

# **CRR ASSESSMENT**

## **CANDIDE Financing 2021-1 B.V**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

18<sup>th</sup> November 2021

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**This is a CRR Assessment.**

**This CRR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual.**

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**18<sup>th</sup> November 2021**

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## Prime Collateralised Securities (PCS) CRR Assessment

<b>Individual(s) undertaking the assessment</b>	<b>Fazel Ahmed</b>
<b>Date of Verification</b>	<b>18 November 2021</b>
<b>The transaction to be verified (the “Transaction”)</b>	<b>CANDIDE Financing 2021-1 B.V</b>
<b>Issuer</b>	<b>CANDIDE Financing 2021-1 B.V</b>
<b>Originator(s)/Seller</b>	<b>Lloyds Bank GmbH, Amsterdam Branch</b>
<b>Lead Manager(s)</b>	<b>Lloyds Bank Corporate Markets, Wertpapierhandelsbank GmbH and Citigroup Global Markets Europe AG</b>
<b>Transaction Legal Counsel</b>	<b>Allen &amp; Overy LLP</b>
<b>Rating Agencies</b>	<b>Fitch and DBRS</b>
<b>Stock Exchange</b>	<b>Euronext Amsterdam</b>
<b>Closing Date</b>	<b>18 November 2021</b>

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p>Article 243 (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:</p>			
<p><b>1</b> (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.</p>	<p>See Prospectus  7.2 Representations and warranties  :“The Seller will represent and warrant to the Issuer and the Security Trustee (i) on the Closing Date with respect to the Mortgage Loans as of the Closing Date with respect to the Mortgage Loans and the Mortgage Receivables and (ii) on the relevant Reconciliation Date of completion of the sale and assignment of Further Advance Receivables to be sold and assigned by it to the Issuer, inter alia, that:  (r) each of the Mortgage Loans meets the Mortgage Loan Criteria and, if it concerns a Further Advance Receivable, the Additional Purchase Conditions;”</p>	<p>See Section 7.3 (Mortgage Loan Criteria), §(xii),  “(xii) the Outstanding Principal Amount under a Mortgage Loan or Mortgage Loans entered into with a single Borrower shall not exceed 2.00 per cent. of the aggregate Outstanding Principal Amount under the Mortgage Loans;”</p>	<p>Yes <input checked="" type="checkbox"/>  No <input type="checkbox"/></p>
<p>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);</p>	<p>Not applicable.</p>	<p>Not applicable.</p>	<p>Yes <input type="checkbox"/>  No <input type="checkbox"/>  N/A <input checked="" type="checkbox"/></p>

<sup>1</sup> 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.

Legislative Text and CRR Criteria		Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
2	<p>(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:</p> <p>(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);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;</p> <p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure <sup>(2)</sup>;</p> <p>for any other exposures, 100 % on an individual exposure basis;</p>	See Prospectus.	<p>2 (b) (i) applies.</p> <p>See Section 7.3 (Mortgage Loan Criteria), §(xiv),</p> <p>“(xiv) the Mortgage Receivable relating to the relevant Mortgage Loan(s) meet on the date it is sold and assigned by the Seller to the Issuer the conditions for being assigned a risk weight equal to or smaller than 40% 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 Amendment Regulation;”</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
3	<p>(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;</p>	See Prospectus.	See section 7.2 §(q) and Section 7.3 §(xi).	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

<sup>2</sup> See article 123, “Retail exposures” of the Regulation (EU) No 575/2013; for Consumer loans see the amendments to article 123 in (59) REGULATION (EU) 2019/876 and REGULATION (EU) 2020/873, article 2 (1) (a).

See article 501 on “Adjustment of risk-weighted non-defaulted SME exposures for “SME Loans” of the Regulation (EU) No 575/2013, as amended in Regulation (EU) 2019/876 and Regulation 2020/873 in (19) and Article 2.1(b).

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p><b>4</b> (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).</p>	<p>See Prospectus.</p>	<p>See Section 7.3 – Mortgage Loan Criteria,</p> <p>“(xiii) 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 Amendment Regulation and the Seller wishes to apply such different percentage and such new percentage has been disclosed to the Noteholders, then such different percentage.”</p> <p>The Loan-to-value is determined by using the indexed market value. It is the investors responsibility to confirm with the National Competent Authority in its relevant jurisdiction whether this method of calculation is acceptable.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>