

# **LCR Assessment**

## **BPCE Home Loans FCT 2021 Green UoP**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

26 October 2021



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**This is an LCR Assessment.**

**This LCR 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 and final documentation received by PCS as at the date of this document. Any 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.**

**26 October 2021**

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**Prime Collateralised Securities (PCS)  
Provisional LCR Assessment**

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	26 October 2021
<b>The transaction to be verified (the “Transaction”)</b>	<b>BPCE Home Loans FCT 2021 Green UoP</b>
Issuer	BPCE Home Loans FCT 2021 Green UoP
Originators	A number of “Banques Populaires” and “Caisses d’Epargne” (see list in Section “ <b>The Sellers</b> ”)
Lead Manager(s)	Natixis and Goldman Sachs Bank Europe
Transaction Legal Counsel	Orrick Herrington & Sutcliffe (Europe) LLP
Rating Agencies	Fitch and S&P
Stock Exchange	Paris Stock Exchange (Euronext Paris)
Closing Date	26 October 2021

Legislative Text and LCR Criteria ( <sup>1</sup> )	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p><b>1</b></p> <p>1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:</p> <p>(a) the designation ‘STS’ or ‘simple, transparent and standardised’, or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council (*) and is being so used;</p> <p>(b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.</p>	<p>1 (a) PCS is advised by the Seller that the transaction BPCE Home Loans 2021-G FCT is being designated STS on closing.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
	<p>1 (b) PCS has ticked the questions below as “yes”.</p> <p>See the disclaimer above for a fuller analysis of the limitations of PCS’s LCR assessment.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
<p><b>2</b></p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAL in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;</p> <p>(b) the position is in the most senior tranche or tranches of the securitisation and possesses the highest level of seniority at all times during the ongoing life of the transaction. For these purposes, a tranche shall be deemed to be the most senior where after the delivery of an enforcement notice and where applicable an acceleration notice, the tranche is not subordinated to other tranches of the same securitisation transaction or scheme in respect of receiving principal and interest payments, without taking into account amounts due under interest rate</p>	<p>See Prospectus’ cover page – “Expected ratings”.</p>	<p>2 (a) PCS notes that the Class A Notes are expected to be rated on closing (<sup>2</sup>):</p> <ul style="list-style-type: none"> <li>• AAA (sf) by Fitch</li> <li>• AAA (sf) by S&amp;P</li> </ul>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
	<p>2 (b) PCS confirms that, based on the indications contained in the Prospectus, the Class A Notes meet the required attributes.</p>	<p>2 (b) PCS confirms that the senior tranche meets the required attributes, based on a review of the prospectus.</p> <p>See:</p> <p>(i) <i>“Priority of Payments during</i></p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

<sup>1</sup> Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

<sup>2</sup> To be confirmed in the final version of the Prospectus.

Legislative Text and LCR Criteria ( <sup>1</sup> )	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p>or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of Regulation (EU) No 575/2013;</p>		<p>(ii) <i>the Amortisation Period (Normal Priority of Payments)</i> and <i>“Priority of Payments during the Accelerated Amortisation Period and on the Issuer Liquidation Date (Accelerated Priority of Payments)”</i>,            which confirm the status of the Class A Notes as most senior tranche.            See also the definition of <i>“Most Senior Class of Notes Outstanding”</i>.</p>	
<p><b>3</b> (g) the securitisation position is backed by a pool of underlying exposures and those underlying exposures either all belong to only one of the following subcategories or else they consist of a combination of residential loans referred to in point (i) and residential loans referred to in point (ii):            (i) residential loans secured with a first-ranking mortgage granted to individuals for the acquisition of their main residence, provided that one of the two following conditions is met:</p>	<p>See the prospectus, containing statements confirming that the Home Loans are either secured by a first ranking Mortgage or by a Home Loan Guarantee (see Home Loan Eligibility Criteria §(f)(i), §(f)(ii) and the definitions of “Mortgage” and “Home Loan Guarantee”).            In each case, the financed properties are the main residence of the Borrower. Eligibility Criteria, under §(v) require that</p>		<p>Yes <input checked="" type="checkbox"/>            No <input type="checkbox"/></p>

Legislative Text and LCR Criteria (1)	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p>— the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013 (3);</p> <p>— the national law of the Member State where the loans were originated provides for a loan-to-income limit on the amount that an obligor may borrow in a residential loan, and that Member State has notified this law to the Commission and EBA. The loan-to-income limit is calculated on the gross annual income of the obligor, taking into account the tax obligations and other commitments of the obligor and the risk of changes in the interest rates over the term of the loan. For each residential loan in the pool, the percentage of the obligor's gross income that may be spent to service the loan, including interest, principal and fee payments, does not exceed 45 %;</p> <p>(ii) fully guaranteed residential loans referred to in Article 129(1)(e) of Regulation (EU) No 575/2013, provided that the loans meet the collateralisation requirements laid down in that paragraph and the average loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013</p> <p>(iii) commercial loans, leases and credit facilities to undertakings established in a Member State to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium- sized enterprises at the time of issuance of the securitisation, and none of the</p>	<p>&lt;&lt;the underlying property which is subject to the Home Loan Agreement is either a residential house or a residential flat, and not used for partially commercial use,&gt;&gt;</p> <p>(g)(i) applies to the <u>Home Loans that benefit from a first ranking Mortgage</u>.</p> <p>In this respect, we note that under the Portfolio Conditions – definition of LTV Criteria:</p> <p>(1) the weighted average of the Current LTV and the weighted average of the Current Indexed LTV of the Home Loans offered for sale by all Sellers and benefiting from Home Loan Guarantees does not exceed eighty per cent (80%); and</p>		

<sup>3</sup> Article 129(1)(d) of Regulation (EU) No 575/2013 refers to <<(d) loans secured by:

(i) residential property up to the lesser of the principal amount of the liens that are combined with any prior liens and 80 % of the value of the pledged properties; or

(ii) senior units issued by French Fonds Communs de Titrisation or equivalent securitisation entities governed by the laws of a Member State securitising residential property exposures. In the event of such senior units being used as collateral, the special public supervision to protect bond holders as provided for in Article 52(4) of Directive 2009/65/EC shall ensure that the assets underlying such units shall, at any time while they are included in the cover pool be at least 90 % composed of residential mortgages that are combined with any prior liens up to the lesser of the principal amounts due under the units, the principal amounts of the liens, and 80 % of the value of the pledged properties, that the units qualify for the credit quality step 1 as set out in this Chapter and that such units do not exceed 10 % of the nominal amount of the outstanding issue.>>

Legislative Text and LCR Criteria (1)	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p>borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013; (4)</p> <p>(iv) auto loans and leases to borrowers or lessees established or resident in a Member State. For these purposes, auto loans and leases shall include loans or leases for the financing of motor vehicles or trailers as defined in points (11) and (12) of Article 3 of Directive 2007/46/EC of the European Parliament and of the Council, agricultural or forestry tractors as referred to in Regulation (EU) No 167/2013 of the European Parliament and of the Council, two-wheel motorcycles or powered tricycles as referred to in Regulation (EU) No 168/2013 of the European Parliament and of the Council or tracked vehicles as referred to in point (c) of Article 2(2) of Directive 2007/46/EC. (5) Such loans or leases may include ancillary insurance and service products or additional vehicle parts, and in the case of leases, the residual value of leased vehicles. All loans and leases in the pool shall be secured with a first-ranking charge or security over the vehicle or an appropriate guarantee in favour of the SSPE, such as a retention of title provision;</p> <p>(v) loans and credit facilities to individuals resident in a Member State for personal, family or household consumption purposes.</p>	<p>(2) the weighted average of the Current LTV and the weighted average of the Current Indexed LTV of the Home Loans offered for sale by all Sellers and benefiting from Mortgages does not exceed eighty per cent (80%).</p> <p>See in particular the references to the WA Current LTV and the WA Current indexed LTV mentioned in the stratification table headed "Provisional Portfolio Summary" included in the Prospectus.</p> <p>Further, (g)(ii) applies to <u>the Home Loans that benefit from a Home Loan Guarantee</u>.</p> <p>In this respect, in addition to the Portfolio Conditions mentioned above, we note the table set out in "INFORMATION RELATING</p>		

<sup>4</sup> In particular: "institution" means a credit institution or an investment firm; 'credit institution' means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account; and 'investment firm' means a person as defined in point (1) of Article 4(1) of Directive 2004/39/EC, which is subject to the requirements imposed by that Directive, excluding the following: (a) credit institutions; (b) local firms; (c) firms which are not authorised to provide the ancillary service referred to in point (1) of Section B of Annex I to Directive 2004/39/EC, which provide only one or more of the investment services and activities listed in points 1, 2, 4 and 5 of Section A of Annex I to that Directive, and which are not permitted to hold money or securities belonging to their clients and which for that reason may not at any time place themselves in debt with those clients.

<sup>5</sup> Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (Framework Directive) (OJ L 263, 9.10.2007, p. 1). Regulation (EU) No 167/2013 of the European Parliament and of the Council of 5 February 2013 on the approval and market surveillance of agricultural and forestry vehicles (OJ L 60, 2.3.2013, p. 1). Regulation (EU) No 168/2013 of the European Parliament and of the Council of 15 January 2013 on the approval and market surveillance of two- or three-wheel vehicles and quadricycles (OJ L 60, 2.3.2013, p. 52).;



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	<p>TO THE PROVISIONAL PORTFOLIO OF HOME LOANS” – “Provisional Portfolio Summary” in which the following data are set out:</p> <ul style="list-style-type: none"> <li>The WA Debt-To-Income ratio for the Guaranteed Loans is equal to 30.15%%</li> <li>The WA Current LTV and the WA Current indexed LTV are in each case lower than 80%.</li> </ul>		
<p><b>4</b> 10. The underlying exposures shall not have been originated by the credit institution holding the securitisation position in its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with that credit institution.</p>		<p>The investor should confirm that it is not a group entity of any of the Originators to meet this point. We have ticked this point positive but ultimately it is the investors responsibility to confirm.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
<p><b>5</b> 11. The issue size of the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency).</p>	<p>The prospectus confirms that the size of the senior tranche is in excess of the minimum threshold required. This requirement is therefore satisfied.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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<p><b>6</b> 12. The remaining weighted average life of the tranche shall be 5 years or less, which shall be calculated using the lower of either the transaction's pricing prepayment assumption or a 20 % constant prepayment rate, for which the credit institution shall assume that the call is exercised on the first permitted call date.</p>	<p>See Section "ESTIMATED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS"</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
<p><b>7</b> 13. The originator of the exposures underlying the securitisation shall be an institution as defined in Article 4(3) of Regulation (EU) No 575/2013 or an undertaking whose principal activity is to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU.</p>	<p>The Sellers are credit institutions (<i>établissement de crédit</i>) either in the form of "<i>Banque Populaire</i>" or in the form of "<i>Caisse d'Epargne</i>".</p> <p>See section "DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDER, THE SELLERS AND THE SERVICERS".</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>
<p><b>8</b> Article 37 Transitional provision for securitisations backed by residential loans</p> <p>1. By derogation from Article 13, securitisations issued before 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2), shall qualify as Level 2B assets if they meet all the requirements set out in Article 13 other than the loan-to-value or loan-to-income requirements set out in that point (g)(i) of Article 13(2).</p> <p>2. By derogation from Article 13, securitisations issued after 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2) that do not meet the average loan-to-value or the loan-to-income requirements set out in that point, shall qualify as Level 2B assets until 1 October 2025, provided that the underlying exposures include residential loans that were not subject to a national law regulating loan-to-income limits at the time they were</p>		<p>Points 1 and 2 are not applicable.</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>

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	granted and such residential loans were granted at any time prior to 1 October 2015.			