

# Securitisation – services to investment bankers\*



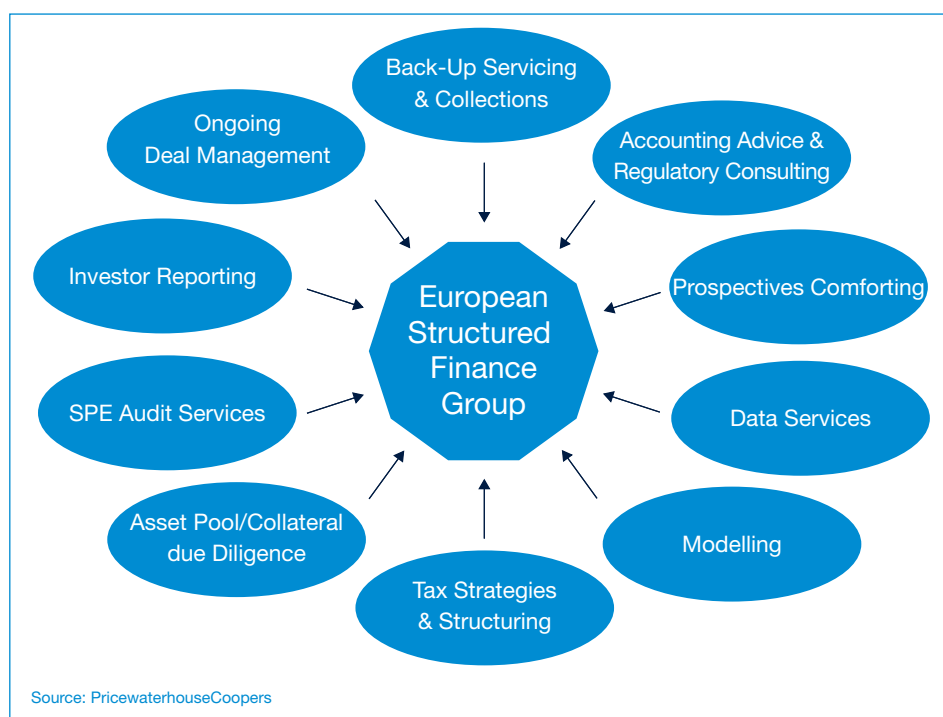
# Making life easier for arrangers

The European Structured Finance Group (The 'ESFG') at PricewaterhouseCoopers is a dedicated team of structural finance specialists based in Brussels and London with members in all major European countries. The Group offers a wide range of services to investment banks involved in arranging securitisation and structured finance transactions. Its professionals draw on years of experience in securitisation and structural finance-related areas in the US and throughout Europe to advise investment banks. The Group draws on the resources and knowledge of one of the world's largest professional services firm, PricewaterhouseCoopers.

## Who we are

ESFG allows its investment banking clients to focus on deal execution and origination instead of having to handle infrastructure issues or the constant monitoring of the most recent changes in regulatory requirements, tax laws or interpretations of accounting rules such as ED10 'Consolidated Financial Statements' and ED/2009/3 Derecognition, as well as US GAAP Developments. The Group improves the ability of investment bankers to focus on deal:

- Assistance on an as-needs-basis during each phase of a securitisation transaction from preparation and structuring advice including accounting, regulatory and tax structures, collateral and modelling services to post-closing, comfort services, audit services and periodic reporting.
- A single point of contact dedicated to offering high-quality service and a swift response to your enquiries.
- A coordinated, multi-disciplined team tailored to meet the needs of our client on each transaction.
- Global expertise allied to a detailed understanding of securitisation markets and the taxation, regulatory and accounting requirements in each of the European countries.



## Proven expertise

ESFG brings together a unique blend of individuals from the areas of structured finance, tax, accounting and capital markets in each European country. The European team also draws on the resources and specialist expertise of one of the world's largest professional services firms. We can bring to bear detailed knowledge of individual industries and expertise in specific types of asset pools, based on our extensive corporate client base. We work closely with other specialist teams within the firm, including the Financial Services Regulatory practice, the European and US Listings Groups and the Receivables Management Group, which provides standby servicer arrangements and liquidation services.

## Relationship-based

The Group assists investment banks both on an individual transaction basis or, for certain core clients, on a retainer basis under which we provide ongoing, on-call advice and services. Retainer clients also receive continuing advice on the latest developments in tax, accounting and regulatory changes that may affect securitisation transactions. Whether working on an individual transaction or on a regular basis with a client, we establish a close working relationship with your team, which ensures we both understand and meet your needs and the demands of the transaction timetable.

## Our services and solutions

### Structuring phase

#### Accounting advice & regulatory consulting

The Group can provide advice on the accounting treatment of individual structures under IFRS, US GAAP or the

local accounting standards of European countries. We can also provide guidance on the latest developments in accounting rules and their potential impact on individual structures. Our extensive experience in dealing with financial services regulators across Europe means that we are well positioned to advise on the likely regulatory treatment of each structure for originators, sponsors and other parties to a transaction.

#### Tax strategies & structuring

The Group offers investment banks and issuers value added tax strategies and advice backed by years of local and cross-border experience. By the nature of its core business, PricewaterhouseCoopers has developed very close relationships with the local tax authorities within European jurisdictions, and has been involved in numerous cross-border transactions involving Special Purpose Entities (SPEs). This proximity to the tax authorities ensures our clients the best possible response time with respect to tax opinions and tax advice related to securitisations. The ESFG is well experienced in combining its knowledge across jurisdictions and to optimising tax structures for securitisations.

#### Data services

One of the ESFG's main objectives is to resolve the data problems that often arise when investment banks deal with new issuers, allowing securitisation arrangers to focus on the execution of the deal rather than going through the minutiae of collateral data, or dealing with improperly prepared data tapes.

This data typically includes:

- Stratification of pool data according to characteristics of the assets.
- Weighted average life calculation.
- Cashflow analysis.

The Group works directly with issuers to ensure the integrity and validity of the data provided to the investment bankers.

Drawing on its experience, the Group can quickly apply IT and project management expertise to solve data production and delivery problems. In preparation for post-closing, the Group can also help issuers develop systems components and solutions needed to ensure the timely delivery of data required for the periodic reporting of outstanding transactions.

### Pre-closing phase

The Group's core securitisation services revolve around the provision of comfort for the information contained in offering circulars and marketing materials. It usually begins with data preparation and collateral file due diligence and continues through the provision of comfort on collateral stratification tables and data attributes listed in offering circulars. Through hundreds of transactions, the ESFG has acquired extensive experience in collateral data preparation, aggregation and analysis – ranging from simple data tape production to static pool analysis and more sophisticated statistical projects.

#### Asset pool/collateral due diligence

PricewaterhouseCoopers offers traditional due diligence services for securitisation transaction, such as physical loan file due diligence, pool sampling, etc. For deals requiring specific expertise, the Group can draw on specialists within the relevant areas of PricewaterhouseCoopers.

For example, professionals from our commercial real estate Group are usually included in due diligence projects for commercial mortgage-backed transactions.

#### Cash flow modelling

The Group provides modelling and reverse engineering services to comfort bond-specific information. Model comfort can also be provided when needed.



## Offering circular comfort

### Collateral information

PricewaterhouseCoopers routinely comforts collateral data provided in offering circulars, such as collateral attribute stratifications and other pool statistics and information.

### Cash flow modelling & bond data

The ESFG provide modelling and reverse engineering services, which, using assumptions and methodologies determined by organisations, provide assurance on a variety of data. This includes comfort on bond waterfalls, decrement tables, scenarios, durations and average lives, yields, and cash flows presented in offering circulars or other marketing materials. The ESFG has experience in the full range of asset classes and structures including true sale asset-backed and conduit transactions, as well as cash and synthetic CDOs.

## Post-closing phase

### Investor reporting and ongoing deal management

We provide comfort to trustees and CDO collateral managers on the accuracy of ongoing reports provided to investors. This usually includes the provision of comfort on the underlying periodic cash flow disbursements.

### Regulation AB

For SEC registered issues we provide attestation service in respect of Regulation AB.

### SPE audit services

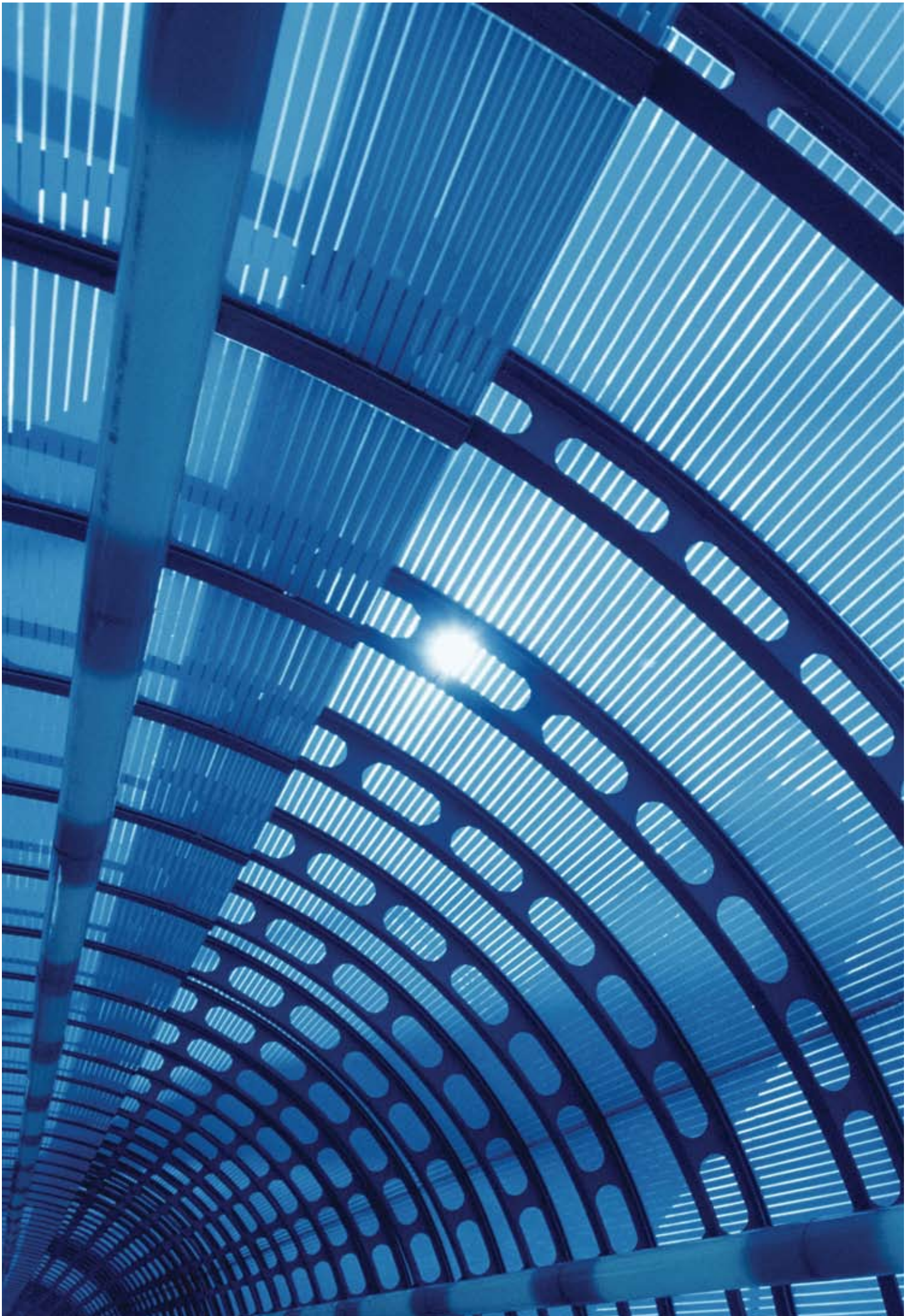
Our pan-European presence allows us to provide audit and taxation compliance for special purpose entities created for securitisations and structured finance transactions, irrespective of the jurisdiction in which they are located. The Group has worked on numerous cross-border deals.

## Back-up servicing & collections

PricewaterhouseCoopers offers back-up servicing services through its Receivables Management Group. The Group provides a full range of credit management and collections outsourcing, and has particular expertise in acting as standby servicer for a number of European banks. The Group also acts as liquidation or collection agents on several securitisation transactions both in the US and in Europe. When suggested by investment banks, the Group will work closely with new issuers to design solutions to unique problems in securitisation as they arise. To ensure priority response to our investment banking clients, we work either on specific transactions or for key clients on a retainer basis.

## PricewaterhouseCoopers worldwide

The Group draws on securitisation professionals in each European country. It is part of the PricewaterhouseCoopers Global Structured Finance Group and is a recognised leader in all aspects of securitisation from tax structuring and accounting advice to acting as liquidation agent.





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