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Deloitte Insights:
Analytical credit datasets
AnaCredit

Background

On June 1st, the European Central Bank (ECB) published the final version of the AnaCredit Regulation on the collection of granular credit and credit risk data as well as the related amending decision on the organisation of preparatory measures for the collection of granular credit data by the European System of Central Banks. This regulation is only the first stage, concerning loans and deposits to legal entities. Further scope and reporting requirements could be published in the future.

The Regulation sets out the reporting requirements and defines the reporting population and scope. In practical, the regulation defines how, when and what the impacted population will need to report to the relevant National Central Bank which will transmit it to the European Central Bank.

What is AnaCredit?

Anacredit stands for analytical credit datasets. It is a project launched in 2011 by the ECB to set up a dataset containing granular credit and credit risk data about the credit exposure of credit institutions and other loan-providing financial firms within the Eurozone. The AnaCredit database will provide detailed information on individual bank loans in the euro area and will be based on harmonised concepts and definitions. The coverage for, at least and at first, the euro area, will ensure more comparability and significantly improve the statistical information basis for the Eurosystem.

The new long-term framework under AnaCredit is also open to Member States outside the Eurozone.

Who is in scope?

The population impacted by the regulation is described in the article 3 of the regulation and includes both the credit institutions and its foreign branches, provided they are resident of a euro Member State.

In its explanatory note, the ECB confirms that the scope of the data collection covers data on credits extended or serviced by:

1. Credit institutions located in the euro area that are not branches of other credit institutions
2. Foreign branches of euro area credit institutions, including non-euro area branches; Access previous regulatory news
3. Foreign branches that are located in the euro area but are part of a credit institution resident outside the euro area.

On which exposures should this apply?

In the first stage, credit data related to credits with a minimum amount of EUR 25 000 and extended to legal entities that are not natural persons will have to be reported.

Loans to private households will not be covered and there is no longer a plan as to when a second phase of AnaCredit covering private household's data would be initiated. Before it could be initiated, a separate cost-benefit assessment would need to be performed. Further phases of the AnaCredit project might be introduced at a later point in time.

What type of data should be reported?

AnaCredit will require over 100 data points to be reported for each exposure in the scope. Those data points cover many aspects of the exposure, including :

- data related to the counterparty (e.g. LEI code, address, number of employees, balance sheet total, etc.)
- data related to instrument (e.g. type of instruments, currency, non-performing status, interest rate type, payment frequency, etc.)
- data related to the collateral or other mitigation techniques (e.g. type of protection, real estate collateral location, original protection value, etc.) or
- accounting data (e.g. accumulated impairment amount, source of encumbrance, status of forbearance and renegotiation, etc.).

What is the timeline?

- 31 December 2017: NCBS allowed to request the Anacredit dataset from credit institutions (early adoption)
- 30 September 2018: First complete AnaCredit reporting **Banking & Financial Services**: Resolution planning process

How Deloitte can help?

AnaCredit has significant synergies with other data related regulatory topics. Therefore, a global approach towards enhanced data management is needed to ensure efficient risk data aggregation and reporting processes.

Deloitte can support you in:

- conducting data gap analysis to ensure availability and accessibility of future data points required by AnaCredit
- ensuring alignment with other prudential reporting requirements (FINREP/COREP) and other regulatory requirements (IFRS9, BCBS 239)
- supporting the adequate inclusion of Anacredit in the Finance and Risk IT infrastructure, including tool selection process.

Contacts

If you require any further information on any of the issues mentioned in this material and on how Deloitte can help you address the challenges ahead, please do not hesitate to contact



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