

LCR ASSESSMENT

TULIP MORTGAGE FUNDING 2024-1 B.V.



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

18 October 2024

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18 October 2024

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PRIME COLLATERALISED SECURITIES (PCS) LCR Assessment

Individual(s) undertaking the assessment	Mark Lewis
Date of Verification	18 October 2024
The transaction to be verified (the "Transaction")	Tulip Mortgage Funding 2024-1 BV
Issuer	Tulip Mortgage Funding 2024-1 BV
Originator	Tulpenhuis 1 B.V.
Lead Manager(s)	Barclays Bank Ireland PLC, NatWest Markets N.V. and ABN AMRO Bank N.V.
Transaction Legal Counsel	Simmons & Simmons LLP and Allen Overy Shearman Sterling LLP
Rating Agencies	DBRS / Fitch
Stock Exchange	Euronext Dublin
Closing Date	18 October 2024

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 grey introductory boxes with specific criteria for our verification listed underneath.

Legislative Text and LCR Criteria (1)		
1a	<p>LCR Criteria</p> <p>1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:</p> <p>(a) the designation ‘STS’ or ‘simple, transparent and standardised’, or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council (*) and is being so used;</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>PCS is advised that the transaction Tulip Mortgage Funding 2024-1 BV is expected to be designated STS.</p>	
1b	<p>LCR Criteria</p> <p>1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:</p> <p>(b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>PCS has ticked the questions below as “yes”. See the disclaimer above for a fuller analysis of the limitations of PCS’s LCR assessment</p>	
2a	<p>LCR Criteria</p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>PCS notes that the senior notes are rated: AAA(sf) by DBRS and AAAsf by Fitch</p>	

¹ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

	Refer to Prospectus, front page and Section 2.4 (Notes) sub-section (Credit Ratings)	
2b	<p>LCR Criteria</p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(b) the position is in the most senior tranche or tranches of the securitisation and possesses the highest level of seniority at all times during the ongoing life of the transaction. For these purposes, a tranche shall be deemed to be the most senior where after the delivery of an enforcement notice and where applicable an acceleration notice, the tranche is not subordinated to other tranches of the same securitisation transaction or scheme in respect of receiving principal and interest payments, without taking into account amounts due under interest rate or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of Regulation (EU) No 575/2013;</p>	
	<p>PCS Comments</p> <p>PCS confirms that, based on the Prospectus, the senior tranche meets the required attributes.</p> <p>See also Section 5.2 (Priorities of Payments) and onwards, confirming the status of Senior Notes. The post enforcement Priorities of Payments is set out in Section 5.2, "Post-Enforcement and Call Option Exercise Priority of Payments".</p>	
3	<p>LCR Criteria</p> <p>(g) the securitisation position is backed by a pool of underlying exposures and those underlying exposures either all belong to only one of the following subcategories or else they consist of a combination of residential loans referred to in point (i) and residential loans referred to in point (ii):</p> <p>(i) residential loans secured with a first-ranking mortgage granted to individuals for the acquisition of their main residence, provided that one of the two following conditions is met:</p> <ul style="list-style-type: none"> – the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013 (); – the national law of the Member State where the loans were originated provides for a loan-to-income limit on the amount that an obligor may borrow in a residential loan, and that Member State has notified this law to the Commission and EBA. The loan-to-income limit is calculated on the gross annual income of the obligor, taking into account the tax obligations and other commitments of the obligor and the risk of changes in the interest rates over the term of the loan. For each residential loan in the pool, the percentage of the obligor's gross income that may be spent to service the loan, including interest, principal and fee payments, does not exceed 45 %; <p>(ii) fully guaranteed residential loans referred to in Article 129(1)(e) of Regulation (EU) No 575/2013, provided that the loans meet the collateralisation requirements laid down in that paragraph and the average loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>

(iii) commercial loans, leases and credit facilities to undertakings established in a Member State to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium- sized enterprises at the time of issuance of the securitisation, and none of the borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013; ()

(iv) auto loans and leases to borrowers or lessees established or resident in a Member State. For these purposes, auto loans and leases shall include loans or leases for the financing of motor vehicles or trailers as defined in points (11) and (12) of Article 3 of Directive 2007/46/EC of the European Parliament and of the Council, agricultural or forestry tractors as referred to in Regulation (EU) No 167/2013 of the European Parliament and of the Council, two-wheel motorcycles or powered tricycles as referred to in Regulation (EU) No 168/2013 of the European Parliament and of the Council or tracked vehicles as referred to in point (c) of Article 2(2) of Directive 2007/46/EC. () Such loans or leases may include ancillary insurance and service products or additional vehicle parts, and in the case of leases, the residual value of leased vehicles. All loans and leases in the pool shall be secured with a first-ranking charge or security over the vehicle or an appropriate guarantee in favour of the SSPE, such as a retention of title provision;

(v) loans and credit facilities to individuals resident in a Member State for personal, family or household consumption purposes.

PCS Comments

(g)(i) only applies,
(ii) to (v) do not apply.

As for the nature of “residential loans secured with a first-ranking mortgage” see the R&W in (J) of Section 7.2:

“(J) each Mortgage Receivable is: (i) secured by a first-ranking Mortgage (eerste recht van hypotheek) or, in the case of Mortgage Loans (including any Further Advance, as the case may be) secured on the same Mortgaged Asset, first and sequentially lower ranking Mortgages over real estate (onroerende zaak), an apartment right (appartementsrecht), or a long lease (erfpachtsrecht) situated in the Netherlands; (ii) governed by Dutch law; and (iii) originated in the Netherlands;”.

See 7.3 Mortgage Loan Criteria

“(E) (i) pursuant to the terms and conditions applicable to the Mortgage Loan, (x) the Mortgaged Asset may not be the subject of residential letting at the time of origination, (y) the Mortgaged Asset is for main residential use and has to be occupied by the relevant Borrower at and after the time of origination (except that in exceptional circumstances the Seller may in accordance with its internal guidelines allow a Borrower to let the Mortgaged Asset under specific conditions and for a limited period of time) and (ii) no consent for residential letting of the Mortgaged Asset has been given by the Seller;”

The maximum loan-to-income limit is equal to or lower than 35% (see prospectus, Section 6.1 (Stratification Tables), table 24 (Debt Service to Income Ratio).

Maximum 30.30%

On this basis, PCS is sufficiently confident that each of the loans in the pool meets the loan-to-income requirement.

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LCR Criteria

Meets Criteria?

	<p>10. The underlying exposures shall not have been originated by the credit institution holding the securitisation position in its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with that credit institution.</p>	<p>YES</p>
	<p><u>PCS Comments</u> The investor should confirm that it is not a group entity of the Originator to meet this point. We have ticked this point positive but ultimately it is the investors responsibility to confirm.</p>	
<p>5</p>	<p><u>LCR Criteria</u> 11. The issue size of the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency).</p>	<p><u>Meets Criteria?</u> YES</p>
	<p><u>PCS Comments</u> The Prospectus confirms the details. PCS is advised that the size of the Class A Notes is expected to be greater than EUR 100 million.</p>	
<p>6</p>	<p><u>LCR Criteria</u> 12. The remaining weighted average life of the tranche shall be 5 years or less, which shall be calculated using the lower of either the transaction's pricing prepayment assumption or a 20 % constant prepayment rate, for which the credit institution shall assume that the call is exercised on the first permitted call date.</p>	<p><u>Meets Criteria?</u> YES</p>
	<p><u>PCS Comments</u> See Weighted Average Life Tables The weighted average life of the Class A Notes to Optional Call Date is less than 5 years assuming CPR of 4% to 15% meets the requirements.</p>	
<p>7</p>	<p><u>LCR Criteria</u> 13. The originator of the exposures underlying the securitisation shall be an institution as defined in Article 4(3) of Regulation (EU) No 575/2013 or an undertaking whose principal activity is to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU.</p>	<p><u>Meets Criteria?</u> YES</p>
	<p><u>PCS Comments</u> Point 2 of Annex 1 to Directive 2013/36/EU is applicable.</p>	

	<p>We note this statement in Section 3.4 of the Prospectus:</p> <p>“Tulpenhuis 1 B.V. is a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid), incorporated under Dutch law, having its official seat (statutaire zetel) in Amsterdam, the Netherlands and registered with the Trade Register under number 63677563. Its significant business activity is the origination of residential mortgage loans.</p> <p>The Mortgage Loans have been granted in the name of Tulpenhuis 1 B.V. (in its capacity as original lender within the meaning of the EU Securitisation Regulation). The business activities of Tulpenhuis 1 B.V. are performed through its agents, including the origination of mortgage loans. Tulpenhuis 1 B.V. is a wholly owned subsidiary of Tulpenhuis Holding B.V. Tulpenhuis Holding B.V. has acquired a collective licence (with number 12043524) to originate mortgage loans under Dutch Law. This collective licence applies to all associated companies, including the Seller. Both companies are listed as mortgage originators in the formal register of the AFM.</p> <p>The Seller has delegated all administrative activities regarding the offering, the review and acceptance for mortgages to Tulp Hypotheken B.V., who in its turn, has delegated part of such administrative activities regarding the offering, the review and acceptance for mortgages to Stater. For more details regarding the activities of Tulp Hypotheken B.V. and Stater reference is made to Section 3.5 (Servicer, Sub-Servicer and Delegate Sub-Servicers).”</p> <p>See description of Seller in Section 3.4 “Seller”.</p>	
8	<p><u>LCR Criteria</u></p> <p>Article 37 Transitional provision for securitisations backed by residential loans</p> <p>1. By derogation from Article 13, securitisations issued before 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2), shall qualify as Level 2B assets if they meet all the requirements set out in Article 13 other than the loan-to-value or loan-to-income requirements set out in that point (g)(i) of Article 13(2).</p> <p>2. By derogation from Article 13, securitisations issued after 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2) that do not meet the average loan-to-value or the loan-to-income requirements set out in that point, shall qualify as Level 2B assets until 1 October 2025, provided that the underlying exposures include residential loans that were not subject to a national law regulating loan-to-income limits at the time they were granted and such residential loans were granted at any time prior to 1 October 2015.</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p><i>Points 1 and 2 are not applicable.</i></p>	