

CRR ASSESSMENT

Pulse UK 2024 plc



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

26th November 2024

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It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

26th November 2024

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Verification	26 November 2024
The transaction to be verified (the "Transaction")	Pulse UK 2024 plc
Issuer	Pulse UK 2024 plc
Originator	Arval UK Limited
Lead Manager(s)	BNP Paribas
Transaction Legal Counsel	Hogan Lovells International LLP
Rating Agencies	DBRS / Moody's
Stock Exchange	Irish Stock Exchange
Closing Date	26 November 2024

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

Within the checklist, the relevant legislative text is set out in light blue introductory boxes with specific criteria for our verification listed underneath.

Legislative Text

Article 243 (1)

2. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:

1a

CRR Criteria

(a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor.

Meets Criteria?
YES

PCS Comments

See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS, 1. RECEIVABLES PURCHASE AGREEMENT

Portfolio Criteria

The following Aggregated Portfolio Criteria and Additional Portfolio Criteria (together, the "Portfolio Criteria") are calculated throughout the Revolving Period (including on the Closing Date) on each Purchase Date.

Aggregate Portfolio Criteria

The following portfolio criteria (the "Aggregate Portfolio Criteria") are calculated by taking into account the Additional Portfolio to be purchased on the relevant Purchase Date (the Initial Portfolio and the Additional Portfolio being together the "Portfolio"):

(a) The Aggregate Outstanding Lease Principal Balance of the Lease Receivables held over a single Lessee or Lessees belonging to the same Company Group does not exceed 2.0% of the Aggregate Outstanding Lease Principal Balance of the Portfolio;

¹ REGULATION (EU) 2017/2401 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

1b	<p>CRR Criteria</p> <p>In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1);</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p><i>Not applicable.</i></p>	
2	<p>CRR Criteria</p> <p>(b) at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than:</p> <ul style="list-style-type: none"> (i) 40 % on an exposure value-weighted average basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in point (e) of Article 129(1); (ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage; (iii) 75 % on an individual exposure basis where the exposure is a retail exposure ⁽²⁾; (iv) for any other exposures, 100 % on an individual exposure basis; 	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS, 1. RECEIVABLES PURCHASE AGREEMENT</p> <p>Lease Warranties</p> <p>The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting as at the immediately preceding relevant Cut-Off Date:</p> <p>(cc) for the purpose of compliance with the requirements stemming from Article 243 of UK CRR, the Lease Receivable meets the conditions for being assigned under the "standardised approach" (as defined in the UK CRR) with a risk weight less than or equal to:</p> <ul style="list-style-type: none"> (i) in the case of Lease Receivables qualifying as "retail exposures" (as defined under Article 123 of UK CRR), seventy-five percent (75%); and 	

² See article 123, "Retail exposures" of the Regulation (EU) No 575/2013; for Consumer loans see the amendments to article 123 in (59) REGULATION (EU) 2019/876 and REGULATION (EU) 2020/873, article 2 (1) (a). See article 501 on "Adjustment of risk-weighted non-defaulted SME exposures for "SME Loans" of the Regulation (EU) No 575/2013, as amended in Regulation (EU) 2019/876 and Regulation 2020/873 in (19) and Article 2.1(b).

	(ii) in the case of Lease Receivables which do not qualify as "retail exposures" (as defined under Article 123 of UK CRR), hundred percent (100%);	
3	<p>CRR Criteria</p> <p>(c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on that asset are also included in the securitisation;</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p><i>Not applicable.</i></p>	
4	<p>CRR Criteria</p> <p>(d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1).</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p><i>Not applicable.</i></p>	