

COVID-19 RESEARCH WEBINAR

2021



AGENDA

- INTRODUCTION

- IMPACT OF COVID-19

- RMBS DELINQUENCIES

- RMBS IMPLIED PAYMENT HOLIDAYS

- IMPACT ON LOAN AMORTISATION

- MODIFIED LOANS PROFILE

- COVER YOUR ASSETS
 - Lucia Alessi, European Commission

- Q&A

ON TODAY'S CALL



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INTRODUCTION

RESEARCH PUBLICATIONS

We invite you to explore our publications on <https://www.eurodw.eu/>

- [Our event section](#)
 - [COVID-19 Webinar \(Q4 2020\)](#)
- [Our blog section](#)
 - [Impact of COVID-19 on Small Businesses and the self-employed: evidence from Auto ABS data \(Q4 2020\)](#)
 - [COVID-19 Consumer Loans Insight \(Q4 2020\)](#)
 - [Special reporting guidelines: how to report data to reflect COVID-19 \(Q2 2020\)](#)
- [Our research section](#)
 - [COVID-19: Q4 2020 RMBS Tracker \(Q1 2021\)](#)
 - [Survey of payment holiday reporting practices in Europe \(Q4 2020\)](#)
 - [SME and the self-employed as main beneficiaries of auto loan extensions \(Q4 2020\)](#)
 - [Monitoring the impact of COVID-19 : Auto \(Q4 2020\)](#)
 - [Monitoring the impact of COVID-19 : RMBS \(Q3 2020\)](#)
 - [Monitoring the impact of COVID-19 \(Q2 2020\)](#)
 - [Data timing and timeliness report \(Q1 2020\)](#)
 - [Data availability report \(Q2 2019\)](#)

PLEASE NOTE

We invite you to explore our publications on <https://www.eurodw.eu/>

PLEASE NOTE:

The December 2020 results published in the webinar were obtained with the data available as of mid-February 2021 and are thus partially based on an incomplete data set, due to the reporting lag (see our *Data Timing and Timeliness Report*).

Also, these results are based on securitisation data, which is not fully representative of lenders' assets.

In particular:

- a) Securitised loans tend to be of better quality than non-securitised loans
- b) Securitisation is not equally important in all countries and to all lenders
- c) Large securitisations may disproportionately affect the overall statistics

Please refer to our *Data Availability Report Q1 2019* for an overview of data availability and concentration issues. Please do not hesitate to contact us at enquiries@eurodw.eu if you have comments/ requests/ questions.

DATA AVAILABILITY

- We believe nevertheless that the main trends affecting lenders will mostly be reflected in our data.
- For several countries, we cover a substantial share of the mortgage market

Data Coverage

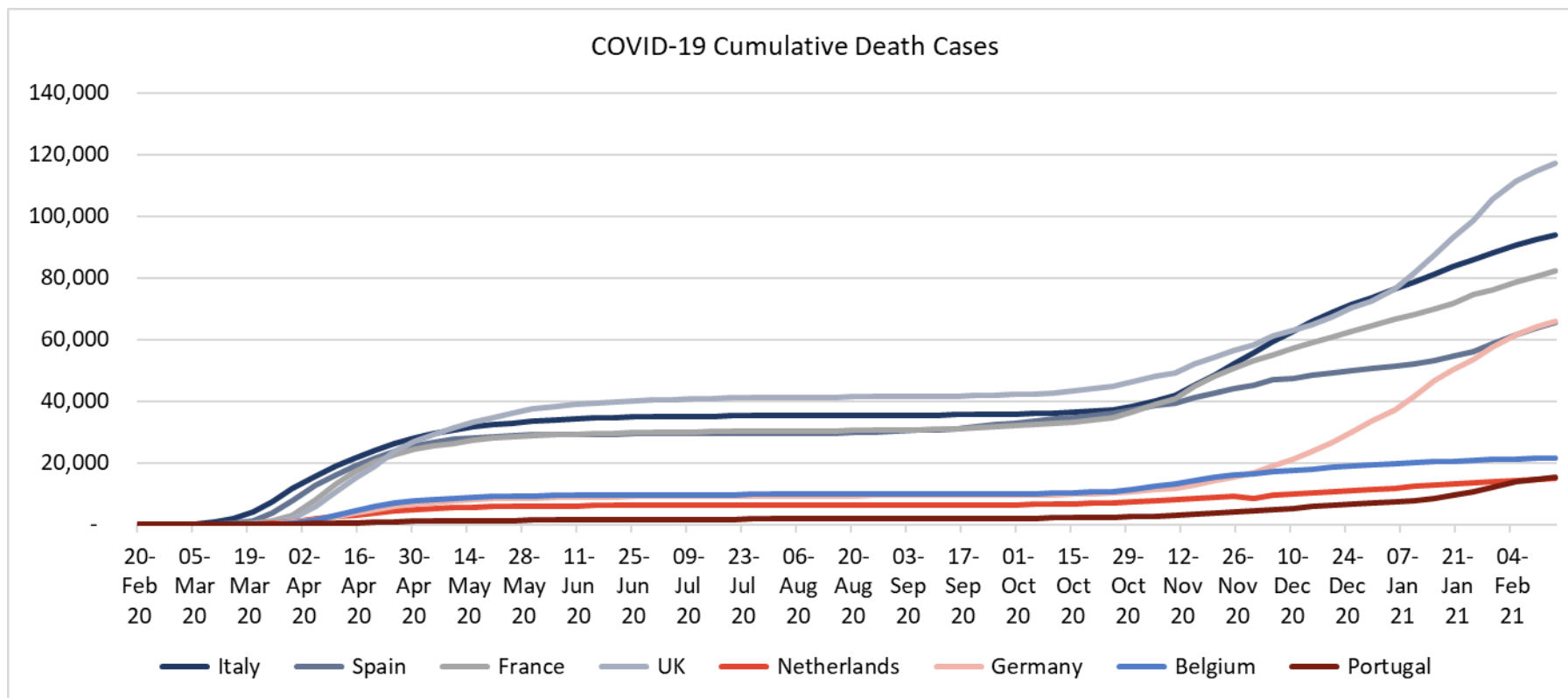
	EDW Borrowers	EDW Balance (EUR)	Total outstanding mortgages (EUR)	Coverage (%)
IE	190,523	21,512,428,326	92,791,000,000	23%
NL	1,306,789	153,352,769,527	734,556,000,000	21%
ES	1,538,655	95,621,034,214	487,561,000,000	20%
IT	1,348,097	58,246,671,954	382,582,650,000	15%
BE	548,643	39,858,861,658	263,418,940,550	15%
PT	261,320	11,449,399,974	93,846,000,000	12%
FR	1,436,248	108,524,943,634	1,078,000,000,000	10%
UK	687,548	72,902,220,925	1,707,200,282,087	4%
DE	318,630	28,171,377,183	1,530,435,000,000	2%
Total	7,636,453	589,639,707,394		

Source: European DataWarehouse calculations; European Mortgage Federation

IMPACT OF COVID-19

COVID-19 (1)

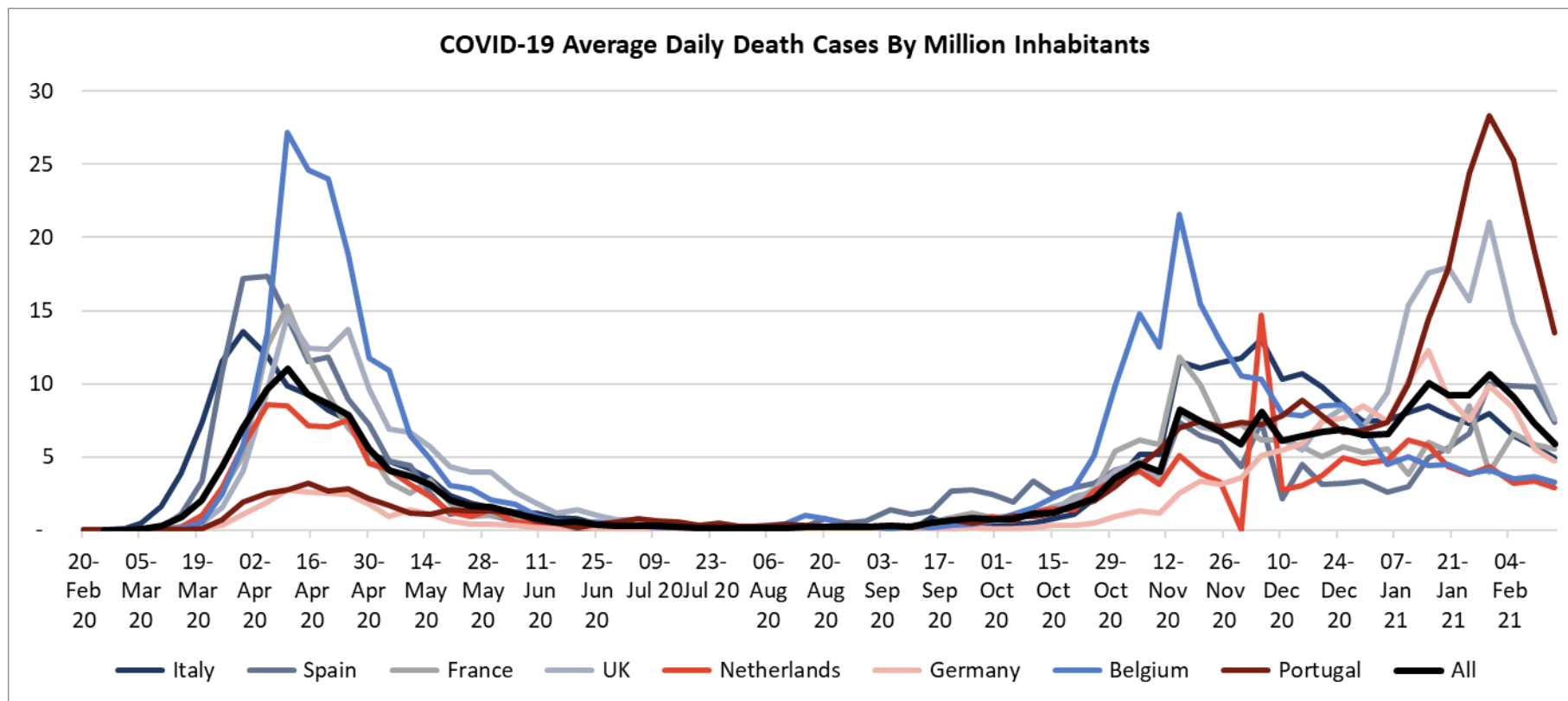
After a first wave in March/April, a second wave is underway



Source: Worldometers

COVID-19 (2)

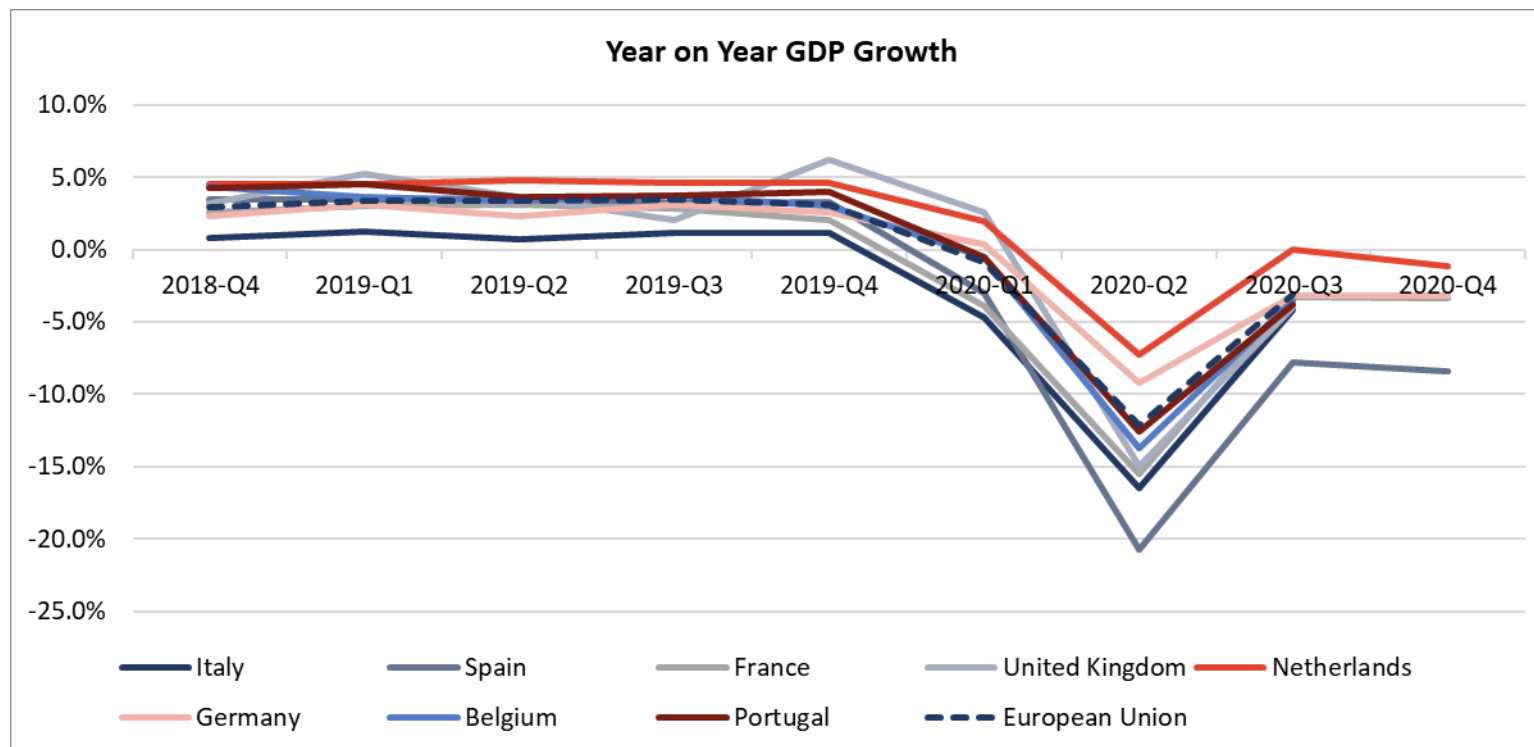
After a first wave in March/April, a second (or third) wave is underway



Source: Worldometers

COVID-19 (3)

Social distancing measures led to severe economic consequences

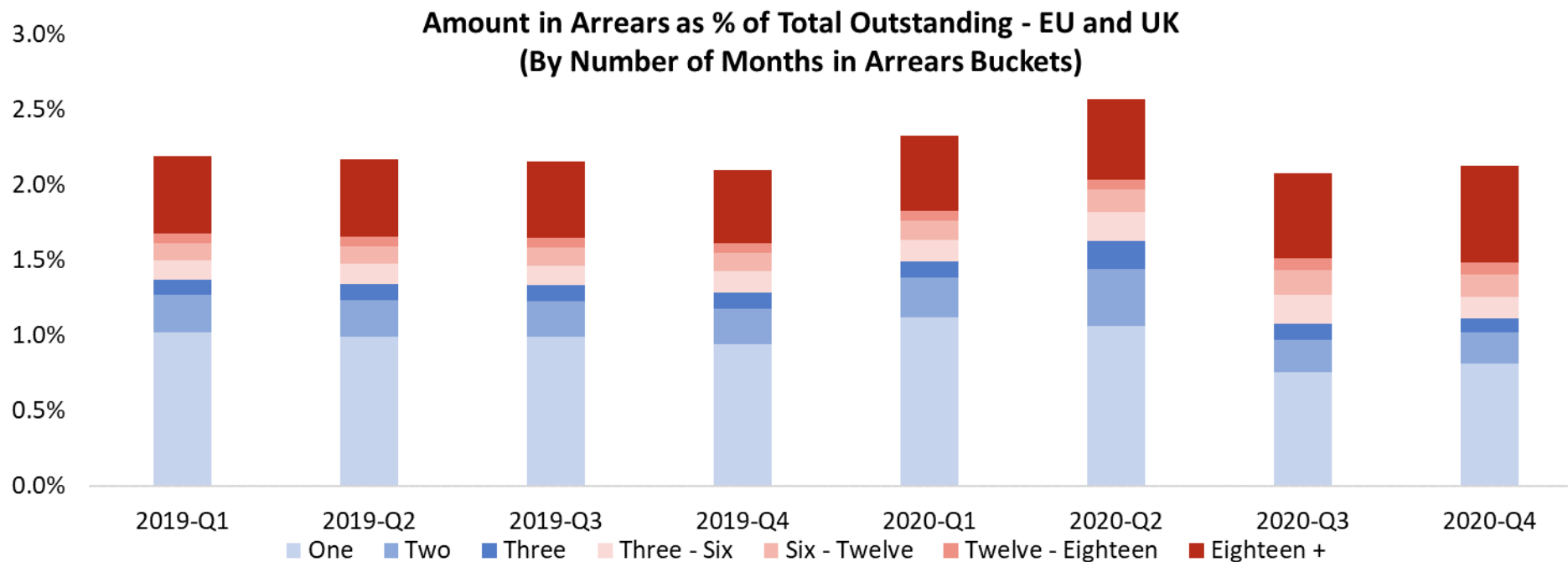


Source: Eurostat

RMBS DELINQUENCIES

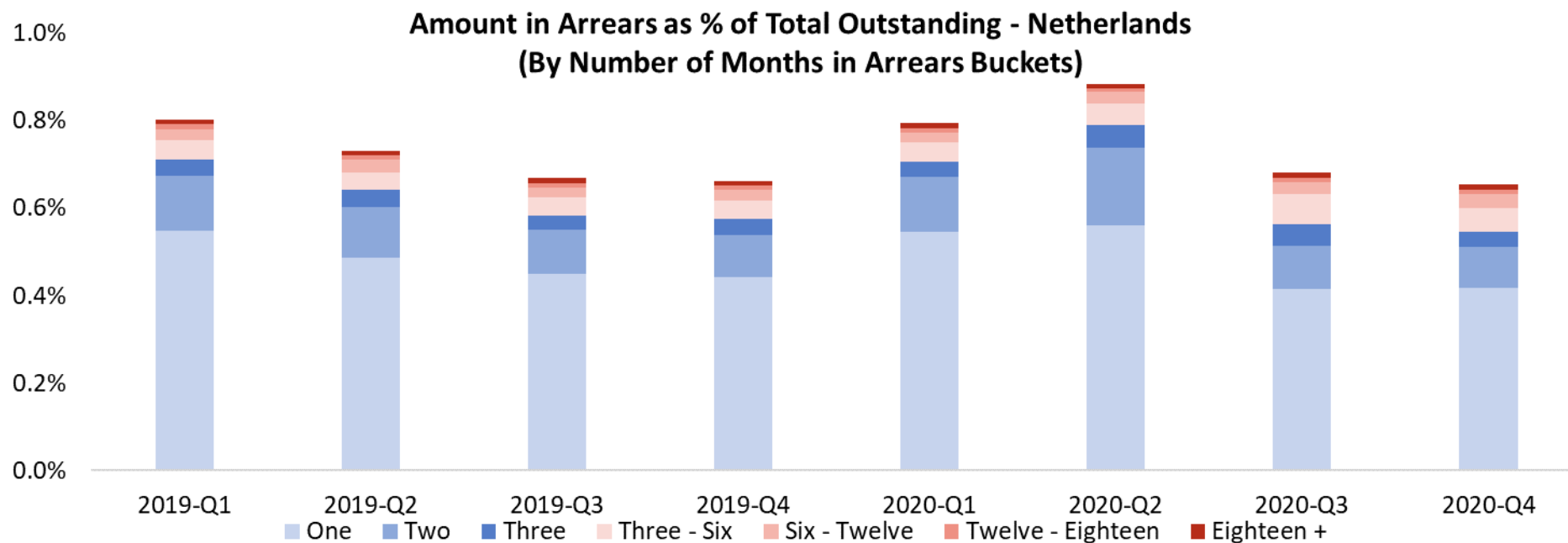
LOANS IN ARREARS IN EU + UK

An increase in Q2 2020, receding in H2



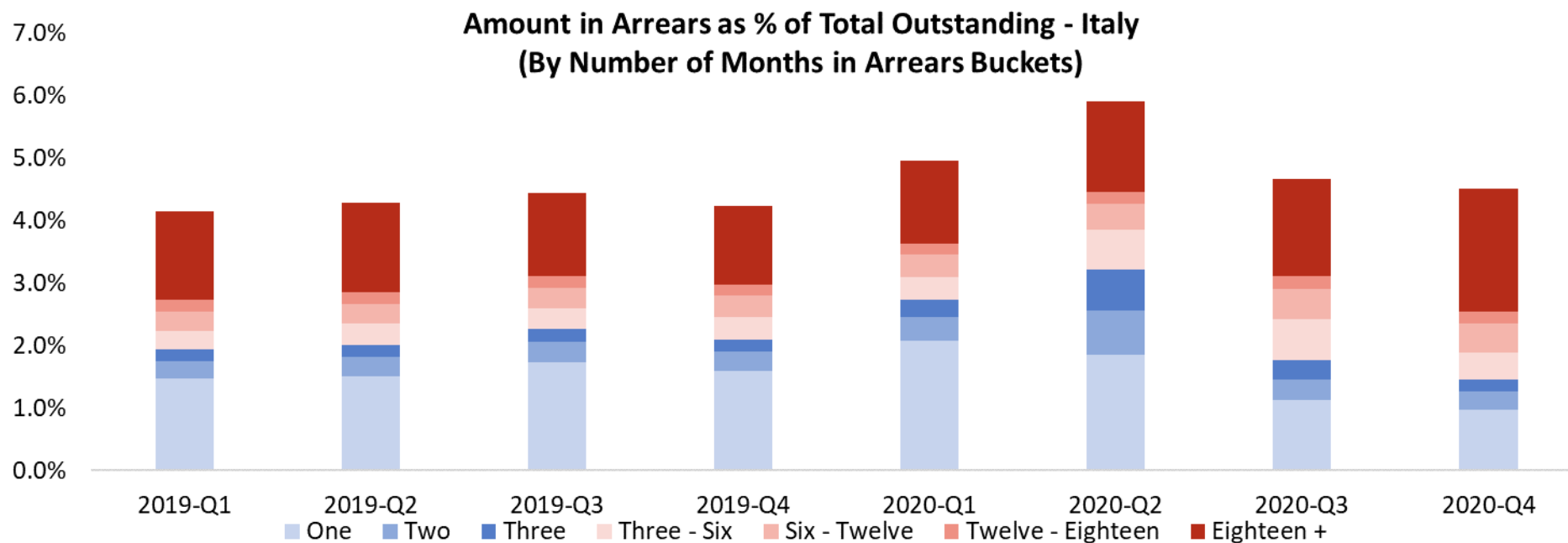
LOANS IN ARREARS IN THE NETHERLANDS

An increase in Q2 2020, receding in Q3



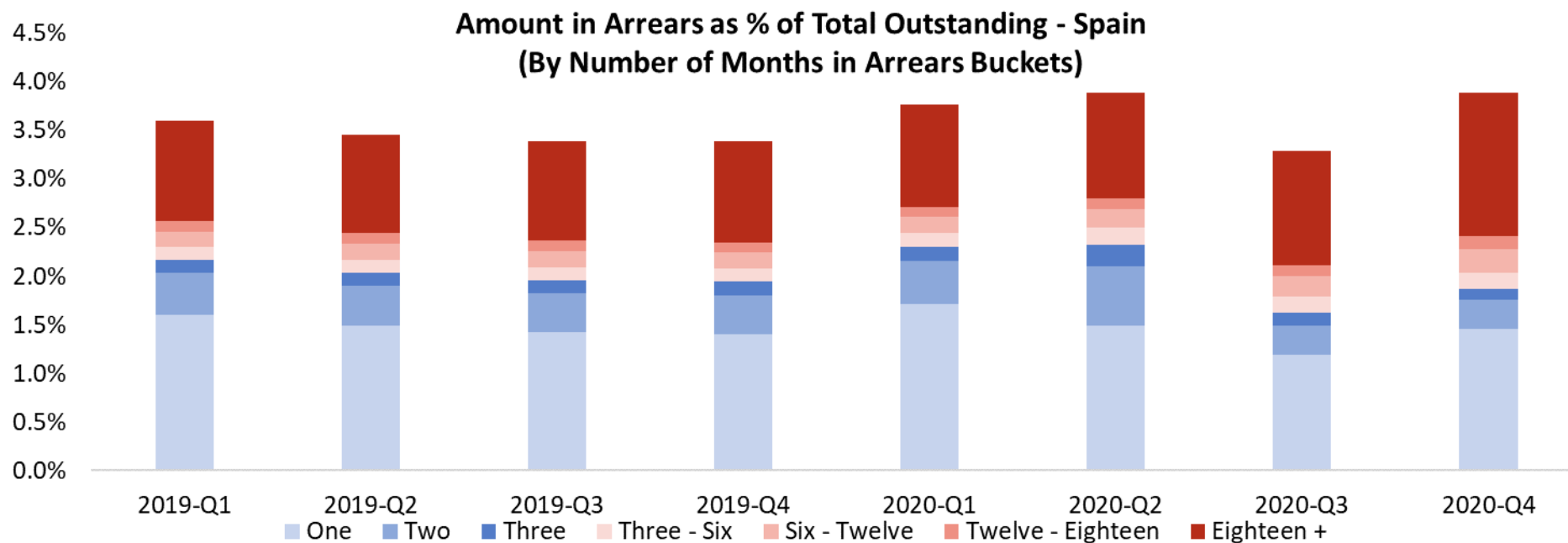
LOANS IN ARREARS IN ITALY

An increase in Q2 2020, receding in Q3



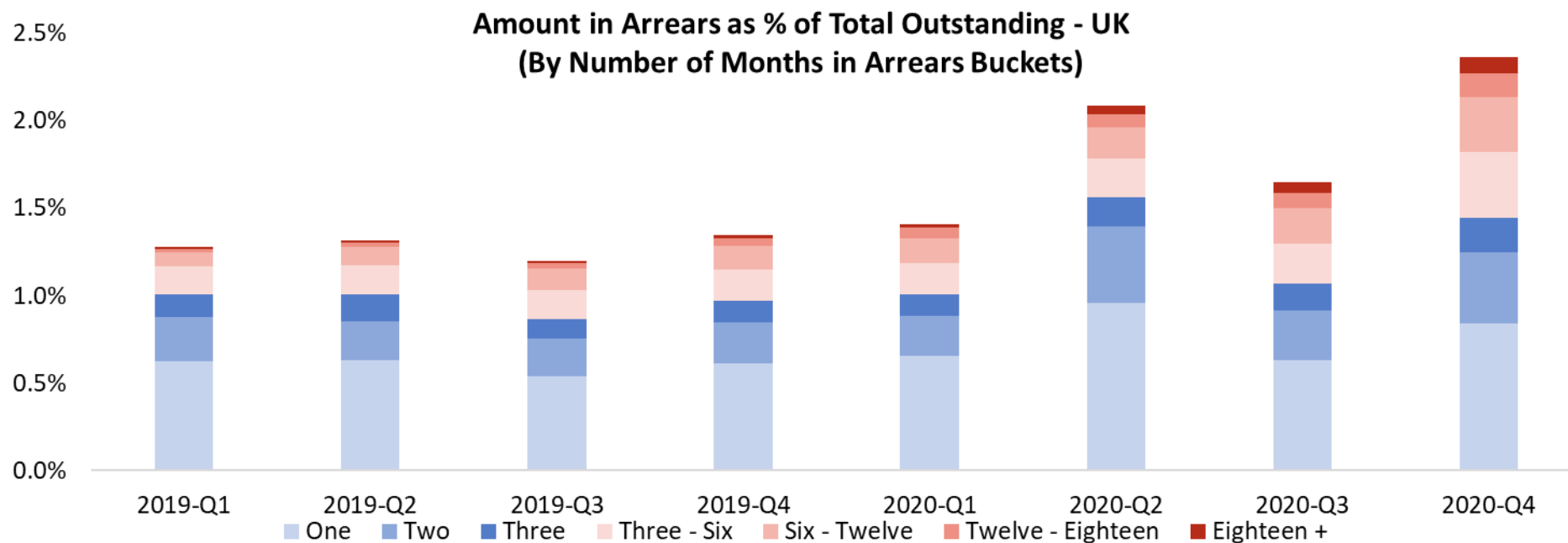
LOANS IN ARREARS IN SPAIN

An increase in Q2 2020, receding in Q3



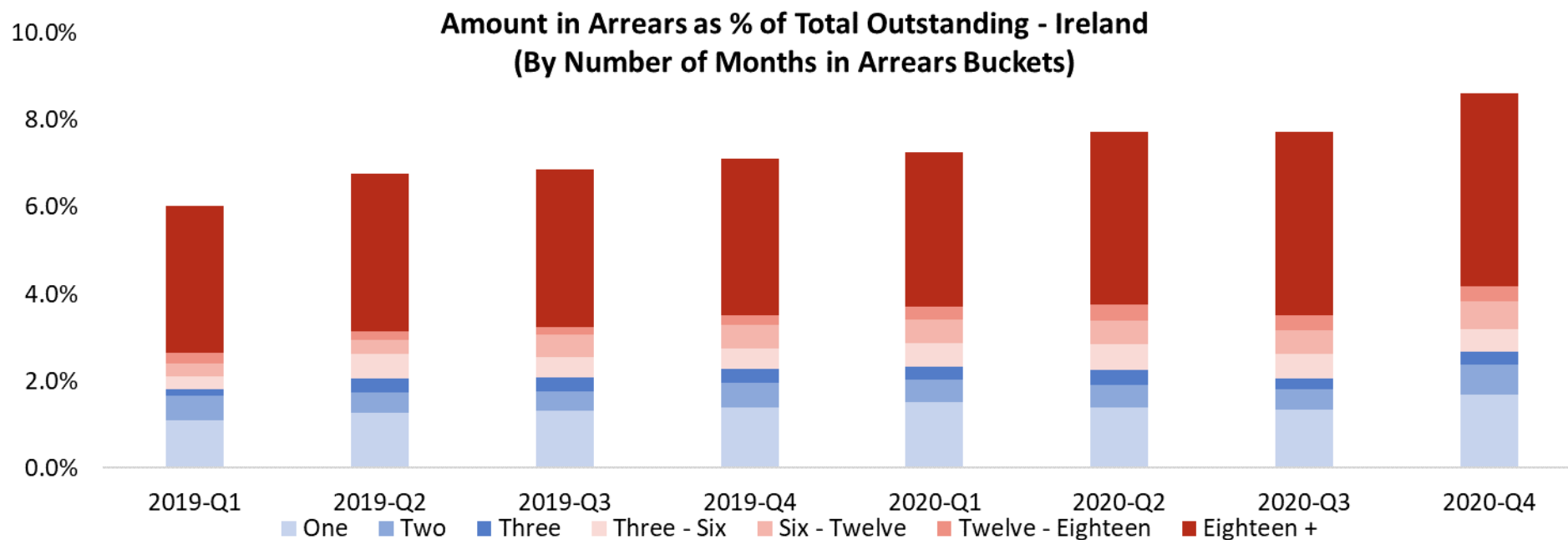
LOANS IN ARREARS IN UK

An increase in Q2 2020, receding in Q3



LOANS IN ARREARS IN IRELAND

An increase in Q2 2020, receding in Q3



RMBS IMPLIED PAYMENT HOLIDAYS

IMPLIED PAYMENT HOLIDAYS (FOR RMBS)

Three criteria to detect loans in payment holiday

1. Extended maturity date
2. 2a) “loan balance static or increased” or 2b) “loan balance increased” (we tried both)
3. Instalment decreased 50% at least

The category “Any of 3” identifies all the loans for which

- None of the flags were raised before COVID-19
- At least one of these flags was raised since COVID-19

Note: We look at first loan modification, but we know that some loans were modified multiple times.

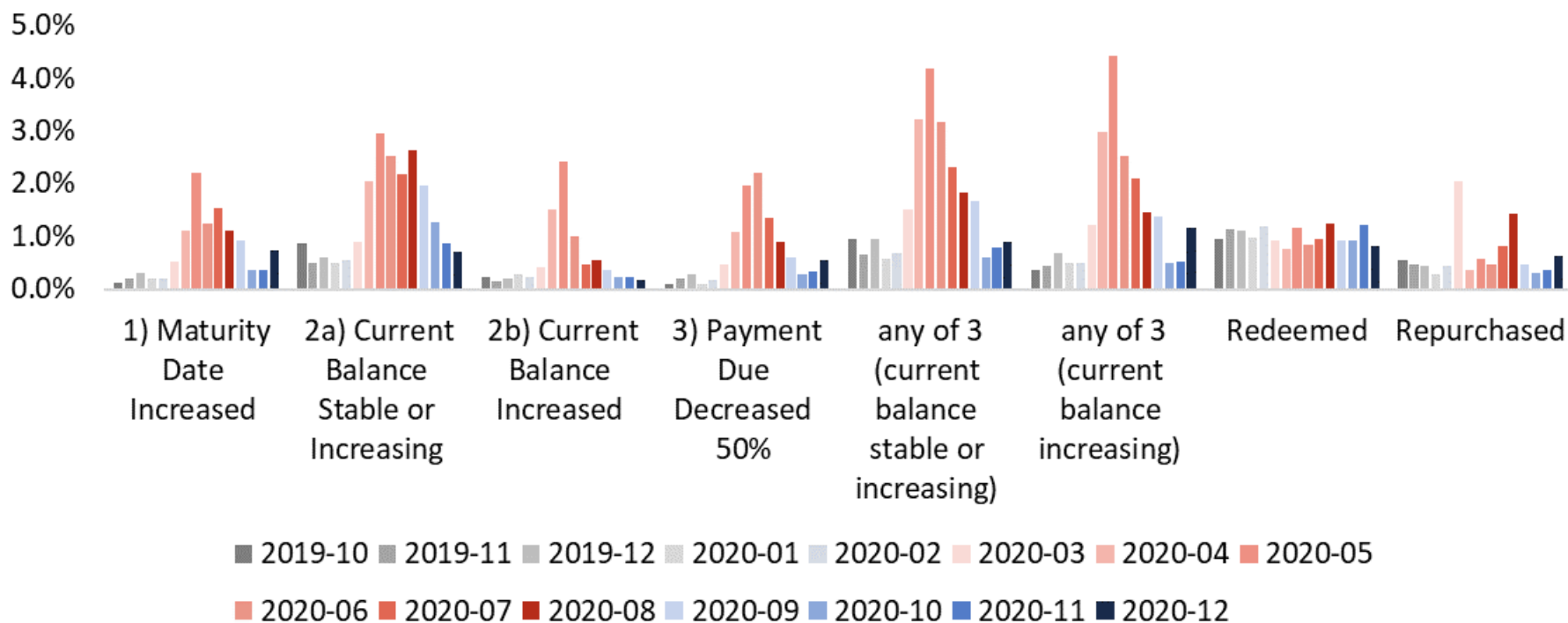
It could also be that we are missing other types of loan modifications.

Source: European DataWarehouse calculations

IMPLIED PAYMENT HOLIDAYS (FOR RMBS)

Loan modifications soared from March 2020 onwards

Implied Payment Holidays Periodic - EU and UK
(As % of Total Outstanding Amount)



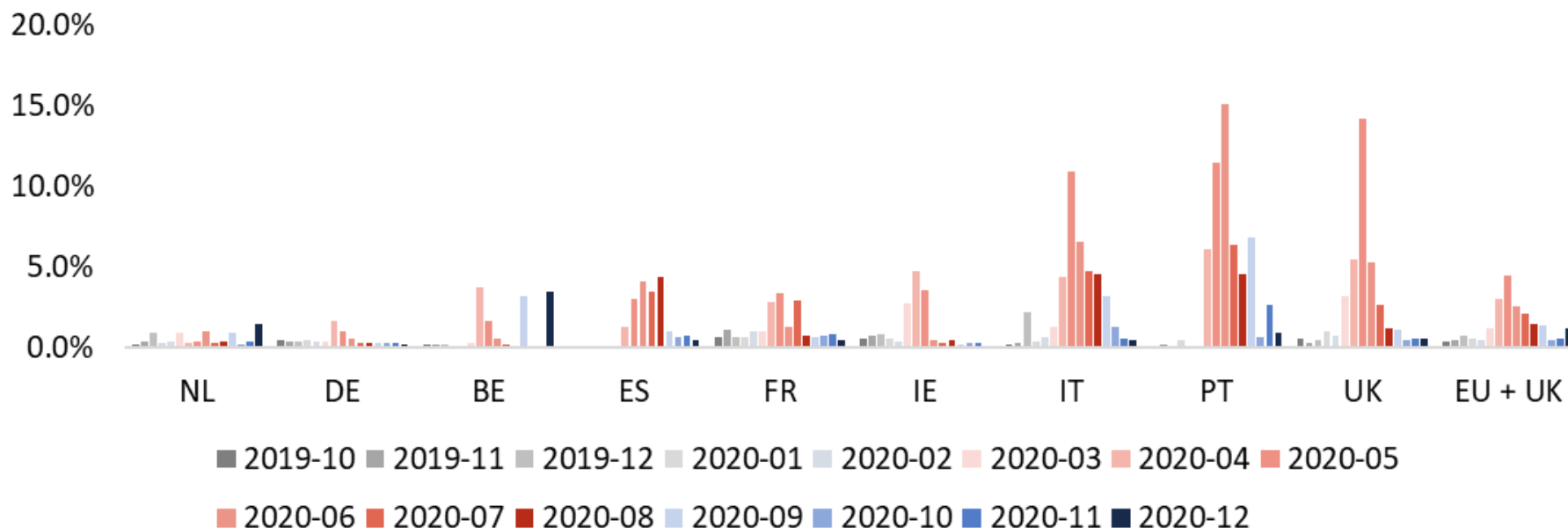
Source: European DataWarehouse calculations

PERIODIC LOAN MODIFICATIONS BY COUNTRY

LOAN MODIFICATIONS MORE PREVALENT IN SOME COUNTRIES THAN OTHERS

We focus on cases any of the three happened since COVID and not before: where 1) loan balance increased or 2) amount due decreased 50% or 3) maturity was extended at least once since beginning of COVID-19

**Implied Payment Holidays Periodic - EU and UK
(As % of Total Outstanding Amount)**

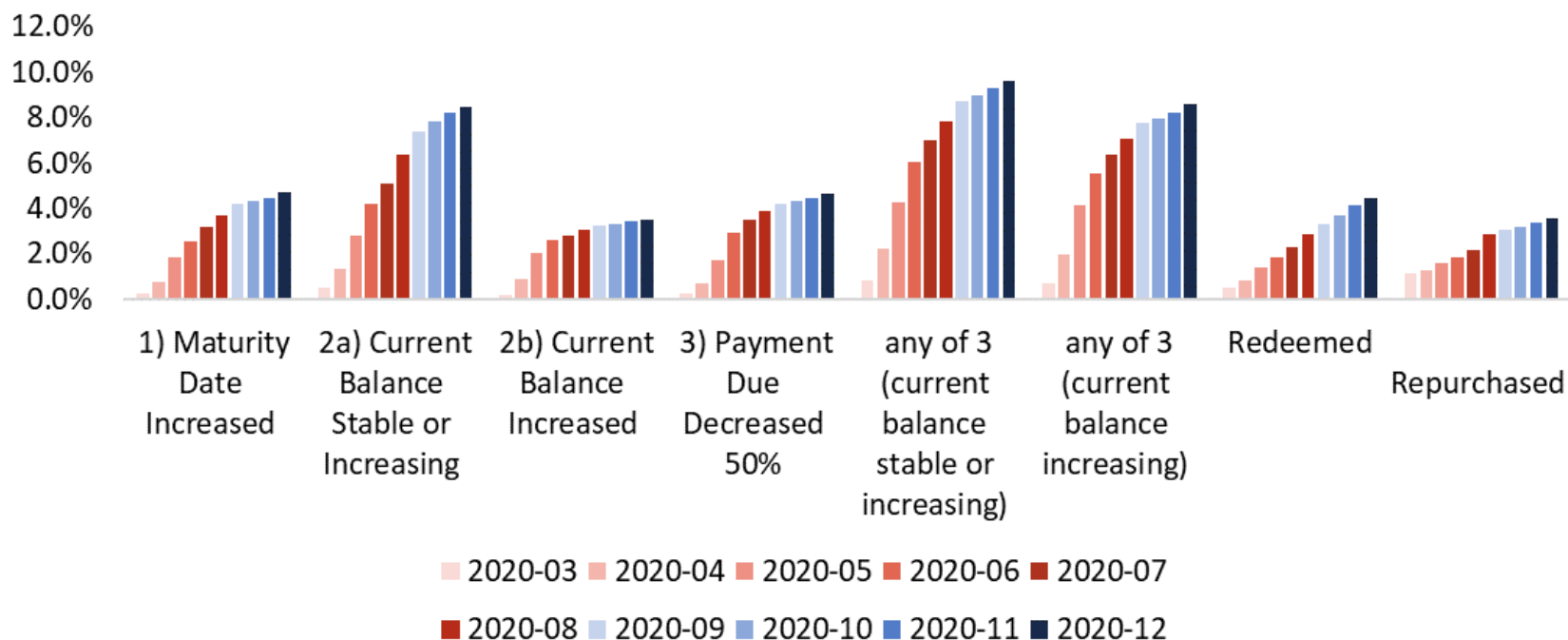


Source: European DataWarehouse calculations

CUMULATIVE MODIFICATIONS BY MODIFICATION TYPE

LOAN MODIFICATIONS MORE PREVALENT IN SOME COUNTRIES THAN OTHERS

**Implied Payment Holidays Cumulative - EU and UK
(As % of Amount Outstanding as of February 2020)**



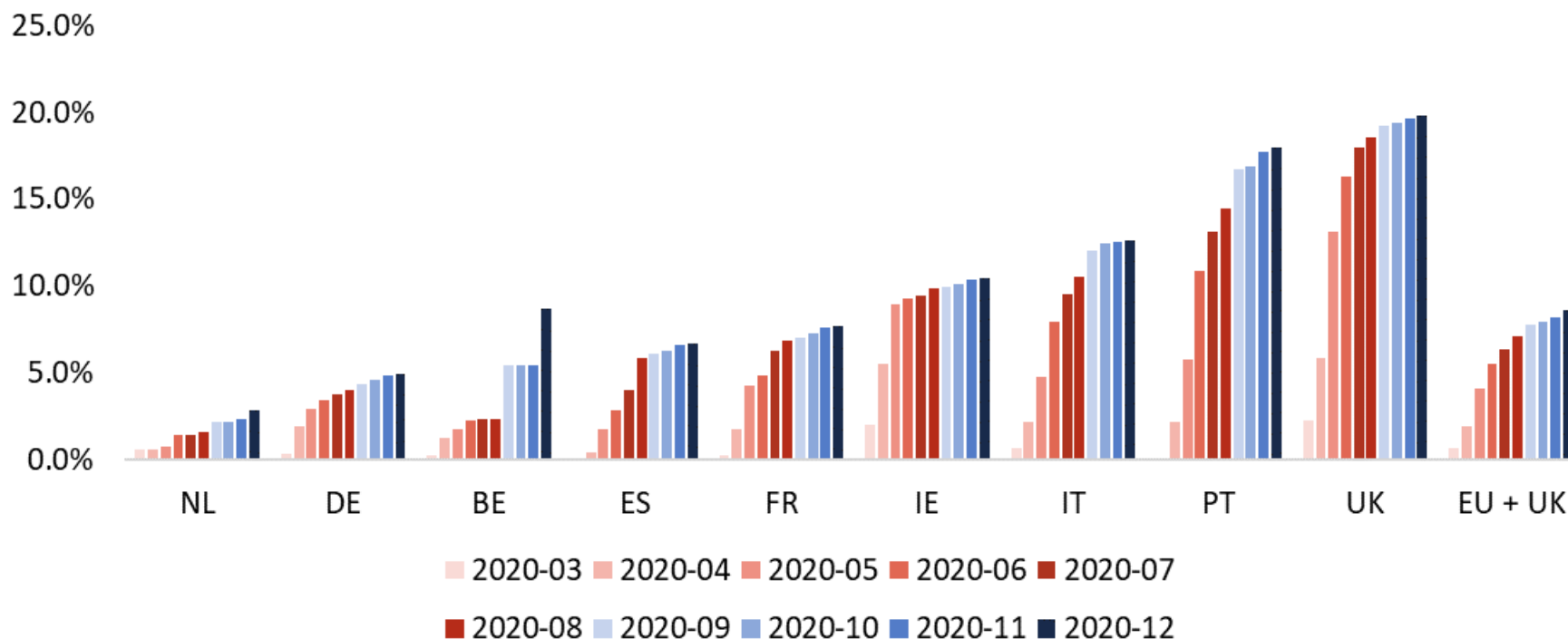
Source: European DataWarehouse calculations

CUMULATIVE MODIFICATIONS BY COUNTRY

LOAN MODIFICATIONS MORE PREVALENT IN SOME COUNTRIES THAN OTHERS

We focus on cases any of the three happened since COVID and not before: where 1) loan balance increased or 2) amount due decreased 50% or 3) maturity was extended at least once since COVID

**Implied Payment Holidays Cumulative - EU and UK
(As % of Amount Outstanding as of February 2020)**

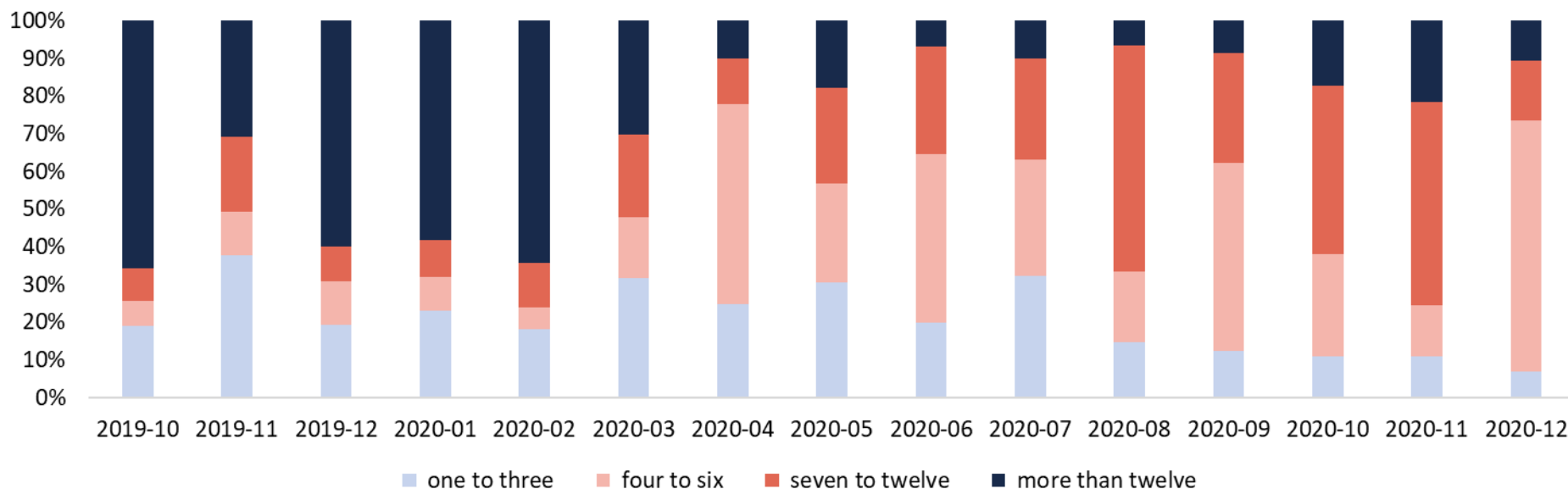


Source: European DataWarehouse calculations

MATURITY EXTENSIONS (MORTGAGES)

MORE 4 TO 12 MONTHS MATURITY EXTENSIONS SINCE THE BEGINNING OF COVID

Maturity Extensions - EU and UK
(As % of Loans With Extended Maturity - in Months)

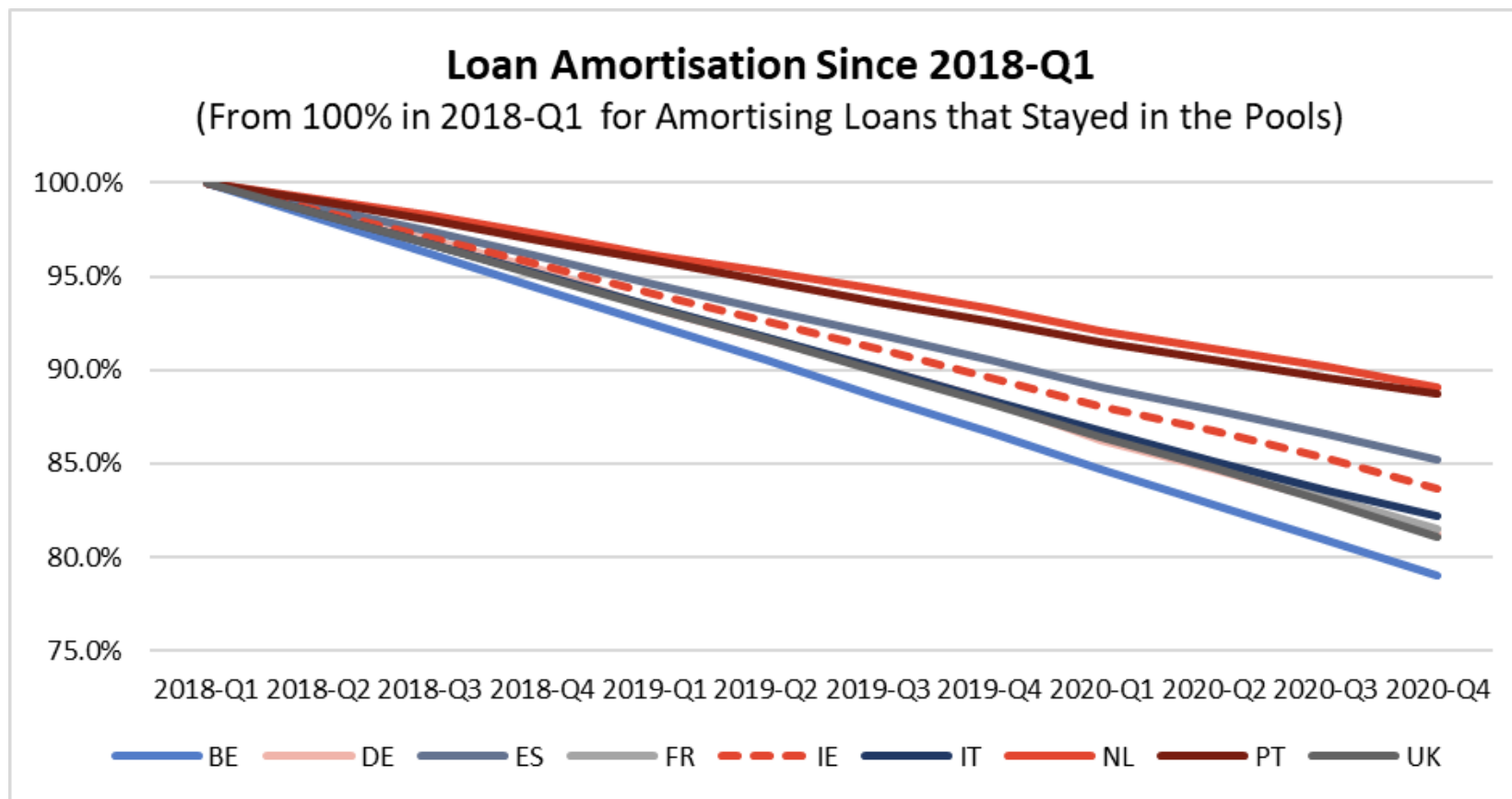


Source: European DataWarehouse calculations

IMPACT ON LOAN AMORTISATION

AMORTISATION

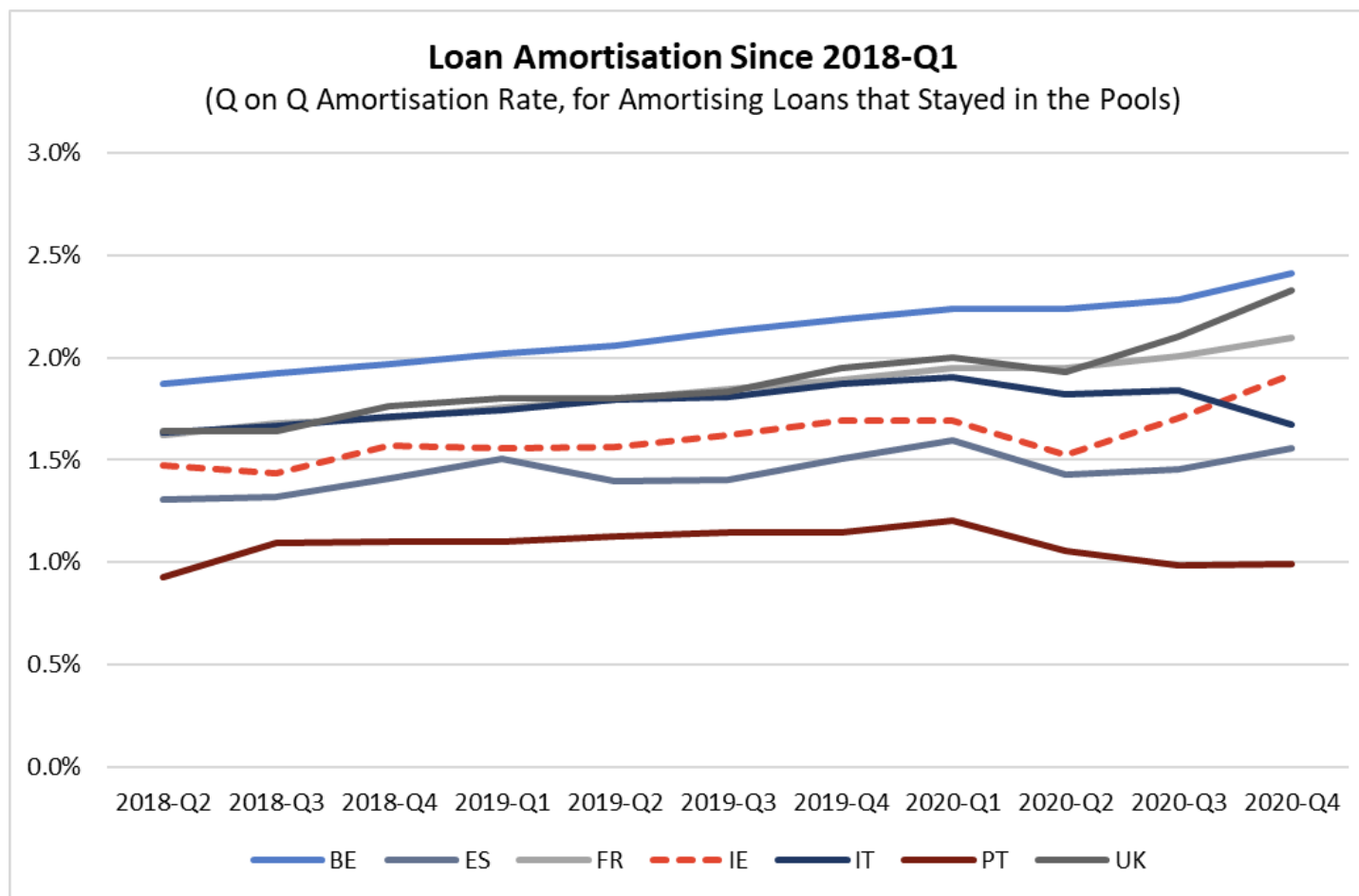
AMORTISATION OF NON-DEFAULTED LOANS THAT WERE OUTSTANDING FROM Q1 2018 TO Q4 2020



Source: European DataWarehouse calculations

AMORTISATION

AMORTISATION OF NON-DEFAULTED LOANS THAT WERE OUTSTANDING FROM Q1 2018 TO Q4 2018

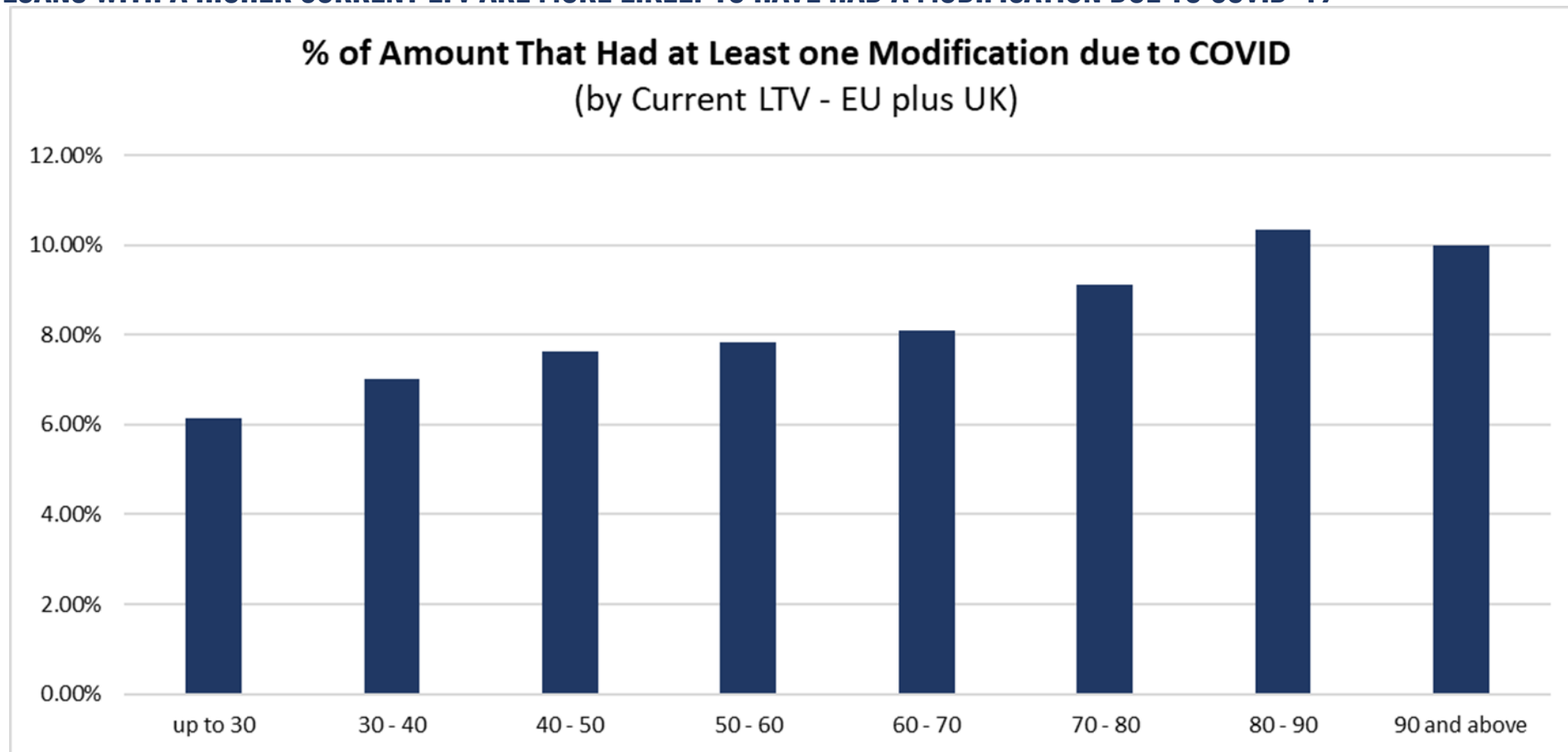


Source: European DataWarehouse calculations

MODIFIED LOANS PROFILE

CLTV AND LOAN MODIFICATIONS (1)

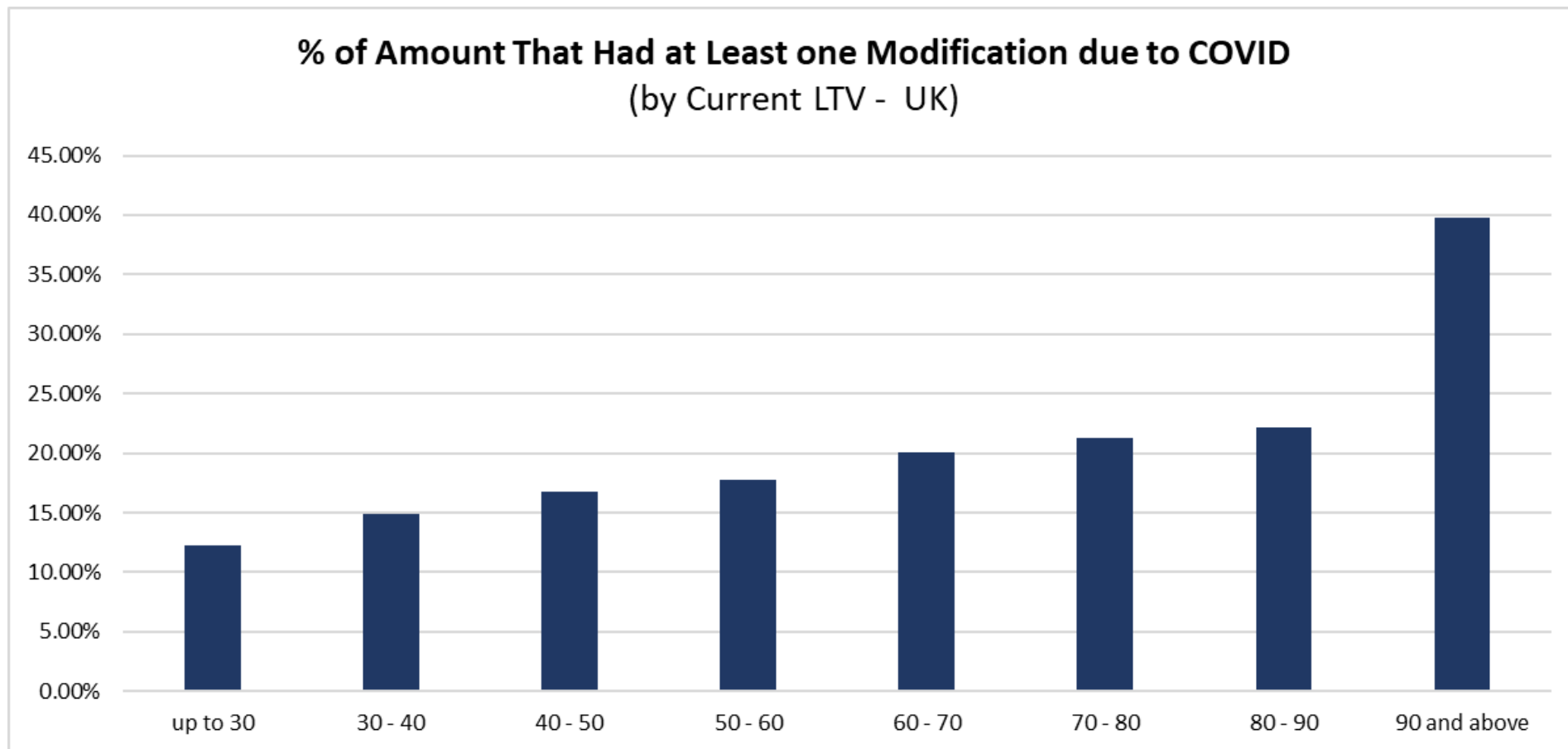
LOANS WITH A HIGHER CURRENT LTV ARE MORE LIKELY TO HAVE HAD A MODIFICATION DUE TO COVID-19



Source: European DataWarehouse calculations

CLTV AND LOAN MODIFICATIONS (2)

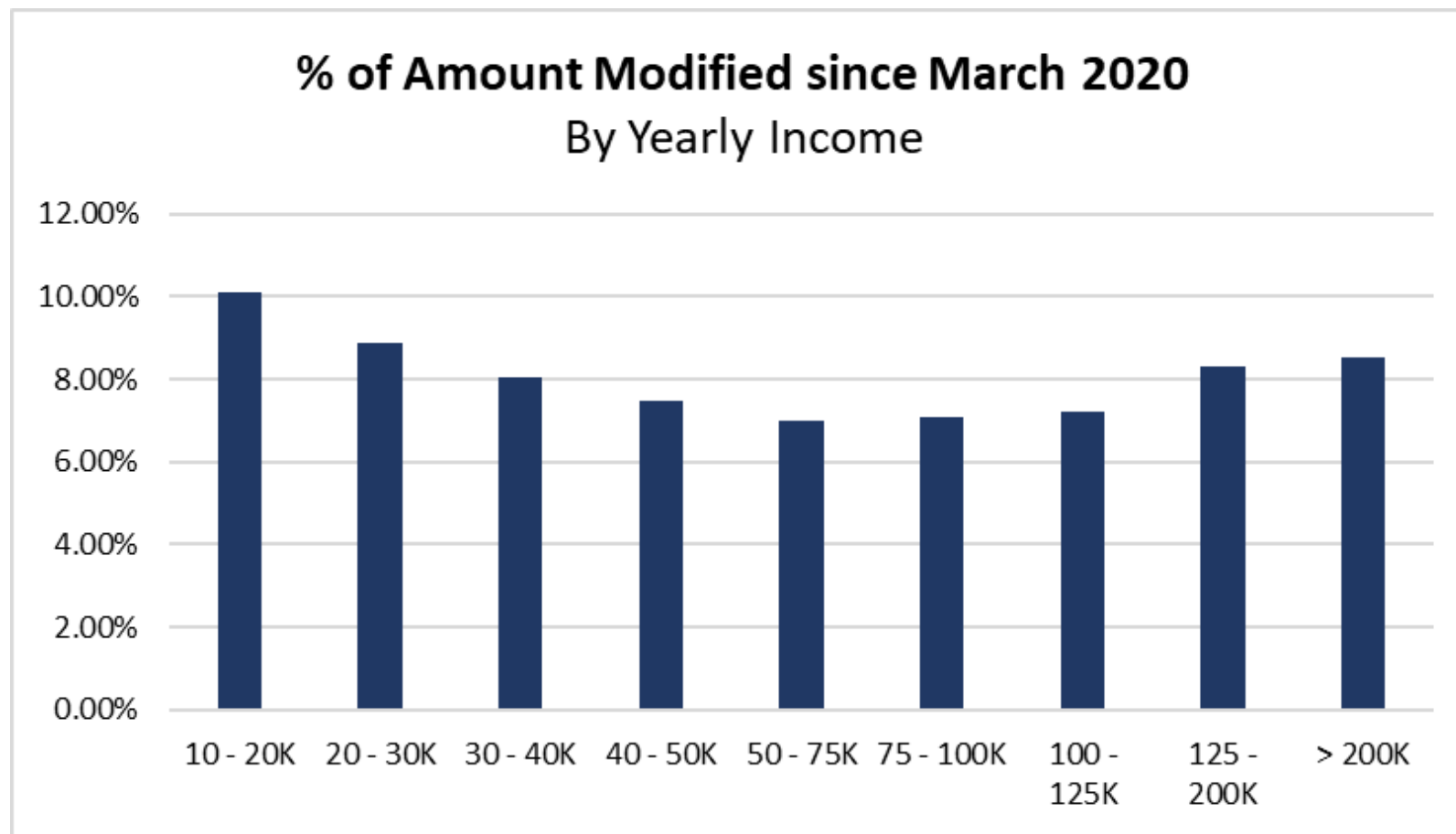
LOANS WITH A HIGHER CURRENT LTV ARE MORE LIKELY TO HAVE HAD A MODIFICATION DUE TO COVID-19



Source: European DataWarehouse calculations

INCOME AND LOAN MODIFICATIONS

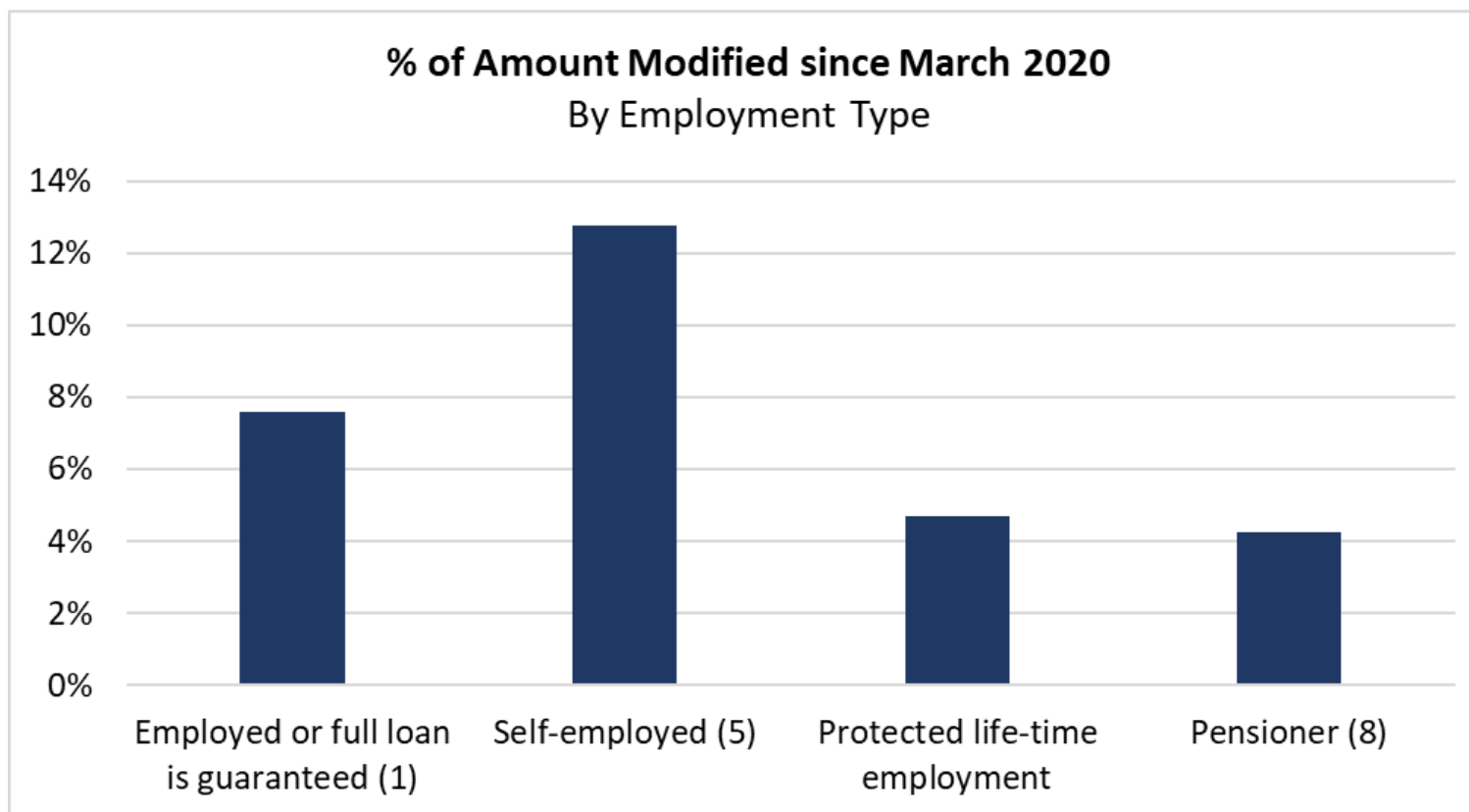
BORROWERS IN THE LOWEST AND HIGHEST INCOME CATEGORIES ARE MORE LIKELY TO HAVE HAD A MODIFICATION



Source: European DataWarehouse calculations

INCOME AND LOAN MODIFICATIONS

BORROWERS IN THE LOWEST AND HIGHEST INCOME CATEGORIES ARE MORE LIKELY TO HAVE HAD A MODIFICATION



Source: European DataWarehouse calculations

COVER YOUR ASSETS

LUCIA ALESSI, EUROPEAN COMMISSION



Q&A

NEXT RESEARCH UPDATE

SAVE THE DATE:

6 MAY 2021 @ 16:00

REGISTER NOW

THANK YOU//CONTACT US

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