

CRR ASSESSMENT

SUNRISE SPV Z70 S.R.L.



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

18 September 2024

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18 September 2024

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PRIME COLLATERALISED SECURITIES (PCS) – CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	18 September 2024
The transaction to be verified (the “Transaction”)	Sunrise SPV Z70 S.r.l.
Issuer	Sunrise SPV Z70 S.r.l.
Originator	AGOS Ducato S.p.A.
Joint Arrangers	Banca Akros S.p.A.; Crédit Agricole CIB, Milan Branch
Joint Lead Managers	Banca Akros S.p.A.; Crédit Agricole CIB; Intesa Sanpaolo S.p.A.; and Mediobanca – Banca di Credito Finanziario S.p.A.
Transaction Legal Counsel	Legance Avvocati Associati
Rating Agencies	DBRS and Fitch
Stock Exchange	Luxembourg Stock Exchange
Closing Date	18 September 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, as amended from time to time.

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 statement in §12. of "THE PORTFOLIOS - Other features of the Portfolios":

<<12. *The outstanding balance of the Receivables owed by the same Debtor does not exceed 2 per cent. of the aggregate outstanding balance of all Receivables comprised in the Portfolios, for the purposes of article 243, paragraph 2(a), of the CRR.>>.*

See also the provision in "THE PORTFOLIOS - Concentration Limits", requiring that:

<<*Within the Purchase Period in relation to any transfer of Receivables and with reference to the Receivables that are not Defaulted Receivables, the following concentration limits shall be respected, as calculated on each Confirmation Date immediately preceding the relevant Purchase Date (with reference to the relevant Valuation Date in respect of the Principal Amount Outstanding of the Subsequent Receivables included in the Purchase Notice and with reference to the immediately preceding Cut-Off Date in respect of the Principal Amount Outstanding of the Receivables already transferred to the Issuer): (...)*

(ii) the aggregate amount of the Principal Amount Outstanding of the Receivables vis-à-vis the same Debtor shall not be higher than 0.008% of the aggregate amount of the Principal Amount Outstanding of all the Receivables;>>.

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 to consumer loans.

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.>> Note: 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 %.>> Note: 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).

Meets Criteria?

YES

PCS Comments

2 (b) (iii) does apply.

In respect of the nature of the Borrowers as "retail customers", we note the statements contained in the Prospectus that:

<<The Portfolios comprise only Receivables deriving from Consumer Loans which qualify as "consumer loans", i.e. loans extended to individuals (the "consumers") acting outside the scope of their entrepreneurial, commercial, craft or professional activities.>> (see "RISK FACTORS - 8. LEGAL AND REGULATORY RISKS - Italian consumer legislation contains certain protections in favour of debtors").

See also the R&W contained in "Description of the Warranty and Indemnity Agreement", §(xvii) confirming that the Receivables arise from Loans granted to individuals:

	<p><<(xvii) All Consumer Loan Agreements have been entered into with individuals (persone fisiche) which were resident in Italy as at the time of the entry into of the relevant Consumer Loan Agreement.>>.</p> <p>Agos has also specifically represented that all the receivables meet the requirements for 75% risk weighting under the standardised approach: see the following R&W, in §14 of section “THE PORTFOLIOS - Other features of the Portfolios”:</p> <p><<14. All the Receivables meet (with reference to the Initial Portfolio) and will meet (with reference to each Subsequent Portfolio) the requirements for 75% risk weighting under the standardised approach, for the purposes of article 243, paragraph 2(b)(iii), of the CRR.>>.</p>	
3	<p>CRR Criteria</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>PCS Comments</p> <p>Not applicable.</p>	<p>Meets Criteria?</p> <p>YES</p>
4	<p>CRR Criteria</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>PCS Comments</p> <p>Not applicable.</p>	<p>Meets Criteria?</p> <p>YES</p>