

# Berica PMI

BPVi debut transaction in the SME space

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# BERICA PMI

Issuer	Berica Pmi SrL
Transaction Size	€980,000,000
Originator	Banca Popolare di Vicenza ("PopVi")
Public	The Class A1X was fully placed into the market
Collateral Type	Loans granted to SMEs located in Italy
Closing Date	18 July 2013
First Payment Date	August 2013
Legal Maturity	May 2057
ISIN/CUSIP	Class A1X: ISIN – IT0004941149

Class	Original Rating (Fitch/DBR S)	Issue Amount (€mm)	% of Notes	WAL (yrs) <sup>1</sup>	Coupon	Total C.E (%)
A1X	AA+(sf) / AA(H)(sf)	980.0	62.46	1.71	3mE + 2.40%	37.5
A1Y	AA+(sf) / AA(H)(sf)	1.0	0.06	1.71	3mE + 1.00%	37.5
B	Unrated	588.0	37.48	-	-	-
<b>Total</b>		<b>1,569.0</b>	<b>100.0</b>			
Cash Reserve		44.0	2.8			

Source: Prospectus  
<sup>1</sup> Assuming a 3% CPR

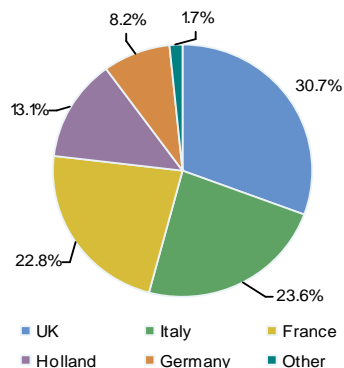
- Pass through structure and fully pari-passu seniority in terms of interest and principal for the Senior Notes (nominally A1X, A1Y)
- Credit enhancement to the Senior Notes provided by subordination of Junior Notes and by a Cash Reserve, fully funded at closing, and equal to € 44 mm, 4.4% of Senior Notes
- A fully funded Commingling Risk Deposit for € 9.25 mm is set up at closing
- Static portfolio: there will be no revolving period or substitution of Loans after the initial transfer
- Full Excess Spread trapping to reimburse principal on the Senior Notes until maturity (junior items are not paid until the Senior Notes are redeemed in full)

- Portfolio of Loans granted to Italian SME both in a mortgage format (48.98% of Portfolio balance first-lien, and 15.01% of Portfolio balance second or further lien) or unsecured format (36.01% of Portfolio balance)
- 100% fully-performing Loans originated by Banca Popolare di Vicenza (BPVi) and Banca Nuova (BN)
- 100% originated through BPVi Group's branches. Three main entities in the BPVi Group: BPVi, Cariprato (now merged into BPVi) and Banca Nuova (located and operating respectively in the North/Centre and South of Italy)
- Seasoned Portfolio (weighted average seasoning of 3.14 years)
- Granularity with an average current balance of € 153,706 and the largest 10 obligors representing 4.52% of the Portfolio
- Weighted average CLTV 42.51% (mortgage first-lien only)
- Interest Rate Loans: 92.39% Floating, 7.61% Fixed
- 100% of the mortgage first-lien Loans are characterised by full property valuation performed by professional appraisers
- 60.07% of the Portfolio by current outstanding is located in the North of Italy

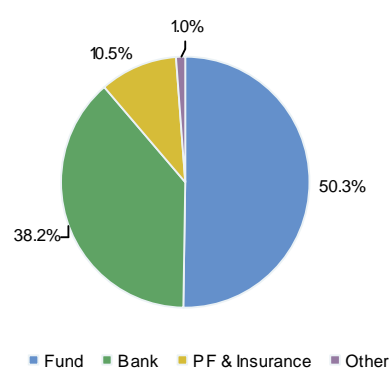
## Details

- Approached around 40 investors around Europe
- 28 investors in the book
- Oversubscription 1.1 x

## Investor Region



## Investor Type



# Main Takeaway Messages

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## Investor base

- Resilient investor base that survived the crisis
- German investors more keen to look at SME deals rather than RMBS

## Structure of the deal

Very robust structure is a pre requisite

- Credit enhancement – strong appreciation for not to have mezz
- Skin in the game – strong appreciation for originator commitment to keep a net economic interest for the lifetime of the trade well above the regulatory 5.00% (the full equity tranche)

## Buy or not to buy drivers

- Very spread sensitive
- Proven track record of past deals – the “Berica” brand means consistency over time to bring transactions regularly and take care of past deals

## Supranational intervention

- Very positive experience in the involvement of supranational entities

# The originator wishlist

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## Investor

- Broader base of investors albeit existing one is capable of large investment
- More Italian real money accounts close to the instrument

## Credit enhancement

- Very punitive if compared to historical performance but required to pave the road to a new asset class

## Funding tool only ?

- Berica PMI was a funding tool only. Is there room for something more ?

## The range of assets

- Term loans only had been contributed to Berica PMI. Is it possible to widen the scope to other type of sme loans ?

**A regular flow of new deals**



# Banca Popolare di Vicenza

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Tradizione e futuro

