

Explanatory Report

ED introduces standardised geographic information for Spanish Loan Level Data (LLD)

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Table of Contents

[ED will display the names of the Spanish autonomous communities and provinces](#) 1

[The postcode and the NUTS almost always match when both are provided](#) 2

[Appendix 1: ECB template geographic disclosure requirements](#) 4

[Appendix 2: Postcodes and NUTS](#) 5

The geographic origin of almost all Spanish loans can be identified

The geographic origin of the loans in EDWIN can be determined based on either the postcode or the Nomenclature of Territorial Units for Statistics (NUTS).¹ European DataWarehouse (ED) has decided to produce two levels of regional identifiers (autonomous communities and provinces) to make the database more user friendly. This effort will increase the level of data standardisation and improve the overall comparability.² The geographical names will be initially introduced only for Spanish transactions and other jurisdictions will follow afterwards.

The regions of Spain are categorised as autonomous communities, themselves divided into provinces. In the ECB taxonomies (see Appendix 1), geographic origin for each asset class can be identified using either the postcode or the NUTS code. ED will primarily base its mapping on the mandatory information and use the optional information if the mandatory information is insufficient or unavailable. For RMBS and SME deals, the province name will therefore be determined primarily based on the first two digits of the postcode; for leasing, auto and consumer deals, the NUTS classification will be used primarily instead. The names displayed for both the autonomous communities and provinces will be as in the official NUTS description.

The region names will be used in ED's upcoming Spanish SME index to show performance and loan volumes at the market and transaction level. The regional breakdown will eventually also be made available through ED Cloud.³

¹ See <http://ec.europa.eu/eurostat/web/nuts/overview> and <http://ec.europa.eu/eurostat/web/nuts/history>

² For Spanish deals, ED intends to introduce two geographic description fields (Geo_1; Geo_2) corresponding to NUTS 2 and NUTS 3 levels respectively (the NUTS labels are used for the geographic description of Geo_1 and Geo_2). All Geo_2 regions can be mapped to a Geo_1 region. For instance, Geo_2 regions Barcelona, Girona, Lleida and Tarragona all map to Geo_1 region Cataluña.

³ See <https://eurodw.eu/edcloud/>

The postcode and the NUTS codes almost always match when both are provided

Unlike the NUTS codes, the postcodes are not always reported in a homogeneous fashion. Spanish postcodes are five digits long with the first two identifying the province or autonomous city (50 provinces plus Ceuta and Melilla, see Appendix 2), while the postcode information shown in the LLD is usually limited to the first two, three or four digits.

The choice of regions, although consistent with the NUTS nomenclature, reflects the province as least common denominator. For instance, there are two two-digit postcodes available for the Canary Islands, 35 (Las Palmas) and 38 (Tenerife) whereas there are now seven NUTS codes for this region. To make the data comparable, we matched the seven NUTS codes to the two postcodes. The breakdown we are using is therefore consistent with the nomenclature that preceded NUTS 2006. Similarly, the Balearic Islands in our classification actually regroups three NUTS codes.

Exhibit 1: Postcodes and NUTS almost always match for RMBS and SME deals

	RMBS	SME
A) Total Number of Loans*	1,089,249	307,413
B) Of which loans with no geographical info available	1,810	101
C) Proportion match possible (=1-B/A)	99.83%	99.97%
D) Loans reporting both postcodes and region	677,449	228,455
E) Loans reporting both postcodes and regions as % of total loans (=D/A)	62.19%	74.32%
F) Cases where the province indicated by postcodes NUTS match	674,247	227,905
G) Cases where postcodes and region do not match (=D-F)	3,202	550
H) Matching provinces as % of cases where both postcodes and NUTS are available (=F/D)	99.53%	99.76%
I) Incoherences as proportion of total number of loans (=G/A)	0.29%	0.18%

*Counting only the number of active loans in active deals as of last reporting date available

Source: European DataWarehouse, data providers; the results above were obtained selecting the latest LLD of the active Spanish deals.

Comparing the information obtained using the mandatory geographic identifier with the information obtained with the optional geographic identifier, when available, it is possible to verify the consistency of the mapping. One type of information allowing identification of the province is provided for 99.83% of the RMBS loans and 99.97% of the SME deals

(see Exhibit 1). While the postcode is a mandatory field for RMBS and SME deals, NUTS is also reported for 62.19% and 74.32% of the loans respectively. In 95.53% and 99.76% of the cases for RMBS and SME respectively, the province indicated by these two fields match. For the deals for which the postcode alone is provided, ED has manually verified the accuracy of the mapping for a sample of deals. We also observe that the breakdown of the loan exposures per region broadly matches the contribution of these regions to the Spanish GDP (see Exhibit 2).

Exhibit 2: Loan exposure broadly match GDP per region

	RMBS	SME	Region as % of GDP
Andalucía	14.9%	13.3%	13.5%
Aragón	2.8%	3.0%	3.1%
Canarias	3.9%	4.4%	3.9%
Cantabria	1.3%	1.1%	1.2%
Castilla La Mancha	3.9%	3.1%	3.6%
Castilla y León	3.3%	5.0%	5.1%
Cataluña	16.3%	22.2%	18.8%
Ciudad Autónoma de Ceuta	0.2%	0.1%	0.1%
Ciudad Autónoma de Melilla	0.2%	0.1%	0.1%
Comunidad de Madrid	19.2%	16.0%	18.7%
Comunidad Foral de Navarra	0.9%	1.5%	1.7%
Comunidad Valenciana	15.5%	10.1%	9.3%
Extremadura	1.1%	2.0%	1.6%
Galicia	2.9%	4.5%	5.2%
Illes Balears	3.3%	2.7%	2.5%
La Rioja	0.6%	0.8%	0.7%
País Vasco	4.3%	5.0%	6.1%
Principado de Asturias	1.7%	1.1%	2.0%
Región de Murcia	3.5%	4.0%	2.6%
No Data	0.2%	0.0%	
Total	100.0%	100.0%	100.0%

Source: European DataWarehouse, Eurostat

Appendix 1: ECB template geographic disclosure requirements⁴

ECB Loan Level Data - Reporting Template for RMBS - June 2013

AR128	Optional	Static	Geographic Region List	List	The region description of where the property is located. See Taxonomy for relevant choices.
AR129	Mandatory	Static	Property Postcode	Text/ Numeric	First 2 or 3 characters must be provided at a minimum. See Taxonomy for relevant choices.

ECB Loan Level Data - Reporting Template for SME - December 2012

AS16	Mandatory	Static	Postcode	Text	First 2 or 3 characters must be provided at a minimum. Do not supply the full postcode. See Taxonomy for relevant choices.
AS17	Optional	Static	Geographic Region	List	The region description of where the obligor is located based on the Nomenclature of Territorial Units for Statistics (NUTS) using regional coding format (NUTS2). Refer to taxonomy for guidance.

ECB Loan Level Data - Reporting Template for Leasing ABS - September 2013

AL16	Optional	Static	Postcode	Text/ Numeric	Lessee's postcode. First 2 - 4 characters should be provided only. Do not supply the full postcode. All 'No Data' options may be used in this optional field.
AL17	Mandatory	Static	Geographic Region	List	The region where the obligor is located as at underwriting. NUTS3 2006 region coding to be used. See "Geographic Region List" in taxonomy for relevant choices. All 'No Data' options may be used in this field.

ECB Loan Level Data - Reporting Template for Auto ABS - September 2013

AA21	Mandatory	Static	Geographic Region	List	The region where the borrower is located as at underwriting. NUTS3 2006 region coding to be used. See "Geographic Region List" in taxonomy for relevant choices. All 'No Data' options may be used in this field.
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⁴ See www.ecb.europa.eu/paym/coll/loanlevel/transmission/html/index.en.html for individual templates

ECB Loan Level Data - Reporting Template for Consumer Finance ABS - September 2013

AN20	Mandatory	Static	Geographic Region	List	The region where the borrower is located. NUTS3 2006 classification to be used. See "Geographic Region List" in taxonomy for relevant choices. All 'No Data' options may be used in this field.
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Appendix 2: Postcodes and NUTS

POSTCODE	NUTS	Autonomous Community (Geo_1)	Province (Geo_2)
01	ES211	País Vasco	Araba/Álava
02	ES421	Castilla La Mancha	Albacete
03	ES521	Comunidad Valenciana	Alicante / Alacant
04	ES611	Andalucía	Almería
05	ES411	Castilla y León	Ávila
06	ES431	Extremadura	Badajoz
07	ES531/ES532/ES533	Illes Balears	Illes Balears
08	ES511	Cataluña	Barcelona
09	ES412	Castilla y León	Burgos
10	ES432	Extremadura	Cáceres
11	ES612	Andalucía	Cádiz
12	ES522	Comunidad Valenciana	Castellón / Castelló
13	ES422	Castilla La Mancha	Ciudad Real
14	ES613	Andalucía	Córdoba
15	ES111	Galicia	A Coruña
16	ES423	Castilla La Mancha	Cuenca
17	ES512	Cataluña	Girona
18	ES614	Andalucía	Granada
19	ES424	Castilla La Mancha	Guadalajara
20	ES212	País Vasco	Gipuzkoa
21	ES615	Andalucía	Huelva
22	ES241	Aragón	Huesca
23	ES616	Andalucía	Jaén
24	ES413	Castilla y León	León
25	ES513	Cataluña	Lleida
26	ES230	La Rioja	La Rioja

POSTCODE	NUTS	Autonomous Community (Geo_1)	Province (Geo_2)
26	ES230	La Rioja	La Rioja
27	ES112	Galicia	Lugo
28	ES300	Comunidad de Madrid	Madrid
29	ES617	Andalucía	Málaga
30	ES620	Región de Murcia	Murcia
31	ES220	Comunidad Foral de Navarra	Navarra
32	ES113	Galicia	Ourense
33	ES120	Principado de Asturias	Asturias
34	ES414	Castilla y León	Palencia
35	ES701/ES704/ES705/ ES708/	Canarias	Las Palmas
36	ES114	Galicia	Pontevedra
37	ES415	Castilla y León	Salamanca
38	ES702/ES703/ES706/ ES707/ES709	Canarias	Tenerife
39	ES130	Cantabria	Cantabria
40	ES416	Castilla y León	Segovia
41	ES618	Andalucía	Sevilla
42	ES417	Castilla y León	Soria
43	ES514	Cataluña	Tarragona
44	ES242	Aragón	Teruel
45	ES425	Castilla La Mancha	Toledo
46	ES523	Comunidad Valenciana	Valencia / València
47	ES418	Castilla y León	Valladolid
48	ES213	País Vasco	Bizkaia
49	ES419	Castilla y León	Zamora
50	ES243	Aragón	Zaragoza
51	ES63	Ciudad Autónoma de Ceuta	Ceuta
52	ES64	Ciudad Autónoma de Melilla	Melilla

IMPORTANT DISCLOSURES:

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