

**Provisional**

# **CRR ASSESSMENT**

## **AUTO ABS ITALIAN STELLA LOANS S.r.l.**

### **Series 2024-2**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

11 November 2024

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**11 November 2024**

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

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	11 November 2024
<b>The transaction to be verified (the “Transaction”)</b>	<b>Auto ABS Italian Stella Loans S.r.l. – Series 2024-2</b>
Issuer	<b>Auto ABS Italian Stella Loans S.r.l.</b>
Originator/Seller/STS Originator for STS purposes	Stellantis Financial Services Italia S.p.A.
Arranger and Joint Lead Managers	Banco Santander S.A.; HSBC Continental Europe; Intesa Sanpaolo S.p.A.
Transaction Legal Counsel	A&O Shearman
Rating Agencies	Fitch and Morningstar DBRS
Stock Exchange	Luxembourg Stock Exchange
Target Closing Date	November 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.

<b>1a</b>	<b>CRR Criteria</b> (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.	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> See section headed "STRATIFICATION TABLES" and particularly the first table, confirming that the Largest Borrower percentage on Outstanding Loan Principal Amount equals to 0.03% and that the Largest TOP 5 Borrower percentage on Outstanding Loan Principal Amount equals to 0.10%. This is clearly in line with this requirement. See also the Section THE AGGREGATE PORTFOLIO - Global Portfolio Limits" sub §(1) and §(2) where it is stated as follows: <<Global Portfolio Limits <i>In accordance with the Master Receivables Transfer Agreement, on each Purchase Date, the purchase of any Receivable, when aggregated with all the other Receivables comprised in the Aggregate Portfolio and after taking into account all Receivables to be purchased on such Purchase Date, shall not cause the Aggregate Portfolio to breach any of the following limits (with the exception of the limit set forth under item (f) below which will apply only to the relevant Additional Portfolio offered for sale):</i> (a) <i>the Outstanding Balance of the Performing Receivables relating to one Debtor does not exceed 0.1 per cent. of the Outstanding Balance of all Performing Receivables;</i> (b) <i>the Outstanding Balance of the Performing Receivables relating to the 10 largest Debtors does not exceed 1 per cent. of the Outstanding Balance of all Performing Receivables;</i> >>.	
<b>1b</b>	<b>CRR Criteria</b> 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);	<b>Meets Criteria?</b> <b>YES</b>

**PCS Comments**

Not applicable.

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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 in this respect the following R&W "1.MASTER RECEIVABLES TRANSFER AGREEMENT - Representations, Warranties and Undertakings of the Seller" and, on similar terms, in §(15) of Schedule 5/2 of the MRTA:

<<(xv) Risk weighting: for the purpose of Article 243, paragraph (2), letter (b), item (iii) of the CRR, as at the relevant Selection Date and Purchase Date, 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 per cent. on an individual exposure basis for performing positions, since the Receivables comprised in each Portfolio are retail exposures which comply with the criteria set out in Article 123 of the CRR.>>.

See also the following Eligibility criterion in §(l) of "THE AGGREGATE PORTFOLIO - Eligibility Criteria" and §(l) of Schedule 3/1 of the MRTA:

<<(l) the Debtor under the Auto Loan Contract from which the Receivable arises is a Retail Customer;>>.

The Portfolio is made of Receivables payable by Retail Customers only.

Retail Customer is defined as follows (see definitions in T&Cs):

<<**Retail Customer** means a natural person or person or a small or medium-sized enterprise in accordance with article 123 (a) 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. In this respect, see the section headed "STRATIFICATION TABLES" and particularly the first table, confirming the percentages of "Private / Commercial".

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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.