

# **CRR ASSESSMENT**

# **LT AUTORAHOITUS IV DAC**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

28<sup>th</sup> April 2023

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

**28<sup>th</sup> April 2023**

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## PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	28 April 2023
<b>The transaction to be verified (the "Transaction")</b>	<b>LT AUTORAHOITUS IV DAC</b>
Issuer	LT AUTORAHOITUS IV DAC
Originator	LocalTapiola Finance Ltd
Lead Manager(s)	BNP Paribas
Transaction Legal Counsel	Waselius & Wist
Rating Agencies	Moody's, Fitch
Stock Exchange	Irish Stock Exchange (Euronext Dublin)
Closing Date	28 April 2023

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:

<b>1a</b>	<b>CRR Criteria</b> (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.	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> See Prospectus, As at the Note Issuance Date, the largest aggregate Outstanding Principal Amount due from: (a) any individual Debtor is equal to or less than the lesser of (i) 0.09 per cent. of the aggregate outstanding Loan Principal Amount and (ii) EUR 502,409.30; <i>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.</i>	
<b>1b</b>	<b>CRR Criteria</b> 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);	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> <i>Not applicable.</i>	

<sup>1</sup> 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.

**CRR Criteria**

- (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:
- (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 <sup>(2)</sup>;
- for any other exposures, 100 % on an individual exposure basis;

**Meets Criteria?**  
**YES**

**PCS Comments**

See Prospectus, *DESCRIPTION OF THE PORTFOLIO*.

As at the Note Issuance 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 EU CRR.

See Prospectus, *ELIGIBILITY CRITERIA*

26. The 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 EU CRR.

*Underlying exposures meet the conditions for risk weightings of less than either 75% (retail assets) or 100% (other).*

<sup>2</sup> 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).

3	<p><b>CRR Criteria</b></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><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p> <p><i>Not applicable.</i></p>	
4	<p><b>CRR Criteria</b></p> <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).</p>	<p><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p> <p><i>Not applicable.</i></p>	