

STS Term Verification Checklist
BELGIAN LION NV/SA,
COMPARTMENT BELGIAN LION SME IV



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

4th November 2022

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

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

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

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

4th November 2022

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

PRIME COLLATERALISED SECURITIES (PCS) STS Verification

Individual(s) undertaking the assessment	Dr Martina Spaeth
Date of Verification	4 th November 2022
The transaction to be verified (the "Transaction")	BELGIAN LION SME IV
Issuer	SME LION IV SA/NV, acting through its compartment Belgian Lion SME IV
Originator	ING Belgium N.V.
Lead Manager(s)	ING Group
Transaction Legal Counsel	Hogan Lovells
Rating Agencies	Fitch and Moody's
Stock Exchange	Euronext Brussels
Closing Date	4 th November 2022

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

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

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

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

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

1

STS Criteria

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.

Verified?**YES****PCS Comments****See Prospectus, STS-securitisation statements**

(a) For the purpose of compliance with article 20(1) of the Securitisation Regulation, the Seller and the Issuer confirm that pursuant to the SME Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the SME Receivables as a result of which legal title to the SME Receivables is transferred to the Issuer and such purchase and assignment will be enforceable against the Seller and third parties of the Seller, subject to any applicable bankruptcy laws or similar laws affecting the rights of creditors and as a result thereof the requirement stemming from article 20(5) of the EU Securitisation Regulation is not applicable (see also Section 11 SME Receivables Purchase Agreement)

"True sale" is not a legal concept but a rating agency creation.

The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE's ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a "true sale" the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale". This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.

The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place.

All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.

The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback happens for no reasons. The Regulation (20.3) also explicitly excludes from the definition of "severe clawback" the traditional European basis for such devices which all come under the general category of "preferences".

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.

PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis. Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.

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

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	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, STS-securitisation statements</p> <p>(b) For the purpose of compliance with article 20(2) of the Securitisation Regulation, the Seller and the Issuer confirm that the Belgian insolvency law, as included in Book XX of the Belgian Code of Economic Law, does not include severe claw-back provisions as referred to in article 20(2) of the Securitisation Regulation. Furthermore, the Seller will represent on the relevant purchase date to the Issuer in the SME Receivables Purchase Agreement that (a) its registered office, head office and central administration (hoofdbestuur/administraton centrale) is located in Belgium and (b) it is not in a situation of cessation of payments, subject to any administrative or judicial proceedings that could reasonably be expected to have a material adverse impact on its business or financial conditions, or otherwise insolvent.(see also Section 11 (<i>SME Receivables Purchase Agreement</i>))</p> <p>13. THE SELLER, 13.1. The bank is a public company with limited liability (naamloze vennootschap/société anonyme) existing for an unlimited duration under Belgian law. Its registered office is at Avenue Marnixlaan 24, B-1000 Brussels, Belgium. The Seller is recognised as a credit institution under the provisions of Credit Institutions Supervision Act. Since the beginning of 1998, the bank is a wholly owned subsidiary of ING Group.</p> <p>See also Prospectus, section called "The Belgian bank recovery and resolution regime" in 1.5 Regulatory risk factors</p>	

<p>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.</p>		
3	STS Criteria	Verified? YES
	<p>3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.</p> <p>PCS Comments</p>	

See Prospectus, STS-securitisation statements

(h) For the purpose of compliance with the requirements stemming from article 20(10) of the Securitisation Regulation, the SME Loans have been originated in accordance with the ordinary course of the Seller's origination business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar SME Receivables that are not securitised by means of the securitisation transaction described in this Prospectus (see also section 11.4.2 (Eligibility Criteria)).

See also 11.4.2 Eligibility Criteria

(viii) no SME Loan or Shared Security Interest has previously been included in another securitisation transaction (except for the Belgian Lion SME I Securitisation, the Belgian Lion SME II or the Belgian Lion SME III Securitisation).

See also Prospectus, Section 23, General Information

23.1 To date only the first six Compartments have effectively started their activities (the Belgian Lion RMBS I Securitisation as far as Compartment Belgian Lion RMBS I is concerned (**this transaction has been unwound**), the Belgian Lion SME I Securitisation as far as Compartment Belgian Lion SME I is concerned (**this transaction has been unwound**), the Belgian Lion RMBS II Securitisation as far as Compartment Belgian Lion RMBS II is concerned (**this transaction has been unwound**), the Belgian Lion SME II Securitisation as far as Compartment Belgian Lion SME II is concerned (**this transaction has been unwound**), the Belgian Lion SME III Securitisation as far as Compartment Belgian Lion SME III is concerned (**this transaction will be unwound on or about the date hereof**) and the transaction described in the current Prospectus as far as Compartment Belgian Lion SME IV is concerned).

23.4 The Issuing Company has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, and the Issuing Company has not created any mortgages, charges or given any guarantees other than under the Belgian Lion RMBS I Securitisation, the Belgian Lion SME I Securitisation, the Belgian Lion RMBS II Securitisation, the Belgian Lion SME II Securitisation, the Belgian Lion SME III Securitisation and the transaction described in this Prospectus.

See Purchase Agreement (SRPA), Free from third party rights

(iii) immediately before and upon the entry into effect of the sale pursuant to the SRPA, the Seller has the absolute property right over each SME Loan and the other rights, interests and entitlements sold pursuant to the SRPA, in each case, free from all liens, charges, pledges, pre-emption rights, options or other rights or security interests of any nature whatsoever in favour of, or claims of, third parties including, but without limitation, any attachment (derdenbeslag/saisie-arrêt) or any business pledge (pand op de handelszaak/gage sur fonds de commerce);

(iv) immediately before and upon the entry into effect of the sale pursuant to the SRPA and the pledging pursuant to the Pledge Agreement, the Seller has not assigned, transferred, pledged, disposed of, dealt with, otherwise created, allowed to arise, or subsist, any security interest (or other adverse right, or interest, in respect of the Seller's right, title, interest and benefit) in or to, any SME Loan, Loan Security, Additional Security, the rights relating thereto or with respect to any property and asset, right, title, interest or benefit sold or assigned pursuant to the SRPA or pledged pursuant to the Pledge Agreement, in any way whatsoever other than pursuant to the SRPA or the Pledge Agreement;

The Seller is the original lender for each underlying loan. The loans have not been subject to other financing transactions prior to this transaction except for the previous Belgian Lion SME I, II or III transactions of which SME I and II have been unwound.

SME III is still outstanding and will be unwound on the 4th November, which is the issuance date of the new transaction. The Belgian Lion SME III Unwind Transaction documents have been provided to PCS and confirm there are no claims left.

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.

4

STS Criteria

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

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

Verified?
YES

PCS Comments

See Prospectus, STS-securitisation statements

(a) For the purpose of compliance with article 20(1) of the Securitisation Regulation, the Seller and the Issuer confirm that pursuant to the SME Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the SME Receivables as a result of which legal title to the SME Receivables is transferred to the Issuer and such purchase and assignment will be enforceable against the Seller and third parties of the Seller, subject to any applicable bankruptcy laws or similar laws affecting the rights of creditors and as a result thereof the requirement stemming from article 20(5) of the Securitisation Regulation is not applicable (see also Section 11)

11.5.5 Notification Events

The sale of the SME Receivables under the SRPA and pledge of the SME Receivables under the Pledge Agreement will be notified to any relevant Borrowers and any other relevant parties (and instructions to make future payments directly into an account of the Issuer will be given) by the Issuer (acting on the instructions of the Security Agent) pursuant to the terms and conditions set out in the SRPA and the Pledge Agreement.

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

11.4.2 Eligibility Criteria

- (l) Assignability of the SME Receivables
 - (iv) the sale of each SME Receivable in respect of each SME Loan will be effective to pass to the Issuer full and unencumbered title and benefit, and no further act, condition or thing will be required to be done in connection with the SME Receivable to enable the Issuer to require payment of each SME Receivable, or the enforcement of each SME Receivable, in any court other than the giving of notice to the Borrower of the sale of such SME Receivable by it to the Issuer;
- See also 11.4.2 Eligibility Criteria
- (c) Free from third party rights

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

6

STS Criteria

6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria...

Verified?

YES

PCS Comments

(c) For the purpose of compliance with the relevant requirements, among other provisions, stemming from articles 20(6), 20(7), 20(8), 20(10), 20(11) and 20(12) of the Securitisation Regulation, the Seller and the Issuer confirm that only SME Receivables resulting from SME Loans which satisfy the Eligibility Criteria, Portfolio Criteria and the representations and warranties made by the Seller in the SME Receivables Purchase Agreement and as set out in Section 11 (SME Receivables Purchase Agreement) will be purchased by the Issuer.

For the purpose of compliance with the requirements stemming from article 20(6) of the Securitisation Regulation, to the effect that the SME Receivables need to be unencumbered, reference is made to the representation and warranty set forth in Section 11.4.2(c)(Representations, Warranties and Eligibility Criteria).

11.4.2 Eligibility Criteria

The Seller will represent and warrant on the Closing Date with respect to each SME Loan included in the Initial Portfolio and the related SME Receivables, the related Loan Security and the Additional Security, as the case may be, and on the relevant SME Purchase Date with respect to each SME Loan relating to New SME Receivables, the related Loan Security and the Additional Security, as the case may be, that as at the relevant Cut-off Date (together the Eligibility Criteria), *inter alia*: (...)

11.7 The purchase of New SME Receivables

(a) the Seller will repeat the representations and warranties relating to the SME Loans and itself as set out in the SRPA with respect to the New SME Receivables and related SME Loans (with certain exceptions to reflect that the New SME Receivables are sold and the related SME Loans may have been originated or granted after the Closing Date);

(b) the Seller will represent and warrant to the Issuer and the Security Agent that the New SME Loans added to the Portfolio will be of a loan type described in Section 11.4.2 and meet the Eligibility Criteria as applied to the relevant SME Purchase Date;

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.

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.

7

STS Criteria

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.

**Verified?
YES**

PCS Comments

STS-securitisation statements

(e) For the purpose of compliance with the requirements stemming from article 20(7) of the Securitisation Regulation, the Issuer and the Seller are of the view that the Transaction Documents do not allow for active portfolio management of the SME Receivables on a discretionary basis (see representation of the Seller in Section 11.4.1 (i))

11.4.1 Seller’s Representations and Warranties

(i) No active portfolio management of the Purchased Receivables: pursuant to the Transaction Documents, the Seller and the Issuer will not engage in any active portfolio management of the purchased SME Receivables on a discretionary basis within the meaning of article 20(7) of the Securitisation Regulation and accordingly the Issuer shall in any case be free to accept or refuse any repurchase request from the Seller; and

11.2 True Sale

(b) Notwithstanding any other provision of the SME Receivables Purchase Agreement, the Issuer shall, as from the relevant Purchase Date, have full title to and interest in the SME Receivables and, shall be free to further dispose of the SME Receivables and shall be fully entitled to receive and retain for its own account any collections in respect of the SME Receivables (but, in each case, without prejudice to the undertakings of the Issuer vis-à-vis any Transaction Party other than the Seller in any other Transaction Document).

11.5.1 Breach of Representations and Warranties

If at any time after the Closing Date or, in relation to New SME Loans, the relevant SME Purchase Date:

(a) any of the representations, warranties and Eligibility Criteria relating to the SME Loans (or the related SME Receivables), as set out in the SRPA proves to be untrue, incorrect or incomplete; and

(b) the Seller has not remedied this within five (5) Business Days after being notified thereof in writing by the Issuer or it has become clear that the matter cannot be remedied within the said period of five (5) Business Days;

then, the Seller shall:

(a) indemnify the Issuer for all damages, costs, expenses and losses; and

(b) repurchase the relevant SME Receivables and Loan Security at a price equal to the aggregate of the then Current Balance of the relevant SME Loan(s) plus accrued interest thereon and reasonable pro rata costs up to (but excluding) the date of completion of the repurchase.

The indemnification or completion of any repurchase and re-assignment as referred to herein shall be completed on or before the Quarterly Payment Date immediately following expiry of the five (5) Business Day period referred to herein.

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

	<p>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".</p> <p>PCS has reviewed the transaction documentation and any non-compliance on portfolio level is either remedied by further replenishment to reduce the level of non-compliance, on an asset level, the asset was eligible at inclusion does not get repurchased if it turns non-compliant later.</p>	
8	<p>STS Criteria</p> <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>Verified? YES</p>
	<p>PCS Comments</p> <p>STS-securitisation statements</p> <p>(f) For the purpose of compliance with the requirements stemming from article 20(8) of the Securitisation Regulation, the SME Receivables are homogeneous in terms of asset type, taking into account the cash flows, credit risk and prepayment characteristics of the Receivables within the meaning of article 20(8) of the Securitisation Regulation and the SME Loans satisfy the homogeneity conditions of Article 1(a), (b), (c) and (d) of the RTS Homogeneity (see also Section 15 (Description of The Portfolio)). In addition, for the purpose of compliance with the relevant requirements stemming from article 20(8) of the Securitisation Regulation, reference is made to the representations and warranties set forth in section 11.4.2(y) (Eligibility Criteria). Furthermore, for the purpose of compliance with the relevant requirement stemming from article 20(8) of the Securitisation Regulation, a transferable security, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council will not meet the Eligibility Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include such transferable securities (see also section 11.4.2 (y) (Eligibility Criteria)).</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. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement.</i></p>	

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

9	<p>STS Criteria</p> <p>9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.</p>	<p>Verified? YES</p>
	<p>SECTION 15, DESCRIPTION OF THE PORTFOLIO 15.2 Homogeneity</p> <p>The Initial Portfolio will satisfy on the Closing Date the homogeneity conditions of article 1 of the Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation (the Homogeneity Commission Delegated Regulation).</p> <p>For the purpose of compliance with the requirements stemming from article 20(8) of the Securitisation Regulation, the Seller considers that the SME Receivables are homogeneous in terms of asset type, taking into account the cash flows and the contractual, credit risk and prepayment characteristics of the SME Receivables and have defined periodic payment</p>	

streams within the meaning of article 20(8) of the Securitisation Regulation and the regulatory technical standards as contained in article 1 of the RTS Homogeneity. The SME Loans from which the SME Receivables result (i) have been underwritten according to similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the SME Loans and without prejudice to article 9(1) of the Securitisation Regulation, (ii) are serviced according to similar servicing procedures with respect to monitoring, collection and administration of SME Receivables from the SME Loans and (iii) fall within the same asset category of credit facilities provided to any type of enterprise or corporation. Furthermore, they also meet at least one of the relevant homogeneity factors in accordance with article 2(3)(a) and (b) of the RTS Homogeneity as all Borrowers are resident Belgium.

See also Eligibility Criteria, 11.4.2, (a) Valid Existence

- (ii) each SME Loan has been granted with respect to investments related to the enterprise of the borrower of the SME Loan ("the Borrower")
- (v) Each SME Loan is categorised by the Seller as "mid-size corporates (retail)", "small and medium enterprises" or "small business finance" or, in each case, any similar categorisation by ING the Seller time to time;

(x) None of the Borrowers is a credit institution or investment firm as defined in Article 4 of CRR.

(b) Governing Legislation

- (v) each SME Loan is granted to a Borrower which is resident of Belgium;

(q) Origination and Standard Loan Documentation

- (iii) each SME Loan has been granted and each of the Loan Security has been created, subject to the general terms and conditions and materially in the forms of the Standard SME Loan Documentation (so far as applicable) and any amendment to the terms of the SME Loans has been made substantially in accordance with the Credit Policies or the then prevailing credit policies of the Seller or the original lender;

(y) Compliance with articles 20(8), 20(9) and 21(2) of the EU Securitisation Regulation

For the purpose of compliance with articles 20(8), 20(9) and 21(2) of the Securitisation Regulation, the SME Receivables are homogeneous in terms of asset type (taking into account the cash flows and the contractual, credit risk and prepayment characteristics of the SME Receivables) and have defined periodic payment streams, the SME Loan is not a transferable security as defined in article 4(1), point (44) of MiFID II, nor a securitisation position within the meaning of article 20 paragraphs 8 and 9 of the EU Securitisation Regulation nor a derivative. For the purpose of compliance with the requirements stemming from article 21(2) of the EU Securitisation Regulation, no derivative contracts are entered into by the Issuer and the underlying exposures to be sold and assigned to the Issuer shall not include derivatives. The interest rate risk is appropriately mitigated and measures taken to that effect are disclosed. Furthermore, there is no currency risk as the Notes and the SME Receivables are both denominated in euro.

See also 11.8(t)

- (t) the aggregate Current Balances of all SME Loans granted to Borrowers that qualify as 'SME' within the meaning of Article 501 of the CRR is at least 70 per cent of the Current Portfolio Amount ;

PCS Comments

The definition of "homogeneity" in the Regulation is also the subject of a Regulatory Technical Standard ("RTS"). Being set out in an RTS, rather than a guideline or recommendation issued by the EBA, the definition of "homogeneity" will be legally binding on all regulatory authorities.

	<p>Such RTS has been formally adopted by the European Commission on 28 May 2019. In interpreting the expression, PCS has based itself on the text of the Regulation, its knowledge of the intent of the legislators – including, crucially, the legislators belief that the STS Regulation was justified by the excellent performance of most “plain vanilla” European securitisations and the draft RTS adopted by the European Commission.</p> <p>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.</p> <p>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.</p> <p>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 on the same platform, they are a single asset class – SME Loans or Receivables– and the loans are all originated in the same jurisdiction. PCS also takes 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.</p>	
10	<p>STS Criteria</p> <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p> <p>PCS Comments</p> <p>STS-securitisation statements</p> <p>(c) For the purpose of compliance with the relevant requirements, among other provisions, stemming from articles 20(6), 20(7), 20(8), 20(10), 20(11) and 20(12) of the Securitisation Regulation, the Seller and the Issuer confirm that only SME Receivables resulting from SME Loans which satisfy the Eligibility Criteria, Portfolio Criteria and the representations and warranties made by the Seller in the SME Receivables Purchase Agreement and as</p> <p>11.4.2 Eligibility Criteria</p> <p>(a) Valid existence</p> <p>(i) Each SME Loan, SME Receivable, Loan Security and Additional Security exists and is valid and binding obligations of the relevant Borrower(s), or as the case may be, the relevant third party provider of the Related Security, and is enforceable in accordance with the terms of the relevant Loan Documents, (...)</p>	<p>Verified? YES</p>
11	<p>STS Criteria</p> <p>11. With full recourse to debtors and, where applicable, guarantors.</p> <p>PCS Comments</p> <p>(e) No limited recourse</p> <p>The Seller has not entered into any agreement, which would have the effect of limiting the Seller’s rights to any assets of the Borrower in respect of any SME Loan payment.</p>	<p>Verified? YES</p>

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

12	STS Criteria	Verified? YES
	<p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p> <p>PCS Comments</p> <p>15.2 Homogeneity</p> <p>For the purpose of compliance with the requirements stemming from article 20(8) of the Securitisation Regulation, the Seller considers that the SME Receivables are homogeneous in terms of asset type, taking into account the cash flows and the contractual, credit risk and prepayment characteristics of the SME Receivables and have defined periodic payment streams within the meaning of article 20(8) of the Securitisation Regulation and the regulatory technical standards as contained in article 1 of the RTS Homogeneity. The SME Loans from which the SME Receivables result (i) have been underwritten according to similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the SME Loans and without prejudice to article 9(1) of the Securitisation Regulation, (ii) are serviced according to similar servicing procedures with respect to monitoring, collection and administration of SME Receivables from the SME Loans and (iii) fall within the same asset category of credit facilities provided to any type of enterprise or corporation. Furthermore, they also meet at least one of the relevant homogeneity factors in accordance with article 2(3)(a) and (b) of the RTS Homogeneity as all Borrowers are resident Belgium.</p> <p>See also Section 11, SME Receivables Purchase Agreement,</p> <p>(u) Financial Criteria</p> <p>(i) each SME Loan provides for a fixed final maturity and an amortisation schedule for the repayment of principal according to any of the following repayment profiles: (A) to (E)</p> <p><i>A description of the different payment profiles of the loans is provided</i></p>	
13	STS Criteria	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>11.1 Sale – Purchase Price</p> <p>The sale of the SME Receivables in respect of an SME Loan shall include, and the Issuer shall be fully entitled to, all ancillary items (bijhorigheden/accessoires) in respect of such SME Loan and in particular, but not limited to:</p> <p>(b) all right and title of the Seller to the Loan Security;</p> <p>(c) all rights and title of the Seller to Additional Security;</p> <p>PCS notes that the assets are purchased by “Deferred Purchase Price”. All rights to the loan are transferred, including any underlying security.</p>	

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

14	STS Criteria	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>11.4.2 Eligibility Criteria</p> <p>(y) Compliance with articles 20(8), 20(9) and 21(2) of the EU Securitisation Regulation</p> <p>the SME Receivables are homogeneous in terms of asset type (taking into account the cash flows and the contractual, credit risk and prepayment characteristics of the SME Receivables) and have defined periodic payment streams, the SME Loan is not a transferable security as defined in article 4(1), point (44) of MiFID II, nor a securitisation position within the meaning of article 20 paragraphs 8 and 9 of the EU Securitisation Regulation nor a derivative. For the purpose of compliance with the requirements stemming from article 21(2) of the EU Securitisation Regulation, no derivative contracts are entered into by the Issuer and the underlying exposures to be sold and assigned to the Issuer shall not include derivatives. The interest rate risk is appropriately mitigated and measures taken to that effect are disclosed. Furthermore, there is no currency risk as the Notes and the SME Receivables are both denominated in euro.</p>	

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

15	STS Criteria	Verified? YES
	<p>15. The underlying exposures shall not include any securitisation position.</p> <p>PCS Comments</p> <p>See criterion 14, above.</p>	

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

16	STS Criteria	Verified? YES
	<p>16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.</p> <p>PCS Comments</p> <p>11.4.2 Eligibility Criteria</p> <p>(q) Origination and Standard Loan Documentation</p>	

	(i) in compliance with article 20(10) of the Securitisation Regulation, each SME Loan has been originated by the Seller (including, for the avoidance of doubt, any legal predecessor) directly in the ordinary course of the Seller's business in accordance with the Seller's Credit Policies (or the lending criteria of the relevant originator) prevailing at that time and which are not less stringent than those applied by the Seller at the time of origination to similar SME loans that are not securitised.	
17	STS Criteria	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.
	PCS Comments	
	See criterion 16 above.	

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

18	STS Criteria	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.	Verified? YES
	PCS Comments		
	<p>STS-securitisation statements</p> <p>(h) (...) In addition, for the purpose of compliance with the relevant requirements stemming from article 20(10) of the Securitisation Regulation, (i) the SME Receivables have been selected by the Seller from a larger pool of SME Loans that meet the Eligibility Criteria applying a random selection method (see also Section 15 (<i>Description of The Portfolio</i>)), (ii) a summary of the underwriting standards is disclosed in this Prospectus and the Seller has undertaken in the SME Receivables Purchase Agreement to fully disclose to the Issuer any material change to such underwriting standards pursuant to which the SME Loans are originated without undue delay and the Issuer has undertaken in the Pledge Agreement to fully disclose such information to potential investors without undue delay upon having received such information from the Seller (see also Section 14 <i>Servicing of the SME Receivables</i>)) (iii) the Seller will represent on the relevant purchase date in the SME Receivables Purchase Agreement that in respect of each Loan, the assessment of the Borrower's creditworthiness was done in accordance with the Seller's underwriting criteria (see also section 11.4.2(q) (Eligibility Criteria)...</p> <p>See also 7.13.1 Disclosure Requirements under the Securitisation Regulation</p> <p>(f) without undue delay, any material changes to the Seller's Credit Policies, as required by article 20(10) of the EU Securitisation Regulation.</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.

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

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

20	STS Criteria	Verified? YES
	<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>	
PCS Comments		
<p>STS-securitisation statements</p> <p>(h) (iii) the Seller will represent on the relevant purchase date in the SME Receivables Purchase Agreement that in respect of each Loan, the assessment of the Borrower's creditworthiness was done in accordance with the Seller's underwriting criteria (see also section 11.4.2(q) (Eligibility Criteria)) and (iv) the Seller confirms that the assessment of each Borrower's creditworthiness was carried out taking into account the following principles (a) the assessment is performed on the basis of sufficient and current information obtained from the applicant and relevant databases, (b) a new authorisation will take place in the event of any request for a significant increase of an SME Loan, in which amongst other things a re-assessment of the Borrower's creditworthiness and financial information will be performed (c) a thorough assessment of the Borrower's creditworthiness was made before granting the SME Loan, taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting its obligations under the relevant SME Loan, (d) the procedures and information on which the assessment is based are documented and maintained, (e) any application for a SME Loan will only be approved where the result of the creditworthiness assessment indicates that the obligations resulting from the SME Loan are likely to be met in the manner required under that SME Loan and (e) the Seller is not able to cancel or alter the relevant SME Loan once concluded to the detriment of the Borrower on the grounds that the assessment of creditworthiness was incorrectly conducted; and (v) the Seller is of the opinion that the Seller has the required expertise in originating Loans which are of a similar nature as the SME Loans within the meaning of article 20(10) of the Securitisation Regulation, as the Seller is a licenced credit institution under the CRR and a minimum of 5 years' experience in originating SME Loans (see section 11.4(q) (Representations, Warranties and Eligibility Criteria))</p>		

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

21	STS Criteria 21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	Verified? YES
	<p>PCS Comments</p> <p>STS-securitisation statements</p> <p>(h) (...) (v) the Seller is of the opinion that the Seller has the required expertise in originating Loans which are of a similar nature as the SME Loans within the meaning of article 20(10) of the Securitisation Regulation, as the Seller is a licenced credit institution under the CRR and a minimum of 5 years' experience in originating SME Loans (see section 11.4(q) (Representations, Warranties and Eligibility Criteria)</p> <p>See also Eligibility Criteria,</p> <p>(q) Origination and Standard Loan Documentation</p> <p>(iv) each SME Loan has been originated after 2007;</p> <p>See also Section 13, THE SELLER</p> <p>Seller's Representations and Warranties</p> <p>(g) Professional experience: in compliance with article 20(10) of the EU Securitisation Regulation, the Seller's business has included the origination of enterprise loan receivables of a similar nature to the purchased SME Receivables for at least (5) years prior;</p> <p><i>PCS and investors have received due diligence materials from ING BELGIUM proving the long track record of ING Belgium as Originator and Servicer.</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...

22	STS Criteria 22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	Verified? YES
	<p>PCS Comments</p> <p>STS-securitisation statements</p> <p>(i) For the purpose of compliance with the relevant requirements stemming from article 20(11) of the EU Securitisation Regulation, reference is made to the representations and warranties set forth in section 11.4.2 (Representations, Warranties and Eligibility Criteria). The Receivables forming part of the pool purported to be sold and assigned on the Closing Date do not include any exposures to borrowers who have undergone a debt-restructuring process with regard to non-performing exposures within three year prior to the Closing Date.</p>	

	<p>The Cut-Off Date in respect of an SME Loan, means:</p> <p>(a) in relation to the SME Loans included in the Initial Portfolio:</p> <p>(i) for the Business Loans, 29 July 2022</p> <p>(ii) for the Investment Credits, 29 July 2022</p> <p>(iii) for the Roll Over Term Loans, 29 July 2022 and</p> <p>(b) in relation to SME Loans not included in the Initial Portfolio, the last Business Day of the month prior to the calendar month in which the SME Purchase Date on which the relevant New SME Receivables are assigned to the Issuer falls.</p> <p>PCS notes that the time between Cut-Off Date (initially and for replenishment) and assignment/closing date on 4 November is about three months, which is acceptable as “undue delay” in accordance with the Regulation.</p>	
23	<p>STS Criteria</p> <p>23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Eligibility Criteria, 11.4.2</p> <p>(h) Performing SME Loan</p> <p>(v) the relevant SME Loan is not a Defaulted Loan.</p> <p>Defaulted Loan means SME Loans (i) which are in arrears for a period of at least 90 calendar days from the due date or which is deemed unlikely to be paid, as meant in article 178 of Regulation (EU) 575/2013.</p> <p>(j) On the relevant Cut-Off Date, the Seller has not received notice or is not otherwise aware, that any Borrower:</p> <p>(i) is bankrupt;</p> <p>(ii) is in a situation of cessation of payments;</p> <p>(iii) has entered into, or has filed for, or become subject to, a rescheduling of repayments (betalingsfaciliteiten / facilités de paiement), temporary measures (voorlopige maatregelen/ mesures provisoires), a company mediator (ondernemingsbemiddelaar/médiateur d’entreprises), a judicial reorganisation (gerechtelijk reorganisatie/ réorganisation judiciaire), a moratorium (uitstel van betaling / sursis de paiement) or a collective reorganisation of its debts (collectieve schuldenregeling / règlement collectif) pursuant to the Articles 1675/2 to and including 1675/19 of the Belgian judicial code (gerechtelijk wetboek/code judiciaire);</p> <p>(iv) has otherwise become insolvent; or</p> <p>(v) has any reason to believe that such Borrower is about to enter into, or to file for, any of the procedures specified in this paragraph (j).</p>	

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

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

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

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

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

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

24

STS Criteria

24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:

Verified?

YES

PCS Comments

11.4.2 Eligibility Criteria (...)

(h) Performing SME Loan

- (i) no event has occurred that has not been cured prior to the Cut-Off Date that would entitle the Seller to accelerate the repayment of any SME Loan;
- (ii) on the relevant Cut-Off Date, no payment of principal and/or interest on the SME Loan is in arrears for more than one (1) day after the due date for such payment;
- (iii) none of the SME Receivables purported to be assigned to the Issuer under the SME Loan were, as at the relevant Cut-off Date and on the date of assignment to the Issuer, subject to payment holidays, forbearance or debt restructuring;;
- (iv) none of the SME Receivables are exposures to Borrowers who have undergone a debt-restructuring process with regard to non-performing exposures within three year prior to the relevant Cut-Off Date;
- (v) the SME Loan is not a Defaulted Loan.

STS-securitisation statements

(i) For the purpose of compliance with the relevant requirements stemming from article 20(11) of the Securitisation Regulation, reference is made to the representations and warranties set forth in section 11.4.2 (Representations, Warranties and Eligibility Criteria). The Receivables forming part of the pool purported to be sold and assigned on the Closing Date do not include any exposures to borrowers who have undergone a debt-restructuring process with regard to non-performing exposures within three year prior to the Closing Date.

The note below applies to points from 24 to 29.

Although the text of the STS Regulation is quite vague, the EBA guidelines on defining “credit impaired” debtors are very helpful.

For PCS, the key points of the EBA guidelines on this issue are:

- 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.
- 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.

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.

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.

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.

- 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”.

25

STS Criteria

25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.

Verified?
YES

PCS Comments

See 11.4.2 Eligibility Criteria (j)

(j) Insolvency

On the relevant Cut-Off Date, the Seller has not received notice or is not otherwise aware, that any Borrower:

- (i) is bankrupt;
- (ii) is in a situation of cessation of payments;
- (iii) has entered into, or has filed for, or become subject to, a rescheduling of repayments (betalingsfaciliteiten / facilités de paiement), temporary measures (voorlopige maatregelen/ mesures provisoires), a company mediator (ondernemingsbemiddelaar/médiateur d’entreprises), a judicial reorganisation (gerechtelijk reorganisatie/ réorganisation judiciaire), a moratorium (uitstel van betaling / sursis de paiement) or a collective reorganisation of its debts (collectieve schuldenregeling / règlement collectif) pursuant to the Articles 1675/2 to and including 1675/19 of the Belgian judicial code (gerechtelijk wetboek/code judiciaire);
- (iv) has otherwise become insolvent; or

	(v) has any reason to believe that such Borrower is about to enter into, or to file for, any of the procedures specified in this paragraph (j). See also 11.4.2 (h) (iv), as quoted in criterion 24, above.	
26	STS Criteria 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:	Verified? YES
	PCS Comments STS-statements (i) For the purpose of compliance with the relevant requirements stemming from article 20(11) of the Securitisation Regulation, reference is made to the representations and warranties set forth in section 11.4.2 (Representations, Warranties and Eligibility Criteria). The Receivables forming part of the pool purported to be sold and assigned on the Closing Date do not include any exposures to borrowers who have undergone a debt-restructuring process with regard to non-performing exposures within three years prior to the Closing Date	
27	STS Criteria 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	Verified? Yes
	PCS Comments STS-statements (i) For the purpose of compliance with the relevant requirements stemming from article 20(11) of the Securitisation Regulation, reference is made to the representations and warranties set forth in section 11.4.2 (Representations, Warranties and Eligibility Criteria). The Receivables forming part of the pool purported to be sold and assigned on the Closing Date do not include any exposures to borrowers who have undergone a debt-restructuring process with regard to non-performing exposures within three year prior to the Closing Date <i>PCS notes that there are no restructured borrowers included in the portfolio.</i>	
28	STS Criteria 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;	Verified? YES
	PCS Comments <i>See criterion 27, above. No restructured loans, restructured within the last three years are included in the portfolio as described in the paragraph quoted above.</i>	
29	STS Criteria 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;	Verified? YES

	<p>PCS Comments</p> <p>(j) On the relevant Cut-Off Date, the Seller has not received notice or is not otherwise aware, that any Borrower:</p> <p>(i) is bankrupt;</p> <p>(ii) is in a situation of cessation of payments;</p> <p>(iii) has entered into, or has filed for, or become subject to, a rescheduling of repayments (betalingsfaciliteiten / facilités de paiement), temporary measures (voorlopige maatregelen/ mesures provisoires), a company mediator (ondernemingsbemiddelaar/médiateur d'entreprises), a judicial reorganisation (gerechtelijk reorganisatie/ réorganisation judiciaire), a moratorium (uitstel van betaling / sursis de paiement) or a collective reorganisation of its debts (collectieve schuldenregeling / règlement collectif) pursuant to the Articles 1675/2 to and including 1675/19 of the Belgian judicial code (gerechtelijk wetboek/code judiciaire);</p> <p>(iv) has otherwise become insolvent; or</p> <p>(v) has any reason to believe that such Borrower is about to enter into, or to file for, any of the procedures specified in this paragraph (j).</p>	
30	<p>STS Criteria</p> <p>30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>11.4.2 Eligibility Criteria,</p> <p>(p) Selection Process</p> <p>The Seller has not taken any action in selecting any SME Loan which, to the Seller's knowledge, would result in delinquencies or losses on such SME Loan being materially in excess of the average delinquencies or losses on the Seller's total portfolio of loans of the same type.</p>	

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

31	<p>STS Criteria</p> <p>31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>STS-statements</p> <p>(j) For the purpose of compliance with the requirements stemming from article 20(12) of the EU Securitisation Regulation, to the effect that the debtors at the time of transfer of the exposure have at least made one payment reference is made to the Eligibility Criteria set forth in section 11.4.2 (Eligibility Criteria)(u)(u)(viii).</p> <p>(u) Financial Criteria</p> <p>(viii) each SME Loan has already given rise to at least one (1) payment by the Borrower under the SME Loan before the relevant SME Purchase Date, in accordance with article 20(12) of the Securitisation Regulation;</p>	

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

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

32

STS Criteria

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.

**Verified?
YES**

PCS Comments

(k) For the purpose of compliance with the requirements stemming from article 20(13) of the Securitisation Regulation, the repayments to be made to the Noteholders have not been structured to depend predominantly on the sale of any collateral securing the SME Loans.

See Risk Factors, 1.3 Foreclosure of the Loan Security

Without prejudice to the information set out in Section 13 (Servicing of the SME Receivables) below, in case of the procedures set out in Schedule 1 to the Servicing Agreement (Foreclosure Procedures), the sale proceeds of the sale of the Loan Security may not entirely cover the outstanding amount under such SME Loan.

(a) Origination and Standard Loan Documentation

(i) each SME Loan has been granted and each of the Loan Security has been created, subject to the general terms and conditions and materially in the forms of the Standard SME Loan Documentation (so far as applicable) and any amendment to the terms of the SME Loans has been made substantially in accordance with the Credit Policies or the then prevailing credit policies of the Seller or the original lender;

13. The Servicer, 13.4 and 13.5 and

13.6 Collateral

Any collateral in a transaction is an important item in the credit decision, but credit is not extended based on collateral alone. The importance of collateral is greater for smaller entities than it is for larger ones. While not all loans are collateralised, any received collateral typically consists of one or more of the following types:

- Mortgages (i.e., liens on specified residential or commercial real estate, airplanes and ships);
- Mandates;
- Pledges over movable assets (such as stock, inventory, machinery, cars or trucks) and rights (such as deposits, securities, receivables, or claims from, for example, life insurance policies) through assignments or transfers for collateral purposes;
- Guarantees (from private individuals, legal entities, and/or governments).

PCS notes that the repayment of the holders of the securitisation positions has not been structured to depend on the sale of assets securing the receivable.

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

33	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p> <p><u>PCS Comments</u></p> <p>(l) For the purpose of compliance with the requirements stemming from article 21(1) of the Securitisation Regulation, the SME Receivables Purchase Agreement includes a representation, warranty and undertaking of the Seller (as originator under the Securitisation Regulation) as to its compliance with the requirements set forth in article 6 of the Securitisation Regulation (see Section 11.3)(see also the paragraph entitled Retention statement and information undertaking under this section).</p> <p>11.3 Material Net Economic Interest</p> <p>The Seller undertakes, as the originator of the securitisation within the meaning of article 2(3) of the Securitisation Regulation and, for the purposes of Risk Retention Rules , that following the issuance of the Notes on the Closing Date, as of the Closing Date it will subscribe for, and thereafter it shall retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. of the nominal value of each of the Classes of Notes sold or transferred to investors under the Transaction (the Retained Notes) in accordance with (i) article 6(3)(a) of the EU Securitisation Regulation for as long as the Notes have not been redeemed in full.</p>	

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

34	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p> <p><u>PCS Comments</u></p> <p>See Interest Rate Risk</p> <p>The portfolio of SME Loan includes SME Loans with different interest rate types: (i) part of the portfolio has a fixed interest rate, (ii) part of the portfolio has a fixed interest rate subject to reset and (iii) part of the portfolio has a floating interest rate. As a consequence, the Issuer will receive, amongst other things, interest payments pursuant to the SME Receivables calculated by reference to fixed interest rates (subject to reset from time to time, as the case may be) or floating interest rates.</p> <p>The Class A1 and Class A2 Notes will bear a floating rate of interest based on three-month EURIBOR plus a margin (effectively floored at zero. The Class A3 Notes, the Class B Notes and the Class C Notes will all bear a fixed interest rate. Consequently, the Issuer may be exposed to an interest rate risk if, for example, <i>on the one hand</i>, the proportion of the portfolio with a floating or resettable fixed interest rate, the relevant interest rate on such part of the portfolio and/or on any replenished loans and, <i>on the other hand</i>, the interest rate on the Notes would not evolve in the same way or at the same pace.</p> <p>While (i) the floating rate applicable on the Class A1 Notes and the Class A2 Notes creates a natural hedge between the evolution of the floating or resettable interest rate part of the portfolio, (ii) (ii) there is a limit in Portfolio Criterion (z) on the aggregate Current Balances of all SME Loans in</p> <p>the Current Portfolio with a floating or fixed resettable interest rate and (iii) amounts can be drawn from the Reserve Account to address a shortfall in the Interest Available Amount to pay the Accrued Interest on the Class A Notes), such natural hedge is not perfectly matched and together with the limit and possibility to draw from the Reserve Account and does not</p>	

offer the same cover of interest rate risk as certain interest rate hedging instruments. In case of an increasing mismatch between the interest rate on portfolio of SME Loans and the interest rate on the Notes, this will affect the Issuer's ability to make payments due to the Noteholders. The Noteholders will only have recourse to the assets of the Issuer and their cash flows which constitute the sole financial resources of the Issuer, see the risk factor *Liabilities under the Notes*, above.

See STS-securitisation statements

(m) For the purpose of compliance with the requirements stemming from article 21(2) of the Securitisation Regulation, first of all a natural hedge is created in the Transaction by (i) the interest rate on the Class A1 Notes and the Class A2 Notes taking the form of a floating rate of interest (whereas also part of the Portfolio of SME Loan has a floating or resettable rate of interest) and (ii) Portfolio Criterion (z) foreseeing in a limit on the aggregate Current Balances of all SME Loans in the Current Portfolio with a floating or fixed resettable interest rate. Furthermore, amounts can be drawn from the Reserve Account to address a shortfall in the Interest Available Amount to pay the Accrued Interest on the Class A Notes. [...]

11.4.2 Eligibility Criteria

(y) Compliance with articles 20(8), 20(9) and 21(2) of the EU Securitisation Regulation

For the purpose of compliance with articles 20(8), 20(9) and 21(2) of the Securitisation Regulation, the SME Receivables are homogeneous in terms of asset type (taking into account the cash flows and the contractual, credit risk and prepayment characteristics of the SME Receivables) and have defined periodic payment streams, the SME Loan is not a transferable security as defined in article 4(1), point (44) of MiFID II, nor a securitisation position within the meaning of article 20 paragraphs 8 and 9 of the EU Securitisation Regulation nor a derivative. For the purpose of compliance with the requirements stemming from article 21(2) of the EU Securitisation Regulation, no derivative contracts are entered into by the Issuer and the underlying exposures to be sold and assigned to the Issuer shall not include derivatives. The interest rate risk is appropriately mitigated and measures taken to that effect are disclosed. Furthermore, there is no currency risk as the Notes and the SME Receivables are both denominated in euro.

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

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

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

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

PCS notes that there is no further hedging in place. The transaction relies (a) on the DPP which can be adjusted for the purchase of the assets and (2) on the fact that part of the portfolio consists of up to 17,5% of resettable interest bearing loans which would adjust themselves to the prevailing floating rate. PCS has been able to get comfortable that the exposure to interest rate risk is limited.

35	STS Criteria 35. Currency risks arising from the securitisation shall be appropriately mitigated.	Verified? YES
	PCS Comments (ii) each SME Loan is denominated exclusively in Euro See also STS-statements (y) Compliance with articles 20(8), 20(9) and 21(2) of the EU Securitisation Regulation [...] Furthermore, there is no currency risk as the Notes and the SME Receivables are both denominated in euro.	
36	STS Criteria 36. Any measures taken to that effect shall be disclosed.	Verified? YES
	PCS Comments See criteria 34 and 35 above.	

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

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

37	STS Criteria 37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	Verified? YES
	PCS Comments STS-statements (m) For the purpose of compliance with the requirements stemming from article 21(2) of the Securitisation Regulation, [...].No derivative contracts are entered into by the Issuer and the underlying exposures to be sold and assigned to the Issuer shall not include derivatives (see section 11.4.2(y) (Eligibility Criteria)). Furthermore, there is no currency risk as the Notes and the SME Receivables are both denominated in euro (see section 11.4.2 (Eligibility Criteria) and Condition 4 (Overview of the Transaction and Structure Diagram)	
38	STS Criteria 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	Verified? YES
	PCS Comments STS-statements (m) For the purpose of compliance with the requirements stemming from article 21(2) of the Securitisation Regulation, [...].No derivative contracts are entered into by the Issuer and the underlying exposures to be sold and assigned to the Issuer shall not include derivatives (see section 11.4.2(y) (Eligibility Criteria)).	

39	STS Criteria 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	Verified? YES
	PCS Comments Not applicable, since there are no derivatives entered into for hedging purposes.	

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 STS-statements (n) For the purpose of compliance with the requirements stemming from article 21(3) of the Securitisation Regulation, it is confirmed that any referenced interest payments under the Loans are based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and do not reference complex formulae or derivatives. Regarding the Assets: See 11.4.2 Eligibility Criteria Investment Credit Business Loan Recurring Business Loan Roll Over Term Loan Regarding the Notes: <i>Classes A3, B and C Notes are fixed rate notes. The Classes A1 and A2 are floating rate Notes.</i> <i>The different types of SME loans are described and are based on generally used market interest rates.</i>	

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

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

41	<p><u>STS Criteria</u></p> <p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>(o) For the purpose of compliance with the requirements stemming from article 21(4) of the Securitisation Regulation, the Seller and the Issuer confirm that upon the issuance of an Enforcement Notice, (i) no amount of cash shall be trapped in the Issuer Accounts and (ii) no automatic liquidation for market value of the SME Receivables is required under the Transaction Documents (see also Conditions 5 (Redemption and Cancellation), Condition 9 (Events of Default) and 11 (Enforcement of Notes – Limited Recourse and Non-Petition) and Section 2 (Status, Security and Priority)). In addition, for the purpose of compliance with article 21(4) and article 21(9) of the Securitisation Regulation, the delivery of an Enforcement Notice by the Security Agent will trigger a change in the priorities of payments upon Enforcement which will be reported to the Noteholders without undue delay (see also Condition 9 (Events of Default) and Conditions 2 (Status, Security and Priority)).</p> <p>See Section 21, Terms and Conditions of the Notes</p> <p>Condition 5. REDEMPTION AND CANCELLATION</p> <p>Condition 9. EVENTS OF DEFAULT</p>	
42	<p><u>STS Criteria</u></p> <p>42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Section 21., Terms and Conditions of the Notes, Condition 5 REDEMPTION AND CANCELLATION</p> <p>5.2. Mandatory pro rata and pari passu Redemption in whole or in part</p> <p>See also Prospectus, 6.7.6 Post-enforcement Priority of Payments or T&C 2.6 Post-enforcement Priority of Payments</p> <p><i>PCS confirms that the redemption upon an enforcement event is sequential.</i></p>	

43	STS Criteria 43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	Verified? YES
	PCS Comments <i>See above.</i> <i>See also Terms and Conditions, 2.5. Pre-enforcement Principal Priority of Payments</i> <i>2.6 Post-enforcement Priority of Payments</i> <i>See also 6.7.6 Post-enforcement Priority of Payments</i> <i>The Pre-enforcement priority of payments is sequential for the Classes A1, A2 and A3 notes and sequential in relation to the class B and C notes, the post- enforcement priority of payments is sequential for each class of notes, i.e. pari passu within the three Class A1,A2 and A3 notes. Losses are allocated sequentially in both cases.</i>	
44	STS Criteria 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	PCS Comments See criterion 41.	

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 See Terms and Conditions, 6.5. Subordination The Class A Notes will be senior to the Class B Notes and Class C Notes. The Class B Notes will be senior to the Class C Notes. Within the Class A Notes, the Class A2 Notes will be subordinated to the Class A1 Notes to the extent that prior to enforcement, no payment of principal by the Issuer on the Class A2 Notes will be made whilst any Class A1 Note remains outstanding. The Class A3 Notes will be subordinated to the Class A1 Notes and the Class A2 Notes to the extent that prior to enforcement, no payment of principal by the Issuer on the Class A3 Notes will be made whilst any Class A2 Note and Class A1 Note remains outstanding In respect of:	

- (a) payments of interest prior to enforcement; and
 - (b) any amount due in respect of the Class A Notes in case of enforcement,
- the Class A1 Notes, the Class A2 Notes and Class A3 Notes shall however rank *pari passu* without any preference or priority among themselves.

STS-securitisation statements

(p) In accordance with article 21(5) of the Securitisation Regulation, 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. Prior to the delivery of an Enforcement Notice by the Security Agent, the Principal Available Amount will be applied by the Issuer sequentially in accordance with the Pre-Enforcement Priority of Payments. As a result thereof, the requirements stemming from article 21(5) of the Securitisation Regulation are not applicable (see also section 6.7.5 (6.8.5 Pre-enforcement Principal Priority of Payments)).

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).

46 STS Criteria

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

- (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;

**Verified?
YES**

PCS Comments

STS-securitisation statements

(q) For the purpose of compliance with the requirements stemming from article 21(6) of the Securitisation Regulation, the Replenishment Period ends automatically upon the occurrence of a Stop Replenishment Event (see also section 11.7 (The purchase of New SME Receivables)).

See also Section 11, SME RECEIVABLES PURCHASE AGREEMENT, 11.7

The SRPA provides that on any Monthly Sweep Date following the Closing Date up to (and including) the Last Replenishment Date, the Issuer shall use the Replenishment Available Amount, subject to (i) no Stop Replenishment Event having occurred and (ii) the satisfaction of the Replenishment Conditions, to purchase New Receivables Loans (a Replenishment)

from the Seller, if and to the extent offered by the Seller (each such day on which New SME Receivables are purchased, being an SME Purchase Date). For the avoidance of doubt, the Seller is not obliged to make such an offer.

Stop Replenishment Event:

Stop Replenishment Event means that on the relevant Monthly Sweep Date (i) the long-term IDR (or credit view equivalent to a rating) of the Seller has been downgraded below BBB by Fitch or Baa3 by Moody's (or such rating is withdrawn), or (ii) the aggregate Realised Losses (since the Closing Date) in respect of the SME Loans exceed 0.50 per cent. of the Current Portfolio Amount on the Closing Date, or (iii) the non-compliance of a given portfolio criterion for a period of more than twelve months, or (iv) the aggregate Current Balances of the Defaulted Loans (since the Closing Date) exceed 3 per cent. of the Current Portfolio Amount, or (v) the third successive Quarterly Payment Date on which the Replenishment Available Amount held in the Transaction Account exceeds EUR 600 million, or (vi) the balance standing to the credit of the Reserve Account falls below an amount equal to 0.75% of the Principal Amount Outstanding of the Notes on the Closing Date.

If at any time after a particular SME Purchase Date in respect of a New SME Loan, any of the Replenishment Conditions in respect of the New SME Loans on that SME Purchase Date, proves not have been satisfied on such SME Purchase Date, then the Seller shall immediately upon becoming aware thereof (i) notify the Issuer and the Security Agent, (ii) indemnify the Issuer for all damages, costs and expenses and (iii) repurchase and accept re-assignment of the rights in respect of one or more SME Loans (together with all other SME Loans covered by the same Loan Security, if any), upon the instruction of the Issuer and the Security Agent, which were sold to the Issuer on such SME Purchase Date and resulted in a breach of the Replenishment Conditions, at a price equal to the aggregate of the then Current Balance of the relevant SME Loan(s) plus accrued interest thereon and reasonable pro rata costs up to (but excluding) the date of completion of the repurchase.

PCS notes that, as part of the "Stop Replenishment Event" under (ii) and (iv) there is a trigger addressing the deterioration of credit quality in the portfolio.

47

STS Criteria

47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;

Verified?

Yes

PCS Comments

See criterion 45, above, Stop replenishment Event (i).

"(i) the long-term IDR (or credit view equivalent to a rating) of the Seller has been downgraded below BBB by Fitch or Baa3 by Moody's (or such rating is withdrawn)"

See also Replenishment Conditions

(c) no Notification Event has occurred and is continuing;

See also 11.5.5 Notification Events

(h) to (m) **which all relate to the Seller's Insolvency, failure to pay or perform its duties or downgrade.**

(o) a servicing termination event (as defined in the Servicing Agreement) has occurred;

See Servicing Agreement, 10.1

10.1. If any of the following events (each a Servicing Termination Event) shall occur: (f)

In case of bankruptcy of the Servicer, the appointment of the Servicer shall be terminated automatically (subject to the obligation of the Servicer to properly perform the Services for as long as no substitute servicer has effectively replaced the Servicer) whereupon the Issuer with the written consent of the Security Agent (who shall be duly informed thereof by the Issuer or the Administrator and shall notify its decision within ten (10) Business Days from the Issuer's request, after which period such consent shall be deemed to have

	been refused (or twenty (20) Business Days should the Security Agent in its reasonable opinion deem it appropriate to consult with the Noteholders)) may, without this being an obligation, proceed with the netting of any amount owed by the Issuer to the Servicer against any amounts owed by the Servicer to the Issuer under or in relation to the Servicing Agreement.	
48	STS Criteria 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	Verified? YES
	PCS Comments (iv) the aggregate Current Balances of the Defaulted Loans (since the Closing Date) exceed 3 per cent. of the Current Portfolio Amount. (vi) the balance standing to the credit of the Reserve Account falls below an amount equal to 0.75% of the Principal Amount Outstanding of the Notes on the Closing Date.	
49	STS Criteria 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	Verified? YES
	PCS Comments <i>See definition of Stop Replenishment Event</i> or v) the third successive Quarterly Payment Date on which the Replenishment Available Amount held in the Transaction Account exceeds EUR 600 million..	

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	STS Criteria 50. 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;	Verified? YES
	PCS Comments STS-securitisation statements (r) For the purpose of compliance with the requirements stemming from article 21(7) of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer are set forth in the Servicing Agreement (including the processes and responsibilities to ensure that a substitute servicer shall be appointed upon the occurrence of a termination event under the Servicing Agreement), a summary of which is included in Section 14 (Servicing of the SME receivables), the contractual obligations, duties and	

responsibilities of the Administrator are set forth in the Administration Agreement, a summary of which is included in Section 20.2 (Servicer), the contractual obligations, duties and responsibilities of the Security Agent are set forth in the Pledge Agreement, a summary of which is included in Section 20.3 (Security Agent).

See 6.7 Liquidity Facility

PCS notes that the underlying contractual obligations are summarised in the Prospectus and described in the relevant documents.

51

STS Criteria

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

Verified?
YES

PCS Comments

Section 4 OVERVIEW OF THE TRANSACTION AND STRUCTURE DIAGRAM

ING Belgium NV/SA will be appointed by the Issuer as the servicer of the SME Loans (the Servicer). The Servicer will inter alia collect payments of principal, interest and other amounts in respect of the SME Loans and transfer such amounts on a monthly basis to the Issuer's Transaction Account. See Section 14 (Servicing of the SME Receivables).

14.2 Termination

The Servicing Agreement may be terminated by the Issuer with the written consent of the Security Agent upon the occurrence of certain servicing termination events, including but not limited to a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt.

After termination of the appointment of the Servicer under the Servicing Agreement, the Issuer shall use its efforts to appoint a substitute servicer and such substitute servicer shall enter into an agreement with the Issuer and the Security Agent substantially on the terms of the Servicing Agreement, provided that such substitute servicer shall have the benefit of a fee to be then determined. Any such substitute servicer is obliged to have sufficient experience of administering loans such as the SME Loans granted to borrowers in Belgium. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Agent on materially the same terms as the Pledge Agreement to the satisfaction of the Security Agent.

52

STS Criteria

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.

Verified?
Yes

PCS Comments

See 11.10 Risk Mitigation Deposit Account

If at any time the ratings of ING as account bank for the Collection Accounts fall below the Required Minimum Ratings, the Seller shall as soon as reasonably possible, but no later than 30 calendar days as of the occurrence of such downgrade, credit to a bank account to be held in the name of the Issuer with an account bank having the Required Minimum Ratings the risk mitigation account (the Risk Mitigation Deposit Account) and deposit in the Risk Mitigation Deposit Account an amount in euro (the Risk Mitigation Deposit Amount) equal to the Calculated Amount and ensure that on each Monthly Sweep Date thereafter (until the ratings of the Seller are again at least equal to the Required Minimum Ratings) the balance of the Risk Mitigation Deposit Account is, to the extent necessary, increased up to the Calculated Amount in relation to such Monthly Sweep Date. Any interest accrued on the proceeds of such Risk Mitigation Deposit Account shall not be part of the Interest Available Amount, but shall accrue and be paid out on the benefit of the Seller.

Comingling Risk

The Issuer's ability to make payments in respect of the Notes and to pay its operating and administrative expenses depends on funds being received from the Borrowers into the Collection Accounts and such funds subsequently being swept on a monthly basis by the Servicer to the Issuer's Transaction Account. In case of insolvency of the Seller, the recourse the Issuer would have against the Seller would be an unsecured claim against the insolvent estate of the Seller for collection moneys then standing to the credit of the Collection Accounts at such time. This risk is mitigated by (i) a monthly sweep of the cash representing the collection of moneys received in the related Monthly Collection Period in respect of the SME Loans by the Servicer on behalf of the Issuer from the Collection Accounts to the Transaction Account (meaning that collections will be held in the Collection Account for a maximum period of 1 calendar month and twenty-six (26) calendar days before being swept to the Transaction Account of the Issuer), (ii) an undertaking of the Seller to (at its own discretion) either (a) shorten the maximum period during which amounts will be held in the Collection Accounts before being swept into the Transaction Account to two (2) Business Days or (b) constitute a reserve in a Risk Mitigation Deposit Account (See Section 6.2.1– Seller Cash Collection and Section 11.10– Risk Mitigation Deposit Account below) after the occurrence of a downgrade of the credit ratings of the Seller below the Required Minimum Ratings and (iii) a rating trigger on the long-term credit rating of the Seller according to which a downgrade below BBB- by Fitch or Baa3 by Moody's (or such rating being withdrawn) constitutes a Notification Event.

11.5.5 Notification Events

The sale of the SME Receivables under the SRPA and pledge of the SME Receivables under the Pledge Agreement will be notified to any relevant Borrowers and any other relevant parties (and instructions to make future payments directly into an account of the Issuer will be given) by the Issuer (acting on the instructions of the Security Agent) pursuant to the terms and conditions set out in the SRPA and the Pledge Agreement.

Each of the following events is a Notification Event under the SRPA:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the SRPA or under any Transaction Document to which it is a party and such failure is not remedied within fifteen (15) Business Days after notice thereof has been given by the Issuer or the Security Agent to such Seller;
- (b) the Seller fails duly to perform or comply with any of its obligations under the SRPA or under any other Transaction Document to which it is a party and such failure, if capable of being remedied, is not remedied within fifteen (15) Business Days after the Seller having knowledge of such failure or notice thereof has been given by the Issuer or the Security Agent to the Seller;

See also 6.4 Substitution of GIC Provider

If at any time (i) the short term deposit rating (or, if no short term deposit rating is assigned) the short-term IDR of the GIC Provider is assigned a rating of less than the Fitch Required Minimum Short Term Rating or such rating is withdrawn and the long term deposit rating (or, if no long term deposit rating is assigned), the long-term IDR of the GIC Provider is assigned a rating of less than the Fitch Required Minimum Long Term Rating or such rating is withdrawn or (ii) the credit rating of the GIC Provider's short term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's and the credit rating of the GIC Provider's long term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's is less than the Moody's Required Minimum Rating by Moody's, then the GIC Provider (thereby assisted by the Issuer) shall within sixty (60) calendar days (A) transfer the balance of the relevant Transaction Accounts to an alternative bank with the Required Minimum Ratings, or (B) find a third party with the Required Minimum Ratings to guarantee the obligations of the GIC Provider.

See also Administration Agreement, 8.2

8.2. Subject as provided herein, each of the Issuer Accounts shall at all times be maintained with the GIC Provider. If at any time (i) the short term deposit rating (or, if no short term deposit rating is assigned) the short-term IDR of the GIC Provider is assigned a rating of less than the F1 or such rating is withdrawn and the long term deposit rating (or, if no long term deposit rating is assigned), the long-term IDR of the GIC Provider is assigned a rating of less than the A or such rating is withdrawn or (ii) the credit rating of the GIC Provider's short term, unsecured, unsubordinated and unguaranteed debt obligations by Moody's and the credit rating of the GIC Provider's long term, unsecured, unsubordinated and

unguaranteed debt obligations by Moody's is less than the Prime 1 by Moody's, then the GIC Provider (thereby assisted by the Issuer) shall within sixty (60) calendar days (A) transfer the balance of the relevant Transaction Accounts to an alternative bank with the Required Minimum Ratings, or (B) find a third party with the Required Minimum Ratings to guarantee the obligations of the GIC Provider. If at the time when a transfer of the Issuer Accounts would otherwise have to be made under this clause there is no other bank which meets the Required Minimum Ratings and which is willing to be the GIC Provider on behalf of the Issuer, then:

- (a) if the Security Agent so agrees, the Issuer Accounts need not then be transferred but shall, as soon as practicable following the identification of a bank or banks which meet(s) the Required Minimum Ratings and are authorized to conduct a banking business in Belgium, be transferred to that bank or banks; or
- (b) the Issuer Accounts may be transferred to such other bank or banks as the Security Agent may approve in writing.

8.3. Upon the transfer of any of the Issuer Accounts to another bank, the Administrator will procure that (i) the new account(s) is/are pledged to the Security Agent in the same manner as the Issuer Account(s) are pledged to the Security Agent pursuant to the Pledge Agreement; (ii) the provisions of this clause shall apply to such bank account(s); (iii) the provisions of the Pledge Agreement relating to payments from the Issuer Account(s) shall apply to such new bank accounts; and (iv) the arrangements for the operation of such bank account(s) shall be the same as in relation to the Issuer Account(s), all to the satisfaction of the Security Agent.

In case of a downgrade of the seller there is a requirement for setting up the new risk mitigation account. If the Seller defaults there is a Notification Event and the payments are redirected to the Issuer. Also the GIC Account and other Issuer Accounts (all with ING) are replaced subject to a rating trigger and transferred to a bank with the required ratings.

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

53	STS Criteria	Verified? YES
	PCS Comments	
	<p>53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised</p> <p>See SECTION 13 THE SELLER, STS-securitisation statements</p> <p>(s) The Servicer has the required expertise in servicing corporate loans which are of a similar nature as the SME Loans within the meaning of article 21(8) of the Securitisation Regulation, as it has a credit institution licence under the CRR and a minimum of 5 years' experience in servicing loans similar to the SME Loans. The Servicer is of the opinion that it has well documented and adequate policies, procedures and risk management controls relating to the servicing of SME Receivables since the Servicer is subject to capital and prudential regulations pursuant to the CRR.</p> <p>See also Section 14.1 Servicer</p> <p>In the Servicing Agreement the Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the SME Loans, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the SME Loans and the transfer of such amounts on a monthly basis to the Transaction Account (see also Cash Collection Arrangements in Credit Structure) and the implementation of arrear procedures including, if applicable, the enforcement of the Related Security (see further Underwriting and servicing of the SME Loans above). The Servicer will be obliged to administer the SME Loans at the same level of skill, care and diligence as loans granted to small and medium sized enterprises in its own or, as the case may be, the Seller's portfolio.</p> <p><i>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.</i></p>	

54	STS Criteria	54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	Verified? YES
	PCS Comments		

Article 21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies

55	STS Criteria	55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	Verified? YES
	PCS Comments		

Article 21.9. The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.

56	STS Criteria	56. The transaction documentation shall clearly specify the priorities of payment,	Verified? YES
	PCS Comments		

57	STS Criteria 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	Verified? YES
	PCS Comments 1.3 Risk factors relating to the structure (d) The SRPA provides that upon the occurrence of certain Notification Events, including the giving of a notice by the Security Agent under Condition 9 (Events of Default) declaring that the Notes are immediately due and repayable (an Enforcement Notice), the Issuer or the Security Agent will require the Seller to give notice to the Borrowers or any other debtor of any assigned right or collateral (as described in <i>Section 11.5.5</i> , below). If the Seller fails to comply with any such request of the Security Agent forthwith upon (a) receipt of such Enforcement Notice or (b) the occurrence of a termination event under the Servicing Agreement, the Issuer and the Security Agent shall (at the expense of the Seller) be entitled to give such notice(s). Stop Replenishment Event means (i) the long-term IDR (or credit view equivalent to a rating) of the Seller has been downgraded below BBB by Fitch or Baa3 by Moody's (or such rating is withdrawn), or (ii) the aggregate Realised Losses (since the Closing Date) in respect of the SME Loans exceed 0.50 per cent. of the Current Portfolio Amount on the Closing Date, or (iii) the non-compliance of a given portfolio criterion for a period of more than twelve months, or (iv) the aggregate Current Balances of the Defaulted Loans (since the Closing Date) exceed 3 per cent. of the Current Portfolio Amount on the Closing Date or (v) the third successive Quarterly Payment Date on which the Replenishment Available Amount held in the Transaction Account exceeds EUR 600 million.	
58	STS Criteria 58. The transaction documentation shall clearly specify the obligation to report such events.	Verified? YES
	PCS Comments See also 11.5.5 Notification Events (k) a Pledge Notification Event occurs (q) the Seller fails to deliver a solvency certificate on any Quarterly Payment Date and such failure is not remedied within 5 Business Days after becoming aware thereof or notice thereof has been given by the Issuer or the Security Agent to the Seller. Each of the following is a Pledge Notification Event under the Pledge Agreement: (a) the occurrence of a Notification Event other than as referred to under 11.5.4 (n); or (b) the service of an Enforcement Notice by the Security Agent.	
59	STS Criteria 59. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	Verified? YES
	PCS Comments See Condition 9 EVENTS OF DEFAULT 9.5. The issuance of an Enforcement Notice will be reported to the Noteholders without undue delay in accordance with Condition 14.	

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

60 STS Criteria

60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders

Verified?
YES

PCS Comments

See Prospectus, STS-securitisation statements

(u) For the purpose of compliance with the requirements stemming from article 21(10) of the Securitisation Regulation, the Pledge Agreement and Section 19 (Meetings of Noteholders, Modifications and Waivers) contain provisions for convening meetings of Noteholders, the maximum timeframe for setting up a meeting or conference call, voting rights of the Noteholders, the procedures in the event of a conflict between Classes and the responsibilities of the Security Trustee in this respect.

See section 19. MEETINGS OF NOTEHOLDERS

The Conditions and the Pledge Agreement contain provisions for convening meetings of the Noteholders to consider matters affecting the interests of the Noteholders.

See also Terms and Conditions,

13. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVERS

See also Pledge Agreement and Conditions

(a) the method for calling meetings; as for method: See Schedule 2 of Pledge Agreement

(b) the maximum timeframe for setting up a meeting: see above

(c) the required quorum: see Prospectus, Terms and Conditions, 13.8 QUORUM

(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision: extraordinary: See Terms and Conditions, 13.9 and 13.10

(e) where applicable, a location for the meetings which should be in the EU: see Prospectus, 13.1 (e)

See also Pledge Agreement, Schedule 2

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.

61	<u>STS Criteria</u> 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	<u>Verified?</u> YES
	<u>PCS Comments</u> See criterion above. The duties of the Security Agent and Issuer are clearly described in the Security Pledge Agreement and Terms and Conditions.	

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

62	STS Criteria	Verified? YES
	<p>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,</p> <p>PCS Comments See Prospectus, STS-securitisation statements</p> <p>(v) The Seller has provided to potential investors (i) the information regarding the SME Receivables pursuant to article 22(1) of the Securitisation Regulation over the past 5 years as set out in the Section 15.5 Data on static and dynamic historical default and loss performance of Receivables, a draft of which was made available to such potential investors prior to the pricing of the Notes and (ii) the liability cash flow model as referred to in article 22(3) of the Securitisation Regulation. Such information will, after the date of this Prospectus, on an ongoing basis, be made available to Noteholders on the securitisation repository (EDW) and, upon request, to potential investors in accordance with article 22(3) of the Securitisation Regulation.</p> <p>15.5 Data on static and dynamic historical default and loss performance of Receivables</p> <p>Investors can access static data and dynamic data on the historical prepayment, arrears, default and loss performance for a period of at least 5 years for the SME Receivables by under the Transaction described in this Prospectus on the website of European Data Warehouse at https://editor.eurodw.eu/home. This data has not been audited by any auditor.</p> <p>See also Prospectus,</p> <p>7.13.4 Disclosure Requirements under the Securitisation Regulation</p> <p>Furthermore, each of the Seller and the Issuer has made available and/or will make available, as applicable, following information before pricing of the Notes:</p> <p>(d) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar SME Loans receivables to those being securitised, and the sources of those data and the basis for claiming similarity, which data cover a period of not shorter than five years, as required by article 22(1) of the Securitisation Regulation (see also Section "Statistical Information relating to the Portfolio of " below).</p>	
63	STS Criteria	Verified? YES
	<p>63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.</p> <p>PCS Comments See criterion 62, above.</p>	
64	STS Criteria	Verified? YES
	<p>64. Those data shall cover a period no shorter than five years.</p> <p>PCS Comments <i>PCS has been provided with the historical data and it is in accordance with the regulation.</i></p>	

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

65	STC Criteria	Verified? YES
	<p>65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,</p> <p>PCS Comments See Prospectus, STS-securitisation statements</p> <p>(w) For the purpose of compliance with the requirements stemming from article 22(2) of the Securitisation Regulation, a sample of Receivables has been externally verified by an appropriate and independent party prior to the date of this Prospectus (see also section Section 15 (<i>Description of the portfolio</i>)). The Seller confirms no significant adverse findings have been found. Furthermore, a sample of the Eligibility Criteria against the entire loan-by-loan data tape has been verified by an appropriate and independent party and the Seller confirms that no adverse findings have been found.</p> <p>See also 15.3 External verification of a sample of SME Loans</p> <p>Accordingly, Deloitte Bedrijfsrevisoren/Réviseurs d'Enterprises BV/SRL, an independent, third party has performed on or about 29 September 2022 an agreed upon procedures review on a statistical sample randomly selected out of the Seller eligible SME Loans pool (in existence on 31 May 2022) in the framework of this securitisation transaction. More than 92% of the SME Loans in the Initial Portfolio were part of the audit pool.</p> <p>The size of the sample has been determined on the basis of a confidence level of 95% and a maximum accepted error rate of 1%.</p> <p>The pool agreed upon procedures review includes (i) the review of 21 loan characteristics of the sample of selected SME Loans as of 31 May 2022, which include but are not limited to borrower location, borrower segmentation, industry/NACE code, current loan balance, loan margin, loan interest rate base, principal payment frequency, interest payment frequency, loan amortisation type, borrower internal rating, origination date, maturity date, loan collateral value, collateral type, ranking mortgage and collateral location and (ii) the compliance of the portfolio with certain eligibility criteria as of 29 July 2022 disclosed in Section "Statistical Information relating to the Portfolio of " below. This independent third party has also performed agreed upon procedures in order to re-calculate the stratification tables disclosed in Section "Statistical Information relating to the Portfolio of SME Loans" below in respect of the exposures of the portfolio, and to verify the accuracy thereof. The third party undertaking the review has reported the factual findings to the parties to the engagement letter. The third party undertaking the review only accepts a duty of care to the parties to the engagement letter governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed.</p> <p>The Seller has confirmed in the SME Receivables Purchase Agreement that no significant adverse findings have been found by such third party during its review.</p> <p>PCS has reviewed the final report on "agreed upon procedures" (AUP) commonly known as a "pool audit". PCS can confirm that this was done by an appropriate and independent third party and in accordance with the Regulation.</p>	
66	STC Criteria	Verified? YES
	<p>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p> <p>PCS Comments See 15.3, above, (ii).</p>	

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

67	STS Criteria	Verified? YES
	<p>67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p> <p>PCS Comments</p> <p>See STS-securitisation statements</p> <p>(v) The Seller has provided to potential investors (i) the information regarding the SME Receivables pursuant to article 22(1) of the Securitisation Regulation over the past 5 years as set out in the Section 15.5 Data on static and dynamic historical default and loss performance of Receivables, a draft of which was made available to such potential investors prior to the pricing of the Notes and (ii) the liability cash flow model as referred to in article 22(3) of the Securitisation Regulation. Such Information will, after the date of this Prospectus, on an ongoing basis, be made available to Noteholders on the securitisation repository (EDW) and, upon request, to potential investors in accordance with article 22(3) of the Securitisation Regulation.</p> <p>See also 7.13.4 Disclosure Requirements under the Securitisation Regulation</p> <p>Furthermore, each of the Seller and the Issuer has made available and/or will make available, as applicable, following information before pricing of the Notes</p> <p>(a) via Bloomberg and/or any other relevant modelling platforms, a liability cash flow model of the Transaction which precisely represents the contractual relationship between the SME Receivables and the payments flowing between the Seller, the Noteholders, other third parties and the Issuer, which shall remain to be made available to Noteholders on an ongoing basis and to potential investors upon request, as required by article 22(3) of the Securitisation Regulation (which liability cash flow model shall be kept updated and modified, in case of significant changes in the cash flow structure of the transaction described in this Prospectus);</p> <p><i>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.</i></p>	
68	STS Criteria	Verified? YES
	<p>68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p> <p>PCS Comments</p> <p>See 7.13.4, as quoted above.</p> <p><i>Although technically covering the period between pricing and close, this is primarily a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting, at the same time, that the absence of any such covenant – although possibly unsettling for some investors - would not invalidate the STS status of the transaction at closing.</i></p>	

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

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

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

69

STS Criteria

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).

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

See STS-securitisation statements

(x) For the purpose of compliance with the requirements stemming from article 22(4) of the Securitisation Regulation, it is noted that this requirement does not apply to this transaction, since the underlying assets are SME loans.

PCS notes that environmental data for SME loans is not required at this stage. The consultation paper ("Draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures of Article 22(4) and 26(4) of Regulation (EU)2017/2402) was published on 2 May 2022.

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

70

STS Criteria

70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.

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

See Prospectus, 7.13.4

The Seller shall be responsible for the compliance with article 7 of the Securitisation Regulation, in accordance with article 22(5) of the EU Securitisation Regulation.

To the extent any developing regulations or technical standards prepared under the Securitisation Regulation come into effect after the date hereof and require such reports to be published in a different manner or on a different website, the Seller shall comply with the requirements of such developing regulations or technical standards when publishing such reports

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

71	<p>STS Criteria</p> <p>71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, 7.13.2 Loan-level data reporting requirements for asset-backed securities with respect to the Eurosystem's collateral framework</p> <p>Loan-level data reporting requirements for asset-backed securities with respect to the Eurosystem's collateral framework</p> <p>As set out above, the Seller shall make available the loan-by-loan level data with respect to the SME Receivables to investors on a quarterly basis on the EDW website within one (1) month of each Quarterly Payment Date as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation and the Article 7 Technical Standards). It should be noted that, with effect from 1 October 2021 (but subject to certain transitional provisions), amended Eurosystem rules apply to loan-by-loan reporting whereby loan-level reporting via an ESMA-authorized securitisation repository in compliance with Article 7 of the EU Securitisation Regulation applies.</p>	
72	<p>STS Criteria</p> <p>72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, 7.13.1 Disclosure Requirements under the Securitisation Regulation</p> <p>... following information before pricing of the Notes</p> <p>(c) the information required by paragraphs (b) to (d) of article 7(1) of the Securitisation Regulation (being the STS Notification, the Prospectus and the Transaction Documents (other than the Subscription Agreement) at least in draft or initial form as required by article 22(5) of the Securitisation Regulation</p>	

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

73	STS Criteria	Verified? YES
	<p>73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p> <p>PCS Comments</p> <p>7.13.1 Disclosure Requirements under the Securitisation Regulation</p> <p>The Reporting Entity, will make available to Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and to potential investors, the following information required to be made available under Article 7 of the Securitisation Regulation. Such information will be made available on the EDW website (https://editor.eurodw.eu), which is a securitisation repository which satisfies the conditions set out in Article 7(2) of the Securitisation Regulation:</p> <p>(d) this Prospectus and the Transaction Documents (other than the Subscription Agreement) as required by article 7(1)(b) of the Securitisation Regulation at the latest 15 calendar days after the Closing Date pursuant to article 22(5) of the EU Securitisation Regulation as well as any amendment to the Transaction Documents (other than the Subscription Agreement); and</p> <p><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 technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement.</i></p>	

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

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

74	STS Criteria	Verified? YES
	<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>PCS Comments</p> <p>7.13.1 Disclosure Requirements under the Securitisation Regulation</p> <p>The Reporting Entity, will make available to Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and to potential investors, the following information required to be made available under Article 7 of the Securitisation Regulation. Such information will be made available on the EDW website (https://editor.eurodw.eu), which is a securitisation repository which satisfies the conditions set out in Article 7(2) of the Securitisation Regulation:</p> <p>(a) on a quarterly basis and within one (1) month after each Quarterly Payment Date, certain loan-by-loan information in relation to the SME Loans comprised in the Portfolio as of the relevant Cut-off Date, as required by and in accordance with (i) Article 7(1)(a) of the Securitisation Regulation and the Article 7 Technical Standards, which shall be provided in the form of the standardised template set out in annex IV of the Commission Delegated Regulation (EU) 2020/1224, as applicable (the Loan Level Data);</p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in Note 73 above.</i></p>	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent 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 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;

Verified?
YES

PCS Comments

See criterion 73, above.

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

Article 7.1. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;

76	STS Criteria	Verified? YES
	<p>76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;</p> <p>PCS Comments</p> <p>See Prospectus, section 6.7 Application of cash flow and Priority of Payments</p> <p>See also Terms and Conditions 2.5 and 2.6 Pre and Post -enforcement Priority of Payments</p> <p>See also section 7 in the Pledge Agreement</p>	

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

(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:

- (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;
- (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;
- (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;
- (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;

77	STS Criteria	Verified? YES
	<p>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:</p> <p>(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;</p> <p>(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;</p> <p>(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;</p> <p>(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;</p> <p>PCS Comments</p> <p><i>Not applicable</i></p>	

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

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

78	<p>STS Criteria</p> <p>78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>7.13.1 Disclosure Requirements under the Securitisation Regulation</p> <p>(e) the STS Notification referred to in article 27 of the Securitisation Regulation as required by article 7(1)(d) of the EU Securitisation Regulation.</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. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

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

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

79	<p>STS Criteria</p> <p>79. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:</p> <ul style="list-style-type: none"> (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. 	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>7.13.1 Disclosure Requirements under the Securitisation Regulation</p> <p>(b) on a quarterly basis and within one (1) month after each Quarterly Payment Date, a quarterly investor report in respect of the relevant Interest Period, as required by and in accordance with (i) article 7(1)(e) of the Securitisation Regulation and the Article 7 Technical Standards, as applicable (the Quarterly Investor Report), which shall be provided in the form of the standardised template set out in annex XII of the Commission Delegated Regulation (EU) 2020/1224, as applicable;</p>	

7.13.1

Securitisation Regulation under the Securitisation Regulation

In addition, the Seller shall undertake to notify immediately to the Issuer and the Security Agent of any breach or change to the manner in which it retains such material net economic interest.

In addition to the information set out herein and forming part of this Prospectus, the Seller is acting as the Reporting Entity (the Reporting Entity), as designated entity under article 7(2) of the EU Securitisation Regulation, has undertaken to make available information to investors, potential investors (upon request) and competent authorities, in accordance with and as required pursuant to article 7 of the EU Securitisation Regulation so that investors, potential investors (upon request) and competent authorities, are able to verify compliance with article 6 of the EU Securitisation Regulation, as applicable. Each prospective investor should ensure that it complies with the EU Securitisation Regulation to the extent applicable to it.

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

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

80	STS Criteria	Verified? YES
	<p>80. (f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;</p>	
	<p>PCS Comments</p> <p>7.13.1 Disclosure Requirements under the Securitisation Regulation</p> <p>(c) without delay, any inside information relating to the Transaction that the Seller as originator or the Issuer as SSPE are obliged to make public in accordance with article 17 of Regulation (EU) No 596/2014 on insider dealing and market manipulation and pursuant to (i) article 7(1)(f) of the Securitisation Regulation which shall be provided in the form of the standardised template set out in annex XIV of the Commission Delegated Regulation (EU) 2020/1224, as applicable;</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. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

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

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

81	STS Criteria	Verified? YES
	<p>81. (g) where point (f) does not apply, any significant event such as:</p> <ul style="list-style-type: none"> (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. 	

PCS Comments

See criterion 80, above.

STS-securitisation statements

In accordance with Article 27.4 of the Securitisation Regulation, an originator will immediately notify ESMA and its competent authority when a securitisation no longer meets the STS Requirements. Furthermore, if the Seller or the Issuer would have knowledge of any issue regarding the continued compliance of the Transaction with the STS requirements, such knowledge could amount to insider information. Such knowledge would then be made public in accordance with the applicable regulations on insider information.

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 [...ABCP provisions]

82 STS Criteria

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

Verified?
YES

PCS Comments

See criterion 79, and 74 above including the undertaking to comply with article 7(2).

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

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

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

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

83 STS Criteria

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

Verified?
YES

PCS Comments

See criterion 80, above, for point (f)

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

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

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

Or

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

84 **STS Criteria**

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

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

Or

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

Verified?
YES

PCS Comments

See Prospectus, Section 3, REGULATORY AND INDUSTRY COMPLIANCE, Securitisation Regulation

For the purpose of article 7(2) of the EU Securitisation Regulation, the Seller has been designated as the entity responsible for compliance with the applicable requirements of article 7(1) of the EU Securitisation Regulation

In addition to the information set out herein and forming part of this Prospectus, the Seller is acting as the Reporting Entity (the Reporting Entity), as designated entity under article 7(2) of the Securitisation Regulation, has undertaken to make available information to investors, potential investors (upon request) and competent authorities, in accordance with and as required pursuant to article 7 of the Securitisation Regulation so that investors, potential investors (upon request) and competent authorities, are able to verify compliance with article 6 of the EU Securitisation Regulation, as applicable. Each prospective investor should ensure that it complies with the EU Securitisation Regulation to the extent applicable to it.

Disclosure Requirements under the Securitisation Regulation

For the purpose of article 7(2) of the Securitisation Regulation, the Seller and the Issuer agree that the Seller, as "originator" as defined in the Securitisation Regulation, will be the entity in charge of compliance with the requirements of article 7 of the Securitisation Regulation (the Reporting Entity). [...]

The Seller shall be responsible for the compliance with article 7 of the EU Securitisation Regulation, in accordance with article 22(5) of the EU Securitisation Regulation.

The information will be made available by the Seller to the investors and competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors in electronic form and can be obtained on the EDW website (<https://edwin.eurowdw.eu/edweb/>).

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

85 **STS Criteria**

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.

Verified?
YES

PCS Comments

See criterion 84, above.

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