

CRR ASSESSMENT

SCF RAHOITUSPALVELUT X DAC



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

19th October 2021

Analyst: Robert Leach – +44 (0) 203 866 5005

This is a CRR Assessment.

This CRR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the materials received by PCS as at the date of this document. Any references in this document are to the prospectus unless otherwise stated.

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

19th October 2021

Disclaimer

Neither an STS Verification, nor a CRR Assessment, nor an LCR Assessment is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

PCS EU and PCS UK are authorised respectively by the French Autorité des Marchés Financiers and by the United Kingdom Financial Conduct Authority as third-party verification agents pursuant to article 28 of Regulation (EU) 2017/2402 (the “**STS Regulation**”).

Currently, none of the activities involved in providing an CRR Assessment are endorsed or regulated by any regulatory and/or supervisory authority nor are the PCS Association or PCS EU regulated by any regulator and/or supervisory authority including the Belgian Financial Services and Markets Authority, the United Kingdom Financial Conduct Authority, the French Autorité des Marchés Financiers or the European Securities and Markets Authority.

By assessing the CRR status of any securities or financing, neither the PCS Association nor PCS UK nor PCS EU express any views about the creditworthiness of these securities or financings or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings.

Equally, by completing (either positively or negatively) any CRR status assessment of certain instruments, no statement of any kind is made as to the value or price of these instruments or the appropriateness of the interest rate they carry (if any).

In the provision of any CRR Assessment, PCS has based its decision on information provided directly and indirectly by the originator or sponsor of the relevant securitisation. Specifically, it has relied on statements made in the relevant prospectus or deal sheet, documentation and/or in certificates provided by, or on behalf of, the originator or sponsor in accordance with PCS' published procedures for the relevant PCS verification or assessment. You should make yourself familiar with these procedures to understand fully how any PCS service is completed. These can be found at <https://pcsmarket.org/> (the “PCS Website”). Neither the PCS Association nor PCS UK nor PCS EU undertake their own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any CRR Assessment is not a confirmation or implication that the information provided to it by or on behalf of the originator or sponsor is accurate or complete.

The PCS entities take reasonable measures to ensure the quality and accuracy of the information on www.pcsmarket.org. However, neither the PCS Association nor PCS UK nor PCS EU can be held liable in any way for the inaccuracy or incompleteness of any information that is available on or through the PCS Website. In addition, neither the PCS Association nor PCS UK nor PCS EU can in any way be held liable or responsible for the content of any website linked to the PCS Website.

To understand the meaning and limitations of any CRR Assessment you must read the [General Disclaimer](#) that appears on the PCS Website.

When entering any of the “Transaction” sections of the PCS Website, you will be asked to declare that you are allowed to do so under the legislation of your country. The circulation and distribution of information regarding securitisation instruments (including securities) that is available on the PCS Website may be restricted in certain jurisdictions. Persons receiving any information or documents with respect to or in connection with instruments (including securities) available on the PCS Website are required to inform themselves of and to observe all applicable restrictions.

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
<p>Article 243 ⁽¹⁾</p> <p>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:</p>			
<p>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.</p>	<p>See Prospectus, <i>ELIGIBILITY CRITERIA</i>.</p> <p>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.</p> <p>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;</p>	<p>Aggregate exposure value to a single obligor⁽²⁾ in the pool does not exceed 2%.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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
	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);	Not applicable.	Not applicable.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
2	<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> <p>(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);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;</p> <p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure ⁽³⁾;</p> <p>for any other exposures, 100 % on an individual exposure basis;</p>	<p>See Prospectus,</p> <p><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"/> 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"/>