



EUROPEAN CENTRAL BANK

EUROSYSTEM

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## **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 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