

**Provisional**  
**CRR ASSESSMENT**  
**HADRIAN FUNDING 2025-1 PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

17<sup>th</sup> June 2025

**Analyst: Robert Leach – +44 203 866 5005**

This is a Provisional CRR Assessment (UK Version).

This Provisional CRR Assessment must be read together with the PCS Procedures 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.

**17<sup>th</sup> June 2025**

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When entering any of the “Transaction” sections of the PCS Website, you will be asked to declare that you are allowed to do so under the legislation of your country. The circulation and distribution of information regarding securitisation instruments (including securities) that is available on the PCS Website may be restricted in certain jurisdictions. Persons receiving any information or documents with respect to or in connection with instruments (including securities) available on the PCS Website are required to inform themselves of and to observe all applicable restrictions.

## PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	17 June 2025
<b>The transaction to be verified (the "Transaction")</b>	<b>HADRIAN FUNDING 2025-1 PLC</b>
Issuer	HADRIAN FUNDING 2025-1 PLC
Originator	Newcastle Building Society
Lead Manager(s)	Santander Corporate & Investment Banking, BNP Paribas, BofA Securities, Citigroup Global Markets Limited
Transaction Legal Counsel	Clifford Chance
Rating Agencies	Fitch, Moody's
Stock Exchange	The London Stock Exchange plc
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 <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, *SALE OF THE PORTFOLIO UNDER THE MORTGAGE SALE AGREEMENT*.

Representations and Warranties

Except as stated otherwise, the Seller will give the following representations and warranties in the Mortgage Sale Agreement, with respect to itself, the Loans originated by it and their Related Security, to the Issuer and the Trustee on the Closing Date and, in respect of any Further Advance, on the last calendar day of each month during which an Advance Date has occurred (the "Loan Warranties"):

(d) no Loan sold by the Seller had, at the time of such sale, a Current Balance of more than £1,000,000;

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

1. Current Balances as at the Provisional Cut-Off Date

Distribution by Current Balance

Max £936,870

*The transaction is structured as a static pool, with no revolving period. PCS has received confirmation that the aggregate exposure to any single borrower does not exceed 2% of the exposure values of the pool underlying exposures.*

<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.

1b	<b>CRR Criteria</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>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> <i>Not applicable.</i>	
2	<b>CRR Criteria</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; (iii) 75 % on an individual exposure basis where the exposure is a retail exposure <sup>(2)</sup> ; (iv) for any other exposures, 100 % on an individual exposure basis;	<b>Meets Criteria?</b> <b>YES</b>
	<b>PCS Comments</b> See Prospectus, <i>THE PORTFOLIO</i> . Other characteristics For the purposes of Article 243 of the UK CRR, at the time of inclusion in the Transaction 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 UK CRR.	

<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). 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	<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>SALE OF THE PORTFOLIO UNDER THE MORTGAGE SALE AGREEMENT</i> . Representations and Warranties Except as stated otherwise, the Seller will give the following representations and warranties in the Mortgage Sale Agreement, with respect to itself, the Loans originated by it and their Related Security, to the Issuer and the Trustee on the Closing Date and, in respect of any Further Advance, on the last calendar day of each month during which an Advance Date has occurred (the "Loan Warranties"): (s) each Mortgage constitutes a valid and subsisting first ranking charge by way of legal mortgage or standard security over the relevant Mortgaged Property; (u) each Mortgage has first priority for the whole of the Current Balance on the Loan and interest on such Current Balance and all fees, costs, expenses and other amounts payable under or in respect of such Loan or Mortgage; (II) no Loan is a second charge loan, a right to buy loan, a London Interbank Offered Rate loan, a guarantor loan, a construction loan or a commercial loan;	
4	<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 PORTFOLIO</i> . At the time the Portfolio of Loans are sold by the Seller to the Issuer, no Loan will have an indexed LTV of 100% or more. <i>The transaction is structured as a static pool, with no revolving period.</i>	