L'impatto di Basilea 3 sulle politiche creditizie e di pricing

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28 Giugno 2013

Programma

➢Principali sfide per le piccole e medie banche

➢Alcuni casi concreti

➢Conclusioni

Moody's Analytics

Moody's

Leading global provider of credit rating opinions, insight, and tools for credit risk measurement and management

Moody's INVESTORS SERVICE

Independent provider of credit rating opinions and related information for nearly 100 years

Moody's ANALYTICS

Research, data, software, and related professional services for financial risk management

Una storia che inizia dai migliori operatori di settore

| 1914	2002	2005	2006	2008	2010	2011
Credit Research	Quantitative Credit Analysis	Economic Analysis	Structured Debt Instruments	Risk Management Software	Financial Education	Knowledge Process Outsourcing	Insurance Information

Principali sfide per le piccole e medie banche

➢ Scenario Competitivo: come crescere in un mercato caratterizzato da *deleveraging*

➢ Le sfide legate al capitale

➢ Come fare buon uso (gestionale) dei sistemi di rating

➢ Come selezionare clienti a basso rischio ed alta potenzialità

➢ Come rendere efficaci le politiche di credito e di *pricing*
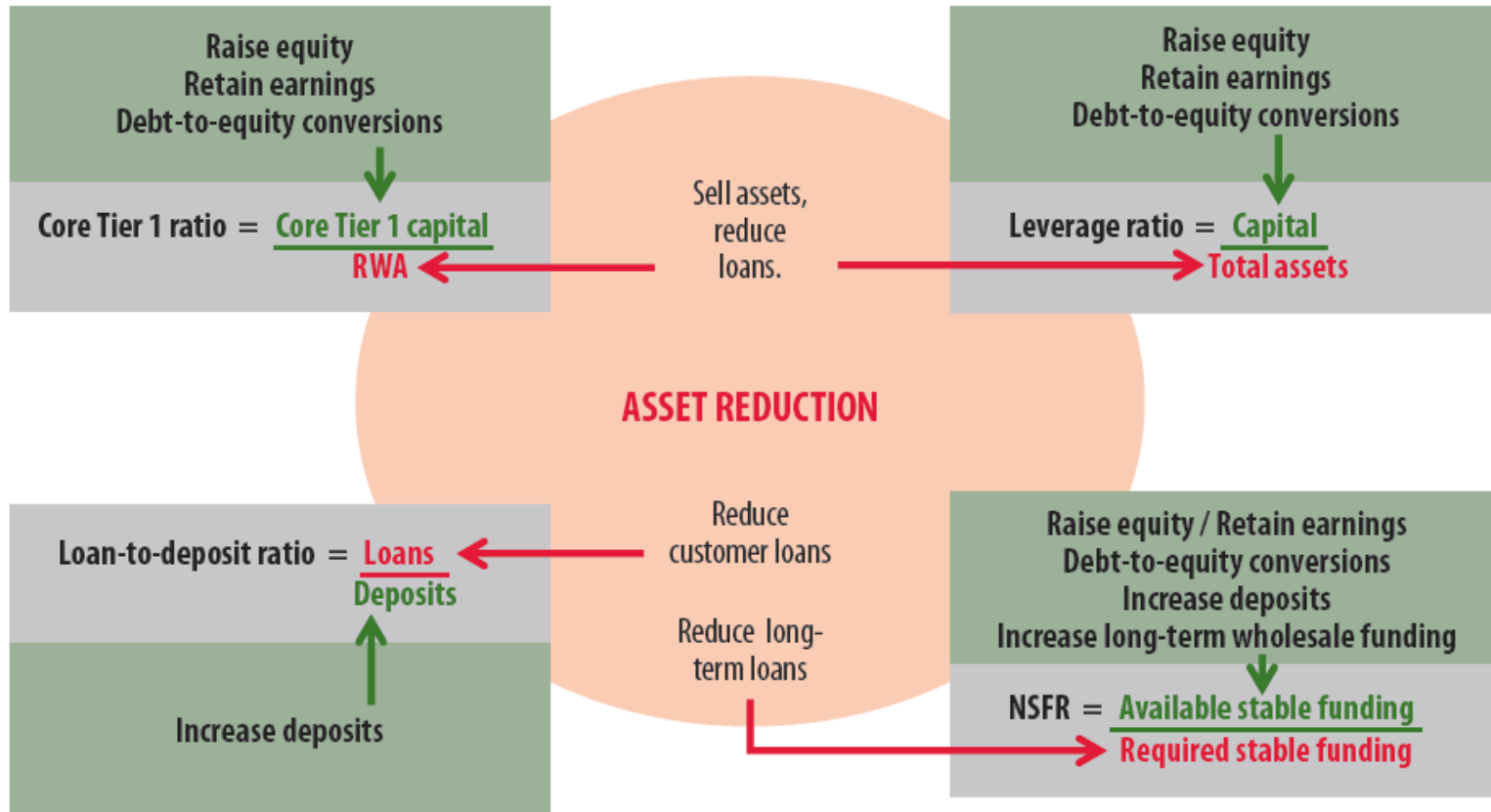
➢ Soluzioni «*low cost – high effectiveness*»

Scenario competitivo

Figure 1.34. Ranking of Banking Systems Based on Banks' Balance Sheet Indicators, 2012:Q3
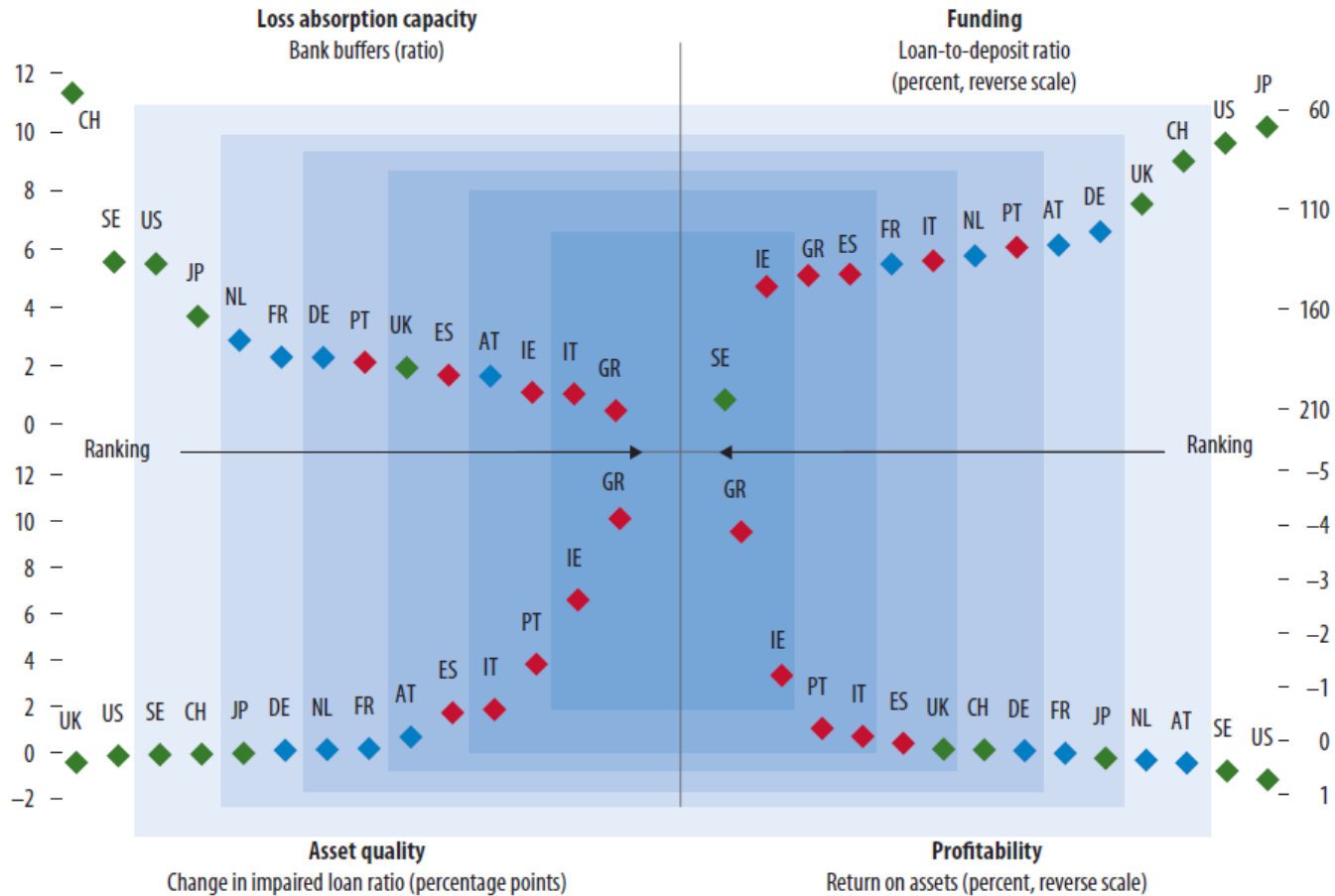
Sources: Bloomberg L.P.; SNL Financial; and IMF staff estimates.

Come migliorare *capital and liquidity ratios*?

Raise equity
Retain earnings
Debt-to-equity conversions

$$\text{Core Tier 1 ratio} = \frac{\text{Core Tier 1 capital}}{\text{RWA}}$$

Raise equity
Retain earnings
Debt-to-equity conversions

$$\text{Leverage ratio} = \frac{\text{Capital}}{\text{Total assets}}$$

Sell assets, reduce loans.

ASSET REDUCTION

Reduce customer loans

Reduce long-term loans

$$\text{Loan-to-deposit ratio} = \frac{\text{Loans}}{\text{Deposits}}$$

Increase deposits

Raise equity / Retain earnings
Debt-to-equity conversions
Increase deposits
Increase long-term wholesale funding

$$\text{NSFR} = \frac{\text{Available stable funding}}{\text{Required stable funding}}$$

… DELEVERAGING : 1.7% – 4.4%

Source: IMF.
Note: NSFR = net stable funding ratio.

IMF, Global Stability Report, April 2012

Business plans delle banche europee

Banche Europee che hanno dichiarato di cambiare la loro strategia di business

Legend: Identified for reduction | Major reduction | Some reduction | Maintain presence

Country and bank	Banking Activities			Assets					Global Reach				
	Investment	Corporate[1]	Retail	Bank subsidiaries or branches	Insurance	Asset management	Securities companies	Shadow banks[2]	Eastern Europe[3]	Asia	Latin America	European Union	North America
Austria													
Erste	▨	▨							Some				
Raiffeisen			▨	▨								Maintain	
Belgium													
Dexia[4]	▨	▨				▨	▨	▨	Major			Major	
KBC Bank[4]	▨	▨		▨		▨	▨	▨				Major	
Germany													
DB						▨				Some		Some	Some
Commerzbank[4]	▨		▨			▨	▨	▨	Major			Major	Some
HSH Nordbank[4]		▨	▨									Major	
Ldb BW[4]						▨		▨				Major	
WestLB[4]	▨	▨						▨	Major			Major	
France													
BNP Paribas	▨	▨						▨	Some	Some		Some	Some
BPCE													
Crédit Agricole	▨	▨	▨			▨			Some	Some		Some	Some
Société Générale	▨	▨	▨			▨		▨					
Italy													
UniCredit	▨								Maintain				
Banco Popolare			▨									Some	
Ireland													
Allied Irish[4]		▨	▨	▨					Major				
Bank of Ireland[4]								▨				Maintain	Major
Netherlands													
ING	▨	▨	▨		▨	▨	▨	▨	Some	Some	Some	Some	Major
SNS		▨										Major	Maintain
United Kingdom													
RBS[4]	▨	▨	▨	▨		▨		▨	Some	Major	Some	Some	Major
HSBC	▨	▨	▨						Some	Maintain	Some	Maintain	
Lloyds[4]		▨										Some	
Spain													
Banco Santander		▨	▨	▨					Some		Some	Some	Maintain

Source: Company websites; and IMF staff estimates.

[1] Includes interbank lending and commercial real estate loans; and working capital, project, and specialized finance, including leasing, equipment, trade, and commodities finance.
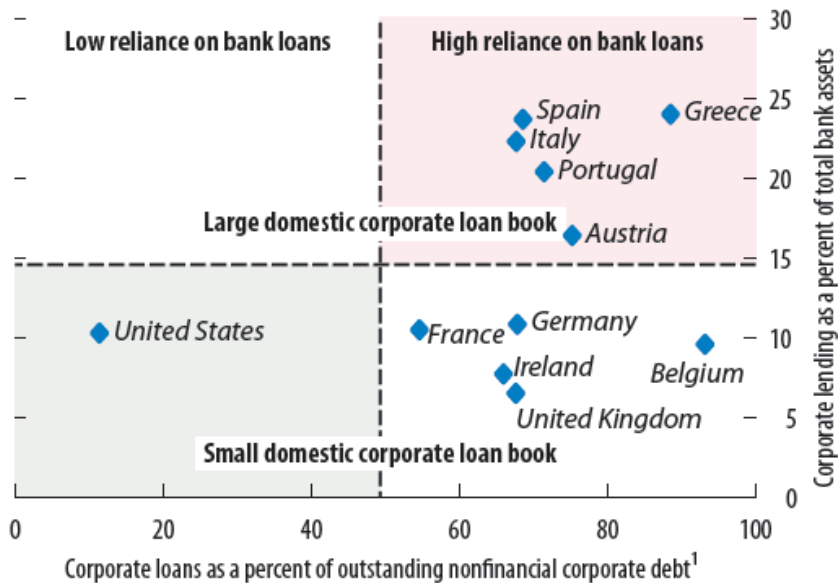[2] Includes companies that specialize in car, aircraft, shipping, leasing, project, and structured finance; investment banks; and municipal bond agencies.
[3] All EU and non-EU countries in eastern Europe, including Poland, Russia, and Turkey.
[4] Has received government financial support.

MOODY'S ANALYTICS

Come migliorare capital e liquidity ratios?

Reliance on Bank Financing by Nonfinancial Corporations (*In percent***)**

Low reliance on bank loans · High reliance on bank loans

Large domestic corporate loan book

Spain · Greece · Italy · Portugal · Austria

Small domestic corporate loan book

United States · France · Germany · Ireland · Belgium · United Kingdom

Corporate lending as a percent of total bank assets

Corporate loans as a percent of outstanding nonfinancial corporate debt[1]

Sources: European Central Bank; Eurostat; Federal Reserve; Haver analytics; and IMF staff estimates.

Reduction in Suppy of Credit, by Banking System, Current Policies Scenario (*In percent of total bank credit***)**
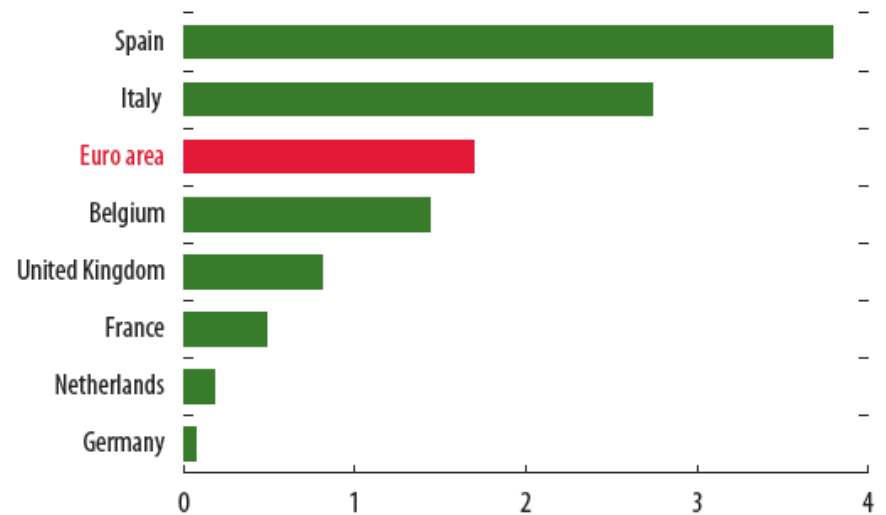
Source: IMF staff estimates.
Note: Data are an extrapolation of results from a sample of banks to the entire banking system. Total bank credit includes domestic and direct cross-border credit supplied by banks in each country.

IMF Credit Quality con modelli di Moody's Analytics

Nonfinancial Corporations: Interest Coverage Ratio and Implied Ratings (*Ratio, left scale, in percent***)**
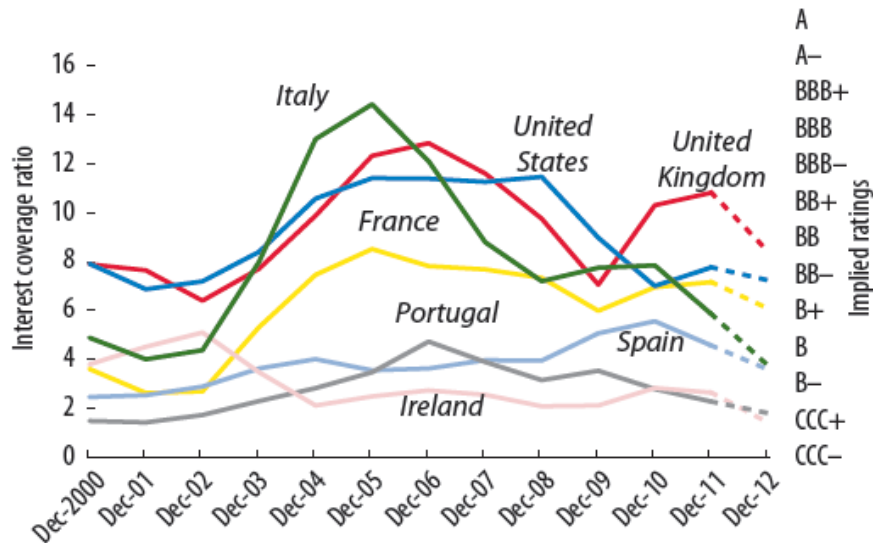
Sources: Bloomberg L.P.; and IMF staff estimates.
Note: Dashed lines are projections. Interest coverage ratio is earnings before interest and taxes divided by interest expense. The implied ratings are from a sample of more than 800 U.S. firms that constitute the benchmark high-grade and high-yield corporate bond indices.

Corporate Credit Quality in Western Europe, 2007-12 (*In percent***)**
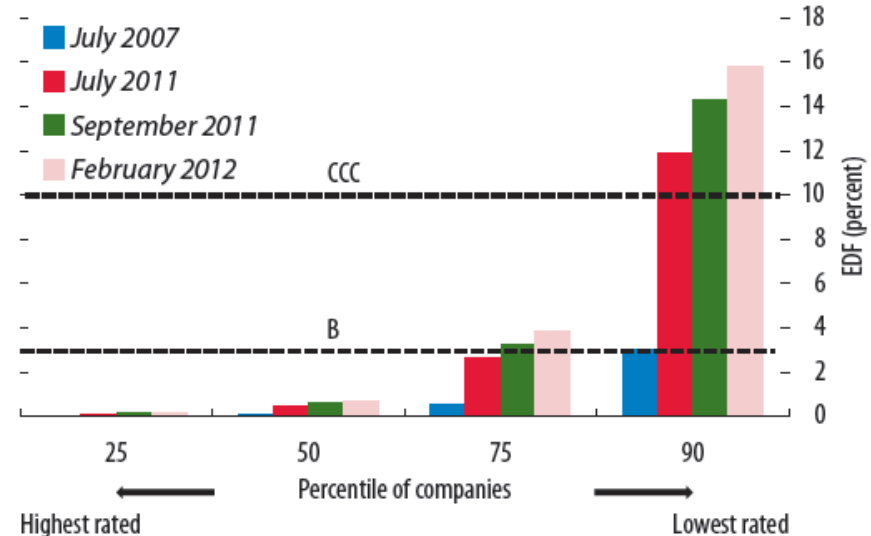
Source: Moody's KMV.
Note: EDF = expected default frequency. EDF is a market-based credit measure that represents the probability that a firm will default within one year. The dotted lines show implied credit ratings associated with particular EDFs. Western Europe comprises the euro area, Denmark, Norway, Sweden, Switzerland, and the United Kingdom.

Importanza del pricing in origination

- Fixed Income Market (bps) -

External Ratings

- Domestic Lending Market view (bps) -

Internal Ratings
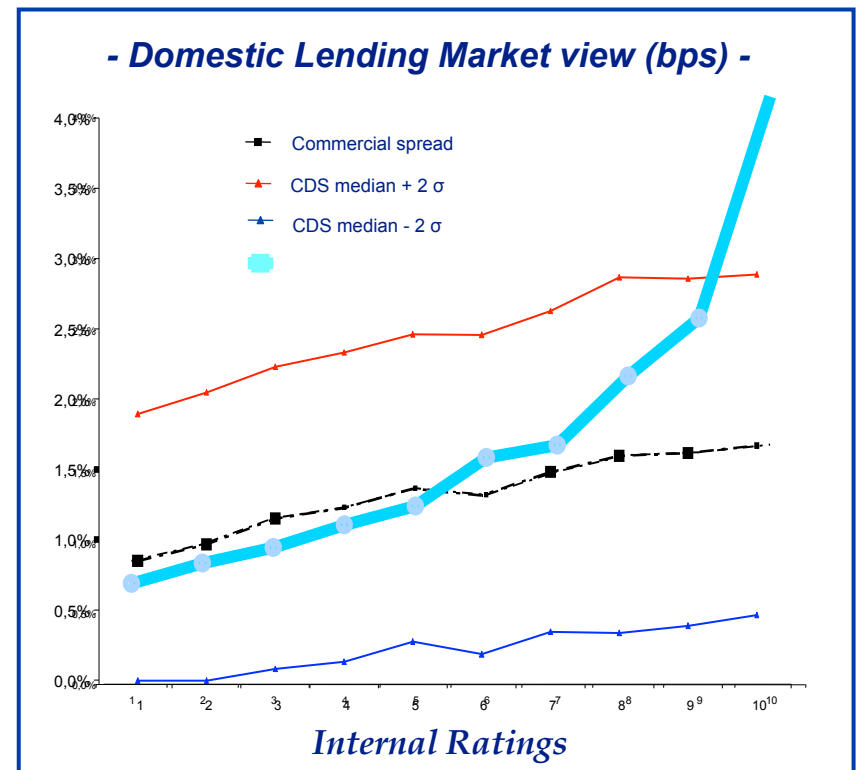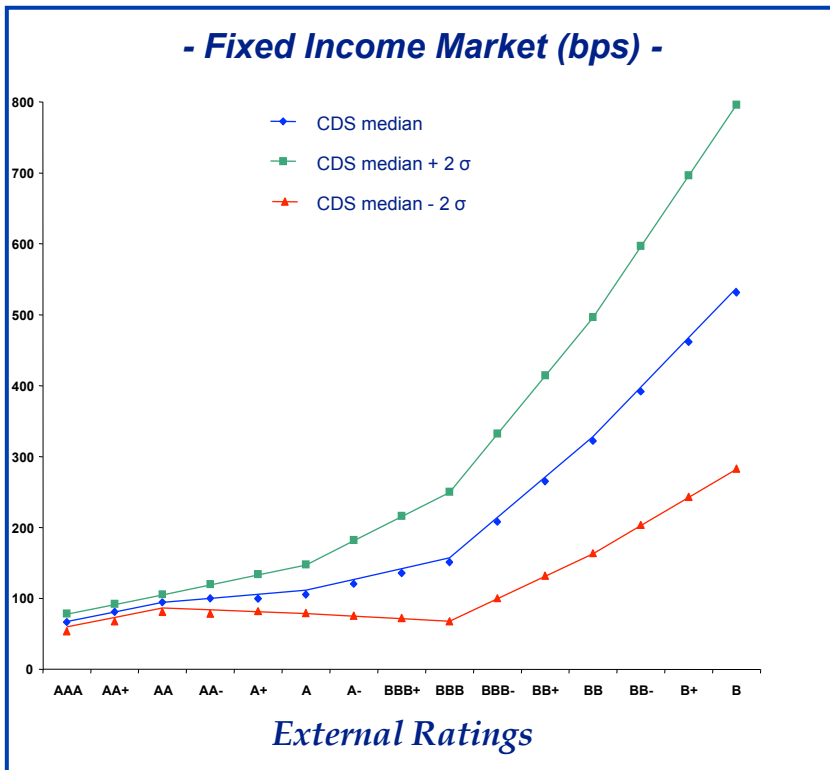
Pricing e Credit Process

Risk adjusted spread settlement will impact on Origination phase of the Credit Process; real time calculation makes RMs aware of the credit risk impact

- Impacts on Credit Process -

Credit Policies → **Origination** → Credit Mgmt → Non Performing

Credit Request	Evaluation	Proposal and Decision	Underwriting/ Loan Activation

Activities

Credit Request
- Open Credit Request
- Documents Acceptance
- Load Credit Request

Evaluation
- Opening Client/ Group dossier
- Opening Facility/ Collateral dossier (focus on "*fidi promiscui*")
- Rating calculation
- **Risk Adjusted spread**(*) **settlement**
- Synthesis judgment

Proposal and Decision
- Loan proposal (amount, **risk adjusted spread**, commercial spread)
- Loan dossier sent to entitled credit structure
- Loan Decision (amount, **risk adjusted spread**, commercial spread)

Underwriting/ Loan Activation
- Loan activation
- Collateral perfection
- Contract Underwriting

Impact on Relationship Manager MBO

- *As Is*
- *Pricing discipline*

(*) Risk Adjusted Spread = insurance spread + cost of funding = Transfer spread

Pricing e new loan origination

Short term loans

M/L term loans

EVA: +80 bps

RWA: - 35 %
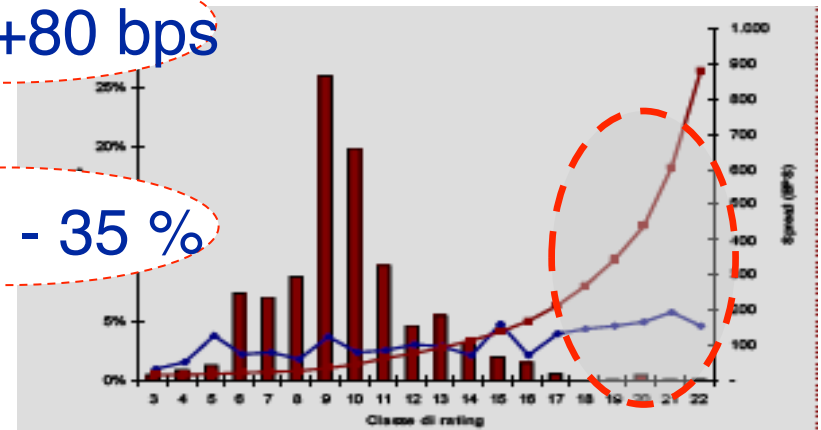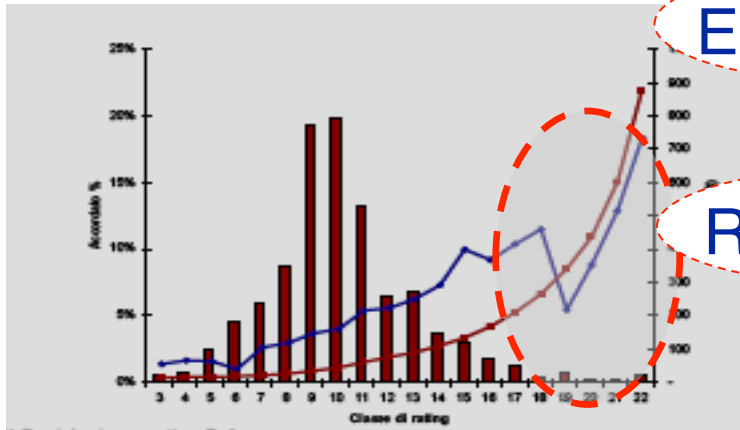
- **Positive correlation** between risk (rating classes) and return (interest margin on average volume) for clients with new short term loan **until class 19**

- **Positive margins** between commercial spread and risk adjusted spread, **on exception of high risk classes**

- **Spreads** are applied basically irrespective of counterparty risk for new mid to long-term issues

- The **commercial spread/ insurance spread differential** is **negative** above risk class 14

Case study 1

Chi → Banca media presente in alcune regioni italiane

Esigenza→ Supporto nella valutazione del segmento SME in *origination* e relative scelte di *pricing*

Caratteristiche e benefici del progetto

➢ Utilizzo di un modello disponibile immediatamente

➢ Advisory nel fine-tuning delle proprie politiche creditizie

➢ Valorizzazione del patrimonio di conoscenza della banca

➢ Maggior velocità ed efficacia in *origination*

➢ Maggior coerenza tra visione del *risk management* e dell'area commerciale

➢ Ottimizzazione campagne nuovi clienti.

Componente Quantitativa: EDF

	A 1-anno	A 5-anni
Frequenza Attesa d'Inadempienza (EDF)	0.35%	2.09%
Rilevazione della percentuale di obbligazioni insolute	Baa2.edf	Baa2.edf
Percentile	22.53%	22.60%
Organizational Rating	4	D

	A 1-anno	A 2-anni	A 3-anni	A 4-anni	A 5-anni
Totale	0.35%	0.76%	1.19%	1.63%	2.09%
Differita	0.35%	0.41%	0.43%	0.45%	0.46%
Annualizzata	0.35%	0.38%	0.40%	0.41%	0.42%

Performance del modello

1 Year Cumulative Accuracy Profile
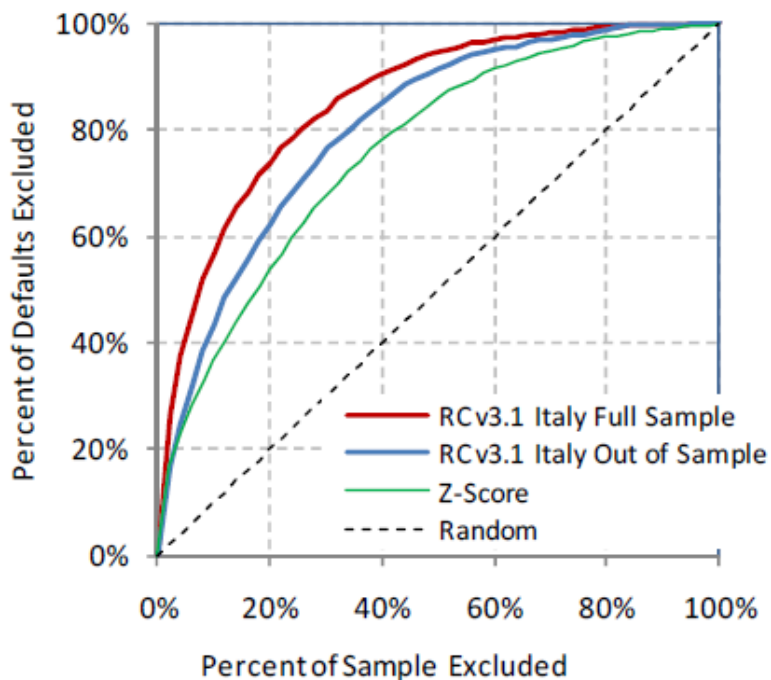
5 Year Cumulative Accurcy Profile
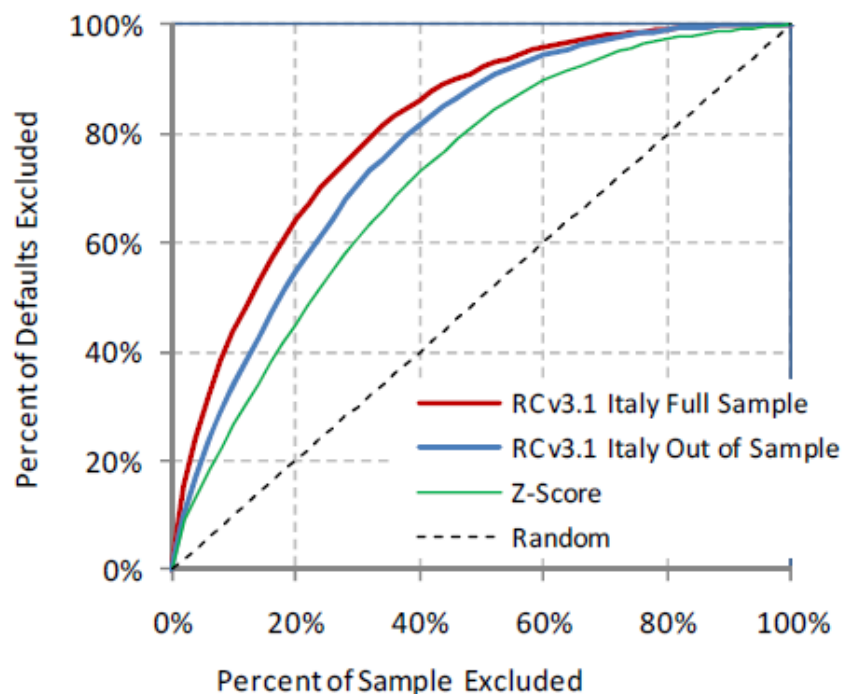
Accuracy Ratio	One-year Model		Five-year Model	
	Full Sample (1993–2008)	Out-of-sample (2003–2008)	Full Sample (1993–2008)	Out-of-sample (2003–2008)
RiskCalc v3.1 Model - FSO	73.19%	63.88%	61.83%	53.89%
Z-score	54.85%	44.89%	43.32%	39.78%

Grafico dei Percentili

Modello quantitativo

Cash / Current Assets	15.64%	0.17
Current Assets / Current Liabilties	36.79%	99.44
(NI + Taxes) / Assets	47.91%	2.21
(Ordinary Profit + Depreciation) / Interest Expenses	90.9%	2,519.54
(Equity - Intangibles) / Tangible Assets	75.77%	26.70
Total Assets	99.88%	3,968,048.35
Sales Growth	32.39%	-3.62
Change in AR Turnover	54.56%	0.80
Financial Charges / Sales	27.39%	0.65

Actual values [%]

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

I colori dipendono dalla relazione esistente fra ogni indice e i tassi di default osservati:

▪ ROSSO: Alti tassi di default

▪GRIGIO: Tassi di default medi

▪ VERDE: Bassi tassi di default

MOODY'S
ANALYTICS

Componente Qualitativa

Question	Weight		Answer	Score
Industry / Market		25		100
Customer Power	40		Weak ▼	100
Diversification of Products	60		Few Products, Broad Market ▼	100
Company		25		98.1
Year in Relationship	30		> 2 Year ▼	66.7
Supplier Power	30		Weak ▼	100
Conduct of Account	40		Good ▼	110
Management		25		100
Year in Relationship	20		> 2 Year ▼	66.7
Supplier Power	15		Weak ▼	100
Conduct of Account	45		Good ▼	110
Conduct of Account	20		Good ▼	110
Balance Sheet Factors		25		100
Audit Method	10		Unqualified ▼	66.7
Debtor Risk/Accounts Recievable Risk	70		Good spread/ Good quality ▼	100
Pro-forma Liquidity	10		Improving Credit Risk Significantly ▼	110
Pro-forma interest coverage	10		Improving Credit Risk Significantly ▼	110

▼ Final Score Summary

	Score	Score(Standardized)	Moodys Rating	Organization Rating
Quantitative				
EDF	0.70%	-0.32	Ba1	Ba1
Qualitative				
Industry/Market	100.00			
Company	98.06			
Management	92.50			
Balance Sheet Factors	75.00			
Qualitative Score	89.77	-2.90	Aa3	Aa3

	PD	Score(Standardized)	Moodys Rating	Organization Rating	Percentile
Combined Measure	0.25%	-1.48	Baa1	Baa1	6.98%

Personalizzazione della componente qualitativa

Come valutare le altre Banche?

Modello ad hoc per la valutazione di banche quotate e non quotate

Category	Ratio	Weight 1-yr	Weight 5-yr
Profitability	ROA	25%	17%
Asset Quality	Non-Performing Assets/(Equity +ALLL)	23%	9%
Asset Quality	Provision/Loans	6%	1%
Liquidity	Loans/Deposits	16%	24%
Leverage	Equity/Assets	15%	12%
Growth	Change in ROA	15%	9%
Portfolio Risk	Equity/Unexpected Loss (5-year Model Only)		19%

Case study 2

Chi → Banca medio-grande

Esigenza → Sviluppo di un modello interno per la valutazione SME e corporate, razionalizzazione strumenti in uso, efficacia nella realizzazione

Caratteristiche e benefici del progetto

➤ Sviluppo di "unico" modello di *origination* per tutta la banca

➤ Approccio *Risk Based Pricing*

➤ Valutazioni di stress testing

➤ Automatizzazione delle politiche e dei processi (unico *workflow*)

➤ Qualità e coerenza dati (unico DWH)

Supporto nello sviluppo di un modello interno

Model Development

➢ Aggregating & cleaning data

➢ Matching loan performance data to financial & expert risk drivers

➢ Determining appropriate risk drivers

➢ Determining accurate factor weightings

Model Rollout

➢ Connecting external data feeds

➢ Standardizing collection and use of financial statement information & other risk drivers Writing model computation module

➢ Developing User Interface, reports, and data storage

➢ Roll out for testing and training

Model Validation & Calibration

➢ Assessing population appropriateness

➢ Testing rank ordering ability and for statistical significance

➢ Determining appropriate mapping to risk grades or PDs

Risk Based Pricing
Per "prezzare" adeguatamente il singolo finanziamento
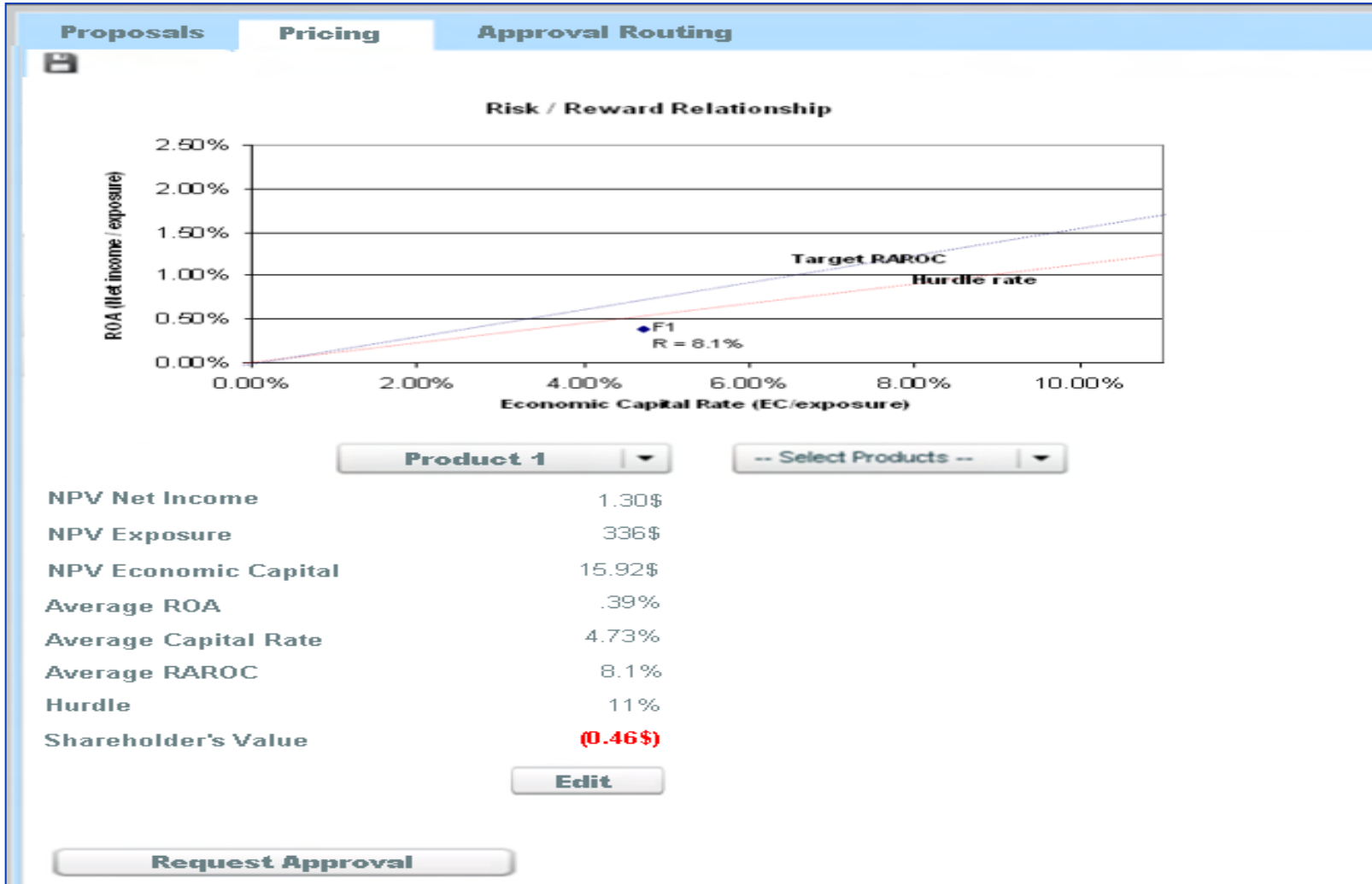
Risk Based Pricing
Per una visione strategica del portafoglio
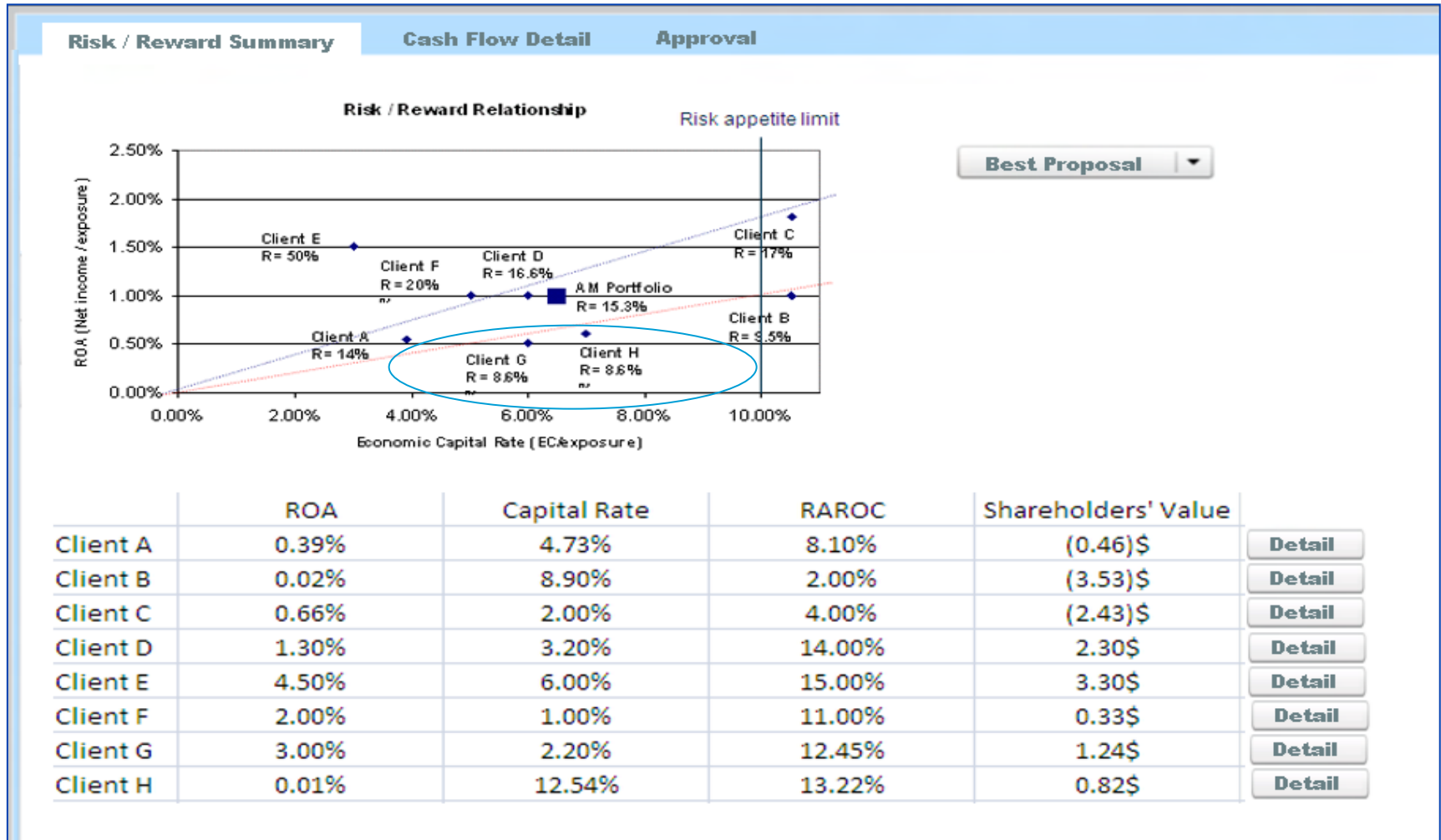
Stress Testing
Per prevedere cosa potrebbe accadere al portafoglio

Conclusioni

➤ Cambia il mercato, per crescere bisogna sapersi adeguare

➤ E' importante avere soluzioni veloci ed efficaci, che valorizzino l'esperienza della banca sul mercato

➤ E' determinante la capacità di realizzare e automatizzare le politiche e il *pricing*

Contatti

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