

# **STS Term Verification Checklist**

## **TDA SABADELL RMBS 5**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

25<sup>th</sup> February 2025

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

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

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

**25<sup>th</sup> Feb. 2025**

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## PRIME COLLATERALISED SECURITIES (PCS) STS Verification

Individual(s) undertaking the assessment	Dr. Martina Spaeth
Date of Verification	25 <sup>th</sup> February 2025
<b>The transaction to be verified (the "Transaction")</b>	<b>TDA SABADELL RMBS 5</b>
Issuer	TDA SABADELL RMBS 5, FT
Originator/Seller/Subscriber	BANCO DE SABADELL, S.A.
Lead Manager(s)	n.a. (BANCO SABADELL has committed to fully subscribe to the issue of the Notes)
Transaction Legal Counsel	Perez Llorca, Madrid, Spain
Rating Agencies	Moody's and MDBRS
Stock Exchange	AIAF
Closing Date	25 <sup>th</sup> February 2025

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

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

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

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

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

<b>1</b>	<p><b>STS Criteria</b></p> <p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p>	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>Regarding the assignment, see Prospectus section ADDITIONAL INFORMATION TO BE INCLUDED IN RELATION TO ASSET-BACKED SECURITIES,</p> <p>See 2.2.3 Legal nature of the assets</p> <p>The Mortgage Loans have been formalised in a public deed subject to the Mortgage Law of 8 February 1946 (Decreto de 8 de febrero de 1946 por el que se aprueba la nueva redacción oficial de la Ley Hipotecaria) and Law 5/2019. The first-ranking and/or second and/or subsequent ranking real estate mortgage guarantees are registered in the corresponding land registries.</p> <p>The assignment of the credit rights of the Mortgage Loans to the Fund will be carried out through the issue by BANCO SABADELL and subscription by the Fund of MTCs subject to the provisions of Royal Decree-Law 24/2021 and Royal Decree 716/2009, in accordance with the terms set out in section 3.3 of this Additional Information and the Deed of Incorporation.</p> <p>[...] The Receivables will be assigned by means of the issuance by the Seller of the MTCs which will be fully subscribed by the Fund through its Management Company, in accordance with the Deed of Incorporation and upon the terms established therein and in this Prospectus.</p> <p>The monitoring of the appraisal value of the assets is carried out in accordance with (i) the provisions set forth in chapter 4 (Credit risk mitigation) of CRR and, in particular, with article 208.3 of CRR; and (ii) sections 69 to 85 of annex 9 of Circular 4/2017.</p> <p>Each MTC will represent 100 per cent of the Outstanding Balance of the Receivables arising from the relevant Mortgage, including, without limitation, late payment interest corresponding to the accrued amounts and any other rights attached to the corresponding Mortgage Loan (but excluding prepayment fees and other fees).</p> <p>The issuance of the MTCs will not transfer formal title to the mortgages and to any other security for the Mortgage Loans or accessory rights (including the insurances) relating to the relevant Mortgage Loans to the Fund (as holder of the MTCs). However, all rights to the proceeds of the enforcement of such mortgages and accessory rights will be transferred to the Issuer (as holder of the MTCs) (but excluding prepayment fees and other fees).</p> <p>Each of the MTCs issued by the Seller will be represented in one Multiple Title containing the minimum requirements provided for in Article 29 of the Royal Decree 716/2009, together with the registry data of the properties mortgaged as security for the Mortgage Loans. The Multiple Title will be deposited with the Paying Agent.</p> <p>See also Risk Factors. 1.11 Risk associated with lower ranking mortgages</p> <p>As indicated in section 2.2.2.4.26 of the Additional Information, 12.94% of the Outstanding Balance of the Receivables in the Preliminary Portfolio are secured by lower ranking mortgages. It is worth noting that the Mortgage Loans secured with second and/or subsequent ranking mortgages over a real estate asset are only pooled in the Fund if all prior ranking mortgage rights on such asset are also pooled in the Fund.</p> <p>3.3.2. Receivables assignment terms</p>	

The assignment of the Receivables arising from the Mortgage Loans, implemented through the issue by BANCO SABADELL of the MTCs and their subscription by the Fund, will be full and unconditional and for the whole of the remaining period up to the maturity of each Mortgage Loan, without prejudice to the powers of the Servicer set forth in section 3.7.2 of the Additional Information.

The Seller of the Receivables, in accordance with article 348 of the Commercial Code and article 1,529 of the Spanish Civil Code, will be responsible to the Fund for the existence and lawfulness of the Receivables, as well as for the capacity with which it makes its assignment instrumented through the issue of the Mortgage Transfer Certificates, but will not be responsible for the solvency of the Borrowers.

#### 3.3.2.2. Assigned rights

The rights under the MTCs comprise the Outstanding Balance of the Receivables arising from each Mortgage Loan as of the Date of Incorporation and, with respect to Mortgage Loans in arrears only (but, for the avoidance of doubt, not with respect to any other Mortgage Loan) all ordinary and default interest accrued but unpaid on each such Mortgage Loan in arrears as of the Date of Incorporation, as well as any rights derived from any collateral and any insurance policies related to all Mortgage Loans, if applicable. Prepayment fees and any other fees are not comprised in the rights under the MTCs and belong to the Originator.

#### 3.3.2.6. Insolvency of the Seller

If an Insolvency Event occurs with respect to the Seller, it could affect its contractual relationship with the Fund, in accordance with the provisions of the Insolvency Law.

The assignment of the Receivables of the Mortgage Loans through the issue of Mortgage Transfer Certificates can only be the subject of claw-back by the bankruptcy administration, which will have to prove the existence of fraud in accordance with the provisions of the Insolvency Law, as set forth in article 16.4 of Law 5/2015 and paragraphs 5 and 6 of the First Additional Provision of RDL 24/2021. The Seller has its place of business office in Spain.

In the event that the Seller is declared insolvent, in accordance with the Insolvency Law, the Fund, represented by the Management Company, shall have the right of separation with respect to the Receivables, on the terms provided in articles 239 and 240 of the Insolvency Law. Consequently, the Fund shall be entitled to obtain from the insolvent Seller the resulting Receivable amounts from the date on which the insolvency is declared, being those amounts considered Fund's property and which must therefore be transferred to the Fund, represented by the Management Company.

This right of separation would not necessarily extend to the cash received and kept by the insolvent Seller on behalf of the Fund before that date, given the essential fungible nature of money.

Notwithstanding the above, both the Prospectus and the Deed of Incorporation provide for certain mechanisms in order to mitigate the aforesaid effects in relation to cash due to its fungible nature as detailed in section 3.4.2.1 of the Additional Information.

See also 2.2.8. Indication of representations and warranties given to the Issuer relating to the assets

#### 3. The Seller in relation to the MTC's

(7) That the MTCs are issued in the Date of Incorporation for the same term remaining until maturity and at the same interest rate of each of the Mortgage Loans to which they correspond, without prejudice to the powers of the Servicer set forth in section 3.7.2 of the Additional Information.

(8) That on the Date of Incorporation, the Outstanding Balance of the Mortgage Loans is equivalent to the principal amount of the MTC to which it corresponds.

**PCS notes that on the Date of Incorporation MTCs are issued with the same terms and sold to the SPV for the assignment of the mortgage receivables. PCS has received a legal opinion containing the relevant confirmations.**

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

The essence of a “true sale” is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE’s ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a “true sale” the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller’s creditor out of the proceeds of the securitised assets. Following a “true sale” there is no legal device by which the assets can automatically revert to the originator/seller’s ownership. Such automatic reversion is associated with security interests and anathema to a “true sale”.

This is clearly stated in the wording of the Regulation (20.1). The expression “transfer to the same effect” indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.

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

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

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

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. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

YES

**PCS Comments**

See ADDITIONAL INFORMATION, 3.3.2.6, as quoted above.

See also SECURITIES NOTE, 3. KEY INFORMATION

BANCO SABADELL will transfer the Receivables derived from the Mortgage Loans by means of the issue of Mortgage Transfer Certificates. Such transfer of the title to the Fund shall not be subject to severe clawback provision in the event of the Originator's insolvency, pursuant to the Insolvency Law.

PCS notes that the Receivables arising from the Mortgage Loans are assigned to the Fund. Such assignment is made through MTCs which are real estate market instruments used to assign receivables under Mortgage Loans.

**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.

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**STS Criteria**

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.

**Verified?  
YES**

**PCS Comments**

See ADDITIONAL INFORMATION, 2.2.8

2.2.8. Indication of representations and warranties given to the Issuer relating to the assets

On the Date of Incorporation, the Seller, as the owner of the Mortgage Loans, will make the following representations and warranties to the Management Company, acting in the name and on behalf of the Fund, in the Deed of Incorporation:

2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.

(8) That all the Mortgage Loans have been granted in the ordinary course of business by Banco Sabadell or, as applicable, by Caja de Ahorros del Mediterráneo, Caixa Penedés, Banco Guipuzcoano, Banco Gallego, Banco Herrero, Lloyds, Banco Atlántico, Banco Urquijo, or by other entities (all such entities were absorbed by Banco Sabadell, except in the case of Caja de Ahorros del Mediterráneo, where Banco Sabadell absorbed Banco CAM, S.A., which in turn had been the successor of the financial business of Caja de Ahorros del Mediterráneo).

**PCS notes that the Seller is the original lender or has assumed the mortgages by acquisition of the original lenders.**

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

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

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**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**

Section 3.3.1 above provides that the Seller's assignment of the Receivables to the Fund shall not be notified to the Borrowers, except if required by law.

3.3.1.1. Assignment of the Receivables

The assignment of the Receivables represented by the MTCs will be made after selection without undue delay in the Deed of Incorporation by means of the issue by the Seller and the subscription/acquisition by the Fund of the MTCs, which will be effective from the Date of Incorporation.

The Borrowers will not be notified of the assignment of the Mortgage Loans to the Fund by the Seller, except in the terms foreseen in section 3.7.1.13 of the Additional Information.

3.3.1.3 MTC's

As established by Royal Decree 716/2009, the MTCs shall be transferable through a written declaration on the certificate itself and, in general, by any of the means permitted by law. The transfer of the MTCs and the address of the new holder must be notified by the acquirer to BANCO SABADELL, and its acquisition or holding is limited to professional investors and cannot be acquired by retail customers, which are understood to be those referred to in article 193 of the Securities Markets and Investment Services Law.

The transferor will not be liable for the solvency of the Seller or the Borrower, or for the sufficiency of the mortgage acting as security.

Both in the event of having to replace a MTC as provided in section 2.2.9 of this Additional Information, and in the event that the Management Company, on behalf of and in representation of the Fund, proceeds with the enforcement of a Mortgage Loan as provided in section 3.7.2 of this Additional Information, as well as, if the Early Liquidation of the Fund occurs, in the cases and under the conditions of section 4.4.3 of the Registration Document, the sale or redemption of the aforementioned MTCs should take place, BANCO SABADELL undertakes to divide, as the case may be, any Multiple Title into as many individual or multiple titles as may be necessary, to replace or exchange them in order to achieve the aforementioned purposes.

3.3.2.7 Notification

Notwithstanding the above, upon the occurrence of an Insolvency Event of the Servicer or in case of indications thereof, or liquidation or the replacement of the Servicer, or if the Management Company considers it to be reasonably justified, the Management Company may request the Servicer to notify the Borrowers and the insurance companies of the assignment of the outstanding Receivables to the Fund and that the payments derived therefrom will only release the debt if payment is made into the Treasury Account opened in the name of the Fund. However, if the Servicer has not served the notice to the Borrowers within five (5) Business Days of receipt of the request by the Management Company, or in the case that the Servicer is in insolvency proceedings, the Management Company itself, either directly or through a new designated servicer or agent, may notify the Borrowers and the insurance companies.

PCS notes that the assignment of the MTCs are perfected as described in 3.3.1 of the ADDITIONAL INFORMATION on the Date of Incorporation.

**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.

<b>5</b>	<p><b><u>STS Criteria</u></b></p> <p>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.</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See ADDITIONAL INFORMATION, 2.2.8</p> <p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p>(1) That all the Mortgage Loans are duly documented and are formalised in a public deed.</p> <p>(2) The Seller is the sole owner of the Mortgage Loans, which are free of liens and encumbrances (other than, with respect to second and/or subsequent ranking mortgages, the relevant higher ranking mortgages) and has no knowledge that any Borrower may raise any objections to the payment of any amount regarding the Mortgage Loans. The Mortgage Loans secured with second and/or subsequent ranking mortgages over a real estate asset are only pooled in the Fund if all prior ranking mortgage rights on such asset are also pooled in the Fund.</p>	

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

<b>6</b>	<p><b><u>STS Criteria</u></b></p> <p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>3.7.2.1.5. Subrogation of the Borrower to the Mortgage Loans</p> <p>The Servicer will be authorised to permit subrogations to the position of the Borrower in the Mortgage Loan agreements only in those cases in which the new Borrower has similar features in respect of risk profile and others to those of the previous Borrower and such features conform to the Mortgage Loan representations included in section 2.2.8.2 of this Additional Information, and provided that the expenses deriving from such subrogation are paid in full by the Borrower to the extent legally possible.</p> <p>See also 2.2.8. Indication of representations and warranties given to the Issuer relating to the assets</p>	

2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.

(1) to (41)

*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.*

**PCS notes that the Mortgage Amortisation and interest types, as well as the type of housing, the type of borrower, ranking etc. is described in section 2.2.2 of the Additional Information in the Prospectus.**

**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**

2.2.9. Substitution of the securitised assets.

In the case of prepayment of the Receivables assigned to the Fund due to the prepayment of the relevant Mortgage Loan or otherwise, the affected Receivables will not be replaced.

If at any time after the Date of Incorporation, the Seller (as Seller or Servicer) or the Management Company detects or otherwise becomes aware that a Receivable, Mortgage Loan or MTC does not conform on the Date of Incorporation with the representations and warranties contained in section 2.2.8 of this Additional Information, the party that has become aware of such circumstance shall notify the other party of such circumstance in writing.

**Replacement**

Within fifteen (15) calendar days from the aforementioned notification, the Seller shall replace or, if applicable, prepay the relevant affected MTC representing the Receivables arising from the relevant Mortgage Loan, subject to obtaining (i) the prior consent of the Management Company and (ii) confirmation from the Rating Agencies that such substitution does not entail a downgrade in the credit rating of the Class A Notes and the Class B Notes.

The replacement will be made through the issue by the Seller of a MTC in respect of a Mortgage Loan in the Seller’s portfolio that can be assigned to the Fund and which has the same characteristics as the Mortgage Loan represented by the MTC being replaced.

In particular, the Seller will issue a new MTC representing a Mortgage Loan with similar remaining period, interest rate, outstanding balance and credit quality in terms of the relationship between (i) the Outstanding Balance of the ineligible Mortgage Loan and (ii) the appraisal of the property mortgaged as security for the ineligible Mortgage Loan, in accordance with the provisions of section 2.2.2 of the Additional Information, such that the financial structure of the Fund and the rating of the Notes will not be affected by the replacement.

This issue of the new MTC by the Seller and the replacement by the Management Company, in the name and on behalf of the Fund, will be made through the relevant notarial deed, which will include the data concerning the MTC to be replaced and the underlying Mortgage Loan, and the new MTC issued, with the data on the new Mortgage Loan, as well as the grounds for the replacement and the variables determining the homogeneous character of the new MTC, as described above. A copy of such notarial deed will be delivered to the CNMV and to IBERCLEAR.

Upon replacement of the ineligible MTC, the Seller will immediately cancel the ineligible MTC by inserting the relevant stamp on the title of the MTC.

In addition, the Management Company will deliver the Multiple Title representing the MTCs to the Seller, and the Seller will deliver a new Multiple Title including all MTCs owned by the Fund (i.e., excluding the replaced ineligible MTC and including the new MTC).

BANCO SABADELL must reimburse the Fund for any unpaid amounts relating to the substituted Mortgage Loan by crediting them to the Treasury Account. Likewise, in the event that the Outstanding Balance of the substitute Mortgage Loan is slightly lower than that of the substituted Mortgage Loan, BANCO SABADELL shall reimburse the Fund for the difference, taking into account the principal, the corresponding accrued and unpaid interest and any unpaid amounts relating to such Mortgage Loan, by crediting the Treasury Account on the relevant date.

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

**PCS has reviewed the repurchase devices set out in the Prospectus and each is one of the seven allowable repurchase devices, for this particular transaction the replacement of non-conforming mortgages loans being the only one, prepayments and late moratoria stay in the portfolio.**

8

**STS Criteria**

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

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

**There is no replenishment period. Exposures subject to replacement also conform with the representations and warranties described in 2.2.8.**

*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.*

**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

**STS Criteria**

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

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

2.2.8. Indication of representations and warranties given to the Issuer relating to the assets

2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.

(6) That, to the best of its knowledge and belief, all the Mortgage Loans are homogeneous in terms of asset type, cash flow, credit risk and prepayment characteristics, exist, contain obligations that are valid, binding and enforceable, with full recourse to Borrowers, and where applicable, guarantors, within the meaning of article 20.8 of the EU Securitisation Regulation in accordance with their own terms and conditions and in accordance with Spanish law. In particular, the Mortgage Loans are governed by Spanish law and, to the best of its knowledge and belief, comply with mortgage and consumer legislation applicable in Spain. Regarding homogeneity, amongst others, all Mortgage Loans (i) are secured on real estate assets located in Spain and (ii) are secured by first ranking security rights on a given property or by lower and all prior ranking rights on a given property.

(7) That, as of the Date of Incorporation of the Fund, the Receivables will arise from mortgage loans with a mortgage on finished residences including, as applicable, annexed parking lots and storage rooms located in Spain and granted to individuals resident and non-resident in Spain (but in another EEA state).

(8) That all the Mortgage Loans have been granted in the ordinary course of business by Banco Sabadell or, as applicable, by Caja de Ahorros del Mediterráneo, Caixa Penedés, Banco Guipuzcoano, Banco Gallego, Banco Herrero, Lloyds, Banco Atlántico, Banco Urquijo, or by other entities (all such entities were absorbed by Banco Sabadell, except in the case of Caja de Ahorros del Mediterráneo, where Banco Sabadell absorbed Banco CAM, S.A., which in turn had been the successor of the financial business of Caja de Ahorros del Mediterráneo).

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

(22) That all the Mortgage Loans have a previously established amortisation schedule, without prejudice to applicable grace periods.

(33) That, from the time they were granted, the Mortgage Loans have been serviced and are being serviced by BANCO SABADELL (or the then relevant original lender) in accordance with the usual procedures it has established for this purpose. On the date hereof, all Mortgage Loans are serviced in accordance with BANCO SABADELL servicing procedures.

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

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

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

*Following the guiding principles of the EBA, we note that "similar underwriting standards" must mean something like the same type of underwriting approach, looking at the same types of data points to calculate the same type of credit risk. It cannot mean "exactly the same underwriting criteria", since this would make it impossible for any securitisation ever to have a "homogenous" pool. In the Transaction, the loans were underwritten on a similar basis, they are being serviced by Banco Sabadell on the same platform, they are a single asset class – residential loans – and the loans are all originated in the same jurisdiction and the assets are all located in Spain.*

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**STS Criteria**

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

**Verified?**

**YES**

**PCS Comments**

2.2.8. Indication of representations and warranties given to the Issuer relating to the assets

2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.

(6) That, to the best of its knowledge and belief, all the Mortgage Loans are homogeneous in terms of asset type, cash flow, credit risk and prepayment characteristics, exist, contain obligations that are valid, binding and enforceable, with full recourse to Borrowers, and where applicable, guarantors, within the meaning of article 20.8 of the EU Securitisation Regulation in accordance with their own terms and conditions and in accordance with Spanish law. In particular, the Mortgage Loans are governed by Spanish law and, to the best of its knowledge and belief, comply with mortgage and consumer legislation applicable in Spain. Regarding homogeneity, amongst others, all Mortgage Loans (i) are secured on real estate assets located in Spain and (ii) are secured by first ranking security rights on a given property or by lower and all prior ranking rights on a given property.

(9) That the Seller is not aware of the existence of litigation of any kind as regards the Mortgage Loans that may prejudice the validity or enforceability (exigibilidad) thereof or give rise to the application of Article 1,535 of the Civil Code, and is not aware of the existence of any disputes over the ownership of these properties that could be detrimental to the mortgages.

<b>11</b>	<b>STS Criteria</b>	<b>Verified?</b>
	11. With full recourse to debtors and, where applicable, guarantors.	<b>YES</b>
	<p><b>PCS Comments</b></p> <p>See 2.2.8. Indication of representations and warranties given to the Issuer relating to the assets</p> <p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p><b><i>Item number (6) as quoted above.</i></b></p> <p>(2) The Seller is the sole owner of the Mortgage Loans, which are free of liens and encumbrances (other than, with respect to second and/or subsequent ranking mortgages, the relevant higher ranking mortgages) and has no knowledge that any Borrower may raise any objections to the payment of any amount regarding the Mortgage Loans. The Mortgage Loans secured with second and/or subsequent ranking mortgages over a real estate asset are only pooled in the Fund if all prior ranking mortgage rights on such asset are also pooled in the Fund.</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	<b>STS Criteria</b>	12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.	<b>Verified?</b>
			YES
	<b>PCS Comments</b>		
	2.2.8. Indication of representations and warranties given to the Issuer relating to the assets		
	2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.		
	(22) That all the Mortgage Loans have a previously established amortisation schedule, without prejudice to applicable grace periods.		
13	<b>STS Criteria</b>	13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.	<b>Verified?</b>
			YES
	<b>PCS Comments</b>		
	See 2.2.3 Legal nature of the assets		
	The issuance of the MTCs will not transfer formal title to the mortgages and to any other security for the Mortgage Loans or accessory rights (including the insurances) relating to the relevant Mortgage Loans to the Fund (as holder of the MTCs). <u>However, all rights to the proceeds of the enforcement of such mortgages and accessory rights will be transferred to the Issuer (as holder of the MTCs) (but excluding prepayment fees and other fees).</u>		
	See also 3.3.2.2. Assigned Rights		
	Specifically, without limitation, the rights under the MTCs will include all accessory rights in accordance with the provisions of article 1,528 of the Spanish Civil Code; thus, it will give the Fund the following rights as regards the Mortgage Loans:		
	(a) to receive all amounts due to the repayment of principal under the Mortgage Loans;		
	(b) to receive all amounts due to the ordinary interest on the Mortgage Loans (including ordinary interest accrued but unpaid on each Mortgage Loan in arrears as of the Date of Incorporation);		
	(c) to receive all amounts due to the default interest on the Mortgage Loans (excluding default interest accrued but unpaid on each Mortgage Loan in arrears as of the Date of Incorporation);		
	(d) to receive any other amounts, properties, assets or rights that might be received or awarded, as applicable, through judicial or notarial enforcement of the security or guarantees or due to the availability or use of the awarded property in enforcement of the mortgage or in the temporary administration or possession of the property (in the process of foreclosure) up to the amount due by the respective Borrower, the auction price or the amount determined by judicial resolution and, for the avoidance of doubt any remaining credit rights under the relevant Mortgage Loan after the enforcement of the security thereof (colas hipotecarias), without prejudice to the powers of the Servicer set forth in section 3.7.2 of the Additional Information;		



(e) to receive all possible rights, indemnifications or compensations that might result in favour of the Seller, as well as any payments made by any guarantors, sureties, etc., as well as those arising from any accessory right to the Mortgage Loans, including those derived from insurance policies (either as indemnification or advance payment).

However, the rights under the MTCs will not include prepayment fees or any other fees payable in connection with Mortgage Loans, which will belong to the Originator.

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

14	<b>STS Criteria</b>	Verified? YES
	14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	
	<b>PCS Comments</b>	
	2.2.13. Where the assets comprise fixed income securities that are traded, a description of the principal terms	
	Not applicable. The Receivables do not include transferable securities, as definition in point (44) of Article 4(1) of MiFID II nor any securitisation position, whether traded or not. See representations (12) and (13) on section 2.2.8.3 of the Additional Information.	

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

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

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

16	<b>STS Criteria</b>	Verified? YES
	16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	
	<b>PCS Comments</b>	
	2.2.8. Indication of representations and warranties given to the Issuer relating to the assets	

	<p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p>(8) That all the Mortgage Loans have been granted in the ordinary course of business by Banco Sabadell or, as applicable, by Caja de Ahorros del Mediterráneo, Caixa Penedés, Banco Guipuzcoano, Banco Gallego, Banco Herrero, Lloyds, Banco Atlántico, Banco Urquijo, or by other entities (all such entities were absorbed by Banco Sabadell, except in the case of Caja de Ahorros del Mediterráneo, where Banco Sabadell absorbed Banco CAM, S.A., which in turn had been the successor of the financial business of Caja de Ahorros del Mediterráneo).</p>	
17	<p><b>STS Criteria</b></p> <p>17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>2.2.8. Indication of representations and warranties given to the Issuer relating to the assets</p> <p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p>(21) That all Mortgage Loans are (i) subject to similar approaches for underwriting standards; and (ii) serviced in accordance with procedures for monitoring, collecting and administering similar to those applied to non-securitised receivables.</p>	

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

18	<p><b>STS Criteria</b></p> <p>18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See ADDITIONAL INFORMATION,</p> <p>2.2.7. Method of creation of the assets</p> <p>In this regard, the Seller undertakes to disclose to the Management Company and the Rating Agencies without delay any material change in its underwriting standards that affect the Receivables pooled in the Fund. Any material changes in the underwriting standards after the date of this Prospectus that affect the Receivables pooled in the Fund will be fully disclosed to investors, as an extraordinary notice, pursuant to sections 4.2.1 and 4.2.2 of the Additional Information.</p> <p><b>PCS notes that the transaction is not revolving so that changes to underwriting standards are not relevant.</b></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>	

Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting at the same time that the absence of any such covenant – although possibly unsettling for some investors – would not invalidate the STS status of the transaction at closing.

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

<b>19</b>	<p><b>STS Criteria</b></p> <p>19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>2.2.8. Indication of representations and warranties given to the Issuer relating to the assets</p> <p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p>(40) The relevant Mortgage Loan has not been marketed and underwritten on the premise that the Borrower as loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the Seller (or, as applicable, the relevant original lender).</p>	

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

<b>20</b>	<p><b>STS Criteria</b></p> <p>20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>2.2.8. Indication of representations and warranties given to the Issuer relating to the assets</p> <p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p>(26) That the assessment of the Borrowers' creditworthiness of the Mortgage Loans meets the requirements as set out in paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU, as implemented in Spain.</p> <p><i>The criterion requires consumer loans or mortgages to have been underwritten in accordance with one of two European Directives. European Directives, in contrast to Regulations, do not have direct effect but must be implemented into national law country by country.</i></p>	

PCS assumes, although the Regulation and the EBA Guidelines are silent on this point, that the requirement for mortgages and consumer loans to have been underwritten in compliance with the Directives only applies to assets underwritten after these Directives were transcribed into national law.

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

<b>21</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b> <b>YES</b>
	<p>21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.</p> <p><b><u>PCS Comments</u></b></p> <p>3.5. Name, address and significant business activities of the Originator of the securitised assets</p> <p>Significant economic activities of BANCO SABADELL</p> <p>As a financial credit entity, its main activity consists of banking activities, although it has some interests in insurance, investment and pension fund management, financial mediation, global custody, equity management and mediation both in domestic and international markets. BANCO SABADELL's activities are subject to the special regulation for financial entities and is under the supervision and control of the Bank of Spain. BANCO SABADELL as Originator and as Servicer has the relevant expertise as an entity being active in the mortgage loans market for over 20 years and as servicer of mortgage receivables securitisation for over 20 years.</p> <p><i>An entity originating assets similar to those securitised for at least five years is deemed, according to the EBA Guidelines to have "expertise".</i></p>	

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

<b>22</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b> <b>YES</b>
	<p>22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...</p> <p><b><u>PCS Comments</u></b></p> <p>3.3.1. Formalisation of the assignment of the Receivables</p> <p>3.3.1.1. Assignment of the Receivables</p> <p>The assignment of the Receivables represented by the MTCs will be made after selection without undue delay in the Deed of Incorporation by means of the issue by the Seller and the subscription/acquisition by the Fund of the MTCs, which will be effective from the Date of Incorporation.</p> <p>The Borrowers will not be notified of the assignment of the Mortgage Loans to the Fund by the Seller, except in the terms foreseen in section 3.7.1.13 of the Additional Information.</p>	
<b>23</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b> <b>YES</b>
<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>		

**PCS Comments**

2.2.8. Indication of representations and warranties given to the Issuer relating to the assets

2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.

(38) That the Loans are not in default within the meaning of article 178(1) of CRR and the EBA guidelines published on 2 April 2020, as amended on 25 June 2020 and 2 December 2020, as well as any other regulations or guidelines that may replace or develop them in the future.

**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**

2.2.8. Indication of representations and warranties given to the Issuer relating to the assets

2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.

(16) That the Mortgage Loans are up to date with payments or in arrears which do not exceed thirty (30) days, as of the Date of Incorporation.

See 3.5.2.2. Assigned rights

[...] Each MTC that is not up to date with payment for a maximum of thirty (30) days, participates, as of the Date of Incorporation, in one hundred percent (100%) of the unpaid principal of the relevant Mortgage Loans, plus the interest due and unpaid, and accrues an interest rate equal to the nominal interest rate that accrues on the relevant Mortgage Loan, including ordinary and default interest on the unpaid instalment.

2.2.8. Indication of representations and warranties given to the Issuer relating to the assets.

- (39) That, on the date of assignment to the Fund, no Borrower has experienced a deterioration of his/her credit quality, and to the best of its knowledge, no Borrower:
- (a) has been declared insolvent or had a court grant his/her creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his/her non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the Fund, 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 Incorporation; and
    - (ii) the information provided by the Originator and the Fund 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
  - (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.

*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**

	<b>PCS Comments</b> See item 24, above.	
<b>26</b>	<b>STS Criteria</b> 26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See item 24, above.	
<b>27</b>	<b>STS Criteria</b> 27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See item 24, above.	
<b>28</b>	<b>STS Criteria</b> 28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See item 24, above.	
<b>29</b>	<b>STS Criteria</b> 29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See item 24, above.	
<b>30</b>	<b>STS Criteria</b> 30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>	

See item 24, above.

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

<b>31</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<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><b>PCS Comments</b></p> <p>2.2.8. Indication of representations and warranties given to the Issuer relating to the assets</p> <p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p>(34) That on the date of the assignment to the Fund each Borrower has paid at least one instalment under the relevant Mortgage Loan.</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.

<b>32</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.</p> <p><b>PCS Comments</b></p> <p>2.2.4. Expiration or maturity date(s) of assets.</p> <p>Subject to partial periodic repayment instalments, each of the selected Receivables matures in accordance with the particular terms of the Mortgage Loan agreement from which it derives.</p> <p>The Borrowers may prepay all or part of the Outstanding Balance of the Receivables at any time during the term of the Mortgage Loans, ceasing the accrual of interest on the prepaid portion as from the date of repayment.</p> <p><b><i>The Mortgage loans and the receivables arising from these Mortgage Loans are structured to be repaid in full, therefore not depending on the sale of the underlying assets for repayment.</i></b></p>	



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

<b>33</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p> <p><b>PCS Comments</b></p> <p>See ADDITIONAL INFORMATION</p> <p>3.4.3. Risk retention under the EU Securitisation Regulation</p> <p>The Originator will undertake in the Deed of Incorporation and the Management and Subscription Agreement to retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5% in accordance with Article 6(1) of the EU Securitisation Regulation by retaining the first loss tranche, so that the retention equals in total not less than 5% of the nominal value of the securitised exposures (by means of the retention of the Subordinated Loan, and to the extent required, the Class B Notes) in accordance with Article 6(3)(d) of the EU Securitisation Regulation, as supplemented by article 7 of Commission Delegated Regulation (EU) No 2023/2175 of 7 July 2023 on supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying in greater detail the risk retention requirements for originators, sponsors, original lenders, and servicers (the "Delegated Regulation 2023/2175"). The material net economic interest shall not be split amongst different types of retainers and not be subject to any credit-risk mitigation or hedging.</p> <p>This retention option and the methodology used to calculate the net economic interest will not change, unless such change is required due to exceptional circumstances, in which case such change will be appropriately disclosed to Noteholders and published on the following website: <a href="https://www.grupbancsabadell.com/es/XTD/INDEX/?url=/es/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/EMISIONES_Y_FOLLETOS/?menuid=39324&amp;language=es">https://www.grupbancsabadell.com/es/XTD/INDEX/?url=/es/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/EMISIONES_Y_FOLLETOS/?menuid=39324&amp;language=es</a>.</p> <p>The Deed of Incorporation will include a representation and warranty and undertaking of the Originator as to its compliance with the requirements set forth in Article 6(1) up to and including (3) of the EU Securitisation Regulation. In addition to the information set out herein and forming part of this Prospectus, notwithstanding the fact that the Notes will be fully subscribed by BANCO SABADELL, BANCO SABADELL, as Originator will undertake in the Deed of Incorporation to make available materially relevant information to investors so that investors are able to verify compliance with Article 6 of the EU Securitisation Regulation in accordance with Article 7 of the EU Securitisation Regulation, as set out in section 4.1.1 of this Additional Information. In particular, the monthly reports shall include information about the risk retained, including information on which of the modalities of retention has been applied pursuant to paragraph 1.(e)(iii) of Article 7 of the EU Securitisation Regulation.</p> <p><b>PCS notes that the retention requirement is covenanted to be met, whilst in the Deed of Incorporation the Originator also undertakes to fully subscribe to the Notes.</b></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.

<b>34</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p> <p><b>PCS Comments</b></p>	

2.2.8. Indication of representations and warranties given to the Issuer relating to the assets

2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.

(35) That the Fixed Rate Mortgage Loans and the Mixed Rate Mortgage Loans (prior to switching from a fixed rate to a floating interest rate) will accrue interest at a fixed interest rate, and the Floating Rate Mortgage Loans and the Mixed Rate Mortgage Loans (after switching from a fixed rate to a floating interest rate) will accrue a floating interest rate indexed to an official benchmark index (such as Euribor 12M, EURIBOR 3M and EURIBOR 1M).

“Fixed Rate Mortgage Loans” (“Préstamo a Tipo Fijo”) are Mortgage Loans that accrue a fixed interest rate.

“Floating Rate Mortgage Loans” (“Préstamo a Tipo Variable”) are Mortgage Loans that accrue a floating interest rate.

3.4.2.1. Description of the credit enhancements

(ii) Interest Rate Swap

As regulated in section 3.4.8.2. of the Additional Information the Interest Rate Swap Agreement is intended to cover: (i) the interest rate risk of the Fund arising from the fact that the Mortgage Loans are subject to fixed and floating (or mixed) interest rates with reference indexes and review periods different from those established for the Notes, (ii) the risk that the Mortgage Loans may be subject to renegotiations that reduce the agreed interest rate and (iii) the risk arising from the existence of maximum interest rates in the portfolio.

Other than the Interest Rate Swap Agreement, the Fund has not entered into and will not enter into any kind of hedging instrument or derivative transaction save as expressly permitted by article 21 (2) of the EU Securitisation Regulation. The Receivables do not include derivatives.

See also 3.4.8.2 Interest Rate Swap Agreement

**According to the data shown in Table 2.2.4.4 in the Prospectus 43.61% of the portfolio balance are 12-Month floating rate mortgage and 0,04% are 1 or 3 month floating rate mortgages. 1,57% are fixed with a mandatory conversion into floating rate after a certain predetermined period and 54,69% of the portfolio are fixed rate mortgages. PCS notes that all ordinary payments of the whole portfolio are swapped into the Base Rate plus a margin. PCS also notes, as stated in the risk factors (2.3 as quoted in item 36 below) that the average income on the portfolio assets is lower than the average rates on the notes and the ability of the fund to make payments depends on the existence of the Interest Rate Swap. The Swap Counterparty is Banco Sabadell, the Interest Rate Swap is a balance guaranteed swap guaranteeing a certain margin payment (0,5%) above the reference rate.**

**PCS can confirm that there is a satisfactory hedge in place for the interest rate risk and the risks are satisfactorily described in the Prospectus.**

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.

35	<p><b>STS Criteria</b></p> <p>35. Currency risks arising from the securitisation shall be appropriately mitigated.</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>2.2.8. Indication of representations and warranties given to the Issuer relating to the assets</p> <p>2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund.</p> <p>(3) That each Mortgage Loan is denominated and payable exclusively in euros, and are fully drawn.</p>	
36	<p><b>STS Criteria</b></p> <p>36. Any measures taken to that effect shall be disclosed.</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See item 34, above.</p> <p>See also Risk Factors</p> <p>1.4 Risk of amendments to the contractual terms of the Mortgage Loans</p> <p>1.9. Minimum interest rates (floor clauses) and</p> <p>1.10. Maximum interest rates (cap clauses)</p> <p>2.3 Risks resulting from interest rate mismatches between the Receivables and the Notes and from the Interest Rate Swap</p> <p>Consequently: (i) there exists an interest rate risk in relation to fixed-rate loans, whereby mortgage loans generate interest income at a fixed nominal rate of interest, whereas the Notes bear interest at a floating rate, which may exceed the yield generated by the mortgage loans; and (ii) in floating rate mortgage loans, a mismatch exists between the loans' reference rates and the Notes' reference rate (3-month Euribor), creating a reference rate risk; this risk is further compounded by the differing revision frequencies between the mortgage loans (which typically adjust annually or semi-annually) and the Notes (which adjust quarterly), meaning that any interest rate increases will be reflected more rapidly in the Notes' nominal interest rates. Moreover, it is expected that on the Date of Incorporation, <u>the weighted average rate of the Receivables assigned to the Fund will be lower than the weighted average rate of the Notes (assuming a 3-Month Euribor equal to 2.522% on 14 February 2025).</u></p> <p>In order to hedge such risks, the Management Company, in the name and on behalf of the Fund, shall enter into an Interest Rate Swap Agreement with BANCO SABADELL, following the CMOF model, for the total portfolio of the Fund, whereby a margin of 50 basis points over the weighted average rate of the Notes will be guaranteed. The most relevant terms of the Interest Rate Swap Agreement are detailed in section 3.4.8.2 of the Additional Information.</p> <p>2.4. Risks relating to benchmarks</p> <p>3.7.2.1. Ordinary Loan servicing and custody system and procedures</p> <p>3.7.2.1.6. Powers and actions in relation to Loan renegotiation procedures and others</p>	

"Transaction Documents" ("Documentos de la Operación") means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Management and Subscription Agreement; (iii) the Financial Agency Agreement; (iv) the Servicing Agreement; (v) the Subordinated Loan Agreement; (vi) the Start-up Expenses Loan Agreement; (vii) the Interest Rate Swap Agreement and (viii) any other documents executed from time to time after the Date of Incorporation in connection with the Fund and designated as such by the relevant parties.

*The Interest Rate Swap Agreement is described in the Prospectus, and the Swap documentation is part of the transaction documentation. See also comment in item 34, above.*

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

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

<b>37</b>	<b>STS Criteria</b> 37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> 3.4.2. Information on any credit enhancements 3.4.2.1. Description of the credit enhancements (ii) Interest Rate Swap [...] Other than the Interest Rate Swap Agreement, the Fund has not entered into and will not enter into any kind of hedging instrument or derivative transaction save as expressly permitted by article 21 (2) of the EU Securitisation Regulation. The Receivables do not include derivatives.	
<b>38</b>	<b>STS Criteria</b> 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See item 37, above.	

<b>39</b>	<b><u>STS Criteria</u></b> 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	<b><u>Verified?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> 3.4.8.2. Interest Rate Swap Agreement The Management Company, in the name and on behalf of the Fund, shall enter into an Interest Rate Swap Agreement with BANCO SABADELL, following the CMOF model, for the total portfolio of the Fund, whereby a margin of 50 basis points over the weighted average rate of the Notes will be guaranteed (the "Interest Rate Swap Agreement"). The most relevant terms of the Interest Rate Swap Agreement are detailed below. <b><i>PCS notes that the Swap follows the CMOF model and does not include an ISDA Schedule.</i></b>	

**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.

<b>40</b>	<b><u>STS Criteria</u></b> 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.	<b><u>Verified?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> <u>Regarding the Assets:</u> See 2.2.8. Indication of representations and warranties given to the Issuer relating to the assets 2. The Seller in relation to the Mortgage Loans and to the Receivables assigned to the Fund. (41) The interest payments under the Mortgage Loans are based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and are not referenced to complex formulae or derivatives. <u>Regarding the Notes:</u> See Prospectus, SECURITIES NOTE, 4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING 4.8. Nominal interest rate and provisions relating to interest payable From the Closing Date until their final maturity, the Notes shall accrue yearly floating nominal interest, which shall be the result of applying the policies established hereinafter (the "Nominal Interest Rate").	

The Nominal Interest Rate shall be payable quarterly in arrears on each Payment Date or on the liquidation date on the Outstanding Principal Balance of the Notes in each Class at the preceding Determination Date, provided that the Fund has sufficient liquidity in accordance with the Pre-Enforcement Priority of Payments or with the Post-Enforcement Priority of Payments, as the case may be.

Withholdings, interim payments, contributions and taxes now or hereafter established on Note principal, interest or returns shall be borne exclusively by Noteholders, and their amount, if any, shall be deducted by the Management Company, for and on behalf of the Fund, or through the Paying Agent, as provided by law.

4.8.3. Nominal Interest Rate

The Nominal Interest Rate applicable to the Notes in each Class and determined for each Interest Accrual Period shall be the higher of:

- a) zero percent (0%); and
- b) the result of adding:
  - (i) the Reference Rate, as established in the following section 4.8.4., and
  - (ii) a margin for each Class as follows (the "Spread"):
    - For Class A: Spread equal to 0.75%.
    - For Class B: Spread equal to 0.90%.

The Spread applicable to Classes A and B, expressed as a percentage, have been determined by the Arranger ("entidad directora") for each of such Classes.

***The Nominal Interest Rate will be expressed as a percentage with three decimal places rounding off the relevant number to the nearest thousandth, rounding up when equidistant.***

***The payments on the Notes are floating rate plus a margin while the payments on the assets are fixed or floating depending on the various mortgage products which are described in the Prospectus and detailed in the statistical information of the portfolio. The interest payments are in accordance with the requirements of the Regulation.***

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

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

**41 STS Criteria**

41. Where an enforcement or an acceleration notice has been delivered:

- (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;

**Verified?  
YES**

	<p><b><u>PCS Comments</u></b></p> <p>See ADDITIONAL INFORMATION, 3.4.7.3. Post-Enforcement Priority of Payments 3.4.7.3.1. Source</p> <p>The funds available to comply with the payment obligations of the Fund on the Legal Maturity Date or on the Early Liquidation Date (the “Available Funds for Liquidation”), shall be as follows:</p> <p>(a) any Available Funds, as referred in section 3.4.7.2. above, (b) any purchase price paid by the Seller in case of exercise of any Originator’s Call Option; and (c) any amounts obtained by the Fund from the sale of the MTCs and any other remaining assets.</p>	
42	<p><b><u>STS Criteria</u></b></p> <p>42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See ADDITIONAL INFORMATION, 3.4.7.3. Post-Enforcement Priority of Payments 3.4.7.3.2. Application</p> <p><b><i>Principal receipts are applied sequentially.</i></b></p>	
43	<p><b><u>STS Criteria</u></b></p> <p>43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p><b><i>PCS notes that this is not the case in this transaction.</i></b></p>	
44	<p><b><u>STS Criteria</u></b></p> <p>44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See 4.4.3 Early Liquidation of the Fund.</p>	

Following notice served on the CNMV, the Management Company shall proceed to the early liquidation of the Fund (the "Early Liquidation") and thereby the early amortisation of the entire Note Issue (the "Early Amortisation") on any date (which may not fall on a Payment Date) (the "Early Amortisation Date") and in any of the events (the "Early Liquidation Events") described in the following sections 4.4.3.1. and 4.4.3.2.

The below procedures do not entitle the automatic liquidation of the underlying receivables for the purposes of article 21.4 of the EU Securitisation Regulation.

4.4.3.1. Mandatory early liquidation of the Fund

The Management Company shall proceed to the Early Liquidation of the Fund and the Early Amortisation of the Notes Issue in any of the following mandatory events (the "Mandatory Early Liquidation Events"):

- (i) In the event that the Management Company should be adjudged insolvent and/or have its licence to operate as a securitisation fund management company revoked by the CNMV, and if within a period of four (4) months a new management company has not been designated in accordance with the provisions of section 3.7.1.2 of the Additional Information.
- (ii) Upon the lapse of 36 months from the date of the last maturity of the Receivables, even if they still have overdue amounts.
- (iii) In the event that the Management Company has the express consent and acceptance of all the Noteholders and the other creditors of the Fund.
- (iv) If the Meeting of Creditors approves the Early Liquidation with the relevant majority in accordance with Article 23.2.b) of Law 5/2015 and the Rules of the Meeting of Creditors (and, in particular, in accordance with Article 8.2 of such Rules of the Meeting of Creditors) as established in section 4.12 of the Securities Note.

**PCS notes that the duties of care and the processes that the management company needs to follow in case of an early liquidation of the fund do not allow for automatic liquidation of the fund.**

**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 ADDITIONAL INFORMATION, 3.4.7.2.1. Pre-Enforcement Priority of Payments

3.4.7.2.3. Application

*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.

**PCS notes that this is not the case for the Transaction, Principal and Interest are applied sequentially for pre and post enforcement priorities of payment.**

**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	<b>STS Criteria</b> 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;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>Not applicable, there is no revolving period.</i>	
47	<b>STS Criteria</b> 47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>Not applicable.</i>	
48	<b>STS Criteria</b> 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>Not applicable.</i>	
49	<b>STS Criteria</b> 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>	

**Not applicable.**

**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.

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**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**

See ADDITIONAL INFORMATION

## 3.7.1.1. Administration and representation of the Fund

The Management Company's obligations and actions in fulfilment of its duty to manage and be the authorised representative of the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in this Prospectus: [...]

**PCS notes that all the obligations and duties of the Management Company (which is like a trustee) are listed in this section quoted above.**

## 3.7.2. Servicing and custody of the securitised assets

BANCO SABADELL as Servicer (the "Servicer") and issuer of the MTCs, in accordance with the second paragraph of Article 26.3 and the first additional provision of Royal Decree 716/2009, shall retain the servicing and custody of the Mortgage Loans.

BANCO SABADELL shall

- (i) service and manage and be the custodian of the Mortgage Loans underlying the Receivables according to the ordinary servicing and management procedures of the Servicer.
- (ii) continue servicing the Mortgage Loans underlying the Receivables, devoting the same time and efforts as it would devote and use to service its own loans.
- (iii) ensure that the procedures it applies and will apply to service and manage the Mortgage Loans are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.
- (iv) faithfully comply with the instructions issued by the Management Company.
- (v) pay the Fund or the Management Company damages resulting from a breach of the obligations undertaken, although the Servicer shall not be liable for things done on the Management Company's specific instructions.

See also 3.7.2.1. Ordinary Loan servicing and custody system and procedures

<b>51</b>	<p><b>STS Criteria</b></p> <p>51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p>	<b>Verified?</b> <b>YES</b>
	<p><b>PCS Comments</b></p> <p>3.7.1.1. Administration and representation of the Fund</p> <p>The Management Company's obligations and actions in fulfilment of its duty to manage and be the authorised representative of the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in this Prospectus: [...]</p> <p>(viii) Exercise the rights inherent to the ownership of the MTCs acquired by the Fund and, in general, carry out all acts of administration and disposal that are necessary for the proper performance of the administration and legal representation of the Fund.</p> <p>3.7.2.2. Term and substitution</p> <p>The Mortgage Loans administration services shall be provided by the Servicer until all obligations undertaken by the Servicer as issuer of the MTCs, in accordance with second paragraph of Article 26.3 and the first additional provision of Royal Decree 716/2009 are discharged, once all the Mortgage Loans serviced thereby have been repaid, or when liquidation of the Fund concludes after its termination, without prejudice to a possible early revocation of its appointment as Servicer to the extent legally possible.</p> <p><u>In the event of breach by the Servicer of the obligations imposed on the Servicer, an Insolvency Event of the Servicer or in the event of downgrade or loss of the Servicer's credit rating or its financial circumstances changing to an extent that may be detrimental to or place at risk the financial structure of the Fund or Noteholders' rights and interests, or if the Servicer breaches any applicable laws or regulations, the Management Company shall proceed, in addition to demanding that the Servicer perform its obligations, inter alia and after notifying the Rating Agencies, to do one of the following actions in order for the ratings assigned to the Notes by the Rating Agencies not to be adversely affected: (i) to the extent legally possible, demand the Servicer to subcontract or subdelegate to another institution the performance of all or part of its obligations and undertakings, except for those actions that cannot be carried out by a third party in accordance with the legislation in force; (ii) have another credit institution with a sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) demand the Servicer to establish a cash account for the benefit of the Fund in an amount sufficient to secure all or part of the Servicer's obligations, or (iv) to the extent legally possible, terminate its appointment as Servicer (the "Servicer Termination Event"), in which case the Management Company shall assume the servicing and management of the Mortgage Loans in accordance with to Article 26.1 b) of Law 5/2015, and may appoint a new Servicer, having a sufficient credit quality and accepting the obligations of the former Servicer in a new servicing agreement. If an Insolvency Event of the Servicer occurs, only (iv) above shall be valid, to the extent legally possible. Any additional expense or cost derived from the aforesaid actions shall be covered by the Servicer and at no event by the Fund or the Management Company.</u></p> <p><u>If in any of the events described in the preceding paragraph the appointment of the Servicer has to be terminated, the Management Company shall assume the servicing and management of the Mortgage Loans in accordance with Article 26.1 b) of Law 5/2015, in which case it may appoint a new servicer.</u></p> <p>If in any of the events described in the preceding paragraph the appointment of the Servicer has to be terminated and a new back-up servicer on which to delegate the management obligations of the Management Company pursuant to Article 26.1 b) of Law 5/2015 has to be nominated, the Management Company (in this regard, the "Back-Up Servicer Facilitator") shall use its best efforts to nominate a new back-up loan servicer (the "Back-up Servicer") within not more than sixty (60) days. [...]</p> <p>b) The Management Company's undertakings as Back-Up Servicer Facilitator</p> <p>The Management Company agrees to use its best efforts in order to find a Back-up Servicer. The Management Company agrees to keep a record of all actions taken to find the Back-up Servicer, and the corresponding date, which shall include, but not be limited to, the following documents: analysis of potential back-up loan servicers, communications and discussions with the same, justification of decisions as to potential back-up loan servicers, legal opinions, communications with the Servicer, the CNMV, the Rating Agencies and, as the case may be, the Servicer's insolvency practitioner.</p>	

	<p>4.2.1. Ordinary periodic notices</p> <p>(iv) Information referred to the EU Securitisation Regulation</p> <p>(b) Article 22 of the EU Securitisation Regulation</p> <p>The Seller may also resign its appointment as Reporting Entity by giving a prior notice to the Management Company. Notwithstanding the foregoing, such resignation will not become effective until a new entity has been designated to replace it in accordance with article 7.2 of the EU Securitisation Regulation.</p> <p>Any failure by the Seller to fulfil such obligations may cause the transaction to be non-compliant with the EU Securitisation Regulation.</p>	
52	<p><b>STS Criteria</b></p> <p>52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>3.7.1.2. Resignation and replacement of the Management Company</p> <p>The Management Company will be replaced in the administration and representation of the Fund in accordance with the provisions of articles 27, 32 and 33 of Law 5/2015.</p> <p>[...]</p> <p>3.4.8.2. Interest Rate Swap Agreement</p> <p>Event of Default under the Interest Rate Swap Agreement</p> <p>If on two consecutive Swap Payment Dates Party A does not have sufficient liquidity to make the payment of the Amount Payable by Party A, the Interest Rate Swap Agreement shall be early terminated. In this event, the payment of the Amount Payable by Party A shall be made in accordance with the Priority of Payments. In the event of termination, the Fund will assume, if applicable, the obligation to pay the termination amount foreseen in the terms of the Interest Rate Swap Agreement and in accordance with the Priority of Payments.</p> <p>If, on a Payment Date, Party B does not have sufficient liquidity to make payment of the entire amount of the Amount Payable by Party B, the Management Company may early terminate the Interest Rate Swap Agreement. In this case, Party B shall assume, if applicable, the obligation to pay the termination amount foreseen in the terms of the Interest Rate Swap Agreement.</p> <p>If the Interest Rate Swap Agreement is early terminated, the Management Company, in the name and in the name and on behalf of the Fund, <u>shall seek to enter into a new interest rate swap agreement.</u></p> <p>The termination amount will be calculated by the Management Company, as the calculation agent of the Interest Rate Swap Agreement, based on the mark-to-market value of the Interest Rate Swap Agreement.</p> <p>See also "Ratings Downgrade" in the same section.</p> <p><b>Substitution of the Fund Account Provider</b></p> <p>Voluntary Substitution by the Management Company</p>	

The Management Company may, at any time, substitute at its sole discretion the Fund Accounts Provider provided that it notifies the Fund Accounts Provider in writing at least two (2) months in advance of the envisaged termination date.

#### Mandatory Substitution by the Management Company

The Management Company shall promptly substitute the Fund Accounts Provider if the Fund Account Provider defaults in its obligations under the Financial Agency Agreement or if an Insolvency Event occurs in respect of the Fund Account Provider.

The termination of the Financial Agency Agreement by the Fund Account Provider or by the Management Company will not be effective until the new institution assuming the position of Fund Account Provider has effectively resumed functions.

**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.

<b>53</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b>
	53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised	<b>YES</b>
<b><u>PCS Comments</u></b>		
3.5. Name, address and significant business activities of the Originator of the securitised assets		
Significant economic activities of BANCO SABADELL		
As a financial credit entity, its main activity consists of banking activities, although it has some interests in insurance, investment and pension fund management, financial mediation, global custody, equity management and mediation both in domestic and international markets. BANCO SABADELL's activities are subject to the special regulation for financial entities and is under the supervision and control of the Bank of Spain. BANCO SABADELL as Originator and as Servicer has the relevant expertise as an entity being active in the mortgage loans market for over 20 years and as servicer of mortgage receivables securitisation for over 20 years.		
<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>		

<b>54</b>	<b><u>STS Criteria</u></b>	<b><u>Verified?</u></b>
	54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	<b>YES</b>
<b><u>PCS Comments</u></b>		
2.2.7. Method of creation of the assets		
<b><i>PCS notes that the risk policies and mortgages granting policies are described in the Prospectus, for each originating entity or platform.</i></b>		

**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

<b>55</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	
	<b>PCS Comments</b>	
	See 3.7.2.1. Ordinary Loan servicing and custody system and procedures	
	3.7.2.1.6. Powers and actions in relation to Loan renegotiation procedures and others	
	(i) Renegotiating the interest rate	
	(ii) Extending the period of maturity and grace periods	
	(iii) Debt reductions	
	(iv) Other amendments and refinancings	
	(v) Sales of non-performing portfolios	
	3.7.2.1.7. Action against the Borrowers	
	<i>Actions in the event of late payment</i>	
	<i>Codes of Good Practices</i>	
	<i>Judicial or extrajudicial proceedings</i>	
	3.7.2.1.9. Award of properties,	
	(i) Award of properties	
	(ii) Friendly repossessions (daciones en pago)	
	3.7.2.1.10. Subcontracting	
	<b>PCS notes that the servicing is described in the prospectus and the different responsibilities clearly set out between the management company and the Servicer Sabadell.</b>	

**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.

<b>56</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	56. The transaction documentation shall clearly specify the priorities of payment,	
	<b>PCS Comments</b>	
	See Prospectus, ADDITIONAL INFORMATION,	

	<p>3.4.7.2.1 Pre-Enforcement Priority of Payments</p> <p>3.4.7.3. Post-Enforcement Priority of Payments</p> <p>3.4.7.3.2. Application</p> <p>The Available Funds for Liquidation will be applied on the <u>Legal Maturity Date</u> or on the <u>Early Liquidation Date</u> in the priority of payment order (the “Post-Enforcement Priority of Payments”) described below and in the Deed of Incorporation.</p>	
57	<p><b><u>STS Criteria</u></b></p> <p>57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>“Early Liquidation Event” (“Supuesto de Liquidación Anticipada”) shall have the meaning given to that term in section 4.4.3 of the Registration Document.</p> <p>4.4.3. Early Liquidation of the Fund.</p> <p>Following notice served on the CNMV, the Management Company shall proceed to the early liquidation of the Fund (the “Early Liquidation”) and thereby the early amortisation of the entire Note Issue (the “Early Amortisation”) on any date (which may not fall on a Payment Date) (the “Early Amortisation Date”) and in any of the events (the “Early Liquidation Events”) described in the following sections 4.4.3.1. and 4.4.3.2.</p>	
58	<p><b><u>STS Criteria</u></b></p> <p>58. The transaction documentation shall clearly specify the obligation to report such events.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>4.4.3.1. Mandatory early liquidation of the Fund, [...]</p> <p>The following requirements shall have to be satisfied to proceed to the Early Liquidation of the Fund:</p> <p>(i) That Noteholders and the Interest Rate Swap Provider to the Fund are given not less than fifteen (15) Business Days’ notice, as prescribed in section 4.2.3 of the Additional Information, of the Management Company’s resolution to proceed to the Early Liquidation of the Fund.</p> <p>(ii) That the Management Company previously advise the CNMV and the Rating Agencies of the notice indicated in the preceding paragraph.</p> <p>(iii) The notice of the Management Company’s resolution to proceed to the Early Liquidation of the Fund shall contain a description of (i) the event or events triggering the Early Liquidation of the Fund, (ii) the liquidation procedure, and (iii) the manner in which the Note payment obligations are to be honoured and settled in accordance with the Post-Enforcement Priority of Payments.</p> <p><b><i>PCS notes that the early liquidation approved by the Meeting of Creditors with the relevant majority and reported to Noteholders and the Swap provider. The Originator has a preemptive right to buy the MTC’s back, otherwise a bidding process is carried out by the management company.</i></b></p>	
59	<p><b><u>STS Criteria</u></b></p> <p>59. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>

**PCS Comments**

See ADDITIONAL INFORMATION, 4.2.1. Ordinary periodic notices

(iv) Information referred to the EU Securitisation Regulation

(a) Article 7, in accordance with article 22.5 of the EU Securitisation Regulation BANCO SABADELL, in its capacity as reporting entity under the EU Securitisation Regulation (the "Reporting Entity"), directly or delegating to any other agent on its behalf, will:

(3) publish without delay any significant event including any significant events described in article 7(1)(g) of the EU Securitisation Regulation, notwithstanding the fact that such significant event shall also be included within the quarterly investor report described in paragraph (i) above;

**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, SECURITIES NOTE, RULES FOR THE MEETING OF CREDITORS

(a) the method for calling meetings; as for method; **see article 4, "Meetings convened by Noteholders" and Article 5 "Convening of Meeting"**

(b) the maximum timeframe for setting up a meeting; **Article 6, "Notice"**

(c) the required quorum; **Article 7 Quorums at Initial Meeting and Adjourned Meeting**

(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; **Article 8 Required Majority**

(e) where applicable, a location for the meetings which should be in the EU. **Article 14 Domicile**

**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.**

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

**61 STS Criteria**

61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

**Verified?**  
**YES**

**PCS Comments**

**The responsibilities of the management company are clearly set out throughout all parts of the Prospectus.**



**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.

<b>62</b>	<p><b>STS Criteria</b></p> <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><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See Prospectus, ADDITIONAL INFORMATION</p> <p>2.2.7.3. Arrears and recovery information of the BANCO SABADELL loan portfolio</p> <p>The following tables show the historical performance of mortgage loans originated by BANCO SABADELL with the aim to inform potential investors of the performance of the mortgage loan portfolio in compliance with the transparency requirements of article 22.1 of Regulation (EU) 2017/2402.. The Receivables are only a sample of the mortgage loan portfolio originated by BANCO SABADELL.</p> <p>The information below corresponds to the most updated information available to Banco Sabadell.</p>	
<b>63</b>	<p><b>STS Criteria</b></p> <p>63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See also Risk Factors</p> <p>1.1 Risk of payment default by the Borrowers</p> <p>Section 2.2.7.3 of the Additional Information contains certain tables displaying historical information on the delinquency, default and recovery rates of mortgage loans originated by BANCO SABADELL, which have similar characteristics to the Preliminary Portfolio.</p> <p><b>PCS notes that Sabadell has confirmed that “the arrears and recovery information are made on a loan portfolio of similar characteristics to the assigned portfolio, therefore, the vintages are representative of the portfolio assigned to the fund”</b></p>	
<b>64</b>	<p><b>STS Criteria</b></p> <p>64. Those data shall cover a period no shorter than five years.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See Prospectus, ADDITIONAL INFORMATION</p> <p>(iv) Information referred to the EU Securitisation Regulation</p> <p>(b) <u>Article 22 of the EU Securitisation Regulation</u></p> <p>(1) delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, for a period no shorter than 5 years;</p>	

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

65	<p><b>STS Criteria</b></p> <p>65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See Prospectus, Securities Note, 3. KEY INFORMATION</p> <p>3.2. Description of the entities participating in the issue and description of the functions to be performed by them in addition to information on the direct and indirect ownership or control between those entities</p> <p>DELOITTE AUDITORES, S.L. (“Deloitte”), as appropriate and independent firm, has issued the special securitisation report on certain features and attributes of a sample of all of BANCO SABADELL’s selected mortgage loans from which the Receivables will be taken to be assigned to the Fund by means of the issue of the Mortgage Transfer Certificates (including verification of the data disclosed in respect of those loans) upon being established for the purposes of complying with the provisions of Article 22.2 of the EU Securitisation Regulation.</p> <p>See also 7. ADDITIONAL INFORMATION</p> <p>Deloitte has issued the special securitisation report on certain features and attributes of a sample of all of BANCO SABADELL’s selected loans from which the Receivables will be taken to be assigned to the Fund upon being established for the purposes of complying with the provisions of Article 22.2 of the EU Securitisation Regulation.</p> <p>See also 2.2.2.3 Review of the selected assets securitised through the Fund upon being established</p> <p>Deloitte has reviewed a sample of 461 loans from the selected mortgage loan portfolio from which the Receivables shall be taken (i.e., the Preliminary Portfolio). Additionally, Deloitte has verified certain eligibility criteria (specifically, compliance with the representations included in section 2.2.8.2 of the Additional Information) and the data disclosed in the following stratification tables in respect of the 42.230 selected loans.</p> <p>The results, applying a confidence level of 99%, are set out in a special securitisation report prepared by Deloitte, for the purposes of complying with Article 22.2 of the EU Securitisation Regulation. The Originator confirms that no significant adverse findings have been detected. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the underlying exposures are accurate.</p> <p>The Management Company has requested from the CNMV the exemption from the contribution of the special securitisation report according to the second paragraph of Article 22.1 c) of Law 5/2015.</p> <p><i>PCS has reviewed the final report on “agreed upon procedures” (AUP) commonly known as a “pool audit” and the report on eligibility criteria and portfolio statistics disclosed in the prospectus. PCS can confirm that this was done by an appropriate and independent third party as is in accordance with the Regulation.</i></p>	
66	<p><b>STS Criteria</b></p> <p>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See item 65, above.</p> <p><b>PCS has reviewed the audit report and the data disclosed in the prospectus has been verified.</b></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.

<b>67</b>	<p><b><u>STS Criteria</u></b></p> <p>67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>	<b><u>Verified?</u></b> <b>YES</b>
	<p><b><u>PCS Comments</u></b></p> <p>See Prospectus, Securities Note, 3. KEY INFORMATION</p> <p>3.2. Description of the entities participating in the issue and description of the functions to be performed by them in addition to information on the direct and indirect ownership or control between those entities</p> <p>Bloomberg shall provide a cash flow model in compliance with article 22.3 of the EU Securitisation Regulation.</p> <p>See also Prospectus, ADDITIONAL INFORMATION</p> <p>(iv) Information referred to the EU Securitisation Regulation</p> <p>(b) <u>Article 22 of the EU Securitisation Regulation</u></p> <p>Furthermore, in accordance with article 22 of the EU Securitisation Regulation, the Seller, as Originator (or any agent on its behalf), will make available (or, as applicable, has made available on the Securitisation Repository) to potential investors, before pricing, the following information:</p> <p>(2) a liability cash flow model, elaborated and published by Bloomberg, which precisely represents the contractual relationship of the Receivables and the payments flowing between the Seller, the Fund and the Noteholders (and shall, after pricing, make that model available to Noteholders on an ongoing basis and to potential investors upon request);</p> <p><i>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>	
<b>68</b>	<p><b><u>STS Criteria</u></b></p> <p>68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>	<b><u>Verified?</u></b> <b>YES</b>
	<p><b><u>PCS Comments</u></b></p> <p><b>See item 67. as quoted above.</b></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.

<b>69</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>69. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p> <p><b>PCS Comments</b></p> <p>See Prospectus, ADDITIONAL INFORMATION</p> <p>(iv) Information referred to the EU Securitisation Regulation</p> <p>(b) <a href="#">Article 22 of the EU Securitisation Regulation</a></p> <p>Furthermore, in accordance with article 22 of the EU Securitisation Regulation, the Seller, as Originator (or any agent on its behalf), will make available (or, as applicable, has made available on the Securitisation Repository) to potential investors, before pricing, the following information:</p> <p>(3) upon request, the loan-by-loan information (including, <i>inter alia</i>, the information, if available related to the environmental performance of the assets) required by point (a) of the first subparagraph of article 7(1) and 22.4 of the EU Securitisation Regulation; and</p> <p><i>Disclosure of environmental data:</i> The consultation paper (“Draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures of Article 22(4) and 26(4) of Regulation (EU)2017/2402”) was published on 2 May 2022. The EBA guidelines commenting on environmental data reporting suggests that where only some environmental data is available, such proportion of environmental data must be published, as confirmed by the Guidelines published on 27 May 2024 and effective on 9<sup>th</sup> December 2024.</p> <p><i>ESG disclosure:</i> COMMISSION DELEGATED REGULATION (EU) 2024/1700 of 5 March 2024, published on 18<sup>th</sup> June 2024, came into force on 8<sup>th</sup> July 2024. It is an RTS (regulatory technical standards) supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to specifying (for simple, transparent and standardised non-ABCP traditional securitisation, and for simple, transparent and standardised on-balance-sheet securitisation) the content, methodologies and presentation of information related to the principal adverse impacts of the assets financed by the underlying exposures on sustainability factors.</p>	
	<p><b>Article 22.5.</b> 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.</p>	
<b>70</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p> <p><b>PCS Comments</b></p> <p>See Prospectus, ADDITIONAL INFORMATION</p>	

4.2. Obligations and deadlines contemplated for availability to the public and delivery to CNMV and the Rating Agency of periodic information on the economic/financial status of the Fund

4.2.1. Ordinary periodic notices

(iv) Information referred to the EU Securitisation Regulation

“The Seller shall be responsible for compliance with article 7, in accordance with article 22.5 of the EU Securitisation Regulation and has been designated as the Reporting Entity for the purposes of article 7.2 of the EU Securitisation Regulation.”

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

71	<b>STS Criteria</b>	71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.	<b>Verified?</b>
			<b>YES</b>
	<b>PCS Comments</b>	See Prospectus, ADDITIONAL INFORMATION	
		4.2. Obligations and deadlines contemplated for availability to the public and delivery to CNMV and the Rating Agency of periodic information on the economic/financial status of the Fund	
		4.2.1. Ordinary periodic notices	
		(iv) Information referred to the EU Securitisation Regulation	
		(b) Article 22 of the EU Securitisation Regulation	
		Furthermore, in accordance with article 22 of the EU Securitisation Regulation, the Seller, as Originator (or any agent on its behalf), will make available (or, as applicable, has made available on the Securitisation Repository) to potential investors, before pricing, the following information:	
		(3) upon request, the loan-by-loan information (including, inter alia, the information, if available related to the environmental performance of the assets) required by point (a) of the first subparagraph of article 7(1) and 22.4 of the EU Securitisation Regulation; and	
		(4) draft versions of the Transaction Documents, the STS Notification and this Prospectus.	
72	<b>STS Criteria</b>	72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.	<b>Verified?</b>
			<b>YES</b>
	<b>PCS Comments</b>	See item 71, above.	

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

<b>73</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p> <p><b>PCS Comments</b></p> <p>See Prospectus, ADDITIONAL INFORMATION, 4.2. Obligations and deadlines contemplated for availability to the public and delivery to CNMV and the Rating Agency of periodic information on the economic/financial status of the Fund</p> <p>4.2.1. Ordinary periodic notices</p> <p>(iv) Information referred to the EU Securitisation Regulation</p> <p>(a) Article 7, in accordance with article 22.5 of the EU Securitisation Regulation</p> <p>BANCO SABADELL, in its capacity as reporting entity under the EU Securitisation Regulation (the “Reporting Entity”), directly or delegating to any other agent on its behalf, will:</p> <p>(4) make available, in accordance with the article 7(1)(b) and article 22.5 of the EU Securitisation Regulation, in any case within fifteen (15) calendar days of the Date of Incorporation, copies of the relevant Transaction Documents, the STS Notification and this Prospectus</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;

<b>74</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>74. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(a) information on the underlying exposures on a quarterly basis,</p> <p><b>PCS Comments</b></p> <p>See Prospectus, ADDITIONAL INFORMATION</p> <p>4.2. Obligations and deadlines contemplated for availability to the public and delivery to CNMV and the Rating Agency of periodic information on the economic/financial status of the Fund</p>	

4.2.1. Ordinary periodic notices

## (iv) Information referred to the EU Securitisation Regulation

Pursuant to the obligations set out in article 7(2) of the EU Securitisation Regulation, the originator and the securitisation special purpose entity (the "SSPE") of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of article 7(1) to a registered securitisation repository of the EU Securitisation Regulation. The disclosure requirements of article 7 of the EU Securitisation Regulation apply in respect of the Notes.

The Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing the EU Securitisation Regulation with respect to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE (the "EU Disclosure RTS") sets out the information and the details to be made available by the originator, the sponsor and the SSPE of a securitisation. Likewise, the Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (the "EU Disclosure ITS") set out the format and standardised templates for making available the information and details of a securitisation.

## (a) Article 7, in accordance with article 22.5 of the EU Securitisation Regulation

BANCO SABADELL, in its capacity as reporting entity under the EU Securitisation Regulation (the "Reporting Entity"), directly or delegating to any other agent on its behalf, will:

## (1) following the Date of Incorporation:

- (i) publish a quarterly investor report in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(e) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS, no later than one (1) month after the relevant Payment Date; and
- (ii) publish on a quarterly basis certain loan-by-loan information in relation to the Receivables in respect of each Interest Accrual Period, as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation, the EU Disclosure RTS and the EU Disclosure ITS, no later than one (1) month after the relevant Payment Date, and simultaneously with the quarterly investor report;
- (2) publish, in accordance with article 7(1)(f) of the EU Securitisation Regulation, without delay, any inside information made public in accordance with article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse, notwithstanding the fact that such inside information shall also be included within the quarterly investor report described in paragraph (i) above;
- (3) publish without delay any significant event including any significant events described in article 7(1)(g) of the EU Securitisation Regulation, notwithstanding the fact that such significant event shall also be included within the quarterly investor report described in paragraph (i) above;
- (4) make available, in accordance with the article 7(1)(b) and article 22.5 of the EU Securitisation Regulation, in any case within fifteen (15) calendar days of the Date of Incorporation, copies of the relevant Transaction Documents, the STS Notification and this Prospectus.

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

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

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

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

agreement or such legal documentation with equivalent legal value;  
(vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

**75 STS Criteria**

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

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

**Verified?**  
**YES**

**PCS Comments**

See item 74, 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**

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

**Verified?**  
**YES**

**PCS Comments**

See Prospectus, ADDITIONAL INFORMATION,  
3.4.7.2.1. Pre-Enforcement Priority of Payments  
3.4.7.3 Post-Enforcement Priority of Payments

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

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



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

**77 STS Criteria**

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

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

**Verified?**  
**YES**

**PCS Comments**

**Not applicable, since this public transaction has a Prospectus.**

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

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

**78 STS Criteria**

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

**Verified?**  
**YES**

**PCS Comments**

**See item 74, above (4)**

**PCS has been provided with a draft of the STS Notification pre-pricing as well as the final STS Notification.**

*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:

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

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

**79 STS Criteria**

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

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

**Verified?**  
**YES**

**PCS Comments**

**See item 74, above (1).**

*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**

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

**Verified?**  
**YES**

**PCS Comments**

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

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

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

<b>81</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>81. (g) where point (f) does not apply, any significant event such as:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) a change in the structural features that can materially impact the performance of the securitisation</li> <li>(iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;</li> <li>(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;</li> <li>(v) any material amendment to transaction documents.</li> </ul>	
<b>PCS Comments</b>		
<p><b>See item 74, above (3).</b></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 information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest

<b>82</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
	<p>82. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest</p>	
<b>PCS Comments</b>		
<p><b>See item 74, above (1)(ii).</b></p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i></p>		

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

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

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

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

<b>83</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay</p>	
<b>PCS Comments</b>		
<p>See item 74, above, (3)</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>		
<p><b>Article 7.2.</b> The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.</p> <p>The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p>		
<b>84</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.</p> <p>The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p>	
<b>PCS Comments</b>		
<p>See Prospectus, ADDITIONAL INFORMATION</p> <p>4.2. Obligations and deadlines contemplated for availability to the public and delivery to CNMV and the Rating Agency of periodic information on the economic/financial status of the Fund</p> <p>4.2.1. Ordinary periodic notices</p> <p>(iv) Information referred to the EU Securitisation Regulation</p>		

	<p>Pursuant to the obligations set out in article 7(2) of the EU Securitisation Regulation, the originator and the securitisation special purpose entity (the "SSPE") of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of article 7(1) to a registered securitisation repository of the EU Securitisation Regulation. The disclosure requirements of article 7 of the EU Securitisation Regulation apply in respect of the Notes.</p> <p><i>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i></p>	
<b>85</b>	<p><b><u>STS Criteria</u></b></p> <p>85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See item 84, above.</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>	