CRR ASSESSMENT

Quarzo S.r.l.

Quarzo 2017-1 Securitisation

PRIME COLLATERALISED SECURITIES (PCS) EU SAS

17 April 2020

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17 April 2020

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Prime Collateralised Securities (PCS)

CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	17 April 2020
The transaction to be verified (the "Transaction")	**Quarzo S.r.l. - Issuance of 15 February 2017**

Issuer	**Quarzo S.r.l.**
Originator	Compass Banca S.p.A.
Transaction Legal Counsel	Legance
Rating Agencies	DBRS and Moody's
Stock Exchange	Irish Stock Exchange
ESMA Notification Date	17 April 2020

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
Article 243 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:				
(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.	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.	See in this respect the R&W sub §(r), added in the transaction and as referred to in the Notice's Section headed "AMENDMENTS TO THE TRANSACTION DOCUMENTS - The Master Receivables Purchase Agreement": *<<(r) 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.>>*.		Yes ☒ No☐

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
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);	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);	Not applicable.		Yes ☐ No ☐ N/A ☒
(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	2. (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	2 (b) (iii) should apply. In respect of the nature of the Borrowers as "*retail customers*", we note the statements contained in See the Notice, §(n)(iii) of "AMENDMENTS TO THE TRANSACTION DOCUMENTS - The Master Receivables Purchase Agreement" where it is stated that <<*(iii) the Receivables fall or will fall, as the case may be, within the same asset category of the*		Yes ☐ No ☐

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
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; (iv) for any other exposures, 100 % on an individual exposure basis;	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; (iv) for any other exposures, 100 % on an individual exposure basis;	*relevant Regulatory Technical Standards named "credit facilities provided to individuals for personal, family or household consumption purposes"*>>. PCS has also received confirmation from the Originator that 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.		
(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	3. (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	Not applicable		Yes ☐ No ☐ N/A ☒

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
securitisation;	securitisation;			
(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).	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 ☐ No ☐ N/A ☒