Item 3.1
Data quality assurance of granular reporting: the ECB approach

Dialogue with the banking industry on ESCB statistics
Frankfurt am Main, 15 March 2019
Consistency across different reporting frameworks has to be reasonably ensured to ensure data quality

- Especially relevant for granular data for which (other) established aggregated statistics act as benchmarks

- Towards further integrating data, e.g. supervisory data, and statistical information rather than continue applying silo approaches

  → digital transformation

- E.g. supervisory and statistical data should be reconcilable in spite of methodological differences
Examples: items compared between FinRep and statistical information to assess Security Holdings Statistics by Banking Group (SHSG)

- Debt Securities/ Equity instruments held for trading
- Holdings of defaulted debt securities (in general & by issuer sector)
- Investments in subsidiaries, joint ventures and associates

→ Significant deviations need to be well understood

• Banks and authorities should aim at further data integration towards a central granular dataset

  This may prove less costly in the longer-term
Quality assurance at granular level - AnaCredit and SHSG

• Extended SHSG and AnaCredit are new datasets
  – SHSG extended to all SSM supervised Groups – collection started Q3 2018
  – AnaCredit – collection started with reference period Sep-2018

• Validation checks are published on the website

• Data are further verified
  – at granular data level (transparent)
  – at aggregate level in comparison to:
    • Corep/ Finrep (for SHSG)
    • MFI balance sheet items/ MFI interest rates/ Finrep (for AnaCredit; to be implemented)
  – Verification metrics need to accommodate the complexity of the datasets

• The corresponding set of metrics are still under development
  – at the individual reporting agent level for a certain reporting period
  – developments over time
  – comparison across reporting agents in SHSG (e.g. for counterparty risk)
Quality assurance at granular data – first evidence

• AnaCredit
  • 9 NCBs (EE, ES, FI, IE, IT, LV, NL, PT, SK) have submitted data from the start
    – Remaining NCBs will submit data by end-March 2019 (taking transitional period)
  • During first collections, data quality checking was mainly focused on
    – Ensuring completeness of data submissions (e.g. missing attributes)
    – Addressing with priority failing validation checks with higher severities
    – Plausibility assessments on an ad-hoc basis, e.g. to identify extreme values

• SHSG extended
  • Detailed checks of completeness and formal validity of the data
  • Detailed comparisons with Finrep/ Corep data points and aggregates
  • Consistency checks of reported holdings in carrying amounts, nominal and market values
  • Plausibility and consistency of risk measures, e.g. between risk & exposure value; probability of default and reported default status
Collaborative approach between the ESCB and banking industry

- Collaborative approach between the Eurosystem and the banking industry towards the development of a most relevant set of metrics

- Metrics need to be helpful to foster an integrated data assessment by the Eurosystem and the banking industry

- A joint technical workshop may be conducted later in 2019 to present initial ideas (starting with SHSG), to discuss them and to collect feedback from the banking industry

- Follow-up at the next Dialogue meeting (2020)
  - State of play presentation on the development of metrics for granular data