



# Panel discussions: What are the prospects for Warehousing in the Region?

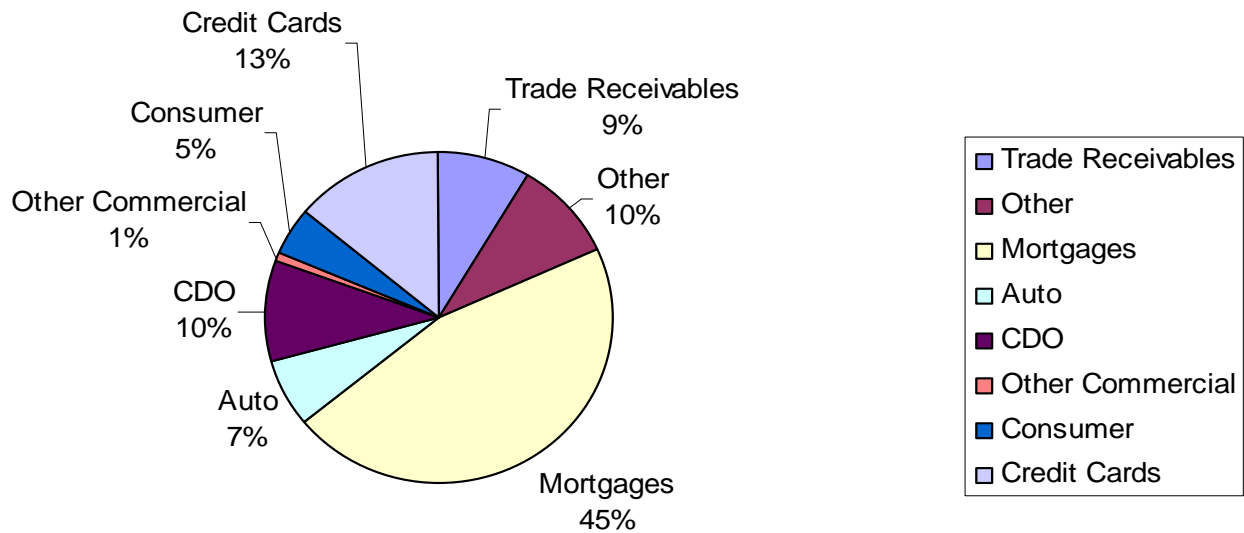
Moderated by Alex Medlock, Head of Securitisation

VTB Bank Europe

# What drives demand for Warehousing Structures?

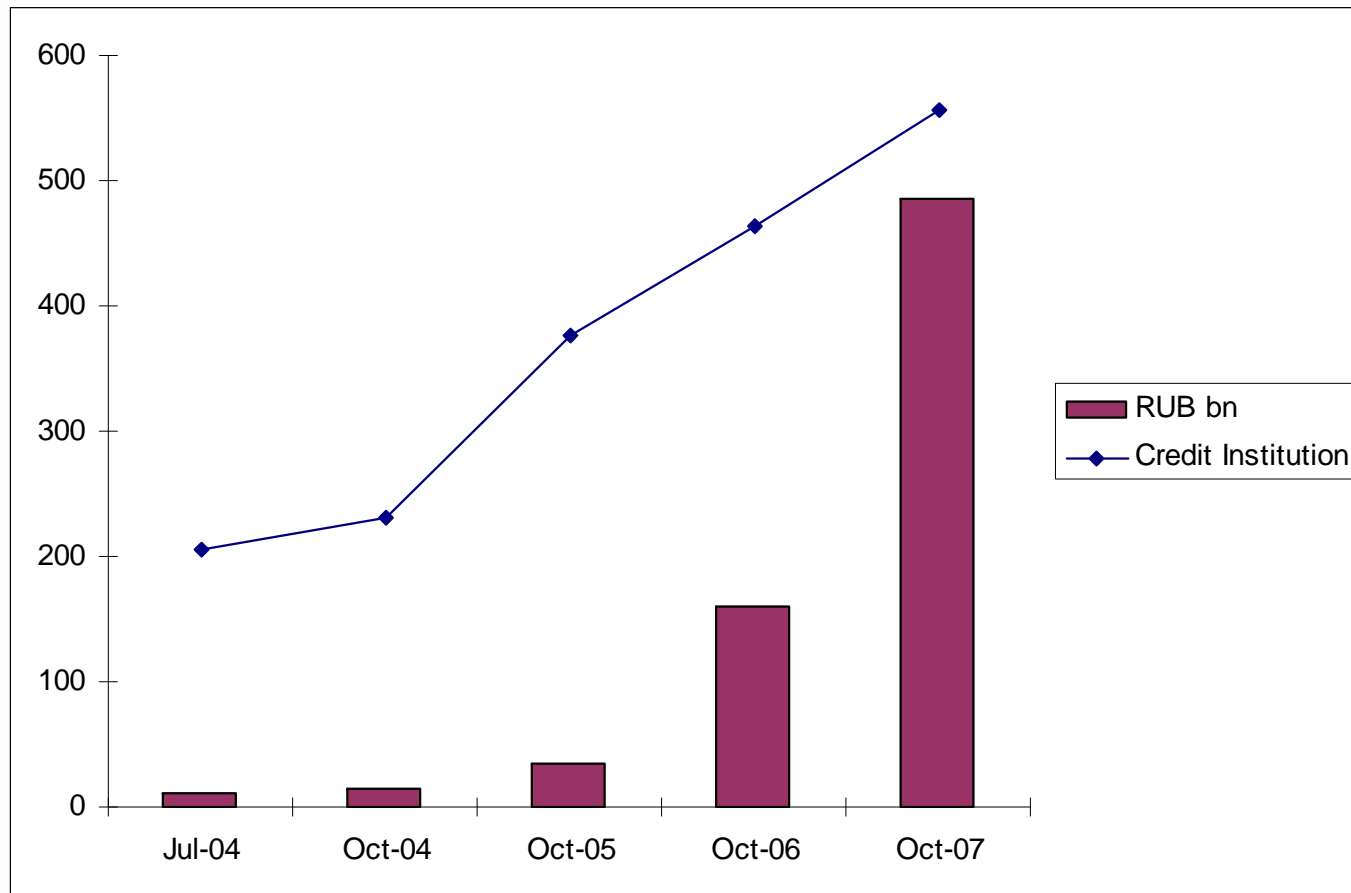
- Building “Critical Mass”
- Achieving economies of scale
- Establishing historical performance for underlying collateral
- Testing securitisation processes and reporting
- Relative appetite of private and public markets
- Platform for multi seller programs

# Breakdown of Assets



Source: Standard & Poor's

# Russian mortgage capacity

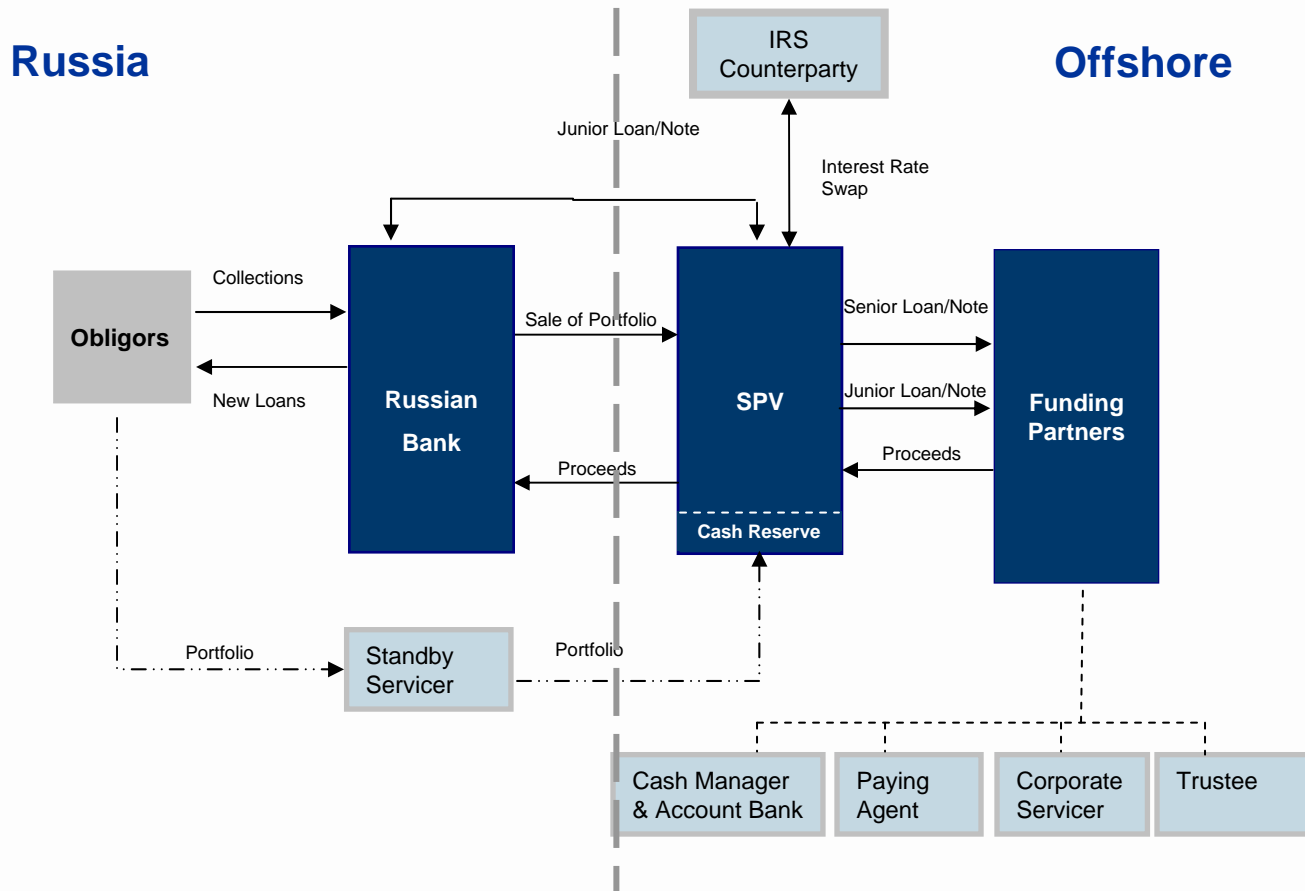


Source: VTB Bank Europe Research

## First Warehousing Structures in the region

- VTB's first involvement was establishing a warehouse for City Mortgage Bank in November 2005
- Offshore true sale structure for refinancing portfolios of Russian residential mortgages
- Funding provided jointly by VTB and Raiffeisenbank – initially US \$ 50 million and increasing to USD \$ 75 million in March 2006
- Warehouse facility repaid in August 2006 with issue of RMBS Senior/Subordinate term transaction rated Baa2 by Moody's
- A number of warehouse structures in Russia and CIS over the last 2 years covering several asset classes

# How do Warehouses operate?



--- Flows following a failure event of the Russian Bank in performing the role of Servicer

# Asset accumulation in a Warehouse Structure

- Substitution criteria (applied to each pool before sale of Warehouse)
  - Original LTVS
  - Loan size
  - Regional Concentration
  - Remaining term
- Draw Stop Events (applied to the portfolio in the Warehouse)
  - Defaults
  - Delinquencies
  - Excess spread
  - Originator solvency

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