Using the zoom lens in banking statistics

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The views expressed in this presentation are those of the authors and do not necessarily reflect those of the European Central Bank.
Introduction

- Financial crisis motivated further analysis of granular data

- Granular data allow
  - Different levels of aggregation
  - Assessment of potential stress factors

- Let’s bring the **zoom lens** to euro area banking statistics
## Overview

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• Identification and description of each bank

• Used by
  ➢ Reporting agents / banks: extract (lists)
  ➢ Compilers / central banks: whole database

• Identifiers allow linking different data sets

• Database allows different aggregations
  ➢ By group of banks
  ➢ Systemically important institutions
Holdings and issues of securities

- **Security-by-security** information
  - Identification through ISIN

- Securities *assets*
  - Reported by banks

- Securities *liabilities*
  - Market sources
  - Numbering agencies
  - National central banks

- Statistical classifications from *centralised securities database* (CSDB)
  - Criteria defined by compiler (issuer sector, issuer country, maturity, price)
  - Cross-country harmonisation
Balance sheet and interest rates statistics

- Euro area individual bank data
  - Shared within the Eurosystem since 2012 - expanded in 2015

- Confidentiality protection – limited number of users

- *Granular data for 300 banks* ca. 80% of total assets

- By bank
  - 160 indicators on balance sheet items
  - 43 indicators on interest rates

- New data allow analysing *distributions* across
  - Countries
  - Business models
  - Bank types

- Since TLTROs, *reduction in borrowing costs* in vulnerable countries
Composite lending rates for NFCs: distribution of individual MFIs
(percentages per annum)

Vulnerable countries: IE, ES, IT and PT
- September 2011 (median = 3.87)
- June 2014 (median = 3.64)
- July 2015 (median = 2.51)
- May 2016 (median = 2.22)

Less vulnerable countries: BE, DE, NL and AT
- September 2011 (median = 3.20)
- June 2014 (median = 2.24)
- July 2015 (median = 1.80)
- May 2016 (median = 1.62)
Daily granular data on money market transactions

- **Timely** monitoring of monetary policy transmission (7:00 am next day)
- **Trade-by-trade data** – ISO 20022 standard allowing full automation
  - Volumes, rates, time, counterparties, collateral types
- **Market segments**
  - Unsecured, secured, foreign exchange swaps, overnight index swaps
- **40,000 daily transactional records** from 52 large banks
The Analytical Credit datasets

- Multi-purposes, multi (central banking, supervision) users

- Banks’ *credit* and *credit risk*

- Lending to legal persons
  - in particular to *Non-Financial Corporations* (ESA sector S.11)

- Granular information: *loan-by-loan*
  - identification of *debtors* and *guarantors*
  - details on *loan contracts*, including rates, duration
  - (limited set of data on) *risk mitigation measures*

- Supported by RIAD
  - credit institutions, and potentially other financial lenders … ca. 200,000
  - to be expanded to cover non-financial corporations … ca. 20,000,000
Conclusions

• Individual bank information allows
  - Linking information from different data sets - via RIAD
  - Enriching data analysis

• In the future, potential simplification of aggregated reports
  - Breakdowns derived from granular data

• Challenge: integrating and streamlining reporting by banks