

CRR ASSESSMENT

Fucino RMBS S.r.l.



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

20 June 2022

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20 June 2022

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Prime Collateralised Securities (PCS)

CRR Assessment

Individual(s) undertaking the assessment	Daniele Vella
Date of Assessment /Version	20 June 2022
The transaction to be assessed (the “Transaction”)	Fucino RMBS – as amended in June 2022
Issuer	Fucino RMBS S.r.l.
Originators and Sellers	Banca del Fucino (" Fucino ")
Arranger	J.P. Morgan SE
Transaction Legal Counsel	Orrick, Herrington & Sutcliffe
Rating Agencies	DBRS, Moody's and ARC Ratings
Stock Exchange	Irish Stock Exchange - Euronext Dublin
Subsequent Issue Date	16 June 2022

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<p>Article 243 (¹)</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>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 to a single obligor.</p>	<p>See the following statement in Section “THE PORTFOLIO”:</p> <p><i><<Pursuant to the General Amendment Agreement, the Originator has represented and warranted to the Issuer that:</i></p> <p><i>i) for the purposes of article 243 of CRR, at the time of inclusion in the Transaction, the aggregate exposure value of all exposures to a single obligor in the Portfolio does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the Portfolio; (...)>>.</i></p> <p>See also in Section “THE PORTFOLIO”, the table headed Summary Statistic, where the exposure <i>vis-à-vis</i> the Top borrower equals to 0.71% of the whole Portfolio.</p> <p>See also Section “THE PORTFOLIO – The Criteria”, which include a cap to the amount of the Loan.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></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</p>		<p>Not applicable.</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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.

Legislative Text and CRR Criteria		Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
	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);			N/A <input checked="" type="checkbox"/>
2	<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 where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in point (e) 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>(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;</p>	<p>The Portfolio is composed of mortgage loans secured over residential properties in Italy.</p> <p>See “THE PORTFOLIO – THE INITIAL PORTFOLIO AND THE SUBSEQUENT PORTFOLIO – The Criteria”, where it is required, as an eligibility criterion for both the Initial Claims and the Subsequent Claims, that the relevant Loan Agreement is:</p> <p><i><<(i) secured by a mortgage over residential real estate assets where the relevant borrower (or borrowers in the event of joint and several liability (co-intestazione)) is (or are, as the case may be) resident in Italy;>>.</i></p> <p>See the following statement in Section “THE PORTFOLIO”:<i><<Pursuant to the General Amendment Agreement, the Originator has represented and warranted to the Issuer that: (...)</i></p> <p><i>ii) at the time of their inclusion in the Transaction, the underlying exposures meet the conditions for being assigned, under the Standardised Approach (as defined in the CRR)</i></p>	2(b)(i) should apply.	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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).

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).

Legislative Text and CRR Criteria		Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
		<i>and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than: 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) of the CRR; (...)>>.</i>		
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 ranking security rights on that asset are also included in the securitisation;	<p>The Portfolio is composed of loans secured by first ranking security rights.</p> <p>As for the Initial Portfolio, the second ranking mortgages initially transferred to the Issuer have been repurchased by the Originator before the Subsequent Issue Date:</p> <p>See “THE PORTFOLIO – THE INITIAL PORTFOLIO AND THE SUBSEQUENT PORTFOLIO – The Criteria” particularly items §(xiii) of initial and subsequent criteria and the statement that:</p> <p><i><<With reference to criterion (xiii) above, all Claims secured by a mortgage having a priority ranking lower than the first legal priority or by a formal and substantial second ranking mortgage (i.e., economic) have been repurchased before the Subsequent Issue Date, pursuant to a repurchase agreement entered into on 24 May 2022 by the Issuer and Banca del Fucino.>>.</i></p>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No
<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 the following statement in the Section “THE PORTFOLIO”:</p> <p><i><<Pursuant to the General Amendment Agreement, the Originator has represented and warranted to the Issuer that: (...)</i></p> <p><i>iii) no Loan in the Portfolio shall have a loan-to-value ratio higher than 100%, at the time of inclusion in the Transaction, measured in accordance with point (d)(i) of article 129(1) and article 229(1) of the CRR.>>.</i></p> <p>The Originator has also provided to PCS a confirmation that each single loan has a loan to value below 100% at the date of inclusion in the securitization and that all real estate valuations have been indexed to the HPI index, downloaded from the ISTAT website.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>