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PRESS RELEASE

The NBB welcomes the EBA's publication of its standardised data templates as a step to reduce NPLs

The National Bank of Belgium (NBB[°]) welcomes today's publication of NPL data templates by the European Banking Authority (EBA). The templates will create the foundation for NPL transactions across the EU. They will provide a common EU data set for the screening, financial due diligence and valuation during NPL transactions. An extended use of the templates is expected to widen the investor base, lower entry barriers to potential investors, improve data quality and availability, support price discovery and facilitate the development of the NPL secondary market.

The EBA is providing these templates to allow banks to supply comparable and standardised data on NPLs to meet the need of investors and other stakeholders. The EBA NPL templates are not a supervisory reporting requirement. They are designed in a way that they can act as a market standard, used by banks on a voluntary basis for NPL transactions and to form the foundation for NPL secondary markets initiatives.

The EBA NPL transaction templates provide loan by loan data, i.e. at the most granular level, including information on counterparties related to the loan and the collateral provided. The templates are built on existing reporting, which should reduce implementation costs for banks. They provide a common EU data set, but bespoke parts of the templates capture national specificities. For the purposes of market screening, a separate stratified data subset provides a high level view of an NPL portfolio.

During their development, the templates were discussed with market participants, competent authorities and EU institutions. The feedback received was integrated into the templates, including on the ranking of the different data fields, according to their importance for valuation and financial due diligence purposes.

Background

The EBA NPL templates are the EBA's response to calls from the EU Commission and the EU Council. In 29 March 2017, the European Commission Vice President Dombrovskis asked the EBA to develop data templates to reduce information asymmetries between potential buyers and sellers of Non-Performing Loans (NPL) and, thus, contribute to the development of a functioning secondary market in the EU¹. Also the EU Council's conclusions of 11 July 2017 mandated the EBA to issue templates for banks, specifying detailed information required from banks on their credit exposures in the banking book².

¹ <http://www.eba.europa.eu/documents/10180/1806992/%28EBA-2017-E-1263%29%20Letter+from+Vice-President+Dombrovskis+re+NPLs.pdf>.

² <http://www.consilium.europa.eu/en/press/press-releases/2017/07/11-conclusions-non-performing-loans/>.

Disclaimer

The use of EBA NPL transaction templates does not discharge contracting parties from any legal, accounting, supervisory or other form of obligation, including those related to data protection and data confidentiality regulations.

The EBA NPL templates and accompanying documents can be found [here](#).