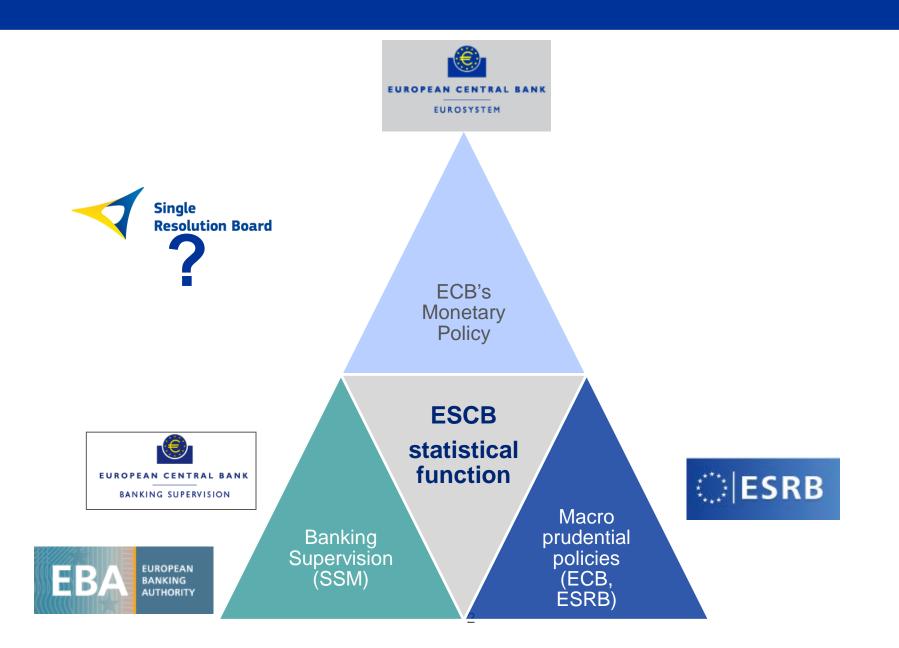**Aurel Schubert**
Director General Statistics

Supervisory banking statistics: Enhancing transparency for the banking system

Supervisory Reporting Conference

28 November 2016

Background

- **Establishment of the ECB Banking Supervision** is still recent: this month marks the second year of its existence.

- **Establishing a framework for "collecting, controlling, validating and disseminating" supervisory data** within a short timeframe is a real challenge itself. The main aspects would be:
  - Defining a collection process, considering different practices in the SSM, in order to have a correct "Level Playing Field": the sequential approach
  - Providing added value to Joint Supervisory Teams: data quality assessment
  - Providing feedback to all stakeholders, including the market: banking statistics.

Feedback from and discussion with the industry

- Bruegel report, May 2016.

- Ongoing discussions with the EBF.

Objective: Supervisory Banking Statistics as a public good

- **Transparency.** The general public and market participants are able to analyse the data, form their views on banks' situation, create knowledge. Transparency is an important tool for ensuring market discipline in the banking sector and transparency is not only responsibility of banks, it is also of supervisors.

- **Accountability.** In its mission statement, the SSM states "We aim for effective communication with the citizens of Europe". With this enhanced publication, we aim at enhancing communication of the ECB to the general public.

- **Competition.** The new Supervisory Banking Statistics will help in fostering market discipline on the part of the banks. It will complement to the banks' disclosures under the Chapter 8 of the EU Capital Requirements Directive (CRD), also as requested in the Basel Pillar 3 requirements.

Philosophy: leverage of the richness of harmonised supervisory data

Supervisory Statistics (ITS data) collected by the ECB are characterised by

- **Granularity.** The covered range of activities, sources of profits, decomposition of risks, exposures to different geographical areas is granular and we have utilised this richness both in the tables presented and in the underlying banks' classifications.

- **Harmonisation.** The underlying data employ harmonised definitions, a feature which is critical to ensure the usefulness of the data for comparative analyses.

The published statistics aim at

- **Increased scope.** Risk, solvency, funding, activities dimensions are covered.

- **Complementary views are offered.** Besides the country breakdown, six more banks' classifications were developed. The user can combine these alternative 'views' on the data. Dimensions which are at the forefront of public debate like sovereign exposures have been utilised.

- **Frequency.** The data will be published with a quarterly frequency.

General remarks and next steps

- The publication of banking statistics is a **quantum leap towards offering clarity and transparency** about the activities and risks of the banking system

  - The scope is comprehensive and it covers data of critical importance as credit risk, forbearance, detailed asset and profit & loss breakdowns, etc.

- Banks are categorised not only with respect to the national dimension but also with respect to additional dimensions. These **additional views complement the country breakdowns** while respecting the confidentiality of the data for individual institutions.

- The ECB will provide the data also in an **interactive and user-friendly mode.**

- **Further expansion of the scope of the published data** in the future will take place.