Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

AnaCredit Data Returns

Complete Central Bank of Ireland Reports – Case Descriptions

Version 1.1

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Table of Contents

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Complete Central Bank of Ireland reports – Case descriptions

The purpose of this document is to outline example case studies in order to assist reporting agents complete the Central Bank of Ireland AnaCredit reporting templates. Several examples of AnaCredit reports are provided to give a better understanding of the relationships in their entirety between the different datasets of AnaCredit and the data attributes contained therein.

Case 1 - 17 are closely related to the cases outlined in the ECB AnaCredit Reporting Manual Part III. The cases have been slightly altered to localise them for an Irish context. For example, certain counterparties are Irish resident in these examples to better reflect the requirements around reporting resident and non-resident counterparty reference data.

The completed reports are presented in the accompanying excel spreadsheet.

General set-up

Illustrative examples

The examples described in the Manual are for indicative purposes only. In particular, the examples are not intended to reflect the exact reporting scheme as required by NCBs.

Reporting agent and the observed agents

Reporting agent

The examples are prepared from the perspective of a single reporting agent, i.e. Bank of Independence (hereinafter referred to as "the Bank").

Bank of Independence is established in Ireland and has no foreign branches. Bank of Independence has neither an immediate nor an ultimate parent undertaking.

Bank of Independence applies an advanced IRB approach for the calculation of capital requirements in accordance with the CRR. In particular, the Bank applies the definition of default at the level of the borrower, except in the case of very small retail portfolios, for which the default definition is applied at the level of an individual instrument.

Bank of Independence uses IFRS as the accounting standard.

Observed agent

Bank of Independence has no foreign branches. Therefore, in accordance with Article 1(9) and 1(26) of the AnaCredit Regulation, Bank of Independence reports, on an individual basis, credit and credit risk data of its only observed agent, i.e. Bank of Independence in Ireland.

Bank of Independence uniquely identifies the observed agent by the counterparty identifiers assigned by the relevant NCB, namely by the counterparty identifier IEC111222.

Reporting reference dates

The vast majority of the examples look at a series of reporting reference dates from 30 September 2018 (the first monthly and quarterly transmission pursuant to the AnaCredit Regulation) through to 31 December 2018.

Such an approach, where several reporting reference dates are considered rather than just a single one, allows some of the dynamic features of AnaCredit reporting to be better illustrated.

The dynamic features of AnaCredit reporting include the following in particular:

- a consistent view of the evolution of instruments over time;
- the reporting of certain datasets if no changes have occurred compared with data transmitted earlier;
- the reporting of instruments that have been discharged between consecutive reporting reference dates.

Please note that if, for a given instrument referred to in the examples, nothing has been recorded in one or more datasets at a reporting reference date, this should be understood to mean that no record was submitted at that date. The reasons for which a record may not be required vary and include the following:

- there have been no changes compared with data transmitted earlier (in the case of datasets reported on change);
- the reportable item (e.g. instrument, protection, etc.) has been discharged and did not exist at the reporting reference date.

Counterparties

In addition to the reporting agent and the observed agents, a number of counterparties are referred to throughout the examples. Those counterparties are in particular referred to (by their counterparty identifier) in the counterparty-instrument dataset and the protection received dataset (by their protection provider identifier), while their affiliates are referred to in the counterparty reference dataset by means of the “head office undertaking”, “immediate parent undertaking” and “ultimate parent undertaking” identifiers.

Please note that the counterparty reference data are not regularly reported. Instead, they are updated if necessary, in accordance with the general conditions for reporting to AnaCredit.

How to read the examples

Taking the perspective of the reporting agent, credit and credit risk data of the observed agent are reported for instruments satisfying the conditions defined in Articles 4 and 5 of the AnaCredit Regulation. More specifically, if an instrument is subject to AnaCredit reporting, all the data attributes listed in Annex I to the AnaCredit Regulation are reported as stipulated by the Regulation and further clarified in Part I and Part II of the Manual.

To this end, credit and credit risk data relating to an instrument subject to AnaCredit reporting are compiled on the basis of three distinct parts (i.e. the instrument, the protection and the counterparty) and reported in ten interrelated datasets.

In the present section, descriptions of several cases are provided with a view to illustrating the ten AnaCredit datasets represented in the accompanying spreadsheet. The various cases are chosen to highlight the differences in the datasets as the circumstances of instruments change in each example.

The instrument is always the central element of these cases, and all instruments referred to in the subsequent examples are assumed to be subject to AnaCredit reporting.

The section starts with a complete description of a basic case, where all relevant features of the credit are explicit so as to make clear how the values reported in the corresponding AnaCredit datasets actually link with the credit.

In the subsequent cases, however, a simplified description is provided where, besides the crucial aspects, only non-standard features of the credit concerned are expressly furnished, while all other elements are deliberately omitted from the description.

Nevertheless, regardless of whether or not all features of the credit concerned are expressly introduced in the description of the case, the corresponding spreadsheet always represents the credit in a complete manner with all (mandatory) data attributes provided. For example, unless explicitly stated otherwise in the description of a case, all debtors and protection providers referred to in a case have a probability of default at the reporting reference date, even if no such information is provided. Conversely, in cases where certain data attributes (or even entire datasets) are not to be reported under certain circumstances, this is clarified in the description of the case.

Case Study Outlines

Case 1: Term loan (Basic Case for Anacredit Reporting)

On 16 November 2017 Bank of Independence in Ireland (hereinafter in the case referred to as "the Bank") made a contract with company NWQ Constructions ("the Company") , for a term loan secured by a financial guarantee provided by, Munster Bank, hereinafter referred to as "the Guarantor". In particular, the counterparties agreed that:

- the Bank will make available to the company a non-revolving loan of € 1 million for financing a construction investment;
- the funds will be fully disbursed to the company on 1 December 2017;
- the Company will repay the loan in 60 monthly instalments, where the principal repaid in each instalment is the same; the payments will be made on the 1st day of each month, starting from 1 January 2018; the last payment will be made on 1 December 2022;
- the Company will also pay interest, where in the first year an interest rate of 2.7% will be charged (EURIOBR 12-month on 1 November + a spread of 2.4%) being charged in the first year; thereafter, the interest rate will be reset on 1st day of every year (following the same EURIBOR formula); a floor of 2.5% and a cap of 4.2% will apply through the entire life of the loan; the interest is payable monthly on the 1st day of a month;
- the loan is guaranteed by a financial guarantee provided by the Guarantor which agreed to cover, in the event of default of the Company, any outstanding debt, including interest and other fees and payments, up to an amount of €0.5 million.

The Bank uniquely identifies the Company and the Guarantor with the following counterparty identifiers 63829150 and 78451209, respectively. The Bank uniquely identifies the contract with the contract identifier A810 and the instrument with the instrument identifier 123321. Neither the Company nor the Guarantor has other instruments vis-à-vis the Bank. The Bank uniquely identifies the financial guarantee provided by the Guarantor by the protection identifier GUA28569811.

The Company is the only debtor of the loan. Despite the fact that the loan is secured by the guarantee, the Bank, which acts as creditor, has recourse on the balance sheet of the debtor.

The Bank has information about the Irish Company Registration Office (CRO) numbers assigned to the Company and the Guarantor; there are 224466 and 113355, respectively. The Company does not have a VAT number while the Guarantor has VAT number 7654321AB.

The company has LEI 855400VQTT2CLXBQIK93 and the Guarantor has LEI 209300LAZ3FFR1Z2SS88, while the Bank has LEI 429300LAZ3FJK1Z2SP75.[1]

At the origination of the loan, the Bank estimated in accordance with the IRB approach a PD of 3.35% for the Company and a PD of 1.75% for the Guarantor. The Bank has reviewed the PDs several times after the origination to the effect that no changes to the PDs have been made.

Furthermore, in accordance with the applied accounting standard, the Bank entirely recognises the loan in its banking book and classifies it into the category of financial assets at amortised cost. Accordingly, the Bank estimates 12-month expected losses (Stage 1) for a group of loans similar to the loan for which impairment allowance of 2% of the (combined) outstanding nominal amount is issued. The Bank allocates directly this percentage to the loan. As the loan has no off-balance-sheet amount, the Bank does not issue any provisions associated to off-balance sheet exposures.

On the basis of the loan's features and characteristics, the Bank classifies it as "Other loans" in accordance with the type of instrument in AnaCredit. Please note that the loan in this case does not fulfil the requirements of a project finance loan.

The Bank applies the definition of default in accordance with Article 178 of the CRR at the counterparty level rather than at the level of an individual instrument. Consequently, the default status of the instrument in the financial dataset is reported as "Non-applicable" (cf. Part II, Section 4.4.4 of the ECB Manual).

The loan is not securitised and is not subject to any sources of encumbrance. It is not a syndicated loan.

The debtor has not been in default, and no write-off has been made to the instrument as the Company has been making the repayment timely and in full since the inception. The instrument has been performing and no renegotiation has taken place.The date of the performing status and the date of the instrument is the inception date of the instrument in this case

As the debtor has no other instruments vis-à-vis the Bank, the guarantee issued by the Guarantor is entirely allocated to the loan.

The loan is subject to reporting at the reporting dates from 30 September through to 31 December 2018.

To this end, the reporting of the loan as of 30 September triggers that all the AnaCredit datasets but the joint liabilities dataset (which is not required in cases of instruments with only one). The outstanding nominal amount is €850,000 at the reporting reference date.

As of 31 October and 30 November 2018, only the following datasets are reported:

[1] This paragragh is significantly altered from the ECB example to better reflect the Irish specific case of reporting identifiers. The reference to immediate and ultimate parent is also removed as this information is not required for debtors without any new loans drawn down after September 2018.

- The financial dataset – as it is required monthly;
- The instrument-protection received dataset – it is required monthly;
- The protection received dataset – this dataset is required only if changes occur compared to the previously reported data; in this case, the date of protection value changes as in accordance with the clarification provided in Manual Part II , the protection value is updated at every reporting reference date if the protection is reported at its nominal value;
- The counterparty default dataset as it is always required monthly;
- The counterparty risk dataset as it is always required monthly;

The other datasets are not reported as no changes take place in any of the data attributes compared to the values reported as of 30 September 2018

The outstanding nominal amount is €833,333.33 at 31 October and €816,666.67 at 30 November 2018.

As of 31 December 2018 the accounting dataset is reported besides the datasets reported as of October and November 2018. The outstanding nominal amount is €800,000.

Case 2: Inter-MFI deposit

On 29 November 2018 the Bank enters into an agreement to place deposits with another bank "Darner Bank" ("the Debtor") for half a year with a fixed interest rate of 0.2%. On 15 December 2018 the Bank transferred an amount of €15,000,000 to the bank, requiring no collateral. Following the accounting standard used by the Bank, an impairment allowance of €4,800 is held as of 31 December 2018 in relation to the deposit. In accordance with the contract, the instrument does not compromise any off-balance-sheet amount.

The Bank uniquely identifies the contract with the contract identifier 87B198623 and the instrument with the instrument identifier 2I3598940. The Bank uniquely identifies the Debtor by the counterparty identifier IEC224466[2] (as assigned by the relevant NCB at national level).

The Debtor has no other instruments vis-à-vis the Bank.

The instrument is reported as "Deposits other than reverse repurchase agreements" in accordance with the type of instrument in AnaCredit.

In the period concerned, the instrument is reported as of 31 December 2018 only as the instrument is not subject to reporting before the settlement date.

The Debtor is a subsidiary of a company "Mittelgroße Bank AG" ("the Immediate Parent"). The Immediate Parent has no parent undertaking.[3]

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[2] Changed to reflect the structure of an Irish assigned RIAD code.

[3] This paragragh is not included in the ECB case. This inclusion was deemed useful here to assist in understanding reporting in Ireland.

Please note that in this case only the following datasets are reported:

- Instrument dataset;
- Financial dataset;
- Accounting dataset;
- Counterparty-instrument dataset
- Counterparty default dataset,
- Counterparty risk dataset, and
- Counterparty reference dataset.

Case 3: Debit balance in current account – overdraft with credit limit

On 23 November 2015 a company "Acme Corporation" ("the Debtor") opened a current account at the Bank. The contract allows the Debtor to draw funds up to €55,000. In a given month, interest is charged on the amount outstanding at a rate set by fixing EURIBOR one month on the last day of the previous month plus a margin of 800 basis points (hence the interest rate is subject to interest reset). In addition, the parties agreed that if the balance exceeds the agreed terms, then additional fees would be charged and higher interest rates of 15% will apply. The overdraft neither has a fixed amortisation schedule nor payment frequency of the principal. Accrued interest is added to the outstanding nominal amount on a monthly basis (on the first day of each month). The funds were first used by the debtor on 11 May 2016. Given the Debtors credit history, the bank does not require collateral for the overdraft. However, the Bank has a pledge on a physical asset owned by the Debtor (which was received in relation to another loan of the debtor which was granted in November 2018, cf. case 4). The debtor is liable for any unpaid debt.

Please note that in this case there is a prior agreement with the account provider for an overdraft, and the amount drawn is within the authorised overdraft limit. In this case, interest is normally charged at the agreed rate.

The Bank started the business relationship with the company on 22 July 2000.

The Bank uniquely identifies the contract with the contract identifier 55X823823 and the instrument with the instrument identifier 823001823. The Bank uniquely identifies the Debtor by the counterparty identifier 302888222333.

The instrument is reported as "Overdraft" in accordance with the type of instrument in AnaCredit.

In accordance with the applicable accounting standard, an impairment allowance is held for the instrument. The impairment allowance includes provisions for the off-balance-sheet amount. In particular, in accordance with the applied accounting standard, the Bank does not separately identify the expected credit on the on-balance-sheet and off-balance-sheet components, and the expected credit losses on the off-balance-sheet component are reported together with the accumulated impairment on the on-balance-sheet component.

The overdraft is reported throughout the entire period concerned.

Please note that the instrument is initially unsecured and therefore no protection information is reported in September and October. However, following the origination of the additional instrument, the protection received dataset is reported from November 2018 onwards. The protection value allocated by the Bank to the instruments is €55,000 in accordance with the Bank's internal risk management view.

On 25 November 2018 the credit limit of €55,000 is exceeded by €4,750 (a situation which lasts until 1 December 2018). In this connection, the Bank applies the penalty interest rate onto the excess. Accordingly, the interest rate reported as of 30 November is a weighted average of the ordinary interest rate and the penalty interest rate (cf. Part II of the ECB Manual, p 65, lines 31–38). As the excess is payable immediately, the amount is in arrears as of 25 November 2018. Finally, the off balance-sheet amount is 0 (cf. Part II of the Manual, p. 25, lines 39–41).

Please also note that on occasion of the additional loan, the counterparty information has been updated. This is reflected in the case by sending a new record as of 30 November 2018.

In this case, the Bank applies the definition of default at the level of an individual instrument. Therefore, the counterparty default dataset is not reported at all.

Case 4: Term-loan secured with a physical collateral

On 14 October 2018 a company "Acme Corporation" ("the Debtor") applied for a term loan at the Bank. Accordingly, on 7 November the parties signed a contract whereby the Bank agreed to grant €150,000 to the debtor for 3 years for financing an enhancement of the factory. Initially, an amount of €100,000 was disbursed on 25 November 2018 while the remaining amount was paid out after 31 December 2018. The loan is secured by a mortgage on the machinery used in the production process. A variable interest rate of EURIBOR 12 months plus a margin of 400 basis points is charged. The interest rate is not subject to an interest reset.

The Bank uniquely identifies the contract with the contract identifier 66M824824 and the instrument with the instrument identifier 824002824. The Bank uniquely identifies the Debtor by the counterparty identifier 302888222333.

The instrument is reported as "Credit lines other than revolving credit" in accordance with the type of instrument in AnaCredit and includes both an on-balance-sheet instrument and an off-balance-sheet component

Following the accounting standard, an impairment allowance is held for the instrument. The impairment allowance includes provisions for the off-balance-sheet amount.

The instrument is reported from 30 November till the end of the period concerned.

Please note that the instrument is secured and therefore protection information is reported along. The protection is used by the Bank in relation to all instruments of the Debtor. The protection secures all the instruments of the Debtor vis-à-vis the Bank (Case 3) and there are no third party priority claims against the protection. In accordance with the Bank's internal risk management view, the protection value is allocated to the instruments that it secures.

Please also note that, following the application for the loan, the counterparty information is updated. This is reflected in this case by sending a new record as of 30 November 2018, despite the fact that the Bank reported the counterparty reference data in relation to the other instrument of the Debtor.

In the case, the Bank applies the definition of default at the level of an individual instrument. Therefore, the counterparty default dataset is not reported at all.

Case 5: Credit card

On 3 July 2014 the Bank signed a contract with a counterparty "Jewel Networks" ("the Debtor") for a credit card limit (to be used by 100 employees of the company for business purposes, where one employee receives one separate credit card for his/her usage under standardised conditions) which could be used from 31 July 2014 until 31 July 2019, with the possibility of a roll-over. The credit card has a total credit limit of €500,000. The balance outstanding at the end of the monthly billing cycle of the credit card has to be fully repaid by the 10th day of the subsequent month. A variable interest rate (EURIBOR 12 months plus a margin of 700 basis points) is charged only on any unpaid balance from the latest billing cycle (i.e. no interest at all has to be paid for use of the credit card up to €500,000 if repaid by the tenth of each month). No amortisation schedule is agreed for the credit card.

Note that the Debtor takes advantage of the funds for the first time on 25 September 2014.

Owing to the credit history of the Debtor, the Bank does not require collateral.

The credit card is serviced by counterparty "Credit Card Services International Branch in Ireland", which is responsible for the administrative and financial management of all credit cards issued by the Bank.

"Credit Card Services International Branch in Germany" ("the Servicer") is a foreign branch of "Credit Card Services International B.V.", established in the Netherlands. The Bank uniquely identifies the Servicer by the counterparty identifier BLZ99. In addition, an LEI has been assigned to the Servicer (although it is a foreign branch).

The Bank uniquely identifies the contract by the contract identifier 12A191010, the instrument with the instrument identifier CCSIB326594018 and the Debtor by the counterparty identifier D12D628826. In the context of AnaCredit, the individual users of the credit card (i.e. the employees) are not identified by the Bank.

The Debtor has no parent undertaking.

The credit cards are frequently used by the employees. As any outstanding amounts are fully repaid by the 10th day of each month, the accrued interest at the end of a month amounts to zero. Similarly, the interest rate reported as of the reporting reference date is the interest actually applied at that day. In practice, as any outstanding debt is fully repaid following the billing cycle, the interest applied is 0% (cf. ECB Manual Part II, page 65, lines 18-22).

Case 6: Revolving credit

On 15 November 2017, a company named "Jewel Networks" ("the Debtor") is granted a revolving credit by the Bank. This is specifically a working capital credit for two years starting on 30 November 2017. A total credit limit of €5,000,000 with a variable interest rate of EURIBOR three months plus 280 basis points is agreed. The interest is payable on the 15th day of each month.

The revolving credit line is unsecured as due to the credit history of the company, the bank does not require collateral.

The Bank uniquely identifies the contract by the contract identifier 99RC6166666 and the instrument with the instrument identifier 432434324. The Bank uniquely identifies the Debtor by the counterparty identifier D12D628826.

The Debtor makes intensive use of the revolving 1 credit and often draws nearly the total amount of the credit limit (which it then repays in full or in part).

The Debtor has no parent undertaking.

The funds are disbursed for the first time on 30 November 2017.

Case 7: Non-revolving credit line

On 20 August 2014 a company "Jewel Networks" signed a contract with the Bank for a non-revolving credit line of €3,000,000 with duration of 10 years starting from 31 August 2014. The credit line is used for expanding the chemical plant (the credit in this case does not fulfil the requirements of a project finance loan). The parties agreed that a variable interest rate would be charged on the outstanding balance throughout the life of the loan, following the EURIBOR 12 months plus a margin of 400 basis points, but should not exceed 7%. They further agree that the credit line is to be used in multiple instalments. The first instalment was drawn on 15 October 2014. By 30 September 2018, €2,400,000 was drawn of which €450,000 was already repaid, leaving an off-balance-sheet amount of €600,000 available to the debtor at 30 September.

The outstanding balance is paid back in yearly instalments. However, interests are paid on a monthly basis, on the 1st day of each month.

On 15 November 2018, the Debtor renegotiated with the Bank the contract. In particular, the conditions regarding the interest rate were changed, where the parties agreed on a margin of 280 basis points applicable with immediate effect. The parties also now agree that the interest rate charged cannot not exceed 5%. Finally, the parties agreed that both the principal and interest payments would be paid quarterly, on the 1st day of each calendar quarter.

On 2 December 2018, the Debtor drew additional funds of €250,000.

Please note that following the change in the interest payments, the accrued interest as of 31 December 2018 is higher than in the previous month as the interest has accrued since 1 November 2017.

The instrument is reported as “Credit lines other than revolving credit” in accordance with the type of instrument in AnaCredit.

The Bank uniquely identifies the contract by the contract identifier 22NR1177777 and the instrument with the instrument identifier 777777777. The Bank uniquely identifies the Debtor by the counterparty identifier D12D628826.

The Debtor has no parent undertaking.

Because the company has a positive credit history, the bank does not require collateral.

Case 8: Unauthorised debit – overdraft with no credit limit

On 12 March 2016 a company “Boston Constructions” (“the Debtor”) located in the U.S.A (outside Euro area) signed a contract with the Bank for a current account. Please note that there is no prior agreement with the account provider for an overdraft, and in accordance with the current account terms, if a negative balance arises on the current account, the accountholder breaches the agreed terms. Accordingly, additional fees may be charged and a penalty interest rate of 15% may apply.

On 28 November 2018, as a result of debiting the loan payment referred to in Case 9: Lump-sum loan to the current account, an unexpected debit balance of €11,200 arose on the current account. The debit balance is repaid on 3 December 2018.

Please note that this debit balance is not the only instrument of the Debtor (i.e. the Debtor has another instrument vis-à-vis the Bank – Case 9) and it is the Debtor’s commitment amount taking both instruments into account that triggers the reporting of the unauthorised debit balance. Please note that the Debtor’s commitment amount is larger than €25,000.

In accordance with the type of instrument in AnaCredit, the instrument is reported as “Overdraft”.

The Bank uniquely identifies the contract of the current account by the contract identifier 88CA2128888 and the overdraft with the instrument identifier OV782362372. The Bank uniquely identifies the Debtor by the counterparty identifier B09A888888.

In relation to the instrument, the Bank applies the definition of default at the level of an instrument.

Please note that the instrument is reported only as of November 2018.

Please also note that in accordance with the conditions of the current account, any unauthorised debit balance is immediately payable. Therefore, the repayment rights for the instrument are reported as “on demand or short notice”. Moreover, as any unauthorised debit balance is immediately payable, the outstanding nominal amount is also the amount in arrears. The date on which the arrears arose is the date on which the debit balance was incurred.

Case 9: Lump-sum loan

In April 2018, a company "Boston Constructions Ltd." ("the Debtor") applied for a loan of €360,000 by the Bank to be used as a working capital facility. On 11 April 2018, the loan is granted for a period of three years and was fully disbursed on 11 May 2018. The parties agree that the loan will be repaid in monthly instalments where the principal amount repaid in each instalment is the same. The loan has variable interest rates EURIBOR six months plus a margin of 750 basis points. The monthly payment is automatically charged on the 28th day of each month from the current account of the Debtor (even if sufficient funds are not available on the current account, which is made legally possible by the terms of the contract).

In accordance with the type of instrument in AnaCredit, the instrument is reported as "other loans".

The Bank uniquely identifies the contract of the loan by the contract identifier 35LA3218239 and the instrument by the instrument identifier LA972372975. The Bank uniquely identifies the Debtor by the counterparty identifier B09A888888.

In relation to the instrument, the Bank applies the definition of default at the level of an instrument following the Bank's approach to retail exposures (in accordance with the CRR). Therefore, the default status of the instrument is reported as "not in default", whereas the default status of the counterparty does not apply (which means that no record of the counterparty default dataset is reported at all – cf Part II, Section 10 of the ECB Manual).

The probability of default of the Debtor is estimated to be 6.8% and does not change in the period concerned.

Case 10: Reverse repo

On 27 September 2018, the Bank agrees to borrow certain securities (with a face value of €1,005,000) from another bank, "Oakwood Bank" ("the Debtor"), under a reverse repurchase agreement whereby the Bank transfers to the Debtor an amount of €1 million and the Debtor commits to repurchase the securities at a fixed price of €1,003,000 on 2 October 2018. Accordingly, on 28 September the Bank lends €1,000,000 to the counterparty and receives government bonds of a euro area country as collateral. The market value of the securities at the origination of the reverse repo on 28 September 2018 is €1,003,000. By 30 September 2018, the market value declines to €1,001,500.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "reverse repurchase agreements".

The Bank uniquely identifies the contract of the loan by the contract identifier 9RR101010 and the instrument by the instrument identifier 351616712. The Bank uniquely identifies the Debtor by the counterparty identifier BA32568564.

The Bank reports the securities as a pool under the protection identifier SEC23896.

Please note that the instrument is reported only as of September 2018.

The amount of €3,000 is considered the interest income of the Bank. In this connection, the implicit interest rate that is charged during the life of the instrument is 27% per annum. The accrued interest as of 30 September 2018, i.e. at the halfway point, amounts to €1,500.

Case 11: Factoring

Case 11.1: Factoring with recourse

On 15 November 2018 a construction material trading company "RME Constructions" ("the Debtor") sold bricks to another construction company "PD Constructions" for which it expects payment within one month after the delivery. In order to obtain working capital, the Debtor sells the trade receivable to the Bank on 17 November 2018 for a price of €248,000 (i.e. a discount of €2,000 based on an implicit interest rate of 12% per annum calculated for one month with no factoring fee) in a factoring transaction on the basis of a factoring contract. On the day, the Bank loaned out an amount of €200,000, accepting the invoice of €250,000, and agreed to pay out the remaining €47,000 upon complete repayment of the invoice by "PD Constructions". The Debtor is considered to keep all the risks and rewards of ownership of the trade receivable. The Bank has no obligation to purchase any additional trade receivables from the Debtor.

On 30 November 2018 the accrued interest amounts to €1,000, indicating that one-half of the amount of €2,000 has been accrued after one-half of the month has elapsed.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "trade receivables".

The Bank uniquely identifies the factoring contract by the contract identifier 11TR2164461 and the instrument by the instrument identifier 165414. The Bank uniquely identifies the Debtor by the counterparty identifier T4235.

The instrument is reported only as of 30 November 2018.

Given the fact that the Debtor keeps all the risk and rewards of the ownership of the trade receivable, the Bank considers the exposure to be to the factoring client.

As the reserve in the case of exposures to factoring clients is generally not considered as protection in AnaCredit, the protection received dataset is not reported.

Consequently, the outstanding nominal amount takes as a starting point the amount actually loaned to the factoring client rather than the amount of the face value of the trade receivables.

The amount of €48,000, which will be forwarded to the factoring client if paid by the account debtor, does not constitute an off-balance-sheet amount of the instrument thus defined. As the Bank has no obligation to purchase any additional trade receivables from the factoring client, the instrument is considered not to have any off-balance-sheet amount.

As the reserve in the case of exposures to factoring clients is generally not considered protection in AnaCredit, the protection received dataset is not reported. Please note that the reserve is not considered protection to the instrument because the reserve is already netted in the outstanding nominal amount of the instrument. Recognising this reserve as protection would lead to double-counting of the value.

Please note that the instrument concerned, which is assumed to be issued on 15 November 2018 with a tenor of one month, is redeemed before 31 December 2018. This means that the instrument ceases to exist before the reporting reference date on which the accounting dataset is required to be reported. Conversely, if the instrument continued to exist beyond 31 December, the accounting dataset would have to be reported.

Case 11.2: Non-recourse factoring

On 15 October 2018, a construction material trading company "RME Constructions ("the Factoring Client") sells construction material to another construction company "PD Constructions" ("the Debtor"). In this connection, RME Constructions issues two invoices, totalling €250,000, for which it expects full payment within three months of delivery. On 17 October 2018, the Factoring Client sells the trade receivable to the Bank for a total price of €243,250 (discount of €6,250 and a fee of €500) in a factoring transaction on the basis of a factoring contract. On the same date, the Bank loans out an amount of €200,000, accepting the invoices of €250,000, and agrees to pay out the remaining amount upon complete repayment of the invoices by "PD Construtions". The financing is provided as a working capital facility. The Factoring Client is considered to transfer all the risks and rewards of ownership of the trade receivable.

The amount of €43,250, payment of which to the Factoring Client is on hold until the trade receivable is received by the Bank, serves as protection of the instrument. The Bank uniquely identifies the protection item by the protection identifier RES67949769. There is no other protection on the instrument.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "trade receivables".

The Bank uniquely identifies the factoring contract by the contract identifier 22HWSf25896 and the instrument by the instrument identifier 99999999. The Bank uniquely identifies the Debtor by the counterparty identifier CC112211CC. The Bank uniquely identifies the protection item by the protection identifier PP8564235.

The Debtor pays €70,000 by 31 October 2018 and makes additional payments of €55,000 and €95,000 by 30 November and 31 December 2018, respectively. Consequently, the outstanding nominal amount of the instrument is €180,000, €125,000 and €30,000 at 31

October, 30 November and 31 December 2018 respectively (cf. Part III of the Manual where it deals with factoring and other trade receivables). The invoices are fully paid by the Debtor by 15 January 2019.

Please note that the reserve does not change over time as the factor does not purchase additional invoices (under this factoring contract).

Please note that, in the case of non-recourse factoring, interest rate-related data are reported as "non-applicable" (cf. Part III of the Manual where it deals with factoring and other trade receivables).

Given the fact that the Debtor transferred all the risk and rewards of the ownership of the trade receivable, the Bank considers the exposure to be to the account debtor (the Debtor).

Please note that, contrary to the case of recourse factoring, the reserve is included in the outstanding nominal amount. Consequently, the reserve is reported as protection in the protection received dataset.

Case 12: Financial lease

A construction company "Building 123" ("the Debtor") signed a financial lease contract with the Bank for a crane on 17 April 2013. In this connection, the Bank purchased a crane for €250,000 which was subsequently leased to the Debtor on 31 May 2013. In the contract, the parties agreed that the Debtor would be using the crane for 10 years. The Bank charges a fixed interest rate of 5% for the financing of the crane. The crane serves as collateral for the financing. An amortisation schedule where the total amount covering the principal and interest payment repaid in each instalment is the same.

The Bank values the crane on a quarterly basis, using asset liquidation curves. The value of the crane at the end of the lease contract is €50,000.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "financial leases".

The debtor is a subsidiary of a company "Building 456" (immediate parent). The immediate parent has no parent undertaking.

The Bank uniquely identifies the lease contract by the contract identifier 5GFsj87523 and the instrument by the instrument identifier B1001545. The Bank uniquely identifies the Debtor by the counterparty identifier Y8923862. The Bank uniquely identifies the protection item by the protection identifier AP928357 and the Immediate Parent by the counterparty identifier OO20957203.

Case 13: Loans in default

On 12 June 2015 a petrol company "Donnegan Materials" applied for two loans to pay for the costs of a lawsuit of €2,000,000. On 30 June 2015 the loans of €1,000,000 with duration of 3

Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

years each were disbursed. The parties agreed on a variable interest rate of EURIBOR 12 months plus a margin of 400 basis points and a fixed amortisation schedule with a monthly repayment frequency. Due to the credit history of the company, the Bank did not require collateral at the inception.

The Bank uniquely identifies the contract by the contract identifier A2015H85926 and the instruments by the instrument identifier A1111111 and B222222, respectively. The Bank uniquely identifies the Debtor by the counterparty identifier Q56262313.

As of 30 May 2017, the Debtor is considered to be in default due to unlikeliness to pay. Please note that "other legal measures" are taken concerning the solvency of the counterparty (initiated on 28 November 2017).

Please note that the above introduction applies to the two cases below, namely Case 13.1 – Renegotiated loan and Case 13.2 – Debt forgiveness and write-off.

The Debtor has been in default since 30 May 2017. However, as the Bank applies the definition of default at debtor level, the default status of the instruments referred to below is reported as "Non-applicable" (cf. Part II, Section 4.4.4 of the Manual). At the same time, the default status of the Debtor is reported in the counterparty default dataset.

Case 13.1: Renegotiated loan

By 30 September 2018, the outstanding nominal amount of the loan A1111111 has already been reduced to €350,000 following a partial write-off (of €40,000) and the renegotiation with forbearance which was successfully initiated on 27 August 2017, and under which the parties agreed to on a fixed interest rate of 3%, i.e. below market conditions. The instrument is not in arrears and since the default, an amount of €120,000 has been recovered.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "other loans".

Please note that, in accordance with the applied accounting standard, the Bank raises an accumulated impairment amount. In this case, the Bank expects to lose 75% of the outstanding nominal amount (in addition to the earlier write-off of €40,000).

Case 13.2: Debt forgiveness and a write off

However, loan B222222, which amounts to €270,000 on 30 September 2018, is no longer considered collectible and is forgiven by the Bank (i.e. the debt is cancelled). Accordingly, it is written off in full on 8 October 2018. In this case, the write-off constitutes a derecognition event as, after the debt cancellation, the loans ceased to exist. Please note that the renegotiation with forbearance which was initiated on 25 August 2017 also applies.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "other loans".

Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

With regard to the instrument, the Bank has recovered an amount of €150,000 since the default of the Debtor. This amount was recovered before 30 September 2018. There are no recoveries in the period between 30 September and 31 December 2018.

Please note that in this case only the financial dataset is reported monthly in the period between 30 September and 31 December 2018.

Please also note that at 30 September 2018 the Bank held an accumulated impairment allowance matching the outstanding nominal amount. In accordance with the accounting standard applied, the Bank does not accrue interest on assets for which payment in full of principal or interest is not expected.

Despite the debt forgiveness, the accounting dataset is also reported as of 31 December 2018. However, the vast majority of the data attributes are reported by convention as "Non-applicable" (cf. Part II, Section 3.1.6.1 of the ECB Manual, regarding the treatment of written-off instruments). In particular, please note that the data attribute "performing status of the instrument" is reported by convention as "non-performing" (cf. Part II of the ECB Manual, page 118, lines 22-23).

The counterparty-instrument, counterparty risk and counterparty default datasets are reported only as of 30 September 2018.

Please note that, in accordance with the clarifications provided above, "other legal actions" have been taken against the counterparty.

Case 14: Syndicated loan granted by a consortium of two banks

On 12 May 2017 two banks, the Bank and another bank "Overseas Bank", established in Brazil, formed a consortium to grant a loan to a chemical company called "Protec Chemicals" ("the Debtor") for the construction of a new chemical plant in Brazil. The loan was settled on 30 June 2017. The duration of the loan is ten years. The loan has a fixed amortisation schedule, a variable interest of USD LIBOR Six months plus a margin of 200 basis points. In addition, to protect against higher interest rates, an interest rate cap of 3.1% is introduced. The loan is denominated in US Dollar (for simplicity purposes we assumed an exchange rate of 1:1). The loan has an interest-only period which expires one and a half years after the settlement date (i.e. 30 November 2018). The payment frequency is semi-annual for the principal payments (on the 1st January and on the 1st July) and monthly for interest payments (on the 1st day of each month).

The plant, which is still under construction, is used as collateral for the loan. The recovery of the loan is limited only to the value of this protection pledged, meaning that the creditors have no recourse to the balance sheet of the Debtor.

The Bank assumes 60% of the exposure (commitment amount of USD 15,000,000) and is the lead arranger; Overseas Bank assumes 40% of the exposure (commitment amount of USD 10,000,000). The Bank has a priority on proceeds of the protection up to 60% of the protection value.

In accordance with the type of instrument in AnaCredit, the instruments are reported as "other loans".

The Bank acts as servicer of the share of the Overseas Bank.

By 30 September 2018, an amount of USD 3,750,000 was repaid.

The original protection value is €5,000,000 as of 30 April 2017. The protection value increased to €10,000,000, following a revaluation on 25 November 2018.

The Bank uniquely identifies the contract by the contract identifier SL/2017/2893//IEC111222/FBNK2859, the instrument by the instrument identifier P98265 and the Debtor by the counterparty identifier Q56262313. In addition, it uniquely identifies the Overseas Bank by the counterparty identifier FBNK2859, the share of the Overseas Bank by the instrument identifier EXT487382 and the plant serving as protection by the protection identifier BRAZ82595832.

Please note that the Bank reports not only its own share in the syndicated loan but also the share of the Overseas Bank in which the Bank acts as servicer.

Please also note that from the perspective of the Bank as the reporting agent, the Overseas Bank, which acts as creditor only, is not resident in a reporting Member State. Consequently, only specific counterparty reference data reporting requirements for counterparties not resident in a reporting Member State apply.

The rows relating to the instrument in which the Bank acts as servicer but not as creditor are shown in grey.

Case 15: Loan partially guaranteed by a government agency

On 12 November 2018, the Bank grants a loan with a commitment amount of €1,500,000 to a cars sales company "Speedline" ("the Debtor") for the purpose of exporting cars. The loan is settled on 29 November 2018. It has an interest rate of 5% (set on the basis of EURIBOR 12 months at 30 September 2018 (assumed to be -0.2%) plus a margin of 520 basis points) in the first three years. On 30 November 2021, the interest rate will be reset to EURIBOR 12 months as at 30 September 2021 plus a margin of 520 basis points. The duration of the loan is agreed to be six years, with the maturity date being 30 November 2024. The loan is partially guaranteed (90% of the commitment amount) government agency in Ireland ("Sláinte").

The Bank uniquely identifies the contract by the contract identifier 823855326 and the instrument by the instrument identifier U2573F73. The Bank uniquely identifies the Debtor by the counterparty identifier ARG49237054. The government agency is uniquely identified by the Bank by the counterparty identifier 100. In addition, it uniquely identifies Sláinte by the counterparty identifier 100 and the guarantee by the protection identifier GUA32-100.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "other loans".

Please note that the protection received dataset is reported on both 30 November and 31 December 2018, the reason being that the protection item is valued at its notional amount, while the reporting reference date is the protection valuation date.

Case 16: Joint liability loan

On 15 March 2018, the Bank agreed to grant a loan for the construction of a commercial building, where two companies "Athlone Retail" and "Zeechers Construction" ("the Debtors") are jointly liable for the entire outstanding amount of €72,000,000.

The loan is disbursed on 30 June 2018. It has a fixed amortisation schedule with monthly payments (both principal and interest payments, payable on the 1st day of a month), a variable interest rate EURIBOR one year plus a margin of 350 basis points and duration of 6 years. An interest rate cap of 5% applies.

The loan is secured by two financial guarantees provided by the parent undertakings of the Debtors, "Ireland Retail" and "Constructers" with the guaranteed amount being €36 million for each. The recovery of the loan is limited to the value of the guarantees, meaning that the creditors have no recourse to the balance sheet of the Debtor.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "other loans".

The Bank uniquely identifies the contract by the contract identifier 123546K and the instrument by the instrument identifier 565687466YU. The Bank uniquely identifies the Debtors by the counterparty identifier 306306 and 307307, respectively. The Bank uniquely identifies the financial guarantees by the protection identifies GUA1D306 and GUA2D307. The parent undertakings of the debtors are uniquely identified by the Bank by the counterparty identifies P39847Y306 and P8293X307.

Case 17: Traditional Securitisation

The Bank grants two loans to two companies "Bunkers" and "Homesetters" ("the Debtors"). Both Debtors use their loan to purchase commercial real estate properties. The properties serve as collateral for each loan.

The Bank enters into the contract with "Bunkers" on 1 July 2016. It uniquely identifies the contract by the contract identifier 165364J and the instrument by the instrument identifier 8643F. The instrument is disbursed on 17 July 2016. The loan amounts to €750,000 as of 30 September 2018. The Bank uniquely identifies "Bunkers" by the counterparty identifier 28764A.

The Bank enters into the contract "Homesetters" on 14 January 2017. It uniquely identifies the contract by the contract identifier 85676H and the instrument by the instrument identifier 1376R. The instrument is disbursed on 31 January 2017. The loan amounts to €1,250,000 as of 30 September 2018. The Bank uniquely identifies "Homesettters" by the counterparty identifier 6544B.

Both loans are granted for six years have a fixed amortisation schedule with monthly payments (both principal and interest payments, payable on the first day of a month). The loan to "Bunkers" has a fixed interest rate of 5%. The loan to "Homesetters" has a fixed interest rate of 3.75%.

The Bank uniquely identifies the property securing the loan of "Bunkers" by the protection identifier CRE28746. As of September 2018, the property has a market price of €1,000,000.

The Bank uniquely identifies the property securing the loan of "Homesetters" by the protection identifier CRE3458. As of September 2018, the property has a market price of €2,000,000.

On 26 October 2018, the two loans are sold in a true-sale transaction to an SPV ("Millers") and are therefore transferred away from the Bank's portfolio. However, the Bank keeps the servicing rights. The securitisation is originated by the Bank. Until the SPV is able to sell the notes to investors, this SPV is granted a short-term loan by the Bank in order to be able to buy the portfolio from the Bank. The amount of the loan is €2,250,000 and will be repaid by 5 November 2018. The interest rate charged on the loan is set as EURIBOR 1 month plus a margin of 200 basis points.

The Bank uniquely identifies the loan to the SPV by the instrument identifier G7283564 and the contract identifier Y2q74.The counterparty identifier of the SPV is SPV092384.

One month later, the SPV fully repays the loan with the proceeds from the sale of the notes.

Case 18: Guarantee by a Natural Person

On 10th October 2017 , the Bank enters into a contract with a furniture company 'Armchairs' for a term loan secured by a financial guarantee provided by the CEO of an investment company. In particular, the counterparties agree that:

(a) the bank will provide a loan of €500,000 to finance an investment in manufacturing products;

(b) the funds will be disbursed to the company on 1 November 2017;

(c) the Company will repay the loan in 36 monthly instalments, with the principal repaid being the same in each instalment; the payments will be made on the first day of each month, starting from 1 January 2018; the last payment will be made on 1 December 2020;

(d) the Company will also pay interest on a monthly basis, with an interest rate of 2.7% (EURIBOR 12 months on 1 November plus a spread of 2.4%) being charged in the first year; thereafter, the interest rate will be reset on the first day of each calendar year (following the same EURIBOR formula); a floor of 2.5% and a cap of 4.2% will apply throughout the entire life of the loan; the interest is payable monthly on the first day of a month;

(e) the loan is secured by a financial guarantee provided by the Guarantor, which agrees, in the event of default of the Company, to cover any outstanding debt, including interest and other fees and payments, up to an amount of €0.3 million. The guarantee is entirely allocated to the loan.

The outstanding nominal amount is €425,000 at the reporting reference date.

The loan is not securitised and is not subject to any sources of encumbrance.

The Company and the Guarantor are uniquely identified with the counterparty identifiers 46578788 and 84675789, respectively. The Bank uniquely identifies the contract with the contract identifier QS23433 and the instrument with the instrument identifier 6556556. Neither the Company nor the Guarantor has other instruments vis-à-vis the Bank. The Bank uniquely identifies the financial guarantee provided by the Guarantor by the protection identifier GUA22222.

At the origination of the loan, using the IRB approach the Bank estimated a PD of 4% for the Company and a PD of 2.25% for the Guarantor. The Bank has reviewed the PDs several times after the origination, and no changes to the PDs have been made.

In accordance with the applied accounting standard, the Bank entirely recognises the loan in its banking book and classifies it into the category of financial assets at amortised cost. Accordingly, the Bank estimates 12-month expected losses (stage 1) for a group of loans similar to the loan for which an impairment allowance of 2% of the (combined) outstanding nominal amount is created. The Bank allocates this percentage directly to the loan. As the loan has no off-balance-sheet amount, the Bank does not create any provisions associated with off-balance-sheet exposures.

On the basis of the loan's features and characteristics, the Bank classifies it as "other loans" in accordance with the type of instrument in AnaCredit. The loan is not securitised and is not subject to any sources of encumbrance.

The debtor has not been in default, and no write-off has been made to the instrument as the debtor has been making the repayments on time and in full since the inception. The instrument has been performing and no renegotiation has taken place. Therefore, the date of the performing status and the date of the instrument is the inception date of the instrument in this case.

Case 19: Early repayment of a loan

In April 2018, a company "Boston Constructions Ltd." ("the Debtor") applied for a loan of €360,000 by the Bank to be used as a working capital facility. On 11 April 2018, the loan is granted for a period of three years and was fully disbursed on 11 May 2018. The parties agree that the loan will be repaid in monthly instalments where the principal amount repaid in each instalment is the same. The loan has variable interest rates EURIBOR six months plus a margin of 750 basis points. The monthly payment is automatically charged on the 28th day of each month from the current account of the Debtor (even if sufficient funds are not available on the current account, which is made legally possible by terms of the contract).

On 15 November 2018 Boston Constructions Ltd repay the loan in full. There are no early repayment fees.

In accordance with the type of instrument in AnaCredit, the instrument is reported as "other loans".

The Bank uniquely identifies the contract of the loan by the contract identifier 35LA3218239 and the instrument by the instrument identifier LA972372975. The Bank uniquely identifies the Debtor by the counterparty identifier B09A888888.

In relation to the instrument, the Bank applies the definition of default at the level of an instrument following the Bank's approach to retail exposures (in accordance with the CRR). Therefore, the default status of the instrument is reported as "not in default", whereas the default status of the counterparty does not apply (which means that no record of the counterparty default dataset is reported at all – cf Part II, Section 10 of the ECB Manual).

The probability of default of the Debtor is estimated to be 6.8% and does not change in the period concerned.

As the loan is fully repaid and there are no write-off required to be reported on the quarterly Accounting Dataset, the bank can cease reporting on the loan at with reference to end-October 2018.