

CRR ASSESSMENT

BPCE HOME LOANS FCT 2019



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

29 October 2019



Analyst: Daniele Vella | Contacts: +33 1 86 26 18 40 / +33 6 15 37 86 95

This is a CRR Assessment.

This CRR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the draft materials received by PCS as at the date of this document.

Any page/section references in this document are to the prospectus unless otherwise stated.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

29 October 2019



Disclaimer

Neither an STS Verification, nor a CRR Assessment, nor an LCR Assessment is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

PCS UK and PCS EU are regulated, respectively, by the UK Financial Conduct Authority and the *Autorité des Marchés Financiers*, and authorised as third-party verification agents pursuant to article 28 of Regulation (EU) 2017/2402 (the “STS Regulation”). Currently, none of the activities involved in providing an CRR or an LCR Assessment are endorsed or regulated by any regulatory and/or supervisory authority nor is the PCS Association regulated by any regulator and/or supervisory authority including the Belgian Financial Services and Markets Authority, the United Kingdom Financial Conduct Authority, the French *Autorité des Marchés Financiers* or the European Securities and Markets Authority.

By assessing the CRR status of any securities or financing, neither the PCS Association nor PCS UK nor PCS EU express any views about the creditworthiness of these securities or financings or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings.

Equally, by completing (either positively or negatively) any CRR status assessment of certain instruments, no statement of any kind is made as to the value or price of these instruments or the appropriateness of the interest rate they carry (if any).

In the provision of any CRR Assessment, PCS has based its decision on information provided directly and indirectly by the originator or sponsor of the relevant securitisation. Specifically, it has relied on statements made in the relevant prospectus or deal sheet, documentation and/or in certificates provided by, or on behalf of, the originator or sponsor in accordance with PCS’ published procedures for the relevant PCS verification or assessment. You should make yourself familiar with these procedures to understand fully how any PCS service is completed. These can be found at www.pcsmarket.org (the “PCS Website”). Neither the PCS Association nor PCS UK nor PCS EU undertake their own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any CRR Assessment is not a confirmation or implication that the information provided to it by or on behalf of the originator or sponsor is accurate or complete.

The PCS entities take reasonable measures to ensure the quality and accuracy of the information on www.pcsmarket.org. However, neither the PCS Association nor PCS UK nor PCS EU can be held liable in any way for the inaccuracy or incompleteness of any information that is available on or through the PCS Website. In addition, neither the PCS Association nor PCS UK nor PCS EU can in any way be held liable or responsible for the content of any website linked to the PCS Website.

To understand the meaning and limitations of any CRR Assessment you must read the General Disclaimer that appears on the PCS Website.

When entering any of the “Transaction” sections of the PCS Website, you will be asked to declare that you are allowed to do so under the legislation of your country. The circulation and distribution of information regarding securitisation instruments (including securities) that is available on the PCS Website may be restricted in certain jurisdictions. Persons receiving any information or documents with respect to or in connection with instruments (including securities) available on the PCS Website are required to inform themselves of and to observe all applicable restrictions.

Prime Collateralised Securities (PCS) EU SAS

CRR Assessment

| | |
|---|--|
| Individual(s) undertaking the assessment | Daniele Vella |
| Date of Verification | 29 October 2019 |
| The transaction to be verified (the “Transaction”) | BPCE HOME LOANS FCT 2019 |
| Issuer | BPCE HOME LOANS FCT 2019 |
| Originator | A number of “ <i>Banques Populaires</i> ” and “ <i>Caisses d’Epargne</i> ” (see list in Section “The Sellers”) |
| ISIN | FR0013449394 |
| Arranger | BPCE - Natixis |
| Lead Manager(s) | Natixis – BofA Merrill Lynch |
| Transaction Legal Counsel | Orrick Herrington & Sutcliffe (Europe) LLP |
| Rating Agencies | Fitch and Moody’s |
| Stock Exchange | Paris Stock Exchange (Euronext Paris) |
| Target Closing Date | 29 October 2019 |

| Legislative text | CRR criteria | Identifying document and checking page reference | Checking comments | Criteria fulfilled Yes / No |
|---|---|--|-------------------|---|
| <p>Article 243</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>(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>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</p> | <p>See “Portfolio Conditions” in OVERVIEW OF THE TRANSACTION, where it is stated that <<As of the Selection Date, the Home Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit and the Borrower Concentration (together the “Portfolio Conditions”), where: [...]</p> <p><u>“Borrower Concentration”</u> refers to the following limit: the aggregate Outstanding Principal Balance of the Home</p> | | <p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> |

| Legislative text | CRR criteria | Identifying document and checking page reference | Checking comments | Criteria fulfilled Yes / No |
|--|--|--|-------------------|--|
| | considered as exposures to a single obligor. | <i>Loans granted to a single Borrower and offered for sale by all Sellers on the Purchase Date is lower than an amount equal to two per cent. (2%) of the aggregate Outstanding Principal Balance of all the Home Loans offered for sale by all Sellers on such Purchase Date.>></i> | | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |
| (b) at the time of their inclusion in the | 2. (b) at the time of their inclusion in the | 2 (b) (i) applies. | | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

| Legislative text | CRR criteria | Identifying document and checking page reference | Checking comments | Criteria fulfilled Yes / No |
|--|--|---|-------------------|-----------------------------|
| <p>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 <i>point</i> (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>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 <i>point</i> (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>See “<i>Portfolio Conditions</i>” in OVERVIEW OF THE TRANSACTION, where it is stated that <<<u><i>As of the Selection Date, the Home Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit and the Borrower Concentration (together the “Portfolio Conditions”), where: [...]</i></u></p> <p><u><i>(b) “RWA Limit” refers to the following limit: the weighted average of the Home Loans risk weights under the Standardised Approach (as defined in the Capital Requirements Regulations) is equal to or smaller than 40%; [...]</i></u>>></p> | | |
| <p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> | <p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> | | | |

| Legislative text | CRR criteria | Identifying document and checking page reference | Checking comments | Criteria fulfilled Yes / No |
|--|---|--|--|---|
| (iv) for any other exposures, 100 % on an individual exposure basis; | (iv) for any other exposures, 100 % on an individual exposure basis; | | | |
| (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; | 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 securitisation; | PCS understands that the Home Loans are (alternatively) either secured by a (first ranking) Mortgage or by a Home Loan Guarantee (see Home Loan Eligibility Criteria §(g) and the definition of “Mortgage”). | This point does not apply, given the features of the security assisting the Home Loans | <p style="text-align: right;">Yes <input checked="" type="checkbox"/></p> <p style="text-align: right;">No <input type="checkbox"/></p> |
| (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). | See Eligibility Criteria, §(i) and (k), requiring for a loan to be eligible that, respectively, <<the Current LTV of the Home Loan is no more than one hundred per cent. (100%)>> and that <<the Current Indexed LTV of the Home Loan is no more than one hundred per cent. (100%);>>. | | <p style="text-align: right;">Yes <input checked="" type="checkbox"/></p> <p style="text-align: right;">No <input type="checkbox"/></p> |

| Legislative text | CRR criteria | Identifying document and checking page reference | Checking comments | Criteria fulfilled Yes / No |
|------------------|--------------|---|-------------------|--------------------------------|
| | | <p>See also definitions of Current LTV and Current Indexed LTV:</p> <p><<Current LTV means, on the Selection Date, in relation to any Home Loan and the related financed property, the ratio of the aggregate Outstanding Principal Balances of all the Home Loans financing such property on such date over the Original Market Value of such property.>>.</p> <p><<Current Indexed LTV means, on the Selection Date, in relation to any Home Loan and the related financed property, the ratio of the aggregate Outstanding Principal Balances of all the Home Loans financing such property on such date over the Indexed Valuation of such property.>>.</p> | | |