EBA work on data standardisation for NPL sales

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EU work on promoting secondary markets for NPLs

EU Council Action Plan to tackle NPLs in EU (July 2017)
Comprehensive EU-wide package of policy measures aimed at reduction and prevention of emergence of NPLs with actions required from many stakeholders across the EU

- Improving loan tape information required from banks
- Strengthening NPL data infrastructure for banks, including NPL transaction platform
- Develop secondary markets for NPLs
- EU Weighted average NPL ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>NPL ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec'14</td>
<td>6.5</td>
</tr>
<tr>
<td>Jun'17</td>
<td>4.4</td>
</tr>
<tr>
<td>Dec'17</td>
<td>4.1</td>
</tr>
<tr>
<td>Dec'18</td>
<td>3.2</td>
</tr>
<tr>
<td>Dec'20</td>
<td>2.6</td>
</tr>
<tr>
<td>Jun'21</td>
<td>2.3</td>
</tr>
<tr>
<td>Mar'22</td>
<td>1.9</td>
</tr>
</tbody>
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EBA NPL Transaction data templates (2017)

Joint work by the Commission, EBA and ECB outlining conceptual thinking around possible EU-wide NPL transaction platform (electronic market place), addressing:
- Possible services to be provided
- Data standardisation and accessibility
- Governance and legal considerations
- Incentives for stakeholders
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July 2017 EU Council Action Plan

2018 Templates (Ver 1.0)

EBA Mandate:

Article 16(1) of Directive on credit servicers and credit purchasers:

“The EBA shall develop draft implementing technical standards to specify the templates to be used by credit institutions for the provision of information referred to in Article 15(1), in order to provide detailed information on their credit exposures in the banking book to credit purchasers for the analysis, financial due diligence and valuation of a creditor’s rights under a non-performing credit agreement, or of the non-performing credit agreement itself.”

2018 Templates (Ver 1.1)

2021 Discussion paper

2021 December Directive on credit servicers and purchasers

2022 Draft ITS (Consultation Paper)
Overview of the EBA NPL transaction data templates

- **Template 1**: Counterparty Group
  - Counterparty

- **Template 2**: Relationship Group
  - Counterparty
    - Relationship
      - Borrower - Loan
      - Tenant - Lease
      - Protection provider – Collateral and Guarantee

- **Template 3**: Relationship Group
  - Template 1
  - Template 2
  - Template 4
  - Template 5

- **Template 4**: Relationship Group
  - Loan
  - Lease
  - Forbearance
  - Enforcement
  - Immovable property
  - Movable property
  - Financial Guarantee
  - Other collateral

- **Template 5**: Relationship Group
  - Historical collection and repayment

Templates are supported by Data Glossary and instructions

Total data fields: 157
- Mandatory for loans < 25000: 91
- Mandatory for loans > 25000: 133
- Non-mandatory for loans < 25000: 66
- Non-mandatory for loans > 25000: 24
References


