

PROVISIONAL CRR ASSESSMENT

CMF 2024-1 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

13 May 2024

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This is a Provisional CRR Assessment.

This Provisional CRR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the draft materials received by PCS as at the date of this document.

This Provisional CRR Assessment is not the final CRR Assessment, and it based on the draft documents and information provided to PCS by or on behalf of the originator as of the date of this assessment. It is anticipated at the date of this Provisional CRR Assessment that a Final CRR Assessment will be made available at or around closing of the transaction. However, such Final CRR Assessment will be based upon the final materials received by PCS and will only be made available if no material changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would change our analysis. Therefore, no guarantees can be provided that such Final CRR Assessment will be made available.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. Note that all comments on the disclaimer relate to both Provisional CRR Assessments and Final CRR Assessments.

13 May 2024

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PRIME COLLATERALISED SECURITIES (PCS) Provisional CRR Assessment

Individual(s) undertaking the assessment	Mark Lewis
Date of Verification	13 May 2024
The transaction to be verified (the "Transaction")	CMF 2024-1 PLC
Issuer	CMF 2024-1 PLC
Originator	Charter Court Financial Services Limited
Lead Manager(s)	BofA Securities, Santander Corporate & Investment Banking and Deutsche Bank AG, London Branch
Transaction Legal Counsel	Allen Overy Shearman Sterling
Rating Agencies	Fitch, Moody's
Stock Exchange	London Stock Exchange
Target Closing Date	[_] 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	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, <i>CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO</i> . Current Balances as at the Cut-Off Date: see "Stratification Tables – 1. Current Balance": the average, minimum and maximum Current Balance of the Loans as of the Portfolio Reference Date is as follows: <ul style="list-style-type: none"> • Average: 194,253.76; • Minimum: 17,674.25; and • Maximum: 778,359.48. PCS received due diligence confirmation that the number of loans included in the Portfolio is equal to the number of Borrowers, so the highest exposure vs each single Borrower is equal to the maximum amount indicated above, which is below the 2% threshold.	
1b	CRR Criteria 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);	Meets Criteria? YES
	PCS Comments <i>Not applicable.</i>	
2	CRR Criteria	Meets Criteria?

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.

<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>	YES
<p><u>PCS Comments</u></p> <p><i>2(b)(i) applies.</i></p> <p>Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.</p> <p>Representations and Warranties</p> <p>(xx) as at the Closing Date, each Loan has a standardised risk weight equal to or smaller than 40 per cent., as does the exposure value-weighted average basis for the Portfolio, as per such terms described in Article 243 of the UK CRR;</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).

3	CRR Criteria (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;	Meets Criteria? YES
	PCS Comments See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS. Representations and Warranties (p) 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 future interest, fees, costs and expenses payable under or in respect of such Loan is 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;	
4	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 Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS. Representations and Warranties (aaa) no loan has an indexed LTV higher than 100%.	