DATA-SHARING AT BANCO DE PORTUGAL
(because sharing starts at home…)

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AGENDA

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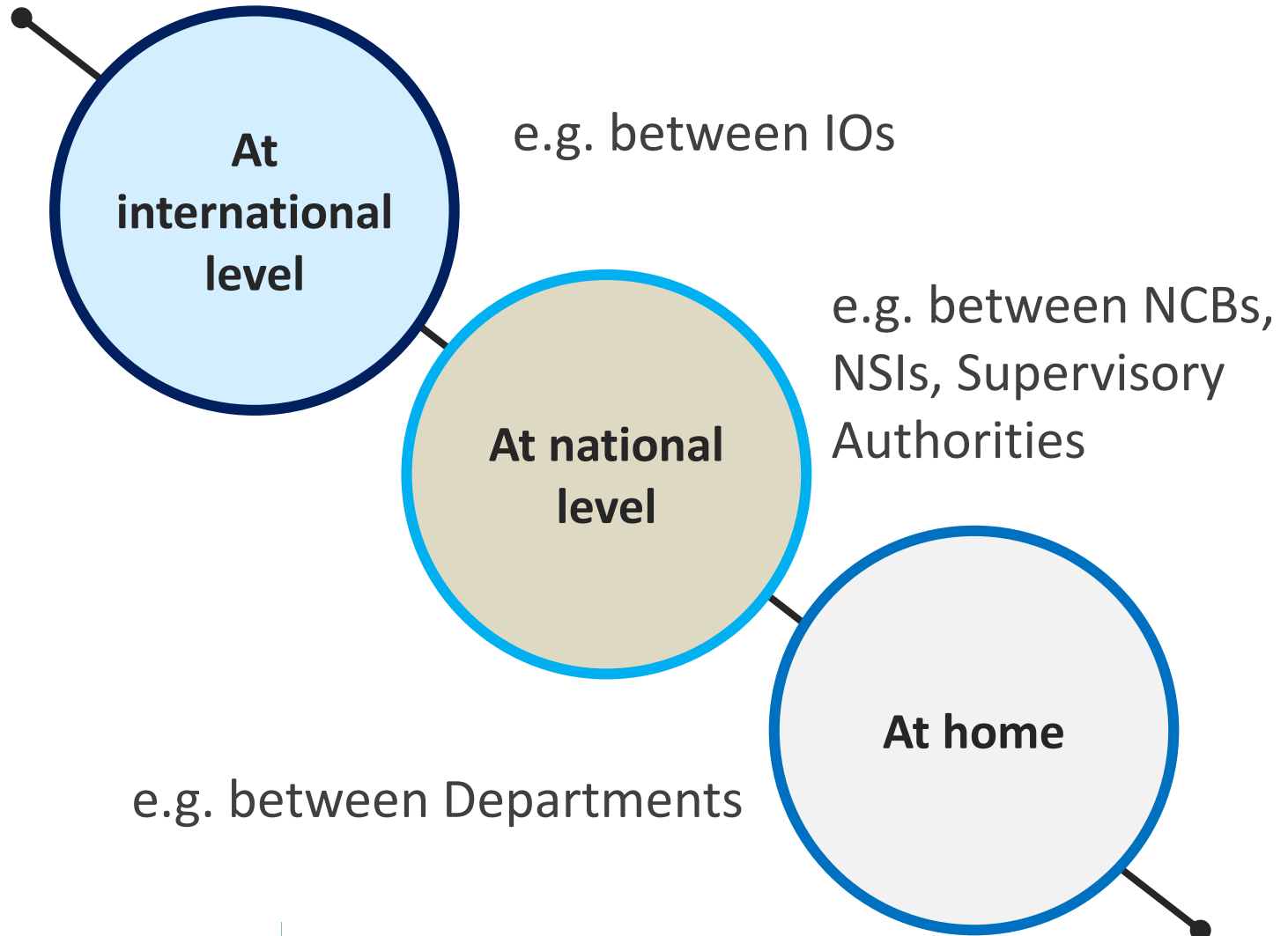EUROSYSTEM

DATA-SHARING IS ON THE AGENDA

The **Great Financial Crisis** underscored **GAPS IN THE AVAILABILITY OF KEY INFORMATION** for policy making and assessment of risks

G20 DATA GAPS INITIATIVE
Several recommendations focused on improving the data available on the financial sector and financial institutions

But G20 DATA GAPS INITIATIVE II recognized the importance of DATA-SHARING

- facilitate **sharing the experiences** with exchanges of granular data

- identify ways to **overcome existing barriers**

- strengthen the **linkages** and consistencies between datasets from various recommendations

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At international level

e.g. between IOs

At national level

e.g. between NCBs, NSIs, Supervisory Authorities

At home

e.g. between Departments

ESSENTIAL TO SHARE DATA…

BUT SHARING STARTS AT HOME!

Many Central Banks (and other institutions) suffer from the **silo syndrome.**

Managing information using silo-based approaches leads to **redundancies, inefficiencies, inconsistencies** and a **underuse** of the available information.

Banco de Portugal main principles in managing and sharing data:

① Create single entry points for data
② Build a catalogue of corporate data
③ Develop one-stop-shops
④ Make granular data available to end-users

CENTRAL BANKS "LOVE" CREDIT DATA!

(for several core functions)

MONETARY POLICY

SUPERVISION

FINANCIAL STABILITY

STATISTICS

RESEARCH

BACKGROUND: THE ANACREDIT PROJECT

The financial crisis increased the need to **explore indebtedness** across the European Union.

- In order to address this desideratum, the ECB and the euro area NCBs launched the **AnaCredit** project in 2011

- **Harmonized and highly granular credit data** was considered crucial to support several CB functions, such as decision-making in monetary policy and macroprudential supervision

- Go-live in 2018

ANACREDIT
Analytical Credit
Dataset

EUROPEAN CENTRAL BANK
BANKING SUPERVISION

A big challenge ahead for EU central banks !

The **impact** of the AnaCredit project varied among euro area NCBs

Without a CCR

With a CCR

Debtor-by-debtor

Loan-by-loan
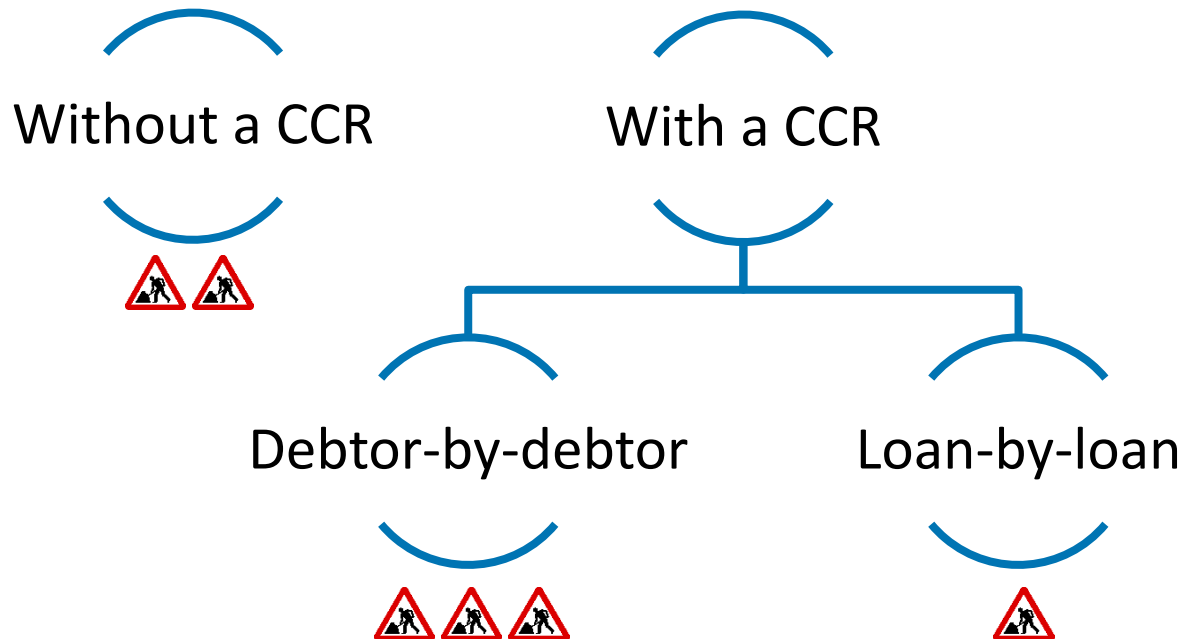
In order to comply with AnaCredit, Banco de Portugal was obliged to **develop a new CCR** (and not just simply revamp the current one)

Motto: *"How could we profit from this event to became more efficient and, at the same time, to convey this efficiency to the reporting obligations of credit institutions?"*

TRANSMISSION OF CREDIT DATA – <u>CURRENTLY</u>

Credit Institutions — **N reports** —

- Statistics Department
- Financial Stability Department
- Banking Conduct Supervision Department
- Banking Prudential Supervision Department
- Markets and Reserve Management Department

- Each credit institution reports information to different Departments
- Each report is based on a different legal instruction/regulation
- Heterogeneity of concepts, nomenclatures, formats, timeliness, frequencies

➡ **Redundancies and inefficiencies** **are the common denominator**

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And the result is...

The integration of (all) credit data reports within the scope of the new CCR

A data-sharing landscape must be in place at the Bank

Yes, **BUT**...

EXPECTED BENEFITS OF THE NEW APPROACH

Rationalization of reports

Harmonization of concepts, granularity, frequency, timeliness, and reporting formats

Minimization of efforts to ensure the coherence of credit data used for different purposes

Establishment of a single moment and a single entry-point for reporting credit data

Contribution for reducing the context costs of the financial system

TRANSMISSION OF CREDIT DATA - <u>NEW CCR</u> (2018)

ANACREDIT

Statistics Department

Financial Stability Department

Banking Conduct Supervision Department

Banking Prudential Supervision Department

Markets and Reserve Management Department

Credit Institutions

1 single report

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Statistics Department

INTERNAL DATA SHARING

- One monthly report per credit institution
- A single-entry-point (Statistics Department)
- **A MULTIPURPOSE SYSTEM**

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THE NEW CCR IN A NUTSHELL: DATA ATTRIBUTES

24 attrib. **62 attrib.** **51 attrib.** **43 attrib.** **179 attrib.**

Current CCR **+** Anacredit **+** Other existing credit reports **+** New internal requisites **=** **New CCR**

These existing reports are currently managed autonomously by the different departments involved. They will be discontinued in the future. New status quo: **the collective ownership of the new CCR data** (not the new CCR system)

For each **individual loan** granted to any natural or legal person by any resident credit institution (banks + non-banks) with an outstanding amount over 50€

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(INTERNAL) DATA-SHARING MODEL FOR THE NEW CCR

AnaCredit

Banks

General public
(individual credit reports)

CCR transactional system

Corporate data warehouse
(analytical environment)

reference data + master data + catalogues
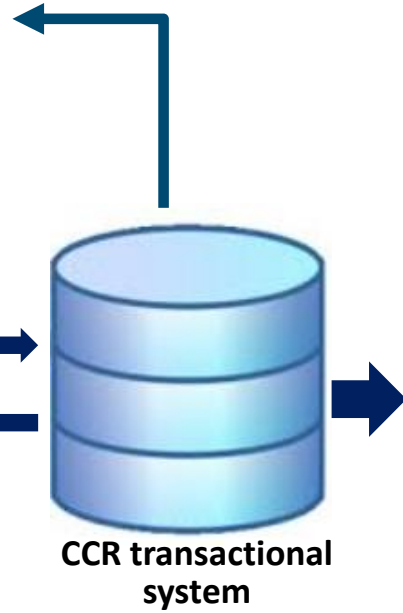
Multiple business functions
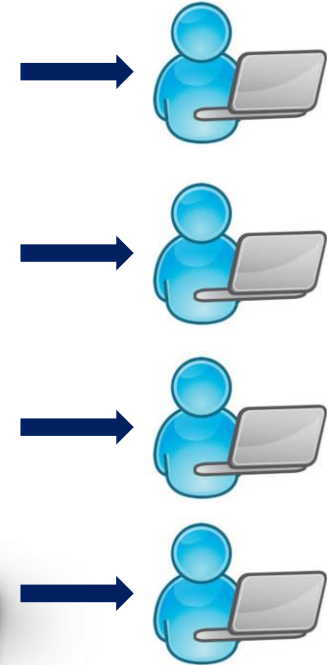
Challenges
Issues

What we have

Departments explore data from their own databases
Departments perform their own DQM within a specific reporting framework
Departments manage data autonomously
The ownership of data derives from the responsibility for its collection
Requests of additional credit data from other departments are frequent

What we want to have

Departments explore data from a corporate shared platform
A more extensive DQM is possible within a broader reporting framework
Data management is a shared responsibility. A relationship model needs to be established
The ownership of data is associated with the business functions
All credit data are available for an integrated exploration

A WORD ABOUT DATA CATALOGUES

What is a data catalogue?

- A data catalogue provides an enterprise-wide view of the available data and data sources within an organisation

- Constitutes a single source of intelligence (data definitions, structures, quality,…) for users, allowing for a quick and easy access to enterprise data

- Less time searching for data and more time using it

  Research points out that ⅔ of the effort for a data-oriented project is spent just identifying which data it is that you actually need to execute the project due, to the lack of any real mechanism for organizing and tracking all of the corporate data.

- Operationalize access control to allow for safe access to data

- Reduce the cost of data redundancy and hoarding

  Most organisations are data hoarders. They keep three to five times more data around than they need.

- Help users to understand what data are available and where it comes from

- Increase the value of existing data assets and help eliminating data silos

Organisations should make a better and more extensive use of the available data

Data gaps or unawareness of the data existence?

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CONCLUDING REMARKS

The relevance of **data sharing among institutions and countries** is widely recognized and has been gaining international attention

[i.e., Recommendation 20 of the Second phase of the Data Gaps Initiative]

But… **DATA-SHARING STARTS AT HOME!**

The new Central Credit Register:

- The first system fully designed to meet the terms of an important priority of our Strategic Plan 17-20 – the **Integrated Management of Information**
- Will help to fight the data silos culture
- Its success is linked with how the **paradigm of data-sharing** will be internalized across the Bank

Thank you for your attention
Gracias por su atención

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