

**Provisional**  
**LCR ASSESSMENT**  
**ECONOMIC MASTER ISSUER PLC**  
**Issue of Series 2024-1 Class A Notes**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

15<sup>th</sup> July 2024

**Analyst: Robert Leach – 020.3866.5005**

This is a Provisional LCR Assessment (UK Version).

This LCR Assessment covers the LCR rules and guidelines as at the date of this document.

This Provisional LCR 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 references in this document are to the preliminary prospectus unless otherwise stated.

Any references in this LCR 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 LCR Assessment is not the final LCR 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 LCR Assessment that a Final LCR Assessment will be made available at or around closing of the transaction (i.e. when the contractual amendments are executed and the Supplement is published). However, such Final LCR 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 LCR 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 LCR Assessments and Final LCR Assessments.

**15<sup>th</sup> July 2024**

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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) LCR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	15 July 2024
<b>The transaction to be verified (the "Transaction")</b>	<b>ECONOMIC MASTER ISSUER PLC, Issue of Series 2024-1 Class A Notes</b>
Issuer	ECONOMIC MASTER ISSUER PLC
Originator	Coventry Building Society
Lead Manager(s)	Barclays Bank PLC, HSBC Bank plc, Santander Corporate & Investment Banking
Transaction Legal Counsel	Dentons UK and Middle East LLP
Rating Agencies	Fitch, Moody's
Stock Exchange	London Stock Exchange
Closing Date	[XX July 2024]

Please note that this Assessment is in respect of a UK transaction notified as STS to the UK Financial Conduct Authority. As such it cannot be treated as STS within the European Union and therefore, notwithstanding this assessment, is not eligible for inclusion into LCR pools or lower capital requirements under the CRR for financial institutions within the European Union. For more details, we invite you to consult your legal advisers.

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 grey introductory boxes with specific criteria for our verification listed underneath.

Legislative Text and LCR Criteria (1)		
1a	<p><b>LCR Criteria</b></p> <p>1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:</p> <p>(a) the designation ‘STS’ or ‘simple, transparent and standardised’, or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council (*) and is being so used;</p>	<p><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>1. (a) PCS is advised that the transaction, ECONOMIC MASTER ISSUER PLC, Issue of Series 2024-1 Class A Notes, is expected to be designated STS.</p>	
1b	<p><b>LCR Criteria</b></p> <p>1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:</p> <p>(b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.</p>	<p><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p> <p><i>PCS has ticked the questions above as “yes”. See the disclaimer above for a fuller analysis of the limitations of PCS’s LCR assessment</i></p>	
2a	<p><b>LCR Criteria</b></p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;</p>	<p><b>Meets Criteria?</b> YES</p>
	<p><b>PCS Comments</b></p> <p>2 (a) See Prospectus, <i>DESCRIPTION OF THE NOTES</i>. THE CLASS A NOTES</p>	

<sup>1</sup> Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

	<p>Ratings</p> <p>It is a condition of the issuance of each Series of Class A Notes issued by the Issuer (other than the Money Market Notes) that they be assigned the following ratings by at least two of Standard &amp; Poor's, Moody's, Fitch or DBRS:</p> <p>S&amp;P AAA(sf)</p> <p>Moody's Aaa(sf)</p> <p>Fitch AAAsf</p> <p>DBRS AAA(sf)</p> <p>The Relevant Rating Agencies and the ratings assigned by them to each Series and Class of Notes will be specified in the applicable Final Terms.</p> <p>See Final Terms, Issue of Series 2024-1 Class A Notes</p> <p>Ratings</p> <p>Fitch AAA(sf)</p> <p>Moody's Aaa(sf)</p>	
2b	<p><b><u>LCR Criteria</u></b></p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(b) the position is in the most senior tranche or tranches of the securitisation and possesses the highest level of seniority at all times during the ongoing life of the transaction. For these purposes, a tranche shall be deemed to be the most senior where after the delivery of an enforcement notice and where applicable an acceleration notice, the tranche is not subordinated to other tranches of the same securitisation transaction or scheme in respect of receiving principal and interest payments, without taking into account amounts due under interest rate or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of Regulation (EU) No 575/2013;</p>	<p><b><u>Meets Criteria?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>2 (b) See Prospectus, <i>CREDIT STRUCTURE AND CASHFLOWS</i>.</p> <p>APPLICATION OF AVAILABLE FUNDS FOLLOWING THE DELIVERY OF AN ENFORCEMENT NOTICE</p> <p><i>PCS confirms that the senior tranche meets the required attributes, based on a review of the prospectus.</i></p>	

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**LCR Criteria**

(g) the securitisation position is backed by a pool of underlying exposures and those underlying exposures either all belong to only one of the following subcategories or else they consist of a combination of residential loans referred to in point (i):

(i) residential loans secured with a first-ranking mortgage granted to individuals for the acquisition of their main residence, provided that one of the two following conditions is met:

– the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013 ( );

–the loans were originated in the United Kingdom and the law of the United Kingdom provides for a loan-to-income limit on the amount that an obligor may borrow in a residential loan. The loan-to-income limit is calculated on the gross annual income of the obligor, taking into account the tax obligations and other commitments of the obligor and the risk of changes in the interest rates over the term of the loan. For each residential loan in the pool, the percentage of the obligor's gross income that may be spent to service the loan, including interest, principal and fee payments, does not exceed 45 %;

(iii) commercial loans, leases and credit facilities to undertakings established in the United Kingdom to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium- sized enterprises at the time of issuance of the securitisation, and none of the borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013; ( )

(iv) auto loans and leases to borrowers or lessees established or resident in the United Kingdom. For these purposes, auto loans and leases shall include loans or leases for the financing of motor vehicles or trailers as defined in points (11) and (12) of Article 3 of Directive 2007/46/EC of the European Parliament and of the Council, tractors as defined in point (8) of Article 3 of Regulation (EU) No 167/2013 of the European Parliament and of the Council (as it had effect immediately before IP completion day), powered two-wheelers or powered tricycles as defined in points (68) and (69) of Article 3 of Regulation (EU) No 168/2013 of the European Parliament and of the Council (as it had effect immediately before IP completion day) or tracked vehicles as referred to in point (c) of Article 2(2) of Directive 2007/46/EC. ( ) Such loans or leases may include ancillary insurance and service products or additional vehicle parts, and in the case of leases, the residual value of leased vehicles. All loans and leases in the pool shall be secured with a first-ranking charge or security over the vehicle or an appropriate guarantee in favour of the SSPE, such as a retention of title provision;

(v) loans and credit facilities to individuals resident in the United Kingdom for personal, family or household consumption purposes.

**Meets Criteria?  
YES**

**PCS Comments**

See Final Terms.

Current indexed LTV Ratios

The weighted average current indexed loan-to-value ratio of the Mortgage Loans, as of the Cut-Off Date, was 45.7 per cent., while the minimum current indexed loan-to-value ratio was 0 per cent. and the maximum was 88.5 per cent.

See Prospectus,

ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY.

Representations and warranties

(h) each relevant Mortgaged Property constitutes the primary residence of each respective Borrower;

See Final Terms.

The Cut-Off Date Mortgage Portfolio

Mortgage Loan Occupancy Status

Buy-to-let

Current Balance (£): 677,240

% of total balance: 0.0%

Second Home

Current Balance (£) -

% of Total -

\* All loans marked as "Buy-to-Let" were Owner-Occupied Loans upon the assignment, and such loans comply with the relevant Eligibility Criteria. Such loans have been subject to a Product Switch and have been repurchased in accordance with the Mortgage Sale Agreement. All loans marked as "consent-to-let" shall be repurchased pursuant to a notice in accordance with the Mortgage Sale Agreement.

*PCS notes that certain loans that were originally owner-occupied loans have subsequently been subject to a product switch or are consent-to-let, and will be repurchased.*

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**LCR Criteria**

10. The underlying exposures shall not have been originated by the credit institution holding the securitisation position in its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with that credit institution.

**Meets Criteria?**  
**YES**

**PCS Comments**

*The investor should confirm that it is not a group entity of the Originator to meet this point. We have ticked this point positive but ultimately it is the investors responsibility to confirm.*



<b>5</b>	<b><u>LCR Criteria</u></b> 11. The issue size of the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency).	<b><u>Meets Criteria?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> See Final Terms. Initial Principal Amount £[ ] <i>PCS has received confirmation that the Class A notes are expected to be greater than £100 million. This will be confirmed in the Final Terms by closing.</i>	
<b>6</b>	<b><u>LCR Criteria</u></b> 12. The remaining weighted average life of the tranche shall be 5 years or less, which shall be calculated using the lower of either the transaction's pricing prepayment assumption or a 20 % constant prepayment rate, for which the credit institution shall assume that the call is exercised on the first permitted call date.	<b><u>Meets Criteria?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> See Final Terms. Maturity and repayment considerations Possible average life of the Series 2024-1 Class A Notes (in years) <i>The weighted average life of Series 2024-1 Class A Notes, assuming the Issuer exercises its option to redeem each Series 2024-1 Class A Notes on the Step-Up Date relating to such notes, is less than 5 years for both the pricing prepayment assumption (10%) and 20% CPR.</i>	

7	<p><b>LCR Criteria</b></p> <p>13. The originator of the exposures underlying the securitisation shall be an institution as defined in Article 4(3) of Regulation (EU) No 575/2013 or an undertaking whose principal activity is to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU, as that Directive has effect immediately before IP completion day, provided that for the purposes of this paragraph the reference in point 4 of Annex 1 to that Directive to point (3) of Article 4 of Directive (EU) 2015/2366 is to be read as a reference to regulation 2 of the Payment Services Regulations 2017.</p>	<p><b><u>Meets Criteria?</u></b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See underlying transaction document: Incorporated Terms Memorandum.</p> <p>SCHEDULE 3</p> <p>SELLER'S REPRESENTATIONS AND WARRANTIES</p> <p>PART 1</p> <p>CORPORATE REPRESENTATIONS AND WARRANTIES OF THE SELLER</p> <p>1. STATUS</p> <p>It is a credit institution, as defined in Article 4(1) of the UK LCR Regulation.</p>	
8	<p><b>LCR Criteria</b></p> <p>Article 37 Transitional provision for securitisations backed by residential loans</p> <p>1. By derogation from Article 13, securitisations issued before 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2), shall qualify as Level 2B assets if they meet all the requirements set out in Article 13 other than the loan-to-value or loan-to-income requirements set out in that point (g)(i) of Article 13(2).</p> <p>2. By derogation from Article 13, securitisations issued after 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2) that do not meet the average loan-to-value or the loan-to-income requirements set out in that point, shall qualify as Level 2B assets until 1 October 2025, provided that the underlying exposures include residential loans that were not subject to a national law regulating loan-to-income limits at the time they were granted and such residential loans were granted at any time prior to 1 October 2015.</p>	<p><b><u>Meets Criteria?</u></b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>Points 1 and 2 are not applicable.</i></p>	