitative support to the greatest possible extent!

Products/Services

Application

Data dissemination & compilation

Secondary statistics

Outlier detection

Interpretation

Model-driven statistical risk assessment (particularly regarding LSI on a decentralised level)
Rely on existing expertise & know-how of statisticians, to be able to concentrate on supervisory core activities!
Facing the challenge – in form & content

European Reporting Framework

Overall reporting and transformation process

- Primary data (Operational system)
  - Transformations defined by banks

- Input layer
  - Transformations defined by banks and authorities in close collaboration
  - Transformations defined by NCBs/NCAs and ECB in close collaboration

  Banking Data Dictionary (BDD)
  Primary Reporting (ERF)

- Output layer
  - Transformations defined by NCBs/NSAs

  Statistical Data Dictionary (SDD)

- Secondary statistics and templates (BSI, FINREP, ...)
  - Transformations defined by banks and authorities in close collaboration
  - Transformations defined by NCBs/NSAs and ECB in close collaboration
Advantages & constraints for supervisors

• Advantages

- Precise, simple, and unambiguous specification of information
- Quality of reports is expected to rise (parsimonious and transparent data model)
- Concept of “passive data” meant to ensure sustainability
- Individual banks may use “input layer” for internal reporting purposes
- Timeliness expected to increase

• Constraints

- Complexity dependent on international and national reporting prescriptions
Challenges ahead

- Cooperation & communication
- Collaboration with data providers and reporting institutions
- Legal efforts
- New technologies
Concluding remarks: suggestions for policy makers

The foundation for an efficient implementation of SSM data needs is based on:

- The exploitation of existing data (quality by regular data rather than quantity by ad-hoc data)
- The exploitation of existing structures (rely on existing expertise & know-how of statisticians)
- The exploitation of synergies between banks’ internal risk management & supervision with respect to the required data
- The development of harmonised requirements for quantitative statistical information derived from heterogeneous basic sources and the implementation in standardised reporting formats (European Reporting Framework)
“It has been my philosophy of life that difficulties vanish when faced boldly.”

_Isaac Asimov_

Thank you for your attention!