



European DataWarehouse

Transparency – The Way to Restore Confidence in the European ABS Market

EUROPEAN
DATAWAREHOUSE

- ❑ Who we are
- ❑ Pre-crisis lack of transparency and regulatory response
- ❑ Key benefits of increased transparency
- ❑ What we do and our loan-level-data
- ❑ Examples on how to leverage loan-level-data
- ❑ Summary

Who We Are

Company

European DataWarehouse (ED) provides loan and bond level data as well as documentation repository services for the fixed income market

ED currently hosts data for over 1000 Asset-Backed Security (ABS) transactions and private portfolios belonging to several different originators across Europe

Clients

More than 400 data owners, data providers and data users are registered with ED

Originators, issuers, sponsors and servicers upload ABS data to ED, while data users including investors, data vendors, rating agencies and public institutions use ED data for monitoring and risk assessment purposes

...Our core principles



C Unique and central data repository for European ABS and loan portfolios

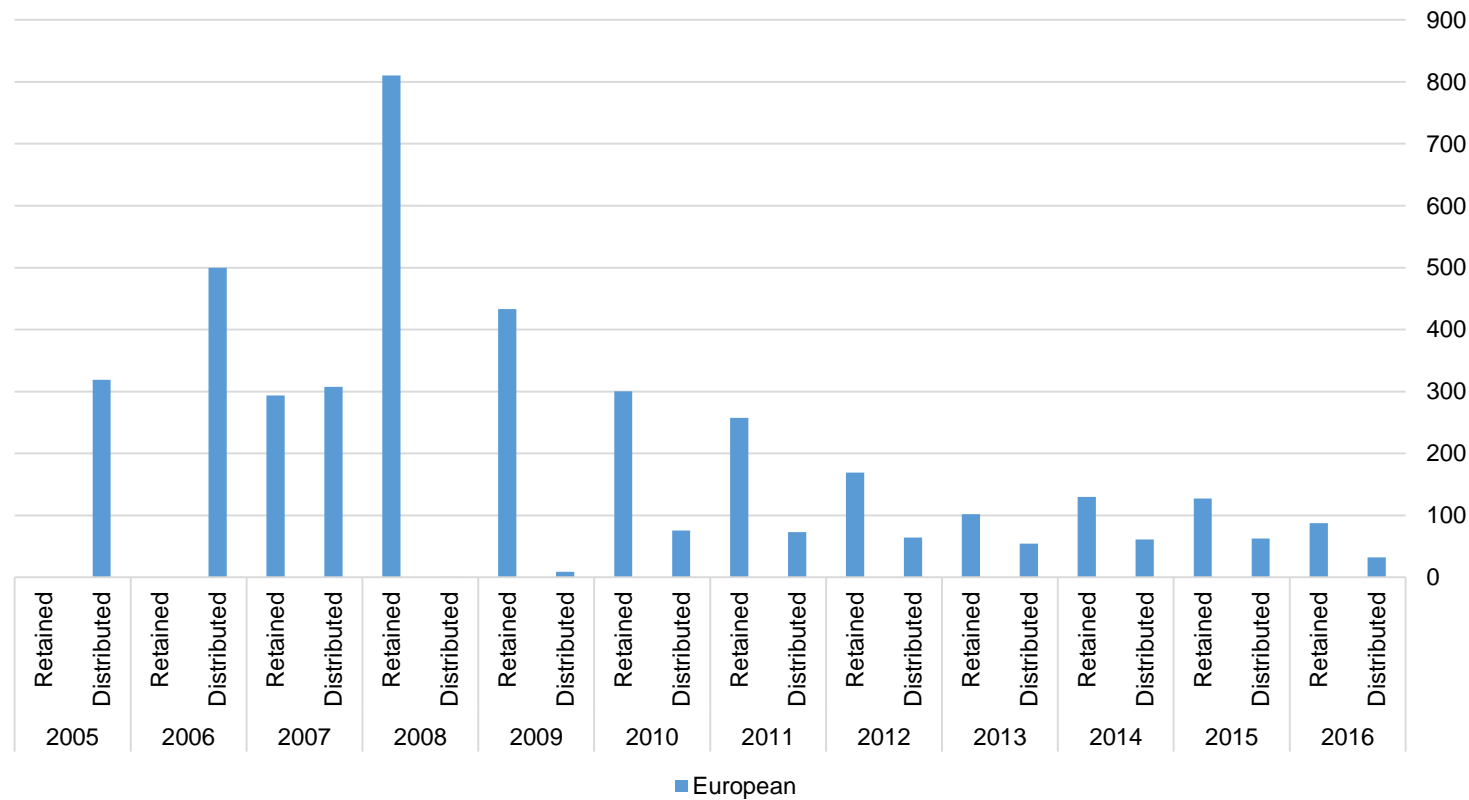
T Fast access to data
Disaggregated data: relevant information allows a high degree of ABS portfolio transparency

S Standardised definitions and reporting formats for quick and efficient comparison

Development of the European ABS market 2005 - 2016

- Annual European ABS issuance has dropped significantly compared to pre-crisis levels
- According to JP Morgan, as of 30th June 2016, European ABS issuance was approximately €119 billion (€32 billion distributed and €87 billion retained).

European ABS Issuance (€ bn)



Source: J.P. Morgan International ABS & CB Research

Pre-crisis transparency

- Issuers did not offer investors enough initial and ongoing information on the structured products and the assets underlying them (incl. accurate risk disclosures)
- The risk associated with structured products has not always been sufficiently clear or easily identifiable
- Investors, including institutional investors, did not have the capacity to examine properly the assets underlying structured products

Regulatory response

- Article 122a of the Capital Requirements Directive (CRD) introduces requirements for risk retention and due diligence (Jan 2011 – Dec 2013)
- Risk retention provisions specified in Part Five Titles II and III (Articles 405-409) of the CRR (since Jan 2014)

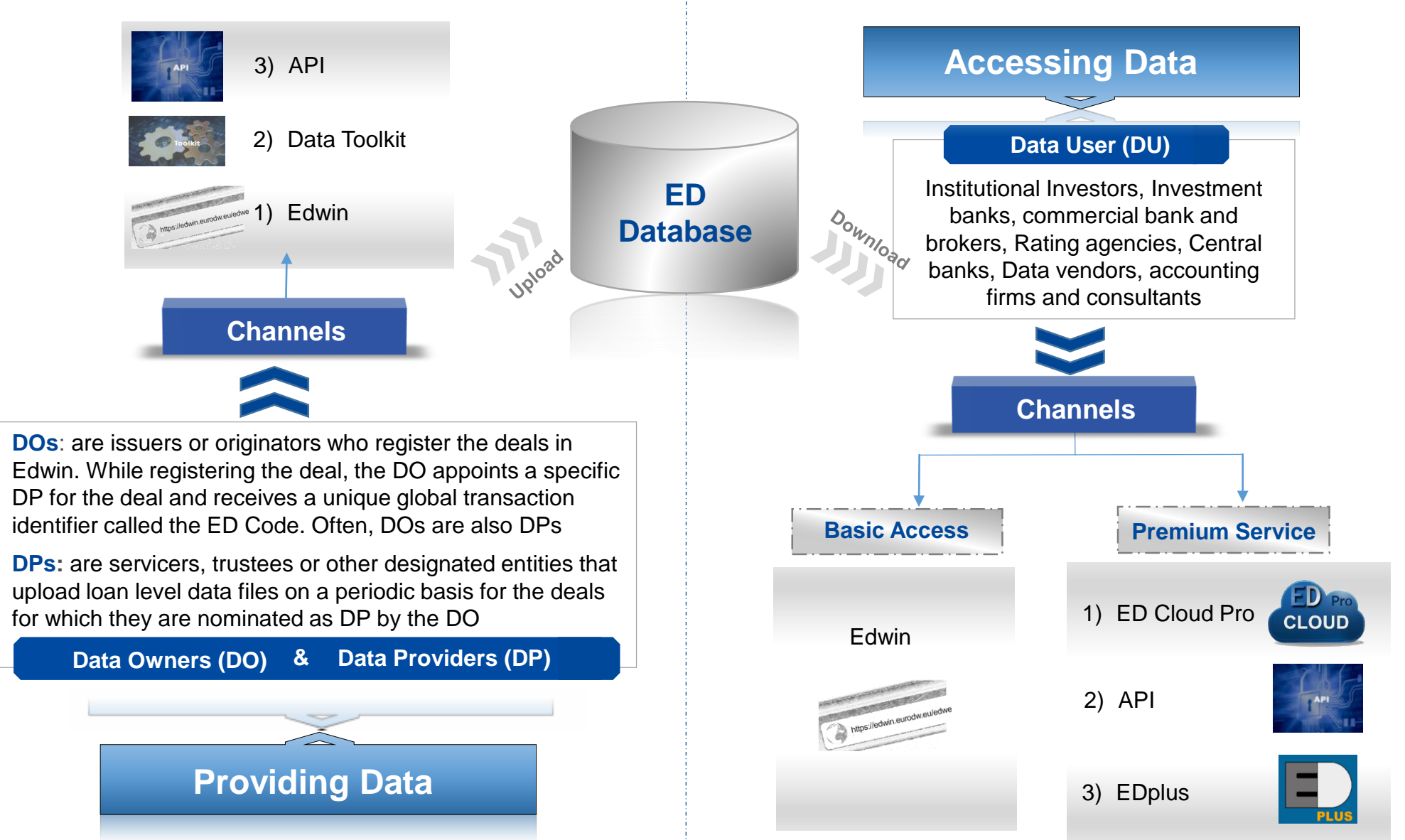
Source: EBA, Report on securitisation risk retention, due diligence and disclosure (2016); CESR, Consultation paper (2008)

Key benefits of increased transparency in ABS

- ❑ Removal of unhelpful information asymmetry between issuers and potential investors
- ❑ Compliance with regulatory due diligence obligations (e.g. Art. 405 CRR)
- ❑ Increased transparency will benefit all types of investors, as well as the general level of liquidity in the market
- ❑ Increased transparency also has the potential to bring much needed new investors to the market
- ❑ Valuation and pricing of ABS transactions by cash-flow modelling engine providers will benefit from the significantly enhanced ability to use loan-level data rather than aggregated information
- ❑ Achieve objective to increase flows of credit to the real economy.

Source: ECB, Results of the public consultation on ABS loan-level information (2010)

What We Do



DOs: are issuers or originators who register the deals in Edwin. While registering the deal, the DO appoints a specific DP for the deal and receives a unique global transaction identifier called the ED Code. Often, DOs are also DPs

DPs: are servicers, trustees or other designated entities that upload loan level data files on a periodic basis for the deals for which they are nominated as DP by the DO

Number of ABS transactions, loans or loan parts and properties

- **1032** deals are stored in ED database (Edwin)
 - 706 are outstanding and 326 have been redeemed or amortised
- more than 50 million of loans or loan parts and 10 million data points for properties are stored in Edwin

Number of loan level data (LLD) submissions

- there are **more than ten thousand LLD submissions stored in Edwin** with 10 LLD submissions per transaction on average
- for transactions issued in 2015 and 2016, the average number of LLD submissions is equal to 8 and 3 respectively

Average daily updates

- in 2015 an average of 16 LLD files have been uploaded on a daily basis

Table 1 **Basic statistics of Edwin database**, breakdown by asset class

Asset Class	Active	Redeemed or Amortised ¹	Total	Number of loans ²	Number of borrowers ³
RMBS	451	141	592	13.79	13.76
SME	78	81	159	1.55	0.96
Auto ABS	109	58	167	10.26	8.74
Consumer	49	20	69	19.13	14.23
Leasing	13	21	34	0.40	0.25
Credit Card	6	-	6	6.63	6.60
CMBS	-	5	5	12	12 ⁴
Total	706	326	1032	51.76	44.54

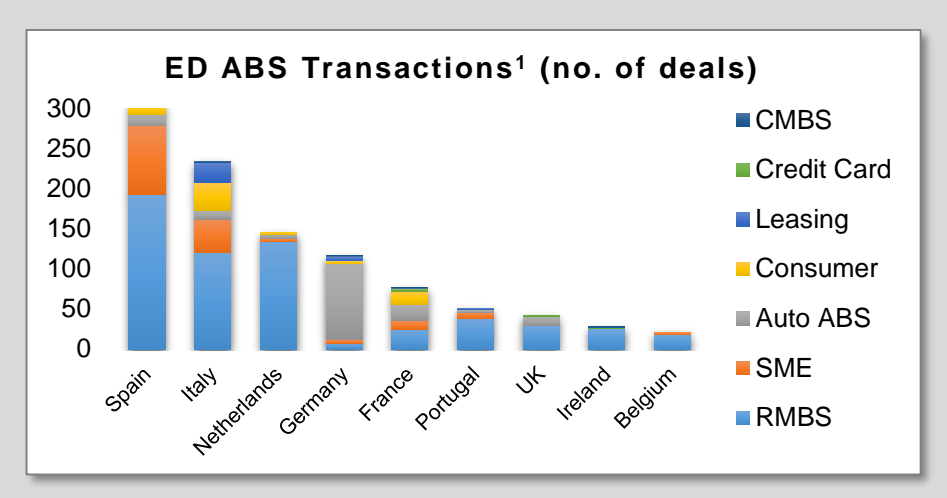
¹ Upload of loan level data has discontinued, typically given bond redemptions

² All amounts in mn with the exception of CMBS figures

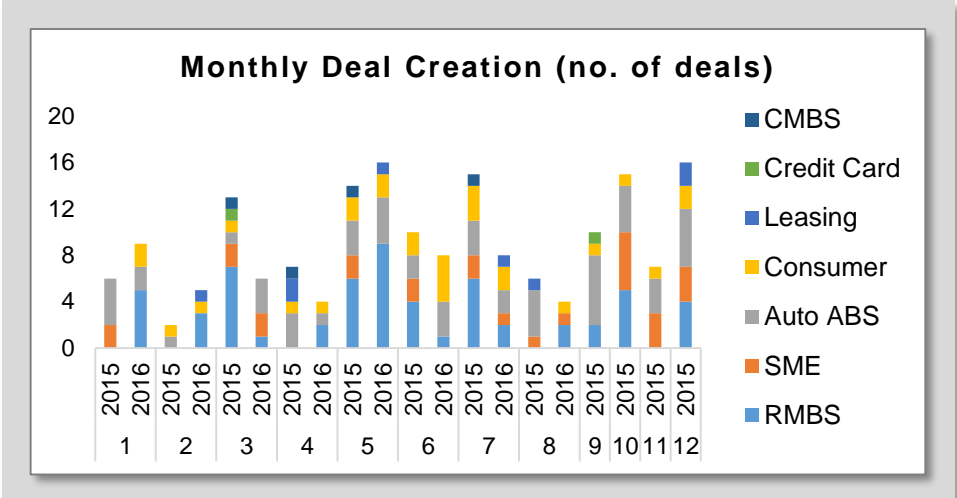
³ All amounts in mn with the exception of CMBS figures, as of 1st September 2016

⁴ Number of loan sponsors

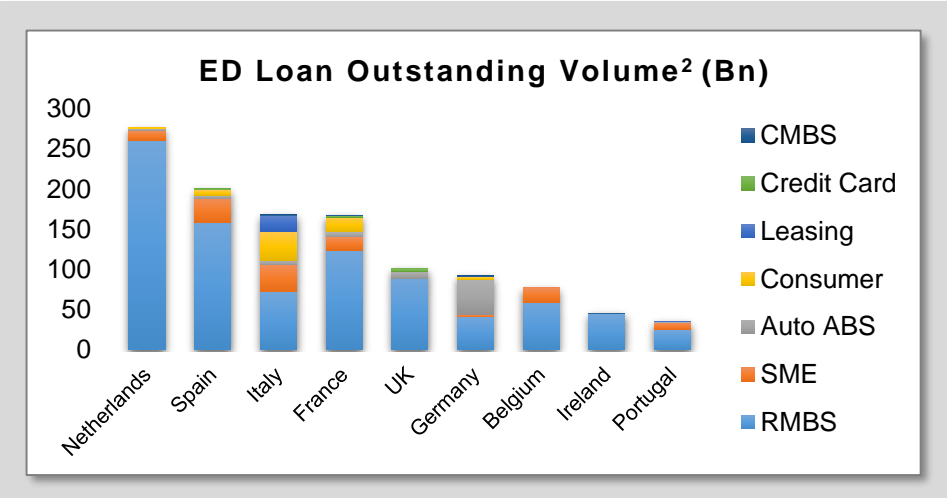
Dataset Composition as of September 2016



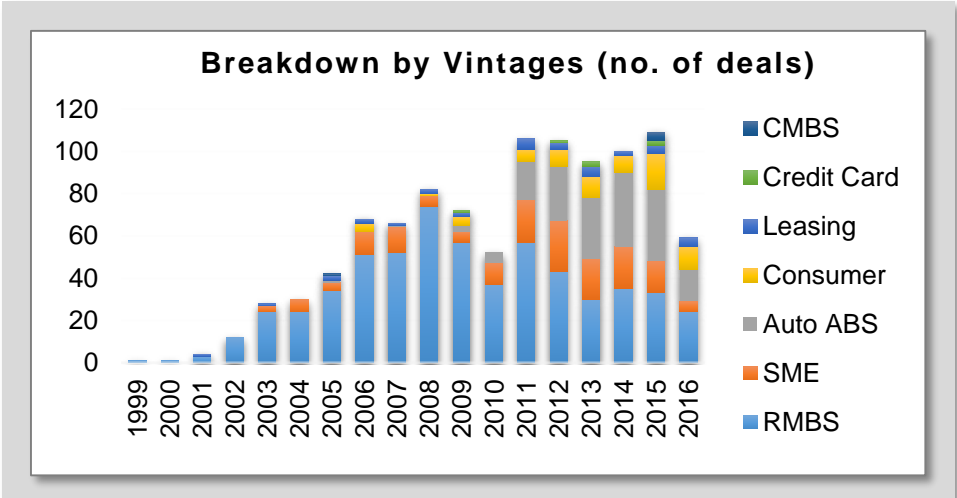
¹ Austria, Sweden, Norway, Finland and Luxembourg are not included in the chart
Source: European DataWarehouse



Source: European DataWarehouse

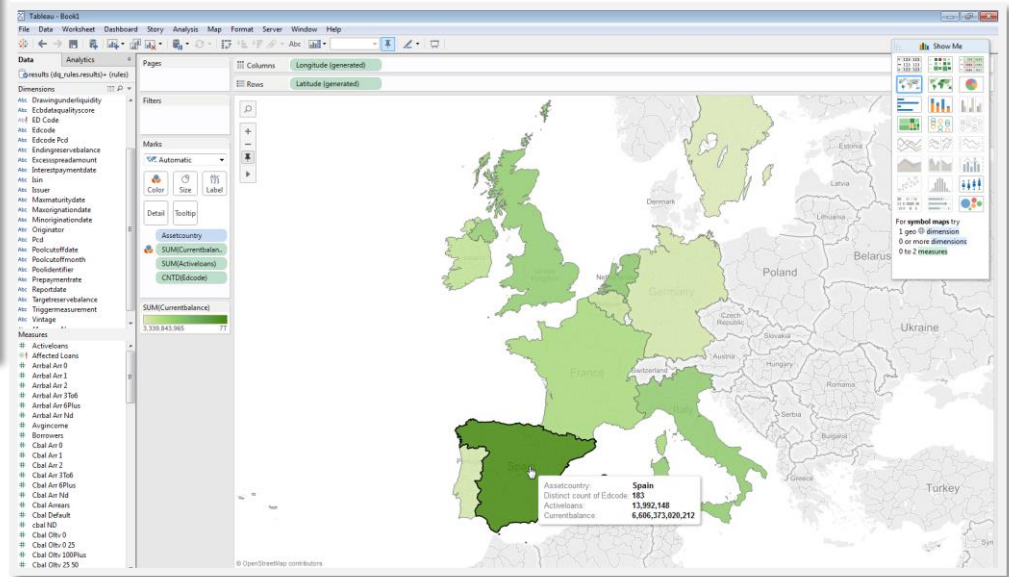
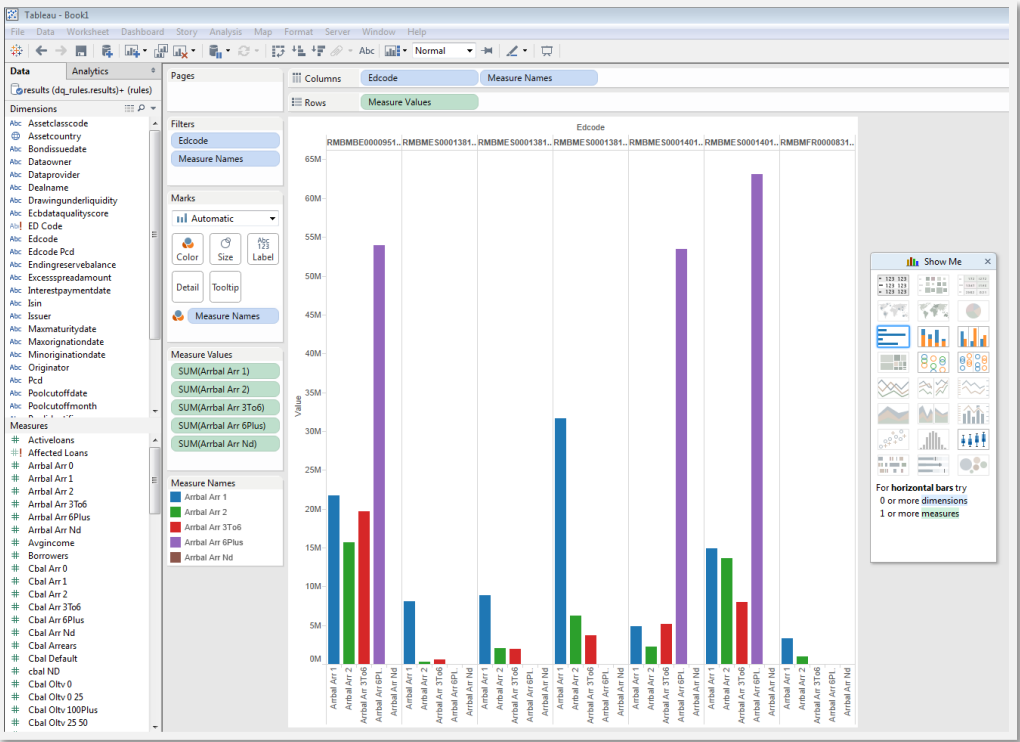


² Sum of current balances. The currency depends on the relevant underlying assets. Austria, Sweden, Norway, Finland and Luxembourg are not included in the chart
Source: European DataWarehouse



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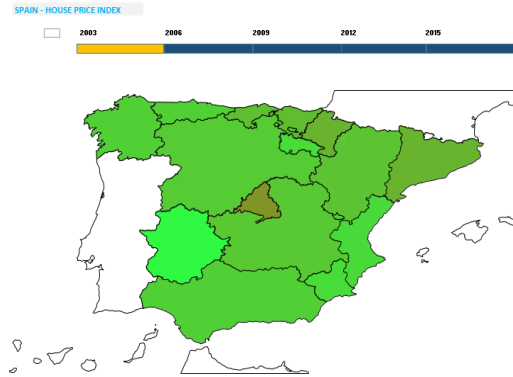
Direct Access to the ED Cloud Pro Database



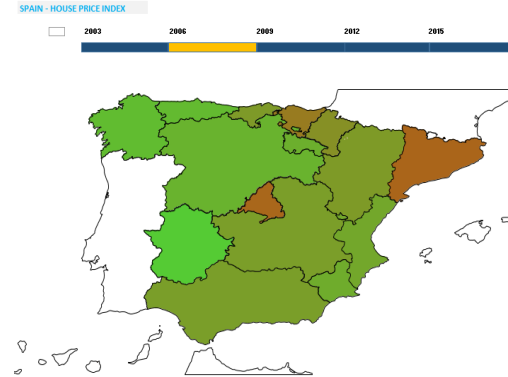
Use standard SQL or BI tools to connect to the Cloud Database:

- SQL Server Management Studio for direct SQL Queries
- BI Tools like Microsoft Excel, Tableau, QlikView, DataWatch, etc. for integration with the ED Cloud database

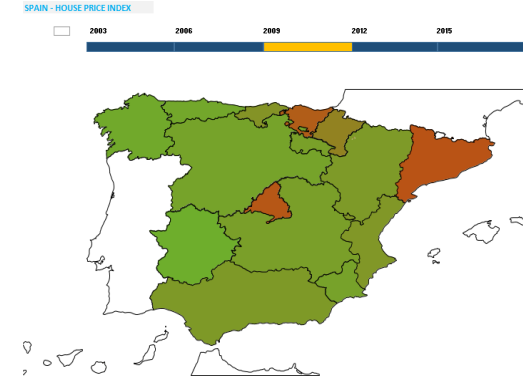
Q1 2003



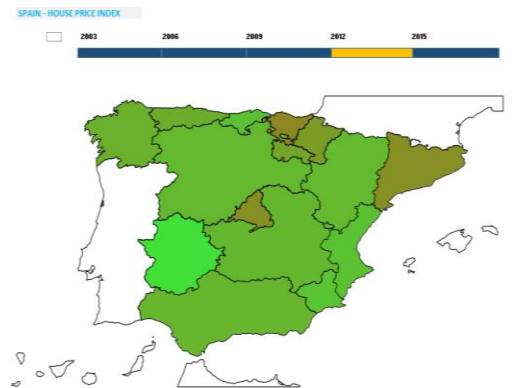
Q1 2006



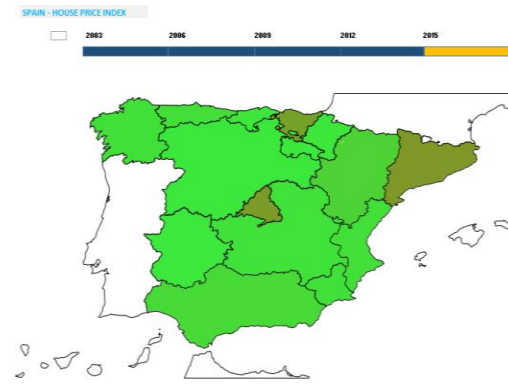
Q1 2009

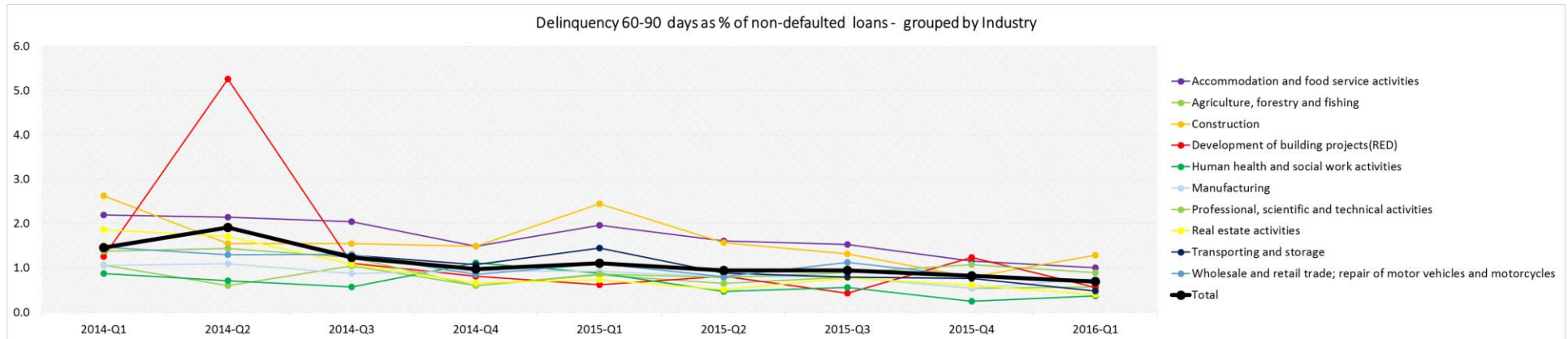
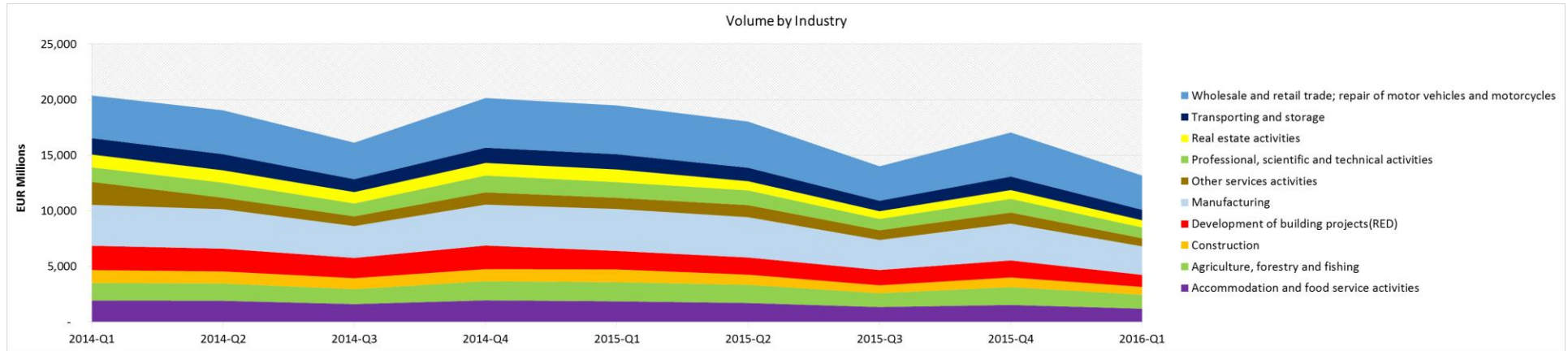


Q1 2012



Q1 2015





- ❑ Lack of transparency in underlying assets of ABS transactions was one key ingredient of the extent of the financial crisis
- ❑ Regulators and central banks have acted in order to restore confidence in the European ABS market and the flow of credit to the real economy
- ❑ The European DataWarehouse was established as a platform to collect and distribute standardised loan-level-data and to provide insight & transparency thus fostering confidence and trust in securitisation

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