

# **LCR ASSESSMENT**

## **NEWDAY FUNDING MASTER ISSUER PLC – SERIES 2025-1**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

9<sup>th</sup> April 2025

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This is an LCR Assessment.

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

Any references in this LCR Assessment to EU regulations are as amended and incorporated into United Kingdom law by the Withdrawal Act 2019.

This LCR Assessment must be read together with the PCS Procedures Manual. This document is based upon the materials received by PCS as at the date of this document. Any references in this document are to the prospectus unless otherwise stated.

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

**9<sup>th</sup> April 2025**

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## PRIME COLLATERALISED SECURITIES (PCS) LCR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Verification	9 April 2025
<b>The transaction to be verified (the “Transaction”)</b>	<b>NEWDAY FUNDING MASTER ISSUER PLC – SERIES 2025-1</b>
Issuer	NEWDAY FUNDING MASTER ISSUER PLC
Originator / Seller	NewDay Ltd / NEWDAY FUNDING TRANSFEROR LTD
Lead Manager(s)	BofA Securities, Lloyds Bank Corporate Markets, NatWest, Santander, Société Générale
Transaction Legal Counsel	Clifford Chance LLP and Slaughter and May
Rating Agencies	DBRS and Fitch
Stock Exchange	London Stock Exchange plc
Closing Date	9 April 2025

**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 12 of the Securitisation Regulations 2024 (SI 2024/102) and is being so used;</p>	<p><b>Meets Criteria?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>PCS is advised that the Issue of Series 2025-1 Notes of NEWDAY FUNDING MASTER ISSUER PLC is to be designated STS.</i></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></p> <p><b>YES</b></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 CRR or the equivalent credit quality step in the event of a short-term credit assessment;</p>	<p><b>Meets Criteria?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>Refer to the Final Terms:</p> <p>TRANSACTION FEATURES, SERIES OF NOTES ISSUED</p> <p>Series Number:                      Series 2025-1</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>Class of Notes: A</p> <p>Senior Class: Yes</p> <p>Expected Ratings: AAAsf/AAA(sf)</p> <p>Rating Agencies (if any): Fitch and DBRS</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 CRR;</p>	<p><b><u>Meets Criteria?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>TERMS AND CONDITIONS OF THE NOTES</p> <p>4. Status</p> <p>(a) Status;</p> <p>Unless otherwise specified in the relevant Final Terms or Drawdown Prospectus, as applicable, the Notes will comprise the following Classes:</p> <p>(a) the "Class A Notes", which will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (in each case, if any) and pro rata and pari passu amongst themselves;</p> <p>6. Security and Priority of Payments</p> <p>(b) Priority of Payments (iv)</p> <p>See also the Preliminary, Transaction Features</p> <p>Credit Enhancement Features:</p> <p>Subordination of Class B/C/D/E/F Notes, Series Originator VFN Subordination and excess Finance Charge Collections</p> <p><i>PCS confirms that the Class A Notes are expected to meet the required attributes, based on the base prospectus and preliminary final terms that has been reviewed.</i></p>	
3	<p><b><u>LCR Criteria</u></b></p> <p>(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):</p>	<p><b><u>Meets Criteria?</u></b></p> <p><b>YES</b></p>

	<p>(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:</p> <ul style="list-style-type: none"> <li>– the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of CRR;</li> <li>– the national law of the jurisdiction where the loans were originated 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%;</li> </ul> <p>(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 CRR;</p> <p>(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 provisions implementing 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 exit 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 exit day) or tracked vehicles as referred to in provisions implementing 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;</p> <p>(v) loans and credit facilities to individuals resident in the United Kingdom for personal, family or household consumption purposes.</p>	
	<p><b>PCS Comments</b></p> <p><i>(g)(v) only applies,</i></p> <p><i>See Eligibility Criteria that the relevant Obligor is an individual whose most recent billing address is located in England, Wales, Scotland or a Permitted Additional Jurisdiction.</i></p>	
4	<p><b>LCR Criteria</b></p> <p>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.</p>	<p><b>Meets Criteria?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p>	

	<i>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.</i>	
5	<p><b>LCR Criteria</b></p> <p>11.The issue size of the tranche shall be at least GBP 88 million (or the equivalent amount in domestic currency).</p>	<p><b>Meets Criteria?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>Refer to the Final Terms:</p> <p>TRANSACTION FEATURES</p> <p>Class of Notes Initial Principal Amount</p> <p>A £192,500,000</p> <p>The issue size of the Class A Notes is greater than GBP 88 million (or the equivalent amount in domestic currency).</p>	
6	<p><b>LCR Criteria</b></p> <p>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.</p>	<p><b>Meets Criteria?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the Final Terms dated 26 March 2025:</p> <p>TRANSACTION FEATURES</p> <p>SERIES OF NOTES ISSUED</p> <p>Series Number: Series 2025-1</p> <p>Class of Notes: A</p> <p>Series Scheduled Redemption Date: The Interest Payment Date falling in April 2028</p> <p><i>Based on the Scheduled Redemption Date the remaining weighted average life of the Class A Notes will be less than 5 years.</i></p>	
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 CRR 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</p>	<p><b>Meets Criter?</b></p> <p><b>YES</b></p>



	<p>that Directive has effect immediately before exit 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>PCS Comments</b></p> <p>See description of THE ORIGINATOR, THE SERVICER AND THE NEWDAY GROUP</p> <p>See description of THE TRANSFEROR</p> <p><i>Both the Originator and Transferor (originator for securitisation purposes) are an undertaking whose principal activity is to pursue the activities in point 2 of Annex I to Directive 2013/36/EU,</i></p>	
<p><b>8</b></p>	<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>	