

Provisional CRR ASSESSMENT

Quarzo S.r.l. - 2025-1



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

22 April 2025

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This is a Provisional CRR Assessment.

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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.

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22 April 2025

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PRIME COLLATERALISED SECURITIES (PCS) – Provisional CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	22 April 2025
The transaction to be verified (the “Transaction”)	Quarzo S.r.l. – 2025-1
Issuer	Quarzo S.r.l.
Originator	Compass Banca S.p.A.
Arranger	Mediobanca – Banca di Credito Finanziario S.p.A. (Mediobanca)
Joint Lead Managers	BofA Securities Europe S.A.; Crédit Agricole CIB; Intesa Sanpaolo S.p.A.; Mediobanca; Société Générale; UniCredit Bank GmbH
Transaction Legal Counsel	Allen & Overy Shearman Sterling
Rating Agencies	DBRS and Moody's
Stock Exchange	Euronext Dublin
Target Closing Date	May 2025

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, 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 R&W under §(ww) in "THE MASTER RECEIVABLES PURCHASE AGREEMENT - Representations and warranties in relation to the Receivables": <<(ww) At the relevant Legal Effective Date, the aggregate exposure value of all the Receivables to a single Debtor included in the Portfolio does not exceed 2% of the exposure values of all the Receivables included in the Portfolio.>>.	
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.	
2	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;	Meets Criteria? YES

- (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.

In particular starting from 1 January 2025, “Retail Exposures” shall satisfy the following 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.

The present value of retail minimum lease payments shall be eligible for the retail exposure class.

Exposures that do not comply with the criteria referred to in points (a) to (c) of the first subparagraph shall not be eligible for the retail exposures class. (...)

3. Retail exposures as referred to in paragraph 1 shall be assigned a risk weight of 75 %, with the exception of transactor exposures, which shall be assigned a risk weight of 45 %. (...)

5. By way of derogation from paragraph 3, exposures due to loans granted by an institution to pensioners or employees with a permanent contract against the unconditional transfer of part of the borrower’s pension or salary to that institution shall be assigned a risk weight of 35 %, provided that (...)>>.

PCS Comments

2 (b) (iii) should apply.

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

<<The Portfolio comprises 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”).

As to the maximum exposure towards the relevant Debtors, see the R&W under §(xx) in “THE MASTER RECEIVABLES PURCHASE AGREEMENT - Representations and warranties in relation to the Receivables”:

<<(xx) The Receivables comprised in the Initial Portfolio do not include, and the Receivables comprised in the Subsequent Portfolio will not include, receivables whose relevant Debtors have a payment balance higher than euro 100,000 on payment accounts opened with Compass.>>.

See also the specific R&W given by Compass in this respect, which is contained in Clause 29 of the Intercreditor Agreement:

<<29. REPRESENTATION AND WARRANTY OF THE ORIGINATOR

	The Originator represents and warrants to the Issuer that, for the purpose of Article 243, paragraph (2), letter (b), item (iii) of the CRR, as at the relevant Valuation 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 Receivables are retail exposures which comply with the criteria set out in article [123(1)] of the CRR.>>.	
3	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.	
4	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.	