

# **CRR ASSESSMENT**

## **LANARK MASTER ISSUER PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

6<sup>th</sup> June 2019

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**6<sup>th</sup> June 2019**

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## Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Assessment /Version	6 <sup>th</sup> June 2019
<b>The transaction to be assessed (the “Transaction”)</b>	Issue of Series 2019-2, LANARK MASTER ISSUER PLC
Issuer	LANARK MASTER ISSUER PLC
Originator	Clydesdale Bank PLC and Yorkshire Bank Home Loans Limited
Seller	Clydesdale Bank PLC
Lead Manager(s)	BofA Merrill Lynch, BNP Paribas, London Branch, Citigroup Global Markets Limited, Lloyds Bank Corporate Markets PLC and Lloyds Securities Inc
Transaction Legal Counsel	Clifford Chance LLP
Rating Agencies	Moody’s, S&P and Fitch
Stock Exchange	London Stock Exchange
Closing Date	6 <sup>th</sup> June 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 to a single obligor.</p>	<p>Final Terms - The cut off date mortgage portfolio.</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>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 where the exposures are loans</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 where the exposures are loans</p>	<p>2 (b) (i) should apply. See section The Mortgage Sale Agreement, Representations and Warranties (k) Risk weight, which states:</p> <p>Each mortgage loan has a standardised risk weight equal to or smaller than 40% on an exposure value-weighted average basis for the portfolio as at the relevant date of</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>secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (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>secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (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>assignment by the seller to the mortgages trustee, as such terms are described in Article 243 of the Capital Requirements Regulation</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>(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 ranking security rights on that asset are also included in the securitisation;</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 ranking security rights on that asset are also included in the securitisation;</p>	<p>See section The Mortgage Sale Agreement, Representations and Warranties (c); First ranking mortgage Subject to completion of any registration or recording which may be pending at the Land</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>Registry (in England and Wales) or Registers of Scotland (in Scotland)), the related mortgage constitutes a first ranking charge by way of legal mortgage (in England and Wales) or a first ranking standard security (in Scotland) over the relevant mortgaged property, and there is nothing to prevent such registration or recording being effected with absolute title (or the relevant equivalent) in due course. For the avoidance of doubt, the fact of the existence of a second ranking charge, or in Scotland, a second ranking standard security over the relevant mortgaged property does not render this warranty untrue provided that the seller or YBHL, as</p>		



Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
		applicable, has first priority for all advances, interest, costs and expenses payable by the relevant borrower under the mortgage loan.		
<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 The Mortgage Sale Agreement, Representations and Warranties (j) Loan to value ratio, which states:  No mortgage loan has an indexed loan to value higher than 100% as at the relevant date of assignment by the seller or YBHL (as applicable) to the mortgages trustee.</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>