EUROPEAN DATAWAREHOUSE

# AUTUMN WORKSHOP SERIES

## GERMANY – 17 NOVEMBER 2021

# ON TODAY'S CALL

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# AGENDA

## WELCOME AND INTRODUCTION

- Dr. Christian Thun, European DataWarehouse

## UPDATE ON REPORTING REQUIREMENTS, EDW EXTENDED REPORTING TEMPLATES

- Martin Kuhn, European DataWarehouse

## UPDATE ON THE CSV – XML CONVERTER, EDW DATA QUALITY PLUS

- Ira-Maria Paralloj, European DataWarehouse

## DISCLOSURE OBLIGATIONS OF PRIVATE VS. PUBLIC DEALS

- Dr. Daniela Schmitt, Allen & Overy

## SYNTHETIC SECURITISATIONS

- Dr. Martina Spaeth, PCS

## ENERGY EFFICIENT MORTGAGES NL HUB

- Piet Hein, Energy Efficiency Mortgages Netherlands

# WELCOME AND INTRODUCTION

## DR. CHRISTIAN THUN, EUROPEAN DATAWAREHOUSE

# EUROPEAN DATAWAREHOUSE REGISTERED AS A SECURITISATION REPOSITORY BY ESMA IN JUNE 2021

**Frankfurt, Germany– 25 June 2021**

**European DataWarehouse (EDW) today announced it has been designated as a Securitisation Repository by the European Securities and Markets Authority (ESMA).**

More than three years after the Securitisation Regulation (EU)2017/2402 came into force, and following an extensive application process, the registration of the first Securitisation Repositories closes the final gap in the disclosure framework.

In January 2018, European DataWarehouse announced its intention to become a Securitisation Repository under ESMA, and in September 2020 submitted its application.

The designation is another milestone in EDW's almost 10 years of operation as the only Eurosystem designated Securitisation Repository. It is also in line with EDW's mission to enhance transparency in the securitisation market and demonstrates the company's strong commitment to delivering market-leading regulatory reporting solutions.

In the course of 2021, EDW has worked closely with the reporting entities and provided them with access to a fully RTS-compliant EDITOR platform in a sandbox environment to assist them in meeting the Securitisation Repository requirements and ensure a smooth transition into the new disclosure era.

# EUROPEAN DATAWAREHOUSE IN APPLICATION TO BECOME A SECURITISATION REPOSITORY REGISTERED AND SUPERVISED BY THE FCA

EUROPEAN DATAWAREHOUSE

PRESS RELEASE

**European Datawarehouse Submits Application to FCA to be Registered as a UK Securitisation Repository**

**FRANKFURT, GERMANY – 18 December 2020 –** European DataWarehouse (EDW) today announced it has submitted its application to become a Securitisation Repository in the UK registered and supervised by the Financial Conduct Authority (FCA).

The extensive application describes in detail the sound operational and technical aspects of the company and its market-leading reporting solutions which are necessary for EDW to collect and maintain UK securitisation records.

Prof. José Manuel González-Páramo, Chairman of European DataWarehouse stated: "Building on its proven track record as the designated securitisation repository of the Eurosystem, I am confident that EDW will submit a successful application and be named as a securitisation repository with the FCA".

This release follows earlier announcements from European DataWarehouse regarding the establishment of a UK subsidiary, European DataWarehouse Ltd, as well as a UK office. These developments, along with today's press release, demonstrate European DataWarehouse's ongoing commitment to its UK customers before and beyond Brexit.

European DataWarehouse was established as part of the implementation of the European Central Bank's ABS loan-level initiative. Since its inception as an initiative by the leading participants of the European securitisation market, EDW acted as a repository that has collected loan-level data and relevant documentation for over 1,600 transactions.

**About European DataWarehouse GmbH**

European DataWarehouse (EDW) is the first and the only centralised data repository in Europe for collecting, validating and distributing detailed, standardised and asset class specific loan-level data for Asset-Backed Securities (ABS) and private whole loan portfolios. EDW stores loan-level data and

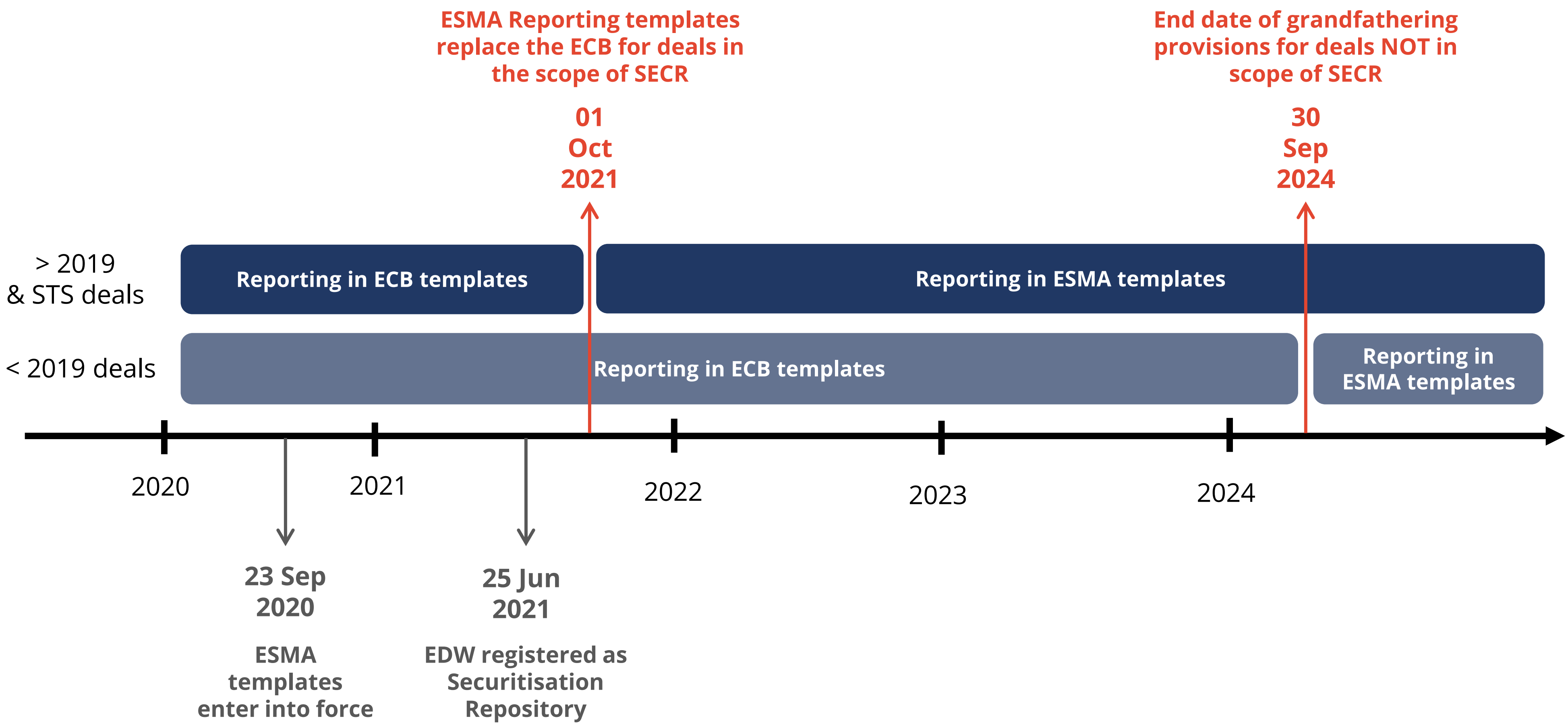
*"European DataWarehouse (EDW) today announced it has submitted its application to become a Securitisation Repository in the UK registered and supervised by the Financial Conduct Authority (FCA).*

*The extensive application describes in detail the sound operational and technical aspects of the company and its market-leading reporting solutions which are necessary for EDW to collect and maintain UK securitisation records."*

# UPDATE ON REPORTING REQUIREMENTS

## MARTIN KUHN, EUROPEAN DATAWAREHOUSE

# CHANGES TO THE EUROSYSTEM'S LOAN-LEVEL DATA REQUIREMENTS




*Source: Timeline is based on the information provided in the ECB press release as of 28 June 2021*

# WRITTEN CONFIRMATION

Reporting Entities (RE) are obliged to provide a written confirmation to the Securitisation Repository (SR) in line with the Regulatory Technical Standards (RTS) on operational standards for SRs.

**When should it be submitted?**

Within 5 working days of the first issuance of securities for securitisations

Upon any material changes to documents uploaded to the SR

On an annual basis

**How should it be submitted?**

Via upload to EDW's SR platform through EDITOR (web and SFTP) under item code – 13

As an email attachment to enquiries@eurodw.eu with the subject:

"Written Confirmation - <SecID or DealName>"

**What about Due Diligence?**

EDW shall review the written confirmation document to ensure it reflects the underlying documentation uploaded

EDW shall verify that the document has been signed by a legal representative or authorized person of the RE

*Applicable to any public deal that has documents uploaded against items 3-9

**Which privacy measures are in place?**

The written confirmation document will be stored in a secure location accessible only by EDW

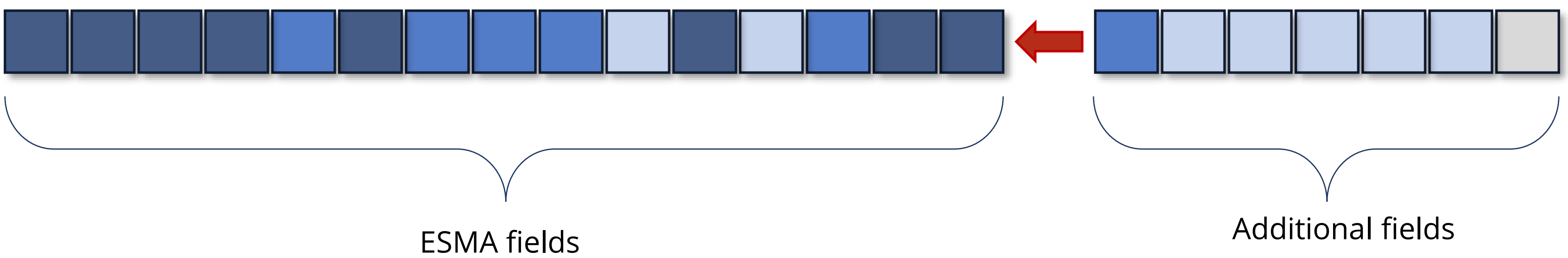
Data users will be made aware that a written confirmation has been received and verified by EDW, but will not gain access to the actual document itself

# EDW EXTENDED REPORTING TEMPLATES

## MARTIN KUHN, EUROPEAN DATAWAREHOUSE

# CRUCIAL DATASET FOR CREDIT RATING AGENCIES

- The ESMA templates have dropped certain ECB data fields
- The Extended Templates contain ESMA data fields plus new ones relevant for the rating agencies
- All fields added in the Extended Templates are optional




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

# SEVERAL KEY BENEFITS USING OUR EXTENDED TEMPLATES

## Easy-to-use format

*The data can be submitted in CSV-format*

## Saving time and resources

*No need to prepare a second loan tape for credit rating agencies*

## Free of charge

*The templates are provided free of charge*

## Restricted access only

*Templates provided via SFTP with access for selected parties only*

# UPDATES ON THE CSV – XML CONVERTER

IRA-MARIA PARALLOJ, EUROPEAN DATAWAREHOUSE

# CSV2XML CONVERTER ENHANCEMENTS

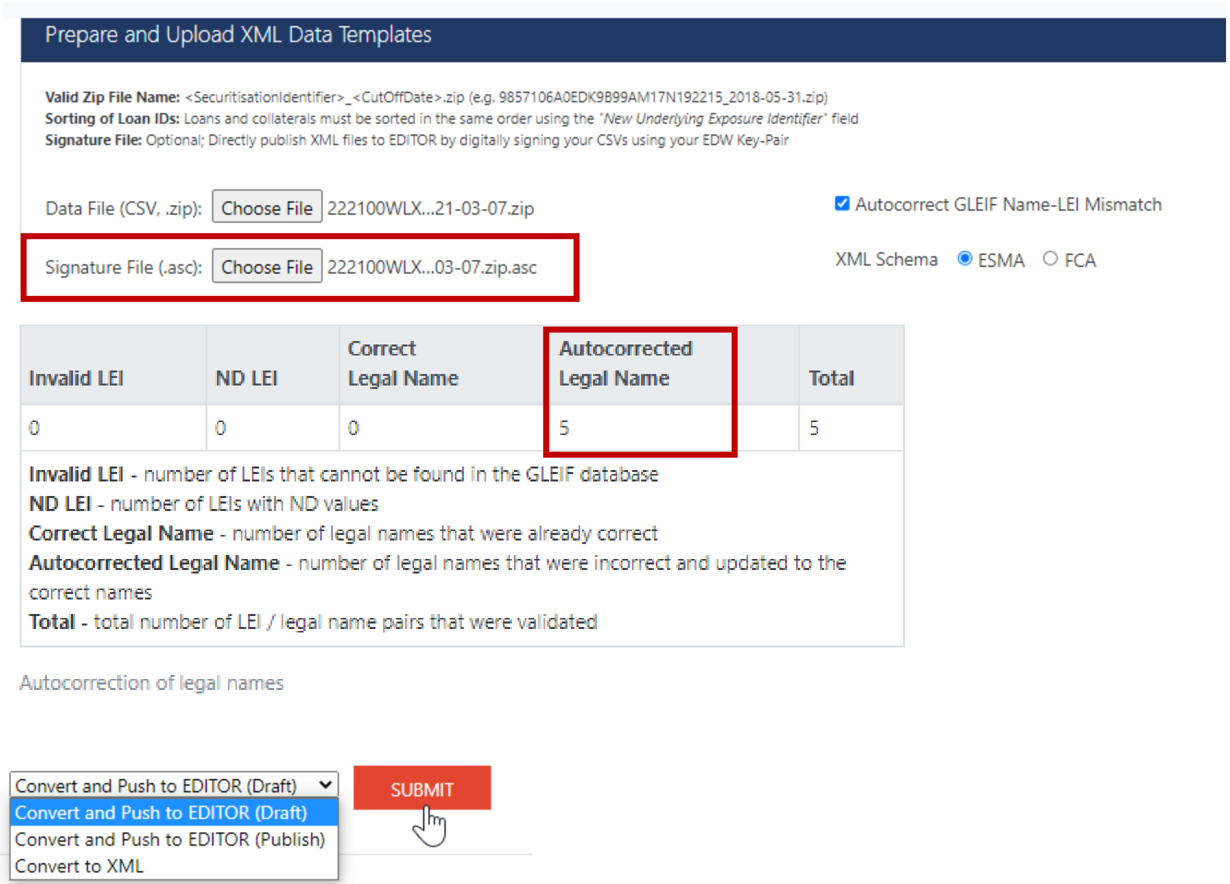
## Streamlined conversion and upload process

### Prepare

- Prepare ESMA / FCA files easily from CSVs
- **Automatically correct errors in the LEI names**
- **Sign CSVs for a seamless upload experience**

### Deliver

- **Automatic upload of converted XMLs to EDITOR**
- **Choose to upload to EDITOR as Draft or Published**
- Automatic delivery to Rating Agencies of choice



# CSV2XML CONVERTER ENHANCEMENTS

## Streamlined conversion and upload process

### Monitor

- **Track EDITOR Upload status real-time**
- **Download Feedback files in Excel**
- **Reminders for timely uploads**

Data Uploads due in the next 7 days

Hurray! No data uploads due this week.

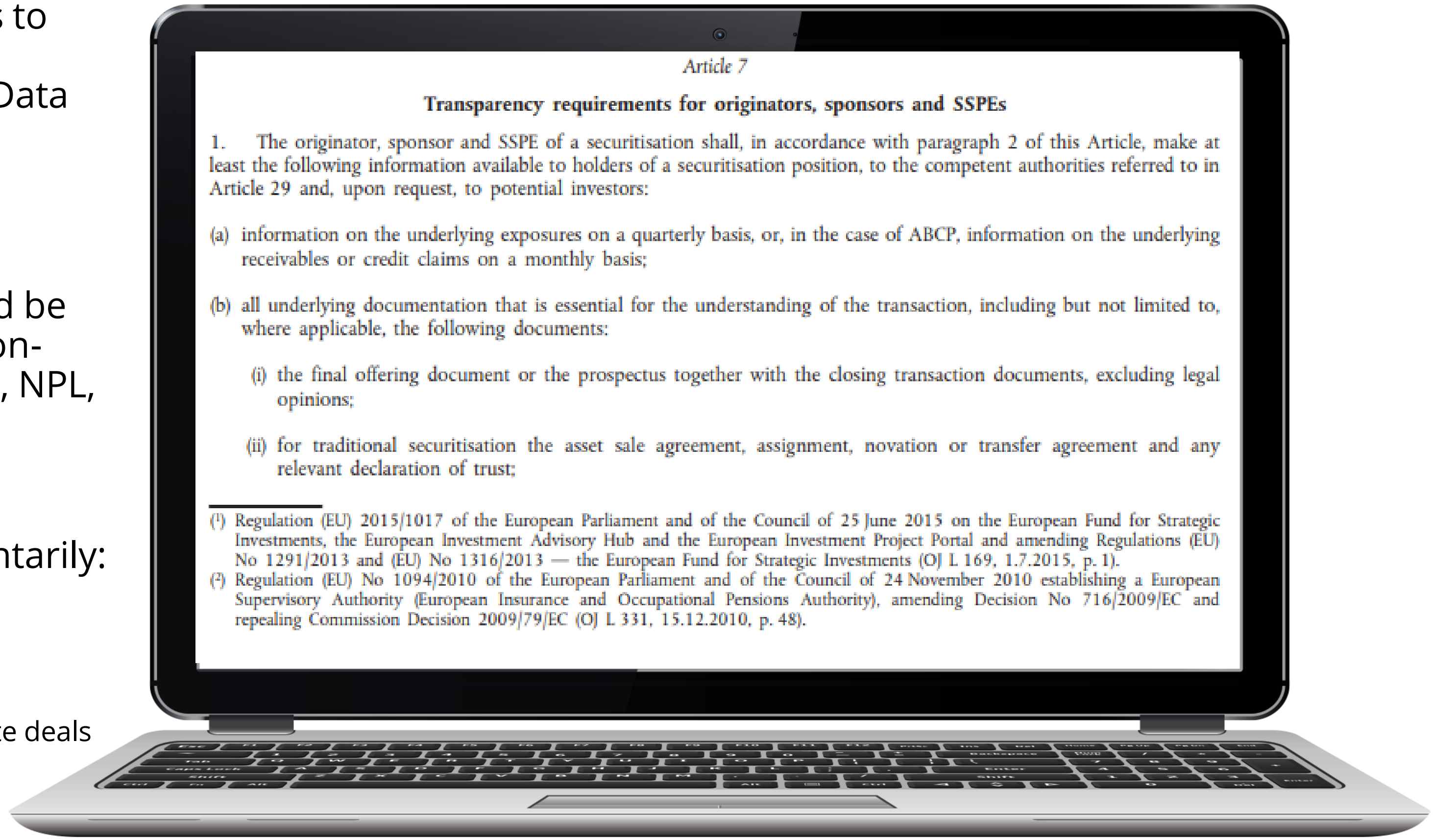
**Live view from EDITOR** Refreshes every 60 seconds

| SECURITISATION | SECID | PCD | UE | IR | SE | SCORE | STARTED_AT | PUBLISHED_ON | FEEDBACK |
|---|---|---|---|---|---|---|---|---|---|
| Sanity 2021-10-27 | 391200CADUOGJA7YWC76N202104 | 2021-10-31 | Published | Published | Published | A1 | 2021-11-03 14:22 | 2021-11-03 14:33 | |
| Sanity 2021-10-27 | 391200CADUOGJA7YWC76N202104 | 2021-10-22 | Failed | Failed | Failed | | 2021-10-27 11:34 | | |
| Sanity 2021-10-27 | 391200CADUOGJA7YWC76N202104 | Signature Verification Failed | | | | | 2021-10-27 11:22 | | |
| Sanity 2021-10-27 | 391200CADUOGJA7YWC76N202104 | 2021-09-15 | Published | Published | Draft | A1 | 2021-11-11 16:48 | | |

# PRIVATE TRANSACTION DISCLOSURE REQUIREMENTS

## Private securitisation transactions use the EDW private area to comply with disclosure requirements under Art. 7 of the Sec. Reg.

- EDW implemented a private area solutions to collect information, including Loan Level Data (LLD) and relevant documentation.
- The private area could be used for ABCP and non-ABCP deals (ABS, CLO, NPL, etc.)
- Now possible to voluntarily:
  - Upload ESMA structured templates
  - Test the ESMA score and validation rules for private deals



*Article 7*

**Transparency requirements for originators, sponsors and SSPEs**

1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;

(b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

(i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;

(ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;

(1) Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1).

(2) Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

# DISCLOSURE OBLIGATIONS OF PRIVATE VS. PUBLIC DEALS

## DR. DANIELA SCHMITT, ALLEN & OVERY


# Offenlegungspflichten unter der Verbiefungsverordnung für private und öffentliche Verbriefungen

European DataWarehouse
- German Virtual Workshop

Frankfurt, 17. November 2021

# Offenlegungspflichten unter der Verbriefungsverordnung

Art. 7 der EU-Verbriefungsverordnung legt für sämtliche Verbriefungen, die der Verbriefungsverordnung unterfallen den Transparenzrahmen fest.

Die Offenlegungs-RTS ((EU) 2020/1224) enthalten verschiedene Anhänge, in denen die Angaben aufgeführt sind, die in Bezug auf die zugrundeliegenden Risikopositionen, die Anlegerberichte und - bei öffentlichen Verbriefungen - auch Insider-Informationen/wichtige Ereignisse zur Verfügung gestellt werden müssen. Die Offenlegungs-ITS ((EU) 2020/1225) enthalten Anhänge mit den zu verwendenden Offenlegungs-Templates

Jeder Verbriefung ist ein Securitisation Transaction Unique Identifier (STUI), zuzuordnen, der nicht geändert werden kann (Art 11 der Offenlegungs-RTS)

## Was ist offenzulegen

- Grundsätzlich müssen offengelegt werden:
  - **Dokumentation, die zum Verständnis der Transaktion wesentlich ist** (nicht abschließende Liste in Art. 7 (1) lit. b)),
  - **Transaction Summary** (nur private Verbriefungen),
  - **STS Notifikation** (soweit STS-Verbriefung),
  - Information über die zugrunde liegenden Risikopositionen (**Loan Level Data** (**LLD**)) (Art. 7 (1) (a)),
  - **Anlegerberichte** (Art. 7 (1) (e)),
  - Insiderinformationen, wesentliche Ereignisse (Art. 7 (1) (f) und (g)).

## Wie ist offenzulegen

- Originator, Sponsor und SSPE legen eine Person als designated Reporting Entity fest.
- Anlegerberichte und Loan Level Date (sowie bei öffentlichen Verbriefungen: Insiderinformationen/wesentliche Ereignisse) seit 23. September 2020 in Form der standardisierter **Templates** (Anhänge 2 bis 15 der Offenlegungs-ITS).
- In Entwurfsform vor Pricing und in finaler Form post-Closing.
- Offenlegung zwingend über **Verbriefungsregister** (nur öffentliche Verbriefungen).
- LLD und Anlegerberichte, mindestens vierteljährlich, spätestens einen Monat nach einem Zinszahlungstermin (monatlich bei ABCP Transaktionen).

# Private vs. Public Deals

Die Offenlegungspflichten gelten grds. für Verbriefungen jeder Art, einschließlich solcher, die der Prospektpflicht unterfallen (sog. public deals) und solcher für die kein Prospekt erstellt werden muss (sog. private deals).

Hauptunterschiede bei der Offenlegung zwischen öffentlichen und privaten Verbriefungen

- Der Hauptunterschied bei den Offenlegungspflichten privater und öffentlicher Verbriefungen besteht darin, dass die Erfüllung der Offenlegungspflichten für private Verbriefungen nicht erfordert, dass die Informationen über ein **Verbriefungsregister** (securities repository) bereitgestellt werden.
- Anhänge XIV und XV, die für die Meldung der spezifizierten Insiderinformationen bzw. wichtigen Ereignisse zu verwenden sind, gelten nur für öffentliche Verbriefungen.
- Private Verbriefung erfordert Offenlegung einer Transaktionszusammenfassung.

## Die Abgrenzung zwischen privaten und öffentlichen Deals wird derzeit im Rahmen der Konsultation einer Überprüfung unterzogen

- Die Abgrenzung erfolgt derzeit danach, ob für die Verbriefung ein **Prospekt** gemäß der EU Prospektverordnung erstellt werden muss.
- Die Geeignetheit der Differenzierung anhand der Prospektpflicht wird in der Konsultation derzeit überprüft und in den Antworten der Marktteilnehmern überwiegend in Zweifel gezogen.

### Diskutierte Vorschläge

- Ausnahme für Gruppengeschäfte: Gibt es keinen vom Originator (oder einem anderen Sponsor) unabhängigen Investor, kann der Nachteil, der durch die Offenlegungspflichten behoben werden soll, einfach nicht entstehen.
- Ausnahmen für rein bilateral verhandelte Verbriefungstransaktionen, bei denen der Investor mehr oder weniger diktiert, welche Informationen er für die Risikoanalyse benötigt (häufig im Bereich synthetische Verbriefungen).
- Eingeschränkte Offenlegung für Club-Deals.
- …

# Weitere Hot Topics

## EZB startete am 15. November 2021 eine öffentliche Konsultation „Draft Guide on the Notification of Securitisation Transactions – Articles 6-8 of the Securitisation Regulation“

- Entwurf eines Leitfadens, für alle bedeutenden Institute unter direkter EZB Aufsicht (SI).
- Konsultation läuft bis 5. Januar 2022.
- Legt Informationen fest, die SI, die als Originatoren und Sponsoren bei öffentlichen oder privaten Verbriefungen auftreten, der EZB nach Abschluss und während der Laufzeit der Transaktion zur Verfügung stellen müssen.
- Soll für Verbriefungen gelten, die ab dem 1. April 2022 emittiert werden.

**Im Entwurf des Leitfadens heißt es, dass "keine neuen Anforderungen eingeführt werden sollen", aber es werden neue Meldepflichten eingeführt (einschließlich einer schriftlichen Bestätigung der Einhaltung und einer Bewertung, wie interne Strategien/Verfahren die Einhaltung gewährleisten).**

**Es wird ein weiteres Template auszufüllen sein.**

## Offenlegung von Informationen zum Thema ESG und Sustainable Finance ist einer der Schwerpunkte der Konsultation zum Review der Verbriefungsverordnung

Offenlegung derzeit nur für STS Verbriefungen und nur für bestimmte Assetklassen vorgesehen (Art. 22 (4), Art. 26d (4))

## Art. 7 Dislcosure ersetzt EZB Loan Level Templates

Seit dem 1. Oktober 2021 erfüllen öffentliche ABS, die auf der EZB-Liste der marktfähigen Sicherheiten stehen oder die Zulassung zur EZB/zum Eurosystem anstreben, das EZB Loan Level Reporting nicht mehr durch die (alten) EZB-eigenen Vorlagen sondern durch Offenlegung gemäß Art. 7.

.

**Für private Transaktionen gilt eine Übergangsfrist bis zum 31. September 2024**

# SYNTHETIC SECURITISATIONS

## DR. MARTINA SPAETH, PCS

# PCS

## Setting the Standard for Securitisation

Synthetic STS – the new rules

EDW's German Virtual Workshop – 17th November

Dr. Martina Spaeth

# Agenda

- Synthetics – An overview
- The new STS Synthetic Regime

(EU) 2021/557 & (EU) 2021/558

# Public Service Announcement

Key notions

## Synthetic securitisations

"Synthetic securitisations" are called "on-balance-sheet securitisations" in the legislation

They are the exact same thing but someone obviously thought "on-balance-sheet" sounded better than "synthetic"

In this presentation we will use the more common term of "synthetic", but bear this identity in mind when you read documents from the public sector

# Synthetics an overview

## Key notions

## “true sale” vs “synthetic”

## each to their own

Technically, everything that one can achieve with a “true sale” securitisation can be achieved with a synthetic securitisation and vice-versa. But, in Europe, the two markets have grown to serve different purposes

| True Sale | Synthetic |
|---|---|
| always funding/ rarely capital management | almost always capital management/very rarely funding |
| mainly highly rated senior notes/some mezz/no first loss | mainly lowly or unrated mezz or first loss/no seniors placed with investors |
| wide distribution with traditional market syndication | very small number of investors (often one) and no distribution |
| tradeable bonds with a secondary market | variety of instruments and no secondary market |

*WARNING: For every rule, someone will tell you about the exception*

Synthetics an overview

Key notions

How do they work?

## The Classic Three

The *vast majority* are structured using one of 3 legal devices for the synthetic (risk) transfer.

- Guarantees – where the protection sellers issue a guarantee of the reference pool for which they receive a stream of regular premia
- Credit Derivatives – usually a credit default swap where the protection sellers agree to swap the defaulted amounts against a stream of agreed payments
- Credit Linked Notes – where the protection sellers purchase a limited recourse debt instrument (e.g., a bond) issued by the protection buyer or an SPV and receive interest on that instrument. The principal is repaid net of any defaults on the reference pool

Synthetics an overview

Key notions

How do they work?

# Funded or Unfunded?

## In an unfunded transaction:

- the protection sellers put up no cash

the protection buyer relies on the protection sellers' credit when calling on them to compensate it for a default

## In a funded transaction that is not a CLN:

- the protection sellers put up cash
- the cash is used as collateral for the protection sellers' obligations
- the unused cash is returned at the end of the deal
- this allows the protection buyer to avoid the protection sellers' credit risk
- this allows the regulator to remove the risk from the protection buyer's balance sheet *rather* than substitute that of the protection sellers

## In a funded transaction that is a CLN:

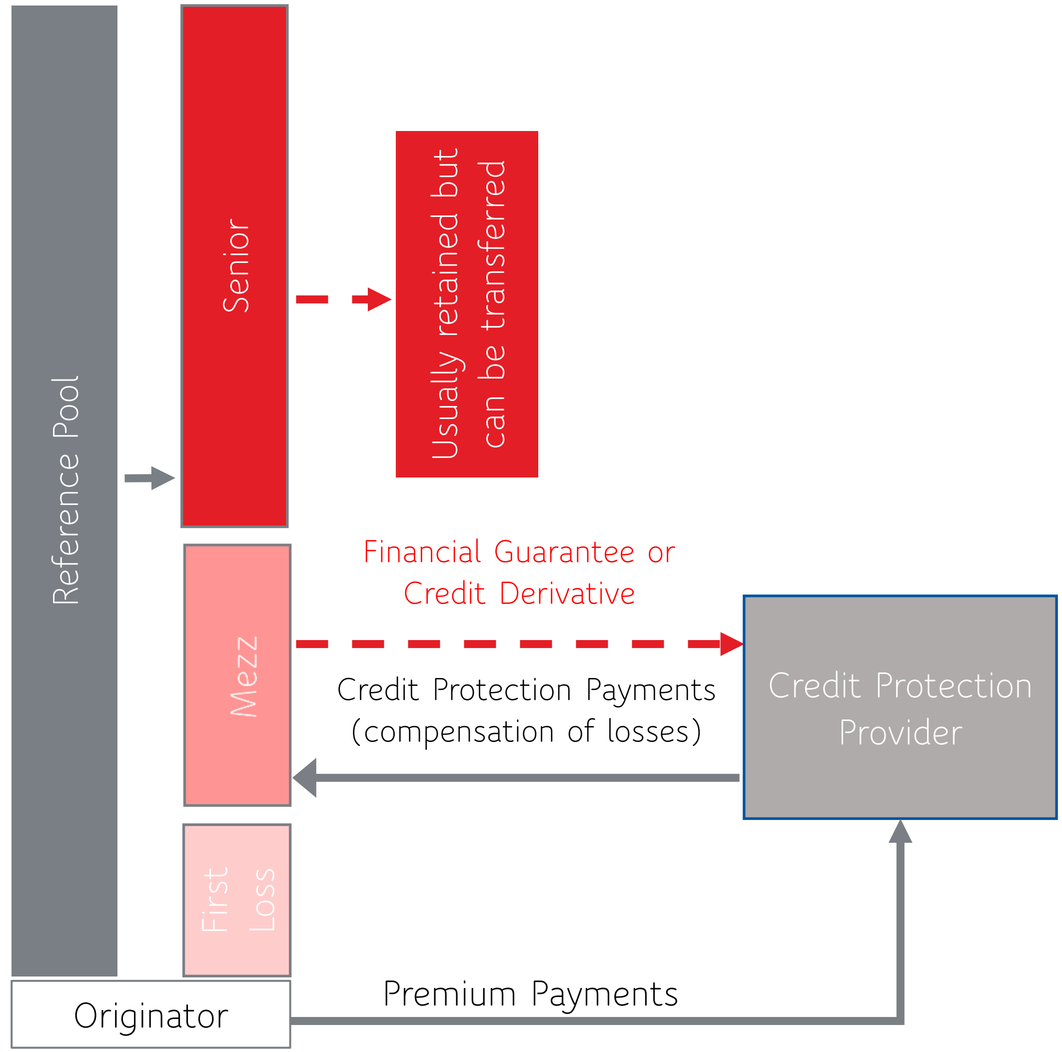
- the CLN is a debt instrument, so the cash is simply the principal under the note
- the principal can either be taken as such by the protection buyer (direct CLN issuance by originator) or can be set aside by the CLN issuer (e.g. an SPV) to collateralise the protection buyer's obligations to repay the CLN.

# Synthetics an overview

## Key Structures : 1

## "unfunded" Version

*(usually with supranational, sovereign or public counterparty)*

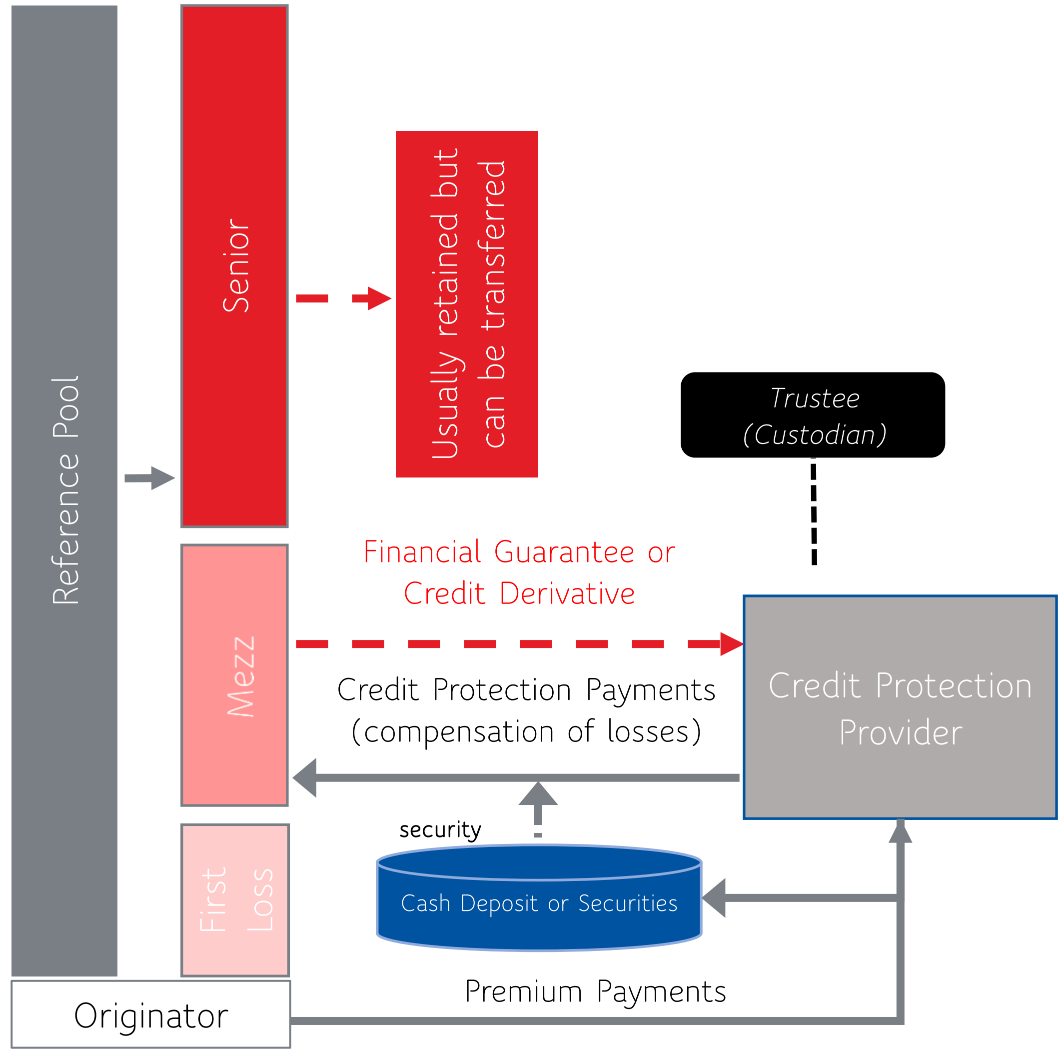


# Synthetics an overview

## Key Structures : 2

## "funded" Version 1

*(usually with a bank, fund or insurance company as "**protection provider**")*

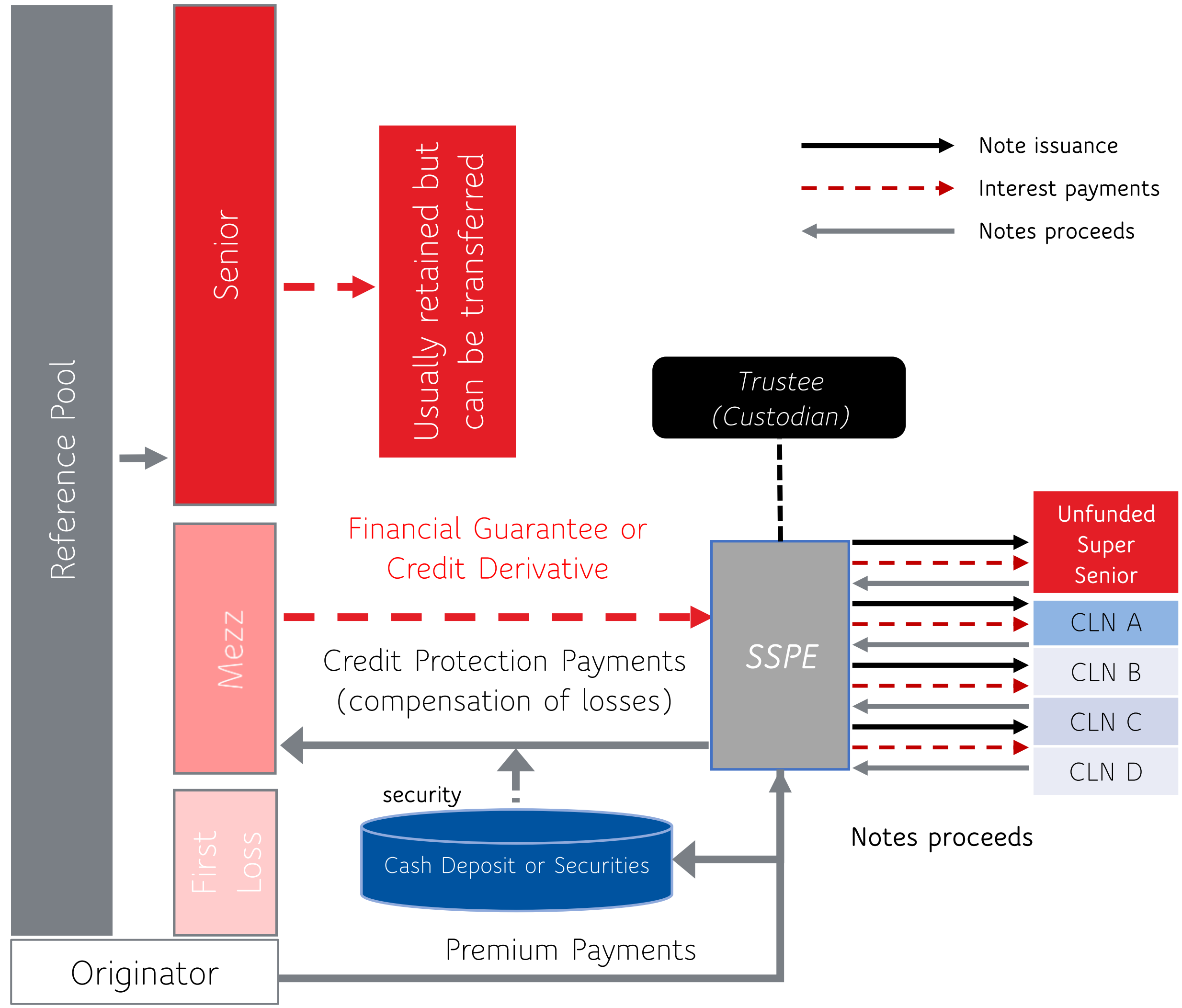


# Synthetics an overview

## Key Structures : 3

## "funded" Version 2

*(with SPV issuing credit-linked notes to investors)*

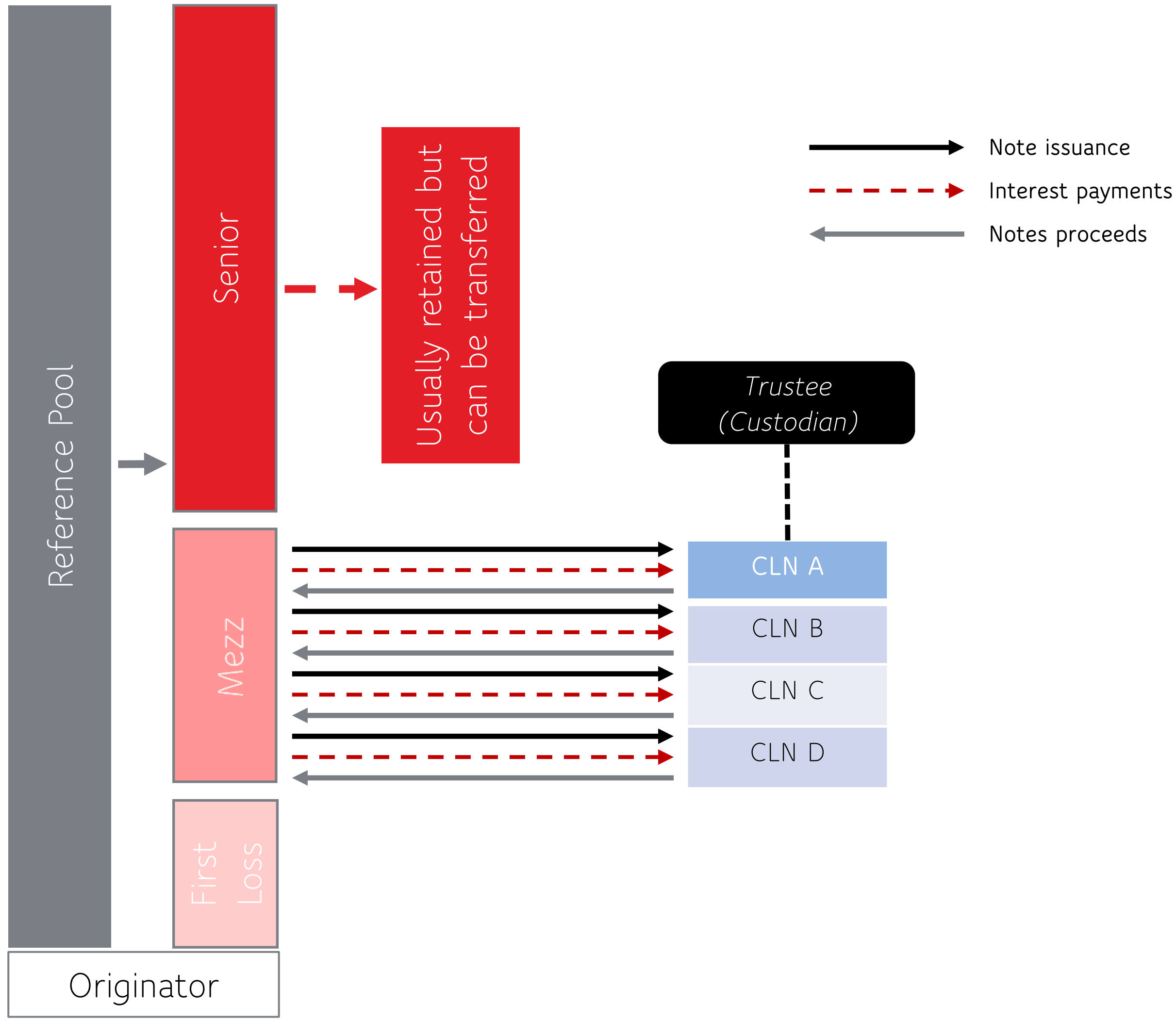


# Synthetics an overview

## Key Structures : 4

## "funded" Version 3

*(with protection buyer issuing credit-linked notes to investors)*

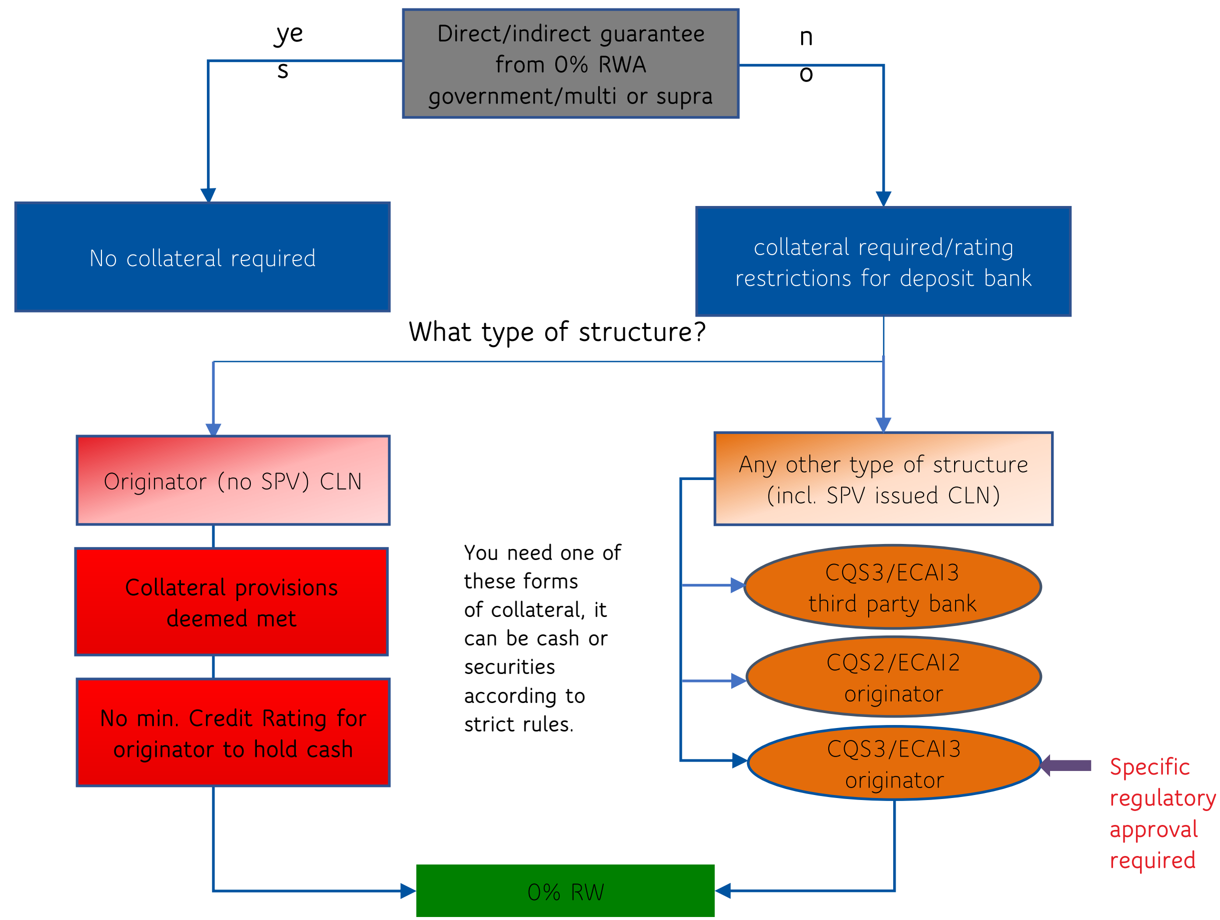


# Synthetics an overview

## What type of structure?

## Collateral Requirements

*(Rating and collateral requirements in the context of the structure)*




CQS means Credit Quality Step (short term rating), ECAI means long term rating

# Synthetics an overview

At the heart of the risk transfer

"the Credit Event"
and the
"compensation for losses"
by the protection provider

## The Credit Event – Loss Payments

Credit Event: an event that triggers a payment by the protection seller e.g.:

- Payment default of reference obligation
- Insolvency of reference obligor
- Restructuring of the reference obligation
- Further credit events are possible

Credit Protection Payment: a payment by the protection seller to the protection buyer on the occurrence of a credit event

- First: Interim loss payment (bank's accounting loss, 180 days after credit event)
- When the loss is finally determined: realized loss payment (can mean additional loss payment or reimbursement)
- After sched. maturity, a maximum time for workout of up to two years: payment of losses if the workout is still ongoing,
- The affected principal remains outstanding, although the investor does not receive any coupons any more

Verification Agent: an independent agent who checks the occurrence of the credit event and confirms all the conditions for a credit protection payment are met

# Synthetics an overview

## Key notions

## SRT - Basics

The SRT rules flow from the CRR and various complex guidelines issued by prudential regulators

To recognize that a securitisation (synthetic or "true sale") reduces credit risk and allows a capital reduction two tests must be met

- Qualitative Test – A series of features that the securitisation must contain (e.g. no early termination provisions)
- Quantitative Test – One of two tests set out in Art. 244 and 245 of the CRR and which set out how much of the asset credit risk must be transferred
  - Mezzanine Test – bank cannot retain more than 50% of the related RWEAs* OR
  - First Loss Test – bank must
    - a) sell at least 80% of the relating exposure value; and
    - b) the relating tranche thickness must be high enough to cover the estimated expected loss by a substantial factor

*risk-weighted exposure amount

# Synthetics an overview

## Theory to Practice

# SRT imposes numerous rules

- All synthetics that seek to reduce regulatory capital, in practice need to conform to stricter rules to achieve risk transfer.
- SRT (and consequently synthetic STS) impose strict requirements as to, amongst others:
  - Mandatory credit events;
  - Allowable termination rights
  - Forward and backward-looking triggers
  - Use of collateral other than cash collateral
  - Rating requirements for counterparties
  - Types of counterparties
  - The use of excess spread
  - Structure of premia paid to protection sellers
- Depending on the jurisdiction the originator is in, in some cases the SRT needs to be signed off by the regulator before the transaction is priced.

# STS Regime

## Synthetic STS Key provisions

- Synthetic STS is only available to prudentially regulated European banks
- Synthetic securitisations are subject to the same retention requirements as true sale securitisations
- The only regulatory benefit provided for synthetic STS is access for the senior retained tranche to the lower STS CRR capital calibrations
- No regulatory benefits are available to the investors/protection sellers
- No Solvency II benefits are available for synthetic STS
- The criteria for synthetics are (with a couple of exceptions) the same as for true sale securitisation plus additional ones
- There are around 145 to 160 criteria for synthetics vs 103 for "true sale"
- Third-party verification agents are available for synthetic STS securitisations on the same basis as for "true sale" transactions.

# STS Regime

## Synthetic STS Criteria

Original 2017 STS Criteria for true-sale securitisations

| | |
|---|---|
| Art.20 | Simplicity |
| Art.21 | Standardisation |
| Art.22 | Transparency |

New 2021 STS criteria for synthetics

| | | |
|---|---|---|
| | Art.26.e | Synthetic additions |
| Art.20 | Art.26.b | Simplicity plus |
| Art.21 | Art.26.c | Standardisation plus |
| Art.22 | Art.26.d | Transparency plus |

# STS Regime

## Synthetic STS Criteria High and Lowlights

| Article | Heading | Key Provisions |
|---|---|---|
| Art. 26.b | Simplicity | • Originator=EU Bank<br>• Only on-balance sheet exposures<br>• SRT only (i.e. art.249 CRR compliant)<br>• Homogeneity (via new RTS)<br>• No credit impaired borrowers |
| Art. 26.c | Standardisation | • Pro-rata amortisation allowed but with triggers<br>• Duties of the verification agent |
| Art. 26.d | Transparency | • AUP requirement<br>• Art. 7 disclosure requirements |
| Art. 26.e | Synthetic rules | • Minimum mandatory credit events<br>• Nominated Verification Agent<br>• Limited originator call options<br>• Very limited investor call options<br>• Limited use of synthetic excess spread (SES)<br>• Restricted list of synthetic structures<br>• Specific rules on collateral usage |

# STS Regime

## Synthetic STS Criteria High- and Lowlights

- *Originator calls limited to*
  - Investor default
  - Regulatory call
  - Time call (but with justification to regulator)
  - Clean up call
- *Investor calls limited to*
  - Originator failure to pay
  - Originator material breach
- *Restricted list of possible structures*
  - Guarantees from 0% RWA entities or Guarantees guaranteed by 0% RWA entities
  - Guarantees OR credit derivatives OR CLN with other entities, but only if collateralised
- *SES can be used but*
  - Fixed amount or percentage
  - "use it or lose it" rule
  - Must be equal to or less than one-year EL
- *Losses need to be allocated*
  - After 6 months
  - Interim loss at bank's current pd and LGD
  - Credit Events outstanding can extend transaction's maturity
  - The "transaction management" cannot influence the Servicing of the assets
- *Verification Agent*
  - Needs to be appointed beforehand
  - Audit and verification procedure needs to be well set up.

# STS Regime

## Synthetic STS
## Still pending

- *Homogeneity*
  - The EBA "had given itself" until 10th October to publish a draft RTS defining "homogeneity"
  - The existing "true sale" Homogeneity RTS will be the starting point
- *Pro-rata / sequential triggers*
  - The EBA "had given itself" until 30th June to publish a draft RTS on the specification and calibration of backward- and forward-looking performance-related triggers.
- *Sustainability Disclosure*
  - The ESAs "had given itself" until 10th July to publish a draft RTS on the disclosure of sustainability information
  - Only impacts a voluntary disclosure
- *SES (Synthetic Excess Spread)*
  - The EBA will need to publish a (draft) amendment to the current CRR to allocate capital to SES
  - The level will crucially determine the feasibility of all synthetics using excess spread

- EBA Guidelines for Synthetic STS – do not yet exist but are expected in 2022.

- Green securitisation?
  - The EBA "**had**" until 1st November to publish a report on how to structure a Green securitisation framework.
  - Instead, or better, independently, the European Central Bank published, upon request from the European Parliament from 14 October, an OPINION OF THE EUROPEAN CENTRAL BANK on a proposal for a regulation on European green bonds (CON/2021/30) on 5th November 2021.
  - This report is directed towards the general green bond market and is generally in favour of the proposed new regulation on European Green Bonds.

# STS Regime

# STS Bank Investor Capital Benefit

| Risk Weights for securitisations under the SEC-ERBA | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Credit Quality Step | STS | | | Non-STS | | | Non-STS % vs STS RW increase | |
| | Senior Tranche | | | Senior Tranche | | | Senior Tranche | |
| | Tranche Maturity | | | Tranche Maturity | | | Tranche Maturity | |
| | 1 year | 5 years | | 1 year | 5 years | | 1 year | 5 years |
| 1 | 10% | 10% | | 15% | 20% | | 50% | 100% |
| 2 | 10% | 15% | | 15% | 30% | | 50% | 100% |
| 3 | 15% | 20% | | 25% | 40% | | 67% | 100% |
| 4 | 15% | 25% | | 30% | 45% | | 100% | 80% |
| 5 | 20% | 30% | | 40% | 50% | | 100% | 67% |
| 6 | 30% | 40% | | 50% | 65% | | 67% | 63% |
| 7 | 35% | 40% | | 60% | 70% | | 71% | 75% |
| 8 | 45% | 55% | | 75% | 90% | | 67% | 64% |
| 9 | 55% | 65% | | 90% | 105% | | 65% | 62% |
| 10 | 70% | 85% | | 120% | 140% | | 71% | 65% |
| 11 | 120% | 135% | | 140% | 160% | | 17% | 19% |
| 12 | 135% | 155% | | 160% | 180% | | 19% | 16% |
| 13 | 170% | 195% | | 200% | 225% | | 18% | 15% |
| 14 | 225% | 250% | | 250% | 280% | | 11% | 12% |
| 15 | 280% | 305% | | 310% | 340% | | 11% | 12% |
| 16 | 340% | 380% | | 380% | 420% | | 12% | 11% |
| 17 | 415% | 455% | | 460% | 505% | | 11% | 11% |
| 18+ | 1250% | 1250% | | 1250% | 1250% | | 0% | 0% |

Risk Weights according to Article 263 & 264 of the REGULATION (EU) 2017/2401

Please Note:

- For Synthetic STS, these benefits apply only to the originator as "investor" in the senior tranche
- This table only shows the senior tranche capital benefit

# STS Regime

## Synthetic STS Originator Capital Benefit

Let's assume a synthetic transaction with the following characteristics:

| Tranche | Size | RW | Capital | Protection (Spread) | Interest Cost (Spread) | CoC Released |
|---|---|---|---|---|---|---|
| Senior | 880 | 10% | 7 | 20bps | 1.8 | 25% |
| Mezz | 100 | 660% | 53 | 600bps | 6.0 | 11% |
| Junior | 20 | 1250% | 20 | 10000bps | 2.0 | 10% |
| **Total** | **1000** | **100%** | **80** | | **7.8** | **23%** |

If the originator decides to buy protection for the Senior tranche, then the implicit cost of the capital release is quite high

Synthetic STS allows the originator to reduce the cost of the capital release by selling only the Mezz tranche

Selling only the Mezz tranche can lead to a significant release of capital

By selling the Junior tranche instead of the Senior tranche significantly more capital is released for a similar cost

# PCS

## Setting the Standard for Securitisation

PCS - Who we are

# PCS

Prime Collateralised Securities (PCS) was set up by market stakeholders as an independent, not-for-profit initiative to help rebuild a safe securitisation market in Europe

# Our Mission

- The aim of the Prime Collateralised Securities ("PCS") initiative is to strengthen the securitisation market as a sustainable investment and funding tool for both investors and originators, promote growth in the real economy and improve market resilience by supporting standards of quality, transparency, and simplicity
- The PCS initiative – as an independent entity – has, since its foundation in 2012, sought to define and promote standards of "best practice" in both the "true sale" and "risk transfer" asset backed markets: standards of quality, transparency and simplicity. It did this initially through its labels and now through its work as a verification agent but also through its advocacy and thought leadership
- PCS is committed to retaining its not-for-profit status

# Strong Team of Securitisation Experts

- We are a team of experts with an average experience of 25 years in securitisation markets
- We are based in 7 cities across Europe and have offices in London and Paris
- Our team members speak on average three languages including English, French, German, Italian, Spanish

## Market Outreach Team

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for the full CV please click on the photo

# PCS Members & Permanent Observers

## PCS Members

- Allen & Overy
- Allianz
- Amundi
- APG
- Ashurst LLP
- AXA
- Baker & McKenzie
- Banca Sella Holding S.p.A.
- Barclays
- BBVA
- Bishopsfield Capital Partners
- Bloomberg
- BNP Paribas
- BNY Mellon
- Clifford Chance
- Credit Suisse
- Deutsche Bank
- European Banking Federation
- Freshfields Bruckhaus Deringer
- Hengeler Mueller
- Hogan Lovells
- ING
- J.P.Morgan Asset Management
- Linklaters
- Lloyds Banking Group
- Intesa San Paolo
- Mayer Brown
- Moody's
- Nationwide Building Society
- NIBC Bank
- NN Investment Partners
- Obvion
- Rabobank
- RBS
- Robeco
- Santander
- Securitisation Services
- Societe Generale
- Swiss Re
- TwentyFour Asset Management
- UBS
- UniCredit
- Vieira De Almeida
- Weil, Gotshal & Manges

## PCS Permanent Observers

- Association for Financial Markets in Europe (AFME)
- Dutch Securitisation Association (DSA)
- Eurofinas
- European Bank for Reconstruction and Development (EBRD)
- European Banking Authority (EBA)
- European Central Bank (ECB)
- European Fund and Asset Management Association (EFAMA)
- European Financial Services Round Table (EFR)
- European Investment Bank (EIB)
- European Investment Fund (EIF)
- European Securities and Markets Authority (ESMA)
- Hellenic Financial Stability Fund (HFSF)
- Insurance Europe
- International Association of Credit Portfolio Managers (IACPM)
- Irish Debt Securities Association (IDSA)
- KfW
- LeaseEurope

# Thank you for your attention

follow us on

# ENERGY EFFICIENT MORTGAGES NL HUB

## PIET HEIN, ENERGY EFFICIENT MORTGAGES NETHERLANDS

ENERGY EFFICIENT MORTGAGES
Netherlands

*EDW Webinar – 17 November 2021*

## *Energy Efficient Mortgages NL Hub*


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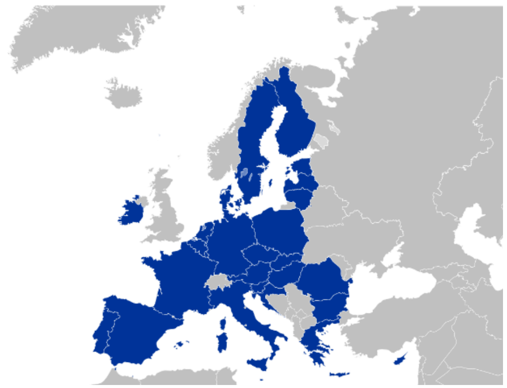
# Energy Efficiency – A primer

## In the EU 27 there are…

**445 million people**

**247 million dwellings**



**Buildings account for 40% of EU energy use and 36% of the greenhouse gas emissions**

**more than 220 million dwellings were built before 2001**

**Some numbers**

- Only 1% of buildings undergo an energy efficient renovation every year (per June '21, the formal ambition is increased to 2%).
- Currently, roughly 75% of the EU building stock is energy inefficient.
- Yet almost 85-95% of today's buildings will still be in use in 2050.
- Improving the energy efficiency in buildings therefore has a key role to play in achieving the ambitious goal of carbon-neutrality by 2050, as set out in the European Green Deal.
- The Renovation Wave for Europe ambition is to reduce GHG emissions from buildings by 60% by 2030.

**Effective action is crucial to making Europe climate-neutral by 2050 and to reach the intermediate goals of 2030.**
**To achieve this, a common language and a clear definition of what is 'sustainable' is needed.**
**Therefore a classification system for sustainable economic activities has been developed, the "EU Taxonomy".**

# Why local Hubs? Why the EEM NL Hub?

### Global Initiatives

UNFCCC Paris Climate Agreement
UN Sustainable Development Goals

### EU Regulation & Initiatives

EU Taxonomy Regulation
EU Bauhaus
EU Renovation Wave
Near Zero Energy Buildings (NZEB)
Energy Performance of Buildings Directive (EPBD)
EBA Mortgage Credit Directive

### National Regulation & Initiatives

National Climate and Energy Plans
Klimaatakkoord
Klimaatwet
Klimaat commitment
Wet Bouwbesluit 2012

### National Building Code & Finance Practices

NTA 8800
BENG
Implementation of NZEB, BENG, EPBD III
Application of EU Taxonomy (Climate Delegated Act)
NIBUD (Financial code of conduct)


**European & Global initiatives should ultimately be 'translated' into national regulation in accordance with (national) building code & financing practices. National hubs play a crucial role in the application & roll-out of EU policy at national levels.**

# Energy Efficient Mortgages NL Hub launched

The Energy Efficient Mortgages NL Hub (EEM NL Hub) is a recent initiative from market participants in the Dutch residential mortgage market.

***Members of the EEM NL Hub support and promote the acceleration and adaptation of energy efficient housing in the Netherlands.***

The EEM NL Hub is a direct response to the request from the European Energy Efficient Mortgage Initiative (EEMI) to set up local (knowledge) hubs.

***Facilitating the transition to energy efficient mortgages is crucial to the realisation of a climate-neutral economy.***

The mortgage industry is an essential player in efforts to tackle climate change, for instance through the funding of home renovation programmes needed to improve the energy performance of the Dutch building stock.

Current affiliated members

Current members

# ECB Monetary Policy Strategy Review (July 2021)

**ECB Action plan to include climate change considerations in its monetary policy strategy**

These activities will focus on the following areas:

I. Macroeconomic modelling and assessment of implications for monetary policy transmission

II. Statistical data for climate change risk analyses.

III. Disclosures as a requirement for eligibility as collateral and asset purchases: **The ECB will introduce disclosure requirements for private sector assets as a new eligibility criterion or as a basis for a differentiated treatment for collateral and asset purchases.**

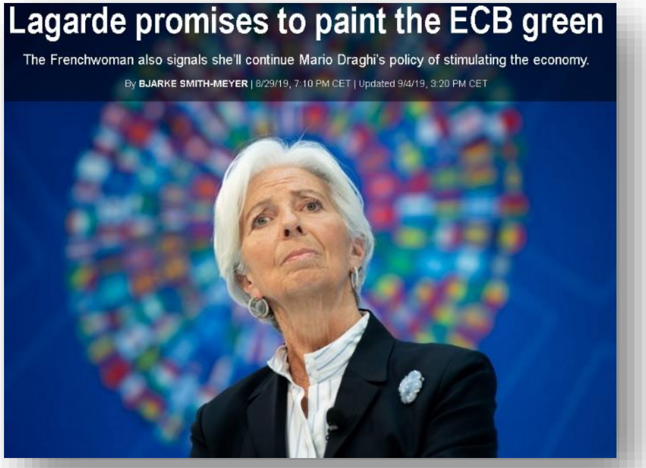
IV. Enhancement of risk assessment capabilities

V. Collateral framework: **accept sustainability-linked bonds as collateral**

VI. Corporate sector asset purchases: the ECB will adjust the framework guiding the allocation of corporate bond purchases to **incorporate climate change criteria**, in line with its mandate

The implementation of the action plan will be in line with progress on the EU policies and initiatives in the field of environmental sustainability disclosure and reporting, including the **Corporate Sustainability Reporting Directive**, the **Taxonomy Regulation** and the Regulation on sustainability-related disclosures in the financial services sector.

The recently established ECB climate change centre will coordinate the relevant activities within the ECB, in close cooperation with the Eurosystem.



# ECB Action Plan Roadmap of Climate Change-Related Action

<table>
<tr><th></th><th></th><th colspan="2">2021</th><th colspan="2">2022</th><th>2023</th><th>2024</th></tr>
<tr><td>1.</td><td>Eurosystem/ECB staff macroeconomic projections</td><td colspan="4">Introduce technical assumptions on carbon pricing for forecasting and regularly evaluate the impact of climate-related fiscal policies on the Eurosystem/ECB staff macroeconomic projections baseline.</td><td colspan="2"></td></tr>
<tr><td>2.</td><td>Macroeconomic modelling and scenario analyses</td><td colspan="2"></td><td colspan="4">Integrate climate risks into the ECB's workhorse models and assess their impact on potential growth. Conduct scenario analyses regarding transition policies. Model implications of climate change for the transmission of monetary policy.</td></tr>
<tr><td rowspan="3">3.</td><td rowspan="3">Statistical data for climate change risk analyses</td><td colspan="4">Develop indicators on green financial instruments.</td><td colspan="2" rowspan="3">Develop new statistical collections related to climate change.</td></tr>
<tr><td colspan="4">Construct indicators on exposures of financial institutions to climate-related physical risks through their portfolios.</td></tr>
<tr><td colspan="4">Derive indicators on the carbon footprint of portfolios of financial institutions.</td></tr>
<tr><td>4.</td><td>Market neutrality and efficiency concepts in monetary policy operations</td><td colspan="2">Assess potential biases in the market allocation amid market inefficiencies and the pros/cons of alternative allocations.</td><td colspan="2">Make concrete proposals for alternative benchmarks, in particular for the Corporate Sector Purchase Programme (CSPP).</td><td colspan="2"></td></tr>
<tr><td rowspan="2">5.</td><td rowspan="2">Disclosures in line with EU policies as an eligibility requirement in collateral framework and asset purchases</td><td colspan="4">Proposal and adoption of EU disclosure regulation.</td><td>In force.</td><td>First regulatory disclosures covering 2023.</td></tr>
<tr><td></td><td colspan="3">Design adequate policies and conduct legal and operational preparations.</td><td>Adaptation period for issuers.</td><td>In force.</td></tr>
<tr><td>6.</td><td>Climate stress-testing of the Eurosystem balance sheet</td><td>Prepare data and methodology.</td><td colspan="3">Conduct pilot stress test based on the 2021 ECB economy-wide climate stress test and 2022 supervisory climate stress test of individual banks.</td><td colspan="2">Build upon the pilot stress test and introduce regular climate stress-testing.</td></tr>
<tr><td rowspan="2">7.</td><td rowspan="2">Climate change risks in credit ratings for collateral and asset purchases</td><td colspan="3">Assess rating agencies' disclosures and understand how they incorporate climate change risk in ratings.</td><td colspan="3" rowspan="2">Introduce requirements into the Eurosystem Credit Assessment Framework (ECAF) targeted to climate change risk, if warranted.</td></tr>
<tr><td colspan="3">Develop minimum standards for internal credit ratings.</td></tr>
</table>

<table>
<tr><th></th><th></th><th>2021</th><th colspan="2">2022</th><th colspan="2">2023</th><th>2024</th></tr>
<tr><td>8.</td><td>Climate change risks in the collateral framework</td><td colspan="2">Review collateral valuation and risk control framework to ensure that climate change risks are reflected. Assess financial innovation related to environmental sustainability.</td><td colspan="4">Monitor the adequacy of the collateral valuation and risk control framework to ensure that climate change risks are properly reflected.<br>Design and implement changes, if warranted.</td></tr>
<tr><td rowspan="3">9.</td><td rowspan="3">Climate change risks in the CSPP</td><td colspan="6">Conduct enhanced due diligence to incorporate climate change risks.</td></tr>
<tr><td colspan="4">Prepare climate-related disclosures of the CSPP.</td><td colspan="2"></td></tr>
<tr><td colspan="2">Develop proposals to adapt the CSPP framework to include climate change considerations.</td><td>Adapt CSPP framework.</td><td colspan="3"></td></tr>
</table>

Source: link

# EU Taxonomy Regulation – Alignment

## Select Environmental Objective

- Climate change mitigation →
- Climate change adaptation →
- sustainable and protection of water and marine resources;
- transition to a circular economy
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

## Identify Economic Activities

**Chapter 7:**

- **Construction of New Buildings** (7.1)
- **Renovation of Existing Buildings** (7.2)
- Installation, maintenance and repair of energy efficiency equipment (7.3)
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5)
- Installation, maintenance and repair of renewable energy technologies (7.6)
- **Acquisition and ownership of buildings (7.7)**

## EU Taxonomy Alignment Steps

Substantial Contribution

\+

Do No Significant Harm

Additional Technical Screening Criteria Available

\+

Comply With min. Social Safeguards

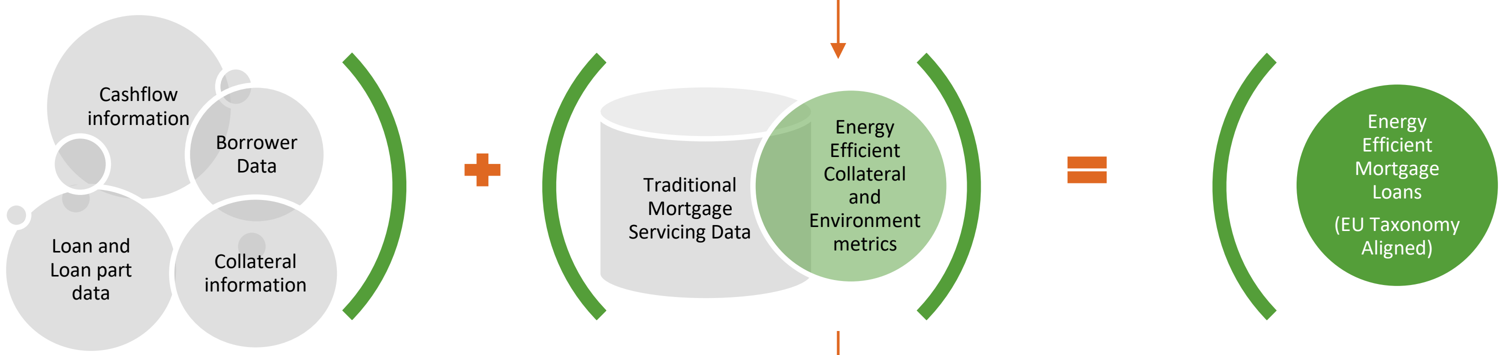
=

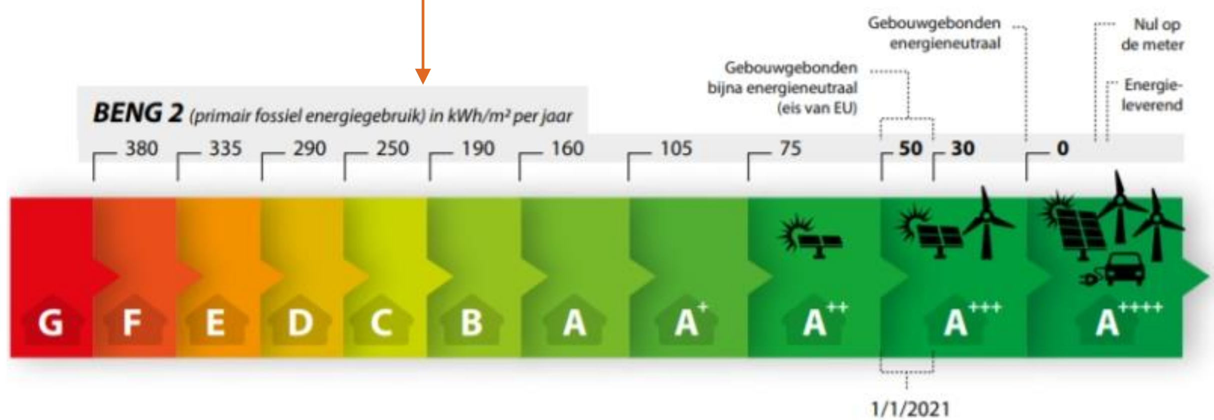
Sustainable Activity

# The EU Taxonomy will create a Green Data Gap

Joint Interpretation → Identification of data needs → *Extend* current data availability → Align on definitions and disclosure standards → GDPR-Considerations → Map & link additional data to loan portfolio's

**Focus Area**



# Workstreams within the Energy Efficient Mortgages NL Hub

**Pillar 1: Dutch Framework for Energy Efficient Mortgages**

2021 Deliverables:
- Documenting a detailed interpretation of the EU Taxonomy enabling the identification and measurement of 1) Taxonomy Eligibility and 2) Taxonomy Alignment on a collateral or loan basis.

Close coordination!

**Pillar 2: Data & Disclosure**

2021 Deliverables:
- Collect and make available to all stakeholders the required sustainability data (both property and environment).
- At the same time meeting all regulatory requirements (e.g. GDPR).

Work stream liaison officers: Piet Hein Schram & Vincent Mahieu

**Pillar 3: Representation & Alignment**

2021 Deliverables:
- Represent all participating Dutch stakeholders in national and international consultative bodies.
- Provide all members and relevant stakeholders with information and coordinate responses to market consultations.

**Establishing a blueprint for an Energy Efficient Mortgage Framework in Europe**

# Highlights of Chapter 7 Construction & Real Estate in Annex 1

| Section | Substantial contribution to climate change mitigation | Footnote |
|---|---|---|
| **7.1**<br><br>**Construction of New Buildings** | The **Primary Energy Demand** (PED)282, defining the energy performance of the building resulting from the construction, **is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures** implementing Directive 2010/31/EU of the European Parliament and of the Council 283.<br><br>The energy performance is certified using an as built Energy Performance Certificate (EPC). | 282: The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m2 per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).<br><br>283: Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13). |

- The Dutch Building Code already enforces strict and energy efficient construction standards, especially compared to other jurisdictions in the EU → Unlevel playing field?
- The BENG2 indicator is directly related to the Prime Energy Demand, by directly enforcing the PED with a threshold of 30 kWh/m² or 50 kWh/m², depending on the building type.
- What PED to use? Target PED as included in the building permit application? Final energy label not available until construction is completed.
- Currently this data is not present in mortgage servicing systems in the Netherlands.

# Highlights of Chapter 7 Construction & Real Estate in Annex 1

| Section | Substantial contribution to climate change mitigation | Footnote |
|---|---|---|
| **7.2**<br><br>**Renovation of Existing Buildings** | The building renovation complies with the applicable requirements for major renovations. 299<br><br>Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30 %. 300 | 299 As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.<br><br>300 The initial primary energy demand and the estimated improvement is **based on a detailed building survey**, an **energy audit conducted by an accredited independent expert** or any other transparent and proportionate method, and **validated through an Energy Performance Certificate**. The 30 % improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through **renewable energy sources are not taken into account**), and can be achieved through a succession of measures within a maximum of three years. |

- Definition of major renovation: *ingrijpende renovatie.*
- In most cases when a (sustainability) renovation is undertaken, it is a combination of all possible measures and not explicitly (only) reducing prime energy demand but including e.g. solar panels.
- The average cost of an NTA 8800 EPC is between €300 - €400 per report and thus requiring one or two reports to demonstrate EU Taxonomy alignment is uneconomical for many (smaller) renovations.
- There is a challenge to capture these additional data elements in the mortgage lending process.

# Highlights of Chapter 7 Construction & Real Estate in Annex 1

| Section | Substantial contribution to climate change mitigation |
| --- | --- |
| **7.7**<br><br>**Acquisition and ownership of buildings** | 1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A.<br><br>As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.<br><br>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition. |

- Does Class A have the same meaning across different EU jurisdictions?
- Only verified labels or can proxies be used as well?
- At which level of $kWh/m^2$ in terms of PED, does one meet the top 15% cut?
- Class A criteria will create ‘stranded assets’ – no incentive to improve sustainability of property if EPC A cannot be achieved?
- Systems should not only track the energy label, but also its validity period, methodology and prime energy demand, through time.

# Questions & Contact

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- **Website**: www.energyefficientmortgages.nl
- **Contact Persons**:

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Piet Hein Schram
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# THANK YOU // CONTACT US


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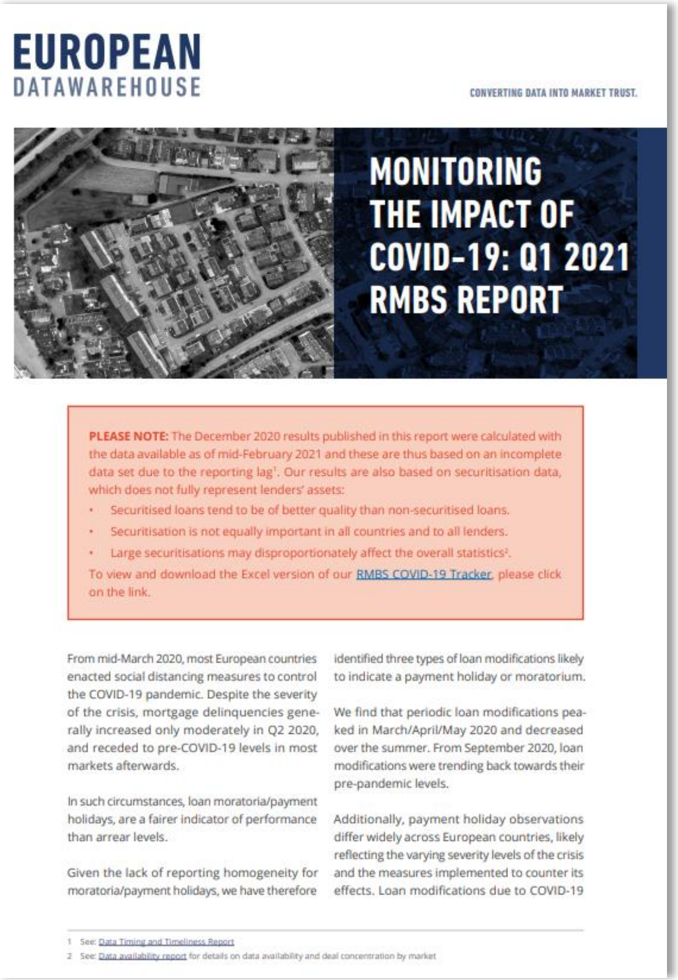
# ANNEX

# RESEARCH REPORT

# DATA AVAILABILITY REPORT NOW AVAILABLE AS PDF


# COVID-19 RESEARCH REPORT SERIES

## Regular reports on the impact of COVID-19



EUROPEAN
DATAWAREHOUSE

CONVERTING DATA INTO MARKET TRUST.

MONITORING THE IMPACT OF COVID-19: Q1 2021 RMBS REPORT

**PLEASE NOTE:** The December 2020 results published in this report were calculated with the data available as of mid-February 2021 and these are thus based on an incomplete data set due to the reporting lag[1]. Our results are also based on securitisation data, which does not fully represent lenders' assets:

- Securitised loans tend to be of better quality than non-securitised loans.
- Securitisation is not equally important in all countries and to all lenders.
- Large securitisations may disproportionately affect the overall statistics[2].

To view and download the Excel version of our RMBS COVID-19 Tracker, please click on the link.

From mid-March 2020, most European countries enacted social distancing measures to control the COVID-19 pandemic. Despite the severity of the crisis, mortgage delinquencies generally increased only moderately in Q2 2020, and receded to pre-COVID-19 levels in most markets afterwards.

In such circumstances, loan moratoria/payment holidays, are a fairer indicator of performance than arrear levels.

Given the lack of reporting homogeneity for moratoria/payment holidays, we have therefore identified three types of loan modifications likely to indicate a payment holiday or moratorium.

We find that periodic loan modifications peaked in March/April/May 2020 and decreased over the summer. From September 2020, loan modifications were trending back towards their pre-pandemic levels.

Additionally, payment holiday observations differ widely across European countries, likely reflecting the varying severity levels of the crisis and the measures implemented to counter its effects. Loan modifications due to COVID-19

1 See: Data Timing and Timeliness Report
2 See: Data availability report for details on data availability and deal concentration by market

# ADDITIONAL SERVICES

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

## EDW can help your organisation comply with relevant performance requirements

- With over 1300 transactions, EDW offers solutions for the issuers/originators/SSPEs to comply with the STS requirements relating to transparency.
- EDW 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% |

# DEALDOCS TO COMPLY WITH ARTICLE 21(4) OF THE PROSPECTUS REGULATION

## EDW offers a website for clients that need to make transaction documentation available pursuant to the Prospectus Regulation

- According to Article 21(4) of the Prospectus Regulation:

EN Official Journal of the European Union

4. Access to the prospectus shall not be subject to the completion of a registration process, the acceptance of a disclaimer limiting legal liability or the payment of a fee. Warnings specifying the jurisdiction(s) in which an offer or an admission to trading is being made shall not be considered to be disclaimers limiting legal liability.

- To comply with this, we offer the website https://dealdocs.eurodw.eu/, whereby documents can be accessed without the need to complete a registration process, accept disclaimers, or pay a fee.

### Securitisations

Show 10 entries Search:

| EDCODE | DEAL NAME (SPV) | DATA OWNER |
|---|---|---|
| AUTSUK102275500120213 | Bumper UK 2021-1 | LeasePlan Corporation N.V. |
| CMRSUK102516500120217 | POLO FUNDING 2021-1 PLC | POLO FUNDING 2021-1 PLC |
| RMBSIE000062101720215 | FASTNET SECURITIES 16 DAC | Permanent TSB Public Limited Company |
| RMBSIE000062101820213 | FASTNET SECURITIES 17 DAC | Permanent TSB Public Limited Company |
| RMBSNL001692100720214 | DUTCH PROPERTY FINANCE 2021-2 B.V. | RNHB B.V. |
| RMBSUK000947100120213 | Canterbury Finance No. 4PLC | ONESAVINGS BANK PLC |