



Exit of credit from Credit data collection (LuoTi)

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1 Background

In credit data collection, a credit consists of a combination of the contract and instrument identifier. The objective is to keep the reporting of credits exiting the system and remaining in it as consistent as possible.

In the context of removal of a credit, attention must be paid to the ECB Regulation (ECB/2016/13) on the collection credit data (AnaCredit), national special requirements (there is no threshold value for a reportable credit), the Bank of Finland's reporting model (schema), statistical requirements for flow calculation, reporting of credit protection and content requirements for attributes linked to the credit.

2 Reporting model (schema) and referential integrity

The description of electronic reporting of credit data collection is available at the Bank of Finland website ¹. The report for each reference date is always complete, meaning that it includes each requisite attribute for each credit. The reporting schema consists of eight (8) records, each of which has a mandatory reportable key identifier.

Table 1. Schema records and key identifiers linked to the templates of the AnaCredit Regulation

<i>Schema record</i>	<i>Content of the key identifier</i>	<i>ECB AnaCredit Regulation template</i>
Counterparty-instrument record	Contract identifier, Instrument identifier, Counterparty identifier, Counterparty role	4, 5
Instrument information record	Contract identifier, Instrument identifier	2, 3
Accounting record	Contract identifier, Instrument identifier	6
Counterparty reference record	Counterparty identifier	1
Counterparty risk and default record	Counterparty identifier	9, 10
Instrument-protection record	Contract identifier,	8

¹ <https://www.suomenpankki.fi/en/Statistics/reporting-instructions/analytical-credit-database/>



	Instrument identifier, Protection identifier	
Protection record	Protection identifier	7
Protection provider record	Protection identifier, Counterparty identifier	7

Validation of the uniqueness of the key identifiers in the schema alone does not guarantee that a credit is completely described. The completeness of the description is ensured by referential integrity validations completed by the Bank of Finland. Referential integrity validations entail for example that a credit described in Instrument information is also reported in the Counterparty-instrument record.

The key identifier of the *Counterparty-instrument record* consists of the contract identifier, instrument identifier, counterparty identifier and counterparty roles. At least three roles are always reported for a credit:

- creditor (usually same as the observed agent)
- administrator (usually the observed agent)
- debtor

and

- originator in the context of securitisation

The key identifier contains all of the above identifiers and values for the attribute *Counterparty role*.

The key identifier for the *Instrument information record* is a combination of the contract and instrument identifier constituting the credit. The record may contain a given combination only once, and the combination must be found in the *Counterparty-instrument record*. The combination is shown in the *Counterparty-instrument record* at least three times, but the combination must be described in the *Instrument information record*. A referential integrity validation of the validation is conducted between the records both ways.

The *Accounting record* is the only record in the credit data collection reported on a quarterly basis. The key identifier of the record is a combination of the contract and instrument identifier constituting the credit. The record may contain a given combination only once, and the combination must be found in the *Counterparty-instrument record*. The combination is



shown in the *Counterparty-instrument record* at least three times, but the combination must be described in the *Accounting record*.

The key identifier of the *Counterparty reference record* is the counterparty identifier. The key identifier of the *Instrument-counterparty record* describes the various counterparties to the credit, and each counterparty described must be found in the *Counterparty reference record*.

The key identifier of the *Counterparty risk and default record* is the counterparty identifier, and it is reported for the debtor (or protection provider). If the record contains the counterparty identifier, it is linked to the *Instrument-counterparty record*, and the debtor is linked to the credit in its key identifier.

If there is protection, then *Instrument-protection record* is key. Its key identifier is the credit (combination of the contract and instrument identifier), which is then linked to the identifier of the protection. Protection is linked to the key identifier through the *Instrument-counterparty record*, *Instrument information record* and *Accounting record*.

According to the Regulation (ECB/2016/13), some attributes related to credit are such that they are reported when reporting the credit for the first time and thereafter only when the attribute value changes. In Finland, this was given up in agreement with the reporting agents, and completeness validations ensure that mandatory attributes related to a credit are reported for each period.

In order to ensure uniform processing of credit, the validations also cover exiting credit.

3 Requirements of the Regulation and various statistics

The AnaCredit Regulation is a balance sheet statistic with the exception of arrears for the instrument, impairments and credit losses. In statistics, balance sheet values are not usually enough to describe transactions², but they are also used to generate for example monthly flows. The flow of a credit from a period to another is not necessarily the difference between

² A transaction is an economic flow that is an interaction between institutional units by mutual agreement or an action within an institutional unit that it is useful to treat as a transaction, often because the unit is operating in two different capacities. Statistics Finland: http://www.stat.fi/meta/kas/taloustoimi_en.html.



the carrying amounts, but the actual flow also reflects foreign exchange changes and write-off recognitions.

The calculation of transactions requires that:

- the threshold value under the AnaCredit Regulation does not apply (generates a link to the RATI survey)
- the credit must be reported at least once as zero (flow calculation)
- if a credit is subject to a write-off recognition, the credit may exit the system only in the quarter-end report (AnaCredit Regulation)

4 Attribute *Credit status*

A credit may exit the system only through a report submitted by a reporting agent. The observed agent indicates whether the instrument remains on the balance sheet in the *Credit status attribute* in the *Instrument information record*. The attribute may take the following values:

- 1 = Continuing
- 2 = Exiting
- 3 = Exiting (written off)

Value 1 (Continuing) is used to report credits that do not exit the scope of reporting during the reference period. Only credits reported with the value 1 move from the final period in a quarter to the next one.

Credits reported with the value 2 (Exiting) are linked to the records and attributes for the reference period. The credit exits the balance sheet as paid off by the debtor without write-offs recognised by the observed agent.

- If a credit exits during the final period in quarter, then all records and attributes for the credit are reported (records related to protection are voluntary).
- If a credit exits during an interim month in a quarter, then the *Accounting record* and its attributes are not reported (records related to protection are voluntary) at the end of the quarter.
- A credit with a non-zero value reported in *Accumulated write-offs* in the *Accounting record* at the end of the previous period but which exits the balance sheet due to being amortised by the debtor is reported with the value 2 (Exiting).



A credit reported with the value 2 for the *Credit status* attribute is not reported in the next period.

A credits reported with the value 3 (Exiting (written off)) is linked to all records and attributes for the reference period until the report closing the quarter. The value 3 is used when the exit involves a write-off during the last quarter, or when the amount of *Accumulated write-offs* increases from the previous quarter to the current one.

A credit reported with the value 3 for the *Credit status* attribute is not reported after the final period of the quarter.

Table 2. Value and reporting of the attribute Credit status

<i>Credit</i>	<i>M03</i>	<i>M04</i>	<i>M05</i>	<i>M06</i>	<i>M07</i>
001	1	2	no reporting	no reporting	no reporting
002	1	1	2	no reporting	no reporting
003	1	1	1	2	no reporting
004	1	3	3	3	no reporting
005	1	1	3	3	no reporting
006	1	1	1	3	no reporting

During a quarter , in periods when the attribute *Credit status* takes the value 2 or 3, complete data is reported on the credit (excluding protection data, see section 6.6 for more detail. Hence, if *Credit status* takes the value 2 or 3 in period M06, then also the accounting record is linked to the credit.

The Bank of Finland monitors the use of the attribute *Credit status*. If a credit was assigned the value 1 (Continuing) in the previous quarter, then it must be reported in the following quarter.

5 Allocation of exiting credits

A credit may exit the system for several reasons. This section describes the reporting of exiting credit in general terms.

When a credit exits the system, the attribute *Credit status* takes the value 2 (Exiting) if

- the credit is amortised without a write-off recognition (5.1)
- the credit is transferred (sold) without a write-off recognition (5.2)



When a credit exits the system, the attribute *Credit status* takes the value 3 Exiting (written off) if

- the credit is subject to full write-off during the quarter (5.3)
- the credit exits due to a combination of amortisation and write-off during the quarter (5.4)
- the credit exits due to a combination of sale and write-off during the quarter (5.5)

5.1 Amortisation of credit without write-offs

The debtor pays off the entire outstanding nominal amount at once:

- the last amortisation resets the outstanding nominal amount and credit line, if an off-balance-sheet amount has been reported for the credit, to zero
- the credit is reported with the value 2 (Exiting) in the attribute *Credit status*
- the records and attributes which should be reported for the period in question in the case of a continuing credit (list in section 6) are linked to the credit.
- the reporting of protection is voluntary (see section 6.6)
- the credit is no longer reported in the following period

5.2 Sale of credit without write-offs

The creditor sells the entire credit to a third party without a write-off recognition so that the administration of the credit ends:

- the transfer of the entire credit resets the accrued interest and credit line, if an off-balance-sheet amount has been reported for the credit, to zero
- in the context of transfer of the entire credit, the value reported for the attribute *Transferred amount* equals the value of the attribute *Outstanding nominal amount*
- the credit is reported with the value 2 (Exiting) in the attribute *Credit status*
- the records and attributes which should be reported for the period in question in the case of a continuing credit (list in section 6) are linked to the credit.
- the reporting of protection is voluntary (see section 6.6)
- the credit is no longer reported in the following period



5.3 Full write-off of a credit

The credit institution recognises a credit loss impairment equalling the entire outstanding nominal amount:

- the write-off recognition resets the accrued interest and credit line, if an off-balance-sheet amount has been reported for the credit, to zero
- the credit is reported with the value 3 Exiting (written off) in the attribute *Credit status*
- the credit is reported until the final period of the quarter
- the records and attributes which should be reported for the periods in question in the case of a continuing credit (list in section 6) are linked to the credit.
- in the period ending the quarter, the value in the attribute *Accumulated write-offs* increases corresponding to the write-off recognition made during the quarter from the previous quarter-end value
- in the period ending the quarter, the value in the attribute *Carrying amount* is zero
- in the period ending the quarter, the attribute *Balance sheet recognition* takes the value 3 (Fully derecognised)
- the reporting of protection is voluntary (see section 6.6)

5.4 Combination of amortisation and write-off

The debtor pays off part of the outstanding nominal amount and the credit institution recognises the remainder of the outstanding nominal amount as a credit loss:

- the combination resets the outstanding nominal amount, accrued interest and credit line, if an off-balance-sheet amount has been reported for the credit, to zero
- the credit is reported with the value 3 Exiting (written off) in the attribute *Credit status*
- the credit is reported until the final period of the quarter
- the records and attributes which should be reported for the periods in question in the case of a continuing credit (list in section 6) are linked to the credit
- in the period ending the quarter, the value in the attribute *Accumulated write-offs* increases corresponding to the write-off recognition made during the quarter from the previous quarter-end value
- in the period ending the quarter, the value in the attribute *Cumulative recoveries since default* grow in line with the amount amor-



tised, since the credit is assumed to have been in default at the end of the previous quarter

- in the period ending the quarter, the value in the attribute *Carrying amount* is zero
- in the period ending the quarter, the attribute *Balance sheet recognition* takes the value 3 (Fully derecognised)
- the reporting of protection is voluntary (see section 6.6)

5.5 Combination of sale and write-off

The creditor sells the entire credit to a third party and makes a write-off recognition so that the administration of the credit ends:

- the combination resets the the accrued interest and credit line, if an off-balance-sheet amount has been reported for the credit, to zero
- in the context of transfer of the entire credit, the value reported for the attribute *Transferred amount* equals the value of the attribute *Outstanding nominal amount*
- the credit is reported with the value 3 Exiting (written off) in the attribute *Credit status*
- the credit is reported until the final period of the quarter
- the records and attributes which should be reported for the periods in question in the case of a continuing credit (list in section 6) are linked to the credit.
- in the period ending the quarter, the value in the attribute *Accumulated write-offs* increases corresponding to the write-off recognition made during the quarter from the previous quarter-end value
- in the period ending the quarter, the value in the attribute *Cumulative recoveries since default* grow corresponding to the amount transferred, since the credit is assumed to have been in default at the end of the previous quarter
- in the period ending the quarter, the value in the attribute *Carrying amount* is zero
- in the period ending the quarter, the attribute *Balance sheet recognition* takes the value 3 (Fully derecognised)
- the reporting of protection is voluntary (see section 6.6)

In alternatives 5.3–5.5, accounting data is always reported, whereas in alternatives 5.1–5.2, accounting data is reported if exit takes place in the period ending the quarter.

In the context of an exiting credit, the reporting of protection is voluntary (see section 6.6)



6 Records and reportable attributes in the Exiting credit schema

This section describes the reporting requirements for exiting credit by attribute. Table-specific key identifiers and referential integrities are described in paragraph 2.

6.1 Counterparty-instrument record

The attribute *Joint liability amount* is a data item outside the key identifier, and it is used to report the debtors' liabilities for outstanding nominal amount when there are more than one debtors. For exiting credit, the amount is zero.

6.2 Instrument information record

On the *Accounting record*, a credit is described by 39 attributes. Templates 2 (instrument data) and 3 (financial data) of the AnaCredit Regulation are reported in the record. The attributes in template 2 are such data pertaining to the credit that seldom change over time. As a rule, exiting credit is reported the same information in these attributes as in the previous period when the credit was reported with the value 1 (Continuing) in *Credit status*.

6.2.1 Credit status

See section 4. Attribute Credit status

6.2.2 Common information

Table ³		Attribute	Reporting of exiting credit
2	List	Instrument type	Always ⁴ / Previous reported value
2	List	Revolving credit	If instrument type takes the value Factoring, Other accounts receivables or Other loans, then the previous reported value
2	List	Credit lines other than revolving credit	
2	List	Purpose	Always / Previous reported value
2	List	Amortisation type	Always / Previous reported value
2	List	Payment frequency	Always / Previous reported value

³ The column "Table" refers to the Bank of Finland's table-specific reporting requirements including 11 tables in total.

⁴ "Always" refers to the requirement that the attribute concerned must always be reported regardless of the instrument type or other credit characteristics.



6.2.3 Other common information

<i>Table</i>		<i>Attribute</i>	<i>Reporting of exiting credit</i>
2	List	Syndicated loan	Always / Previous reported value
2		Syndicated contract identifier	Previous reported value if reported for the previous period
2	List	Fiduciary instrument	Always / Previous reported value
2	List	Project finance loan	Always / Previous reported value
2	List	Subordinated debt	Always / Previous reported value
2	List	Repayment rights	Always / Previous reported value
2	List	Recourse	Always / Previous reported value

6.2.4 Dates

<i>Table</i>		<i>Attribute</i>	<i>Reporting of exiting credit</i>
2	Date	Valid from	Always / Previous reported value
2	Date	Settlement date	Previous reported value if reported for the previous period
2	Date	Legal final maturity date	Previous reported value if reported for the previous period

6.2.5 Interest information

<i>Table</i>		<i>Attribute</i>	<i>Reporting of exiting credit</i>
2	List	Interest rate type	Always / Previous reported value
2	Date	End date of interest-only period	Previous reported value if reported for the previous period
3	Date	Next interest rate reset date	Previous reported value if reported for the previous period
2	List	Interest rate reset frequency	Always / Previous reported value
2	%	Interest rate cap	Previous reported value if reported for the previous period
2	%	Interest rate floor	Previous reported value if reported for the previous period
2	List	Reference rate value	Always / Previous reported value
2	List	Reference rate maturity	Always / Previous reported value
2	%	Interest rate spread/margin	Previous reported value if reported for the previous period
3	%	Interest rate	Always / Previous reported value [or zero]



6.2.6 Amount information

Table		Attribute	Reporting of exiting credit
3	€	Accrued interest	0
2	List	Currency	Always / Previous reported value
2	€	Commitment amount on inception date	Previous reported value if reported for the previous period
3	€	Outstanding nominal amount	0 or in case of fully transferred (sold) credit, transferred amount
2	€	Off-balance sheet item	0 if reported for the previous period

6.2.7 Default information

Table		Attribute	Reporting of exiting credit
3	List	Default status of the instrument	Most recent data
3	Date	Date of the default status of the instrument	Date of the most recent data
3	€	Arrears for the instrument	0
3	Date	Date of past due for the instrument	Previous reported value if reported for the previous period

6.2.8 Other information

Table*		Attribute	Reporting of exiting credit
3	€	Transferred amount	0 or in case of fully transferred (sold) credit, transferred amount
3	List	Type of securitisation	Always / Previous reported value
2	€	Fair value changes due to changes in credit risk before purchase	Previous reported value if reported for the previous period

6.3 Accounting record

In the *Accounting record*, a credit is described by 16 attributes. Eight (8) of these attributes are linked to the code list, six (6) are value fields in euro terms and two (2) are date fields.



6.3.1 Code list attributes

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
6	Accounting classification of instruments	Always / Previous reported value
6	Balance sheet recognition	Fully derecognised
6	Type of impairment ⁵	Always / Previous reported value
6	Impairment assessment method*	Always / Previous reported value
6	Sources of encumbrance ⁵	Always / Previous reported value
6	Performing status of the instrument	Always / Previous reported value
6	Status of forbearance and renegotiation	Most recent data
6	Prudential portfolio ⁵	Always / Previous reported value

6.3.2 Amount fields

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
6	Accumulated write-offs ⁵	Most recent data
6	Accumulated impairment amount	0 if reported for the previous period
6	Accumulated changes in fair value due to credit risk	0 if reported for the previous period
6	Provisions associated to off-balance-sheet exposures	0 if reported for the previous period
6	Cumulative recoveries since default	Most recent data
6	Carrying amount ⁵	0

6.3.3 Date fields

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
6	Date of the performing status of the instrument	Always / Previous reported value

⁵ The attribute is not required if credit is fully derecognised but being serviced.



6	Date of the forbearance and renegotiation status	Date of the most recent data
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6.4 Counterparty reference record

The debtor of an exiting credit may concurrently have several outstanding credits from the observed agent, and therefore the Counterparty-reference record must always contain the most recent data.

The minimum requirement is that the counterparty identifier includes the same attributes that were reported for it in the previous period.

6.5 Counterparty risk and default record

6.5.1 Attributes

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
9	Probability of default	If reported for the previous period, the most recent data
10	Default status of the counterparty	If reported for the previous period, the most recent data
10	Date of the default status of the counterparty	If reported for the previous period, the most recent data

If there is already previously reported data, data must be reported in any case if the debtor has several outstanding loans from the observed agent.

6.6 Protection

The reporting of protection for exiting credit is voluntary. The section describes the reporting of data related to protection both in case where protection is not reported and in case it is reported voluntarily.

6.6.1 Protection is not reported for exiting credit.

If the observed agent decides not to report protection data, all protection records are left non-reported. The records are:

- *Instrument-protection record*
- *Protection record*



- *Protection provider record*

6.6.2 Voluntary reporting of protection for exiting credit.

If data on protection concerning exiting credit is reported, it must be reported on a complete basis in order for the validations to work properly. The data is primarily the same that was reported in the previous period, when the value of the attribute *Credit status* was 1 (Continuing).

A credit may involve protection or not.

6.6.2.1 Instrument-protection record

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
8	Protection allocated value	0
8	Third party priority claims against the protection	0
8	General collateral	Always / Previous reported value

6.6.2.2 Protection provider record

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
11	Protection provider identifier	Always / Previous reported value
11	Protection provider type	Always / Previous reported value

6.6.2.3 Protection record

6.6.2.3.1 Code list attributes

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
7	Protection type	Always / Previous reported value
7	Protection value type	Always / Previous reported value
7	Protection valuation approach	Always / Previous reported value
7	Real estate collateral location	Previous reported value if reported for the previous period
7	Real estate collateral location country	Previous reported value if reported for the previous period



6.6.2.3.2 Date fields

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
7	Maturity date of the protection	Previous reported value if reported for the previous period
7	Date of protection value	Always / Previous reported value
7	Date of original protection value ⁶	Previous reported value if reported for the previous period

6.6.2.3.3 Amount fields

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
7	Protection value	Always / Previous reported value
7	Original protection value ⁶	Previous reported value if reported for the previous period

6.6.2.3.4 Other attributes

<i>Table</i>	<i>Attribute</i>	<i>Reporting of exiting credit</i>
7	Postal code of the real estate collateral location	Previous reported value if reported for the previous period
7	Real estate collateral location city	Previous reported value if reported for the previous period

⁶ Mandatory for credit granted on 1 September 2018 or thereafter