



Global Credit Data

by banks for banks

GCD : Service Offerings

2021





ABOUT

Established in 2004, GCD's Mission is to help banks understand and model credit risks.

A non-profit association owned by (currently) 55 banks.

Activities include pool credit loss data, directly from banks' books, especially for low default portfolios; provide benchmarks; facilitate knowledge exchange and foster research & online information sharing services.

The data pools are distributed back to members for their own research and modelling.

Most comprehensive data coverage of a full decade
GCD has the insight : on the market and on peers.

By banks, for banks.

Loan level LGD, EAD, ECL, Work-Out Projection, Observed Losses



Global Credit Data is a major provider of loan level loss data for its member banks.

It works on a “give to get” principle, and pragmatical approach to serve each bank special circumstances



>60 GCD members contributed:
currently over 254 000 loan level work-out data submitted per year over 20+ years of LGD data



- Exclusively bank loans, and detailed work-out cash-flows and LGD data (as opposed to Credit Rating Agencies databases)
- Common language and Standard Data Structure for Loan Level Loss DB
- Free to GCD members

Obligor level PD, Loan Grading, Observed Default Frequency



Global Credit Data is a major provider of Probability of Default, Loan Grading, and Observed Default Frequency data for its member banks. In 2020, data participation in this collective dataset grew immensely.



>26 GCD members contribute:
currently over 500,000 internal rating PD grades submitted per year over 15+ years of PD data



- Coverage of X more Obligor’s internal ratings (public and private companies) than Credit Rating Agencies’ databases
- More granular ratings and credit grades than for profit benchmarks
- Free to GCD members

Benchmarking | Strategic Planning | Driver Analysis

The workings

GCD collects data from member banks, enforcing high standards

Members conduct analytics, develop benchmark models using By using GCD data

GCD data used for : publication of aggregated analytics, white papers (research) extensive reports

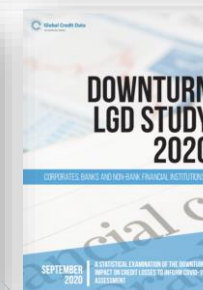
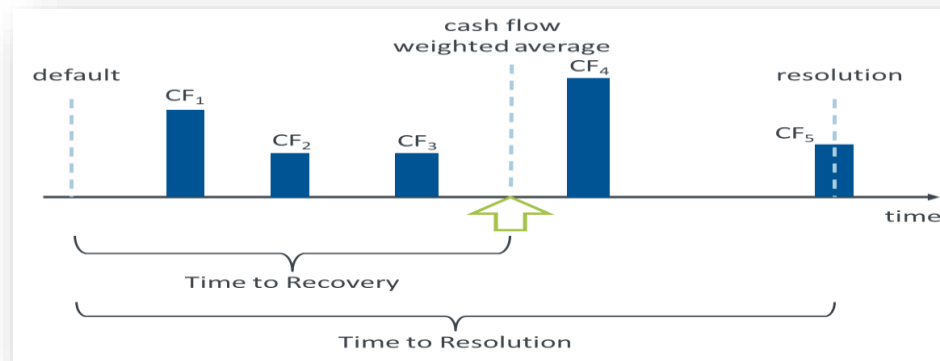
Dash-boards
Benchmarking Reports
Modelling and Methodology Reports

LGD

Loan level data from peers (Nov. 2020)

Workout cash-flows
collateral valuations
ultimate losses

Facility Asset Class	Number of Defaults	Number of Loans	Exposure [in mn EUR]
Small/Medium Enterprises (SME)	93,417	172,573	€ 124,285
Large Corporates	17,921	37,838	€ 286,054
Banks & Financial Companies	2,800	4,521	€ 87,093
Ship Finance	827	1,527	€ 15,650
Aircraft Finance	322	710	€ 5,266
Real Estate Finance	16,414	26,192	€ 77,909
Project Finance	463	949	€ 13,870
Commodities Finance	430	819	€ 9,120
Sovereigns, Central Banks	123	188	€ 11,590
Public Services	165	257	€ 858
Private Banking	5,509	8,857	€ 8,451
	138,391	254,431	€ 640,145



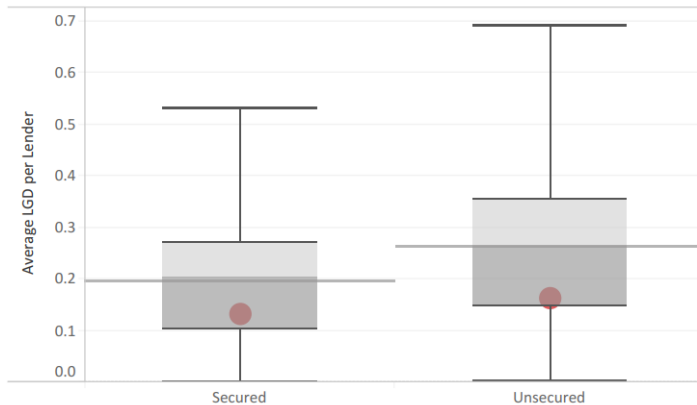
Loan level LGD, EAD, Work-Out Cash-Flows, Losses

GCD **LGD** data provide insight on:



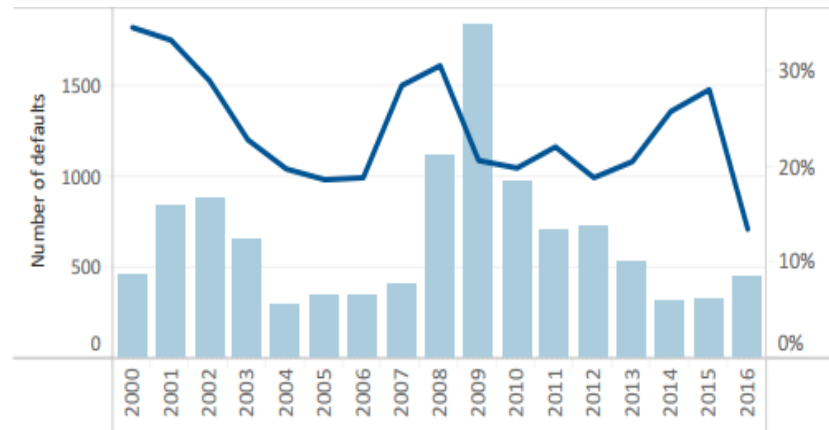
Benchmark

- Benchmark your LGD against peers
- Strategic analysis by industry class and geography



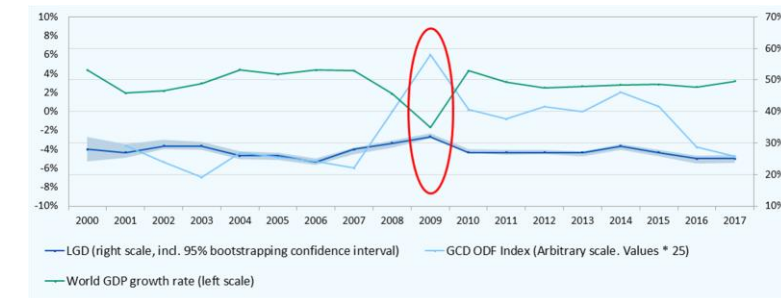
Track and Examine (over time)

- Defaults
- Write off's
- Recoveries



Customised Analytics

- Track performance against other world indices



PD, Loan Grading, Observed Default Frequency

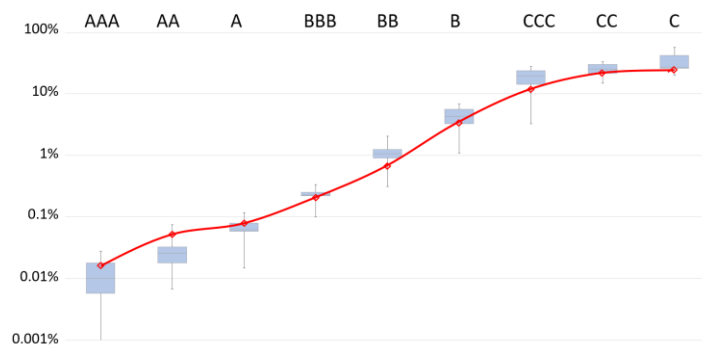
GCD **PD** data provide insight on:



Regulatory Capital

- Benchmark your PD Masterscale
- Strategic analysis by industry class and geography

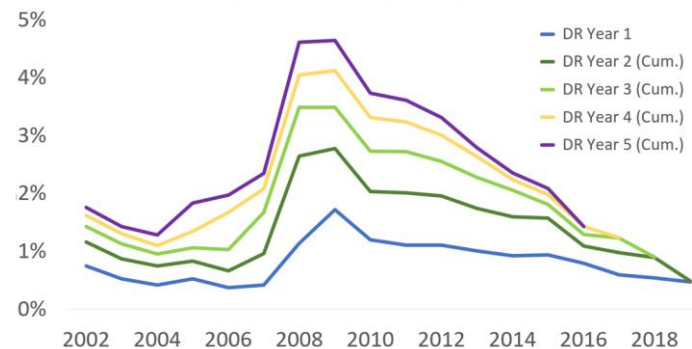
Benchmarking the PD to your peers



Provisions for CECL

- Examine PD term structures
- Observe changes in TTC Default Rates

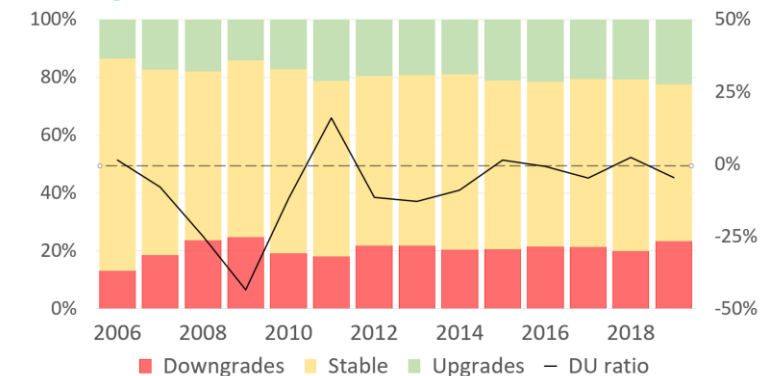
Multi-year default rates development



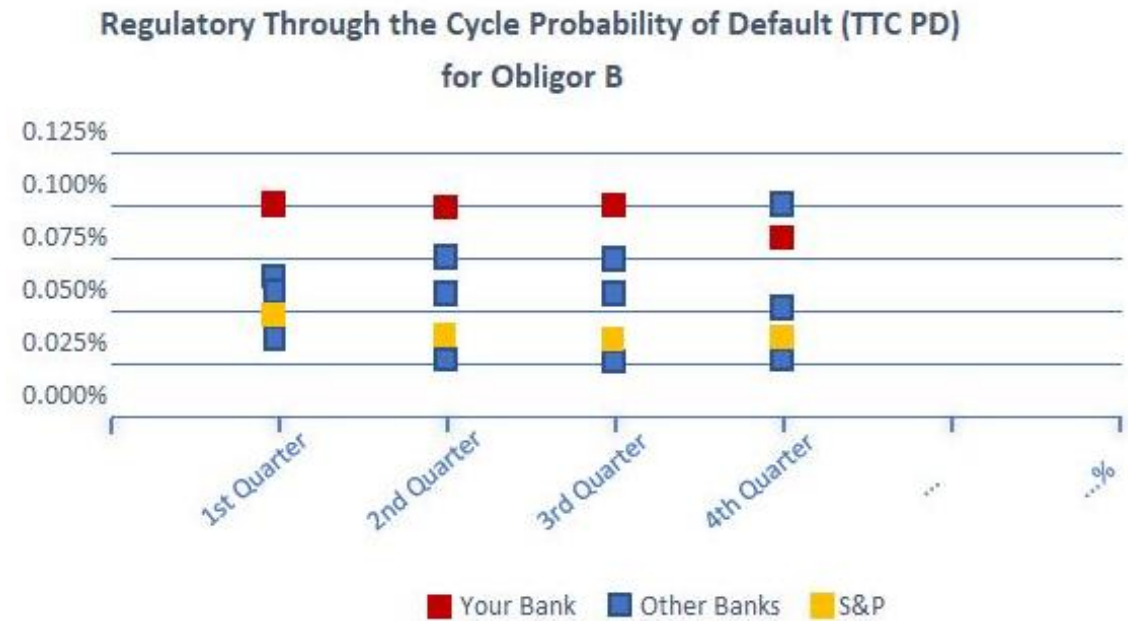
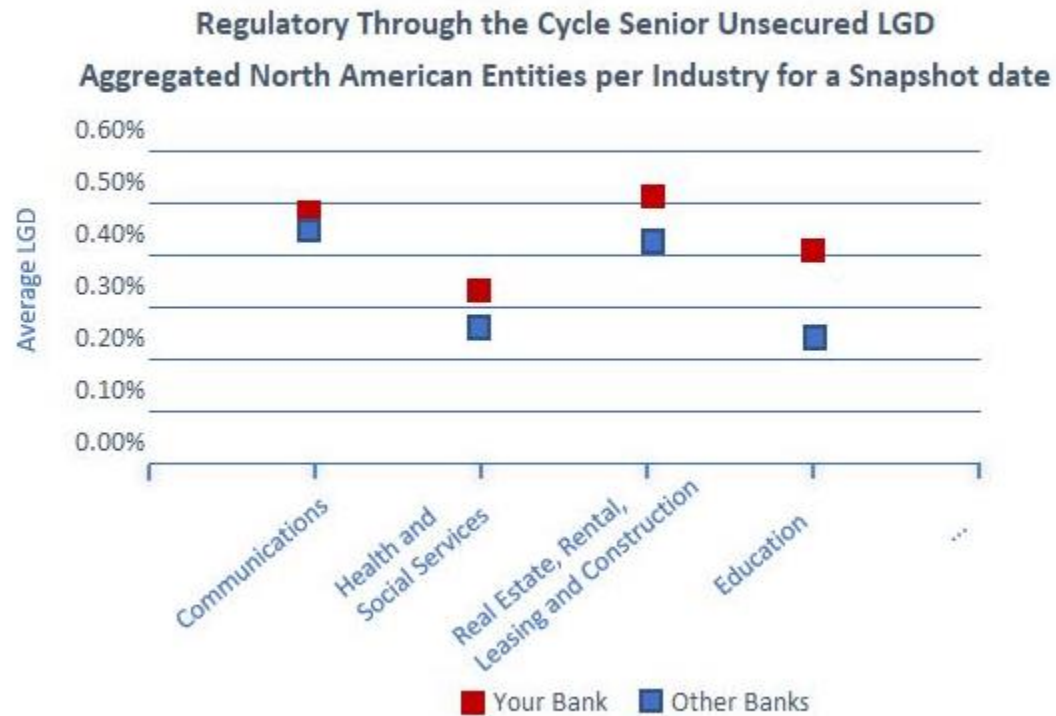
Model development

- Benchmark low default portfolios
- Compare Rating Transitions

Rating transition

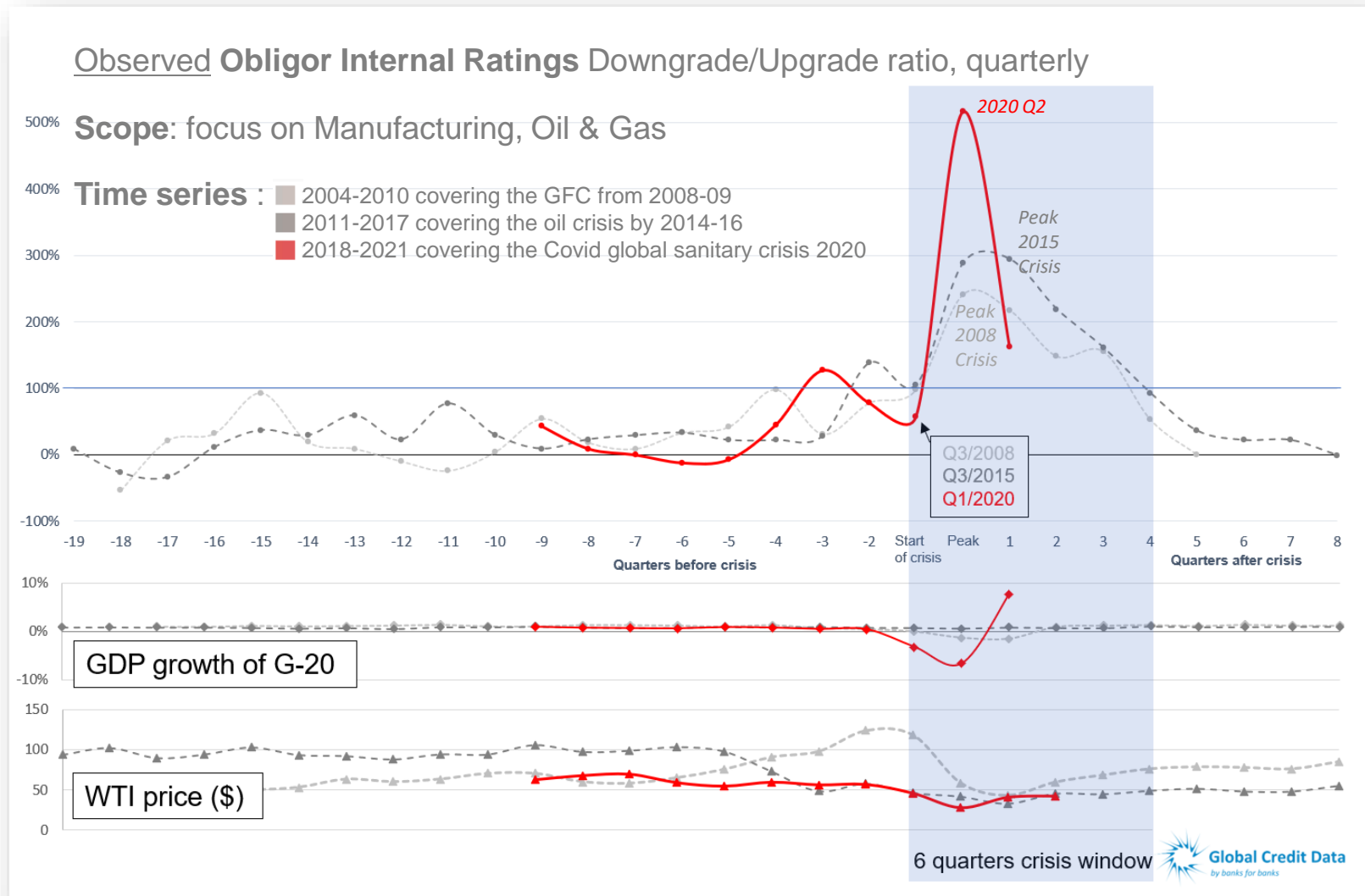


Appendix: example of peer comparison report



Appendix: 1st insights on the impact of Covid-19

Rating transitions in 2020 compared with previous crises periods.



Observations:

Ratings' downgrade ratio in 2020 is much higher than in previous crises at the same stage, indicating a stronger impact from the Covid-19 pandemic than historic averages would have estimated.

Will the recovery period evolve differently than other crises?

Appendix: Data Pooled from Member Banks



Collection

PD: Obligor Rating Transitions

LGD: Defaulted Loan Recovery
Cash-flow, Final Loss



Internal Data from
Member Banks' Loan Books



Pooling

Data audited for quality

Pooling all member data

Verification & anonymization



Data anonymized
(min 3 lender per country)



Return

Peer Comparison Report

Aggregated analysis

& Granular datasets returns

(in-progress: analytical environment)



Give-to-get
principle

Contact a GCD executive for more information:
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Appendix: Data Collection Process

GCD has a well-defined data process with strict automatic validation rules and a tough expert based auditing system

The submission process is iterative and controlled

GCD does not make any adjustments to data after it is accepted

Users of the data do not need to “clean” the data, but they must make it representative

