



Kreditregister - Analytical Credit Dataset (AnaCredit)

ECB¹ roadmap for further developing banking supervision based on granular credit data in reporting

Summary in Swedish:

Som ett resultat av AQR planerar ECB ytterligare utveckling av kreditrapportering som ska leda till en harmoniserad kredit datamängd och som ska gå under namnet "Analytical Credit Dataset, AnaCredit". Den detaljerade kredit rapportering kommer att inkludera cirka 100 dataattribut (information om borrower, riskdata, redovisning, provisioner och värdering etc.). Även EU-medlemsländer som inte har euron som valuta är välkomna att delta. Det har indikerats från svenskt håll att Sverige kommer att delta i viss uträkning. För närvarande har förberedelserna av ett ramverk för rapporteringen hög prioritet hos ECB. Ett utkast förväntas i början av 2015 och första rapporteringsdatum är 31 December 2016. Det rekommenderas redan nu att man gör en nulägesanalys av Data Warehouse och systemarkitekturen för att förstå storleken och graden av komplexitet på förberedelserna som krävs för att uppfylla kraven.

Background

The ECB presented a roadmap for further developing micro and macro prudential supervision in the Eurosystem based on granular credit data in reporting within the introduction of the Single Supervisory Mechanism (SSM) and first findings from the Supervisory Risk Assessment (SRA) as well as the Asset Quality Review (AQR).

The ECB calls for a comprehensive further development of the data base in reporting (analytical credit dataset, short AnaCredit) in order to assume its tasks in the Eurosystem regarding:

- the contribution of the Eurosystem to a smooth implementation of banking supervision and the stability of the financial system
- the risk Management
- the supervision of financial stability
- the monetary analysis
- the monetary businesses

EU-member states which are not part of the Eurosystem are invited to participate. The intention of the Swedish authorities is to at least partially participate in this initiative.

The ECB drafted a road map of how to develop a credit register in the Eurosystem by developing and harmonizing the credit registers.

¹ European Central Bank

The aim of the road map is to establish a central credit register by the end of 2016, which is based on a variety of granular credit data and a significantly low reporting threshold. The granular credit data is to support the collection of information about credit risks of credit institutions and other credit-granting financial institutions. The information than has to be reported on single loan level to the Swedish authorities. According to the road map, credit institutions and other credit-granting financial institutions are to implement the reporting requirements in reporting by the end of 2016. The ECB designed a reference reporting scheme to be the discussion basis for data collection, which will be further developed in the course of establishing a framework. The precise application area and granular credit data are only determined with the finalization of the framework.

The final reporting scheme will comprise around 100 credit, credit risk and accounting attributes

The reference reporting scheme is based on a loan-by-loan approach and specifies reporting on the level of individual borrowers:

Draft of the reference reporting scheme

Type	Attributes	Level of anonymisation
Lender attributes	Lender identifier	not anonymous
Borrower attributes	Borrower identifier	anonymous
	Country of residence	
	Institutional sector	
	Sector of economic activity	
	Size	
Credit data variables	Loan identifier	not relevant
	Currency	
	Type of loan	
	Collateral type	
	Original maturity	
	Residual maturity	
	Non-performing status	
	Syndicated loan	
	Subordinated debt	
	Credit data measures	
Credit lines		
Arrears		
Collateral value		
Specific credit risk adjustment		
Risk-weighted assets		
Probability of default (only IRBA-banks)		
Loss given default (only IRBA-banks)		
Interest rate		

Source: ECB-decision 2014/06 of February 24, 2014

Figure 2: Reference reporting scheme of AnaCredit

The reference reporting scheme already shows that institutions have to consider a large amount of granular credit data at the level of individual borrowers in reporting for reports to the credit register. Currently reporting thresholds are in discussion between the ECB and the NCB's². In countries where no credit register exists, a comprehensive new implementation of a credit register is required. According to the plans of the ECB, non-performing exposures will have to be reported regardless of their volume.

For the introduction of AnaCredit, the ECB considers a three-stage model. There are indications that the Swedish authorities might at least introduce Step 1.

² National Central Bank

	Step 1	Step 2	Step 3
Implementation Date	• End of 2016	• Mid 2018	• End of 2019
Reporting institutions/ Lenders	• Banks (Domestic Credit Institutions)	• Other financial lenders • Non domestic entities	
Reporting threshold	• NPE: regardless of amount • Perform. Exp.: above € 50 k	• Non Performing Exposure: regardless of amount • Performing Exposure: above € 25 k	
Borrowers	• Non-financial Corporates • Public sector	• all legal persons • Housing loans • loans of Sole Proprietors	• Other loans of households
Granularity	• Borrower-by-Borrower • Loan-by-Loan		• Loan-by-Loan
Loans	• Loans • Debt securities w/o ISIN code • Off-balance sheet exposures	• Derivatives	
Reporting frequency	• Quarterly	• Quarterly (Prudential Data) • Monthly (Non-Prudential Data)	
Reporting Timeliness	• 30 working days • ITS timeliness	• 30 working days (M Data) • ITS timeliness for model-based data - and for non-EU branches/subsidiaries	

Source: ECB, WGCR Workshop in Frankfurt a.M. on November 13, 2014

Figure 3: Overview three-stage model

The content of the AnaCredit framework is expected to be published by the ECB at the end of 2014 in the form of a draft for an ECB regulation. After the approval by the ECB's council scheduled for May 2015, the ECB regulation "AnaCredit" is scheduled to become effective already in June/July 2015 and will constitute the legal framework for the setup of a central credit register based on granular data.

Needs for action for the affected institutions are to be identified early on

An early analysis of the data warehouse and reporting architecture for deriving needs for action is advisable, even if the final conceptual design of reporting contents is still missing and the reference reporting scheme does only contain minor changes to the status quo:

- Does the institution have economic information about the borrower?
- Is all reporting data in the data warehouse available in sufficient granularity and with coherent contents?
- Can the current reporting architecture from IT systems and reporting processes cope with a significantly increased reporting scope due to the reduced reporting threshold?

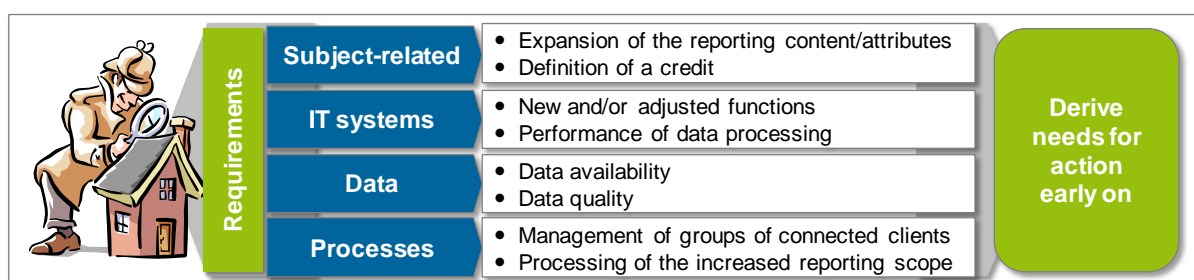


Figure 4: Deriving needs for action

Needs for action depending on the individual institution are to be identified early on due to the expected close period between the publication of final requirements and the initial application in reporting. Moreover, a close dialog and exchange with simultaneously running projects in regulatory reporting (stabilization of COREP / FINREP implementation, implementation of risk data aggregation / BCBS #239) is advisable in order to identify shared dependencies early on and to develop a holistic target image (subject-related and technical) for regulatory reporting.

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