

CRR ASSESSMENT

AUTO ABS SPANISH LOANS 2024-1



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

30 September 2024

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30 September 2024

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PRIME COLLATERALISED SECURITIES (PCS) – CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	30 September 2024
The transaction to be verified (the “Transaction”)	Auto ABS Spanish Loans 2024-1
Issuer	Auto ABS Spanish Loans 2024-1 Fondo de Titulizaciòn
Originator/Seller/STS Originator for STS purposes	Stellantis Financial Services, E.F.C., S.A.
Arranger	Banco Santander S.A.
Joint Lead Managers	Banco Santander S.A., ING BANK N.V.
Transaction Legal Counsel	Pérez Llorca
Rating Agencies	DBRS; Fitch and Moody's
Stock Exchange	AIAF Market
Closing Date	30 September 2024

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

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 table in Paragraph 2.2.2.3.15 (<i>Concentration</i>) of the Prospectus, setting out the largest Borrowers by Outstanding Balance. The mentioned table shows the high granularity of the Preliminary Portfolio. See also in Section 2.2.2.8.2 (Global Eligibility Criteria), the following requirement: <i><<In addition to the Individual Eligibility Criteria, the Receivables assigned to the Fund as a whole must, on the Initial Assignment Cut-Off Date (for the Initial Receivables) or the Additional Assignment Date (for Additional Receivables) (assuming for these purposes that the relevant Additional Receivables to be purchased on the Assignment Date have been assigned to the Fund), comply with the following global eligibility criteria (the "Global Eligibility Criteria"): (...)</i> <i>(iii) That the Outstanding Balance of the Receivables corresponding to the same Borrower <u>does not exceed 0.05% of the total Outstanding Balance of the Non-Defaulted Receivables.</u>>>.</i> The following Subordination Event is also noted: <i><<(v) the Outstanding Balance of the Receivables included in the Aggregate Portfolio arising from Loans granted to the same Borrower, as of such Determination Date, is equal to, or higher than 2% of the Outstanding Balance of the Aggregate Portfolio as of such Determination Date; or>>.</i>	
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.

See the following R&W in “2.2.8. Representations and collateral given to the issuer relating to the assets”, confirming the absence of lease agreements in the Portfolio:

<<(21) No Loan Agreement has been formalised as a financial lease agreement (contrato de leasing).>>.

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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

The Receivables are auto loans and retail exposures. The risk weighting under Article 243(2)(b) (iii) above applies.

See the following R&W in Section “2.2.8. Representations and collateral given to the issuer relating to the assets - (iii) In relation to the Receivables”:

<<(29) For the purposes of article 243, paragraph (2), letter (b), item (iii) of the CRR, 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 75% on an individual exposure basis for performing positions, since the Receivables comprised in the Aggregate Portfolio are retail exposures which comply with the criteria set out in article 123 of the CRR.>>.

In addition, in respect of the exposures towards Borrowers that are SMEs in the form of individual entrepreneurs, the adjustments set out in Article 501 of CRR could also apply. See in this respect, the section headed “STRATIFICATION TABLES” and particularly:

- table 2.2.2.3.6 headed “Type of Borrower: job status”, confirming the presence of a percentage of 13.06% of self-employed; and
- table under §2.2.2.3.4, headed “Type of Borrower”, confirming the absence of companies as opposed to private individuals.

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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.

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CRR Criteria

(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).

**Meets Criteria?
YES**

PCS Comments

Not applicable.