

CRR ASSESSMENT

AZURE FINANCE NO.2 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

28th July 2020

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This is a CRR Assessment.

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

28th July 2020

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Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Verification	28 July 2020
The transaction to be verified (the “Transaction”)	AZURE FINANCE NO.2 PLC
Issuer	AZURE FINANCE NO.2 PLC
Originator	Blue Motor Finance Limited
Arranger(s)	Citigroup, Deutsche Bank
Lead Manager(s)	Citigroup, Deutsche Bank
Transaction Legal Counsel	Hogan Lovells International LLP
Rating Agencies	Moody's and S&P
Stock Exchange	Irish Stock Exchange plc
Closing Date	28 July 2020

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>Article 243</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>(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>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</p>	<p>See Prospectus,</p> <p>3. ELIGIBILITY CRITERIA</p> <p>(gg) To the best of the Seller's knowledge, as at the relevant origination date and as at the Cut-Off Date in respect of a Receivable, the Obligor does not have more than two live HP Agreements with BMFL;</p> <p>Summary of Provisional Portfolio (as of the Provisional Cut-Off Date)</p> <p>Maximum Current Outstanding Principal Balance (£) 59,451</p>	<p>The largest aggregate exposure to a single obligor does not exceed 2% of the pool.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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	considered as exposures to a single obligor.			
<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>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>		Not applicable.	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></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</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> <p>(i) 40 % on an exposure value-weighted average</p>	<p>PCS has received evidentiary material confirming.</p>	<p>2(b)(iii) applies. See Eligibility Criteria (d)</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (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;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</p>	<p>basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (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;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</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</p>	<p>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</p>		Not applicable.	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
that asset are also included in the securitisation;	that asset are also included in the securitisation;			
(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).	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"/>