

# SPRING WORKSHOP SERIES

**ATHENS – 22 MARCH 2023**

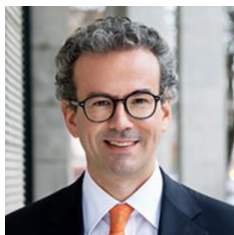


## AT TODAY'S WORKSHOP



**IOANNIS ASIMELIS**  
ALPHA BANK

✉ [ioannis.asimelis@alpha.gr](mailto:ioannis.asimelis@alpha.gr)



**MARCO ANGHEBEN**  
EUROPEAN DATAWAREHOUSE

☎ +49 160 415 9944

✉ [marco.angheben@eurodw.eu](mailto:marco.angheben@eurodw.eu)



**ANDREA BEDIN**  
EUROPEAN DATAWAREHOUSE

☎ +49 69 50986 9325

✉ [andrea.bedin@eurodw.eu](mailto:andrea.bedin@eurodw.eu)



**FULVIO PELARGONIO**  
NPL MARKETS

✉ [fulvio.pelargonio@nplmarkets.com](mailto:fulvio.pelargonio@nplmarkets.com)



**MICHAEL OSSWALD**  
STS VERIFICATION INTERNATIONAL

✉ [michael.osswald@svi-gmbh.com](mailto:michael.osswald@svi-gmbh.com)

# AGENDA

## 1. WELCOME AND INTRODUCTION

- Ioannis Asimelis, Alpha Bank

## 2. UPCOMING CONSULTATION ON THE ESMA TEMPLATES REVISION

## 3. CHANGES ON THE REPORTING OF SME-ACC PORTFOLIOS FOR BANK OF GREECE

- Marco Angheben, European DataWarehouse

## 4. NEW EBA NPL TRANSACTIONS DATA TEMPLATES

- Fulvio Pelargonio, NPL Markets

## 5. EDW GAP ANALYSIS EBA NPL VS ESMA TEMPLATES

- Andrea Bedin, European DataWarehouse

## 6. ENHANCEMENTS FOR PRIVATE DEAL REPORTING AND EDITOR NEXTGEN FEATURES

- Andrea Bedin, European DataWarehouse

## 7. THE LATEST DEVELOPMENTS ON STS

- Michael Osswald, STS Verification International

## 8. SUSTAINABLE FINANCE PROJECTS: GREEN AUTO SECURITISATION AND ENGAGE

- Marco Angheben, European DataWarehouse

## 9. CLOSING REMARKS

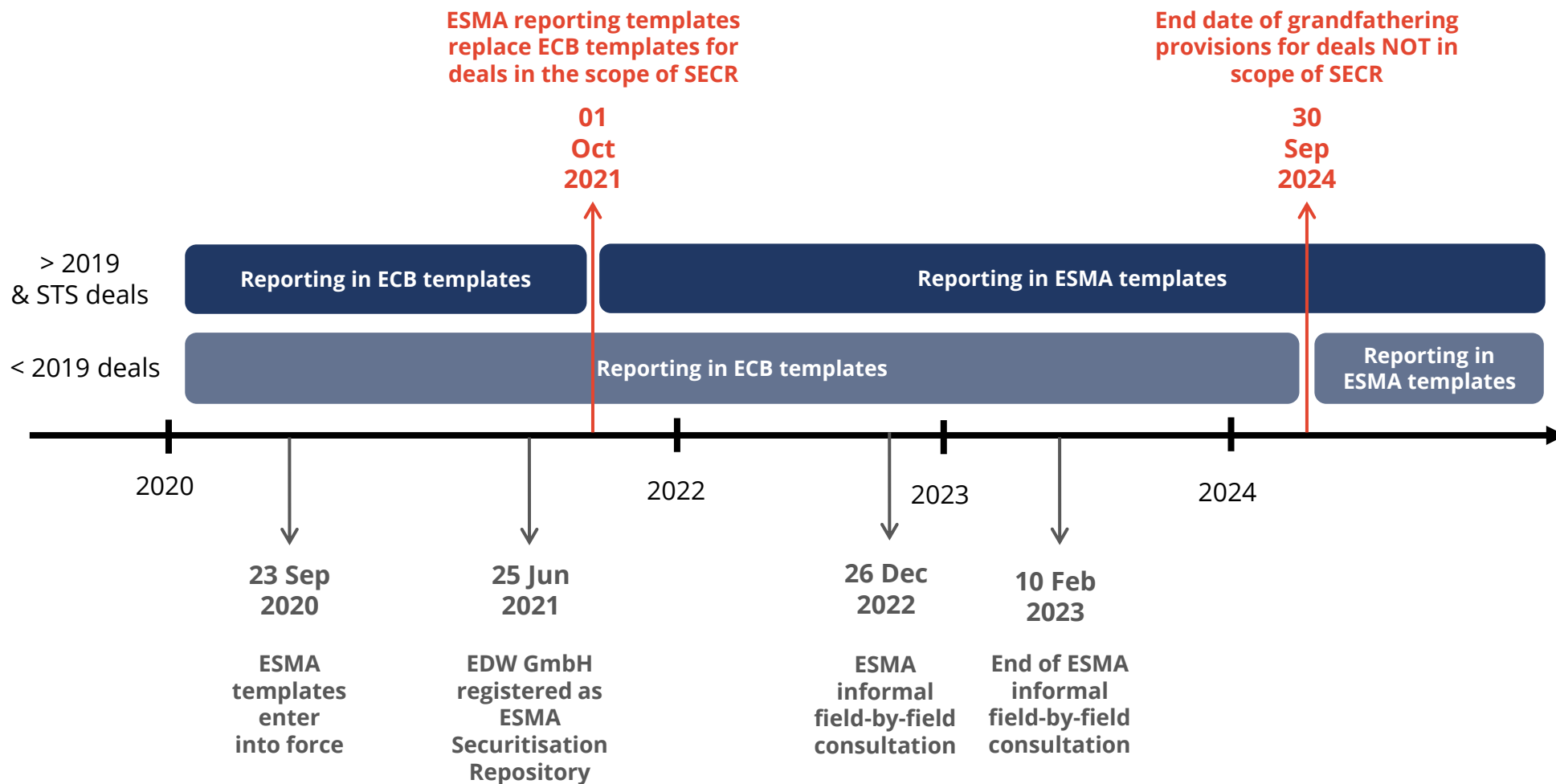
# WELCOME AND INTRODUCTION

## IOANNIS ASIMELIS, ALPHA BANK

# UPCOMING CONSULTATION ON THE REVISION OF THE ESMA TEMPLATES

**MARCO ANGHEBEN, EDW**

# CHANGES TO THE EUROSYSTEM'S LOAN-LEVEL DATA REQUIREMENTS



Source: Timeline is based on the information provided in the ECB [press release](#) as of 28 June 2021


# NEW ESMA QUESTIONS & ANSWERS

Released in February 2023

Heading of Q&A	Code	New or Modified
A summary of the underlying documentation that is essential for the understanding of a transaction	1	
Required level of completeness of the information described in points (b), (c) and (d) of the first subparagraph of Article 7(1) of the Securitisation Regulation	2	
Underlying exposure documentation as part of Article 7(1)(b) of the Securitisation Regulation	3	
STS requirements - application of Article 21 (9) of the Securitisation Regulation on transaction documentation	4	
Provision of STS+ certification by third party verifier agent (TPV)	5	
Whether a “vendor financing” structure can be considered a synthetic securitisation	6	
The inclusion of early amortisation provisions or trigger for termination of the revolving period in the transaction documentation	7	*New*
Existence of different classes of investors	8	*New*
Whether a step-up margin to be paid to investors could apply in the event the securitisation is no longer STS	9	*New*
Whether mortgages secured by non-owner occupied residential and real estate properties can be homogeneous	10	*New*
The application of the homogeneity criteria to branches	11	*New*
Replacement of the liquidity providers	12	*New*
Which reporting templates should apply to a securitisation backed by project finance loan receivables	13	*New*
Securitisation exposures backed by several collaterals	14	*New*
The application of EMIR to securitisation transactions	15	*New*
Institutional investors' reporting obligations	16	*New*
Heading of Q&A	Code	New or Modified
Use of estimated Energy Performance Certificate values	17	*New*

# JOINT ESAS – ECB STATEMENT ON CLIMATE-RELATED DISCLOSURE

Released in March 2023



13 MARCH 2023

**Joint ESAs-ECB Statement on disclosure on climate change for structured finance products**

The European Supervisory Authorities<sup>1</sup> (ESAs) and the ECB are committed to contributing to the transition towards a more sustainable economy within their respective mandates. As investment in financial products meeting high environmental, social and governance (ESG) standards is increasingly important in the European Union (EU), it has also become a priority for structured finance products to disclose climate-related information on the underlying assets. ESMA, with the contribution of EBA, EIOPA and the ECB, is hence working towards enhancing disclosure standards for securitised assets by including new, proportionate and targeted climate change-related information. The ESAs and the ECB also call on issuers, sponsors and originators of such assets at EU level to proactively collect high-quality and comprehensive information on climate-related risks during the origination process. This call for improved disclosure concerns all funding instruments that are backed by the same type of underlying assets.

**Enhanced climate related data are needed for securitised assets**

- On 13 March 2023 a statement was issued by the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA), the European Insurance and Occupational Pensions Authority (EIOPA), and the European Central Bank (ECB) that work is underway to enhance climate related data
- This is part of the effort to enhance the disclosure standards for securitised assets with climate change-related information
- Focus is on the EU Taxonomy Regulation and Sustainable Finance Disclosure Regulation (SFDR)



# CHANGES ON THE REPORTING OF SME- ACC PORTFOLIOS FOR BANK OF GREECE

**MARCO ANGHEBEN, EDW**

# CHANGES ON REPORTING OF SME-ACC PORTFOLIOS FOR BANK OF GREECE

Applicable from 1 April 2023 from operational perspective

- The existing ECB SME-ACC template continues to apply and the reporting will continue under the same EDCODE. No new portfolios will need to be created
- The A1 Score continues to be mandatory and calculated from EDITOR
- The impacted fields are:
  - AS46 (Annualized probability of default (PD) of the obligor)
  - AS47 (Source of the PD estimate in field AS46)
  - AS48 (Last Obligor Rating Review)
- These three fields should be reported as ND5 from the PCD of 31st of March 2023 and for all future submissions

# NEW EBA NPL TRANSACTIONS DATA TEMPLATES

**FULVIO PELARGONIO, NPL MARKETS**

# NEW EBA NPL TRANSACTIONS DATA TEMPLATES

**FULVIO PELARGONIO, NPL MARKETS**

## EBA Template Case Study

---

### **TRANSFORMING DATA SHARED IN AN ACTUAL PORTFOLIO SALE INTO EBA TEMPLATE**

The EBA NPL templates establish a common standard for all types of NPL portfolio sales across many jurisdictions. they will differ substantially from non-standardised data used in prior transactions.

We report on our experience in transforming the data shared with investors as part of some actual NPL portfolio sales on the NPL Markets transaction platform.

We found the following aspects are important for sellers to consider.

- Sellers should expect that there are a few mandatory data fields that they will not have readily available.
- Creating investor data tapes in the EBA NPL template format is not a particularly complex, time consuming nor expensive task when compared with the creation of investor data tapes currently used by sophisticated sellers

Data mapping software can help in

- The creation of the EBA NPL template
- Running detailed data integrity validation checks
- Data remediation after the initial setup, can be largely automated and near instant.

## EBA Template Case Study

### TRANSFORMING DATA SHARED IN AN ACTUAL PORTFOLIO SALE INTO EBA TEMPLATE

We have run the exercise using a certain number of data tapes of portfolios sold to investors.

The portfolios are a mix of **unsecured loans, loans with personal and other financial guarantees, and mortgage loans with property collateral**. We report on our experience in transforming the data shared with investors as part of actual NPL portfolio sales on the NPL Markets transaction platform.

DATA KEY FACTS			
TYPE	SOURCE DATA	DATA SHARED	EBA TEMPLATE
Data Fields	400 to 600	200 to 250	124
Database Tables	15 to 20 of 100/150 data fields each	10 to 15 of 75 to 100 data fields each	9
Historical Collection	Loan by loan or aggregated	75 to 100 data fields plus aggregated	36 to 72 (3 years data)
Additional date	Tables, stock and flows dynamics	Bespoke analysis	Possible

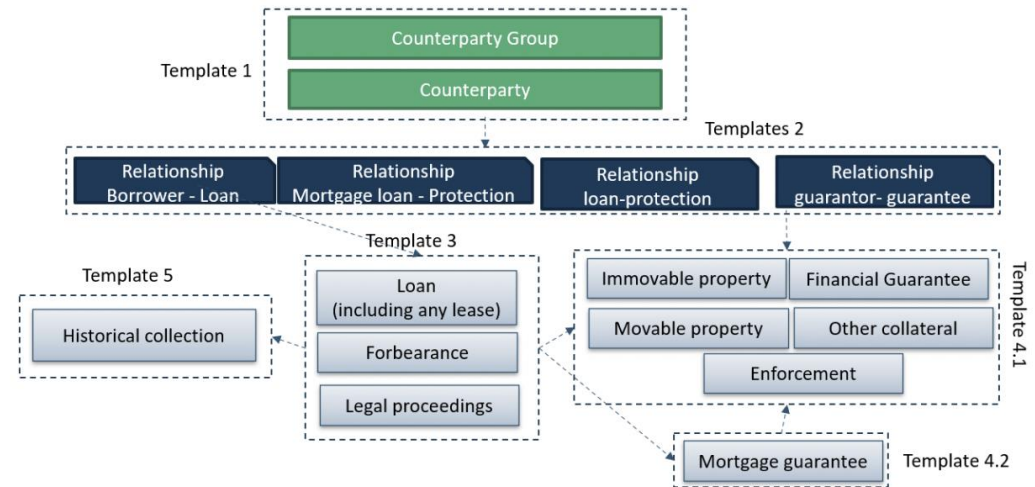
# Steps To create an EBA Template from Source Tables

## 1 - RESHAPING THE RELATIONAL STRUCTURE

We concatenate and join information from different source tables to create the required EBA NPL relational database structure.

The main target tables are:

- T1 Counterparty which is created as a concatenation of borrowers, co-borrowers, guarantors, and co-guarantors
- T3 Loan with the information on loans, leases, or other receivables including some legal process information and forbearance measures
- T4.1 Collateral and enforcement which includes property and non-property collateral, guarantees and information on their respective enforcement status
- T5 Historical Collections. In addition, the relational structure is summarised in the relationship tables T2.1 to T2.4 and T4.1 (Figure 1)

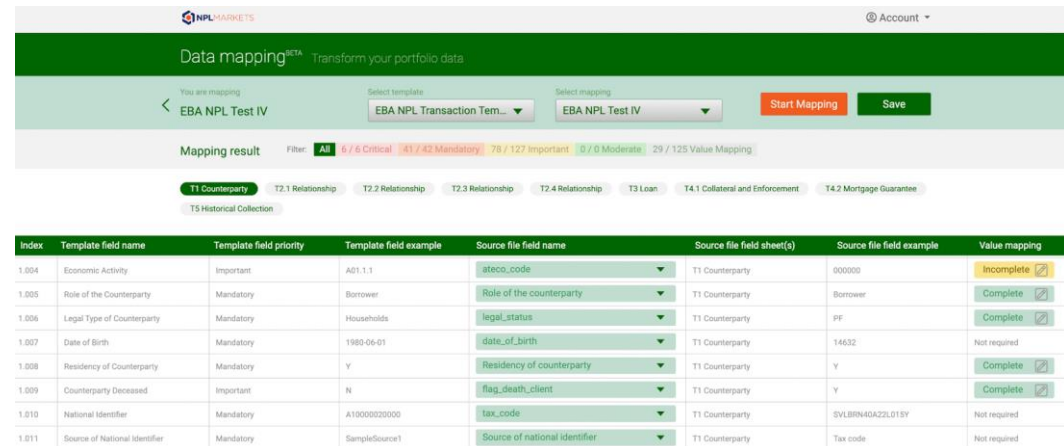


## Steps To create an EBA Template from Source Tables

### 2 - CALCULATED DATA FIELDS

We create certain calculated or derived fields that may not exist in the required form in the source data. E.g.:

- Flag indicating whether some GDPR sensible data points are available
- Details of the agreed payments are not part of the EBA NPL template, but the field 3.039 Type of Forbearance Measure could be set to “rescheduled payments”.



The screenshot shows the 'Data mapping' interface with the following details:

- Header:** Data mapping <sup>BETA</sup> Transform your portfolio data
- Navigation:** You are mapping EBA NPL Test IV. Select template: EBA NPL Transaction Tem... Select mapping: EBA NPL Test IV. Buttons: Start Mapping, Save.
- Mapping result:** Filter: All 6 / 6 Critical 141 / 42 Mandatory 78 / 127 Important 0 / 0 Moderate 29 / 125 Value Mapping
- Filters:** T1 Counterparty, T2.1 Relationship, T2.2 Relationship, T2.3 Relationship, T2.4 Relationship, T3 Loan, T4.1 Collateral and Enforcement, T4.2 Mortgage Guarantee, T5 Historical Collection
- Table:** A table with 8 columns: Index, Template field name, Template field priority, Template field example, Source file field name, Source file field sheet(s), Source file field example, Value mapping.

Index	Template field name	Template field priority	Template field example	Source file field name	Source file field sheet(s)	Source file field example	Value mapping
1.004	Economic Activity	Important	AD1.1.1	steco_code	T1 Counterparty	00000	Incomplete
1.005	Role of the Counterparty	Mandatory	Borrower	Role of the counterparty	T1 Counterparty	Borrower	Complete
1.006	Legal Type of Counterparty	Mandatory	Households	legal_status	T1 Counterparty	PF	Complete
1.007	Date of Birth	Mandatory	1980-06-01	date_of_birth	T1 Counterparty	14632	Not required
1.008	Residency of Counterparty	Mandatory	Y	Residency of counterparty	T1 Counterparty	Y	Complete
1.009	Counterparty Deceased	Important	N	flag_death_client	T1 Counterparty	Y	Complete
1.010	National Identifier	Mandatory	A10000020000	tax_code	T1 Counterparty	SVLBRN40KZ2L015Y	Not required
1.011	Source of National Identifier	Mandatory	SampleSource1	Source of national identifier	T1 Counterparty	Tax code	Not required

### 3 - FIELD NAME AND VALUE MAPPING

Source data needs to be **aligned with the field names and formats used in the EBA NPL templates.**

NPL Markets Data Mapping tool which helps users to map their data to a series of different data templates which now includes the EBA NPL transaction template in addition to templates for the regulatory disclosures of securitisation transactions (ESMA and FCA templates).

Each EBA NPL target field is matched with the correct source field and for list fields each available value is matched with the correct target value defined by the EBA NPL template.



## Steps To create an EBA Template from Source Tables

---

### **4 - ADDING ADDITIONAL FIELDS**

The EBA NPL template allows for additional data fields to be provided. We expect that banks will either use this option and add data fields and tables to the EBA NPL templates or provide a separate non-standard loan data tape containing additional information.

Examples for potential additional fields:

- Payment plan information mentioned above
- Additional details on court procedures
- URLs or coordinates to identify property collateral on an interactive map
- Personally identifiable information like address, email, and phone numbers

### **5 - DATA QUALITY CHECKS**

Once the field and value mapping is completed, the mapping is saved and the standardised template outputs are generated. At this stage, with the use of the Data Mapping tool, we conduct thorough availability and consistency checks on the output data reporting missing values, outliers, duplicates in the data keys, or relational inconsistencies. Detailed data mapping and data quality reports complete the generation of the EBA NPL transaction templates.

## CONCLUSIONS

---

**For complex secured portfolios investors currently receive more data fields than proposed by the EBA NPL templates. This contrasts with some industry comments that claimed that the proposed templates are too extensive.**

**Data mapping tools can support and accelerate the process of creating compliant templates including validation,**

**Banks should expect some manual data preparation steps as summarised above.**

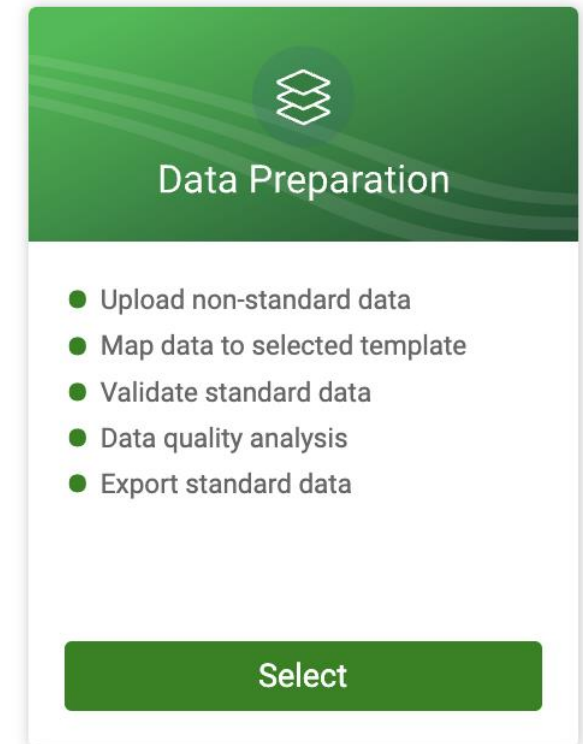
**Once the raw data is gathered, depending on the asset class and complexity of the source data, the preparation of the first EBA NPL template is expected to take a few days and can sometimes be completed within hours.**

## NPLM Data Preparation tool

### DESCRIPTION

The Data Preparation tool allows our users to automatically standardise, run consistency checks and validate non-standard data tapes across different jurisdictions, languages and asset classes (performing & non-performing). The data tape can be transformed in line with different regulatory templates (EBA, ESMA, FCA, Valuation in Resolution, GACs etc.) as well as specific requirements. The software incorporates «machine learning» to speed up processes, ensure accuracy and can map portfolios in any language.

- Simplify complex processes
- Receive automated feeds
- Reduce time involved in mapping data
- Create standardised & consistent data sets
- Low cost infrastructure & maintenance
- Ensure accuracy of data
- Reduce risk discount with data accuracy
- User friendly - drag & drop functionality
- Improve speed of delivery of data
- High quality cloud-based data warehouse



# COMBINING TEMPLATES AND DATA FROM DATA HUB CASE STUDIES

## Valuation & Analytics – Performance Data Hub

### LOAN VALUATION - MARKET VALUE & HOLD VALUE

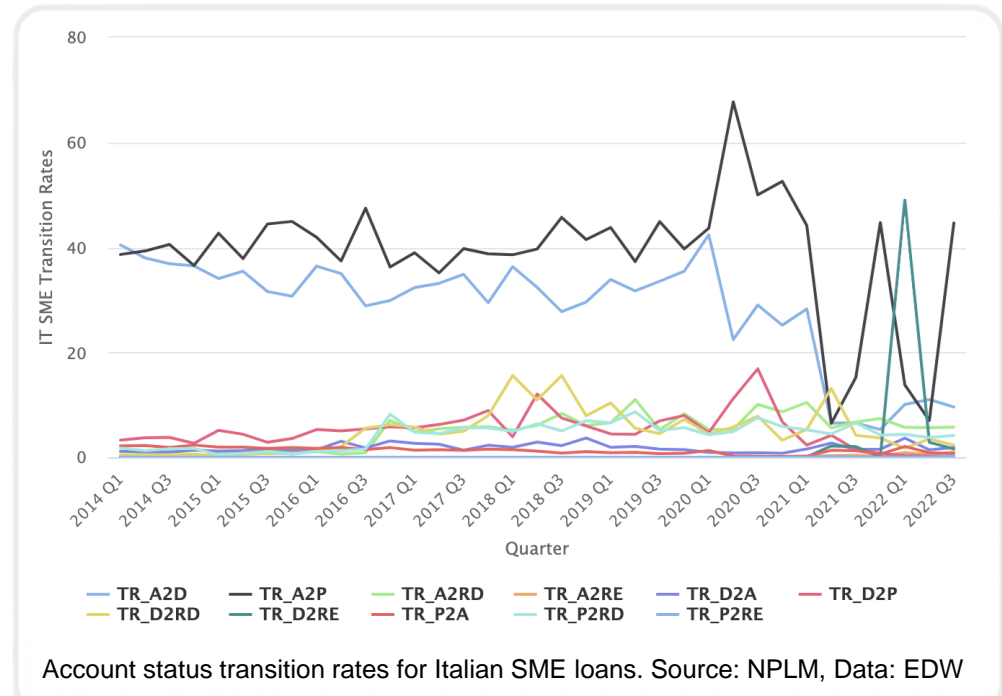
- Market valuations (IFRS 13) require current market discount rates by country, asset class, rating, maturity, seniority, interest rate type, and available collateral
- Hold valuations (IFRS 9) require the use of forward looking scenarios to estimate expected credit losses i.e. point in time risk parameters for default, loss and prepayment
- Both valuations are required for bank credit portfolio management to decide whether and which loans to sell
- We have created a data hub for loan valuation
  1. market discount rates and lending rates
  2. credit risk indices for default, loss and prepayment
  3. macro economic scenarios



## Valuation & Analytics – Performance Data from European DataWarehouse

### USING EDW AND ESMA TEMPLATE DATA FOR LOAN VALUATION

- We use EDW data for several purposes
  - Monitoring credit performance of individual ABS transactions and the market overall
  - As Annex 12 aggregates for CPR, CDR, and arrears may be unreliable, we recalculate all risk measures at loan level
  - Monitor loan pricing for newly extended loans
  - Calculate loan level performance transitions to use in valuation models:
- ✓ Roll rates from PERF -> ARRE, ARRE -> PERF, ARRE -> DFLT
  - ✓ Cure and danger rates for loans in distress to value Stage 2 loans and Unlikely to Pay: DFLT -> PERF, DFLT -> LOSS
  - ✓ Cumulative recoveries and losses for NPL valuations



## Valuation & Analytics – Credit Models – EDW Data

- PD/CDR, CPR and arrears performance is directly available in ESMA Annex 12 in the EDW database
- However, we found this data unreliable and recalculated CDR, CPR and arrears buckets from underlying exposures
- Other risk parameters like the cure rate are required to value performing SME loans, sub-performing loans like IFRS9 Stage 2 or Unlikely to Pay loans in each country where such data is available (IT, ES, FR, DE, PT, BE, NL)
- We combine historical data from EDW delivered under the ECB SME template with more recent ESMA data to create one reference data sets from 2013 to 2023 with 10m transitions
- In Italy the cure rate shows the expected dependencies on interest type (higher for floaters), and number of days in arrears (negative, lower cure rates the longer in arrears)

	Estimate	Std. Error	z value	Pr(> z )
(Intercept)	-4.352	0.3061	-14.22	< 1.0e-10
'Amortisation Type'FIXE	-1.309	0.2800	-4.68	2.93e-06
'Amortisation Type'FRXX	-0.761	0.2787	-2.73	6.30e-03
'Amortisation Type'OTHR	-1.762	0.2896	-6.08	1.17e-09
InterestRateTypeSimpleFloating	0.246	0.0387	6.37	1.91e-10
InterestRateTypeSimpleOther	0.437	0.0805	5.43	5.55e-08
LoanAgeMonth.bin(12,24]	-0.096	0.1161	-0.82	4.09e-01
LoanAgeMonth.bin(24,60]	-0.090	0.1096	-0.82	4.10e-01
LoanAgeMonth.bin(60,Inf]	0.310	0.1103	2.81	5.03e-03
'Number Of Days In Arrears'	-0.005	0.0001	-43.50	< 1.0e-10
NumberUniqueCollaterals	0.149	0.0126	11.84	< 1.0e-10
NumberUniqueGuarantees	-0.085	0.0193	-4.40	1.10e-05
PastArrearsFlagY	3.469	0.0660	52.53	< 1.0e-10

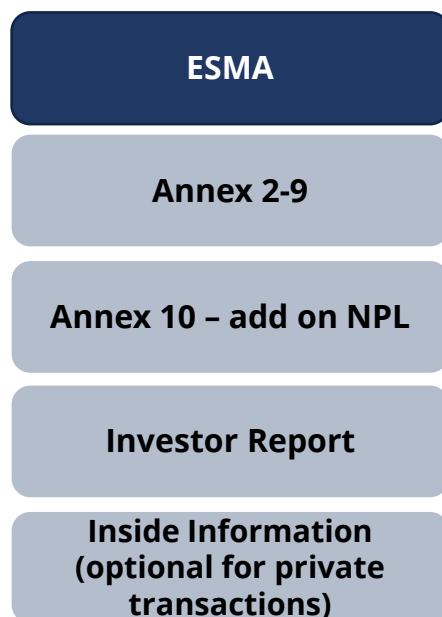
Logistic regression model for the cure rate of Italian SME based on 350,000 cures out of a total of 10 million loan-quarter observations. Source: NPLM, Data: EDW

# EDW GAP ANALYSIS EBA NPL VS ESMA TEMPLATES

**ANDREA BEDIN, EDW**



# CURRENT ESMA REPORTING FRAMEWORK UNDER SECURITISATION REGULATION (EU) 2017/2402





- 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

Sources: ESMA website and EDW assessment

## RESULTS OF THE EDW NPL GAP ANALYSIS (1/3)

- GAP Analysis highlights key differences between EBA NPL transaction data templates and ESMA technical standards as of 23 September 2020
- EBA templates have been streamlined and new fields added:
  - “No data option” has been simplified (ND1, ND2 etc. into one ND only)
  - € 25,000 threshold has been eliminated
- Among the 129 fields plus 5 identifiers proposed by EBA, EDW found a potential correspondence with the ESMA fields in 71 cases
- Scope of application for the EBA templates, as per the proposed Regulation Article 2, is for the sale or transfers of portfolios of NPLs held in the banking book of credit institutions that meet the criteria set out in Article 16 (7) of Directive (EU) 2021/2167 on credit servicers and purchasers.
- Out of scope, among others:
  - Securitised NPL loans where Regulation (EU) 2017/2402 applies
  - Loans held in the trading book of credit institutions
- NPL data quality is key to improve investor confidence and boost secondary market liquidity

## RESULTS OF THE EDW GAP ANALYSIS (2/3)

Template	Number of Fields	Number of fields with potential correspondence
1 - Counterparty	33 	14
2 - Relationship	4	3
3 - Loan	44 	21
4 - Collateral guarantee and enforcement	43	28
4.2 Mortgage Guarantee	5	4
5 - Historical collection of repayments	5	1
<b>Total number of fields</b>	<b>134</b>	<b>71</b>

## RESULTS OF THE EDW GAP ANALYSIS (3/3)

- Based on three Annexes of the ESMA templates:
  1. the Underlying exposure - add-on non-performing exposure (NPL) (Annex 10),
  2. the Underlying exposure - residential real estate (Annex 2); and
  3. the Underlying exposure - corporate (Annex 4)

EBA Templates			ESMA Templates	
Index - EBA	Template - EBA	Data field - EBA	Field code - ESMA	Field name - ESMA
1.04	Counterparty	Economic activity	CRPL14	NACE Industry Code
1.06	Counterparty	Legal Type of Counterparty	RREL15	Borrower Type
1.16	Counterparty	Country of Counterparty	RREL81	Original Lender Establishment Country
1.21	Counterparty	Currency of Financial Statements	CRPL23	Financial Statement Currency
3.12	Loan	Legal Balance	RREL71	Default Amount
3.13	Loan	Days in Past-Due	RREL68	Number Of Days In Arrears
3.14	Loan	Interest Rate	CRPL53 and RREL43	Current Interest Rate
3.15	Loan	Interest Rate Type	CRPL52 and RREL42	Interest Rate Type
3.19	Loan	Interest rate reset frequency	RREL47	Interest Rate Reset Interval
3.21	Loan	Last Payment Date	NPEL30	Last Payment Date
3.23	Loan	Date of the default status of the instrument	RREL72	Default Date
3.40	Loan	End Date of Forbearance measure	NPEL41	End Date of Forbearance
4.10	Collateral guarantee and enforcement	Higher Ranking Loan	NPEC10	Higher Ranking Underlying Exposure
4.29	Collateral guarantee and enforcement	Enforcement Status	NPEC7	Enforcement Status

# REPORTING FRAMEWORKS UNDER THE SEC REG & UPCOMING EBA NPL SECONDARY MARKET DIRECTIVE

Type of Assets	Reporting Framework for Securitisation	Reporting Framework for Straight Sale
Performing Loans	ESMA Templates	-
Non-performing loans (NPL)	ESMA Templates with Add-on Annex 10	EBA Templates
Homogeneous NPL pool	One ESMA Annex with Add-on Annex 10	EBA Templates
Non-Homogeneous NPL pool	Multiple ESMA Annexes with Add-on Annex 10	EBA Templates

Sources: EBA Templates, ESMA Templates and EDW assessment

# ENHANCEMENTS FOR PRIVATE DEAL REPORTING & EDITOR NEXTGEN FEATURES

**ANDREA BEDIN, EDW**

# INVESTOR REPORTS DIFFER FROM ISSUER TO ISSUER

- Investor reports are instrument to share key data with investors in a securitisation.
- Investor reports vary by jurisdiction and asset class
- Data extraction can be a time consuming task.
- Compared to loan level data investor reports lack standardisation, centralisation, and transparency .

**2. Notes and Assets description**

**The Notes**  
Issue Date 05/11/2021

Classes	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class J Notes
Principal Amount Outstanding on Issue	945.000.000,00	15.000.000,00	19.000.000,00	21.000.000,00	5.000.000,00
Currency	EUR	EUR	EUR	EUR	EUR
Issue Date	05/11/2021	05/11/2021	05/11/2021	05/11/2021	05/11/2021
Final Maturity Date	28 December 2031	28 December 2031	28 December 2031	28 December 2031	28 December 2031
Listing	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Not listed
ISIN code					
Common code	239370217	239373887	239374018	239374301	239374620
Denomination	100.000,00	100.000,00	100.000,00	100.000,00	100.000,00
Type of amortisation	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing
Indexation	Euribor 1M	Euribor 1M	Euribor 1M	Euribor 1M	Fixed Rated
Spread / Fixed Rate	0,700%	1,000%	1,500%	2,850%	3,500%
Payment frequency	Monthly	Monthly	Monthly	Monthly	Monthly

**The Portfolio**  
Performing Auto Loans

Initial Portfolio (Outstanding Principal as at 30th September 2021): 999.989.706,11  
Transfer Date: 05/11/2021

The Originator confirms that, as at the date of this report, it continues to retain a material net economic interest of not less than 5 (five) per cent in the Securitisation as disclosed in the Prospectus, in accordance with option (c) of article 6(3) of the EU Securitisation Regulation (Regulation No. 2402/2017)

Risk Retention Method: Randomly-selected exposures kept on balance sheet - i.e. Article 6(3)(c) (RSEX)

# THE NEW EDW DEAL REPORT: A STANDARDISED SOLUTION

- EDW launched the new **Deal Report** in October 2022.
- The **Deal Report** combines information from the submitted reporting templates with benchmark data from EDW's extensive database.

BOND REPORT					
	CLASS A NOTES	CLASS B NOTES	CLASS C NOTES	CLASS D NOTES	CLASS J NOTES
ISIN					
Type	Scheduled Amort.	Scheduled Amort.	Scheduled Amort.	Scheduled Amort.	Other
Cur	EUR	EUR	EUR	EUR	EUR
Original Balance	945,000,000	15,000,000	19,000,000	21,000,000	5,000,000
Current Balance	514,697,037.75	15,000,000	19,000,000	21,000,000	5,000,000
Issue Date	2021-11-05	2021-11-05	2021-11-05	2021-11-05	2021-11-05
Maturity Date	2031-12-29	2031-12-29	2031-12-29	2031-12-29	2031-12-29
IPD	2023-01-30	2023-01-30	2023-01-30	2023-01-30	2023-01-30
Paym.Freq	Monthly	Monthly	Monthly	Monthly	Monthly
Current Coupon (%)	2.59	2.89	3.39	4.74	3.50
Cur. Int.Rate Mrgn/Sprd (%)	0.70	1	1.50	2.85	3.50
Step Up/Dn Coupon	-	-	-	-	-
Step Up/Dn Date	-	-	-	-	-
Coupon Floor (%)	0	0	0	0	0
Coupon Cap (%)	-	-	-	-	-
Current Int. Rate Index	Euribor	Euribor	Euribor	Euribor	-
Next Call Date	-	-	-	-	-
Next Put Date	-	-	-	-	-
Curr.Attch Point (%)	13.61	11.09	7.90	4.37	3.53
Orgl.Attch Point (%)	5.24	3.74	1.84	0	0
Curr. Cred Enhcmt (%)	10.92	8.33	5.04	1.40	0.54
Orig. Cred Enhcmt (%)	6.44	4.95	3.07	0.99	0.50
Protection Type	-	-	-	-	-
Unpaid P.Dfcy Ldgr Bal	-	-	-	-	-



# EDW DEAL REPORT

Example of information provided in the EDW Deal Report

## DEAL OVERVIEW

Securitisation Identifier	567513456WBVSGC4U64N202101
Deal Name	DEMO DEAL EDITOR NEXT GEN
EDCode	CMRSE000099900620212
Pool Cut-Off Date	2022-07-31
STS	Yes
Vintage	2021
Asset Type	CMR
Country of Assets	Spain
Country of Primary Exchange	Luxembourg
Country of SPV Incorporation	Spain
ESMA Templates made available	Underlying Exposures, Sign. Evnt, Inv. Rpt
Is the Securitisation Private?	No
Reporting Entity Name	EUROPEAN DATAWAREHOUSE
Report Entity Contact	GOPALA SANKARAN
Phone	+49-(0)609865319
Email	gs@eurodw.eu

### ESMA Completeness Score

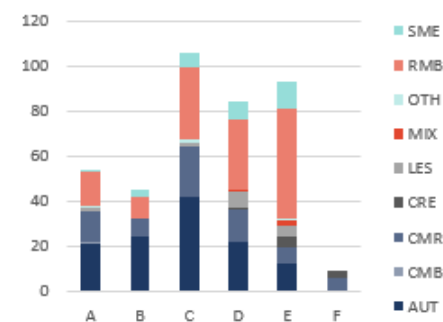
A2

### EDW Data Quality Score

B

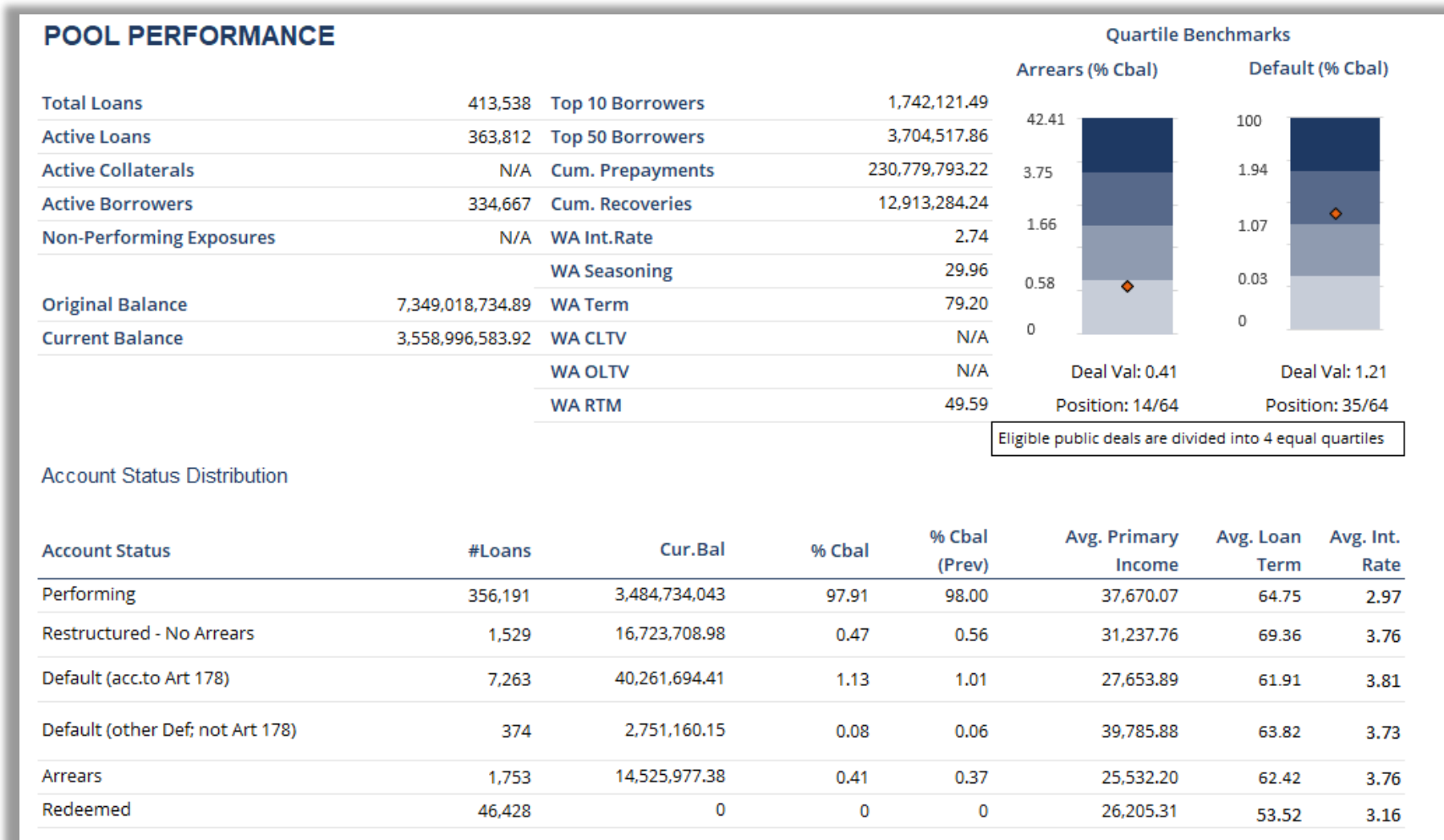
### DQS Distribution by Asset Class

(For all deals on EDW platform)



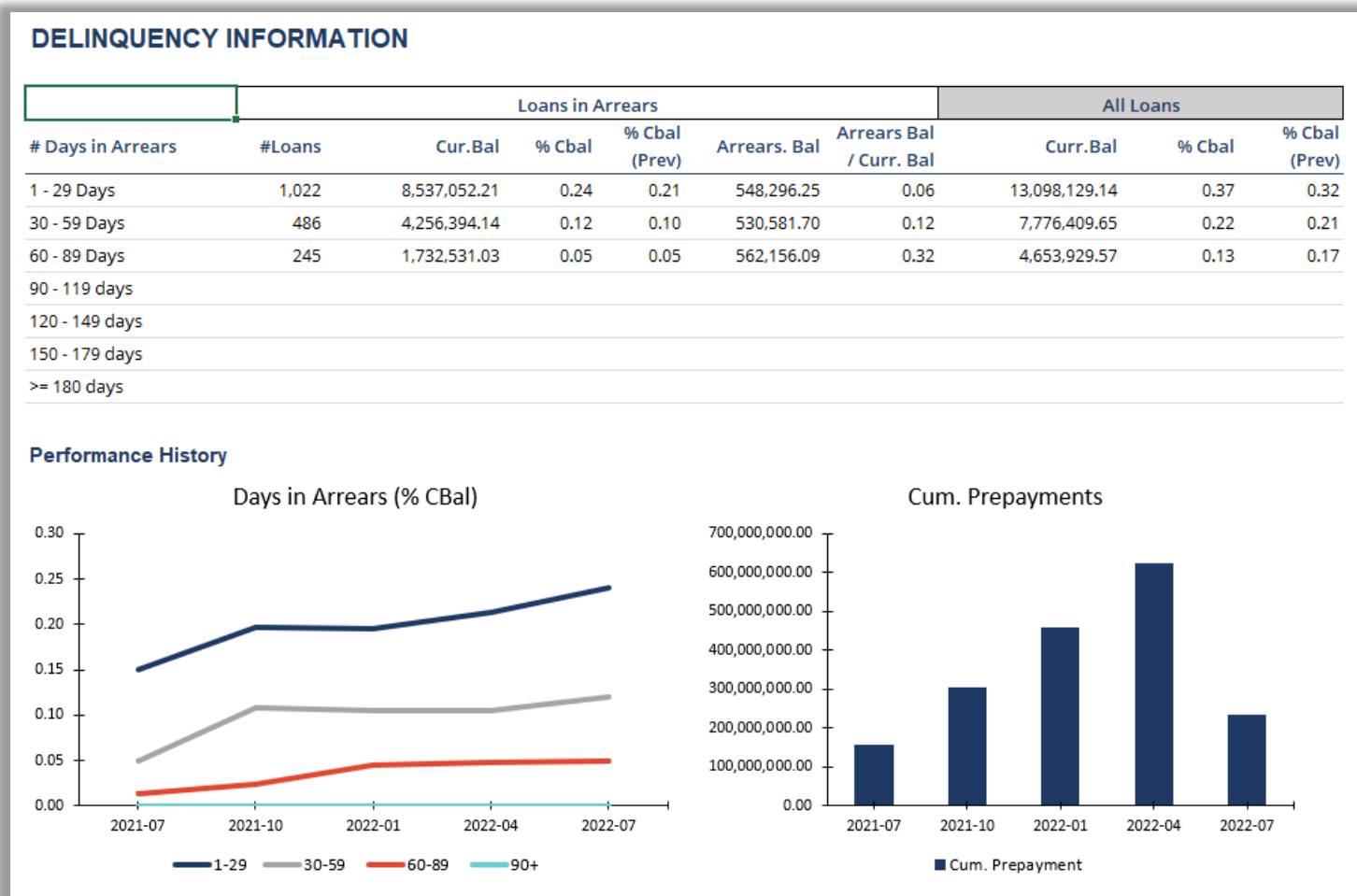
# EDW DEAL REPORT

## Example of information provided in the EDW Deal Report



# EDW DEAL REPORT

Example of information provided in the EDW Deal Report



# LATEST DEVELOPMENTS ON STS

## MICHAEL OSSWALD, SVI



THE STS VERIFICATION PROCESS  
– THE STRUCTURED PATH TO  
YOUR SUCCESS.

## Latest Developments on STS

Michael Osswald

STS Verification International GmbH ("SVI")

EDW Greek Workshop, 22 March 2023

# THE STS MARKET SEGMENT AND THE ROLE OF THE THIRD-PARTY VERIFIER

## Simple, Transparent & Standardised (“STS”) Securitisations

- As part of the European securitization framework, the STS regime has been established in 2019 as a first-class capital market segment with strict and uniform regulation
- The STS label offers access to the widest investor base possible
- Market standard for public securitization, widely used by private securitisations
- STS reduces the capital requirements for investors and originators (for retained senior tranches in synthetic transactions)



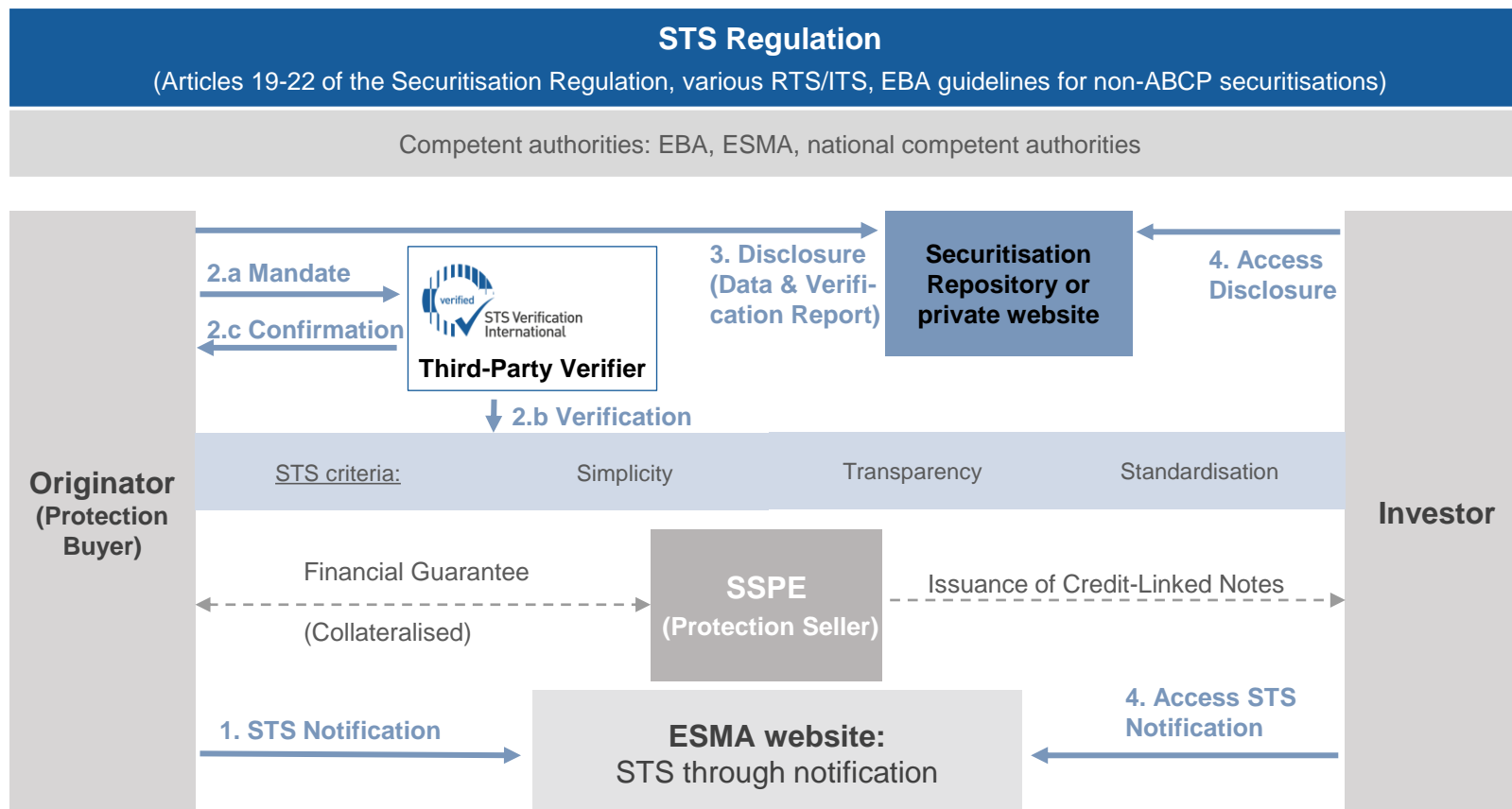
## The Role of the Third-Party Verifier (“TPV”)



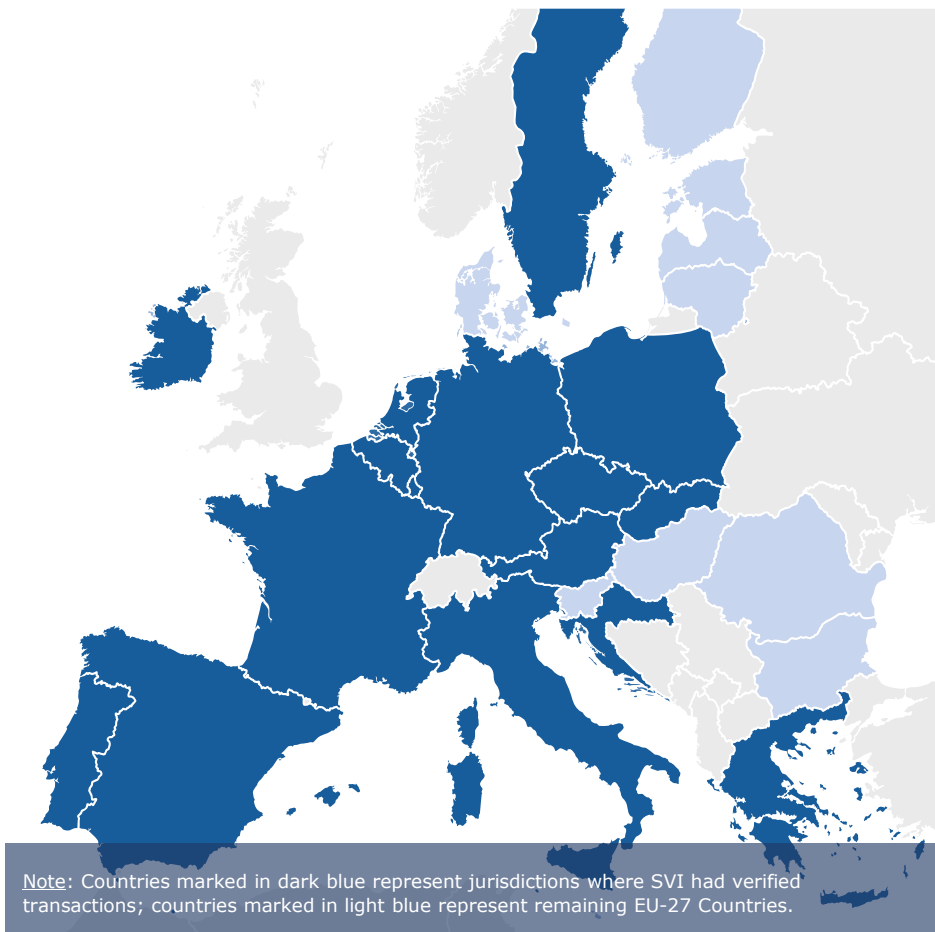
- A Third-Party Verifier can be appointed by the originator, the sponsor or the SSPE to assess, and, where applicable, verify compliance of a securitisation with the STS criteria
- The TPV ensures appropriate interpretation and consistent application of the STS criteria (incl. RTS/ITS and guidelines) during the structuring phase, thereby reducing liability risk for the transaction parties
- The TPV acts as first point of contact for questions and coordinated approach to the competent supervisory authorities

# STS NOTIFICATION AND STS VERIFICATION

(EXAMPLE OF SYNTHETIC ON-BALANCE SHEET SECURITISATIONS – FUNDED WITH SSPE)



# STS VERIFICATION – A PAN-EUROPEAN APPROACH



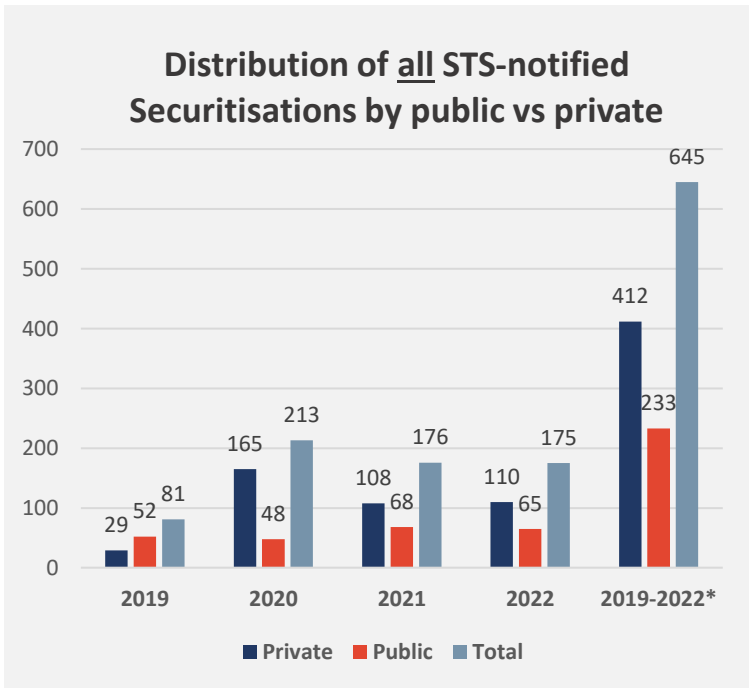
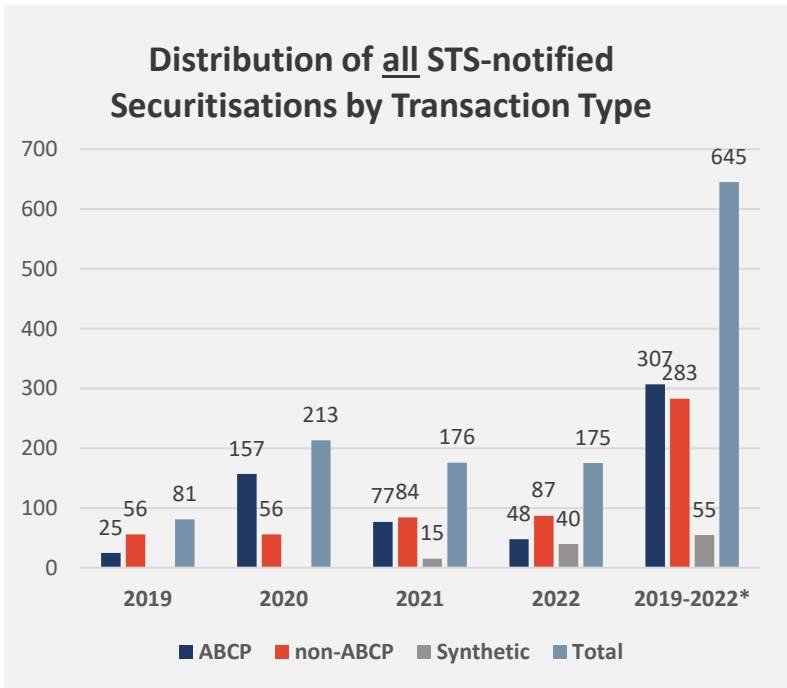
## ■ Jurisdictions where SVI has verified transactions include the following:

➤ Austria		➤ Belgium	
➤ Czech Republic		➤ France	
➤ Germany		➤ Greece	
➤ Ireland		➤ Italy	
➤ Luxembourg		➤ Netherlands	
➤ Poland		➤ Portugal	
➤ Spain		➤ Slovakia	
➤ Sweden		➤ Multi-Jurisdictional	

■ In addition, SVI has verified transactions where the Seller was domiciled in a third country (e.g. UK, Switzerland, US), but a EU-domiciled related company has acted as Originator in line with the Securitisation Regulation.



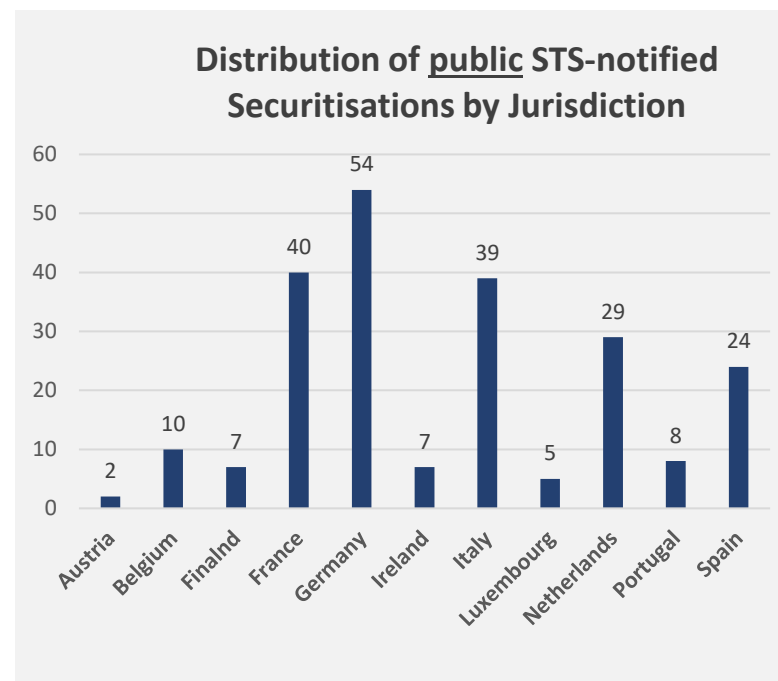
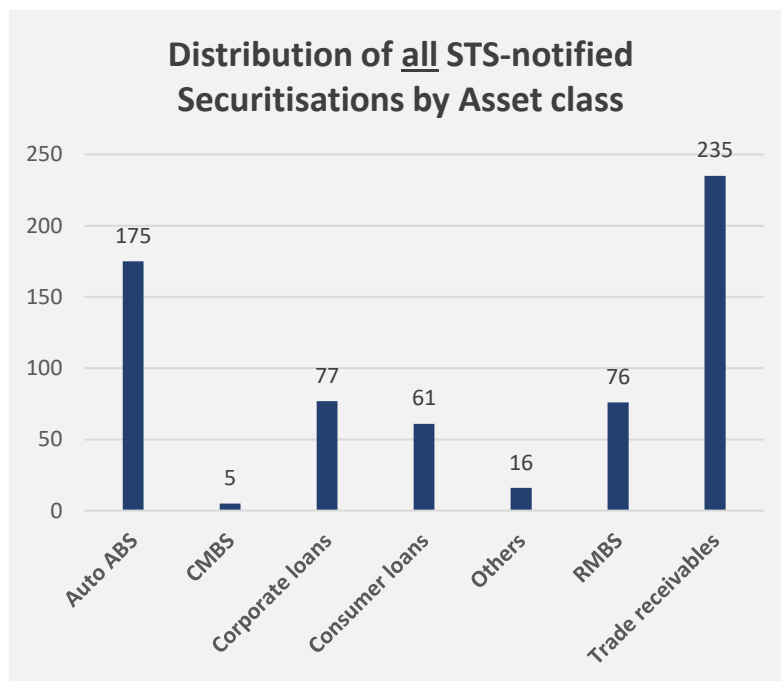
# DEVELOPMENT OF THE MARKET FOR STS TRANSACTIONS (2019-2022)



\*Period 1.1.2019 – 31.12.2022; Source: ESMA Website, SVI

- As per year-end 2022, 645 securitisations have been notified as STS-compliant (283 non-ABCP vs. 307 ABCP vs. 55 Synthetic, 233 public vs. 412 private transactions)
- STS-compliant transactions can be notified to ESMA as either “public” or “private” transactions, with resulting vastly different level of disclosure

## DEVELOPMENT OF THE MARKET FOR STS TRANSACTIONS (2019-2022) (CONTINUED)



Period 1.1.2019 – 31.12.2022; Source: ESMA Website, SVI

- The Greek securitisation market is characterized by private securitisations, mainly in the form of non-performing loan (NPL) securitisations and synthetic on-balance sheet securitisations
- Synthetic on-balance sheet securitisations are eligible for STS compliance since mid-2021, when the Securitisation Regulation was amended as part of the EU Capital Markets Recovery Package

## STS FOR SYNTHETIC SECURITISATIONS – PRACTICAL ASPECTS

### ■ Transaction structure and collateral requirements

- Unfunded – requires 0% risk weighted counterparty as protection seller
- Funded – collateral in the form of cash on deposit or 0% risk-weighted debt securities
- Issuance of Credit-linked notes directly by the originator – no specific collateral requirements under STS

### ■ Homogeneity requirements

- One asset type, consistent underwriting & servicing, one or more homogeneity factor(s), e.g. jurisdiction, type of obligors
- Potential issues for portfolios where (i) debtors are domiciled in more than one jurisdiction and (ii) both SME and large corporate debtors are mixed in one portfolio

### ■ Standardisation requirements

- Performance-related triggers that would trigger a switch from pro-rata to sequential amortisation

### ■ Transparency requirements

- CF-model, historical performance data, sample asset audit

### ■ Other structural requirements

- Interim/final credit protection payments, credit events, termination provisions, synthetic excess spread

# CURRENT REGULATORY DEVELOPMENTS

## ■ Outstanding level 2 and level 3 legislation relating to the Securitisation Regulation framework:

- ❖ RTS on risk retention (final draft dated 1 April 2022)
- ❖ RTS on STS securitisations-related sustainability disclosures (consultation period expired on 2 July 2022)
- ❖ RTS on performance-related triggers (final draft dated 19 Sept 2022)
- ❖ RTS on exposure value of synthetic excess spread (consultation period until 14 Oct 2022)
- ❖ RTS on the homogeneity of STS securitisations (final draft dated 23 Feb 2023)
- ❖ EBA Guidelines on synthetic on-balance securitisations (draft not yet published)

## ■ Surveillance by the National Competent Authorities regarding STS compliance:

- ❖ Increased attention by regulators generally on STS-related compliance matters
- ❖ Recent spot investigation by the French Autorité des Marchés Financiers (AMF):
  - Review of 5 institutions (originators, arrangers, sponsors) covering 31 STS transactions
  - Focus on the internal organisation of institutions to verify the STS status of securitisations at the outset of a transaction, the internal control systems and the ongoing monitoring of STS status
  - Good practices identified by the AMF include the involvement of an independent TPV



# SUSTAINABLE SECURITISATION

## ■ Initial Securitisation Regulation (as of 12 Dec 2017):



- ❖ Requirement to publish environmental performance data of the assets financed by residential mortgage loans and auto loans & leases as part of the transparency requirements for non-ABCP securitisations
- ❖ Proviso that such information is available to the originator and captured in its IT systems

## ■ Amended Securitisation Regulation (as of 31 March 2021):

- ❖ Principal Adverse Impacts on sustainability factors:
  - Draft RTS regarding publication of „the available information related to the principal adverse impacts of the assets financed by the underlying exposures on sustainability factors“.
  - Main benefit: alignment with the sustainability-related disclosures in financial services under the Sustainable Finance Disclosure Regulation („SFDR“)
- ❖ EBA Report on Sustainable securitisation framework (March 2022):
  - Status quo of European sustainable securitisation market
  - Key issues identified: lack of common definition about what constitutes a „sustainable securitisation“ and lack of green assets
  - EBA views and recommendations endorsed by the EU Commission



## SUSTAINABLE SECURITIZATION (CONTINUED)

### ■ State of Play regarding the Sustainable Securitisation framework (as per EBA report):

- ❖ **Interaction with STS:** serve different purposes, but synergies are clearly recognisable
- ❖ **Proposed European Green Bond Standard as „platform“ also for green securitisations:** Aims to create a common standard for all fixed income products, but amendments necessary to capture the specifics of securitisations:
  - Use of proceeds approach at the level of the originator rather than SSPE to avoid that the securitised portfolio needs to be 100% green and enable the originator to use the proceeds to finance green EU taxonomy-compliant investments
  - Additional disclosures of the environmental performance of the underlying assets to provide investors an insight on the green vs. brown composition of the securitised portfolio
- ❖ **Specific „green securitisation“ label:** possibly at a later stage

### ■ The concept of the External Reviewer as crucial element of the proposed European Green Bond Standard:

- ❖ **Authorisation & supervision:** by ESMA, both EU and third-country domiciled entities
- ❖ **Main tasks:**
  - Pre-issuance review of the European green factsheet detailing (taxonomy-compliant) use of proceeds, environmental strategy of the issuer and other aspects of the bond issuance
  - Post-issuance review of the (use of proceeds) allocation reports (until bond maturity)



# SUSTAINABLE FINANCE PROJECTS: GAS AND ENGAGE

**MARCO ANGHEBEN, EDW**

# MONITORING, ASSESSING, AND ANALYSING ESG MARKETS & RISKS WITH EPC DATA

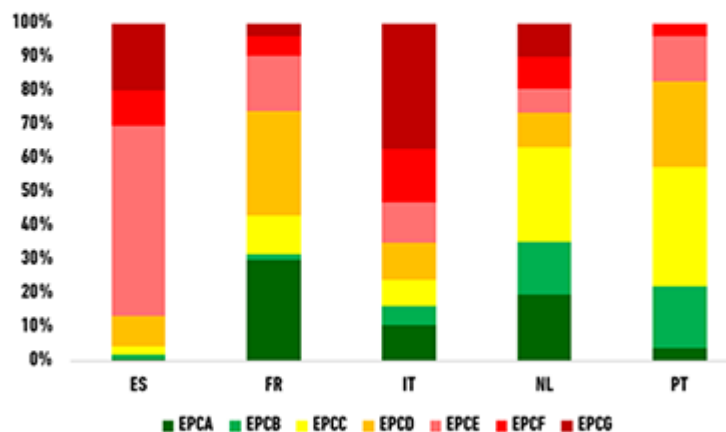
EDW's growing EPC dataset comprises 1.2 million records for Auto Loans and 0.5 million for RMBS

- EDW collects a wealth of sustainable finance information, including energy performance certificates (EPCs) for residential mortgages and auto loans.
- The dataset is growing thanks to the ESMA and FCA exposure templates

## ENERGY PERFORMANCE CERTIFICATES – RMBS

EPC distribution by country

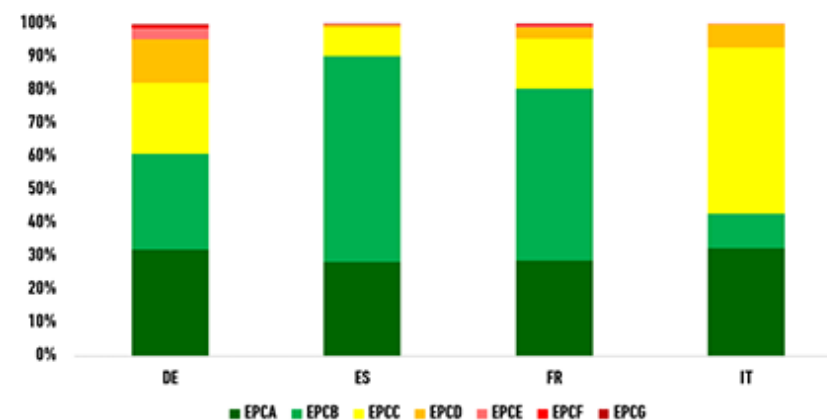
- differs greatly across countries



## ENERGY PERFORMANCE CERTIFICATES – AUTO LOANS

EPC distribution by Country

- Most cars have a Rating of C or better



Source: EDW Calculations

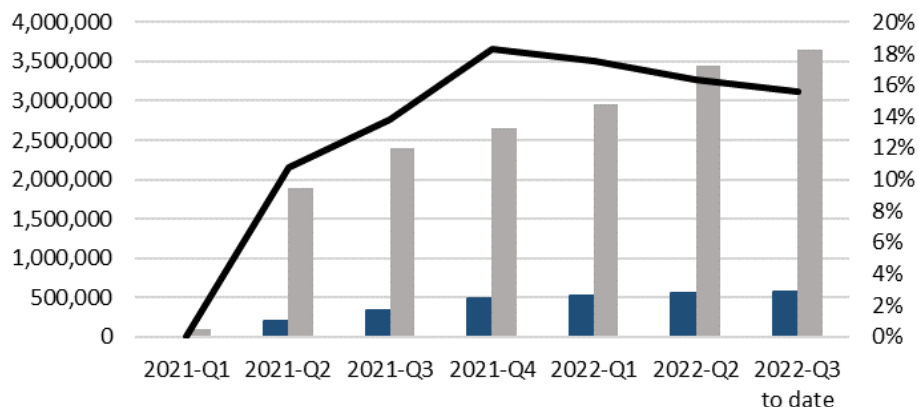


# ENERGY PERFORMANCE CERTIFICATES – HOW MUCH DATA IS AVAILABLE?

Data availability for EPCs is stagnating

## MORTGAGES

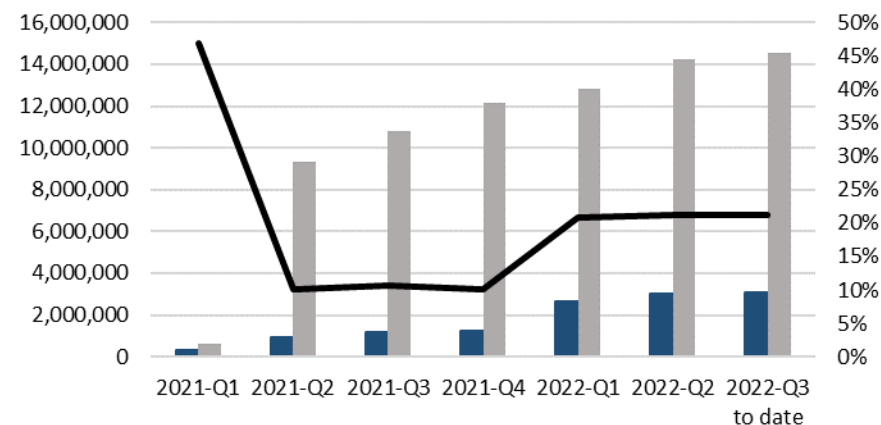
Number of Loans Reporting a Valid EPC in ESMA



■ Mortgages With a Valid EPC  
■ Total Number of Mortgages  
— % of Mortgages With an EPC (RHS)

## AUTO

Number of Loans Reporting a Valid EPC in ESMA



■ Auto Loans With a Valid EPC  
■ Number of Auto Loans  
— % of Auto Loans With an EPC (RHS)

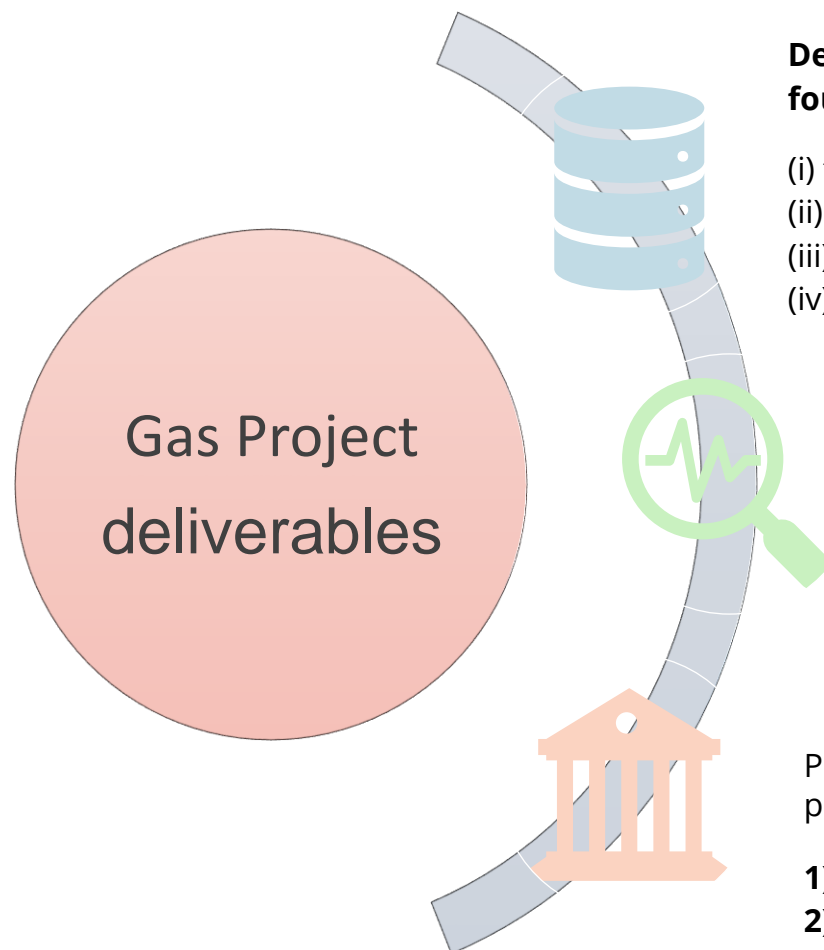
Source: EDW Calculations

# WHAT IS THE GREEN AUTO SECURITISATION (GAS) PROJECT?



- **Focus:**
  - Securitisation of green auto loans and leases
  
- **Relevance:**
  - A green finance mechanism is needed to incentivise purchase of low-emission vehicles through bank lending
  
- **Challenges:**
  - ESG information disclosure requirements are underdeveloped for green securitisation products
  - Lack of harmonisation due to a lagging regulatory framework
  - Data availability issues

# THE GAS PROJECT IN A NUTSHELL



**Development** of a model **database** with **four building blocks**:

- (i) the sustainability characteristics of the **car manufacturers**
- (ii) the characteristics of **car models**
- (iii) information on car **loans** (and **leases**)
- (iv) the characteristics of **securitisation products**.

**Analysis** and **definition** of automobile-related transparent **sustainability factors** at the level of the

- car manufacturer
- supply chain
- automobile

Investigation of the relationship between **low-emission vehicles** and **credit risk**

Proposal of a framework for two new green financial products:

- 1) **Green Auto and Leasing Loans**
- 2) **Green Auto and Leasing ABS**



# ENGAGE for ESG Activation Investments

Project Summary – March 2023



Co-funded by the  
European Union





# Project Description

- Name: Engage for ESG Activation Investments (ENGAGE)
- Funding: Co-funded by the European Union under the LIFE Programme
- Duration: 1 November 2022 – 31 October 2025
- Six partners: European DataWarehouse (Coordinator), Hypoport, B.V., Università Ca' Foscari, Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito, Woonnu B.V., DEXAI srls- Etica Artificiale

**EUROPEAN**  
DATAWAREHOUSE

 **HYPOPORT**



Università  
Ca' Foscari  
Venezia

**UCI**

**woonnu**

  
**DEXAI**  
ARTIFICIAL ETHICS





# The ENGAGE Solution

Two key building blocks:

- 1) Standardised, harmonised, and comparable sustainability data template combined with credit information
- 2) State-of-the-art financial technology solution – the Green Investment Portal (GIP)

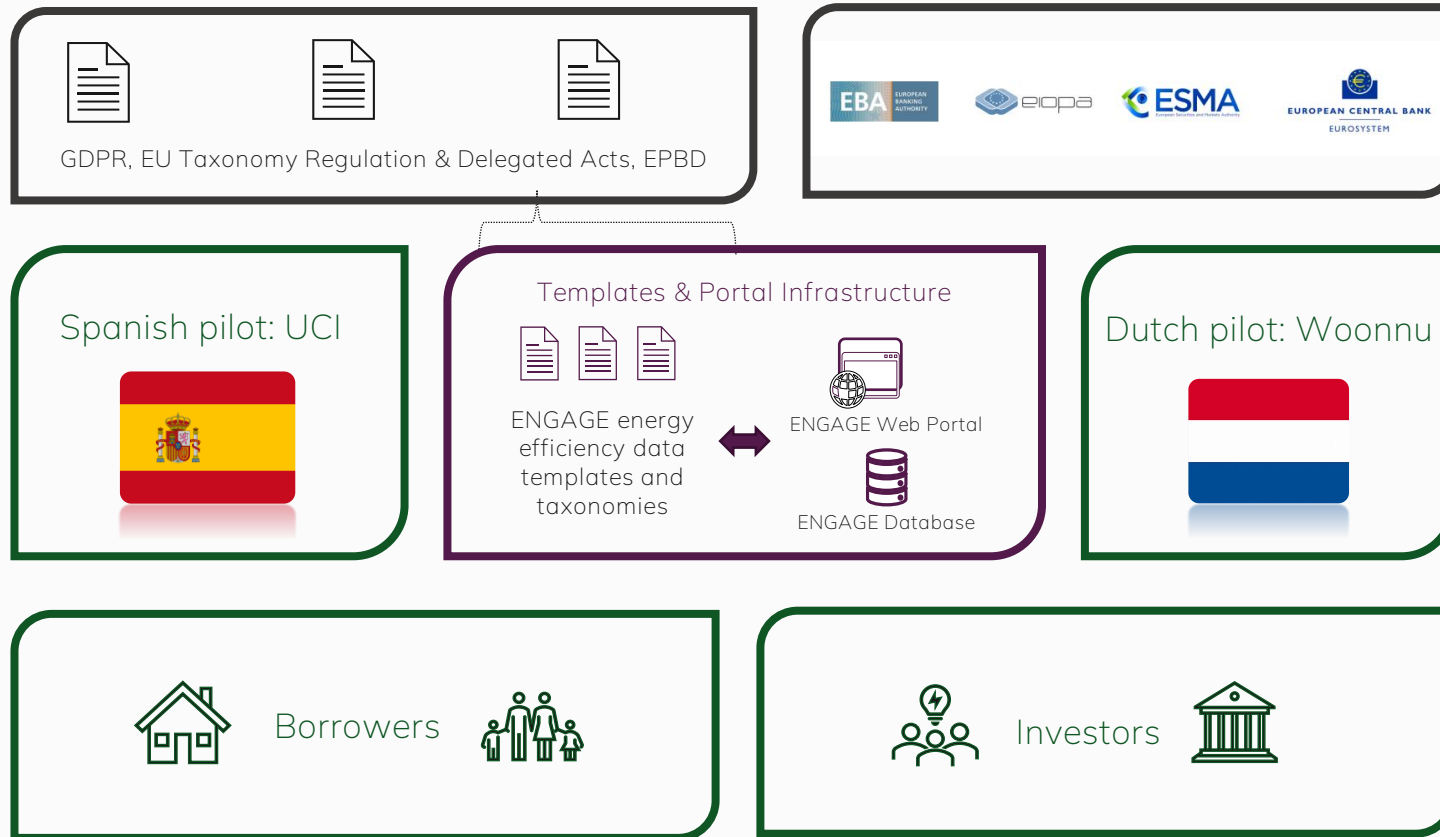
The combination of the energy efficiency template and the GIP will facilitate:

- Adequate ESG risk assessment at micro- & macro-level
- Increased investments in energy efficiency projects in Europe





# The High-Level Concept





# New Energy Efficiency Template

ENGAGE will leverage the existing ESMA technical standards on disclosure requirements, currently under revision, and more specifically:

- Annex 2: Underlying exposures – residential real estate
- Annex 6: Underlying exposures – consumer

Additional fields will also be added across sections:

- **Documentation:** minimum social safeguards, ESG information, EU Green Bond Standard adherence
- **Assets - Collateral:** Energy Performance Data (EPC) including emissions & consumption, climate risk related information
- **Liabilities:** use of proceeds



# CLOSING REMARKS

*Thanks to **Alpha Bank** for hosting the event!*



**Q&A**

# THANK YOU//CONTACT US

## EUROPEAN DATAWAREHOUSE GMBH

**Walther-von-Cronberg-Platz 2**

**60594 Frankfurt am Main**

 **www.eurodw.eu**

 **enquiries@eurodw.eu**

 **+49 (0) 69 50986 9017**

This presentation (the “Presentation”) has been prepared by European DataWarehouse GmbH (the “Company”) and is being made available for information purposes only. The Presentation is strictly confidential and any disclosure, use, copying and circulation of this Presentation is prohibited without the consent from the Company. Information in this Presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. No representation, warranty or undertaking, express or implied, is made as to the accuracy, completeness or appropriateness of the information and opinions contained in this Presentation. Under no circumstances shall the Company have any liability for any loss or damage that may arise from the use of this Presentation or the information or opinions contained herein. Certain of the information contained herein May include forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, “May”, “will”, “should” and similar expression. The forward-looking looking statements, contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are uncertain and subject to risks.