

LCR ASSESSMENT

BPCE CONSUMER LOANS FCT 2024



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

29th May 2024

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29th May 2024

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PRIME COLLATERALISED SECURITIES (PCS) LCR Assessment

Individual(s) undertaking the assessment	Dr Martina Spaeth
Date of Verification	29 May 2024
The transaction to be verified (the “Transaction”)	BPCE CONSUMER LOANS FCT 2024
Issuer	BPCE CONSUMER LOANS FCT 2024
Originator	Each of (i) the Banque Populaire and (ii) the Caisse d’Epargne, 11 different entities type <i>Banque Populaire</i> and 15 different entities type <i>Caisse d’Epargne</i> (see list in Section “The Sellers”)
Joint Lead Manager(s)	Natixis, BOFA SECURITIES and ING BANK N.V.
Transaction Legal Counsel	Orrick Herrington & Sutcliffe (Europe) LLP
Rating Agencies	DBRS and Fitch
Stock Exchange	Euronext Paris
Closing Date	29 May 2024

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

A summary of the checklist points by article is set out in the table of contents on the next page together with a reference to the respective article contents. To examine a specific article from the list below, please click on the article description to be taken directly to the relevant section of the checklist.

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

Legislative Text and LCR Criteria

See Article 13 of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014, as amended by the Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018.

1a	LCR Criteria 1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied: (a) the designation 'STS' or 'simple, transparent and standardised', or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council and is being so used;	Meets Criteria? YES
	PCS Comments <i>PCS is advised that the transaction BPCE CONSUMER LOANS FCT 2024 is expected to be designated STS.</i>	
1b	LCR Criteria 1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied: (b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.	Meets Criteria? YES
	PCS Comments <i>PCS has ticked the questions below as "yes". See the disclaimer above for a fuller analysis of the limitations of PCS's LCR assessment</i>	
2a	LCR Criteria 2. The securitisation position and the exposures underlying the position shall meet all the following requirements: (a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;	Meets Criteria? YES
	PCS Comments See Prospectus, Cover pages: The Class A Notes are expected on the Issue Date to be assigned an AAA(sf) rating by DBRS Ratings GmbH ("DBRS") and an AAA(sf) rating by Fitch Ratings Ireland Limited ("Fitch" and, together with DBRS, the "Rating Agencies"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies (see Section "RATINGS"). <i>PCS notes that the Class A Notes are expected to be rated on closing AAA(sf) by DBRS and AAA(sf) by Fitch.</i>	
2b	LCR Criteria	

	<p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(b) the position is in the most senior tranche or tranches of the securitisation and possesses the highest level of seniority at all times during the ongoing life of the transaction. For these purposes, a tranche shall be deemed to be the most senior where after the delivery of an enforcement notice and where applicable an acceleration notice, the tranche is not subordinated to other tranches of the same securitisation transaction or scheme in respect of receiving principal and interest payments, without taking into account amounts due under interest rate or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of Regulation (EU) No 575/2013;</p>	
	<p>PCS Comments</p> <p>2 (b) PCS confirms that the senior tranche meets the required attributes, based on a review of the Prospectus.</p> <p>See:</p> <p>(i) “Priority of Payments during the Amortisation Period” and</p> <p>(ii) “Priority of Payments during the Accelerated Amortisation Period”,</p> <p>which confirm the status of the Class A Notes as most senior tranche.</p> <p>See also the definition of “Most Senior Class of Notes Outstanding”.</p>	
3	<p>LCR Criteria</p> <p>(g) the securitisation position is backed by a pool of underlying exposures and those underlying exposures either all belong to only one of the following subcategories or else they consist of a combination of residential loans referred to in point (i) and residential loans referred to in point (ii):</p> <p>(i) residential loans secured with a first-ranking mortgage granted to individuals for the acquisition of their main residence, provided that one of the two following conditions is met:</p> <ul style="list-style-type: none"> – the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013; – the national law of the Member State where the loans were originated provides for a loan-to-income limit on the amount that an obligor may borrow in a residential loan, and that Member State has notified this law to the Commission and EBA. The loan-to-income limit is calculated on the gross annual income of the obligor, taking into account the tax obligations and other commitments of the obligor and the risk of changes in the interest rates over the term of the loan. For each residential loan in the pool, the percentage of the obligor's gross income that may be spent to service the loan, including interest, principal and fee payments, does not exceed 45 %; <p>(ii) fully guaranteed residential loans referred to in Article 129(1)(e) of Regulation (EU) No 575/2013, provided that the loans meet the collateralisation requirements laid down in that paragraph and the average loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>

- (iii) commercial loans, leases and credit facilities to undertakings established in a Member State to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium- sized enterprises at the time of issuance of the securitisation, and none of the borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013;
- (iv) auto loans and leases to borrowers or lessees established or resident in a Member State. For these purposes, auto loans and leases shall include loans or leases for the financing of motor vehicles or trailers as defined in points (11) and (12) of Article 3 of Directive 2007/46/EC of the European Parliament and of the Council, agricultural or forestry tractors as referred to in Regulation (EU) No 167/2013 of the European Parliament and of the Council, two-wheel motorcycles or powered tricycles as referred to in Regulation (EU) No 168/2013 of the European Parliament and of the Council or tracked vehicles as referred to in point (c) of Article 2(2) of Directive 2007/46/EC. () Such loans or leases may include ancillary insurance and service products or additional vehicle parts, and in the case of leases, the residual value of leased vehicles. All loans and leases in the pool shall be secured with a first-ranking charge or security over the vehicle or an appropriate guarantee in favour of the SSPE, such as a retention of title provision;
- (v) loans and credit facilities to individuals resident in a Member State for personal, family or household consumption purposes.

PCS Comments

PCS notes that the subcategory (g)(v) applies.

2. 2. RISKS RELATING TO THE ASSETS OF THE ISSUER

2.1 Borrowers' Ability to Pay – Exposure to losses

The Borrowers under the Purchased Consumer Loan Receivables are individuals having borrowed under a consumer loan with a view to finance consumer goods or for treasury purposes or to refinance in full or in part existing consumer loans (to the exclusion of any debt consolidation loan (regroupement de crédits)).

Eligible Loan Categories means any of the following loan categories:

- (a) a Personal Treasury Loan Agreement;
- (b) a Home Improvement Personal Loan Agreement; or
- (c) an Auto Loan Agreement.

“Auto Loan Agreement” means a Consumer Loan Agreement not tied to any purchase of goods or services (crédit non affecté) which was entered into by the relevant Borrower with a view to finance or refinance the purchase of a new or used vehicle. The proceeds of such Auto Loan Agreement are granted to the Borrower.

“Personal Treasury Loan Agreement” means a Consumer Loan Agreement not tied to any purchase of goods or services (crédit non affecté) which was entered into by the relevant Borrower to finance or refinance personal treasury purposes, provided that student loan agreements are excluded from this Eligible Loan Category. The proceeds of such Personal Treasury Loan Agreement are not allocated to a specific purpose.

	<p>“Home Improvement Personal Loan Agreement” means a Consumer Loan Agreement not tied to any purchase of goods or services (<i>crédit non affecté</i>) which was entered into by the relevant Borrower with a view to finance or refinance certain home improvements. The proceeds of such Home Improvement Personal Loan Agreement are granted to the Borrower.</p> <p>Pursuant to the Consumer Loan Receivables Purchase and Servicing Agreement, each Seller will represent and warrant in respect of the Consumer Loan Receivables such Seller transfers to the Issuer on the relevant Purchase Date that such Consumer Loan Receivables satisfy the Consumer Loan Receivables Eligibility Criteria as of the Selection Date immediately preceding the Purchase Date on which such Consumer Loan Receivables are contemplated to be transferred or, as applicable, on the relevant date specified in the relevant Consumer Loan Receivables Eligibility Criteria .</p>	
4	<p>LCR Criteria</p> <p>10. The underlying exposures shall not have been originated by the credit institution holding the securitisation position in its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with that credit institution.</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p><i>The investor should confirm that it is not a group entity of the Originator to meet this point. We have ticked this point positive but ultimately it is the investors responsibility to confirm.</i></p>	
5	<p>LCR Criteria</p> <p>11. The issue size of the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency).</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>The Prospectus confirms that the size of the senior tranche is in excess of the minimum threshold required. This requirement is therefore satisfied.</p>	
6	<p>LCR Criteria</p> <p>12. The remaining weighted average life of the tranche shall be 5 years or less, which shall be calculated using the lower of either the transaction's pricing prepayment assumption or a 20 % constant prepayment rate, for which the credit institution shall assume that the call is exercised on the first permitted call date.</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>See Section “ESTIMATED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS”.</p> <p><i>The Weighted average life of the Class A notes is below 5 years, in all prepayment scenarios.</i></p>	
7	<p>LCR Criteria</p>	<p>Meets Criteria? YES</p>

	<p>13. The originator of the exposures underlying the securitisation shall be an institution as defined in Article 4(3) of Regulation (EU) No 575/2013 or an undertaking whose principal activity is to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU.</p>	
	<p><u>PCS Comments</u></p> <p>The Sellers are credit institutions (<i>établissement de crédit</i>), either in the form of “<i>Banque Populaire</i>” or in the form of “<i>Caisse d’Epargne</i>”.</p> <p>See sections “DESCRIPTION OF THE BPCE GROUP, THE TRANSACTION AGENT, THE RESERVES PROVIDER, THE SELLERS, THE SERVICERS AND THE CENTRAL SERVICING ENTITY”.</p>	
<p>8</p>	<p><u>LCR Criteria</u></p> <p>Article 37 Transitional provision for securitisations backed by residential loans</p> <p>1. By derogation from Article 13, securitisations issued before 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2), shall qualify as Level 2B assets if they meet all the requirements set out in Article 13 other than the loan-to-value or loan-to-income requirements set out in that point (g)(i) of Article 13(2).</p> <p>2. By derogation from Article 13, securitisations issued after 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2) that do not meet the average loan-to-value or the loan-to-income requirements set out in that point, shall qualify as Level 2B assets until 1 October 2025, provided that the underlying exposures include residential loans that were not subject to a national law regulating loan-to-income limits at the time they were granted and such residential loans were granted at any time prior to 1 October 2015.</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p><i>Points 1 and 2 are not applicable.</i></p>	