

CRR Assessment

Vasco Finance No. 2



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

17 October 2024

Analyst: Mark Lewis | Contact: [✉ mark.lewis@pcsmarket.org](mailto:mark.lewis@pcsmarket.org) / [☎ +44 \(0\) 203 866 5002](tel:+442038665002)

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.

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

17 October 2024

STS 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 parties verifying STS compliance 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	Mark Lewis
Date of Verification	17 October 2024
The transaction to be verified (the "Transaction")	Vasco Finance No. 2
Issuer	Vasco Finance No. 2
Originator	WiZink Bank, S.A.U. – Sucursal em Portugal
Joint Lead Managers	BNP Paribas and Citigroup Global Markets Europe AG
Transaction Legal Counsel	PLMJ – Advogados, SP, RL
Rating Agencies	DBRS, Moody's
Stock Exchange	Euronext Lisbon
Closing Date	17 October 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 (NOTE 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:

NOTE 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, as amended from time to time.

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 Preliminary Prospectus. “The Initial Receivables Portfolio complies, and the transfer of Additional Receivables Portfolios, in relation to New Credit Card Agreements, during the Revolving Period shall only be possible provided that it shall not prevent compliance by the Performing Receivables contained in the Receivables Portfolio, with the following criteria: the Principal Outstanding Balance of Receivables corresponding to any single Borrower does not exceed 2% (two percent per cent) of the Aggregate Principal Outstanding Balance. The transfer of Further Utilisation Receivables shall only be possible provided that it shall not have prevented compliance by the Performing Receivables Portfolio with, the following criteria as at the related Calculation Date: the Principal Outstanding Balance of Receivables corresponding to any single Borrower does not exceed 2% (two percent per cent) of the Aggregate Principal Outstanding Balance as at the Calculation Date (the “Aggregate Portfolio Criteria”). In a scenario during the Revolving Period that the Principal Outstanding Balance of the Performing Receivables corresponding to any single Borrower does exceed 2% (two percent per cent) of the Aggregate Principal Outstanding Balance as at the Calculation Date once detected on Determination Date all the Receivables of such Borrower shall be repurchased by the Originator at a repurchase price equal to the aggregate of: (a) The Principal Outstanding Balance of the relevant Receivable as at the date of the re-assignment of such Receivable, (b) an amount equal to all other amounts due (including unpaid interest or finance charges accrued) on or before the date of re-assignment in respect of the relevant Credit Card Agreement.”	

PCS Comments

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>Not applicable. The transaction does not include residual value risk</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> <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 (NOTE 2);</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis; (NOTE 3)</p> <p>NOTE 2: For retail exposures, see article 123 on "Retail exposures". It is noted that Article 123 has been amended by Regulation (EU) 2024/1623 of 31 May 2024, and that it contains provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025. In particular, "Retail Exposures" shall satisfy the following additional requirements:</p> <p><<1. Exposures that comply with all of the following criteria shall be considered retail exposures:</p> <p>(a) the exposure is to one or more natural persons or to an SME;</p> <p>(b) the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property, up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;</p> <p>(c) the exposure represents one of a significant number of exposures with similar characteristics, such that the risks associated with such exposure are substantially reduced;</p> <p>(d) the institution concerned treats the exposure in its risk management framework and manages the exposure internally as a retail exposure consistently over time and in a manner that is similar to the treatment by the institution of other retail exposures.>> NB: this §1(d) shall be in force starting from 1 January 2025.</p> <p><<The present value of retail minimum lease payments shall be eligible for the retail exposure class. (...)</p> <p>(...) 4. Where any of the criteria referred to in paragraph 1 are not met for an exposure to one or more natural persons, the exposure shall be considered a retail exposure and shall be assigned a risk weight of 100 %.>> NB: this §(4) shall be in force starting from 1 January 2025.</p> <p>In addition, specific provisions apply to salary /pension backed exposures and to transactor exposures (as defined in the Regulation (EU) 2024/1623 of 31 May 2024).</p>	<p>Meets Criteria? YES</p>

	<p>NOTE 3: For SME loans see also Article 501 on “Adjustment of risk-weighted non-defaulted SME exposures for “SME Loans” of the Regulation (EU) No 575/2013, as amended and supplemented, including pursuant to Regulation (EU) 2024/1623 of 31 May 2024.</p> <p>From January 2025, in Article 501(2), points (a) and (b) are replaced by the following:</p> <p>(a) the exposure to an SME shall be included <u>either in the retail or in the corporates or secured by mortgages</u> on immovable property exposure classes <u>but excluding ADC exposures</u>;</p> <p>(b) an SME shall have the meaning laid down in Article 5, point (9);</p> <p>“land acquisition, development and construction exposures”, or “ADC exposures”, means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing the development and construction of any residential property or commercial immovable property;</p> <p>“non-ADC exposure” means any exposure secured by one or more residential properties or commercial immovable properties that is not an ADC exposure;”</p> <p>Article 126a (1) An ADC exposure shall be assigned a risk weight of 150 %.</p> <p>IPRE provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025 need to be taken in consideration.</p>	
	<p><u>PCS Comments</u></p> <p>2 (b) (iii) applies.</p> <p>See Preliminary Prospectus, front pages.</p> <p>“For the purpose of compliance with the requirements stemming from Article 243 of the CRR, 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 75% on an individual exposure basis.”</p> <p>See “Other Characteristics...form one asset category, namely Credit Card Agreements granted to Borrowers with residence in Portugal.”</p> <p>See Prospectus, OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS.</p> <p>The Receivables:</p> <p>Borrowers are natural persons resident in Portugal (see “Characteristics of the Receivables”).</p>	
3	<p><u>CRR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>Not applicable</p>	
4	<p><u>CRR Criteria</u></p>	<p><u>Meets Criteria?</u></p> <p>YES</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).	
	PCS Comments Not applicable	