

# Global Credit Data | Newsletter

Dear GCD Members,

This year, without blinking, GCD continues to address the unique global circumstances by facilitating data sharing on the crisis impact for comparisons between peers, creating influence in the regulatory conversation on Non-Performing Loans (NPL), and by contributing to the research on credit risk and sustainable finance lead by the EU Commission and the United Nations.

For expanded insights, don't miss the [GCD European Conference](#) (online) scheduled for March 10th and 11th to hear from key stakeholders addressing the potential (lagged?) NPL surge in the pandemic crisis, to engage with the European Banking Authority (EBA) and the EU Commission on the NPL action plan, and to hear from members about the business usage of GCD data. Join the discussion on provisioning or fair-valuation of illiquid assets with GCD members and partners, and learn about GCD mastering of data quality challenges while pooling cross-banks data. These topics will intrigue all attendees and also include exciting methodologies to use GCD data for projecting "unresolved loans"; assessing the impact of the current crisis while using historical downturn time series, comparing classical LGD modelling approaches to advanced machine learning concepts. You will also discover GCD's participation in analyzing energy-efficient (green) loans and their possible lower credit risk and impact on capital requirements, working with members, the European EFIG and global UNEP FI.

GCD remains focused on its core LGD data pool, which in 2020 reached a record level of more than 230 000 defaulted bank loans, and on helping members with initiatives like the masterscale working group and the interactive data dashboard, including a specialty dashboard collection (CRE, Aircraft, Shipping) on recovery rates and LGD.

I want to thank all our members for their energy, commitment, and resources spent in participating in these initiatives, events, surveys, webinars and benchmarks exercises; your inputs bring the value we try to leverage and multiply.



Richard Crecel | Executive Director, GCD | [richard.crecel@globalcreditdata.org](mailto:richard.crecel@globalcreditdata.org)

# Global Credit Data | Updates



## Welcome: GCD's Newest Members Deutsche Bank & Mizuho Bank

We are delighted to announce the addition of [Deutsche Bank](#) and [Mizuho Bank](#) to our consortium and look forward to working with these banks in the future. They both joined in Q4 2020. The ever-growing nature of GCD is a testament to the quality of GCD's research and data, and the true power of collaboration.

## Survey: GCD LGD Report on SMEs

Would your bank be interested in a GCD report on LGD for SMEs? Let us know below.

YES

NO

# European Conference 2021

## Credit Data for the Current Challenges

Following the success of GCD's digital North American conference in 2020, we are gearing up to host our European conference on 10th-11th March 2021. This is your chance to explore the most pressing credit risk issues that banks across Europe are facing – from the impact of COVID-19 to regulatory updates including Basel IV.

Featuring key speakers from GCD and across the banking industry, this promises to be an unmissable event for European banks' credit risk teams.

Agenda Available Online. Speakers Include:

**IIF ▪ EBA ▪ NPL Markets ▪ EC ▪ CRISIL ▪ ICC**

## ONLINE EVENT ▪ MARCH 10<sup>TH</sup> & 11<sup>TH</sup> 2021

### Event Details:

Login starts 10 mins prior to start.

- Day 1: 9am - 4pm (Central European Time)
- Day 2: 1pm - 5pm (Central European Time)

- Event will be broadcast live.
- Link to join will be sent to registrants via email.
- All regions allowed to attend the Conference.

### Topics Include:

- Data Hub for the European NPL market
- Expected Credit Loss: ECL stress-testing and benchmarking using GCD data
- ICC Trade Register activities and Communication on Commitments and CCF under the final B3R
- Modelling the Fair Value of illiquid bank loans
- GCD: Data Quality (DQ) as an Asset
- Methods for projecting losses on active recoveries
- Model Risk Management: Model Validation, Machine Learning Governance

Registrants check your inboxes for the full agenda!

[Register Here](#)

Some of the keynote speakers include:

## EUROPEAN CONFERENCE 2021

Credit Data for the Current Challenges – Day 1

10:15 | Data Hub for the European NPL market:  
Information on the proposed hub by EBA and European Commission,  
parallel with industry initiative.



Nicolas Willems  
Policy Officer  
European Commission



Burkhard Heppe  
Chief Technology Officer  
NPL Markets

## EUROPEAN CONFERENCE 2021

GCD a credit risk benchmarking utility – Day 2

14:15 | Model Validation & Machine Learning Governance

14:45 | Machine Learning (Neural Network) to model the  
conditional distribution of LGD.



Maximilian Nagl  
PHD Candidate  
University of Regensburg



Natalia Bailey  
Policy Advisor, Digital Finance  
Institute of International Finance (IIF)

Register for the Conference Today!

#GCDCGetInvolved



## Masterscale Working Group

GCD understands their members' needs and respond to their requests! On 26 January 2021, the masterscale working group was launched, with a follow up session on 23 February. Attendees represented 23 international banks. Mike Jacobs (PNC) shared some of his insights and the conversation started.

To **participate in the third and final session** in April and the **master scale survey**, register and be part of this industry-wide challenge.



Nunzia Rainone | [Register](#) |  
nunzia.rainone@globalcreditdata.org

## Rating Transitions: Gain insights on the impact of the pandemic

With the economic impact of the COVID-19 pandemic continually and rapidly evolving, banks' credit risk teams must adjust their models in step. To do this, they need to have the most up-to-date and relevant data at hand.

To find out if and how the crisis is impacting banks' portfolios, participate in the GCD Rating Transition initiative, which offers participants critical information on the economic impact of the pandemic. Submission deadline is in March. Submit your data today!



Olivier Plaetevoet | Rating Benchmarking  
olivier.plaetevoet@globalcreditdata.org



## Benchmarking: How does your bank compare with peers?

Obligor Name Benchmarking at a glance: this data pool enables member banks to benchmark their predicted credit risk parameters PD, LGD, CCF (EAD) with the estimates of peer banks. Since the beginning of last year, due to the current pandemic, the platform grew both in the number of participant banks and the obligor names that are collected for benchmarking. In the most recent collection, banks submitted more than 19 000 obligor names and the data return of these names has greatly increased, enabling banks to see the internal rating consensus for Corporates, Banks, Financial Institutions and Sovereigns from all over the world.

A reminder that the Obligor Name Benchmarking submission cycle is in full swing. Reporting dates collected newly in this cycle are September, October, November, and December 2020 snapshots.

The updated version of the Central List and all the platform documentation are available on the User Guide page of our website.



Hale Tatar | Benchmarking |  
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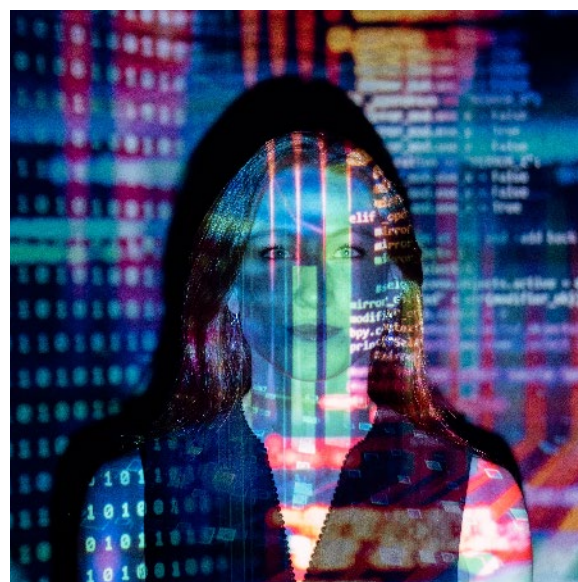
## Data Quality Project in full swing

Data quality management has been a priority for GCD since its inception in 2004. This year, we set up a working group dedicated to data quality management to provide crucial insight for GCD. Through the relentless specification and improvement of data quality management rules, the GCD database has improved to provide the most consistent and detailed data available for industry-wide appraisal of recoveries and losses.

The Data Quality Project, part of GCD's Compliance Working Group, focuses on showcasing to member banks that GCD data is compliant with internal and external regulatory requirements.

It aims to do this through two main deliverables in 2021:

- Data Quality Management and Governance Policy: this document reflects the existing governance of the GCD Data Quality Process. It will describe the Data Quality Framework, Processes & Procedures, Roles & Responsibilities and Definition.
- Data Quality Dashboard: a reinforced dashboard illustrating the quality of GCD data. This will include additional metrics on stability, comparability and timeliness.



Erik Rustenburg | Data Quality |  
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