

CRR ASSESSMENT

SCF RAHOITUSPALVELUT X DAC



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

19th October 2021

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19th October 2021

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Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Assessment	19 October 2021
The transaction to be assessed (the “Transaction”)	SCF RAHOITUSPALVELUT X DAC
Issuer	SCF RAHOITUSPALVELUT X DAC
Originator	Santander Consumer Finance Oy
Seller	Santander Consumer Finance Oy
Lead Manager(s)	Santander Corporate and Investment Banking, HSBC, RBC Capital Markets, SMBC Nikko Capital Markets Europe GMBH
Transaction Legal Counsel	Mayer Brown International LLP
Rating Agencies	Fitch, S&P
Stock Exchange	Euronext Dublin (Irish Stock Exchange)
Closing Date	19 October 2021

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No	
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:				
1	(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.	See Prospectus, <i>ELIGIBILITY CRITERIA</i> . As of the relevant Purchase Cut-Off Date, the following criteria (the "Eligibility Criteria") must have been satisfied by an HP Contract in order for it to be eligible for acquisition by the Purchaser pursuant to the Auto Portfolio Purchase Agreement. 18. Each HP Contract to be purchased on the relevant Purchase Date, when aggregated with all other Purchased HP Contracts, will not result in the sum of the Principal Amounts of the Purchased HP Contracts owed by any Debtor exceeding 0.06 per cent. of the Principal Amounts of the Purchased HP Contracts;	Aggregate exposure value to a single obligor ⁽²⁾ in the pool does not exceed 2%.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

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.

² In considering the requirements of Article 243, PCS has viewed the reference to exposures to mean the underlying receivables that provide the source for the repayment of interest and principal in the transaction. In the subject transaction, the sale of receivables and isolation of the assets from seller insolvency and the isolation of the issuer from claims related to direct ownership of the titles to the underlying assets are accomplished using a double SPV structure. We believe that treating the double SPV structure as essentially one and looking through to the underlying receivables as the intended exposures in applying Article 243 is consistent with the treatment in double SPV structures by the regulator in other instances (e.g., ABCP transactions under STS regulation) and would logically apply in the regulatory treatment under the CRR regulation.

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<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>Not applicable.</p>	<p>Not applicable.</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>
<p>2 (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 ⁽³⁾; <p>for any other exposures, 100 % on an individual exposure basis;</p>	<p>See Prospectus, <i>DESCRIPTION OF THE PORTFOLIO.</i></p> <p>As at each Purchase Date, each Eligible HP Contract meets the conditions for being assigned a standardised risk weight equal to or smaller than 75% on an individual exposure basis where the exposure is a retail exposure, or for any other exposures equal to or smaller than 100% on an individual exposure basis, as such terms are described in Article 243 of the CRR.</p>	<p>2(b)(iii) applies.</p> <p>The underlying exposures meet the conditions for being assigned a standardised risk weight equal to or smaller than 75% on an individual exposure basis where the exposure is a retail exposure, or for any other exposures equal to or smaller than 100% on an individual exposure basis, as such terms are described in Article 243 of the CRR.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

³ 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).

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No	
3	(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;	Not applicable		Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
4	(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).	Not applicable		Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>