



EUROPEAN CENTRAL BANK

EUROSYSTEM

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Mr Sven Giegold
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Follow-up to your questions on AnaCredit posed at the ECON Committee of the European Parliament hearing on 31 March 2015

Honourable Members of the European Parliament, dear Mr Giegold, dear Mr Theurer,

On the occasion of the Hearing of the Chair of the Supervisory Board of the ECB at the ECON Committee of the European Parliament on 31 March 2015, you raised questions relating to the development of an analytical credit and credit risk dataset (AnaCredit) by the European System of Central Banks (ESCB). As the project was initiated to support the monetary policy function of the ECB and in view of my responsibilities within the ECB Executive Board, Ms Danièle Nouy has passed your questions on to me. Please find below some background information regarding the development of AnaCredit, as well as answers to the specific questions you raised.

The AnaCredit project was initiated by the ESCB in 2012. The basic idea behind the initiative was to make available at ESCB level a core set of granular data on credit granted by financial institutions to the non-financial sector, collected through the National Central Banks (NCBs), with a view to using that data as a primary source of information for analytical and statistical processes on credit exposures of the financial sector and associated credit risks. The dataset will be based on harmonised concepts, definitions and coverage. This will enable the information to be collected, produced and disseminated to support central banking functions, such as monetary policy analysis and operations, collateral management, financial stability, research and statistics. Owing to the granularity and level of detail of the dataset, the ECB in its banking supervision role has more recently been considered as an additional key user.

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For the purpose of establishing AnaCredit, a draft Regulation governing the future collection of such information is currently under preparation. Once the requirements have been set out in full, the Regulation will be submitted to the ECB Governing Council under *Council Regulation (EC) 2533/98*, which is the legal basis for the collection of statistical information by the ECB, and which also allows the information to be shared with the SSM. This is an efficient approach, as in this way any potential duplication of efforts and reporting burdens can be avoided.

Before submitting new statistical Regulations, the ECB systematically carries out a procedure to assess the expected “merits and costs” of new statistical requirements. This procedure was approved by the ECB Governing Council in 2000 and has some similarity with the Commission’s “impact assessment”.¹ It is conducted by the ESCB’s Statistics Committee. Overall, this established procedure has proven to foster dialogue, which can lead to adjustments to the requirements as user areas fine-tune their “merits” in the light of the identified costs. The merits and costs procedure related to the draft Regulation on AnaCredit was launched in early 2014 and recently finalised.

In the context of the requirements of the merits and costs procedure, as well as in the broader context of close and effective interaction with the financial industry, there is continuous contact between the National Central Banks and the respective national (banking) representatives and between the ECB, in liaison with the National Central Banks, and the European associations representing the industry. This contact has – also in the case of AnaCredit – proven to be very fruitful; in particular, it has led to a better formulation of the concrete requirements.

The ECB is currently setting up a dedicated web page in order to communicate to market participants the purpose and scope of AnaCredit and its tentative timetable, to seek input and to provide assistance via a *Frequently Asked Questions* section.

The reporting requirements arising from the project are expected to be implemented in three stages; in the first stage, planned for end-2017, individual information will be provided by credit institutions on credit granted to legal entities; in the second, planned for mid-2019, information will be collected on a consolidated basis on significant institutions under ECB banking supervision; and in the third, planned for mid-2020, anonymised information will be gathered on mortgage loans to households and credit granted to sole proprietors.

It is worth noting that information on households will be *anonymised* and *there is no intention to collect sensitive information, such as family status or religion*.

As regards information on individual instruments, a reporting threshold of *EUR 25,000* is foreseen for all instruments covered by AnaCredit, namely loans, derivatives and off-balance sheet exposures, at

¹ The *cost assessment exercise* aims to assess the costs that will be incurred by the ECB and NCBs and, separately, by reporting agents in order to meet the new statistical requirements. This cost assessment is followed by a *users’ consultation*, i.e. the ESCB committees concerned, the EU Commission, the European Banking Authority (EBA) and the European Systemic Risk Board (ESRB) are asked to review their business cases in the light of costs potentially incurred, and, in particular, to clearly prioritise their needs for a stepwise implementation. The requirements for the dataset are eventually transposed into a legal act which is submitted to the ECB Governing Council for approval.

borrower level. This threshold would allow for an appropriate analysis of lending to SMEs, which represent the backbone of the European/euro area economy. At the same time, to alleviate the reporting burden, it will be possible to grant derogations (on all requirements or only a part of them) to small credit institutions to give them more time to implement the Regulation.

We remain at your disposal should you have any further questions.

Kind regards,

[signed]

Sabine Lautenschläger

Cc: Danièle Nouy – SB - Chair of the Supervisory Board