

CRR ASSESSMENT COPPEDÈ SPV S.R.L.



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

3 November 2023

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It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

3 November 2023

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PRIME COLLATERALISED SECURITIES (PCS) - CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	3 November 2023
The transaction to be verified (the "Transaction")	Coppedè SPV S.r.l.
Issuer	Coppedè SPV S.r.l.
Originator	Fides - Ente Commissionario per Facilitazioni Rateali ai Lavoratori - S.p.A. (" Fides ")
Arranger	Intesa SanPaolo S.p.A.
Transaction Legal Counsel	Legance
Rating Agencies	n.a.
Stock Exchange	n.a.
Closing Date	3 November 2023

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

Within the checklist, the relevant legislative text is set out in light blue introductory boxes with specific criteria for our verification listed underneath.

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 the R&W in Section "THE AGGREGATE PORTFOLIO - Other features of the Portfolio" where it is stated that: <i><<(m) (Debtor's concentration) On each Transfer Date, the Outstanding Balance owed by the same Debtor - excluding, for the avoidance of doubt, the relevant Employer and/or Pension Authority - does not exceed 2 per cent. of the aggregate Outstanding Balance of all Receivables comprised in the Aggregate Portfolio, for the purposes of Article 243(2)(a) of the CRR.>>.</i> The transaction is revolving. The current percentage of largest Debtor concentration is set out in the tables set out in Section "THE AGGREGATE PORTFOLIO – Description of the Aggregate Portfolio": <ul style="list-style-type: none">• Average Loan Size: EUR 22,554• Largest debtor: EUR 73,138 and 0.03%• Top 10 debtors: EUR 700,608 and 0.3%• Top 20 debtors: EUR 1,345,007 and 0.5%.	
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 consumer 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 2: See article 123, "Retail exposures" of the Regulation (EU) No 575/2013 currently in force.

For consumer loans see the amendments to article 123 in (59) REGULATION (EU) 2019/876 and REGULATION (EU) 2020/873, article 2 (1) (a). In particular, pursuant to the amendments to Article 123, under Regulation (EU) 2019/876:

<<Exposures due to loans granted by a credit institution to pensioners or employees with a permanent contract against the unconditional transfer of part of the borrower's pension or salary to that credit institution shall be assigned a risk weight of 35 %, provided that all the following conditions are met:

(a) in order to repay the loan, the borrower unconditionally authorises the pension fund or employer to make direct payments to the credit institution by deducting the monthly payments on the loan from the borrower's monthly pension or salary;

(b) the risks of death, inability to work, unemployment or reduction of the net monthly pension or salary of the borrower are properly covered through an insurance policy underwritten by the borrower to the benefit of the credit institution;

(c) the monthly payments to be made by the borrower on all loans that meet the conditions set out in points (a) and (b) do not in aggregate exceed 20 % of the borrower's net monthly pension or salary;

(d) the maximum original maturity of the loan is equal to or less than ten years.>>.

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 in Regulation (EU) 2019/876 and Regulation 2020/873 in (19) and Article 2.1(b).

Meets Criteria?**YES****PCS Comments**

PCS received due diligence confirmation from the Originator that 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 that, for the Receivables backed by salary/pension assignment is equal to 35% and for the Receivables backed by salary/pension payment delegation is equal to 75%.

2(b)(iii) does apply, provided that the specific provisions set out in the amendments to Article 123 of CRR, pursuant to Regulation (EU) 2019/876, shall also apply to a portion of the underlying assets.

See Section "THE AGGREGATE PORTFOLIO - Introduction", where it is stated:

<<The Receivables comprised in the Initial Portfolio and in any Subsequent Portfolios arise from Loans granted by Fides to Debtors which are assisted by a Salary Assignment and/or Payment Delegation.>>.

See also the following criterion set out in the Prospectus: "THE AGGREGATE PORTFOLIO – Criteria", where it is required, as for the nature of the Loans that:

<<(f) receivables arising from loans granted to consumers pursuant to Article 121 of the Consolidated Banking Act, assisted by a payment delegation and/or salary assignment (pursuant to Decree 180/1950, as amended and supplemented), notified to the relevant employer or pension authority (as the case may be) qualifying as assigned debtor of the assigned receivables pursuant to each salary assignment and accepted by such employer or pension authority;>>.

Therefore, the Portfolio is composed of personal loans backed by:

- salary/pension payment delegation; or
- salary/pension assignment.

See also the table containing a breakdown by concentration of salary assignment (salary or pension) as opposed to payment delegations, contained in the same Section "The Aggregate Portfolio - Description of the Aggregate Portfolio": the concentration of the three product types is as follows:

- salary assignment loans: Outstanding Principal: 133,580,179 – approx. percentage: 50%
- pension assignment loans: Outstanding Principal: 104,225,849 – approx. percentage: 39%
- payment delegation loans: Outstanding Principal: 29,543,481 – approx. percentage: 11%.

As for the Aggregate Portfolio as will result from the addition of Subsequent Portfolios, it is noted that the concentration of Delegation of Payment will not exceed 12% in terms of Principal Outstanding Amount, as per concentration limit set out in the Transfer Agreement, Schedule 8, §(1):

<<L'Importo Capitale Dovuto (come calcolato alla relativa Data di Valutazione) dei Crediti assistiti da Delegazione di Pagamento compresi nel Portafoglio Successivo oggetto dell'Opzione di Cessione sia pari o inferiore al 12% (dodici per cento) dell'Importo Capitale Dovuto (come calcolato alla medesima Data di Valutazione) di tutti i Crediti compresi in tale Portafoglio Successivo.>>

In respect of compliance with the requirements of Article 123 of CRR for salary/pension assignments (as opposed to Payment Delegation), it is noted (see Section "2. RISKS RELATING TO THE UNDERLYING ASSETS - Insurances may not cover losses in full") the statement that:

<<The risks of death, inability to work, unemployment or reduction of the net monthly pension or salary of the Debtor are properly covered through an Insurance Policy underwritten by the Debtor to the benefit of Fides.>>. A similar statement is included in "THE AGGREGATE PORTFOLIO – Insurance Policies".

It is noted that the Payment Delegations (PD) do not satisfy the requirements of Article 123 of CRR to obtain a 35% risk weighting because they lack "the unconditional transfer" of part of the borrower's pension or salary. Payment Delegations, for CRR purposes, shall therefore be treated as ordinary consumer loans and have a risk weighting of 75% on an individual exposure basis.

3	<u>CRR Criteria</u> (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;	<u>Meets Criteria?</u> YES
	<u>PCS Comments</u> Not applicable.	
4	<u>CRR Criteria</u> (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).	<u>Meets Criteria?</u> YES
	<u>PCS Comments</u> Not applicable.	