

# Commercial Credit Risk Dataset

## CCRD v1.0 — Business Glossary

### Business Glossary

#### Probability of Default (PD)

The likelihood that a borrower will default on its debt obligations within a specified time horizon, expressed as a percentage.

#### Loss Given Default (LGD)

The proportion of an exposure that is lost if a default occurs, after accounting for recoveries.

#### Exposure at Default (EAD)

The total value exposed to loss at the time of default, including drawn and undrawn commitments.

#### Expected Credit Loss (ECL)

The probability-weighted estimate of credit losses over the expected life of a financial instrument ( $PD \times LGD \times EAD$ ).

#### PAYDEX Score

Dun & Bradstreet's dollar-weighted numerical indicator of how a firm paid its bills over the past year, on a scale of 1–100.

#### Investment Grade

Credit ratings of BBB-/Baa3 or above, indicating relatively low credit risk.

#### Speculative Grade

Credit ratings below BBB-/Baa3 (also called 'junk bonds'), indicating higher credit risk.

#### UCC Filing

Uniform Commercial Code filing that establishes a secured party's interest in a debtor's personal property collateral.

#### DUNS Number

A unique nine-digit identifier for businesses assigned by Dun & Bradstreet.

#### Debt Service Coverage Ratio (DSCR)

Net operating income divided by total debt service; measures ability to service debt.

#### Days Beyond Terms (DBT)

The average number of days a company pays its invoices beyond the agreed payment terms.

#### Watch List

An internal credit monitoring list of accounts showing signs of deteriorating credit quality requiring enhanced monitoring.