

CRR ASSESSMENT

CARTESIAN RESIDENTIAL MORTGAGES 4 S.A.



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

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Analyst: Daniele Vella | Contacts: +33 1 86 26 18 40 or +39 331 68 71 273

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16 July 2019

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Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Assessment /Version	16 July 2019
The transaction to be assessed (the “Transaction”)	Cartesian Residential Mortgages 4
Issuer	Cartesian Residential Mortgages 4 S.A.
Originator	Venn Hypotheken
Seller	Ember VRM S.à r.l.
Lead Manager(s)	BNP Paribas, London Branch and Citigroup Global Markets Limited
Transaction Legal Counsel	NautaDutilh
Rating Agencies	DBRS and Fitch
Stock Exchange	Euronext Amsterdam
Target Issue Date	16 July 2019

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>Article 243</p> <p>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>(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>1. (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</p>	<p>See in Section 7.3 "Mortgage Loan Criteria" the requirement that</p> <p><i><<(m) the aggregate Outstanding Principal Amount of all Mortgage Loans entered into with a single Borrower shall not exceed 2.0 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables under or in connection with all Mortgage Loans;>></i></p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
	considered as exposures to a single obligor.			
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);	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);	Not applicable.		<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></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: (i) 40 % on an exposure value-weighted average	2. (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	2 (b) (i) should apply. The Portfolio meets this requirement, in the light of a specific representation in §(uu) of Section 7.2 (REPRESENTATIONS AND WARRANTIES), pursuant to which the Seller declares that <i><<the Mortgage Receivables meet the conditions for being assigned a risk weight equal to or smaller</i>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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<p>basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (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>basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (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><i>than 40 per cent. on an exposure value weighted average for a portfolio of such Mortgage Receivables as set out and within the meaning of article 243(2)(b) of the CRR>>.</i></p>		
<p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</p>	<p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</p>			

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
(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;	3. (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;	See section 6.2, where is contained a statement on the first ranking of the Mortgage Loans (or first and sequentially lower ranking mortgage right). See also section 7.3 §(d) where is contained the Mortgage Loan Criteria requiring a first (or first and sequentially lower) ranking mortgage.		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
(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).	4. (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).	See Table No. 10 - Breakdown by "Current Loan to Original Market Value" and 7.3 (g) - No Loan has an LTV greater than 100%. PCS has also received due diligence to confirm that no Loan has a current loan to indexed valuation higher than 100% at the time of inclusion into the securitisation.		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>