

CRR ASSESSMENT

ECONOMIC MASTER ISSUER PLC

Issue of Series 2024-1 Class A Notes



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

25th July 2024

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25th July 2024

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	25 July 2024
The transaction to be verified (the "Transaction")	ECONOMIC MASTER ISSUER PLC, Series 2024-1 Class A Notes
Issuer	ECONOMIC MASTER ISSUER PLC
Originator	Coventry Building Society
Lead Manager(s)	Barclays Bank PLC, HSBC Bank plc, Santander Corporate & Investment Banking
Transaction Legal Counsel	Dentons UK and Middle East LLP
Rating Agencies	Fitch, Moody's
Stock Exchange	London Stock Exchange
Closing Date	25 July 2024

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

Within the checklist, the relevant legislative text is set out in light blue introductory boxes with specific criteria for our verification listed underneath.

Legislative Text

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:

1a	<u>CRR Criteria</u> (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.	<u>Meets Criteria?</u> YES
	<u>PCS Comments</u> See Final Terms. The Cut-Off Date Mortgage Portfolio As at the applicable Assignment Date, and at any point thereafter, the Issuer's economic exposure to any single Borrower will not exceed 2 per cent. of the aggregate Current Balance of the Mortgage Loans comprising the Mortgage Portfolio from time to time as required by Article 243(2)(a) of the UK CRR.	
1b	<u>CRR Criteria</u> 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);	<u>Meets Criteria?</u> YES
	<u>PCS Comments</u> <i>Not applicable.</i>	

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.

2	<p><u>CRR Criteria</u></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 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⁾;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY</i>.</p> <p>Representations and Warranties</p> <p>(nn) as at the relevant Assignment Date, the Mortgage Loans are classified as secured by residential mortgages and, under the Standardised Approach, the Mortgage Portfolio has a risk weight equal to or smaller than 40 per cent;</p>	
3	<p><u>CRR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY</i>.</p> <p>Representations and Warranties</p> <p>(e) subject to completion of any registration or recording which may be pending at HM Land Registry and the Registers of Scotland, each Mortgage Loan is secured by a Mortgage that either constitutes, or will constitute, following registration or recording at HM Land Registry (in England and Wales) a first ranking charge by way of legal mortgage or the Registers of Scotland (in Scotland) a first ranking standard security over the relevant Mortgaged Property;</p> <p><i>Not applicable as all the Mortgage Loans are secured by first ranking mortgages.</i></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). In particular, pursuant to the amendments to Article 123, under Regulation (EU) 2019/876. 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).

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CRR Criteria

(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).

**Meets Criteria?
YES**

PCS Comments

See Prospectus, *ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY*.

Eligibility Criteria

(g) the Mortgage Loan has a current indexed LTV Ratio of no more than 90 per cent.;

The eligibility criteria limit loans in the transaction to a current indexed LTV less than 100%.