

LCR ASSESSMENT

BPCE Home Loans FCT 2023



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

27 October 2023

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This LCR Assessment covers the LCR rules and guidelines as at the date of this document.

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 materials 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.

27 October 2023

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PRIME COLLATERALISED SECURITIES (PCS) - LCR 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 and LCR Criteria (Note 1)

Note 1: see Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 and 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 (...).

1a	LCR Criteria 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: (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;	Meets Criteria? YES
	PCS Comments PCS is advised that the transaction BPCE Home Loans FCT 2023 is expected to be designated STS.	
1b	LCR Criteria 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: (b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.	Meets Criteria? YES
	PCS Comments PCS has ticked the questions below as "yes". See the disclaimer above for a fuller analysis of the limitations of PCS's LCR assessment	
2a	LCR Criteria 2. The securitisation position and the exposures underlying the position shall meet all the following requirements: (a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAI 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;	Meets Criteria? YES
	PCS Comments See Prospectus' cover page: PCS notes that the Class A Notes are expected, on closing, to be rated as follows: <ul style="list-style-type: none">• AAA (sf) by Fitch• Aaa (sf) by Moody's	

2b	<p>LCR Criteria</p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</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 or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of Regulation (EU) No 575/2013;</p>	
	<p>PCS Comments</p> <p>PCS confirms that, based on the indications contained in the Prospectus, the Class A Notes meet the required attributes.</p> <p>See:</p> <p>(i) "Priority of Payments during the Amortisation Period (Normal Priority of Payments)" and</p> <p>(ii) "Priority of Payments during the Accelerated Amortisation Period and on the Issuer Liquidation Date (Accelerated Priority of Payments)",</p> <p>which confirm the status of the Class A Notes as most senior tranche.</p> <p>See also the definition of "Most Senior Class of Notes Outstanding".</p>	
3	<p>LCR Criteria</p> <p>(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):</p> <p>(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> <ul style="list-style-type: none"> – 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; – 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><u>Meets Criteria?</u></p> <p>YES</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
- (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 borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013; ()
- (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. () 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;
- (v) loans and credit facilities to individuals resident in a Member State for personal, family or household consumption purposes.

PCS Comments

Paragraphs (g)(i) and (g)(ii) apply.

See the prospectus, containing statements confirming that the Home Loans are either secured by a first ranking Mortgage or by a Home Loan Guarantee. In this respect, see Home Loan Eligibility Criteria §(f)(i) and §(f)(ii)(A) and (B):

<<(f) all sums due under the Home Loan are fully secured either:

(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

(ii) by a Home Loan Guarantee, provided that in such case:

(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; (...)>>.

See also the definitions of “Mortgage” (confirming first ranking) and “Home Loan Guarantee” as quoted below:

<<**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.>>.

In each case, the financed properties are the main residence of the Borrower. This is confirmed in the Home Loan Eligibility Criteria, under §(v), requiring that:

<<(v) 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;>>.

Requirement (g)(i) applies to the Home Loans that benefit from a first ranking Mortgage, whereas (g)(ii) applies to the Home Loans that benefit from a Home Loan Guarantee. In this respect, we also note the following in the Portfolio Conditions – definition of LTV Criteria:

<<(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

(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%).>>

See also 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.

In addition to the Portfolio Conditions mentioned above, we also note the table set out in “INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS” – “Provisional Portfolio Summary” in which the following data are set out:

- The WA Debt-To-Income ratio for the Guaranteed Loans is equal to 29.99%.
- The WA Current LTV and the WA Current indexed LTV are in each case lower than 80%.

4	<p>LCR Criteria</p> <p>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>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>The investor should confirm that it is not a group entity of the Originator to meet this point. We have ticked this point positive but ultimately it is the investors responsibility to confirm.</p>	
5	<p>LCR Criteria</p> <p>11. The issue size of the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency).</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</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>	
6	<p>LCR Criteria</p> <p>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>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See Section "ESTIMATED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS".</p>	
7	<p>LCR Criteria</p> <p>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>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>The Sellers are credit institutions (<i>établissement de crédit</i>) either in the form of "Banque Populaire" or in the form of "Caisse d'Epargne".</p> <p>See section "DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDERS, THE SELLERS AND THE SERVICERS".</p>	

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LCR Criteria

Article 37 Transitional provision for securitisations backed by residential loans

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).

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

Meets Criteria?

YES

PCS Comments

Points 1 and 2 are not applicable.