

**Provisional**  
**STS Term Verification Checklist**  
**FCT CREDIT AGRICOLE HABITAT 2024**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

18<sup>th</sup> March 2024

**Analyst: Fazel Ahmed | Contact: +44 (0) 203 866 5004**

This is the Provisional STS Term Verification Checklist for STS Term Verifications.

This Provisional STS Term Verification Checklist must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the draft materials received by PCS as at the date of this document. Any page references in this document are to the prospectus unless otherwise stated.

This Provisional STS Term Verification Checklist is not the final STS Term Verification and is based on the draft documents and information provided to PCS by or on behalf of the originator as of the date of this assessment.

PCS comments in this Provisional 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.

It is anticipated at the date of this Provisional STS Term Verification Checklist a Final STS Term Verification Checklist for STS Term Verification will be made available at or around closing of the transaction. However, such Final STS Term Verification Checklist for STS Term Verifications will be based upon the final materials received by PCS and will only be made available on a fully ticked basis if no material adverse changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would not adversely change our analysis. Therefore, no guarantees can be provided that such Final STS Term Verification Checklist for STS Term Verification will be made available on a fully ticked basis.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. Note that all comments on the disclaimer relate to both Provisional STS Term Checklist for STS Term Verifications and the Final STS Term Checklist for STS Term Verifications.

**18 March 2024**

## STS Disclaimer

Neither an STS Verification, nor a CRR Assessment, nor an LCR Assessment is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

PCS EU and PCS UK are authorised respectively by the French Autorité des Marchés Financiers and by the United Kingdom Financial Conduct Authority as third parties verifying STS compliance pursuant to article 28 of Regulation (EU) 2017/2402 (the “**STS Regulation**”).

Currently, none of the activities involved in providing an CRR and LCR Assessment are endorsed or regulated by any regulatory and/or supervisory authority nor are the PCS Association or PCS EU regulated by any regulator and/or supervisory authority including the Belgian Financial Services and Markets Authority, the United Kingdom Financial Conduct Authority, the French Autorité des Marchés Financiers or the European Securities and Markets Authority.

By assessing the STS status and compliance with the CRR and LCR provisions of any securities or financing, neither the PCS Association nor PCS UK nor PCS EU express any views about the creditworthiness of these securities or financings or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings. Equally, by completing (either positively or negatively) any CRR, LCR or STS status assessment of certain instruments, no statement of any kind is made as to the value or price of these instruments or the appropriateness of the interest rate they carry (if any).

In the provision of any of its assessments, PCS has based its decision on information provided directly and indirectly by the originator or sponsor of the relevant securitisation. Specifically, it has relied on statements made in the relevant prospectus or deal sheet, documentation and/or in certificates provided by, or on behalf of, the originator or sponsor in accordance with PCS’ published procedures for the relevant PCS verification or assessment. You should make yourself familiar with these procedures to understand fully how any PCS service is completed. These can be found at <https://pcsmarket.org/> (the “**PCS Website**”). Neither the PCS Association nor PCS UK nor PCS EU undertake their own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any of its assessments or checklists is not a confirmation or implication that the information provided to it by or on behalf of the originator or sponsor is accurate or complete.

The PCS entities take reasonable measures to ensure the quality and accuracy of the information on [www.pcsmarket.org](http://www.pcsmarket.org). However, neither the PCS Association nor PCS UK nor PCS EU can be held liable in any way for the inaccuracy or incompleteness of any information that is available on or through the PCS Website. In addition, neither the PCS Association nor PCS UK nor PCS EU can in any way be held liable or responsible for the content of any website linked to the PCS Website.

To understand the meaning and limitations of any checklist or assessment you must read the [General Disclaimer](#) that appears on the PCS Website.

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) Provisional STS Verification

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Verification	18 March 2024
<b>The transaction to be verified (the "Transaction")</b>	<b>FCT CREDIT AGRICOLE HABITAT 2024</b>
Issuer	FCT CREDIT AGRICOLE HABITAT 2024
Originator/Seller/STS Originator for STS purposes	39 Caisses Régionales de Crédit Agricole Mutuel (the "Regional Banks") and the Crédit Lyonnais ("LCL")
Lead Manager(s)	Crédit Agricole Corporate and Investment Bank
Transaction Legal Counsel	Linklaters LLP
Rating Agencies	Morningstar DBRS and Moody's
Stock Exchange	Paris Stock Exchange (Euronext Paris)
Target Closing Date	[17 April 2024]

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	
<b>Article 20 – Simplicity</b>			
20(1)	<a href="#">True sale</a>	1	✓
20(2-4)	<a href="#">Severe clawback</a>	2	✓
20(4)	<a href="#">True sale with intermediate steps</a>	3	✓
20(5)	<a href="#">Assignment perfection</a>	4	✓
20(6)	<a href="#">Encumbrances to enforceability of true sale</a>	5	✓
20(7)	<a href="#">Eligibility criteria, active portfolio management, and exposure transferred after closing</a>	6 - 8	✓
20(8)	<a href="#">Homogeneity, enforceability, full recourse, periodic payment streams, no transferable securities</a>	9 - 14	✓
20(9)	<a href="#">No securitisation positions</a>	15	✓
20(10)	<a href="#">Origination, underwriting standards, unverified residential loans, assessment of creditworthiness, originator expertise</a>	16 - 21	✓
20(11)	<a href="#">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</a>	22 - 30	✓
20(12)	<a href="#">At least one payment made</a>	31	✓
20(13)	<a href="#">No predominant dependence on the sale of asset</a>	32	✓
<b>Article 21 – Standardisation</b>			
21(1)	<a href="#">Risk retention</a>	33	✓
21(2)	<a href="#">Appropriate mitigation of interest-rate and currency risks and disclosure, no further derivatives and hedging derivatives according to common standards</a>	34 - 39	✓
21(3)	<a href="#">Referenced interest payments</a>	40	✓
21(4)	<a href="#">Requirements in the event of enforcement or delivery of acceleration notice: no cash trap, sequential amortisation, no reversal, no automatic liquidation</a>	41 - 44	✓
21(5)	<a href="#">Non-sequential priority of payments</a>	45	✓
21(6)	<a href="#">Early amortisation provisions/triggers for termination of revolving period</a>	46 - 49	✓
21(7)	<a href="#">Duties, responsibilities, and replacement of transaction parties</a>	50 - 52	✓
21(8)	<a href="#">Expertise of the servicer</a>	53 - 54	✓
21(9)	<a href="#">Remedies and actions by servicer related to delinquency and default of debtor, priorities of payments, triggers for changes, obligation to report</a>	55 - 59	✓
21(10)	<a href="#">Resolution of investor conflicts and fiduciary party responsibilities and duties</a>	60 - 61	✓
<b>Articles 22 and 7 – Transparency</b>			
22(1)	<a href="#">Historical asset data</a>	62 - 64	✓
22(2)	<a href="#">AUP/asset verification</a>	65 - 66	✓
22(3)	<a href="#">Liability cashflow model</a>	67 - 68	✓
22(4)	<a href="#">Environmental performance of asset</a>	69	✓
22(5)	<a href="#">Responsibility for article 7, information disclosure before pricing and 15 days after closing</a>	70 - 73	✓
7(1)	<a href="#">Transparency requirements: underlying loan data, documentation, priority of payments, transaction summary, STS notification, investor report, inside information, significant event report, simultaneous, without delay</a>	74 - 83	✓
7(2)	<a href="#">Transparency requirements: securitisation repository, designation of responsible entity</a>	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 <b>STS Criteria</b>	<u>Verified?</u> <b>YES</b>
<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>As for the Acquisition by the Issuer of the Home Loans, see section “Master Purchase and Servicing Agreement – Effect and Method of Purchase” where it is stated: “Any assignment of the Home Loans from any Seller to the Issuer pursuant to the Master Purchase and Servicing Agreement will constitute an absolute assignment of title to the Home Loans (cession de créances en pleine propriété), together with any Ancillary Rights.”</p> <p>Confirmation of true sale i.e. enforceability of assignment, an assessment of the re-characterisation risks is made in the Legal Opinion.</p> <p>PCS has been provided with and reviewed the French law legal opinion provided by Linklaters LLP.</p> <p><i>“True sale” is not a legal concept but a rating agency creation.</i></p> <p><i>The essence of a “true sale” is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE’s ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a “true sale” the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller’s creditor out of the proceeds of the securitised assets. Following a “true sale” there is no legal device by which the assets can automatically revert to the originator/seller’s ownership. Such automatic reversion is associated with security interests and anathema to a “true sale”.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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. However, as confirmed in the French legal opinion, no clawback applies to the transfer of the underlying exposures in the context of a French law governed securitisation.</i></p> <p><i>In any case, the Regulation (20.1) does not require STS “true sales” to be fully clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to “severe clawback”. The Regulation does not define “severe clawback” but gives an example (20.2) where a clawback may occur.</i></p> <p><i>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”.</i></p> <p><i>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.</i></p> <p><i>Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.</i></p>	

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

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

Since “severe clawback” is a jurisdictional concept, in analysing this issue PCS will therefore first seek to determine the 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 assignments from French banks to a French Fonds Commun de Titrisation.

The legal opinion from Linklaters LLP confirmed that the assignment from the Sellers to the Issuer meets the definition of “true sale” outlined above.

The Sellers are incorporated in France.

The Legal Opinion confirms that pursuant to article L. 214-169, V.- 4°) of the Code monétaire et financier, the transfer of any Purchased Home Loan and Ancillary Rights attached thereto will not be set aside nor be able to be clawed back upon the opening of any insolvency or bankruptcy proceedings of the relevant Seller notwithstanding that such transfer occurs during the hardening period of such Seller or such transfer occurs at a time when such Seller was in a cessation of payments (en état de cessation des paiements).

Therefore, and as generally outlined in the French legal opinion, PCS has reached sufficient comfort that the transfer is not subject to clawback and is enforceable against the Sellers and any other third parties.

**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

**STS Criteria**

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.

**Verified?**

**YES**

**PCS Comments**

COMI of the Sellers is France. See “Sellers Conformity Warranties” in prospectus:

"Finally, under the Master Purchase and Servicing Agreement, each Seller has also represented and declared that its "centre of main interests - COMI" (centre des intérêts principaux) (as defined in Article 3(1) of the EU Insolvency Regulation) is in the jurisdiction in which it has its registered office, i.e. in France."

In addition, the legal opinion opines suitably.

**France is not subject to severe claw-back**

**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.

<b>3</b>	<p><b><u>STS Criteria</u></b></p> <p>3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p><i>This requirement does not apply to this transaction since the Loans have been originated by the Sellers, see "Sellers' conformity warranties (a)" given by each Seller on any Purchase Date, in respect of the Purchased Home Loans to be assigned to the Issuer on such Purchase Date:</i></p> <p>Sellers' conformity warranties</p> <p>"a) Prior to the date on which the Home Loan had been made available to the Borrower, all lending criteria and preconditions as applied by the Seller pursuant to its customary lending procedures and which are not less stringent than the lending procedures applied to similar exposures which are not securitised, were satisfied and the Home Loan has been originated in the ordinary course of business of the Seller, being a lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan;"</p>	

**Article 20.5.** Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to 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.

<b>4</b>	<p><b><u>STS Criteria</u></b></p> <p>4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> <li>(a) severe deterioration in the seller credit quality standing;</li> <li>(b) insolvency of the seller; and</li> </ul>	<p><b><u>Verified?</u></b> <b>YES</b></p>
----------	--	---



(c) unremedied breaches of contractual obligations by the seller, including the seller's default.

**PCS Comments**

See Section "Risk factors" –3 Risks relating to certain French and European Legal Particulars with respect to the Home Loans " – "3.1 No initial notification of the assignment of the Home Loans; defences of the Borrowers and set-off rights of the Borrowers".

"The Master Purchase and Servicing Agreement provides that the assignment of the Home Loans and the assignment of any Ancillary Rights will be effected through an assignment of these rights by the relevant Seller to the Issuer pursuant to Article L.214-169 of the French Monetary and Financial Code. Legal title to the Home Loans and the Ancillary Rights will be validly assigned from each Seller to the Issuer, effective as from the respective date of the Assignment Deed, without other formality and such assignment will not be initially notified to the Borrowers. The assignment will only be notified to the Borrowers under the Home Loans (and any insurer under any Insurance Contract relating to the relevant Borrower) following the occurrence of a Servicer Termination Event or of a Severe Deterioration in a Seller's Credit Quality pursuant to the Master Purchase and Servicing Agreement, or as the case may be, according to any legal requirement (including, but not limited to, any such requirement in relation to any legal proceedings initiated against a Borrower). The Home Loan Guarantors will be notified of the assignment of the Purchased Home Loans according to the terms of two protocols, entered into between CAMCA or Crédit Logement, as applicable, and the Issuer (each a "Home Loan Guarantor Protocol")."

*Criterion 4 requires two steps:*

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

*Although the transfer is not notified to the borrowers, the French legal opinion confirms that such notification is not required to fully perfect the transfer of ownership in the loans to the SSPE. Accordingly, this transaction does not operate by way of an unperfected assignment and the issue of triggers does not arise.*

**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.

**5 STS Criteria**

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 "Sellers' conformity warranties (u), (v) and (x)".

"(u) The Seller has full title to the Home Loans and the related Ancillary Rights immediately prior to their assignment or transfer to the Issuer, and the Home Loans and the related Ancillary Rights are not subject to, either in whole or in part, any assignment, delegation or pledge, attachment, warranty claims, set-off nor encumbrance of whatever type, in particular any rights of third parties, or otherwise in a condition, that can be foreseen to adversely affect the enforceability of the assignment of the Home Loans or any related Ancillary Right to the Issuer; and

(v)The Home Loans are not subject to dispute or counterclaim;

(x) The assignment of the Home Loan and the assignment and transfer of the Ancillary Rights to the Issuer does not require the prior consent of the Borrower,”

**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.

<b>6</b>	<b>STS Criteria</b> 6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....	<b>Verified?</b> <b>YES</b>
<b>PCS Comments</b> See “Master Purchase and Servicing Agreement” – “Description of the Home Loans”, “Home Loan Eligibility Criteria”, “Additional Home Loan Warranties”. See also Sellers' conformity warranties “Under the Master Purchase and Servicing Agreement and in accordance with Article 6(2) of the Securitisation Regulation, each Seller has represented and declared that, it has not selected and shall not select the Home Loans to be transferred to the Issuer with the aim of rendering losses on the Home Loans transferred to the Issuer, measured over four (4) years, higher than the losses over the same period on comparable receivables held on its balance sheet.” <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> <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>		
<b>7</b>	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
<b>PCS Comments</b> See “Master Purchase and Servicing Agreement” – “General Consideration with respect to Re-assignments” and “Re-assignment of Purchased Home Loans” more generally. <i>Indeed, 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”.</i> <i>PCS has reviewed all the repurchase devices set out in the Prospectus and these are acceptable within the context of the EBA final guidelines.</i> <i>PCS also notes that there is an explicit affirmative statement in the Prospectus to the effect that no active management of the assets backing the Transaction applies.</i>		

<b>8</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p> <p><b>PCS Comments</b></p> <p>The transaction is revolving. See “Master Purchase and Servicing Agreement” – “Description of the Home Loans” and “Home Loan Eligibility Criteria”, “Additional Home Loan Warranties”.</p> <p><i>This criterion is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the originator will need to inform ESMA and the STS status of the securitisation will be lost.</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> <p><i>PCS has identified the existence of such a covenant in the Prospectus.</i></p>	

**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.

<b>9</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<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><b>PCS Comments</b></p> <p>See “STATISTICAL INFORMATION ON THE PORTFOLIO”.</p> <p>The provisional portfolio of Home Loans satisfies the homogeneous conditions of Article 1(a), (b), (c) and (d) of the Commission Delegated Regulation (EU) 2019/1851 supplementing the Securitisation Regulation with regard to regulatory technical standards (RTS) on the homogeneity of the underlying exposures in securitisation under Articles 20(14) and 24(21) of Regulation (EU) No 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation dated 28 May 2019, as amended (the “RTS Homogeneity”). The Home Loans of the provisional portfolio (a) have been underwritten according to similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the Home Loans and without prejudice to Article 9(1) of the Securitisation Regulation (b) are serviced according to similar servicing procedures with respect to monitoring, collection and administration of Home Loans, (c) fall within the same asset category of residential loans secured with one mortgage on residential immovable property or residential loans fully guaranteed by an eligible protection provider and (d) in accordance with the homogeneity factors set forth in Article 2(1)(b) of the RTS Homogeneity, in accordance with the Home Loan Eligibility Criteria (b), the Home Loans were granted for the purposes of financing (i) the acquisition, (ii) the acquisition and the renovation, or (iii) the construction of the underlying property, provided that the property is already built as at the Cut-off Date.”</p>	

*The definition of “homogeneity” in the Regulation is the subject of a Regulatory Technical Standard (“RTS”), issued by the European Commission on 7<sup>th</sup> November 2023, amending the RTS EU) 2019/1851. Being set out in an RTS, rather than a guideline or recommendation issued by the EBA, the definition of “homogeneity” will be legally binding on all regulatory authorities.*

*Based on the above, it seems clear to PCS that the Regulation would not seek to exclude from the STS category securitisations that have performed extremely well and are universally considered “homogenous” by market participants. This does not exonerate any transaction from being analysed against this criterion but does set the background for such analysis.*

*Turning, for guidance, to the RTS adopted by the European Commission, in principle, four elements require examination: (a) “similar underwriting standards”, (b) “similar servicing standards”, (c) “same asset class” and (d) “relevant risk factors”. Consumer loans are though considered sufficiently homogeneous and do not need to meet also a specific homogeneity factor.*

*Following the guiding principles of the EBA, we note that “similar underwriting standards” must mean something like the same type of underwriting approach, looking at the same types of data points to calculate the same type of credit risk. It cannot mean “exactly the same underwriting criteria”, since this would make it impossible for any securitisation ever to have a “homogenous” pool..*

*In the Transaction, the loans were underwritten on a similar basis, they are being serviced by the Servicers on the same platform, they are a single asset class – Residential Home Loans – and, based on the EBA’s suggested approach, the properties, on which the home loans are granted, are all located in France.*

*PCS also takes great comfort from the fact that transactions containing pools with similar characteristics have always been considered to be “homogenous” by a wide consensus of market participants*

<b>10</b>	<b>STS Criteria</b>	<b>Verified?</b>
	10. The underlying exposures shall contain obligations that are contractually binding and enforceable.	<b>YES</b>
<b>PCS Comments</b>		
See “Sellers’ conformity warranties (q)”.		
(q) Each Home Loan Agreement constitutes legal, valid, binding and enforceable contractual obligations of the relevant Borrower with full recourse to the relevant Borrower and such obligations are enforceable in accordance with their respective terms (except that enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (surendettement) or enforcement of general applicability affecting the enforcement rights of creditors generally or (ii) the existence of unfair contract terms (clauses abusives) as defined by Articles L.212-1 et seq. of the French Consumer Code in the Home Loan Agreements (provided they would not (A) affect the right of the Issuer to purchase the Home Loan as contemplated under the Master Purchase and Servicing Agreement or (B) deprive the Issuer of its rights to receive principal and to receive interest as provided for under the Home Loan);		
<b>11</b>	<b>STS Criteria</b>	<b>Verified?</b>
	11. With full recourse to debtors and, where applicable, guarantors.	<b>YES</b>
<b>PCS Comments</b>		
See point 10 above.		

**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	<b>STS Criteria</b> 12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Home Loan Eligibility Criteria (l) and (n)". (l) the Home Loan bears interest at a fixed rate which shall be greater than zero (0) per cent; (n) the Home Loan is amortising either monthly or quarterly;	
13	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Home Loan Eligibility Criteria" and "Sellers' Conformity Warranties" In particular (l) and (n)" of the "Home Loan Eligibility Criteria".. See also the definition of "Ancillary Rights".	

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

14	<b>STS Criteria</b> 14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Sellers' conformity warranties (bb)". "the Home Loans do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU nor any securitisation position nor any derivative.;"	

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

15	<b>STS Criteria</b> 15. The underlying exposures shall not include any securitisation position.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Sellers' conformity warranties (bb)". "the Home Loans do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU nor any securitisation position nor any derivative.;".	

**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	<b>STS Criteria</b> 16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Sellers' conformity warranties (a)". "Prior to the date on which the Home Loan had been made available to the Borrower, all lending criteria and preconditions as applied by the Seller pursuant to its customary lending procedures and which are not less stringent than the lending procedures applied to similar exposures which are not securitised, were satisfied and the Home Loan has been originated in the ordinary course of business of the Seller, being a lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan;".	
17	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Sellers' conformity warranties (a)". "Prior to the date on which the Home Loan had been made available to the Borrower, all lending criteria and preconditions as applied by the Seller pursuant to its customary lending procedures and which are not less stringent than the lending procedures applied to similar exposures which are not securitised, were satisfied and the Home Loan has been originated in the ordinary course of business of the Seller, being a lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan;".	

**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.

<b>18</b>	<p><b>STS Criteria</b></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>	<b>Verified? YES</b>
	<p><b>PCS Comments</b></p> <p>See "Information relating to the Issuer – Additional Information".</p> <p>"In accordance with Article 20(10) of the Securitisation Regulation, any material changes from prior underwriting standards pursuant to which the Purchased Home Loans are underwritten shall be disclosed to the Noteholders and any potential investor by the Management Company through the website of the European DataWarehouse, without delay."</p> <p><i>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.

<b>19</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<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><b>PCS Comments</b></p> <p>See "Sellers' conformity warranties (z)".</p> <p>"The relevant Home Loan has not been marketed and underwritten on the premise that the Borrower as loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant 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.

<b>20</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<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><b>PCS Comments</b></p> <p>See "HOME LOANS AND RELATED PROCEDURES - Key underwriting principles".</p> <p>"As French licensed credit institutions, the members of the Crédit Agricole Group apply the requirements set out in Articles L.312-16 et seq., L.313-11 et seq. and R.313-11 et seq. of the French Consumer Code, when assessing the credit worthiness of a borrower."</p> <p><i>See also the Originator STS notification.</i></p> <p><i>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.</i></p> <p><i>PCS assumes, although the Regulation and the EBA Guidelines are silent on this point, that the requirement for mortgages and consumer loans to have been underwritten in compliance with the Directives only applies to assets underwritten after these Directives were transcribed into national law.</i></p>	



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

<b>21</b>	<b>STS Criteria</b> 21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>See "Sellers' conformity warranties (a)".</p> <p>"Prior to the date on which the Home Loan had been made available to the Borrower, all lending criteria and preconditions as applied by the Seller pursuant to its customary lending procedures and which are not less stringent than the lending procedures applied to similar exposures which are not securitised, were satisfied and the Home Loan has been originated in the ordinary course of business of the Seller, being a lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan,"</p> <p>The Originators/sellers are banks regulated in France – See "THE CREDIT AGRICOLE GROUP, SELLERS, SERVICERS, RESERVE PROVIDERS, CLASS B NOTEHOLDERS, RESIDUAL UNITHOLDERS AND TRANSACTION AGENT – The Sellers and Servicers".</p> <p><i>An entity originating assets similar to those securitised for at least five years is deemed, according to the EBA Guidelines to have "expertise".</i></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...

<b>22</b>	<b>STS Criteria</b> 22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>See "Master Purchase and Servicing Agreement - Process of purchase on any Subsequent Purchase Date".</p> <p>"The time necessary between the Cut-off Date and the relevant Purchase Date has been determined based on the technical constraints of the Sellers' IT systems, without any undue delay".</p>	
<b>23</b>	<b>STS Criteria</b> 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...	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>See "Sellers' conformity warranties (p) and (v)"</p> <p>"On any Purchase Date, each Seller will represent and warrant (the "Additional Home Loan Warranties") in respect of the Purchased Home Loans to be assigned to the Issuer on such Purchase Date, that as at the relevant Cut-off Date or, as the case may be, the relevant date specified below:"</p> <p>"(p) The internal credit score of the Borrower under the relevant Home Loan assigned by the Seller , indicates that the Borrower is not in default on any other loan granted by the Seller nor that the Borrower is unlikely to pay its obligations to the Seller in full, without recourse by the Seller to action such as realising security;"</p>	

“(v) The Home Loans are not subject to dispute or counterclaim” and “Home Loan Eligibility Criteria (m)”.  
 “ the Home Loan is performing (i.e. does not present any arrears);”

**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.

<b>24</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator’s or original lender’s knowledge:</p> <p><b>PCS Comments</b></p> <p>See “Sellers’ conformity warranties (aa)”.</p> <p><i>The note below applies to points from 24 to 29.</i></p> <p><i>Although the text of the STS Regulation is quite vague, the EBA guidelines on defining “credit impaired” debtors are very helpful.</i></p> <p><i>For PCS, the key points of the EBA guidelines on this issue are:</i></p> <p><i>a. First that the three listed conditions of credit impaired status (set out in article 20.11 (a) to (c) of the Regulation) amount to a full definition of what it means to be “credit impaired”. So that it is not necessary to reflect at what the term “credit impaired” could mean above and beyond those three items.</i></p> <p><i>b. Secondly, in relation to entries in a credit registry, the EBA is very clear that the criterion should not be interpreted as excluding debtors with any entry on a credit registry. Providing further guidance, the example given in the EBA Guidelines of a credit registry entry that would not be indicative of a “credit impaired” debtor is the example of a failure to pay that can “reasonably be ignored” for the purposes of credit assessment.</i></p> <p><i>Therefore, the criterion, to be met, does not require the elimination from the pool of all debtors with any negative entry in a credit registry but only those whose entries it would not be reasonable to ignore for the purposes of credit assessments.</i></p>	

	<p><i>Absent any further clarification from the EBA or a national competent authority regarding what it is reasonable to ignore, a judgement would still be necessary in cases where the originator does include in the pool some debtors with some negative entries in a credit registry.</i></p> <p><i>In making this judgement, PCS takes comfort from the intent of the legislators – including, crucially, the legislators' belief that the STS Regulation was justified by the excellent performance of most "plain vanilla" European securitisation. It is clear to PCS that the "credit impaired" prohibition is driven by the desire of legislators to exclude from the STS category deals generally coming under the definition of "sub-prime". Therefore, it is unreasonable to refuse STS status to a transaction considered by universal consensus to be a "prime/plain vanilla" transaction with no "sub-prime" aspects. Indeed, this approach seems to be the rationale behind the EBA Guidelines on this matter.</i></p> <p><i>c. Thirdly, the EBA Guidelines on guaranteed obligations make it clear that the criterion is met so long as either the debtor or the guarantor are not "credit impaired".</i></p>	
25	<p><b>STS Criteria</b> 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.</p> <p><b>PCS Comments</b> See "Sellers' conformity warranties (aa)".</p>	<p><b>Verified?</b> YES</p>
26	<p><b>STS Criteria</b> 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><b>PCS Comments</b> See "Sellers' conformity warranties (aa)".</p>	<p><b>Verified?</b> YES</p>
27	<p><b>STS Criteria</b> 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><b>PCS Comments</b> See "Sellers' conformity warranties (aa)".</p>	<p><b>Verified?</b> YES</p>
28	<p><b>STS Criteria</b> 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><b>PCS Comments</b> See "Sellers' conformity warranties (aa)".</p>	<p><b>Verified?</b> YES</p>

29	<b>STS Criteria</b> 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;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Sellers' conformity warranties (aa)(ii)".	
30	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Sellers' conformity warranties (aa)(iii)".	

**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	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Home Loan Eligibility Criteria (k)". (k) the Borrower has paid at least one (1) instalment in respect of the Home Loan;	

**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	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>	

See Home Loan Eligibility Criteria

(n) the Home Loan is amortising either monthly or quarterly;

*The underlying exposures are amortising residential home loans. Accordingly, none of the assets in the pool display any predominant reliance on the sale of the assets as cleared up by the EBA Guidelines specific statement.*

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

<b>33</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	
<b>PCS Comments</b>		
See "REGULATORY COMPLIANCE - Retention statement".		

**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.

<b>34</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.	
<b>PCS Comments</b>		
Assets: "the Home Loan bears interest at a fixed rate which shall be greater than zero (0) per cent and "the Home Loan is denominated in Euro;"		
Liabilities: "Overview of the Transaction – Interest on the Notes" and "Terms and Conditions of the Class A/B Notes"		
See section "RISK FACTORS - 4.14 Interest rate risk – Interest rate hedging and section OVERVIEW OF THE TRANSACTION – Swap Agreement and see "Principal Transaction Documents – Swap Agreement"		
See also section "Hedging strategy of the Issuer"		
The Issuer shall implement its hedging strategy (stratégie de couverture) in order to hedge its interest rate exposure under the Class A Notes by entering into a Swap Agreement with the Swap Counterparty in accordance with Article R. 214-217-2° and Article R. 214-224 of the French Monetary and Financial Code and pursuant to the Issuer Regulations. For further details, see "Principal Transaction Documents – Swap Agreement"		
<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>		
<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>		
<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>		

• A statement in the Prospectus or other document setting out the boundary conditions of the hedging. This should state in effect how far the hedging stretches and under what scenario's it will break. For example, if interbank rates rise above X%. This will provide a common-sense feel for whether, at first glance, the hedging is reasonable.

• Risk Factors section of the Prospectus to check that no statements refer to the risks of "unhedged positions". This is based on the legal requirement to disclose any relevant information to investors. If the originator or its advisers believed that the hedging in a transaction was unusually light, this should be disclosed in the Risk Section.

35	<b>STS Criteria</b> 35. Currency risks arising from the securitisation shall be appropriately mitigated.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Currency risk does not arise as assets are denominated in Euros (see "Home Loan Eligibility Criteria (e)" and liabilities are denominated in Euros (see "OVERVIEW OF THE TRANSACTION - The Class A1 Notes, the Class A2 Notes, the Class B Notes and the Residual Units")	
36	<b>STS Criteria</b> 36. Any measures taken to that effect shall be disclosed.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See section "PRINCIPAL TRANSACTION DOCUMENTS – 5 Swap Agreement"	

**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	<b>STS Criteria</b> 37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Additional Duties of Management Company".  In accordance with Article 21(2) of the Securitisation Regulation, the Management Company undertakes not to make the Issuer party to any derivative instrument except for the purpose of hedging interest-rate or currency rate.	
38	<b>STS Criteria</b> 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	<b>Verified?</b> <b>YES</b>

**PCS Comments**

"Sellers' conformity warranties (bb)"

39

**STS Criteria**

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

**Verified?****YES****PCS Comments**

See section "PRINCIPAL TRANSACTION DOCUMENTS - 5 Swap Agreement"

The Swap Agreement is governed by the ISDA 2002 Master Agreement published by the International Swaps and Derivatives Association, Inc., together with its schedule and credit support annex and confirmed by a written confirmation, governed by French law.

**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**

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.

**Verified?****YES****PCS Comments**

Assets: "the Home Loan bears interest at a fixed rate which shall be greater than zero (0) per cent and "the Home Loan is denominated in Euro;"

Liabilities: "Overview of the Transaction – Interest on the Notes"

Terms and Conditions of the Class A Notes 3.3 which references EURIBOR plus a margin and the "Terms and Conditions of the Class B Notes 3.3 which references fixed rate of interest



<b>Article 21.4.</b> 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.		
<b>41</b>	<p><b>STS Criteria</b></p> <p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>See "Application of Funds - Priority of payments during the Accelerated Amortisation Period / Priority of payments on dates other than Payment Dates".</p> <p><i>From the occurrence of an acceleration event, the structure exhibits a full cash sweep mechanism in favor of the most senior tranche of Notes, being specified that a costs reserve will still be replenished at its required level, during such period, in the interest of the class A noteholders. The commingling Reserve is also available but not fully debited upon enforcement with the cash used for certain additional purposes.</i></p>	
<b>42</b>	<p><b>STS Criteria</b></p> <p>42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p>	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>See "Application of Funds - Priority of payments during the Accelerated Amortisation Period / Priority of payments on dates other than Payment Dates".</p>	
<b>43</b>	<p><b>STS Criteria</b></p> <p>43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p>	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>See "Application of Funds - Priority of payments during the Accelerated Amortisation Period / Priority of payments on dates other than Payment Dates"</p>	
<b>44</b>	<p><b>STS Criteria</b></p> <p>44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p>	<b>Verified?</b> <b>YES</b>

**PCS Comments**

See "Re-assignment upon Issuer Liquidation Event".

**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 STS Criteria**

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.

**Verified?  
YES**

**PCS Comments**

The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment in relation to the amortisation of the Notes. This is not the case. See "APPLICATION OF FUNDS".

***This criterion is therefore met.***

*The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment.*

*If the Transaction does, then does it contain appropriate triggers?*

*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". Where a trigger is one of the EBA examples, 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.*

**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).

<b>46</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
<p>46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>		
<p><b>PCS Comments</b></p> <p><i>This provision applies to transactions with a revolving period and this transaction contemplates a revolving period. Therefore, this requirement applies.</i></p> <p>See "Master Purchase and Servicing Agreement - Acquisition by the Issuer of the Home Loans" and "Conditions Precedent to the Purchase of Home Loans".</p> <p>(b) On any Subsequent Purchase Date</p> <p>On each Subsequent Purchase Date, the Issuer shall be entitled to purchase additional Home Loans from any Seller pursuant to the provisions of the Master Purchase and Servicing Agreement, subject to the following conditions precedent:</p> <p>(1) on or prior the fourth (4th) Business Day preceding the relevant Subsequent Purchase Date:</p> <ul style="list-style-type: none"> <li>a. no Amortisation Event has occurred;</li> <li>b. no Accelerated Amortisation Event has occurred;</li> <li>c. no Issuer Liquidation Event has occurred; and</li> </ul> <p>See "Amortisation Event – Global Portfolio Trigger Event (j)".</p> <p>(j) the Defaulted Home Loans newly reported during the three (3) consecutive Collection Periods preceding such Subsequent Purchase Date increases above one per cent (1%) of the Aggregate Outstanding Balances of the Performing Home Loans After Assignment in respect of the Subsequent Purchase Date preceding such Subsequent Purchase Date.</p>		
<b>47</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
<p>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>		
<p><b>PCS Comments</b></p> <p>See "Amortisation Event – (g) Servicer Termination Event / (h) Severe Deterioration in a Seller's Credit Quality".</p>		
<b>48</b>	<b>STS Criteria</b>	<b>Verified?</b>

	48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	<b>YES</b>
	<p><b><u>PCS Comments</u></b> See "Amortisation Event (f)".</p>	
49	<p><b><u>STS Criteria</u></b> 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b> See "Amortisation Event (f)".</p>	

**Article 21.7.** The transaction documentation shall clearly specify:

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

50	<p><b>STS Criteria</b></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>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>1.. The contractual obligations, duties and responsibilities of the Management Company are documented in the Issuer Regulations and described in the sub-section "OTHER TRANSACTION PARTIES" – "The Management Company".</p> <p>2. The contractual obligations, duties and responsibilities of the Custodian are documented in the Issuer Regulations and the sub-section "OTHER TRANSACTION PARTIES" – "The Custodian".</p> <p>3. The contractual obligations, duties and responsibilities of the Servicers are documented in the Master Purchase and Servicing Agreement and described in the sub-section "SERVICING" – "Servicing duties".</p> <p>4. The contractual obligations, duties and responsibilities of the Paying Agent are documented in the <i>Paying Agency Agreement</i> and are described in the sub-section "OTHER TRANSACTION PARTIES" – "The Paying Agent".</p> <p>5. The contractual obligations, duties and responsibilities of the Data Protection Agent are documented in the <i>Data Protection Agency Agreement</i> and are described in the sub-section "OTHER TRANSACTION PARTIES" – "The Data Protection Agent".</p> <p>6. The contractual obligations, duties and responsibilities of the Registrar are described in the sub-section "OTHER TRANSACTION PARTIES" – "The Registrar".</p> <p>7. The contractual obligations, duties and responsibilities of the Account Bank are documented in the Account Bank and Cash Management Agreement and are described in the sub-section "OTHER TRANSACTION PARTIES" – "The Account Bank".</p> <p>8. The contractual obligations, duties and responsibilities of the Specially Dedicated Account Bank are documented in the <i>Master Purchase and Servicing Agreement</i> and are described in the sub-section "OTHER TRANSACTION PARTIES" – "The Specially Dedicated Account Bank".</p>	
51	<p><b>STS Criteria</b></p> <p>51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See "Servicer Termination Events" and "Termination of the Servicers".</p>	
52	<p><b>STS Criteria</b></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><b>Verified?</b> <b>YES</b></p>

**PCS Comments**

See sections: Swap Agreement - Rating of the Swap Counterparty and Events of default and termination events under the Swap Agreement and Duties of the Management company” which states:

(6) upon termination of the Swap Agreement and the entry of the Issuer into a replacement Swap Agreement, arrange for payment of any Replacement Swap Premium by the Issuer to the replacement Swap Counterparty outside the Priority of Payments to the extent that such Replacement Swap Premium has been received by the Issuer from the outgoing Swap Counterparty (if applicable, by debiting the Counterparty Downgrade Collateral Account); and

“Duties of Management Company” (bb) upon termination of the appointment of the Swap Counterparty, if reasonably possible, appoint another Swap Counterparty which is an Eligible Swap Counterparty.,

“Servicer Termination Events” and “ACCOUNT STRUCTURE AND CASH MANAGEMENT” and “CREDIT STRUCTURE”

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

53

**STS Criteria**

53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised

**Verified?**

**YES**

**PCS Comments**

See “Standard of Care”.

“Each Servicer has represented and warranted that its business has included the servicing of receivables of a similar nature to the Purchased Home Loans transferred by it to the Issuer in its capacity as Seller, for at least five (5) years prior to the Issuer Establishment Date.”

The Servicers are banks regulated in France.

*The EBA Guidelines provide that an entity that has serviced similar assets for at least five years will be deemed to meet the expertise criterion.*

54	<b>STS Criteria</b>	54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		
<b>Article 21.9.</b> 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	<b>STS Criteria</b>	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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		
<b>Article 21.9.</b> 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	<b>STS Criteria</b>	56. The transaction documentation shall clearly specify the priorities of payment,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		
57	<b>STS Criteria</b>	57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		

	See "Duties of Management Company (m), Terms and Conditions of the Notes, an Amortisation Event, an Accelerated Amortisation Event, an Issuer Liquidation Event or a Servicer Termination Event  <i>PCS has reviewed the relevant underlying document to satisfy itself that these criteria are met.</i>	
58	<b>STS Criteria</b> 58. The transaction documentation shall clearly specify the obligation to report such events.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Investor Report" and Duties of Management Company (m).	
59	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Investor Report" and Duties of Management Company (m).	

**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	<b>STS Criteria</b> 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	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Terms and Conditions of Class A Notes, (7). a) the method for calling meetings; as for method: <i>The Terms and Conditions of the Notes, point 7.5 and point 8.</i> b) the maximum timeframe for setting up a meeting: <i>The Terms and Conditions of the Notes, point 7.5.</i> c) the required quorum: <i>The Terms and Conditions of the Notes, points 7.5 and 7.6.</i> d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; <i>The Terms and Conditions of the Notes, 7.6</i> e) where applicable, a location for the meetings which should be in the EU. <i>The Terms and Conditions of the Notes, point 7.5.</i> 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.  <i>PCS has reviewed the underlying documents to ascertain that all the five requirements above are indeed present.</i>	



*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; (c) the required quorum; (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; (e) where applicable, a location for the meetings which should be in the EU.*

**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.

<b>61</b>	<b>STS Criteria</b> 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	<b>Verified?</b> <b>YES</b>
-----------	---	--------------------------------

**PCS Comments**

Management Company and Custodian roles described in section “OTHER TRANSACTION PARTIES” and “TERMS AND CONDITIONS OF THE NOTES (7)”.

**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	<b>STS Criteria</b> 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,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Sub-section "Additional Information".  Furthermore, the Transaction Agent, on behalf of the Sellers, has undertaken, before the pricing of the Class A Notes: (a) to send by email, to any potential investor, all information required by Article 22(1) of the Securitisation Regulation, being all available information in relation to exposures substantially similar to the pool of Home Loans to be offered to the Issuer on the Purchase Date, historical performance data covering a period of at least five (5) years on static or dynamic format on default performance, including delinquency and default data;  <i>PCS has reviewed the information which meets the requirements of the EBA Guidelines.</i>	
63	<b>STS Criteria</b> 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See point 62 above.	
64	<b>STS Criteria</b> 64. Those data shall cover a period no shorter than five years.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See point 62 above.	

**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	<b>STS Criteria</b> 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,	<b>Verified?</b> <b>YES</b>
----	--	--------------------------------

**PCS Comments**

See section "No independent investigation and limited information".

"The size of the sample has been determined on the basis of a confidence level of 95% and a maximum error rate of 1.5%.

The procedures assessed the compliance with certain eligibility criteria and also with the consistency in data as registered in the systems of the Sellers with the data as provided for in the physical home loan files.

The pool agreed-upon procedures includes the review of 26 loan characteristics, which include but are not limited to the outstanding loan amount, the interest rate, the loan purpose, the occupancy type, the geographical location, the security type, the original valuation of the property, the scheduled final maturity date, the periodicity of payment of the instalment and the currency of the Home Loan and the compliance with the Home Loans Eligibility Criteria.

This independent third party has also performed agreed-upon procedures in order to verify that information disclosed in section "Statistical information on the portfolio" and the calculations of weighted average lives of the Class A Notes in section "Estimated average life of the Class A Notes" disclosed are accurate.

In the view of the Arrangers, no adverse findings have been found by the independent third party pursuant to the above agreed-upon procedures"

*PCS has reviewed the draft 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. Furthermore, Statistical information on the portfolio accuracy will be confirmed prior to closing..*

**66 STS Criteria**

66. Including verification that the data disclosed in respect of the underlying exposures is accurate.

**Verified?**

**YES**

**PCS Comments**

See point 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.

**67 STS Criteria**

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.

**Verified?**

**YES**

**PCS Comments**

See section "Additional Information".

"Furthermore, the Transaction Agent, on behalf of the Sellers, has undertaken, before the pricing of the Class A Notes:

(b) in accordance with Article 22(3) of the Securitisation Regulation, to send to Bloomberg for release on its systems in order to be available to potential investors, a liability cash flow model which precisely represents the contractual relationship between the Purchased Home Loans and the payments flowing between the Sellers, the Transaction Agent, the Noteholders, other third parties and the Issuer; and"

*PCS has seen the cashflow model which meets the requirements of the EBA Guidelines.*

*PCS is not a modelling firm nor has any modelling expertise. The criterion requires an accurate liability model to be circulated to prospective investors pre-pricing must be made publicly available on-going. Therefore, it will not verify the model's accuracy or perform any due diligence whatsoever on the model. However, it will seek to satisfy itself indirectly as to the likelihood of the model's accuracy by requesting details of the individuals (if employed by the originator) or the firms (if the model is outsourced) responsible for the model. PCS will then assess whether, in its sole opinion, the model was put together by persons or firms with a reputation and a track-record in such models.*

68

**STS Criteria**

68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.

**Verified?  
YES**

**PCS Comments**

See section "Additional Information"

"The Transaction Agent, on behalf of the Sellers, has undertaken, after pricing of the Class A Notes:

(a) in accordance with Article 22(3) of the Securitisation Regulation, to send to Bloomberg for release on its systems in order to be available to the relevant Noteholders, on an ongoing basis, and directly by email to potential investors upon their request, a liability cash flow model which precisely represents the contractual relationship between the Purchased Home Loans and the payments flowing between the Sellers, the Transaction Agent, the Noteholders, other third parties and the Issuer

*Although technically covering the period between pricing and close, this is primarily a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement 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.*

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

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

<b>69</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<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><b>PCS Comments</b></p> <p>See “Description of the Environmental efficiency of the properties financed by the home loans”.</p> <p>“For some Home Loans, data on environmental performance of the properties financed by the Home Loans are available as at the date of this Prospectus.</p> <p>In accordance with Article 22(4) of the Securitisation Regulation, the Transaction Agent undertakes to communicate to the Management Company the relevant information on environmental performance of the properties financed by the Home Loans to the extent they are available or become available, and such information will then be set out in the Investor Report.”</p> <p><i>The consultation paper (“Draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures of Article 22(4) and 26(4) of Regulation (EU)2017/2402”) was published on 2 May 2022. The draft EBA guidelines commenting on environmental data reporting was published in April 2023, suggesting that where only some environmental data is available, such proportion of environmental data must be published.</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.

<b>70</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p> <p><b>PCS Comments</b></p> <p>See “Investor Report”.</p> <p>“Pursuant to the Master Receivables Purchase Agreement, each Seller has undertaken to comply with the information requirements applicable to it under Article 7 of the Securitisation Regulation and to make available to the Management Company any information requested by it and necessary for the establishment of the STS Report.”</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	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Additional Information" "Furthermore, the Transaction Agent, on behalf of the Sellers, has undertaken, before the pricing of the Class A Notes:  (c) by email, upon request, to any potential investor in accordance with Article with Article 22(5) of the Securitisation Regulation, the information required under point (a) of the first subparagraph of Article 7(1) of the Securitisation Regulation."	
72	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Additional Information". "Furthermore, the Management Company has undertaken to make available, before the pricing of the Class A Notes, on the website of the European DataWarehouse, in accordance with Article 22(5) of the Securitisation Regulation, all information required pursuant to points (b) to (d) of the first subparagraph of Article 7(1); being the drafts of the Available Transaction documents, the draft of the Prospectus and the draft of the STS Notification."	

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

73	<b>STS Criteria</b> 73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "INFORMATION RELATING TO THE ISSUER" – "Additional information", where it is stated that: "The Management Company has undertaken to make available, on the website of the European DataWarehouse, after pricing of the Class A Notes, in accordance with Article 22(5) of the Securitisation Regulation, by no later than fifteen (15) days after the Issue Date, all executed copies of the Available Transaction Documents".  <i>This criterion requires 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 Seller will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a</i>	

*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.*

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

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

<b>74</b>	<p><b><u>STS Criteria</u></b></p> <p>74. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(a) information on the underlying exposures on a quarterly basis,</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
-----------	--	--

**PCS Comments**

See "Investor Report".

*All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in Note 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:

- (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** **STS Criteria**

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

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

**Verified?**  
**YES**

**PCS Comments**

See "Information relating to the Issuer - Documentation" and "Additional information".

"Documentation

This Prospectus will be made public on the website of the European DataWarehouse.

The Management Company will also make public to the Noteholders, to the competent authorities referred to in Article 29 of the Securitisation Regulation and to potential investors who request such information, through the website of the European DataWarehouse, in accordance with Article 7(1)(b) of the Securitisation Regulation:"

See also "General Information" (6).

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



<b>Article 7.1.</b> That underlying documentation shall include a detailed description of the priority of payments of the securitisation;		
<b>76</b>	<b>STS Criteria</b> 76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See Terms and Conditions of the Notes – Condition 5 ( <i>Payments</i> ). Underlying documentation has been reviewed.	

<b>Article 7.1.</b> The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable: (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure; (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features; (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;		
<b>77</b>	<b>STS Criteria</b> 77. (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable: (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure; (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features; (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Not applicable.	

**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;

<b>78</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;	
	<b>PCS Comments</b>	
	See "General Information (5)"	
	<i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i>	

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

(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.

<b>79</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	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.	
	<b>PCS Comments</b>	
	See section "Investor Report".	
	<i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i>	

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

(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;

<b>80</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	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;	
<b>PCS Comments</b>		
See section "Investor Report".		
<i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i>		

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

(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.

<b>81</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	81. (g) where point (f) does not apply, any significant event such as: (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach; (ii) a change in the structural features that can materially impact the performance of the securitisation (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation; (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions; (v) any material amendment to transaction documents.	
<b>PCS Comments</b>		

See section "Investor Report".

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

**Article 7.1.** 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

<b>82</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>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</p> <p><b>PCS Comments</b></p> <p>See section "Investor Report".</p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i></p>	

**Article 7.1.** Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay

When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.

In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation.

Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.

<b>83</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>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</p> <p><b>PCS Comments</b></p> <p>See section "Investor Report".</p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above..</i></p>	

**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.

<b>84</b>	<p><b><u>STS Criteria</u></b></p> <p>84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.</p> <p>The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p>	<p><u>Verified?</u> YES</p>
	<p><b><u>PCS Comments</u></b></p> <p>See section “Investor Report”.</p> <p>See also section “Role of the Management Company” where it states : “The Management Company has been designated by the Sellers in order to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of Article 7(1) of the Securitisation Regulation, provided that each entity providing any such information shall remain liable for the production of such information, as evidenced thereon.”</p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ comment under point 73 above.</i></p>	
<b>85</b>	<p><b><u>STS Criteria</u></b></p> <p>85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.</p>	<p><u>Verified?</u> YES</p>
	<p><b><u>PCS Comments</u></b></p> <p>See section “Investor Report”.</p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ comment under point 73 above.</i></p>	