

CRR ASSESSMENT

BPCE Home Loans FCT 2023



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

27 October 2023

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27 October 2023

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PRIME COLLATERALISED SECURITIES (PCS) – CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	27 October 2023
The transaction to be verified (the “Transaction”)	BPCE Home Loans FCT 2023
Issuer	BPCE Home Loans FCT 2023
Originators	A number of “Banques Populaires” and “Caisses d’Epargne” (see list in Section “ The Sellers ”)
Joint Lead Manager(s)	Natixis; BOFA Securities Europe S.A. and UniCredit Bank AG
Transaction Legal Counsel	Orrick Herrington & Sutcliffe (Europe) LLP
Rating Agencies	Fitch and Moody’s
Stock Exchange	Regulated market of Euronext in Paris (Euronext Paris)
Closing Date	27 October 2023

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

Legislative Text

Article 243 (NOTE 1)

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:

NOTE 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.

1a

CRR Criteria

(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.

Meets Criteria?

YES

PCS Comments

See §(c) of "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, the Borrower Concentration and the Seller Concentration (together the "Portfolio Conditions"), where: (...)

(c) "**Borrower Concentration**" refers to the following limit: the aggregate Outstanding Principal Balance of the Home Loans granted to a single Borrower as of the Selection Date 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 as of the Selection Date of all the Home Loans offered for sale by all Sellers on the Purchase Date; (...)>>.

1b

CRR Criteria

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);

Meets Criteria?

YES

PCS Comments

Not applicable.

2	<p>CRR Criteria</p> <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> <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 point (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>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure (NOTE 2);</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis; (NOTE 3)</p> <p>NOTE 2: See article 123, "Retail exposures" of the Regulation (EU) No 575/2013.</p> <p>NOTE 3: See article 501, "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).</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>2 (b) (i) applies.</p> <p>See §(b) of "Portfolio Conditions" in OVERVIEW OF THE TRANSACTION, where it is stated that</p> <p><i><<As of the Selection Date, the Home Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit, the Borrower Concentration and the Seller Concentration (together the "Portfolio Conditions"), where: (...)</i></p> <p><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></p>	
3	<p>CRR Criteria</p> <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 ranking security rights on that asset are also included in the securitisation;</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>The Prospectus clarifies that the Home Loans are either secured by a (first ranking) Mortgage or by a Home Loan Guarantee.</p> <p>See Home Loan Eligibility Criteria §(f) and the definition of "Mortgage" and "Home Loan Guarantee" as quoted below:</p> <p><i><<(f) all sums due under the Home Loan are fully secured either:</i></p> <p><i>(i) by a Mortgage, provided that in such case, the relevant Home Loan was granted to finance the acquisition, the construction or the refinancing of one (1) single property located in France, being the main residence (résidence principale) of that Borrower; or</i></p> <p><i>(ii) by a Home Loan Guarantee, provided that in such case:</i></p>	

(A) the relevant Home Loan was granted to acquire, to renovate, to build or to refinance one (1) single property located in France, being the main residence (résidence principale) of that Borrower;
 (B) there was no Mortgage lien on the underlying property on the date on which the Home Loan was granted;
 (C) if the Home Loan was granted from the 1st of January 2014, the Borrower is contractually committed not to grant any Mortgage lien on the underlying property without the consent of the relevant Seller; and
 (D) the benefit of the Home Loan Guarantee will be transferred to the Issuer by way of the Transfer Document, without the need to obtain the prior consent of the relevant Home Loan Guarantor;>>

<<**Mortgage** means any in rem security interests being either first ranking:

(a) lender's privileges (privilèges du prêteur de deniers) as provided under article 2374-2 of the French Civil Code (in its version applicable until 31 December 2021); or
 (b) mortgages (hypothèques), as provided under article 2393 of the French Civil Code (in its version applicable until 31 December 2021).>>. In this respect, PCS received due diligence confirmation that the Receivables were all originated prior to 31 December 2021.

<<**Home Loan Guarantee** means, in respect of a Home Loan, any joint and several guarantee (cautionnement solidaire) or other type of guarantee securing the full repayment of such Home Loan and granted by any Home Loan Guarantor.>>.

4

CRR Criteria

(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).

Meets Criteria?

YES

PCS Comments

See Eligibility Criteria, §(h) and (i), requiring for a loan to be eligible that, respectively,

<<(h) the Current LTV of the Home Loan is no more than one hundred per cent. (100%);>> and

<<(i) the Current Indexed LTV of the Home Loan is no more than one hundred per cent. (100%);>>

See also definitions of Current LTV and Current Indexed LTV:

<<**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.>> and

<<**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.>>.