Abstract: Statistics play an important role in banking. The banks make use of statistics for a number of purposes. The banks work on the principle that all the people who deposit their money with the banks do not withdraw it at the same time. The bank earns profits out of these deposits by lending to others on interest. The bankers use statistical approaches based on probability to estimate the numbers of depositors and their claims for a certain day.

Introduction

Locational banking statistics

These statistics provide information about the currency composition of banks' balance sheets and the geographical breakdown of their counterparties. They capture outstanding claims and liabilities of banks located in BIS reporting countries, including intragroup positions between offices of the same banking group. The locational statistics are compiled following principles that are consistent with balance of payments. Adjusted changes in amounts outstanding are calculated, as an approximation for flows. (1,2)

Consolidated banking statistics

These statistics measure banks' country risk exposures. They capture the worldwide consolidated claims of internationally active banks headquartered in BIS reporting countries. The consolidated statistics include the claims of banks' foreign affiliates but exclude intragroup positions, similarly to the consolidation approach followed by banking supervisors. They detail the transfer of credit risk from the immediate counterparty to the country of ultimate risk (where the guarantor of a claim resides).

The retail banking and consumer credit industry is experiencing great change. New challenges, some arising from tougher competition, some from the accumulation of huge data sets, some from the requirements to market new kinds of product, and some from the demands of customers, are appearing. Examples of such challenges are outlined. Confronting them requires statistical tools beyond the staples of linear models. We outline such new tools, including neural networks, recursive partitioning methods, indirect supervised classification, generalized linear models, generalized additive models, multivariate adaptive regression splines, methods of longitudinal data analysis, path analysis, LISREL models and Bayesian belief networks, survival analysis, Markov transition models, and the various tools of data mining. (3,4)

Discussion

The ECB publishes Supervisory Banking Statistics on the following aspects of banks designated as significant institutions:

- general statistics
- balance sheet composition and profitability
- capital adequacy, leverage and asset quality
• funding
• liquidity
• data quality

If any bank want to implement any new policy or anything new then they conduct an institutional by state-wise, rural and urban, educated or uneducated, female and male and so on... Based on the information gathered they choose which place we can get good response for that. (5,6)

Conclusion

Again based on the probability theory banks decided that how many peoples can deposit in our bank and how long, and how much amount. Based on this they provide loan and deposit in other institutional finance and borrowing shares.

References

5. Thus by the 19th century we find “[i]n ordinary cases of deposits of money with banking corporations, or bankers, the transaction amounts to a mere loan or mutuum, and the bank is to restore, not the same money, but an equivalent sum, whenever it is demanded.” Joseph Story, Commentaries on the Law of Bailments (1832, p. 66) and “Money, when paid into a bank, ceases altogether to be the money of the principal (see Parker v. Marchant, 1 Phillips 360); it is then the money of the banker, who is bound to return an equivalent by paying a similar sum to that deposited with him when he is asked for it.” Lord Chancellor Cottenham, Foley v Hill (1848) 2 HLC 28.
6. Richards. The usual denomination was 50 or 100 pounds, so these notes were not an everyday currency for the common people