

LCR ASSESSMENT

Silverstone Master Issuer PLC

Issue of Series 2024-1 Notes



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

17th December 2024

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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 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 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.

17th December 2024

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PRIME COLLATERALISED SECURITIES (PCS) LCR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Verification	17 December 2024
The transaction to be verified (the “Transaction”)	Issue of Series 2024 – 1 Notes
Issuer	Silverstone Master Issuer PLC
Originator	Nationwide Building Society
Lead Manager(s)	Citigroup Global Markets Limited, BNP PARIBAS, Lloyds Bank Corporate Markets plc, BofA Securities, Barclays Bank PLC, Deutsche Bank AG, Banco Santander S.A.
Transaction Legal Counsel	Allen Overy Shearman Sterling LLP
Rating Agencies	Moody’s and Fitch
Stock Exchange	London Stock Exchange
Closing Date	17 December 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>LCR Criteria</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>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p><i>PCS is advised that the transaction Silverstone Master Issuer plc Series 2024-1 Class 1A Notes, Class 2A Notes and Class 3A Notes are to be designated STS.</i></p>	
1b	<p>LCR Criteria</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>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</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>LCR Criteria</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>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>Refer to the Final Terms, "Contractual Terms, Series 2024-1 Class 1A, Class 2A and Class 3A Notes , 7. Ratings"</p> <p>PCS notes that the Series 2024-1 Class 1A, Class 2A and Class 3A Notes are expected to be rated:</p>	

¹ 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).

	<ul style="list-style-type: none"> • Aaa (sf) by Moodys • AAAsf by Fitch 	
2b	<p><u>LCR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>Refer to the Final Terms and Base Prospectus.</p> <p>PCS confirms that the Series 2024-1 Class 1A, Class 2A and Class 3A Notes meet the required attributes based on the base prospectus that has been reviewed.</p>	
3	<p><u>LCR Criteria</u></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>(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"> – 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; – 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%; <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</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>

	<p>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>PCS Comments</p> <p>Refer to the Final Terms</p> <p>(g)(i) only applies, (ii) to (iv) do not apply</p> <p>PCS acknowledges that the weighted average indexed LTV ratio is less than 80% based on the data contained in the Final Terms. This is a closing date only position.</p>	
4	<p>LCR Criteria</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>Meets Criteria? YES</p>
	<p>PCS Comments</p> <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></p>	
5	<p>LCR Criteria</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>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>Refer to the Final Terms</p> <p>See section Contractual Terms, 3. Initial Principal Amount:</p> <p>Series and Class: Series 2024-1 Class 1A Series 2024-1 Class 2A Series 2024-1 Class 3A</p> <p>3. Initial Principal Amount: £500,000,000 £500,000,000 £500,000,000</p> <p>The issue size of the Series 2024-1 Class A1, Class A2 and Class A3 Notes is greater than EUR 100 million (or the equivalent amount in domestic currency).</p>	

6	<p>LCR Criteria</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>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>See the Final Terms</p> <p>See the table under section, "Maturity and prepayment considerations".</p> <p>See also section Contractual Terms (23., Details relating to Scheduled Redemption Notes) and (45(b) Optional Redemption Date)</p> <p>For the Class 1A Notes</p> <p>The average life is less than 5 years. .The optional redemption date is in July 2028;</p> <p>For the Class 2A Notes</p> <p>PCS is advised and confirms that the average life will be less than or equal to 5 years from 29 December 2024 based on the first option redemption date of April 2030 (see section Contractual Terms ,24(b) Optional Redemption Date) and the scheduled amortisation amounts (See section Contractual Terms , 23., Details relating to Scheduled Redemption Notes)</p> <p>For the Class 3A Notes</p> <p>PCS is advised and confirms that the average life will be less than or equal to 5 years from 10 June 2025 based on the first option redemption date of October 2030 (see section Contractual Terms ,24(b) Optional Redemption Date) and the scheduled amortisation amounts (See section Contractual Terms , 23., Details relating to Scheduled Redemption Notes)</p>	
7	<p>LCR Criteria</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 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>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p><i>Nationwide is a relevant institution as confirmed on in the section "Nationwide Building Society" of the base prospectus.</i></p>	
8	<p>LCR Criteria</p> <p>Article 37 Transitional provision for securitisations backed by residential loans</p>	<p>Meets Criteria? YES</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).
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.

PCS Comments

Points 1 and 2 are not applicable.