



EUROPEAN CENTRAL BANK

EUROSYSTEM

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DG Statistics

Regulatory reporting in the light of the SSM

Industry and supervisors new challenges

* The views expressed are those of the presenters and do not necessarily reflect the position of the ECB.

- 1 Introduction: Statistics and the SSM
- 2 Supervisory Statistics: Organisation, activities and deliverables
- 3 IT structure and data flows
- 4 Data quality
- 5 Challenges for supervisors and for banks
- 6 Conclusion

Direct supervision by the ECB

Significant banks

as defined under the SSMR by:

- size
- importance for EU or domestic economy
- extent of significant cross-border activities

Less significant banks

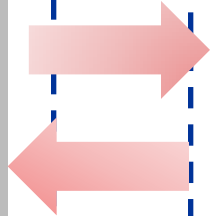
when necessary to ensure consistent application of high supervisory standards

Banks that have requested or received ESM or EFSF public financial assistance

Three most significant banks in each participating Member State

Direct supervision by the NCAs

Less significant banks

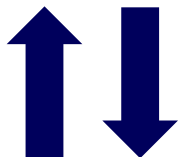


Significant

vs.

less significant entities

Concerns all Banks in euro area (+/- 6000 Banks)



Close cooperation with National Competent Authorities

Tasks assigned to the ECB

Inter alia

- licensing and authorising credit institutions,
- assessing qualifying holdings,
- ensuring compliance with the minimum capital requirements,
- ensuring the adequacy of internal capital in relation to the risk profile of a credit institution
- conducting supervision on a consolidated basis and supervisory tasks in relation to financial conglomerates.
- ensuring compliance with provisions on leverage and liquidity, applying capital buffers and carrying out, in coordination with resolution authorities, early intervention measures when a bank is in breach of, or is about to breach, regulatory capital requirements.

DG-S is the overall data provider for ESCB tasks:

Article 5 (Statute): “In order to undertake the tasks of the ESCB, the ECB, assisted by the national central banks, shall collect the necessary statistical information, either from the competent national authorities or directly from economic agents.”

DG Statistics:

Develops, collects, compiles
and disseminates statistics

Develops, manages and
applies the tools, databases
and data processes

Defines the concepts and
classifications of the
statistics used by the ECB
and makes statistics
available

Statistical domains:

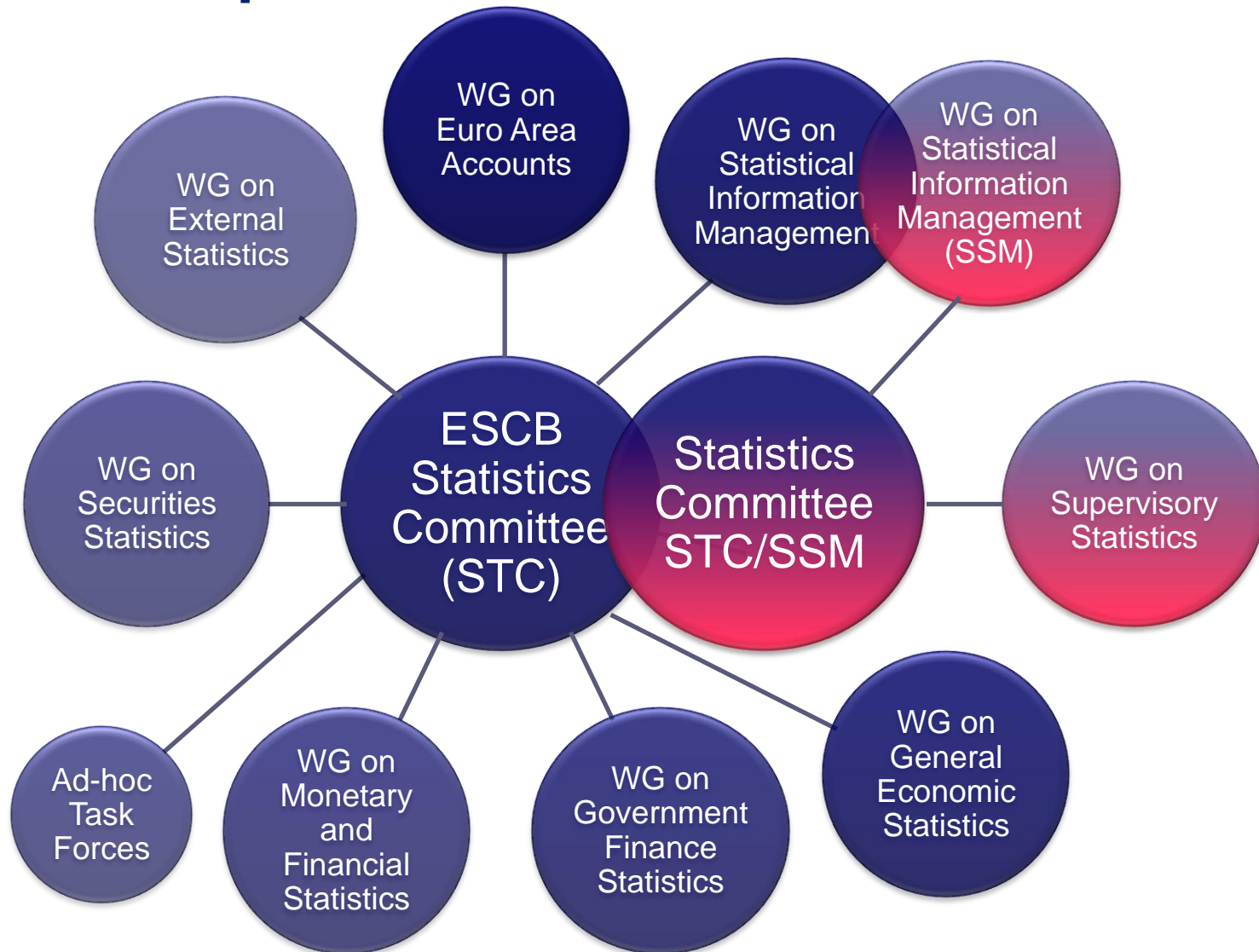
Monetary, financial
institutions and financial
markets statistics

Balance of payments,
international investment
position, international
reserves and other external
statistics

Macroeconomic statistics

Survey data of households
and enterprises

Statistical cooperation in the ESCB and SSM



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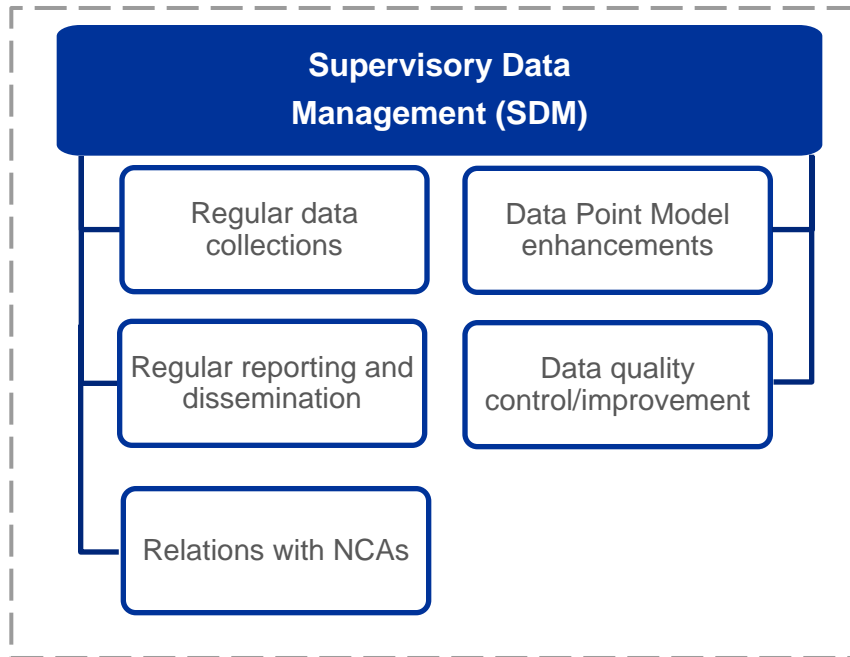
The **Supervisory Statistics Division** (SUP) manages Supervisory reporting data and provides services to SSM related to these data.

In practice, **SUP is responsible to:**

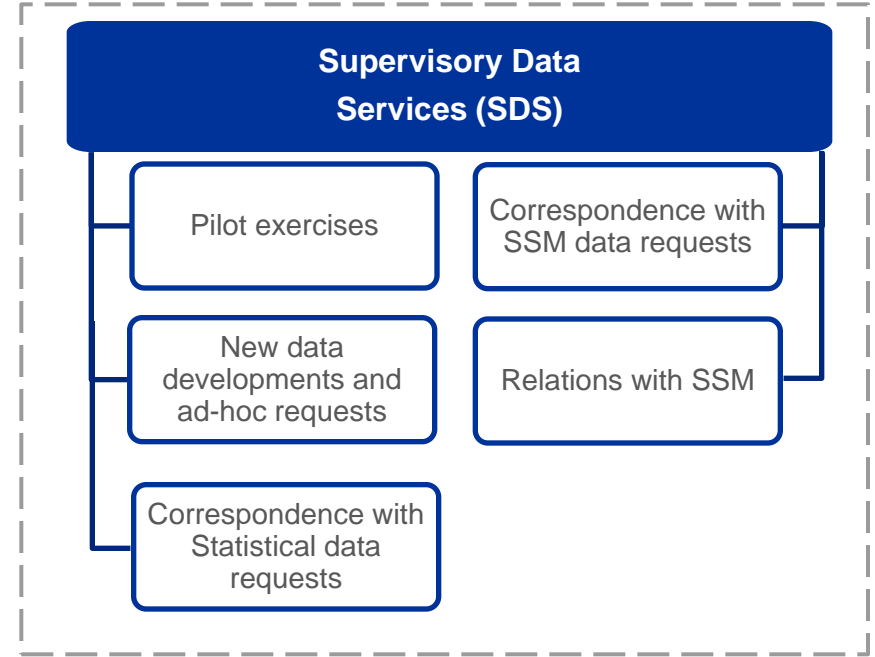
1. **Develop, collect, compile and disseminate the datasets and quantitative risk reports for supervisory purposes.** This entails the coordination, receipt, quality management and reconciliation of supervisory data of credit institutions, including those based on the implementing technical standards of EBA (e.g. COREP, FINREP). **SUP controls and monitors (not ensures) the quality of data received.**
2. Establish the **governance framework for SSM data management** from all Significant Institutions (SIs).
3. Receive, store and disseminate the relevant data on the indirectly supervised banks ("**less significant banks**").

Supervisory Statistics Division – Organisation

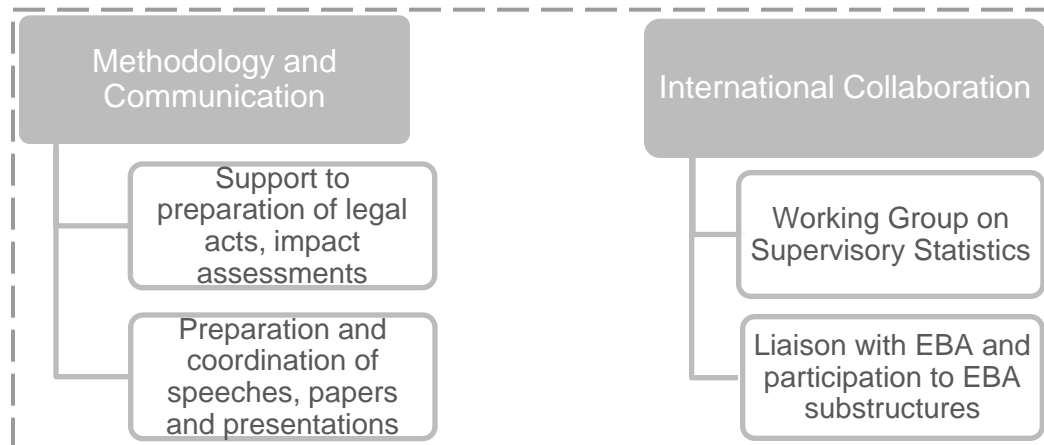
Supervisory Data Management



Supervisory Data Services

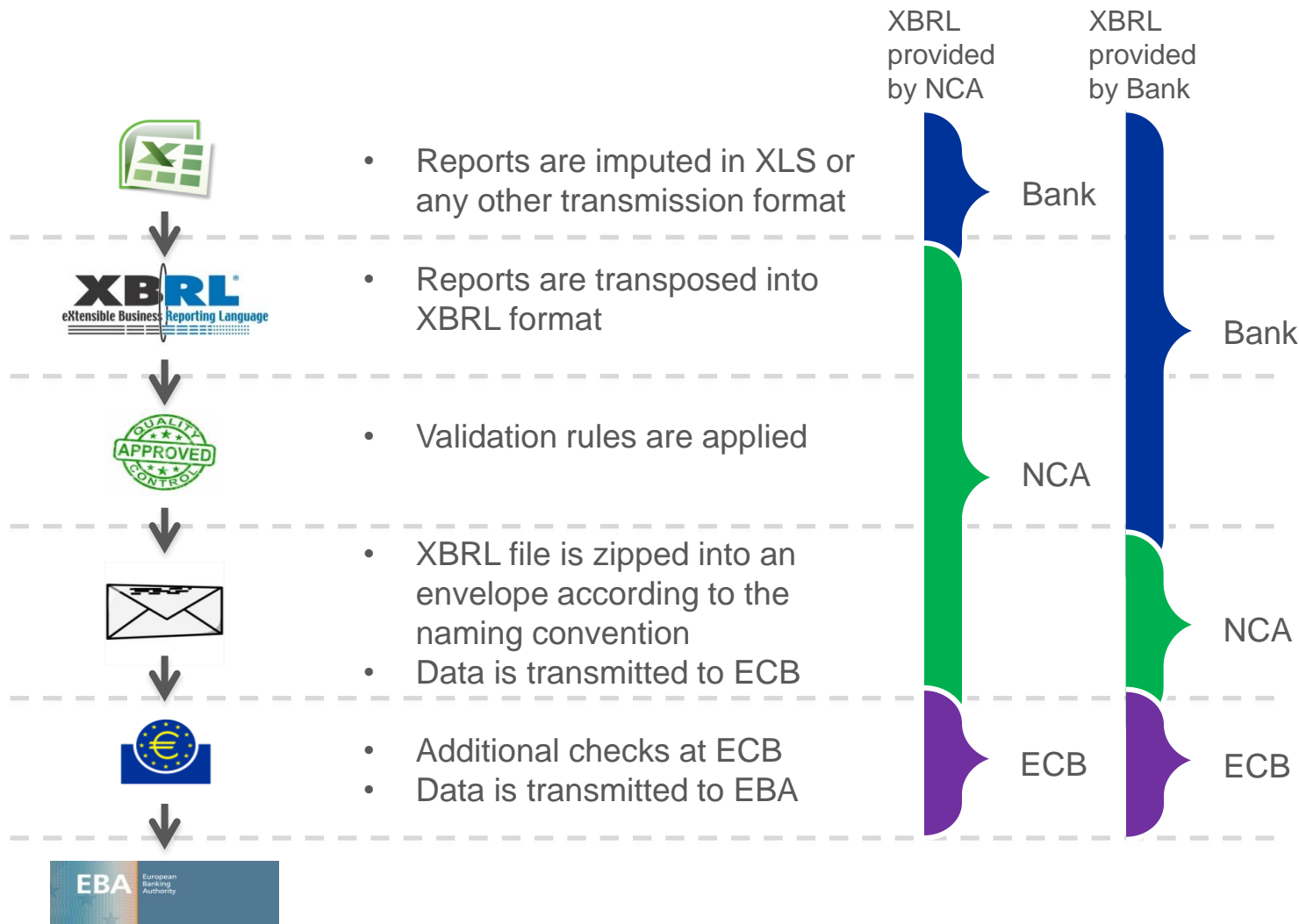


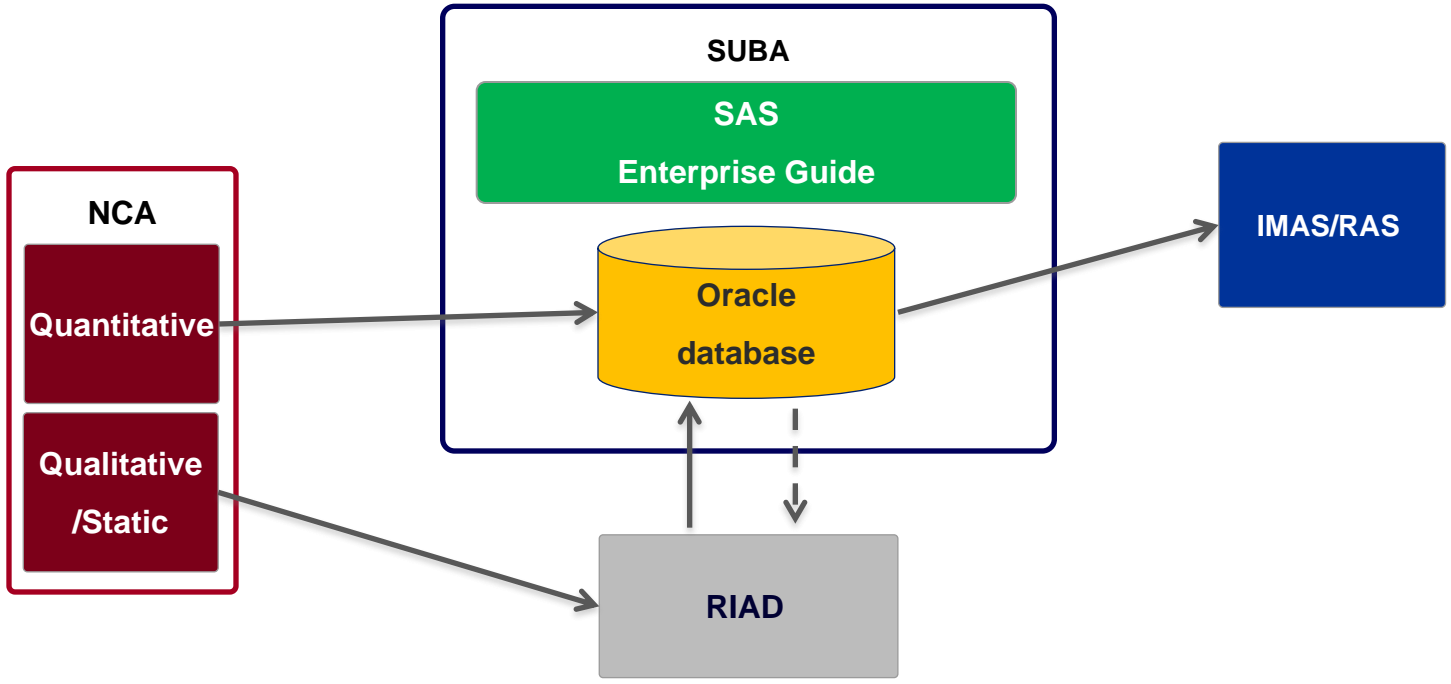
Horizontal functions



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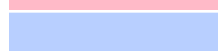
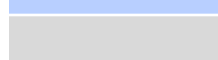
Sequential approach: Responsibility lies within the compiler





Overview of all regular data collections

SSM Reporting requirements		Significant Institutions				Less Significant Institutions			
		CONS (Ultimate Parent)	SOLO (Stand Alone)	SUB-CONS (intermediate parent)	SOLO (Separate Parent / SUBs)	CONS (Ultimate Parent)	SOLO (Stand Alone)	SUB-CONS (intermediate parent)	SOLO (Separate Parent / SUBs)
COREP (incl. Lev. Ratio)		Mar -2014 31-Jul-14	Mar-2014 31-Jul-14	Dec-2014 18-Mar-15	Dec-2014 18-Mar-15	Dec-2014 25-Mar-15	Dec-2014 25-Mar-15	Dec-2014 01-Apr-15	Dec-2014 01-Apr-15
FINREP	IFRS	Sep-2014 02-Dec-14	Draft ECB Decision	Dec-2014 18-Mar-15	Draft ECB Decision	Dec-2014 25-Mar-15	Draft ECB Decision	Dec-2014 01-Apr-15	Draft ECB Decision
	nGAAP	Draft ECB Decision		Draft ECB Decision		Draft ECB Decision		Draft ECB Decision	
Liquidity Coverage Ratio		Mar-2014 21-Aug-14	Mar-2014 21-Aug-14	Dec-2014 19-Feb-15	Dec-2014 19-Feb-15	Dec-2014 26-Feb-15	Dec-2014 26-Feb-15	Dec-2014 05-Mar-15	Dec-2014 05-Mar-15
Net Stable Funding Ratio		Mar-2014 31-Jul-14	Mar-2014 31-Jul-14	Dec-2014 18-Mar-15	Dec-2014 18-Mar-15	Dec-2014 25-Mar-15	Dec-2014 25-Mar-15	Dec-2014 01-Apr-15	Dec-2014 01-Apr-15
Additional liquidity monitoring (to be adopted by EU COM)		Jul-2015 11-Sep-15	Jul-2015 11-Sep-15	Jul-2015 11-Sep-15	Jul-2015 11-Sep-15	Jul-2015 18-Sep-15	Jul-2015 18-Sep-15	Jul-2015 5-Oct-15	Jul-2015 5-Oct-15
Large Exposures		Mar -2014 31-Jul-14	Mar-2014 31-Jul-14	Dec-2014 18-Mar-15	Dec-2014 18-Mar-15	Dec-2014 25-Mar-15	Dec-2014 25-Mar-15	Dec-2014 01-Apr-15	Dec-2014 01-Apr-15
Asset encumbrance (to be adopted by EU COM)		Dec-2014 25-Feb-15	Dec-2014 25-Feb-15	Dec-2014 18-Mar-15	Dec-2014 18-Mar-15	Dec-2014 25-Mar-15	Dec-2014 25-Mar-15	Dec-2014 01-Apr-15	Dec-2014 01-Apr-15
Lending collateralized by immovable property		Jun-2014 01-Sep-14	Jun-2014 01-Sep-14	Dec-2014 18-Mar-15	Dec-2014 18-Mar-15	Dec-2014 25-Mar-15	Dec-2014 25-Mar-15	Dec-2014 01-Apr-15	Dec-2014 01-Apr-15

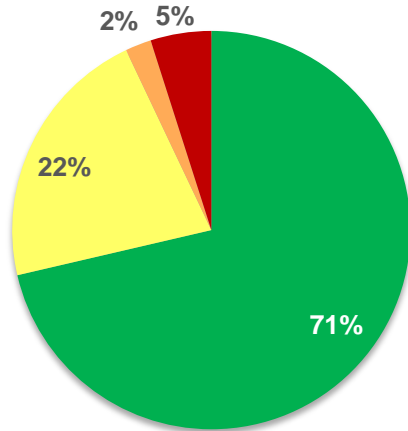
-  EBA ITS data to be transmitted to the EBA. Collections already started
-  EBA ITS data to be transmitted to the EBA. Future data collections
-  Additional EBA ITS Data to be collected by the ECB
-  Additional data requirements of the SSM to be collected by the ECB

Source: SSM Supervisory Reporting Manual. Dates reflect first remittance of ITS data to ECB.

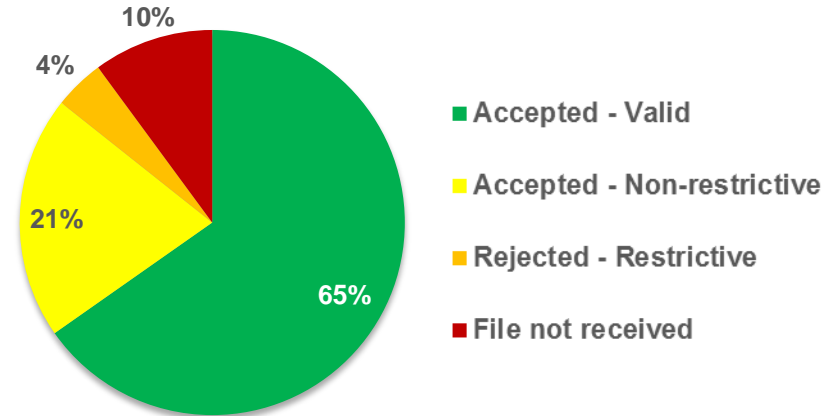
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Quality of data – Overview

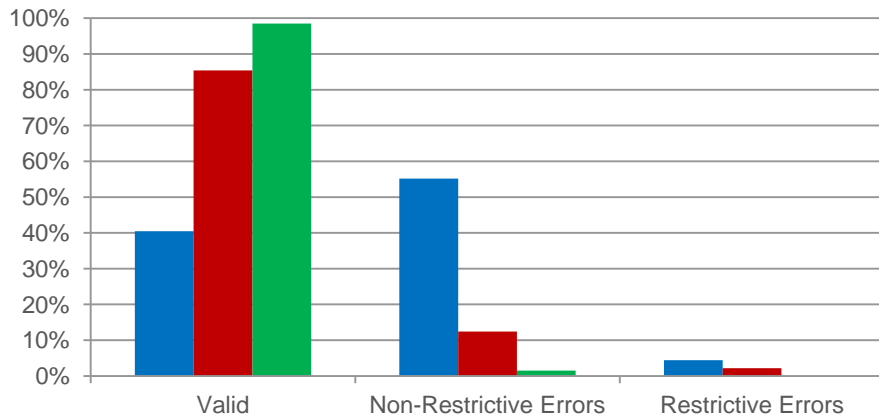
COREP (incl. LR), LE & NSFR
Data Received for March 2014



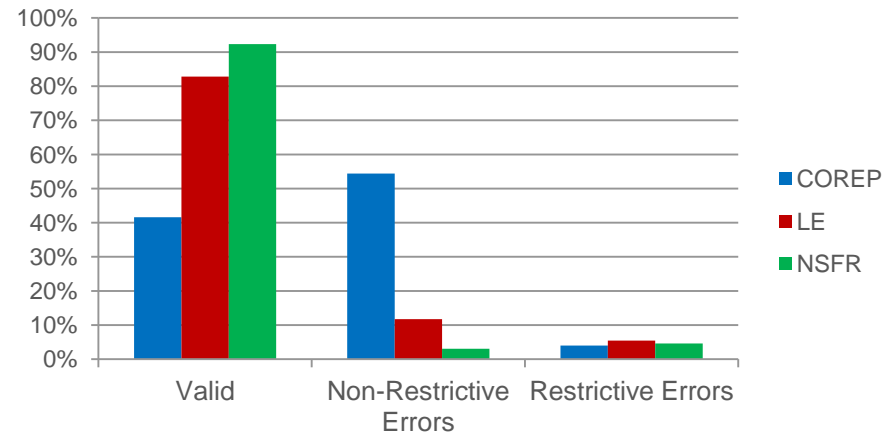
COREP (incl. LR), LE & NSFR
Data Received for June 2014



File Error Status by Module Type
March 2014



File Error Status by Module Type
June 2014

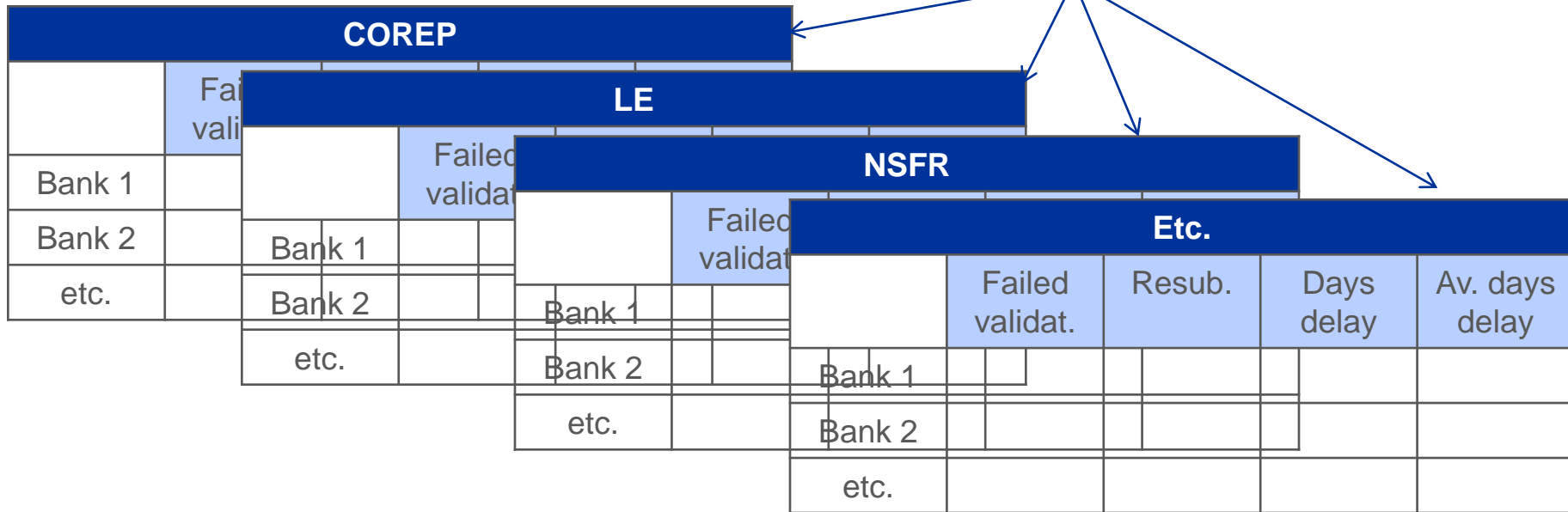


* Status as at 12:00 on 17/09/2014

Quality of data – Under development

Status				
	COREP	LE	NSFR	etc.
Bank 1				
Bank 2				
etc.				

All reports				
	Failed validat.	Resub.	Days delay	Av. days delay
Bank 1				
Bank 2				
etc.				



Quality of data – Under development

Completeness										
	DP	DP	DP	DP	DP	DP	DP	DP	Etc.	Total
Bank 1										
Bank 2										
etc.										
Total										

Variance/changes									
	Currency	unit	Geo. presence	DP (solv. Ratio)	Number of DP	DP	DP	Etc.	
Bank 1									
Bank 2									
etc.									

« does it makes sense? »					
	Lev. ratio	Solv. ratio	DP	DP	Etc.
Bank 1					
Bank 2					
etc.					

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Challenges for supervisors are:

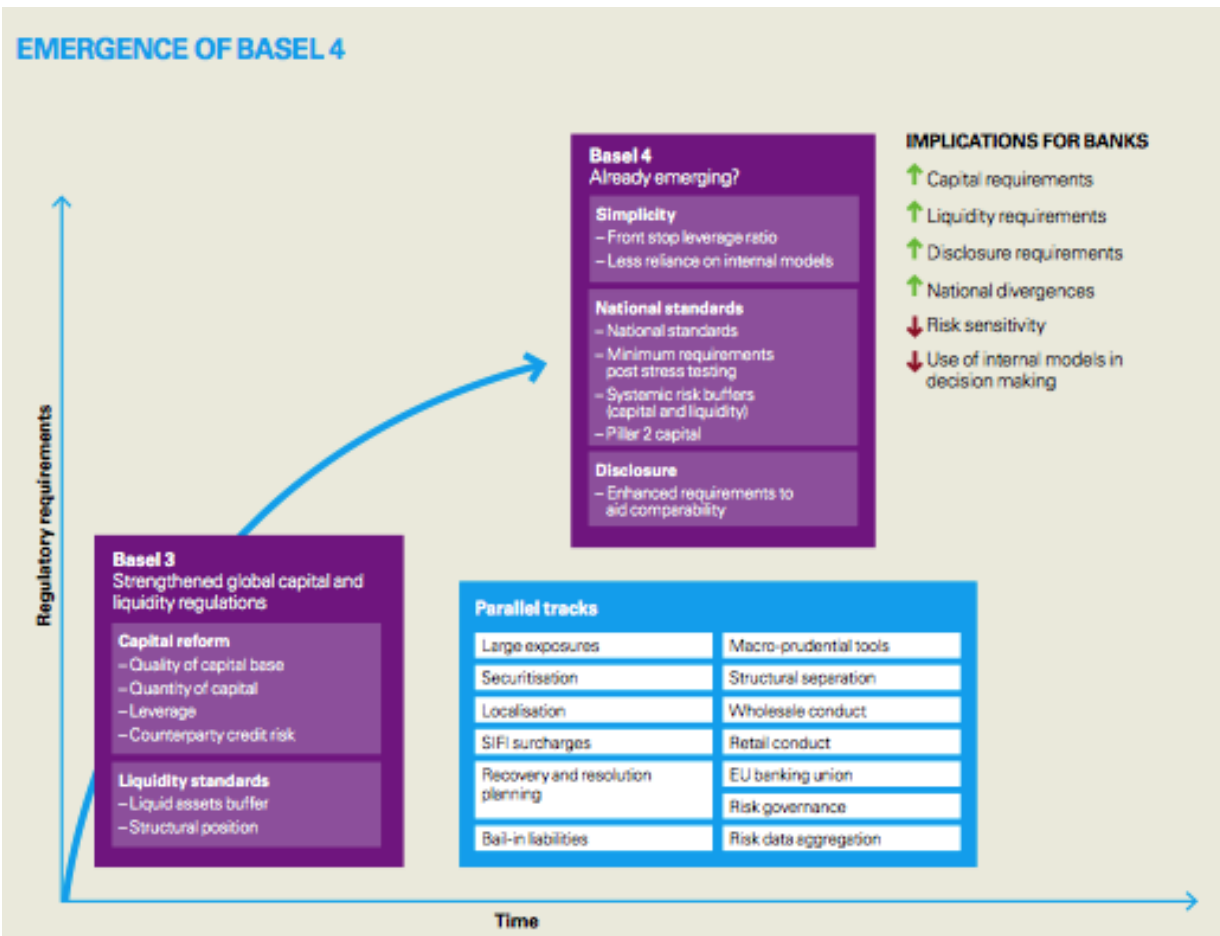
1. Supervisory data process and control – data quality **improvement.**
2. Definition of **derived statistics and indicators** for the Risk Assessment.
3. The **further development and harmonisation of supervisory reports.**
4. Create **synergies, reduce redundancies** and successfully **combine** the statistical with the supervisory expertise.

Challenges for banks are:

1. **Understand ECB** practices and reporting requests.
2. Improve **data quality.**
3. Be **proactive** in communication - Build **trust**

Other stakeholders? Single Resolution Board?

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Source: KPMG – Evolving banking regulation - 2014

Thank you!