

CRR ASSESSMENT

AUTO ABS ITALIAN STELLA LOANS 2023-1 S.r.l.



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

25 October 2023

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25 October 2023

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PRIME COLLATERALISED SECURITIES (PCS) – CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	25 October 2023
The transaction to be verified (the “Transaction”)	Auto ABS Italian Stella Loans 2023-1 S.r.l.
Issuer	Auto ABS Italian Stella Loans 2023-1 S.r.l.
Originator/Seller/STS Originator for STS purposes	Stellantis Financial Services Italia S.p.A.
Arranger and Lead Manager	Banco Santander S.A.
Transaction Legal Counsel	Jones Day
Rating Agencies	DBRS and Fitch
Stock Exchange	Luxembourg Stock Exchange
Closing Date	25 October 2023

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 section headed "STRATIFICATION TABLES" and particularly the first table, confirming that the Largest Borrower percentage on Outstanding Loan Principal Amount equals to 0.02% and the Largest TOP 5 Borrower percentage on Outstanding Loan Principal Amount equals to 0.08%. This is clearly in line with this requirement. See also the Section "THE 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 other Purchased Receivables and after taking into account all Receivables to be purchased on such Purchase Date (with the exception of the limit set forth under 6. below), shall not cause the Portfolio to breach any of the following limits:</i> 1. <i>the Outstanding Balance of the Performing Receivables relating to one Debtor does not exceed 0.1% of the Outstanding Balance of all Performing Receivables;</i> 2. <i>the Outstanding Balance of the Performing Receivables relating to the 10 largest Debtors does not exceed 1.0% of the Outstanding Balance of all Performing Receivables;</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

	<p><u>PCS Comments</u></p> <p>Not applicable.</p>
2	<p><u>CRR Criteria</u></p> <p>(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:</p> <p>(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);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;</p> <p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure (NOTE 2);</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis; (NOTE 3)</p> <p>NOTE 2: See article 123, "Retail exposures" of the Regulation (EU) No 575/2013.</p> <p>NOTE 3: See article 501, "Adjustment of risk-weighted non-defaulted SME exposures for "SME Loans" of the Regulation (EU) No 575/2013, as amended in Regulation (EU) 2019/876 and Regulation 2020/873 in (19) and Article 2.1(b).</p> <p style="text-align: center;"><u>Meets Criteria?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>The Receivables are auto loans and retail exposures. The risk weighting under Article 243(2)(b) (iii) above applies.</p> <p>See in this respect the following R&W in §(16) of Schedule 5/2 of the MRTA:</p> <p><i><<16 for the purpose of Article 243, paragraph (2), letter (b), item (iii) of the CRR, as at the relevant Selection 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% on an individual exposure basis for performing positions, since the Purchased Receivables are retail exposures which comply with the criteria set out in article 123 of the CRR.>>.</i></p> <p>See also the following Eligibility criterion in §(I) of Schedule 3/1 of the MRTA:</p> <p><i><<(I) the Debtor under the Auto Loan Contract from which the Receivable arises is a Retail Customer;>></i></p> <p>The Portfolio is made of Receivables payable by Retail Customers only.</p> <p>Retail Customer is defined as follows:</p> <p><i><<Retail Customer means a natural person or person or a small or medium-sized enterprise in accordance with article 123 (a) of the CRR.>>.</i></p> <p>In addition, in respect of the exposures towards Borrowers that are individual entrepreneurs, the adjustments set out in Article 501 of CRR also apply.</p>

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