

## Supplementary explanatory notes on the Deutsche Bundesbank's credit assessment procedure and use of the data

In the context of its monetary policy tasks in the Eurosystem, the Bundesbank grants refinancing and intraday loans to domestic credit institutions. The credit institutions may, amongst other things, use credit claims on non-financial corporations as the collateral needed to use these facilities. This is conditional on the enterprise in question having been certified as “eligible”. Eligible enterprises have a high, investment grade credit rating, coupled with a low probability of default. The credit assessment procedure serves to determine whether an enterprise complies with these requirements. The outcome of the credit assessment is summarised in a rating.<sup>1</sup> The analyst arrives at this rating by assessing the data covered by point 1, making use of statistical models and a qualitative expert analysis.

### 1. Data used to make the credit assessment

(a) For the purpose of preparing the credit assessment, use is made of the last two annual financial statements for your enterprise along with any additional information (e.g. regarding the number of employees, long-term equity investments in other enterprises, developments in the financial year to date) submitted by your enterprise to the Bundesbank at that time in connection with those statements.

(b) Moreover, when preparing the credit assessment, use is also made of data on your enterprise as well as on affiliated enterprises, where applicable, supplied to the Bundesbank through reports provided by credit institutions to credit registers maintained by the Bundesbank.<sup>2</sup> These data take the form of identifying characteristics and information on the credit volume and on credit institutions' assessments of your enterprise's creditworthiness or that of affiliated enterprises, where applicable, including details of default events reported by credit institutions.

### 2. Entry in an electronic register

By submitting a request for a credit assessment, your enterprise's master data, including name, address, commercial register (*Handelsregister*) number/location and, where applicable, the LEI, RIAD code and debtor ID, are entered in an electronic register, which can only be viewed by credit institutions that use credit claims for their central bank refinancing. In the event of a positive judgment of eligibility, this entry is supplemented by the characteristic “eligible”. This additional information can then only be viewed by credit institutions using the Bundesbank's credit assessment system.

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<sup>1</sup> Each rating reflects a certain expected probability of default, obtainable from the Deutsche Bundesbank's master scale. For more details, see the Bundesbank's brief overview of its credit assessment system, available at <https://www.bundesbank.de/resource/blob/625838/2b8b5ad67b8fa7fd644061ef8665c5ca/mL/bonitaetsanalyse-kurzuebersicht-data.pdf>

<sup>2</sup> At present, use is made of reports produced in line with the supervisory reporting requirements set out in Section 14 of the Banking Act (*Gesetz über das Kreditwesen*) and the collection of statistical microdata under Regulation (EU) 2016/867 on the collection of granular credit and credit risk data (AnaCredit).

### 3. Using the data for checking eligibility, validation and the execution of monetary policy

The data specified in point 1, as well as the outcome of the credit assessment (hereinafter referred to jointly as the “credit assessment data”), are used by the Bundesbank for the aforementioned purpose of checking eligibility, including the validation of the credit assessment by the risk control unit that this requires,<sup>3</sup> and for other purposes connected with the implementation of monetary policy. To this end, the Bundesbank may also share your credit assessment data with the European Central Bank (ECB) and other central banks belonging to the European System of Central Banks.

### 4. Using the data for statistical purposes

The data are additionally used for statistical purposes – particularly for compiling economic statistics – with all results depicted in anonymised form. To this end, the Bundesbank also merges credit assessment data with other data on your enterprise to which it has access for justifiable reasons.

### 5. Use of master data for the purposes of improving quality

Your enterprise’s master data and, where applicable, those of affiliated enterprises may be used for the purposes of identifying enterprises and improving the quality of the Bundesbank and ECB master data register and can be transferred from this register to statistical and supervisory reporting agents. These master data include elements that are objectively clearly attributable to your enterprise at a given point in time, in particular its name and address, unique identifiers of the enterprise such as its register number or LEI, its ESA sector and branch of economic activity, and, where applicable, other comparable data, which the Bundesbank shall add to the master database in future and which are required for the purposes specified above.

### 6. Consent to the use of your data as listed in points 1 to 5.

**By submitting annual financial statements documents, you give your full consent in each case (i.e. in subsequent years as well) to the use of credit assessment data as per items 1 to 5. This is the precondition for participating in the Deutsche Bundesbank’s credit assessment procedure. Consent is without prejudice to any data uses provided for by law. Your consent shall also apply to any enterprises affiliated with your enterprises over which your enterprise exercises a controlling influence. Please note, furthermore, that documents are treated confidentially by the Bundesbank in accordance with the valid statutory provisions.**

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<sup>3</sup> The credit assessment in its entirety is validated by the Bundesbank’s risk control unit, using the data covered by point 1.

Consent can be revoked in writing at any time at a later date. Such revocation shall, however, not affect the legitimacy of any processing that has taken place on the basis of this declaration of consent before it was withdrawn, nor any future processing vital to the implementation of monetary policy.