



EUROPEAN CENTRAL BANK

EUROSYSTEM

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# The Integrated Reporting Framework (IReF) and the Banks' Integrated Reporting Dictionary (BIRD) – A convergence process?

**DISCLAIMER:** *The views and opinions expressed in this presentation are those of the author and do not necessarily represent official policy or position of the ECB.*

22th XBRL Europe Day

Rome, 8 February 2019

# Overview

- 1 ESCB strategy on data integration
- 2 Cooperation with the banking industry
- 3 Integrated Reporting Framework (IReF): Latest developments
- 4 Banks' Integrated Reporting Dictionary (BIRD): Latest developments

*The presentation focuses on **banks' reporting**, however, similar work has been made for **insurance corporations** and **pension funds***

- ESCB statistics to keep *supporting policy making* while *minimising the reporting burden for banks* via:
  - Engaging in a regular dialogue with the **banking industry**
  - Standardising and integrating existing frameworks for **banks' reporting** across *domains* and across *countries*

## ***IReF***

### ***Integrated Reporting Framework***

*Collect the data only once,*  
via an integrated reporting  
scheme

Focus on *ESCB statistical requirements*



## ***BIRD***

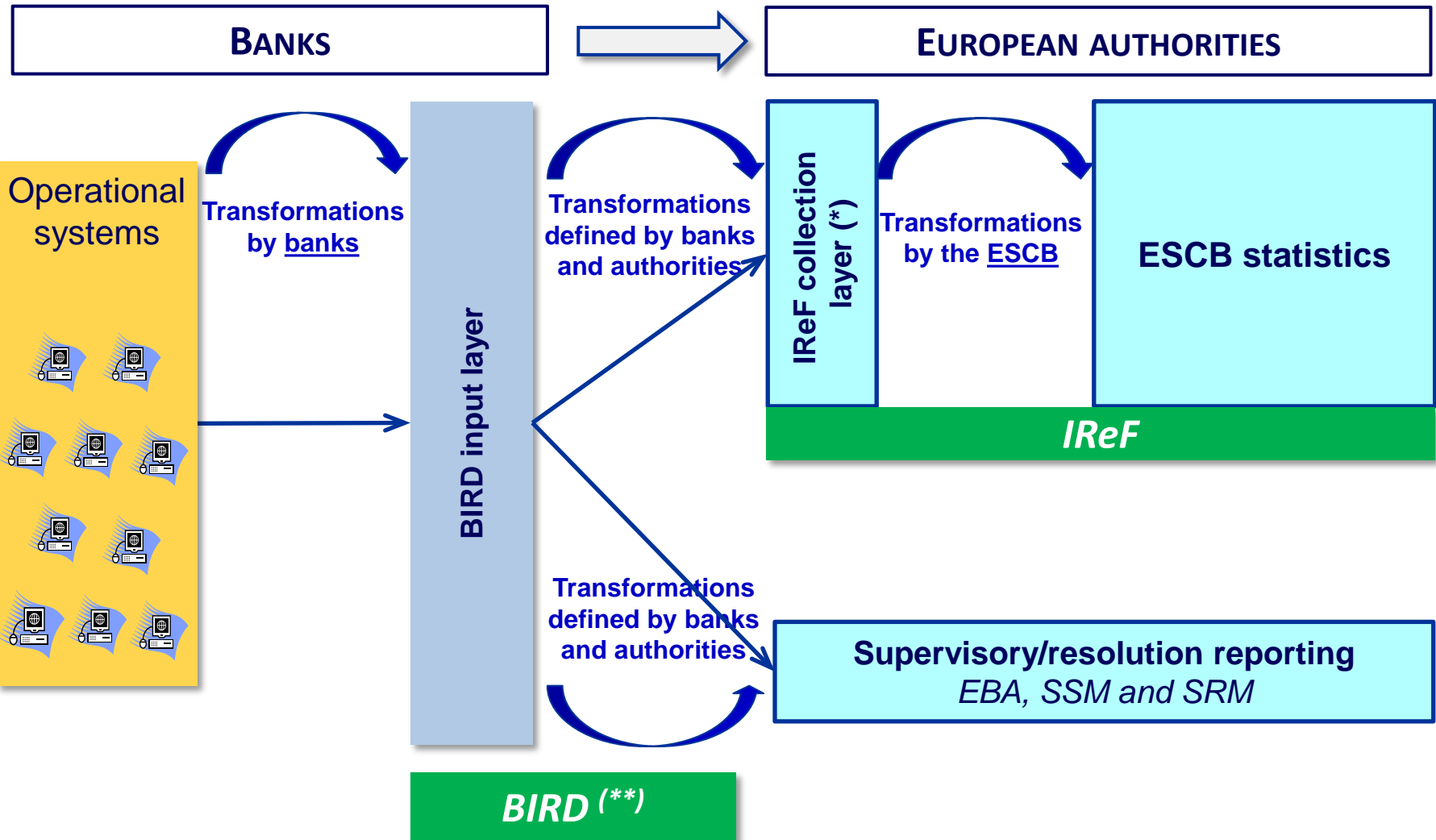
### ***Banks' Integrated Reporting Dictionary***

*Support reporting agents*  
to optimally organise the  
information available  
in their internal systems

# 1/ ESCB strategy on data integration 2/2

*Semantic integration*

*Semantic and reporting integration*



\* Using the ECB Single data Dictionary

\*\*See [Banks' Integrated Reporting Dictionary](#)

## 2/ Increased cooperation with the banking industry

- The ESCB Statistics Committee (STC) set up a regular ***Dialogue with the banking industry*** between members of the STC and representatives of the banking industry
  - ✓ *Aim*: discuss new and ongoing developments in ESCB statistics
  - ✓ *Meetings*: 16 March 2018 and 15 March 2019
- The ***Integrated Reporting Framework*** (IReF) and the ***Banks' Integrated Reporting Dictionary*** (BIRD) featured prominently
- Banks call for ***integrated*** and ***standardised*** reporting requirements to (i) ***increase data quality***, and (ii) ***reduce reporting burden***
  - ***Define once***
  - ***Report once***
  - ***Share information***

Source: [EBF Press Release](#), 30/10/2018

## Integrated Reporting Framework

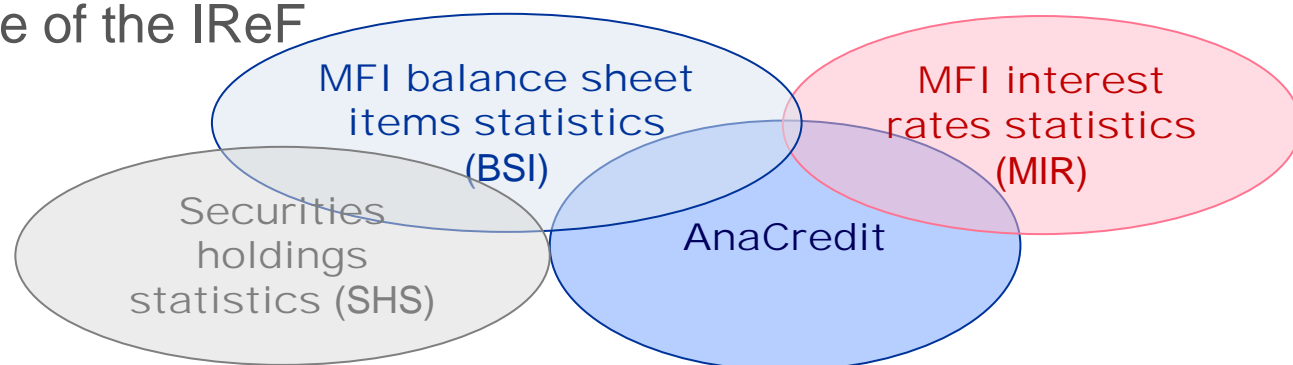
- Integrated reporting scheme for banks across countries & across domains with a *focus on ECB statistical requirements*



Main objectives:

- ✓ Combination of existing ESCB requirements into *one integrated set of reports*
- ✓ *Simplification* of the reporting
- ✓ Ensure *proportionality*

- *Datasets* in the scope of the IReF



- *Tentative timeline* for implementation: **2024-2027**

# Cost-benefit analysis



### *Aim*

- *Assess jointly with the banking industry*
  - IReF impact prior to any decision on implementation
  - Appetite of banking industry for different scenarios

### *Two steps*

(i) *Qualitative Stock-Taking questionnaire* from June to October 2018

- Separate questionnaires for Reporting agents, NCBs as statistical compilers, ESCB user groups
- Summary of the results to be published in February - March 2019

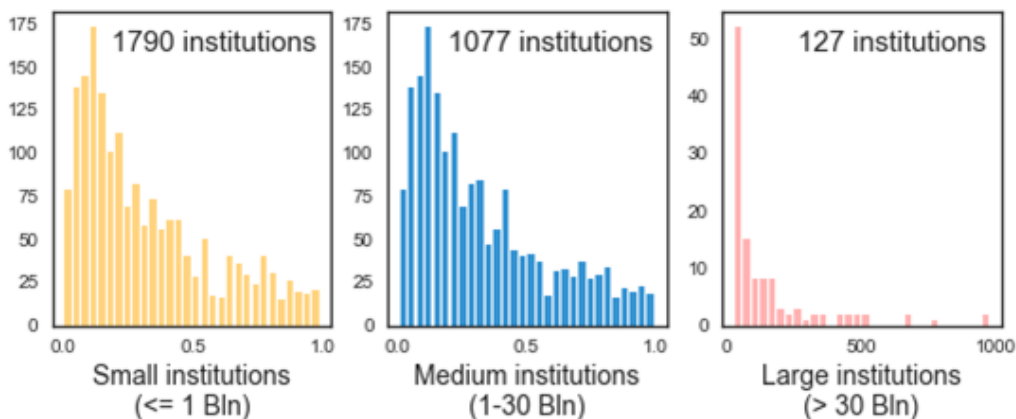
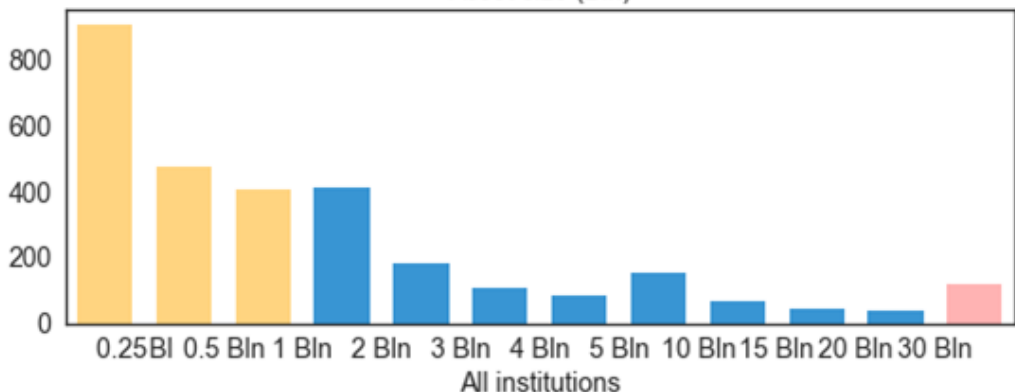
*Follow-up* for discussion at the *Dialogue with the banking industry* March 19

(ii) *Cost-benefit questionnaire* will be defined and launched in 2019

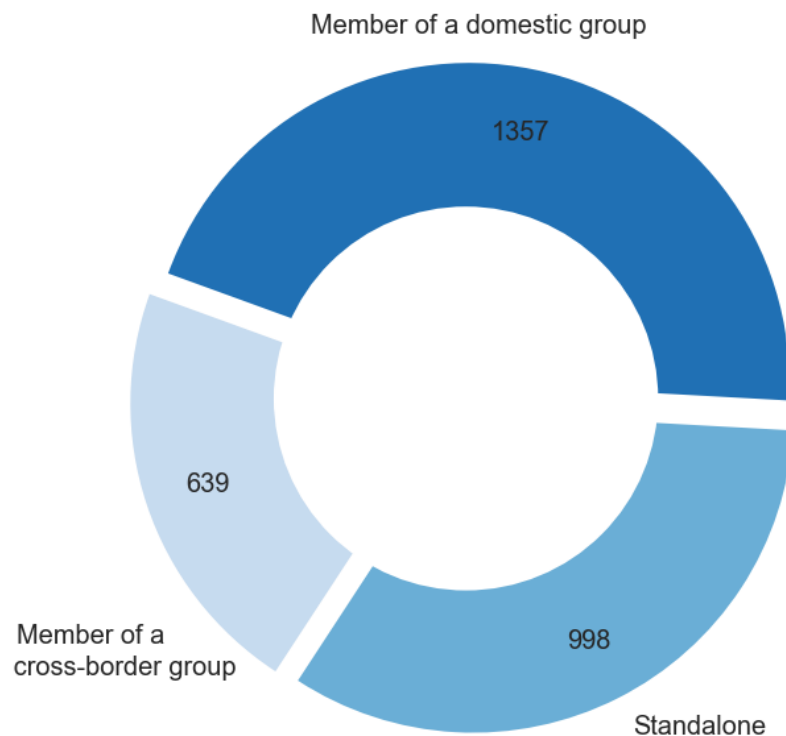
## *Distribution of responses from reporting agents*

### Decomposition by asset size

Asset size (Bln)



### Decomposition by group structure



- EUR 30 bln threshold helps reflect the asset-size criterion used in determining significant institutions





## Purpose

- ✓ *Streamline overall process of reporting from banks to national & European authorities*
- ✓ *Improve consistency & quality of information reported by banks*

## Benefits



Commercial  
banks

- ❑ **Data consistency:** Reports produced from a *single input layer* by applying *harmonised transformations*
- ❑ **Lower reporting burden:** Decrease time & efforts to analyse & prepare new reports by *exploiting joint knowledge & experience*
- ❑ **Increase efficiency:** Easiness in managing data, satisfying (new) reporting



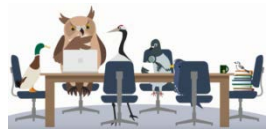
Authorities

- ❑ **Formalised, unique, shared description** of requirements to banks
- ❑ **Awareness** of reporting agents' *cost drivers*
- ❑ **Fine tune the reporting** & better shape/automate data processing

# BIRD Governance

- ❑ *BIRD Steering Group (April 2018, December 2018)*
- ❑ *BIRD Expert Group*
- ❑ *BIRD annual workshop with software companies*

**STC Dialogue  
with the  
Banking  
Industry**



## Participants

- ✓ **Authorities:** NCBs/NCAs, ECB DG/Statistics, Single Resolution Board, EBA **23%**
- ✓ **Banking Industry:** European Banking Federation, Commercial Banks **77%**

- Available as a “*public good*” to banks and interested parties: [BIRD](#)



### □ (Current) **Coverage (BIRD 2.1)**

- Analytical Credit reporting (AnaCredit)
- Securities holdings statistics Group reporting (SHSG)
- Financial Reporting (FinRep 2.7)

#### **New Database**

- 62 input cubes
- 767 transformation schemes



### □ **Work on-going**

- Resolution Planning
- Asset Encumbrance (AE)
- Common Reporting – Credit Risk (CoRep – CR)
- Work stream on **data modelling**

### □ **Work plan 2019-2020**

- **Work stream on testing** to further operationalise BIRD  
(*contribution from software companies*)
- **Securitisation framework** DPM 2.9
- **FinRep new performing definition** DPM 2.9
- **Liquidity Coverage Ratio**
- **Additional Monitoring Metrics for Liquidity**

thank you!

## Banks' process to produce report the integrated approach

