

**Provisional
CRR ASSESSMENT
Pulse UK 2024 plc**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

21st October 2024

Analyst: Fazel AHMED – +44 203 866 5004

This is a Provisional CRR Assessment (UK Version).

This Provisional CRR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the draft materials received by PCS as at the date of this document. Any page references in this document are to the prospectus unless otherwise stated.

Any references in this CRR Assessment to any EU regulations are meant to refer to such EU regulations as amended and incorporated into United Kingdom law by the Withdrawal Act 2019.

This Provisional CRR Assessment is not the final CRR assessment and it based on the draft documents and information provided to PCS by or on behalf of the originator as of the date of this assessment. It is anticipated at the date of this Provisional CRR Assessment that a Final CRR Assessment will be made available at or around closing of the transaction. However, such Final CRR Assessment will be based upon the final materials received by PCS and will only be made available on a fully ticked basis if no material adverse changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would not adversely change our analysis. Therefore, no guarantees can be provided that such Final CRR Assessment will be made available on a fully ticked basis.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. Note that all comments on the disclaimer relate to both Provisional CRR Assessments and Final CRR Assessments.

21st October 2024

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

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| Individual(s) undertaking the assessment | Fazel Ahmed |
| Date of Verification | 21 October 2024 |
| The transaction to be verified (the "Transaction") | Pulse UK 2024 plc |
| Issuer | Pulse UK 2024 plc |
| Originator | Arval UK Limited |
| Lead Manager(s) | BNP Paribas |
| Transaction Legal Counsel | Hogan Lovells International LLP |
| Rating Agencies | DBRS / Moody's |
| Stock Exchange | Irish Stock Exchange |
| Target Closing Date | [26] November 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 CERTAIN TRANSACTION DOCUMENTS, 1. RECEIVABLES PURCHASE AGREEMENT

Portfolio Criteria

The following Aggregated Portfolio Criteria and Additional Portfolio Criteria (together, the "Portfolio Criteria") are calculated throughout the Revolving Period (including on the Closing Date) on each Purchase Date.

Aggregate Portfolio Criteria

The following portfolio criteria (the "Aggregate Portfolio Criteria") are calculated by taking into account the Additional Portfolio to be purchased on the relevant Purchase Date (the Initial Portfolio and the Additional Portfolio being together the "Portfolio"):

(a) The Aggregate Outstanding Lease Principal Balance of the Lease Receivables held over a single Lessee or Lessees belonging to the same Company Group does not exceed [2.0]% of the Aggregate Outstanding Lease Principal Balance of the Portfolio;

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.

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| 1b | <p><u>CRR Criteria</u> 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><u>Meets Criteria?</u> YES</p> |
| | <p><u>PCS Comments</u> <i>Not applicable.</i></p> | |
| 2 | <p><u>CRR Criteria</u> (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 ⁽²⁾; (iv) for any other exposures, 100 % on an individual exposure basis;</p> | <p><u>Meets Criteria?</u> YES</p> |
| | <p><u>PCS Comments</u> See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS, 1. RECEIVABLES PURCHASE AGREEMENT Lease Warranties The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting as at the immediately preceding relevant Cut-Off Date: (cc) for the purpose of compliance with the requirements stemming from Article 243 of UK CRR, the Lease Receivable meets the conditions for being assigned under the "standardised approach" (as defined in the UK CRR) with a risk weight less than or equal to: (i) in the case of Lease Receivables qualifying as "retail exposures" (as defined under Article 123 of UK CRR), seventy-five percent (75%); and</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).

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| | (ii) in the case of Lease Receivables which do not qualify as "retail exposures" (as defined under Article 123 of UK CRR), hundred percent (100%); | |
| 3 | <p>CRR Criteria</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>Meets Criteria?</p> <p>YES</p> |
| | <p>PCS Comments</p> <p><i>Not applicable.</i></p> | |
| 4 | <p>CRR Criteria</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>Meets Criteria?</p> <p>YES</p> |
| | <p>PCS Comments</p> <p><i>Not applicable.</i></p> | |