

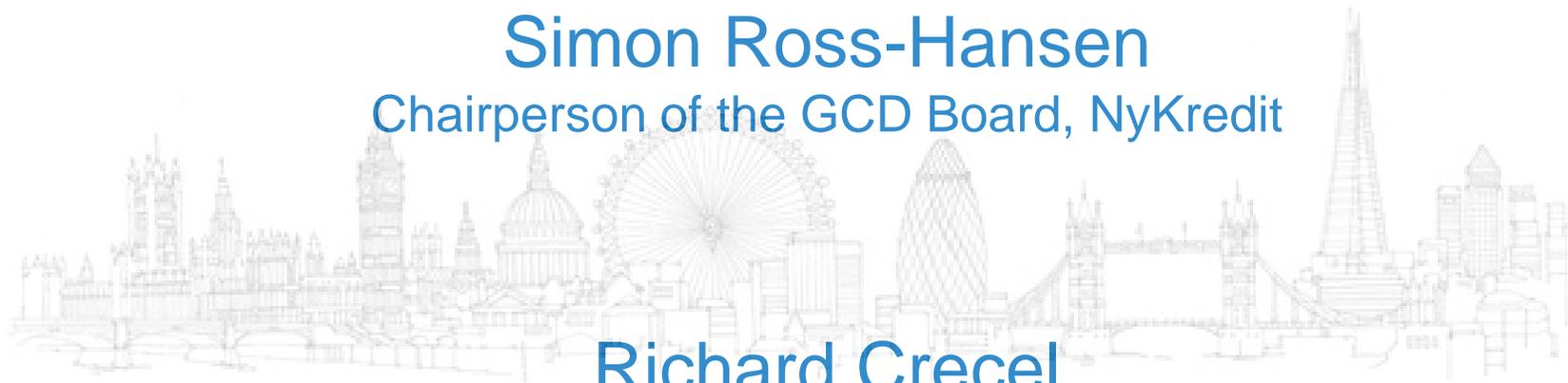
Global Credit Data

by banks for banks

Opening Remarks and Conference Overview

Simon Ross-Hansen

Chairperson of the GCD Board, NyKredit



Richard Crecel

GCD Executive Director



AGENDA

Disclaimer: Any views expressed in this presentation are those of the presenter and do not necessarily represent the views of Global Credit Data or its members.

- ❑ Meet your peers
- ❑ Conference Administration
- ❑ Speakers, Guests, Delegates at this conference
- ❑ Agenda
- ❑ Message from the Chairperson – Simon Ross-Hansen
- ❑ Facts and Figures about GCD Data

Meet your peers amongst GCD Member Banks



Conference Administration

Anti Trust Warning: participants are warned not to provide sensitive information about their bank or to engage in discussions which might encourage or lead to collusive behaviour.
If in doubt then please seek guidance from your own bank's policies or legal counsel.

Chairperson of conference: Simon Ross-Hansen (NyKredit) Chairperson of the GCD Board of Directors

Moderator: GCD and Guests

Timing: Sessions will **start and end on time**

Q & A: **Please interrupt** speakers with question or comment

Online: use the chat - speakers will be available outside sessions for more detailed discussions if there is no time for your question – **leave your details**

Material: **subject to speakers' agreement:** presentation material will be made **available to members (only)** on GCD-member-website after conference

Speakers, Guests, Audience at this Conference

Guest institutions, Associations:

Institute of International Finance (**IIF**)
International Chamber of Commerce (**ICC**)
Asso. Financial Markets Europe (**AFME**)
United Nation (**UNEP FI**)

Guest Regulators:

European Banking Authority (**EBA**)
European Central Bank (**ECB**)

Guest Academics:

University of Braunschweig
University of Regensburg

Partners of GCD:

CapGemini, Data Agent
d-fine Germany, Studies
FCG Sweden, Studies
Oliver Wyman, Studies
323 Media, WebSite
Theory and Practice BI, Marketing
Elephant Ventures (EV), Application

Guest Financial Institutions:

...
...
...

Members Delegates Roles :

Head Model Methodology,
Quant Analytics, Data Analyst,
Credit Risk Analyst, Modelling,
Exec. Dir. Modelling Risk Analytics,
Internal Audit, Validator,
Product Owner Cross Model
Analytics,
Head AIRB, Head Crdt Rsk
Modelling,
Guild Lead IFRS9, Group Lead IFRS9,
VP Distressed Asset Management
Consulting
Policy Director
Economic and Risk Analytics Director

GCD executives & partners, delivering:

Data Operations, innovation:
Michael Dhaenens (BE)
Olivier Plaetevoet (NL)
Erik Rustenburg (NL)
Hale Tatar (TR, CA)
Capgemini (BE), EV (USA)

Member Relation, Communication:
323 Media (CA)

Research, Analytics, Academic:
Nina Brumma (DE, SP)
d-fine (DE), FCG (SW)
Antonio Ruiz (UK)

North America Executives:
Hale Tatar (TR, CA)
Dennis Wesley (USA)

Business Management:
Pascal Marciano (FR)

Legal Counsel:
Edward De Lange (NL)

Admin./Fin.: Henk Verwaal (NL)

Executive Director:
Richard Crecel (FR)

Day 1 | AGENDA | 7th Nov | The Impact of Collaborative Data Pooling

Timings are GMT

0800	Registration and Breakfast												
0900	<p>Welcome Ceremony</p> <p>GCD Chairman of the Board & GCD Executive Director Simon Ross-Hansen SVP - Nykredit</p>												
0915	<p>GCD Trade Finance in action with Banking and Industry Authorities</p> <p>Krishnan Ramadurai Global Head of Capital Management for the Global Trade Portfolio - HSBC Ravi Hanspal ICC & BCG</p>												
1000	Morning Break												
1030	<p>Latest insights into IFRS9 models: Conditional Correlation in Scenario Credit Models</p> <p>Frederic Menninger Head of IFRS9/CECL Model Development - Credit Suisse</p>												
1100	<p>GCD in action - Use cases from your peers</p> <p>Validated Models Capital Optimisation Data Remediation Quality and Compliance GCD</p>												
1130	<p>Automation of GCD LGD Data collection: ING's journey from tactical to structural solutions</p> <p>Hanif Kamis Wholesale Banking Senior Product Owner - ING Marieke Bakker Risk Information and Change Management - ING</p>												
1200	Lunch & Networking												
1300	<p>Breakout sessions Use Cases</p> <table border="1"> <thead> <tr> <th>Start Time</th> <th>Stream 1: Room: Plenary Room</th> <th>Stream / Room 2:</th> <th>Stream / Room 3:</th> </tr> </thead> <tbody> <tr> <td>1300</td> <td> <p>UNEP FI - United Nation Environment Programme Finance Initiative</p> <p>Catalysing action across the financial system to support the transition to more sustainable and inclusive economies worldwide</p> <p>David Carlin, UNEP FI</p> </td> <td> <p>Academics: latest news from the Academic world using GCD data</p> <p>Nina Brumma, Head of Analytics, GCD</p> <p>Heterogeneities among credit risk parameter distributions: the modality defines the best estimation method".</p> <p>Marvin Zoellner, Technical University of Braunschweig</p> </td> <td> <p>Automation of GCD LGD Data collection: ING's journey from tactical to structural solutions.</p> <p>Hanif Kamis, ING Marieke Bakker, ING</p> </td> </tr> <tr> <td>1400</td> <td> <p>The climate extended credit risk model CERM - integrating climate risk and credit risk factors into a multifactor Merton-type model.</p> <p>Olivier Vinciguerra, Green RWA Jean-Baptiste Gaudemet, Green RWA</p> </td> <td> <p>Credit line exposure at default modelling using Bayesian mixed effect quantile regression</p> <p>Maximilian Nagl, Universität Regensburg</p> </td> <td> <p>Proving Representativeness in your GCD Samples</p> <p>Ben Galow, GCD</p> <p>& Workshop on using GCD Data</p> <p>Hale Tatar, GCD</p> </td> </tr> </tbody> </table>	Start Time	Stream 1: Room: Plenary Room	Stream / Room 2:	Stream / Room 3:	1300	<p>UNEP FI - United Nation Environment Programme Finance Initiative</p> <p>Catalysing action across the financial system to support the transition to more sustainable and inclusive economies worldwide</p> <p>David Carlin, UNEP FI</p>	<p>Academics: latest news from the Academic world using GCD data</p> <p>Nina Brumma, Head of Analytics, GCD</p> <p>Heterogeneities among credit risk parameter distributions: the modality defines the best estimation method".</p> <p>Marvin Zoellner, Technical University of Braunschweig</p>	<p>Automation of GCD LGD Data collection: ING's journey from tactical to structural solutions.</p> <p>Hanif Kamis, ING Marieke Bakker, ING</p>	1400	<p>The climate extended credit risk model CERM - integrating climate risk and credit risk factors into a multifactor Merton-type model.</p> <p>Olivier Vinciguerra, Green RWA Jean-Baptiste Gaudemet, Green RWA</p>	<p>Credit line exposure at default modelling using Bayesian mixed effect quantile regression</p> <p>Maximilian Nagl, Universität Regensburg</p>	<p>Proving Representativeness in your GCD Samples</p> <p>Ben Galow, GCD</p> <p>& Workshop on using GCD Data</p> <p>Hale Tatar, GCD</p>
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1500	Afternoon Break												

1530	<p>Host presentation:</p> <p>A CRO's perspective on the future of risk management</p> <p>Faisal Yousaf HSBC Global CRO of Traded and Treasury Risk Management & Risk Analytics Richard Blackburn HSBC Global CRO Wholesale Banking & Europe</p>
1600	<p>A Regulator's view on Climate Risk in Pillar I</p> <p>Jacob Gyntelberg Director Economic & Risk Analysis, European Banking Authority</p>
1645	<p>Round Table</p> <p>ESG Risks and Challenges for Banks: State of Play in Europe and GCD's contribution</p> <p>Marc Irubetagoiena Head of Group Stress Testing and Financial Simulations - BNP Paribas Constance Usherwood Director of Prudential Regulation - AFME David Carlin TCFD and Climate Risk Program Lead - UNEP FI Jacob Gyntelberg Director Economic & Risk Analysis - European Banking Authority Olivier Vinciguerra Chairman & Co-founder of Green RWA</p>
1730	End of Sessions for Day 1
1830	Conference Dinner (at HSBC building)

Global Credit Data Conference

7 & 8 November 2022
HSBC | Canary Wharf | London

Day 2 | AGENDA | 8th Nov | Data Driven Industry Insights

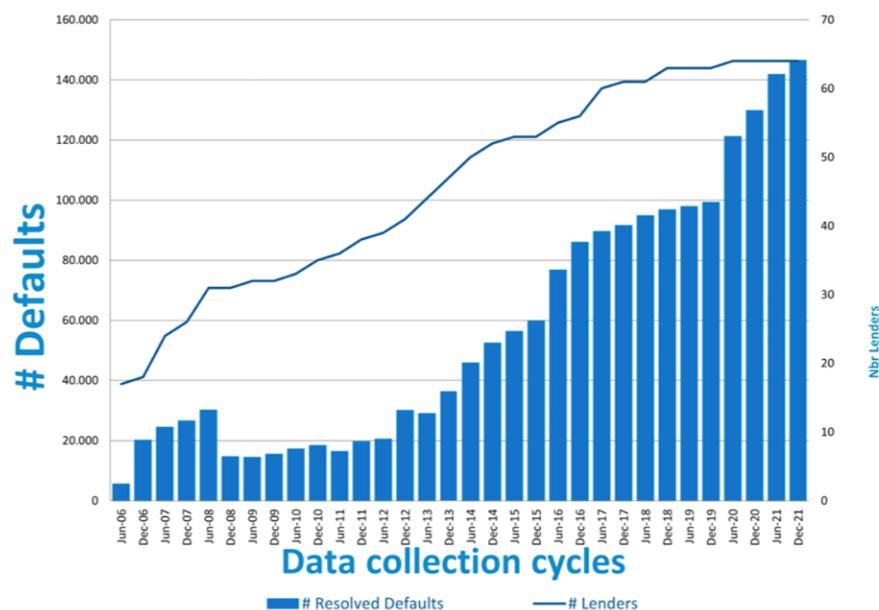
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0800	Breakfast			
0830	Updates from the GCD Methodology Committee & Insights into GCD Platforms Stephan Jortzik Head of Methodology Committee - GCD & Head of Wholesale Credit Modelling - ANZ			
0930	Sensitivity of the Loss-given-default to Macroeconomic conditions: GCD-ECB joint study Oana Georgescu & Aurea Ponte Marques European Central Bank			
1015	Morning Break			
1045	EBA on Trends and Conditions in Markets for Infrastructure Lending Marina Carraro Senior policy expert & Clara Garcia Policy Expert - EBA			
1115	Challenger Model with GCD Data using AI Techniques Jeroen Berends Head of Wholesale Analytics UK - HSBC Thomas Aldheimer & Philip Winckle FCG			
1200	Lunch & Networking			
1300	Break out sessions			
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	1300	Challenge of consolidation global data to meet GCD industry standards Thomas Richardson, Senior Data Analyst, HSBC Sam Colyer, Head of Wholesale GRA Data HSBC	Consensus Benchmarking: Latest insights into LGD Analytics • Reference Benchmarks in GCD Dashboards • Report on Project Finance Nina Brumma, GCD	Challenger model with GCD data using AI techniques Jeroen Berends, HSBC Thomas Aldheimer, FCG Philip Winckle, FCG
	1400	Unresolved defaults: How to include unresolved defaults into your LGD calibration Ben Galow, GCD	Performance Guarantees and Trade Finance Loss Analyses GCD and ICC - Trade Finance Register Executive Director, GCD	GCD PD and rating migration data Capturing the downturn during the pandemic and current geo-political turmoil. Olivier Plaetevoet, GCD
1500	Afternoon Break			
1530	Validation of LGD models using GCD data Michael Eichhorn K&W Bankers			
1615	Supporting Lending Strategies Richard La Rock Director Financial Resource Management - HSBC			
1700	Conference Closure			

Message from the Chairperson – Simon Ross-Hansen

- ❑ Thank you to HSBC showing strong support to GCD by hosting first GCD post-pandemic in person conference
- ❑ Celebrating successes : what has been achieved by GCD so far?
 - Collaborative data sharing (now huge # of data) – not profit oriented, fostering quality and compliance first
 - value resulting from the addition of each bank's contribution not only with data but also with expertise
 - Collaborative knowledgesharing: safe space for working on consensus data and methodologies
 - Delivering unique insights to support industry discussions with authorities for more appropriate regulation
- ❑ Next steps? GCD remains confidential needs to be more visible! To unlock more of it's potential to the industry

Stable Membership Growth and Large Data



LGD 2022 Datapool Overview by Facility Asset Class

Facility Asset Class	Number of Defaults	Number of Loans	Exposure [in mn EUR]
Small/Medium Enterprises (SME)	104,697	206,737	€128,157
Large Corporates	21,802	48,571	€343,374
Banks & Financial Companies	3,169	5,711	€93,134
Ship Finance	885	1,587	€17,600
Aircraft Finance	364	850	€6,185
Real Estate Finance	16,907	26,786	€80,723
Project Finance	578	1,205	€17,692
Commodities Finance	449	849	€9,156
Sovereigns, Central Banks	142	267	€12,341
Public Services	231	360	€2,502
Private Banking	6,053	9,671	€9,992
	155,277	302,594	€720,856

All metrics in this dashboard are based on results of the H2 2021 LGD data submission cycle.

- ❑ New members enrolment are balancing the few exits: **52 members as of June 24th, 2022**
- ❑ Welcome recent joiners (2022): **Fifth Third Bank (USA)**

Overview of GCD solutions



Data pooling of historical defaults' realised EAD/CCF and LGD (e.g.: with detailed collection of workout cash-flows) – with collection of Borrower, Facility, Collateral and Guarantor characteristics.



Data pooling of historical realised rating migrations and predicted PDs by: asset classes (Large Corp., SMEs, Banks & FIs.), Regions and Sectors.



Benchmarking of current predicted PD, EAD/CCF and LGD for named counterparties and specific banking book clusters.

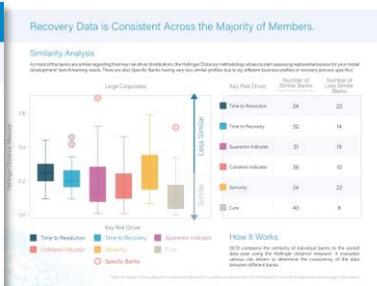


Data pooling of historical defaults and recoveries for short term trade finance (import and export L/Cs, Performance guarantees and loans and medium term ECA backed deals)



To be confirmed

GCD Data Quality and Compliance are Paramount

Why?	What?	How?	Impact
<ul style="list-style-type: none"> • Need for compliance • Need for sharing • Reputational risk mitigation • Challenged by members 	<ul style="list-style-type: none"> • DQ Policy • DQ Dashboard • Doc. Package  	<ul style="list-style-type: none"> • Approved by Methodology Committee • Bi-weekly project development 	<ul style="list-style-type: none"> • Visibility • Legitimicy • Communication – transparency • Compliance 

2+ years

Request your copy GCD continuously improves the **data quality** with total transparency