

**Provisional  
CRR ASSESSMENT  
A-BEST 25**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

19 November 2024

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**19 November 2024**

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## PRIME COLLATERALISED SECURITIES (PCS) – Provisional CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	19 November 2024
The transaction to be verified (the “Transaction”)	<b>A-BEST 25</b>
Issuer	Asset-Backed European Securitisation Transaction Twenty-Five S.r.l.
Originator	CA Auto Bank S.p.A.
Arranger	BofA Securities Europe S.A. ; Crédit Agricole CIB, Milan branch ; UniCredit Bank GmbH
Transaction Legal Counsel	A&O Shearman
Rating Agencies	Fitch and Morningstar DBRS
Stock Exchange	Luxembourg Stock Exchange
Target Closing Date	[10] December 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.

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 the R&W contained in §(l) of Section "THE PORTFOLIO – Other features of the Portfolio":

*<<(l) As at the Transfer Effective Date and the Execution Date, the outstanding balance of the Receivables owed by the same Borrower does not exceed 2 per cent. of the aggregate outstanding balance of all Receivables comprised in the Portfolio, for the purposes of article 243(2)(a) of the CRR.>>.*

For more detailed figures on concentration, as at the Transfer Effective Date, see also Prospectus Section headed "THE PORTFOLIO - Stratification tables":

- Largest Concentration (Euro): 556,566
- Largest Loan Concentration (%): 0.133%
- Largest Top 5 Borrower % on Total Outstanding Principal: 0.90%
- Largest Top 10 Borrower % on Total Outstanding Principal: 1.40%

The requirement is clearly satisfied.

1b

### **CRR Criteria**

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);

**Meets Criteria?**  
**YES**

### **PCS Comments**

Not applicable: no lease receivables are included in the Portfolio.

**CRR Criteria**

(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 2: See article 123, "Retail exposures" of the Regulation (EU) No 575/2013. 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, as to the definition of "Retail Exposures" the following specific requirements apply:

<<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.>> **NB:** 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 %.>> **NB:** this §(4) shall be in force starting from 1 January 2025.

In addition, specific provisions apply to salary /pension exposures and to transactor exposures (as defined in the Regulation (EU) 2024/1623 of 31 May 2024).

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.

**Meets Criteria?****YES****PCS Comments**

243(2)(b)(iii) applies.

The underlying assets are retail exposures. See the R&W contained in §(m) of Section "THE PORTFOLIO – Other features of the Portfolio":

<<(m) As at the Transfer Effective Date and the Execution Date, all the Receivables comprised in the Portfolio meet the requirements for 75 per cent. risk weighting under the standardised approach, for the purposes of article 243(2)(b)(iii) of the CRR.>>

In addition, in respect of the exposures towards Borrowers that are individual entrepreneurs, the adjustments set out in Article 501 of CRR shall also apply.

See also Prospectus, *TRANSACTION OVERVIEW - 4. TRANSFER OF THE PORTFOLIO*

**Eligibility Criteria**

<<(a) it is owed by a Borrower which is, as at the time of entering into the relevant Loan Agreement, (i) a physical person (persona fisica) resident in Italy and, as at the Transfer Effective Date, is not a CAAB employee; or (ii) a legal entity (persona giuridica) having its registered office in Italy;>>.

<b>3</b>	<b>CRR Criteria</b> (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;	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> Not applicable.	
<b>4</b>	<b>CRR Criteria</b> (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).	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> Not applicable.	