

# **CRR ASSESSMENT**

## **BAVARIAN SKY UK 3 PLC**



**PCS**

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

20<sup>th</sup> April 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.**

**20<sup>th</sup> April 2020**



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## Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	20 April 2020
<b>The transaction to be verified (the “Transaction”)</b>	<b>BAVARIAN SKY UK 3 PLC</b>
Issuer	BAVARIAN SKY UK 3 PLC
Originator	BMW Financial Services (GB) Limited
Arranger	BMW Financial Services (GB) Limited
Lead Manager(s)	BofA Securities, Lloyds
Transaction Legal Counsel	Clifford Chance LLP
Rating Agencies	Fitch, S&P
Stock Exchange	Luxembourg Stock Exchange
Closing Date	20 April 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, <i>PURCHASED RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA</i>.</p> <p>1. Purchased Receivables characteristics</p> <p>(8) Distribution by obligor concentration</p> <p>See Prospectus, <i>ELIGIBILITY CRITERIA</i>.</p> <p>1.26 The transfer of relevant Receivable together with all other Purchased Receivables</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>would not cause, or permit to persist, after giving effect to the purchase of any Purchased Receivable on the relevant Purchase Date any of the Concentration Limits not to be met. "Concentration Limit" shall mean each of the following requirements:</p> <p>(c) The Aggregate Discounted Receivables Balance of all Purchased Receivables (calculated as of the immediately preceding Cut-Off Date) with one and the same Customer not to exceed £100,000;</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	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	<p>See Prospectus, <i>OUTLINE OF THE PRINCIPAL TRANSACTION DOCUMENTS</i>.</p> <p>1. Receivables Purchase Agreement Seller indemnification obligation in respect of PCP Handback</p>	For residual leasing values, these values are not exposed to refinancing or resell risk as there exists a legally enforceable commitment to repurchase at a pre-determined amount by a third party.	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

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the exposure at a pre-determined amount by a third party eligible under Article 201(1);	the exposure at a pre-determined amount by a third party eligible under Article 201(1);	Receivables and Voluntarily Terminated Receivables		
<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 <i>point (e)</i> of Article 129(1);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured</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 basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point (e)</i> of Article 129(1);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured</p>	PCS reviewed materials provided as part of due diligence.	<p>2(b)(iv) applies.</p> <p>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 100 % on an individual exposure basis.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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<p>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>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 that asset are also included in the securitisation;</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 that asset are also included in the securitisation;</p>		Not applicable.	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></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</p>	<p>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</p>		Not applicable.	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>



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securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1).	securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1).			