

INCENTIVES FOR ADDITIONAL CREDIT CLAIMS

25 FEBRUARY 2021



ON TODAY'S CALL

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AGENDA

- **WELCOME AND INTRODUCTION**
- **UPDATE ON EDW'S APPLICATION TO BECOME AN ESMA AUTHORISED SECURITISATION REPOSITORY**
- **OVERVIEW OF THE GREEK ACC FRAMEWORK AND RECENT DEVELOPMENTS**
- **EDITOR UPLOAD AND DATA QUALITY PROCEDURES FOR ACC**
- **QUESTIONS AND ANSWERS**

UPDATE ON EDW APPLICATION TO BECOME AN ESMA AUTHORISED SECURITISATION REPOSITORY

MARCO ANGHEBEN, EUROPEAN DATAWAREHOUSE

EUROPEAN DATAWAREHOUSE SUBMITS APPLICATION TO ESMA TO BE REGISTERED AS A SECURITISATION REPOSITORY

EUROPEAN
DATAWAREHOUSE

PRESS RELEASE

European Datawarehouse Submits Application to ESMA to be Registered as a Securitisation Repository

FRANKFURT, GERMANY – 23 September 2020 – European DataWarehouse

(EDW) today announced it has submitted its application to become a Securitisation Repository registered and supervised by the European Securities and Markets Authority (ESMA).

The extensive application describes in detail the sound operational and technical aspects of the company and its market-leading reporting solutions.

In January 2018, European DataWarehouse was registered as a Securitisation Repository under ESMA's platform for the Securitisation Repository Registration. The platform was initially launched to reflect the latest template changes.

Prof. José Manuel González-Páramo stated: "EDW was founded in 2012 to support the securitisation market and restore its track record as the securitisation market leader. We are confident that EDW will submit a successful application to be registered as a securitisation repository by ESMA."

Steve Gandy, Managing Director at EDW, added: "As a founding shareholder, I am committed to promoting best practices in the securitisation market. Hence our continued support towards the goal of growing the securitisation market, and we are confident that EDW's reporting solutions are a successful application".

ESMA RECEIVES SECURITISATION REPOSITORY REGISTRATION APPLICATION

23 September 2020

SECURITISATION

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has received its first application for registration as a securitisation repository (SR) under the Securitisation Regulation.

ESMA, under the Securitisation Regulation, has direct responsibilities regarding the registration and supervision of SRs, who centrally collect and maintain the records of securitisation transactions in the EU.

The reporting obligation for reporting entities will begin with the registration of the first SR. ESMA will announce publicly when the first SR(s) are registered.

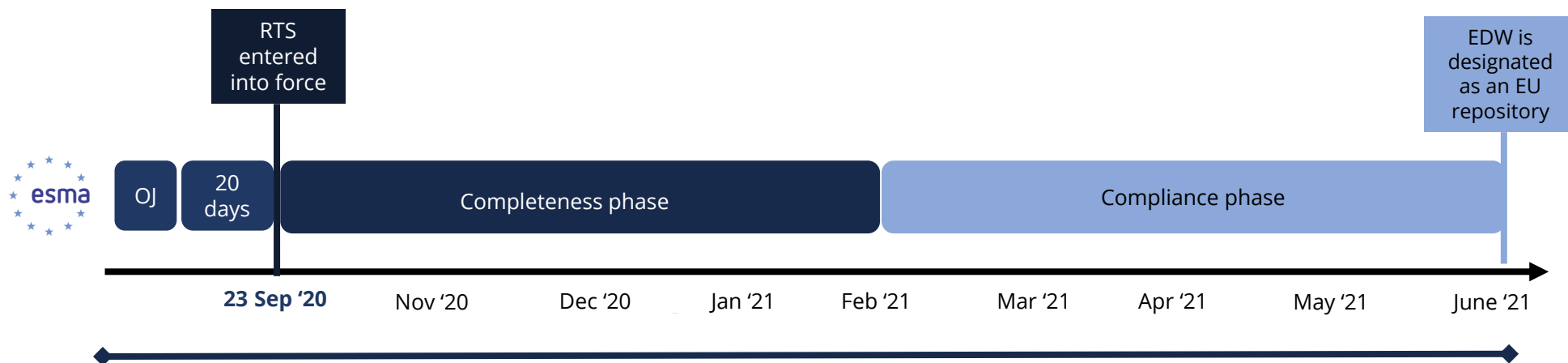
If you are interested in applying for a registration, please refer to this guidance, and for further information on the registration process, please contact SR-registration@esma.europa.eu.

"European DataWarehouse (EDW) today (23 September 2020) announced it has submitted its application to become a Securitisation Repository registered and supervised by the European Securities and Markets Authority (ESMA).

The extensive application describes in detail the sound operational and technical aspects of the company and its market-leading reporting solutions."

Source: ESMA website

TENTATIVE APPLICATION TIMELINE IN EU WITH ESMA



EDW as a website pursuant to Art 7(2)

Source: European DataWarehouse timeline is subject to change depending on ESMA authorization process

OVERVIEW OF THE GREEK ACC FRAMEWORK AND RECENT DEVELOPMENTS

ALEXANDRA TSOUTSOU, BANK OF GREECE

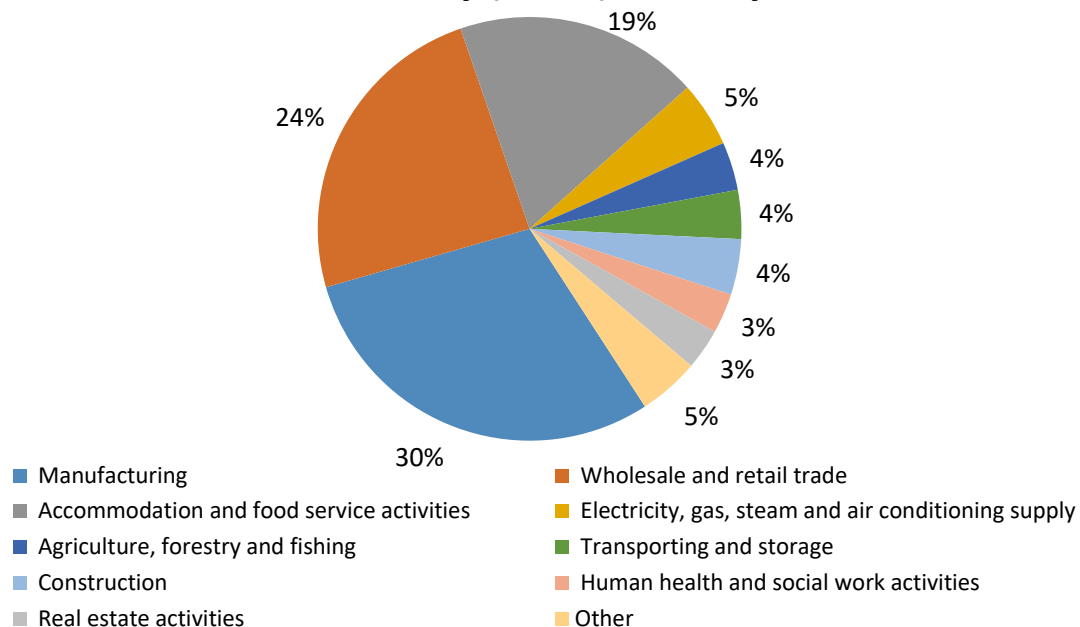
OVERVIEW OF THE ACC FRAMEWORK

- Bank of Greece (BoG) has been accepting Pools of Additional Credit Claims (PACCs) comprising loans to SMEs/Corporates since June 2020 as part of the expansion of ACC frameworks in response to the COVID-19 pandemic
- The framework is based on a conservative PD/LGD approach in which credit quality is assessed by the rating tool ICAP with a conservative mapping to the Eurosystem harmonised rating scale
- Greek counterparties participating in Eurosystem monetary policy operations have actively engaged with PACCs to broaden their collateral base

RECENT DEVELOPMENTS IN PACCS (1/3)

Debtors in PACCs originate from a wide range of industry sectors of the Greek economy ...

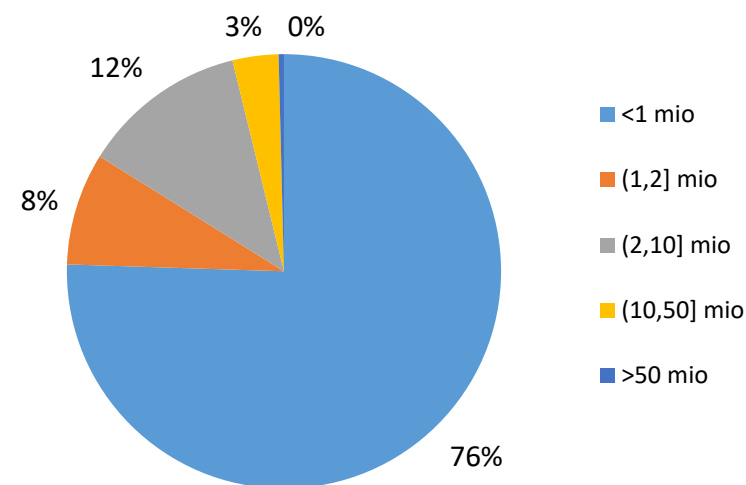
Classification by (NACE) Industry Code



Source: BoG

... with loans per obligor heavily tilted towards smaller amounts

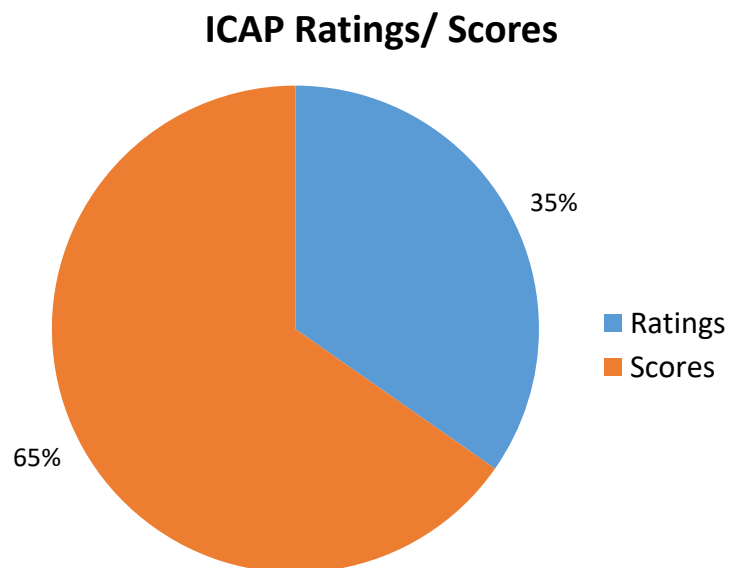
Distribution by Obligor and Outstanding Size



Source: BoG

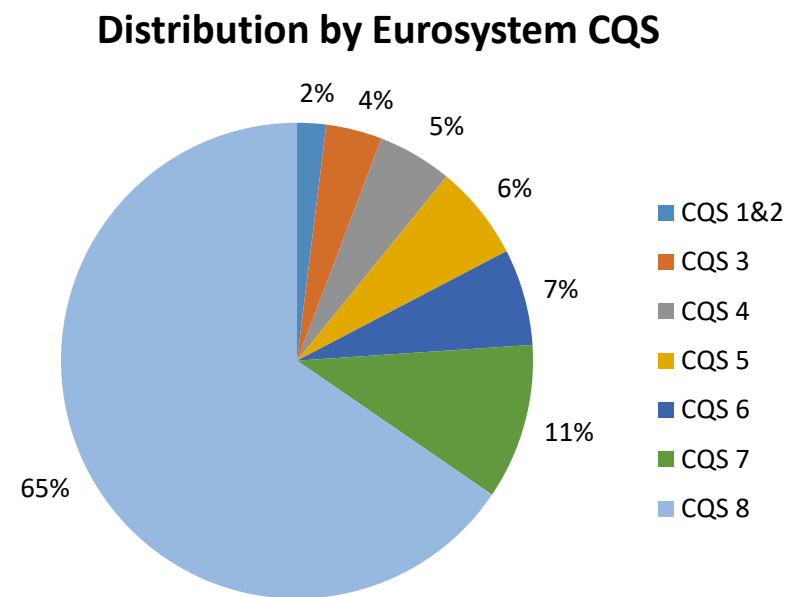
RECENT DEVELOPMENTS IN PACCS (2/3)

Within PACCs, 35% of claims have an ESMA-compliant Rating by ICAP ...



Source: BoG

... while more than 80% of the total outstanding loan amount is assigned to CQS 6, 7 & 8



Source: BoG

RECENT DEVELOPMENTS IN PACCS (3/3)

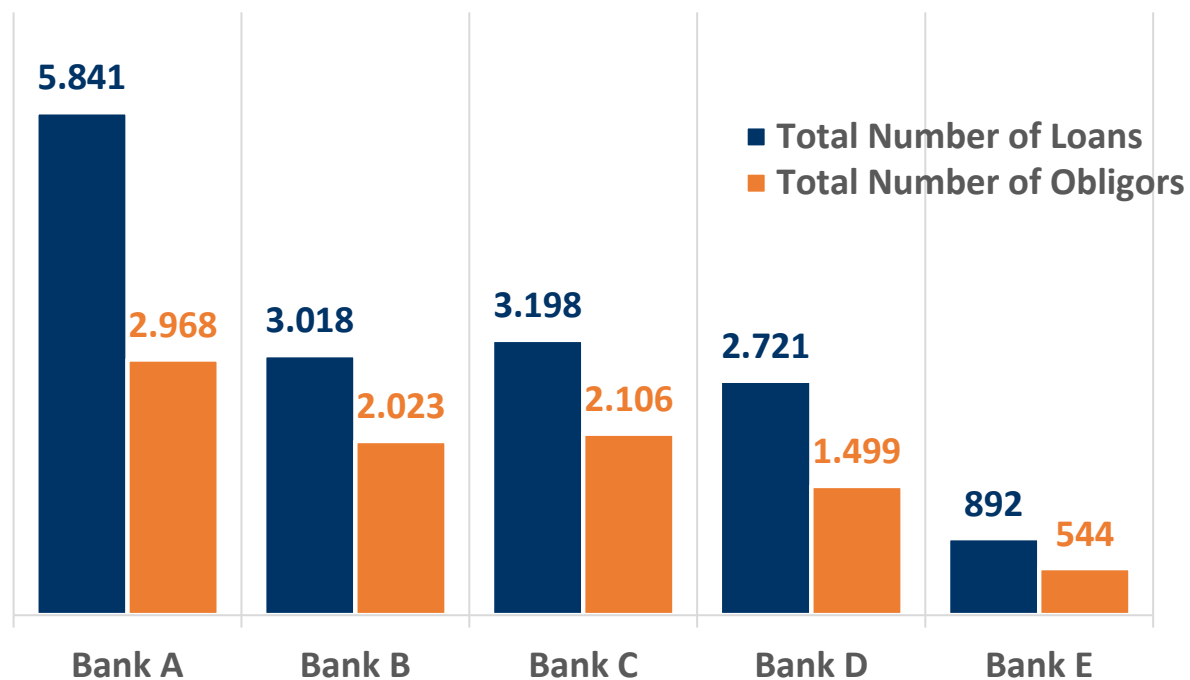
Asset type: ACC SME

ECB Score: A1

Overview of the ACC portfolios as of pool cut-off date

12/31/2020:

Total Number of Loans and Obligor



EXPANSION OF THE PACC FRAMEWORK TO INCLUDE LOANS WITH A GOVERNMENT/PUBLIC SECTOR GUARANTEE

- BoG is in the process of extending its Pools of ACCs framework to include loans to non-financial corporates (Large Corporates, SMEs and Self-employed) which benefit from a State guarantee in the context of the COVID-19 pandemic
- The new framework, which has been approved by the Governing Council as part of ACC expansions, is expected to be in place in the coming weeks
- Credit claims with guarantees are expected to reach around EUR 6bn in nominal amounts

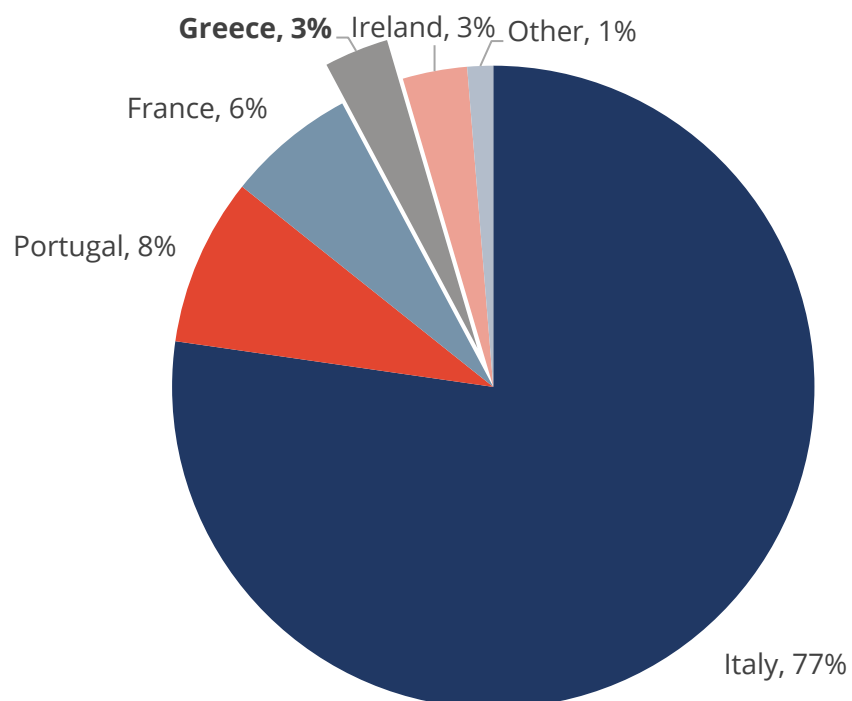
EDITOR UPLOAD AND DATA QUALITY PROCEDURES FOR ACC

IRA-MARIA PARALLOJ, EUROPEAN DATAWAREHOUSE

ACC OVERVIEW BY COUNTRY OF ASSET AND ASSET TYPE

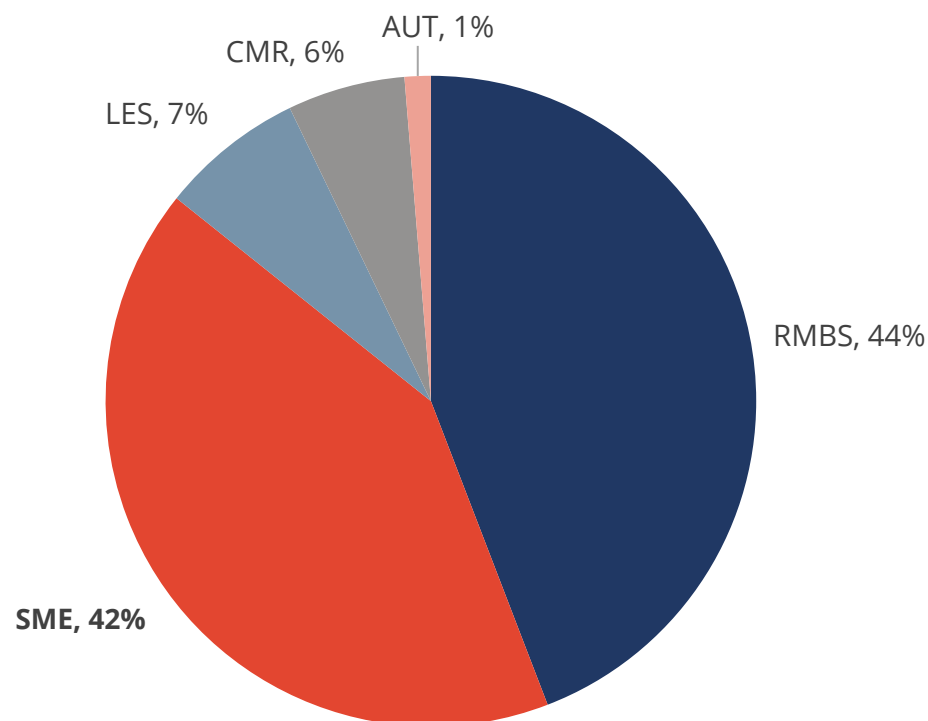
The following charts show the breakdown of ACC portfolios by country of assets and asset type

ACC by Country of Assets



Source: European DataWarehouse calculations

ACC by Asset Class



Source: European DataWarehouse calculations

EXISTING ACC EUROSISTEM TEMPLATES ACROSS ASSET CLASSES

Template Name	ECB Loan Level Data - Reporting Template for SME ACCs	ECB Loan Level Data - Reporting Template for Leasing ACCs	ECB Loan Level Data - Reporting Template for Residential mortgage ACCs	ECB Loan Level Data - Reporting Template for Consumer Finance ACCs
N° fields	126 ¹	110	155	58
N° of ND allowed mandatory fields	19	59	18	40

Source: European DataWarehouse calculations

¹ Excluding the ammortisation profile section

DATA QUALITY CONTROLS ON ACC PORTFOLIOS WITH EDITOR

The EDW data quality verification services aim to signal potential inconsistencies and the lack of data (No Data), within ACC portfolios before the data is published and made available to the respective National Central Bank as well as the Eurosystem

The data quality checks available in EDITOR for residential and SME/corporate portfolios operates in three separate steps:

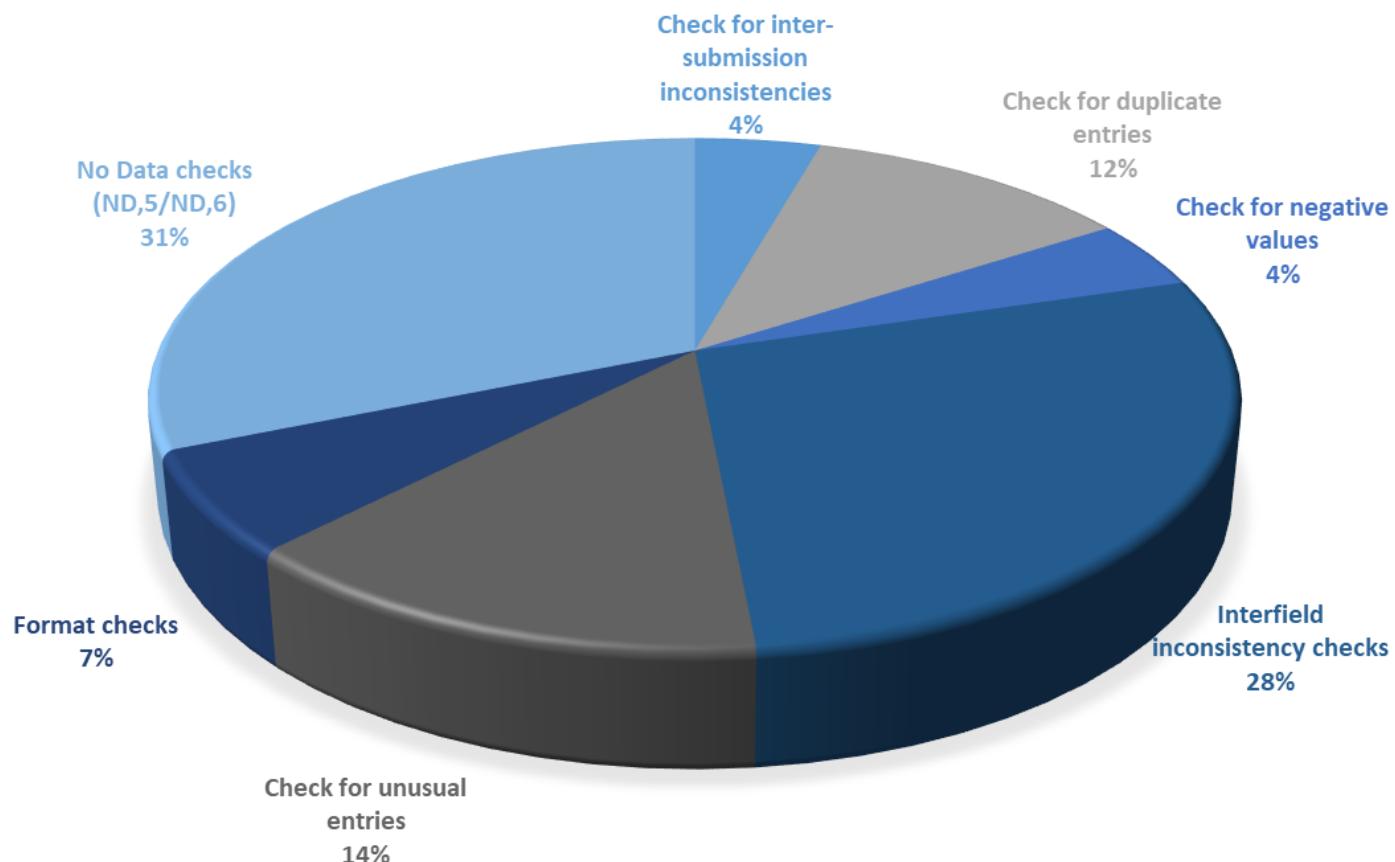
1. Upload of the Loan-Level Data (LLD) file in EDITOR
2. Automatic validation checks are run on the data and errors and potential inconsistencies are identified
 - Data quality checks available on demand for ACC SME portfolios: 150+ validation rules
3. Publication of the LLD file with the Eurosystem

The pre-screening tool verifies the information uploaded in the private area:

- Avoiding subsequent LLD corrections and
- Decreasing the risk of sanctions for lack of data or inconsistencies reported in the LLD file

OVERVIEW OF DATA VERIFICATION CHECKS FOR ACC

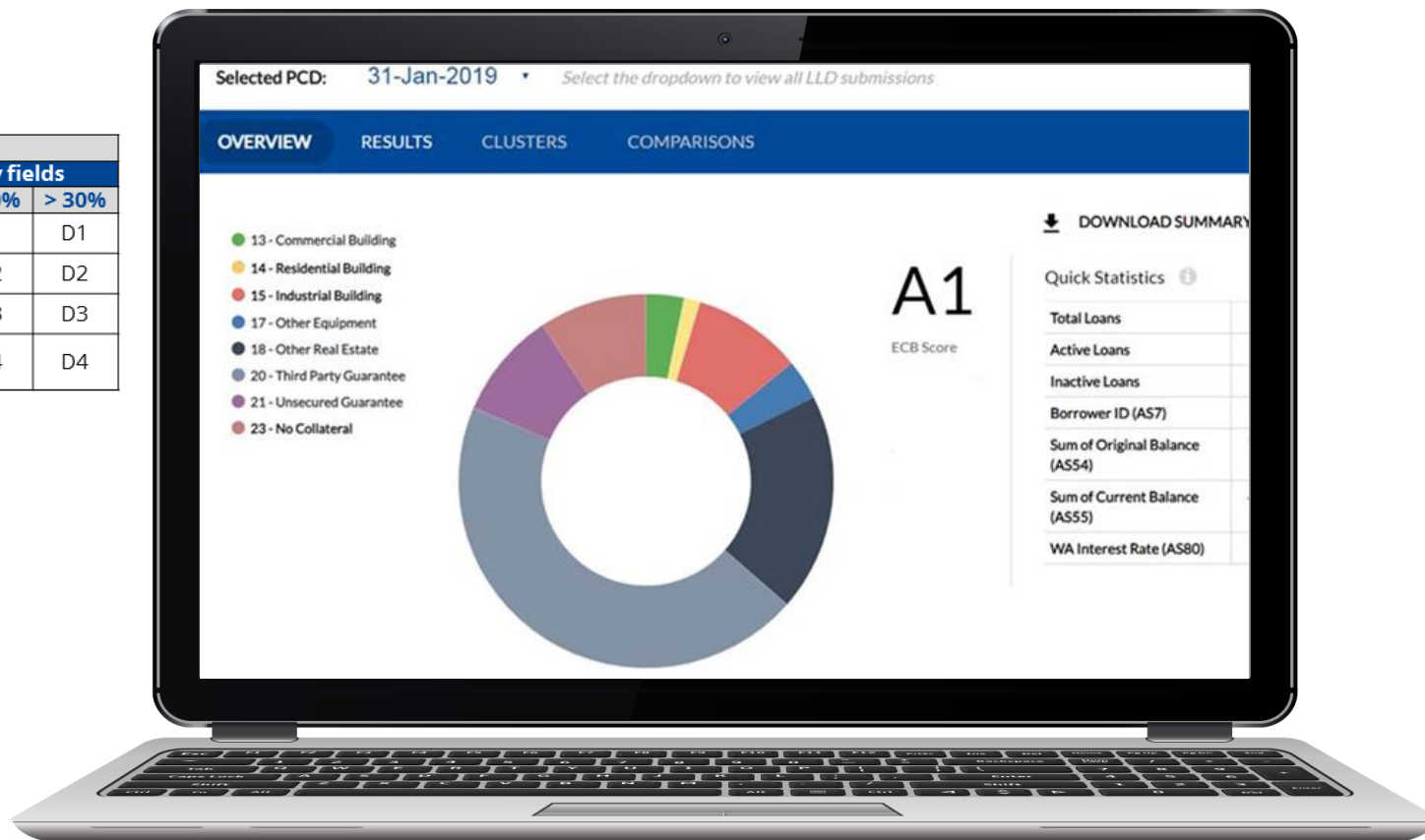
- The graph shows the types of checks available in EDITOR. Data quality checks are divided in seven different categories:
 - No Data (ND) checks
 - inter-submission inconsistencies
 - duplicate entries
 - negative values
 - interfield inconsistency
 - unusual entries
 - format checks




EDITOR FUNCTIONALITY FOR ACC

- Data completeness score based on the ECB matrix

ECB Score Matrix					
ND,1 as percentage of total mandatory fields					
	0	≤ 10%	≤ 30%	> 30%	
The sum of ND,2; ND,3 and ND,4 as percentage of total mandatory fields	0	A1	B1	C1	D1
	≤ 20%	A2	B2	C2	D2
	≤ 40%	A3	B3	C3	D3
	> 40%	A4	B4	C4	D4



IDENTIFICATION OF POTENTIAL INCONSISTENCIES IN THE LLD FILE























By clicking on “Manage Submissions” and then “Results”, it is possible to view the potential inconsistencies within the uploaded but not yet published portfolio. If you click on the download symbol , EDITOR shows the details of the potential inconsistencies that have been indicated.

Selected PCD: 31-Mar-2019 Select the dropdown to view all LLD submissions

 UPLOAD  PUBLISH

OVERVIEW **RESULTS** CLUSTERS COMPARISONS 

Total Rules: 322	Rules Failed: 22	Total Active Loans: 581
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Check ID	Rule Description	Impacted Total Loans		Impacted Active Loans		Impacted Active Loans %		Current Underlying Data
		Current	Previous	Current	Previous	Current	Previous	
AR200/CCR_ND5/A/01	AR200 Source of the LGD estimate in field AR199 = ND,5 for active loans	581	NA	581	NA	100.00	NA	 
AR20/CCR_ULV/A/01	AR20 Second Applicant Year of Birth earlier than 1900 for active loans	310	NA	310	NA	53.36	NA	 
AR26/CCR_COM/A/02	AR26 Primary Income + AR28 = 0 and AR21 not in (4,6,7) and (AR154 = 0 or AR154 like 'ND%' or AR154 is NULL) and (AR76 = 0 or AR76 like 'ND%' or AR..	303	NA	303	NA	52.15	NA	 
AR198/CCR_UD/A/02	AR198 Last Obligor Rating Review < AR55 (Loan Origination Date) for active loans	90	NA	90	NA	15.49	NA	 
AR135/CCR_ND5/A/01	AR135 Original Loan to Value ND5 for active loans	39	NA	39	NA	6.71	NA	 
AR136/CCR_ND5/A/01	AR136 Valuation Amount ND5 and AR66 > 0 for active loans	39	NA	39	NA	6.71	NA	 
AR137/CCR_ND5/A/01	AR137 Original Valuation Type ND5 and AR66>0 for active loans	39	NA	39	NA	6.71	NA	 
AR138/CCR_ND5/A/01	AR138 Valuation Date ND5 and AR66>0 for active loans	39	NA	39	NA	6.71	NA	 
AR169/CCR_IIC/A/03	AR169 Arrears Balance = 0 and AR166 = 3	39	NA	39	NA	6.71	NA	 
AR15/CCR_IIC/A/01	AR15 Borrower Type in (2,3) and AR21 not in (6,9) and AR21 not like 'ND%' for active loans	26	NA	26	NA	4.48	NA	 
AR26/CCR_ND5/A/01	AR26 Primary Income = ND,5 & AR130 not in ('2'; '3'; 'ND') and [AR154 in (0;ND,5;ND,6') or AR155 in (0;ND,5;ND,6') or AR156 in (0;ND,5;ND,6')..	21	NA	21	NA	3.61	NA	 

DETAILS OF CHECKID AR26/CCR_ND5/A/01

Examples of the details available in EDITOR – CheckID AR26/CCR_ND5/A/01

a) File generated by EDITOR

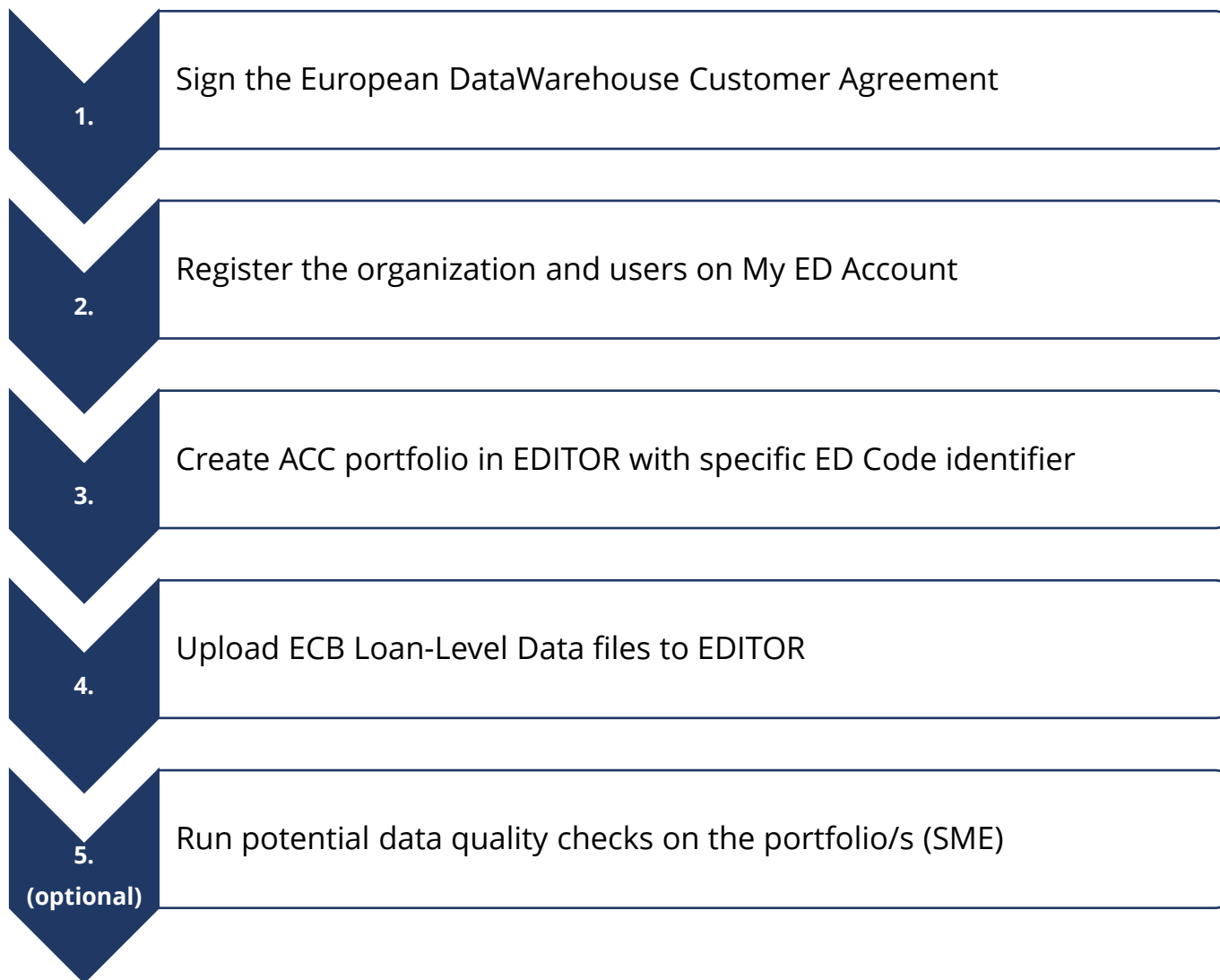
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CCRSIT100088102...xlsx Show all

b) Loan details

	A	B	C	Q	R	S	T	U
1	AR1	AR2	AR3	AR23	AR24	AR25	AR26	AR27
2	2019-03-31	ACC_Residential	13431	N		0	ND,5	1
3	2019-03-31	ACC_Residential	13873	N		0	ND,5	1
4	2019-03-31	ACC_Residential	14315	N		0	ND,5	1
5	2019-03-31	ACC_Residential	14757	N		0	ND,5	1
6	2019-03-31	ACC_Residential	15199	N		0	ND,5	1
7	2019-03-31	ACC_Residential	15641	N		0	ND,5	1
8	2019-03-31	ACC_Residential	16083	N		0	ND,5	1
9	2019-03-31	ACC_Residential	16525	N		0	ND,5	1
10	2019-03-31	ACC_Residential	16967	N		0	ND,5	1
11	2019-03-31	ACC_Residential	17409	N		0	ND,5	1
12	2019-03-31	ACC_Residential	17851	N		0	ND,5	1
13	2019-03-31	ACC_Residential	18293	N		0	ND,5	1
14	2019-03-31	ACC_Residential	18735	N		0	ND,5	1
15	2019-03-31	ACC_Residential	19177	N		0	ND,5	1
16	2019-03-31	ACC_Residential	19619	N		0	ND,5	1
17	2019-03-31	ACC_Residential	20061	N		0	ND,5	1
18	2019-03-31	ACC_Residential	20503	N		0	ND,5	1
19	2019-03-31	ACC_Residential	20945	N		0	ND,5	1
20	2019-03-31	ACC_Residential	21387	N		0	ND,5	1
21	2019-03-31	ACC_Residential	21829	N		0	ND,5	1
22	2019-03-31	ACC_Residential	22271	N		0	ND,5	1

STEPS FOR REGISTERING ACC PORTFOLIOS IN EUROPEAN DATAWAREHOUSE





Q&A

THANK YOU//CONTACT US

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