

**Provisional
CRR ASSESSMENT
Brass No. 11 plc**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

23rd September 2022

Analyst: Robert Leach – 020.3866.5005

This is a Provisional CRR Assessment (UK Version).

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. Any page references in this document are to the prospectus unless otherwise stated.

Any references in this CRR Assessment to any EU regulations are meant to refer to such EU regulations as amended and incorporated into United Kingdom law by the Withdrawal Act 2019.

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 on a fully ticked basis if no material adverse changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would not adversely change our analysis. Therefore, no guarantees can be provided that such Final CRR Assessment will be made available on a fully ticked basis.

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.

23rd September 2022

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	23 September 2022
The transaction to be verified (the "Transaction")	BRASS NO. 11 PLC
Issuer	BRASS NO. 11 PLC
Originator	Yorkshire Building Society
Lead Manager(s)	Barclays Bank PLC, Merrill Lynch International, HSBC Bank plc
Transaction Legal Counsel	Allen & Overy
Rating Agencies	Fitch, Moody's
Stock Exchange	Irish Stock Exchange
Closing Date	TBD

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, *CHARACTERISTICS OF THE CUT-OFF DATE PORTFOLIO*.

Current Balances as at the Cut-Off Date

The maximum, minimum and average Current Balance of the Loans as of the Cut-Off Date is £1,981,174, £5,448 and £219,740, respectively.

See Prospectus, *TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING*.

Representations and Warranties:

The Loan Warranties are comprised of representations and warranties in respect of the legal nature of the Loans and their Related Security, as well as asset representations and warranties which include the following:

- no Loan has a Current Balance greater than £2 million as at the Initial Portfolio Creation Date or, in relation to an Additional Loan, as at the relevant Further Sale Date;

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Mortgage Sale Agreement

The Loan Warranties to be given by the Seller will include, inter alia, the following warranties:

1. Loans

(ff) No Loan has a Current Balance greater than £2 million and the aggregate outstanding principal balance of all Loans to a single Borrower does not exceed 2% of the aggregate outstanding principal balance of all Loans, each as at the Initial Portfolio Creation Date or, in relation to an Additional Loan, as at the relevant Further Sale Date.

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.

1b	CRR Criteria	Meets Criteria? YES
	<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>	
PCS Comments		
<i>Not applicable.</i>		
2	CRR Criteria	Meets Criteria? YES
	<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>for any other exposures, 100 % on an individual exposure basis;</p>	
PCS Comments		
<i>2(b)(i) applies.</i>		
Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.		
Representations and Warranties		
<p>(u) 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% on an exposure value-weighted average basis for the Portfolio, as such terms are 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 2(b)(i) applies. See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Representations and Warranties 2. Mortgages (a) Subject in certain appropriate cases to the completion of an application for registration or recording at the Land Registry or the Registers of Scotland, as applicable, the whole of the Current Balance on each 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 or charge or (in Scotland) first ranking standard security over the relevant Property, and subject only in certain appropriate cases to applications for registrations or recordings at the Land Registry of England and Wales or in the Registers of Scotland 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.	
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 2(b)(i) applies. Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Representations and Warranties 1. Loans (t) In respect of Loans comprised in the Initial Portfolio, no Loan had an Indexed LTV greater than 90% as at the Initial Portfolio Creation Date and, in respect of any Additional Loans, no Additional Loan had an Indexed LTV greater than 90% as at the relevant Further Sale Date. See Prospectus, <i>TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING</i> . Representations and Warranties:	

The Loan Warranties are comprised of representations and warranties in respect of the legal nature of the Loans and their Related Security, as well as asset representations and warranties which include the following:

- in respect of Loans comprised in the Initial Portfolio, no Loan had an Indexed LTV greater than 90% as at the Initial Portfolio Creation Date and in respect of any Additional Loans, no Additional Loan had an Indexed LTV greater than 90% as at the relevant Further Sale Date;

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.