

DATA PREPARATION & COMPLIANT REPORTING FOR PRIVATE ABS TRANSACTIONS

JULY 2022



ON TODAY'S CALL



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AGENDA

WELCOME AND INTRODUCTION

MARKET OVERVIEW & REGULATORY UPDATE

EDW SOLUTIONS FOR PRIVATE SECURITISATIONS

- DATA PREPARATION
- SECURE HOSTING
- DATA QUALITY
- STS LABEL
- BENCHMARKING

Q&A

CLOSING REMARKS

MARKET OVERVIEW & REGULATORY UPDATE

MARKET OVERVIEW (PRIVATE TRANSACTIONS ONLY)

PRIVATE TRANSACTIONS IN EDITOR

~300
TRANSACTIONS

100+
ISSUERS

12
COUNTRIES

11
ASSET CLASSES

PRIVATE SECURITISATIONS ON ESMA'S STS REGISTER

274
ABCP

42
NON-ABCP

316
TOTAL

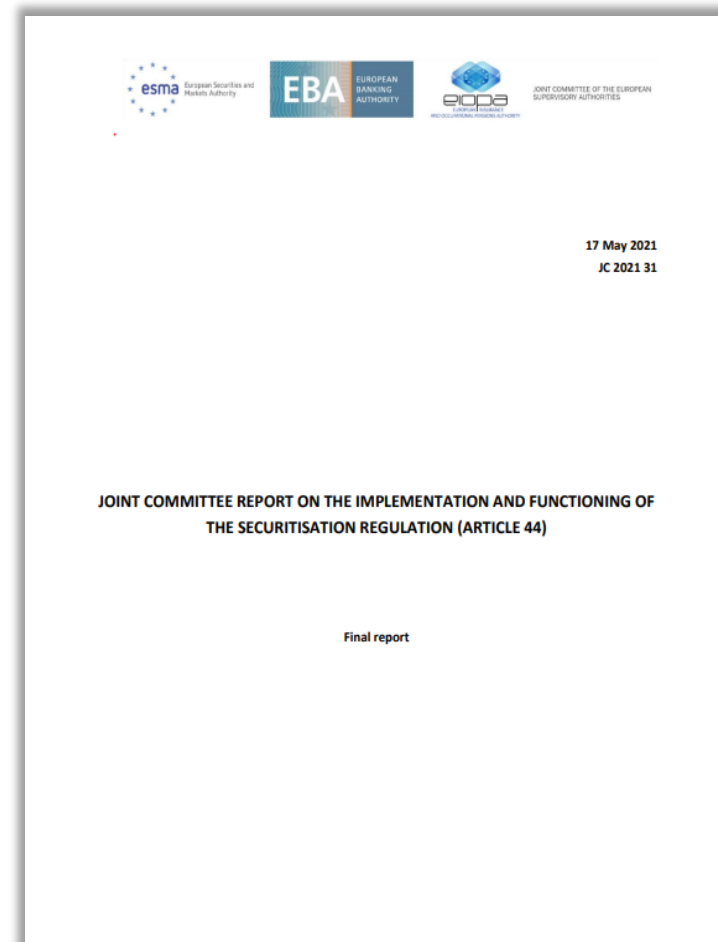
THE EUROPEAN SUPERVISORY AUTHORITIES JOINT COMMITTEE REPORT

The European Supervisory Authorities published on 17 May 2021 a Joint Committee Report pursuant to Article 44 of the Securitisation Regulation (SECR) (EU) 2017/2402 as part of its revision.

This report aims to identify the status of the application SECR as well as some initial inconsistencies and challenges that occurred in the first years of implementation of the SECR.

In accordance with the mandate provided in Article 44 of the SECR, the analysis focuses on the implementation of the general requirements applicable to all securitisations, including:

- risk retention,
- due-diligence and transparency requirements as well as
- on the specific requirements related to simple, transparent and standardised (STS) securitisations.



THE EUROPEAN SUPERVISORY AUTHORITIES JOINT COMMITTEE REPORT

The Report includes a number of recommendations for consideration from the European Commission (EC).

More specifically, there are two recommendations that are noticeable for private ABS transactions:

- “The definition of private securitisations. The current definition of private securitisations is considered too far reaching on its associated disclosure requirements. A more precise legal definition for private securitisations should be specified in the level 1 text of the Securitisation Regulation to clearly identify those private securitisations that should comply with the disclosure requirements;
- Reporting to a securitisation repository for private securitisations. The EC should specify in the level 1 text that, in the case of private securitisations that are required to comply with the disclosure requirements, reporting entities should also make this information available by means of a securitisation repository. Given the trend in increasing issuances of private securitisations and from a data quality perspective, this approach will ensure that the data submission to a securitisation repository for private securitisations is complete, consistent and subject to validation rules. From a supervisory perspective, this will also facilitate the supervision of the information for competent authorities.”

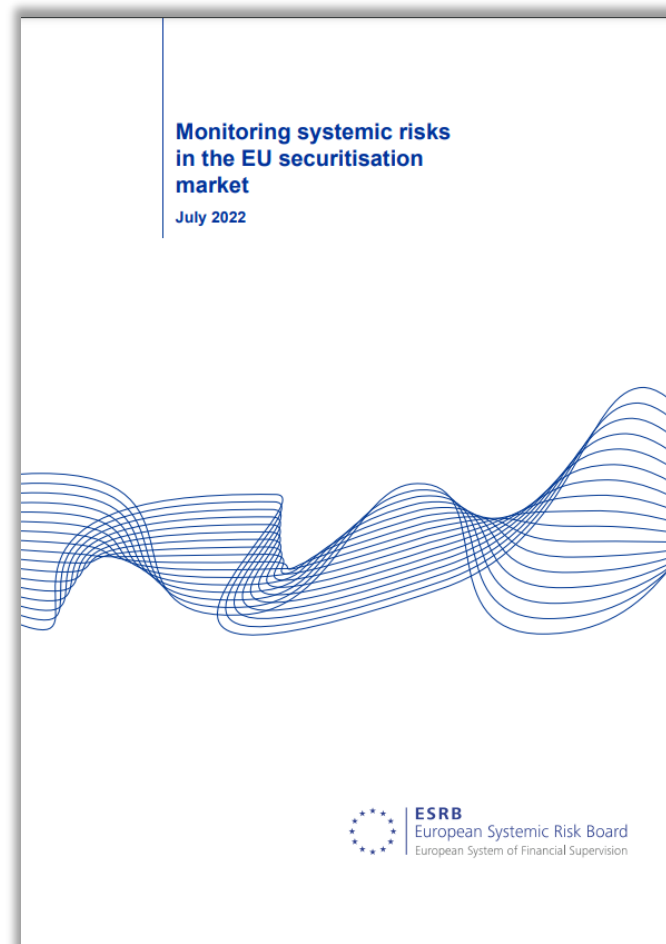
THE EUROPEAN SYSTEMIC RISK BOARD REPORT

Monitoring systemic risks in the EU securitisation market

The European Systemic Risk Board published a report in July 2022 in the light of its responsibility for macroprudential oversight of the EU securitisation market. It is the ESRB's first report of this kind.

In particular, the ESRB states its support for the use of repositories for private securitisations:

"Therefore, the ESRB supports the recommendations made by the JCESA to the European Commission in 2021 suggesting the reporting of private securitisations via data repositories using reporting templates that are suitable for that type of transaction and a less broad definition focusing on the types of transactions that constitute a private securitisation."



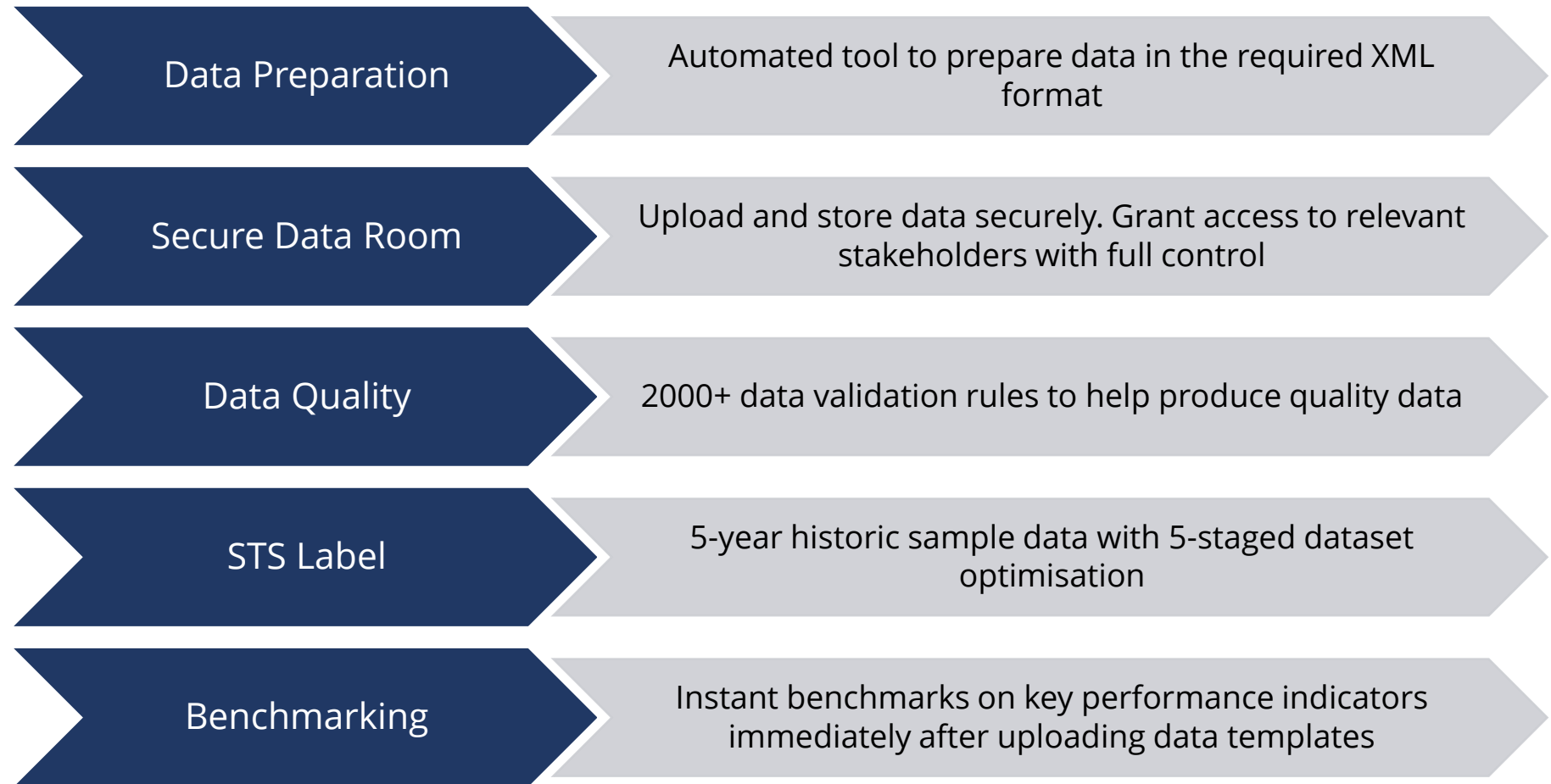
CURRENT DISCLOSURE REQUIREMENTS

Differences between public and private securitisations in EDITOR – Securitisation Repository solutions

ESMA/FCA Reporting Templates	Public	Private
Underlying Exposures	✓	✓
Investor Report	✓	✓
Inside Information/ Significant Event	✓	–

Disclosure requirements based on the RTS/ITS on operational standards for SR	Public Securitisation Repositories (SR)	Private (exempted from reporting to SR)
XML format	✓	✓
XML Schema checks	✓	–
Content checks (validation rules)	✓	–


EDW SOLUTIONS FOR PRIVATE SECURITISATIONS



DATA PREPARATION

REQUIRED TEMPLATES FOR COMPLIANT REPORTING

ESMA/FCA Reporting Templates	Public	Private
Underlying Exposures	✓	✓
Investor Report	✓	✓
Inside Information/ Significant Event	✓	—

Annex 2: Underlying exposures - residential real estate 


Annex 3: Underlying exposures - commercial real estate 


Annex 4: Underlying exposures - corporate 

Annex 5: Underlying exposures - automobile 


Annex 6: Underlying exposures - consumer 


Annex 7: Underlying exposures - credit cards 

Annex 8: Underlying exposures - leasing 

Annex 9: Underlying exposures - esoteric 

Annex 10: Underlying exposures - add-on non-performing exposures 

Annex 11: Underlying exposures - ABCP 

Annex 12: Investor report - Non-ABCP securitisation 

Annex 13: Investor report - ABCP securitisation 

Annex 14: Inside information or significant event information - Non-ABCP securitisation 

Annex 15: Inside information or significant event information - ABCP securitisation 

DATA PREPARATION : CSV -> XML CONVERTER

EDW offers an online converter to convert ESMA/FCA Templates from EDW-defined CSV to the ESMA XML Format.

- Auto-Correction of LEI Name based on LEI
- Converted XML is immediately schema-checked (ESMA , FCA)
- Immediate display of No-Data Completeness matrix
- Can be **used stand-alone** or the converted XML can be directly pushed for hosting in EDITOR

Prepare and Upload XML Data Templates

Valid Zip File Name: <SecuritisationIdentifier>_<CutOffDate>.zip (e.g. 9857106A0EDK9B99AM17N192215_2018-05-31.zip)

Sorting of Loan IDs: Loans and collaterals must be sorted in the same order using the "New Underlying Exposure Identifier" field

Signature File: Optional; Directly publish XML files to EDITOR by digitally signing your CSVs using your EDW Key-Pair

Data File (CSV, .zip): No file chosen ☐ Autocorrect GLEIF Name-LEI Mismatch

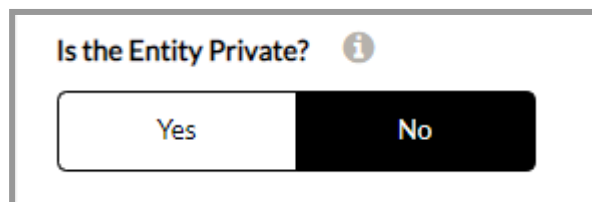
Signature File (.asc): No file chosen

SECURE DATA ROOM – EDITOR

SECURE DATA ROOM – EDITOR

EDITOR's dedicated private area allows private transactions to comply with the disclosure requirements under Article 7(1) of the Securitisation Regulation

- Create transactions in EDITOR's dedicated private area
- Industry grade security and privacy, in line with ESMA / FCA's IT Security standards
- Secure sharing – always stay on top of your data with controlled transmission of the information to third parties
- All features in EDITOR's public area can also be used in the private area
 - Data Quality Rules and Score
 - ND Thresholds
 - Feedback message



A screenshot of a web form with the question "Is the Entity Private?" followed by an information icon. Below the question are two buttons: "Yes" (white with black text) and "No" (black with white text).

**ACCESSIBILITY: EASY
AND USER-FRIENDLY
WEB-BASED ACCESS**

**FLEXIBILITY:
ABILITY TO MODIFY USERS,
DEAL STATUS AND ACCESS
AT DOCUMENT LEVEL**

**INTEGRITY: LEGAL
FRAMEWORK FOR
ACCESSING AND
UPLOADING INFORMATION**

**RELIABILITY: ROBUST
SOFTWARE WITH
ONGOING SUPPORT**

SECURE DATA ROOM – EDITOR

- Provisional Status for securitisations in the pre-marketing phase
- Govern key documents through your custom Terms and Conditions
- Share your deal only with your stakeholders. Revoke access at any time
- Access to the relevant **data is fully managed by the Data Owner (DO)** (sponsor, originator or special securitisation purpose entity (SSPE)). DOs are responsible for authorising access to Data Users (DU).

The screenshot displays the 'Secure Data Room Editor' interface. It includes several configuration sections: 'Is the Deal Private?' with 'Yes' and 'No' buttons; 'Is the Deal Provisional?' with 'Yes' and 'No' buttons; 'T&Cs:' with a 'Choose File' button and an 'Upload' button; 'Should all future documentation for this deal be governed by Terms and Conditions?' with 'Yes' and 'No' buttons; and 'Deal Visible To User(s)' with a text input field containing 'enquiries@eurodw.eu', a role dropdown menu set to 'Arranger', and an 'ADD' button. A red box highlights the 'Deal Visible To User(s)' section. Below this, a table lists users with columns for 'User', 'Role', and 'Remove'. At the bottom, a message states: 'Please read through and confirm the information you have provided is correct before selecting 'Create'', with 'Cancel' and 'Create' buttons.

Is the Deal Private? ⓘ

Yes No

Is the Deal Provisional? ⓘ

Yes No

T&Cs:

Choose File No file chosen Upload

Should all future documentation for this deal be governed by Terms and Conditions? ⓘ

Yes No

Deal Visible To User(s) ⓘ

enquiries@eurodw.eu Arranger ADD

The access for these users will automatically be revoked after 90 days.

User	Role	Remove
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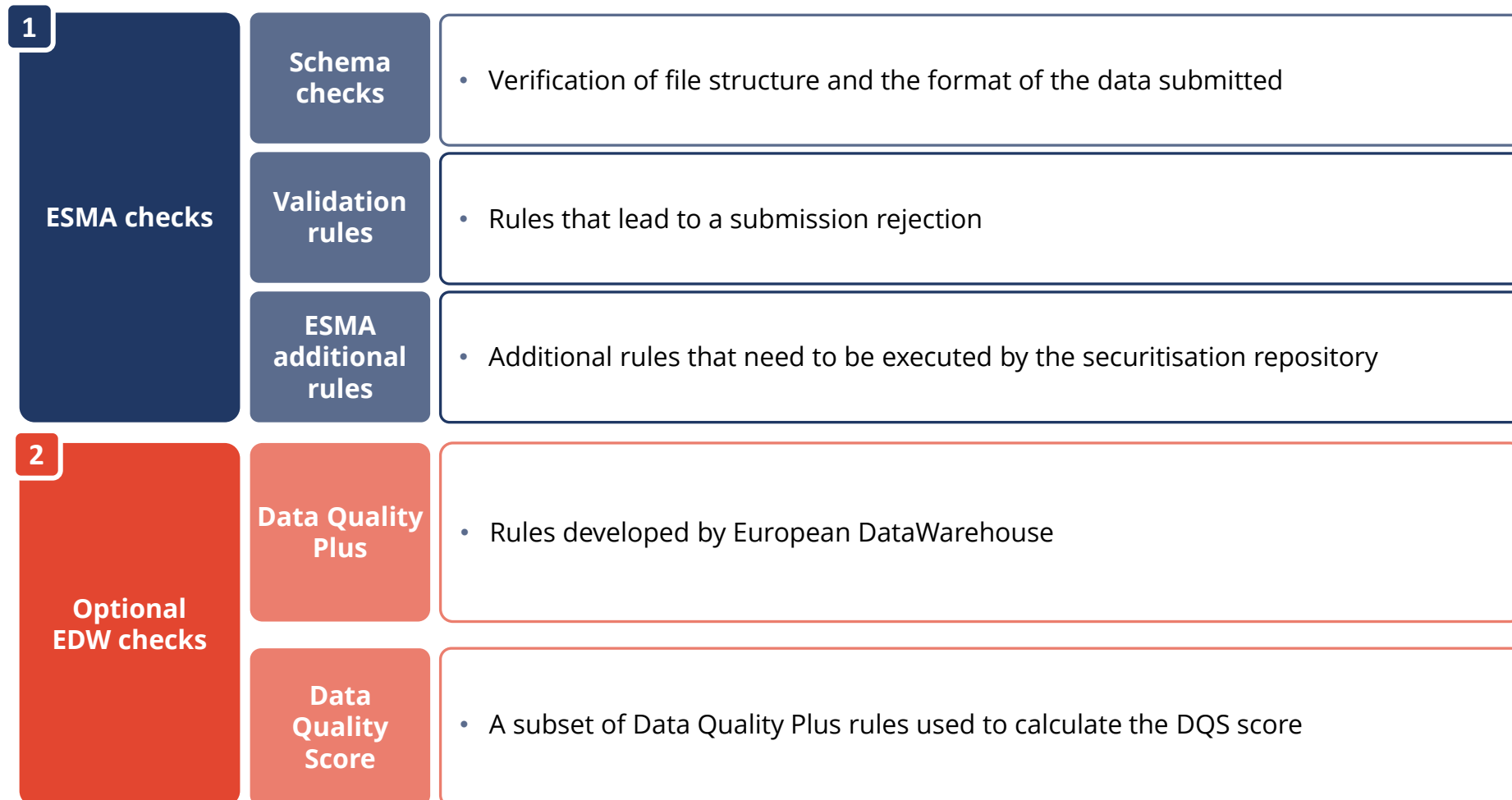
ⓘ Please read through and confirm the information you have provided is correct before selecting 'Create'

Cancel Create

DATA QUALITY

DATA QUALITY (1)

Overview of EDW's data quality improvement processes

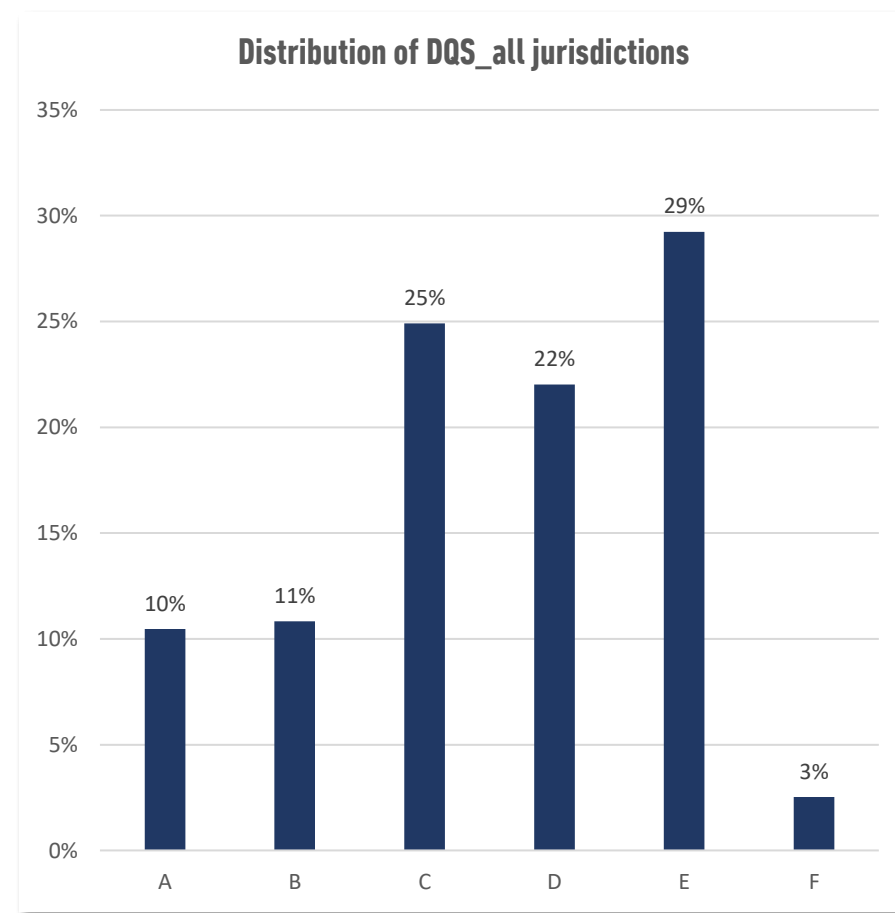


DATA QUALITY (2)

Methodology used to calculate the EDW Data Quality Score

- Automated score based on DQS failed rules – subset of all EDW Data Quality Plus rules
- Objective and common approach for all deals, jurisdictions, and asset classes
- Based on the following formula: $\frac{\sum(F_f)}{n \times MF}$ where:
 - F_f represents a field that failed a rule;
 - n is the total number of loans for each mandatory field;
 - MF represents the number of unique fields per each asset class with at least one DQS check implemented.

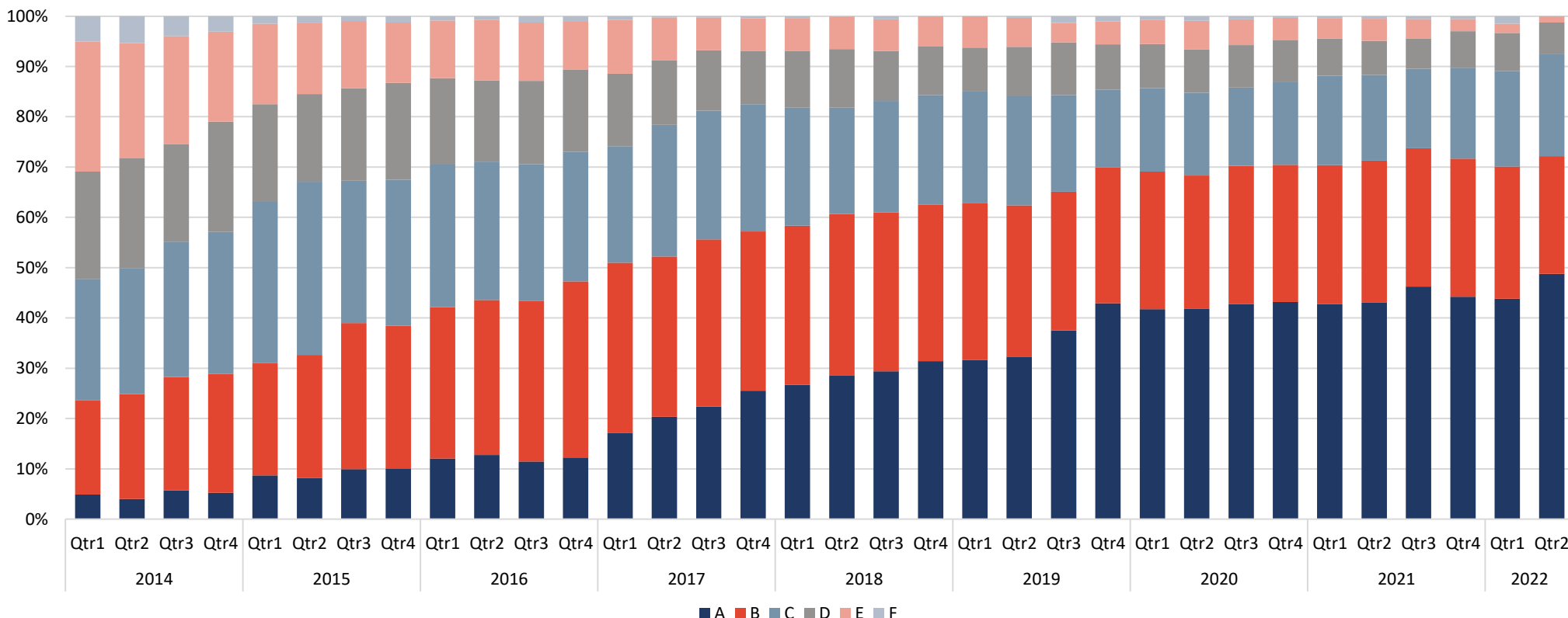
DQS1 Score	Min. Fail Ratio	Max. Fail Ratio	Ratio
A	0.0000%	0.0001%	Up until 1 in a million
B	0.0001%	0.005%	Up until 5 in 100k
C	0.005%	0.1%	Up until 1 in a thousand
D	0.1%	1%	Up until 1 in a hundred
E	1%	4%	Up until 4 in a hundred
F	4%	100%	> 4 in a hundred



Note: data based on ESMA template submissions as of 10 March 2022 / Source: EDW calculations

DATA QUALITY (3)

The evolution of data quality in EDW's platform since 2014



STS LABEL

5-STAGE PROCESS DESIGNED FOR DATASET OPTIMISATION

Five year history solution

1

Identify characteristics of desired loan pool

2

Deal selection based on data completeness and quality

3

Historical performance data of underlying loans

4

Data is adjusted and scrutinised further for quality

5

Final dataset is produced incl. static default/loss & dynamic arrears info

The image displays three overlapping Excel spreadsheets illustrating the 5-stage process for dataset optimisation.

Spreadsheet 1 (Left): Shows a table with columns for 'Quarter', 'Not Delinquent', and various delinquency periods (0-30 days, 30-60 days, 60-90 days, 90-120 days, 120-150 days, 150-180 days, 180+ days). The data represents the initial loan pool characteristics.

Spreadsheet 2 (Middle): Shows a table with columns for 'Quarter', 'Constant Default Rate (3-month definition)', and 'Constant Default Rate (Transaction definition)'. This represents the selection and adjustment of data based on completeness and quality.

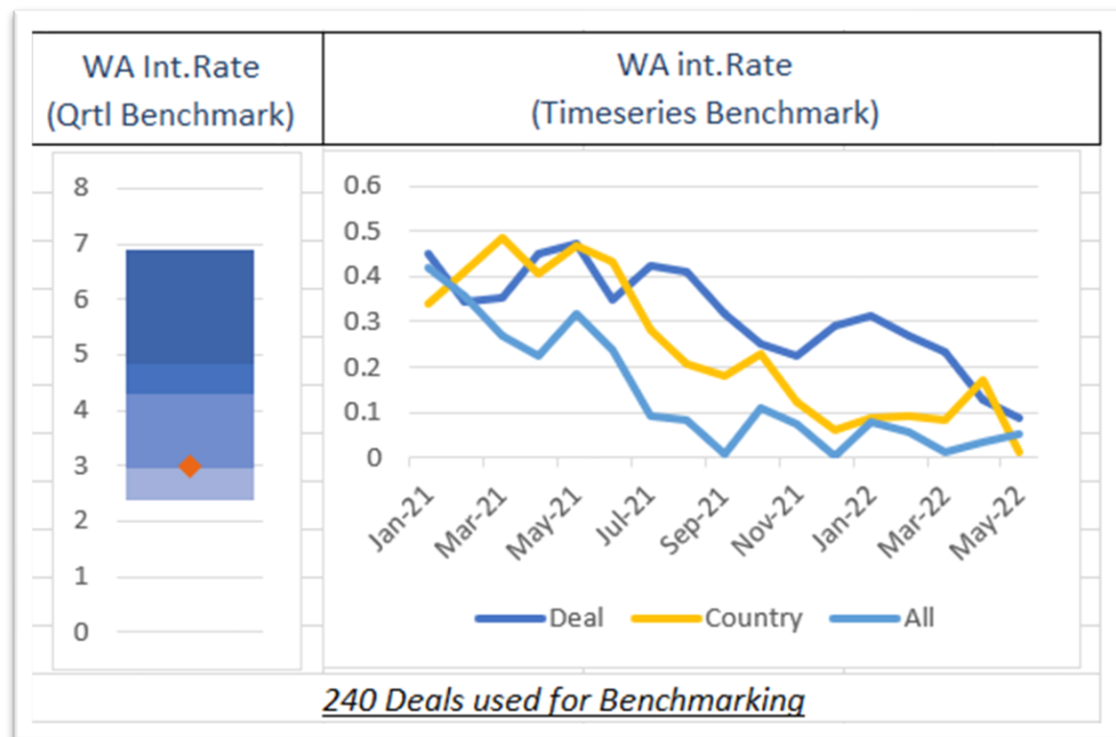
Spreadsheet 3 (Right): Shows a table with columns for 'Quarters after securitisation' and 'Year of Securitisation'. This represents the final dataset produced, including static default/loss and dynamic arrears information.

BENCHMARKING

BENCHMARKING VIA DOWNLOADABLE INVESTOR REPORT

Coming soon...September 2022

- Instantly generated detailed portfolio / monitoring report based on the Underlying Exposure / IR / Sign. Event templates
- Benchmark key parameters across jurisdictions and the overall market
- User-friendly reporting of investor report and significant event templates, including Waterfalls / Test Triggers / Account / Counterparty information
- Detailed pool performance details with strat tables, benchmarks, and performance transition matrix





Q&A

THANK YOU // CONTACT US

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