CRR ASSESSMENT

BPL Mortgages S.r.l.

SME loans 2022-1

PRIME COLLATERALISED SECURITIES (PCS) EU SAS

27 April 2022

Analyst: Daniele Vella | Contacts: daniele.vella@pcsmarket.org / +33 6 15 37 86 95

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27 April 2022

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Prime Collateralised Securities (PCS)

CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Assessment /Version	27 April 2022
The transaction to be assessed (the "Transaction")	BPL Mortgages - SME Loans 2022

Issuer	**BPL Mortgages S.r.l.**
Originator and Seller	Banco BPM S.p.A. ("**BPM**")
Arranger	BPM
Transaction Legal Counsel	Baker Mc Kenzie
Rating Agencies	DBRS and Moody's
Stock Exchange	ExtraMOT PRO of Borsa Italiana
Issue Date	27 April 2022

Legislative Text and CRR Criteria		Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
Article 243 ([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:				
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 considered as exposures to a single obligor.	See statement in §1(l) of "COMPLIANCE WITH STS REQUIREMENTS", containing the following: *<<Furthermore the pool of exposure has a high granularity, where the Outstanding Principal of the Receivables owed by the same Debtor does not exceed 2% Outstanding Principal of all the Receivables pursuant to article 243(2)(a) of Regulation (EU) 575/2013 (for further details, see the section the "The Portfolio");>>* See also Section "THE PORTFOLIO", table headed "Portfolio as at 14/03/2022", where the exposure *vis-à-vis* the Largest Debtor is lower than 2% of the whole Portfolio.		Yes ☒ No ☐
	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		Not applicable.	Yes ☐ No ☐ N/A ☒

[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.

	Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
	amount by a third party eligible under Article 201(1);			
2	(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 ([2]); (iv) for any other exposures, 100 % on an individual exposure basis;	BPM confirmed to PCS that the Receivables included in the Portfolio, under the Standardised Approach, have a risk weight equal to or smaller than 100% on an individual exposure basis.	2 (b) (iv) should apply.	Yes ☒ No ☐
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	Not applicable to SME loans.		Yes ☐ No ☐ N/A ☒

[2] See article 123, "Retail exposures" of the Regulation (EU) No 575/2013; for Consumer loans see the amendments to article 123 in (59) REGULATION (EU) 2019/876 and REGULATION (EU) 2020/873, article 2 (1) (a).
See article 501 on "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).

Legislative Text and CRR Criteria		Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
	ranking security rights on that asset are also included in the securitisation;			
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).	Not applicable to SME loans.		Yes ☐ No ☐ N/A ☒