

# **CRR ASSESSMENT**

# **KENRICK NO. 4 PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

23<sup>rd</sup> September 2024

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This is a CRR Assessment.

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

**23<sup>rd</sup> September 2024**

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## PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	23 September 2024
<b>The transaction to be verified (the "Transaction")</b>	<b>KENRICK NO. 4 PLC</b>
Issuer	KENRICK NO. 4 PLC
Originator	West Bromwich Building Society
Lead Manager(s)	Lloyds Bank Corporate Markets plc, Santander Corporate & Investment Banking
Transaction Legal Counsel	Clifford Chance LLP
Rating Agencies	Fitch, Moody's
Stock Exchange	London Stock Exchange
Closing Date	23 September 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 <sup>(1)</sup>

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

### CRR Criteria

(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.

**Meets Criteria?**  
**YES**

### PCS Comments

See Prospectus, *STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO*.

Outstanding Current Balances

The following table shows the range of current balances by Mortgage Loan (including capitalised interest, capitalised arrears, capitalised high LTV fees, insurance fees, booking fees and valuation fees but excluding accrued interest).

Loan size of largest loan 485,716

See Prospectus, *THE MORTGAGE PORTFOLIO*.

Other Characteristics

For the purposes of Article 243 of the UK CRR:

(b) at the time of the inclusion of the exposure represented by the Further Advance, the aggregate exposure to a Borrower should not exceed 2%.

*The Prospectus indicates that the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2%. The transaction is not structured with a revolving period but does permit further advances.*

<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.

<b>1b</b>	<p><b>CRR Criteria</b></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><b>Meets Criteria?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>Not applicable.</i></p>	
<b>2</b>	<p><b>CRR Criteria</b></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 <sup>(2)</sup>;</p> <p>for any other exposures, 100 % on an individual exposure basis;</p>	<p><b>Meets Criteria?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See Prospectus, <i>THE MORTGAGE PORTFOLIO</i>.</p> <p>Other Characteristics</p> <p>For the purposes of Article 243 of the UK CRR:</p> <p>(a) at the time of inclusion in the Transaction each Mortgage Loan has a standardised risk weight equal to or smaller than 40% on an exposure value-weighted average basis for the Mortgage Portfolio as such terms are described in Article 243 of the UK CRR;</p>	

<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). 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).

<b>3</b>	<b>CRR Criteria</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;	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> See Prospectus, <i>ORIGINATOR TRUST</i> . Representations and Warranties Neither the Issuer nor the Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Mortgage Loans and/or their Related Security. Instead, each is relying entirely on the Originator Asset Warranties contained in the Originator Trust Deed in relation to each Mortgage Loan and given by the Originator on the Closing Date. The Originator Asset Warranties include the following representations and warranties: (q) each Mortgage constitutes a valid and subsisting first charge by way of legal mortgage over the relevant property, subject only in certain appropriate cases to applications for registrations at the Land Registry which were required to have been made and are pending and (in relation to such cases) the Originator is not aware of any notice or any other matter that would prevent such registration; See Prospectus, <i>OVERVIEW OF THE MORTGAGE PORTFOLIO</i> . Originator Asset Warranties: The Originator Asset Warranties include the following warranties in respect of each Mortgage Loan and its Related Security:7 <ul style="list-style-type: none"> <li>• first ranking security in respect of properties located in England or Wales;</li> </ul> <i>All of the mortgages are secured by first priority security.</i>	
<b>4</b>	<b>CRR Criteria</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).	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> See Prospectus, <i>STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO</i> . Current indexed LTV ratios Maximum current Indexed LTV 93.98% <i>For Further Advances:</i> See Prospectus, <i>ORIGINATOR TRUST</i> .	

Notice (a "Notice of Non-Satisfaction of Further Advance Conditions") must be given by the Originator to the Issuer if the Originator has identified that any of the following conditions (the "Further Advance Conditions") were not satisfied on the relevant Further Advance Satisfaction Date (as defined below):

(l) the Further Advance Loan does not have an indexed LTV greater than 90 per cent.;

*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. The transaction is not structured with a revolving period but does permit further advances.*