

EUROPEAN SYSTEMIC RISK BOARD

DECISION OF THE EUROPEAN SYSTEMIC RISK BOARD

of 21 September 2011

on the provision and collection of information for the macro-prudential oversight of the financial system within the Union

(ESRB/2011/6)

(2011/C 302/04)

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board ⁽¹⁾, and in particular Articles 3(2), 4(2) and 8(2) and Article 15 thereof,

Having regard to Council Regulation (EU) No 1096/2010 of 17 November 2010 conferring specific tasks upon the European Central Bank concerning the functioning of the European Systemic Risk Board ⁽²⁾, and in particular Article 2(b), Article 5 and Article 6(4) thereof,

Having regard to Decision ESRB/2011/1 of the European Systemic Risk Board of 20 January 2011 adopting the Rules of Procedure of the European Systemic Risk Board ⁽³⁾, and in particular Article 28(1) thereof,

Whereas:

(1) Article 3(2) of Regulation (EU) No 1092/2010 provides that the European Systemic Risk Board (ESRB) has to determine and/or collect and analyse all relevant and necessary information for the macro-prudential oversight of the financial system within the Union in order to contribute to the prevention or mitigation of systemic risks to financial stability in the Union arising from developments within the financial system, taking into account macroeconomic developments, so as to avoid periods of widespread financial distress.

(2) Article 15(2) of Regulation (EU) No 1092/2010 provides that the European Supervisory Authorities (ESAs), the European System of Central Banks (ESCB), the European Commission, the national supervisory authorities (NSAs) and national statistics authorities

have to cooperate closely with the ESRB and provide it with all the information necessary for the fulfilment of its tasks in accordance with Union legislation.

(3) Pursuant to Article 15(3) of Regulation (EU) No 1092/2010, the ESRB may request information from the ESAs, as a rule in summary or aggregate form such that individual financial institutions cannot be identified.

(4) Recital 10 of Regulation (EU) No 1096/2010 states that 'The ECB should be entrusted with the task of providing statistical support to the ESRB', in accordance with recital 9 thereof.

(5) This Decision does not interfere with the ECB's entitlement to use for its own purposes the information that it collects under Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank ⁽⁴⁾.

(6) The content of the aggregated information necessary in the short term for the ESRB's activity has been defined in cooperation with the ECB and the ESAs on the basis of a joint report,

HAS ADOPTED THIS DECISION:

Article 1

Scope

This Decision sets out the aggregated information required by the ESRB for the performance of its tasks and lays down the detailed rules for provision and collection of that information.

Article 2

Regular provision of aggregated information

1. Regular provision of the aggregated information required by the ESRB for the performance of its tasks shall take place as specified in Annexes I and II.

⁽¹⁾ OJ L 331, 15.12.2010, p. 1.

⁽²⁾ OJ L 331, 15.12.2010, p. 162.

⁽³⁾ OJ C 58, 24.2.2011, p. 4.

⁽⁴⁾ OJ L 318, 27.11.1998, p. 8.

2. The aggregated information set out in Annex I shall be provided by the ECB.

3. The aggregated information set out in Annex II shall be provided by the respective ESAs.

4. The ESRB Secretariat shall:

(a) lay down, where necessary, the technical specifications concerning the information referred to in paragraph 1, after having consulted the ECB and/or ESAs as appropriate; and

(b) collect the information referred to in paragraph 1 and cooperate with the ECB and the ESAs accordingly.

Article 3

Ad hoc provision of aggregated information

The procedures that the ESRB Secretariat shall apply to carry out requests for aggregated information on an ad hoc basis are set out in Annex III.

Article 4

Entry into force

This Decision shall enter into force on 15 October 2011.

Done at Frankfurt am Main, 21 September 2011.

The Chair of the ESRB

Jean-Claude TRICHET

ANNEX I

Regular provision of aggregated information by the European Central Bank

The European Central Bank (ECB) reports datasets, published and non-published, for the Member States whose currency is the euro in the area of monetary and financial statistics, which are regulated in respect of content, frequency and timeliness by the legal acts referred to below, or as established by common practice. To the extent that data for Member States whose currency is not the euro are made available on a voluntary basis with the approval of the relevant national central banks, the ECB also reports that data.

1. Monetary financial institutions (MFIs) balance sheet data as defined in Regulation ECB/2008/32 of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (recast) ⁽¹⁾.
2. MFI interest rate statistics as defined in Regulation ECB/2001/18 of 20 December 2001 concerning statistics on interest rates applied by monetary financial institutions to deposits and loans vis-à-vis households and non-financial corporations ⁽²⁾.
3. Investment funds statistics as defined in Regulation ECB/2007/8 of 27 July 2007 concerning statistics on the assets and liabilities of investment funds ⁽³⁾.
4. Statistics on securitisation as defined in Regulation ECB/2008/30 of 19 December 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions ⁽⁴⁾.
5. Selected monetary, financial institutions and markets statistics as defined in Guideline ECB/2007/9 of 1 August 2007 on monetary, financial institutions and markets statistics (recast) ⁽⁵⁾.
6. Consolidated banking data, as approved by the ECB's Governing Council and General Council, which cover data on balance sheet, profit and loss account and solvency of banking groups on an aggregated basis.

⁽¹⁾ OJ L 15, 20.1.2009, p. 14.

⁽²⁾ OJ L 10, 12.1.2002, p. 24.

⁽³⁾ OJ L 211, 14.8.2007, p. 8.

⁽⁴⁾ OJ L 15, 20.1.2009, p. 1.

⁽⁵⁾ OJ L 341, 27.12.2007, p. 1.

ANNEX II

Regular provision of aggregated information by the European Supervisory Authorities**GENERAL RULE**

Aggregated information provided by the European Supervisory Authorities (ESAs) comprises data on at least three legal persons, none of which represents 85 % or more of the relevant market, whether it consists of one or more Member States or the Union as a whole. However, if dispersion measures are provided in addition to the aggregated information, the aggregated information comprises data on at least five legal persons when referring to publicly available data, and data on at least six legal persons when there is a need to protect confidential firm-level data.

A. European Banking Authority (EBA)

EBA reports the following datasets for a sample of large banking groups as defined between the ESRB and EBA:

A1. Dataset: quarterly data from COREP and FINREP templates ⁽¹⁾

To the extent that the relevant information has been collected in cooperation with the NSAs, EBA transmits to the ESRB data necessary to compile the indicators listed below, which are also provided by the EBA, as well as correlations between the indicators and the following dispersion measures: minimum, first (lower) and third (upper) quartiles, median, average, maximum. EBA should transmit this information quarterly, five working days following EBA's receipt of data from the NSAs, which occurs 90 days after the reference date. The date for the first transmission of information will be agreed between the ESRB and EBA. Consistent back data for the previous five to eight quarters should also be submitted, if available, on a best effort basis.

The following indicators are to be provided:

(a) solvency indicators:

tier 1 capital ratio; total capital ratio; tier 1 ratio (excluding hybrid instruments); credit risk capital requirements of total capital requirements; standardised approach capital requirements of total capital requirements; securitisation capital requirements of total capital requirements; 'internal ratings-based' approach capital requirements of total capital requirements; market risk capital requirements of total capital requirements; operational risk capital requirements of total capital requirements; settlement and delivery risk capital requirements of total capital requirements; other capital requirements of total capital requirements;

(b) credit risk and asset quality indicators:

past due (> 90 days) loans to total loans and advances; impaired loans to total loans; coverage ratio (specific allowances for loans to total gross impaired loans); past due (> 90 days) loans and debt instruments to total loans and debt instruments; coverage ratio (specific allowances for loans and debt instruments to total gross impaired loans and debt instruments); coverage ratio (all allowances for loans and debt instruments to total gross impaired loans and debt instruments); impaired financial assets to total assets; impaired debt instruments to total debt instruments; accumulated impairments on financial assets to total (gross) assets;

(c) earnings risks indicators:

return on equity; return on regulatory capital requirements; cost-income ratio; return on assets; net interest income to total operating income; net fee and commission income to total operating income; dividend income to total operating income; net realised gains (losses) on financial assets and liabilities not measured at fair value through profit and loss to total operating income; net gains on financial assets and liabilities held for trading to total operating income; net gains on financial assets and liabilities designated at fair value through profit or loss to total operating income; net other operating income to total operating income; net income to total operating income; impairment on financial assets to total operating income;

⁽¹⁾ COREP and FINREP templates, in force on the reporting date, as produced in the form of EBA guidelines published on EBA's website at <http://www.eba.europa.eu> or, as appropriate, in the form of technical standards developed by EBA and adopted by the Commission under Article 74(2) of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (OJ L 177, 30.6.2006, p. 1).

(d) balance sheet structure:

loan-to-deposit ratio; customer deposits to total liabilities; leverage ratio (tier 1 capital to (total assets — intangible assets)); debt securities to total liabilities; deposits from credit institutions to total liabilities; equity to total liabilities and equity; cash and trading assets to total assets; cash, trading and available-for-sale assets to total assets; financial assets held for trading to total assets; financial liabilities held for trading to total liabilities and equity; loans and advances (excluding trading book) to total assets; debt-to-equity ratio; off-balance-sheet items to total assets;

(e) growth rates (%) per annum:

total assets; total loans; total customer deposits; total operating income; impairments on financial assets; past due (> 90 days) loans and debt instruments; total gross impaired loans and debt instruments; risk-weighted assets.

A2. Dataset: quarterly data on liquidity

EBA transmits to the ESRB data necessary to compile the indicators listed below, which are also provided by the EBA, as well as the following dispersion measures: minimum, first (lower) and third (upper) quartiles, median, average, maximum. This information is transmitted quarterly, five working days following EBA's receipt of data from the NSAs, which occurs 90 days after the reference date. The information in the first transmission will refer to mid-2013, depending on the final changes to provisions on reporting set forth in Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) ⁽¹⁾ and Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions (recast) ⁽²⁾. The date for the first transmission of information will be agreed between the ESRB and EBA. No historical information is required.

The following indicators are to be provided: proxies on the basis of available data for liquidity coverage ratio and net stable funding ratio.

A3. Dataset: quarterly data from EBA common reporting of large exposures templates ⁽³⁾

To the extent that the relevant information has been collected in cooperation with the NSAs and in accordance with the general rule on aggregated information, EBA transmits to the ESRB data necessary to compile the indicators listed below, which are also provided by the EBA, as well as dispersion measures agreed between the ESRB and EBA. This information is transmitted quarterly, five working days following receipt of data from the NSAs, which occurs 90 days after the reference date. The information in the first transmission will refer to end-December 2011. The date for the first transmission of information will be agreed between the ESRB and EBA. No historical information is required.

The following indicators are to be provided: number of large exposures of the large Union banking groups; amount of large exposures broken down by country and sector of counterparty (government; other large Union banking groups; other banks; other financial intermediaries; non-financial corporations; retail); amount (exposure before credit risk mitigation) of large exposures of the large Union banking groups broken down by instrument (assets; derivatives; off-balance-sheet; indirect exposures) and percentage of own funds; amount (exposure after credit risk mitigation, of which banking book) of the large exposures of the large Union banking groups and percentage of own funds.

B. European Insurance and Occupational Pensions Authority (EIOPA)

EIOPA reports the following datasets. The B1 dataset refers to large Union insurance companies, as identified by EIOPA. The B2 dataset refers to all Union insurance companies, with such aggregated information being collected on a solo basis.

B1. Dataset: annual fast-track reporting

To the extent that the relevant information has been collected in cooperation with the NSAs and in accordance with the general rule on aggregated information, EIOPA transmits to the ESRB data necessary to compile the indicators

⁽¹⁾ OJ L 177, 30.6.2006, p. 1.

⁽²⁾ OJ L 177, 30.6.2006, p. 201.

⁽³⁾ Large exposure templates, in force on the reporting date, as produced in the form of EBA guidelines published on EBA's website at <http://www.eba.europa.eu> or, as appropriate, in the form of technical standards (part of the COREP framework) developed by EBA and adopted by the Commission under Article 110 of Directive 2006/48/EC.

listed below, which are also provided by EIOPA, either as total amounts or as the following dispersion measures: unweighted average, weighted average by gross premiums, median, first quartile, third quartile, minimum, maximum. Information is transmitted annually, approximately 80 calendar days after the reference year. The date for the first transmission of information will be agreed between the ESRB and EIOPA.

The following indicators are to be provided:

(a) total amounts (sum):

- (i) total insurance business (life and non-life): gross premiums written; net premiums earned; net claims incurred; net operating expenses; available solvency capital; required solvency capital;
- (ii) non-life insurance business: gross premiums written with breakdown by line of business (accident and health; motor vehicle; motor vehicle third party liability; other classes; marine, aviation and transport; fire and other damage to property; general liability; credit and suretyship; other non-life insurance); net premiums earned; net claims incurred; net operating expenses; available solvency capital; required solvency capital;
- (iii) life insurance business: gross premiums written with breakdown by line of business (linked life insurance; non-linked life insurance; capital redemption insurance; group pension insurance; other life insurance); net premiums earned; net claims incurred; net operating expenses; available solvency capital; required solvency capital;

(b) dispersion measures:

- (i) total insurance business (life and non-life): gross premiums written growth rate; return on equity; return on assets; solvency ratio;
- (ii) non-life insurance business: gross premiums written growth rate with breakdown by line of business (accident and health; motor vehicle; motor vehicle third party liability; other classes; marine, aviation and transport; fire and other damage to property; general liability; credit and suretyship; other non-life insurance); loss ratio; expense ratio; combined ratio; return on equity; return on assets; solvency ratio;
- (iii) life insurance business: gross premiums written growth rate with breakdown by line of business (linked life insurance; non-linked life insurance; capital redemption insurance; group pension insurance; other life insurance); return on equity; return on assets; solvency ratio.

B2. Dataset: annual regular reporting

To the extent that the relevant information has been collected in cooperation with the NSAs and in accordance with the general rule on aggregated information, EIOPA transmits to the ESRB data necessary to compile the indicators listed below, which are also provided by EIOPA, as total amounts: unweighted average, weighted average by gross premiums, total large Union insurers' ratios, median, first quartile, third quartile, minimum, maximum. This information is transmitted annually, approximately 270 calendar days after the reference year. The date for the first transmission of data will be agreed between the ESRB and EIOPA. Historical series are provided from 2003.

The following indicators are to be provided:

- (a) total insurance business (life and non-life): gross premiums written; net premiums earned; net claims incurred; net operating expenses; available solvency capital; required solvency capital;
- (b) non-life insurance business: gross premiums written with breakdown by line of business (accident and health; motor vehicle; motor vehicle third party liability; other classes; marine, aviation and transport; fire and other damage to property; general liability; credit and suretyship; other non-life insurance); net premiums earned; net claims incurred; net operating expenses; available solvency capital; required solvency capital;
- (c) life insurance business: gross premiums written with breakdown by line of business (linked life insurance; non-linked life insurance; capital redemption insurance; group pension insurance; other life insurance); net premiums earned; net claims incurred; net operating expenses; available solvency capital; required solvency capital.

C. European Securities Markets Authority (ESMA)

ESMA provides the following datasets:

C1. Dataset: Markets in Financial Instruments Directive ⁽¹⁾ database

ESMA transmits to the ESRB data, collected in cooperation with the NSAs, necessary to compile the indicators listed below, which are also provided by ESMA. This information is transmitted on a quarterly basis, five days after the reference period. The date for the first transmission of information will be agreed between the ESRB and ESMA. Historical information is provided from November 2007.

The following indicators are to be provided: name and designation of the Member State of the competent authority that has authorised the systematic internalisers; name and designation of the Member State of the competent authority that has authorised the multilateral trading facilities; name and designation of the Member State of the competent authority that has authorised the regulated market; name and designation of the Member State of the competent authority that has authorised the central counterparty clearing houses.

C2. Dataset: reference data system database

ESMA transmits to the ESRB data, collected in cooperation with the NSAs, necessary to compile the indicators listed below, which are also provided by ESMA, as well as dispersion measures agreed between the ESRB and ESMA. This information is transmitted on a quarterly basis, five days after the reference period. The date for the first transmission of information will be agreed between the ESRB and ESMA. Historical information is provided from June 2009.

The following indicators are to be provided: breakdown of financial instruments admitted to trading in European Economic Area markets whose Classification of Financial Instruments code is ES (common/ordinary shares); number of instruments by Member States; number of instruments admitted by market; number of new instruments issued by market; number of new instruments issued by Member States.

⁽¹⁾ Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).

ANNEX III

Ad hoc requests for aggregated information by the ESRB**A. GENERAL CONSIDERATIONS**

1. **Identification of the need for an ad hoc survey**
 - 1.1. The European Systemic Risk Board (ESRB) may request aggregated information to be provided on an ad hoc basis. Such ad hoc ESRB information requests may be addressed by: (a) providing information already available from the European System of Central Banks (ESCB), the European Supervisory Authorities (ESAs), commercial data providers or the databases of international organisations, e.g. the Bank for International Settlements (BIS); or (b) conducting an ad hoc survey.
 - 1.2. In view of the above, initial ad hoc requests for aggregated information submitted by ESRB structures will generally first trigger an investigation phase, the aim of which is to identify whether an ad hoc survey needs to be carried out. The investigation phase will, in particular, assess what quantitative and qualitative data are already available and whether they are fit for purpose. Where the available data are not fit for purpose and the need arises for the data to be collected from reporting agents through an ad hoc survey, the investigation phase may already identify the relevant reporting population and broad cost implications for the reporting agents in carrying out an ad hoc survey. The outcome of the investigation may entail the adoption of a decision by the ESRB's General Board for aggregated information to be collected via an ad hoc survey.
 - 1.3. The ESRB and one or more ESAs may agree, due to their common interest in a specific topic, to launch a joint ad hoc survey, in which case an investigation phase is unnecessary.

2. Types of ad hoc surveys

- 2.1. Two types of ad hoc surveys may be used:
 - (a) Type 1 surveys focus on specific issues, e.g. adequate assessment of exposures, and usually aim to provide more detailed breakdowns within regular data collection exercises, e.g. 'of which' positions. Type 1 surveys may also cover datasets that give rise to (regular) data collection in a different context or by a different organisation, such as the International Monetary Fund or the BIS, and for which established methodological frameworks already exist;
 - (b) Type 2 surveys cover phenomena not previously analysed and for which no methodology has been established and no regular data collection is carried out. Type 2 surveys are considerably more work-intensive than type 1 surveys and may have no benchmark. Information extracted from type 2 surveys may be more difficult to interpret. The need to identify the relevant reporting agents and establish a methodological framework may imply that considerable time is required before information is collected.
- 2.2. In deciding whether an ad hoc survey is needed, the ESRB's General Board will be informed of and will take into account the likely costs involved and the timetable for conducting such a survey.

B. PRINCIPLES AND PROCEDURE FOR HANDLING AD HOC REQUESTS**3. Principles**

The ESRB Secretariat, the European Central Bank (ECB) and the ESAs (hereinafter the 'parties') will adhere to the following principles when fulfilling ad hoc ESRB information requests:

- (a) follow agreed procedural steps, which should be applied in transparent manner;
- (b) avoid excessive interaction with reporting agents;
- (c) maximise the use of existing information for various analytical and operational purposes, while respecting the necessary legal constraints and confidentiality safeguards;
- (d) use existing, to the extent possible harmonised, methodologies and data collections as much as possible;
- (e) develop best practices for ad hoc surveys by introducing feedback mechanisms and sharing information on methodologies among all parties involved.

4. Procedure

4.1. Investigation phase

4.1.1. ESRB structures convey their initial requests for an ad hoc collection of aggregated information to the ESRB Secretariat, which then organises the investigation phase with the support of the ECB, by taking the actions described below. The initial information request is transformed into actual data requirements and the availability and quality of relevant information is assessed within relevant organisations. The ESAs and the Joint Committee of the ESAs are informed of the content of the initial ad hoc request and invited to cooperate with the ECB in the assessment of the available information, with a view to maximising the use of previously collected information and avoiding an increased reporting burden. The investigation phase may also rely on the ESCB, including the ESCB Statistics Committee (STC), the ESCB Financial Stability Committee (FSC), or other sources within the European Statistical System, commercial data providers and international organisations, e.g. the BIS.

4.1.2. If, as a result of the investigation phase: (a) fit for purpose data or acceptable proxies are available and of sufficient quality, and (b) the owner's permission is obtained to use data not fully in the public domain, such data are provided via the ESRB Secretariat to the relevant ESRB structure requesting the information, together with the required quality assessment and information on the cost of data obtained from commercial sources.

4.1.3. In other cases, in particular where any of the following occur: (a) proxies are available but are of unknown or insufficient quality; (b) data and proxies are unavailable; (c) permission to use data not fully in the public domain is not obtained, the ECB provides the ESRB with the outcome of the assessment related to the availability of information and proposes possible sources and methodologies for an ad hoc survey, including: (i) categories and the number of reporting agents, (ii) reporting channels, e.g. the STC, the FSC or the ESAs, (iii) approximate estimate of the costs and timeframe, (iv) anticipated difficulties.

4.2. Data collection phase

4.2.1. After receiving the investigation results, the ESRB Secretariat submits via the ESRB's Steering Committee for approval by the ESRB's General Board a proposal for follow-up action together with an approximate assessment of merits and costs. The ESRB's General Board decides whether to undertake an ad hoc survey, which may require the involvement of reporting agents. The decision of the General Board may determine, in particular: (a) the granularity of the required information on an institutional and item level, (b) the confidentiality regime to be applied, in particular who will be allowed to access which data and how data will be stored and transmitted, (c) the time limits for provision of the information.

4.2.2. Where an ad hoc survey is conducted by an ESA, the ESRB Secretariat contacts the relevant ESA and the Joint Committee. Data may be transmitted via the ECB, in full compliance with Article 8 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board ⁽¹⁾.

4.2.3. Where an ad hoc survey is conducted by the ESCB, the ESRB Secretariat contacts the ECB, which then initiates contact with the potential reporting agents via national competent authorities using the appropriate ESCB committees and respecting applicable confidentiality constraints.

4.2.4. Following completion of each ad hoc survey, the parties will share information on the survey's implementation and, in particular, on the applied methodologies and quality checks as well as on any encountered difficulties, with a view to improving the effectiveness and efficiency of future surveys.

⁽¹⁾ OJ L 331, 15.12.2010, p. 1.