

# **CRR ASSESSMENT**

## **[Name of Transaction]**



PRIME COLLATERALISED SECURITIES (PCS) UK Limited

XX<sup>xx</sup> [September] 2022

**[Analyst: XXX – 012345 | M: XXXX email address]**

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**XX<sup>xx</sup> [September] 2022**



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## PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Name of Analyst
Date of Verification	XX [September] 2022
<b>The transaction to be verified (the "Transaction")</b>	<b>Name of Transaction</b>
Issuer	Name of SPV
Originator	
ABCP Conduit(s)	
Sponsor	
Transaction Legal Counsel	
Rating Agencies	
Stock Exchange	
Closing Date	XX [September] 2022

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 grey introductory boxes with specific criteria for our verification listed underneath.

## Legislative Text

Article 243 (1)

1. Positions in 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:

<b>1a</b>	<b>CRR Criteria</b> (a) the underlying exposures meet, at the time of their inclusion in the ABCP programme, to the best knowledge of the originator or the original lender, 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 where the exposure is a retail exposure or 100 % for any other exposures; and	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b>	
<b>1b</b>	<b>CRR Criteria</b> (b) the aggregate exposure value of all exposures to a single obligor at ABCP programme level does not exceed 2 % of the aggregate exposure value of all exposures within the ABCP programme at the time the exposures were added to the ABCP programme. For the purposes of this calculation, loans or leases to a group of connected clients, to the best knowledge of the sponsor, shall be considered as exposures to a single obligor	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> <i>The assessment concerns this transaction of the ABCP programme. Therefore, PCS cannot verify the single obligor concentration on a programme level. It is however possible for PCS to verify if the specific transaction contains covenants of the Sponsor /other parties, to make sure that this programme level requirement is met.</i>	

<sup>1</sup> 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>CRR Criteria</b></p> <p>In the case of trade receivables, point (b) of the first subparagraph shall not apply where the credit risk of those trade receivables is fully covered by eligible credit protection in accordance with Chapter 4, provided that in that case the protection provider is an institution, an insurance undertaking or a reinsurance undertaking. For the purposes of this subparagraph, only the portion of the trade receivables remaining after taking into account the effect of any purchase price discount and overcollateralisation shall be used to determine whether they are fully covered and whether the concentration limit is met.</p>	<p><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p>	
3	<p><b>CRR Criteria</b></p> <p>In the case of securitised residual leasing values, point (b) of the first subparagraph 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><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p>	
4	<p><b>CRR Criteria</b></p> <p>By way of derogation from point (a) of the first subparagraph, where an institution applies Article 248(3) or has been granted permission to apply the Internal Assessment Approach in accordance with Article 265, the risk weight that institution would assign to a liquidity facility that completely covers the ABCP issued under the programme is equal to or smaller than 100 %.</p>	<p><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p>	