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

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New developments in the BIS International Banking and Financial 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, unchanged from last year. 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 have intensified a few months ago with *China* without any concrete results for the time being and recently with *Russia* which has committed to report from next year. 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 *Indonesia* and the *Eastern Caribbean Central Bank* (Antigua, Barbuda, St Kitts and Nevis...) have expressed a firm intention to contribute to the BIS banking statistics. *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 questioning about the confidentiality of the reports to the BIS.

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.

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 set up in March 2010 an Ad hoc Working Group for the Review of statistical proposals chaired by the Swiss National Bank. This effort is part of



the G20 recommendations to close the statistical gaps (recommendations 10 and 11). A first set of proposals (Stage 1) only based on data available at central banks has been communicated to the reporting central banks in May 2011. The WG is proposing to significantly¹ expand the reports, mainly with (1) the nationality data with a full vis-à-vis country breakdown for each nationality of resident banks, and a finer currency detail and (2) the totality of the balance-sheet, ie the domestic currency positions on residents. The first set of proposals is scheduled to be implemented from the 2012 Q2 reports.

A second set (Stage 2) which implies additional reporting burden for the commercial banks required a cost benefit analysis and taking into account its outcome has been submitted for approval to the CGFS in September. It is mainly focused on:

- closing existing gaps and relaxing national confidentiality requirements
- expanding the number of reporting countries
- clarifying the existing consolidation practices
- splitting the locational data between the type of reporting banks: foreign subsidiaries, branches and domestic banks
- providing new data, such as, among others, a finer sector split, in both locational and consolidated data, information on the domestic exposures and funding in the consolidated data, a maturity split for the debt securities liabilities in the locational data, etc

This second set of recommendations is not expected to be operational before end of 2013.

Furthermore, a WTO request to have banks' trade credits separately reported in the locational statistics has been investigated and a proposal based on available data in the main central banks submitted to the WTO.

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. The financial crisis has enhanced the role of the BIS international banking statistics. Since mid 2008 and mainly since the break up of the euro area crisis in 2010 the BIS consolidated banking data have been widely quoted in the press. Many requests from academics and international organisations - of which the IMF - to share our detailed restricted data, have also been received and fulfilled on ad hoc basis.

To respond to the needs expressed by the users BIS has made available on its website from June 2011 a new table (9E) giving the debtor countries' sector break of the foreign claims of the major creditor banking systems as well as their off balance sheet exposures.

The BIS has also released on its website in May 2011 a new interactive query tool that gives users a better access to the public data (see 5.). This tool should be expanded to other datasets and to more available data in the near future.

¹ The increase in the volume of reported data is such that it will impose the generation of SDMX-EDI files instead of XL templates



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 74 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. Several presentations have been made to the euro area central banks in the WG MFS and national tables comparing BIS data with SEC ones have been provided to the central banks for a finer investigation of the differences. Some euro area central banks have made use of detailed security-by-security database on international debt securities, available on eBIS, and cooperated with the BIS staff in identification of discrepancies.

An additional project based on the stylised template recommended in the first part of the Handbook on Securities Statistics published in May 2009² has been launched to expand the coverage and improve the quality of the BIS debt securities **issues** statistics and to reduce potential overlaps between the domestic and international debt securities (IDS) datasets. 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, were asked to provide metadata on the statistical series available, revealed the data sources and the links to pull their data to the BIS Data Bank using SDMX protocol. Since then, the BIS has been (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. In parallel, the scope of international debt securities has been redesigned in line with the residency based principle recommended in the Handbook.

Communication with the central banks has been more difficult than expected and the progress is relatively slow due to delays in their feedback. Not all the G20 central banks are already contributing to this exercise, hampering so far any publication of the new data under the Handbook template.

The first release of the new template and of the revised IDS should be posted on the BIS website in early 2012, with priority given to the euro area and G20 countries. It should be reminded that (1) the first version of the template will be constituted of limited breakdowns, and (2) the BIS will disseminate data, initially with limited breakdowns (although some countries were able to identify markets, currency group, maturity, and sector, majority has reported only broad issuing sector breakdown). Additional information on type of interest rate and maturity is expected to be added in 2012.

In the medium term BIS will also compile the debt securities **holdings** according to the recommendations of the second part of the Handbook published in 2010.

² 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. A third part on securities/shares statistics is being prepared and coordinated by the ECB.