

CRR ASSESSMENT

Quarzo S.r.l.

Quarzo Securitisation 2022



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

6 April 2022

Analyst: Daniele Vella | Contacts:  daniele.vella@pcsmarket.org /  +33 6 15 37 86 95

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6 April 2022

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**Prime Collateralised Securities (PCS)
CRR Assessment**

Individual(s) undertaking the assessment	Daniele Vella
Date of Assessment /Version	6 April 2022
The transaction to be assessed (the “Transaction”)	Quarzo Securitisation 2022
Issuer	Quarzo S.r.l.
Originator	Compass Banca S.p.A.
Joint Lead Managers	Mediobanca – Banca di Credito Finanziario S.p.A. IMI – Intesa Sanpaolo Société Générale UniCredit Bank A.G.
Transaction Legal Counsel	Legance
Rating Agencies	DBRS and Moody’s
Stock Exchange	Euronext Dublin - Irish Stock Exchange
Closing Date	6 April 2022

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p>Article 243 (¹)</p> <p>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:</p>			
<p>1 (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.</p>	<p>See the “Representations and warranties in relation to the Receivables”:</p> <p><i><<(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.>>.</i></p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
<p>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);</p>	<p>Not applicable.</p>		<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>

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.

2	<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> <ul style="list-style-type: none"> (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 ⁽²⁾; <p>for any other exposures, 100 % on an individual exposure basis;</p>	<p>2 (b) (iii) should apply.</p> <p>In respect of the nature of the Borrowers as “<i>retail customers</i>”, we note the statements contained in the Prospectus that << <i>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.</i>>> (see “RISK FACTORS - 8. LEGAL AND REGULATORY RISKS - <i>Italian consumer legislation contains certain protections in favour of debtors</i>”).</p> <p>Compass has also specifically confirmed to PCS that <<<i>at the time of the relevant Valuation Date, the Receivables meet the conditions for being assigned a risk weight equal to or smaller than 75 per cent on an exposure value weighted average for a portfolio of such Receivables, as set out and within the meaning of article 243(2)(b) of the CRR</i>>>.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
3	<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</p>	<p>Not applicable.</p>		<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>

² See article 123, “Retail exposures” of the Regulation (EU) No 575/2013; for Consumer loans see the amendments to article 123 in (59) REGULATION (EU) 2019/876 and REGULATION (EU) 2020/873, article 2 (1) (a).

See article 501 on “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).

	ranking security rights on that asset are also included in the securitisation;			
4	(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).	Not applicable.		Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>