

CRR ASSESSMENT
Weser Funding S.A.,
acting in respect of its Compartment No. R 2025-1



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

25th February 2025

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25th February 2025

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PRIME COLLATERALISED SECURITIES (PCS) - CRR Assessment

Individual(s) undertaking the assessment	Dr. Martina Spaeth
Date of Verification	25 th February 2025
The transaction to be verified (the “Transaction”)	Weser Funding S.A. No. R 2025-1
Issuer	Weser Funding S.A. (acting in respect of its Compartment No. R 2025-1)
Originator/Seller/STS Originator	OLB Bank
Arranger	ABN AMRO Bank N.V.
Transaction Legal Counsel	Clifford Chance (Germany)
Rating Agencies	Fitch/Morningstar DBRS
Stock Exchange	Luxembourg Stock Exchange (LSE)
Closing Date	25 th February 2025

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

Within the checklist, the relevant legislative text is set out in light blue introductory boxes with specific criteria for our verification listed underneath.

Legislative Text

Article 243 (NOTE 1)

2. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:

NOTE 1: REGULATION (EU) 2017/2401 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended from time to time.

1a	CRR Criteria (a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor.	Meets Criteria? YES
	PCS Comments (i) the aggregate Outstanding Principal Balance under any Mortgage Loan entered into with a single Borrower shall not exceed 2 per cent. of the aggregate Outstanding Principal Balance of the Mortgage Receivables under or in connection with all the Mortgage Loans; <i>This transaction has no revolving period. The single obligor concentration is below 2% as defined in the Mortgage Loan Criteria.</i>	
1b	CRR Criteria In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1);	Meets Criteria? YES
	PCS Comments Not applicable.	
2	CRR Criteria (b) at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than: (i) 40 % on an exposure value-weighted average basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in point (e) of Article 129(1); (ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage; (iii) 75 % on an individual exposure basis where the exposure is a retail exposure (NOTE 2); (iv) for any other exposures, 100 % on an individual exposure basis; (NOTE 3)	Meets Criteria? YES

NOTE 2: For retail exposures, see article 123 on “Retail exposures”. It is noted that Article 123 has been amended by Regulation (EU) 2024/1623 of 31 May 2024, and that it contains provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025.

In particular, “Retail Exposures” shall satisfy the following additional requirements:

<<1. Exposures that comply with all of the following criteria shall be considered retail exposures:

(a) the exposure is to one or more natural persons or to an SME;

(b) the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property, up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;

(c) the exposure represents one of a significant number of exposures with similar characteristics, such that the risks associated with such exposure are substantially reduced;

(d) the institution concerned treats the exposure in its risk management framework and manages the exposure internally as a retail exposure consistently over time and in a manner that is similar to the treatment by the institution of other retail exposures.>> **NB:** this §1(d) shall be in force starting from 1 January 2025.

<<The present value of retail minimum lease payments shall be eligible for the retail exposure class. (...)

(...) 4. Where any of the criteria referred to in paragraph 1 are not met for an exposure to one or more natural persons, the exposure shall be considered a retail exposure and shall be assigned a risk weight of 100 %.>> **NB:** this §(4) shall be in force starting from 1 January 2025.

In addition, specific provisions apply to salary /pension backed exposures and to transactor exposures (as defined in the Regulation (EU) 2024/1623 of 31 May 2024).

NOTE 3: For SME loans see also Article 501 on “Adjustment of risk-weighted non-defaulted SME exposures for “SME Loans” of the Regulation (EU) No 575/2013, as amended and supplemented, including pursuant to Regulation (EU) 2024/1623 of 31 May 2024.

From January 2025, in Article 501(2), points (a) and (b) are replaced by the following:

(a) the exposure to an SME shall be included either in the retail or in the corporates or secured by mortgages on immovable property exposure classes but excluding ADC exposures;

(b) an SME shall have the meaning laid down in Article 5, point (9);

“land acquisition, development and construction exposures”, or “ADC exposures”, means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing the development and construction of any residential property or commercial immovable property;

“non-ADC exposure” means any exposure secured by one or more residential properties or commercial immovable properties that is not an ADC exposure;’

Article 126a (1) An ADC exposure shall be assigned a risk weight of 150 %.

IPRE provisions that are in force as of 9 July 2024 and other provisions that are in force as of 1 January 2025 need to be taken in consideration.

PCS Comments

See Prospectus, 7. PORTFOLIO DOCUMENTATION, 7.3 Mortgage Loan Criteria

(p) the Mortgage Receivables to be purchased on the Closing Date, meet on the Closing Date the conditions for being assigned a risk weight equal to or smaller than 40 per cent on an exposure value-weighted average for the portfolio of such Mortgage Receivables as set out and within the meaning of article 243(2)(b) of the CRR.

3	CRR Criteria (c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on that asset are also included in the securitisation;	Meets Criteria? YES
	PCS Comments See Prospectus, 7. PORTFOLIO DOCUMENTATION 7.3 Mortgage Loan Criteria (h) the aggregate Outstanding Principal Balance under a Mortgage Loan does not exceed the maximum guaranteed amount as was applicable pursuant to the NHG Conditions at the time of origination thereof; See also Prospectus, PORTFOLIO DOCUMENTATION 7.2 Representations and warranties (e) each Mortgage Receivable is (i) secured by a first priority Mortgage (<i>eerste recht van hypotheek</i>) or, in the case of Mortgage Loans (for the avoidance of doubt including any Further Advance, as the case may be) secured on the same Mortgaged Asset, first and sequentially lower priority Mortgages over real estate (<i>onroerende zaak</i>), an apartment right (<i>appartementsrecht</i>), or a long lease (<i>erfpacht</i>) situated in the Netherlands and (ii) governed by Dutch law; See also Prospectus, 6. PORTFOLIO INFORMATION 6.5 NHG Guarantee programme The NHG Conditions To qualify for an NHG Guarantee various conditions relating to valuation of the property must be met. In addition, inter alia, <u>the mortgage loan must be secured by a first priority mortgage right and/or a first priority right of pledge (or a second priority mortgage right and/or a second priority right of pledge in the case of a further advance)</u> . Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire and storm for the full reinstatement value thereof. To the extent applicable, the borrower is also required to create a first priority right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a first priority right of pledge in favour of the lender on the proceeds of the investment funds or the balance standing to the credit of the bank savings account associated with a bank savings mortgage loan (<i>Spaarrekening(en) Eigen Woning</i>). NHG Conditions dating prior to 17 June 2018 also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80 per cent. of the value of the property for at least the amount equal to the amount of the mortgage loan that exceeds 80 per cent. of the value of the property. PCS notes that the mortgages are secured by first ranking mortgages, as part of the NHG Guarantee programme, which each mortgage loan complies with.	
4	CRR Criteria (d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1).	Meets Criteria? YES
	PCS Comments See Prospectus, 7. PORTFOLIO DOCUMENTATION 7.3 Mortgage Loan Criteria	

(j) the Mortgage Loan does not have a Current Loan to Indexed Market Value Ratio higher than 100 per cent. (or, if a different percentage is required or sufficient from time to time for the Notes to comply with article 243(2) of the CRR and the Seller wishes to apply such different percentage, then such different percentage);

Underwriting criteria

Most of the Dutch underwriting standards follow from special underwriting legislation ("*Tijdelijke regeling hypothecair krediet*"). This law has been present since January 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 100 per cent or 106 per cent when financing energy saving measures.

PCS notes the mortgage loan criteria for this transaction limit the LTV (to indexed value) to be no higher than 100% which is in accordance with the Regulation.