

CRR ASSESSMENT

FASTNET SECURITIES 18 DAC



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

23rd June 2022

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23 June 2022

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Mark Lewis
Date of Verification	23 June 2022
The transaction to be verified (the "Transaction")	FASTNET SECURITIES 18 DAC
Issuer	FASTNET SECURITIES 18 DAC
Originator	Permanent TSB plc
Lead Manager(s)	BNP Paribas
Transaction Legal Counsel	A&L Goodbody, LLP
Rating Agencies	DBRS / S&P
Stock Exchange	Euronext Dublin
Closing Date	23 June 2022

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 grey introductory boxes with specific criteria for our verification listed underneath.

Legislative Text

Article 243 (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:

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 Prospectus. TRANSACTION OVERVIEW - THE MORTGAGE PORTFOLIO AND ADMINISTRATION -Portfolio Conditions As at the Closing Date, the Mortgage Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit and the Borrower Concentration (together the Portfolio Conditions), where: (d) Borrower Concentration refers to the following limit: the aggregate Outstanding Principal Balance of the Mortgage Loans granted to a single Borrower and offered for sale by the Seller on the Closing Date is lower than an amount equal to two per cent. (2%) of the aggregate Outstanding Principal Balance of all the Mortgage Loans offered for sale by the Seller on such Closing Date.	
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 <i>Not applicable.</i>	

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.

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 ⁽²⁾;
- for any other exposures, 100 % on an individual exposure basis;

Meets Criteria?
YES

PCS Comments

See Prospectus.

TRANSACTION OVERVIEW - THE MORTGAGE PORTFOLIO AND ADMINISTRATION -Portfolio Conditions

As at the Closing Date, the Mortgage Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit and the Borrower Concentration (together the Portfolio Conditions), where:

- (c) RWA Limit refers to the following limit: the weighted average of the Mortgage Loans risk weights under the Standardised Approach (as defined in the Capital Requirements Regulations) is equal to or smaller than 40%; and

² See article 123, "Retail exposures" of the Regulation (EU) No 575/2013; 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."

See 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).

3	CRR Criteria (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;	Meets Criteria? YES
	PCS Comments See prospectus See section, SALE OF THE MORTGAGE PORTFOLIO UNDER THE MORTGAGE SALE AGREEMENT Representations and Warranties The representations and warranties of Permanent TSB referred to above include, but are not limited to, statements to the following effect: (a) each Mortgage Loan is secured by a valid, subsisting and first ranking legal mortgage over the relevant Property situated in Ireland (subject only to stamping at the Revenue Commissioners, where applicable, and to any registration which may be pending at the Land Registry or Registry of Deeds) (or, in the case of Multiple Advances over the same property, the advances rank above all security other than the security in favour of Permanent TSB); See also subsections, "Multiple advances" and "Further Advances" Mortgage means a first ranking legal charge over freehold or leasehold Properties located in Ireland which is security for a Mortgage Loan;	
4	CRR Criteria (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).	Meets Criteria? YES
	PCS Comments See Prospectus. It is the investors responsibility to confirm with the National Competent Authority in its relevant jurisdiction which method of calculation is acceptable. See section, TRANSACTION OVERVIEW - THE MORTGAGE PORTFOLIO AND ADMINISTRATION Portfolio Conditions As at the Closing Date, the Mortgage Loans offered for sale to the Issuer shall comply with the LTV Criteria, the RWA Limit and the Borrower Concentration (together the Portfolio Conditions), where: (b) Current Indexed LTV Criteria refers to the following loan-to-value (LTV) portfolio limit: the Current Indexed LTV of each of the Mortgage Loans offered for sale by the Seller and benefiting from Mortgages does not exceed one hundred percent (100%);	

See section, STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO

2 Current LTV (Indexed)

Note the footer under table ICLTV which states :

No Mortgage Loan in the Closing Date Mortgage Portfolio has an ICLTV higher than 100%.