

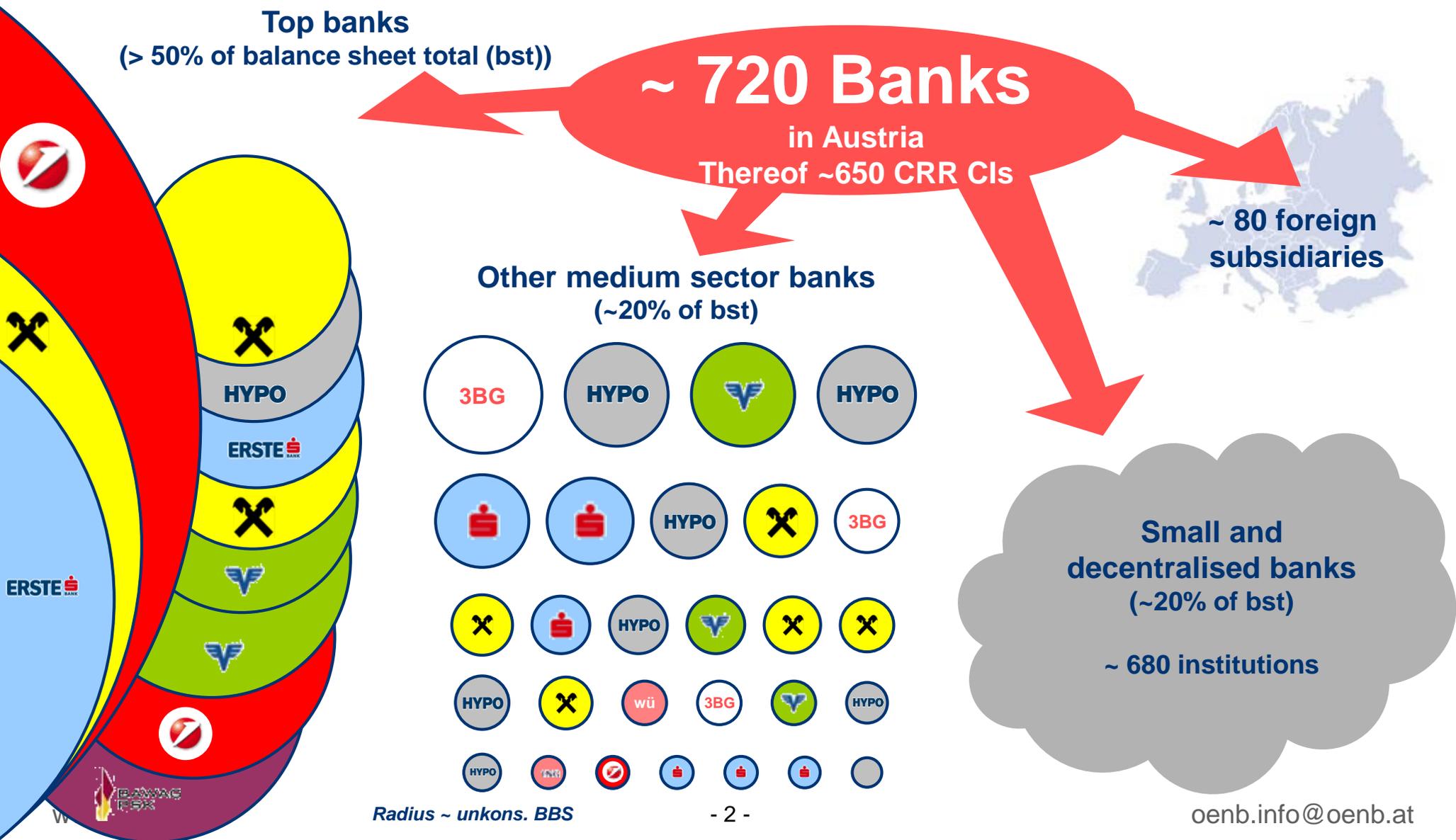
# New Ways in Reporting for Austrian Banks

European Institute of Financial Regulation (EIFR), September  
20, 2016

Johannes Turner  
Director Statistics Department  
Oesterreichische Nationalbank

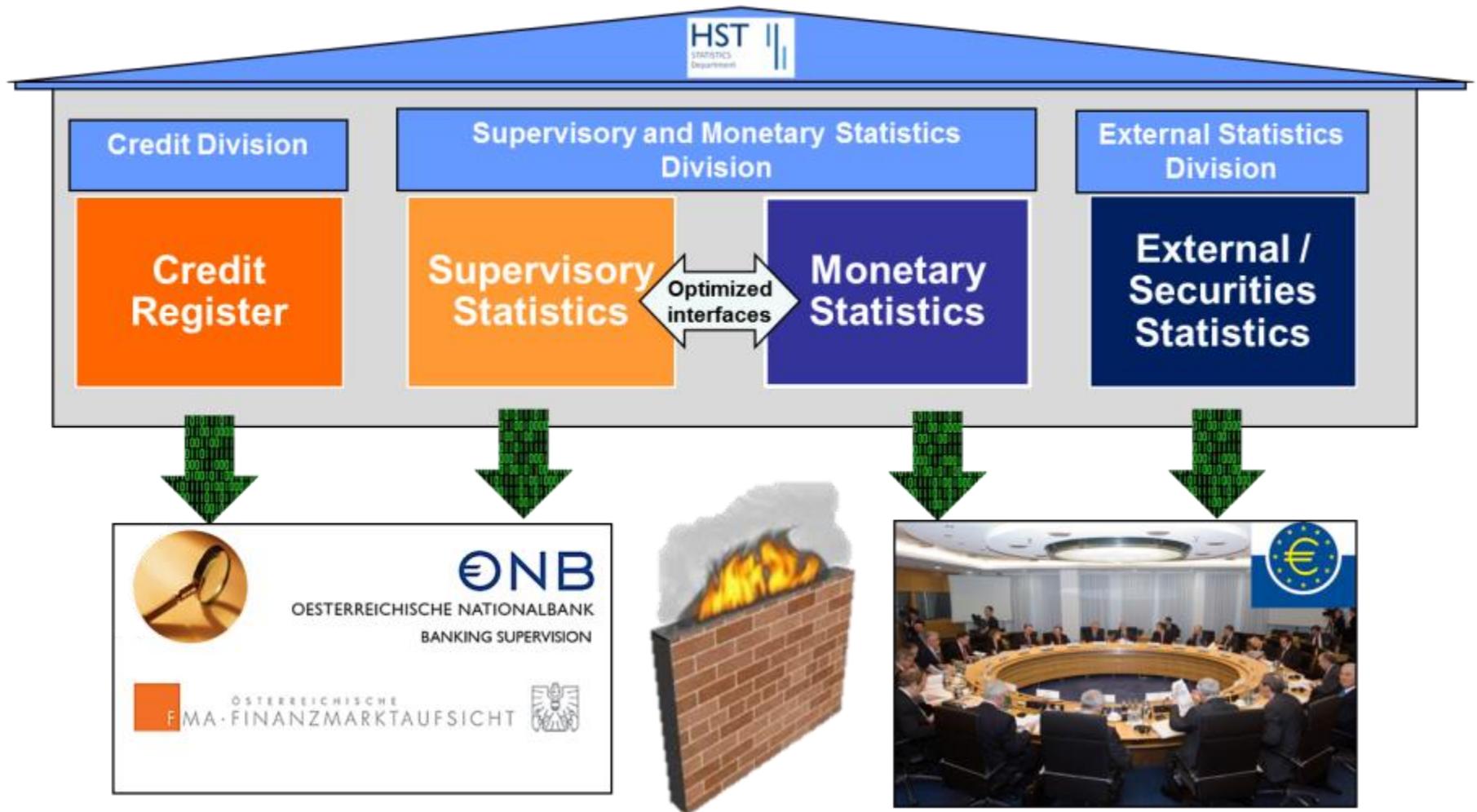
[www.oenb.at](http://www.oenb.at)

# The Austrian banking system



# Facing the challenge

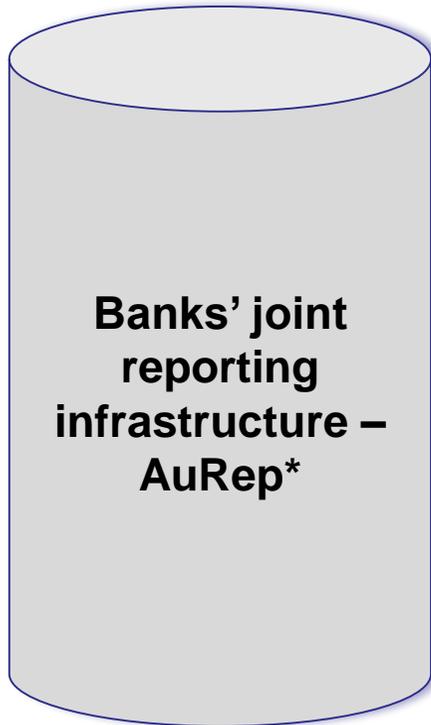
Benefit from synergy effects of an harmonised reporting process



## Why new ways in data reporting?

- In the field of central banks' statistics and supervision user and hence **data reporting** requirements have **grown** significantly
- They are getting more **granular** and **complex**
- Traditionally, each institution used its **own approach to data collection**
- Leads to **redundant** data collection schemes and a **lack of data consistency**
- Internal and external reporting often **diverge**
- Need for **high-quality, comparable** and **timely data** on the one hand (**BCBS 239**) and **cost efficiency** on the other-hand motivate for
- **New ways** in data reporting

## The two pillars of the Austrian way

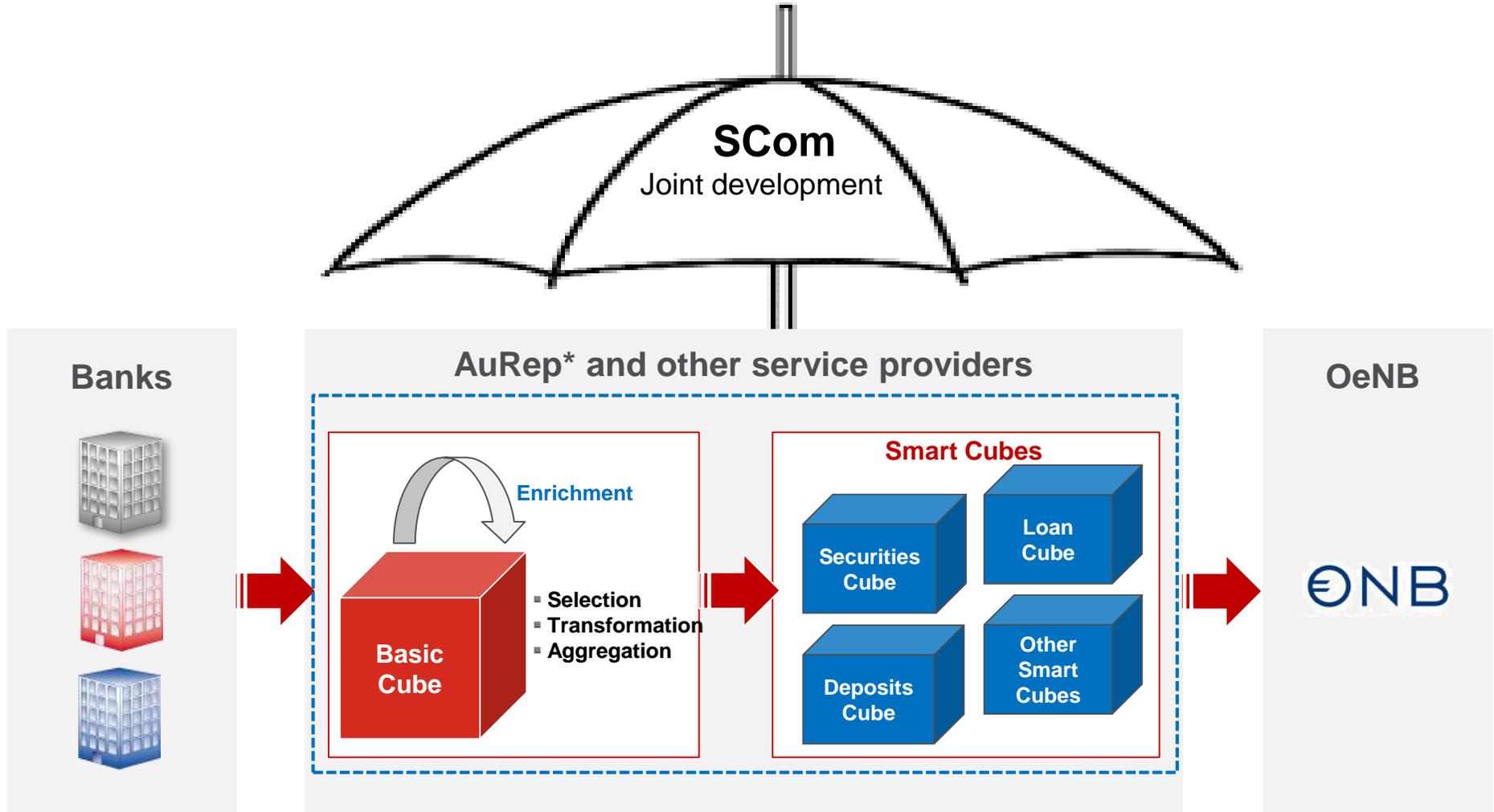


- **Precondition:** Commitment of banks' top management to support the new ways of reporting
- **Objective:** medium term cost savings for the whole market with better data quality

\*SCom ... Standing Committee between banks and OeNB

\*AuRep ... Austrian Reporting Services GmbH

# Key factor cooperation with banks



\*SCom ... Standing Committee between banks and OeNB

\*AuRep ... Austrian Reporting Services GmbH

# Austrian Reporting Services GmbH Tasks



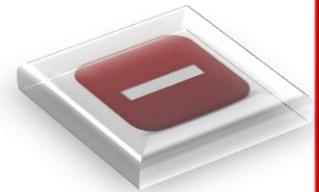
- Founded in 2014 by 7 banks as **central reporting platform**
- AuRep covers now about **90%** of the Austrian banking sector
- Banks are still responsible for correctness of the reports and their content
- **Main tasks**
  - **Production** of Smart Cubes (multidimensional reporting forms)
  - **Pre-testing** the joint reporting software
  - **Interface to software developer**
  - **Interface to banks** regarding sourcing of the joint reporting data warehouse (Basic Cube)
  - **Central contact** for OeNB in case of **technical issues**
  - Cooperation with OeNB regarding **mapping rules** from Basic Cube to final templates
  - Strategic partner of OeNB concerning the further development of the reporting data model

## Advantages/Challenges

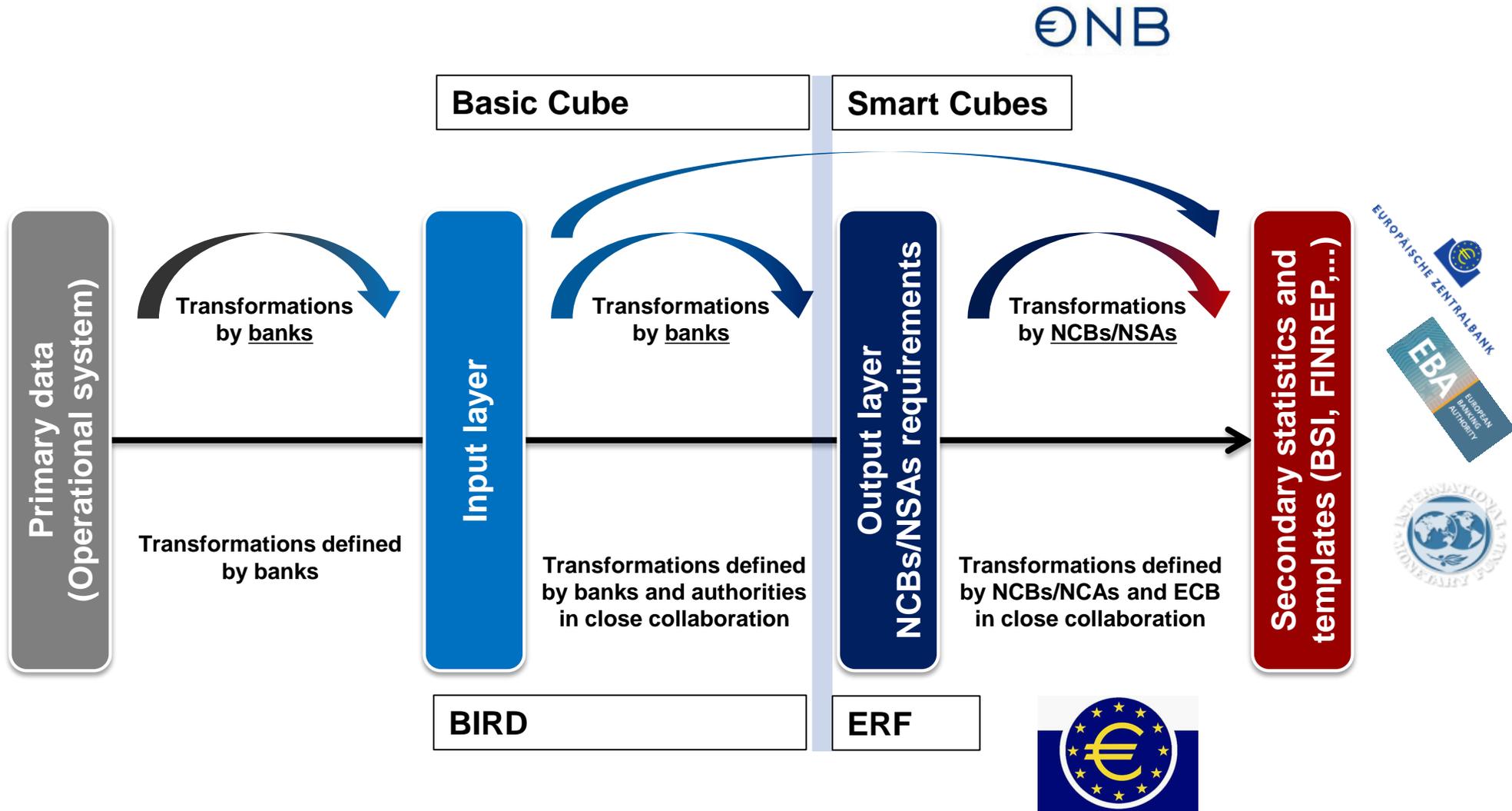
- Consistent **implementation** of integrated data model → **avoiding double efforts** for the implementation
- Unique **software** and **hardware**
- Central **enrichment, aggregation, quality assessment- and correction** procedures
- Central discussion **platform**
- Central **interface** (i.e. intermediary) to OeNB



- Higher **project risk** for banks due to initial costs, new interfaces, processes & responsibilities, performance
- **Acceptance** of the new roles and using **synergy potentials**



# The Role of BDD, ERF and SDD



# Components of the Austrian integrated data model

„BasicCube“  
(input layer)

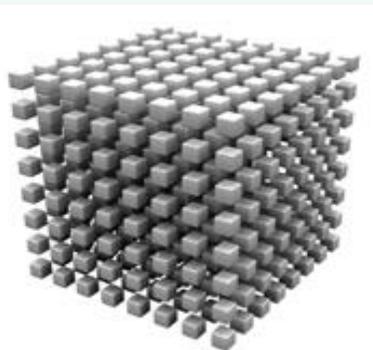
transmission  
release through  
credit institutions

„SmartCubes“  
(primary reporting)

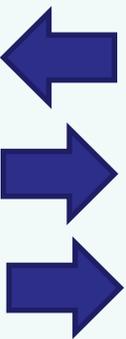
transmission in  
OeNB

Secondary statistics  
and templates

physically implemented



Interfaces operational systems



Basic Cube is mainly based on single business cases

- Loans
- Derivatives
- Off-balance sheet
- Securities

Mapping rules

Selection, Aggregation

ISIN, Loan Cube  
(micro data) &  
aggregated  
cubes

Aggregation

Reference data

Supervisory  
(EBA-ITS)



Statistics



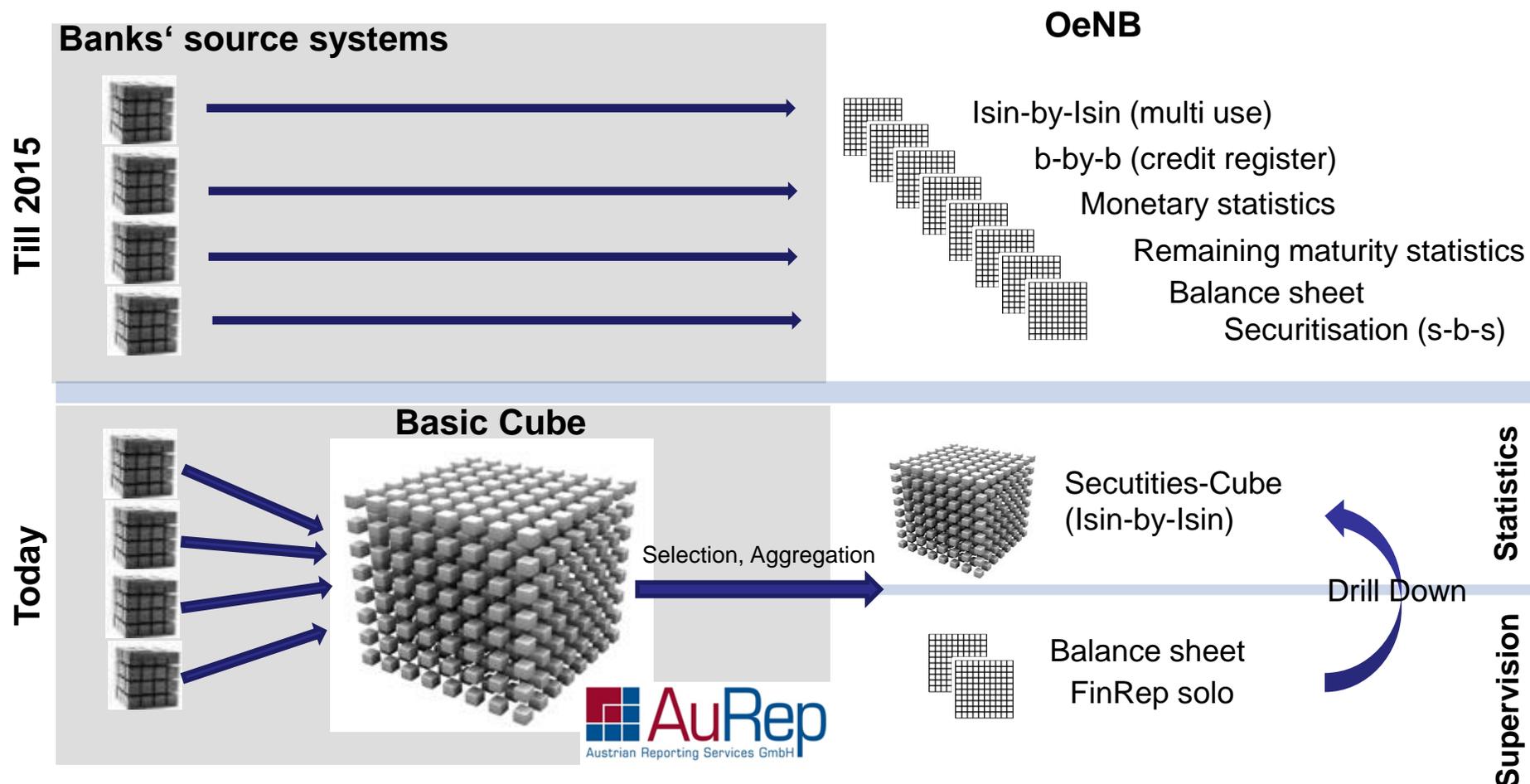
National  
Needs



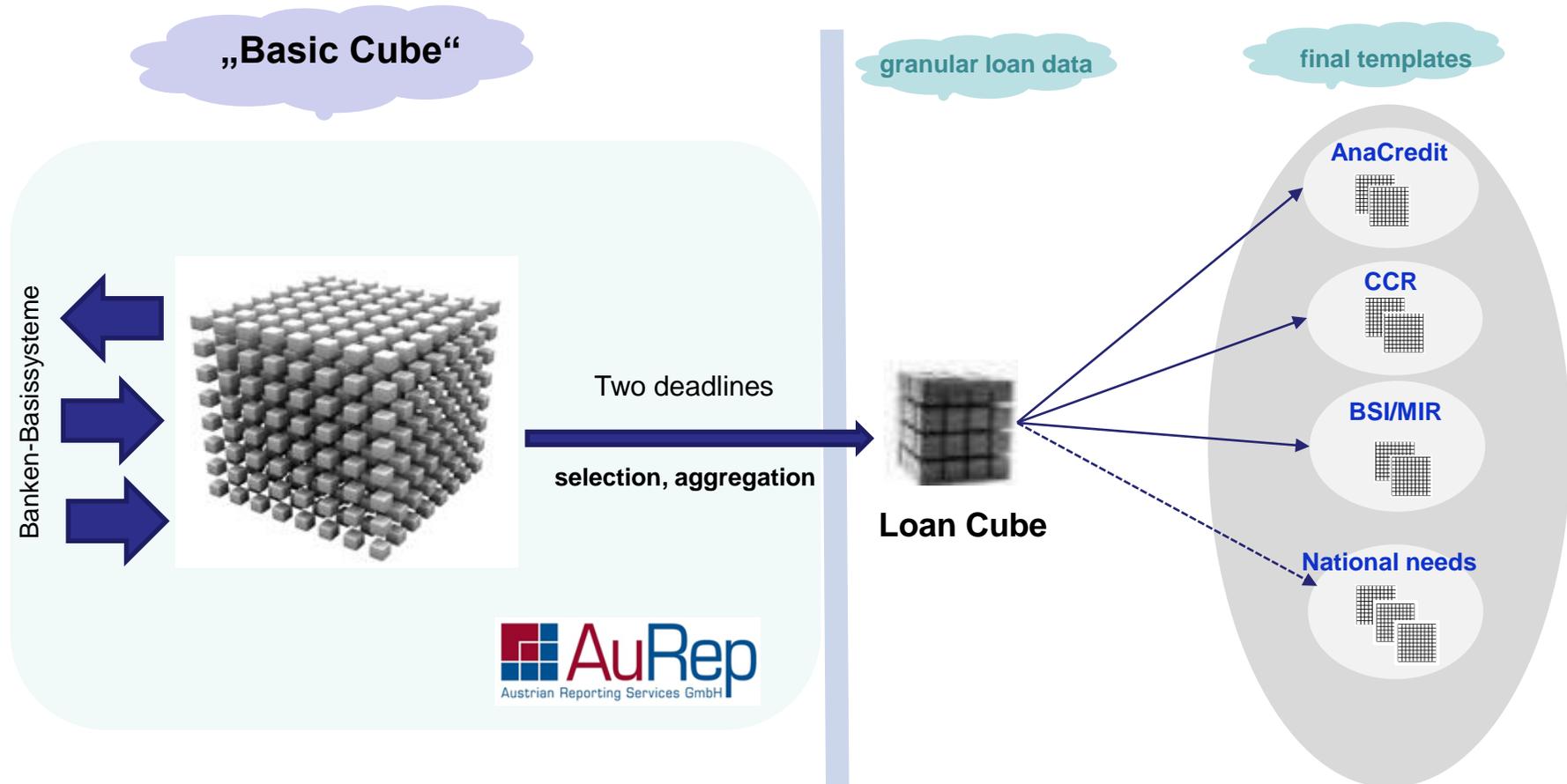
Meldewesen Wiki: Joint data model documentation

# Evolution of data collection in the OeNB

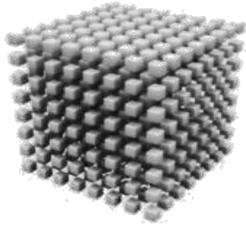
Using the example of unconsolidated securities assets of banks



# Reporting of AnaCredit



- Loan data are collected only once and used for different purposes
- Stepwise approach: CCR und AnaCredit will be integrated in a first step, other requirements like BSI/MIR in a second step



## Basic Cube (~ Input Layer)

- ... Provides an exact, **standardised**, unique and hence unambiguous definition of individual business transactions and their attributes
- ... Establishes a **harmonised** database model at a very **granular** level
- **Consistency**, the **absence of redundancy** and ease of **expandability** are key features of the Basic Cube
- ... Has been **developed jointly** by banks and the OeNB, but OeNB staff will not be allowed to access the Basic Cube
- ... Will be the **basis for** (almost) all **reporting obligations** and it is the harmonised basis for additional data requests
- ... **Is not a legally binding** but banks committed to its implementation in a cooperation agreement

# Expectations on the new data model



Multi-dimensional cubes allow the **re-use of data** for different needs



More **flexibility** in reporting and analysis



**Consistency** of input- and output data (**internal, external reporting**)

**Quality**

More **clarity** regarding definitions and “automatically” higher **quality** through Basic Cube



**Reduction of costs** for the whole market (i) to apply new requirements and (ii) for quality assurance



**Passive data** – less burdensome for both sides and better response times in case of ad hoc requests

- It's **too early** to judge whether all expectations can be fulfilled
- However, first cube reporting and AnaCredit modelling meetings give evidence that we are on the **right way**

## Advantages/Challenges for banks

- Precise, consistent specifications → **easier implementation**
- Less redundancies → **less comparisons** and inquiries from OeNB
- No **burdensome ex-post corrections** of aggregated reporting templates
- **Higher flexibility** in case of new requirements
- **Higher efficiency** regarding the implementation of ad hoc requests
- **Consistency** between internal and external (management) reporting

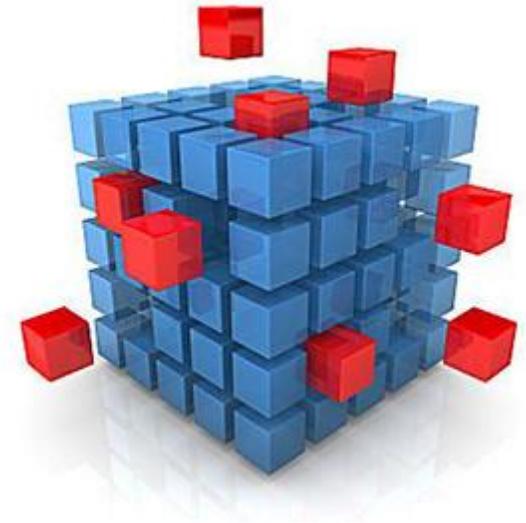


- **Rethinking in organisation and processes** of reporting
- Not the aggregated final reporting template (e.g.: FinRep, BSI) but the **single business case** is in focus
- **Less degrees of freedom** in implementation



## Components of a successful paradigm change

- **Integration of all organisational units with standardised data collection tasks as a first step**
- **Top management support**
- **Integration of contents and detailed definition of requirements**
- **Transparent communication**
- **Inclusion of banks concerning the development**
- **Stepwise approach and a well planned transition period with a parallel testing phase**



# Conclusions

- Integrative data model of OeNB represents a **paradigm shift** in bank supervision and statistical **data remittance**
- It requires on both sides (OeNB, reporting banks) a **rethinking** with regard to existing reporting processes and ...
- ... jointly developed **innovative solutions** in the areas of data processing and quality assurance
- It fosters two-way **understanding** und **transparency** of the reporting process
- Finally, it will lead to
  - higher **data quality**
  - **less redundant** data deliveries, and to
  - higher **flexibility** in case of new requirements
  - expected **lower costs**



OESTERREICHISCHE NATIONALBANK  
EUROSYSTEM

# New Ways in Reporting for Austrian Banks - Annex

A low-angle, dark, and slightly blurred photograph of a classical building facade. The building features ornate stone carvings and a prominent sign that reads 'OESTERREICHISCHE NATIONALBANK' in capital letters. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of grandeur and history.

OESTERREICHISCHE  
NATIONALBANK

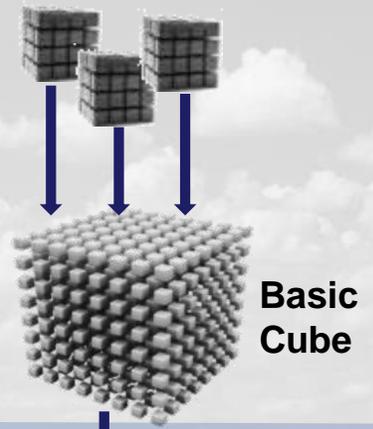
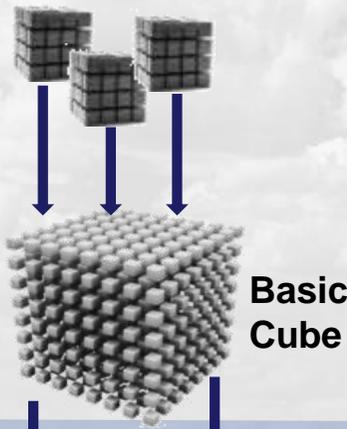
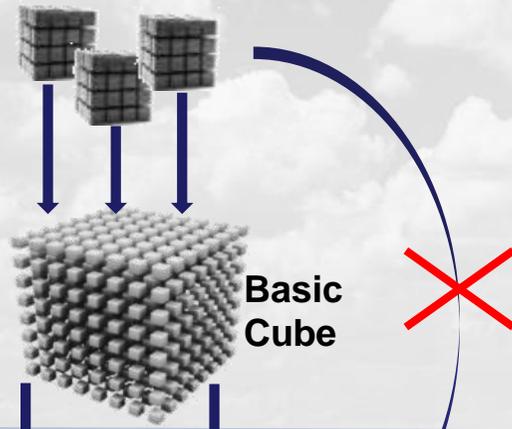
**short term**  
(June 16 – Dec. 17)

**medium term**

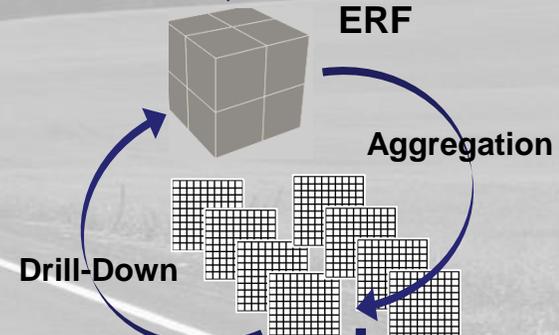
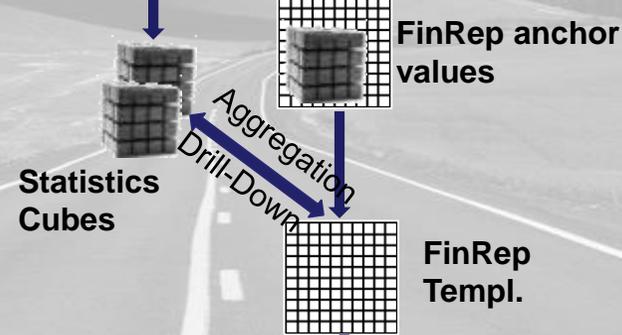
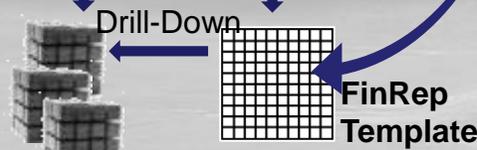
**long term**  
(European Integration)

**Banks**  
(operational data bases)

e.g. AuRep



**OeNB**



„Statistics“ Cubes  
(Isin, loans, deposits)

**EZB**

**EZB**

**EZB**

# Data quality

- Medium- to long term **improvement of data quality with less costs/efforts for the whole market** is expected, because ...
- the use of reporting data for internal purposes will increase banks' **own interest in high quality reporting data**
- precise definitions und clear specifications lead to **less inquiries** from banks and to **better results**
- a central implementation **concentrates efforts** and leads to **unique solutions** → simplifies the **communication** between banks and OeNB
- the data model requires better quality at the level of a single business case, whereby quality problems are **solved at the root**
- redundancy-free collections **minimise the efforts of burdensome ex post comparisons**

## Specific challenges - OeNB

- Higher **compilation efforts** in the OeNB
- **Dependencies** between processes due to integration
- **Increasing data volume**
- Higher **complexity** of processes, acknowledgement messages, analysis
- **Maintenance** of the data model documentation
- Higher **responsibility** due to precise data model and mapping rules
- New **quality assurance** methods
- Higher **Know How** needs with regard to the banking business
- **Legal** boundaries with regard to integration of different requirements
- **Initial costs**

