

STS Term Verification Checklist

Elvet Mortgages 2023-1 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

3rd November 2023

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This is the STS Term Verification 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 Verification 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.

PCS comments in this STS Term Verification Checklist are based on PCS' interpretation of the STS Regulation EU 2017/2402 of the European Union as amended and incorporated into United Kingdom law by the Withdrawal Act 2019 and the Securitisation (Amendment) (EU Exit) Regulations 2019 (the "Regulation") informed by (a) the text of the Regulation itself, (b) following the joint guidance of the Bank of England and the PRA of April, 2019, the EBA guidelines and recommendations issued in accordance with Article 19(2) of the Regulation (the "EBA Guidelines") to the extent that they remain relevant following Brexit and where published prior to 1st January 2020 and (c) any relevant interpretation of the STS criteria by the Financial Conduct Authority 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.

3rd November 2023

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When entering any of the “Transaction” sections of the PCS Website, you will be asked to declare that you are allowed to do so under the legislation of your country. The circulation and distribution of information regarding securitisation instruments (including securities) that is available on the PCS Website may be restricted in certain jurisdictions. Persons receiving any information or documents with respect to or in connection with instruments (including securities) available on the PCS Website are required to inform themselves of and to observe all applicable restrictions.

PRIME COLLATERALISED SECURITIES (PCS) STS Verification

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	3 November 2023
The transaction to be verified (the "Transaction")	Elvet Mortgages 2023-1 PLC
Issuer	Elvet Mortgages 2023-1 PLC
Originator	Atom Bank Plc
Lead Manager(s)	BNP Paribas, Citigroup Global Markets Limited
Transaction Legal Counsel	Allen & Overy
Rating Agencies	Fitch, DBRS
Stock Exchange	Irish Stock Exchange (Euronext Dublin)
Closing Date	3 November 2023

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(2-3)	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	STS Criteria	Verified? YES
	<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>PCS Comments</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>RISKS RELATED TO THE MORTGAGES</p> <p>Seller to retain legal title to the Loans and risks relating to set-off</p> <p>The sale by the Seller to the Issuer of the English Loans, the Northern Irish Loans and their Related Security (until legal title is conveyed) takes effect in equity only. The sale by the Seller to the Issuer of the Scottish Loans and their Related Security is given effect by a Scots law governed declaration of trust by the Seller for the benefit of the Issuer (the "Scottish Declaration of Trust"). The holding of a beneficial interest under a Scottish trust has (broadly) equivalent legal consequences in Scotland to the holding of an equitable interest in England, Wales and Northern Ireland. In each case this means that legal title to the Loans and their Related Security in the Portfolio will remain with the Seller until certain perfection trigger events occur under the terms of the Mortgage Sale Agreement (see "Summary of the Key Transaction Documents – Mortgage Sale Agreement", below). The Issuer has not applied, and prior to the occurrence of a Perfection Event (i) will not apply to the Land Registry of England and Wales (the "Land Registry") to register or record its equitable interest in the English Mortgages, (ii) will not apply to the Land Registry of Northern Ireland and/or the Registry of Deeds in Belfast (the "Registers of Northern Ireland") to register or record its equitable interest in the Northern Irish Mortgages and (iii) will not (and it is not competent to) apply to the General Register of Sasines or Land Register of Scotland (as appropriate) (together the "Registers of Scotland") to register or record its beneficial interest in the Scottish Mortgages pursuant to the Scottish Declaration of Trust.</p> <p>See Prospectus, <i>PORTFOLIO AND SERVICING</i>.</p> <p>Sale of Portfolio:</p> <p>The sale by the Seller to the Issuer of each English Loan and each Northern Irish Loan and its Related Security in the Portfolio will be given effect by an equitable assignment.</p> <p>The sale by the Seller to the Issuer of each Scottish Loan and its Related Security in the Portfolio will be given effect by a Scottish Declaration of Trust by the Seller in favour of the Issuer granted on the Closing Date.</p> <p>The terms "sale", "sell" and "sold" when used in this Prospectus in connection with the Loans and their Related Security shall be construed to mean each such creation of an equitable interest and such equitable assignment and the beneficial interest created under and pursuant to the Scottish Declaration of Trust, as applicable. The terms "repurchase" and "repurchased" when used in this Prospectus in connection with a Loan and its Related Security shall be construed to include (A) the repurchase of the equitable interest of the Issuer in respect of such Loan and its Related Security (to the extent that it is an English Loan or a Northern Irish Loan) and the repurchase of the beneficial interest in respect of such Loan and its Related Security (to the extent that it is a Scottish Loan) under the Scottish Declaration of Trust and release of such Loan and its Related Security from the Scottish Declaration of Trust and (B) the purchase by the Seller of such Loan and its Related Security from the Issuer pursuant to the terms of the Mortgage Sale Agreement.</p> <p>Prior to the occurrence of a Perfection Event as set out below, notice of the sale of the Loans and their Related Security comprising the Portfolio will not be given to the relevant individual or individuals specified as borrowers in respect of a Loan or the individual or individuals from time to time assuming an obligation to repay (under a guarantee or otherwise) such Loan or any part of it (collectively, the "Borrowers" and each a "Borrower") and the Issuer will not apply to the Land Registry, the Registers of Northern Ireland or the Registers of Scotland to register or record its equitable or beneficial interest in the English Mortgages or the Northern Irish Mortgages, or take any steps to complete or perfect its title to the Scottish Mortgages. Prior to the occurrence of a Perfection Event, the legal title to each Loan and its Related Security in the Portfolio will be held by the Seller on bare trust for the</p>	

Issuer (including, in respect of a Scottish Loan, under the trust declared and created by the Scottish Declaration of Trust). Following a Perfection Event and notice of the transfer of the Loans and their Related Security to the Issuer being sent to the relevant Borrowers, legal title to the Loans and their Related Security (subject to appropriate registration or recording at the Land Registry, the Registers of Northern Ireland or the Registers of Scotland (as appropriate)) will pass to the Issuer.

“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/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/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 happens for no reasons. 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.

Based on the above considerations, PCS believes that transfers from jurisdictions 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 Originator’s jurisdiction for the purposes of insolvency law. This would be its centre of main interest or “COMI”.

The second step would be to determine whether the relevant COMI 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 an equitable or beneficial assignment.

The legal opinions from Allen & Overy LLP, Tughans, and Shepherd and Wedderburn, collectively confirm that an equitable assignment and a Scottish assignment of the beneficial interest meets the definition of “true sale” outlined above.

In the case of Atom Bank PLC, a finance company situated in the United Kingdom, the COMI is considered the United Kingdom. United Kingdom 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 confirmed by the opinions, the transfer is not, in our opinion, subject to "severe clawback".

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

PCS Comments

See underlying transaction documents: Incorporated Terms Memorandum.

SCHEDULE 4

SELLER REPRESENTATIONS AND WARRANTIES

2. Centre of main interests

The Seller has its "centre of main interests", as that term is used in the UK Insolvency Regulation and the UNCITRAL Implementing Regulations, in England.

COMI is in the UK. The UK does not have severe clawback provisions. See comment under checklist point 1.

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	<u>STS Criteria</u>	<u>Verified?</u>
	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.	YES

PCS Comments

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Mortgage Sale Agreement

Representations and Warranties

On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. For the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio.

The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia...

(c) Each Loan was (i) originated by the Seller as principal in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Seller applied at the time of origination to similar exposures that are not included in the Portfolio and (ii) originated, and is denominated, in Sterling.

See also Prospectus, *TRANSACTION PARTIES*.

"Seller": Atom Bank Plc

The Prospectus indicates that all receivables were originated by Atom Bank PLC. The Prospectus and documents also indicate that only Atom Bank Plc is selling the securitised assets to the SSPE.

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 affect 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.

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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:

- (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.

Verified?
YES

PCS Comments

See Prospectus, *TRIGGERS TABLES*.

Non-Rating Triggers Table

Perfection Events:

Prior to the completion of the transfer of legal title of the Loans to the Issuer, the Issuer will be subject to certain risks as set out in the risk factor entitled "Seller to retain legal title to the Loans and risks relating to set-off" and "Set-off may adversely affect the value of the Portfolio or any part thereof" in the section entitled "Risk Factors". Completion of transfer of the legal title of the Loans by the Seller to the Issuer will be completed on or before the 20th Business Day after the earliest to occur of the following:

- (a) the Seller being required (i) by an order of a court of competent jurisdiction, or (ii) by a regulatory authority which has jurisdiction over the Seller, or (iii) by any organisation of which the Seller is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders and with whose instructions it is customary for the Seller to comply, to perfect legal title to the Loans and Related Security; or
- (b) it becoming necessary by law to take any or all such actions referred to in paragraph (a) above; or
- (c) a material breach by the Seller of its obligations under the Transaction Documents (to which it is party), where such breach remains unremedied for a period of 30 days following the Seller becoming aware of such breach; or
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the reasonable opinion of the Security Trustee, in jeopardy; or
- (e) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (f) an Insolvency Event occurring in relation to the Seller; or
- (g) Seller determines, as at any date, that its CET1 Ratio has fallen below 7 per cent., where "CET1 Ratio" means the ratio (expressed as a percentage) of Common Equity Tier 1 as at such date to the Risk Weighted Assets as at the same date, in each case calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the UK CRR) or, as the context requires, a consolidated basis, "Common Equity Tier 1" means, as at any date, the sum of all amounts that constitute common equity tier 1 capital of the Seller as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the UK CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations but without taking into account any transitional, phasing-in or similar provisions and "Risk Weighted Assets" means, as at any date, the aggregate amount of the risk weighted assets of the Seller as at such date, as calculated by the Seller on an individual consolidated basis (as referred to in Article 9 of the UK CRR) or, as the context requires, a consolidated basis, in each case in accordance with the then prevailing capital requirement regulations; or
- (h) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Loan in the Portfolio.

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.*

In the absence of any definition of "an assignment perfected at a later stage" in the Regulation or the EBA Guidelines and without additional views from the UK Financial Conduct Authority it is not possible to determine with finality whether an English equitable assignment is "unperfected" within the meaning of the Regulation – as distinguished from the meaning of the English rules of equity.

PCS believes there are good reasons why the Regulation's term of "an assignment perfected at a later stage" does not encompass an English equitable assignment.

However, this is not a question that is required to be answered in the case of the Transaction since, even if equitable assignments are unperfected assignments as defined in the Regulation, the requirements of the criterion are met by the Transaction.

PCS has measured the trigger events against the EBA Guidelines.

20.5(a) No absolute definition of "severe deterioration" can be given, but clearly the Regulation is seeking to avoid requiring a "hair trigger" deterioration. In other words, an originator could provide a "hair trigger" deterioration if it wanted to. Therefore, the rule does not require an originator or investor to weigh carefully the severity of the trigger so long as it meets the requirements of the EBA Guidelines to be related to the seller's credit standing, be observable and related to financial health.

The trigger provided in the Transaction meets these requirements.

20.5(b) *The insolvency trigger is in the Transaction.*

20.5(c) *The Regulation refers to "unremedied breaches of contractual obligations by the seller, including the seller's default".*

PCS notes that neither the Regulation nor the EBA Guidelines specify which contractual obligations are targeted. One can assume that this cannot possibly mean any seller contractual obligation since most financial institutions have millions of contractual obligations under tens of thousands of contracts. It is not conceivable that, in order to protect a securitisation, a transfer could be required resulting from a trivial breach of a totally unrelated contractual provision (e.g. to keep the walls painted on a leased property unconnected to the transaction).

PCS also notes that the Regulation clearly does not say "any breaches of contractual obligations". Therefore, the Regulation must be aiming at an undefined sub-set of contractual obligations. In the absence of any indication in the Regulation or EBA Guidelines as to what this sub-set may be, PCS concludes, until clarification may be provided, that it is up to the originator to define which sub-set of obligations should trigger a possible perfection.

PCS does believe though that the Regulation must be interpreted in a purposive manner – as evidenced by the EBA Guidelines. Therefore, the sub-set of obligations selected by the originator cannot be capricious but should have some connection with the risks that would be run by investors if the seller should encounter a problem prior to perfection of the title.

The unremedied breach trigger is in the Transaction.

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 Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Representations and Warranties

On the Closing Date, the Loan Warranties (described below in Representations and Warranties) will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. For the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio.

The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also The Loans - Insurance Contracts above:

(h) The Loans and their Related Security are not subject, either totally or partially, to any lien, assignment, assignation, standard security, charge or pledge to any third parties or are otherwise in a condition that could be foreseen to adversely affect the enforceability of the sale to the Issuer.

(cc) To the best of the Seller's knowledge, each Borrower has a good and marketable title to the Property (subject to registration or recording of the title at the Land Registry, the Registers of Northern Ireland or at the Registers of Scotland (as applicable)) free from any encumbrance (except the Mortgage and any subsequent ranking mortgage) which:

- (i) would materially adversely affect such title; and
- (ii) a Prudent Mortgage Lender would regard as unacceptable for security purposes.

(gg) The Seller has good title to, and is the absolute unencumbered legal and beneficial owner of, all property, interests, rights and benefits agreed to be sold and/or assigned by the Seller to the Issuer free and clear of all Security, claims and equities (including, without limitation, rights of set off or counterclaim) subject to the Borrowers' equity of redemption and subject to registration or recording at the Land Registry, the Registers of Northern Ireland or Registers of Scotland of the Seller as legal title holder and proprietor or heritable creditor of the relevant Mortgage.

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>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in Representations and Warranties) will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. For the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also The Loans - Insurance Contracts above: [...]</p> <p><i>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.</i></p> <p><i>PCS has read the eligibility criteria in the Prospectus. 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.</i></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 Prospectus, <i>PORTFOLIO AND SERVICING</i>.</p> <p>Repurchase of the Loans and Related Security:</p>	

Subject to the section of this Prospectus entitled “Summary of the Key Transaction Documents – Mortgage Sale Agreement - Repurchase by the Seller”, the Seller is liable for the repurchase of the relevant Loans and their Related Security upon a material breach of Loan Warranties (which the Seller fails to remedy within the agreed grace period, being 30 Business Days from and including the date upon which the Issuer gives notice to the Seller of such breach).

The Seller will repurchase, in accordance with the Mortgage Sale Agreement, all Loans and their Related Security in respect of which there has been a Further Advance or Product Switch in the month following the month in which such Further Advance or Product Switch took place. The Seller will make Further Advances in accordance with the standards of a Prudent Mortgage Lender and Product Switches in accordance with the standards of a Reasonable, Prudent Residential Mortgage Servicer. Further Advances and Product Switches will be made only in the ordinary course of the Seller’s mortgage origination and servicing business.

The Seller has no discretionary rights of repurchase in relation to any Loans or their Related Security and the Seller has no right or obligation to substitute or sell any of the Loans or their Related Security included in the Portfolio.

See also Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Mortgage Sale Agreement

Repurchase by the Seller

See also underlying transaction documents: Mortgage Sale Agreement.

9. WARRANTIES AND REPURCHASE BY THE SELLER

The EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of “active portfolio management”. To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion will be met. If the transaction should contain a repurchase device that is not included in the EBA’s list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining “active portfolio management”. PCS has reviewed the repurchase devices set out in the Prospectus they are within the allowable repurchase devices.

8

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

Not applicable – *the transaction is not structured with a revolving period. PCS notes that loans where there is a further advance or product switch are subject to a repurchase obligation.*

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.

9	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Characteristics of the Loans</p> <p>Other characteristics</p> <p>The Loans comprised in the Portfolio as at the Cut-Off Date are homogeneous for purposes of Article 20(8) of the Securitisation Regulation, on the basis that all such Loans: (i) have been underwritten by the Seller in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are repayment loans entered into substantially on the terms of similar standard documentation for residential mortgage loans; (iii) are serviced by the Servicer pursuant to the Servicing Agreement in accordance with the same servicing procedures with respect to monitoring, collections and administration of cash receivables generated from such Loans; and (iv) form one asset category, namely residential loans secured with one or several mortgages or standard securities on residential immovable property in England, Wales, Northern Ireland or Scotland.</p> <p><i>In the Transaction, the loans were underwritten on a similar basis, they are being serviced by Atom Bank PLC according to similar servicing procedures, they are a single asset class – residential mortgage loans – and, based on the EBA's suggested approach, the loans are all originated in the same jurisdiction.</i></p> <p><i>PCS also takes comfort that transactions containing pools with similar characteristics have always been considered to be "homogenous" by a wide consensus of market participants.</i></p>	
10	<p>STS Criteria</p> <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia [...]:</p>	

(p) The Current Balance on each Loan and its Related Security constitutes a valid debt due to the Seller from the relevant Borrower and the terms of each Loan and its Related Security constitute legal, valid, binding and enforceable obligations of the Borrower and each Loan and its Related Security is non-cancellable (except that (i) the Seller makes no representation as to the fairness or otherwise of terms which relate to its ability to vary the rate of interest; (ii) enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies and, for the avoidance of doubt, such laws include but are not limited to, the CRA; and (iii) this representation shall not apply in respect of any early repayment charges or redemption fees).

11	STS Criteria	Verified? YES
	<p>11. With full recourse to debtors and, where applicable, guarantors.</p> <p>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia...:</p> <p>(m) The Seller has full recourse to the relevant Borrower under the relevant Loan.</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	Verified? YES
	<p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p> <p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Characteristics of the Loans</p> <p>Repayment Terms</p> <p>[...]</p> <p>Loans are typically repayable on a repayment basis, where the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid.</p> <p>The required monthly payment in respect of the Loans may alter from month to month for various reasons, including changes in interest rates.</p>	

Principal prepayments may be made in whole or in part at any time during the term of a Loan, subject to the payment of any Early Repayment Charges (as described in Overpayments and Early Repayment Charges below). A prepayment of the entire outstanding balance of a loan discharges the mortgage. Any prepayment in full must be made together with all accrued interest, arrears of interest, any unpaid expenses and any applicable repayment fee(s).

See Prospectus, CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO.

Summary table of the Provisional Portfolio as at the Portfolio Reference Date

Repayment Loans (%): 100%

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Representations and Warranties

(bbb) No Loan is a help to buy loan, a buy to let loan, a right to buy loan, an interest-only loan, a Self-Certified Loan, or a Flexible Loan.

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**

PCS Comments

See Prospectus, *THE LOANS*.

Characteristics of the Loans

Repayment Terms

Loans are typically repayable on a repayment basis, where the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid.

The required monthly payment in respect of the Loans may alter from month to month for various reasons, including changes in interest rates.

See Prospectus, *OVERVIEW*.

Underlying Assets

The Issuer will make payments on the Notes, the Class VRR Notes and the Certificates from, inter alia, payments of principal and revenue received from a portfolio comprising owner-occupied mortgage loans and their related security originated by Atom Bank Plc ("Atom Bank" and the "Seller") and secured over residential properties located in England and Wales, Scotland and Northern Ireland which will be sold to the Issuer on the Closing Date (the "Portfolio"). The Issuer confirms that the assets backing the issue of the Notes, the Class VRR Notes and the Certificates do not consist of securities and are not part of a re-securitisation.

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Mortgage Sale Agreement

"Related Security" means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all rights, remedies or benefits related thereto including:

(a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including any deed of consent and MHA/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property;

(b) each right of action of the Seller against any person (including any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and

(c) the benefit of (including the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (taken out by or on behalf of the relevant Borrower) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files.

Article 20.8. The underlying exposures shall not include transferable securities, as defined in Article 4(1), (24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.

14	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), (24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.</p> <p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>The Portfolio does not contain transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU and point (24) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, derivative instruments or securitisation positions.</p>	

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

15	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>15. The underlying exposures shall not include any securitisation position.</p> <p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p>	

The Portfolio does not contain transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU and point (24) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, derivative instruments or securitisation positions.

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
	<p>16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.</p> <p>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also "The Loans - Insurance Contracts" above:</p> <p>(c) Each Loan was (i) originated by the Seller as principal in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Seller applied at the time of origination to similar exposures that are not included in the Portfolio and (ii) originated, and is denominated, in Sterling.</p>	
17	STS Criteria	Verified? 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>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also "The Loans - Insurance Contracts" above:</p>	

(c) Each Loan was (i) originated by the Seller as principal in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Seller applied at the time of origination to similar exposures that are not included in the Portfolio and (ii) originated, and is denominated, in Sterling.

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	<p><u>STS Criteria</u></p> <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>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Lending Criteria</p> <p>Changes to the Lending Criteria</p> <p>The Seller may vary the Lending Criteria from time to time in the manner of a Prudent Mortgage Lender.</p> <p>Any such changes over time have not affected the homogeneity (as determined in accordance with Article 20(8) of the UK Securitisation Regulation) of the Loans comprising the Portfolio. Any material change to the Lending Criteria after the date of this Prospectus which would (A) affect the homogeneity (as determined in accordance with Article 20(8) of the UK Securitisation Regulation) of the Loans comprising the Portfolio, or which would (B) materially affect the overall credit risk or the expected average performance of the Portfolio will (to the extent such change affects the Loans included in the Portfolio from time to time) be disclosed (along with an explanation of the rationale for such changes being made) to investors by the Seller without undue delay.</p> <p><i>Although somewhat confusingly drafted, the EBA Guidelines make clear that the part of the criterion referring to changes from prior underwriting is a future event criterion. It applies changes in underwriting criteria that occur post-closing. 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.</i></p> <p><i>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 whilst noting at the same time that the absence of any such covenant – although possibly unsettling for some investors – would not invalidate the STS status of the transaction at closing.</i></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
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in Representations and Warranties) will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. For the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also The Loans - Insurance Contracts above:</p> <p>(tt) No Loan was marketed and underwritten on the premise that the loan applicant or, as applicable, any intermediary, was made aware that the information provided might not be verified by the Seller.</p>	

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
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Lending Criteria</p> <p>The assessment of a borrower's creditworthiness is conducted in accordance with the lending criteria and, where appropriate, shall meet the requirements set out in Article 8 of the Consumer Credit Directive or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of the Mortgage Credit Directive.</p> <p>See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i>.</p> <p>Credit-granting</p>	

Atom Bank has in place effective systems to apply such criteria and processes in order to ensure that Atom Bank's credit-granting is based on a thorough assessment of the relevant borrower's (including each of the Borrower's) creditworthiness, taking appropriate account of the factors relevant to verifying the prospect of the relevant borrower (including the Borrowers) meeting his/her obligations under the relevant mortgage loan (including the Loans).

The criterion requires consumer loans or mortgages to have been underwritten in accordance with one of two European Directives. European Directives, in contrast to Regulations, do not have direct effect but must be implemented into national law country by country.

Therefore, if the assets concerned, as in the case of the Transaction, are residential mortgages, the relevant Directive is 2014/17/EU. The next step is to determine which UK law transcribed this Directive into local law.

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. This was done in the UK via the MCD Order issued in March 2016.

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 Prospectus, <i>THE SELLER, THE SERVICER AND SUBORDINATED LOAN PROVIDER</i>.</p> <p>Overview</p> <p>The Seller is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and Prudential Regulation Authority and it has regulatory authorisation and permissions which are relevant to the origination and servicing of mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer. The Seller has more than five years of experience in the origination, underwriting and servicing of loans similar to those comprising the Portfolio. The Servicer has well-documented and adequate policies, procedures and risk-management controls in relation to the servicing of mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer.</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? YES
	<p>22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...</p> <p>PCS Comments</p> <p>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.</p> <p>Mortgage Sale Agreement</p>	

	<p>"Cut-Off Date" means 31 August 2023.</p> <p><i>PCS has assumed that any period of three-and-a-half months or less between pool cut date and closing will meet the requirements of the criterion. This is in line with market standards.</i></p>	
23	<p><u>STS Criteria</u></p> <p>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...</p>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia [...]:</p> <p>(o) No Loan is considered by the Seller as being in default within the meaning of Article 178(1) of Regulation (EU) No.575/2013 as it forms part of domestic law by virtue of the EUWA.</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 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 24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:	Verified? YES
	PCS Comments <i>See points 25 to 30 below.</i>	
25	STS Criteria 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.	Verified? YES
	PCS Comments See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Mortgage Sale Agreement Representations and Warranties On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also "The Loans - Insurance Contracts" above: (yy) To the best of the Seller's knowledge, no Borrower has filed for bankruptcy, been sequestrated, entered into an individual voluntary arrangement or debt arrangement scheme (in terms of the Debt Arrangement and Attachment (Scotland) Act 2002 and the Debt Arrangement Scheme (Scotland) Regulations 2011, both as amended), or had a non-appealable county court judgment, Scottish court decree for payment bankruptcy order, non-appealable high court judgment, debt relief order or administration order from the Enforcements of	

	Judgements Office, order entered or made against them within six years prior to the Closing Date, or has incurred material damages as a result of a missed payment within six years prior to the Closing Date or has undergone a debt restructuring process with regard to his/her non-performing exposures within six years prior to the Closing Date.	
26	<p>STS Criteria</p> <p>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:</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also "The Loans - Insurance Contracts" above:</p> <p>(yy) To the best of the Seller's knowledge, no Borrower has filed for bankruptcy, been sequestrated, entered into an individual voluntary arrangement or debt arrangement scheme (in terms of the Debt Arrangement and Attachment (Scotland) Act 2002 and the Debt Arrangement Scheme (Scotland) Regulations 2011, both as amended), or had a non-appealable county court judgment, Scottish court decree for payment bankruptcy order, non-appealable high court judgment, debt relief order or administration order from the Enforcements of Judgements Office, order entered or made against them within six years prior to the Closing Date, or has incurred material damages as a result of a missed payment within six years prior to the Closing Date or has undergone a debt restructuring process with regard to his/her non-performing exposures within six years prior to the Closing Date.</p>	
27	<p>STS Criteria</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>Verified? YES</p>
	<p>PCS Comments</p> <p>See point 26 above. Not applicable – no restructured exposures.</p>	
28	<p>STS Criteria</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>Verified? YES</p>
	<p>PCS Comments</p> <p>See point 26 above. Not applicable – no restructured exposures.</p>	

29	<u>STS Criteria</u> 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;	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Mortgage Sale Agreement Representations and Warranties On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia [...]: (xx) To the best of the Seller's knowledge, (i) at the time of origination of the relevant Loan, no Borrower appeared on a register available to the Seller of persons with an adverse credit history or (ii) as at the Portfolio Reference Date, had a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made was significantly higher than for comparable exposures held by the Seller which are not included in the Portfolio.	
30	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> See point 29 above.	

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	<p><u>STS Criteria</u></p> <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><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia [...]:</p> <p>(k) Each Borrower has paid at least one Monthly Instalment.</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	<p><u>STS Criteria</u></p> <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><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Characteristics of the Loans</p> <p>Repayment Terms</p> <p>Loans are typically repayable on a repayment basis, where the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid.</p> <p>The required monthly payment in respect of the Loans may alter from month to month for various reasons, including changes in interest rates.</p>	

See Prospectus, CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO.

Summary table of the Provisional Portfolio as at the Portfolio Reference Date

Repayment Loans (%): 100%

See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.

Representations and Warranties

(bbb) No Loan is a help to buy loan, a buy to let loan, a right to buy loan, an interest-only loan, a Self-Certified Loan, or a Flexible Loan.

Although there was some uncertainty over the status of interest-only mortgages, this has been definitively cleared up by the EBA Guidelines specific statement that this criterion was not designed to capture these products. In particular, we note that the presence of an amortisation plan setting out payments by means of monthly instalments is clearly not compatible with a repayment predominantly dependent on the sale of the assets securing the underlying exposures.

In this transaction all of the loans are repayment loans, therefore, none of the assets in the pool display any predominant reliance on the sale of the assets.

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

33	STS Criteria	Verified? YES
	<p>33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p>	
	<p>PCS Comments</p> <p>See Prospectus, <i>GENERAL CHARACTERISTICS OF THE NOTES, CLASS VRR NOTES AND CERTIFICATES</i>.</p> <p>Risk Retention and the Class VRR Notes</p> <p>For the purposes of, among other things, satisfying the U.S. Risk Retention Rules, the UK Retention Requirements and contractually complying with the EU Retention Requirements (as such requirements exist solely at the Closing Date under the EU Securitisation Regulation), the Issuer will, pursuant to the Trust Deed, issue on the Closing Date the Class VRR Notes. The owner of the Class VRR Notes on the Closing Date will be Atom Bank. As at the Closing Date, the principal amount of the Class VRR Notes will be equal to 5 per cent. of the aggregate principal amount of the Notes and the Certificates (the initial principal amount of which is zero) multiplied by (100/95). The Class VRR Notes will entitle the Class VRR Noteholders to the VRR Proportion of the principal and interest amounts paid to Noteholders under the Notes and the VRR Proportion of any amounts payable on the Certificates.</p> <p>See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i>.</p> <p>Risk Retention Requirements</p> <p>Atom Bank will retain, as originator (the “Retention Holder”), on an ongoing basis, a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation (the “UK Retention Requirements”).</p> <p>Atom Bank (as originator) will undertake to (i) each of the Arranger and the Joint Lead Managers in the Subscription Agreement and (ii) the Issuer, the Swap Provider, the Note Trustee and the Security Trustee in the Deed of Charge that, for so long as the principal amount of any Note remains outstanding, it will:</p> <p>(a) retain on an ongoing basis the Retained Exposures in accordance with the applicable Retention Requirements;</p> <p>(b) confirm its Retained Exposures to the Cash Manager as required by Article 7(e)(iii) of the UK Securitisation Regulation and Article 7(e)(iii) of the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, as such articles are interpreted and applied on the Closing Date) in order to enable the Cash Manager to disclose such information in the UK Investor Report and the EU Investor Report;</p> <p>(c) not (and shall procure that none of its affiliates) sell, hedge, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from the Retained Exposures except to the extent permitted under the UK Securitisation Regulation or the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, as such articles are interpreted and applied on the Closing Date) (as applicable); and</p> <p>(d) not change the manner or form in which it retains the Retained Interest, except to the extent permitted under the UK Securitisation Regulation or the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, as such articles are interpreted and applied on the Closing Date) (as applicable); and</p> <p>(e) promptly notify the Issuer, the Swap Provider, the Note Trustee and the Security Trustee if for any reason it ceases to hold or change the manner in which it holds the Retained Exposures in accordance with paragraphs (a) to (d) above or fails to comply with any of the covenants set out in paragraphs (a) to (d) above in respect of the Retained Exposures, provided that Atom Bank (as originator) will not be in breach of the undertakings given above if to events, actions or circumstances beyond Atom Bank’s control, result in Atom Bank is not able to comply with such undertakings.</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	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p> <p><u>PCS Comments</u></p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>Interest Rate Risk</p> <p>The Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Loans and the rate of interest payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (and the corresponding payments under the Class VRR Notes). All the Loans in the Provisional Portfolio are Fixed Rate Loans which pay or will pay a fixed rate of interest for an initial period of time. However, the Issuer's liabilities with respect to interest under the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are based on Compounded Daily SONIA. This may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders, the Class VRR Noteholder and the Secured Creditors. As such, the Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Loans and the rate of interest payable in respect of the Notes and the Class VRR Notes.</p> <p>However, such risks are partially mitigated by the Issuer entering into a swap transaction (the "Swap Transaction") with the Swap Provider under the Swap Agreement on the Closing Date to provide a hedge against the possible variance between:</p> <p>(a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio; and</p> <p>(b) the rate of interest under the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes (and the corresponding payments under the Class VRR Notes) being calculated by reference to Compounded Daily SONIA,</p> <p>See also Prospectus, <i>CREDIT STRUCTURE</i>.</p> <p>8. Interest Rate Risk for the Notes and Class VRR Notes</p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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:</i></p> <ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	

• 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.

In the case of the Transaction, payments from the mortgage loans represent fixed rate payments, while the notes are floating rate. An interest rate swap is used in the Transaction to mitigate fixed-to-floating interest rate risk, covering the period during which the underlying assets have fixed rates. Information provided in the transaction documents indicate that interest rate risk has been appropriately mitigated.

35	STS Criteria 35. Currency risks arising from the securitisation shall be appropriately mitigated.	Verified? YES
	<p>PCS Comments</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>Registered Definitive Notes and denominations in integral multiples</p> <p>Each of the Notes and the Class VRR Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £1,000.</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia...:</p> <p>(c) Each Loan was (i) originated by the Seller as principal in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Seller applied at the time of origination to similar exposures that are not included in the Portfolio and (ii) originated, and is denominated, in Sterling.</p> <p>See PCS comments under 34 above.</p> <p>Both notes and Loans are denominated in Sterling. In the absence of any currency mismatch, no currency hedging is therefore necessary.</p>	
36	STS Criteria 36. Any measures taken to that effect shall be disclosed.	Verified? YES
	<p>PCS Comments</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>Interest Rate Risk</p> <p>See Prospectus, <i>CREDIT STRUCTURE</i>.</p>	

8. Interest Rate Risk for the Notes and Class VRR Notes

Swap Agreement

See PCS comments under 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	Verified? YES
	37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	
	PCS Comments	
	See Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i> .	
	5. COVENANTS	
	(b) Restrictions on activities: (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, (ii) other than the Swap Agreement (or any replacement), the Issuer will not enter into derivative contracts for the purposes of Article 21(2) of the UK Securitisation Regulation, or (iii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;	
38	STS Criteria	Verified? YES
	38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	
	PCS Comments	
	See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.	
	Mortgage Sale Agreement	
	The Portfolio does not contain transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU and point (24) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, derivative instruments or securitisation positions.	
	See also the definition of "Authorised Investment", which does not allow derivatives as a form of authorised investment.	

39	STS Criteria	Verified? YES
	<p>39. Those derivatives shall be underwritten and documented according to common standards in international finance.</p> <p>PCS Comments</p> <p>See Prospectus, <i>CREDIT STRUCTURE</i>.</p> <p>8. Interest Rate Risk for the Notes and Class VRR Notes</p> <p>Swap Agreement</p> <p>On or about the Closing Date, the Issuer and the Swap Provider will enter into the ISDA Master Agreement, schedule, credit support annex and confirmation (as amended or supplemented from time to time) relating to the Swap Transaction (the "Swap Agreement").</p> <p>"ISDA Master Agreement" means the 1992 ISDA Master Agreement, as published by the International Swaps and Derivatives Association, Inc..</p>	

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	STS Criteria	Verified? YES
	<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> <p>PCS Comments</p> <p>See Prospectus, <i>OVERVIEW</i>.</p> <p>Benchmarks Regulation</p> <p>Interest payable under the Notes and the Class VRR Notes is calculated by reference to Compounded Daily SONIA. As at the date of this Prospectus, the administrator of SONIA is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No 2016/1011 (the "EU Benchmarks Regulation"). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the EU Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (described below in "Representations and Warranties") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. For the avoidance of doubt, the Loan Warranties are given in relation to the Portfolio and not the Provisional Portfolio.</p> <p>The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include, inter alia, (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also "The Loans - Insurance Contracts" above:</p>	

(ccc) All Loans are Fixed Rate Loans which (after an initial specific period where a fixed rate of interest applies) have a managed SVR.

See Prospectus, *THE LOANS*.

Characteristics of the Loans

Interest Rate Types

The Portfolio consists of Fixed Rate Loans which have (after an initial specific period where a fixed rate of interest applies) a managed variable interest rate (the "Standard Variable Rate" or "SVR"). As at the date of this Prospectus, the Seller's SVR is 7.14 per cent.

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 **STS Criteria**

41. 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;

Verified?
YES

PCS Comments

See Prospectus, *CASHFLOWS*.

Distributions following the service of an Enforcement Notice on the Issuer and on the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any)

Post-enforcement priority of payments indicates that no cash is trapped.

42	STS Criteria 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;	Verified? YES
	PCS Comments See Prospectus, <i>CASHFLOWS</i> . Distributions following the service of an Enforcement Notice on the Issuer and on the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any) <i>Principal is paid sequentially under post enforcement order of priority.</i>	
43	STS Criteria 43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	Verified? YES
	PCS Comments See Prospectus, <i>CASHFLOWS</i> . <i>The priority of payments post-enforcement maintains repayment in line with seniority.</i>	
44	STS Criteria 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	PCS Comments See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Deed of Charge Post-Enforcement Priority of Payments No provision of the Deed of Charge, or any other Transaction Document, will require the automatic liquidation of the Portfolio on or following the service of an Enforcement Notice. See also underlying transaction documents, Deed of Charge. 15. ENFORCEMENT	

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><u>STS Criteria</u></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>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>CASHFLOWS</i>.</p> <p>Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer</p> <p>Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer</p> <p>Distributions following the service of an Enforcement Notice on the Issuer and on the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any)</p> <p><i>The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment.</i></p> <p><i>The Transaction does not have such non-sequential priorities.</i></p> <p><i>If the Transaction does, then does it contain appropriate triggers.</i></p> <p><i>The EBA Guidelines provide three examples of triggers that meet the requirement of “deterioration of the credit quality of the underlying exposures below a pre-determined threshold”.</i></p> <p><i>Where a trigger is one of the EBA example, then the criterion is met. If not, then an analysis must be conducted to determine whether the trigger does meet the definition of the Regulation.</i></p> <p><i>Not applicable – the transaction does not feature non-sequential priority pr payments.</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	STS Criteria 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: (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;	Verified? YES
	PCS Comments <i>Not applicable – transaction does not feature a revolving period.</i>	
47	STS Criteria 47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;	Verified? YES
	PCS Comments <i>Not applicable – transaction does not feature a revolving period.</i>	
48	STS Criteria 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	Verified? YES
	PCS Comments <i>Not applicable – transaction does not feature a revolving period.</i>	
49	STS Criteria 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	Verified? YES
	PCS Comments <i>Not applicable – transaction does not feature a revolving period.</i>	

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><u>STS Criteria</u></p> <p>50. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Servicing Agreement, Deed of Charge, Trust Deed, Agency Agreement, Cash Management Agreement, The Bank Account Agreements, Securities Custody Agreement, The Corporate Services Agreement, The Collection Account Declaration of Trust Accession Undertaking.</p> <p>See also underlying transaction documents: Servicing Agreement, Deed of Charge, Trust Deed, Agency Agreement, BNPP Bank Account Agreement, Cash Management Agreement, Citi Bank Account Agreement, Corporate Services Agreement, Collection Account Ascension Undertaking, Global Custodial Services Agreement.</p>	
51	<p><u>STS Criteria</u></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>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Servicing Agreement</p> <p>Standby Servicer Facilitator</p> <p>The Issuer will appoint the Standby Servicer Facilitator in accordance with the Servicing Agreement. If the Servicer's appointment is terminated, the Standby Servicer Facilitator shall use best efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointment of a suitable substitute servicer in accordance with the Servicing Agreement.</p> <p>Removal or Resignation of the Servicer</p> <p>See also underlying transaction documents, Servicing Agreement.</p> <p>18. TERMINATION</p> <p>19. STANDBY SERVICER FACILITATOR</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 Prospectus, <i>CREDIT STRUCTURE</i>.</p> <p>8. Interest Rate Risk for the Notes and Class VRR Notes</p> <p>Swap Agreement</p> <p>General</p> <p>Upon termination of the Swap Agreement, the Servicer (on behalf of the Issuer) shall procure a replacement swap transaction, although no guarantees of such replacement can be given.</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>The Bank Account Agreements</p> <p>Each of the Issuer Account Banks is required to have the Account Bank Required Minimum Rating. [...]</p> <p>If at any time the Citi Account Bank and the BNPP Account Bank fail to maintain the required Account Bank Required Minimum Rating (or if their respective appointments are terminated in accordance with the terms of the Citi Bank Account Agreement or the BNPP Bank Account Agreement, as relevant), the balance standing to the credit of the Citi Transaction Account and the BNPP Transaction Account shall following instructions of the Servicer (acting on behalf of the Issuer) be transferred to an account/accounts held at a bank or banks which has/have the required Account Bank Required Minimum Rating.</p> <p>See also underlying transaction documents:</p> <p>BNPP Bank Account Agreement</p> <p>10. TERMINATION</p> <p>Citi Bank Account Agreement</p> <p>13. TERMINATION</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	<p>STS Criteria</p> <p>53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised</p>	<p>Verified? YES</p>
<p>PCS Comments</p> <p>See Prospectus, <i>THE SELLER, THE SERVICER AND SUBORDINATED LOAN PROVIDER</i>.</p> <p>Overview</p> <p>The Seller is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and Prudential Regulation Authority and it has regulatory authorisation and permissions which are relevant to the origination and servicing of mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer. The Seller has more than five years of experience in the origination, underwriting and servicing of loans similar to those comprising the Portfolio. The Servicer has well-documented and adequate policies, procedures and risk-management controls in relation to the servicing of mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer.</p>		
54	<p>STS Criteria</p> <p>54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.</p>	<p>Verified? YES</p>
<p>PCS Comments</p> <p>See Prospectus, <i>THE SELLER, THE SERVICER AND SUBORDINATED LOAN PROVIDER</i>.</p> <p>Overview</p> <p>The Seller is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and Prudential Regulation Authority and it has regulatory authorisation and permissions which are relevant to the origination and servicing of mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer. The Servicer has well-documented and adequate policies, procedures and risk-management controls in relation to the servicing of mortgage loans similar to those comprising the Portfolio which are not sold to the Issuer.</p> <p><i>The EBA Guidelines specify that this criterion should be considered to have the requisite elements of the criterion if it is a prudentially regulated financial institution.</i></p>		

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	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>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.</p>	
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Servicing of the Portfolio</p> <p>Arrears and Default Procedures</p> <p>Delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries and other asset performance remedies and actions are defined in accordance with the collections and recovery policy and default and write-off policy applied by the Seller from time to time to loans and the security for their repayment which are beneficially owned solely by the Seller (the "Seller's Policy") as it applies to the Loans from time to time.</p> <p>Capitalising Arrears</p> <p>Arrears policy</p> <p>The Seller has detailed Collections and Recoveries Policy and Procedures in place to detail the approach taken to arrears management including borrower contact strategy, governance processes, actions taken at each stage of the collections lifecycle, borrower scoring and segmentation, affordability assessments, arrears treatments and forbearance solutions, litigation and repossession, management information and mandates. These policies and procedures are aligned to all required regulation including MCOB.</p> <p>Enforcement Procedures</p> <p>See also underlying transaction documents: Servicing Agreement.</p>	

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	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>56. The transaction documentation shall clearly specify the priorities of payment,</p>	
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>CASHFLOWS</i>.</p> <p>Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer</p> <p>Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer</p>	

	<p>Distributions following the service of an Enforcement Notice on the Issuer and on the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any)</p> <p>See also underlying transaction documents:</p> <p>Cash Management Agreement</p> <p>SCHEDULE 2</p> <p>CASH MANAGEMENT AND MAINTENANCE OF LEDGERS</p> <p>13. Priority of Payments for the Application of Available Revenue Receipts prior to the service of an Enforcement Notice</p> <p>14. Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer</p> <p>Deed of Charge</p> <p>17. POST-ENFORCEMENT PRIORITY OF PAYMENTS</p> <p>Schedule 4</p> <p>Post-Enforcement Priority of Payments.</p>	
57	<p><u>STS Criteria</u></p> <p>57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i>.</p> <p>11. EVENTS OF DEFAULT</p> <p>See Prospectus, <i>CASHFLOWS</i>.</p> <p>Distributions following the service of an Enforcement Notice on the Issuer and on the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any)</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></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i>.</p> <p>Disclosure of Modifications to the Priorities of Payments</p> <p>Any events which trigger changes in any Priorities of Payments and any change in any Priorities of Payments which will materially adversely affect the repayment of the Notes, the Class VRR Notes or the Certificates will be disclosed by the Designated Reporting Entity without undue delay to the extent required under Article 21(9) of the UK Securitisation Regulation.</p>	

59	STS Criteria 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.	Verified? YES
	PCS Comments See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i> . Disclosure of Modifications to the Priorities of Payments Any events which trigger changes in any Priorities of Payments and any change in any Priorities of Payments which will materially adversely affect the repayment of the Notes, the Class VRR Notes or the Certificates will be disclosed by the Designated Reporting Entity without undue delay to the extent required under Article 21(9) of the Securitisation Regulation.	

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	STS Criteria 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	Verified? YES
	PCS Comments See Prospectus, <i>GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS</i> . Convening meetings Noteholder Meeting provisions Notice period, Location, Quorum, Required majority for Ordinary Resolution, Required majority for Extraordinary Resolution, Required majority for a Written Resolution See also Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i> . 13. MEETINGS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND CLASS VRR NOTEHOLDERS - MODIFICATION, WAIVER AND SUBSTITUTION See Prospectus, <i>TERMS AND CONDITIONS OF THE CLASS VRR NOTES</i> . 13. MEETINGS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND CLASS VRR NOTEHOLDERS - MODIFICATION, WAIVER AND SUBSTITUTION See Prospectus, <i>TERMS AND CONDITIONS OF THE CERTIFICATES</i> . 12. MEETINGS OF NOTEHOLDERS, CERTIFICATEHOLDERS AND CLASS VRR NOTEHOLDERS - MODIFICATION, WAIVER AND SUBSTITUTION See also underlying transaction documents, Trust Deed. SCHEDULE 8	

PROVISIONS FOR MEETINGS OF NOTEHOLDERS AND CLASS VRR NOTEHOLDERS

Although the wording of the Regulation as to what constitutes the “facilitation of timely resolution of conflicts” is very vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion.

PCS notes that the Prospectus covers the five provisions detailed in the EBA Guidelines.

Although the wording of the Regulation as to what constitutes the “facilitation of timely resolution of conflicts” is very vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion. The documentation covers the following:

(a) the method for calling meetings; as for method; (b) the maximum timeframe for setting up a meeting: (Prospectus: Notice period); (c) the required quorum: (Prospectus: Quorum:); (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision (Prospectus: Note Conditions,; noteholder Meeting Provisions); (e) where applicable, a location for the meetings which should be in the UK: (Prospectus: Location)

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	STS Criteria 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	Verified? YES
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PCS Comments
See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.
Deed of Charge, Trust Deed
See also transaction documents: Trust Deed and Deed of Charge.

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
	PCS Comments See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i> . The Seller confirms that it has made available, prior to pricing: <ul style="list-style-type: none"> data on static and dynamic historical default and loss performance required to be made available under Article 22(1) of the UK Securitisation Regulation; in each case (i) in respect of Article 7(2) of the UK Securitisation Regulation, via SecRep Limited (at https://www.secrep.co.uk/) (the "UK Securitisation Repository") and (ii) in respect of Article 7(2) of the EU Securitisation Regulation (as if it were applicable to it and as such requirements exist solely on the Closing Date), via SecRep B.V. (at https://www.secrep.eu/) (the "EU Securitisation Repository"). <i>PCS has reviewed historical static and dynamic data made available in connection with the transaction.</i>	
63	STS Criteria 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	Verified? YES
	PCS Comments <i>See point 62 above.</i>	
64	STS Criteria 64. Those data shall cover a period no shorter than five years.	Verified? YES
	PCS Comments <i>See point 62 above.</i>	

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	STS Criteria 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,	Verified? YES
	PCS Comments See Prospectus, <i>CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO</i> . Verification of data Atom Bank has caused the data set out in this section to be externally verified by an appropriate and independent third party. The Provisional Portfolio has been subject to an agreed upon procedures review to review amongst other things, (i) conformity of the Loans with the Loan Warranties (where applicable)) and (ii) a sample of loans selected from the Provisional Portfolio conducted by a third-party and completed on or about 12 October 2023 with respect to the Provisional Portfolio in existence as of 31 August 2023. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the underlying exposures are accurate. No significant adverse findings arose from such review. The third party undertaking the review only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein. <i>PCS has reviewed the 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.</i>	
66	STS Criteria 66. Including verification that the data disclosed in respect of the underlying exposures is accurate.	Verified? YES
	PCS Comments See comment 65 above.	

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.

<p>67 <u>STS Criteria</u></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><u>Verified?</u> YES</p>
<p><u>PCS Comments</u></p> <p>See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i>.</p> <p>Transparency and Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation</p> <p>Cashflow model</p> <p>Atom Bank (as originator) has prior to pricing, as required by Article 22(3) of the UK Securitisation Regulation, made available to potential investors (through the UK Securitisation Repository) a cashflow model, either directly or indirectly through one or more entities which provide such cashflow models to investors generally. Atom Bank (in its capacity as originator) shall procure that such cashflow model: (i) precisely represents the contractual relationship between the Loans and the payments flowing between the Seller, Noteholders, Class VRR Noteholders, Certificateholders, other third parties and the Issuer, and (ii) is made available to investors in the Notes and Certificates on an ongoing basis and to potential investors upon request.</p>	
<p>68 <u>STS Criteria</u></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><u>Verified?</u> YES</p>
<p><u>PCS Comments</u></p> <p>See point 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.</i></p> <p><i>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 whilst noting, at the same time, that the absence of any such covenant – although possibly unsettling for some investors - would not invalidate the STS status of the transaction at closing.</i></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).

69	STS Criteria	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>PCS Comments</p> <p>See Prospectus, <i>CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO</i>.</p> <p>Environmental performance of the Loans</p> <p>Atom Bank does collect information relating to the environmental performance of the Loans in the Portfolio at origination of each Loan but does not load such information into its reporting systems, and does not monitor this information on an ongoing basis thereafter.</p> <p><i>This environmental impact criterion only applies to mortgages and car loan securitisations. The EBA Guidelines though make it clear that an originator is only required to disclose information that is in its possession and captured in its internal data base or IT systems. PCS notes the statement made in the prospectus by the originator that it does not possess such information in its internal data base or IT systems.</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	STS Criteria	Verified? YES
	<p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p>	
	<p>PCS Comments</p> <p>See Prospectus, <i>GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS</i>.</p> <p>Provision of Information under the UK Securitisation Regulation and the EU Securitisation Regulation:</p> <p>Atom Bank will be responsible for compliance with Article 7 of the UK Securitisation Regulation for the purposes of Article 22(5) of the UK Securitisation Regulation.</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	<p><u>STS Criteria</u></p> <p>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.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, CERTAIN REGULATORY DISCLOSURES.</p> <p>Confirmations of the Seller</p> <p>The Seller confirms that it has made available, prior to pricing:</p> <ul style="list-style-type: none"> • if requested by any potential investor, the information required to be made available under Article 7(1)(a) of the UK Securitisation Regulation and Article 7(1)(a) of the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, as such articles are interpreted and applied on the Closing Date); <p>in each case (i) in respect of Article 7(2) of the UK Securitisation Regulation, via SecRep Limited (at https://www.secrep.co.uk/) (the "UK Securitisation Repository") and (ii) in respect of Article 7(2) of the EU Securitisation Regulation (Article 7(2) of the EU Securitisation Regulation as if it were applicable to it and as such requirements exist solely on the Closing Date), via SecRep B.V. (at https://www.secrep.eu/) (the "EU Securitisation Repository").</p>	
72	<p><u>STS Criteria</u></p> <p>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.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, CERTAIN REGULATORY DISCLOSURES.</p> <p>Confirmations of the Seller</p> <p>The Seller confirms that it has made available, prior to pricing:</p> <ul style="list-style-type: none"> • the information required to be made available under Article 7(1)(b) of the UK Securitisation Regulation and Article 7(1)(b) of the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, as such articles are interpreted and applied on the Closing Date) in draft form; • the information required to be made available under Article 7(1)(c) of the UK Securitisation Regulation and Article 7(1)(c) of the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, as such articles are interpreted and applied on the Closing Date) in the form of this Prospectus; • a cashflow model required to be made available under Article 22(3) of the UK Securitisation Regulation (as to which see the section entitled "Cashflow model" below); • data on static and dynamic historical default and loss performance required to be made available under Article 22(1) of the UK Securitisation Regulation; and • a draft of the UK STS Notification, 	

in each case (i) in respect of Article 7(2) of the UK Securitisation Regulation, via SecRep Limited (at <https://www.secrep.co.uk/>) (the "UK Securitisation Repository") and (ii) in respect of Article 7(2) of the EU Securitisation Regulation (Article 7(2) of the EU Securitisation Regulation as if it were applicable to it and as such requirements exist solely on the Closing Date), via SecRep B.V. (at <https://www.secrep.eu/>) (the "EU Securitisation Repository").

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

73	<u>Verified?</u> YES
<p><u>STS Criteria</u> 73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p> <p><u>PCS Comments</u> See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i>. Transparency and reporting under the UK Securitisation Regulation and the EU Securitisation Regulation The Designated Reporting Entity: (a) from the Closing Date and with respect to the UK Disclosure Requirements, (ii) confirms that: (A) it has made available this Prospectus and the Transaction Documents (in draft form) in accordance with Article 7(1)(b) and Article 22(5) of the UK Securitisation Regulation prior to the pricing date of the Notes via the UK Securitisation Repository and at https://www.euroabs.com/IH.aspx?d=21317; and that it will procure that final documents are provided no later than 15 days after the Closing Date via the UK Securitisation Repository and at https://www.euroabs.com/IH.aspx?d=21318; <i>This criterion speaks to document disclosure within 15 days of closing and therefore is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost.</i> <i>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 whilst noting at the same time that the absence of any such covenant – although possibly unsettling for some investors – would not invalidate the STS status of the transaction at closing.</i></p>	

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 authority 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**

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 authority referred to in Article 29 and, upon request, to potential investors:

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

Verified?
YES

PCS Comments

See Prospectus, *GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS*.

Provision of Information under the UK Securitisation Regulation and the EU Securitisation Regulation:

From the Closing Date, the Designated Reporting Entity will, among other things:

(b) procure that the Servicer prepares, and the Servicer will prepare, a quarterly report on each Reporting Date in relation to the immediately preceding Collection Period containing certain loan level information in relation to the Portfolio as required by (i) Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "UK Loan Level Report", together with the UK Investor Report, the "UK SR Reports") and (ii) Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards for the purposes of Article 5(1)(e) of the EU Securitisation Regulation not taking into account any relevant national measures, as if such requirement was applicable to it (the "EU Loan Level Report", together with the EU Investor Report, "EU SR Reports");

See Prospectus, *CERTAIN REGULATORY DISCLOSURES*.

Transparency and reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

The Designated Reporting Entity:

(a) the Closing Date and with respect to the UK Disclosure Requirements,

(i) undertakes that it will:

(A) fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf; [...]

(C) (simultaneously with the UK Investor Report), procure that the Servicer, on a quarterly basis (i) prepares a quarterly report on each Reporting Date containing certain loan level information in relation to the Portfolio in respect of the immediately preceding Collection Period as required by Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and in the form of the disclosure templates adopted under the UK Article 7 Technical Standards (the "UK Loan Level Report" together with the UK Investor Report the "UK SR Reports") and (ii) delivers such UK Loan Level Report to the Designated Reporting Entity to publish (or procure the publication of) such UK Loan Level Report on the UK Securitisation Repository on the relevant Reporting Date or shortly thereafter (and no later than one month after the relevant Interest Payment Date);

Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 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 authority 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 guarantees 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	<p><u>STS Criteria</u></p> <p>75. (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <ul style="list-style-type: none"> (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 guarantees 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; 	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i>.</p> <p>Confirmations of the Seller</p> <p>(c) confirmation that the Seller (as originator) will make available the information required by Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation (in the case of the EU Securitisation Regulation, as such articles are interpreted and applied on the Closing Date) in accordance with the frequency and modalities provided for in such article.</p> <p>Transparency and Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation</p> <p>The Designated Reporting Entity:</p> <p>(a) from the Closing Date and with respect to the UK Disclosure Requirements,</p>	

(ii) confirms that:

(A) it has made available this Prospectus and the Transaction Documents (in draft form) in accordance with Article 7(1)(b) and Article 22(5) of the UK Securitisation Regulation prior to the pricing date of the Notes via the UK Securitisation Repository and at <https://www.euroabs.com/IH.aspx?d=21317>; and that it will procure that final documents are provided no later than 15 days after the Closing Date via the UK Securitisation Repository and at <https://www.euroabs.com/IH.aspx?d=21318>;

(iii) undertakes that it will procure that the information referred to above as well as the EU Inside Information/Significant Event Report is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes via the UK Securitisation Repository and that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator,

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

"Transaction Documents" means the Servicing Agreement, the Agency Agreement, the Citi Bank Account Agreement, the BNPP Bank Account Agreement, the Securities Custody Agreement, the Collection Account Declaration of Trust Accession Undertaking, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge, the Scottish Supplemental Charge, the Swap Agreement, a share trust deed dated 11 September 2023 (the "Share Trust Deed"), an incorporated terms memorandum signed for the purposes of identification by, among others, the Issuer, the Seller and the Security Trustee (the "Incorporated Terms Memorandum"), the Mortgage Sale Agreement, the Scottish Declaration of Trust, the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Closing Date (the "Seller Power of Attorney"), the Trust Deed, the Subordinated Loan Agreement and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes, Class VRR Notes and Certificates.

Certain 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, *CASHFLOWS*.

Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer

Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer

Distributions following the service of an Enforcement Notice on the Issuer and on the Refinancing Date (if any) or on the 10 Per Cent. Clean-up Call Date (if any) or on the Portfolio Call Option Completion Date (if any)

See underlying transaction documents:

Cash Management Agreement.

SCHEDULE 2

CASH MANAGEMENT AND MAINTENANCE OF LEDGERS

13. Priority of Payments for the Application of Available Revenue Receipts prior to the service of an Enforcement Notice

14. Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer Deed of Charge

Deed of Charge

17. POST-ENFORCEMENT PRIORITY OF PAYMENTS

Schedule 4

Post-Enforcement Priority of Payments

Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 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:

(c) where section 85 of the 2000 Act (prohibition of dealing etc in transferable securities without approved prospectus) and rules made by the FCA for the purposes of Part 6 of the 2000 Act (official listing)¹ do not require a prospectus to be drawn up, 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) section 85 of the 2000 Act (prohibition of dealing etc in transferable securities without approved prospectus) and rules made by the FCA for the purposes of Part 6 of the 2000 Act (official listing) do not require a prospectus to be drawn up, 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

The Prospectus serves as the transaction summary in this transaction. The information is contained in the Prospectus.

¹ These are "prospectus rules"; see section 73A of the Financial Services and Markets Act 2000 (Part 6 Rules), inserted by S.I. 2005/381

Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 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:

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

78	<u>Verified?</u>
<p><u>STS Criteria</u></p> <p>78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;</p>	<p>YES</p>
<p><u>PCS Comments</u></p> <p>See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES</i>.</p> <p>Transparency and Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation</p> <p>The Designated Reporting Entity:</p> <p>(ii) confirms that:</p> <p>(B) the UK STS Notification required pursuant to Article 7(1)(d) of the UK Securitisation Regulation has been made available (in draft form) via the UK Securitisation Repository prior to the pricing of the Notes and that the final UK STS Notification will be notified to the FCA and will be made available via the UK Securitisation Repository, with the short-form (anonymised) particulars of such UK STS Notification being made available on the FCA STS Register website.</p> <p>(iii) undertakes that it will procure that the information referred to above as well as the EU Inside Information/Significant Event Report is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes via the UK Securitisation Repository and that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator,</p> <p>See Prospectus,</p> <p>UK Simple, Transparent and Standardised Securitisation ("STS")</p> <p>It is intended that the transaction described in this Prospectus (the "Transaction") qualifies as an STS securitisation within the meaning of Article 18 of Regulation (EU) 2017/2402 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as amended, varied, superseded or substituted from time to time ("EUWA") as amended, varied, superseded or substituted from time to time including any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto (the "UK Securitisation Regulation") and a notification will be submitted by Atom Bank prior to the Closing Date to the Financial Conduct Authority ("FCA"), in accordance with Article 27 of the UK Securitisation Regulation, confirming that the requirements of Articles 19 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Notes, the Class VRR Notes and the Certificates (such notification, the "UK STS Notification"). The short form (anonymised) particulars of the UK STS Notification, once notified to the FCA, will be available on FCA Register of Securitisation STS Notifications at https://data.fca.org.uk/#/sts/stssecuritisations (or its successor website) (the FCA STS Register website{XE "FCA STS Register website"}). For the avoidance of doubt, the FCA STS Register website and the contents thereof do not form part of this Prospectus. In relation to the UK STS Notification, Atom Bank has been designated as the first contact point for investors and competent authorities.</p> <p>Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</p>	

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.

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STS Criteria

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.

Verified?
YES

PCS Comments

See Prospectus, *GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS.*

Provision of Information under the UK Securitisation Regulation and the EU Securitisation Regulation:

From the Closing Date, the Designated Reporting Entity will, among other things:

- (a) procure that the Cash Manager prepares, and the Cash Manager will prepare, (to the satisfaction of the Designated Reporting Entity) a quarterly investor report one Business Day after each Interest Payment Date (a "Reporting Date") in relation to the immediately preceding Collection Period containing information required (i) by Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "UK Investor Report") and (ii) Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards for the purposes of Article 5(1)(e) of the EU Securitisation Regulation not taking into account any relevant national measures, as if such requirement was applicable to it (the "EU Investor Report");

See Prospectus, *CERTAIN REGULATORY DISCLOSURES.*

Transparency and reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

The Designated Reporting Entity:

- (a) from the Closing Date and with respect to the UK Disclosure Requirements,

- (i) undertakes that it will:

- (A) fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;

(B) procure that the Cash Manager (i) prepares (to the satisfaction of the Designated Reporting Entity) a quarterly investor report one Business Day after each Interest Payment Date (a "Reporting Date") in relation to the immediately preceding Collection Period as required by Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards in the form of the disclosure templates adopted under the UK Article 7 Technical Standards (the "UK Investor Report"), and (ii) delivers such UK Investor Report to the Designated Reporting Entity to publish (or procure the publication of) such UK Investor Report via SecRep Limited (at <http://www.secrep.co.uk>) (the "UK Securitisation Repository") on the relevant Reporting Date or shortly thereafter (and no later than one month after the relevant Interest Payment Date);

(iii) undertakes that it will procure that the information referred to above as well as the EU Inside Information/Significant Event Report is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes via the UK Securitisation Repository and that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator,

Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 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:

(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;

80	STS Criteria	Verified? YES
	PCS Comments	
	<p>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;</p> <p>See Prospectus, <i>GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS.</i></p> <p>Provision of Information under the UK Securitisation Regulation and the EU Securitisation Regulation:</p> <p>From the Closing Date, the Designated Reporting Entity will, among other things:</p> <p>(c) procure that the Servicer prepares, and the Servicer will prepare, without delay any information required to be reported pursuant to (i) Article 7(1)(g) of the UK Securitisation Regulation (the "UK Significant Event Report") and (ii) Article 7(1)(f) or 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if such requirements were applicable to it (the "EU Inside Information/Significant Event Report").</p> <p>The Designated Reporting Entity will publish (or procure the publication of):</p> <p>(d) the UK SR Reports and (if required) the UK Significant Event Report, the EU Inside Information/Significant Event Report and other relevant information as required under the UK Securitisation Regulation by means of SecRep Limited at https://www.secrep.co.uk/ (the "UK Securitisation Repository");</p> <p>See Prospectus, <i>CERTAIN REGULATORY DISCLOSURES.</i></p> <p>Transparency and reporting under the UK Securitisation Regulation and the EU Securitisation Regulation</p> <p>The Designated Reporting Entity:</p>	

(a) from the Closing Date and with respect to the UK Disclosure Requirements,

(i) undertakes that it will:

(A) fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;

(iii) undertakes that it will procure that the information referred to above as well as the EU Inside Information/Significant Event Report is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes via the UK Securitisation Repository and that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator,

(b) from the Closing Date and with respect to the EU Disclosure Requirements,

See Prospectus, *CERTAIN REGULATORY DISCLOSURES*.

Transparency and reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

The Designated Reporting Entity:

(iii) undertakes that it will procure that the information referred to above as well as the EU Inside Information/Significant Event Report is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes via the UK Securitisation Repository and that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator,

(C) without delay, prepare and publish or procure the publication of any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards is prepared and published without delay (for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if such requirements were applicable to it (the "EU Inside Information/Significant Event Report"),

Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 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:

(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.

81 **STS Criteria**

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 the competent authority has taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

Verified?
YES

PCS Comments

See comment 80 above.

See Prospectus, *GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS*.

Provision of Information under the UK Securitisation Regulation and the EU Securitisation Regulation:

From the Closing Date, the Designated Reporting Entity will, among other things:

(c) procure that the Servicer prepares, and the Servicer will prepare, without delay any information required to be reported pursuant to (i) Article 7(1)(g) of the UK Securitisation Regulation (the "UK Significant Event Report") and (ii) Article 7(1)(f) or 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if such requirements were applicable to it (the "EU Inside Information/Significant Event Report").

The Designated Reporting Entity will publish (or procure the publication of):

(d) the UK SR Reports and (if required) the UK Significant Event Report, the EU Inside Information/Significant Event Report and other relevant information as required under the UK Securitisation Regulation by means of SecRep Limited at <https://www.secprep.co.uk/> (the "UK Securitisation Repository");

See Prospectus, *CERTAIN REGULATORY DISCLOSURES*.

Transparency and Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

The Designated Reporting Entity:

(a) from the Closing Date and with respect to the UK Disclosure Requirements,

(i) undertakes that it will:

(D) without delay, prepare and publish or procure the publication of any information required to be reported pursuant to Article 7(1)(g) of the UK Securitisation Regulation (the "UK Significant Event Report") on the UK Securitisation Repository;

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 Prospectus, *CERTAIN REGULATORY DISCLOSURES*.

Transparency and reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

The Designated Reporting Entity:

(a) from the Closing Date and with respect to the UK Disclosure Requirements,

(i) undertakes that it will:

(A) fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;

(B) procure that the Cash Manager (i) prepares (to the satisfaction of the Designated Reporting Entity) a quarterly investor report one Business Day after each Interest Payment Date (a "Reporting Date") in relation to the immediately preceding Collection Period as required by Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards in the form of the disclosure templates adopted under the UK Article 7 Technical Standards (the "UK Investor Report"), and (ii) delivers such UK Investor Report to the Designated Reporting Entity to publish (or procure the publication of) such UK Investor Report via SecRep Limited (at <http://www.secrep.co.uk>) (the "UK Securitisation Repository") on the relevant Reporting Date or shortly thereafter (and no later than one month after the relevant Interest Payment Date);

(C) (simultaneously with the UK Investor Report), procure that the Servicer, on a quarterly basis (i) prepares a quarterly report on each Reporting Date containing certain loan level information in relation to the Portfolio in respect of the immediately preceding Collection Period as required by Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and in the form of the disclosure templates adopted under the UK Article 7 Technical Standards (the "UK Loan Level Report" together with the UK Investor Report the "UK SR Reports") and (ii) delivers such UK Loan Level Report to the Designated Reporting Entity to publish (or procure the publication of) such UK Loan Level Report on the UK Securitisation Repository on the relevant Reporting Date or shortly thereafter (and no later than one month after the relevant Interest Payment Date);

Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 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 United Kingdom 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 Prospectus, *CERTAIN REGULATORY DISCLOSURES*.

Transparency and Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

The Designated Reporting Entity:

(a) from the Closing Date and with respect to the UK Disclosure Requirements,

(i) undertakes that it will:

(A) fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;

(D) without delay, prepare and publish or procure the publication of any information required to be reported pursuant to Article 7(1)(g) of the UK Securitisation Regulation (the "UK Significant Event Report") on the UK Securitisation Repository;

See Prospectus, *GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS*.

Provision of Information under the UK Securitisation Regulation and the EU Securitisation Regulation:

From the Closing Date, the Designated Reporting Entity will, among other things:

(c) procure that the Servicer prepares, and the Servicer will prepare, without delay any information required to be reported pursuant to (i) Article 7(1)(g) of the UK Securitisation Regulation (the "UK Significant Event Report") and (ii) Article 7(1)(f) or 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if such requirements were applicable to it (the "EU Inside Information/Significant Event Report").

Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 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 **STS Criteria**

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.

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.

Verified?
YES

PCS Comments

See Prospectus, *GENERAL RIGHTS OF NOTEHOLDERS, CLASS VRR NOTEHOLDERS, CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS*.

Provision of Information under the UK Securitisation Regulation and the EU Securitisation Regulation:

For the purposes of Article 7(2) of the UK Securitisation Regulation, Atom Bank (as originator) has been designated as the entity (the "Designated Reporting Entity") responsible for complying with Article 7 of the UK Securitisation Regulation (the "UK Disclosure Requirements") and, as the Designated Reporting Entity, it will fulfil the requirements of Article 7 of the UK Securitisation Regulation either itself or shall procure that such requirements are fulfilled on its behalf.

See Prospectus, *CERTAIN REGULATORY DISCLOSURES*.

Transparency and Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

For the purposes of Article 7(2) of the UK Securitisation Regulation, Atom Bank (as originator) (the "Designated Reporting Entity"), has been designated as the entity responsible for complying with Article 7 of the UK Securitisation Regulation.

[...]

The Designated Reporting Entity will publish (or procure the publication of):

(d) the UK SR Reports and (if required) the UK Significant Event Report, the EU Inside Information/Significant Event Report and other relevant information as required under the UK Securitisation Regulation by means of SecRep Limited at <https://www.secrep.co.uk/> (the "UK Securitisation Repository");

See Prospectus, *CERTAIN REGULATORY DISCLOSURES*.

Confirmations of the Seller

The Seller confirms that it has made available, prior to pricing: [...]

in each case (i) in respect of Article 7(2) of the UK Securitisation Regulation, via SecRep Limited (at <https://www.secrep.co.uk/>) (the "UK Securitisation Repository")

The Designated Reporting Entity:

(a) from the Closing Date and with respect to the UK Disclosure Requirements,

(i) undertakes that it will:

(A) fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;

(B) procure that the Cash Manager (i) prepares (to the satisfaction of the Designated Reporting Entity) a quarterly investor report one Business Day after each Interest Payment Date (a "Reporting Date") in relation to the immediately preceding Collection Period as required by Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards in the form of the disclosure templates adopted under the UK Article 7 Technical Standards (the "UK Investor Report"), and (ii) delivers such UK Investor Report to the Designated Reporting Entity to publish (or procure the publication of) such UK Investor Report via SecRep Limited (at <http://www.secrep.co.uk>) (the "UK Securitisation Repository") on the relevant Reporting Date or shortly thereafter (and no later than one month after the relevant Interest Payment Date);

(C) (simultaneously with the UK Investor Report), procure that the Servicer, on a quarterly basis (i) prepares a quarterly report on each Reporting Date containing certain loan level information in relation to the Portfolio in respect of the immediately preceding Collection Period as required by Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and in the form of the disclosure templates adopted under the UK Article 7 Technical Standards (the "UK Loan Level Report" together with the UK Investor Report the "UK SR Reports") and (ii) delivers such UK Loan Level Report to the Designated Reporting Entity to publish (or procure the publication of) such UK Loan Level Report on the UK Securitisation Repository on the relevant Reporting Date or shortly thereafter (and no later than one month after the relevant Interest Payment Date);

(D) without delay, prepare and publish or procure the publication of any information required to be reported pursuant to Article 7(1)(g) of the UK Securitisation Regulation (the "UK Significant Event Report") on the UK Securitisation Repository;

(ii) confirms that:

(A) it has made available this Prospectus and the Transaction Documents (in draft form) in accordance with Article 7(1)(b) and Article 22(5) of the UK Securitisation Regulation prior to the pricing date of the Notes via the UK Securitisation Repository and at <https://www.euroabs.com/IH.aspx?d=21317> ; and that it will procure that final documents are provided no later than 15 days after the Closing Date via the UK Securitisation Repository and at <https://www.euroabs.com/IH.aspx?d=21318>;

(B) the UK STS Notification required pursuant to Article 7(1)(d) of the UK Securitisation Regulation has been made available (in draft form) via the UK Securitisation Repository prior to the pricing of the Notes and that the final UK STS Notification will be notified to the FCA and will be made available via the UK Securitisation Repository, with the short-form (anonymised) particulars of such UK STS Notification being made available on the FCA STS Register website.

See also underlying transaction documents, Incorporated Terms Memorandum.

UK Securitisation Repository means as at the Closing Date, SecRep Limited. or its substitute, successor or replacement that is registered with FCA under the UK Securitisation Regulation as notified by the Designated Reporting Entity to the Transaction Parties and Rating Agencies from time to time.

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

85	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> <i>See point 84 above.</i> <i>Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i>	