

CRR ASSESSMENT
PERMANENT MASTER ISSUER PLC
Issue of 2015-1 Series 1 Class A3 Notes



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

6 November 2019

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This is a CRR Assessment.

As the securitisation is structured as a master trust programme, all notes issued from time to time under the programme are ultimately backed by the same residential mortgage loans comprising the portfolio from time to time, and benefit from the same structural terms and conditions documented under the same programme level transaction documents currently in effect. In 2019, the programme was updated to more closely align the portfolio and the programme level transaction documents with the requirements of a simple, transparent and standardised non-ABCP transaction pursuant to Article 243 of the CRR Regulation. Accordingly, the following considers the facts and terms of the programme at the time of issuance of the notes, taking into account the facts and terms of the programme at the time of this checklist.

This CRR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the materials received by PCS as at the date of this document. Any page references in this document are to the base prospectus dated 7 October 2019 unless otherwise stated.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

6 November 2019

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Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Assessment /Version	6 November 2019
The transaction to be assessed (the “Transaction”)	Issue of Series 2015–1 Series 1 Class A3 Notes, Permanent Master Issuer PLC
Issuer	PERMANENT MASTER ISSUER PLC
Seller/Originator	Bank of Scotland plc
Lead Manager(s)	J.P. Morgan, Lloyds Bank plc, Lloyds Securities Inc., ING Bank N.V
Transaction Legal Counsel	Allen & Overy LLP
Rating Agencies	S&P, Moody’s, and Fitch
Stock Exchange	London Stock Exchange
ESMA Notification Date	6 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>				

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
(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.	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 considered as exposures to a single obligor.	See base prospectus, Form of Final Terms and Drawdown Prospectus – Outstanding balances as at the cut-off date.		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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	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	Not applicable.		Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
third party eligible under Article 201(1);	third party eligible under Article 201(1);			
<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 <i>point</i> (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>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 basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (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>2 (b) (i) should apply. See section, “Sale of the loans and their related security”.</p> <p>Representations and warranties:</p> <p>14. each loan has a standardised risk weight equal to or smaller than 40% on an exposure value-weighted average basis for the portfolio as at the relevant sale date, as such terms are described in Article 243 of the Capital Requirements Regulation;</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<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 that asset are also included in the securitisation;</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 that asset are also included in the securitisation;</p>	<p>Representations and Warranties :</p> <p>16. each mortgage constitutes a valid and subsisting first charge by way of legal mortgage or (in Scotland) standard security over the relevant property, and subject only in certain appropriate cases to applications for registrations at the Land Registry or 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;</p>		<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
(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).	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).	See section, Representations and Warranties 13. no loan has an indexed LTV higher than 100%;	The Loan-to-value is determined by using the indexed market value. It is the investors responsibility to confirm with the National Competent Authority in its relevant jurisdiction whether this method of calculation is acceptable.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>