

STS ABCP Verification Checklist

[Name of Transaction]



PRIME COLLATERALISED SECURITIES (PCS) UK Limited

XX^{xx} [September] 2022

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This is the STS Checklist (UK Version) for STS ABCP Verifications.

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

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

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. The reader should note that all comments on the STS ABCP Checklist.

XX^{xx} [September] 2022

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PRIME COLLATERALISED SECURITIES (PCS) STS Verification

Individual(s) undertaking the assessment	Name of Analyst
Date of Verification	[XX September] 2022
The transaction to be verified (the "Transaction")	Name of Transaction
Issuer	Name of SPV
Originator	
ABCP Conduit	
Sponsor	
Transaction Legal Counsel	
Rating Agencies	
Stock Exchange	
Closing Date	XX [September] 2022

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

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

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

Article	Summary of Article Contents	PCS Verified	
Article 23 – Simple, Transparent and Standardised ABCP Securitisation			
23(1)	Compliance with transaction-level requirements	A	✓
23(2)	Compliance with programme-level requirements	B	✓
Article 24 – Transaction Level Requirements for Simplicity and Standardisation			
24(1)	True sale	1	✓
24(1-3)	Severe clawback	2	✓
24(4)	True sale with intermediate steps	3	✓
24(5)	Assignment perfection	4	✓
24(6)	Encumbrances to enforceability of true sale	5	✓
24(7)	Eligibility criteria and active portfolio management	6-8	✓
24(8)	No securitisation positions	9	✓
24(9)	No undue delay after selection, no exposures in default or to credit-impaired or insolvent debtors/guarantors, portion of restructured debtors, adverse credit history, higher pool risk	10-17	✓
24(10)	At least one payment made	18	✓
24(11)	No predominant dependence on the sale of asset	19	✓
24(12)	Appropriate mitigation of interest-rate and currency risks and disclosure, no further derivatives and hedging derivatives according to common standards	20-25	✓
24(13)	Remedies and actions by servicer related to delinquency and default of debtor, priorities of payments, triggers for changes, obligation to report	26-30	✓
24(14)	Historical asset data	31-33	✓
24(15)	Homogeneity, weighted average remaining life, no mortgages, binding and enforceable, full recourse, defined payment streams, no transferable securities,	34-41	✓
24(16)	Referenced interest payments	42	✓
24(17)	Requirements in the event of enforcement or delivery of acceleration notice: no cash trap, sequential amortisation, no reversal, no automatic liquidation	43-45	✓
24(18)	Underwriting standards, disclosure of material changes, seller expertise	46-49	✓
24(19)	Early amortisation provisions/triggers for termination of revolving period	50-51	✓
24(20)	Duties, responsibilities, and replacement of transaction parties, sponsor	52-55	✓
Articles 7 – Transparency			
7(1)	Transparency requirements: underlying loan data, documentation, priority of payments, transaction summary, STS notification, investor report, inside information, significant event report, pre-pricing information, simultaneous, without delay	56-66	✓
7(2)	Transparency requirements: designation of responsible entity	67	✓

Article 23.1. An ABCP transaction shall be considered STS where it complies with the transaction-level requirements provided for in Article 24.
For the purpose of this Section, a 'seller' means 'originator' or 'original lender'.

A	STS Criteria A. An ABCP transaction shall be considered STS where it complies with the transaction-level requirements provided for in Article 24.	Verified? YES
	PCS Comments	

Article 23.2. An ABCP programme shall be considered STS where it complies with the requirements provided for in Article 26 and the sponsor of the ABCP programme complies with the requirements provided for in Article 25.
For the purpose of this Section, a 'seller' means 'originator' or 'original lender'.

B	STS Criteria B. An ABCP programme shall be considered STS where it complies with the requirements provided for in Article 26 and the sponsor of the ABCP programme complies with the requirements provided for in Article 25.	Verified? YES
	PCS Comments	

Article 24.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller’s insolvency.

1	<p>STS Criteria</p> <p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p>	

Article 24.1 [...] 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 24.2 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 24.3. 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	<p>STS Criteria</p> <p>2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller’s insolvency.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p>	

Article 24.4. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.

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

Article 24.5. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:

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

4	<p>STS Criteria</p> <p>4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> (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. 	<p>Verified? YES</p>
	<p>PCS Comments</p>	

Article 24.6. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.

5	<p>STS Criteria</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>Verified? YES</p>
	<p>PCS Comments</p>	

Article 24.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

6	STS Criteria 6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....	Verified? YES
	PCS Comments	
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	
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	

Article 24.8. The underlying exposures shall not include any securitisation position.

9	STS Criteria 9. The underlying exposures shall not include any securitisation position.	Verified? YES
	PCS Comments	

Article 24.9. 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...

10	STS Criteria 10. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	Verified? YES
	PCS Comments	
11	STS Criteria 11. ...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...	Verified? YES
	PCS Comments	

Article 24.9. ...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.

12	STS Criteria 12. ...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.	Verified? YES
	PCS Comments	

13	STS Criteria 13. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	Verified? YES
	PCS Comments	
14	STS Criteria 14. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and	Verified? YES
	PCS Comments	
15	STS Criteria 15. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;	Verified? YES
	PCS Comments	
16	STS Criteria 16. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;	Verified? YES
	PCS Comments	
17	STS Criteria 17. (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.	Verified? YES
	PCS Comments	

Article 24.10. 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.

18

STS Criteria

18. 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.

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

Article 24.11. 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.

19

STS Criteria

19. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.

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

Article 24.12. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.

20

STS Criteria

20. The interest rate...risks arising from the securitisation shall be appropriately mitigated.

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

21	STS Criteria 35. Currency risks arising from the securitisation shall be appropriately mitigated.	Verified? YES
	PCS Comments	
22	STS Criteria 36. Any measures taken to that effect shall be disclosed.	Verified? YES
	PCS Comments	

Article 24.12. ...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.

23	STS Criteria 23. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	Verified? YES
	PCS Comments	
24	STS Criteria 24. ...Shall ensure that the pool of underlying exposures does not include derivatives.	Verified? YES
	PCS Comments	
25	STS Criteria 25. Those derivatives shall be underwritten and documented according to common standards in international finance.	Verified? YES
	PCS Comments	

Article 24.13. ...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

26	<u>STS Criteria</u> 26. 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.	<u>Verified?</u> YES
	<u>PCS Comments</u>	

Article 24.13. 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.

27	<u>STS Criteria</u> 27. The transaction documentation shall clearly specify the priorities of payment,	<u>Verified?</u> YES
	<u>PCS Comments</u>	
28	<u>STS Criteria</u> 28. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	<u>Verified?</u> YES
	<u>PCS Comments</u>	
29	<u>STS Criteria</u> 29. The transaction documentation shall clearly specify the obligation to report such events.	<u>Verified?</u> YES
	<u>PCS Comments</u>	

30	STS Criteria 30. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	Verified? YES
	PCS Comments	
<p>Article 24.14. 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. Where the sponsor does not have access to such data, it shall obtain from the seller access to data, on a static or dynamic basis, on the historical performance, such as delinquency and default data, for exposures substantially similar to those being securitised. All such data shall cover a period no shorter than five years, except for data relating to trade receivables and other short- term receivables, for which the historical period shall be no shorter than three years.</p>		
31	STS Criteria 31. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	Verified? YES
	PCS Comments	
32	STS Criteria 32. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	Verified? YES
	PCS Comments	
33	STS Criteria 33. All such data shall cover a period no shorter than five years, except for data relating to trade receivables and other short- term receivables, for which the historical period shall be no shorter than three years.	Verified? YES
	PCS Comments	

Article 24.15. The ABCP transaction 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.

34

STS Criteria

34. 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

Article 24.15. The pool of underlying exposures shall have a remaining weighted average life of not more than one year, and none of the underlying exposures shall have a residual maturity of more than three years.

By way of derogation from the second subparagraph, pools of auto loans, auto leases and equipment lease transactions shall have a remaining weighted average life of not more than three and a half years, and none of the underlying exposures shall have a residual maturity of more than six years. [...]

35

STS Criteria

35. The pool of underlying exposures shall have a remaining weighted average life of not more than one year, and none of the underlying exposures shall have a residual maturity of more than three years.

By way of derogation from the second subparagraph, pools of auto loans, auto leases and equipment lease transactions shall have a remaining weighted average life of not more than three and a half years, and none of the underlying exposures shall have a residual maturity of more than six years.

Verified?
YES

PCS Comments

Article 24.15. The underlying exposures shall not include loans secured by residential or commercial mortgages or fully guaranteed residential loans, as referred to in point (e) of the first subparagraph of Article 129(1) of Regulation (EU) No 575/2013.

36

STS Criteria

36. The underlying exposures shall not include loans secured by residential or commercial mortgages or fully guaranteed residential loans, as referred to in point (e) of the first subparagraph of Article 129(1) of Regulation (EU) No 575/2013.

Verified?
YES

PCS Comments

Article 24.15. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors...

37	STS Criteria 37. The underlying exposures shall contain obligations that are contractually binding and enforceable,	Verified? YES
	PCS Comments	
38	STS Criteria 38. ...with full recourse to debtors,	Verified? YES
	PCS Comments	

Article 24.15. The underlying exposures shall contain obligations...with defined payment streams relating to rental, principal, interest, or related to any other right to receive income from assets warranting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.

39	STS Criteria 39. with defined payment streams,	Verified? YES
	PCS Comments	
40	STS Criteria 40. ...relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.	Verified? YES
	PCS Comments	

Article 24.15. The underlying exposures shall not include transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU other than corporate bonds, that are not listed on a trading venue.

41	STS Criteria 41. The underlying exposures shall not include transferable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU other than corporate bonds, that are not listed on a trading venue.	Verified? YES
	PCS Comments	

Article 24.16. Any referenced interest payments under the ABCP transaction’s assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, but shall not reference complex formulae or derivatives. Referenced interest payments under the ABCP transaction’s liabilities may be based on interest rates reflective of an ABCP programme’s cost of funds.

42	STS Criteria 42. Any referenced interest payments under the ABCP transaction’s assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, but shall not reference complex formulae or derivatives. Referenced interest payments under the ABCP transaction’s liabilities may be based on interest rates reflective of an ABCP programme’s cost of funds.	Verified? YES
	PCS Comments	

Article 24.17. Following the seller’s default or an acceleration event:
 (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 an amount be trapped 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 holding a securitisation position via sequential payment of the securitisation positions, as determined by the seniority of the securitisation position; and
 (c) no provisions shall require automatic liquidation of the underlying exposures at market value.

43	STS Criteria 43. Following the seller’s default or an acceleration event: (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 an amount be trapped to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;	Verified? YES
	PCS Comments	
44	STS Criteria 44. (b) principal receipts from the underlying exposures shall be passed to investors holding a securitisation position via sequential payment of the securitisation positions, as determined by the seniority of the securitisation position; and	Verified? YES
	PCS Comments	
45	STS Criteria 45. (c) no provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	PCS Comments	

Article 24.18. The underlying exposures shall be originated in the ordinary course of the seller’s business pursuant to underwriting standards that are no less stringent than those that the seller applies at the time of origination to similar exposures that are not securitised. [...]

46	STS Criteria 46. The underlying exposures shall be originated in the ordinary course of the seller’s business.	Verified? YES
	PCS Comments	
47	STS Criteria 47. ...pursuant to underwriting standards that are no less stringent than those that the seller applies at the time of origination to similar exposures that are not securitised.	Verified? YES
	PCS Comments	

Article 24.18. [...] The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to the sponsor and other parties directly exposed to the ABCP transaction without undue delay. The seller shall have expertise in originating exposures of a similar nature to those securitised.

48	STS Criteria 48. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to the sponsor and other parties directly exposed to the ABCP transaction without undue delay.	Verified? YES
	PCS Comments	

Article 24.18. The underlying exposures shall be originated in the ordinary course of the seller’s business pursuant to underwriting standards that are no less stringent than those that the seller applies at the time of origination to similar exposures that are not securitised. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to the sponsor and other parties directly exposed to the ABCP transaction without undue delay. The seller shall have expertise in originating exposures of a similar nature to those securitised.

49	STS Criteria 49. The seller shall have expertise in originating exposures of a similar nature to those securitised.	Verified? YES
	PCS Comments	

Article 24.19. Where an ABCP transaction is a revolving securitisation, the transaction documentation shall include triggers for termination of the revolving period, including at least the following:
 (a) a deterioration in the credit quality of the underlying exposures to or below a predetermined threshold; and
 (b) the occurrence of an insolvency-related event with regard to the seller or the servicer.

50	STS Criteria 50. Where an ABCP transaction is a revolving securitisation, the transaction documentation shall include triggers for termination of the revolving period, including at least the following: (a) a deterioration in the credit quality of the underlying exposures to or below a predetermined threshold; and	Verified? YES
	PCS Comments	
51	STS Criteria 51. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;	Verified? YES
	PCS Comments	

<p>Article 24.20. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the sponsor, the servicer and the trustee, if any, and other ancillary service providers;</p> <p>(b) the processes and responsibilities necessary to ensure that a default or insolvency of the servicer does not result in a termination of servicing;</p> <p>(c) provisions that ensure the replacement of derivative counterparties and the account bank upon their default, insolvency and other specified events, where applicable; and</p> <p>(d) how the sponsor meets the requirements of Article 25(3).</p>		
52	<p>STS Criteria</p> <p>52. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the sponsor, the servicer and the trustee, if any, and other ancillary service providers;</p>	<p>Verified? YES</p>
	<p>PCS Comments</p>	
53	<p>STS Criteria</p> <p>53. (b) the processes and responsibilities necessary to ensure that a default or insolvency of the servicer does not result in a termination of servicing;</p>	<p>Verified? YES</p>
	<p>PCS Comments</p>	
54	<p>STS Criteria</p> <p>54. (c) provisions that ensure the replacement of derivative counterparties and the account bank upon their default, insolvency and other specified events, where applicable; 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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p>	

55

STS Criteria

55. (d) how the sponsor meets the requirements of Article 25(3).

Article 25

Sponsor of an ABCP programme

1. The sponsor of the ABCP programme shall be a credit institution supervised under Directive 2013/36/EU.
2. The sponsor of an ABCP programme shall be a liquidity facility provider and shall support all securitisation positions on an ABCP programme level by covering all liquidity and credit risks and any material dilution risks of the securitised exposures as well as any other transaction- and programme-level costs if necessary to guarantee to the investor the full payment of any amount under the ABCP with such support. The sponsor shall disclose a description of the support provided at transaction level to the investors including a description of the liquidity facilities provided.
3. Before being able to sponsor an STS ABCP programme, the credit institution shall demonstrate to its competent authority that its role under paragraph 2 does not endanger its solvency and liquidity, even in an extreme stress situation in the market.

The requirement referred to in the first subparagraph of this paragraph shall be considered to be fulfilled where the competent authority has determined on the basis of the review and evaluation referred to Article 97(3) of Directive 2013/36/EU that the arrangements, strategies, processes and mechanisms implemented by that credit institution and the own funds and liquidity held by it ensure the sound management and coverage of its risks.

Verified?
YES

PCS Comments

Not applicable in the transaction: at this point in time, an assessment of compliance with STS for the [INSERT NAME OF THE PROGRAMME] ABCP Programme is not requested.

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;

56 **STS Criteria**

56. 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;

Verified?
YES

PCS Comments

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

- (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;

57	<p><u>STS Criteria</u></p> <p>57. (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <ul style="list-style-type: none"> (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust; (iii) the derivatives and guarantees agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator; (iv) the servicing, back-up servicing, administration and cash management agreements; (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value; (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements; 	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p>	

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

58	<u>STS Criteria</u>	<u>Verified?</u> YES
	58. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	

PCS Comments

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

(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;

59	<u>STS Criteria</u>	<u>Verified?</u> YES
	59. (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;	

PCS Comments

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

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

60	STS Criteria	Verified? YES
	60. (d) in the case of STS securitisations, the STS notification referred to in Article 27;	
PCS Comments		

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

(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.

61	STS Criteria	Verified? YES
	61. (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,... (iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.	
PCS Comments		

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;

62	STS Criteria	Verified? YES
	62. (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;	
PCS Comments		

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

(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.

63	STS Criteria	Verified? YES
	63. (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.	
PCS Comments		

Article 7. The information described in points (b), (c) and (d) of the first subparagraph shall be made available before pricing. In the case of ABCP, the information described in points (a), (c)(ii) and (e)(i) of the first subparagraph shall be made available in aggregate form to holders of securitisation positions and, upon request, to potential investors. Loan-level data shall be made available to the sponsor and, upon request, to competent authorities.

64	STS Criteria	64. 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. In the case of ABCP, the information described in points (a), (c)(ii) and (e)(i) of the first subparagraph shall be made available in aggregate form to holders of securitisation positions and, upon request, to potential investors. Loan-level data shall be made available to the sponsor and, upon request, to competent authorities.	Verified? YES
	PCS Comments		

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 or, in the case of ABCP transactions, at the latest one month after the end of the period the report covers.

65	STS Criteria	65. 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 or, in the case of ABCP transactions, at the latest one month after the end of the period the report covers.	Verified? YES
	PCS Comments		

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.

66	STS Criteria	Verified? YES
	66. 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	
PCS Comments		

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

The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.

67	STS Criteria	Verified? YES
	67. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1. The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository. Or The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.	
PCS Comments		