

In case of discrepancies between the French and the English text,
the French text shall prevail

Methodology used for the comparison between “AnaCredit” and other statistical and prudential reports

Version 1.0.2

Summary of versions

Version	Date	Comments
1.0.0	30 November 2020	Initial Version
1.0.1	23 February 2021	Update of the definitions of the aggregates Minor update on the "Maturity" calculation
1.0.2	5 August 2021	The flag STTLD_FLG has been added to the iBSI instruments identification flags

Contents

1	Introduction	4
2	Methodology.....	5
	2.1 Basic principles	5
	2.2 Comparison with iBSI (S 1.1)	6
	2.2.1 Calculation method	6
	2.2.2 Instruments excluded from iBSI calculation.....	11
	2.2.3 Solution indications	19
	2.3 Comparison with iMIR (S 1.5).....	20
	2.3.1 Calculation method	20
	2.3.2 Instrument excluded from iMIR	21
	2.3.3 Solution indications	23
	2.4 Comparison with COREP / FINREP reports	23
	2.5 Reports	23
	2.5.1 Feedbacks provided	23
	2.5.2 Communication frequency and delay	25
	2.5.3 Revision deadlines.....	26
3	Contact data at the BCL	27
4	Annexes	28
	4.1 Glossary.....	28
	4.2 Examples of feedback reports	29
	4.2.1 Example iBSI / AnaCredit comparison (“Overview”).....	29
	4.2.2 Example of list of excluded instruments in iBSI calculation	30
	4.2.3 Example of list of included instruments in iBSI calculation	32
	4.3 Calculation of the iBSI aggregable balance	33

1 Introduction

The European Central Bank (ECB) and the national central banks (NCB) have introduced a quarterly comparison report between AnaCredit and the balance sheet items report (iBSI / S 1.1). The main objective of these reports consists in evaluating the consistency between the reports and in verifying the completeness of AnaCredit data.

Currently, the comparison is only conducted on observed agents being part of the “iBSI” sample¹. From 2021, this sample is going to be extended to all reporting agents reporting iBSI data to the BCL and consequently, the comparison report will apply to the extended sample. Moreover, from 2021, a new comparison report between AnaCredit and interest rate data (iMIR / S 1.5) is going to be put in place as well². Credit institutions or branches with a different competent NCB for AnaCredit and iBSI / iMIR reporting are not currently affected by these comparisons. The establishment of a comparison with other prudential reports (COREP / FINREP) is also scheduled for 2021.

For reporting agents under the BCL’s competency, comparisons with iBSI / iMIR data will enter into force at the ECB in 2021.

In this context, the BCL wishes to inform its reporting agents of any inconsistencies detected in order to anticipate their corrections. It is important to note that the ECB relies on the reference data of the RIAD database for the classification of counterparties. It is therefore conceivable that DQIs considered acceptable at the BCL are not acceptable at the ECB. This discrepancy could possibly require a resubmission of the reporting agent.

¹ In Luxembourg, the following financial institutions are currently considered “iBSI” banks: LUB00001, LUB00002, LUB00003, LUB00007, LUB00008, LUB00009, LUB00014, LUB00019, LUB00036, LUB00107, and LUB00338. All “iBSI” banks, which are not under the competency of the BCL regarding AnaCredit, are excluded from this list.

² The comparison report between AnaCredit and iMIR will only be sent to banks submitting the S 1.5 report in Luxembourg.

2 Methodology

2.1 Basic principles

The comparison between AnaCredit and iBSI reports comprises fourteen items (“aggregates”) and one total item (“Total EA loans”). As for the comparison with iMIR data, three items (“weighted averages”) are considered. With regard to iBSI aggregates and iMIR weighted averages, it is important to note that the reports for the reference months of March, June and September 2020 are informative and are intended to help reporting agents become compliant by the reference month of March 2021 at the latest. Retroactive correction of the inconsistencies is not required, except for credit institutions that are already part of the “iBSI” sample. Indeed, data quality checks via data quality indicators (DQIs) on each of the items are only going to be applied from the reference month of March 2021 onwards.

The level of consistency of AnaCredit reports compared to iBSI / S 1.1 and iMIR / S 1.5 reports is assessed based on a DQI calculated by the BCL. The BCL has set the minimum quality threshold at 5 percent for this DQI. The table below summarizes the qualitative requirements according to the reference periods.

Items	Until December 2019 ³	From March 2020 to December 2020	From March 2021
iBSI items 1-12	<i>Recommended</i>	Recommended	5%
iBSI item “Total EA loans”	10%	5% ² / Recommended	5%
iMIR item	<i>Non applicable</i>	Recommended	5%

We would like to remind you that all attributes and acceptable values are described more in detail in [manual part II](#).

³ Only applicable for banks, which are already included in the “iBSI” sample.

2.2 Comparison with iBSI (S 1.1)

2.2.1 Calculation method

The aggregates calculated for the comparison of AnaCredit and iBSI data are described in this chapter.

AnaCredit instruments are broken down based on the following attributes:

- Country (CNTRY), where:
 - CNTRY_OBSRVD_AGNT = the country of residence of the observed agent
 - CNTRY_DBTR = the country of residence of the debtor
- Institutional sector (INSTTTNL_SCTR), where:
 - INSTTTNL_SCTR_DBTR = the debtor's institutional sector
- Original maturity (MTRTY), where:

```

IF NEVS_DT_LGL_FNL_MTRTY = "0" THEN;
  IF TYP_INSTRMNT in {"Revolving credit other than overdrafts and credit card debt",
"Overdraft", "Credit card debt", "Credit lines other than revolving credit"}
  OR TYP_INSTRMNT = "Trade receivables" AND CNTRY_OBSRVD_AGNT in {"FR",
"IT", "AT"}
  OR TYP_INSTRMNT = "Reverse repurchase agreements" AND
CNTRY_OBSRVD_AGNT = "AT"
  OR RPYMNT_RGHTS = "On demand or short notice"
  THEN MTRTY = "Up to 1 year";
  ELSE MTRTY = "Above 5 years";
ELSE IF DT_LGL_FNL_MTRTY - DT_STTLMNT <= 1 year THEN MTRTY = "Up to 1 year";
ELSE IF DT_LGL_FNL_MTRTY - DT_STTLMNT <= 5 years THEN MTRTY = "Over 1 year and
up to 5 years";
ELSE MTRTY = "Above 5 years";
  
```

- Type of instrument (TYP_INSTRMNT)

Similarly, the iBSI sub-aggregates are aggregated taking into account the following variables:

- Country
- Currency
- Sector
- Maturity

Thus, the AnaCredit-iBSI comparison will include the following 14 aggregates⁴:

Item	Description	AnaCredit	S 1.1 (iBSI)			
		Condition	Country	Currency	Sector	Maturity
1.	Loans to domestic MFIs	CNTRY_DBTR = CNTRY_OBSRVD_AGNT AND INSTTTNL_SCTR_DBTR IN {"S.121", "S.122", "S.123"}	LU	EUR XX2	31000 32100 32200 33000	I000-01A I01A-02A I02A-05A I05A-999
1.1	Loans to domestic central banks	CNTRY_DBTR = CNTRY_OBSRVD_AGNT AND INSTTTNL_SCTR_DBTR = "S.121"	LU	EUR XX2	31000	I000-01A I01A-02A I02A-05A I05A-999
2.	Loans to domestic general government	CNTRY_DBTR = CNTRY_OBSRVD_AGNT AND INSTTTNL_SCTR_DBTR IN {"S.1311", "S.1312", "S.1313", "S.1314"}	LU	EUR XX2	11000 12000	I000-01A I01A-02A I02A-05A I05A-999
4.1	Loans to domestic NFCs, up to 1 year	CNTRY_DBTR. = CNTRY_OBSRVD_AGNT AND INSTTTNL_SCTR_DBTR = "S11" AND MTRTY = "Up to 1 year"	LU	EUR XX2	21000	I000-01A
4.2	Loans to domestic NFCs, over 1 year and up to 5 years	CNTRY_DBTR = CNTRY_OBSRVD_AGNT AND INSTTTNL_SCTR_DBTR = "S11" AND MTRTY = "Over 1 year and up to 5 years"	LU	EUR XX2	21000	I01A-02A I02A-05A
4.3	Loans to domestic NFCs, over 5 years	CNTRY_DBTR = CNTRY_OBSRVD_AGNT AND INSTTTNL_SCTR_DBTR = "S11" AND MTRTY = "Above 5 years"	LU	EUR XX2	21000	I05A-999

⁴ Loans to debtors belonging to the institutional sector S15 are excluded from the comparison.

5.	Loans to other euro area MFIs (excluding Luxembourg)	CNTRY_DBTR <> CNTRY_OBSRVD_AGNT AND (CNTRY_DBTR IN {Euro area countries}) AND INSTTTNL_SCTR_DBTR IN {"S.121", "S.122", "S.123"}	X3	EUR XX2	31000 32100 32200 33000	I000-01A I01A-02A I02A-05A I05A-999
6.	Loans to other euro area general government (excluding Luxembourg)	CNTRY_DBTR <> CNTRY_OBSRVD_AGNT AND (CNTRY_DBTR IN {Euro area countries}) AND INSTTTNL_SCTR_DBTR IN {"S.1311", "S.1312", "S.1313", "S.1314"}	X3	EUR XX2	11000 12000	I000-01A I01A-02A I02A-05A I05A-999
8.1	Loans to other euro area NFCs (excluding Luxembourg), up to 1 year	CNTRY_DBTR <> CNTRY_OBSRVD_AGNT AND CNTRY_DBTR IN {Euro area countries} AND INSTTTNL_SCTR_DBTR = "S.11" AND MTRTY = "Up to 1 year"	X3	EUR XX2	21000	I000-01A
8.2	Loans to other euro area NFCs (excluding Luxembourg), over 1 year and up to 5 years	CNTRY_DBTR <> CNTRY_OBSRVD_AGNT AND CNTRY_DBTR IN {Euro area countries} AND INSTTTNL_SCTR_DBTR = "S.11" AND MTRTY = "Over 1 year and up to 5 years"	X3	EUR XX2	21000	I01A-02A I02A-05A
8.3	Loans to other euro area NFCs (excluding Luxembourg), over 5 years	CNTRY_DBTR <> CNTRY_OBSRVD_AGNT AND CNTRY_DBTR IN {Euro area countries} AND INSTTTNL_SCTR_DBTR = "S.11" AND MTRTY = "Above 5 years"	X3	EUR XX2	21000	I05A-999
9.	Loans to euro area OFIs and nonMMF investment funds	CNTRY_DBTR IN {Euro area countries} AND INSTTTNL_SCTR_DBTR IN {"S.124", "S.125", "S.126", "S.127"}	LU X3	EUR XX2	41000 42000 43000 44000	I000-01A I01A-02A I02A-05A I05A-999
10.	Loans to EA ICPFs (euro area insurance corporations and pension funds)	CNTRY_DBTR IN {Euro area countries} AND INSTTTNL_SCTR_DBTR IN {"S.128", "S.129"}	LU X3	EUR XX2	45000 46000	I000-01A I01A-02A I02A-05A I05A-999
12.	Loans to the rest of the world	CNTRY_DBTR NOT IN {Euro area countries}	X4	EUR XX2	11000 12000 21000	I000-01A I01A-02A I02A-05A

					31000	105A-999
					32100	
					32200	
					33000	
					40000	

The sum of iBSI aggregable balance of instruments granted to counterparties resident in the euro area (“Total EA loans”) corresponds to the sum of the 14 aggregates mentioned above minus aggregates 1.1 and 12. Please note that the threshold of 25 kEUR applied in AnaCredit does not exist in S 1.1 reporting. Therefore, the amount reported in AnaCredit should never be greater than the amount shown in report S 1.1.

2.2.2 Instruments excluded from iBSI calculation

It is important to note that only instruments eligible for iBSI and meeting a certain level of quality are considered in the calculation of aggregates. In this regard, flags have been created in order to i) identify iBSI instruments and to ii) check the data quality. The methodology is described in detail below.

2.2.2.1 iBSI instruments identification flags

Four flags are calculated to determine the eligibility of instruments for the calculation of iBSI aggregates and they can take the value of:

- 1 (included for the calculation of iBSI aggregates)
- 0 (excluded for the calculation of iBSI aggregates)
- -1 (attribute missing)

Instruments for which at least one flag equals 0 or -1 are excluded from the calculation of the aggregates. These instruments are therefore listed in the excluded instruments file. The data should be checked and, if necessary, corrected.

- IS_NOT_FDCRY

Only non-fiduciary instruments are considered in the calculation of iBSI aggregates.

```
IF FDCRY = "Non-fiduciary instrument"  
THEN IS_NOT_FDCRY = 1;  
ELSE IF FDCRY = "Fiduciary instrument";  
THEN IS_NOT_FDCRY = 0;  
ELSE IS_NOT_FDCRY = -1;
```

- RCGNTN_FLG

Fully derecognized instruments are not considered in the calculation of iBSI aggregates, except for "intra-company" instruments.

```

IF RCGNTN_STTS = "Entirely recognised" OR RCGNTN_STTS = "Recognised to the extent
of the institution's continuing involvement"
THEN RCGNTN_FLG = 1;
ELSE IF RCGNTN_STTS = "Entirely derecognised"
THEN RCGNTN_FLG = 0;
ELSE RCGNTN_FLG = -1;
  
```

- **INTR_CMPNY_FLG**

All "intra-company" instruments are included in the calculation of the iBSI aggregates, including fully derecognized instruments.

```

IF HD_OFFC_UNDRT_ID_DBTR is not NULL AND HD_OFFC_UNDRT_ID_DBTR =
HD_OFFC_UNDRT_ID_OA
THEN INTR_CMPNY_FLG = 1;
ELSE INTR_CMPNY_FLG = 0;
  
```

Where:

- HD_OFFC_UNDRT_ID_DBTR = debtor's head office identifier
- HD_OFFC_UNDRT_ID_OA = observed agent's head office identifier

- **NON_TRDTNLLY_SEC_FLG**

This flag on traditional securitisation does not apply to Luxembourgish observed agents.

```

IF CNTRY_OBSRVD_AGNT = "Ireland" AND TYP_SCRTSTN = "Traditional securitisation"
THEN NON_TRDTNLLY_SEC_FLG = 0;
ELSE NON_TRDTNLLY_SEC_FLG = 1;
  
```

- **STTLD_FLG**

Instruments, which have not been settled, are not considered in the calculation of iBSI aggregates.

```
IF DT_STTLMNT <= DT_RFRNC AND NEVS_DT_STTLMNT <> "0"  
THEN STTLD_FLG = 1;  
ELSE STTLD_FLG = 0;
```

Finally, the flag on the iBSI eligibility of an instrument in AnaCredit is calculated taking into account the results of the four flags described above:

```
IF IS_NOT_FDCRY = 1 AND NON_TRDTNLLY_SEC_FLG = 1 AND (RCGNTN_FLG = 1 OR  
INTR_CMPNY_FLG = 1) AND STTLD_FLG = 1  
THEN IS_IBSI_INSTRMNT = 1;  
ELSE IS_IBSI_INSTRMNT = 0;
```

All instruments whose flag "IS_IBSI_INSTRMNT" is equal to 1 are taken into account when calculating iBSI aggregates. Conversely, instruments with a flag equal to 0 or -1 are excluded from the calculation. These are listed in the feedback "BSI_EXC_INSTRMNT" (cf. chapter 2.5.1.2 below).

2.2.2.2 Data quality flags

Similar to the iBSI instrument identification flags described above, the data quality flags are first calculated individually before they are added to the global flag. The latter indicates whether the data quality of an instrument is sufficient to be included in the iBSI aggregates. The data quality flags can take three values:

- 1 (the quality is good)
No correction is expected.
- 0 (quality cannot be measured)
It is up to the reporting agent to verify the data if a difference is noted in the DQI.
- -1 (an error was detected)

Instruments for which at least one flag equals 0 or -1 are excluded from the calculation of the aggregates. These instruments are therefore listed in the excluded instruments file. The data should be checked and, if necessary, corrected.

- **IS_ACCNTNG_RPRTD**

This flag checks if accounting data has been reported.

```

IF INSTRMNT.INSTRMNT_ID EXISTS IN ACCNTNG.INSTRMNT_ID
THEN IS_ACCNTNG_RPRTD = 1;
ELSE IS_ACCNTNG_RPRTD = -1;
  
```

- **IS_PRTLY_TRNSFRD**

This flag checks if the instrument has been partially transferred.

```

IF OTSTNDNG_NMNL_AMNT > TRNSFRRD_AMNT > 0
THEN IS_PRTLY_TRNSFRD = 1;
ELSE IF OTSTNDNG_NMNL_AMNT = TRNSFRRD_AMNT OR TRNSFRRD_AMNT = 0 OR
TRNSFRRD_AMNT is NULL
THEN IS_PRTLY_TRNSFRD = 0;
ELSE IS_PRTLY_TRNSFRD = -1;
  
```

- **IS_JNT_LBLTY_RPRTD_ALL**

This flag checks whether joint liabilities have been reported for each pair instrument-debtor.

```

IF JNT_LBLTY_AMNT is not NULL
THEN IS_JNT_LBLTY_RPRTD_ALL_PRP = 1;
ELSE IS_JNT_LBLTY_RPRTD_ALL_PRP = -1;
  
```

The flag below checks that if no joint liability is reported, the number of debtors linked to the instrument is equal to 1. If this condition is not met (i.e. more than one debtor is linked to the instrument), then the flag is equal to -1.

```
IF min(IS_JNT_LBLTY_RPRTD_ALL_PRP) = 1
THEN IS_JNT_LBLTY_RPRTD_ALL = 1;
ELSE IF min(IS_JNT_LBLTY_RPRTD_ALL_PRP) = -1 AND NMBR_DBTRS = 1
THEN IS_JNT_LBLTY_RPRTD_ALL = 0;
ELSE IS_JNT_LBLTY_RPRTD_ALL = -1;
```

Where:

- NMBR_DBTRS = the number of debtors in an instrument

- IS_JNT_LBLTY_CMPLT

This flag checks if the sum of joint liability amount is greater or equal to the outstanding nominal amount for multi-debtor instruments.

```
IF NMBR_DBTRS > 1 AND sum(JNT_LBLTY_AMNT) => OTSTNDNG_NMNL_AMNT
THEN IS_JNT_LBLTY_CMPLT = 1;
ELSE IF NMBR_DBTRS > 1 AND sum(JNT_LBLTY_AMNT) < OTSTNDNG_NMNL_AMNT
THEN IS_JNT_LBLTY_CMPLT = 0;
ELSE IF NMBR_DBTRS > 1 AND IS_JNT_LBLTY_RPRTD_ALL = -1
THEN IS_JNT_LBLTY_CMPLT = -1;
```

- IS_JNT_LBLTY_CN_ONA

This flag checks whether the maximum amount of all joint liabilities of an instrument is less than or equal to the outstanding nominal amount.

```
IF max(JNT_LBLTY_AMNT) <= OTSTNDNG_NMNL_AMNT
THEN IS_JNT_LBLTY_CN_ONA = 1;
ELSE IS_JNT_LBLTY_CN_ONA = -1;
```

- **IS_DBTR_NOT_THE_OA**

This flag verifies that the observed agent⁵ is not the debtor of the instrument.

```
IF DBTR_RIAD <> OBSRVD_AGNT_CD  
THEN IS_DBTR_NOT_THE_OA = 1;  
ELSE IS_DBTR_NOT_THE_OA = -1;
```

Where:

- DBTR_RIAD = RIAD identifier of the debtor

- **IS_INSTTTNL_SCTR_RPRTD**

This flag checks whether the institutional sector of the debtor has been reported.

```
IF INSTTTNL_SCTR_DBTR is not NULL  
THEN IS_INSTTTNL_SCTR_RPRTD = 1;  
ELSE IS_INSTTTNL_SCTR_RPRTD = -1;
```

Where:

- INSTTTNL_SCTR_DBTR = institutional sector of the debtor

- **IS_DBTR_CNTRY_RPRTD**

This flag checks whether the country of residence of the debtor has been reported.

```
IF CNTRY_DBTR is not NULL  
THEN IS_DBTR_CNTRY_RPRTD = 1;  
ELSE IS_DBTR_CNTRY_RPRTD = -1;
```

Where:

- CNTRY_DBTR = country of residence of the debtor

⁵ The attribute "OBSRVD_AGNT_CD" depicts the RIAD identifier of the observed agent.

- **IS_DT_STTLMNT_RPRTD**

This flag checks whether the date of settlement has been reported if the date of legal final maturity.

```

IF NEVS_DT_LGL_FNL_MTRTY is NULL AND DT_STTLMNT is NULL
THEN IS_DT_STTLMNT_RPRTD = 0;
ELSE IS_DT_STTLMNT_RPRTD = 1;
  
```

- **IS_DT_LGL_FNL_MTRTY_RPRTD**

This flag checks whether the date of legal final maturity has been reported.

```

IF DT_LGL_FNL_MTRTY is NULL AND NEVS_DT_LGL_FNL_MTRTY is NULL
THEN IS_DT_LGL_FNL_MTRTY_RPRTD = -1;
ELSE IS_DT_LGL_FNL_MTRTY_RPRTD = 1;
  
```

All of the flags described above are used to identify quality issues. If one of these flags is equal to -1, the data quality for a specific instrument is insufficient and the instrument is excluded from the IBSI calculation. The data quality is summarized in the following flag:

```

IF IS_ACCNTNG_RPRTD = -1           OR IS_PRTLY_TRNSFRD = -1
OR IS_JNT_LBLTY_RPRTD_ALL = -1    OR IS_JNT_LBLTY_CMPLT = -1
OR IS_JNT_LBLTY_CN_ONA = -1      OR IS_DBTR_NOT_THE_OA = -1
OR IS_INSTTTNL_SCTR_RPRTD = -1   OR IS_DBTR_CNTRY_RPRTD = -1
OR IS_DT_STTLMNT_RPRTD = 0       OR IS_DT_LGL_FNL_MTRTY_RPRTD = -1
OR VLDTN_RLS = -1
THEN DQ_FLG = -1;
ELSE DQ_FLG = 1;
  
```

In addition to the flags calculated above, some validation rules are also provided in the form of flags (grouped under “VLDTN_RLS” in the box above). This is the result of data quality checks on attributes necessary for the mapping of a counterparty to RIAD. If one of these flags is equal to -

1, then the counterparty cannot be associated with a counterparty in RIAD and the instruments linked to these counterparties are excluded from the calculation of the aggregates.

Finally, the feedback file “BSI_EXC_INSTRMNT” also contains a flag specific to the BCL (“BCL_TO_CHECK_IBSI”). If this flag is equal to -1, then the reported instrument data is considered to be correct but a RIAD code has not (yet) been assigned to the debtor of the instrument (e.g. “\$ BCL_DEFAULT \$”). For these instruments, no intervention by the reporting agent is expected. It is up to the BCL to verify the error and, if necessary, to send a separate feedback on counterparty reference data quality to the reporting agent.

2.2.3 Solution indications

There are many sources of inconsistency between reports. Below are listed some recurring errors.

1 Insufficient data quality

Insufficient data quality is highlighted by the flags in chapter 2.2.2.2. Data with errors should be analysed first. As a first step, it is recommended to focus on instruments with a high outstanding nominal amount. In fact, the more the quality of an instrument with a high outstanding amount improves, the greater the impact on the DQI. It is for this reason that the instruments are sorted in descending order compared to the outstanding nominal amount in the feedback “BSI_EXC_INSTRMNT”.

The most frequent quality deficiencies are as follows:

- Country not reported
- National identifier not reported
- National identifier type not reported and/or inconsistent national identifier
- The sum of the outstanding nominal amounts is equal to the sum of the transferred amounts

2 The portfolio is incomplete (non-reported instruments)

If the total iBSI aggregable balance of instruments listed in the excluded instruments file does not explain the difference between iBSI and AnaCredit aggregates, then it is very likely that part of the AnaCredit portfolio has not been reported.

However, inconsistencies can be detected without requiring corrections. These are mainly reporting agents whose portfolio contains a large number of instruments with an outstanding nominal amount of less than 25 kEUR.

We would also like to remind you that intra-group and interbank instruments as well as positions with the BCL must be reported in AnaCredit.

3 Some counterparties were broken down incorrectly (diverging institutional sector or country)

When inconsistencies detected at the level of the sub-aggregates are substantial while the

totals are very similar, it is very likely that the classification of the counterparties is not correct (e.g. a non-financial corporation reported with an institutional sector “S.121”).

4 Some instruments were broken down incorrectly (diverging maturities)

The maturity of the instruments is calculated by subtracting the settlement date (DT_STTLMNT) from the legal final maturity date (DT_LGL_FNL_MTRTY). If the maturity aggregates (sections 4.1, 4.2, 4.3, 8.1, 8.2 and 8.3) present inconsistencies, we encourage you to check the two corresponding attributes and align them with the deadlines calculated for the iBSI report.

2.3 Comparison with iMIR (S 1.5)

2.3.1 Calculation method

The AnaCredit-iMIR comparison compares the average interest rates, weighted by the iBSI aggregable balance⁶:

$$\sum \frac{BSI_AGGRGBL_BLNC * ANNLSD_AGR_RT}{\sum BSI_AGGRGBL_BLNC}$$

These weighted averages are limited to euro-denominated instruments, the debtors of which are non-financial corporations resident in the euro area. Instruments are broken down according to their initial maturity, which consists of the difference between the “Legal final maturity date” and the “Settlement date”. The table below shows the three items:

⁶ In its simplest form, the iBSI aggregable balance consists of the outstanding nominal amount. The detailed calculation of the aggregable balance can be found in annex 4.3 of this document.

Item	Description	AnaCredit	S 1.5 (iMIR)			
		Condition	Country	Currency	Sector	Maturity
1.	Loans to EA NFCs, up to 1 year	CNTRY_DBTR IN {"Euro area"} AND INSTTTNL_SCTR_DBTR = "S.11" AND MTRTY = "Up to 1 year"	X2	EUR	21000	I000-01A
2.	Loans to EA NFCs, over 1 year and up to 5 years	CNTRY_DBTR IN {"Euro area"} AND INSTTTNL_SCTR_DBTR = "S.11" AND MTRTY = "Over 1 year and up to 5 years"	X2	EUR	21000	I01A-02A I02A-05A
3.	Loans to EA NFCs, over 5 years	CNTRY_DBTR IN {"Euro area"} AND INSTTTNL_SCTR_DBTR = "S.11" AND MTRTY = "Above 5 years"	X2	EUR	21000	I05A-999

2.3.2 Instrument excluded from iMIR

Similar to the iBSI comparison, some of the instruments are not taken into account in the calculation of iMIR weighted averages (in addition to the instruments already excluded from the three categories detailed above). The flags calculated in the iBSI comparison are also applicable to the iMIR comparison.

2.3.2.1 iMIR instruments identification flags

Regarding the identification of instruments eligible for the iMIR calculation, an additional flag must however be added:

- BD_LN_FLG

This flag identifies instruments, which are considered uncollectible. This is based on the default status of the counterparty or of the instrument respectively.

```

IF DFLT_STTS_INSTRMNT is not NULL THEN DO;

  IF DFLT_STTS_INSTRMNT = "Default because both unlikely to pay and more than 90/180 days past due" OR DFLT_STTS_INSTRMNT = "Default because unlikely to pay" OR DFLT_STTS_INSTRMNT = "Default because more than 90/180 days past due" THEN BD_LN_FLG = 1;

  ELSE IF NEVS_DFLT_STTS_INSTRMNT = 0 AND (DFLT_STTS_DBTR = "Default because both unlikely to pay and more than 90/180 days past due" OR DFLT_STTS_DBTR = "Default because unlikely to pay" OR DFLT_STTS_DBTR = "Default because more than 90/180 days past due") THEN BD_LN_FLG = 1;

  ELSE BD_LN_FLG = 0;

ELSE DO;

  IF FRBRNC_STTS = "Forborne: instruments with modified interest rate below market conditions" OR PRFRMNG_STTS = "Non-performing" OR IMPRMNT_STTS = "Stage 3 (IFRS)" OR IMPRMNT_STTS = "Specific allowances (GAAP)" THEN BD_LN_FLG = 1;

  ELSE BD_LN_FLG = 0;

END;
  
```

Finally, a flag on the iMIR eligibility of an AnaCredit instrument is calculated taking into account the results of the four flags described during the iBSI comparison and the additional BD_LN_FLG flag:

```

IF IS_NOT_FDCRY = 1 AND NON_TRDTNLLY_SEC_FLG = 1 AND (RCGNTN_FLG = 1 OR INTR_CMPNY_FLG = 1) AND STTLD_FLG = 1 AND BD_LN_FLG = 0

THEN IS_IMIR_INSTRMNT = 1;

ELSE IS_IMIR_INSTRMNT = 0;
  
```

All the instruments whose flag "IS_IMIR_INSTRMNT" is equal to 1 are taken into account when calculating the iMIR weighted averages. Conversely, the instruments whose flag is equal to 0 or -1 are excluded from the calculation and listed in the "MIR_EXC_INSTRMNT" feedback (see chapter 2.5.1.2 below).

2.3.2.2 Data quality flags

The data quality flags calculated during the iBSI comparison (see chapter 2.2.2.2) also apply to the iMIR comparison.

2.3.3 Solution indications

It is recommended to identify and then resolve any inconsistencies detected during the AnaCredit-iBSI comparison before starting the AnaCredit-iMIR comparison. There are many sources of inconsistency between reports. The flags on data quality defined in chapter 2.2.2.2 also apply to the iMIR comparison. Among the most frequent quality deficiencies, the interest rate reported in percentage format and not in decimal format should be considered.

2.4 Comparison with COREP / FINREP reports

Methodology under development.

2.5 Reports

2.5.1 Feedbacks provided

During the AnaCredit-iBSI-iMIR comparison, only one file is made available to reporting agents. This .xlsx file includes two worksheets:

- **iBSI_Overview** (overview of iBSI DQI results)
- **iMIR_Overview** (overview of iMIR DQI results)

The feedback file can also contain four additional worksheets, namely:

- **iBSI_EXC_INSTRMNT** (list of instruments excluded from iBSI calculation)
- **iBSI_INC_INSTRMNT** (list of instruments included in the iBSI calculation)
- **iMIR_EXC_INSTRMNT** (list of instruments excluded from the iMIR calculation)
- **iMIR_INC_INSTRMNT** (list of instruments included in the iMIR calculation)

Due to the confidential nature of the data included in these four spreadsheets, they cannot be provided by e-mail in encrypted ZIP format. The BCL is currently in the process of setting up a secure exchange of AnaCredit quality reports (including AnaCredit-iBSI-iMIR reports). This flow is developed in close collaboration with the transmission channels SOFiE and E-file.

In the meantime, the BCL will include these four spreadsheets but they will only contain the following attributes:

- OBSRVD_AGNT_CD,
- DT_RFRNC,
- T1M_MSG_ID,
- T2M_MSG_ID,
- T2Q_MSG_ID,
- REF_MSG_ID,
- CNTRCT_ID,
- INSTRMNT_ID,
- all flags described in chapters 2.2.2 and 2.3.2.

The two types of “Overview” and “Excluded” worksheets are described in more detail below.

2.5.1.1 Results of the calculation of aggregates / weights

The “Overview” file includes the aggregates / weighted averages calculated for AnaCredit and iBSI / iMIR as well as the DQIs calculated on the comparison.

An example of an iBSI comparison table is available in Annex 4.2.1. In order to facilitate the interpretation of this table, the DQIs are coloured as follows:

- Green: the DQI is below the required threshold and no correction is expected
- Yellow: the DQI is above the required threshold. Correction is not required. However, reporting agents are strongly encouraged to correct these sub-aggregates in anticipation of more extensive requirements in 2021.

- Red: the DQI is above the required threshold. Correction is required. For the year 2020, no DQI is considered critical and therefore no correction is required.⁷

2.5.1.2 List of instruments excluded from the calculation of aggregates

The “Excluded” file lists all the instruments excluded from the calculation of aggregates / weighted averages based on the flags described above. An instrument is added to the list when at least one of the two flags DQ_FLG or IS_IBSI_INSTRMNT / IS_IMIR_INSTRMNT is equal to 0 or -1.

In addition to the aforementioned flags, the list includes attributes to better identify inconsistencies between AnaCredit and iBSI / iMIR:

- OBSRVD_AGNT_CD
- DT_RFRNC
- CNTRCT_ID
- INSTRMNT_ID

The list is ordered as follows:

- 1 IS_IBSI_INSTRMNT / IS_IMIR_INSTRMNT, in descending order
- 2 DQ_FLG, in ascending order
- 3 BSI_AGGRGBL_BLNC, in descending order

Therefore, it is recommended to analyse the first observations in the list first, which are most likely to have the greatest impact on the aggregates. An example of the excluded instruments table can be found in Annex 4.2.

2.5.2 Communication frequency and delay

The comparison reports are sent quarterly, regardless of resubmissions sent by reporting agents. Ad hoc reports can be generated upon request from reporting agents.

⁷ Except for credit institutions in the “iBSI” sample: LUB00001, LUB00002, LUB00003, LUB00007, LUB00008, LUB00009, LUB00014, LUB00019, LUB00036, LUB00107 and LUB00338.

2.5.3 Revision deadlines

With regard to the AnaCredit reports already submitted, the inconsistencies detected in the iBSI report on the total outstanding nominal amount of instruments granted to counterparties resident in the euro area are only to be corrected by the banks in the iBSI sample. In an initial phase, the BCL will not impose any revision deadline. Reporting agents are encouraged to cooperate and analyse the inconsistencies detected within a reasonable time. The main objective is to anticipate the quality checks that become effective in 2021 and to avoid a situation in which an entire reporting year would have to be resubmitted retroactively in 2022. In addition, before proceeding to a resubmission (regardless the type of report), reporting agents are asked to confirm by email the reports and the reference periods to be resubmitted. Please note that a modification or even a correction in report S 1.1 may also require modifications in the report S 2.5.

Future submissions should already take into account any inconsistencies detected.

3 Contact data at the BCL

For any question related to the AnaCredit report, please contact the AnaCredit team at the BCL (reporting.anacredit@bcl.lu).

For any question, which concerns more precisely referential data, please contact the referential data team at the BCL (sig@bcl.lu).

4 Annexes

4.1 Glossary

COREP	Common Solvency Ratio Reporting
DQI	Data Quality Indicator
EA	Euro area
ECB	European central bank
FINREP	Financial Reporting
iBSI	Individual balance sheet items statistics (S 1.1 and S 2.5 reports in Luxembourg)
ICPFs	Insurance Corporations and Pension Funds
iMIR	Individual MFI interest rate statistics (S 1.5 reports in Luxembourg)
MFI	Monetary and Financial Institutions
MMF	Money Market Funds
NCB	National central bank
NFC	Non-financial corporation
OFI	Other Financial Intermediaries

4.2 Examples of feedback reports

4.2.1 Example iBSI / AnaCredit comparison (“Overview”)

Agent observé : LUB00XXX

Aggregates per report and per reference date (in million €)	202003			202006			202009		
	AnaCredit	S2.5 Report	DQI	AnaCredit	S2.5 Report	DQI	AnaCredit	S2.5 Report	DQI
1. Dom MFIs	1,00	1,20	16,67 %	1,00	1,20	16,67 %	1,00	1,20	16,67 %
1.1 Dom central banks	0,20	0,20	0,00 %	0,20	0,20	0,00 %	0,20	0,20	0,00 %
2. Dom General government	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
4.1 Dom NFCs, up to 1 year	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
4.2 Dom NFCs, over 1 year and up to 5 years	1,00	2,00	50,00 %	1,00	2,00	50,00 %	1,00	2,00	50,00 %
4.3 Dom NFCs, over 5 years	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
5. OEA MFIs	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
6. OEA General government	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
8.1 OEA NFCs, up to 1 year	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
8.2 OEA NFCs, over 1 year and up to 5 years	9,99	10,00	0,10 %	9,99	10,00	0,10 %	9,99	10,00	0,10 %
8.3 OEA NFCs, over 5 years	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
9. EA OFIs and non-MMF investment funds	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
10. EA ICPFs	0,00	0,00	0,00 %	0,00	0,00	0,00 %	0,00	0,00	0,00 %
Total EA Loans	2,20	3,40	35,29 %	2,20	3,40	35,29 %	2,20	3,40	35,29 %
12. RoW - Total Loans	5,00	6,00	16,67 %	5,00	6,00	16,67 %	5,00	6,00	16,67 %

August 2021

Page 29

AnaCredit Report

4.2.2 Example of list of excluded instruments in iBSI calculation

Left-hand side of table:

OBSRVD_AGNT_CD	DT_RFRNC	T1M_MSG_ID	T2M_MSG_ID	T2Q_MSG_ID	REF_MSG_ID	CNTRCT_ID	INSTRMNT_ID	IS_NOT_FDCRY	RCGNTR_FLG	INTR_CMPNY_FLG	NON_TRDINLY_FLG	STLID_FLG	IS_IBSI_INSTRMNT	IS_ACCNTNG_RPRTD	IS_PRTL_TRNSFRD	IS_JNT_LBLTY_RPRTD	IS_JNT_LBLTY_CMPLT	IS_DBTR_NOT_OWA	IS_INSTITNL_SCTR_RPRTD	IS_DT_STP	
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract8	Instrument8	1	1	0	1	1	1	1	0	0	0	1	1	1	1
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract10	Instrument10	1	1	0	1	0	0	1	0	0	0	1	1	1	1
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract7	Instrument7	-1	1	0	1	1	0	1	0	0	0	1	1	1	-1
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract9	Instrument9	0	1	0	1	1	0	1	0	0	0	1	1	1	1
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract8	Instrument8	1	1	0	1	1	1	1	0	0	0	1	1	1	1
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract10	Instrument10	1	1	0	1	0	0	1	0	0	0	1	1	1	1
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract7	Instrument7	-1	1	0	1	1	0	1	0	0	0	1	1	1	-1
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract9	Instrument9	0	1	0	1	1	0	1	0	0	0	1	1	1	1
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract8	Instrument8	1	1	0	1	1	1	1	0	0	0	1	1	1	1
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract10	Instrument10	1	1	0	1	0	0	1	0	0	0	1	1	1	1
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract7	Instrument7	-1	1	0	1	1	0	1	0	0	0	1	1	1	-1
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract9	Instrument9	0	1	0	1	1	0	1	0	0	0	1	1	1	1

Right-hand side of table:

SEC_FIG	IBSI_INSTRMNT	IS_ACQVING_RPRTD	IS_PRTLY_TRNSFRD	IS_JNT_LBLTY_TRNSFRD	IS_JNT_LBLTY_RPRTD_ALL	IS_JNT_LBLTY_CMPLT	IS_DBTR_CN_ONA	IS_INSTITNL_SCTR_OA	IS_DBTR_CNTRY_RPRTD	IS_DT_STLMNT_RPRTD	IS_DT_LGL_FNL_MTRTY_RPRTD	CY0010	CY0011	CY0020	CY0030	CY0060	CS0010	CS0040	CS0050	CS0060	CS0080_TYP_ENTY_NTNL_ID	CS0080_NM_ENTY	CS0120	CS0130	CS0140	CS0150	R10030	R10060	DQ_FLG	BCL_TO_CHECK_IBSI
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	-1
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	1	-1	1	
1	0	0	0	1	1	1	-1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	1	
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	-1	-1	-1
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	1	-1	1	1
1	0	0	0	1	1	1	-1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	1	1
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	-1	-1
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	1	1
1	0	0	0	1	1	1	-1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-1	-1	1
1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

4.2.3 Example of list of included instruments in iBSI calculation

OBSRVD_AGNT_CD	DT_RFRNC	T1M_MSG_ID	T2M_MSG_ID	T2Q_MSG_ID	REF_MSG_ID	CNTRCT_ID	INSTRMNT_ID	MTRTY	ITEM
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract5	Instrument 5	Up to 1 year	1. Dom MFIs
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract1	Instrument 1	Above 5 years	1. Dom MFIs & 1.1 Dom central banks
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract3	Instrument 3	Above 1 year and up to 5 years	4.2 Dom NFCs, over 1 year and up to 5 years
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract11	Instrument11	Above 5 years	4.3 Dom NFCs, over 5 years
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract2	Instrument 2	Above 5 years	5. OEA MFIs
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract4	Instrument 4	Above 1 year and up to 5 years	8.2 OEA NFCs, over 1 year and up to 5 years
LUB00XXX	202003	XX1	XX1	XX1	XX1	Contract6	Instrument 6	Up to 1 year	12. RoW - Total Loans
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract5	Instrument 5	Up to 1 year	1. Dom MFIs
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract1	Instrument 1	Above 5 years	1. Dom MFIs & 1.1 Dom central banks
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract3	Instrument 3	Above 1 year and up to 5 years	4.2 Dom NFCs, over 1 year and up to 5 years
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract11	Instrument11	Above 5 years	4.3 Dom NFCs, over 5 years
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract2	Instrument 2	Above 5 years	5. OEA MFIs
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract4	Instrument 4	Above 1 year and up to 5 years	8.2 OEA NFCs, over 1 year and up to 5 years
LUB00XXX	202006	XX2	XX2	XX2	XX2	Contract6	Instrument 6	Up to 1 year	12. RoW - Total Loans
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract5	Instrument 5	Up to 1 year	1. Dom MFIs
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract3	Instrument 3	Above 1 year and up to 5 years	4.2 Dom NFCs, over 1 year and up to 5 years
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract2	Instrument 2	Above 5 years	5. OEA MFIs
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract4	Instrument 4	Above 1 year and up to 5 years	8.2 OEA NFCs, over 1 year and up to 5 years
LUB00XXX	202009	XX3	XX3	XX3	XX3	Contract6	Instrument 6	Up to 1 year	12. RoW - Total Loans

4.3 Calculation of the iBSI aggregable balance

The iBSI aggregable balance (BSI_AGGRGBL_BLNC) is calculated as follows:

$$\text{BSI_AGGRGBL_BLNC} = \text{PR_RT_DBTR_SHR} * \text{BSI_INSTRMNT_BLNC}$$

The pro-rata debtor share (PR_RT_DBTR_SHR) is calculated as follows:

```

IF NMBR_DBTRS = 1 THEN DO;
    IF JNT_LBLTY_AMNT is NULL THEN PR_RT_DBTR_SHR = 1;
    ELSE IF JNT_LBLTY_AMNT = 0 AND OTSTNDNG_NMNL_AMNT = 0
        THEN PR_RT_DBTR_SHR = 1/2;
    ELSE PR_RT_DBTR_SHR = JNT_LBLTY_AMNT / OTSTNDNG_NMNL_AMNT;
END;
ELSE IF NMBR_DBTRS > 1 THEN DO;
    IF JNT_LBLTY_AMNT is NULL THEN PR_RT_DBTR_SHR is NULL;
    ELSE IF JNT_LBLTY_AMNT_Sum = 0 AND OTSTNDNG_NMNL_AMNT = 0
        THEN PR_RT_DBTR_SHR = 1/NMBR_DBTRS;
    ELSE IF JNT_LBLTY_AMNT_Sum = 0 AND OTSTNDNG_NMNL_AMNT > 0
        THEN PR_RT_DBTR_SHR = 0;
    ELSE IF JNT_LBLTY_AMNT_Sum > OTSTNDNG_NMNL_AMNT
        THEN PR_RT_DBTR_SHR = JNT_LBLTY_AMNT / JNT_LBLTY_AMNT_Sum;
    ELSE IF JNT_LBLTY_AMNT_Sum <= OTSTNDNG_NMNL_AMNT
        THEN PR_RT_DBTR_SHR = JNT_LBLTY_AMNT / OTSTNDNG_NMNL_AMNT;
END;

```

Where:

August 2021

Page 33

AnaCredit Report

- NMBR_DBTRS = number of debtors in the instrument
- JNT_LBLTY_AMNT_Sum = sum of the joint liabilities in an instrument

The iBSI instrument balance (BSI_INSTRMNT_BLNC) is calculated as follows:

BSI_INSTRMNT_BLNC = Max(OTSTNDNG_NMNL_AMNT - (IS_PRTLY_TRNSFRD * TRNSFRRD_AMNT), 0);