

# **CRR ASSESSMENT**

## **GEMGARTO 2021-1 PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

24 February 2021



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**This is a CRR Assessment.**

**This CRR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the draft materials received by PCS as at the date of this document. Any references in this document are to the prospectus unless otherwise stated.**

**It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.**

**24 February 2021**

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## Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Mark Lewis
Date of Assessment /Version	24 February 2021
<b>The transaction to be assessed (the “Transaction”)</b>	GEMGARTO 2021-1 PLC
Issuer	<b>GEMGARTO 2021-1 PLC</b>
Originator (under UK STS securitisation legislation) Originator (Original Lender) for commercial purposes	<b>Kensington Holdco Limited</b> <b>Kensington Mortgage Company</b>
Seller	Kensington Holdco Limited
Lead Manager(s)	BNP PARIBAS, Lloyds Bank Corporate Markets and National Australia Bank Limited
Transaction Legal Counsel	Paul Hastings (Europe) LLP and Clifford Chance LLP
Rating Agencies	DBRS and Fitch
Stock Exchange	Euronext Dublin
Closing Date	24 February 2021

Legislative Text and CRR Criteria	Identifying Document and Checking Page Reference	Checking Comments	Criteria Fulfilled Yes / No	
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:				
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.	Warranties and Repurchase:	“(kkk) The aggregate Principal Balance of all Loans made to a single Borrower in the Mortgage Pool does not exceed 2.00 per cent. of the aggregate Principal Balance of all the Loans in the Mortgage Pool.”	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	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);	Not applicable.		Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
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:	(i) applies. See Warranties and Repurchase:	(III) As at the relevant Purchase Date, the average "standardised risk weight" of the Loans in the Mortgage Pool is equal to or smaller than 40 per cent. on an "exposure value-weighted average" basis for the	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<sup>1</sup> 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
(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 <sup>(2)</sup> ; for any other exposures, 100 % on an individual exposure basis;		Mortgage Pool as such terms are described in Article 243 of the UK CRR and Article 243 of the EU CRR.”	
<b>3</b> (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;	See Warranties and Repurchase:	“(f) Subject to completion of any registration which may be pending at the Land Registry or Registers of Scotland, each Mortgage relating to a Loan constitutes a first legal mortgage or standard security over the relevant Property except in so far as there is a prior ranking statutory charge or first ranking standard security (as the case may be) where	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

<sup>2</sup> 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
		the Loan is a Right to Buy Loan for which the Seller or the Legal Title Holder and the relevant Borrower have the benefit of a Right to Buy Insurance Policy.”	
<p><b>4</b> (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>	See Warranties and Repurchase:	<p>“(jjj) No Loan has an Indexed LTV greater than 95 per cent. as at the Cut-off Date or Additional Loan Cut-off Date (as applicable) corresponding to the Purchaser Date.”</p> <p>The Loan-to-value is determined by using the indexed market value. It is the investors responsibility to confirm with the National Competent Authority in its relevant jurisdiction whether this method of calculation is acceptable.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>