

**Provisional  
CRR ASSESSMENT  
HILL FL 2024-2 B.V.**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

16<sup>th</sup> 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. Any page references in this document are to the prospectus unless otherwise stated.

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 on a fully ticked basis if no material adverse changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would not adversely change our analysis. Therefore, no guarantees can be provided that such Final CRR Assessment will be made available on a fully ticked basis.

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.

**16<sup>th</sup> September 2024**

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## PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	16 September 2024
<b>The transaction to be verified (the “Transaction”)</b>	<b>HILL FL 2024-2 B.V.</b>
Issuer	HILL FL 2024-2 B.V.
Originator	Hiltermann Lease Groep Holding B.V.
Lead Manager(s)	ABN AMRO Bank N.V., BNP Paribas
Transaction Legal Counsel	Simmons & Simmons LLP
Rating Agencies	Moody’s, Fitch
Stock Exchange	Luxembourg Stock Exchange
Closing Date	[TBD]

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.

<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 Prospectus, 6. <i>PORTFOLIO INFORMATION</i> . Portfolio Information – Breakdown by Lessee Group (Top 15) See Prospectus, 7. <i>PORTFOLIO DOCUMENTATION</i> . 7.4 Replenishment Criteria (A) none of the Lessees measured by their respective financial proportion to the Aggregate Discounted Balance accounts individually for more than [0.25] per cent. of the Aggregate Discounted Balance; <i>Initial portfolio data indicates 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. PCS notes replenishment criterion limiting aggregate exposures to any lessee to 0.25 per cent.</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>
	<b>PCS Comments</b> <i>Not applicable.</i>	

**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:** 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.>> **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 backed exposures and to transactor exposures (as defined in the Regulation (EU) 2024/1623 of 31 May 2024).

**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 %.

**Meets Criteria?**

**YES**

	<p><b><u>PCS Comments</u></b></p> <p>See Prospectus, 7. <i>PORTFOLIO DOCUMENTATION</i>.</p> <p>7.3 Eligibility Criteria</p> <p>Pursuant to the Master Purchase Agreement, a Leased Asset meets the Eligibility Criteria referred to under item (d) and (e) of the Asset Warranties if it meets the following criteria (collectively and individually, "Eligibility Criteria") on the relevant Cut-Off Date immediately preceding the relevant Purchase Date, to the extent applicable to it:</p> <p>(FF) the Lessee of the Leased Vehicle is a legal entity or private individual conducting an enterprise (werkzaam in de uitoefening van een beroep of bedrijf) located in the Netherlands;</p> <p><i>PCS relied on additional due diligence confirming that exposures that qualify as corporate exposures meet the conditions for being assigned a risk weight equal to or smaller than 100% and exposures that qualify as retail exposures meet the conditions for being assigned a risk weight equal to or smaller than 75%, all within the meaning of the CRR.</i></p>	
3	<p><b><u>CRR Criteria</u></b></p> <p>(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;</p>	<p><b><u>Meets Criteria?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p><i>Not applicable.</i></p>	
4	<p><b><u>CRR Criteria</u></b></p> <p>(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).</p>	<p><b><u>Meets Criteria?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p><i>Not applicable.</i></p>	