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# Discussion Paper

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Review of the NPL transaction data templates

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# 1. Responding to this Discussion Paper

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The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions stated in the boxes below (and in the Annex of this paper).

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the view expressed;
- describe any alternatives the EBA should consider; and
- provide where possible data for a cost and benefit analysis.

## Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 31 August 2021. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

## Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

## Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the [Legal notice section](#) of the EBA website.

## Disclaimer

The views expressed in this discussion paper are preliminary and will not bind in any way the EBA in the future development of any regulatory products. They are aimed at eliciting discussion and gathering the stakeholders' opinion at an early stage of the process.

## 2. Executive Summary

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The EBA initially developed the NPL data templates in December 2017 to support NPL transactions and enhance the functioning of the secondary markets in the EU. The EBA publishes this discussion paper following the European Commission's action plan to tackle non-performing loans (NPLs) in the aftermath of the COVID-19 pandemic.

In its December 2020 communication, the European Commission states that the NPL data templates are not widely used yet by market participants due to their voluntary nature and complexity, and invites the EBA to review the templates based on a consultation with market participants, both on the buyer and seller side, to take place in the course of 2021. The objective of this discussion paper is to reinforce the dialogue with market participants with a view to make the existing NPL data templates more user-friendly, less complex, and proportionate so that the NPL data templates strike the right balance between the cost of information provided and the ability of users of the data to effectively price the potential transaction.

Stakeholder feedback is essential for the review and revision of these templates and would provide valuable input for potentially turning the revised templates into binding standards, which is currently being discussed in the framework of the proposed directive on credit servicers and credit purchasers.

The NPL data templates are expected play an important role in addressing the increasing levels of NPLs in the aftermath of the COVID-19 pandemic and the impact it has on the EU banking sector. In order to manage potential deterioration in the asset quality in the foreseeable future, effective choices for NPL strategies for banks is crucial. While there are several tools available to banks to manage and reduce NPLs, secondary market transactions is one of these tools, and hence access to a functioning and efficient secondary markets is necessary for all actors in the EU banking sector. To this end, the templates presented in this discussion paper are designed as a public good and rely on critical mass usage to lower costs for all market participants - buyers and sellers of NPLs - to achieve the desired outcomes in the NPL secondary markets.

The discussion paper proposes a number of changes to the existing templates such as restructuring of the data categories, designing asset classes, reduction of data fields, categorisation of these data fields as critical and non-critical, and presents proportionality considerations.

The revised templates, as presented in this discussion paper, includes 230 data fields, which reduces the number from 462 in the existing version of the templates, and reduces the number of critical cells from 155 to a range of 30 – 70 (depending on the asset class). Data fields cover the same seven asset classes of the existing version of the templates. In addition to these changes, the 17 data categories in the existing version of the templates have been reduced and restructured in five templates to simplify their use for market participants.

## Next steps

The public consultation of this discussion paper will take place from 4 May 2021 to 31 August 2021. Following the feedback from the industry and stakeholders, the EBA will prepare a revised version of the data templates and publish this revised version by December 2021. Furthermore, the EBA will await the finalisation of the draft Directive on credit servicers, credit purchasers and the recovery of collateral. Should the final version of that Directive mandates the EBA to develop Implementing Technical Standards (ITS) specifying data templates for provision of information from NPL sellers to purchasers, the EBA later issue a consultation paper on the draft ITS, and the revised templates developed following this discussion paper would form the basis of this consultation paper on the draft ITS.

## 3. Background and rationale

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1. The objective of the NPL data templates is to support NPL transactions and enhance the functioning of the secondary markets in the EU. A single set of standardised data templates to be used by the market participants universally would contribute to reduce information asymmetries and close the spread between ask and bid prices, and broaden investor base in the NPL secondary markets.
2. To this end, the objective of this discussion paper is to reinforce the dialogue with market participants, and reach a broader set of stakeholders with a view to make the existing NPL data templates more user-friendly, less complex, and proportionate so that the NPL data templates strike the right balance between the cost of information provided and the ability of users of the data to effectively price the potential transaction.

### Background

3. In December 2017, the EBA published standardised NPL data templates<sup>1</sup> with a view to facilitate the transaction of non-performing loans (NPLs) between banks and potential investors in the EU.<sup>2</sup> The development of NPL transaction data templates followed a request from the Vice President of the European Commission in March 2017<sup>3</sup> and European Council conclusions on action plan to tackle NPLs in Europe in July 2017<sup>4</sup>.
4. After the latest financial crisis, tackling the existing stocks of NPLs and the emergence of new NPLs on banks' balance sheets became one of the priorities in the EU policy agenda. Several policy areas for action were identified, e.g. in regulatory and legal frameworks, and one of the specific action points was to address impediments to NPL secondary markets. In particular, information asymmetries was seen as one of the main sources to the factors hindering NPL resolution in secondary markets. Capable of driving a substantial wedge between book values and market values of NPLs, information asymmetries are a key factor in explaining the reality of wide bid-ask spreads in NPL secondary markets. The objective of the NPL data templates was to reduce these information asymmetries between potential buyers and sellers of NPLs and thus, contribute to the development of functioning secondary markets for NPLs in the EU.
5. The NPL transaction data templates for banks, specifying detailed information that banks are expected to provide regarding their credit exposures in the banking book, aimed to enhance

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<sup>1</sup> <https://www.eba.europa.eu/risk-analysis-and-data/npls>

<sup>2</sup> In September 2018, the EBA published a revised version of the templates following the feedback received from the testing of the first version.

<sup>3</sup> <https://www.eba.europa.eu/sites/default/documents/files/documents/10180/1806992/f7642ff7-fe37-4aa0-b2fb-2df83a871bb9/%28EBA-2017-E-1263%29%20Letter%20from%20Vice-President%20Dombrovskis%20re%20NPLs.pdf?retry=1>

<sup>4</sup> <https://www.consilium.europa.eu/en/press/press-releases/2017/07/11/conclusions-non-performing-loans/>

granularity, quality and comparability of NPL data and facilitate the exchange of information between banks and investors.

6. The use of these templates as part of the financial due diligence and valuation in NPL transactions was accordingly expected to result in the provision of comparable and standardised data on NPLs to investors and other stakeholders. Despite the fact the templates were not designed as supervisory reporting requirement, they were created with the ambition to be used as a market standard for NPL transactions.
7. The extended use of the NPL data templates was expected to widen the investor base, lower entry barriers to potential investors, improve data and availability, support price discovery and further facilitate transactions. The templates were also intended by the European Authorities to be the foundation of enhanced secondary market, and later on, they may be utilised in other initiatives such as EU NPL sales platforms and data hub at EU level.

#### Addressing NPLs and functioning secondary markets for NPL resolution

8. Following the latest financial crisis, the NPLs reached high levels that caused systemic vulnerabilities in the EU banking sector. Since then, banks achieved significant reductions in NPLs and improved asset quality, with an acceleration after the approval of the European Council's NPL action plan in 2017. With the introduction of a common definition of NPLs and targeted guidelines (e.g. EBA Guidelines on management of non-performing and forborne exposures (EBA/GL/2018/06)), the EBA provided the regulatory framework and monitoring mechanism that allowed supervisors to push banks' strategies to manage and reduce NPLs in the EU banking sector.
9. Overall, since 2014, NPL volumes have more than halved. The positive downward trend in the volume of NPLs, which was observed in all sectors and asset classes, was achieved through both banks' internal workout strategies and disposals in secondary markets, either portfolio sales or securitisation.
10. However, the outbreak of the COVID-19 pandemic and its impact on the EU banking sector are expected to manifest on banks' balance sheets, once again, in the form of high levels of NPLs, especially with the expiration of moratoria solutions that have been put place as a response. Indeed, the EBA supervisory data as of September 2020 indicate that the volume of loans classified under IFRS Stage 2 assets – those that are still performing but for which there was a significant increase in credit risk – increased significantly, and banks booked substantial provisions on performing loans that resulted in a material increase in the cost of risk.
11. At this point, in order to manage potential deterioration in the asset quality in the foreseeable future, effective choices for NPL strategies for banks is crucial. While there are several tools available to banks to manage and reduce NPLs, secondary market transactions is one of these tools, and hence access to a functioning and efficient secondary markets is necessary for all actors in the EU banking sector. To this end, the templates presented in this discussion paper are designed as a public good and rely on critical mass usage to lower costs for all market

participants - buyers and sellers of NPLs - to achieve the desired outcomes in the NPL secondary markets.

### Original NPL transaction data templates

12. The original version of the NPL data templates provide data loan by loan, including information on the characteristics of the financial instrument, counterparties related to the financial instrument and collateral provided. The package on the standardised data templates includes instructions, data dictionary, data tape and validation rules.
13. The NPL data templates cover seven asset classes: residential real estate, commercial real estate, SME and corporates, unsecured lending, automotive, leasing and asset-backed finance, and specialised lending. Furthermore, each data field in the data templates is classified by its relevance to financial due diligence and valuation purposes and, accordingly, ranked as “critical”, “important” and “moderate”.
14. Furthermore, for the purposes of market screening, a separate stratified data subset, the EBA NPL portfolio-screening template, which provides a high-level view of an NPL portfolio, is included in the package.

### Review of the NPL transaction data templates

15. Since the publication of the templates, the EBA has been engaging with various market participants, e.g., banks, investors, services, advisors and transaction platforms, operating in the EU to understand the market uptake of the NPL data templates in real market transactions. In these engagements, the EBA received the feedback that while the templates provide an effective tool to improve markets and market participants use a subset of data fields in the templates for real market transactions, the market uptake is below desirable levels. In several occasions, market participants informed the EBA that the NPL data templates are complex and disproportionate, and in some cases, the data fields do not reflect the information exchanged by market participants in real market transactions, urging a significant review and revision of the templates. More recently, a number of market participants expressed similar views to a wider audience and other EU institutions at the European Commission’s roundtable with public and private stakeholders on tackling NPLs in the aftermath of the COVID-19 pandemic in September 2020.
16. The role of NPL data templates became even more prominent following the outbreak of the COVID-19 health crisis and its expected financial implications on the banking sector. European Commission’s communication in December 2020: tackling NPLs in the aftermath of the COVID-19 pandemic (Action Plan)<sup>5</sup> emphasised once again the importance of data quality and comparability in the functioning of secondary markets for NPLs. While acknowledging that the NPL data templates developed by the EBA provide a good starting point for a common dataset

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<sup>5</sup> [https://ec.europa.eu/finance/docs/law/201216-communication-non-performing-loans\\_en.pdf](https://ec.europa.eu/finance/docs/law/201216-communication-non-performing-loans_en.pdf)



for NPL transactions, the European Commission recognised that the templates are not widely used by market participants due to their voluntary nature and complexity.

17. Against this background, in its Action Plan, the European Commission invited the EBA to review the NPL transaction data templates based on a consultation with market participants, both on the buyer and seller side, to take place in the course of 2021. This review should be carried out with a view to better distinguish between critical and non-critical data based on practical experience from past NPL transactions and address the needs of buyers whilst taking into account existing data and data processing costs for sellers. This review process, as indicated in European Commission's communication, would provide a key input for the potential development of the implementing technical standards (ITS) on the basis of the NPL data templates, should the adoption of the proposed Directive on credit servicers, credit purchasers and the recovery of collateral conclude in this direction.
18. The proposed Directive on credit servicers, credit purchasers and recovery of collateral<sup>6</sup>, as currently drafted, mandates the EBA to develop draft ITS on NPL transaction data for the provision of necessary and reasonable information by creditor to the credit purchaser *"so as to enable the credit purchaser to conduct its own assessment of the value of the creditor's rights under a non-performing credit agreement or of the non-performing credit agreement itself and the likelihood of recovery of the value of that agreement prior to entering into a contract for the transfer [...]"*. The proposed directive also requires the EBA to first carry out a review of the NPL data templates that provide information about credit exposures in the banking book and then fulfil its mandate on the draft ITS, taking into consideration the EBA public consultation of stakeholders and competent authorities.<sup>7</sup>
19. The EBA is of the opinion that while the voluntary nature of the initial release of the templates allowed a comprehensive and detailed structure, a review and revision of the templates is warranted to turn them into binding standards.
20. In addition, the NPL data templates are not mandatory and they not part of any regulatory framework. The current legislative proposal on the ITS, as it is drafted at the time of the drafting of this discussion paper, does not link these NPL data templates to supervisory reporting requirements. In other words, these data templates, as currently mentioned in the legislative proposal, are designed to be used by sellers and buyers of NPLs when exchanging information in real market transactions, with no obligation to report these exchanged data to the competent authorities as part of any supervisory requirements.
21. In practice, the NPL data templates should provide core information to be exchanged between buyers and sellers of NPLs in order to carry out necessary valuation and due diligence so that the investor can make an informed non-binding offer to purchase the target NPL and achieve a smooth transition to binding offer stage. The NPL data templates should also help minimise any discrepancies at the different stages of the NPL transactions, and in particular that may occur

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<sup>6</sup> <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52018PC0135>

<sup>7</sup> The draft final text of the legislation is not under EBA's mandate and the EBA does not have a control on the outcome.

between non-binding offer and the binding offer stages by providing all the data and information that should be needed to avoid any significant impacts on price in the binding offer stage.

22. To this end, this Discussion paper is an initial step in the review of the NPL data templates, first to fulfil the European Commission's request to the EBA from its Action Plan, and second to prepare input for any mandate that the EBA may receive for the development of draft ITS on the NPL data templates in the future. The industry feedback to the discussion paper would provide valuable input for the revision of the NPL data templates and to prepare the consultation paper for such ITS. As noted before, if the EBA receives a mandate to develop ITS on the NPL transaction data templates, this revised version (to be finalised by December 2021 following the consultation process on this discussion paper) would provide a starting point for the development of the consultation paper on the ITS.
23. Given the feedback received from the market participants to date, the EBA is putting a significantly revised version of NPL data templates in discussion with the industry. The Discussion paper focuses on some key aspects: the number of data fields, criticality and availability of these data fields, data confidentiality, structure and design of the templates, and proportionality.
24. On aggregate, the discussion paper proposes the reduction of total data fields from 462 (in existing templates) to 230 (in the revised templates), and equally, the reduction of critical cells from 155 (in existing templates) to a range of 30 - 70 depending on the asset class (in the revised templates), as indicated in Figure 1 below. Note that while the existing templates allocate criticality level to a data field regardless of the asset class, the revised templates acknowledge that a specific data field that is critical for an asset class may not be critical for another.

Figure 1 Proposal on the number of data fields to be reduced (by criticality of data fields)

	Existing templates		Revised templates					
	Total	RRE	CRE	SME/ Corporate	Unsecured	Auto	Leasing/ ABF	Specialised
Critical	155	59	68	68	51	30	60	70
Non-critical	275	119	133	127	96	122	116	137
Identifier	32	14	15	15	13	13	15	15
<b>Total</b>	<b>462</b>	<b>192</b>	<b>216</b>	<b>210</b>	<b>160</b>	<b>165</b>	<b>191</b>	<b>222</b>

25. In the development of this discussion paper, in January 2021, in cooperation with European DataWarehouse’s technical group on NPL data, the EBA launched an online survey to receive preliminary feedback from market participants. The objective of this online survey was to receive targeted, field-by-field input on the criticality and availability of the data fields classified as critical in the original version of the NPL data templates. In this survey the EBA listed 155 critical data fields of the existing NPL data templates and asked the market participants, per applicable asset class, firstly, whether these data fields are indeed critical for NPL valuation and financial due diligence, and secondly, whether these data fields are available in sellers’ IT systems. The EBA received 39 (finalised) responses to the survey where 44% of the respondents identified themselves as banks/financial institutions and the remaining were investors, servicers, trading platforms, credit rating agencies, asset management companies and consultants.
26. The proposal for the review of the NPL data templates presented in this discussion paper takes into account the responses received to this survey. In this proposal, the deletion of data fields from the existing templates and the change in the criticality of these data fields are based on the industry feedback to this survey. The proposal also accounts for the feedback from EBA’s other interactions with various market participants from all parties.

27. Figure 2 shows the process and tentative timeline for the finalisation of the review of the NPL data templates. While trying to be informative and complete, this timeline depends on a number of procedures that are not under EBA's control, including the legislative process.

Figure 2 Process and tentative timeline



28. The Discussion paper has four sections:

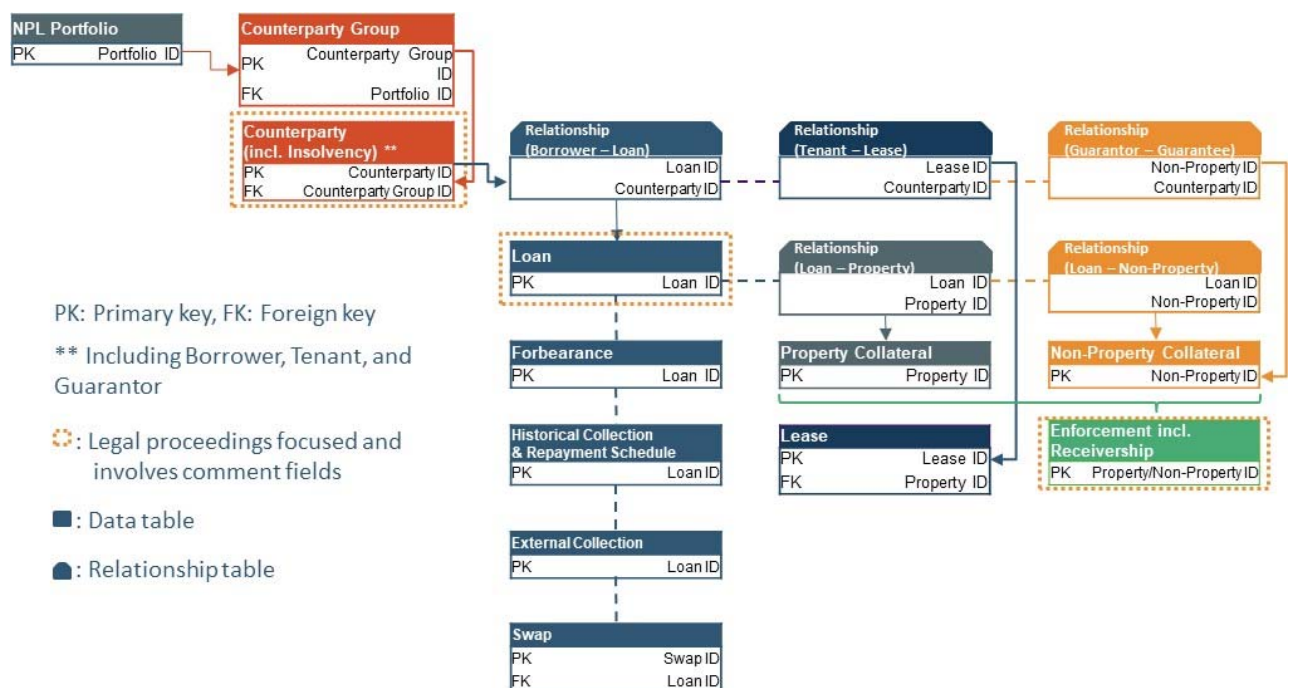
- a. Section 4.1 focuses on the data categories, and the scope and the structure of the templates. From this point of view, it presents the current proposal for the revision of the templates and provides an overview of changes compared to the current version of the templates.
- b. Section 4.2 presents NPL data fields template by template and by data category. The section discusses in details the data fields covered under each templates and data category.
- c. Section 4.3 presents the data dictionary including description, criticality, and confidentiality of data fields. Each section ends with a set of questions to stakeholders related to the discussion presented in the corresponding section.
- d. Section 4.4 discusses other aspects related to the application such as proportionality and asset classes covered. In addition, three Annexes support the discussion: Annex I - Revised NPL data templates and data dictionary, Annex II – General instructions to revised NPL data templates, and Annex III - Changes from the current version of the templates. Annex IV (Summary of the industry input to the survey) presents an overview of the industry input to the survey together with the indication of how the EBA treated (e.g. deleted, criticality downgraded, kept critical) each data point in the discussion paper.

## 4. Discussion

### 4.1 Scope and structure

29. Figure 3 presents the data categories and the data structure. The existing NPL data templates are composed of 17 data categories. Data on counterparty is linked to a specific financial instrument and in turn to specific collateral, where applicable. The data category on collateral is further linked to information on the enforcement procedures.

Figure 3 Data structure of the current NPL transaction templates



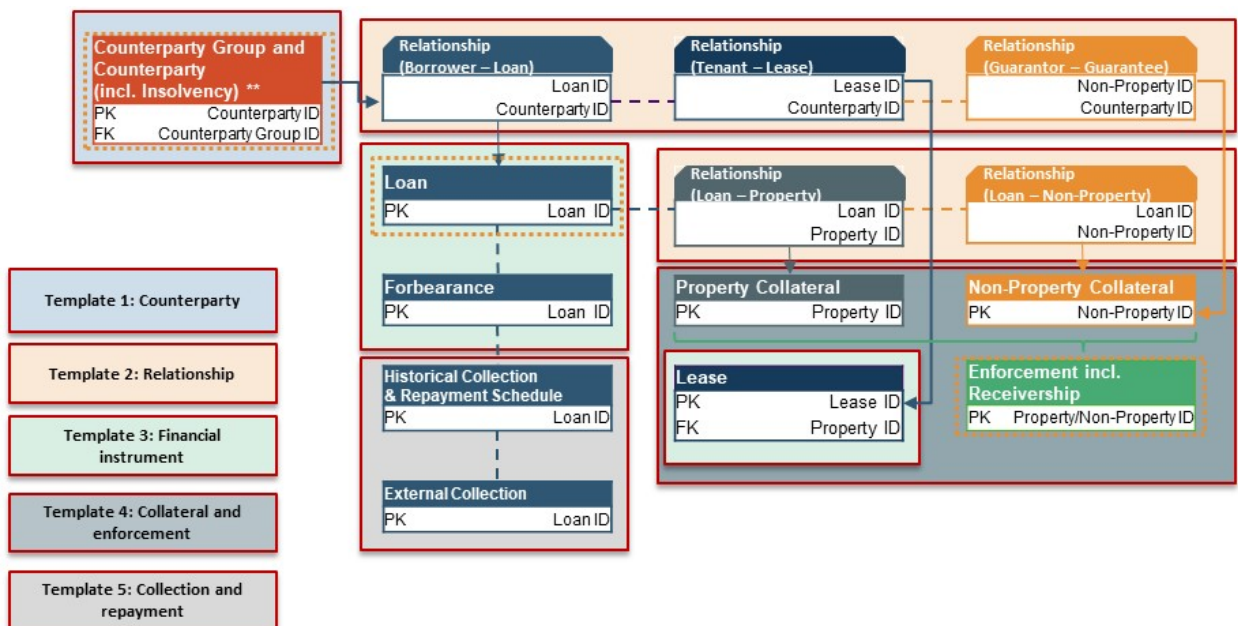
30. In the existing structure, the counterparty is assumed explicitly three roles: 'borrower', 'tenant', and 'guarantor'. The role of the counterparty also indicates the nature of the relationship: borrower-loan, tenant-lease, and guarantor-guarantee, displaying the nature of financial instrument: loan, lease, and guarantee. When the financial instrument is subject to forbearance measures or is secured by property or non-property collateral, the relevant information is presented.

31. The EBA is proposing to simplify the existing data structure of the templates. Data categories 'NPL portfolio' and 'Swaps' are proposed to be deleted and a number of data categories are proposed to be merged. Figure 4 presents the creation of simplified five data templates covering:

- a. **Counterparty (Template 1)** presents information on counterparty group and the counterparty.

- b. **Relationship (Template 2)** merges in a single template any relationship, such as borrower-loan, tenant-lease and guarantor-guarantee that the contractual agreement may imply. The template also indicates the relationship between contractual agreement and any property or non-property collateral.
- c. **Financial instrument (Template 3)** merges data on financial instrument for loan and lease contracts as well as any forbearance information applicable.
- d. **Collateral and enforcement (Template 4)** presents the data on any property and non-property collateral related to contractual agreement on the financial instrument as well as any relevant information on the enforcement procedures that may apply to collateral.
- e. **Collection and repayment (Template 5)** covers information on external collection, and historical collection and repayment schedule related to the financial instrument. Some data fields related to payment schedule require information for the next 36 months, while some data fields related to historical balances require information related to payment history in the past 36 months.

Figure 4 Proposed data structure of the revised NPL transaction templates



**Questions**

1. Do you agree with the proposed data structure and the relationship between templates? If not, please provide explanation.

2. Do you agree with the deletion of data categories 'NPL portfolio' and 'Swap'? If not, please provide explanation.

## 4.2 Data templates

32. Proposed revised templates comprise of five data templates. This section discusses each of these templates and more precisely, it highlights the changes to data fields in the proposed revised templates compared to the existing version of the templates.
33. On aggregate, the current proposal reduces the number of data fields by 232, i.e. approximately halves the number of data fields, from 462 to 230. The number of critical cells goes down from 155 in the existing templates to between 30 and 70 in revised templates, depending on the asset class. Similarly, the number of non-critical cells is between 96 and 137 in the revised templates compared to 275 in existing templates. Figure 5 shows an overview of the number of data fields across asset classes considered and with respect to their criticality. It compares the proposed revised version of the templates with the existing version.

*Figure 5 Overview of data fields – proposed revised version compared to the current version of the templates*

		Total	RRE	CRE	SME/ Corporate	Unsecured	Auto	Leasing/ ABF	Specialised
<b>Existing version</b>	Critical	155	154	149	149	121	121	119	152
	Important	199	157	180	166	124	130	153	197
	Moderate	76	61	60	57	58	60	59	74
	Identifier	32	30	32	30	22	24	28	32
	<b>Total</b>	<b>462</b>	<b>402</b>	<b>421</b>	<b>402</b>	<b>325</b>	<b>335</b>	<b>359</b>	<b>455</b>
<b>Revised version</b>	Critical	-	59	68	68	51	30	60	70
	Non-critical	-	119	133	127	96	122	116	137
	Identifier	-	14	15	15	13	13	15	15
	<b>Total</b>	<b>230</b>	<b>192</b>	<b>216</b>	<b>210</b>	<b>160</b>	<b>165</b>	<b>191</b>	<b>222</b>

34. Annex I of the discussion paper presents proposed revised NPL data templates and the proposed data dictionary, including the description of the data fields, criticality of data fields, asset classes applied, and other specifications on the data fields. Annex III shows the data dictionary of the current templates with colour coding where data fields proposed to be deleted are indicated in red colour and data fields that are amended and maintained are highlighted in yellow. Data fields that are maintained with no amendment are not highlighted.



#### 4.2.1 Template 1: Counterparty

35. Template 1 covers a set of information on the counterparty group and the counterparty where the data fields presented are applicable to corporate borrowers and private individual borrowers.
36. For private individuals, the template presents data fields on counterparty's residence, annual income and employment status. For corporate counterparties, the template presents data fields on counterparty's location.
37. The template also includes data fields on any eligible deposit that the counterparty holds with the institution to offset contractual debt, and information on the legal procedure on the counterparty, both for private individuals and corporates.
38. Proposed Template 1 reduces the data fields in the respective template from 112 to 60, as indicated in Figure 6. Figure 7 further lists critical data fields that have been proposed to be deleted or reclassified in the revised version of the templates.

*Figure 6 Overview of data fields – Template 1: Counterparty*

	Existing version		Revised version					
	Total	RRE	CRE	SME/ Corporate	Unsecured	Auto	Leasing/ ABF	Specialised
Critical	24	13	23	23	13	11	23	23
Non-critical	85	17	25	25	17	19	25	31
Identifier	3	1	2	2	1	1	2	2
<b>Total</b>	<b>112</b>	<b>31</b>	<b>50</b>	<b>50</b>	<b>31</b>	<b>31</b>	<b>50</b>	<b>56</b>

Figure 7 Overview of changes to critical data fields – Template 1: Counterparty

Critical data fields deleted	Critical data fields reclassified as non-critical for all asset classes	Non-critical data fields reclassified as critical for all asset classes
Date of Last Contact	Description of Legal Procedure Type	Cross Default in Counterparty Group
Counterparty deceased	Date of Obtaining Order for Possession	Country of Registered Location
Additional Name of Insolvency/Restructuring Proceedings	Proof of Claim Filed by the seller	Fixed Assets
Additional Stage Reached in Insolvency/Restructuring procedure	Notice for Procedure Termination	Current Assets
Insolvency Practitioner Appointed		Cash and Cash Equivalent Items
Date of Appointment		Total Assets
Number of Current Judgements		Total Liabilities
Number of Discharged Judgements		Total Debt
Date of External Demand Issuance		Annual Revenue
Date when Reservation of Rights Letter Was Issued		Annual EBIT
Comments on Other Litigation Related Process		Cross Default for Counterparty
		Deposit Balance with Institution
		Currency of Deposit
		Eligibility for Deposit to Offset

### Questions

3. Do you think the suggested list of data fields capture all the relevant information on the counterparty needed for NPL valuation and financial due diligence? If not, please indicate which other data fields should be included and provide explanation for this.
4. Do you think any specific data fields should be excluded from the template? If yes, please specify the data fields and give explanation to your answer.

39. Furthermore, the template includes data fields on credit rating and scoring of the private individual and corporate counterparties. These data fields cover internal and external credit rating and scoring, as well as both at the point of origination and at the NPL cut-off date. The rationale to exchange these data is to capture credit quality of the counterparty and its evaluation over time in the valuation and financial due diligence of the NPL in transaction.

40. Similarly, the template covers a number of data fields related to the latest available financial statement amounts including fixed and current assets, liabilities, cash balances and related to market capitalisation. These data fields are expected to capture the relevant fundamental

accounting data as a starting point of the valuation process and to give feedback on the solvency of the counterparty from an accounting point of view.

#### Questions

5. Do you agree that data fields on current external and internal credit scores and current external and internal credit scores at origination should be included in the template (for both private individual and corporate counterparties)?
6. Do you agree that data fields on corporate's latest available financial statement amounts should be included in the template?
7. Do you agree that data fields related to corporate counterparties' assets and liabilities, market capitalisation should be included in the template?

#### 4.2.2 Template 2: Relationship

41. Template 2 sets the relationship between the counterparty and the financial instrument, and with any related collateral. The proposed revised template reduces the data fields from 19 to five, which are identifiers for the counterparty, contract, financial instrument, lease and collateral.

Proposed Template 2 reduces the data fields compared to the existing version of the respective template by 14, as indicated in

42. Figure 8.<sup>8</sup> Two of the five critical data fields ('Lien Position' and 'Higher Ranking Loan'), which appeared twice in the existing version of the templates have been deleted (i.e. the duplications) following the merging of common data fields for property collateral and non-property collateral. The data fields in the revised templates appear once only and included in the template 'Collateral and enforcement'. In addition, the data field 'mortgage amount' has been deleted since this information is already captured by the information on financial instrument of the contractual agreement, e.g. data fields on principal balance, total balance and scheduled repayment amounts, in proposed Template 3.

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<sup>8</sup> This figure should be read with caution. Some of the data fields have been moved and counted in other data templates. To avoid double counting the data fields that have been moved to other templates are indicated as deleted in Figure 8.

Figure 8 Overview of data fields – Template 2: Relationship

	Existing version	Revised version						
	Total	RRE	CRE	SME/ Corporate	Unsecured	Auto	Leasing/ ABF	Specialised
Critical	5	-	-	-	-	-	-	-
Non-critical	2	-	-	-	-	-	-	-
Identifier	12	5	5	5	4	4	5	5
<b>Total</b>	<b>19</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>

### Questions

8. Do you agree with the proposed Template 2 of Annex I? If not, please provide explanation to your answer.

### 4.2.3 Template 3: Financial instrument

43. Template 3 covers information on financial instrument of the contractual agreement. It merges 'Loan', 'Lease' and 'Forbearance', three data categories separately presented in the existing templates.
44. The proposed template includes data fields on asset class and product type associated with contractual agreement, repayment schedule, asset quality, interest rate, past-due status of the financial instrument as well as internal and external credit rating. The template also covers data fields related to any subsidy applicable to financial instrument, any forbearance measures, and information related to lease, if applicable.
45. Data fields related to contractual agreement such as information on amortisation type, final bullet repayment, current interest rate, interest rate type, interest base rate, interest margin, reversion interest rate, interest only periods, fixed interest rate period, cap and floor rates, interest payment frequency and principal payment frequency are also included in the template. For NPL valuation and financial due diligence, these data fields may be less important for NPLs that are 90 days past due (or more), while such information may be particularly important for cases where the loan is not 90 days past due, e.g. in early arrears, but assessed by the bank to be unlikely to be paid.

**Questions**

9. Do you agree with the inclusion of the data fields related to interest rates and other information as per contractual agreement for the valuation and financial due diligence of NPLs, especially when they are not more than 90 days past due? Please provide data field-specific explanation to your answer.

46. Similarly, the proposed template includes a number of data fields on the forbearance measures that may have been applied to the NPL in transaction. These data fields cover information on the type of forbearance, dates of forbearance measures, principal forgiveness, and amount under forbearance. While forbearance measures can be applied to any NPL, for valuation and financial due diligence such information may be particularly important in cases where the loan is assessed to be unlikely to be paid when it is in early arrears.

**Questions**

10. Do you agree with the inclusion of the data fields related to forbearance measures for the valuation and financial due diligence of NPLs?

47. Proposed revised template reduces the data fields related to financial instrument (that are 'loan', 'lease' and 'forbearance' data categories in the current templates) from 144 to 78, as indicated in Figure 9.

48. Figure 10 gives insight into critical data fields that have been deleted or reclassified in the revised version of the templates.

*Figure 9 Overview of data fields – Template 3: Financial instrument*

	Existing version		Revised version					
	Total	RRE	CRE	SME/ Corporate	Unsecured	Auto	Leasing/ ABF	Specialised
Critical	54	17	16	17	16	10	15	17
Non-critical	84	53	58	51	48	59	59	53
Identifier	6	3	3	3	3	3	3	3
<b>Total</b>	<b>144</b>	<b>73</b>	<b>77</b>	<b>71</b>	<b>67</b>	<b>72</b>	<b>77</b>	<b>73</b>

Figure 10 Overview of changes to critical data fields – Template 3: Financial instrument

Critical data fields deleted	Critical data fields reclassified as non-critical for all asset classes	Non-critical data fields reclassified as critical for all asset classes
Loan Purpose	Amortisation Type	
Product Type	Final Bullet Repayment	
Description of Bespoke Repayment	Current Interest Rate	
Loan Status	Current Interest Rate Reference	
MARP Applicable	Current Interest Rate Type	
MARP Entry	Description of Current Interest Rate Type	
MARP Status	Current Interest Base Rate	
Description of Forbearance	Current Interest Margin	
Date of First Forbearance	Start Date of Interest Only Period	
Number of Historical Forbearance	End Date of Interest Only Period	
	Start Date of Current Fixed Interest Period	
	End Date of Current Fixed Interest Period	
	Current Reversion Interest Rate	
	Interest Cap Rate	
	Interest Floor Rate	
	Interest Payment Frequency	
	Principal Payment Frequency	
	Non-Performing Reason	
	Balance at default	
	Charge-off Date	
	Type of Forbearance	
	Principal Forgiveness	
	Date of Principal Forgiveness	
	Start Date of Forbearance	
	End Date of Forbearance	
	Repayment Amount Under Forbearance	
	Repayment Frequency Under Forbearance	

### Questions

11. Do you think the suggested list of data fields capture all relevant information on financial instrument needed for NPL valuation and financial due diligence? If not, please indicate which other data fields should be included and provide explanation for this.

12. Do you think any specific data fields should be excluded from the template? If yes, please specify the data fields and give explanation to your answer.



13. Do you agree with the data fields related to lease? Please provide data field-specific explanation to your answer.

#### 4.2.4 Template 4: Collateral and enforcement

49. Template 4 gathers data fields on property collateral, non-property collateral and related information on enforcement that may be applicable to these assets. For property collateral, the template covers data points providing detailed information on the specificities of the property collateral such as the location, type and sector of the property, lien position, year of construction/refurbishment, tenure, building size, area, occupation, letting possibilities. Furthermore, the template collects information on the latest valuation of the property, such as the type of valuation, date of the latest valuation, estimated value of the property. Similarly, for non-property collateral, the template includes data fields on the type of collateral, and characteristics of the collateral, e.g. year of manufacture and engine size specific to automotive loans.
50. The template also covers data fields on the enforcement status to help the investors estimate time to recovery and recovery value. To this end, the template includes data fields such as guarantee amount, information on the activation of guarantee, jurisdiction court, and information on court auction and court appraisal as well as other relevant information about the auction for the specific collateral that may have taken place.
51. Proposed revised template reduces the data fields related to collateral (property and non-property) and enforcement from 140 to 69. This is indicated in Figure 11.
52. Figure 12 lists critical data fields that have been deleted or reclassified in the revised version of the templates.

*Figure 11 Overview of data fields – Template 4: Collateral and enforcement*

	Existing version		Revised version					
	Total	RRE	CRE	SME/ Corporate	Unsecured	Auto	Leasing/ ABF	Specialised
Critical	62	27	27	26	20	9	20	28
Non-critical	74	37	37	38	19	30	19	39
Identifier	4	2	2	2	2	2	2	2
<b>Total</b>	<b>140</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>69</b>

Figure 12 Overview of changes to critical data fields – Template 4: Collateral and enforcement

Critical data fields deleted	Critical data fields reclassified as non-critical for all asset classes	Non-critical data fields reclassified as critical for all asset classes
Description of non-property collateral	Enforcement Description	Latest Residual Value
Offer Price	Next Auction Date	Date of the Latest Residual Valuation
Prepare Property for Sale Date	Court Auction Reserve Price for Next Auction	Jurisdiction of Court
Property on Market Date	Last Auction Date	
On Market Offer Date	Court Auction Reserve Price for Last Auction	
Sale Agreed Date	Number of Failed Auctions	
Contracted Date	Geographic Region of Property	
First Auction Date	Land Area (M2)	
Court Auction Reserve Price for First Auction	Latest Estimated Rental Value	
Tenure	Current Annual Passing Rent	
Remaining Term of Leasehold	Amount of VAT Payable	
Building Area (M2) Lettable	Enforcement Status Third Parties	
Building Area (M2) Occupied	Indicator of enforcement	
Current Opex And Overheads	Current Market Status	
Planned Capex next 12m	On Market Price	
Current Net Operating Income	Gross Sale Proceeds	
	Costs at End of Sale	
	Collateral Repossessed Date	
	Indicator of Receivership	

### Questions

14. Do you think the suggested list of data fields capture all relevant information on collateral needed for NPL valuation and financial due diligence? If not, please indicate which other data fields should be included and provide explanation for this.
15. Do you think any specific data fields should be excluded from the template? If yes, please specify the data fields and give explanation to your answer.

16. Do you agree with the data fields on the characteristics of non-property collateral? Please provide data field-specific explanation to your answer.

17. Do you agree with the data fields related to the enforcement of collateral? Please provide data field-specific explanation to your answer.

#### 4.2.5 Template 5: Collection and repayment

53. Template 5 merges the data categories on ‘external collection’ and ‘historical collection and repayment schedule’ of the current templates. Some data fields on historical and future repayments have a time dimension of 36 months. Overall, data fields decrease from 28 to 18 in the proposed template (Figure 13). Figure 14 gives insight into critical data fields that have been deleted or reclassified in the revised version of the templates.

Figure 13 Overview of data fields – Template 5: Collection and repayment

	Existing version		Revised version					
	Total	RRE	CRE	SME/ Corporate	Unsecured	Auto	Leasing/ ABF	Specialised
Critical	9	2	2	2	2	0	2	2
Non-critical	15	12	13	13	12	14	13	13
Identifier	4	3	3	3	3	3	3	3
<b>Total</b>	<b>28</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>18</b>

Figure 14 Overview of changes to critical data fields – Template 5: Collection and repayment

Critical data fields deleted	Critical data fields reclassified as non-critical for all asset classes	Non-critical data fields reclassified as critical for all asset classes
	Type of identifier	
	Cash Recoveries	
	Costs Accrued	
	History of Legal Unpaid Balances	
	History of Past-Due Balances	
	History of Repayments - Not From Asset Sales	
	History of Repayments - From Asset Sales	

### Questions

18. Do you agree with the proposed Template 5 of Annex I for NPL valuation and financial due diligence? Please provide data field-specific explanation to your answer.

## 4.3 Data dictionary

54. The data dictionary, which is an integral part of the NPL data templates, gives all the required information on the individual elements, such as data fields forming these templates and on the linkages between different templates.
55. With the data dictionary institutions can identify their internally available data and information for valuation and financial due diligence and compare them with the data dictionary. To this end, the data dictionary gives an overview of all data fields included in data templates with additional information to understand the content of data fields, their nature, confidentiality and the different levels of applicability such as to borrower type and asset class.
56. Data dictionary provides the users with the information on the data fields to be used under the scope of the NPL data templates given the characteristics of these data fields and given the NPL in transaction. It gives a list of all data fields included in data templates with their specifications. It provides information on:
- An index number for data fields;
  - Data fields including their descriptions;
  - Borrower type to which the data fields are applicable e.g. Corporates, Private individuals or All;
  - The type of data fields, e.g. Boolean, Choice, Date, Number, Percentage, Text;
  - The nature of the data fields, e.g. Static or Dynamic in case of recurring data transfer;
  - Criticality of the data field; e.g. Critical or non-Critical;
  - Asset classes applied for data fields; and
  - Confidentiality aspects of data fields.
57. Data fields are classified by relevance to valuation and financial due diligence. In existing data templates, in addition to identifiers, data fields are classified in three different levels: 'critical', 'important' and 'moderate'. The revised proposal amends the classification of data fields and present them in two levels: 'critical' and 'non-critical'. In this respect, critical fields represent

the most essential information for the purposes of valuation and financial due diligence of NPLs in transaction.

58. In addition to these features, some data fields are applicable to specific counterparties and/or a specific asset class, i.e. they are not applicable to all asset classes at the same time. In this regard, the data dictionary provides information on the applicability of each data field given the borrower type and the asset class. Therefore, the relevant information are expected to be exchanged under the framework of these data templates in relation to the borrower type and asset class as specified in the data dictionary. For this reason, the proposal does not include no data options for the data fields of the templates.

#### Questions

19. Do you agree with description of data fields presented in data dictionary?
20. Do you agree with criticality (and non-criticality) of data fields presented in data dictionary? If not, please provide suggestions and explanations related to specific data fields.
21. Do you agree with confidentiality aspects of data fields? If not, please provide explanation.
22. Do you agree with excluding no data options for data fields? If not, please provide suggestions and explanations related to specific data fields.

## 4.4 Other considerations

### 4.4.1 Proportionality

59. Given the objective of the NPL transaction data template, it is important that they are applied in proportion to the size (i.e. value in monetary terms) of the NPLs in transaction. In other words, it is reasonable to expect that demand and exchange of information on a specific NPL increases with the value of that exposure or portfolio.
60. Proportionality can be integrated in two ways. Firstly, the templates can present a wider set of data fields and apply waivers to a number of data fields when the NPL in transaction is a simple product and its value is small. An alternative would introduce a minimum set of data fields and require additional data fields when the value is larger. This discussion paper is proposing the latter for the implementation of the principle of proportionality.
61. For this purpose, critical fields would represent a minimum set of core data that are applicable for all transactions regardless of the value and complexity of the NPL in transaction. A number of non-critical fields can become critical in addition to existing critical data fields when the NPL value in transaction exceeds a certain threshold value.

62. It is argued that the size and complexity of the institutions is not of significant relevance for proportionality considerations for the application of the NPL data templates. Firstly, the data to be exchanged between buyers and sellers should be linked to the nature and size of the loans in transaction, regardless of the size and complexity of the institutions. Information asymmetries could be relevant for all sellers and buyers, therefore, the information exchange on portfolios with similar characteristics should be similar as well. Secondly, one other main objective of the data templates is to remove barriers to entry, so to support efficient, competitive and transparent markets where small and less complex institutions (both sellers and buyers), as well as large and complex institutions, trade NPLs. Reducing data exchange on the basis of their small size and non-complex nature may put them in a disadvantaged position and create obstacles to achieve desired outcomes in secondary market operations. For this reason, the proposal in the discussion paper does not consider the size and complexity of the institutions as an applicable parameter for proportionality considerations.

#### Questions

23. Please provide your views on how proportionality considerations regarding the size of the exposures or portfolios being sold should be incorporated in the implementation of NPL data templates.

24. Should there be a threshold (e.g. in monetary terms) for the application of the proportionality principle? If yes, then how should this be defined?

25. Do you agree that the proposed approach takes into account, in an adequate way, the proportionality principle? If not, which additional elements should be considered?

#### 4.4.1 Asset classes

63. NPL data templates cover seven assets classes, including:

- a. Residential real estate
- b. Commercial real estate
- c. SMEs and corporates
- d. Unsecured retail
- e. Automotive
- f. Leasing and asset-based finance
- g. Specialised, e.g. project finance

**Questions**

26. Please provide your views on the asset classes covered and whether any specific data fields, other than already foreseen, should be included in the templates for ensure full coverage of certain asset classes.

27. In your view, is the structure and coverage of the templates adequate for both portfolio transactions and transactions where an individual exposure is traded? Please explain your answer.

**Questions**

28. Please add any additional comments, remarks or observations you may wish to include in your feedback to the discussion paper.

# Annex I - Revised NPL data templates and data dictionary

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[Please see the corresponding accompanying document attached]



# Annex II - General instructions to revised NPL data templates

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## References

1. For the purpose of the EBA NPL data templates, the following definitions and abbreviations apply:
  - a. 'Counterparty': is defined as either a borrower, guarantor or tenant;
  - b. 'Cut-Off Date': The date at which the underlying asset data within the EBA NPL data templates is referenced;
  - c. 'CRD': the Capital Requirements Directive (EU) No 2013/36/EU as amended and in force;
  - d. 'CRE': Commercial Real Estate defined further in Section 3 below;
  - e. 'CRR': the Capital Requirements Regulation (EU) No 575/2013 as amended and in force;
  - f. 'EBIT': Earnings Before Interest and Tax;
  - g. 'IAS' or 'IFRS': 'International Accounting Standards', as defined in Article 2 of the IAS Regulation No 1606/2002<sup>9</sup>, which have been adopted by the European Commission;
  - h. 'Institution': Institutions referred to in point (1) of Article 4(1) of Regulation (EU) No 575/2013 of CRR as well as any undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account;
  - i. 'Users': The Institutions and their counterparties to NPL transactions for which the EBA NPL transaction templates are used;
  - j. 'ISO 3166 ALPHA-2', a list of country codes<sup>10</sup>, defined by 2 letters;
  - k. 'ISO 4217': a list of global currencies<sup>11</sup> and the 3 letter codes that represents them;
  - l. 'ISO 17442': the Financial Services LEI code, as published in 2012;

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<sup>9</sup> Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11/09/2002, p. 1).

<sup>10</sup> <https://www.iso.org/obp/ui/#search>

<sup>11</sup> <https://www.currency-iso.org/en/home/tables/table-a1.html>

- m. 'LEI code': the global Legal Entity Identifier assigned to entities, which uniquely identifies a party to a financial transaction;
  - n. 'Loan Agreement': the contract that includes any addendums to the original loan agreement;
  - o. 'NACE codes': codes in Regulation (EC) No 1893/2006 of the European Parliament and of the Council<sup>12</sup>;
  - p. 'NUTS3': the Nomenclature of Units for Territorial Statistics<sup>13</sup> as per the 2013 classification. The number refers to the economic territory, where '3' is small regions for specific diagnoses;
  - q. 'RRE': Residential Real Estate defined further in Section 3 below;
  - r. 'SME': micro, small and medium-sized enterprises defined in Commission Recommendation No 2003/361 of 6 May 2003<sup>14</sup>;
  - s. UN/LOCODE': United Nations Code for Trade and Transport Locations<sup>15</sup> list 2020-2.
2. The Data Dictionary suggests which data fields might be considered as confidential in the meaning of Regulation (EU) 2016/679. However, more data fields might be considered as confidential. Users remain solely responsible for fully observing the European Union and national law on data protection and confidentiality when using the EBA NPL templates.

### Conventions

- 3. If not otherwise stated in the Instructions, figures are reported as positive numbers.
- 4. Where the field type is Boolean the field choice is Yes or No.
- 5. Where the field is Choice, there is a list from which the User can select the relevant choice that is applicable to the data field. The choice field should be entered as the full name of the choice option. For example, where the choice field is (a) Employed, the user should enter Employed into the data template.
- 6. Where the field type is Text, the User enters free text into that data field.

<sup>12</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

<sup>13</sup>

[http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST\\_CLS\\_DLD&StrNom=NUTS\\_2013L&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC%23%20](http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NUTS_2013L&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC%23%20)

<sup>14</sup> Commission Recommendation No 2003/361 of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (C (2003)1422) (OJ L 124, 20.5.2003, p. 36).

<sup>15</sup> <http://www.unece.org/cefact/locode/service/location>

7. Where the field type is a Number, the User enters a Number expressed to two decimal places.
8. Where the field type is a Percentage, the User enters a percentage expressed as a ratio to two decimal places.
9. Where the data field is asset class specific this is implied with '1', whilst where the data field is not thought to be related to a specific asset class this is implied with a blank cell.
10. Where the data field may be subject to confidentiality restrictions in some jurisdictions, it is indicated with '1', whilst where the data field is not thought to be subject to confidentiality restrictions this is implied with a blank cell.
11. When submitting responses to fields which are lists, just the code of the list option is submitted along with the text relating to that code. For example, for NACE codes the following would be entered A – Agriculture.
12. Where property collateral data is being entered, the data should be entered at unit level.

### Asset classes

13. The asset class breakdown is similar - with some distinctions - to the exposure types of the ABS templates as developed by the ESMA<sup>16</sup>.
  - a. Residential Real Estate loans – indicative characteristics are:
    - i. Loans granted to private individuals to purchase or refinance immovable property used as a residence; and,
    - ii. Secured by the immovable property an individual uses as their residence; and,
    - iii. Where the purchased or refinanced immovable property, which does not generate rental revenues and is either:
      - The primary residence to the owner; or,
      - Is a residential investment property that includes holiday homes and second homes; or,
      - Where the Loan is to finance the development of immovable property, as defined in one of the bullet points above.

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<sup>16</sup> 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 (C/2019/7334). (OJ L 289, 3.9.2020, p. 1–216) and Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardized templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (C/2019/7624) (OJ L 289, 3.9.2020, p. 217–284).

- b. Commercial Real Estate loans – indicative characteristics are:
  - i. Loans granted to a Corporate to purchase or refinance commercial immovable property; and
  - ii. Secured by the commercial immovable property; and
  - iii. Where the purchased or refinanced property is either:
    - Commercial immovable properties; or,
    - Residential immovable properties that are then rented out and that are secured by the residential immovable properties being purchased and are therefore used for the development of a commercial immovable property. This includes buy-to-let schemes.
- c. SME / Corporate loans – indicative characteristics are:
  - i. Loans granted to an enterprise, where an enterprise is considered to be any entity engaged in an economic activity irrespective of its legal form. This includes self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engages in economic activity; and,
  - ii. Loans granted to persons for performing entrepreneurial activity classified as micro, small and medium enterprises, in accordance with Commission Recommendation No 2003/361 of 6 May 2003; or
  - iii. Loans granted to SME defined in point ii and large corporates defined as number of employees that are higher than 250 and the annual turnover exceeding EUR 50m, for their general operations that can be either unsecured or secured by real estate property or secured by non-real estate property.
- d. Unsecured Retail loans – indicative characteristics are:
  - i. Receivables from credit cards from private individuals; or,
  - ii. Unsecured consumer loans granted to private individuals.
- e. Leasing / Asset Backed Finance (ABF) loans – indicative characteristics are:
  - i. Loans granted to corporates to purchase Non-Property Collateral (i.e. movable) that are secured by the movable Non-Property Collateral being purchased.
  - ii. Such Loans include those for Asset Backed Finance such as Marine and Aviation.

- f. Auto loans – indicative characteristics are:
  - i. Loans granted to private individuals for the purchase or refinance of motor vehicles that are secured by the motor vehicles being purchased.
- g. ‘Specialised Loans’ – indicative characteristics are:
  - i. Loans granted for other purposes such as Project Finance Loans; Infrastructure Loans; and Public Sector Loans.

# Annex III - Changes from the current version of the NPL data templates

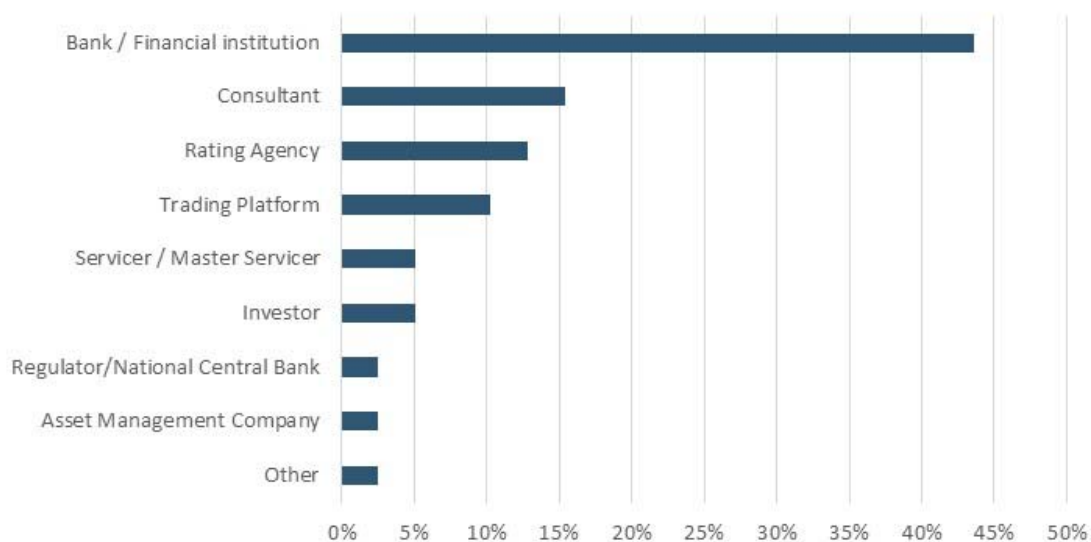
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[Please see the corresponding accompanying document attached]

## Annex IV - Summary of the industry input to the survey

14. Following the EBA's call for input, 39 stakeholders completed and submitted their responses to the survey. The input to the survey captures an array of participants from various parties of the NPL markets including banks, investors and other intermediaries. Seventeen of the 39 participants, e.g. approximately 44% of the total, were banks. Figure 15 shows an overview of the participants to the survey.

*Figure 15 Participation to the EBA survey*



15. The survey listed 155 data fields that are classified as critical in the existing templates and ask whether:

- a. Data field is critical or important given asset classes presented, and
- b. Data field is available in the IT system or not available (and if not available whether collected or not collected at origination).

16. The EBA's revised templates for discussion is based on the outcome of these responses to the survey and bilateral exchanges with the stakeholders. Figure 16 shows the responses to the survey and how the EBA amended the data fields following the responses received.

Figure 16 Survey responses and amendments to data fields

Index (in existing templates)	Data fields covered in the survey (critical fields in the existing templates)	Criticality indicated by the industry in the survey (on average across asset classes)	Non-criticality indicated by the industry in the survey (on average across asset classes)	Deleted (for all asset classes)	Kept critical (for all asset classes except those indicated in the next column)	of which criticality downgraded from critical to non-critical per asset class	Downgraded from critical to non-critical (for all asset classes)	Data availability (1: Available; 2: Not available (collected); 3: Not available (not collected))
1.000	Cut-off Date	x			x			1
2.008	Cross Collateralisation in Counterparty Group		x				x	1
3.003	Counterparty Role	x			x			1
3.004	Legal Type of Counterparty	x			x			1
3.061	Date of Last Contact		x	x				3
3.074	Counterparty deceased		x	x				1
3.075	Name of Insolvency/Restructuring Proceedings	x			x			1



Index (in existing templates)	Data fields covered in the survey (critical fields in the existing templates)	Criticality indicated by the industry in the survey (on average across asset classes)	Non-criticality indicated by the industry in the survey (on average across asset classes)	Deleted (for all asset classes)	Kept critical (for all asset classes except those indicated in the next column)	of which criticality downgraded from critical to non-critical per asset class	Downgraded from critical to non-critical (for all asset classes)	Data availability (1: Available; 2: Not available (collected); 3: Not available (not collected))
3.076	Additional Name of Insolvency/Restructuring Proceedings		x	x				2
3.077	Legal Procedure Type	x			x			1
3.078	Description of Legal Procedure Type		x				x	1
3.079	Commencement Date of Insolvency / Restructuring Proceedings	x			x			1
3.080	Stage Reached in Insolvency/Restructuring procedure	x			x	Auto		1
3.081	Additional Stage Reached in		x	x				3

Index (in existing templates)	Data fields covered in the survey (critical fields in the existing templates)	Criticality indicated by the industry in the survey (on average across asset classes)	Non-criticality indicated by the industry in the survey (on average across asset classes)	Deleted (for all asset classes)	Kept critical (for all asset classes except those indicated in the next column)	of which criticality downgraded from critical to non-critical per asset class	Downgraded from critical to non-critical (for all asset classes)	Data availability (1: Available; 2: Not available (collected); 3: Not available (not collected))
	Insolvency/Restructuring procedure							
3.082	Insolvency Practitioner Appointed		x	x				3
3.083	Date of Appointment		x	x				3
3.087	Proof of Claim Filed by the seller		x				x	1
3.088	Distribution made to the Seller	x			x			1
3.089	Notice for Procedure Termination		x				x	2
3.090	Number of Current Judgements		x	x				3
3.091	Number of Discharged Judgements		x	x				3

Index (in existing templates)	Data fields covered in the survey (critical fields in the existing templates)	Criticality indicated by the industry in the survey (on average across asset classes)	Non-criticality indicated by the industry in the survey (on average across asset classes)	Deleted (for all asset classes)	Kept critical (for all asset classes except those indicated in the next column)	of which criticality downgraded from critical to non-critical per asset class	Downgraded from critical to non-critical (for all asset classes)	Data availability (1: Available; 2: Not available (collected); 3: Not available (not collected))
3.093	Date of External Demand Issuance		x	x				3
3.094	Date when Reservation of Rights Letter Was Issued		x	x				3
3.095	Jurisdiction of Court	x			x	Auto		1
3.097	Date of Obtaining Order for Possession		x				x	3
3.101	Comments on Other Litigation Related Process		x	x				3
7.004	Date of Origination		x		x			1
7.006	Governing Law of Loan Agreement	x			x	Auto		1
7.007	Asset Class	x			x			1
7.008	Loan Purpose		x	x				1
7.009	Product Type		x	x				1
7.010	Amortisation Type		x				x	1

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7.011	Description of Bespoke Repayment		x	x				3
7.012	Final Bullet Repayment		x				x	1
7.014	Current Maturity Date	x			x	Auto; Leasing/ABF	x	1
7.015	Loan Currency	x			x			1
7.017	Principal Balance	x			x			1
7.020	Total Balance	x			x			1
7.022	Legal Balance	x			x			1
7.031	Current Interest Rate		x				x	1
7.032	Current Interest Rate Type		x				x	1
7.033	Description of Current Interest Rate Type		x				x	3
7.034	Current Interest Base Rate		x				x	1

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7.035	Current Interest Margin		x				x	1
7.036	Current Interest Rate Reference		x				x	1
7.037	Start Date of Interest Only Period		x				x	3
7.038	End Date of Interest Only Period		x				x	3
7.039	Start Date of Current Fixed Interest Period		x				x	3
7.040	End Date of Current Fixed Interest Period		x				x	3
7.042	Current Reversion Interest Rate		x				x	3
7.043	Interest Cap Rate		x				x	3
7.044	Interest Floor Rate		x				x	3
7.055	Last Payment Date	x			x	Auto		1

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7.056	Last Payment Amount	x			x	Auto		1
7.061	Interest Payment Frequency		x				x	1
7.062	Principal Payment Frequency		x				x	1
7.066	Total Past-Due Amount	x			x			1
7.068	Days in Past-Due	x			x			1
7.071	Loan Status	x		x				1
7.072	Non-Performing Reason		x				x	1
7.073	Date of Default	x			x			1
7.074	Balance at default		x				x	1
7.075	Charge-off Date		x				x	1
7.079	Syndicated Loan	x			x	Auto		1
7.080	Syndicated Portion	x			x	Auto		1
7.082	Securitised	x			x	CRE; Unsecured;		1

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						Auto Leasing/ABF		
7.104	MARP Applicable		x	x				3
7.105	MARP Entry		x	x				3
7.106	MARP Status		x	x				3
8.005	History of Legal Unpaid Balances		x				x	2
8.006	History of Past-Due Balances		x				x	3
8.007	History of Total Repayments		x		x	Auto		1
8.008	History of Repayments - Not From Asset Sales		x				x	3
8.009	History of Repayments - From Asset Sales		x				x	3
9.000	Type of Identifier		x				x	3

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9.010	Cash Recoveries		x				x	1
9.011	Costs Accrued		x				x	3
9.013	Repayment Plan		x		x	Auto		1
10.000	Type of Identifier		x	x				1
10.003	Type of Forbearance		x				x	1
10.004	Description of Forbearance		x	x				3
10.005	Date of First Forbearance		x	x				1
10.006	Number of Historical Forbearance		x	x				3
10.007	Principal Forgiveness		x				x	1
10.008	Date of Principal Forgiveness		x				x	1
10.009	Start Date of Forbearance		x				x	1
10.010	End Date of Forbearance		x				x	1



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10.011	Repayment Amount Under Forbearance		x				x	1
10.012	Repayment Frequency Under Forbearance		x				x	1
11.004	Type of Property	x			x			1
11.005	Type of Occupancy		x				x	3
11.008	Address of Property		x				x	1
11.009	City of Property	x			x			1
11.010	Geographic Region of Property	x					x	1
11.012	Property Postcode	x			x			1
11.013	Property Country	x			x			1
11.017	Tenure		x	x				3
11.018	Remaining Term of Leasehold		x	x				3

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11.021	Building Area (M2)		x		x	SME/Corp; Specialised		1
11.022	Building Area (M2) Lettable		x	x				3
11.023	Building Area (M2) Occupied		x	x				3
11.027	Land Area (M2)		x				x	1
11.036	Latest Valuation Amount	x			x			1
11.037	Date of Latest Valuation	x			x			1
11.038	Internal / External Latest Valuation	x			x			1
11.039	Type of Latest Valuation	x			x			1
11.041	Latest Estimated Rental Value		x				x	3
11.042	Current Annual Passing Rent		x				x	3

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11.043	Current Opex And Overheads		x	x				3
11.044	Planned Capex next 12m		x	x				3
11.045	Current Net Operating Income		x	x				3
11.050	Amount of VAT Payable		x				x	3
11.051	Completion of Property	x			x			1
11.052	Percentage complete		x		x			1
11.055	Enforcement Status	x			x			1
11.056	Enforcement Status Third Parties		x				x	3
12.003	Mortgage amount	x		x				1
12.004	Lien Position	x			x			1
12.005	Higher Ranking Loan	x			x			1
14.004	Collateral Type	x			x			1
14.005	Description		x	x				3

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14.006	Currency of Collateral	x			x			1
14.007	Guarantee Amount	x			x	Auto		1
14.014	Latest Valuation Amount	x			x			1
14.015	Date of Latest Valuation	x			x			1
14.016	Type of Latest Valuation	x			x	Auto		1
14.035	Enforcement Status	x			x			1
15.002	Lien Position	x			x			1
15.003	Higher Ranking Loan	x			x	Auto		1
16.003	Currency of Enforcement	x			x			1
16.004	Indicator of Enforcement		x				x	1
16.005	Enforcement Description		x				x	1
16.007	Court Appraisal Amount	x			x	Auto		1
16.008	Date of Court Appraisal	x			x	Auto		1
16.009	Current Market Status		x				x	3
16.010	On Market Price		x				x	3

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16.011	Offer Price		x	x				3
16.012	Sale Agreed Price	x			x	Auto		2
16.013	Gross Sale Proceeds		x				x	3
16.014	Costs at End of Sale		x				x	3
16.015	Net Sale Proceeds	x			x	Auto		3
16.017	Collateral Repossessed Date		x				x	1
16.018	Prepare Property for Sale Date		x	x				3
16.019	Property on Market Date		x	x				3
16.020	On Market Offer Date		x	x				3
16.021	Sale Agreed Date		x	x				3
16.022	Contracted Date		x	x				3
16.023	Sold Date	x			x	Auto		1
16.024	First Auction Date		x	x				1

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16.025	Court Auction Reserve Price for First Auction		x	x				1
16.026	Next Auction Date		x				x	1
16.027	Court Auction Reserve Price for Next Auction	x			x	Auto		1
16.028	Last Auction Date	x			x	Auto		1
16.029	Court Auction Reserve Price for Last Auction		x		x	Auto		1
16.030	Number of Failed Auctions		x				x	3
16.033	Indicator of Receivership		x				x	1