

STS Term Verification Checklist
SANTANDER CONSUMER SPAIN AUTO 2022-1
FONDO DE TITULIZACIÓN



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

17 November 2022

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This is the STS Term Master Checklist for STS Term Verifications.

This STS Term Checklist 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.

PCS comments in this STS Term Master Checklist are based on PCS' interpretation of the STS Regulation (the "Regulation") informed by (a) the text of the Regulation itself, (b) the EBA guidelines and recommendations issued in accordance with Article 19(2) of the Regulation (the "EBA Guidelines") and (c) any relevant national competent authorities' interpretation of the STS criteria to the extent known to PCS.

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

17th November 2022

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PRIME COLLATERALISED SECURITIES (PCS) STS Verification

Individual(s) undertaking the assessment	Dr Martina Spaeth
Date of Verification	17 th November 2022
The transaction to be verified (the "Transaction")	SANTANDER CONSUMER SPAIN AUTO 2022-1
Issuer	SANTANDER CONSUMER SPAIN AUTO 2022-1, FT
Originator	SANTANDER CONSUMER FINANCE, S.A.
Lead Manager and Arranger	BANCO SANTANDER S.A.
Transaction Legal Counsel	Pérez Llorca Abogados Slp y Cia, S.S. («Pérez Llorca»)
Rating Agencies	Fitch, Moody's
Stock Exchange	AIAF, Madrid
Target Closing Date	17 th November 2022

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

A summary of the checklist points by article is set out in the table of contents on the next page together with a reference to the respective article contents. To examine a specific article from the list below, please click on the article description to be taken directly to the relevant section of the checklist.

Within the checklist, the relevant legislative text is set out in blue introductory boxes with specific criteria for our verification listed underneath.

Article	Summary of Article Contents	PCS Verified	
Article 20 – Simplicity			
20(1)	True sale	1	✓
20(2-4)	Severe clawback	2	✓
20(4)	True sale with intermediate steps	3	✓
20(5)	Assignment perfection	4	✓
20(6)	Encumbrances to enforceability of true sale	5	✓
20(7)	Eligibility criteria, active portfolio management, and exposure transferred after closing	6 - 8	✓
20(8)	Homogeneity, enforceability, full recourse, periodic payment streams, no transferable securities	9 - 14	✓
20(9)	No securitisation positions	15	✓
20(10)	Origination, underwriting standards, unverified residential loans, assessment of creditworthiness, originator expertise	16 - 21	✓
20(11)	No undue delay after selection, no exposures in default or to credit-impaired or insolvent debtors/quarantors, portion of restructured debtors, adverse credit history, higher pool risk	22 - 30	✓
20(12)	At least one payment made	31	✓
20(13)	No predominant dependence on the sale of asset	32	✓
Article 21 – Standardisation			
21(1)	Risk retention	33	✓
21(2)	Appropriate mitigation of interest-rate and currency risks and disclosure, no further derivatives and hedging derivatives according to common standards	34 - 39	✓
21(3)	Referenced interest payments	40	✓
21(4)	Requirements in the event of enforcement or delivery of acceleration notice: no cash trap, sequential amortisation, no reversal, no automatic liquidation	41 - 44	✓
21(5)	Non-sequential priority of payments	45	✓
21(6)	Early amortisation provisions/triggers for termination of revolving period	46 - 49	✓
21(7)	Duties, responsibilities, and replacement of transaction parties	50 - 52	✓
21(8)	Expertise of the servicer	53 - 54	✓
21(9)	Remedies and actions by servicer related to delinquency and default of debtor, priorities of payments, triggers for changes, obligation to report	55 - 59	✓
21(10)	Resolution of investor conflicts and fiduciary party responsibilities and duties	60 - 61	✓
Articles 22 and 7 – Transparency			
22(1)	Historical asset data	62 - 64	✓
22(2)	AUP/asset verification	65 - 66	✓
22(3)	Liability cashflow model	67 - 68	✓
22(4)	Environmental performance of asset	69	✓
22(5)	Responsibility for article 7, information disclosure before pricing and 15 days after closing	70 - 73	✓
7(1)	Transparency requirements: underlying loan data, documentation, priority of payments, transaction summary, STS notification, investor report, inside information, significant event report, simultaneous, without delay	74 - 83	✓
7(2)	Transparency requirements: securitisation repository, designation of responsible entity	84 - 85	✓

Article 20.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

1	<p>STS Criteria</p> <p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>Regarding the assignment, see Prospectus section <i>ADDITIONAL INFORMATION TO BE INCLUDED IN RELATION TO ASSET-BACKED SECURITIES</i>, 3.3.2. Receivables assignment terms "The assignment of the Receivables will be full and unconditional and for the whole of the remaining period up to the maturity of each Receivable." "The assignment of the Receivables cannot be the subject of claw-back other than by an action brought by the Seller's receivers, in accordance with the provisions of the Insolvency Law and after proving the existence of fraud in the transaction, as set forth in article 16.4 of Law 5/2015. The Seller has its place of business office in Spain. Therefore, and unless proof in the contrary, it is presumed that the centre of main interests is Spain."</p> <p>In <i>ESSENTIAL INFORMATION</i>, 3.1. it is stated:</p> <p>"SCF shall assign in favour of the Fund title to the underlying Receivables by means of assignment transaction(s). Such assignment shall not be subject to severe clawback provisions in the event of the Originator's insolvency."</p> <p>Confirmation of true sale i.e. enforceability of assignment, an assessment of the re-characterisation risks is made in the Legal Opinion. PCS has been provided with and reviewed the Spanish law legal opinion provided by Pérez Llorca.</p> <p><i>"True sale" is not a legal concept but a rating agency creation. The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE's ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a "true sale" the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale". This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title. The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place. All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others. The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur. The Regulation (20.3) also explicitly excludes from the definition of "severe clawback" the traditional European basis for such devices which all come under the general category of "preferences". PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis. Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.</i></p>	

Based on the above considerations, PCS believes that transfers from a jurisdiction meeting the following criteria – absent any other indications – shall not fall within the definition of “severe clawback”:

- Clawback requires an unfair preference “defrauding” creditors;
- Clawback puts the burden of proof on the insolvency officer or creditors – in other words it cannot be automatic nor require the purchaser to prove their innocence.

Since “severe clawback” is a jurisdictional concept, in analysing this issue, PCS will therefore first seek to determine the Seller’s jurisdiction for the purposes of insolvency law. This would be its centre of main interest (“COMI”) or its “home member state”.

The second step would be to determine whether the relevant COMI and/or “home member state” contains severe claw back provisions in its insolvency legislation. Although the determination of a COMI can be a technically fraught analysis of international conflicts of law, PCS notes that in the vast majority of securitisations there is no real issue as the COMI is self-evident.

In the case of the Transaction, title to the assets is transferred by means of assignments from a Spanish bank to a Spanish Fondo de Titulización. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES, section 6).
 “...SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. in its capacity as Management Company incorporating, administering and representing the Fund.”

Spanish insolvency law provides for clawback in the cases of preferences and transactions at an undervalue and require the insolvency officer to prove that case. Therefore, and as generally outlined in the Spanish legal opinion, the transfer is not, in our view, subject to “severe clawback”.

Finally, the legal opinion from Pérez Llorca confirmed that the assignment from the Seller to the Issuer meets the definition of “true sale” outlined above.

Article 20.1 [...] The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller’s insolvency.

Article 20.2 For the purpose of paragraph 1, any of the following shall constitute severe clawback provisions:

(a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller’s insolvency;

(b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale..

Article 20.3. For the purpose of paragraph 1, clawback provisions in national insolvency laws that allow the liquidator or a court to invalidate the sale of underlying exposures in case of fraudulent transfers, unfair prejudice to creditors or of transfers intended to improperly favour particular creditors over others, shall not constitute severe clawback provisions.

2	<u>STS Criteria</u>	<u>Verified?</u>
	2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller’s insolvency.	YES
<u>PCS Comments</u>		
<i>The Legal Opinion confirms that the transfer of the title on the Receivables to the Fund shall not be subject to severe clawback provisions in the event of the Seller’s insolvency, as required in Article 20(1) of Regulation (EU) 2017/2402.</i>		
<i>The COMI of the Seller is the Kingdom of Spain.</i>		
<i>The legislation of the Kingdom of Spain does not contemplate severe claw-back provisions for securitisation transactions</i>		

Article 20.4. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.

3	STS Criteria	Verified? YES
	<p>3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.</p> <p>PCS Comments</p> <p>See 3.2 Description of the entities participating in the issue and description of the functions to be performed by them in addition to information on the direct and indirect ownership or control between those entities</p> <ul style="list-style-type: none"> Santander Consumer Finance, S.A. participates as (i) Seller or Originator of the Receivables to be acquired by the Fund (either because of having originated them directly or because it has acquired them by universal succession from Santander Consumer, E.F.C., S.A.); (ii) Servicer of the Receivables in accordance with section 3.7.1 of the Additional Information; (iii) a counterparty to the Subordinated Loan Agreement and, if applicable, the Seller Loan; (iv) Subscriber of the Notes not placed among qualified investors by the Joint Lead Managers. SCF, as Originator, has also been designated as Reporting Entity responsible for submitting the information required by article 7 of the EU Securitisation Regulation; and (v) the Fund's counterparty to the Reinvestment Agreement for the Fund Accounts. <p>[...]</p> <p>On 30 July 2020, SCF completed the merger by acquisition of Santander Consumer, E.F.C., S.A. (as absorbed entity) that was later extinguished by way of dissolution without liquidation, and the transfer in bloc, on a universal basis, of all its assets and liabilities. Consequently, SCF acquired by universal succession all the rights and obligations of Santander Consumer, E.F.C., S.A.</p> <p>see (ii) in Section 2.2.8 (<i>Representations and collateral given to the issuer in relation to the Receivables assigned to the Fund</i>) where it is represented under (1) "That the granting of the Loans and all aspects relating thereto are ordinary actions in the course of its business and are and will be at arm's length basis." (21) "That as from the time of their origination, the Loans have been and are being administered by SCF in accordance with its usual established procedures." (45) That the Loans have been originated by SCF or formerly by Santander Consumer, E.F.C., S.A.</p> <p>PCS notes that Santander Consumer Finance is Originator and Seller, though some of the Receivables have been originated by Santander Consumer E.F.C, and were then transferred to Santander Consumer Finance S.A. by universal succession on the merger of the two companies.</p>	

Article 20.5. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:

- (a) severe deterioration in the seller credit quality standing;
- (b) insolvency of the seller; and
- (c) unremedied breaches of contractual obligations by the seller, including the seller's default.

4	STS Criteria	Verified? YES
	<p>4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:</p>	

- (a) severe deterioration in the seller credit quality standing;
- (b) insolvency of the seller; and
- (c) unremedied breaches of contractual obligations by the seller, including the seller’s default.

PCS Comments

See Section 3.7.12, Notices

“The Management Company and the Seller have agreed to not notify the assignment of the Receivables to the relevant Borrowers except when required by law. As of the Date of Incorporation, notice is required by law to Borrowers in (i) the Autonomous Community of Valencia, pursuant to Decree-Law 1/2019, of December 13, of the Consell, approving the consolidated version of the Statute of consumers and users of the Valencian Community; and to the extent required, (ii) Castilla-La Mancha, pursuant to Law 3/2019, of 22 March, and (iii) Comunidad Foral de Navarra, pursuant to Law 21/2019, of 4 April. For these purposes, notice to the Borrowers is not a requirement for the validity of the assignment of the Receivables under the Loans. It is worth noting that the Spanish Constitutional Court has recently declared in its Ruling 72/2021, of 18 March 2021, that article 29 of Law 6/2019, of 20 February relating to consumer protection in the Extremadura region (which required notice of the transfer of mortgage loans to securitisation funds to be served on the relevant mortgage borrowers) is contrary to the Spanish Constitution and hence null and void on grounds that it affects the contractual relationship between the relevant parties in a manner which only state-level (rather than regional-level) legislation can affect.”

In Section 2.2.8 Representations and collateral given to the issuer relating to the assets, (ii) In relation to the Loans and to the Receivables assigned to the Fund:

(8) “That the private agreements or the deeds (pólizas) granted before a public notary documenting the Loans do not contain any clauses preventing the assignment of the Loans or the Receivables thereunder or requiring any authorisation or notice in order to assign the Loans or the Receivables thereunder.”

STS Criterion 4 requires two steps:

- To determine whether the transfer of the assets is by means of an unperfected assignment; and
- If it is, whether the transaction contains the requisite triggers.

Although the transfer is not notified to most of the borrowers, the Spanish legal opinion confirms that such notification is not required to fully perfect the transfer of ownership in the loans to the SSPE. In regions that require notification, the borrower is notified accordingly. This transaction does not operate by way of an unperfected assignment and no specific trigger is therefore required.

Article 20.6. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.

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5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.

**Verified?
YES**

PCS Comments

See (ii) in Section 2.2.8 of Additional Information (*Representations and collateral given to the issuer relating to the assets*) where it is represented under (ii) In relation to the Loans and to the Receivables assigned to the Fund: (4)

“(4) That SCF is, without limitation, the owner of the Loans, which are free of any liens and encumbrances, and to the best of its knowledge there is no clause that could adversely affect the enforceability of their assignment to the Fund.”

Article 20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

6	<p>STS Criteria</p> <p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p>	<p>Verified? YES</p>
<p>PCS Comments</p> <p><i>See the representations in Section 2.2.8 of Additional Information (Representations and collateral given to the issuer relating to the assets) – (i) “In relation to SCF” and (ii) “In relation to the Loans and to the Receivables assigned to the Fund” containing the lists of eligibility criteria, and for the additional receivables during the revolving period, as defined under 2.2.2.2 “Additional Receivables”.</i></p> <p>The EBA Guidelines clarify that “clear” does not mean easily readable or comprehended by a non-expert. In the Regulation a criterion is “clear” when a court or tribunal could determine whether, presumably in all cases, the criterion is met for each asset. In the Regulation, “clear” is about certainty of determination.</p> <p>PCS has read the Eligibility Criteria in the preliminary Prospectus of Santander Consumer 2022-1. As they are mandatory, they meet the “predetermined” requirement. As they are in the Prospectus they meet the “documented” requirement. PCS has also concluded that they allow determination in each case and so meet the “clear” requirement.</p>		
7	<p>STS Criteria</p> <p>7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.</p>	<p>Verified? YES</p>
<p>PCS Comments</p> <p>See section 2.3 Assets actively managed backing the issue</p> <p>“The Management Company will not actively manage the assets backing the issue.”</p> <p>PCS notes that the selection of receivables is made randomly from the Preliminary Portfolio. See Additional Information, section 2.2.2</p> <p>“Any Receivables (either the Initial Receivables or the Additional Receivables) to be offered by the Seller to the Fund will be randomly selected from the Preliminary Portfolio and shall meet the Eligibility Criteria set forth in section 2.2.2.2. of the Additional Information.”</p> <p>The Transaction has a revolving period. For the revolving period both the individual eligibility criteria and a set of global eligibility criteria must be met.</p> <p>See Additional Information, 2.2.2.2</p>		

"In order to be assigned to, and acquired by, the Fund, on the respective Purchase Date (as well as on the Date of Incorporation for the Initial Receivable), the Receivables must meet both the Individual Eligibility Criteria and the Global Eligibility Criteria (the "Eligibility Criteria") set forth below."

Only non-conforming receivables can be replaced: see Section 2.2.9 (Substitution of the securitised assets) (i) and (ii) on replacement provisions for non-conforming receivables:

"(ii) Replacement will be made for the Outstanding Balance of the Receivable plus accrued and unpaid interest and any other amount owed to the Fund until the date on which the relevant non-conforming Receivable is replaced.

In order to proceed with the replacement, the Seller will notify the Management Company of the characteristics of the Receivable proposed to be assigned satisfying the Eligibility Criteria set forth in section 2.2.2.2 of this Additional Information, and having similar characteristics to those of the non-conforming Receivable (in terms of purpose, term, interest rate and outstanding balance). Once the Management Company has verified that the characteristics set forth in section 2.2.2.2 of this Additional Information are satisfied and after having expressly communicated to the Seller that the Receivables to be assigned comply with the Eligibility Criteria (where applicable by reference to the relevant assignment date), the Seller shall proceed to replace the affected non-conforming Receivable and will assign the new Receivable or Receivables."

See section 2.2.8 Representations and collateral given to the issuer relating to the assets

(51) No Covid-19 Moratoriums have been granted or requested.

See also risk Factors, 1.1.1. Risk of payment default of the Borrowers

"[] the Seller does not undertake to repurchase the Receivables except for the repurchase obligation foreseen in section 2.2.9 of the Additional Information"

PCS notes that the seller represents not to actively manage the assets. By way of definitions, the receivables can only be actively replaced if they are non-conforming. Any additional receivables must also comply with the eligibility criteria and global pool criteria.

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STS Criteria

8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

Verified?

YES

PCS Comments

See item 7, above.

Article 20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.

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STS Criteria

9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.

Verified?

YES

PCS Comments

See section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii) where it is represented by the Seller in

The Seller, as owner of the Loans will make the following representations and warranties to the Management Company, acting on behalf of the Fund, on the Date of Incorporation in the Deed of Incorporation and in the Sale and Purchase Agreement that shall be deemed repeated on each Purchase Date:

(46) That the Loans are homogeneous in terms of asset type, cash flow, credit risk and prepayment characteristics and contain obligations that are contractually binding and enforceable, with full recourse to the Borrowers, and where applicable, guarantors, within the meaning of article 20.8 of the EU Securitisation Regulation. Regarding the homogeneity factor to be met, all Borrowers, as of the date of formalisation of each Loan, were individuals and legal persons with residence in Spain only.

(53) That, to the best of its knowledge, the Borrowers are resident or registered, as applicable, in Spain as at the date of inclusion into the Aggregate Portfolio

(47) That all Loans are (i) subject to similar approaches for underwriting standards; and (ii) serviced in accordance with procedures for monitoring, collecting and administering similar to those applied to non-securitised receivables.

5.1 Brief description of the Issuer's principal activities

The Issuer is a securitisation fund and, as such, its main activity consists of:

(i) acquiring certain receivables arising from auto loans (the "Loans") granted by the Seller to individuals and legal persons' who were resident or registered, as applicable, in Spain as of the date of execution of the relevant Loan Agreement (collectively, the "Borrowers") for the financing of the acquisition of New Vehicles or Used Vehicles (the "Receivables");

The asset class is auto loans complying with article 1, (a) (v), b, c, d of the "RTS" and the homogeneity factor in Article 2, 4. (b).

The definition of "homogeneity" in the Regulation is to be the subject of a Regulatory Technical Standard ("RTS"). Being set out in an RTS, rather than a guideline or recommendation issued by the EBA, the definition of "homogeneity" will be legally binding on all regulatory authorities. In interpreting the expression, PCS has based itself on the text of the Regulation, its knowledge of the intent of the legislators – including, crucially, the legislators' belief that the STS Regulation was justified by the excellent performance of most "plain vanilla" European securitisations and the RTS adopted by the European Commission. Based on the above, it seems clear to PCS that the Regulation would not seek to exclude from the STS category securitisations that have performed extremely well and are universally considered "homogenous" by market participants. This does not exonerate any transaction from being analysed against this criterion but does set the background for such analysis.

In the Transaction, the loans were underwritten on a similar basis, they are being serviced by Santander Consumer Finance on the same platform, they are a single asset class – auto loans – and, the loans are all originated in the same jurisdiction, Spain.

PCS also takes great comfort from the fact that transactions containing pools with similar characteristics have always been considered "homogeneous" by a wide consensus of market participants.

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STS Criteria

10. The underlying exposures shall contain obligations that are contractually binding and enforceable.

Verified?

YES

PCS Comments

See the representation in Additional Information, section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii) In relation to the Loans and to the Receivables assigned to the Fund, where it is confirmed that (2) "That the Loans exist and are valid and enforceable in accordance with the applicable legislation and that all applicable legal provisions have been observed in their origination, in particular and where applicable, Law 16/2011, Consumer Protection Law and any other supplementary laws, and Law 7/1998."

Also see (6) on guarantees and (5) on underlying security of the same section.

See also (34) and (32) in Section 2.2.8

	(34) "That each Loan constitutes a valid payment obligation that is binding upon the Borrower and is enforceable in accordance with its own terms." (32) "SCF is not aware that any of the Borrowers under the Loans is the holder of any credit right vis-à-vis SCF that would give such Borrower a set-off right that could adversely affect the rights of the Fund as holder of the Receivables arising from the Loans."	
11	<p>STS Criteria</p> <p>11. With full recourse to debtors and, where applicable, guarantors.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See the representation in Additional Information, section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii), (46) where it is confirmed "That the Loans are homogeneous in terms of asset type, cash flow, credit risk and prepayment characteristics and contain obligation that are contractually binding and enforceable, with full recourse to the Borrowers, and where applicable, guarantors, within the meaning of article 20.8 of the EU Securitisation Regulation. Regarding the homogeneity factor to be met all Borrowers as of the date of formalization of each Loan, were individuals and legal persons with residence or registration in Spain only."</p>	

Article 20.8. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.

12	STS Criteria 12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.	Verified? YES
	<p>PCS Comments</p> <p>See the representation in Section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii), In relation to the Loans and to the Receivables assigned to the Fund:</p> <p>(29) "That the instalments payable under the Loans are composed by principal and interest payments and such instalments are constant and payable on a monthly basis. None of the Loans is a balloon loan."</p> <p>(30) "That none of the Loans have clauses envisaging deferment in payment of interest or principal, subsequently to the assignment of Receivables to the Fund."</p> <p>See also in 2.2.2.3 Initial Receivables, (xvi) Information regarding the repayment system of the Loans: "100% of the Loans have a monthly constant repayment system, without the possibility of grace periods for principal and interests."</p>	
13	STS Criteria 13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.	Verified? YES
	<p>PCS Comments</p> <p>See the representation in Section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii), (5) and (28)</p> <p>(5) "Loans are not secured by any in rem security, but there are personal Loans and the Borrower or Borrowers are liable for their performance with all of their existing and future assets. Some of the Loans are secured by a guarantee given by a person other than the Borrower or Borrowers, and all the Loan Agreements documenting the Loans have a reservation of title clause, documented either by virtue of a deed (póliza) granted before a public notary or under a private agreement in an official form."</p> <p>(29) "That the instalments payable under the Loans are composed by principal and interest payments and such instalments are constant and payable on a monthly basis. None of the Loans is a balloon loan."</p> <p>(31) "That none of the Loans are free of principal and/or interest payments."</p> <p>See also 3.4.7.2.1 Source: The funds available to comply with the Fund's payment obligations (the "Available Funds") pursuant to the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, and calculated on the Determination Date immediately preceding the relevant Payment Date shall consist of</p> <p>(a) the Interest Components and Principal Components (including any Interest Recoveries and Principal Recoveries received by the Fund in respect of any Defaulted Receivable) received by the Fund in respect of the Receivables during the Determination Period immediately preceding such Determination Date;</p> <p>PCS notes that the receivables are unsecured and constitute a payment obligation of principal and interest.</p>	

Article 20.8. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.

14	STS Criteria	Verified? YES
	14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	
	PCS Comments	
	See Section headed "Additional Information", 2. (The Underlying Assets) subsection 2.2.13 and 2.2.14 "The Receivables do not include transferable securities, as defined in point (44) of article 4(1) of of MiFID II nor any securitisation position."	

Article 20.9. The underlying exposures shall not include any securitisation position.

15	STS Criteria	Verified? YES
	15. The underlying exposures shall not include any securitisation position.	
	PCS Comments	
	See Section headed "Additional Information", 2. (The Underlying Assets) subsection 2.2.13 and 2.2.14 "The Receivables do not include transferable securities, as defined in point (44) of article 4(1) of of MiFID II nor any securitisation position."	
	PCS notes that there is a clear statement in the prospectus in Section headed "Additional Information to be included", 2. (The Underlying Assets) subsection 2.2.13 and 2.2.14.	

Article 20.10. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.

16	STS Criteria	Verified? YES
	16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	
	PCS Comments	
	See the representation in Section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii).	
	(ii) "In relation to the Loans and to the Receivables assigned to the Fund:	
	(1) That the granting of the Loans and all aspects relating thereto are ordinary actions in the course of its business and are and will be at arm's length basis.	
	(3) That, in connection with the origination or subrogation of each Loan, the Seller has faithfully applied the risk granting policy applicable from time to time. All the Receivables comply with the current SCF Policies contained in section 2.2.7 of this Additional Information."	

17	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.</p> <p><u>PCS Comments</u></p> <p>See Additional Information, section 2.2.7 (<i>The method of origination or creation of assets</i>),</p> <p>“The Loans comprising the Preliminary Portfolio have been originated by SCF according to its usual analysis and assessment credit risk assessment procedures for the origination of loans granted to natural persons or legal persons for the financing of the acquisition of New Vehicles and Used Vehicles (“SCF Policies”). The Loans comprising the Preliminary Portfolio have either been originated by SCF directly or SCF has acquired them by universal succession from Santander Consumer, E.F.C., S.A.”</p> <p>100% of the Outstanding Balance of the Initial Receivables complies with the current SCF Policies contained in this section 2.2.7.</p> <p>The Additional Receivables to be assigned to the Fund will be granted in accordance with the SCF Policies described in this section.</p> <p>See also Additional Information, section 2.2.8</p> <p>2.2.8 (ii) (3) That, in connection with the origination or subrogation of each Loan, the Seller has faithfully applied the risk granting policy applicable from time to time. All the Receivables comply with the current SCF Policies contained in section 2.2.7 of this Additional Information.”</p> <p>2.2.8 (ii) (47) That all Loans are (i) subject to similar approaches for underwriting standards; and (ii) serviced in accordance with procedures for monitoring, collecting and administering similar to those applied to non-securitised receivables.</p> <p>2.2.2. Any Receivables (either the Initial Receivables or the Additional Receivables) to be offered by the Seller to the Fund will be randomly selected from the Preliminary Portfolio and shall meet the Eligibility Criteria set forth in section 2.2.2.2. of the Additional Information.</p>	

Article 20.10. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.

18	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.</p> <p><u>PCS Comments</u></p> <p>See Additional Information, section 2.2.7, 2.2.7.1 to 2.2.7.5 for the description of the underwriting standards. See section 2.2.7, last paragraph:</p> <p>“SCF undertakes to disclose to the Management Company without delay any material change in the SCF Policies.”</p>	

Article 20.10. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.

19	STS Criteria	Verified? YES
	19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.	
	PCS Comments	
	This requirement does not apply to auto loans.	

Article 20.10. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.

20	STS Criteria	Verified? YES
	20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	
	PCS Comments	
	See the representation in Additional Information, Section 2.2.8 (<i>Representations and collateral given to the issuer relating to the assets</i>) (ii), (48) The assessment of the Borrower's creditworthiness of the Loans meets the requirements as set out in article 8 of Directive 2008/48/EC. <i>The criterion requires consumer loans or mortgages to have been underwritten in accordance with one of two European Directives. As a general principle, European Directives, in contrast to Regulations, do not have direct and immediate effect but must be implemented into national law, country by country.</i> <i>Therefore, if the assets concerned, as in the case of the Transaction, are consumer loans, the relevant Directive is 2008/48/EC. The next step is to determine which Spanish law transcribed this Directive into local law.</i> <i>PCS assumes, although the Regulation and the EBA Guidelines are silent on this point, that the requirement for mortgages and consumer loans to have been underwritten in compliance with the Directives only applies to assets underwritten after these Directives were transcribed into national law.</i> <i>This was done in Spain via an implementation act by Law 16/2011 (see in "Additional Information", the Section 2.2.1 "Legal jurisdiction by which the pool of assets is governed")</i> <i>"The Loans and the Receivables are governed by the Spanish laws. In particular, the securitised Receivables are governed by the Spanish banking regulations and, specifically and where applicable, by (i) Law 16/2011 (as regards the Additional Receivables, they will be governed by the aforementioned law or any other relevant regulation that might replace them)"</i> According to the stratification tables of the initial pool (2.2.2, table xiv), the first origination year is 2016, so all loans can meet this criterion (Law 16/2011 is from 24th June 2011). The Seller has provided a representation that this criterion is met, with specific and extensive discussions in 2.2. and 2.2.1 (Legal jurisdiction by which the pool assets are governed) and 2. of the Risk Factors (Risks Derived From The Issuer's Legal Nature And Operations) of the Prospectus mentioned above.	

Article 20.10. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.

21	STS Criteria	Verified? YES
	<p>21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.</p> <p>PCS Comments</p> <p>See section 3.1 Interest of the natural and legal persons involved in the issue (<i>Essential Information</i>)</p> <p>Santander Consumer Finance, S.A. ("SCF")</p> <p>[...]</p> <p>"SCF's activity is subject to the Spanish legislative regime applicable to financial institutions in general and, in particular, to the supervision, control and rules of the Bank of Spain and the CNMV.</p> <p>SCF's objective is to receive funds from the public in the form of deposits, loans, repos or other similar transactions entailing the obligation to refund them, and to use these funds for its own account to grant loans and credits or to perform similar transactions. In addition, SCF is the holding company of a finance group ("Consumer Group") and handles the investments of its subsidiaries.</p> <p>SCF is fully owned by Banco Santander, S.A, which had a 100% direct and indirect ownership interest in the share capital of SCF as at 31 December 2021. Banco Santander, S.A. has its registered office at Paseo de Pereda 9-12, Santander."</p> <p>See paragraph 3.5 (<i>Additional Information</i>)</p> <p>"SCF as Seller and as Servicer has the relevant expertise as an entity being active in the consumer loans market for over 59 years and as servicer of consumer receivables securitisation for over 20 years."</p> <p>PCS has also taken comfort in the fact that Santander Consumer Finance is a prudentially regulated institution.</p>	

Article 20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...

22	STS Criteria	Verified?
	22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	YES
	PCS Comments	
	The receivables are to be assigned to Fund on the Incorporation Date of the Fund	
	See statement in 3.3.1 (<i>Formalization of the assignment of the Receivables</i>)	
	(i) Assignment of the Initial Receivables	
	The assignment of the Initial Receivables by the Seller to the Fund will be effected on the Date of Incorporation by means of the Sale and Purchase Agreement which will be executed simultaneously with the Deed of Incorporation and upon incorporation of the Fund.	
	(ii) Assignment of the Additional Receivables	
	[...] Additional Receivables will be assigned to the Fund by means of purchase offers and their acceptance by the Fund, in compliance with the provisions of section 2.2.2.2 above and the Deed of Incorporation and the Sale and Purchase Agreement.	
	For the process of replenishment during the revolving period see also	
	2.2.2.2.4 Procedure for the acquisition of Additional Receivables.	
	“[...] No later than on the fifth (5th) Business Day preceding the Payment Date (the “Purchase Date”), the Management Company will send to the Seller a written notice accepting the assignment of all or part of the Additional Receivables, along with a data file with the details of the Additional Receivables accepted and their characteristics, as reported by the Seller.	
	“Determination Date” (“Fecha de Determinación”) means (i) during the Revolving Period, the date falling ten (10) Business Days prior to the Payment Date; and (ii) after the Revolving Period End Date, the date falling five (5) Business Days prior to the Payment Date.	
	PCS notes that the selection of the Initial receivables from the Preliminary Portfolio, from which the receivables to be assigned are selected is carried out on the Date of Incorporation and there is a timeline for the selection and assignment procedure during the revolving period. In both cases the requirement of the sale to occur “without undue delay” is met.	
23	STS Criteria	Verified?
	23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...	YES
	PCS Comments	
	See the representation in Section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii), (49) and (51)	
	(49) The Loans are not in default within the meaning of article 178(1) of CRR and the EBA Guidelines published on 2 April 2020, as amended on 25 June 2020 and 2 December 2020, as well as any other regulations or guidelines that may replace or develop them in the future.	
	(51) No Covid-19 Moratoriums have been granted or requested.	

Article 20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:

(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:

(i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and

(ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;

(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or

(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.

24	STS Criteria	Verified?
	24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:	YES
PCS Comments		
See the representation in Section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii), (50)		
(50) That, on the date of assignment to the Fund, no Borrower has experienced a deterioration of its credit quality, and to the best of its knowledge, no Borrower:		
i. has been declared insolvent or had a court grant his/her/its creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his/her/its non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the Fund;		
ii. was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or		
iii. has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised.		
25	STS Criteria	Verified?
	25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.	YES
PCS Comments		
See item 24, above, see also 2.2.8 (Representations and collateral given to the issuer relating to the assets), (ii), (14)		
(14) "That on the date of assignment to the Fund, to the best of the knowledge of SCF, none that any of the Borrowers has been declared insolvent		
26	STS Criteria	Verified?
	26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	YES

	<p><u>PCS Comments</u></p> <p>See item 24, above.</p> <p>See also 2.2.8 (Representations and collateral given to the issuer relating to the assets), (ii), (13) (13) "That no Loan is derived from a Refinancing or Restructuring."</p>	
27	<p><u>STS Criteria</u></p> <p>27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See items 24 and 26, above.</p> <p>PCS notes that "Restructured Receivables" are not eligible in this transaction.</p>	
28	<p><u>STS Criteria</u></p> <p>28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>Not applicable, see item 27, above.</p> <p>PCS notes that "Restructured Receivables" are not eligible in this transaction.</p>	
29	<p><u>STS Criteria</u></p> <p>29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See item 24, above.</p>	
30	<p><u>STS Criteria</u></p> <p>30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See item 24, (50), iii, quoted above.</p>	

Article 20.12. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.

31	STS Criteria	Verified? YES
	<p>31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.</p> <p>PCS Comments</p> <p>See the representation in Section 2.2.8 (Representations and collateral given to the issuer relating to the assets) (ii), (17) "That on the date of assignment to the Fund, the Borrowers have paid at least one (1) instalment under each of the Loans."</p>	

Article 20.13. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.

The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.

32	STS Criteria	Verified? YES
	<p>32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.</p> <p>PCS Comments</p> <p>See section 2.2.8 (<i>Representations and collateral given to the issuer relating to the assets</i>) (29) "That the instalments payable under the Loans are composed by principal and interest payments and such instalments are constant and payable on a monthly basis. None of the Loans is a balloon loan." <i>In PCS view, this requirement does not apply to fully amortising auto loans.</i></p>	

Article 21.1. The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.

33	<p><u>STS Criteria</u> 33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u> See the representation in Section 2.2.8 (<i>Representations and collateral given to the issuer relating to the assets</i>) (i), “In relation to SFC, (5) SCF will comply with the risk retention requirement set out in article 6 of the EU Securitisation Regulation. See point 3.4.3 (<i>Risk retention requirement</i>) 3.4.3.1. EU Retention Requirement “SCF, as Originator, will undertake in the Deed of Incorporation to retain, on an ongoing basis, a material net economic interest of at least five per cent. (5%) in the securitisation transaction described in this Prospectus in accordance with article 6(3)(c) of the EU Securitisation Regulation (<i>“the retention of randomly selected exposures, equivalent to not less than 5 % of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is not less than 100 at origination”</i>) and article 7 of the Delegated Regulation (EU) 625/2014 of 13 March 2014 supplementing CRR by way of regulatory technical standards specifying the requirements for investors, sponsors, original lenders and originator institutions relating to exposures to transferred credit risk, applicable until the new regulatory technical standards to be adopted by the Commission apply, pursuant to article 43(7) of the EU Securitisation Regulation. In addition, the Seller has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(1) of the EU Securitisation Regulation.”</p>	

Article 21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.

34	<p><u>STS Criteria</u> 34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u> <u>Assets:</u> PCS notes the representation in Section 2.2.8 (<i>Representations and collateral given to the issuer relating to the assets</i>) (ii) (23) That each of the Loans accrue interest at a fixed interest rate, which is not lower than 3.95% annually.” See also Global eligibility Criteria (15) “That, on each Offer Date, the weighted average interest rate of the Receivables is not lower than 6.00%.” <i>PCS notes that the loans accrue interest on a fixed rate basis.</i></p>	

Liabilities:

See 4.8.2 Interest rate

Regarding the securities, the Class A to Class E notes are floating rate plus a margin, Class F bears a fixed rate.

Mitigation of interest rate risk:

See Risk Factors, 1.1.6 Interest rate risk

“To protect the Fund from a situation where EURIBOR increases to such an extent that the collections received from the Non-Defaulted Receivables are not sufficient to cover the Fund’s obligations under the Floating Rate Notes, the Fund will enter into an interest rate swap transaction (the “Interest Rate Swap Transaction”) on the Date of Incorporation with Banco Santander, S.A. (the “Swap Counterparty”), which shall at all times be (or its credit support provider shall at all times be) an institution rated in accordance with the provisions of the Interest Rate Swap Agreement.

Accordingly, the Fund may in certain circumstances depend upon payments made by the Swap Counterparty in order to have sufficient funds available to make payments of interest on the Floating Rate Notes. If the Swap Counterparty fails to pay any amounts when due under the Interest Rate Swap Transaction, the Available Funds may be insufficient to make the interest payments on the Floating Rate Notes and the Noteholders may experience delays and/or reductions in the interest payments due to be received by them.

In the event of early termination of the Interest Rate Swap Transaction, including any termination upon failure by the Swap Counterparty to perform its obligations, the Fund will use its best endeavours to but cannot guarantee that it will be able to, find a replacement Swap Counterparty. In such circumstances, there is no assurance that the Fund will be able to meet its payment obligations under the Floating Rate Notes in full or even in part.”

See also 3.4.8.1.1 “Interest Rate Swap Agreement”, General,

On the Date of Incorporation, the Management Company, on behalf of the Fund, shall enter into an International Swaps and Derivatives Association 1992 Master Agreement (Multicurrency – Cross Border), together with the relevant Schedule, the CSA and the confirmation evidencing the Interest Rate Swap Transaction thereunder with the Swap Counterparty (the “Interest Rate Swap Agreement”), in order to hedge the potential interest rate exposure of the Fund in relation to its floating rate interest obligations under the Floating Rate Notes and the fixed nature of the interest rate payable under the Receivables. The Interest Rate Swap Agreement incorporates the 2006 ISDA Definitions, including Supplement no. 70 thereto, which provides for the application of certain fall-back rates to the Interest Rate Swap Transaction instead of EURIBOR in certain circumstances.

The Interest Rate Swap Transaction will remain in full force and effect until the earlier of (i) the Legal Maturity Date; and (ii) the date on which the Notional Amount is reduced to zero, unless it is terminated early by one of the parties thereto in accordance with the terms of the Interest Rate Swap Agreement.

The Interest Rate Swap Transaction shall be fully terminated if the Management and Subscription Agreement is fully terminated in accordance with the provisions of section 4.2.3 of the Securities Note or if the provisional credit ratings of the Rated Notes are not confirmed as final (unless such provisional ratings are upgraded) by the Rating Agencies on or prior to the Disbursement Date.

3.4.8.1.2 Notional amount

The notional amount of the Interest Rate Swap Transaction (the “Notional Amount”) will be calculated by reference to the aggregate Outstanding Balance of the [Receivables]

3.4.8.1.3 Pre-hedge

On 3 August 2022 (the “Pre-Hedge Transaction Date”), the Seller and the Swap Counterparty entered into a confirmation evidencing an interest rate swap transaction in order to fix the maximum interest rate that the Fund will be obliged to pay under the Interest Rate Swap Transaction (the “Pre-Hedge Transaction”) at a rate equal to 1.585% (the “Pre-Hedge Rate”). On the Date of Incorporation, the Pre-Hedge Transaction will be transferred by way of novation by the Seller to the Fund following the entry into of a novation agreement in respect of such Pre-Hedge Transaction on the Date of Incorporation, and such Pre-Hedge Transaction as novated will be part of and governed by the Interest Rate Swap Agreement. [...]

3.4.8.1.6 “Early Termination”:

The Interest Rate Swap Transaction may be early terminated in accordance with its terms, irrespective of whether or not the Floating Rate Notes have been paid in full prior to such termination, upon the occurrence of a number of events (which may include without limitation):

Clearly and explicitly, "appropriate" hedging does not require "perfect" hedging. This is confirmed by the EBA Guidelines which require the hedges to cover a "major share" of the risk from an "economic perspective". However, the definition of "appropriate" hedging or a "major share" of the risk will always contain an element of subjectivity and must be analysed on a case by case basis.

The fact that the Regulation was crafted by the legislators to recognise existing high-quality European securitisations rather than raise the bar to a level not previously encountered, together with the common-sense approach of the EBA, leads to the conclusion that transactions considered adequately hedged by common investor and rating agency consensus should be held to meet this criterion.

This still requires an analysis of the matter. Since PCS is not a quantitative analysis provider or a credit rating agency, our verification is based on a second-hand analysis which focuses on:

- *A statement in the Prospectus or other document setting out the boundary conditions of the hedging. This should state in effect how far the hedging stretches and under what scenario's it will break. For example, if interbank rates rise above X%. This will provide a common-sense feel for whether, at first glance, the hedging is reasonable.*
- *Risk Factors section of the prospectus to check that no statements refer to the risks of "unhedged positions". This is based on the legal requirement to disclose any relevant information to investors. If the originator or its advisers believed that the hedging in a transaction was unusually light, this should be disclosed in the Risk Section.*
- *The "pre-sale" report from a recognised credit rating agency (if used) so as to identify any issues with hedging. Again, rating agencies as credit specialists should highlight in their analysis any substantial and unusual hedging risks.*

Interest payable by Borrowers on the Loans is based on a pool of only fixed interest rate loans with a minimum rate of 3.95% with a weighted average of the initially selected pool of [6.78] according to the stratification tables in 2.2.2.1 and a minimum weighted average interest rate of 6.00% according to the global eligibility criteria, for each addition that is made to the pool during the revolving period.

To hedge the interest rate risk against the EURIBOR 3 Month Floating Rate Notes (plus a W A margin of [1.47%]) an Interest Rate Swap which had been entered into on 3 August 22 (pre-hedge) at 1.585% and will be novated to this transaction at the mark-to-market value on the date of incorporation. The novation amount, if any, shall be paid out of the proceeds of the issue.

35	<u>STS Criteria</u> 35. Currency risks arising from the securitisation shall be appropriately mitigated.	<u>Verified?</u> YES
	<u>PCS Comments</u> PCS notes that in 4.5 (of "Information Concerning the Securities to be admitted to Trading"), "Currency of the issue", it is stated that "the notes shall be denominated in EUROS". We also note that pursuant to the representation in 2.2.8 ("Additional Information to be Included"). (15), "that all of the loans are exclusively denominated and payable in euros." Therefore, in the absence of any currency mismatch, no currency hedging is necessary.	
36	<u>STS Criteria</u> 36. Any measures taken to that effect shall be disclosed.	<u>Verified?</u> YES
	<u>PCS Comments</u> See item 34, above.	

Article 21.2. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.

Those derivatives shall be underwritten and documented according to common standards in international finance.

37	STS Criteria 37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	Verified? YES
	PCS Comments See 3.4.2.1 Credit Enhancements” (The Securities), last paragraphs: “The Fund has not entered into and will not enter into any kind of hedging instrument save as expressly permitted by article 21 (2) of the EU Securitisation Regulation. The Initial Receivables do not include derivatives and the Additional Receivables shall not include derivatives.”	
38	STS Criteria 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	Verified? YES
	PCS Comments See item 37, above.	
39	STS Criteria 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	Verified? YES
	PCS Comments See the definition of “Interest Rate Swap Agreement”, which refers to the International Swaps and Derivatives Association (ISDA1992 Master Agreement (Multicurrency – Cross Border). PCS notes that the Swap Agreements are underwritten according to common standards in international finance.	

Article 21.3. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives.

40	<p><u>STS Criteria</u></p> <p>40. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and shall not reference complex formulae or derivatives.</p>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>Assets: 2.2.2.2.3 Eligibility Criteria (23) That each of the Loans accrue interest at a fixed interest rate, which is not lower than [3.95%] annual.</p> <p>Liabilities: See Section 4.8.2 (Interest rate), where it is confirmed that the interest rates on the notes will be floating rate for classes A, B, C, D, E and fixed rate for the class F notes.</p>	

Article 21.4. Where an enforcement or an acceleration notice has been delivered:

- (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;
- (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;
- (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and
- (d) No provisions shall require automatic liquidation of the underlying exposures at market value.

41	<p><u>STS Criteria</u></p> <p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Section 3.4.2.2.2 (<i>Required Level of the Cash Reserve</i>).</p> <p>See section 3.4.2.2.3 (<i>Depletion of the Cash Reserve</i>)</p> <p>The Required Level of the Cash Reserve shall become equal to ZERO EUROS (€ 0.00) the earlier of:</p> <p>(i) the Legal Maturity Date,</p> <p>(ii) the Payment Date on which there is no Non-Defaulted Receivable outstanding,</p> <p>(iii) the Payment Date on which the Class A, B, C, D and E Notes are redeemed in full, and</p> <p>(iv) the Payment Date following the delivery of an Early Redemption Notice.</p> <p>See also definition of "Post-Enforcement Available Funds"</p> <p>"Early Redemption Notice" is upon Tax Call Event or Clean-up Call Event</p> <p>See also (Additional Information to be included) Section 3.4.7.2 on the items that form part of "Available Funds" pursuant to the Pre- and Post-Enforcement Priority of Payments.</p> <p>PCS notes that there is no cash trapping.</p>	
42	<p><u>STS Criteria</u></p> <p>42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See "Post-Enforcement Priority of Payments" in 3.4.7.3 ("<i>Additional Information to be included</i>")</p>	

	and see “ Post-Enforcement Priority of Payments ” in 4.6.3.2 (“ <i>Information Concerning the Securities to be admitted to trading</i> ”). and see “ Redemption of the Notes ” in 4.9.2.1 in (“ <i>Information Concerning the Securities to be admitted to trading</i> ”). PCS notes that, although in a pre-enforcement scenario the Notes are amortised pro rata, in a post-enforcement scenario the amortisation switches to sequential.	
43	STS Criteria 43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	Verified? YES
	PCS Comments <i>See item 42, above.</i>	
44	STS Criteria 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	PCS Comments See Redemption of the Notes in 4.9.2.1 in (“ <i>Information Concerning the Securities to be admitted to trading</i> ”). Upon the occurrence of any of the events set forth in section 4.4.3 of the Registration Document the Management Company shall carry out the early Liquidation of the Fund and, thus, the Early Redemption of all Notes issued, and distribute the Available Funds in accordance with the Post-Enforcement Priority of Payments set out in section 3.4.7.3 of the Additional Information. See 4.4.3.1 of the Registration Document in the Prospectus “Mandatory early liquidation of the Fund” “In order for the Management Company to carry out the Early Liquidation of the Fund, and therefore, the Early Redemption of the Notes, the Management Company shall sell the Receivables and any remaining assets of the Fund in accordance with the provisions below. In case the Seller decides not to exercise its right to repurchase the Receivables in accordance with the provisions of the preceding section, the Management Company shall request binding bids from at least three (3) entities, at its sole discretion, among entities that are active in the purchase and sale of similar assets. The Management Company shall be entitled to sell the Receivables even if the holders of any of the Classes of Notes suffer a loss. The Management Company shall be entitled to sell the Receivables even if the holders of any of the Classes of Notes suffer a loss. For the above purposes, the payment obligations under the Notes on the Early Redemption Date shall mean the Principal Amount Outstanding of the Notes on that date plus the unpaid accrued interest to that date, amounts that, to all legal effects, will be deemed past due and payable (<i>líquido, vencido y exigible</i>) on the Early Redemption Date. The above procedure does not entitle the automatic liquidation of the underlying receivables for the purposes of Article 21.4 of the EU Securitisation Regulation.” See also 3.7.2.2 Administration and representation of the fund: “(xvi) to make appropriate decisions in relation to the liquidation and cancellation of the Fund, including the decision for the Early Redemption of the Notes and Early Liquidation of the Fund, in accordance with the provisions of the Deed of Incorporation and this Prospectus;” PCS has reviewed the relevant triggers, as partially outlined above, and concluded that no provision allows for automatic liquidation.	

Article 21.5. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.

45	<p>STS Criteria</p> <p>45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.</p>	Verified? YES
	<p>PCS Comments</p> <p><i>The transaction features pro rata priority of payments and includes triggers relating to the performance reverting to sequential.</i></p> <p>See 4.6.1 Order of priority of securities and extent of subordination (Securities Note), 4.6.1.2</p> <p>Principal redemption periods:</p> <p>(i) Pro-rata redemption: According to section 4.6.3.1 of the Securities Note, the principal repayment of the Class A, Notes, the Class B, Notes, the Class C, Notes, the Class D Notes and the Class E Notes will be on a pro-rata basis during the Revolving Period and, if applicable, the Pro-Rata Redemption Period (as set forth in section 4.6.3.1 of the Securities Note).</p> <p>(ii) Sequential redemption: Following a Subordination Event, as described in section 4.6.3.1 of the Securities Note, Class A Notes, Class B Notes, Class C Notes, Class D, Notes and Class E Notes will cease to redeem on a pro-rata basis and will switch to redemption on a sequential basis until the liquidation of the Fund. There is however no assurance whatsoever that the subordination rules shall protect Noteholders from the risk of loss.</p> <p>(iii) Class F redemption regime: Class F Notes will be redeemed in accordance with the Class F Notes Target Amortisation Amount and with section 4.6.3.1 of the Securities Notes.</p> <p>(iv) Redemption upon liquidation: On the liquidation of the Fund, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and Class F Notes will be redeemed on a sequential basis in accordance with section 4.6.3.2 of the Securities Note.</p> <p>“Upon the occurrence of a Subordination Event Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes will be redeemed sequentially in accordance with the Pre-Enforcement Priority of Payments set forth in section 3.4.7.2 of the Additional Information so that the Principal Target Redemption ...”</p> <p>See definition of “Subordination Event” in “Redemption of the Notes” in 4.9.2.1 items (i) to (ix)</p> <p><i>PCS notes that the triggers leading to the subordination event include deterioration in the credit quality of the Receivables, in (ii), (iii) and (iv).</i></p>	

Article 21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:

- (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;
- (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;
- (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);
- (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).

46	<p><u>STS Criteria</u></p> <p>46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>This Transaction has a Revolving Period.</p> <p>See definition of "Revolving Period Early Termination Event"</p> <p>See Prospectus, 4.9.2.1. Redemption of the Notes</p> <p>On any Determination Date during the Revolving Period, the occurrence of any of the following events shall, inter alia, constitute a "<i>Revolving Period Early Termination Event</i>"</p> <ul style="list-style-type: none"> (i) a Subordination Event occurs; or (ii) on the Payment Date immediately preceding the relevant Determination Date, the Outstanding Balance of the Non-Defaulted Receivables was less than [75.00]% of the Principal Amount Outstanding of the Floating Rate Notes on the Disbursement Date; or (iii) tax regulations are amended in such a way that the assignment of Additional Receivables proves to be excessively onerous to the Seller; or (iv) the audit reports on the Seller's annual accounts show qualifications, which in the opinion of the CNMV, could affect the Additional Receivables. (v) the Principal Amount Outstanding of the Floating Rate Notes on the preceding Determination Date is higher than the sum of (i) the Outstanding Balance of the Non-Defaulted Receivables on the Determination Date, (ii) the Outstanding Balance of the Additional Receivables to be acquired on that Payment Date, and (iii) the remaining Principal Account balance on that Payment Date after payment of the purchase price related to the principal amount of the Additional Receivables. <p>See definition of "Subordination Event", (ii) ,(iii)</p> <p>The definition of "Subordination Event" includes triggers containing the deterioration of credit quality in (ii), (iii).</p>	
47	<p><u>STS Criteria</u></p> <p>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p>	

	<p>See definition of "Subordination Event"</p> <p>(i) an Insolvency Event occurs in respect of the Seller; or</p> <p>(vi) an Event of Replacement of the Servicer occurs; or</p> <p>See Definitions</p> <p>"Event of Replacement of the Servicer" ("Evento de Sustitución del Administrador") means the occurrence of any of the following events:</p> <p>(i) any breach of its obligations under the Deed of Incorporation, in the reasonable opinion of the Management Company, and in particular, its obligation to transfer to the Fund the amounts received by the Borrowers within two (2) Business Days as from receipt (except if the breach is due to a force majeure); and</p> <p>(ii) an Insolvency Event occurs in respect of the Servicer.</p> <p>The definition of "Subordination Event" includes triggers containing an insolvency related event with regard to the Originator in (i) and Servicer in (vi) defined as Event of Replacement of the Servicer.</p>	
48	<p>STS Criteria</p> <p>48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See item 46, above.</p> <p>(v) the Principal Amount Outstanding of the Floating Rate Notes on the preceding Determination Date is higher than the sum of (i) the Outstanding Balance of the Non-Defaulted Receivables on the Determination Date, (ii) the Outstanding Balance of the Additional Receivables to be acquired on that Payment Date, and (iii) the remaining Principal Account balance on that Payment Date after payment of the purchase price related to the principal amount of the Additional Receivables.</p> <p>The definition of "Revolving Period Early Termination Event" includes a trigger in (v) which is in accordance with the Regulation.</p>	
49	<p>STS Criteria</p> <p>49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See item 47, above.</p> <p>The definition of "Revolving Period Early Termination Event" includes a trigger in (ii) which is in accordance with the Regulation.</p>	

Article 21.7. The transaction documentation shall clearly specify:

- (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;
- (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and
- (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.

50	<p>STS Criteria</p> <p>50. The transaction documentation shall clearly specify:</p> <ul style="list-style-type: none"> (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers; 	<p>Verified? YES</p>
	<p>PCS Comments</p> <p><i>PCS notes that this transaction is under Spanish securitisation law and therefore the trustee's fiduciary roles and functions on behalf of the Noteholders are performed by the Management Company. The main document relating to the duties and responsibilities of the Management Company and the Servicer is the Deed of Incorporation of the Fund under Spanish law (Escritura de Constitución). We note that most of the content including Reps and W's of this deed are outlined throughout the prospectus and that in, paragraph 4.4.1 (Date of Incorporation) the Management Company represents that the content of the Deed of Incorporation will not contradict that of the Prospectus</i></p> <p>Also, the main obligations duties and responsibilities are listed under 3.7.2.1 and 3.7.2.2. and 3.7.2.3 (Additional Information)</p> <p>The duties and responsibilities of the Servicer under the Servicing Agreement are described in detail under 3.7.1.</p> <p>Other arrangements including payments of interest and principal to investors are described in 3.4.8</p>	
51	<p>STS Criteria</p> <p>51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See 3.7.1.1 of Additional Information, "Term and Replacement of the Servicer"</p> <p>In the case of an Event of Replacement of the Servicer, the Management Company, with prior notice to the Rating Agencies, may take one of the following actions (at its discretion):</p> <ul style="list-style-type: none"> (i) replace the Servicer with another entity that has at least five years of experience or is a prudentially regulated institution which holds the relevant regulatory authorisations or permissions and which, in the opinion of the Management Company, has the suitable legal and technical capacity to perform the services and, provided that the rating of the Rated Notes is not adversely affected by the replacement of the Servicer; (ii) [...] <p>In the case an Insolvency Event occurs in respect of the Servicer, the only possible action will be (i) above. In accordance with Insolvency Law, the Fund, by acting through the Management Company, will have a right of separation in respect of the assigned Receivables, pursuant to articles 239 and 240 of the said Insolvency Law. This right of separation will not necessarily extend to the money received by the Seller, in its capacity as Servicer, and kept by the latter on behalf of the Fund prior to its deposit to the account of the Fund, since, given its fungible nature, it could be subject to the result of the insolvency proceedings according to the majority interpretation of article 239 of the Insolvency Law.</p>	

	<p>See also definition of "Event of Replacement of the Servicer"</p> <p>PCS notes that there is no Back-up Servicer in place at issuance. The responsibility for replacing the Servicer lies with the Management Company on behalf of the fund.</p>	
52	<p>STS Criteria</p> <p>52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Section 3.4.8.1 <i>Interest Rate Cap Agreement and Interest Rate Cap Transaction</i>, 3.4.8.1.5 (<i>Rating Downgrade Provision for the Interest Rate cap Provider</i>) and 3.4.8.1.4 (<i>Early Termination</i>).</p> <p>"The Management Company, in the name and on behalf of the Fund, shall use its best efforts to find a replacement Swap Counterparty upon early termination of the Interest Rate Swap Transaction, but none of the Management Company or any other party to the Transaction Documents will assume any liability for not finding such a replacement Swap Counterparty in accordance with the terms of the Transaction Documents."</p> <p>See also Reinvestment Agreement, 4.1</p> <p>"The resignation by the Fund Accounts Provider shall not take any effect until the appointment of the New Fund Accounts Provider is effective. The termination by the Fund Accounts Provider of the performance of its functions under this Agreement, as well as the appointment of the New Fund Accounts Provider will be notified by the Management Company to the Rating Agencies and the CNMV."</p> <p>See Section 3.7.2.3 <i>Resignation and replacement of the Management Company</i></p> <p>The Management Company will be replaced in the administration and representation of the Fund in accordance with the provisions of articles 27, 32 and 33 of Law 5/2015.</p> <p>See Section 3.4.5.1.1 and 3.4.5.1.2 <i>Treasury Account and Principal Account</i> and 3.4.5.1.4 <i>Rating Agencies Criteria for the Fund Accounts Provider</i>,</p> <p>"[...] the Management Company, in order for the ratings given to the Rated Notes by the Rating Agencies to be not adversely affected, shall within sixty (60) calendar days from the day of the occurrence of any of the abovementioned events, transfer the Fund Accounts to an institution:</p> <ul style="list-style-type: none"> • with at least a Moody's Minimum Rating and/or • with at least the Fitch Minimum Rating <p>and, the Management Company will arrange the highest possible return for the balance of the Fund Accounts, which may be lower, equal to or higher than that arranged with the Fund Accounts Provider (or the replacing entity in which the Fund Accounts are opened).</p> <p>In this regard, the Fund Accounts Provider (or the replacing entity in which the Fund Accounts are opened) shall irrevocably agree to notify the Management Company of any change or removal of its rating given by the Rating Agencies, forthwith upon that occurrence throughout the life of the Rated Notes."</p> <p>See section 3.4.8.2.4 <i>Termination by Management Company</i> for replacement of Paying Agent</p> <p>See also Paying Agency Agreement, 4.4 <i>Replacement of the Paying Agent</i></p>	

Article 21.8. The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.

53	STS Criteria	Verified? YES
	PCS Comments	
	<p>53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised</p> <p>See section 3.1 Interest of the natural and legal persons involved in the issue (<i>Essential Information</i>) Santander Consumer Finance, S.A. ("SCF") [...] "SCF's activity is subject to the Spanish legislative regime applicable to financial institutions in general and, in particular, to the supervision, control and rules of the Bank of Spain and the CNMV. SCF's objective is to receive funds from the public in the form of deposits, loans, repos or other similar transactions entailing the obligation to refund them, and to use these funds for its own account to grant loans and credits or to perform similar transactions. In addition, SCF is the holding company of a finance group ("Consumer Group") and handles the investments of its subsidiaries. SCF is fully owned by Banco Santander, S.A, which had a 100% direct and indirect ownership interest in the share capital of SCF as at 31 December 2021. Banco Santander, S.A. has its registered office at Paseo de Pereda 9-12, Santander." See paragraph 3.5 (<i>Additional Information</i>) "SCF as Seller and as Servicer has the relevant expertise as an entity being active in the consumer loans market for over 59 years and as servicer of consumer receivables securitisation for over 20 years." See 3.7.1.1. Term and replacement of the Servicer In the case of an Event of Replacement of the Servicer, the Management Company, with prior notice to the Rating Agencies, may take one of the following actions (at its discretion): (i) replace the Servicer with another entity that has at least five years of experience or is a prudentially regulated institution which holds the relevant regulatory authorisations or permissions and which, in the opinion of the Management Company, has the suitable legal and technical capacity to perform the services and, provided that the rating of the Rated Notes is not adversely affected by the replacement of the Servicer. PCS has also taken comfort in the fact that Santander Consumer Finance is a prudentially regulated institution.</p>	

54	STS Criteria	54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	Verified? YES
	PCS Comments	See documentation of policies/procedures described in Section 2.2.7.1, 2.2.7.2, 2.2.7.3, 2.2.7.4 and 2.2.7.5 The sections mentioned above contain a description of the SCF Criteria and Procedures Policies. The EBA Guidelines specify that the institution should be considered to have the requisite elements of the criterion if it is a prudentially regulated financial institution. This requirement is certainly met by Santander, as confirmed. The available documentation of the policies in the prospectus is sufficiently detailed.	
Article 21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies			
55	STS Criteria	55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	Verified? YES
	PCS Comments	See Additional Information 3.7.1.7. Powers and actions in relation to Loan forbearance processes See also policies/procedures described in Section 2.2.7.1 to 2.2.7.5. PCS has reviewed the relevant documentation to satisfy itself that these criteria are met as they apply to this particular asset class.	
Article 21.9. The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.			
56	STS Criteria	56. The transaction documentation shall clearly specify the priorities of payment,	Verified? YES
	PCS Comments	See Sections 3.4.7.2 and 3.4.7.3 (<i>The order of priority of payments made by the issuer to the holders of the class of securities in question</i>). PCS has reviewed the relevant documents to satisfy itself that these criteria are met.	
57	STS Criteria	57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	Verified? YES

	<p><u>PCS Comments</u></p> <p><i>The transaction features pro rata priority of payments and includes triggers relating to the performance reverting to sequential.</i></p> <p>Sequential Redemption Period" ("<i>Periodo de Amortización Secuencial</i>") means the period starting from (and including) the Payment Date immediately following the occurrence of a Subordination Event, and ending on (an including) the earlier of (i) the Legal Maturity Date; (ii) the Payment Date on which the Notes will be redeemed in full; or (iii) the Early Liquidation Date.</p> <p>See definition of "Subordination Event" in "Redemption of the Notes" in 4.9.2.1 items (i) to (ix) in ("<i>Information Concerning the Securities to be admitted to trading</i>")</p> <p>See also</p> <p>"Upon the occurrence of a Subordination Event, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be redeemed sequentially."</p> <p><i>PCS notes that the Subordination Event described above is clearly documented and defined.</i></p>	
58	<p><u>STS Criteria</u></p> <p>58. The transaction documentation shall clearly specify the obligation to report such events.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>In section 4.4.3.1 (<i>Mandatory early liquidation of the Fund</i>) <i>it is established in the last paragraph that</i></p> <p>"Notice of the liquidation of the Fund will be provided to the CNMV by the appropriate relevant fact communication (<i>comunicación de otra información relevante</i>) and thereafter to the Rating Agencies and the Noteholders in the manner established in section 4.2.3 of the Additional Information, at least thirty (30) Business Days in advance of the Early Redemption Date.</p> <p>In section 4.4.3.2 (<i>Early liquidation of the Fund at the Seller's initiative</i>) <i>reference is made to the notices served upon instruction by the seller to the CNMV and noteholders, not less than 30 Business Days before Early Liquidation of the Fund.</i></p> <p>See also the document "Escritura de constitucion", 5.3 (vi) <i>Actuaciones para la cancelación del Fondo</i></p> <p><i>PCS has reviewed the relevant documents to satisfy itself that these criteria are met.</i></p>	
59	<p><u>STS Criteria</u></p> <p>59. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p><i>PCS has identified in 4.2.2 (Extraordinary notices) (described, pursuant to Article Law 5/2015) regarding "material events" that this covenant to report exists, also in the context of being listed at AIAF.</i></p> <p>"[...] In particular, material facts will include any relevant modification to the assets or liabilities of the Fund, any amendment to the Deed of Incorporation (as described in section 4.4.1 of the Registration Document), and, if applicable, the resolution on the setting-up of the Fund or any eventual decision regarding the Early Liquidation of the Fund and Early</p>	

Redemption of the Notes for any of the causes established in this Prospectus. In the case of the latter, the Management Company will also submit to the CNMV the certificate executed before a public notary evidencing the winding-up of the Fund and subsequent liquidation procedure described in section 4.4.5 of the Registration Document [...].”

This a future event:

This criterion requires notification to investors of events occurring in the future. Therefore, this criterion is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction.

However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement.

PCS has identified the existence of such covenant but its attention has also been drawn to the fact that, since the notes are listed on the AIAF in Madrid, there is an obligation to inform investors of events of this nature (see also sections 4.1.2 and 4.1.3).

Article 21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

60	<p>STS Criteria</p> <p>60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders</p>	Verified? YES
	<p>PCS Comments</p> <p>See (<i>securities note</i>) section 4.11 Representation of the security holders</p> <p>"Pursuant to the provisions of article 26 of Law 5/2015, the Management Company shall act with utmost diligence and transparency in defence of the best interests of the Noteholders and the financial creditors of the Fund. In addition, in accordance with article 26.2 of Law 5/2015, the Management Company shall be liable to the Noteholders and other creditors of the Fund for all losses caused to them by a breach of its duties.</p> <p>No meeting of Noteholders and other creditors of the Fund shall be established in the Deed of Incorporation."</p> <p>We note in 3.7.2.1 (Management, administration and representation of the Fund and of the Noteholders), and listing point (v) it is established that:</p> <p>"(v) no meeting of creditors (<i>junta de acreedores</i>) will be, established."</p> <p>Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on the one hand, and the interests of any of the Transaction Parties, on the other hand, as a result of the various businesses and activities of the Transaction Parties, and none of such persons is required to resolve such conflicts of interest in favour of the Noteholders except for the obligations legally vested on the Management Company, who, pursuant to article 26.1.f) of Law 5/2015 must have in place procedural and organisational measures to prevent potential conflicts of interests."</p> <p>The Management Company will be liable to the Noteholders and other creditors of the Fund for all damages caused thereto by a breach of its obligations." It will be liable for the penalties applicable thereto pursuant to the provisions of Law 5/2015.</p> <p>The Management Company has the necessary resources, including suitable technology information systems, to discharge its duties of administering the Fund as attributed thereto by Law 5/2015."</p> <p>PCS has reviewed the special legal framework in Spain regulating the role and duties of the Management Company and has come to the conclusion that in this case it is acceptable, from an STS perspective, not to establish specific contractual provisions regulating noteholders' meetings, as otherwise required in all other cases pursuant to the STS regulation and the EBA Guidelines</p>	

Article 21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

61	<p>STS Criteria</p> <p>61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.</p>	Verified? YES
	<p>PCS Comments</p> <p>See item 60, above.</p>	

Article 22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.

62	STS Criteria 62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	Verified? YES
	<p>PCS Comments</p> <p>Static loss and dynamic delinquency data have been provided in section 2.2.7.5 (<i>Additional Information to be included in relation to asset backed securities</i>) with the title “Arrears and recovery information of the SCF loan portfolio”. The data relates to the performance of auto loans originated by Santander Consumer:</p> <p>The data, available at the EDW Data Warehouse as well as the prospectus, is described as follows:</p> <p>2.2.7.5 Arrears and recovery information of the SCF loan portfolio</p> <p>The following tables show the historical performance of auto loans originated by SCF with similar characteristics to the Loans included in the Preliminary Portfolio (i.e. a portfolio that meets with most of the Eligibility Criteria established in section 2.2.8(ii) of the Additional Information and, in particular, a portfolio where each and every Loan has a maximum Regulatory PD of [6]% and where no Loan has been derived from a Refinancing or Restructuring) with the aim to inform potential investors of the performance of the auto loan portfolio.</p> <p>Delinquency ratio</p> <p>The table shows the delinquency ratio of auto loans, calculated as the balance of the relevant delinquency bucket divided by the balance of the total exposure of loans.</p> <p>The following tables show the cumulative recovery rate of loans +90 days in arrears (or that were classified as Defaulted Receivables in such quarter) since origination, and has been calculated by dividing:</p> <p>(i) the cumulative outstanding amount recovered until that period (included) of the loans that entered into +90 days arrears or that were classified as Defaulted Receivables in such quarter, minus any cost incurred to recover such amounts; by</p> <p>(ii) the total amount of the loans that entered into +90 days arrears or that were classified as Defaulted Receivables in such quarter.</p> <p>PCS notes that dynamic data (delinquency ratio) and cumulative gross defaults for new and used vehicles, including recovery rates for both new and used vehicles have been provided as shown in the prospectus. The data dates back to 2016, thus showing six years of performance.</p>	
63	STS Criteria 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	Verified? YES
	<p>PCS Comments</p> <p>See item 62, above</p>	
64	STS Criteria 64. Those data shall cover a period no shorter than five years.	Verified? YES
	<p>PCS Comments</p> <p>PCS notes that the information provided in the Prospectus, as described above, covers a period of 5 years, and complies with the requirements of the Regulation.</p>	

Article 22.2. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.

65	<p>STS Criteria</p> <p>65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,</p>	<p>Verified?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See statement in Section 3.2 (<i>Additional Information, Description of the entities participating</i>)</p> <p>"Deloitte has prepared the Special Securitisation Report on the Preliminary Portfolio</p> <p>Special Securitisation Reports on the Preliminary Portfolio ("Informes de Especiales de Titulización sobre la Cartera Preliminar") means the report issued by Deloitte for the purposes of article 22 of the EU Securitisation Regulation on certain features and attributes of a sample of the 550 selected loans, including verification of (i) the accuracy of the data disclosed in the stratification tables included in section 2.2.2.1 of the Additional Information, (ii) the fulfilment of the Eligibility Criteria set forth in section 2.2.2.2 of the Additional Information, and (iii) the CPR tables included in section 4.10 of the Securities Notes. "</p> <p>See statement in section 2.2.2. (<i>Additional Information, General characteristics of the Borrowers, Receivables...</i>)</p> <p>2.2.2.2. "Review of the selected assets securitised thought the Fund upon being established.</p> <p>Deloitte has reviewed a sample of 531 randomly selected loans out of the Preliminary Portfolio from which the Initial Receivables shall be selected. Additionally, Deloitte has verified the data disclosed in the following stratification tables in respect of the Preliminary Portfolio.</p> <p>The results, applying a confidence level of at least 99%, are set out the Special Securitisation Reports on the Preliminary Portfolio prepared by Deloitte for the purposes of complying with article 22.2 of the EU Securitisation Regulation. SCF, as Originator, confirms that no significant adverse findings have been detected "</p> <p>See also in section 3.1 (<i>Essential Information, Interest of the natural and legal persons involved in the issue</i>),</p> <p>Deloitte, S.L. ("Deloitte") participates as</p> <ul style="list-style-type: none"> (i) independent company for the verification of a series of attributes of the assignable portfolio of Loans of the Fund and the fulfilment of the Eligibility Criteria, for the purposes of complying with the provisions of EU Securitisation Regulation; (ii) in addition, has verified the accuracy of the data disclosed in the stratification tables included in section 2.2.2.3 of the Additional Information, and the CPR tables included in section 4.10 of the Securities Notes ("Special Securitisation Report on the Preliminary Portfolio"); and <p>PCS has reviewed the final report on "agreed upon procedures" (AUP) commonly known as a "pool audit". PCS can confirm that this was done by an appropriate and independent third party and it complies with the STS regulation and the EBA Guidelines.</p>	
66	<p>STS Criteria</p> <p>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p>	<p>Verified?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See item 65, above.</p>	

Article 22.3. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.

67	<p>STS Criteria</p> <p>67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See section 3.2. (<i>Securities Note, Essential Information</i>) “Both INTEX and Bloomberg shall provide a cash flow model in compliance with article 22.3 of the EU Securitisation Regulation.”</p> <p>See section 4. (<i>Additional Information, Post Issuance Reporting</i>), 4.2.1 (iv) Information referred to EU Securitisation Regulation, Article 22 of the EU Securitisation Regulation</p> <p>“Furthermore, in accordance with article 22 of the EU Securitisation Regulation, the Reporting Entity (or any agent on its behalf) will make available (or has made available in this Prospectus) to potential investors, before pricing, the following information:</p> <p>(2) a liability cash flow model, elaborated and published by INTEX and/or Bloomberg, which precisely represents the contractual relationship of the Receivables and the payments flowing between the Originator, the Fund and the Noteholders, (and shall, after pricing, make that model available to Noteholders on an ongoing basis and to potential investors upon request);”</p> <p><i>The criterion requires a liability model to be circulated to prospective investors pre-pricing must be made publicly available on-going. PCS is not a modelling firm nor has any modelling expertise. Therefore, it will not verify the model’s accuracy or perform any due diligence whatsoever on the model. However, it will seek to satisfy itself indirectly as to the likelihood of the model’s accuracy by requesting details of the individuals (if employed by the originator) or the firms (if the model is outsourced) responsible for the model. PCS will then assess whether, in its sole opinion, the model was put together by persons or firms with a reputation and a track-record in such models.</i></p> <p><i>Having seen the model, read a statement in the prospectus that the model will be made available in accordance with the requirements of the criteria and assessed the firm responsible for the model, PCS is prepared to verify this criterion.</i></p>	
68	<p>STS Criteria</p> <p>68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See item 69, above.</p> <p><i>Although technically covering the period between pricing and close, this is primarily a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement.</i></p> <p>PCS notes the existence of such covenant in the Prospectus, see item 69, above.</p>	

Article 22.4. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).

By way of derogation from the first subparagraph, originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.

22.6 By 10 July 2021, the ESAs shall develop, through the Joint Committee of the European Supervisory Authorities, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 on the content, methodologies and presentation of information referred to in the second subparagraph of paragraph 4 of this Article, in respect of the sustainability indicators in relation to adverse impacts on the climate and other environmental, social and governance-related adverse impacts.

69	<u>STS Criteria</u>	Verified? YES
	<p>69. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p> <p><u>PCS Comments</u></p> <p>See 3.7.1.5 Information</p> <p>“In particular, the Servicer shall provide in a timely manner to the Originator, as Reporting Entity, any reports, data and other information in the correct format to fulfil the reporting requirements of article 7 of the Securitisation Regulation (including, inter alia, the information, if available, related to the environmental performance of the vehicles).”</p> <p><i>PCS notes that environmental data is not required at this stage. The consultation paper (“Draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures of Article 22(4) and 26(4) of Regulation (EU)2017/2402) was published on 2 May 2022.</i></p>	

Article 22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.

70	<u>STS Criteria</u>	Verified? YES
	<p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p> <p><u>PCS Comments</u></p> <p>See section 4 (<i>Additional Information, Post Issuance reporting</i>), (iv) Information referred to EU Securitisation Regulation</p> <p>“The Originator shall be responsible for compliance with article 7, in accordance with article 22.5 of the EU Securitisation Regulation and has been designated as the “Reporting Entity” for the purposes of article 7.2 of the EU Securitisation Regulation.”</p> <p>See section 3 (<i>Essential Information</i>), 3.1 Interest of the natural and legal persons involved in the issue</p> <p>“Santander de Titulización, S.G.F.T., S.A. (“Management Company”) participates as the Management Company of the Fund.</p> <p>In addition, the Management Company shall be liable (together with the Originator) for the fulfilment of the disclosure obligations under article 7 of the EU Securitisation Regulation and the applicable legislation, without prejudice to the appointment of the Originator as the Reporting Entity in charge of the fulfilment of those disclosure obligations as set forth in section 4.2.1 of the Additional Information.”</p>	

Article 22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.

71	STS Criteria	71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.	Verified? YES
	PCS Comments		
72	STS Criteria	72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.	Verified? YES
	PCS Comments		

Article 22.5. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.

73	STS Criteria	73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	Verified? YES
	PCS Comments		

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;

74 **STS Criteria**

Verified?
YES

74. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(a) information on the underlying exposures on a quarterly basis,

PCS Comments

See section 4.2.1, (*Post Issuance Reporting*) Ordinary periodic notices, (iv) Information referred to EU Securitisation Regulation,

“The Reporting Entity, directly or delegating to any other agent on its behalf, will

(1) following the Date of Incorporation:

(i) publish a quarterly investor report in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(e) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS, no later than one (1) month after the relevant Payment Date; and

(ii) publish on a quarterly basis certain loan-by-loan information in relation to the Receivables in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS, no later than one (1) month after the relevant Payment Date and simultaneously with the quarterly investor report described in paragraph (1) immediately above;”

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

75 **STS Criteria**

75. (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

Verified?
YES

PCS Comments

See section 4.2.1, (*Post Issuance Reporting*) Ordinary periodic notices, (iv) Information referred to EU Securitisation Regulation,

The Reporting Entity, directly or delegating to any other agent on its behalf, will:

(1) following the Date of Incorporation:

(4) make available in accordance with the article 7(1)(b) and article 22.5 of the EU Securitisation Regulation, in any case within fifteen (15) calendar days of the Date of Incorporation, copies of the relevant Transaction Documents, the STS Notification and this Prospectus.

See Definitions:

“Transaction Documents” (“Documentos de la Operación”) means the Deed of Incorporation, The Subordinated Loan Agreement; the Reinvestment Agreement; the Management, Placement and Subscription Agreement; the Paying Agency Agreement; the Sale and Purchase Agreement; the Seller Loan (if any), and the Interest Rate Cap Agreement.

There is no Servicing or Back-up Servicing Agreement. The Management Company’s duties are regulated and described in the Prospectus.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ comment under point 73 above.

Article 7.1. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;		
76	STS Criteria 76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	Verified? YES
	PCS Comments See prospectus, sections <i>Additional Information, The order of priority of payments made by the issuer to the holders of the class of securities in question</i> 3.4.7.2 Source and application of the funds from the first Payment Date, inclusive, until the last Payment Date or the liquidation of the Fund, exclusive and 3.4.7.3 Post-Enforcement Priority of Payments	
Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable: (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure; (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features; (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;		
77	STS Criteria 77. (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable: (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure; (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features; (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;	Verified? YES
	PCS Comments <i>The Prospectus is made in compliance with the Prospectus Regulation. This requirement is therefore not applicable.</i>	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(d) in the case of STS securitisations, the STS notification referred to in Article 27;

78	STS Criteria	Verified? YES
78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;		
PCS Comments		
See item 77, above. As stated in <i>Post-Issuance Reporting</i> 4.2.1., (iv) Information referred to EU Securitisation Regulation (4)		
(4) make available in accordance with the article 7(1)(b) and article 22.5 of the EU Securitisation Regulation, in any case within fifteen (15) calendar days of the Date of Incorporation, copies of the relevant Transaction Documents, the STS Notification and this Prospectus.		

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:

- (i) all materially relevant data on the credit quality and performance of underlying exposures;
- (ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;
- (iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.

79	STS Criteria	Verified? YES
79. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:		
(i) all materially relevant data on the credit quality and performance of underlying exposures;		
(ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties,		
(ii)...and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;		
(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.		
PCS Comments		
See 4 Post Issuance Reporting, 4.2.1 Ordinary Periodic Notices, (iv) Information referred to EU Securitisation Regulation		
"The EU Disclosure RTS set out the information and the details to be made available by the originator, sponsor and SSPE of a securitisation and the EU Disclosure ITS set out the format and standardised templates for making available the information and details of a securitisation."		
See 4 Post Issuance Reporting, 4.2.1 Ordinary Periodic Notices, (iv) Information referred to EU Securitisation Regulation		

"The quarterly investor reports shall include, in accordance with article 7(1), subparagraph (e)(iii) of the EU Securitisation Regulation, information about the risk retention, including information on which of the modalities provided for in article 6(3) has been applied, in accordance with article 6 of the EU Securitisation Regulation."

See also 3.4.3.1. EU Retention Requirement

The retention option and methodology used to calculate the net economic interest will not change, unless such change is required due to exceptional circumstances, in which case such change will be appropriately disclosed to Noteholders and published on the following websites: <https://www.santanderconsumer.com/securitization-spain/> and <https://www.santanderconsumer.com/securitization-spain/?lang=es>.

The Deed of Incorporation will include a representation and warranty and undertaking of the Originator as to its compliance with the requirements set out in articles 6(1), 6(2) and 6(3) of the EU Securitisation Regulation. In addition to the information set out herein and forming part of this Prospectus, the Originator has undertaken to make available materially relevant information to investors so that investors are able to verify compliance with article 6 of the EU Securitisation Regulation in accordance with article 7 of the EU Securitisation Regulation, as set out in section 4.2.1 of this Additional Information. In particular, the quarterly reports shall include information about the risk retained, including information on which of the modalities of retention has been applied pursuant to paragraph 1.(e).(iii) of article 7 of the EU Securitisation Regulation.

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;

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STS Criteria

80. (f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;

Verified?
YES

PCS Comments

See 4 Post Issuance Reporting, 4.2.1 Ordinary Periodic Notices, (iv) Information referred to EU Securitisation Regulation

"The Reporting Entity, directly or delegating to any other agent on its behalf, will:

(2) publish, in accordance with article 7(1)(f) of the EU Securitisation Regulation, without delay any inside information made public in accordance with article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;"

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(g) where point (f) does not apply, any significant event such as:

- (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (ii) a change in the structural features that can materially impact the performance of the securitisation;
- (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;
- (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

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81. (g) where point (f) does not apply, any significant event such as:

- (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (ii) a change in the structural features that can materially impact the performance of the securitisation
- (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;
- (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

Verified?
YES

PCS Comments

See 4 Post Issuance Reporting, 4.2.1 Ordinary Periodic Notices, (iv) Information referred to EU Securitisation Regulation

"The Reporting Entity, directly or delegating to any other agent on its behalf, will:

(3) publish without delay any significant event including any significant events described in article 7(1)(g) of the EU Securitisation Regulation; and"

See also 4.2.3 Procedure

- (i) Ordinary notices
- (ii) Extraordinary notices
- (v) Information to be furnished by the Servicer to the Management Company.

See also Additional Information, 1.2 STS compliance

"The Seller, as originator, shall be responsible for the fulfilment of the requirements of articles 19 to 22 of the EU Securitisation Regulation and shall immediately notify ESMA and inform its competent authority (when duly appointed) when the transaction no longer meets the requirements of articles 19 to 22 of the EU Securitisation Regulation."

Article 7.1. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]

82	STS Criteria 82. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]	Verified? YES
	PCS Comments See item 74, above.	

Article 7.1. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay
When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.
In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation.
Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.

83	STS Criteria 83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay	Verified? YES
	PCS Comments See item 80, above.	

Article 7.2. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.

The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.

Or

The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.

84	<p><u>STS Criteria</u></p> <p>84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.</p> <p>The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>Section 4 (<i>Post-Issuance Reporting</i>) 4.2.1 (iv) Information referred to EU Securitisation Regulation</p> <p>Pursuant to the obligations set forth in article 7(2) of the EU Securitisation Regulation, the originator, the securitisation special purpose entity (SSPE) of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of article 7(1) to a registered securitisation repository of the EU Securitisation Regulation. The disclosure requirements of article 7 of the EU Securitisation Regulation apply in respect of the Notes.</p> <p>The EU Disclosure RTS sets forth the information and the details to be made available by the originator, sponsor and SSPE of a securitisation and the EU Disclosure ITS sets out the format and standardised templates for making available the information and details of a securitisation.</p> <p>Article 7, in accordance with article 22.5 of the EU Securitisation Regulation, last paragraph</p> <p>The Reporting Entity, directly or delegating to any other agent on its behalf, will publish or make otherwise available the reports and information referred to in paragraphs (1) to (4) (inclusive) above as required under article 7 and article 22 of the EU Securitisation Regulation. Such reports will be made available through the Securitisation Repository, a securitisation repository registered pursuant to Article 10 of the Securitisation Regulation.</p> <p>The Originator shall be responsible for compliance with article 7, in accordance with article 22.5 of the EU Securitisation Regulation and has been designated as the "Reporting Entity" for the purposes of article 7.2 of the EU Securitisation Regulation.</p> <p><i>The Originator is the designated reporting Entity. See also statement on appointment of EDW, and criterion 85, below.</i></p>	
85	<p><u>STS Criteria</u></p> <p>85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See section 4.2.1 (iv) (2) as quoted in 102, above.</p> <p>See also Securities Note, 3.1. ESSENTIAL INFORMATION, 3.1. Interest of the natural and legal persons involved in the issue</p>	

The Securitisation Repository has been appointed by the Management Company, on behalf of the Fund, as securitisation repository registered with ESMA in accordance with articles 10 and 12 of the EU Securitisation Regulation to satisfy the reporting obligations under article 7 and 22 of the EU Securitisation Regulation. The information that shall be published in order to comply with the transparency obligations under the EU Securitisation Regulation will be made available through the Securitisation Repository.

See also definition of “Securitisation Repository”.