



Council of the European Union  
General Secretariat

**Brussels, 19 November 2015**

**WK 154/2015 INIT**

**LIMITE**

**EF  
ECOFIN  
SURE**

**WORKING PAPER**

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

**WORKING DOCUMENT**

From:	EBA
To:	Working Party on Financial Services - Securitisation
N° prev. doc.:	ST 14248/15
N° Cion doc.:	COM(2015) 473 FINAL
Subject:	EBA data on the impact of moving from ERBA to SA

Tables 1 to 4 below provide an illustration of changes in risk-weights that would result from shifting from the SEC-ERBA approach to the SEC-SA approach for examples of deals (STS securitisations) representatives of existing transactions for different categories of assets. Tables 1bis to 4bis present the capital structure assumptions for each of the deals.

**Table 1 – Unit Risk Weights – Prime residential**

	ES			PT			UK		
	ERBA (M=5)	SA	[ERBA-SA] / [SA] %	ERBA (M=5)	SA	[ERBA-SA] / [SA] %	ERBA (M=5)	SA	[ERBA-SA] / [SA] %
<b>AAA</b>							15%	10%	50.0%
<b>AA</b>	25%	10%	150.0%				73%	146%	-49.9%
<b>A</b>	115%	15%	668.0%	45%	10%	350.0%	117%	360%	-67.4%
<b>BBB</b>	214%	22%	868.5%	215%	33%	544.7%	216%	742%	-70.8%
<b>BB</b>	566%	59%	861.6%	566%	81%	595.9%	563%	1221%	-53.9%
<b>B</b>	817%	474%	72.3%	824%	523%	57.6%			
<b>NR</b>	1250%	1250%	0.0%	1250%	1250%	0.0%	1250%	1250%	0.0%

**Table 2 – Unit Risk Weights – SME retail**

	ES			IT			NL			DE			UK			BE		
	ERBA (M=5)	SA	[ERBA- SA] / [SA] %	ERBA (M=5)	SA	[ERBA- SA] / [SA] %	ERBA (M=5)	SA	[ERBA- SA] / [SA] %	ERBA (M=5)	SA	[ERBA- SA] / [SA] %	ERBA (M=5)	SA	[ERBA- SA] / [SA] %	ERBA (M=5)	SA	[ERBA- SA] / [SA] %
<b>AAA</b>							15%	10%	50.0%	15%	10%	50.0%	15%	10%	50.0%	15%	10%	50.0%
<b>AA</b>	25%	10%	150.0%	25%	10%	150.0%	69%	15%	360.0%	71%	15%	370.0%	69%	15%	360.0%	71%	15%	370.0%
<b>A</b>	107%	15%	612.0%	108%	15%	620.0%	112%	15%	644.0%	115%	15%	668.0%	112%	15%	644.0%	115%	15%	668.0%
<b>BBB</b>	198%	15%	1220.0%	198%	15%	1220.0%	209%	56%	273.9%	209%	56%	273.9%	209%	56%	273.9%	209%	56%	273.9%
<b>BB</b>	537%	15%	3476.7%	537%	15%	3476.7%	560%	231%	142.1%	551%	320%	72.4%	560%	231%	142.1%	551%	320%	72.4%
<b>B</b>	823%	33%	2396.6%	836%	56%	1395.7%	858%	639%	34.3%	836%	1138%	-26.6%	858%	639%	34.3%	836%	1138%	-26.6%
<b>NR</b>	1250%	779%	60.5%	1250%	833%	50.0%	1250%	1232%	1.5%	1250%	1250%	0.0%	1250%	1232%	1.5%	1250%	1250%	0.0%

**Table 3 – Unit Risk Weights – Auto loans**

	UK			Non-UK		
	ERBA (M=2.5)	SA	[ERBA-SA] / [SA] %	ERBA (M=2.5)	SA	[ERBA-SA] / [SA] %
<b>AAA</b>	12%	10%	18.8%	12%	10%	18.8%
<b>AA</b>	39%	43%	-9.9%	40%	341%	-88.3%
<b>A</b>	76%	144%	-47.2%	77%	677%	-88.6%
<b>BBB</b>	172%	482%	-64.3%	176%	1186%	-85.2%
<b>BB</b>	501%	1097%	-54.3%	504%	1250%	-59.7%
<b>B</b>	862%	1250%	-31.0%	867%	1250%	-30.7%
<b>NR</b>	1250%	1250%	0.0%	1250%	1250%	0.0%

**Table 4 – Unit Risk Weights – UK Credit Cards**

	UK		
	ERBA (M=2.5)	SA	[ERBA-SA] / [SA] %
<b>AAA</b>	12%	10%	18.8%
<b>AA</b>	39%	202%	-80.5%
<b>A</b>	78%	405%	-80.8%
<b>BBB</b>	174%	842%	-79.3%
<b>BB</b>	498%	1250%	-60.1%
<b>B</b>	867%	1250%	-30.7%
<b>NR</b>	1250%	1250%	0.0%

Table 1bis Prime RMBS

	ES	PT	UK
Capital structure assumptions			
AAA			87.7%
AA	78.6%		2.5%
A	4.0%	84.0%	2.3%
BBB	2.7%	2.2%	1.6%
BB	2.5%	2.5%	2.9%
B	7.2%	6.4%	
First loss	5.0%	5.0%	3.0%
Ksa and W assumptions			
Ksa	4.6%	4.6%	4.6%
W (delinquency)	1.5%	1.5%	1.5%

Table 2bis Retail SME

	BE	NL	IT	ES	DE	UK
Capital structure assumptions						
AAA	72.5%	67.5%			72.5%	67.5%
AA	6.0%	8.0%	55.0%	51.5%	6.0%	8.0%
A	4.0%	7.0%	10.0%	11.0%	4.0%	7.0%
BBB	5.0%	5.0%	10.0%	10.0%	5.0%	5.0%
BB	5.0%	3.5%	7.5%	7.5%	5.0%	3.5%
B	5.0%	2.5%	5.0%	6.5%	5.0%	2.5%
First loss	2.5%	6.5%	12.5%	13.5%	2.5%	6.5%

Ksa and W assumptions						
Ksa	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
W (delinquency)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Table 3bis Auto Loans

	UK	Non-UK
Capital structure assumptions		
AAA	80.0%	88.0%
AA	4.0%	2.0%
A	4.0%	2.5%
BBB	4.0%	2.0%
BB	2.0%	1.5%
B	2.0%	1.5%
First loss	4.0%	2.5%
Ksa and W assumptions		
Ksa	6.00%	6.00%
W (delinquency)	1.45%	1.45%

Table 4 bis Credit Cards

	UK
Capital structure assumptions	
AAA	85.0%
AA	3.0%
A	2.0%

BBB	3.0%
BB	2.5%
B	1.5%
First loss	3.0%
Ksa and W assumptions	
Ksa	6.00%
W (delinquency)	2.29%