

CRR ASSESSMENT

HARMONY FRENCH HOME LOANS FCT 2019-1



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

4th November 2019

Analyst: Fazel Ahmed | Contacts: 00 44 (0) 203 440 3724

This is a CRR Assessment.

This CRR 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 page 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.

4th November 2019

Disclaimer

Neither an STS Verification, nor a CRR Assessment, nor an LCR Assessment is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

PCS UK is authorised by the UK Financial Conduct Authority and PCS EU is authorised by the French Autorité des Marchés Financiers as third parties verifying STS compliance pursuant to article 28 of the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "STS Regulation").

Currently, none of the activities involved in providing an CRR Assessment are endorsed or regulated by any regulatory and/or supervisory authority nor are the PCS Association or PCS EU regulated by any regulator and/or supervisory authority including the Belgian Financial Services and Markets Authority, the United Kingdom Financial Conduct Authority, the French Autorité des Marchés Financiers or the European Securities and Markets Authority.

By assessing the CRR status of any securities or financing, neither the PCS Association nor PCS UK nor PCS EU express any views about the creditworthiness of these securities or financings or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings.

Equally, by completing (either positively or negatively) any CRR status assessment of certain instruments, no statement of any kind is made as to the value or price of these instruments or the appropriateness of the interest rate they carry (if any).

In the provision of any CRR Assessment, PCS has based its decision on information provided directly and indirectly by the originator or sponsor of the relevant securitisation. Specifically, it has relied on statements made in the relevant prospectus or deal sheet, documentation and/or in certificates provided by, or on behalf of, the originator or sponsor in accordance with PCS' published procedures for the relevant PCS verification or assessment. You should make yourself familiar with these procedures to understand fully how any PCS service is completed. These can be found at www.pcsmarket.org (the "PCS Website"). Neither the PCS Association nor PCS UK nor PCS EU undertake their own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any CRR Assessment is not a confirmation or implication that the information provided to it by or on behalf of the originator or sponsor is accurate or complete.

The PCS entities take reasonable measures to ensure the quality and accuracy of the information on www.pcsmarket.org. However, neither the PCS Association nor PCS UK nor PCS EU can be held liable in any way for the inaccuracy or incompleteness of any information that is available on or through the PCS Website. In addition, neither the PCS Association nor PCS UK nor PCS EU can in any way be held liable or responsible for the content of any website linked to the PCS Website.

To understand the meaning and limitations of any CRR Assessment you must read the General Disclaimer that appears on the PCS Website.

When entering any of the "Transaction" sections of the PCS Website, you will be asked to declare that you are allowed to do so under the legislation of your country. The circulation and distribution of information regarding securitisation instruments (including securities) that is available on the PCS Website may be restricted in certain jurisdictions. Persons receiving any information or documents with respect to or in connection with instruments (including securities) available on the PCS Website are required to inform themselves of and to observe all applicable restrictions.

Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Assessment /Version	4 November 2019
The transaction to be assessed (the “Transaction”)	HARMONY FRENCH HOME LOANS FCT 2019-1
Issuer	HARMONY FRENCH HOME LOANS FCT 2019-1
Originator	Crédit Immobilier de France Développement
Lead Manager(s)	BNP PARIBAS and Crédit Agricole Corporate and Investment Bank
Transaction Legal Counsel	White & Case LLP
Rating Agencies	Fitch and Moody’s
Stock Exchange	Euronext Paris
Closing Date	4 November 2019

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>Article 243</p> <p>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:</p>				
<p>(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.</p>	<p>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</p>	<p>See section STATISTICAL INFORMATION RELATING TO THE PORTFOLIO OF HOME LOAN RECEIVABLES</p> <p>See table</p> <p>28. Breakdown by top 20 Borrowers</p> <p>Largest Borrower has Principal Outstanding Balance of 0.09%.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
	to a single obligor.			
<p>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>	<p>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>	<p>Not applicable.</p>		<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></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</p>	<p>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:</p> <p>(i) 40 % on an exposure value-weighted average basis for the portfolio</p>	<p>2 (b) (i) applies.</p> <p>See section, Seller's Receivables Warranties- <i>Receivables Warranties</i></p> <p>(p) on the Initial Cut-Off Date, the RWA Limit is equal to or below than 40 per cent.</p> <p>See section, GLOSSARY</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point (e)</i> 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>where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point (e)</i> 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>OF TERMS</p> <p>“RWA Limit” means the limit to the risk weight assigned at the Initial Cut-Off Date under the “Standardised Approach” under the assumption of constant regulations to the aggregate Purchased Home Loan Receivables weighted by the exposure value</p>		
<p>ii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</p>	<p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</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</p>	<p>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</p>	<p>See section, GLOSSARY OF TERMS:</p> <p>“Eligibility Criteria” means the following eligibility criteria:</p> <p>(2) <i>Eligibility Criteria</i></p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>ranking security rights on that asset are also included in the securitisation;</p>	<p>ranking security rights on that asset are also included in the securitisation;</p>	<p><i>in respect each Home Loan Receivable:</i></p> <p>(i) Each Home Loan Receivable is fully secured by a Home Loan Eligible Security i.e. the amount of the Home Loan Eligible Security covers the outstanding amount (<i>capital restant dû</i>) as determined on the Initial Cut-Off Date of each Home Loan Receivable;</p> <p>Home Loan Eligible Security” means:</p> <p>(a) a first ranking, valid, effective and duly registered mortgage (<i>hypothèque conventionnelle</i>) or a first ranking, valid, effective and duly published legal privilege (<i>privilège de prêteur de deniers de premier rang</i>) over the underlying property or any junior and consecutive ranking mortgage or legal privilege (<i>privilège de</i></p>		

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
		<p><i>prêteur de deniers</i>) to the extent that the loans secured by the same mortgage or privilege but ranking senior to it, including the most senior, are also transferred to the Issuer; or</p> <p>(b) a valid, effective and enforceable home loan guarantee (<i>cautionnement</i>) issued by any of the Loan Guarantors; or</p> <p>(c) a combination of (a) and (b).</p>		
<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).</p>	<p>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).</p>	<p>See section, STATISTICAL INFORMATION RELATING TO THE PORTFOLIO OF HOME LOAN RECEIVABLES</p> <p>See table. 6. Breakdown by Current Loan-to-value</p> <p>See table. 9. Breakdown by Indexed CLTV</p> <p>No Loans have a Current</p>	<p>It is the investors responsibility to confirm with the National Competent Authority in its relevant jurisdiction which method of calculation is acceptable.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
		LTV or Indexed CLTV greater than 100%.		