

CRR ASSESSMENT

Koromo UK 1 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

26th September 2024

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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.

26th September 2024

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	26 September 2024
The transaction to be verified (the "Transaction")	Koromo UK 1 PLC
Issuer	Koromo UK 1 PLC
Originator	Toyota Financial Services (UK) plc
Lead Manager(s)	BofA Securities, MUFG Securities EMEA PLC
Transaction Legal Counsel	Hogan Lovells International LLP
Rating Agencies	Fitch, S&P
Stock Exchange	Irish Stock Exchange
Closing Date	26 September 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 THE PORTFOLIO*.

3. ELIGIBILITY CRITERIA

The Seller will represent and warrant to the Issuer and the Security Trustee that each Initial Receivable to be transferred to the Issuer on the Closing Date complied with the Initial Eligibility Criteria and the Replenishment Criteria as at the Initial Cut-Off Date and that each Additional Receivable to be transferred to the Issuer on the relevant Additional Purchase Date complies with the Initial Eligibility Criteria and the Concentration Limits as at the relevant Additional Cut-Off Date.

"Initial Eligibility Criteria" means, in respect of any Receivable (including, to the extent expressly specified below, its Ancillary Rights) or, as the case may be, the related Underlying Agreement from which it is derived, that:

"Concentration Limits" means, as at the relevant Cut-off Date in respect of any Receivable (including, to the extent expressly specified below, its Ancillary Rights) or, as the case may be, the related Underlying Agreement from which it is derived, together with all other Purchased Receivables must satisfy the following criteria:

(d) the Aggregate Discounted Receivables Balance of the Purchased Receivables owed by the same Obligor shall be no more than £200,000 (whether as a result of the sale of an Additional Receivable or otherwise);

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	CRR Criteria	Meets Criteria? YES
	<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>	
PCS Comments		
<i>Not applicable.</i>		
2	CRR Criteria	Meets Criteria? YES
	<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; 	
PCS Comments		
<p>See Prospectus, DESCRIPTION OF THE PORTFOLIO.</p> <p>3. ELIGIBILITY CRITERIA</p> <p>The Seller will represent and warrant to the Issuer and the Security Trustee that each Initial Receivable to be transferred to the Issuer on the Closing Date complied with the Eligibility Criteria and the Concentration Criteria as at the Initial Cut-Off Date and that each Additional Receivable to be transferred to the Issuer on the relevant Additional Purchase Date complies with the Eligibility Criteria and such Receivables, together with all other Purchased Receivables, meet the Concentration Limits as at the relevant Additional Cut-Off Date.</p> <p>"Eligibility Criteria" means, in respect of any Receivable (including, to the extent expressly specified below, its Ancillary Rights) or, as the case may be, the related Underlying Agreement from which it is derived, that: [...]</p>		

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).

	(bb) it 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;	
3	CRR Criteria (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;	Meets Criteria? YES
	PCS Comments <i>Not applicable.</i>	
4	CRR Criteria (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).	Meets Criteria? YES
	PCS Comments <i>Not applicable.</i>	