Provisional CRR Assessment

Vasco Finance No. 2

PRIME COLLATERALISED SECURITIES (PCS) EU SAS

23 September 2024

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This is a Provisional CRR Assessment.

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.

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 if no material changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would change our analysis. Therefore, no guarantees can be provided that such Final CRR Assessment will be made available.

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.

23 September 2024

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PRIME COLLATERALISED SECURITIES (PCS) - CRR Assessment

Individual(s) undertaking the assessment	Mark Lewis
Date of Verification	23 September 2024
The transaction to be verified (the "Transaction")	**Vasco Finance No. 2**

Issuer	Vasco Finance No. 2
Originator	WiZink Bank, S.A.U. – Sucursal em Portugal
Joint Lead Managers	BNP Paribas and Citigroup Global Markets Europe AG
Transaction Legal Counsel	PLMJ – Advogados, SP, RL
Rating Agencies	DBRS, Moody's
Stock Exchange	Euronext Lisbon
Closing Date	[___] 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 (NOTE 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: **NOTE 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, as amended from time to time.		
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 Preliminary Prospectus. "The Initial Receivables Portfolio complies, and the transfer of Additional Receivables Portfolios, in relation to New Credit Card Agreements, during the Revolving Period shall only be possible provided that it shall not prevent compliance by the Performing Receivables contained in the Receivables Portfolio, with the following criteria: the Principal Outstanding Balance of Receivables corresponding to any single Borrower does not exceed 2% (two percent per cent) of the Aggregate Principal Outstanding Balance. The transfer of Further Utilisation Receivables shall only be possible provided that it shall not have prevented compliance by the Performing Receivables Portfolio with, the following criteria as at the related Calculation Date: the Principal Outstanding Balance of Receivables corresponding to any single Borrower does not exceed 2% (two percent per cent) of the Aggregate Principal Outstanding Balance as at the Calculation Date (the "Aggregate Portfolio Criteria"). In a scenario during the Revolving Period that the Principal Outstanding Balance of the Performing Receivables corresponding to any single Borrower does exceed 2% (two percent per cent) of the Aggregate Principal Outstanding Balance as at the Calculation Date once detected on Determination Date all the Receivables of such Borrower shall be repurchased by the Originator at a repurchase price equal to the aggregate of: (a) The Principal Outstanding Balance of the relevant Receivable as at the date of the re-assignment of such Receivable, (b) an amount equal to all other amounts due (including unpaid interest or finance charges accrued) on or before the date of re-assignment in respect of the relevant Credit Card Agreement."	

<table>
<tr><td rowspan="2">1b</td><td><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);</td><td><u>Meets Criteria?</u>
YES</td></tr>
<tr><td colspan="2"><u>PCS Comments</u>
Not applicable. The transaction does not include residual value risk</td></tr>
<tr><td>2</td><td><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 (NOTE 2);
(iv) for any other exposures, 100 % on an individual exposure basis; (NOTE 3)

<u>NOTE 2</u>: For retail exposures, see article 123 on “Retail exposures”. It is noted that Article 123 has been amended by Regulation (EU) 2024/1623 of 31 May 2024, and that it contains provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025.
In particular, “Retail Exposures” shall satisfy the following additional requirements:
<<1. Exposures that comply with all of the following criteria shall be considered retail exposures:
(a) the exposure is to one or more natural persons or to an SME;
(b) the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property, up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;
(c) the exposure represents one of a significant number of exposures with similar characteristics, such that the risks associated with such exposure are substantially reduced;
(d) the institution concerned treats the exposure in its risk management framework and manages the exposure internally as a retail exposure consistently over time and in a manner that is similar to the treatment by the institution of other retail exposures.>> <u>NB</u>: this §1(d) shall be in force starting from 1 January 2025.
<<The present value of retail minimum lease payments shall be eligible for the retail exposure class. (…)
(…) 4. Where any of the criteria referred to in paragraph 1 are not met for an exposure to one or more natural persons, the exposure shall be considered a retail exposure and shall be assigned a risk weight of 100 %.>> <u>NB</u>: this §(4) shall be in force starting from 1 January 2025.
In addition, specific provisions apply to salary /pension backed exposures and to transactor exposures (as defined in the Regulation (EU) 2024/1623 of 31 May 2024).</td><td><u>Meets Criteria?</u>
YES</td></tr>
</table>

	NOTE 3: For SME loans see also Article 501 on "Adjustment of risk-weighted non-defaulted SME exposures for "SME Loans" of the Regulation (EU) No 575/2013, as amended and supplemented, including pursuant to Regulation (EU) 2024/1623 of 31 May 2024. From January 2025, in Article 501(2), points (a) and (b) are replaced by the following: (a) the exposure to an SME shall be included either in the retail or in the corporates or secured by mortgages on immovable property exposure classes but **excluding ADC exposures;** (b) an SME shall have the meaning laid down in Article 5, point (9);' "land acquisition, development and construction exposures", or "ADC exposures", means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing the development and construction of any residential property or commercial immovable property; "non-ADC exposure" means any exposure secured by one or more residential properties or commercial immovable properties that is not an ADC exposure;' Article 126a (1) An ADC exposure shall be assigned a risk weight of 150 %. IPRE provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025 need to be taken in consideration.	
	PCS Comments 2 (b) (iii) applies. See Preliminary Prospectus, front pages. "For the purpose of compliance with the requirements stemming from Article 243 of the CRR, 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 75% on an individual exposure basis." See "Other Characteristics…form one asset category, namely Credit Card Agreements granted to Borrowers with residence in Portugal." See Prospectus, OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS. The Receivables: Borrowers are natural persons resident in Portugal (see "Characteristics of the Receivables").	
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 Not applicable	
4	**CRR Criteria**	**Meets Criteria?** **YES**

(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).	
<u>PCS Comments</u> Not applicable	