



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

Introduction to SVI and STS Verification

STS Verification International GmbH ("SVI")

September 2024



THE STS MARKET SEGMENT AND THE ROLE OF THE THIRD-PARTY VERIFIER

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 securitisation, widely used by private securitisations
- STS reduces the capital requirements for investors and originators (for retained senior tranches in synthetic transactions)

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

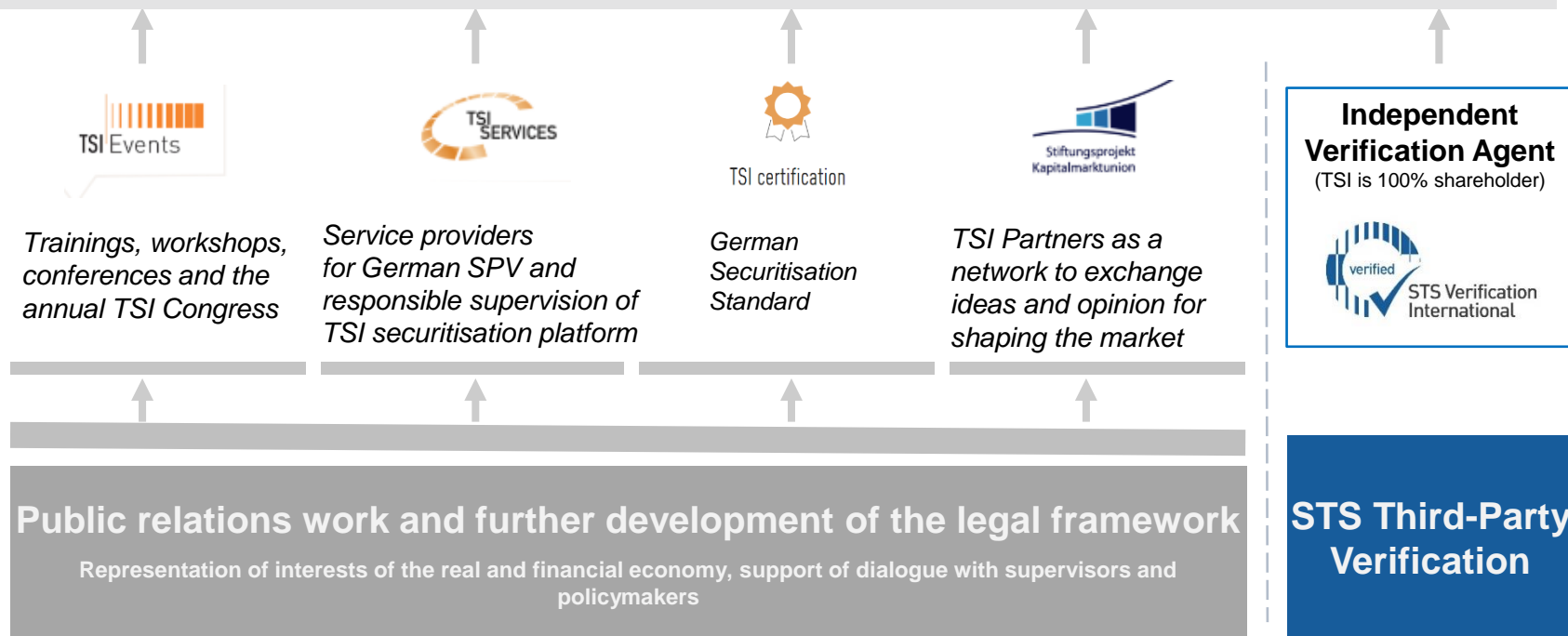
TOP 5 FACTS ABOUT SVI

- **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 securitisation transactions with the STS 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
- **Resources:** 5 SVI staff, 3 TSI staff (through a partnership agreement) and a panel of 3 external lawyers (focus on review of legal opinions) involved in the STS verification process
- **Track Record:** More than 250 securitisations verified by SVI so far, healthy pipeline of verifications in progress

SVI AS INDEPENDENT PART OF TSI*

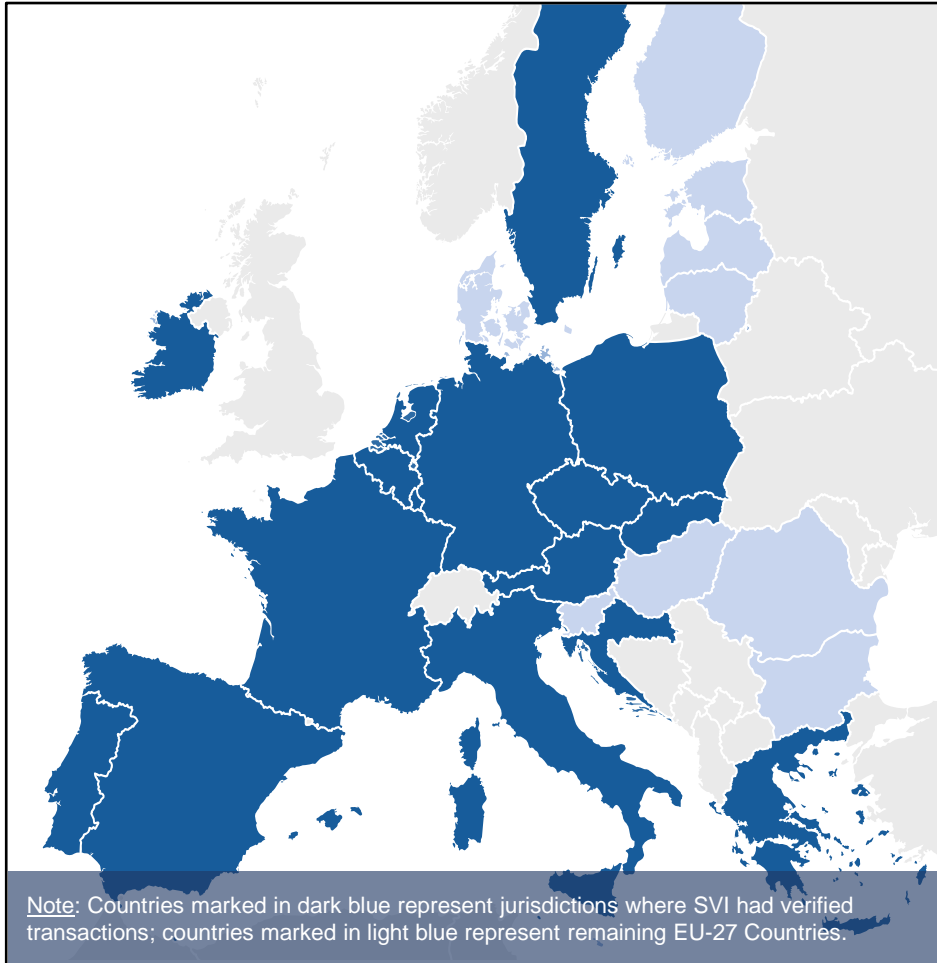
Stable and efficient securitisation market in Germany and Europe

- STS as an opportunity for securitisation
- Establishment as a first-class capital market segment with strict and uniform regulation



*True Sale International GmbH, www.true-sale-international.de

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, Ford, Mercedes, RCI, Stellantis, VWFS & other undisclosed)
- Non-Captives (ALD, ICLH, LeasePlan, Raiffeisen Leasing)
- Bank lenders (321Crédito, Bank11, BBVA, BDK, BNPP, 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 & other undisclosed)
- France (undisclosed)
- Ireland (Finance Ireland, AIB)
- The Netherlands (NIBC & other undisclosed)
- Spain (undisclosed)

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 (auxmoney, Santander Consumer Bank, Bicredit)

Equipment Lease ABS

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

Synthetic Securitisations

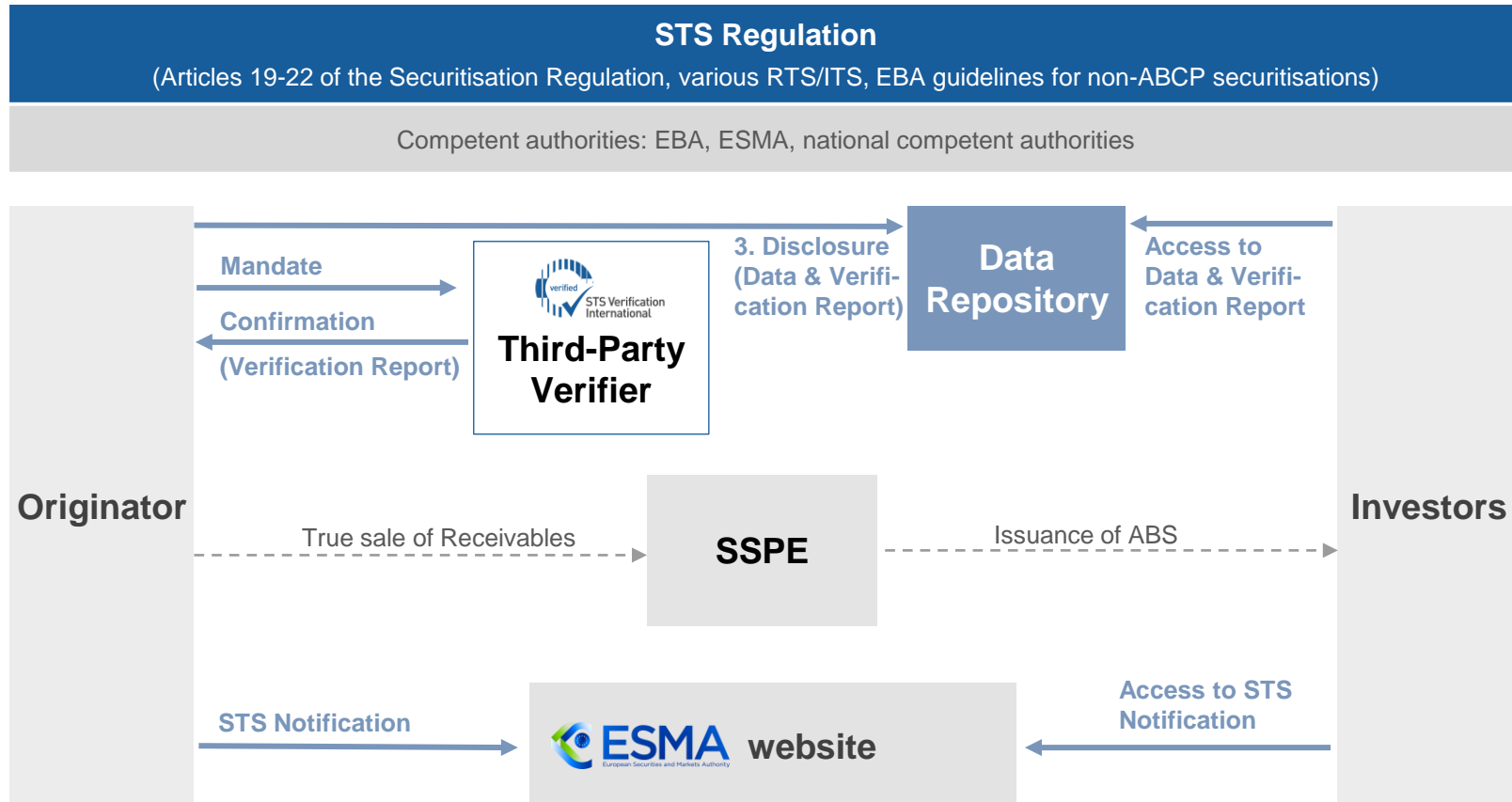
SVI clients include major commercial banks from Belgium (BNPP Fortis), France (BNPP, CACIB), Germany (BayernLB, Commerzbank, LBBW), Greece (Piraeus Bank), Italy (BNL), Austria (Erste Bank, BAWAG) and other undisclosed credit institutions

ABCP

SVI clients include all major ABCP sponsor banks from:

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

STS NOTIFICATION AND STS VERIFICATION (EXAMPLE OF NON-ABCP SECURITISATIONS)



VERIFICATION METHODOLOGY

Verification Methods: How are individual criteria checked?



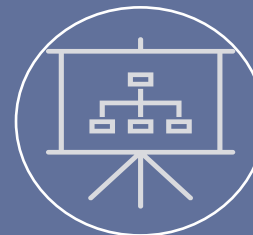
REGULATORY:

Certain STS criteria relate to supervisory mechanisms and regulatory aspects, according to the latest Regulatory development



LEGAL:

Reference to contractual obligations and structural features in the transaction documentation and legal opinion(s)



DUE DILIGENCE:

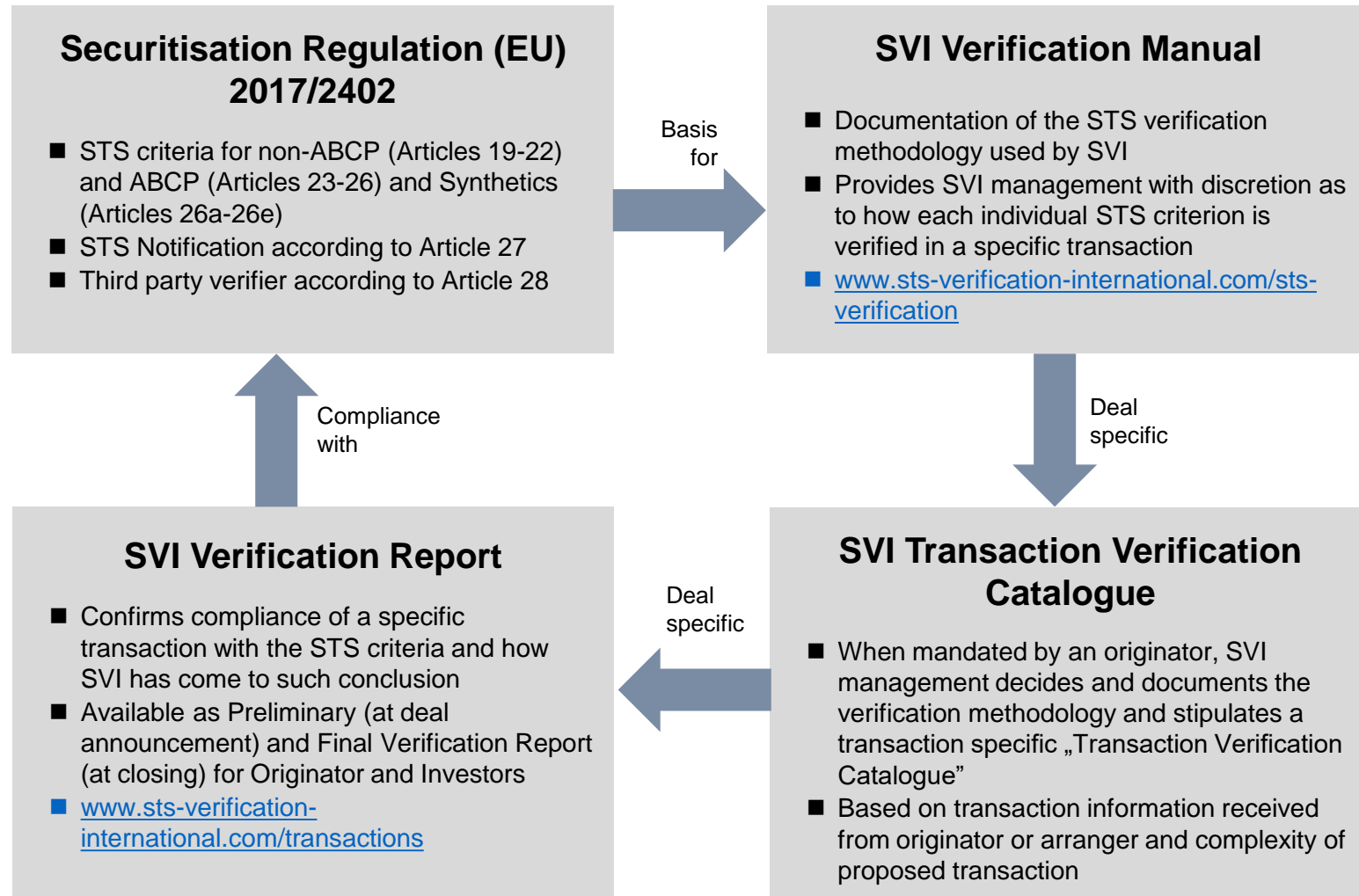
Evidence based on due diligence, credit & collection policies, Q&A with senior management and other relevant information



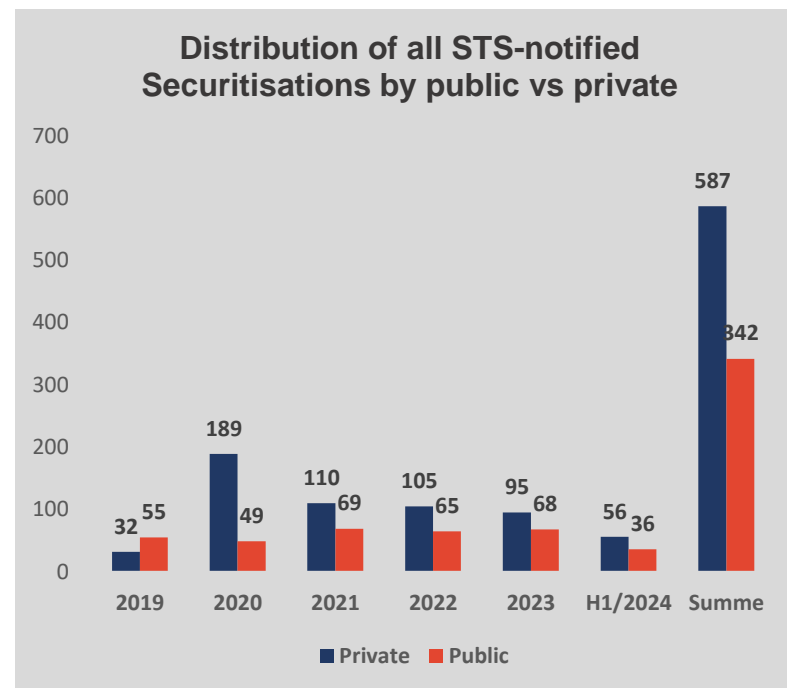
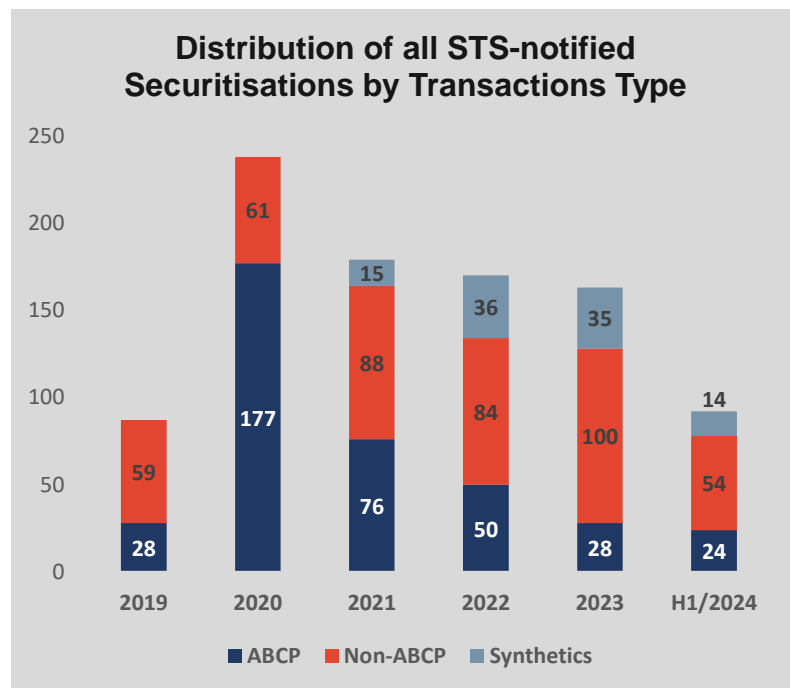
DATA:

Verification on the basis of full data (e.g. performance history), verification on the basis of samples analysis (AuP report), Cashflow model

FROM SECURITISATION REGULATION TO VERIFICATION REPORT



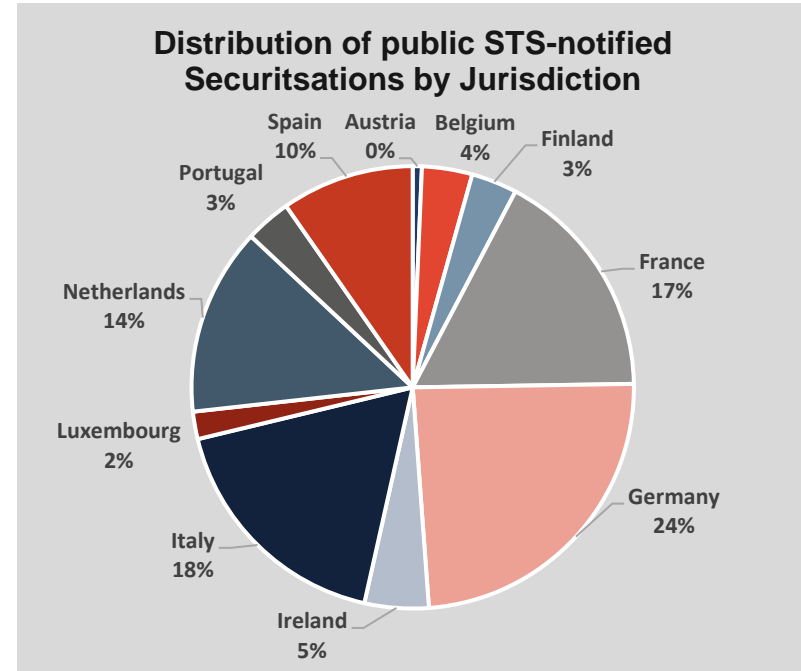
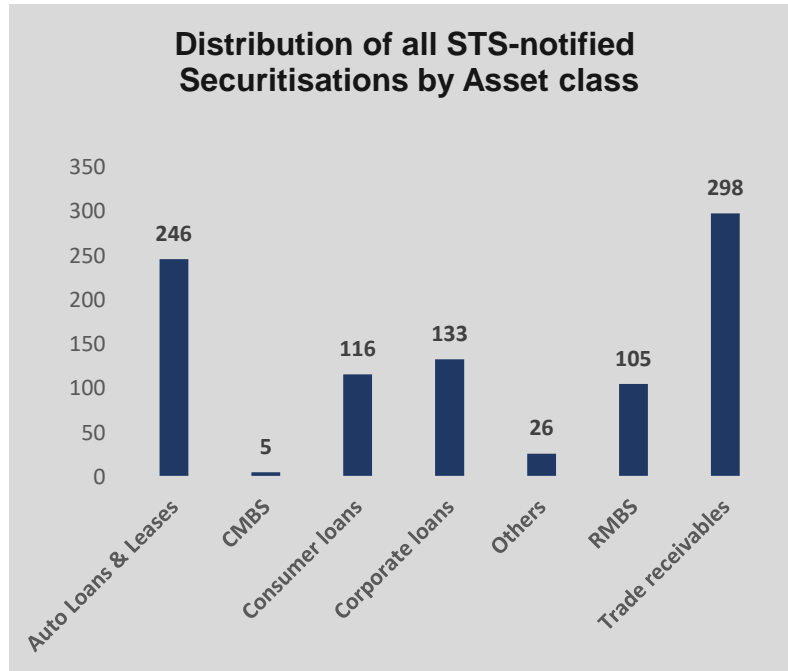
DEVELOPMENT OF THE MARKET FOR STS TRANSACTIONS (2019 – H1/2024)



Period 1.1.2019 – 30.06.2024; Source: ESMA Website, SVI

- Since the introduction of the STS segment, approx. 929 securitisations have been notified as STS-compliant (446 non-ABCP vs. 383 ABCP vs. 100 Synthetic, 342 public vs. 587 private transactions)
- STS-compliant transactions can be notified to ESMA as either “public” or “private” transactions, with resulting vastly different level of disclosure

DEVELOPMENT OF THE MARKET FOR STS TRANSACTIONS (2019-H1/2024) (CONTINUED)



Period 1.1.2019 – 30.06.2024; Source: ESMA Website, SVI

- The categorisation according to asset classes reflects the various asset types as proposed by the STS notification template provided by ESMA for traditional and synthetic securitisations, respectively
- The breakdown by jurisdictions reflects the larger and smaller countries within the EU, where the underlying exposures for the public securitisations are located

CONTACTS



Michael Osswald
Managing Director
Tel: +49 69 8740 344-10
E-mail: michael.osswald@svi-gmbh.com



Carlo Barbarisi
Senior Advisor, Business Development
Tel: +49 170 6704036
E-mail: carlo.barbarisi@svi-gmbh.de



Marco Pause
Director
Tel: +49 69 8740 344-43
E-mail: marco.pause@svi-gmbh.com



Salah Maklada
Director
Tel: +49 69 8740 344-45
E-mail: salah.maklada@svi-gmbh.com



Mario Maria Venosa
Associate Director
Tel: +49 69 8740 344-42
E-mail: mario.venosa@svi-gmbh.com



Mario Uhrmacher
Director
Tel: +49 69 2992-1721
E-mail: mario.uhrmacher@tsi-gmbh.de



Dr. habil. Christian Fahrholz
Director
Tel: +49 69 2992-1725
E-mail: christian.fahrholz@tsi-gmbh.de



Peter Grijsen
Associate Director
Tel: +49 69 2992-1725
E-mail: peter.grijsen@tsi-gmbh.de

STS Verification International GmbH
Mainzer Landstraße 61
60329 Frankfurt/Germany
www.sts-verification-international.com