

Final CRR Assessment

In respect of the Transaction “**Tagus - Sociedade de Titularização de Créditos S.A., acting in respect of its Compartment Ulisses Finance No. 2**”

(321Crédito)

28 September 2021



Authorization of SVI as third party

STS Verification International GmbH ("SVI") has been authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as the competent authority pursuant to Article 29 of the Securitisation Regulation, to act in all EU countries as third party pursuant to Article 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 18-26 of the Securitisation Regulation ("STS Verification"). Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) ("CRR Assessment"), (ii) Article 270 (senior positions in synthetic SME securitisations) of the CRR ("Article 270 Assessment"), (iii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions ("LCR") ("LCR Assessment"), and (iv) the STS Criteria, in respect of existing securitisations and potential deficiencies regarding compliance with the STS Criteria ("Gap-Analysis").

Mandating of SVI and verification steps

On 30 June 2021, SVI has been mandated by the Originator (321Crédito) to verify compliance with Article 243 (2) of the CRR for the securitisation transaction "Tagus - Sociedade de Titularização de Créditos S.A., acting in respect of its Compartment Ulisses Finance No. 2" (the "Transaction").

As part of our verification work, we took part in a virtual due diligence which was organised by representatives of 321Crédito. In addition, we have discussed selected aspects of the Transaction with 321Crédito and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of 321Crédito and the underlying transaction documentation.



For the purposes of this Final CRR Assessment, we have reviewed the following documents and other information related to the Transaction:

- Prospectus
- Receivables Sale Agreement
- Master Framework Agreement
- Additional information received by e-mail, such as confirmations, comments, etc.

Verification Methodology

The fulfilment of each verification point in this Final CRR Assessment provided to the Originator is evaluated based on the three fulfilment values (traffic light status):

Criterion is fully met	
Criterion is mostly met, but with comments or requests for missing information	
Criterion not (yet) met based on available information	



Disclaimer of SVI

SVI grants a registered verification label “verified – STS VERIFICATION INTERNATIONAL” if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 22 of the Securitisation Regulation (“STS Requirements”). The same registered verification label is used by SVI in the context of a CRR Assessment, Article 270 Assessment, LCR Assessment and Gap-Analysis. The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the STS verification performed by SVI does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation or set out in the CRR, LCR and other relevant regulations, respectively. Notwithstanding confirmation by SVI, which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the issuer or the notes concerned other than as set out in this CRR Assessment and disclaims any responsibility for monitoring the Issuer’s continuing compliance with these requirements or any other aspect of the issuer’s activities or operations. In particular, SVI has relied on statements made in the offering circular or other legal documentation of the Transaction and based its analysis on information provided directly or indirectly by the Originator or Sponsor of the Transaction. Investors should therefore not evaluate their investment in securitisation positions based on this CRR Assessment.

SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons to SVI or in any of the documents are true, not misleading and complete.

LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final CRR Assessment in capital spelling, please refer to the defined terms in the Schedule 1 “Master Definitions Schedule” of the Master Framework Agreement.

321Crédito	321Crédito – Instituição Financeira de Crédito, S.A.
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
CMBS	Commercial Mortgage-Backed Securitisation
CRR	Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2021/558 of 31 March 2021
EBA	European Banking Authority
EBA Guidelines	Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018
ESMA	European Securities Markets Authority
Issuer	Tagus
LCR	Liquidity Coverage Requirements
Originator	321Crédito
Preliminary Verification Report	Preliminary Verification Report prepared by SVI in respect of the Transaction
Prospectus	Prospectus dated 23 September 2021
RMBS	Residential Mortgage-Backed Securitisation
Securitisation Regulation	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, as amended by Regulation (EU) 2021/557 of 31 March 2021
Seller	321Crédito
Servicer	321Crédito
SPV	Special Purpose Vehicle or Issuer
Standardised Approach	The regulatory capital requirements according to Part 3, Title II, Chapter 2 of the CRR
STS Criteria	Articles 18-26 of the Securitisation Regulation, setting out criteria for simple, transparent and standardised securitisations



Tagus	Tagus - Sociedade de Titularização de Créditos S.A., acting in respect of its Compartment Ulisses Finance No. 2
Transaction	The securitisation of auto loan receivables involving Tagus as Issuer

#	Criterion Article 243 (2)	CRR Assessment
1	Qualification of the securitisation position as STS securitisation	<p><u>Verification Method</u>: Legal (Prospectus) / Regulatory (STS Notification, STS Verification Report)</p> <p>The Transaction and therefore also the securitisation position will be notified according to Article 27 (1) of the Securitisation Regulation by the Originator to ESMA as meeting the requirements of Articles 19 – 22 of the Securitisation Regulation in respect of non-ABCP securitisations, see Section "REGULATORY DISCLOSURES", Subsection "Credit-granting" of the Prospectus and the Definition of "STS Notification" in Schedule 1 "Master Definitions Schedule" of the Master Framework Agreement. Please also refer to the Preliminary Verification Report prepared by SVI in respect of the Transaction.</p>
#	Criterion Article 243 (2) (a)	CRR Assessment
2	Granularity of the securitised portfolio in terms of single obligor concentrations (measured on the basis of a group of connected clients)	<p><u>Verification Method</u>: Legal (Prospectus, Receivables Purchase Agreement)</p> <p>At any time during the Revolving Period, no single Obligor represents 0.10% or more of the Aggregate Principal Outstanding Balance of all Receivables, please refer to Section "OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS", Subsection "Receivables Sale Agreement", Paragraph "Portfolio Limitation Tests", Item (L) of the Prospectus.</p> <p>Furthermore, the Originator confirms that there is no group of connected clients with an aggregate outstanding principal balance which exceeds 2% and is able to monitor compliance with such limit at closing, during the revolving period and during the amortisation period of the Transaction.</p> <p>The underlying exposures represent Auto Loan Contracts and/or Related Security and do not include any securitised residual leasing values. Hence, Article 243 (2) (a) 2nd Paragraph of the CRR is not applicable to the Transaction.</p>

#	Criterion Article 243 (2) (b)	CRR Assessment
3	Maximum risk weight under the Standardised Approach	<p><u>Verification Method</u>: Legal (Prospectus, Receivables Purchase Agreement), Due Diligence (explicit confirmation by Originator)</p> <p>None of the underlying exposures are secured by residential mortgages or commercial mortgages, therefore Article 243(2) (b) (i) and (ii) of the CRR are not applicable.</p> <p>The underlying Auto Loan Contracts have been entered into exclusively with Obligors which are domiciled in one jurisdiction (Portugal) at the time of execution of the relevant Auto Loan Contract only and the Obligors are not credit-impaired, please refer to Section "OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS", Subsection "Receivables Sale Agreement", Paragraph "Representations and Warranties as to the Assigned Rights", Definition of "Eligible Obligor, Items (A) and (F) of the Prospectus.</p> <p>The portfolio contains Auto Loan Agreements that have been entered with Obligors that fall into the 'retail exposure' category of Article 243(2) (b) (iii) of the CRR as (i) the exposure is to either to a natural person or to an SME, (ii) the exposure is one of a significant number of exposures with similar characteristics, and (iii) the total amount owed by the obligor client or group of connected clients does not exceed EUR 1 mln, see Article 123 of the CRR. As a result, these retail exposures would have a risk weight of 75% under the Standardised Approach.</p> <p>The portfolio contains Auto Loan Agreements that have been entered with Obligors that represent 'exposures to corporates' according to Article 122 of the CRR and hence fall into the 'other exposure' category of Article 243(2) (b) (iv) of the CRR. The Seller is not using a credit assessment by a 'nominated ECAI' according to Article 4 (1) point 99 of the CRR. Hence, the underlying exposures for which such a credit assessment is not available shall be assigned the higher of (i) a 100% risk weight or (ii) the risk weight of the jurisdiction in which the corporate is incorporated (=Portugal, see Article 122 (2) of the CRR. The risk weight of the jurisdiction in which the corporates are incorporated (=Portugal) is 50% given that Portugal is assigned a Credit Quality Step of 3, see Article 114 (2) of the CRR.</p> <p>Therefore, 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 % for other (=corporate) exposures in accordance with Article 122 (2) and equal to or smaller than 75% for retail exposures in accordance with Article 123 of the CRR, on an individual exposure basis.</p>

#	Criterion Article 243 (2) (c)	CRR Assessment
4	Inclusion of loans secured by lower ranking security rights for RMBS and CMBS	<p><u>Verification Method:</u> Legal (Prospectus, Receivables Purchase Agreement)</p> <p>The Eligibility Criteria restrict the underlying exposures to auto loan receivables under Auto Loan Contracts – therefore, residential or commercial mortgage loans do not form part of the portfolio, please refer to Section “OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS”, Subsection “Receivables Sale Agreement”, Paragraph “Representations and Warranties as to the Assigned Rights”, Definition of “Eligible Receivable” of the Prospectus.</p>
#	Criterion Article 243 (2) (d)	CRR Assessment
5	Maximum loan-to-value for RMBS	<p><u>Verification Method:</u> Legal (Legal opinion, Receivable purchase agreement)</p> <p>The Eligibility Criteria restrict the underlying exposures to auto loan Receivables under Auto Loan Contracts – therefore, residential mortgage loans do not form part of the portfolio, please refer to Section “OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS”, Subsection “Receivables Sale Agreement”, Paragraph “Representations and Warranties as to the Assigned Rights”, Definition of “Eligible Receivable” of the Prospectus.</p>

As a result of the verifications documented above, we confirm to 321Crédito that the requirements pursuant to Article 243 (2) of Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, have been fulfilled for the transaction **"TAGUS – SOCIEDADE DE TITULARIZAÇÃO DE CRÉDITOS, S.A., acting in respect of its Compartment Ulisses Finance No. 2"**.

SVI contact details:

Michael Osswald
Managing Director
STS Verification International GmbH
Mainzer Landstrasse 61
60329 Frankfurt am Main
+49 69 8740 344-10
michael.osswald@svi-gmbh.com

Marco Pause
Director
STS Verification International GmbH
Mainzer Landstrasse 61
60329 Frankfurt am Main
+49 69 8740 344-43
marco.pause@svi-gmbh.com

Salah Maklada
Associate Director
STS Verification International GmbH
Mainzer Landstrasse 61
60329 Frankfurt am Main
+49 69 8740 344-45
salah.maklada@svi-gmbh.com

Yves Gafumbegete
Associate
STS Verification International GmbH
Mainzer Landstrasse 61
60329 Frankfurt am Main
+49 69 8740 344-42
yves.gafumbegete@svi-gmbh.com