

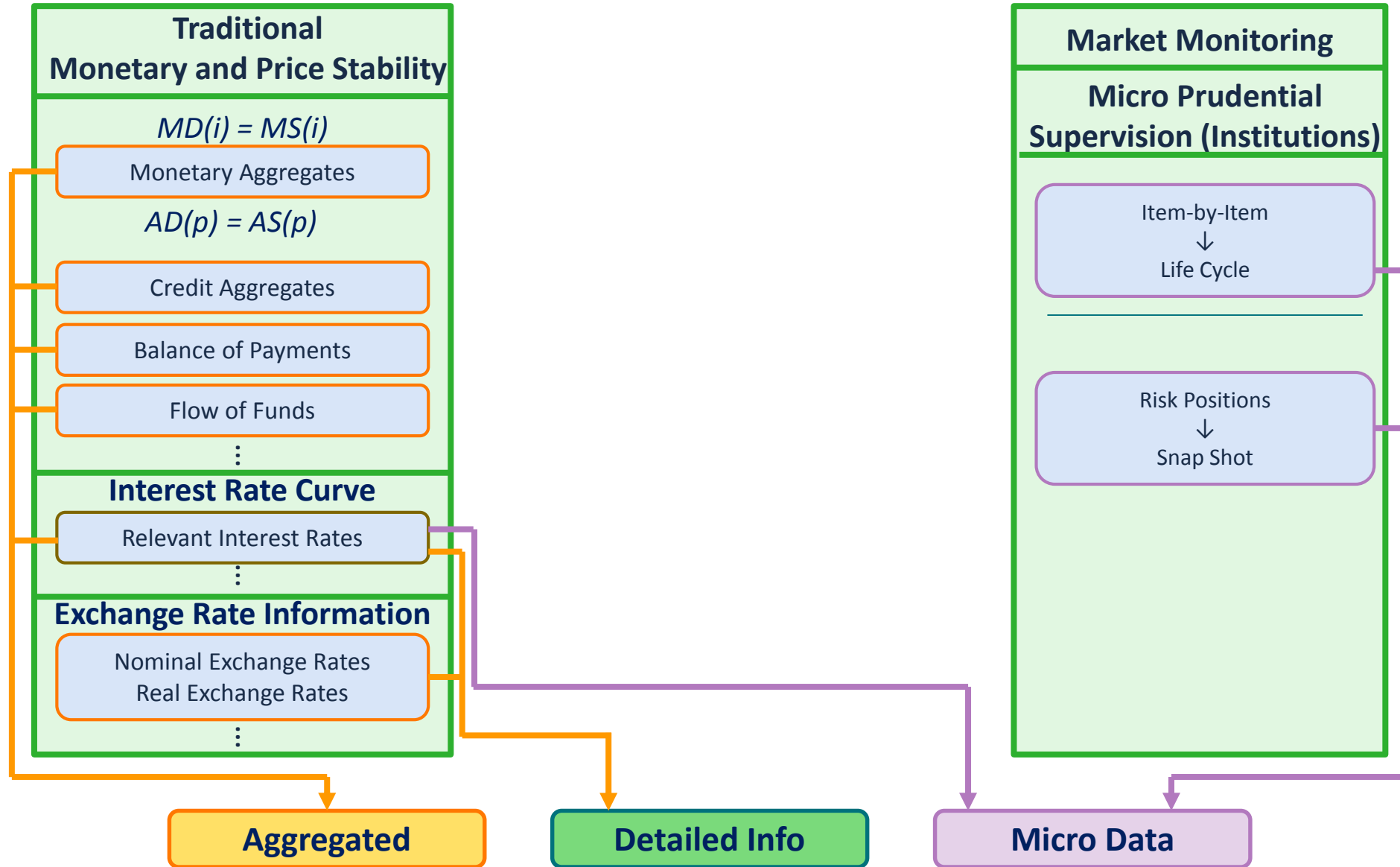


Microdata on Financial Markets in Banco de Mexico
2nd Meeting of the Financial Information Forum (FIF)
Lisbon May 4-7, 2016



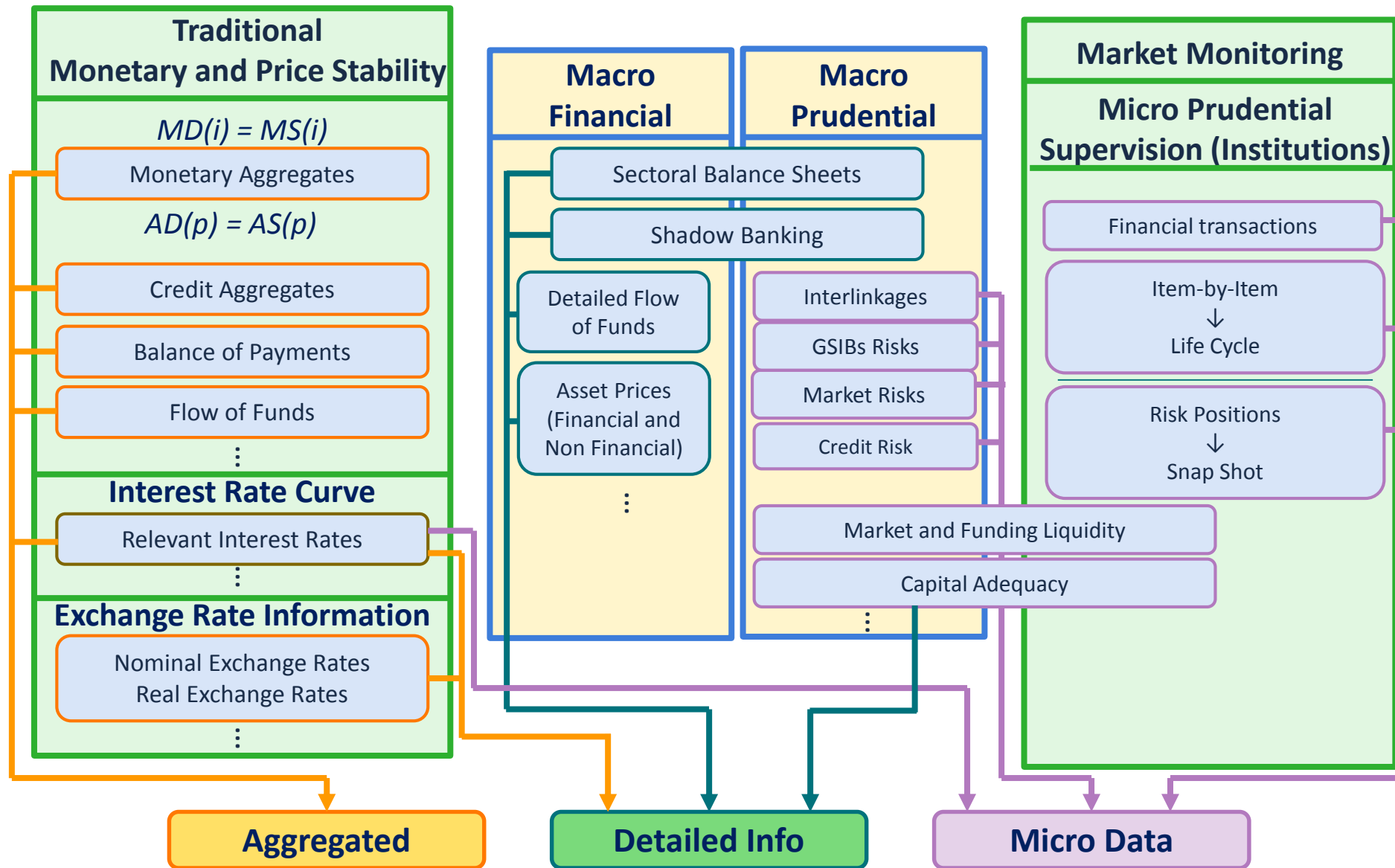
Introduction

Financial Information in Central Banks



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Financial Information Model of Banco de Mexico

Collected by BANCO DE MEXICO, directly from the institutions												
Commercial banks, development banks, brokerage houses, exchange houses, other regulated financial entities												
Other financial authorities (CNBV, CNSF, CONSAR), price vendors, securities depository, credit card switches, exchanges, etc.												
Transactional or very detailed information									Aggregated (Granularity according to the type of information)			
Daily	Foreign exchange ops.	Derivatives	Securities (Repo / Buy – Sell / Security Lending)	Interbank loans	Cross-border transactions	Time deposits	Credit & debit card transactions (switches)	Pension and investment funds	FX claims and liabilities	Financial products and services		
										Ratings, prices, indices, interest rates, economic and financial variables and risk factors		
Monthly	Equities holdings	Financial fees and discount rates	Mortgages	Commercial loans	Credit bureaus	Capital adequacy (Basel III)	MXP cash transactions	USD cash transactions	Regulated intermediaries financial statements			
						Liquidity (Basel III)		Demand deposits				
Bimonthly	Consumer loans (credit card, auto, personal, wage, etc.)											
Quarterly										Retail payment systems		
Semmianual										Payment network costs		

Transactional information in Banco de Mexico

- Microdata has the biggest share in the current model of information of Banco de Mexico. According to the origin of the financial operations, this could be classified as: Microdata on operations with financial assets and microdata on other financial transactions.
 - Regarding the former, Banco de Mexico requests all trades made by banks and brokerage houses in the different financial markets: FX, securities, money market and derivatives.
 - The latter includes item by item information on “classic banking” (credit and interbank and time deposits) and payment transactions (credit and debit card transactions and cross border transactions).
- The Richness of microdata on financial market trades, has allowed that in derivative transactions Banco de Mexico function as a Central Trade Repository (TR-like).

Financial Information Model: Deposit and the Interbank Market

Reporting institutions and regulatory templates

Commercial banks

Interbank Loans and Deposits and Time Deposits

- Domestic Currency
- Foreign Currency

Development banks

Type of transactions collected

Daily

Assets

- Interbank loans

Liabilities

- Interbank loans
- Time deposits

Monthly

Assets

- Interbank deposits
- Interbank Receivable
- Interbank Rediscount loan portfolio

Liabilities

- Interbank deposits
- Interbank account payable
- Interbank Rediscount loan portfolio

Main characteristics of information collected

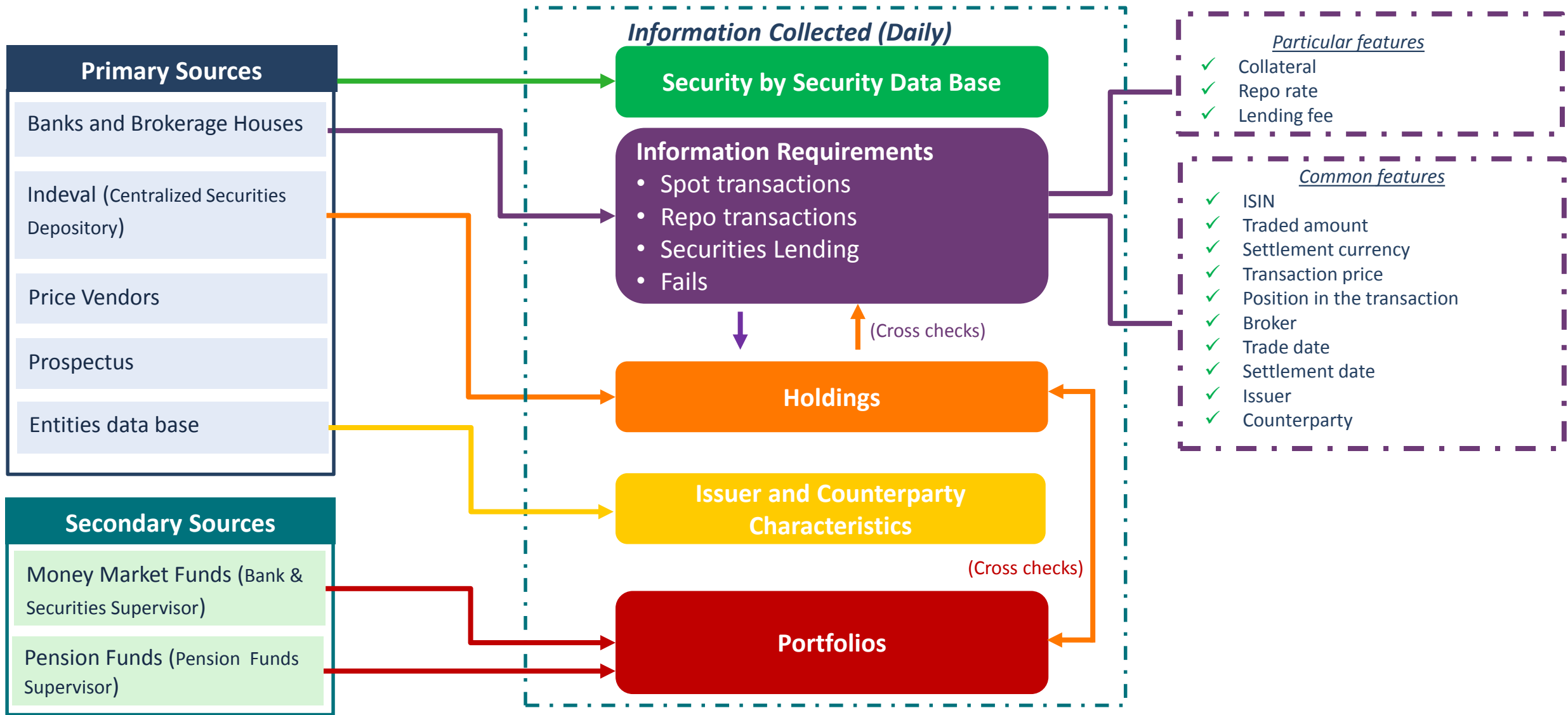
Daily

- Counterparty / C Type / Residence
- Balance
- Initial and maturity dates
- Interest rate formulation
- Currency
- Location
- Instrument (Payment notes, CDs bonds, etc.)

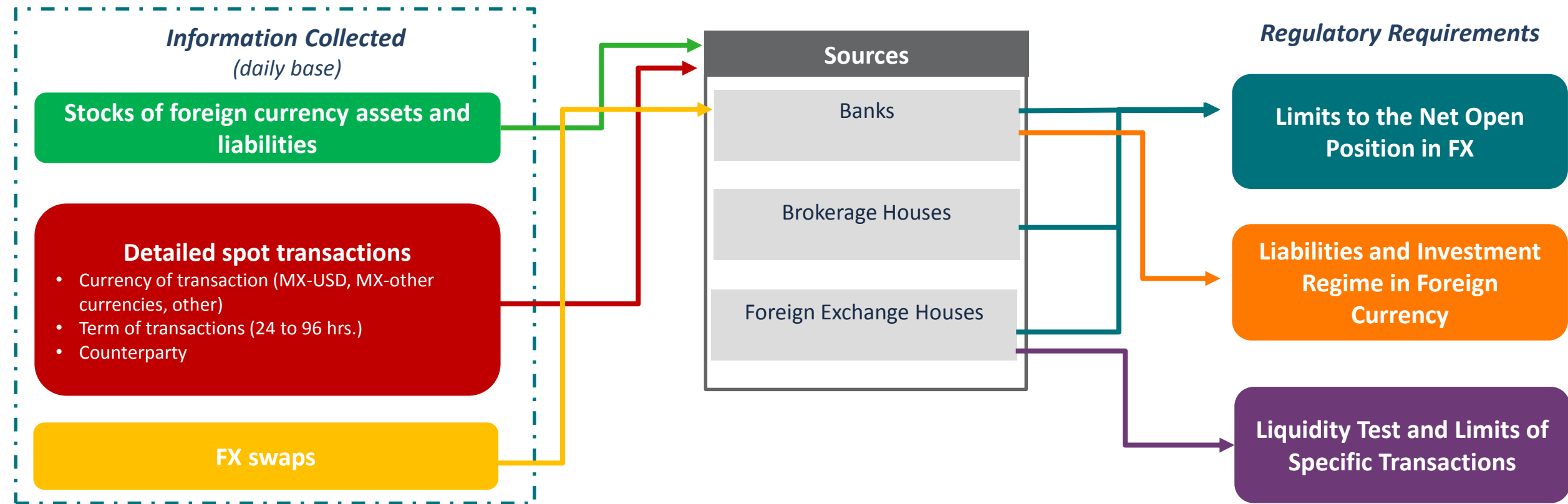
Monthly

- Balance
- Counterparty
- Interests
- Currency denomination

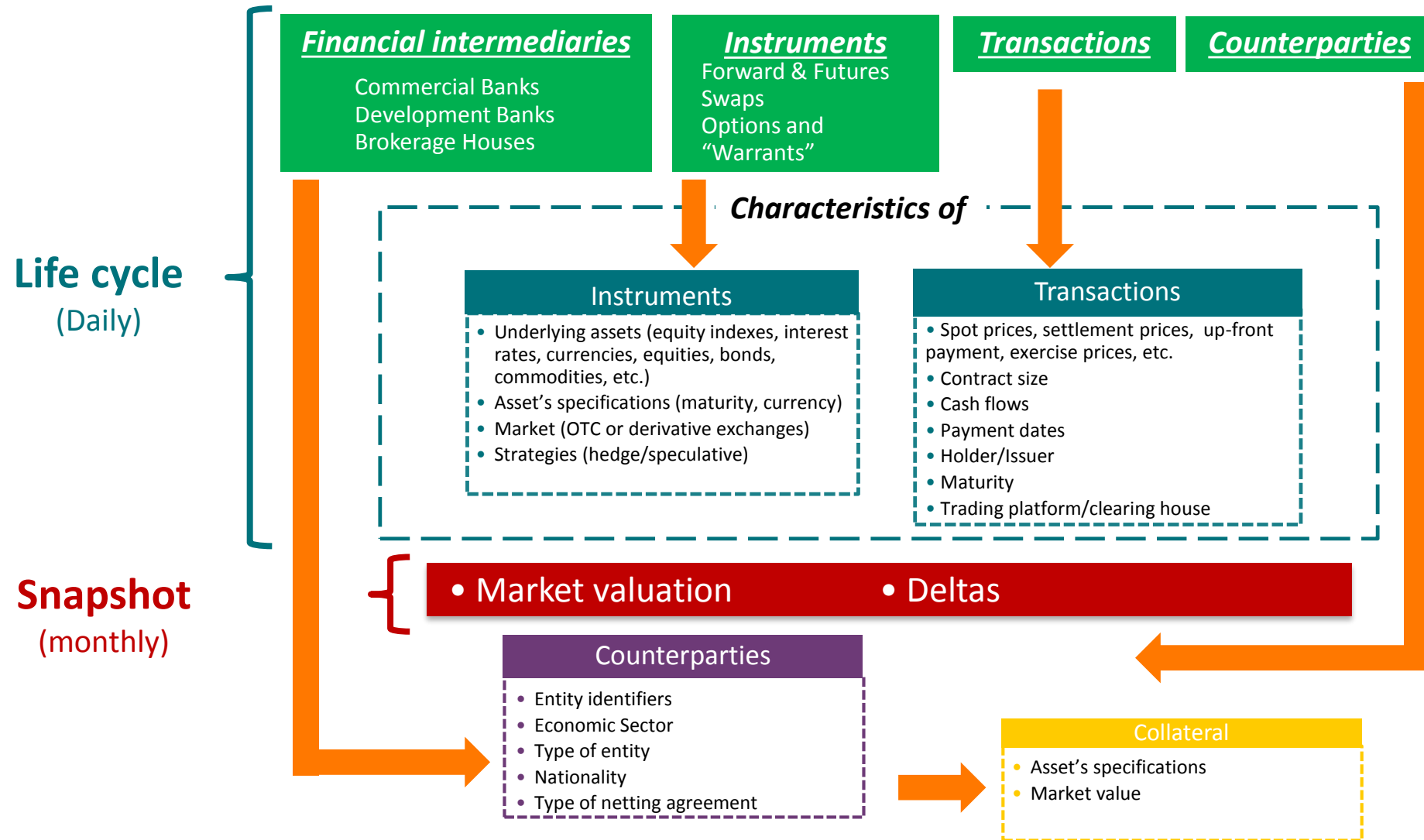
Financial Information Model: Debt Securities



Financial Information Model: Foreign Exchange Market



Financial Information Model: Derivatives



Uses of Data

- Currently, transactional data on debt securities, foreign exchange and derivatives, have different uses, mainly for data consistency, market surveillance and financial stability:
 - Detailed information of all transactions is used for regulatory compliance and information consistency.
 - Bank Balances, Capital Adequacy, Liquidity Coverage Ratio, maturity mismatches, currency mismatches, net open position in FX.
 - Monitoring the functioning of the market and compliance of market participation on regulation (authorization and market makers).
 - Market risk analysis of financial institutions portfolio by instrument and underlying assets.
 - Credit risk analysis, which considers all risk positions of a given financial institution with its counterparties.
 - Network risk analysis.

Derivatives Trade Repository in Banco de México

Advantages

- ✓ 15 years of experience collecting daily information.
- ✓ Close relation with users (CNBV, Financial Stability, Regulation and Supervision).
- ✓ Banco de México has faculties to request information to banks, brokerage houses, investment funds, and other regulated financial institutions.
- ✓ Cross validation with other information requirements of the institution and among institutions.
- ✓ Broad mandate for financial stability, access to all regulated financial institution data.
- ✓ Data sharing among financial authorities.

Derivatives Trade Repository: Actions Undertaken

- Banks and Brokerage houses are required to submit all their derivatives transactions (OTC and derivatives exchanges) at the closing of each business day.
- Currently, Banks and brokerage houses validate data on a monthly basis and incorporate additional information, including market valuations of each transaction, and delta values for Options and Warrants.
- Between March and September of 2015, new regulatory reports were implemented to account for market developments and include international recommendations for derivatives data.
- Technological up-dating and improve transparency through dissemination of statistics.



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