Pool projection - fundamentals

- The ECMS provides pool projection functionality to individual counterparties (at the discretion of the respective NCB). The functionality is not available across banking groups.

- It provides a view of the expected evolution of a counterparty's collateral and operations, taking into account the most recent information known to the ECMS

- It assists counterparties in forecasting their liquidity needs and identifying potential under-collateralisation in advance

- It is only available in U2A (and there is thus no related ISO20022 message)

Pool projection - number of days

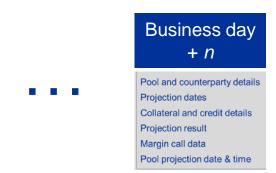- The pool projection is limited to n ECMS business days after the current ECMS business date

  n is configurable at the ECMS level, with a default value of 20

- The ECMS provides a day by day snapshot of the pool projection results

Business day + 1	Business day + 2	Business day + 3		Business day + n
Pool and counterparty details Projection dates Collateral and credit details Projection result Margin call data Pool projection date & time	Pool and counterparty details Projection dates Collateral and credit details Projection result Margin call data Pool projection date & time	Pool and counterparty details Projection dates Collateral and credit details Projection result Margin call data Pool projection date & time	. . .	Pool and counterparty details Projection dates Collateral and credit details Projection result Margin call data Pool projection date & time

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Pool projection - results

The following main information is displayed in the GUI:

Pool and counterparty details

Projection dates

Collateral and credit details

Projection result

Margin call data

Pool projection date & time

If the counterparty holds more than one pool, the ECMS user can select for which pool the projection should be produced.

Pool projection results – counterparty and date

The projection results show information on the pool, the counterparty and the relevant projection date:

Pool reference	Counterparty pool identifier selected by the user
Counterparty identifier	Counterparty RIAD code
Projection date period	Starting on the current ECMS business date + 1 Ending on a date selected by the user up to a maximum of + n business days
Projection date	Business date for the current projection results

Pool projection results – collateral details

The ECMS uses the information which is stored in the system to calculate the **anticipated values of collateral** on a particular projection date.

Projected value =   current value

           – value of maturing assets

           + value of instructions already in the system

> Eligible marketable assets, credit claims, fixed term deposits (FTD) used as collateral, accrued interest on FTD

For other types of collateral, there is insufficient information in the ECMS to make a valid projection. The current values will be used in this case.

> Triparty collateral, cash collateral, externally managed credit claims, other externally managed collateral

Finally, information on upcoming corporate actions will feed into the calculation of the final projected value for the projection date.

Pool projection results – credit details

The ECMS uses the information which is stored in the system to calculate the **anticipated values of credit** on a particular projection date.

Projected value = current value ⟵ Open market operations (OMO), interest on OMO

           – value of maturing credit

           + value of instructions already in the system

For other types of credit, the current value is taken. ⟵ Credit freezing, marginal lending (interest = MLOR + AML)

The results provide the total credit before and after the projection. If the NCB or counterparty has set a maximum credit line value, this is also shown.

Pool projection results – result and margin call

The final projection results are provided as follows:

Projection result	Sufficient collateral / insufficient collateral
Projection result	Expected value of margin calls
Projection date and time	Date/hour when the pool projection was calculated: YYYYMMDD HH:MM:SS