FALL WORKSHOP – NETHERLANDS

3 NOVEMBER 2020

ON TODAY'S CALL

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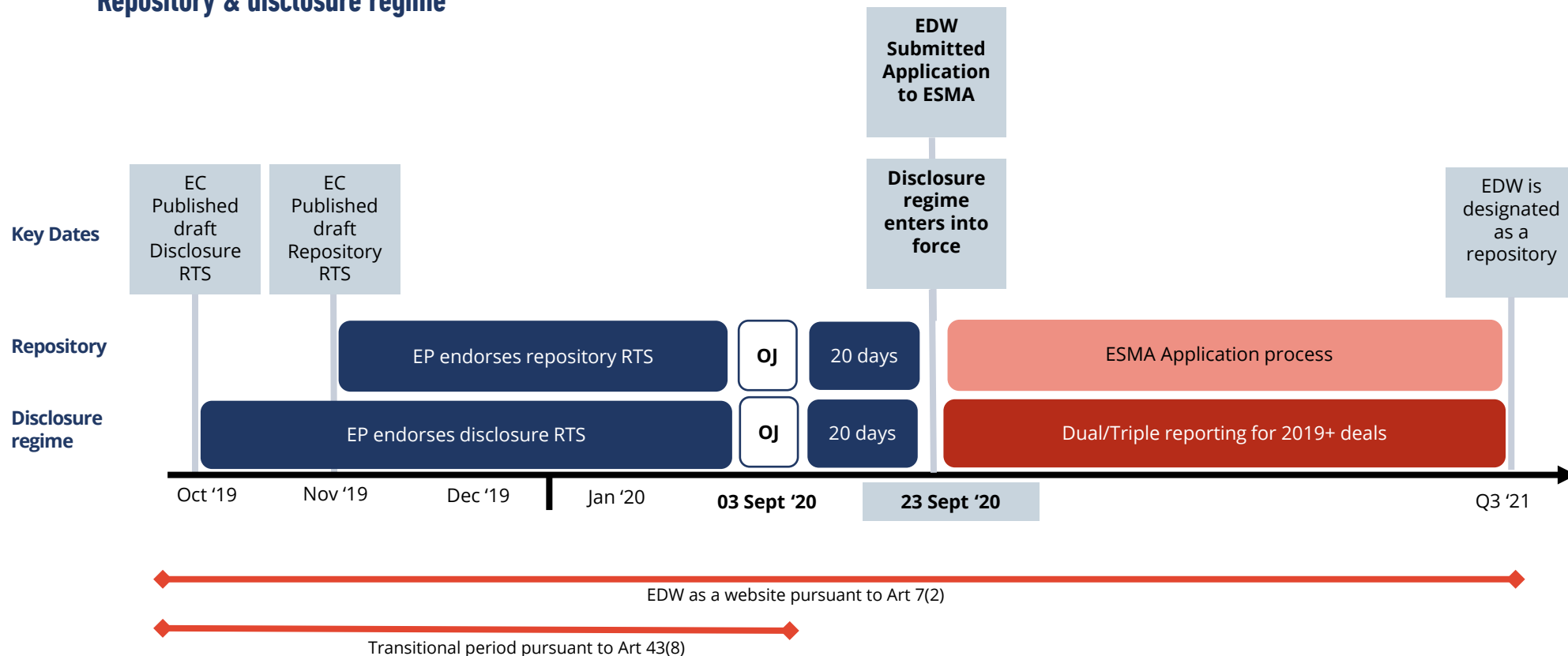
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AGENDA

- **RECENT REGULATORY DEVELOPMENTS AND TIMELINE**

- **MARKET OVERVIEW**

- **REPORTING SOLUTIONS**

- **COVID-19 REPORTING ANALYSIS**

- **PROXY DATA**

- **EDW EXTENDED REPORTING TEMPLATES**

- **Q&A**

RECENT REGULATORY DEVELOPMENTS AND TIMELINE

EIRINI KANONI

REGULATORY TIMELINE IN 2019-2021

Repository & disclosure regime

EDW Submitted Application to ESMA	

Key Dates

| EC Published draft Disclosure RTS | EC Published draft Repository RTS | | | Disclosure regime enters into force | | EDW is designated as a repository |

Repository

| EP endorses repository RTS | OJ | 20 days | ESMA Application process |

Disclosure regime

| EP endorses disclosure RTS | OJ | 20 days | Dual/Triple reporting for 2019+ deals |

Oct '19 Nov '19 Dec '19 Jan '20 **03 Sept '20** **23 Sept '20** Q3 '21

EDW as a website pursuant to Art 7(2)

Transitional period pursuant to Art 43(8)

EC: European Commission
EP: European Parliament
ESMA: European Securities and Markets Authority
OJ: Official Journal of the European Union – publication of the Level 2 of the RTS following the translation into the national languages of the European Union
RTS: Regulatory Technical Standards

PUBLICATION OF UPDATED XML SCHEMA V1.2.0 ON 19 AUGUST 2020

Summary of changes:
• The Account and Counterparty XML blocks in the Significant Event template schema have now been correctly aligned with Annexes 14-15 mandatory sections

• The 4 Exposure Fields, i.e. EUR, USD, GBP and Other (IVAL13 to 16), in the ABCP Underlying Exposure XML template have been aligned to follow the same XML structure as other monetary fields

• Minor bug fixes to allow ND5 for the Material Amendment to Transaction Documents field (SESS6)

• Improvements to data validation rules

According to ESMA both versions may be used until 1 February 2021. As of that date only version 1.2.0 should be used

REPORTING INSTRUCTIONS, XML SCHEMA AND VALIDATION

The XML schema for these templates and accompanying technical reporting instructions and validation rules are available below. Reporting entities may choose to use either version 1.1.0 or version 1.2.0 of the XML schema and validation rules until 1 February 2021. As of that date, only version 1.2.0 will be admissible.

Current Version: Version 1.2.0 published on 19 August 2020

Technical reporting instructions Ⓓ

XML schema and validation rules Ⓓ [ERRATUM – file updated 14h15 on 20/08/2020]

Previous Versions:

Version 1.1.0 of the XML schema and validation rules Ⓓ was published on 20 December 2019 ➔.

Version 1.0.0 of the XML schema and validation rules was published on 17 July 2019 ➔.

https://www.esma.europa.eu/policy-activities/securitisation

PUBLICATION OF THE PENDING RTS/ITS IN THE OJ OF THE EU ON 3 SEPTEMBER 2020

- On 3 September 2020, the pending Regulatory and Implementing Technical Standards (RTS/ITS) of the Securitisation Regulation (EU) 2017/2402 were published in the Official Journal (OJ)

- These include:
  - RTS/ITS on disclosure requirements
  - RTS/ITS on the Securitisation Repository (SR) registration
  - RTS on SR operations standards
  - RTS/ITS on STS Notifications

- The date of entry into force for the published RTS/ITS under the Securitisation Regulation is 23 September 2020

Official Journal
of the European Union

L 289

English edition | Legislation

Volume 63
3 September 2020

Contents

II Non-legislative acts

REGULATIONS

★ Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE (¹) 1

★ Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (¹) 217

★ Commission Delegated Regulation (EU) 2020/1226 of 12 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council and laying down regulatory technical standards specifying the information to be provided in accordance with the STS notification requirements (¹) 285

★ Commission Implementing Regulation (EU) 2020/1227 of 12 November 2019 laying down implementing technical standards with regard to templates for the provision of information in accordance with the STS notification requirements (¹) 315

★ Commission Implementing Regulation (EU) 2020/1228 of 29 November 2019 laying down implementing technical standards with regard to the format of applications for registration as a securitisation repository or for extension of a registration of a trade repository pursuant to Regulation (EU) 2017/2402 of the European Parliament and of the Council (¹) 330

★ Commission Delegated Regulation (EU) 2020/1229 of 29 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency (¹) 335

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2020:289:FULL&from=EN

ENTRY INTO FORCE OF THE SECURITISATION REGULATION REQUIREMENTS

- ESMA has confirmed that the date of entry into force for the published RTS/ITS under the Securitisation Regulation is 23 September 2020

- In the meantime, EDW already serves the securitisation market as a website compliant with the requirements set out in Article 7 (2) of the Securitisation Regulation (EU) 2017/2402.

ESMA CONFIRMS SECURITISATION REGULATION REQUIREMENTS ENTRY INTO FORCE ON 23 SEPTEMBER 2020

04 September 2020

SECURITISATION

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, confirms that the different elements of the new regime under the Securitisation Regulation will come into force on 23 September 2020.

This follows the publication of seven technical standards implementing the Securitisation Regulation in the Official Journal of the European Union. The publication of the technical standards triggers

- Opening of applications for entities to register as Securitisation Repository (SR); and

- Entry into force of new disclosure templates

Opening of applications for entities to register as SR

https://www.esma.europa.eu/press-news/esma-news/esma-confirms-securitisation-regulation-requirements-entry-force-23-september

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 register and Markets Authority (ESMA).

The extensive application describ aspects of the company and its m

In January 2018, European DataW Securitisation Repository under E platform for the Securitisation Re the platform was initially launche to reflect the latest template char

Prof. José Manuel González-Párar stated: "EDW was founded in 201 securitisation market and restore track record as the securitisation that EDW will submit a successful securitisation repository by ESM

Steve Gandy, Managing Director added: "As a founding sharehold committed to promoting best pra market. Hence our continued sup tirelessly towards the goal of grea market, and we are confident tha repository services which are a b 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."

DUTCH MARKET OVERVIEW

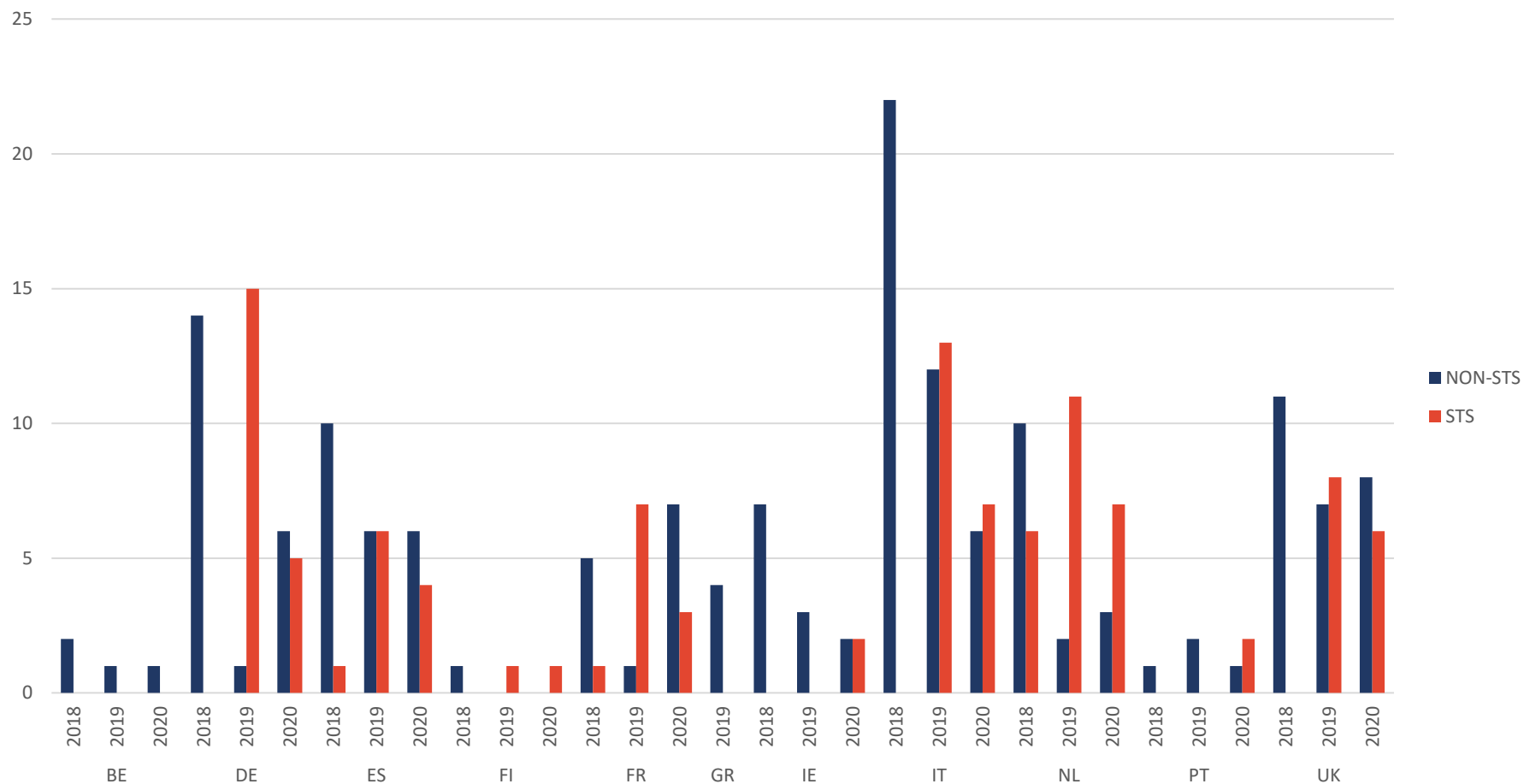## GISELA HERKNER

OUTSTANDING DUTCH ABS AND STS DESIGNATION
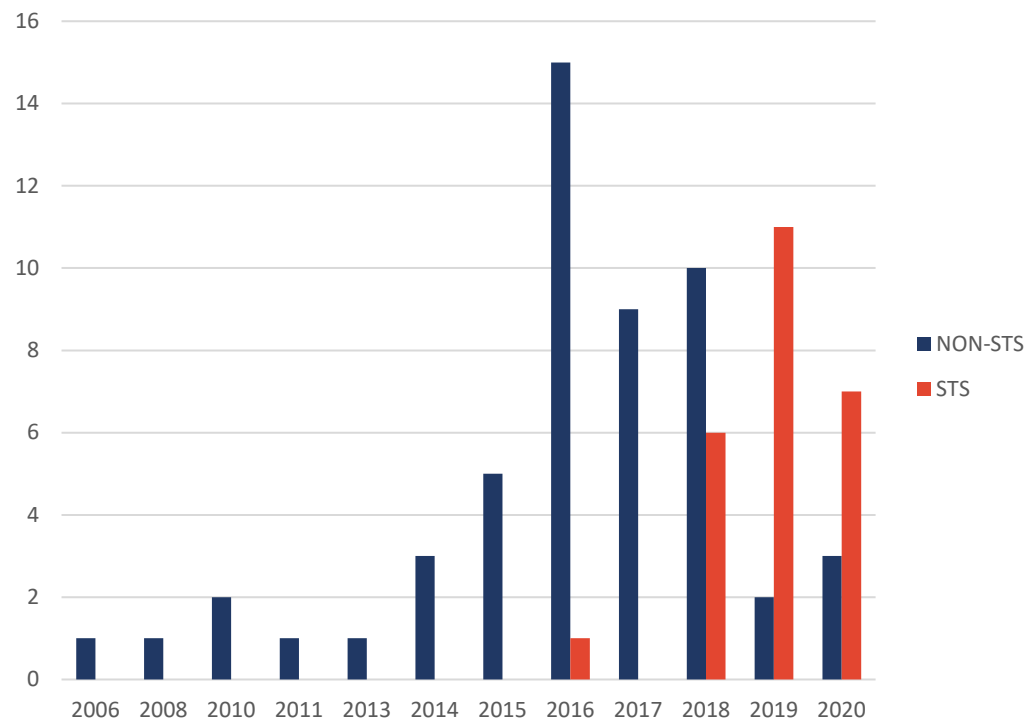
Out of the 23 public Dutch transactions in our platform issued in 2019 and 2020
- 18 are STS
- 5 do not seek STS designation (BTL)

7 Dutch transactions issued in 2016 and 2018 were designated as STS

Based on EDW Data as of October 2020

Legend: NON-STS, STS

OUTSTANDING EUROPEAN ABS AND STS DESIGNATION

Based on EDW Data as of October 2020

REPORTING SOLUTIONS

GISELA HERKNER

MEETING THE REQUIREMENTS SET OUT IN ARTICLE 7(2) OF THE (EU) 2017/2402

European Datawarehouse:

1. Includes a well-functioning data quality control system

2. Is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website

3. Is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk

4. Includes systems that ensure the protection and integrity of the information received and the prompt recording of the information

5. Makes it possible to keep record of the information for at least five years after the maturity date of the securitisation

EDITOR REPORTING REGIMES

Fulfil regulatory and eligibility reporting requirements under different regimes

- ECB repository for issuers to fulfil their Eurosystem eligibility requirements for ABS and private whole loan portfolios

- Dedicated website fulfilling the ESMA reporting criteria during the interim period under the CRA III/ESMA XML reporting regime

- Plan to be an ESMA securitisation repository, application has been submitted

- Issuers are now able to fulfil their Bank of England (BoE) eligibility requirements by reporting their loan-level data, cashflow models and documentation to European DataWarehouse

- ED intends to become a securitisation repository in the UK

DISCLOSURE REQUIREMENTS – DOCUMENTS TO REPORT

Everything you need to know about the Reporting Requirements of the EU Securitisation Regulation

🕐 **Before Pricing**   **Documentation** 📄

Item Code	Document
[3]	Final offering document; prospectus; closing transaction documents, excluding legal opinions
[4]	Asset sale agreement; assignment; novation or transfer agreement; any relevant declaration of trust
[5]	Derivatives and guarantees agreements; any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator
[6]	Servicing; back-up servicing; administration and cash management agreements
[7]	Trust deed; security deed; agency agreement; account bank agreement; guaranteed investment contract; incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value
[8]	Inter-creditor agreements; derivatives documentation; subordinated loan agreements; start-up loan agreements and liquidity facility agreements
[9]	Any other underlying documentation that is essential for the understanding of the transaction
[10]	STS Notification

🕐 **Quarterly (Non-ABCP); Monthly (ABCP)**   **XML Data Templates** ▦

[1]	Underlying exposures or underlying receivables or credit claims **XML**	
[2] [11] or [12]	Investor report Inside Information or Significant Event	Common XML file to report [2] and [11]/[12] in a single XML file **XML**

XML CONVERTER UPDATES

EDW offers an online portal (https://csv2xml.eurodw.eu) to convert ESMA Templates from EDW defined CSV to ESMA XML Format

Following the publication of the latest XML schema (v 1.2.0) by ESMA on 19 August 2020, EDW has released an updated version of the XML Converter

Main improvements include the following enhancements:

- Optional collaterals (performing exposures) for Corporate and Esoteric templates

- Optional collaterals (non-performing exposures) for Credit Cards, Consumer, Corporate and Esoteric templates
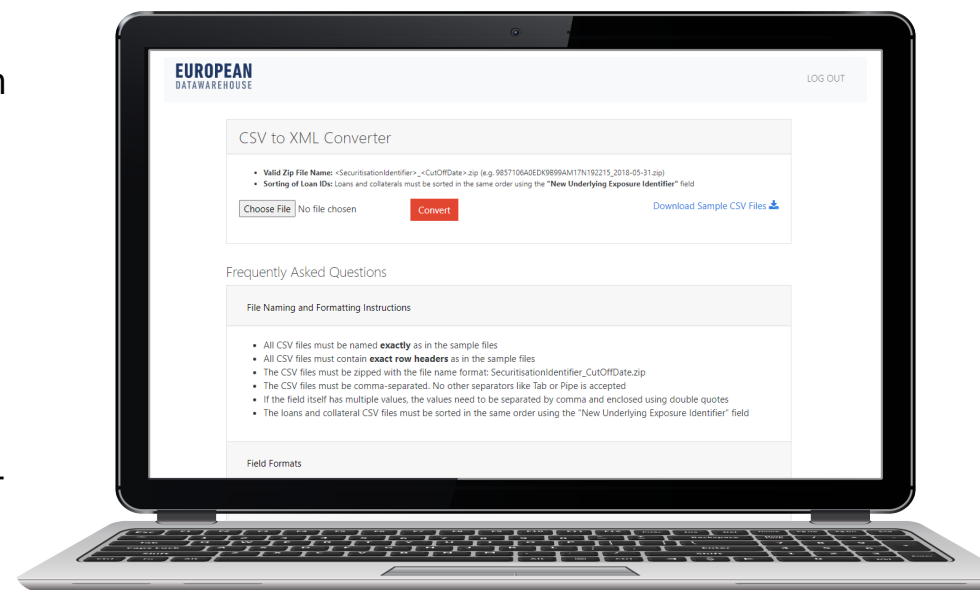
COVID-19 REPORTING ANALYSIS

GISELA HERKNER

COVID-19 RESEARCH REPORT

Updated regularly with the latest info
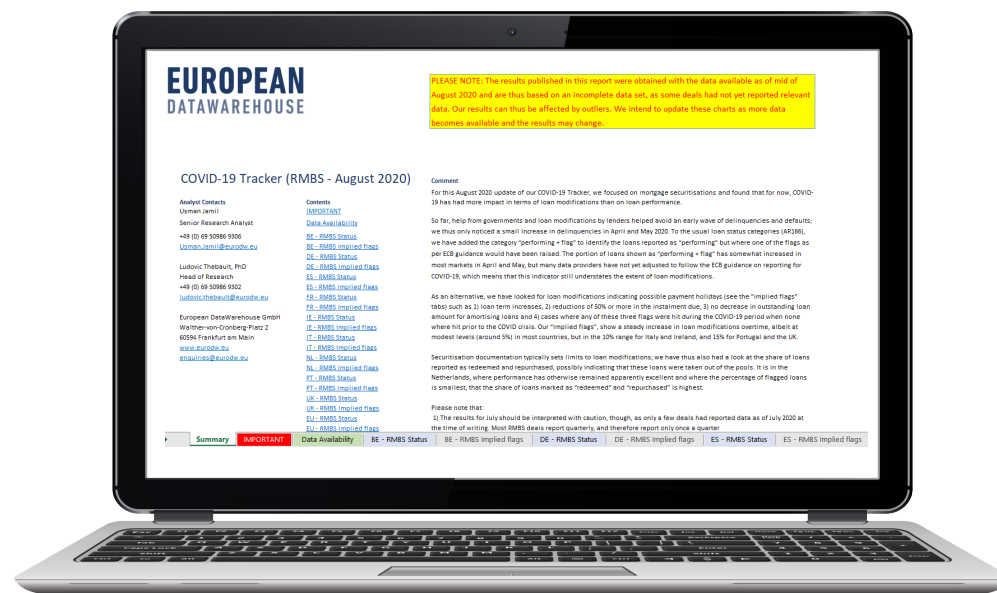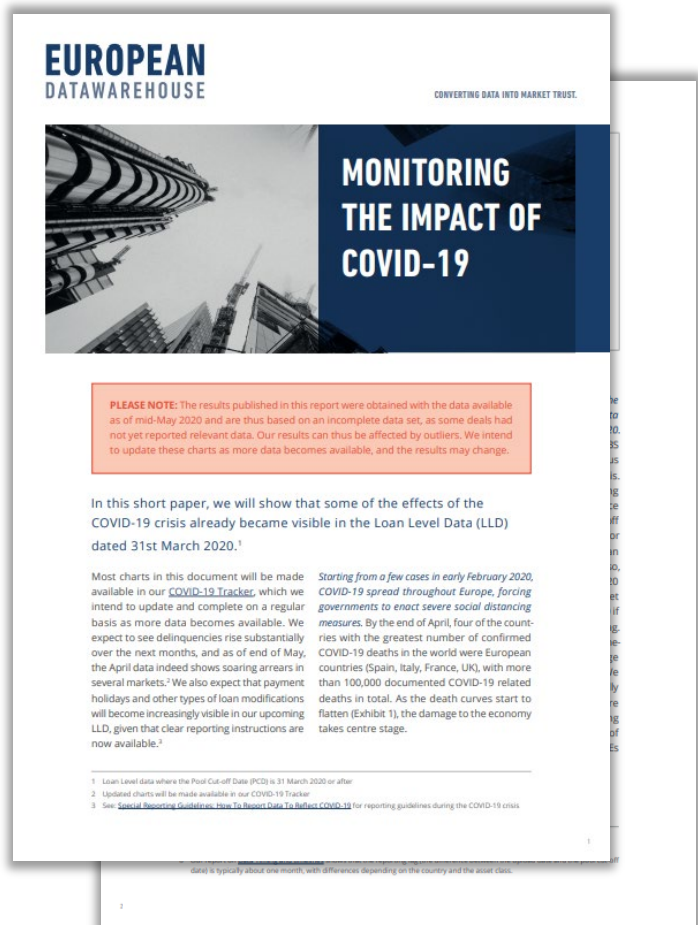
RMBS

EU level

NEW DELINQUENCIES BY EMPLOYMENT STATUS (% OF OUTSTANDING BALANCE)

Legend: Average over previous 6 periods ■ 2020 Q1 ■ 2020 Q2
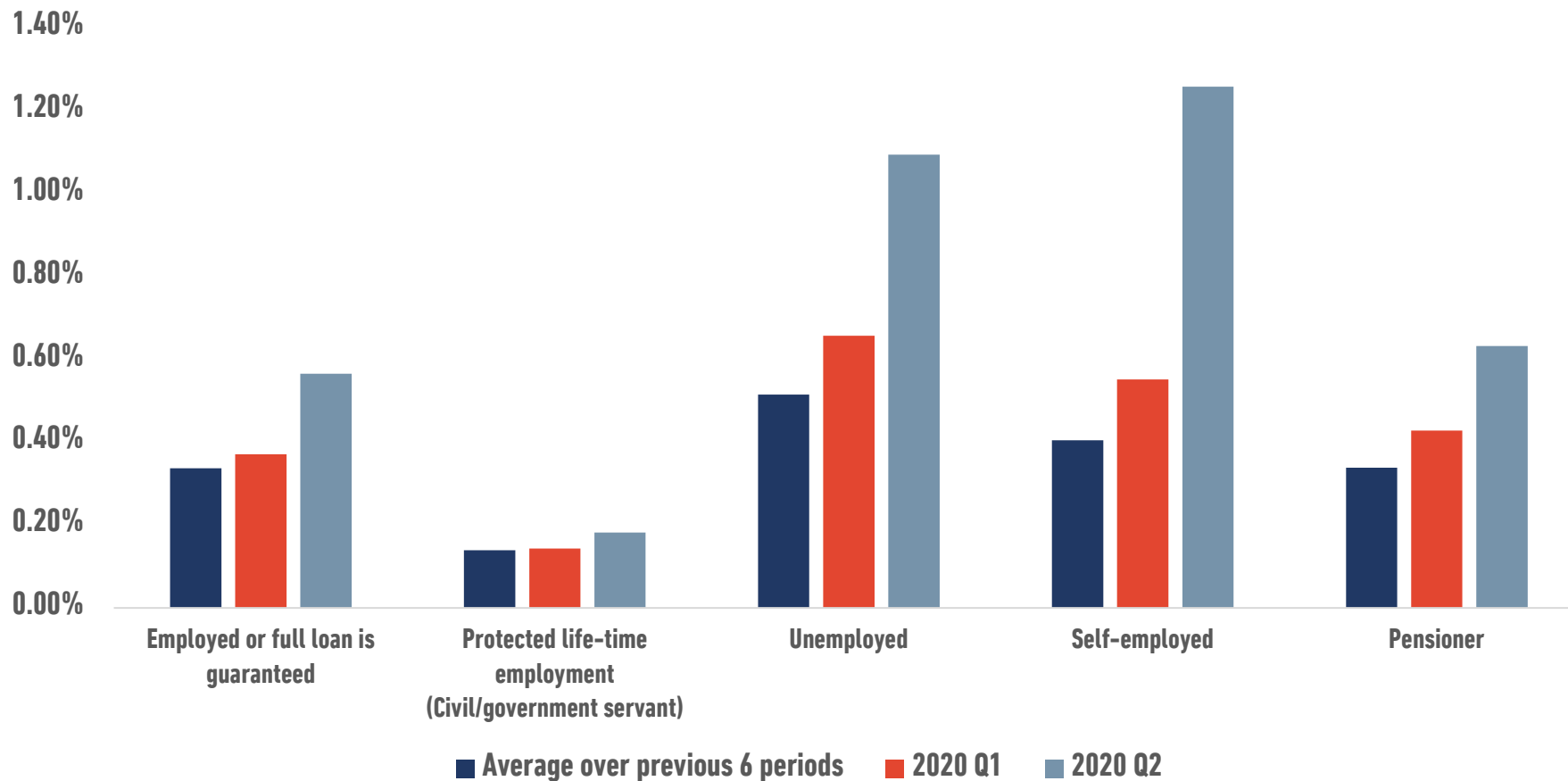
HOW TO REPORT PAYMENT HOLIDAYS DURING COVID-19

In general, the following rules apply across asset classes/jurisdictions

- Report all template fields with the <u>most recent information available</u> irrelevant if the field is labelled as static or dynamic in the taxonomy

- Use optional fields - especially Length of Payment Holiday, Subsidy Period, Restructuring Arrangement or Guarantee Provider

- <u>Additional</u> documents can be uploaded under each deal in the document section that explain any kind of particularities in the reporting and treatment of borrowers due to Covid-19.

- Issuers are kindly invited to provide a document to the securitisation repository with the list of all Loan Identifiers affected by the moratorium for the relevant PCD.

- Regarding all contracts which <u>have not entered into a payment agreement</u> and are therefore expected to make normal payments, please continue reporting everything as usual.

RMBS IMPLIED PAYMENT HOLIDAY FLAGS

EU level

Implied Payment holidays
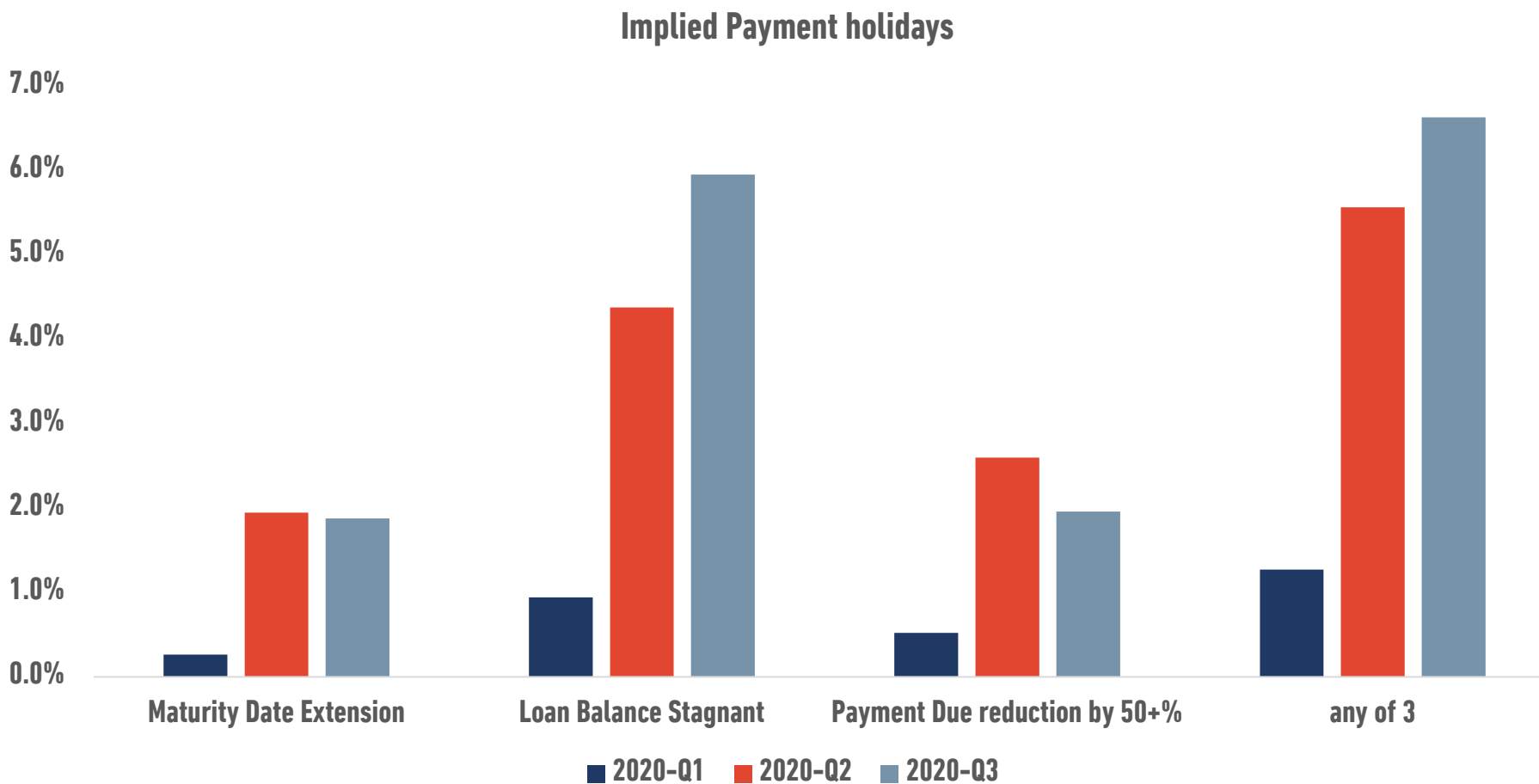
RMBS IMPLIED PAYMENT HOLIDAY FLAGS

Country level

IMPLIED PAYMENT HOLIDAYS (% OF OUTSTANDING BALANCE)

Legend: ■ 2020-Q1 ■ 2020-Q2 ■ 2020-Q3
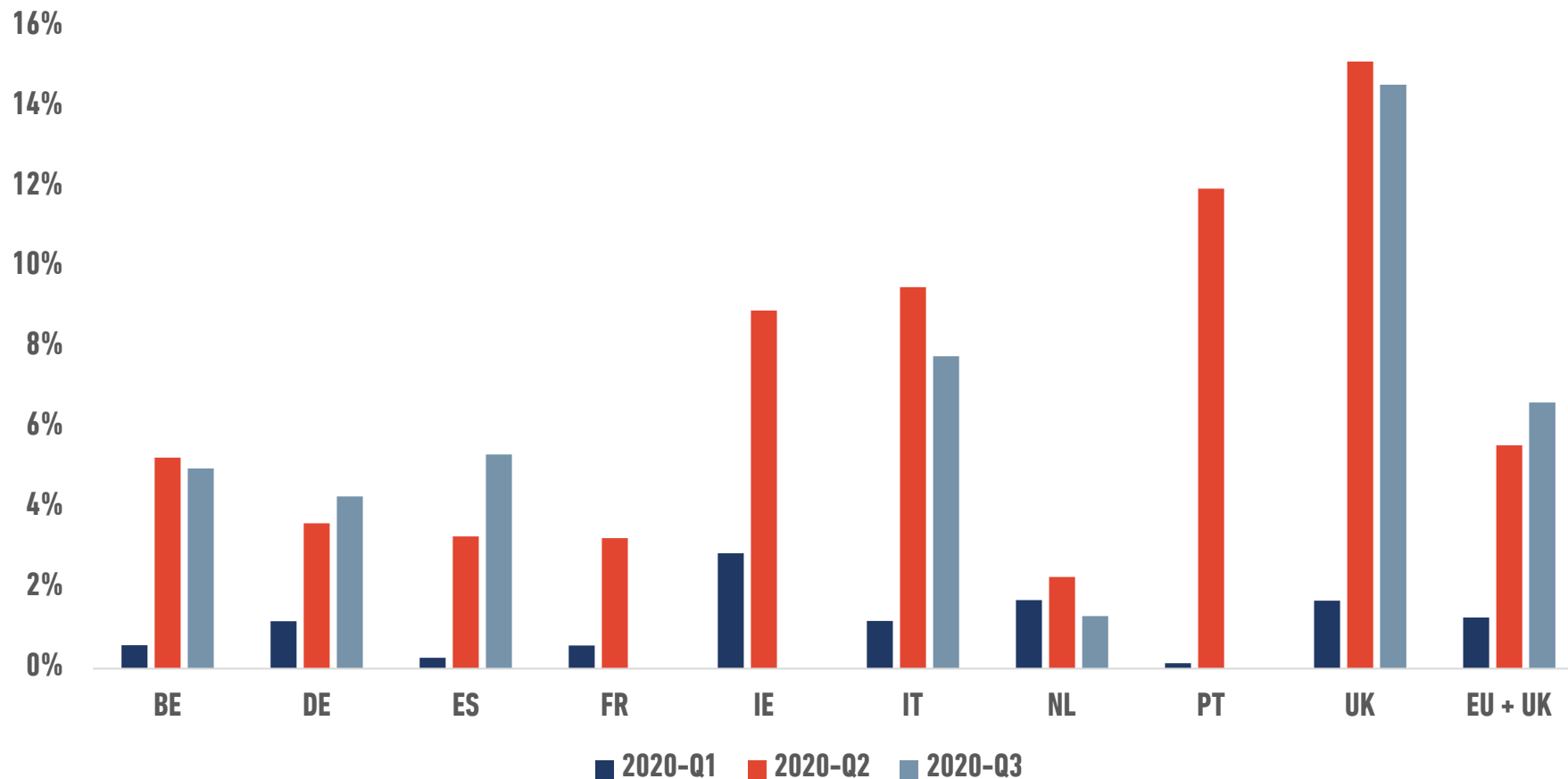
PAYMENT POSTPONEMENTS REPORTED IN COVID-19 IR ANNEXES
Percent of Current Outstanding Principal Balance

Payment Postponemets In Percent Of Outstanding Balance

Legend: 2020-03-31, 2020-04-30, 2020-05-31, 2020-06-30, 2020-07-31, 2020-08-31, 2020-09-30
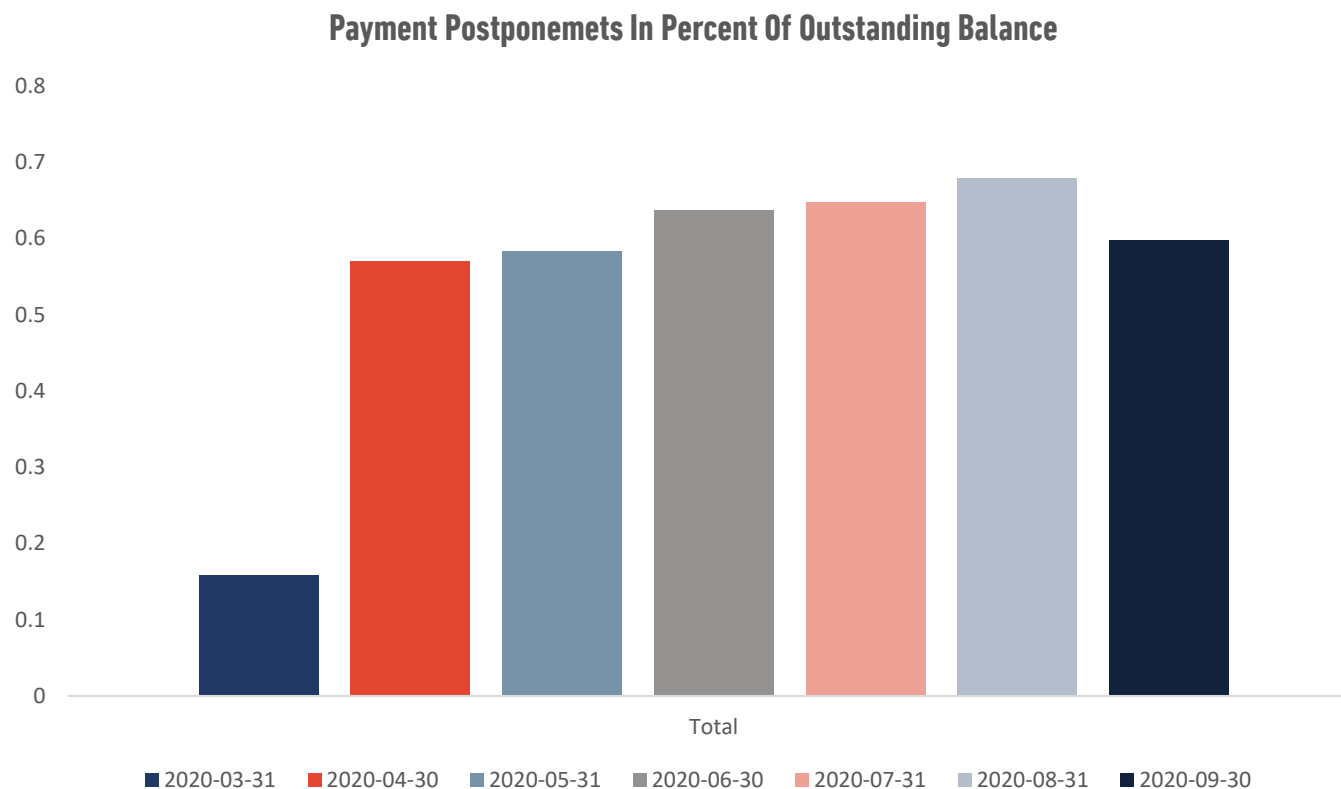
Based on 31 transactions where COVID-19 Annex to investor reports are provided

PROXY DATA

EIRINI KANONI

PROXY DATA TO COMPLY WITH ARTICLE 22(1) FOR THE STS TRANSACTIONS

European DataWarehouse can help your organisation comply with relevant performance requirements

- With over 1300 transactions, ED offers solutions for the issuers/originators/SSPEs to comply with the STS Requirements relating to transparency

- ED can perform on-demand SQL queries to extract historical performance data from its database across asset classes for a period of at least five years. The performance data includes historical arrears, defaults for exposures similar to those being securitised.

L 347/62   EN   Official Journal of the European Union   28.12.2017

Article 22

Requirements relating to transparency

1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period of at least five years.

PERFORMANCE TABLES

5 Years of Historical Arrears of a Sample of Substantially Similar Mortgage Receivables (Source: European DataWarehouse)

Date	Outstanding Balance	0-30 days	30-60 days	60-90 days	90-120 days	120-150 days	150-180 days	180+ days
31 March 2014	886,240,154	0.59%	0.12%	0.05%	0.02%	0.03%	0.02%	0.23%
30 June 2014	872,109,172	0.74%	0.27%	0.12%	0.14%	0.02%	0.02%	0.18%
30 September 2014	860,784,118	0.25%	0.10%	0.03%	0.00%	0.02%	0.00%	0.00%
31 December 2014	843,694,237	2.92%	0.23%	0.12%	0.06%	0.04%	0.02%	0.13%
31 March 2015	810,849,986	2.09%	0.21%	0.14%	0.01%	0.07%	0.03%	0.13%
30 June 2015	818,402,751	2.90%	0.28%	0.06%	0.03%	0.15%	0.04%	0.11%

PROXY DATA PROCESS

5 Stage process designed for data set optimisation

Initial Communication

ED and the client identify and discuss any extraordinary characteristics of the desired pool to be securitised. For instance:
- Origination years
- Occupancy type
- Interest rate type
- Guarantee type etc.

Deals Selection

ED selects a list of deals based on:
- completeness of data
- results of data quality checks
- the pool characteristics discussed

The list of deals is then shared, and modified based on client feedback

Proxy Loans Selection

A subset of the underlying loans (based on the characteristics portfolio to be securitised) from the selected deals are taken as proxy loans. Their historical performance data is compiled

edcode	deal name	vintage
RMBSXX12345678912XXXX1	ABC 2014	2014
RMBSXX12345678912XXXX1	XYZ 2014	2014
RMBSXX12345678912XXXX1	ABC 2015	2015
RMBSXX12345678912XXXX1	XYZ 2015	2015
RMBSXX12345678912XXXX1	ABC 2016	2016
RMBSXX12345678912XXXX1	XYZ 2016	2016
RMBSXX12345678912XXXX1	ABC 2017	2017
RMBSXX12345678912XXXX1	XYZ 2017	2017
RMBSXX12345678912XXXX1	ABC 2018	2018
RMBSXX12345678912XXXX1	XYZ 2018	2018
RMBSXX12345678912XXXX1	ABC 2019	2019
RMBSXX12345678912XXXX1	XYZ 2019	2019

Result: Proxy Data

Final Performance Dataset

The final performance dataset includes static Default/Loss and Dynamic Arrears information
- Static pools are based on the year of securitisation
- Since each portfolio to be securitised has a unique set of characteristics, ED applies principles of good judgement while being transparent

Adjustments to the data

Dataset from each selected deal is scrutinised further for quality

Any idiosyncratic reporting practices in a deal are adjusted to one standard.

Any outlying results are investigated and discussed with the relevant ED analyst

RESULT: FINAL PROXY DATA SAMPLE

EDW EXTENDED REPORTING TEMPLATES

MARCO ANGHEBEN

ECB TEMPLATES 2012 – TODAY

- Between December 2012 and September 2013 the European Central Bank (ECB) published a series of reporting templates that were intended to improve transparency, give investors access to loan-level data, as well as ensure that rating agencies and other market participants have the information they need to update their credit and cash flow models.

- The reporting templates consist of various sets of fields. The Eurosystem decided that only a subset of those fields should be mandatory.

Mandatory fields   Optional fields
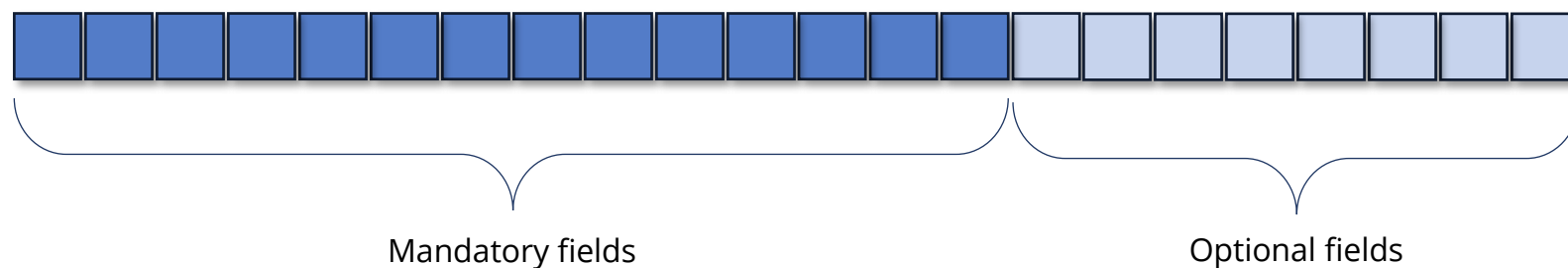
ESMA TEMPLATES 2018 AND GOING FORWARD

- In August 2018 the European Securities and Market Authority (ESMA) published the draft underlying exposure templates, followed by subsequent versions.

- Compared to the ECB templates there are a series of key differences between the ESMA templates and the existing ECB templates.

- A key difference is the removal of fields. The ESMA templates include only mandatory fields.
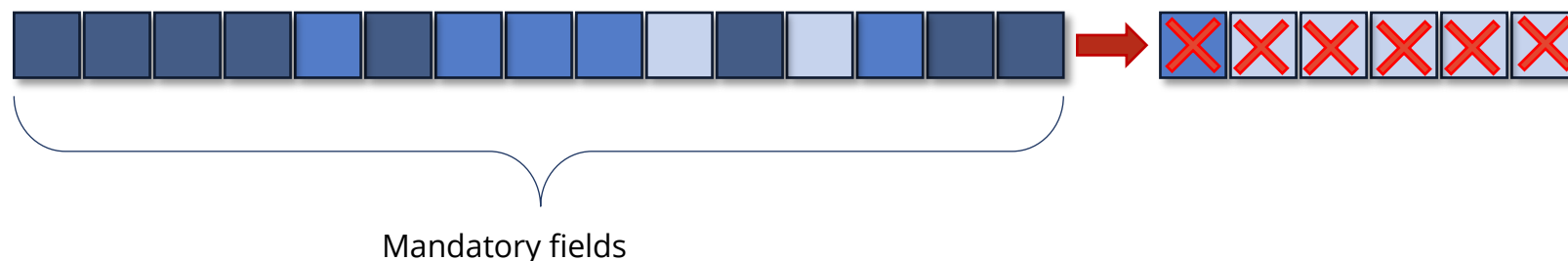
Mandatory fields

- New field in ESMA template
- Mandatory field in ECB template
- Optional field in ECB template
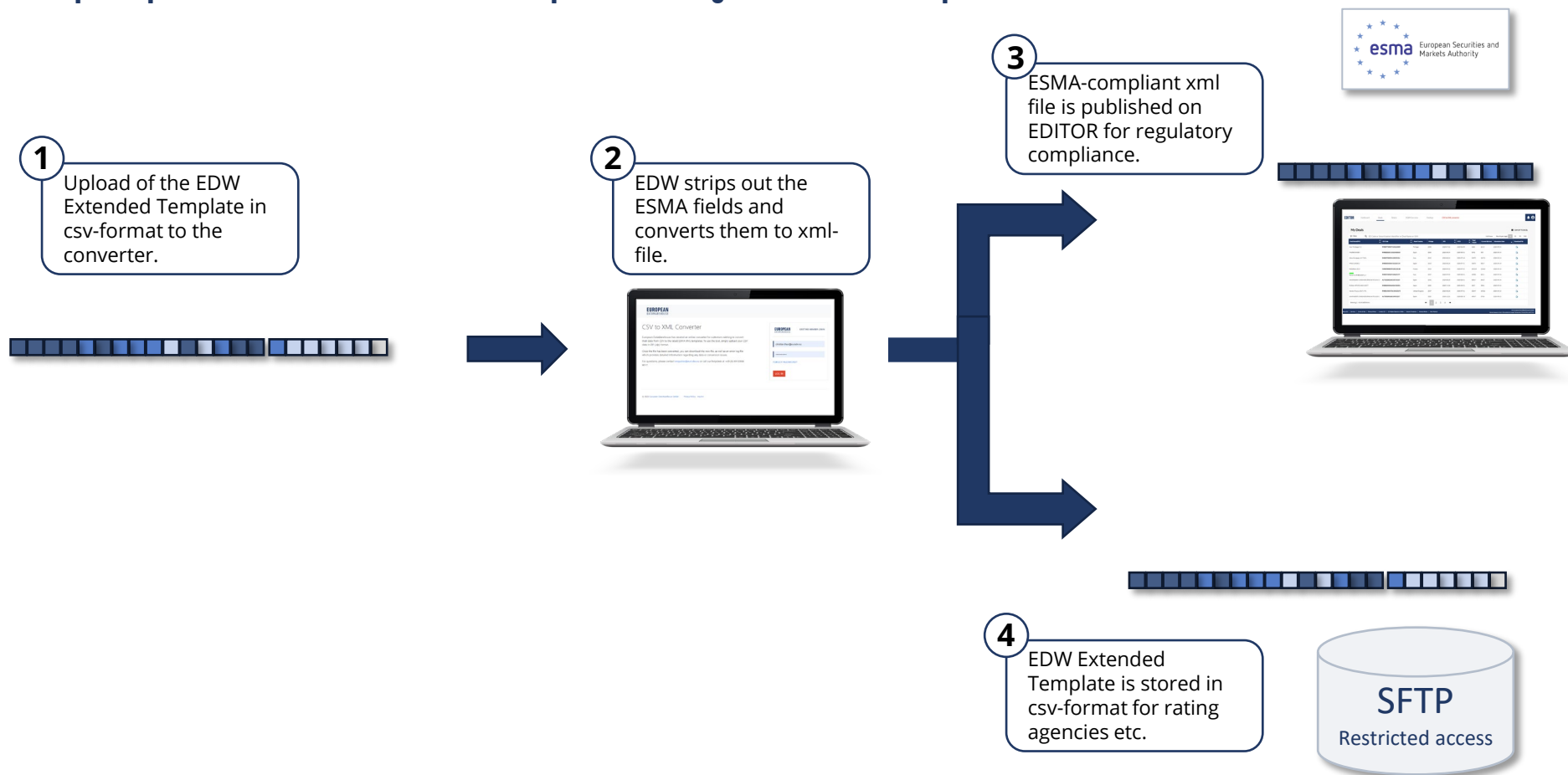
EDW EXTENDED TEMPLATES

- The ESMA templates no longer comprise data fields containing valuable information that rating agencies and other market participants need to update their credit and cash flow models.

- European DataWarehouse launched a project with the four leading rating agencies (Moody's, S&P, Fitch, DBRS) to extend the ESMA templates.

- The result are the EDW Extended Templates, comprising all data fields required to meet the regulatory disclosure requirements while at the same time providing all the information required by rating agencies.

ESMA fields   Additional fields

- New field in ESMA template
- Mandatory field in ECB template
- Optional field in ECB template
- Additional field required by rating agency

EDW EXTENDED TEMPLATES

- The ESMA templates no longer comprise data fields containing valuable information that rating agencies and other market participants need to update their credit and cash flow models.

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- The result are the EDW Extended Templates, comprising all data fields required to meet the regulatory disclosure requirements while at the same time providing all the information required by rating agencies.

ESMA fields

Additional fields

New field in ESMA template

Mandatory field in ECB template

Optional field in ECB template

Additional field required by rating agency

EDW EXTENDED TEMPLATES – DATA PROCESS

The upload process for the EDW Extended Templates is straightforward and simple.

1 Upload of the EDW Extended Template in csv-format to the converter.

2 EDW strips out the ESMA fields and converts them to xml-file.

3 ESMA-compliant xml file is published on EDITOR for regulatory compliance.

esma European Securities and Markets Authority

4 EDW Extended Template is stored in csv-format for rating agencies etc.

SFTP
Restricted access

KEY FEATURES & BENEFITS

KEY FEATURES

- EDW Extended Templates contain all mandatory data fields prescribed by ESMA + the additional fields relevant for rating agencies
- Data can be submitted in easy to use csv-format
- Automatic generation of ESMA compliance files in XML-format
- EDW Extended Templates are provided via SFTP with restricted access for selected parties only

KEY BENEFITS

- EDW Extended Templates have been designed by EDW and the four leading rating agencies
- No need to prepare a second loan tape for rating agencies
- Saves time and resources
- Free of charge

Q&A

THANK YOU//CONTACT US

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