



THE STS VERIFICATION PROCESS
– THE STRUCTURED PATH TO
YOUR SUCCESS.

Introduction to SVI and STS Verification

STS Verification International GmbH ("SVI")

June 2022



THE STS MARKET SEGMENT AND THE ROLE OF SVI

Simple, Transparent & Standardised (“STS”) Securitisations

- As part of the European securitization framework, the STS regime has been established in 2019 as a first-class capital market segment with strict and uniform regulation
- The STS label offers access to the widest investor base possible
- Market standard for public securitization, widely used by private securitisations
- STS reduces the capital requirements for investors and originators (for retained senior tranches in synthetic transactions)

The Role of the Third-Party Verifier (“TPV”)

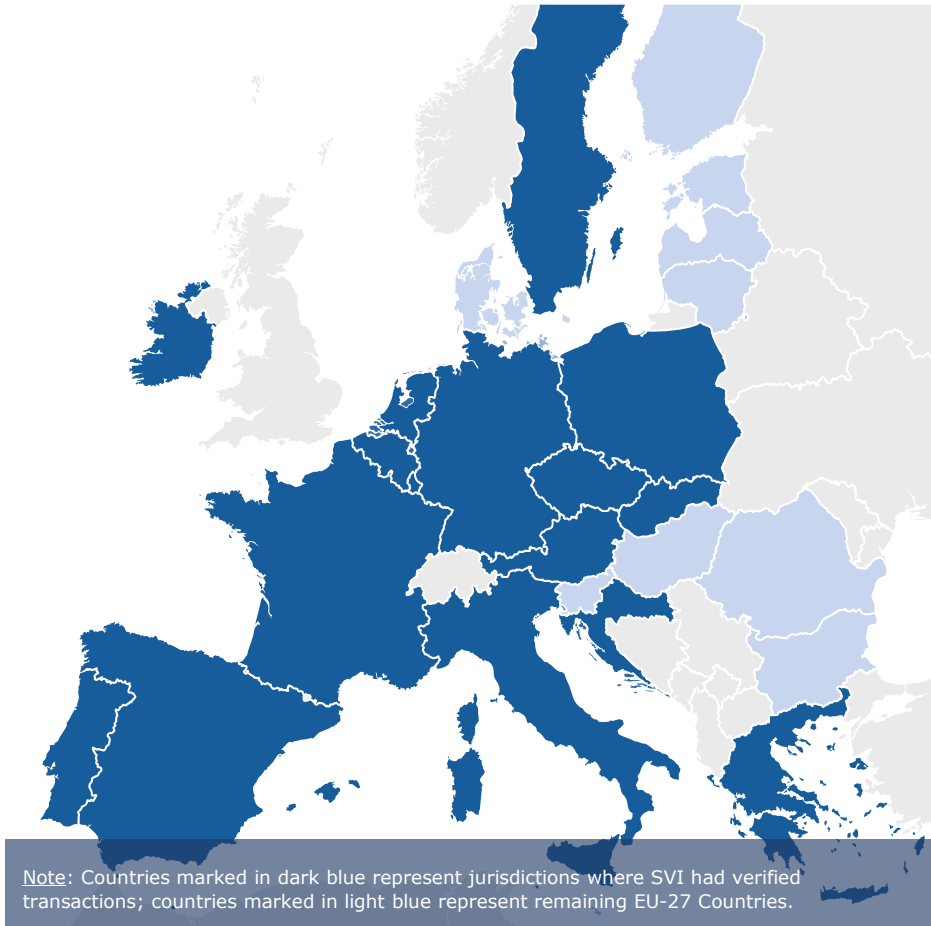


- A Third-Party Verifier can be appointed by the originator, sponsor or SSPE to assess compliance of a securitisation with the STS criteria
- The TPV ensures appropriate interpretation and consistent application of the STS criteria (incl. RTS/ITS and guidelines) during the structuring phase, thereby reducing liability risk for the transaction parties
- The TPV acts as first point of contact for questions and coordinated approach to the competent supervisory authorities

TOP 5 FACTS ABOUT SVI

- **Mission:** Established in 2018 as 100% subsidiary of True Sale International (“TSI”), the mission of SVI is to contribute to a well developed, high quality and sustainable securitisation market in Europe through the provision of neutral and objective verification of compliance of securitization transactions with the STS (“Simple, Transparent, Standardised”) criteria, acting as Third-Party Verifier pursuant to Art. 28 of the Securitisation Regulation
- **Authorization/Supervision:** SVI has been authorized and is supervised by the competent authority (BaFin) to act as Third-Party Verifier in all countries of the EU
- **Transaction Types & Asset Classes:** SVI covers the transaction types non-ABCP (=Term ABS), ABCP and synthetic on-balance-sheet securitisations involving all asset classes that are potentially eligible for STS and also provides certain (CRR/LCR/Article 270) assessments building upon STS
- **Ressources:** 5 SVI staff, 4 TSI staff (through an outsourcing agreement) and a panel of 4 external lawyers (focus on review of legal opinions) involved in the STS verification process for SVI, led by Michael Osswald (Managing Director)
- **Track Record:** More than 125 securitisations verified by SVI so far, healthy pipeline of verifications in progress

SVI – A PAN-EUROPEAN STS VERIFIER



■ Jurisdictions where SVI has verified transactions include the following:

➤ Austria		➤ Belgium	
➤ Czech Republic		➤ France	
➤ Germany		➤ Greece	
➤ Ireland		➤ Italy	
➤ Luxembourg		➤ Netherlands	
➤ Poland		➤ Portugal	
➤ Spain		➤ Slovakia	
➤ Sweden		➤ International	

- In addition, SVI has verified transactions where the Seller was domiciled in a third country (e.g. UK, Switzerland, US), but a EU-domiciled related company has acted as Originator in line with the Securitisation Regulation.

SVI TRACK RECORD ACROSS THE KEY MARKET SEGMENTS

Auto ABS

SVI clients include all major originators:

- Captives (BMW, FCA Bank, Ford, Mercedes, PSA, RCI, VWFS)
- Non-Captives (ALD, ICLH, LeasePlan, Raiffeisen Leasing)
- Bank lenders (321Crédito, Bank11, BBVA, BDK, CreditPlus, MyMoney Bank, Porsche Bank, Santander Consumer Bank)

Underlyings include auto loan and auto leases (including residual values)

RMBS

SVI clients include major mortgage lenders from:

- Germany (UniCredit)
- France (undisclosed)
- Ireland (Finance Ireland)
- The Netherlands (NIBC, major Dutch bank involving its German portfolio)

Mortgage portfolios include both

- owner-occupied
- Buy-to-Let and
- mixed portfolios

SVI TRACK RECORD ACROSS THE KEY MARKET SEGMENTS

(CONTINUED)

Consumer ABS

SVI clients include credit card issuers (e.g. Advanzia Bank) and consumer lenders (e.g. Auxmoney, Santander Consumer Bank)

Equipment Lease ABS

SVI clients include abcbank, Deutsche Leasing, Grenke, PEAC Finance and PKO Leasing

Synthetic Securitisations

SVI clients include major commercial banks from France (BNPP, CACIB), Germany, Greece (Piraeus Bank), Italy (BNL) and other undisclosed credit institutions

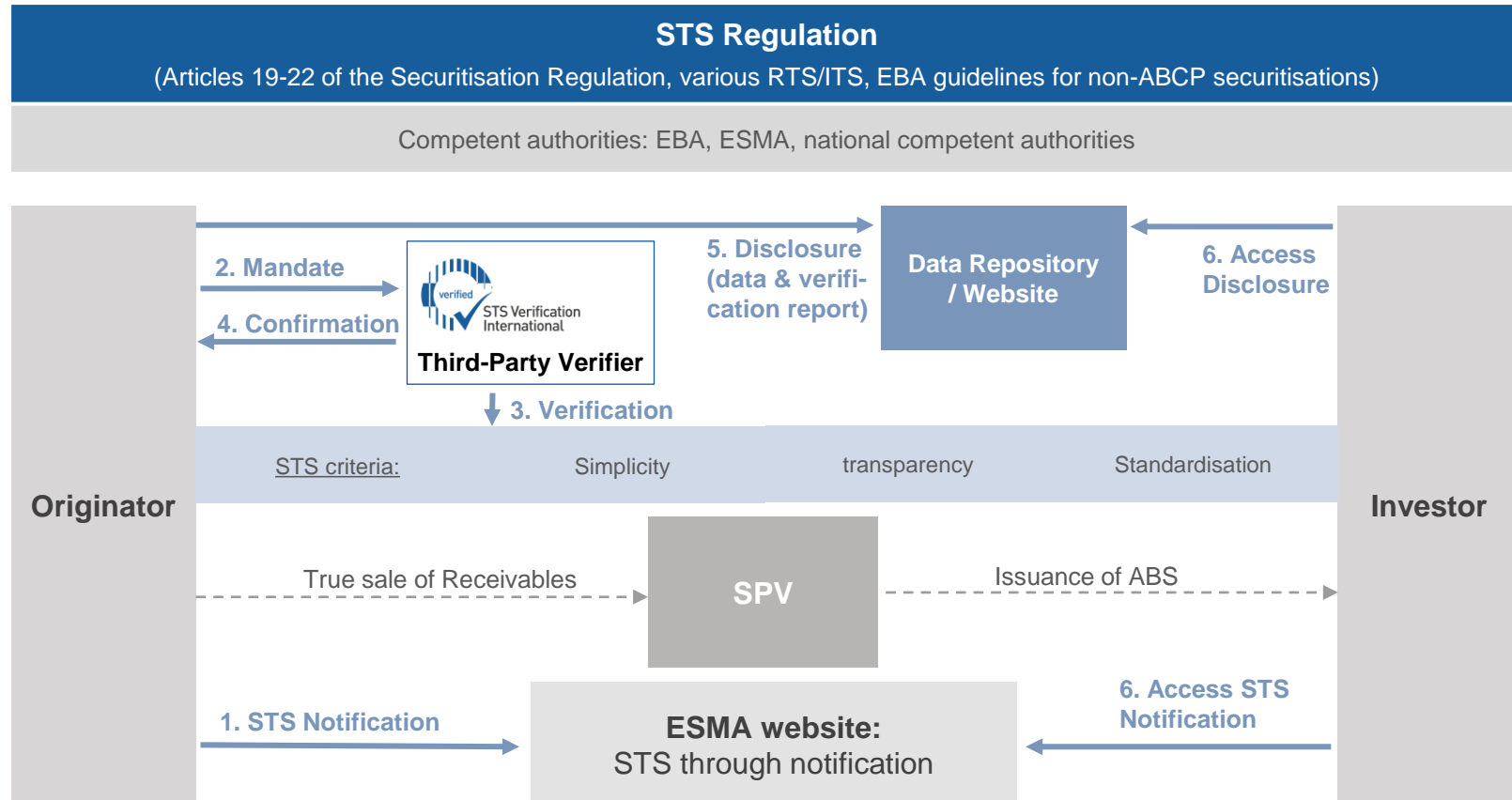
ABCP

SVI clients include all major ABCP sponsor banks from:

- France (BNPP, CACIB, CIC, SocGen)
- Germany (BayernLB, DZ Bank, Helaba, LBBW, NordLB)
- Italy (Intesa, UniCredit)
- The Netherlands (ING, Rabobank)

STS VERIFICATION AS PART OF THE ABS PROCESS

(EXAMPLE OF NON-ABCP SECURITISATIONS)



VERIFICATION METHODS AND THE SVI VERIFICATION REPORT

Verification Methods: How are individual criteria checked?

- a) **Regulatory:** Certain STS criteria relate to supervisory mechanisms and regulatory aspects
- b) **Legal:** Reference to contractual obligations and structural features as laid down in the transaction documentation and legal opinion(s)
- c) **Due Diligence:** Written and verbal evidence based on due diligence presentations, credit & collection policies, Q&A with senior management and other relevant specific information
- d) **Data:** Verification on the basis of full data (e.g. performance history), verification on the basis of samples (e.g. AuP report), Cashflow model

SVI Verification Report

- Confirms compliance of a specific transaction with the STS criteria and how SVI has come to such conclusion
- Available as Preliminary (at deal announcement) and Final Verification Report (at closing) for Originator and Investors
- For examples see: www.sts-verification-international.com/transactions

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