

LCR ASSESSMENT

LT RAHOITUS 2025-1 DAC



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

20th February 2025

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This is an LCR Assessment.

This LCR Assessment covers the LCR rules and guidelines as at the date of this document. This LCR 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.

20th February 2025

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PRIME COLLATERALISED SECURITIES (PCS) LCR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	20 February 2025
The transaction to be verified (the "Transaction")	LT RAHOITUS 2025-1 DAC
Issuer	LT RAHOITUS 2025-1 DAC
Originator	LocalTapiola Finance Ltd
Lead Manager(s)	BNP Paribas, BofA Securities, Nordea Bank Abp
Transaction Legal Counsel	Waselius & Wist
Rating Agencies	S&P, Fitch
Stock Exchange	Irish Stock Exchange (Euronext Dublin)
Closing Date	20 February 2025

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 blue introductory boxes with specific criteria for our verification listed underneath.

Legislative Text and LCR Criteria (1)		
1a	<p>LCR Criteria</p> <p>1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:</p> <p>(a) the designation ‘STS’ or ‘simple, transparent and standardised’, or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council (*) and is being so used;</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p><i>PCS is advised that the transaction LT RAHOITUS 2025-1 DAC is expected to be designated STS.</i></p>	
1b	<p>LCR Criteria</p> <p>1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:</p> <p>(b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p><i>PCS has ticked the questions below as “yes”. See the disclaimer above for a fuller analysis of the limitations of PCS’s LCR assessment</i></p>	
2a	<p>LCR Criteria</p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See Prospectus, Expected Ratings (S&P/Fitch) AAA(sf) / AAA(sf)</p> <p><i>PCS notes that the Class A notes are expected to be rated AAA/AAA.</i></p>	

¹ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

2b	<p>LCR Criteria</p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(b) the position is in the most senior tranche or tranches of the securitisation and possesses the highest level of seniority at all times during the ongoing life of the transaction. For these purposes, a tranche shall be deemed to be the most senior where after the delivery of an enforcement notice and where applicable an acceleration notice, the tranche is not subordinated to other tranches of the same securitisation transaction or scheme in respect of receiving principal and interest payments, without taking into account amounts due under interest rate or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of Regulation (EU) No 575/2013;</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>NOTE CONDITIONS</i></p> <p>2. STATUS, SECURITY AND PRIORITY</p> <p>2.6 Post-Enforcement Priority of Payments</p> <p>See Prospectus, <i>TRANSACTION OVERVIEW</i>.</p> <p>PRIORITIES OF PAYMENTS</p> <p>Post-Enforcement Priority of Payments</p> <p><i>PCS confirms that the senior tranche meets the required attributes, based on a review of the prospectus.</i></p>	
3	<p>LCR Criteria</p> <p>(g) the securitisation position is backed by a pool of underlying exposures and those underlying exposures either all belong to only one of the following subcategories or else they consist of a combination of residential loans referred to in point (i) and residential loans referred to in point (ii):</p> <p>(i) residential loans secured with a first-ranking mortgage granted to individuals for the acquisition of their main residence, provided that one of the two following conditions is met:</p> <ul style="list-style-type: none"> – the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013 (); – the national law of the Member State where the loans were originated provides for a loan-to-income limit on the amount that an obligor may borrow in a residential loan, and that Member State has notified this law to the Commission and EBA. The loan-to-income limit is calculated on the gross annual income of the obligor, taking into account the tax obligations and other commitments of the obligor and the risk of changes in the interest rates over the term of the loan. For each residential loan in the pool, the percentage of the obligor's gross income that may be spent to service the loan, including interest, principal and fee payments, does not exceed 45 %; 	<p>Meets Criteria? YES</p>

- (ii) fully guaranteed residential loans referred to in Article 129(1)(e) of Regulation (EU) No 575/2013, provided that the loans meet the collateralisation requirements laid down in that paragraph and the average loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013
- (iii) commercial loans, leases and credit facilities to undertakings established in a Member State to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium- sized enterprises at the time of issuance of the securitisation, and none of the borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013; ()
- (iv) auto loans and leases to borrowers or lessees established or resident in a Member State. For these purposes, auto loans and leases shall include loans or leases for the financing of motor vehicles or trailers as defined in points (11) and (12) of Article 3 of Directive 2007/46/EC of the European Parliament and of the Council, agricultural or forestry tractors as referred to in Regulation (EU) No 167/2013 of the European Parliament and of the Council, two-wheel motorcycles or powered tricycles as referred to in Regulation (EU) No 168/2013 of the European Parliament and of the Council or tracked vehicles as referred to in point (c) of Article 2(2) of Directive 2007/46/EC. () Such loans or leases may include ancillary insurance and service products or additional vehicle parts, and in the case of leases, the residual value of leased vehicles. All loans and leases in the pool shall be secured with a first-ranking charge or security over the vehicle or an appropriate guarantee in favour of the SSPE, such as a retention of title provision;
- (v) loans and credit facilities to individuals resident in a Member State for personal, family or household consumption purposes.

PCS Comments

See Prospectus, *OTHER FEATURES OF THE PORTFOLIO*.

Under the Auto Portfolio Purchase Agreement, the Seller has represented and warranted as follows.

2. As at the Purchase Cut-off Date, the HP Contracts comprised in the Portfolio are homogenous in terms of asset type taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, pursuant to Article 20(8), first paragraph, of the EU Securitisation Regulation and the applicable EU Homogeneity RTS, given that all HP Contracts:

(c) fall within the same asset category (under the EU Securitisation Regulation and the applicable Regulatory Technical Standards) of "auto loans";

See Prospectus, *TRANSACTION OVERVIEW*.

THE PORTFOLIO, SERVICING AND COLLECTIONS

The Portfolio: Purchased HP Contracts

The Portfolio consists of HP Contracts executed by certain debtors as borrowers (the "Debtors") for the purpose of financing the acquisition of the Financed Vehicles (including the right to payment under such HP Contracts and the retention of title to the Financed Vehicles until all such payments have been made in full).

See Prospectus, *OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS*.

	<p>Auto Portfolio Purchase Agreement</p> <p>On or prior to the Note Issuance Date, the Seller, the Issuer and the Security Trustee will enter into an auto portfolio purchase agreement (the "Auto Portfolio Purchase Agreement") pursuant to which the Issuer will purchase the Portfolio from the Seller and the parties will agree to certain features and mechanics related to the Portfolio, as described below.</p> <p>Upon payment of the Purchase Price for the relevant Purchased HP Contracts, the Issuer acquires title to such Purchased HP Contract (including the economic interest in the Financed Vehicles by virtue retention of title thereto) as from the Purchase Date of such Purchased HP Contract (other than any Instalments which have become due prior to or on such Purchase Cut-Off Date) in accordance with the Auto Portfolio Purchase Agreement. As a result, the Issuer obtains the full economic ownership in the Portfolio, including principal and interest, and is free to transfer or otherwise dispose of the Portfolio, subject only to the contractual restrictions applying to the Purchased HP Contracts and all applicable laws.</p> <p>See Prospectus, <i>CERTAIN DEFINITIONS</i>.</p> <p>"Security Interest" shall mean any mortgage, charge, pledge, lien, right of set-off, special privilege, assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.</p> <p><i>(g)(iv) applies. PCS notes that the underlying exposures are auto loans. The retention of title to the financed vehicles is vested with the Issuer.</i></p>	
4	<p><u>LCR Criteria</u></p> <p>10. The underlying exposures shall not have been originated by the credit institution holding the securitisation position in its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with that credit institution.</p> <p><u>PCS Comments</u></p> <p><i>The investor should confirm that it is not a group entity of the Originator to meet this point. We have ticked this point positive but ultimately it is the investors responsibility to confirm.</i></p>	<p><u>Meets Criteria?</u></p> <p>YES</p>
5	<p><u>LCR Criteria</u></p> <p>11. The issue size of the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency).</p> <p><u>PCS Comments</u></p> <p>See Prospectus.</p> <p>Class A</p> <p>Note Principal Amount EUR 538,800,000</p> <p><i>The Class A note size exceeds EUR 100 million.</i></p>	<p><u>Meets Criteria?</u></p> <p>YES</p>

6	<p>LCR Criteria</p> <p>12. The remaining weighted average life of the tranche shall be 5 years or less, which shall be calculated using the lower of either the transaction's pricing prepayment assumption or a 20 % constant prepayment rate, for which the credit institution shall assume that the call is exercised on the first permitted call date.</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>The Cash Administrator shall provide each Investor Report PCS Comments</p> <p>See Prospectus, <i>EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS</i>.</p> <p><i>The weighted average life of Class A Notes assuming exercise of the clean-up call ranges from 3.15 years at a 0% CPR to 1.34 years at 35% CPR. Each scenario results in a WAL for the senior notes of less than five years. The pricing prepayment assumption is 22%.</i></p>	
7	<p>LCR Criteria</p> <p>13. The originator of the exposures underlying the securitisation shall be an institution as defined in Article 4(3) of Regulation (EU) No 575/2013 or an undertaking whose principal activity is to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU.</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>THE SELLER AND THE SERVICER</i>.</p> <p><i>The originator is an institution whose principal activity is to pursue lending including, inter alia: consumer credit, credit agreements relating to immovable property, factoring, with or without recourse, financing of commercial transactions (including forfeiting).</i></p>	
8	<p>LCR Criteria</p> <p>Article 37 Transitional provision for securitisations backed by residential loans</p> <p>1. By derogation from Article 13, securitisations issued before 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2), shall qualify as Level 2B assets if they meet all the requirements set out in Article 13 other than the loan-to-value or loan-to-income requirements set out in that point (g)(i) of Article 13(2).</p> <p>2. By derogation from Article 13, securitisations issued after 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2) that do not meet the average loan-to-value or the loan-to-income requirements set out in that point, shall qualify as Level 2B assets until 1 October 2025, provided that the underlying exposures include residential loans that were not subject to a national law regulating loan-to-income limits at the time they were granted and such residential loans were granted at any time prior to 1 October 2015.</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p><i>Points 1 and 2 are not applicable.</i></p>	