

Provisional CRR ASSESSMENT

Bastion 2022-1 NHG B.V.



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

[29] November 2022

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This Provisional CRR Assessment is not the final CRR assessment and it based on the draft documents and information provided to PCS by or on behalf of the originator as of the date of this assessment. It is anticipated at the date of this Provisional CRR Assessment that a Final CRR Assessment will be made available at or around closing of the transaction. However, such Final CRR Assessment will be based upon the final materials received by PCS and will only be made available if no material changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would change our analysis. Therefore, no guarantees can be provided that such Final CRR Assessment will be made available.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. Note that all comments on the disclaimer relate to both Provisional CRR Assessments and Final CRR Assessments.

[29] November 2022

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Mark Lewis
Date of Verification	23 November 2022
The transaction to be verified (the "Transaction")	Bastion 2022-1 NHG B.V.
Issuer	Bastion 2022-1 NHG B.V.
STS Originator and risk retention holder for STS purposes	MeDirect Bank SA/NV
Arranger	ABN AMRO BANK
Transaction Legal Counsel	NautaDutilh N.V.
Rating Agencies	DBRS and Fitch
Stock Exchange	Luxembourg Stock Exchange
Closing Date	29 November 2022

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		
<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>		
1a	<p>CRR Criteria</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>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>Section 7.3 (i):</p> <p>(i) the Outstanding Principal Balance under a Mortgage Loan entered into with a single Borrower shall not exceed 2.0 per cent. of the aggregate Outstanding Principal Balance of the Mortgage Receivables under or in connection with all the Mortgage Loans;</p>	
1b	<p>CRR Criteria</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>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p><i>Not applicable.</i></p>	
2	<p>CRR Criteria</p> <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>Meets Criteria? YES</p>

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.

	(iii) 75 % on an individual exposure basis where the exposure is a retail exposure ⁽²⁾ ; for any other exposures, 100 % on an individual exposure basis;	
	<p>PCS Comments</p> <p>2 (b) (i) applies. See Section 7.3 Mortgage Loan Criteria (k)</p> <p>“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 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;”</p>	
3	<p>CRR Criteria</p> <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>	<p>Meets Criteria?</p> <p>YES</p>

² 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). In particular, pursuant to the amendments to Article 123, under Regulation (EU) 2019/876:
 <<Exposures due to loans granted by a credit institution to pensioners or employees with a permanent contract against the unconditional transfer of part of the borrower's pension or salary to that credit institution shall be assigned a risk weight of 35 %, provided that all the following conditions are met:
 (a) in order to repay the loan, the borrower unconditionally authorises the pension fund or employer to make direct payments to the credit institution by deducting the monthly payments on the loan from the borrower's monthly pension or salary;
 (b) the risks of death, inability to work, unemployment or reduction of the net monthly pension or salary of the borrower are properly covered through an insurance policy underwritten by the borrower to the benefit of the credit institution;
 (c) the monthly payments to be made by the borrower on all loans that meet the conditions set out in points (a) and (b) do not in aggregate exceed 20 % of the borrower's net monthly pension or salary;
 (d) the maximum original maturity of the loan is equal to or less than ten years.>>.
 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).

PCS Comments

See section 7.3 (h)

“the Mortgage Loan is secured by a first priority Mortgage or, in the case of Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, first and sequentially lower priority rights of mortgage over (i) real estate (onroerende zaak), (ii) an apartment right (appartementrecht) or (iii) a long lease (erfpacht), in each case situated in the Netherlands and, if applicable, a right of pledge (pandrecht); and is governed by Dutch Law;”

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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 Section 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 Issuer wishes to apply such different percentage, then such different percentage);”