AnaCredit
Overview and implementation from an NCB`s point of view

22-24 March 2017, ISI Regional Statistics Conference
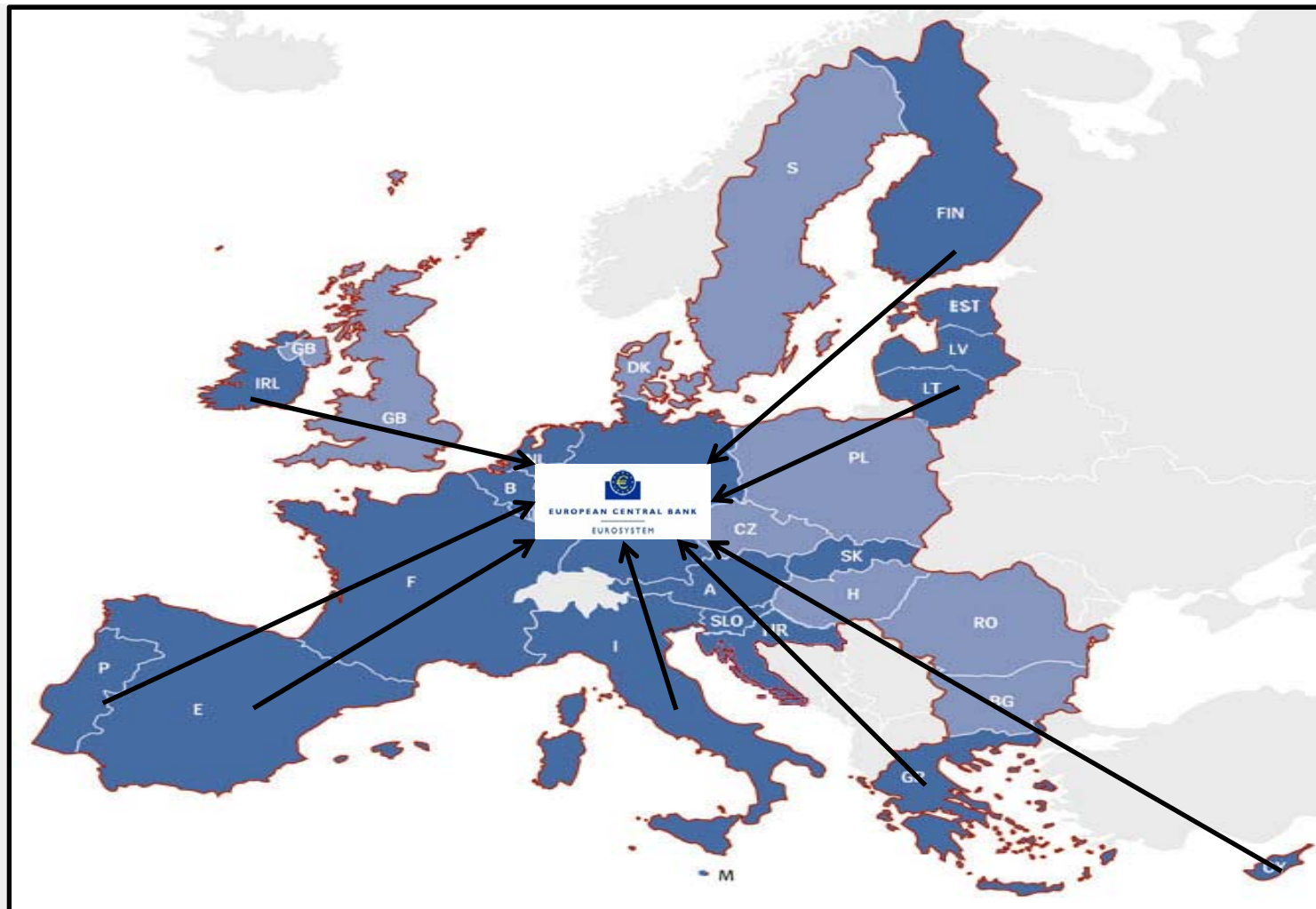**Sebastian Grünberg, Directorate General Statistics, Deutsche Bundesbank**

Agenda

1. **Introducing AnaCredit**

2. **Scope of AnaCredit**

3. **AnaCredit implementation in Germany**

1. Introducing AnaCredit
Collection of granular credit data from entire euro area (Regulation (EU) 2016/867)

1. Introducing AnaCredit
Multi-Purpose-Tool AnaCredit

Tasks	Analyses/Examples of usage	AnaCredit?
Monetary policy ✓	• Impact of monetary policy on credit supply and demand	✓
	• Credit supply to small and medium-sized enterprises (SMEs)	✓
	• Transmission mechanism onto the real economy	✓
Financial stability surveillance ✓	Analyses of systemic riks due to	✓
	• high concentration risks	✓
	• high degree of interconnectedness („too connected to fail")	✓
	• size („too big to fail")	✓
	• exposure to common risks („too many to fail")	✓
Risk management ✓	• AnaCredit fulfills new ECB standards (ICAS*)	✓
	• Assessment of credit claims as monetary policy collateral	✓
Research ✓	• Improved identification of causal effects	✓
	• Better calibration of theoretical models	✓

*Inhouse Credit Assessment System

2. Scope of AnaCredit
Regulation (EU) 2016/867 leaves room for national discretion

Type	Requirements
Creditor	• Credit institutions (incl. branches)
Debtor	• Corporations & other legal entities
Threshold	• 25.000 €
Attributes	• 89 attributes • 6 identifier
Reporting frequency	• Mainly monthly
Schedule	• Counterparty reference data: March 2018 • Credit data: September 2018
National Discretion	• NCBs may collect data from December 2017 onwards • NCBs may grant derogations to „small"[1] reporting agents (full exemption possible) i.a.

[1]Regulation (EU) 2016/867 with respect to small reporting agents: combined contribution of all reporting agents that are granted a derogation to the total outstanding amount of loans reported pursuant to Regulation (EU) No 1071/2013 of the European Central Bank (ECB/2013/33) by all reporting agents resident in the reporting Member State does not exceed 2 %.

3. AnaCredit implementation in Germany
Option to derogate small reporting agents plays central role

- Approx. 1800 credit institutions in Germany to be considered reporting agents for the purposes of Regulation (EU) 2016/867

- Roughly 740 out of the 1800 credit institutions in Germany regarded as „small"
- ➢ substantial number

Reason in favour of granting derogations to small reporting agents	Reasons against granting derogations to small reporting agents
• AnaCredit means a reporting burden particularly on small banks	• Aim of AnaCredit also to fill data gaps with respect to small and medium-sized enterprises (SMEs), which are financed by small banks to a large extent
	• New ECB standards with regard to the NCB`s ICAS (Inhouse Credit Assessment System) apply as of March 2018

3. AnaCredit implementation in Germany
Background: Inhouse Credit Assessment System

- Credit institutions may use credit claims from creditworthy debtors as monetary policy collateral

- So far, the creditworthiness of debtors in Germany is assessed on the basis of data received via the German Central Credit Register (CCR)

- However, this data basis will not be sufficient anymore as new ECB requirements for the NCB`s Inhouse Credit Assessment System (ICAS) apply as of March 2018

➢ AnaCredit data containing certain risk attributes (for example probability of default) will also fulfil the new ECB standards

3. AnaCredit implementation in Germany
Decision of the Bundesbank Board

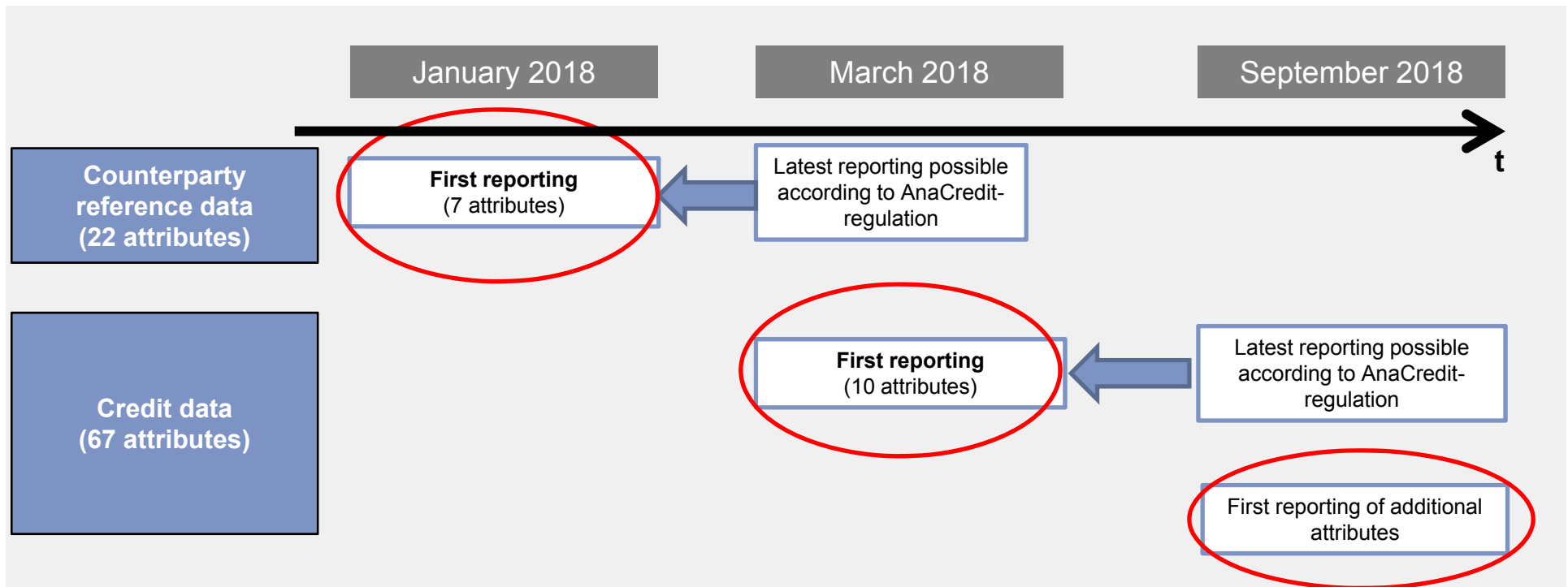1. NCBs may grant derogations to small reporting agents (full exemption possible)

➤ Bundesbank grants partial derogations to small reporting agents with respect to the number of reportable attributes, no full exemption

➤ Attributes to be reported by small reporting agents kept to a minimum

2. NCBs may collect data from December 2017 onwards

➤ Bundesbank will bring the collection of data forward, but just to a minimum set of data that are necessary for ICAS. Counterparty reference data will be reported first time by reference date January 2018 and credit data by March 2018.

3. AnaCredit implementation in Germany
Reporting timeline of small reporting agents

January 2018	March 2018	September 2018

Counterparty reference data (22 attributes)

First reporting
(7 attributes)

Latest reporting possible according to AnaCredit-regulation

Credit data (67 attributes)

First reporting
(10 attributes)

Latest reporting possible according to AnaCredit-regulation

First reporting of additional attributes

> Overall, small reporting agents will have to report just 17 out of 89 attributes for instruments originated before 1 September 2018 and additional 9 attributes for instruments originated thereafter.

3. AnaCredit implementation in Germany
Attributes to be reported by small reporting agents

Counterparty reference data	Credit data
17 attributes for loans originated prior to 1 September 2018:	
• National identifier • Name • Address: street • Address: city / town / village • Address: postal code • Address: country • Accounting standard	• Type of instrument • Default status of the instrument • Date of the default status of the instrument • Outstanding nominal amount • Accrued interest • Off-balance sheet amount • Counterparty role • Probability of default • Default status of the counterparty • Date of the default status of the counterparty
Additional attributes for loans originated after 1 September 2018:	
• Institutional sector • Economic activity • Number of employees • Balance sheet total	• Currency • Interest rate type • Purpose • Interest rate • Accumulated impairment amount

3. AnaCredit implementation in Germany
Main challenges ahead

- − Implementation at credit institutions in Germany:
  - Data model:
    - ➢ *How to display complex credit arrangements in AnaCredit?*
    - ➢ *Many detailed questions have to be answered*

  - A lot of information requested by AnaCredit is still not available in banks` IT systems:
    - ➢ *Will banks be able to deliver on time?*

- − Implementation at the Bundesbank:
  - Build the systems within time
  - Cope with the expected amount of data (systemwise)
  - Identification: There is no unique publicly available identifier in Germany
    - ➢ *For the current stage of AnaCredit the identification of counterparties should be manageable, but with regard to future stages potentially including natural persons this could be a main challenge*