

ABSPERPETUAL

DERIVATION OF CPR FROM RBA DATA

Conditional Prepayment Rate (CPR) is an annualised measure of a pool's principal balance that is estimated to be paid off each period ahead of schedule.

The approach taken is intended to reflect both underlying borrower behaviour as well as structural features of a transaction for RMBS term issues.

Note: Labelling Data Elements

- Current Period = Superscript "C" - example: $(RT100)^C$
 - Note: All derived values are current period unless otherwise labelled
- Previous Period₁ = Superscript "P" - example: $(RT100)^P$
- Aggregated from loan level value = Subscript "A" - example: $(RL012)^C_A$
- Refer to Annexure a for a list source data fields

Prepayment is determined by the difference between the principal collection and the scheduled principal payment.

Principal Collection

The Principal Collection can be sourced directly from the Transaction Data reported to RBA.

$$\text{Principal Collection} = \text{Ending Pool Balance}(RT100)^P - \text{Ending Pool Balance}(RT100)^C$$

Scheduled Principal Payment

The Scheduled Principal Payment requires data sourced from both Transaction and Loan Level Data reported to RBA.

As interest only loans do not have a scheduled principal component, the scheduled principal payment formula below excludes/adjusts for interest only loans:

$$\text{Interest Only \%} = \frac{(\text{Current Balance}(RL012)^P_A \text{ for Loan Type}(RL034)^{P2,3 \& 4})}{\text{Current Balance}(RL012)^P_A}$$

Interest Rate = Weighted Average Interest Rate (excluding interest only loans)

$$= \frac{\sum_{i=1}^n \left((\text{Current Balance}(RL012)^{P_i}) \times \text{Current Interest Rate}(RL042^P \text{ or } RL106^P)_i \right)}{\sum_{i=1}^n \text{Current Balance}(RL012)^{P_i}}$$

n = All P&I Loans (excluding Loan Type $(RL034)^{P2,3 \& 4}$)

Remaining Term = Weighted Average Remaining Term (excluding interest only loans)

$$= \frac{\sum_{i=1}^n \left((\text{Current Balance}(RL012)^{P_i}) \times \text{Remaining Term}(RL026)^{P_i} \right)}{\sum_{i=1}^n \text{Current Balance}(RL012)^{P_i}}$$

n = P&I Loans (excluding Loan Type $(RL034)^{P2,3 \& 4}$)

Scheduled Principal Repayment

$$= (1 - \text{Interest Only \%}) \times \text{Beginning Pool Balance (RT253)}^c \times \frac{\text{Interest Rate}}{12} \\ \times \left(\frac{1}{1 - \left(1 + \frac{\text{Interest Rate}}{12}\right)^{-\text{Remaining Term}}} - 1 \right)$$

Single Month Mortality₂ - SMM

$$\text{Total Prepayment} = \text{Principal Collection} - \text{Scheduled Principal Payment}$$

$$\text{SMM} = \frac{\text{Total Prepayment}}{\text{Beginning Pool Balance (RT253)}^c - \text{Scheduled Principal Payment}}$$

Conditional Prepayment Rate

The SMM is substituted into the periodic CPR formula to annualise the prepayment rate:

$$\text{CPR} = 1 - (1 - \text{SMM})^{12}$$

APPENDIX A - SOURCE DATA FIELDS

TRANSACTION DATA

FIELD CODE	FIELD NAME	RBA FIELD DESCRIPTION
RT100	Ending Pool Balance	Aggregate loan balance, as at the Collateral Date.
RT253	Beginning Pool Balance	Aggregate loan balance, as at the beginning of the collection period.

LOAN LEVEL DATA

FIELD CODE	FIELD NAME	RBA FIELD DESCRIPTION
RL010	Loan ID	Unique identifier of the mortgage loan assigned by the Servicer. Must have a common Group Loan ID for each split loan that is secured by the same property. Must not include any personal details such as names, addresses or date of birth. Cannot be the same as the Group Loan ID (if applicable).
RL012	Current Balance	The outstanding amount of the loan, as at the Collateral Date. The Current Balance is the sum of the outstanding amount on the loan, unpaid and due principal, interest, any penalty interest and all other fees and costs charged to the loan balance.
RL034	Loan Status	The type of payment features the loan had on collateral Date. This describes the amortisation profile of the loan (i.e. the way in which the principal of the mortgage loan will reduce over time). Principal payment type: 1 - Principal and Interest 2 - Interest-only period followed by bullet repayment 3 - Interest-only period followed by principal amortisation 4 - Line of Credit - Interest Only 5 - Line of Credit - Amortising 6 - Other
RL042	Interest Rate	Interest rate applied to loans that have a variable or floating-rate interest rate type only.
RL106	Interest Rate	Interest rate applied to loans that have a fixed-rate interest rate type only.

Notes:

- 1 - Previous Period: The most recent period prior to the current period for which data is available.
- 2 - Single Month Mortality: Total Prepayments has a minimum value of zero, avoiding a negative CPR outcome.

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QUESTIONS & FEEDBACK

Email pct_data_services@perpetual.com.au
www.absperpetual.com

