



MAYER|BROWN

PATRICK SCHOLL
Partner
Frankfurt

ED PARKER
Partner
London

ALEXEI DÖHL
Partner
Frankfurt

SAGI TAMIR
Partner
New York

KNOW-HOW SERIES: SYNTHETIC RISK TRANSFER (SRT) TRANSACTIONS IN 2026

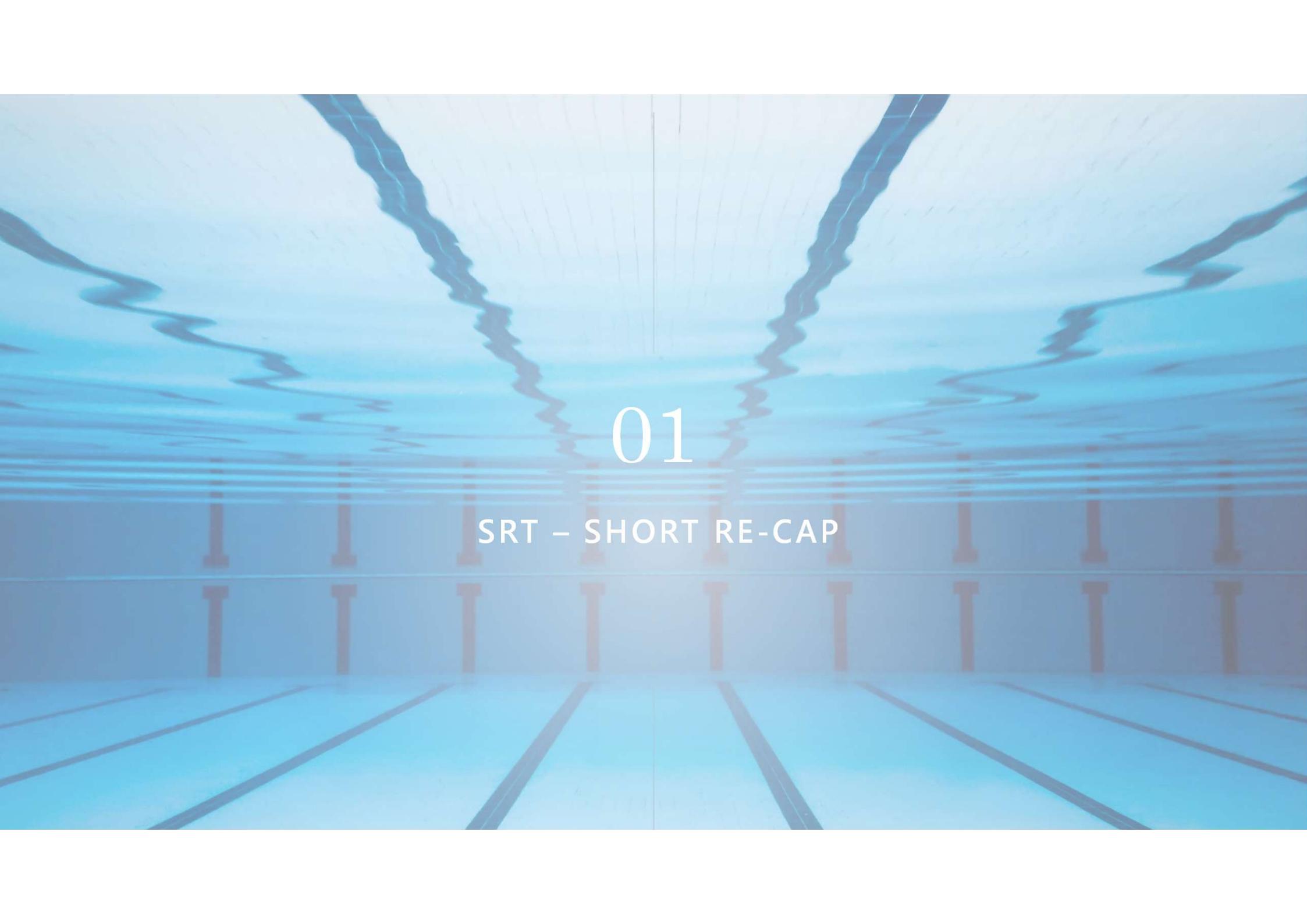
January 2026



AGENDA

- SRT – SHORT RE-CAP
- TRANSACTION UPDATE
- REGULATORY UPDATE
- THINGS TO KEEP IN MIND FOR 2026





01

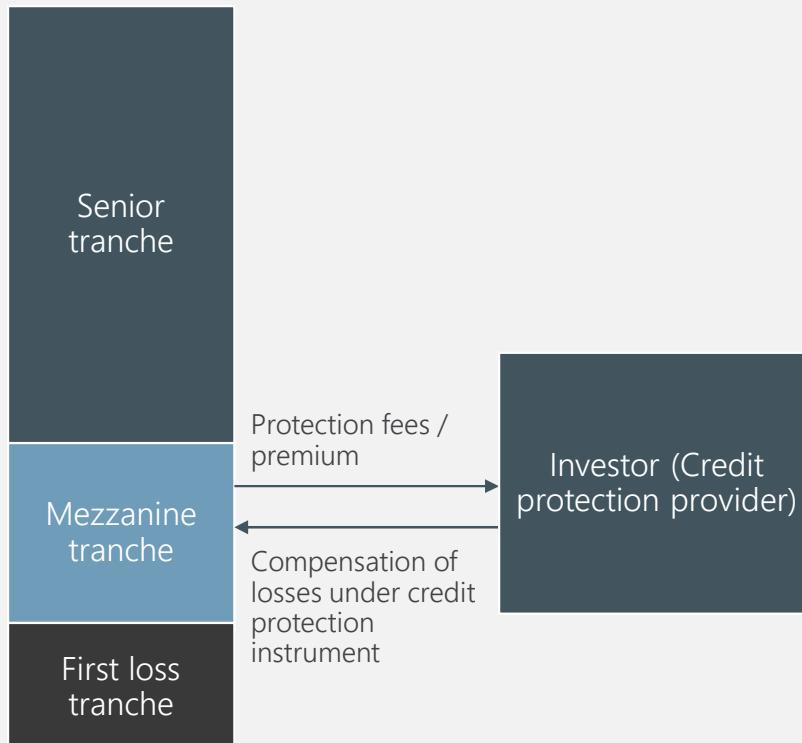
SRT – SHORT RE-CAP



OVERVIEW ON SRT TRANSACTIONS

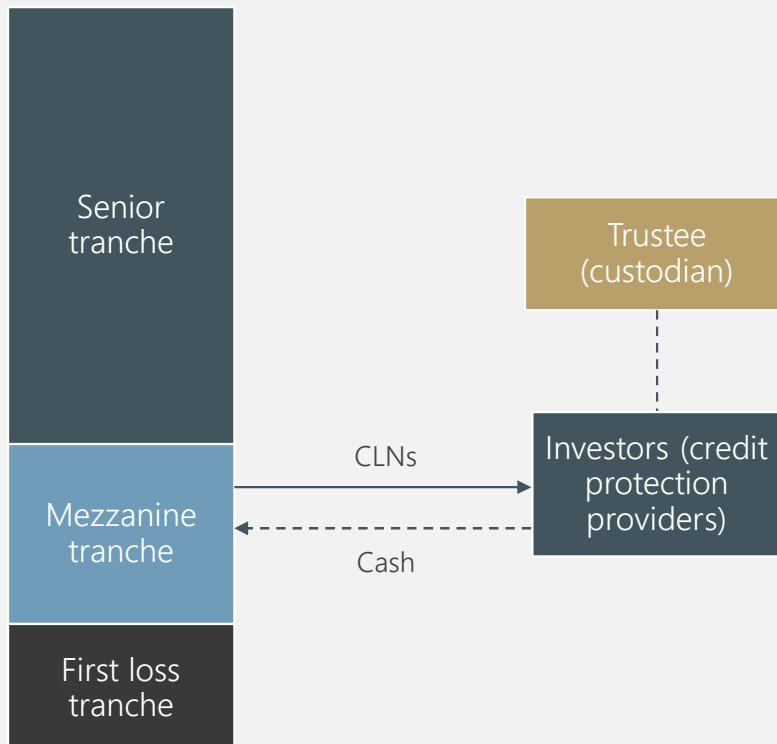
- Different terms used for SRT/CRT Transactions
 - Synthetic Risk Transfer (SRT), Credit Risk Sharing Transaction, Synthetic Securitisation, Credit Risk Transfer (CRT), Significant Risk Transfer (SRT), Capital Relief Transactions, On-Balance Sheet Transactions
- Typical SRT transaction structures
 - Direct (unfunded) SRT Structure (see slide 5)
 - Direct Issue of CLN by Originator (unfunded) (see slide 6)
 - Direct (funded) structure (see slide 7)
 - Funded structure with an SPV issuing a CLN (see slide 8)
- Art 4 CRR:
 - (58) 'funded credit protection' or 'FCP' means a technique of credit risk mitigation where the reduction of the credit risk on the exposure of an institution is derived from the right of that institution, in the event of the default of the obligor or the credit facility, or on the occurrence of other specified credit events relating to the obligor, to liquidate, or to obtain transfer or appropriation of, or to retain certain assets or amounts, or to reduce the amount of the exposure to, or to replace it with, the amount of the difference between the amount of the exposure and the amount of a claim on the institution;
 - (59) 'unfunded credit protection' or 'UFCP' means a technique of credit risk mitigation where the reduction of the credit risk on the exposure of an institution is derived from the obligation of a third party to pay an amount in the event of the default of the obligor or the credit facility, or the occurrence of other specified credit events;

UNFUNDED SRT STRUCTURE



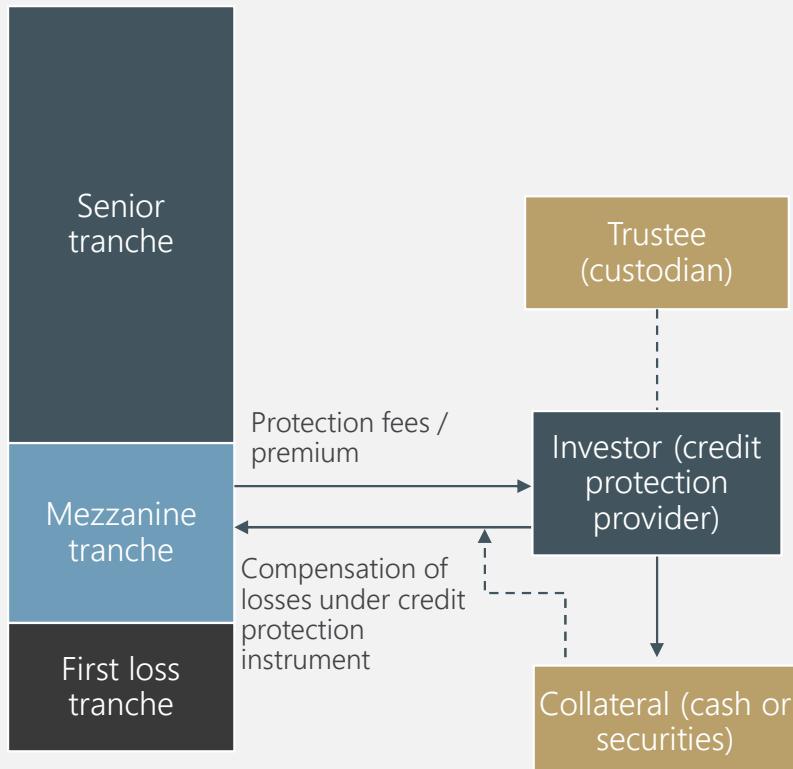
- Bilateral transaction between originator and investor (guarantee or credit derivative)
- No collateral is provided by the investor
- Simple, cheap and flexible
- Only available for limited number of investors with high credit quality (e.g. governments, international organisations with 0 % risk weight, insurance companies etc.)
- Originator is subject to credit risk of the investor
- Risk weight of the protected tranche is substituted with risk weight of the investor
- Less capital efficient unless investor has a risk weight of zero
- Risk to lose SRT benefits in case of downgrade or default of investor

DIRECT ISSUE OF CLN BY ORIGINATOR



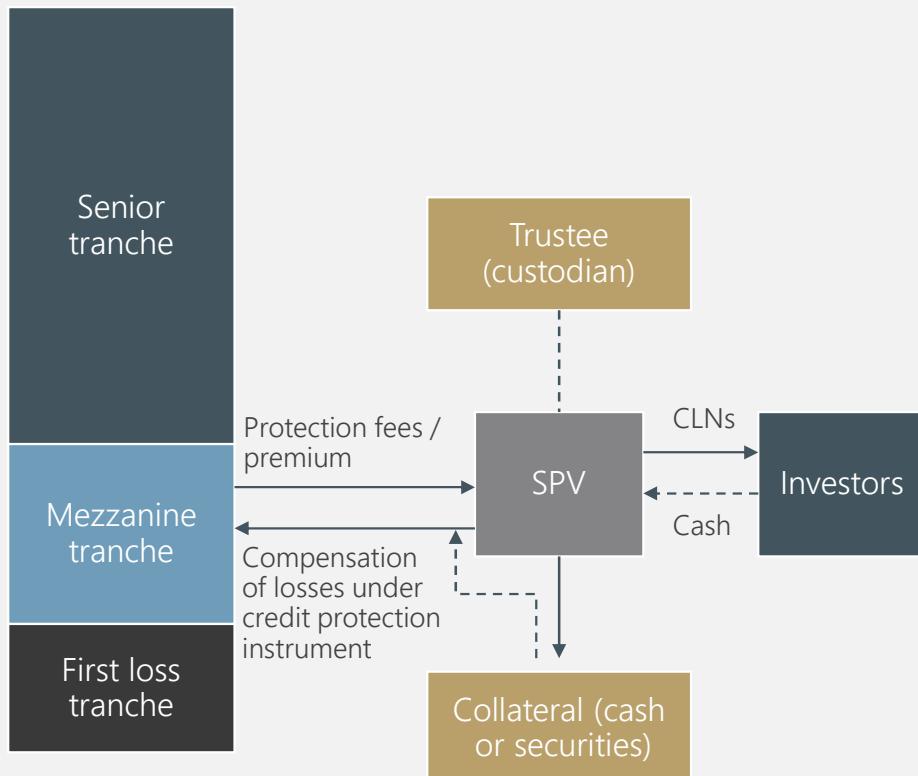
- Simpler structure, capital efficient, may be beneficial from a tax perspective
- Principal Amount of CLN is written down by the amount allocated to the protected asset tranche in case of a default
- CLNs issued by the originator are transferable and repo-able
- Investors are subject to credit risk of the originator
- Capital relief will not work in certain jurisdictions, for example where the relevant regulatory capital rules have not been introduced
- Securities laws and potential disclosure requirements apply to CLN issue
- Facilitates risk transfer to with multiple investors

DIRECT (FUNDED) STRUCTURE



- Bilateral transaction between originator and investor (guarantee or credit derivative)
- Collateral is provided to reduce credit risk of investor and reduce capital requirements at the originator
- Trustee or custodian may be required to hold the collateral; alternatively, outright transfer of collateral to originator
- If cash collateral is held by a third- party the originator faces credit risk of such third-party

FUNDED STRUCTURE WITH AN SPV ISSUING A CLN



- Originator enters into a financial guarantee, credit derivative or other credit risk transfer instrument (e.g. risk participation agreement) with an SPV
- SPV issues a CLN with a nominal amount equal to protected amount under the risk transfer instrument; Issuance proceeds are held by a deposit bank and used as collateral to secure the obligations under the risk transfer instrument
- If there is a reference obligation default which touches the protected tranche allocated to the SPV, the SPV pays loss amounts under the risk transfer instrument (noting risk retention)
- Principal Amount of CLN issued by the SPV is written down by the same amount
- If cash collateral is held by a third- party the originator faces credit risk of such third-party
- Securities laws and potential disclosure requirements apply to CLN issue
- CLNs issued by the SPV are transferable and repo-able
- CLNs are preferable if there are multiple investors

Source : Own illustration based on ESRB Occasional Paper Series No 23

SECURITIZATION TRANSACTIONS IN THE EU*

in billion euros

	Synthetic	Traditional	Total
2020	63	24	87
2021	80	54	134
2022	140	26	166
2023	132	18	150
2024	181	29	210

*Source: ECB based on significant banks' supervisory reporting



SRT REGULATORY FRAMEWORK IN THE EU

- CRR
- Securitisation Regulation
- EBA Report on Significant risk transfer in securitisations (EBA/Rep/2020/32)
- EBA Guidelines on SRT for securitisation transactions dated 17 March 2014 (EBA/GL/2014/05)
- Guide on the notification of significant risk transfer and implicit support for securitisations - Significant Risk Transfer under Articles 244 and 245 of the Capital Requirements Regulation as published in December 2025
- Final Draft RTS specifying the determination by originator institutions of the exposure value of synthetic excess spread dated 24 April 2023
- Risk Retention RTS (Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023)
- Public consultation on revisions to the ECB Guide on options and risk retention available in Union law dated July 2025
- Guidelines on implicit support for securitisation transactions (EBA/GL/2016/08)



02

TRANSACTION UPDATE

EUROPEAN SRT — ASSET-TYPE HIGHLIGHTS (2026)



- **Climate-linked consumer** (green mortgages; home energy-efficiency loans)
- **Infrastructure & project finance** (renewables, digital infra, transport/utilities; selected capital-call)
- **Cross-border portfolios** (e.g., US CRE; non-EU corporate/SME)

CLIMATE, CROSS-BORDER AND INFRASTRUCTURE

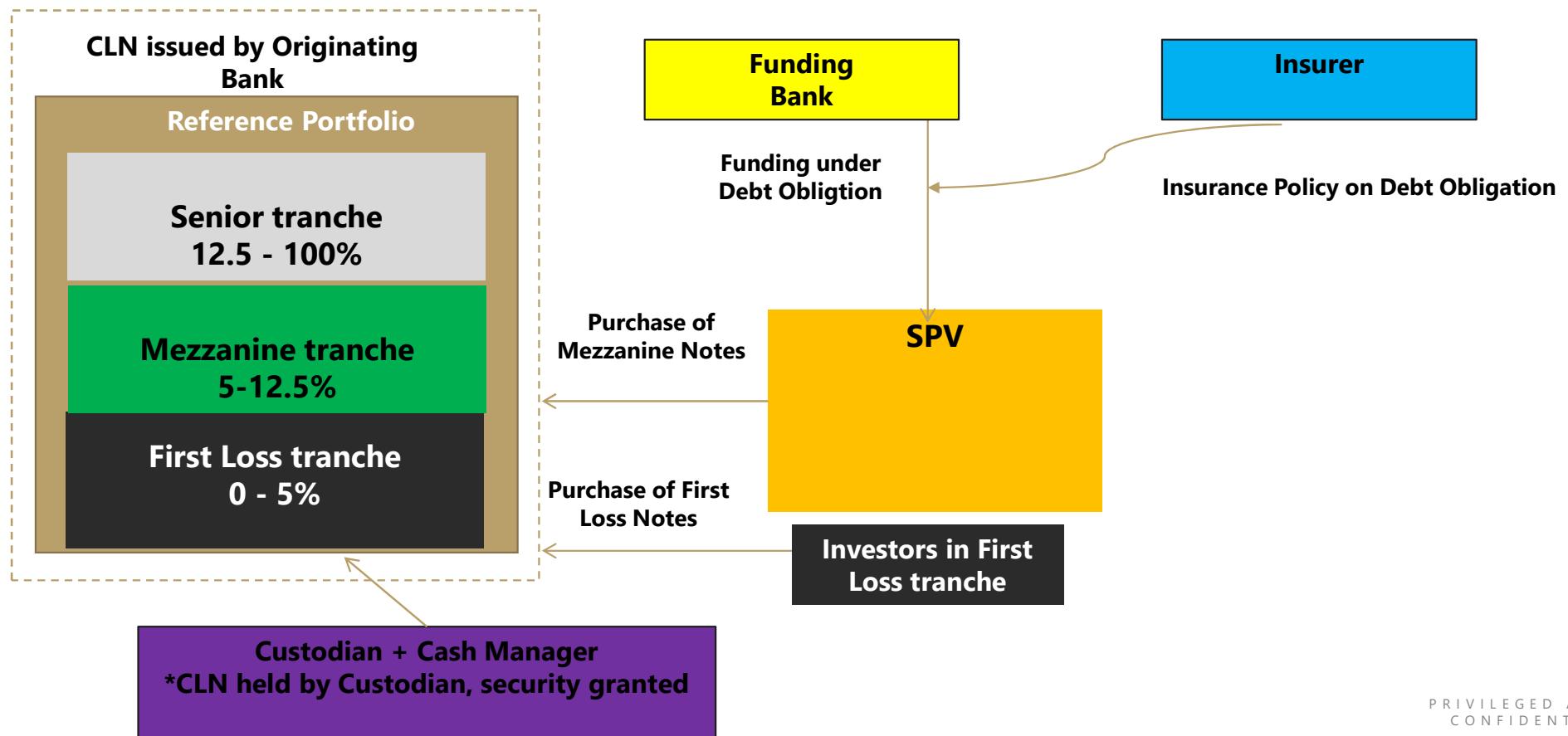


CLIMATE

CROSS-BORDER

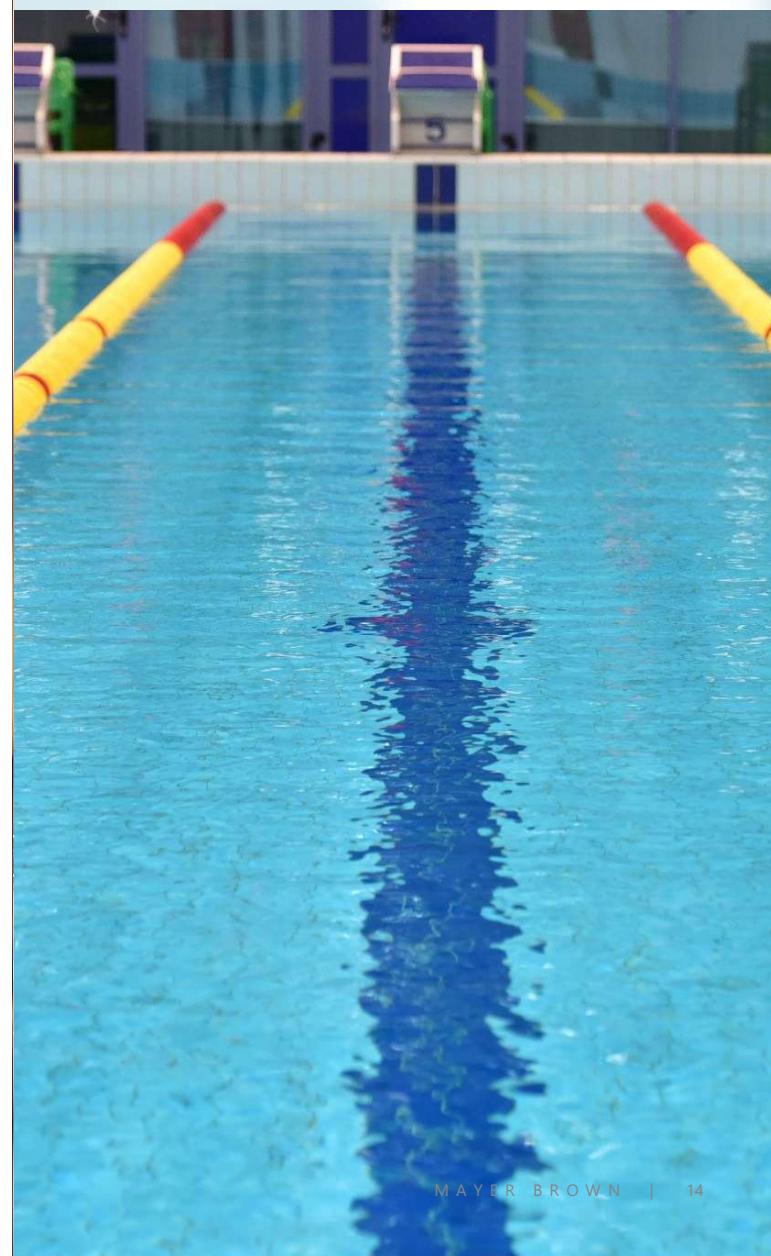
INFRASTRUCTURE

INSURANCE ACCESS STRUCTURES: SPV FUNDING/INSURANCE STRUCTURE



EU SRT TRANSACTIONS IN 2025/26: INSURANCE ACCESS STRUCTURES: SPV FUNDING/INSURANCE STRUCTURE – KEY ISSUES

- **Collateral:** PCC restrictions on taking non-local law security e.g. Guernsey
- **Subrogation Issues:** difficulties in subrogation of Funding Bank's rights to the CLN Collateral.
- **Information flows:** information flow from CLN, confidentiality restrictions.
- **Secondary market:** creation of secondary market.
- **Insurer underwriter approval:** underwriting approval can be challenging.
- **Market access:** structure eases access for insurers to market
- **Insurer/Bank Tensions:** challenges of CRR compliance, means non-standard insurance provisions. Insurer pressure to include control provisions.



GENERAL CHALLENGES FOR INSURERS ACCESSING MARKET

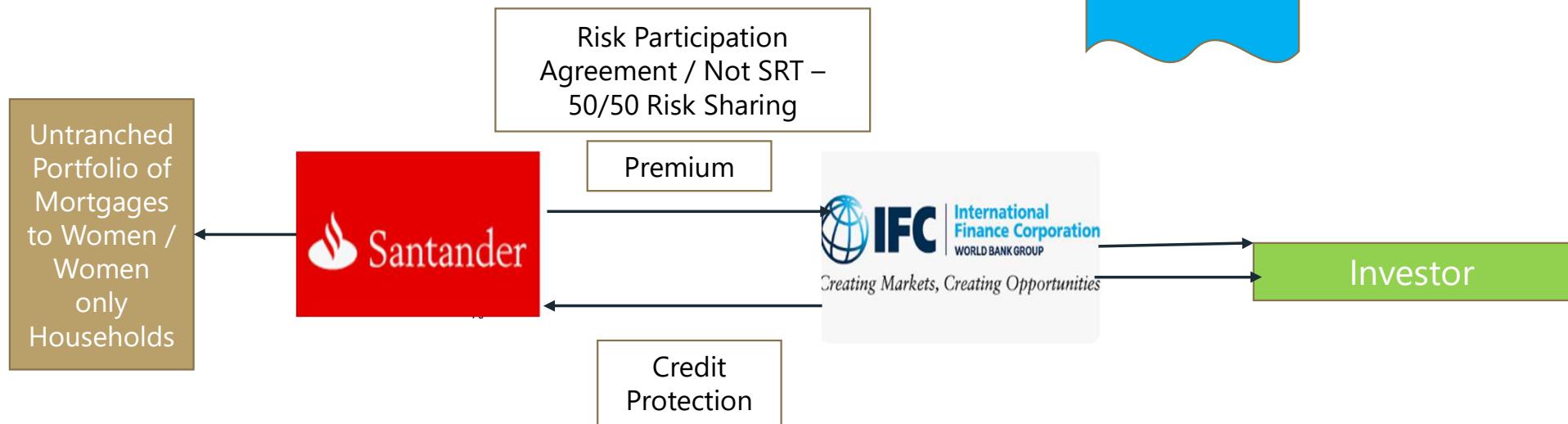


- **Collateral:** business model of insurers makes collateral posting or direct purchase of CLNs difficult.
- **Financial Guarantees:** for unfunded transactions writing financial guarantees is problematic for both US and European insurers. Issues exist in particular for New York insurers.
- **CRR:** "Credit Risk Mitigants" as defined in CRR do not include insurance. However, separate EBA guidance helpfully allows insurance.

SRT for European Banks with Latam Subsidiaries: a growing trend

SCI CRT Awards: Emerging Markets Transaction of the Year

Project Patagonia has won Emerging Markets Transaction of the Year in this year's SCI Capital Relief Trades Awards.



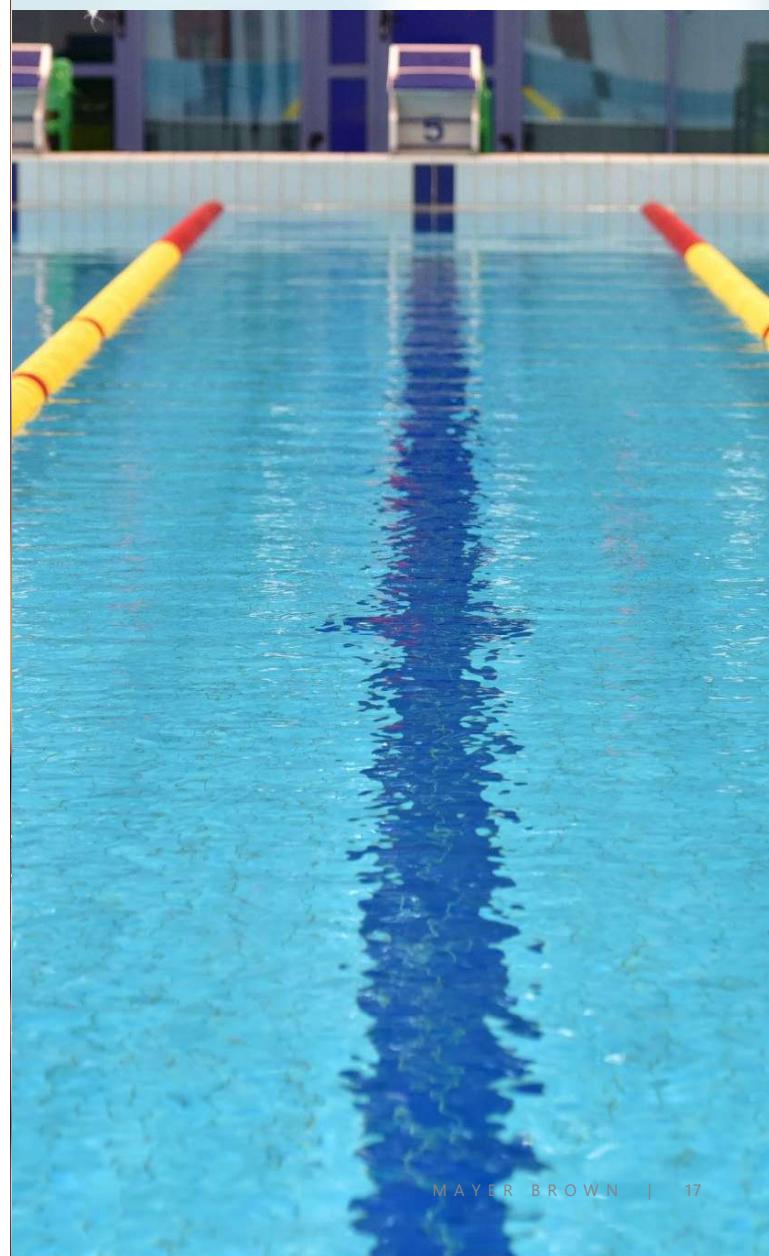
The transaction references a US\$500m portfolio of corporate loans to Chilean borrowers which remain on Banco Santander's balance sheet. IFC provides full credit risk protection on US\$400m of that portfolio. At the same time, PGGM offers a first loss guarantee to IFC on this US\$400m amount, with IFC thereby retaining senior risk exposure towards the latter. The transaction also features a three-year replenishment period, which is rather unique – especially in such a jurisdiction.

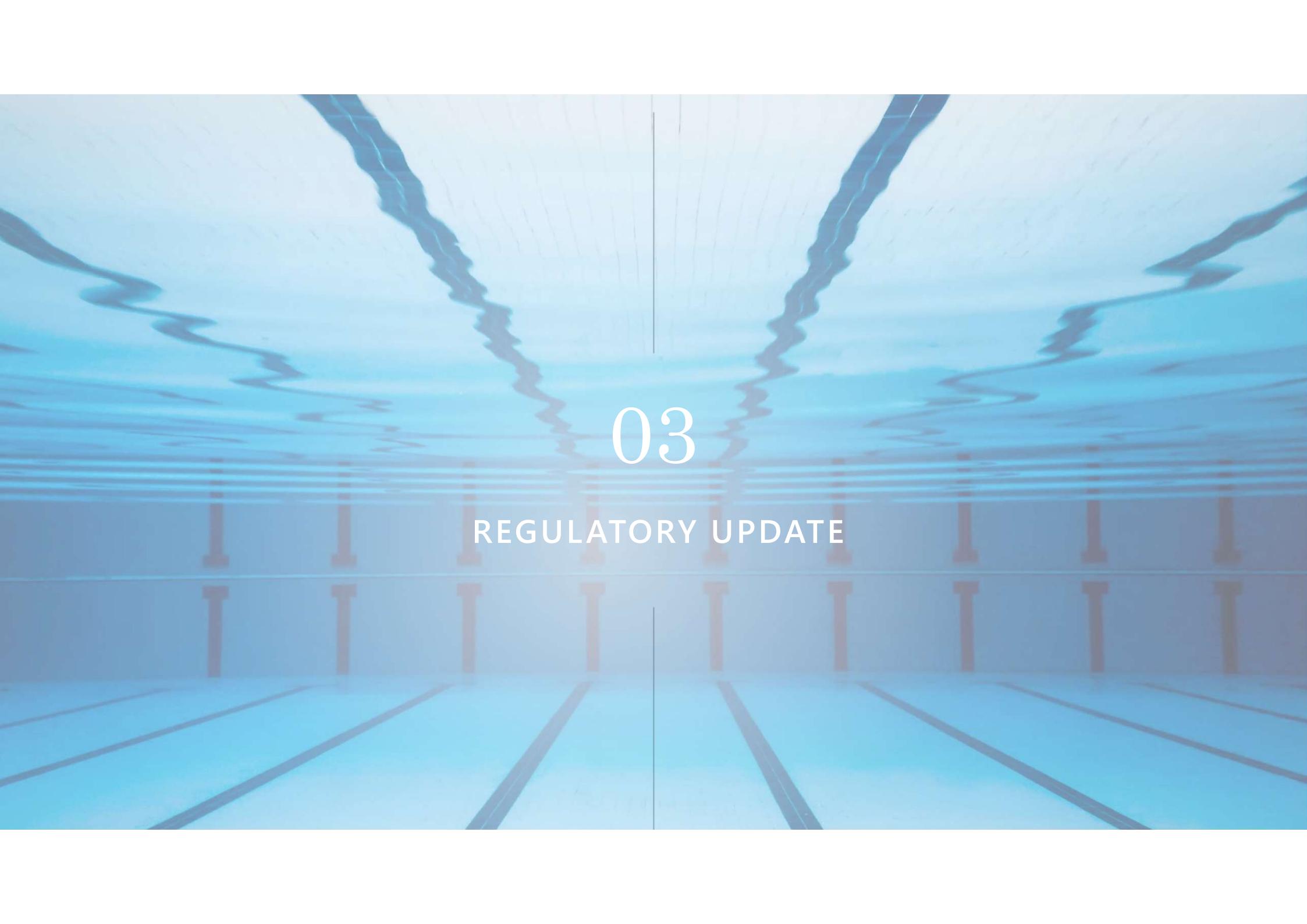


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US CRT TRANSACTIONS IN 2025

- 2025 was another strong year in US CRT market
- MB won (second year in a row) SCI's award for North America SRT/CRT Law Firm of the Year
- Bank side favorable market (and this is expected to continue in 2026)
 - Higher upfront investment to compete for CRT investors (2-3 bidding rounds)
- Still limited to funded SRT/CRT transactions
- Preduminent structures remain:
 - Bilateral CDS
 - Bank CLN (subject to Reservation of Authority approval)
 - SPV CLN (Bank-sponsord or Investor-sponsored)
- Some banks start to develop their standard CRT documentation
- Multi-investor sleeves
- Exploring aggregator platforms to unlock regional bank market





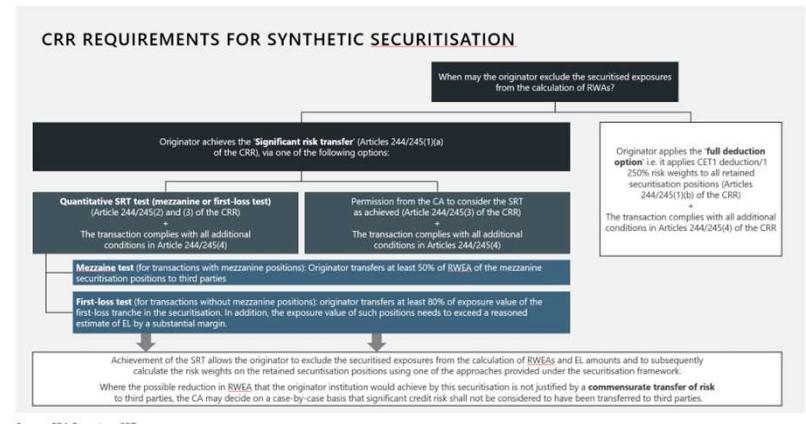
03

REGULATORY UPDATE



AMENDMENTS TO THE EU SECURITISATION FRAMEWORK – CHANGES RELEVANT TO SRT

- Current regime for significant risk transfer:



- Planned changes:

- Introduction of principle-based approach, requiring originators to prove risk transfer (50% unexpected loss) via self-assessment and cash-flow modeling (replacing the existing mechanical tests)
- Introduction of new risk-weight floors (like 7% for STS) and a new "resilient securitisation" category
- Broader STS eligibility (70% SME pool)
- Targeted changes to enhance participation of insurers and reinsurers



ECB GUIDE ON THE NOTIFICATION OF SRT AND IMPLICIT SUPPORT FOR SECURITIZATIONS – OVERVIEW

- ECB Guide was published on 19 December 2025 following a test period in 2025
- Addressed to significant supervised entities (significant institutions ("Sis")) as defined in the SSM Framework Regulation
- Lays down the notification process for the recognition of significant risk transfer ("SRT")
- Updated Guide reflects current supervisory practice concerning SRT and current trends in the market
- **Two different processes:** regular SRT process (3 months) and fast-track process (8 working days)
- ECB generally complies with the EBA Guidelines EBA/GL/2016/08
- Includes notification process for implicit support pursuant to Art. 250 (3) CRR



THE REGULAR SRT PROCESS

- Applicable in case of intention:
 - To recognize SRT in accordance with Art. 244(2) or 245(2) CRR (**test-based transactions**); or
 - to apply for a permission in accordance with Art. 244(3) or 245(3) CRR (**permission-based transactions**)
- **Pre-notification** of the ECB at latest three months prior to closing
- Originators should indicate that transaction is similar to previous transactions and indicate changes
- In case of specific features an **informal dialogue** with the relevant JST is recommended



INFORMATION TO BE PROVIDED UNDER THE REGULAR SRT PROCESS

- **Notification package** consists of initial notification and the information set out in Annex I of the ECB Guide (see next slide)
- List in Annex I is not exhaustive; ECB can ask for additional information depending on the structure of the transaction
- Updated notification package to be provided to ECB once transaction is in pre-final form (**freeze period notification**)
- Updated notification expected to be provided one month in advance

INFORMATION TO BE PROVIDED TO THE ECB - INFORMATION ON THE TRANSACTION

1. the nature of the transaction (i.e. whether it is a traditional or a synthetic securitisation, as defined in Article 242 CRR);
2. the legal provisions the originator institution is relying on to claim a significant risk transfer (SRT), together with a declaration by the originator institution that the transaction meets the conditions of Articles 244(2) or 245(2) CRR, and how this is achieved;
3. the notional amount of the deal in euro as well as in the original currency of the deal, if applicable;
4. the weighted average life of the transaction and the longest maturity of any exposure being securitised, as well as the maturity distribution of the securitised exposures;
5. the initial public documentation or investor documentation of the transaction, and any additional information covering in particular the structure of the transaction (including the number, respective size, seniority and thickness of all tranches and their respective attachment and detachment points, including all credit enhancements such as funded or unfunded reserve accounts, funded or unfunded guarantees provided on certain tranches in the case of traditional securitisations, and liquidity facilities, as well as, the retained or transferred nature of the tranches, and their remuneration) and a breakdown of all securitisation positions, whether retained or transferred to third parties;
6. information on the amount sold on the primary market to investors who have close links with the originator institution (using the definition of "close links" provided in Article 4 (38) CRR);
7. in the case of a privately-placed transaction, the name, type, legal form, and country of establishment of potential/actual investors, and whether any of these investors have close links with the originator institution;
8. for traditional securitisations, an opinion from a qualified legal counsel confirming that the securitised exposures are beyond the reach of the originator institution and its creditors, including in bankruptcy and receivership;
9. for traditional securitisations, an accounting opinion that the originator institution does not retain control over the underlying exposures (ensuring conditions as per Article 244(4)(d) CRR);
10. for synthetic transactions, an opinion from a qualified legal counsel confirming the enforceability of the credit protection in all relevant jurisdictions;
11. for synthetic transactions an assessment of how the protection complies with the requirements of Article 249 CRR and the legal documentation of any instruments through which the risk is effectively transferred;
12. the unique identifier of the securitisation, as defined in Article 11 of the [Commission Delegated Regulation EU\) 2020/1224 of 16 October 2019²⁰](#);
13. the CET1 capital ratio reduction (at all relevant consolidation levels) stemming from the recognition of the SRT;
14. the envisaged date for the recognition of the SRT for supervisory reporting purposes;
15. a declaration confirming under their own responsibility that the transaction, once finalised, will meet the conditions of Articles 244 or 245 CRR.

INFORMATION TO BE PROVIDED TO THE ECB - INFORMATION ON THE SECURITIZED EXPOSURES

1. the type(s), geographical origin(s), and asset class(es) of securitised exposures, as well as their NACE sector classification;
2. full details of the underlying assets/reference portfolio either through loan-level data or detailed stratification tables, depending upon the concentration risk or granularity of the underlying portfolio;
3. the methodology used to select exposures to be securitised;
4. the currency or currencies of issuance and the currency or currencies of the securitised exposures;
5. the reference portfolio size in euro;
6. the share of leveraged and highly leveraged exposures according to the ECB definition;
7. the amortisation type of the securitised exposures (e.g., French or German amortisation, bullet, interest only, or revolving);
8. the total amount of risk-weighted exposure amounts (RWEA) of the securitised exposures pre-securitisation;
9. the K_{IRB} , or K_a and K_{sa} , as applicable, corresponding to the capital charges on the securitised exposures had they not been securitised;
10. if the originator uses the securitisation internal ratings based approach (SEC-IRBA), the name of the IRB models used to estimate the K_{IRB} for the securitised exposures as well as the PD and LGD estimated via the IRB models for the securitised exposures (embedding any regulatory add-on or limitation);
11. the amount and percentage of expected losses (EL) and unexpected losses (UL) and the methodology applied to determine them, in particular for non-IRB originator institutions, under all scenarios (baseline, adverse, evenly loaded and backloaded);
12. the amount of provisions associated with the reference portfolio, with information on whether or not these provisions will be released as a consequence of the transaction;
13. if the originator uses SEC-IRBA, the amount of any provisioning shortfall associated with the reference portfolio together with information on whether or not the securitisation will imply a reduction in the shortfall deducted from CET1.



INFORMATION TO BE PROVIDED TO THE ECB – INFORMATION ON THE SECURITIZATION POSITIONS

1. the total amount of RWEA equivalent to the capital post-securitisation for the entire securitisation and the approach used to calculate this amount in line with the hierarchy of methods according to Article 254 CRR.
2. the amount of capital deductions relating to securitisation exposures retained by the originator institution.
3. the magnitude of the risk transferred by the originator institution as a proportion of RWEAs pre-securitisation.

INFORMATION TO BE PROVIDED TO THE ECB – OTHER INFORMATION

1. whether and how the originator institution will comply with the retention requirement, in accordance with Article 6 of the Securitisation Regulation, and in particular which form of retention will be used;
2. the existence and modalities of specific features, and in particular:
 - (a) any revolving, ramping-up or replenishing pool structure or structures where securitised exposures can be added to the pool after closing, over the life of the transaction, including explanations of the conditions to be fulfilled in order to proceed with the addition of exposures (e.g. eligibility criteria, replenishment stop events);
 - (b) early amortisation provisions, if any, and how these provisions comply with Article 246 CRR;
 - (c) for non-performing loan (NPL) securitisations, the non-refundable purchase price discount on securitised exposures;
 - (d) early termination clauses (e.g. time calls, regulatory calls, and any others except clean up calls);
 - (e) traditional or synthetic excess spread, as applicable, and its mechanism (e.g. "trapped" or "use-it-or-lose-it");
 - (f) any obligations or options for the originator institution to repurchase securitised exposures;
 - (g) type of amortisation (i.e. pro rata or sequential) and the performance-related triggers that switch the amortisation system;
 - (h) liquidity or credit facilities granted to the special purpose vehicle (SPV) in the case of a traditional securitisation and any other feature that could represent implicit support from the originator institution as described in Article 250 CRR;
3. details of any periodic exchange rate resets and any relevant information on how currency exposure is to be hedged and managed;
4. In addition,:
 - (a) an economic rationale for the transaction from the originator institution's perspective;
 - (b) details of the internal approval process for the transaction, in line with the institution's governance and risk management policies and arrangements;
 - (c) a description of the risks retained by the originator institution;
 - (d) information on ratings provided by external credit assessment institutions (ECAs) on the securitisation positions, or an explanation as to why external ratings have not been solicited on part or all of the securitisation positions;
 - (e) a modelling of cash flows covering the entire life of the transaction, with differentiated modelling in the case of time calls and other options affecting the final maturity of the transaction, under several scenarios (for example, internal baseline, adverse, evenly loaded or backloaded). Additional scenarios may be requested.



ECB'S FEEDBACK UNDER THE REGULAR SRT PROCESS

- ECB assessment determines whether the transaction meets regulatory eligibility conditions and the SRT framework
- Originators are generally **advised to wait** for the ECB's provisional feedback before executing the transaction and recognizing the capital reduction
- ECB will object on recognition of SRT if the outcome is negative
- For permission-based transactions capital reduction may only be recognized following positive decision by the ECB
- Conditions in Art. 244 and 245 CRR need to be complied with **throughout the lifetime of the transaction**
- ECB may **object** the recognition of SRT **at any time** during the lifetime of the transaction



SRT FAST-TRACK PROCESS - OVERVIEW

- Reduces the time needed for a final response from the ECB from three months to eight working days
- Based on a **harmonized notification template** including qualitative and quantitative information to demonstrate the SRT
- Can be used for **simpler and more standardized** traditional and synthetic securitizations without complex features (see eligibility criteria below)
- **Ex-post checks** may be conducted by ECB to verify that information in the templates is correct
- Fast-track process is **limited to test-based transactions** in accordance with Art. 244(2) or 245(2) CRR
- Despite faster process all eligibility criteria for SRT apply in full

FAST-TRACK PROCESS - ELIGIBILITY CRITERIA

- **Size** - total aggregated notional amount shall not exceed EUR 8 billion
- **Capital relief** - in terms of CET1 by such originations shall not exceed 25 basis points
- **Granularity** - At origination, at least 100 effective exposures must be assured, while no individual aggregate exposure value shall exceed 2 % of the pool's value
- **Underlying** - Pool of securitized exposures shall only include credit risk exposures in the banking book which have defined periodic payment streams. Rental, principal, interest payments or similar rights may differ in their instalment amounts. However underlying exposures shall not include transferable securities, except for non-listed corporate bonds
- **Performing Assets** - No exposures in default under the Arti. 178 (1) CRR definition
- **Credit protection** – Interim credit protection to be paid no later than 6 months after the occurrence of a credit event
- **Premiums** - Should be contingent on outstanding amounts to the protected tranche. Mechanisms which avoid allocation of losses to investors should not be featured
- **Regulatory** - Compliance with minimum criteria of CRR
- **Verification** – In case of **synthetic securitizations** a third-party verification agent as defined in Art. 26e (4) of the Saucerization Regulation is appointed
- **Hedging** – In case of traditional securitizations interest-rate and currency risks are appropriately mitigated
- **Pricing** - In the case of traditional securitizations, at least 15% of each of the tranches that are neither risk-weighted at 1,250% nor deducted from CET1 items is sold to external investors to demonstrate that the tranches have been correctly priced
- **Additional criteria** for securitisations with an **internal risk-based** ("IRB") approach which are subject to supervisory measures:
 - The limitations imposed by ECB directly impact Kirb and SEC-IRBA risk weights
 - Securitisations with underlying portfolios covered by IRB models subject to specific additional measures are only eligible if a conservative approach is individually agreed with the ECB
 - In all cases, the originator is obliged to reflect the supervisory measures in a more conservative Kirb, reported accordingly in the Fast Track template.
 - Eligibility of securitisations under specific national state guarantee programmes needs to be discussed with the JST on a bilateral basis

FAST-TRACK PROCESS – EXCLUSIONS

- **First-time SRT** securitizations or were no SRT issuance occurred in the last 5 years (assessed at a group level)
- Securitizations with a **ramp-up period** for the securitized exposures o
- Securitizations that incorporate full **pro-rata amortization**
- Securitizations with **hybrid amortization** that lack clearly specified contractual triggers for switching to sequential priority.
- Securitizations with **more than 35% of bullet loans** in the initial pool of securitized exposures in terms of notional amount.
- non-performing loans ("NPL") and any securitization with defaulted exposures at origination according to Art. 178 para. 1 CRR.
- Certain securitizations that include any securitized exposure that meets the definition of leveraged and **highly-leverage exposures** n accordance with the 2017 ECB guidance on leveraged transactions.
- Securitizations where the originating **SI has close links with investors**, or provides financing related to the investment in the securitization
- Securitizations with **individual early termination clauses** that are not aligned with standard wording according to Annex III of the ECB Guidance (see **standardized wording for the call options** that are accepted in the SRT fast-track process in Annex III)
- Synthetic securitizations with **synthetic excess spreads** Securitizations
- Traditional securitizations where the pool of securitized exposures is sold with a **discount on the nominal or outstanding value** of the exposures



FAST TRACK PROCESS- INFORMATION TO BE PROVIDED TO ECB

- Fast-track template (in form of a standardised Excel sheet) that demonstrates eligibility for the fast-track process, signed by a member of the management body
- Options (may be submitted in draft form):
 - for **traditional securitisations** an **accounting opinion** confirming that the originator institution does not retain control over the underlying exposures (Art. 244(4)(d) CRR)
 - for **traditional securitisations** an opinion from **legal counsel** confirming that the securitised exposures are put beyond the reach of the originator institution and its creditors, including in bankruptcy and receivership (Art. 244(4)(h) CRR)
 - for **synthetic securitisations**, an opinion from a qualified legal counsel confirming the enforceability of the credit protection in all relevant jurisdictions (Art. 245(4)(g) CRR)
- A **summary document** outlining the key elements of the transaction to facilitate the ECB's understanding of the objective and general structure of the transaction, including information on:
 - call options, performance triggers for the amortisation of the different tranches, in case of CLN the use of proceeds and voluntary adjustments, methodology for the calculations on the costs of capital for synthetic securitisations and for securitisations featuring a currency mismatch explanation of management and hedging of such currency mismatches



FAST TRACK PROCESS – APPLICATION PROCESS AND FEEDBACK FROM THE ECB

- Pre-notification of ECB **one month** before the expected closing date of the securitization
- Final notification should be submitted at the latest **ten working days** before the expected closing date
- ECB provides feedback within **8 working days** after receipt of final fast-track notification (email of no objection on SRT recognition)
- If transaction does not meet the fast-track criteria the notification will be accessed by the ECB in the regular SRT process (within three months)
- ECB may conduct **ex-post monitorings/on-site inspections** to ensure that the information provided in the course of the fast-track process is accurate; material inaccuracies in the fast-track process could result in derecognition of SRT
- If an institution provides misleading information in the fast-track process, the ECB can decide to reject the fast-track process in future



FURTHER OBLIGATIONS OF UNDER THE ECB GUIDE

- **Final version of all documents** and all required information should be provided to ECB within one month from the date of origination (including any changes to the fast-track template)
- This submission does not replace the submission in accordance with the ECB "Guide on the notification of securitization transactions – Articles 6 to 8 of the Securitization Regulation"
- Notification requirement for **significant SRT events** during the lifetime of a transaction, e.g.:
 - Restructuring of the transaction
 - material changes to an IRB model
 - significant changes to the terms and conditions
 - Increase of the securitized amount
 - Execution of call option or time calls



04

THINGS TO KEEP IN MIND FOR 2026

THINGS TO KEEP IN MIND FOR 2026

- **SRT in the regulatory focus:** ECB will guard against “undue risk-taking and a weakening of resilience” from banks’ and it would take “adequate measures” if banks’ growing use of this area of the securitisation market raises “prudential concerns”.
- **CRR3’s output floor is now the anchor.** Structures must be “floor-proof” under SEC-SA/SEC-ERBA, so expect thicker mezzanine and higher senior attachment. The EU’s temporary halving of p-factors for floor calculations runs to end-2032; it softens, but does not remove, the drag—build the capital maths into pricing up-front.
- **Synthetic excess spread is capitalised.** While not legally required, in practice keep SES hard-capped, time-bucketed and aligned to clean, plain-English waterfalls. Supervisors are sharpening commensurateness tests and life-cycle monitoring, so calls, replenishment stops and amortisation need to be defensible on day one and through life.
- **The UK is diverging.** From 1 January 2026 the PRA’s expectations harden governance and normalise unfunded guarantees—expect robust downgrade, substitution and collateral terms; no STS for synthetics. Basel 3.1 from 1 January 2027 is set to add a formulaic p-factor under SEC-SA—start capturing the inputs now.
- **Portfolio mix will shift under standardised constraints.** Prime mortgages and granular retail are favoured. Corporate/SME books remain core but will be pricier and need thicker mezzanine, ratings-ready tranches and, often, MDB/ECA wraps to stabilise execution—set coupon expectations accordingly.



THANK YOU!



PARTNER
DR. PATRICK SCHOLL

FRANKFURT +49 69 7941 1060
PSCHOLL@MAYERBROWN.COM



PARTNER
ED PARKER

LONDON +44 20 3130 392
EPARKER@MAYERBROWN.COM



PARTNER
ALEXEI DÖHL

FRANKFURT +49 69 7941 1105
ADOEHL@MAYERBROWN.COM



PARTNER
SAGI TAMIR

NEW YORK +212 506 2583
STAMIR@MAYERBROWN.COM

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The team consists of experienced lawyers as well as young, ambitious and inquisitive talents. This also makes it clear to the clients how important it is to the partners to provide well founded training for the up and coming talent. In addition, all team members are incredibly friendly, so working together is a lot of fun, even beyond the technical side

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