

# **CRR ASSESSMENT OAK NO.4 PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

24<sup>th</sup> May 2023

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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.

**24<sup>th</sup> May 2023**

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## PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	24 May 2023
<b>The transaction to be verified (the "Transaction")</b>	<b>OAK NO.4 PLC</b>
Issuer	OAK NO.4 PLC
Originator	Aldermore Bank PLC
Lead Manager(s)	BofA Securities, BNP Paribas, Lloyds Bank Corporate Markets
Transaction Legal Counsel	Ashurst LLP
Rating Agencies	Moody's, Fitch
Stock Exchange	Euronext Dublin (Irish Stock Exchange)
Closing Date	24 May 2023

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.

<b>Legislative Text</b>		
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:		
<b>1a</b>	<b><u>CRR Criteria</u></b> (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.	<b><u>Meets Criteria?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> See Prospectus, <i>THE LOANS</i> . Characteristics of the Loans The aggregate Principal Balance of all Loans in the Portfolio made to a single Borrower does not exceed 2 per cent. of the aggregate Principal Balance of all Loans in the Cut-Off Date Portfolio as of the Cut-Off Date.	
<b>1b</b>	<b><u>CRR Criteria</u></b> 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);	<b><u>Meets Criteria?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> <i>Not applicable.</i>	
<b>2</b>	<b><u>CRR Criteria</u></b> (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 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;	<b><u>Meets Criteria?</u></b> <b>YES</b>

<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.

	(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;	
	<p><b>PCS Comments</b></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Representations and Warranties</p> <p>Loans</p> <p>(bb) No Loan shall cause the standardised risk weight calculated in respect of the Portfolio on an exposure value-weighted average basis for the Portfolio to exceed 40% as at the Cut-Off Date, as such terms are described in Article 243 of the UK CRR.</p>	
3	<p><b>CRR Criteria</b></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><b>Meets Criteria?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Representations and Warranties</p> <p>Mortgages</p> <p>(a) Subject in certain appropriate cases to the completion of an application for registration or recording at the Land Registry the whole of the Current Balance on each Loan and all interest amounts, costs and expenses payable in respect of that Loan are 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 charge and subject only in certain appropriate cases to applications for registrations or recordings at the Land Registry of England and Wales which, where required, have been made and are pending and in relation to such cases the Seller is not aware of any notice or any other matter that would prevent such registration or recording.</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>4</b>	<p><b>CRR Criteria</b></p> <p>(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>	<p><b>Meets Criteria?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Loan Warranties, Loans</p> <p>(z) No Loan had an Indexed Current LTV greater than 95 per cent. as at the Cut-Off Date.</p> <p><i>PCS has also received data provided separately to investors indicating that no loans in the pool have an indexed LTV greater than 100%.</i></p>	