



***RISK DASHBOARD ANNEX  
CREDIT RISK PARAMETERS  
Q1 2022***













25th = 25th percentile; 50th = 50th percentile; 75th = 75th percentile; W.A = weighted average; N = Number of observations



**Table 8**  
**Risk Parameters statistics by country of the counterparty for IRB banks**  
 EU and main non-EU countries  
**2022 Q1**

(Source COREP C 9.02)

Only statistics for countries having more than 3 banks reporting in that particular country are shown

		Default rate					Loss rate					PD - adjusted					LGD					
		N	25th	50th	75th	W.A	N	25th	50th	75th	W.A	N	25th	50th	75th	W.A	N	25th	50th	75th	W.A	
Singapore	Corporates	4	1.06%	1.39%	1.81%	1.40%						45	0.31%	0.80%	2.00%	1.18%	46	31.07%	39.77%	44.96%	30.06%	
	Corporates - Of Which: Specialised Lending										17	0.62%	1.13%	1.91%	1.71%	17	17.59%	20.13%	40.11%	19.92%		
	Corporates - Of Which: SME										17	0.26%	0.82%	2.61%	4.37%	18	19.11%	33.42%	44.40%	28.57%		
	Retail	6	0.00%	0.00%	0.03%	1.20%	4	23.57%	52.13%	69.31%	9.39%	62	0.27%	0.53%	1.88%	0.42%	63	13.80%	18.38%	27.09%	11.63%	
	Retail - Secured on real estate property											53	0.25%	0.46%	1.23%	0.60%	54	13.44%	16.79%	19.67%	15.30%	
	Retail - Qualifying Revolving										22	0.11%	0.48%	1.00%	0.91%	21	34.22%	56.09%	66.00%	52.87%		
	Retail - Other Retail	4	0.00%	0.02%	0.41%	0.06%						44	0.37%	0.82%	2.19%	0.32%	44	18.31%	37.39%	51.51%	9.61%	
Switzerland	Corporates	10	0.00%	0.00%	1.01%	0.79%	4	0.77%	3.84%	14.54%	6.51%	61	0.33%	0.72%	1.65%	1.51%	64	29.71%	39.99%	44.91%	30.56%	
	Corporates - Of Which: Specialised Lending										24	0.34%	1.03%	3.04%	2.78%	24	10.40%	24.16%	38.37%	21.78%		
	Corporates - Of Which: SME	4	0.00%	0.01%	0.03%	0.02%						38	0.54%	1.46%	3.03%	1.64%	38	19.85%	35.91%	43.58%	27.93%	
	Retail	39	0.18%	0.48%	1.46%	0.61%	35	8.72%	18.64%	41.35%	8.19%	66	0.67%	1.30%	2.40%	0.73%	67	14.68%	19.44%	25.70%	20.73%	
	Retail - Secured on real estate property	21	0.29%	0.51%	1.33%	0.32%	17	2.60%	8.23%	12.14%	10.56%	65	0.64%	1.16%	1.69%	0.74%	66	12.67%	15.86%	21.53%	19.88%	
	Retail - Qualifying Revolving	14	0.29%	0.43%	0.81%	0.67%	14	27.02%	31.53%	49.91%	33.49%	24	0.63%	1.29%	2.99%	2.07%	27	33.20%	49.34%	68.36%	52.56%	
	Retail - Other Retail	34	0.25%	0.92%	2.34%	2.44%	32	19.27%	40.41%	56.50%	5.33%	55	0.93%	2.31%	4.36%	1.03%	57	24.70%	32.46%	42.22%	19.37%	
United States	Corporates	17	0.02%	0.24%	0.85%	0.58%	12	3.86%	16.43%	26.14%	20.82%	63	0.26%	0.73%	1.47%	1.12%	66	30.20%	41.63%	45.00%	27.54%	
	Corporates - Of Which: Specialised Lending	6	0.65%	1.29%	2.43%	1.50%	5	9.03%	14.11%	28.45%	12.26%	26	0.50%	0.93%	2.16%	2.14%	26	15.92%	28.88%	44.93%	20.51%	
	Corporates - Of Which: SME	5	0.31%	1.25%	27.02%	0.65%	4	1.04%	10.01%	18.35%	8.85%	41	0.58%	1.09%	6.90%	2.31%	42	28.41%	39.58%	45.00%	20.55%	
	Retail	42	0.07%	0.30%	0.93%	2.69%	39	9.30%	15.30%	33.43%	16.77%	64	0.63%	1.24%	1.96%	2.04%	66	14.31%	19.58%	26.89%	25.15%	
	Retail - Secured on real estate property	21	0.39%	0.56%	1.52%	0.97%	16	5.40%	7.51%	15.71%	10.53%	63	0.56%	1.01%	1.80%	1.01%	65	12.78%	17.25%	21.52%	16.40%	
	Retail - Qualifying Revolving	19	0.16%	0.51%	1.46%	0.59%	18	22.94%	36.05%	46.99%	31.77%	20	0.45%	1.48%	4.09%	1.29%	25	33.17%	56.01%	69.45%	58.53%	
	Retail - Other Retail	30	0.22%	0.70%	3.12%	3.17%	28	23.11%	38.99%	50.13%	16.97%	56	0.65%	1.57%	3.62%	2.32%	58	25.11%	35.91%	48.46%	27.00%	



The aim of this disclosure is to increase transparency regarding credit risk parameters of EU banks based on supervisory reporting data that the EBA collects on a quarterly basis.

**Given the differences in the definition and computation of the risk parameters outlined below, a comparison between PD and DR or between LGD and LR is not straightforward and any conclusions should be interpreted with caution.**

- **Scope (COREP 9.02)**

- IRB banks
- PDs (adjusted), LGDs, Default rates (DR), Loss rates (LR)
- Asset classes: Corporate, Retail (breakdown)
- By country of the counterparty (EU and main non eu countries)
- Frequency: Quarterly (starting from Q1 2015)\*
- Stats: n obs, 25<sup>th</sup>, 50<sup>th</sup>, 75<sup>th</sup> and Weighted Average (by non defaulted exposure for PDs and LGDs).

\*DR and LR from 2015 Q1 to 2015 Q3 are not provided as they are computed as the sum of the last 4 quarters (see below).

- **PD\_Adjusted (on non defaulted)**

PDs reported in *COREP (C9.02) - Geographical breakdown of exposures by residence of the obligor (IRB exposures)* – are computed as a weighted average of Defaulted and no Defaulted exposures and are expressed on a yearly basis.

**PD\_Corep**= “PD ASSIGNED TO THE OBLIGOR GRADE OR POOL (%)” (c. 080)

$$PD_{Corep} = \frac{PD_{non\_default} * Exposure_{non\_default} + PD_{default} * Exposure_{default}}{Exposure_{Total}}$$

where  $PD_{default}=1$ ;

We can derive the PD on non defaulted (that we call **PD\_Adjusted**) as follows:

$$PD_{Adjusted} = PD_{non\_default} = \frac{Exposure_{Total} * PD_{Corep} - Exposure_{default}}{Exposure_{non\_default}} = \frac{column\ 010 * column\ 080 - column\ 030}{column\ 010 - column\ 030}$$

For the PD\_Adjusted the weighted average shown in the tables with the other statistics is computed using the No-defaulted exposure.

- **LGD**

We don't apply any transformation to the LGDs shown in the tables as they are computed on no-Defaulted exposure.

**LGD**: “EXPOSURE WEIGHTED AVERAGE LGD (%)” (c. 090)

- **Default rate**

The default rate is not provided in COREP so it is computed as follows:

$$DR = \frac{\text{Observed new defaults for the period}}{\text{Original exposure - Defaulted exposure}} = \frac{column\ 040}{column\ 010 - column\ 030}$$

Where the *Observed new defaulted of the periods* are the ones at the end of the period  
And the *Defaulted exposures* are the ones at the beginning of the period.

The Default rate is computed on a yearly basis , that is, we consider the sum of the last four quarters for the numerator (flows) and the average of the last four quarters for the denominator (stocks). For instance the Default rate for 2016 Q3 will be :

$$= \frac{\sum_{i=0}^3 \text{Obser.new defaults}_{Q-i}}{\frac{\sum_{i=0}^3 \text{No defaulted exposure}_{Q-i}}{4}}$$

Where *No defaulted exp* = (Original exposure – Defaulted exposure)

and  $(Q-i)$  = Quarter expressed as a lag of the actual one.

- **Loss rate**

Loss rate is not provided in COREP so it is computed as follows:

$$LR = \frac{\text{Credit risk adjustments (write-offs for observed new defaults)}}{\text{Observed new defaults for the period}} = \frac{\text{column 070}}{\text{column 040}}$$

To express it on yearly basis we apply:

$$= \frac{\sum_{i=0}^3 \text{"Credit risk adjustments"}_{Q-i}}{\sum_{i=0}^3 \text{Obser.new defaults}_{Q-i}}$$

Where the *Observed new defaulted* of the periods are the ones at the end of the period.

and  $(Q-i)$  = Quarter expressed as a lag of the actual one.