

CRR ASSESSMENT

LANARK MASTER ISSUER PLC

Issue of series 2022-1, Class 1A notes



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

4th May 2022

IMPORTANT NOTICE: THIS CHECKLIST IS TO BE USED ONLY FOR UK TRANSACTIONS NOTIFIED ON OR AFTER 1 JANUARY 2021

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This is a CRR Assessment.

Any references in this CRR Assessment to EU regulations are as amended and incorporated into United Kingdom law by the Withdrawal Act 2019.

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4th May 2022

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Prime Collateralised Securities (PCS)

CRR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Assessment /Version	4 May 2022
The transaction to be assessed (the “Transaction”)	Issue of Series 2022-1, 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)	Barclays, BofA Securities, BNP PARIBAS, Citigroup and Standard Chartered Bank
Transaction Legal Counsel	Clifford Chance LLP
Rating Agencies	Fitch, Moody's
Stock Exchange	London Stock Exchange
Closing Date	4 May 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 final terms</p>	<p>See section, "The cut-off date mortgage portfolio".</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 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>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>See base prospectus</p>	<p>2 (b) (i) should apply.</p> <p>See section, The Mortgage Sale Agreement, Representations and Warranties (k) Risk weight, which states:</p>	<p>Yes <input checked="" 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
	(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;		“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 assignment by the seller to the mortgages trustee, as such terms are described in Article 243 of the Capital Requirements Regulation.”	
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;	See base prospectus	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 Registry (in England and Wales) or Registers of Scotland (in Scotland)), the related mortgage constitutes a first ranking charge by way of legal	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

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
			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 applicable, has first priority for all advances, interest, costs and expenses payable by the relevant borrower under the mortgage loan."	
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).	See base prospectus	See section, The Mortgage Sale Agreement, Representations and Warranties (j) Loan to value ratio, which states:	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
			"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."	