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**New Developments in the
BIS International Financial and Banking Statistics**

**Prepared by Monetary and Economic Department
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New developments in the BIS International Financial and Banking Statistics

1. International banking statistics

1.1 Data coverage

Efforts are continuing to increase the number of reporting countries both in the *locational* and *consolidated* banking statistics: the *locational* statistics focus on cross-border banking assets and liabilities and are consistent with balance of payments, IIP and external debt principles. The *consolidated* statistics, which are consistent with supervisory principles, provide a measure of the country risk exposure of national banking systems. They are therefore compiled on a worldwide consolidated basis with inter-office accounts netted out.

Currently, 43 countries and centres participate in the *locational* banking statistics and 30 in the *consolidated* banking statistics. Since 1998, 19 and 12 new reporting centres have joined the locational and the consolidated banking statistics respectively.

South Africa is the latest country, having joined the BIS locational banking reporting system at end 2009. Work is in progress in other central banks (China, Russia and Saudi Arabia) which have reconfirmed their interest in reporting to the BIS. Saudi Arabia is close to submitting test locational and consolidated statistics. Contacts are ongoing but lax with Russia and intensifying with China without any concrete results for the time being. It should be stressed that the efforts undertaken by the G20 for closing the statistical gaps should lead to/foster the participation of the above mentioned countries to the BIS banking statistics. Among the other central banks that were contacted with regard to future reporting, only Lebanon is still considering a contribution. It should be stressed that the majority of potential new reporters are putting forward that their willingness to participate in the BIS banking statistics reporting framework is hampered by urgent projects, lack of resources and worries about the confidentiality of the reports to the BIS.

Following discussions at the 2005 meeting of experts in international financial statistics, BIS is now implementing an improved *banking list exercise*, based on the residence and the nationality of the banking entities reporting to the BIS locational and consolidated banking statistics, in order to eliminate, or at least significantly reduce, any double counting or gaps in the consolidated statistics. With this new exercise central banks now provide the BIS on annual basis with the full list of institutions that participate in the locational statistics and in the consolidated statistics. Lists¹ are made available to the central banks which are part of the BIS reporting system and are now available for most of the reporting countries² on the BIS website.

1.2 Data quality

Data quality is continuously improving as several countries provided more detailed country, sector and currency breakdowns of their data. In the area of the *consolidated* banking statistics, only six among the smallest of the 30 reporting countries do not yet provide data on an ultimate risk basis, but nearly all which do, supply such data consistent with BIS definitions.

¹ 7.800 banks in 43 countries report to the locational statistics

² For those having agreed with such a publication (39 out of 43)



It should be mentioned that a particular effort is being devoted to ensure good consistency across the different BIS datasets, mainly between (i) locational by residence and by nationality, (ii) locational by nationality and consolidated, and (iii) OTC and consolidated data.

1.3 Potential improvements in coverage

Further to a research performed by BIS economists on tracking funding patterns of the main banking systems (Article on US dollar shortage in global banking in BIS Quarterly Review March 2009 at http://www.bis.org/publ/qtrpdf/r_qt0903f.pdf), the CGFS carried out a written consultation in September 2009 on a series of proposals for improving the quality and coverage of the international banking data, mainly related to the locational banking statistics by nationality. Results have been submitted to the CGFS which set up in March 2010 an Ad hoc Working Group for the Review of statistical proposals chaired by the Swiss National Bank. More refined analysis has been undertaken by the WG members and a first set of proposals is expected to be approved by the CGFS in early January 2011. This effort is part of the G20 recommendations to close the statistical gaps (recommendations 10 and 11). The WG is proposing to expand the currency breakdown, to require a vis-à-vis country breakdown in the nationality data, to report domestic currency positions on residents and of total assets in the consolidated data, to identify debt security and equity liability positions. A first package of these recommendations will be operational around mid 2012. A second one requiring a cost benefit analysis will be implemented later.

Another improvement related to a WTO request to have banks' trade credits separately reported in the locational statistics is still under investigation. A decision by the CGFS is expected in January 2011.

1.4 Data availability

Most countries provide their *locational* and *consolidated* banking data within 12-13 weeks. Since October 2005, the BIS is releasing preliminary quarterly banking data, with a short analysis, to central banks and the public. These preliminary data are available within only 15 weeks of the reporting date, i.e. 6 weeks ahead of the publication of the BIS Quarterly Review, in which final data are provided together with a more detailed analysis by BIS economists. So far, data revisions in the final data have been minimal when compared with the data in the preliminary release. The financial crisis has enhanced the role of the BIS international banking statistics. Since mid 2008 the BIS statistical releases have been widely quoted in the press and the number of hits on our website has doubled each year. Furthermore, many requests from academics and international organisations - of which the IMF - to share our detailed restricted data, have been received and fulfilled on ad hoc basis.

The subset of published BIS international banking statistics is available with a full back-run of the series free of charge on the BIS website. The BIS is presently developing a new query tool that should give users even better access to the available data. A first version should be operational on the BIS website in early 2011 at the latest.

2. Debt securities statistics

2.1 Data coverage

The BIS undertakes continuous efforts to improve the data collection procedures and the geographical coverage of its *domestic debt securities*. While the country coverage of BIS *international debt securities* data from commercial and institutional sources is relatively comprehensive, the coverage of BIS domestic securities data, which are mainly collected from central bank sources, has been expanded in 2010 from 49 to 55 countries.



As regards the euro area, in order to streamline its collection process and achieve an overall consistency with the SEC data, the BIS aims at harmonising its debt securities data with those published by the ECB. The development of this project is in its final stage and the ECB should receive the first comparative national reports before the end of the year.

An additional project based on the stylised template recommended in the first part of the Debt Securities Handbook published in May 2009³ has been launched to expand the coverage and improve the quality of the BIS domestic debt securities and to reduce potential overlaps with the international debt securities dataset. A stepwise approach is being implemented. In a first phase in 2008, 40 central banks (excluding national central banks of the euro area for which data are already available- see above) nominated experts, provided indications on the statistical series available, revealed the data sources and the links to their published data. Since then, the BIS is (i) comparing the data made available by the countries with the current BIS domestic and international statistics as well as, if available, the data reported in the annual CGFS survey on the local currency bond markets, (ii) exchanging information and questions with the central banks to explain the differences. In a third phase the BIS compiles the data, using the SDMX protocol for codification, transmission and storage in the BIS Data Bank. The whole project is also based on a specific analysis of the BIS international debt securities in line with the residency based principle that was presented at an IFC workshop in Washington in March 2008. Overall progress is slower than expected due to delays in central banks' feedback.

The first release of the new publication template should be posted on the BIS website in early 2011, with priority given to the euro area and G20 countries. Present and new tables will co-exist on the BIS website till full coverage is achieved under the new template.

2.2 Data quality

While preparing for a new collection system for domestic debt securities, the BIS is also committed in the short run to further improve its present domestic debt securities statistics in terms of geographic coverage and quality. Revisions have recently been more frequent as consequence of the data collected for the CGFS working group on local bond markets and the largest revisions are documented on the BIS website.

2.3 Data availability

The BIS domestic and international debt securities statistics are available with a full back-run of the series free of charge on the BIS website.

3. Foreign exchange and derivatives statistics

3.1 Data coverage

The *2010 Triennial Survey* on Foreign exchange and derivatives activity is in its final stage. The first part on turnover in April 2010 has been released on 1st September. 53 countries participated in this exercise and the publication was restructured to focus more clearly on all FX instruments on the one hand (global markets instead of traditional instruments) and on other derivatives on the other.

³ With the support of the ECB and IMF, as well as of several central banks, the BIS coordinated in 2008 and 2009 the drafting of the Part 1 on debt securities of the Handbook on Securities Statistics. The second part of the Handbook devoted to securities holdings was coordinated by the ECB and published in September 2010 (see separate presentation).



The release of the provisional data will be completed at the end of November 2010 by a comprehensive report on traditional FX turnover and FX derivatives positions separately from the second part of the Survey on amounts outstanding at end June 2010 whose publication is scheduled on November 22. Full publication of both parts of the Survey as it was the case till 2007 is being discontinued.

It should be reminded that the second part of the Survey and the simultaneous semi-annual G10 survey related to the OTC/CDS amounts outstanding at end June 2010 will take on board one of the recommendations of the CGFS Working Group on CRT instruments, namely the separate information on CCP (central counterparties). As mentioned above, the results will be first released in November and then in the December 2010 BIS Quarterly Review, which will be almost entirely devoted to the interpretation of the final results of the Survey.

In the *semi-annual OTC derivatives markets statistics at end June 2010*, which comprise data on notional amounts and gross market values outstanding of foreign exchange, interest rate, equity, commodity and credit derivatives, several modifications have been introduced in the CDS statistics, as a result of the decisions of the CGFS WG: (i) from June 2010, in addition to the information on CCP counterparties, a breakdown between SPVs/SPEs and Hedge Funds has been requested, as well as separate information on index products in the multi-name CDS instruments. (ii) Additional details will be reported as from June 2011. These include a regional breakdown and more detailed information on gross credit exposure and a sectoral allocation of non-sovereign obligors of underlying reference entities. It is also worth mentioning that at that date all the reporting countries will use the same framework, in contrast to the present situation in which five countries report a reduced template on CDS, while six others comply fully with the requirements agreed back in 2005.

Currently 59 reporting dealers in the Group of 11 countries, which represent the major financial centres, contribute to this survey, on a worldwide consolidated basis. Additional countries could be invited to report from June 2011 depending on their share as reported in the second part of the 2010 Triennial Survey.

The CGFS has recently declined an IOSCO request to have further details on OTC oil commodities in the semi-annual survey on the ground that a trade repository is under development in this organization that will in the medium term provide more frequent and detailed data on OTC commodities positions.

Furthermore, the BIS collects from commercial sources and publishes world-wide quarterly data on turnover and amounts outstanding of *exchange-traded* currency, interest rate and equity index derivatives.

3.2 Data quality

See above.

3.3 Data availability

The publication lag of the *semi-annual OTC derivatives statistics* has been reduced to four and a half months. A further reduction is targeted which depends on the capacity of the major reporting countries to submit data earlier. The publication lag for the *exchange-traded derivatives statistics*, which are provided by commercial sources, is only about two months.

The published BIS derivatives statistics are available with a full back-run of the series free of charge on the BIS website

4. Joint External Debt Statistics



Selected BIS time series are also made available on the Joint External Debt Hub (www.jedh.org), a website providing creditor and debtor data, which is jointly managed by BIS, IMF, OECD and World Bank as a pilot project implementing Statistical Data and Metadata Exchange (SDMX) concepts. The JEDH applies technological innovation to the context and content of information being provided. In the context of the JEDH, the BIS is a major contributor and provides information from its international banking and debt securities statistics. It is also reporting to the JEDH data on behalf of the Berne Union of Trade Credit Insurers data and more recently of the Paris Club.

5. BIS Publications

Work is ongoing on a new query tool to be made available on the BIS website that would facilitate data access and downloading by the users of the BIS international banking statistics.

In a first step, BIS will make available all the Free/Publishable data according to the needs of the users, including production of graphs with the use of a specific query tool. In a second, BIS will make available the graphs and tables developed to keep track of funding patterns in the national banking systems.

6. New seminar for central bank data compilers

In addition to the regular Biennial meetings mostly devoted to the review of the gaps, methodological issues and improvements planned by the BIS IFS, BIS has decided to convene provisionally on a biennial frequency a specific seminar for the central banks' staff in charge of compiling the BIS data. The first one was successfully organized mid September 2009; more than 40 people attended. Several countries have subsequently already revised their data, thus improving the overall quality of the banking statistics.

7. Next Biennial meeting of central banks experts in BIS international financial statistics

This meeting will be held in Basel on 15-16 March 2011. Previously scheduled in March 2010 it has been delayed due to the constitution of the CGFS Ad hoc WG for the Review of Statistical Proposals.

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