

CRR ASSESSMENT
BPL Mortgages S.r.l.
(SMEs Restructuring 2025)



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

10 February 2025

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10 February 2025

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PRIME COLLATERALISED SECURITIES (PCS) – CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	10 February 2025
The transaction to be verified (the “Transaction”)	BPL Mortgages S.r.l. (SMEs Restructuring)
Issuer	BPL Mortgages S.r.l.
Originator	Banco BPM S.p.A.
Arranger	Banco BPM S.p.A.
Transaction Legal Counsel	Studio Legale Tributario EY
Rating Agencies	DBRS and Moody’s
Admission to trading	Euronext Access Milan Professional
Closing Date	10 February 2025

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, as amended from time to time.

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 the following statement in Section "THE WARRANTY AND INDEMNITY AGREEMENT - 4. Specific representations and warranties on the STS compliance and the Securitisation Regulation":

<<(xii) the Outstanding Debt of the Receivables owed by the same Debtor does not exceed 2 per cent. of the aggregate Outstanding Debt of all Receivables, for the purposes of article 243(2)(a) of the CRR;>>.

See also, on similar terms, the following statement in Section "COMPLIANCE WITH STS REQUIREMENTS":

<<(…) (l) for the purpose of compliance with article 20(13) of the Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted as at each Valuation Date and each Transfer Date that, in order to determine the creditworthiness of the relevant Debtor, the reimbursement of the outstanding balance of the Loans at maturity and so the capacity to reimburse the Noteholders, the Originator has not based its assessment predominantly on the possible sale of the relevant Real Estate Asset following the enforcement of the relevant Mortgage; therefore, the repayment of the Notes has not been structured to depend predominantly on the sale of the Real Estate Assets. Furthermore the pool of exposure has a high granularity, considering that the Outstanding Principal of the Receivables owed by the same Debtor does not exceed 2% of the Outstanding Principal of all the Receivables included in the Master Portfolio pursuant to article 243(2)(a) of the CRR (for further details, see the section the "The Master Portfolio");>>.

It is also noted that in the Table headed "Portfolio as of 7/12/2024" of Section "The Master Portfolio, the Largest Debtor's exposure as at 7 December 2024 is stated to be Euro 25,000,000, which corresponds to a concentration lower by far than 2% of the size of the Master Portfolio.

1b

CRR Criteria

Meets Criteria?
YES

	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);	
	<p><u>PCS Comments</u></p> <p>Not applicable.</p>	

2	<p><u>CRR Criteria</u></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: 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.</p> <p>In particular, “Retail Exposures” shall satisfy the following additional requirements:</p> <p><<1. Exposures that comply with all of the following criteria shall be considered retail exposures:</p> <p>(a) the exposure is to one or more natural persons or to an SME;</p> <p>(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;</p> <p>(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;</p> <p>(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) is in force starting from 1 January 2025.</p> <p><<The present value of retail minimum lease payments shall be eligible for the retail exposure class. (...)</p> <p>(...) 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) is in force starting from 1 January 2025.</p> <p>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).</p> <p>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.</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>
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	<p>From 1 January 2025, in Article 501(2), points (a) and (b) are replaced by the following:</p> <p>(a) the exposure to an SME shall be included <u>either in the retail or in the corporates or secured by mortgages</u> on immovable property exposure classes <u>but excluding ADC exposures</u>;</p> <p>(b) an SME shall have the meaning laid down in Article 5, point (9);</p> <p>“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;</p> <p>“non-ADC exposure” means any exposure secured by one or more residential properties or commercial immovable properties that is not an ADC exposure;</p> <p>Article 126a (1) An ADC exposure shall be assigned a risk weight of 150 %.</p> <p>IPRE provisions that are in force as of 9 July 2024 and other provisions that are in force as of 1 January 2025 need to be taken in consideration.</p>	
	<p><u>PCS Comments</u></p> <p>2(b)(iv) applies.</p> <p>See the following R&W in Prospectus section headed “THE MASTER PORTFOLIO - Introduction”:</p> <p><i><<In accordance with the Intercreditor Agreement, the Originator represented that as at the Additional Issue Date, the Receivables included in the Master Portfolio meet the conditions for being assigned, under the Standardised Approach (as defined in the CRR) and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than: 100% on an individual exposure basis for the Master Portfolio, for the purposes of article 243(2)(b)(iv) of the CRR.>></i></p> <p>It is noted that the above R&W is referred to the Additional Issue Date, being the date in which all the Receivables are deemed to be included in the securitisation, for the purposes of Article 243 of the CRR.</p> <p>See also the following statement in Section “The Master Portfolio - Introduction”:</p> <p><i><<(…) In the context of the Restructuring, pursuant to the terms of the Repurchase Agreement, the Issuer transferred to the Originator the Receivables which as at the Additional Valuation Date: (...) (iv) did not comply with the characteristics required by article 243 of the CRR in order for the Securitisation to be qualified as eligible for the treatment set out in articles 260, 262 and 264 of the CRR.>></i></p>	
3	<p><u>CRR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>2(b)(i) and 2(b)(ii) do not apply. See point 2 above for the representation given by the Seller as to the risk weight assigned to the assets.</p>	
4	<p><u>CRR Criteria</u></p>	<p><u>Meets Criteria?</u></p>

	(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).	YES
	<u>PCS Comments</u> Not applicable to SME Loans.	