

DIRECTORATE GENERAL STATISTICS

ECB PUBLIC

Mr. Wayne Byres
Secretariat of the Basel Committee on Banking
Supervision
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CH-4002 Basel
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Via email: baselcommittee@bis.org

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Proposed regulatory capital disclosure requirements issued by the Basel Committee

Dear Mr. Byres,

I write to you in response to the consultative document on the definition of capital disclosure requirements published on 19 December 2011. The ECB Directorate General Statistics has an interest to comment arising from the statistical support it provides to the European Systemic Risk Board (ESRB), as defined in Article 2 of the EU Council Regulation 1096/2010¹. This statistical support implies that the ECB Directorate General Statistics provides the ESRB with comprehensive and harmonised information of the EU financial system, including therefore information at banking group level, so that the ESRB can conduct the macroprudential oversight of the EU financial system.

However, information on banking groups is often collected according to different (accounting, supervisory) purposes, valuation methods and degrees of granularity, making any comparison and aggregation of data amongst banking groups difficult and thereby also hampering the macroprudential analysis. In particular, the data availability is made untimely and potentially inaccurate as public disclosure of supervisory information (Pillar 3) lacks a consistent implementation. Hence, error-prone manual handling of scattered information is needed which also makes its use and analysis difficult and untimely. Currently, the only information publicly available for individual banking groups relates to transparency type of information of listed banking groups. However, the shortcomings of this information are that 1) information is not of supervisory nature; 2) data are subject to some gaps and not fully comparable; and 3) the use of this information for analytical purposes is resource-intensive as data need

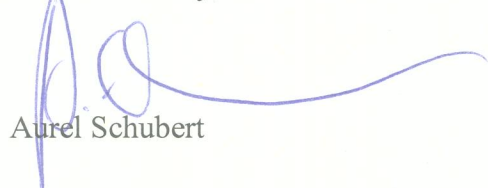
¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:331:0162:0164:EN:PDF>.

to be manually retrieved from text documents published in different, unconnected locations/websites of banking groups or are available through commercial data providers such as Bloomberg, Fitch or S&P.

Given the current data limitations, the ECB welcomes the proposal of the Basel Committee on Banking Supervision to improve and standardise Pillar 3 disclosure, and in particular the potential requirement to internationally-active banks to publish their capital positions according to **common templates**. With a view to allow a **timely access** and use of Pillar 3 data for macroprudential analysis, the data published under the common template could be made **available in electronic form in a centralised database**, right at the time of publication. This would ensure transparency, timeliness and better comparability of the information and would make it possible to further use it e.g. for statistical purposes. The ESRB would unambiguously benefit from a wide implementation of a centralised database in line with the proposed Pillar 3 template, which would follow consistent data definitions and more homogeneous methodologies.

An additional practical aspect to consider is the impact of the common templates on the reporting burden of respondents. The impact would be minimised if the common templates proposed by the Basel Committee would be **linked to the existing supervisory reporting requirements**. Thus, reporters would satisfy the Pillar 3 requirements simply by publishing a sub-set of the supervisory templates submitted to national supervisory authorities.²

Yours sincerely,



Aurel Schubert

cc:

ECB Directorate General Financial Stability
ESCB Statistics Committee
ESRB Contact Group on data

² In the EU, the European Banking Authority (EBA) is mandated to develop by end-December 2013 draft implementing statistical standards to specify uniform templates for own funds disclosure, in accordance with art. 424 of the draft Capital Requirements Regulation.