



## AnaCredit Data Returns

### Complete Central Bank of Ireland Reports – Case Descriptions

Version 1.1CU

Email: [anacredit@centralbank.ie](mailto:anacredit@centralbank.ie)

Website: [www.centralbank.ie](http://www.centralbank.ie)



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## Complete Central Bank of Ireland reports – Case descriptions

The purpose of this document is to outline example case studies in order to assist reporting agents complete the Central Bank of Ireland AnaCredit reporting templates. Several examples of AnaCredit reports are provided to give a better understanding of the relationships in their entirety between the different datasets of AnaCredit and the data attributes contained therein.

Cases 1 - 2 are closely related to the cases outlined in the ECB AnaCredit Reporting Manual Part III<sup>1</sup>. The cases have been altered to place them into context for Irish Credit Unions.

The completed reports are presented in the accompanying excel spreadsheet.

### General set-up

#### Illustrative examples

The examples described in the Manual are for indicative purposes only.

### Reporting agent and the observed agents

#### Reporting agent

The examples are prepared from the perspective of a single reporting agent, i.e. Castletown Credit Union (hereinafter referred to as “the Credit Union”).

Castletown Credit Union uses IFRS as the accounting standard.

#### Observed agent

In accordance with Article 1(9) and 1(26) of the AnaCredit Regulation, the Credit Union reports, on an individual basis, credit and credit risk data of its only observed agent, i.e. Castletown Credit Union in Ireland.

Castletown Credit Union uniquely identifies the observed agent by the counterparty identifiers assigned by the relevant NCB, namely by the counterparty identifier IEC111222.

### Reporting reference dates

The examples look at a series of reporting reference dates from 30 September 2018 (the first transmission pursuant to the AnaCredit Regulation) through to 31 December 2018.

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<sup>1</sup> For reference, Case 1 in this document maps to Case 1 in the Manual, Case 2 in this document maps to Case 9 in the manual.

Such an approach, where several reporting reference dates are considered rather than just a single one, allows some of the dynamic features of AnaCredit reporting to be better illustrated.

The dynamic features of AnaCredit reporting include the following in particular:

- a consistent view of the evolution of instruments over time;
- the reporting of certain datasets if no changes have occurred compared with data transmitted earlier;
- the reporting of instruments that have been discharged between consecutive reporting reference dates.

Please note that if, for a given instrument referred to in the examples, nothing has been recorded in one or more datasets at a reporting reference date, this should be understood to mean that no record was submitted at that date. The reasons for which a record may not be required vary and include the following:

- there have been no changes compared with data transmitted earlier (in the case of datasets reported *on change*);
- the reportable item (e.g. instrument, protection, etc.) has been discharged and did not exist at the reporting reference date.

## Counterparties

In addition to the reporting agent and the observed agents, a number of counterparties are referred to throughout the examples. Those counterparties are in particular referred to (by their counterparty identifier) in the counterparty-instrument dataset and the protection received dataset (by their protection provider identifier), while their affiliates are referred to in the counterparty reference dataset by means of the “head office undertaking”, “immediate parent undertaking” and “ultimate parent undertaking” identifiers.

Please note that the counterparty reference data are not regularly reported. Instead, they are updated if necessary, in accordance with the general conditions for reporting to AnaCredit.

## How to read the examples

Taking the perspective of the reporting agent, credit and credit risk data of the observed agent are reported for instruments satisfying the conditions defined in Articles 4 and 5 of the AnaCredit Regulation. More specifically, if an instrument is subject to AnaCredit reporting, all the data attributes listed in Annex I to the AnaCredit Regulation are reported as stipulated by the Regulation and further clarified in Part I and Part II of the Manual.

To this end, credit and credit risk data relating to an instrument subject to AnaCredit reporting are compiled on the basis of three distinct parts (i.e. the instrument, the protection and the counterparty) and reported in ten interrelated datasets.



Case descriptions are provided with a view to illustrating the ten AnaCredit datasets represented in the accompanying spreadsheet. The various cases are chosen to highlight the differences in the datasets as the circumstances of instruments change in each example.

The instrument is always the central element of these cases, and all instruments referred to in the subsequent examples are assumed to be subject to AnaCredit reporting.

The section starts with a complete description of a basic case, where all relevant features of the credit are explicit so as to make clear how the values reported in the corresponding AnaCredit datasets actually link with the credit.

In the subsequent case, however, a simplified description is provided where, besides the crucial aspects, only non-standard features of the credit concerned are expressly furnished, while all other elements are deliberately omitted from the description.

Nevertheless, regardless of whether or not all features of the credit concerned are expressly introduced in the description of the case, the corresponding data represent the credit in a complete manner with all (mandatory) data attributes provided.



## Case Study Outlines

### Case 1: Term loan (Basic Case for Anacredit Reporting)

On 16 November 2017 **Castletown Credit Union** (hereinafter in the case referred to as “the Credit Union”) made a contract with company **Ballycotton Builders** (“the Company”), for a term loan secured by a financial guarantee provided by, **Munster Bank**, hereinafter referred to as “the Guarantor”. In particular, the counterparties agreed that:

- the Credit Union will make available to the company a non-revolving loan of €100,000 million for financing a construction project
- the funds will be fully disbursed to the company on 1 December 2017;
- the Company will repay the loan in 60 monthly instalments, where the principal repaid in each instalment is the same; the payments will be made on the 1<sup>st</sup> day of each month, starting from 1 January 2018; the last payment will be made on 1 December 2022;
- the Company will also pay interest, where in the first year an interest rate of 2.7% will be charged (EURIBOR 12-month on 1 November + a spread of 2.4%) being charged in the first year; thereafter, the interest rate will be reset on 1<sup>st</sup> day of every year (following the same EURIBOR formula); a floor of 2.5% and a cap of 4.2% will apply through the entire life of the loan; the interest is payable monthly on the 1<sup>st</sup> day of a month;
- the loan is guaranteed by a financial guarantee provided by the Guarantor which agreed to cover, in the event of default of the Company, any outstanding debt, including interest and other fees and payments, up to an amount of €50,000.

The Credit Union uniquely identifies the Company and the Guarantor with the following counterparty identifiers 63829150 and 78451209, respectively. The Credit Union uniquely identifies the contract with the contract identifier A810 and the instrument with the instrument identifier 123321. Neither the Company nor the Guarantor has other instruments vis-à-vis the Credit Union. The Credit Union uniquely identifies the financial guarantee provided by the Guarantor by the protection identifier GUA28569811.

The Company is the only debtor of the loan. Despite the fact that the loan is secured by the guarantee, the Credit Union, which acts as creditor, has recourse on the balance sheet of the debtor.

The Credit Union has information about the Company Registration Office (CRO) numbers assigned to the Company and the Guarantor; these are 224466 and 113355, respectively. The Company does not have a VAT number while the Guarantor has the VAT number 7654321AB. The company has the LEI number 855400VQTT2CLXBQIK93 and the Guarantor has the LEI



number 209300LAZ3FFR1Z2SS88, while the Credit Union has the LEI number 429300LAZ3FJK1Z2SP75.<sup>2</sup>

In accordance with the applied accounting standard, the Credit Union entirely recognises the loan in its loan book and classifies it into the category of financial assets at amortised cost. Accordingly, the Credit Union estimates 12-month expected losses (Stage 1) for a group of loans similar to the loan for which impairment allowance of 2% of the (combined) outstanding nominal amount is issued. The Credit Union allocates directly this percentage to the loan. As the loan has no off-balance-sheet amount, the Credit Union does not issue any provisions associated to off-balance sheet exposures.

On the basis of the loan's features and characteristics, the Credit Union classifies it as "Other loans" in accordance with the type of instrument in AnaCredit. Please note that the loan in this case does not fulfil the requirements of a project finance loan.

The loan is not securitised and is not subject to any sources of encumbrance. It is not a syndicated loan.

The debtor has not been in default, and no write-off has been made to the instrument as the Company has been making the repayment timely and in full since the inception. The instrument has been performing and no renegotiation has taken place.

As the debtor has no other instruments vis-à-vis the Credit Union, the guarantee issued by the Guarantor is entirely allocated to the loan.

The loan is subject to reporting at the reporting dates of 30 September and 31 December 2018.

The outstanding nominal amount is €85,000 at the reporting reference date. The protection received dataset is required only if changes occur compared to the previously reported data; in this case, the date of protection value changes as in accordance with the clarification provided in Manual Part II, the protection value is updated at every reporting reference date if the protection is reported at its nominal value.

## Case 2: Lump-sum loan

In April 2018, a company "Kirk Constructions" ("the Debtor") applied for a loan of €36,000 by the Credit Union to be used as a working capital facility. On 11 April 2018, the loan is granted for a period of three years and was fully disbursed on 11 May 2018. The parties agree that the loan will be repaid in monthly instalments where the principal amount repaid in each instalment is the same. The loan has variable interest rates EURIBOR six months plus a margin of 750 basis points. The monthly payment is automatically charged on the 28<sup>th</sup> day of each month from the current account of the Debtor (even if sufficient funds are not available on the current account, which is made legally possible by the terms of the contract).

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<sup>2</sup> This paragraph is significantly altered from the ECB example to better reflect the Irish specific case of reporting identifiers. The reference to immediate and ultimate parent is also removed as this information is not required for debtors without any new loans drawn down after September 2018.



In accordance with the type of instrument in AnaCredit, the instrument is reported as “other loans”.

The Credit Union uniquely identifies the contract of the loan by the contract identifier 35LA3218239 and the instrument by the instrument identifier LA972372975. The Credit Union uniquely identifies the Debtor by the counterparty identifier B09A888888.