

# **CRR ASSESSMENT**

## **FRIARY NO.6 PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

28<sup>th</sup> November 2019

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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.**

**28<sup>th</sup> November 2019**

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## Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	28 November 2019
<b>The transaction to be verified (the “Transaction”)</b>	<b>FRIARY NO.6 PLC</b>
Issuer	FRIARY NO.6 PLC
Originator	Principality Building Society
ISIN	XS2070011478, XS2070015032
Arranger(s)	HSBC Bank plc, Lloyds Bank Corporate Markets plc
Lead Manager(s)	HSBC Bank plc, Lloyds Bank Corporate Markets plc
Transaction Legal Counsel	Allen & Overy LLP
Rating Agencies	Fitch, Moody’s
Stock Exchange	Euronext Dublin (Irish Stock Exchange)
Closing Date	28 November 2019

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>STATISTICAL INFORMATION ON THE PORTFOLIO.</i></p> <p>1. Current Balances as at the Portfolio Cut-Off Date</p> <p>Borrower Current Balance (GBP)</p> <p>Max: £499,994.40</p>	<p>Information provided 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.			
<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>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>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></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</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>(i) 40 % on an exposure value-weighted average</p>	<p>See Prospectus, <i>SALE OF THE PORTFOLIO UNDER THE MORTGAGE SALE AGREEMENT.</i></p> <p>Mortgage Sale Agreement Representations and Warranties Loans (x) As at the Closing Date or on the date when any new Loans and their Related Security are</p>	<p>2(b)(i) applies.</p> <p>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</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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<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 (e)</i> 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 (e)</i> 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>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 are 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>SALE OF THE PORTFOLIO UNDER THE MORTGAGE SALE AGREEMENT.</i></p> <p>Mortgage Sale Agreement Representations and Warranties</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>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>that asset are also included in the securitisation;</p>	<p>that asset are also included in the securitisation;</p>	<p>Mortgages            (a) subject in certain appropriate cases to the completion of an application for registration which is pending at the Land Registry, the whole of the Current Balance on each Loan is secured by a Mortgage over a residential Property and each Mortgage constitutes a valid and subsisting first charge by way of legal mortgage 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;            (c) each Mortgage has first priority (where a</p>		



Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
		second or subsequent mortgage exists) for the whole of the Current Balance on the Loan and all future interest, fees, costs and expenses payable under or in respect of such Mortgage;		
<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>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).</p>	<p>See Prospectus, <i>STATISTICAL INFORMATION ON THE PORTFOLIO</i>. 2. Loan-to-Value Ratios as at the Portfolio Cut-Off Date Current LTV (Indexed)(%) Max: 89.99%</p>	<p>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.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>