



ESRB

European Systemic Risk Board

European System of Financial Supervision

Old and new frontiers of the ESRB: Systemic risk, non-banks and data analysis

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European Systemic Risk Board
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Olli Rehn, First Vice-Chair of the ESRB
Governor of the Bank of Finland

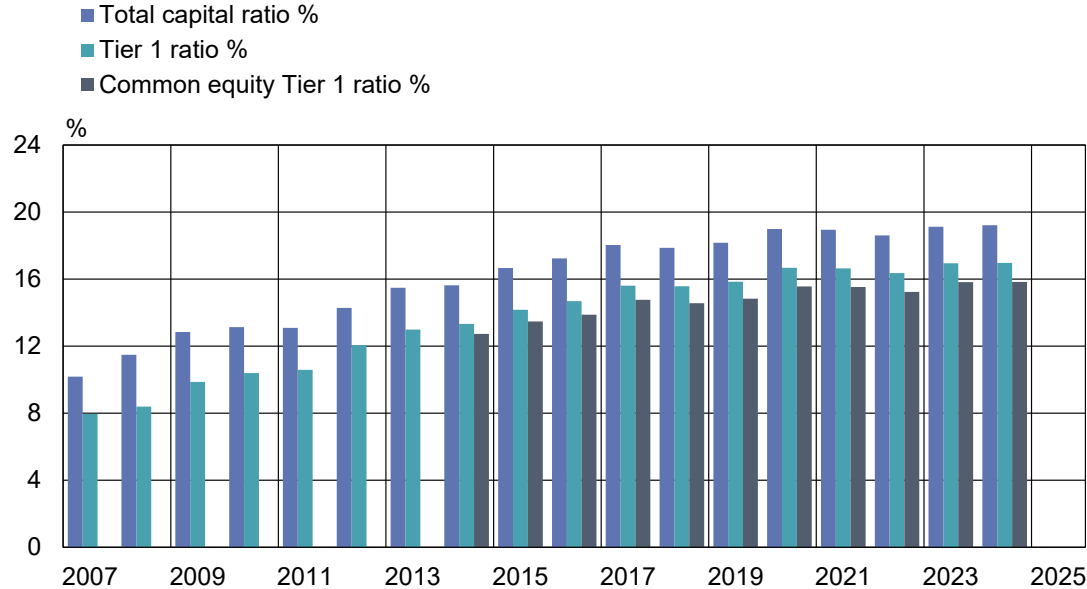


The ESRB's track record & new frontiers

- 1 ESRB at 15: an adolescent with a solid track record
- 2 Review of the ESRB mandate and workings
- 3 New frontiers: non-banks & data analysis

Sturdy capital buffers provide resilience

Capital adequacy of euro area banking sector, 2007–2024/I



Source: ECB.

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Key risks for EU financial stability

- Risks remain elevated amid heightened geopolitical risks and the still fragile recovery of the European economy
- Risk of disorderly market correction, possibly amplified by non-banking sector
- Deteriorating asset quality and funding risk of the banking sector

ESRB's members reflect on its future – ATC survey

- ESRB members especially value:
 - ESRB's work in analysing the systemic risk and building up macroprudential policy frameworks
 - Holistic view of systemic risks in the EU
 - Active and fruitful cooperation with European Supervisory Authorities
- Evolution not revolution:
 - New, emerging risks and vulnerabilities need to be better understood
 - Non-bank systemic risks and interconnections need greater attention
 - Increasing speed of the financial system is a challenge for timely risk assessment

Three priorities in the way we work

1. Enhance our analytical capacity by making better use of data and research
2. Bring into use new analysis methods and technologies
3. Focus on our core activities

Analysis based on data and research – a key priority

- The importance of analysis based on data and research cannot be overemphasized
- The ESRB's access to data can be divided into two frameworks:
 - The ESRB has **ex ante access** to data on a regular, ongoing basis, i.e. as soon as it is reported
 - The ESRB only has **ex post access** to some important datasets, through ad hoc requests – these include granular datasets collected by the ESAs
- To fulfil its mandate properly, the ESRB needs better access to the data collected by the European Supervisory Authorities (ESAs)

Thank you!