

CRR ASSESSMENT

CMF 2020-1 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

26 February 2020

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24 February 2020

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Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Dr Martina Spaeth
Date of Verification	24 February 2020
The transaction to be verified (the “Transaction”)	CMF 2020-1 PLC
Issuer	CMF 2020-1 PLC
Originator	Charter Court Financial Services Limited (CCFS)
ISIN	XS2096745216
Arranger(s)	LLOYDS BANK CORPORATE MARKETS PLC
Lead Manager(s)	LLOYDS BANK CORPORATE MARKETS PLC
Transaction Legal Counsel	Allen & Overy LLP, London
Rating Agencies	Moody’s Investors Service/ Fitch Ratings Ltd.
Stock Exchange	London Stock Exchange
Closing Date	26 February 2020

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</p>	<p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>, Mortgage Sale Agreement, <i>Representations and Warranties</i></p> <p>(ggg) the aggregate Current Balance of all Loans made to a single Borrower in the Portfolio does not exceed 0.27 per cent. of the aggregate Current Balance of all the Loans;</p>	<p>Information provided in the prospectus indicates that the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2%.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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	considered as exposures to a single obligor.			
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);	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);			Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
(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	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) 40 % on an exposure value-weighted average	See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> , Mortgage Sale Agreement, <i>Representations and Warranties</i> (hhh) as at the Closing Date, each Loan has a standardised risk weight equal to or smaller than 40 per cent., as does the exposure value-weighted	2(b)(i) applies. As at the Closing Date or on the date when any new Loans and their Related Security are included in the Portfolio, as applicable, each Loan has a standardised risk weight equal to or smaller than 40 per cent. on an exposure value-weighted average basis for the Portfolio as such terms	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>basis for the portfolio where the exposures are loans 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>basis for the portfolio where the exposures are loans 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>average basis for the Portfolio, as per such terms described in Article 243 of the CRR</p>	<p>are described in Article 243 of the CRR;</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</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</p>	<p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>, Mortgage Sale Agreement, <i>Representations and Warranties</i></p>	<p>All of the mortgages are secured by first priority mortgages.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

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that asset are also included in the securitisation;	that asset are also included in the securitisation;	(r) subject in certain appropriate cases to the completion of an application for registration or recording at the Land Registry or (as applicable) the Registers of Scotland, the whole of the Current Balance on each Loan and all future interest, fees, costs and expenses payable under or in respect of such Loan is secured by a Mortgage or Mortgages over a residential property and each Mortgage constitutes a valid and subsisting first charge by way of legal mortgage or (in Scotland) a first ranking standard security;		
(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	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	See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> , Mortgage Sale Agreement, <i>Representations and Warranties</i>	The information provided indicates that no loans in the pool have an indexed LTV greater than 100% at the time of inclusion in the securitisation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
(d)(i) of Article 129(1) and Article 229(1).	(d)(i) of Article 129(1) and Article 229(1).	(III) no Loan had a current Indexed LTV greater than 88% as at the Cut-Off Date mmm)the weighted average Indexed LTV of the Loans in the Portfolio was not greater than 71% as at the Cut-Off Date;		