

CRR ASSESSMENT
BPCE Home Loans FCT 2024
Green UOP



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

29 October 2024

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29 October 2024

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PRIME COLLATERALISED SECURITIES (PCS) – CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	29 October 2024
The transaction to be verified (the “Transaction”)	BPCE Home Loans FCT 2024 Green UOP
Issuer	BPCE Home Loans FCT 2024 Green UOP
Originators	A number of “Banques Populaires” and “Caisses d’Epargne” (see list in Section “ The Sellers ”)
Joint Lead Manager(s)	ABN AMRO Bank N.V.; Lloyds Bank CMW GmbH; Natixis; and UniCredit Bank GmbH
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	29 October 2024

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: <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> <i>(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; (...)>>.</i>	
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 to residential loans.	

CRR Criteria

(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 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 (NOTE 2);
- (iv) for any other exposures, 100 % on an individual exposure basis; (NOTE 3)

NOTE 2: For retail exposures, see article 123 on "Retail exposures". It is noted that Article 123 has been amended by Regulation (EU) 2024/1623 of 31 May 2024, and that it contains provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025.

In particular, "Retail Exposures" shall satisfy the following additional requirements:

<<1. Exposures that comply with all of the following criteria shall be considered retail exposures:

(a) the exposure is to one or more natural persons or to an SME;

(b) the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property, up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;

(c) the exposure represents one of a significant number of exposures with similar characteristics, such that the risks associated with such exposure are substantially reduced;

(d) the institution concerned treats the exposure in its risk management framework and manages the exposure internally as a retail exposure consistently over time and in a manner that is similar to the treatment by the institution of other retail exposures.>> **Note:** this §1(d) shall be in force starting from 1 January 2025.

<<The present value of retail minimum lease payments shall be eligible for the retail exposure class. (...)

(...) 4. Where any of the criteria referred to in paragraph 1 are not met for an exposure to one or more natural persons, the exposure shall be considered a retail exposure and shall be assigned a risk weight of 100 %.>> **Note:** this §(4) shall be in force starting from 1 January 2025.

In addition, specific provisions apply to salary /pension backed exposures and to transactor exposures (as defined in the Regulation (EU) 2024/1623 of 31 May 2024).

NOTE 3: For SME loans see also Article 501 on "Adjustment of risk-weighted non-defaulted SME exposures for "SME Loans" of the Regulation (EU) No 575/2013, as amended and supplemented, including pursuant to Regulation (EU) 2024/1623 of 31 May 2024.

From January 2025, in Article 501(2), points (a) and (b) are replaced by the following:

(a) the exposure to an SME shall be included either in the retail or in the corporates or secured by mortgages on immovable property exposure classes but excluding ADC exposures;

(b) an SME shall have the meaning laid down in Article 5, point (9);

"land acquisition, development and construction exposures", or "ADC exposures", means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing the development and construction of any residential property or commercial immovable property;

"non-ADC exposure" means any exposure secured by one or more residential properties or commercial immovable properties that is not an ADC exposure;

Article 126a (1) An ADC exposure shall be assigned a risk weight of 150 %.

**Meets Criteria?
YES**

	IPRE provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025 need to be taken in consideration.	
	<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?</p> <p>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> <p><i>(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;</i></p> <p><i>(B) there was no Mortgage lien on the underlying property on the date on which the Home Loan was granted;</i></p> <p><i>(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</i></p> <p><i>(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;>>;</i></p> <p><i><<Mortgage means any in rem security interests being either first ranking:</i></p> <p><i>(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</i></p>	

(b) mortgages (hypothèques), as provided under article 2385 et seq. of the French Civil Code (including any legal special mortgage of the lender (hypothèque légale spéciale du prêteur de deniers), as provided under article 2402, 2° of the French Civil Code).>>.

<<**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.>>.

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(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.>>;

<<**Indexed Valuation** means, on any date in relation to any property, the Original Market Value of such property increased or decreased as appropriate by the increase or decrease in the applicable Index since the purchase date of such property, it being provided that the Indexed Valuation is recalculated on a quarterly basis.>>; and

<<**Index** means the home prices index, calculated by (i) before 31.12.2019, (a) PERVAL, for homes located in France, outside Ile-de-France, and by (b) PNS (Paris Notaires Services), for homes located in Ile-de-France and (ii) since 31.12.2019, Crédit Foncier Immobilier (CFI), provided that indexes are updated on a semi-annual basis (in January and in June). These indices are those used for purpose to determined the Indexed Valuation at BPCE Group level.>>.