

# Final Verification Report

In respect of the Transaction „Limes 2019-1“  
(Deutsche Sparkassen Leasing AG & Co. KG)



15 July 2019

## **Authorization of SVI as third party**

STS Verification International GmbH ("SVI") has been authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht "BaFin", as the competent authority pursuant to Art 29 of the Securitisation Regulation and § 44 German Banking Act) to act in all EU countries as third party pursuant to Art 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Art 27 (2) of the Securitisation Regulation.

## **Mandating of SVI and verification steps**

On 21 March 2019, SVI has been mandated by the parent company (Deutsche Leasing Sparkassen AG & Co. KG) of the Originators (Deutsche Leasing International GmbH and Deutsche Leasing für Sparkassen und Mittelstand GmbH) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "Limes 2019-1" (the "Transaction").

As part of our verification work, we have met with representatives of Deutsche Leasing Sparkassen AG & Co. KG to conduct an onsite due diligence meeting in Bad Homburg on 22<sup>th</sup> March 2019. In addition, we have discussed selected aspects of the Transaction with Deutsche Leasing and the legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of Deutsche Leasing and the underlying transaction documentation.

For the purposes of our analysis, we have reviewed the following documents and other information related to the Transaction:

- Draft of the preliminary prospectus („Preliminary Prospectus“) and final draft of the prospectus („Final Prospectus“)
- German Legal Opinion („LO“)
- Receivables Purchase and Servicing Agreement („RPSA“)
- Master Framework Agreement
- Swap Agreement

- Account Bank Agreement (“Account Agreement”)
- Due Diligence Presentation by Deutsche Leasing („Due Diligence Presentation“)
- Investor Presentation by Deutsche Leasing („Investor Presentation“)
- Final Agreed-upon Procedures („AuP“) and Report of Factual Findings on Agreed-upon Procedures
- Output files of the liability cash flow model (“CF-Model“) calculated according to pre-defined default and prepayment scenarios
- Data Package received by Deutsche Leasing (“Data Package“)
- Draft Investor Report received from Deutsche Leasing (“Draft Investor Report“)
- Additional information received by e-mail, such as confirmations, comments, etc.

## Verification Methodology

The fulfilment of each verification point in this Final Verification Report provided to the Originator is evaluated on the basis of three fulfilment values (traffic light status):

Criterion is fully met	
Criterion is mostly met, but with comments or requests for missing information	
Criterion not (yet) met on the basis of available information	

The verification process is based on the SVI verification manual (“Verification Manual“), defined terms of the Verification Manual shall also apply to this report. It describes the verification process and the individual inspections in detail. The Verification Manual is applicable to all parties involved in the verification process and its application ensures an objective and uniform verification of transactions to be verified. Based on the Verification Manual, SVI has derived the Transaction Verification Catalogue for this Transaction as described under Verification

Method in this report. For a full description of the methodology used by SVI for the Verification can be found in the Verification Manual on our website: [ww.svi-gmbh.com](http://ww.svi-gmbh.com).

### **Disclaimer of SVI**

SVI grants a registered verification label “verified – STS VERIFICATION INTERNATIONAL” if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 22 of the Securitisation Regulation (“STS Requirements”). The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the SVI verification does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the issuer or the notes concerned other than as set out in this Final Verification Report and disclaims any responsibility for monitoring the issuer’s continuing compliance with these standards or any other aspect of the issuer’s activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

Investors should therefore not evaluate their investment in notes on the basis of this Final Verification Report.

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons to SVI or in any of the documents are true, not misleading and complete.

## LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final Verification Report in capital spelling, please refer to the defined terms in the section “Transaction Definitions” in the Final Prospectus.

AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
CF-Model	Cash Flow-Model
Deutsche Leasing	Deutsche Leasing Sparkassen AG & Co. KG
EBA	European Banking Authority
EBA Guidelines	Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018
Final Prospectus	Final Prospectus
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	Limes 2019-1
Limes 2019-1	Limes Funding S.A., acting on behalf and for the account of its Compartment 2019-1
Originators	Deutsche Leasing International GmbH and Deutsche Leasing für Sparkassen und Mittelstand GmbH
Preliminary Prospectus	Preliminary Prospectus dated 24 <sup>th</sup> of June 2019
Preliminary Verification Report	Draft preliminary Verification Report prepared by SVI in respect of the Transaction
RTS on Homogeneity	Commission Delegated Regulation of 28.5.2019 supplementing the Securitisation Regulation with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation
Securitisation Regulation	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012
Seller	Deutsche Sparkassen Leasing AG & Co. KG
Servicer	Deutsche Sparkassen Leasing AG & Co. KG
SPV	Special Purpose Vehicle or Issuer
Transaction	The securitisation of commercial lease receivables involving Limes 2019-1 as Issuer

#	Criterion Article 20 (1)	Verification Report
1	Assignment or transfer of ownership of the risk positions takes place by means of a <b>true sale</b> and is legally enforceable.	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence (Prospectus)</p> <p>The legal opinion confirms the transfer of title to the underlying exposure to the SPV through a true sale both with respect to the assignment and transfer of the Purchased Receivables and with respect to the security transfer of title to the Leased Objects.</p> <p>The legal opinion confirms the legal enforceability of the true sale, assignment or transfer against the seller and third parties with respect to the valid, legally binding and enforceable rights and obligations of the parties to the Opinion Documents, with respect to the sale and assignment of the Purchased Receivables to the Issuer, with respect to the rights of the Issuer to the Purchased Receivables in the insolvency of the Seller (<i>Aussonderungsrecht</i> and <i>Drittwiderspruchsklage</i>) and with respect to the transfer of security title to the Leased Objects (all subject to customary qualifications).</p> <p>The Legal Opinion confirms that there are no increased risks with regard to claw-back and re-characterisation.</p> <p>The RPSA contains in Section 10 (1) in connection with Schedule 5, Part 3 of the Master Framework Agreement and the Eligibility Criteria (i), (k) and (q) representations by the Seller as of the Closing Date concerning the legally valid, binding and enforceable nature of the Lease Agreements and their free assignability.</p>

#	Criterion Article 20 (1)	Verification Report
2	Requirements for the external <b>legal opinion</b>	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>The LO is provided by Ashurst, a well-known internationally operating law firm with good expertise in the securitisation field.</p> <p>The legal opinion is made available to SVI as third-party verification agent and to competent supervisory authorities.</p>

#	Criterion Article 20 (2)	Verification Report
3	Specification of increased <b>claw-back risks</b> : Are there any provisions in the respective national insolvency law, which could render the transfer voidable?	<p><u>Verification Method:</u> Legal (Legal opinion)</p> <p>Other than as provided by applicable German insolvency laws in case of fraudulent, unfair prejudicial or improperly favourable transfers there are no such increased risks. Such laws are considered non-increased claw-back risks under No. 4 of the Catalogue (Art. 20 (3) of the Securitisation Regulation).</p> <p>Under applicable German insolvency law in respect of a transfer within certain time periods prior to and after the filing of insolvency proceedings the SPV must demonstrate that it had no knowledge of the seller's insolvency.</p>

		However, Section 10.1 of the Receivables Purchase and Servicing Agreement in connection with [Schedule 5], Part 1 No. 4 of the Master Framework Agreement provides for the representation and warranty of the Seller confirming the non-occurrence of an Insolvency Event as of the Closing Date. This representation may be used by the SPV to demonstrate its non-knowledge of the seller's insolvency.
--	--	---

#	Criterion Article 20 (3)	Verification Report
4	Specification of non-increased claw-back risks: National insolvency laws are harmless, as they provide for the possibility of reassignment in other unfair ways in the event of fraud, damage to creditors or favouring other creditors.	<p><u>Verification Method:</u> Legal (Legal opinion)</p> <p>Applicable German insolvency laws are considered not to represent any severe claw-back risks (see above under #3).</p>

#	Criterion Article 20 (4)	Verification Report
5	If the sale and transfer is not taking place directly between the seller and the SPV but <b>intermediate sales</b> take place, is the true sale still fulfilled?	<p><u>Verification Method:</u> Legal (Legal opinion, Receivable purchase agreement)</p> <p>Under the transaction structure used by Limes 2019-1, the sale and transfer takes place directly between the Seller and the SPV acting as Issuer, i.e. without any intermediate sale taking place. Please note that subsidiaries of the Seller (Deutsche Leasing für Sparkassen und Mittelstand GmbH and Deutsche Leasing International GmbH) have originated the underlying exposures in their own name but for the account of Deutsche Leasing on the basis of respective business operation agreements ("Betriebsführungsverträge"), see sections "GENERAL DESCRIPTION OF THE TRANSACTION" and "THE SELLER, THE SERVICER, THE SUBORDINATED LENDER AND THE CLASS B NOTE PURCHASER", subsection "Origination Procedures".</p>

#	Criterion Article 20 (5)	Verification Report
6	If the <b>transfer of receivables takes place at a later stage</b> , are the trigger events in relation to the seller's credit quality standing sufficiently defined?	<p><u>Verification Method:</u> Legal (Legal opinion, Receivable purchase agreement)</p> <p>The transfer of the underlying exposures will occur on the closing date of the transaction (scheduled for 17 July 2019), i.e. there will be no transfer of receivables at a later stage.</p>

#	Criterion Article 20 (6)	Verification Report
7	<b>Representations and warranties</b> of the seller with regard to the legal condition of the goods	<p><u>Verification Method:</u> Legal (Final Prospectus, RSPA)</p> <p>The Seller warrants that the underlying commercial lease receivables are legal, valid, binding and enforceable contractual obligations of the relevant lessees, see in this regard section "MASTER DEFINITIONS SCHEDULE", subsection "Eligibility Criteria" of the Final Prospectus.</p>
#	Criterion Article 20 (7)	Verification Report
8	Clear selection criteria (' <b>eligibility criteria</b> ') and no active portfolio management (I / III)	<p><u>Verification Method:</u> Legal (Final Prospectus, RSPA)</p> <p>The underlying exposures transferred from the seller to the SPV are selected according to predetermined, clear and documented eligibility criteria, see in this regard section "MASTER DEFINITIONS SCHEDULE", definition of "Eligibility Criteria" of the Final Prospectus.</p> <p>The transaction is amortising and does not feature a revolving period.</p> <p>There are no exposures that will be transferred to the SPV after closing of the transaction.</p> <p>As a result of the above, the criterion "no active portfolio management" is fulfilled.</p>
#	Criterion Article 20 (7)	Verification Report
9	Clear selection criteria (' <b>eligibility criteria</b> ') and no active portfolio management (II / III)	<p><u>Verification Method:</u> Due Diligence</p> <p>The underlying exposures in the provisional and the final pool are selected based on a well-established, random selection process.</p> <p>In case an underlying exposure should turn out to be not eligible, the Seller shall be deemed to have received a collection equivalent to the Outstanding Principal Amount of the underlying exposure ("Deemed Collection") and shall pay such Deemed Collection to the Issuer, see section "MASTER DEFINITIONS SCHEDULE", subsection "Deemed Collection" of the Final Prospectus as well as clause 5 of the RPSA. There will, however, be no substitution of the ineligible receivable with a new receivable.</p>



#	Criterion Article 20 (7)	Verification Report
10	Clear selection criteria ('eligibility criteria') and no active portfolio management (III / III)	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The asset audit, whereby the audit company performs certain Agreed-upon Procedures with respect to the compliance of the underlying exposures in a randomly selected sample, covers the key eligibility criteria specified for the Transaction. Please also refer to #39 for a summary of the scope of the asset audit.</p>
#	Criterion Article 20 (8)	Verification Report
11	Securitisation of a <b>homogeneous</b> portfolio in terms of asset classes (I / III)	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The underlying exposures fall into the asset type according to Art. 1 (a) (iv) of the RTS on Homogeneity of the underlying exposures (i.e. credit facilities, including loans and leases, provided to any type of enterprise or corporation).</p> <p>The Seller has chosen the homogeneity factor according to Art. 2 (3) (b) (ii) of the RTS on Homogeneity of the underlying exposures, i.e. jurisdiction, whereby the pool shall consist of underlying exposures relating to lessees with residence in one jurisdiction (Germany) only, see section "MASTER DEFINITIONS SCHEDULE", definition of "Eligibility Criteria", items (z) and (cc) of the Final Prospectus.</p>
#	Criterion Article 20 (8)	Verification Report
12	Securitisation of a homogeneous portfolio in terms of asset classes (II / III)	<p><u>Verification Method:</u> Due Diligence (Underwriting and Servicing Policy)</p> <p>The underlying exposures have been originated in accordance with consistent underwriting standards, as presented in the Due Diligence and further described in # 17. No distinction is made between securitised and non-securitised receivables.</p> <p>The processes assure that only lessees resident in Germany are originated according to the underwriting policy.</p> <p>The same applies to the servicing policy, with the underlying exposures being serviced using consistent standards and no distinction being made between securitised and non-securitised receivables.</p>

#	Criterion Article 20 (8)	Verification Report
13	Securitisation of a homogeneous portfolio in terms of asset classes (III / III )	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The homogeneity factor "residence in Germany" is, through the check of the data field "Postcode (first two digits)", part of the Eligibility Criteria Verification as further described in #39. The lease contracts have been entered into exclusively with lessees which have their registered office in Germany, see section "MASTER DEFINITIONS SCHEDULE", definition of "Eligibility Criteria", items (z) and (cc) of the Final Prospectus. Please also refer to #11.</p>
14	The underlying exposures contain <b>obligations that are contractually binding and enforceable</b>	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>Section "MASTER DEFINITIONS SCHEDULE", subsection "Eligibility Criteria", items (k) and (s) of the Final Prospectus contain warranties by the Seller as to the legally valid, binding and enforceable nature of the underlying exposures, i.e. the Receivables and the underlying Lease Agreements. Please also refer to #1.</p>
15	The underlying exposures have <b>defined periodic payment streams</b> and do not include <b>transferable securities</b> other than unlisted corporate bonds	<p><u>Verification Method:</u> Legal (Legal opinion, Transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The underlying exposures for the transaction represent standard commercial Full-Payout and Non-Full Payout Lease Agreements and Hire Purchase Agreements originated by Deutsche Leasing International GmbH and Deutsche Leasing für Sparkassen und Mittelstand GmbH in respect of commercial clients. For the purposes of the transaction, the three contract types differ mainly in relation to the treatment of residual values for the financed equipment (residual values are part of the contract type Non-Full Payout Lease, but are not securitised as part of the Transaction) but do not differ structurally in terms of payment streams (with the exception of the final instalment(not securitised)), as discussed in the Due Diligence.</p> <p>The underlying exposures represent the finance portion (itself comprising a claim against the lessees in respect of principal, interest and insurance-related payments, or to any other right to receive income from assets supporting such payments, see section 2.3 Lease Collateral of the RPSA) paid by the lessee during the term of the lease agreement and have defined periodic payment streams during that term.</p> <p>The eligibility criteria restrict the underlying exposures to lease and hire purchase receivables originated under a lease or a hire purchase contract. The compliance of the provisional pool and the final pool with the eligibility criteria has been verified through the Eligibility Criteria Verification (see #39).</p>

#	Criterion Article 20 (9)	Verification Report
16	Are there any <b>securitisation positions</b> in the portfolio?	<p><u>Verification Method:</u> Legal (transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The eligibility criteria restrict the underlying exposures to lease and hire purchase receivables originated under a lease or rather a hire purchase contract, thereby assuring that no securitisation position may become part of the portfolio. The compliance of the provisional pool with the eligibility criteria has been verified through the Eligibility Criteria Verification (see # 39).</p> <p>As demonstrated during the Due Diligence, the origination and/or resale of securitisation positions is not part of the business model of the Originators or their parent company and not permitted under the Originators' underwriting policy.</p>
#	Criterion Article 20 (10)	Verification Report
17	<b>Origination of underlying exposures in the ordinary course of business</b> and in accordance with underwriting standards that are no less stringent than those applied to non-securitised risk positions	<p><u>Verification Method:</u> Legal (Underwriting and Servicing Policy) / Due Diligence</p> <p>Deutsche Leasing is the German market leader in non-captive leasing, active in Germany since 1962. Organisation and business processes have been developed over decades. Deutsche Leasing is subject to the supervision of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and of the German Bundesbank in accordance with the German Banking Act (Kreditwesengesetz), see section "THE SELLER, THE SERVICER, THE SUBORDINATED LENDER AND THE CLASS B NOTE PURCHASER", subsection "General" of the Final Prospectus.</p> <p>As presented and discussed in the Due Diligence, the well-developed, highly professional and reasonably automated organisation of Deutsche Leasing's business procedures is in line with the volume and quantity of business transactions. Sales are made via the branch structure of the savings banks or via Deutsche Leasing's own sales structure.</p> <p>Deutsche Leasing's business procedures assure that securitised exposures have been originated in the ordinary course of business and in accordance with uniform standards. Deviations from the underwriting policy are only permissible in well-defined and documented instances. The underlying exposures are selected for securitisation using a random selection process.</p> <p>The underlying exposures are similar to the non-securitised contracts in the asset type of "credit facilities, including loans and leases, provided to any type of enterprise or corporation" due to the strictly random selection process.</p> <p>Since no exposures will be transferred to the Issuer after closing (static portfolio), no obligation to disclose material changes to the underwriting policy after the closing of the Transaction applies.</p>

#	Criterion Article 20 (10)	Verification Report
18	<b>Underwriting standards</b> for securitised exposures are no less stringent than those applied to non-securitised exposures	<p><u>Verification Method:</u> Due Diligence</p> <p>As presented and discussed in the Due Diligence, no distinction is made between securitised and non-securitised exposures in any respect, be it applicable regulatory standards, competence grid and involvement of decision-makers, distribution channels, product types and product characteristics, annual agreements on (sales) objectives, sales management measures and bonus systems, lending standards, approval processes and incentive measures, credit processing, dunning procedures, debt collection, realisation of collateral, customer service, outsourcing of sales, underwriting and servicing activities or areas of risk controlling, accounting and reporting (except for the required reporting of ABS transactions).</p> <p>Employees of the Originators or sales staff of the savings banks involved in the underwriting do not know whether a risk position currently being processed for application will be securitised at a later stage or not.</p>
19	<b>Assessment of the borrower's creditworthiness</b> performed in accordance with 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, if applicable, the analogous provisions of a third country	<p><u>Verification Method:</u> regulatory / legal / due diligence / data</p> <p>Deutsche Leasing is a financial services institution (Finanzdienstleistungsinstitut) according to §1 (1a) German Banking Act. As such, the Originator is supervised by BaFin and by the German Bundesbank as competent supervisory authority (see section "THE SELLER, THE SERVICER, THE SUBORDINATED LENDER AND THE CLASS B NOTE PURCHASER", subsection "General" of the Final Prospectus). Deutsche Leasing performs the „Assessment of the borrower's creditworthiness" with respect to lease contracts with consumers in accordance with article 8 of Directive 2008/48/EC.</p>
20	<b>Originator's experience</b> (management and senior staff) in origination of risk positions	<p><u>Verification Method:</u> Regulatory (suitable proof incl. Imprint Website) / Due Diligence</p> <p>As an institution, the Originator does have at least 5 years of experience in origination and underwriting of exposures similar to those securitised, see section "THE SELLER, THE SERVICER, THE SUBORDINATED LENDER AND THE CLASS B NOTE PURCHASER", subsection "Origination Procedures" of the Final Prospectus. Management and senior staff have more than 10 years of experience in the origination of equipment lease receivables, see section "THE SELLER, THE SERVICER, THE SUBORDINATED LENDER AND THE CLASS B NOTE PURCHASER", subsection "General" of the Final Prospectus.</p>

#	Criterion Article 20 (11)	Verification Report
21	The underlying exposures are <b>transferred without undue delay</b> after selection	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The date of the preliminary and final pool cuts are 6 May 2019 and 24 June 2019, respectively. Transfer of the final pool will occur at closing (17 July 2019), i.e. without undue delay.</p>
#	Criterion Article 20 (11)	Verification Report
22	The underlying exposures do not include <b>any defaulted exposures</b> or to <b>debtors/guarantors with impaired creditworthiness</b>	<p><u>Verification Method:</u> Regulatory (suitable proof incl. Imprint Website) / Legal (Transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The Originator is not an institution subject to Regulation (EU) 575/2013. However, it does apply the requirements of Art. 178 (1) by analogy, as presented in the Due Diligence and confirmed by the Originator.</p> <p>The Originator warrants that the underlying exposures will not include lease receivables relating to exposures in default (see section "MASTER DEFINITIONS SCHEDULE", definition of "Eligibility Criteria", item (m) of the Final Prospectus).</p> <p>Furthermore, the underlying exposures will not include lease receivables relating to credit-impaired lessees or guarantors who (1) have 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 3 years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 years prior to the transfer date of the underlying exposures to the Issuer; (2) were, at the time of origination, on a public credit registry of persons with adverse credit history; or (3) have a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by the Originator which are not securitised (see section "MASTER DEFINITIONS SCHEDULE", definition of "Eligibility Criteria", item (dd) of the Final Prospectus).</p> <p>The Originator represents, with regards to the question which sources of information it has used to identify defaulted exposures and to determine if a borrower or guarantor is credit-impaired, that it has obtained information (1) from the lessee on origination of the exposures, (2) in the course of Deutsche Leasing's servicing of the exposures or Deutsche Leasing's risk management procedures, or (3) from a third party, see section "MASTER DEFINITIONS SCHEDULE", definition of "Eligibility Criteria", item (dd) of the Final Prospectus. This is in line with the 'best knowledge' standard stipulated in the EBA Guidelines.</p> <p>Debtors and guarantors (i) declared insolvent and/or undergone a debt-restructuring process, or (ii) found on a public or other credit registry of persons with adverse credit history are generally not eligible according to the underwriting policy, as discussed in the Due Diligence.</p> <p>The Originator has IT systems in place to ensure that defaulted exposures or exposures to debtors/guarantors with impaired creditworthiness are excluded from the provisional or final pool cut.</p>

#	Criterion Article 20 (11)	Verification Report
23	The risk positions do not have a <b>credit assessment or a credit score</b> that allows a significantly higher default risk to be expected than for non-securitised risk positions	<p><u>Verification Method:</u> Due Diligence</p> <p>The most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio are the profiles of the commercial customers, credit agencies' information and financial information as well as past payment behaviour. All of these factors have an impact on the credit score.</p> <p>These factors are the same for securitised and non-securitised exposures due to the strictly random selection process.</p> <p>On this basis, it can be reasonably assumed that no worse performance should occur for securitised exposures for the term of the Transaction.</p> <p>The requirement that the underlying exposures do not have a "credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by the Originator which are not securitised" is considered to be met as the underlying exposures do not include (i) exposures that are classified as doubtful, impaired, non-performing or similar, or (ii) exposures whose credit quality (based on credit ratings or other credit quality thresholds) significantly differs from the quality of other exposures ordinarily originated by the Originator.</p>
#	Criterion Article 20 (12)	Verification Report
24	At the time of the transfer, the <b>debtor has paid at least 1 instalment</b>	<p><u>Verification Method:</u> Legal (Transaction documents) / Data (AuP Report)</p> <p>The Originator warrants that on the initial cut-off date at least 1 instalment has been paid in respect of each lease contract, see section "MASTER DEFINITIONS SCHEDULE", definition of "Eligibility Criteria", item (p) of the Final Prospectus.</p> <p>The asset audit, whereby the audit company performs certain Agreed-upon Procedures with respect to the compliance of the underlying exposures in a randomly selected sample (please also refer to #39, Article 22 (3) of the Securitisation Regulation), covers the above mentioned eligibility criteria.</p>

#	Criterion Article 20 (13)	Verification Report
25	The repayment of the securitisation position should <b>not be predominantly dependent on the sale of assets</b> collateralising the underlying exposures	<p><u>Verification Method:</u> Legal (Transaction document) / Due Diligence / Data</p> <p>The Transaction does not, for the repayment of the securitisation positions, rely in any way on the sale of assets. This is achieved mainly by the fact that the residual value (RV) portion of the lease contracts, which bears the potential risk that the value of the underlying vehicle could fluctuate, does not form part of the underlying exposures (also see above, #15, Art. 20 (8) of the Securitisation Regulation).</p> <p>In addition, the timing of the maturities of the underlying exposures mentioned above are not subject to material concentrations and the value of the underlying exposures mentioned above per individual debtor does not exceed 2% of the aggregated receivables balance.</p>
#	Criterion Article 21 (1)	Verification Report
26	<b>Risk retention</b> (Art. 6.1 of the Securitisation Regulation), usually by the Originator	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>Holder of risk retention: Deutsche Leasing Sparkassen AG &amp; Co. KG as the Seller, as Subordinated Lender and as Originator, see section "THE EU RISK RETENTION AND DISCLOSURE REQUIREMENTS", subsection "EU Risk Retention Requirements" of the Final Prospectus.</p> <p>Type of risk retention: in accordance with Article 6(3)(d) of Securitisation Regulation, see section "THE EU RISK RETENTION AND DISCLOSURE REQUIREMENTS", subsection "EU Risk Retention Requirements" of the Final Prospectus. The Seller will (i) retain the Class B Note and (ii) retain a first loss tranche constituted by the claim for repayment of the Subordinated Loan so that the sum of the aggregate principal amount of the Class B Notes and the principal amount of the Subordinated Loan is equal to at least 5 per cent of the nominal amount of the "securitised exposures" (i.e. the Purchased Receivables).</p> <p>The Monthly Reports will also set out monthly confirmation regarding the continued holding of the risk retention by the Originator, as confirmed by the Originator (see section "IMPORTANT INFORMATION", p. 5 of the Final Prospectus).</p> <p>The legal obligation of the seller to hold the risk retention during the lifetime of the transaction is entered into according to section "THE EU RISK RETENTION AND DISCLOSURE REQUIREMENTS", subsection "EU Risk Retention Requirements" of the Final Prospectus.</p>

#	Criterion Article 21 (2)	Verification Report
27	<b>Appropriate hedging</b> of interest rate and currency risks, no derivatives as underlying risk positions (I / II)	<p><u>Verification Method:</u> Due Diligence</p> <p>Since the lease receivables are fixed rate and the Class A Notes are floating rate, interest rate risks arise from such mismatch. Both assets and liabilities of the Issuer are EUR denominated hence no currency risk occurs.</p> <p>The Receivables bear interest at fixed rates while the Class A Notes will bear interest at floating rates based on 1-M-EURIBOR. Interest rate risk for the Class A Notes are hedged appropriately with a fixed-floating interest rate swap where the swap notional is always equal to the outstanding notes' balance. The floating leg of the swap agreement has a floor of -0.50% and the Class A Interest Rate of EURIBOR + 0.50% has a floor of zero, hence there is a perfect hedge.</p> <p>No further risks in addition to interest rate risks are hedged under the interest rate hedge agreement.</p>
28	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (II / II)	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The legal instruments used by the Issuer to hedge interest rate risks is the Class A Swap Agreement, see in this regard section "GENERAL DESCRIPTION OF THE TRANSACTION" as well as section "TRANSACTION OVERVIEW", subsection "THE NOTES", definition of "Swap Agreement" of the Final Prospectus.</p> <p>The agreement considers any potential asset liability mismatch by referencing to the outstanding notes balance, and the agreement is based on the 2002 ISDA Master Agreement as established market standard, see the definition of "Swap Agreement" in section "TRANSACTION OVERVIEW", subsection "THE NOTES" of the Final Prospectus.</p> <p>The requirements for eligible swap counterparties are market standard in international finance, see section "Risk Factors relating to the Notes", subsection "Interest Rate Risk/Risk of Swap Counterparty Insolvency" and section "MASTER DEFINITION SCHEDULE", subsection "Eligible Swap Counterparty" in the Final Prospectus.</p>



#	Criterion Article 21 (3)	Verification Report
29	Generally used <b>reference rates</b> for interest payments	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>No reference rates apply to the Purchased Receivables which bear fixed interest rates.</p> <p>The Class A Notes will bear interest at floating rates based on 1-M-Euribor, see section "Risk Factors relating to the Notes", subsection "Interest Rate Risk/Risk of Swap Counterparty Insolvency" as well as section "TRANSACTION OVERVIEW", subsection "THE NOTES", definition of „Interest" in the Final Prospectus, constituting a market standard reference rate.</p> <p>No reference rates apply to the Cash Accounts. The interest for the Cash Accounts will currently be based on a fixed rate.</p> <p>Currency hedges are not provided for in the transaction structure.</p>
#	Criterion Article 21 (4)	Verification Report
30	<b>Requirements in the event of an enforcement</b> or delivery of an acceleration notice	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>After the occurrence of an Enforcement Event:</p> <ul style="list-style-type: none"> <li>no cash will be retained with the Issuer, see section "TERMS AND CONDITIONS OF THE CLASS A NOTES", subsection "Priority of Payments after the Occurrence of an Enforcement Event" of the Final Prospectus.</li> <li>the principal receipts from the underlying exposures will be used for the fully sequential amortisation of the securitisation positions as determined by the seniority of the securitisation position, see section "TERMS AND CONDITIONS OF THE CLASS A NOTES", subsection "Priority of Payments after the Occurrence of an Enforcement Event" of the Final Prospectus.</li> <li>all creditors of a class of notes will be served equally.</li> <li>interest and principal payments are first made for the Class A Notes and then interest and principal payments are made for the subsequent Notes, hence repayments are not reversed with regard to their seniority.</li> <li>no automatic liquidation or sale of risk positions or assets is provided for.</li> </ul>
#	Criterion Article 21 (5)	Verification Report
31	<b>Sequential repayment</b> as fall-back in the event of a deterioration in portfolio quality for	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The Transaction has a strictly sequential priority of payment.</p>

	Transactions that feature a non-sequential priority of payments	
--	---	--

#	Criterion Article 21 (6)	Verification Report
32	Early amortisation provisions or triggers for termination of the revolving phase to include at least the following:	<u>Verification Method:</u> Legal (Transaction documents)
		n.a. (no revolving period)
	a) deterioration in the credit quality of the underlying exposures below a predefined threshold	n.a. (no revolving period)
	b) insolvency-related events in relation to the Originator or the Servicer	n.a. (no revolving period)
	c) decline in value of the underlying exposures below a predefined threshold	n.a. (no revolving period)
	d) failure to generate sufficient new underlying exposures for replenishments under revolving Transactions	n.a. (no revolving period)

#	Criterion Article 21 (7)	Verification Report
33	<b>Clear rules</b> in the Transaction documentation regarding obligations, tasks and responsibilities of the Servicer, trustees and other ancillary service providers	<u>Verification Method:</u> Legal (Transaction documents)
		The RPSA provides for a clear specification of the contractual obligations, duties and responsibilities of the servicer, especially with regard to the servicing, monitoring, reporting and monthly advances to mitigate for commingling risk, as well as the provisions for a potential replacement in case of a Servicer Termination Event, see section "OUTLINE OF OTHER PRINCIPAL TRANSACTION DOCUMENTS", subsection "Receivables Purchase and Servicing Agreement" of the Final Prospectus or the Receivables Purchase and Servicing Agreement.

	<p>Similar provisions for the obligations, duties and responsibilities of the Management Company which is administering the Issuer (Intertrust), the Trustees (Intertrust as Trustee and Data Custody Agent Services as Data Trustee), the Issuer Account Bank (Elavon Financial Services) and the Issuer Cash Administrator (U.S. Bank Global Corporate Trust) and other ancillary service providers are provided for in the Final Prospectus, see section "TRANSACTION OVERVIEW, subsection "THE PARTIES".</p> <p>The transaction documentation specifies clearly 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. In respect of the Account Bank provisions exist for its replacement if the Account Bank ceases to have the Account Bank Required Rating as set out in in section "CREDIT STRUCTURE AND FLOW OF FUNDS", subsection "Bank Accounts used for the Transaction" of the Final Prospectus.</p> <p>Also, detailed provisions exist for the obligations, duties and responsibilities of the Swap counterparty (see sections "Risk Factors relating to the Notes", subsection "Interest Rate Risk/Risk of Swap Counterparty Insolvency" and section "MASTER DEFINITION SCHEDULE", subsection "Eligible Swap Counterparty" in the Final Prospectus).</p>
--	---

#	Criterion Article 21 (8)	Verification Report
34	<b>Experience of the Servicer</b> (management and senior staff) in the servicing of exposures of a similar nature to those securitised	<p><u>Verification Method:</u> Regulatory (suitable proof) / Legal (Transaction documents) / Due Diligence</p> <p>Deutsche Leasing is a financial services institution (Finanzdienstleistungsinstitut) according to §1 (1a) German Banking Act with BaFin as regulatory authority.</p> <p>The Final Prospectus contains information on the experience of Deutsche Leasing as a seller and servicer, see section "THE SELLER, THE SERVICER, THE SUBORDINATED LENDER AND THE CLASS B NOTE PURCHASER", subsection "General" of the Final Prospectus.</p> <p>The experience and expertise of the management and the senior staff has been confirmed during the Due Diligence.</p> <p>As a result, Deutsche Leasing as servicer is deemed to have the relevant expertise as an entity being active as servicer of lease receivables for over 55 years and as servicer of lease receivables securitisations for over 10 years, and no contrary findings were observed in the due diligence.</p>

#	Criterion Article 21 (8)	Verification Report
35	Appropriate and well documented risk management and service policies, procedures and controls	<p><u>Verification Method:</u> Regulatory (suitable proof) / Due Diligence</p> <p>As a result of the regulatory status (see # 34 above), Deutsche Leasing has well established procedures with regard to risk management, servicing and internal control systems in place, and no contrary findings were observed in the due diligence.</p>

#	Criterion Article 21 (9)	Verification Report
36	Clear and coherent definitions, regulations and possible measures with regard to the <b>servicing of non-performing exposures</b>	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>Deutsche Leasing in its capacity as Servicer will service, collect and administer the Purchased Receivables and the Lease Collateral on behalf of the Issuer pursuant to the Receivables Purchase and Servicing Agreement using the same degree of care and diligence as it would use if the Purchased Receivables and the Loan Collateral were its own property. Defaulted Receivables will be administered by the Seller which (in accordance with its Credit and Collection Policy) includes transfer for collection to the debt collection agency Bad Homburger Inkasso GmbH (BHI). The Credit and Collection Policy of Deutsche Leasing (see section "THE SELLER, THE SERVICER, THE SUBORDINATED LENDER AND THE CLASS B NOTE PURCHASER", subsection "Credit and Collection Policy" of the Final Prospectus) contains a description of procedures related to:</p> <ul style="list-style-type: none"> <li>• Soft Collection (arrears management and reminder procedures prior to submission to the debt collection agency);</li> <li>• Hard Collection (potential contract termination following submission to the debt collection agency); and</li> <li>• Remarketing Activities (preparation of the leasing object for remarketing, remarketing strategy and actual remarketing and sale activity).</li> </ul> <p>See also the Investor Presentation, section "Servicing Process", subsections "Overview Dunning Process" and "Reasons for submission to Intensive Care".</p> <p>The loss definition used in the Transaction refers to the term „Defaulted Receivables“ which means a Receivable:</p> <p>(a) in relation to which an Insolvency occurs with respect to the relating Lessee to the best of the Servicer's knowledge;</p> <p>(b) which relates to a Lease Agreement which the Servicer has accelerated (<i>Fällig stellen</i>) in accordance with the Credit and Collection Policy; or</p> <p>(c) which has been written off by the Seller.</p> <p>According to the Credit and Credit and Collection Policy, the servicing and the collection of the Receivables will be handed over to BHI if either of the events listed in (a), (b) or (c) as per above occurs.</p> <p>This definition is consistently used in the Final Prospectus.</p> <p>The procedures presented and discussed in the Due Diligence correspond to the description in the Final Prospectus and no contrary findings could be observed.</p>

#	Criterion Article 21 (10)	Verification Report
37	<b>Clear rules in the event of conflicts</b> between the different classes of noteholders	<p><u>Verification Method:</u> Regulatory / Legal (Transaction documents)</p> <p>The Class A Notes will be issued on the basis of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG). The Class A Terms and Conditions do, however, not provide for majority decisions by the Noteholders under Section 5 of the SchVG, see in this regard section "RISK FACTORS", subsection "Risk Factors relating to the Notes", item "Application of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG)" of the Final Prospectus. This means that changes to the terms and conditions have to be made unanimously.</p>
#	Criterion Article 22 (1)	Verification Report
38	Provision of <b>historical performance data</b> before pricing	<p><u>Verification Method:</u> Legal (Transaction document) / Due Diligence</p> <p>The historical performance data provided by the Originator include the following areas:</p> <ul style="list-style-type: none"> <li>a) <b>Gross Defaults</b> (i.e. losses before recoveries) in static format (covering the period from Q1 2012 until Q4 2018), separate for the total portfolio as well as for the subportfolios "Vehicles", "Construction Machinery" and "Other Equipment". Contracts are terminated according to Deutsche Leasing's credit and collection policy.</li> <li>b) <b>Recoveries</b> in static format (covering the period from Q1 2012 until Q4 2018), separate for the total portfolio as well as for the subportfolios "Vehicles", "Construction Machinery" and "Other Equipment". Recoveries are shown as net recoveries. Costs of recovery have been taken into account and are reducing the recovered amount. Collections on contracts which become performing after the default occurred are shown as recoveries. Deutsche Leasing will apply the same credit and collection policy to securitised compared to non-securitised contracts.</li> <li>c) <b>Arrears</b> in dynamic format (covering the period from January 2014 until December 2018). All instalments are due on monthly basis.</li> </ul> <p>The data history, which is provided prior to pricing, covers a period of at least 5 years required under Article 22 (1) of the Securitisation Regulation, see section "DESCRIPTION OF THE PORTFOLIO", subsection "Historical Data" in the Final Prospectus.</p> <p>Given that the most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio, namely the factors described in #23, are the same to the overall portfolio for which the above mentioned historical performance data have been procured, comparability between the securitised portfolio and the Originator's overall portfolio ("substantially similar exposures") is ensured.</p>

#	Criterion Article 22 (2)	Verification Report
39	Performance of an <b>asset audit</b> on the basis of a sample and defined audit steps (Agreed upon Procedures, AuP) by an external independent party	<p><u>Verification Method:</u> Legal (AuP Report)</p> <p>The Originator has mandated a qualified and experienced audit firm to perform the asset audit. The asset audit and the AuP include both of the following:</p> <ul style="list-style-type: none"> <li>a) a verification of the compliance of the underlying exposures in the portfolio with the key eligibility criteria (the "Eligibility Criteria Verification"); and</li> <li>b) verification that the data disclosed to investors in the Final Prospectus in respect of the underlying exposures is accurate (the "Prospectus Data Verification").</li> </ul> <p>The sample drawn is representative of the securitised portfolio, based on the provisional pool cut dated 6<sup>th</sup> of March 2019. This is ensured by a sufficiently large sample and random selection, applying a 99% confidence level. The final AUP report prepared by the audit firm has been made available to SVI on the 28<sup>th</sup> of May 2019. The final report confirms that no significant adverse findings have been found.</p> <p>The final pool as of 24<sup>th</sup> of June 2019 is highly comparable with the provisional pool as of 6<sup>th</sup> of March 2019 in terms of granularity and composition of the pool in terms of all applicable characteristics as described in the section "DESCRIPTION OF THE PORTFOLIO", subsection "Portfolio Characteristics" of the Final Prospectus.</p> <p>The Prospectus Data Verification has been performed by the audit firm based on the provisional pool cut dated 6 May 2019. This verification is based on all underlying exposures (loan level data) and the scope comprises (i) the information in the stratification tables (see section "DESCRIPTION OF THE PORTFOLIO" of the Preliminary Prospectus), (ii) the calculation on weighted average lives of the Class A notes offered to investors (see section "AMORTISATION AND WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES" of the Preliminary Prospectus) and (iii) the verification of the compliance of the underlying exposures in the portfolio with certain selected eligibility criteria. The final AUP report prepared by the audit firm has been made available to SVI on the 4<sup>th</sup> of July 2019. The final report confirms that no significant adverse findings have been found. Please also refer to section "DESCRIPTION OF THE PORTFOLIO" of the Final Prospectus for a confirmation of such verification.</p>

#	Criterion Article 22 (3)	Verification Report
40	<p>Provision of a precise <b>liability cash flow model</b> to the investors prior to pricing by the Originator;            "precise" refers to the possibility for the investor to calculate the amortisation rate and, based on this, the pricing of the securitisation position</p>	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence (Cash flow model)</p> <p>The CF-Model has been prepared by Intex on behalf of the Originator. It is provided as web-based tool and can be accessed via <a href="http://www.intex.com">http://www.intex.com</a> (subscription model). On the basis of pre-defined default and prepayment scenarios, output files calculated in the model have been made available to SVI prior to announcement in order to perform the steps necessary to verify the compliance under Article 22 (3) of the Securitisation Regulation. The CF-Model accurately reflects the contractual relationships and cash flows from and to the securitised portfolio, cash accounts, swap counterparties, Class A and Class B Noteholders, the Subordinated Lender, the Seller and Servicer as well as other parties involved. SVI has performed further checks of the functionality of the cash flow model. These can be considered as a check of plausibility, however no assurance can be given that the CF-Model does calculate correctly in each and every scenario.</p> <p>The CF-Model is available since 24<sup>th</sup> of June 2019 and hence has been provided before pricing which has occurred on 4<sup>th</sup> of July 2019.</p> <p>The Originator undertakes to provide potential investors with the CF-Model upon request.</p>
#	Criterion Article 22 (4)	Verification Report
41	<p>For residential mortgage loan, auto loan or leasing portfolios: publication of information on the environmental performance of the assets financed by such underlying exposures (energy performance certificates)</p>	<p><u>Verification Method:</u> Legal (Transaction documents, Due Diligence)</p> <p>Information on the environmental performance of the assets financed by such underlying exposures (energy performance certificates) are not required for the asset class "equipment leasing".</p>

#	Criterion Article 22 (5)	Verification Report
42	Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding <b>Transparency</b> ) is the responsibility of the Originator or Sponsor	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The Originator confirms in the Final Prospectus (section "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", subsection "EU Transparency Requirements") that it will fulfil the provisions of Art. 7 of the Securitisation Regulation as follows:</p> <ul style="list-style-type: none"> <li>- Art. 7 (1) (a): Loan level data has been made available prior to pricing, and will be made available on the payment date one month after closing and then on a monthly basis.</li> <li>- Art. 7 (1) (b): The Final Prospectus and transaction documents will be made available at the latest 15 days after closing of the Transaction.</li> <li>- Art. 7 (1) (c): Not applicable.</li> <li>- Art. 7 (1) (d): In accordance with the draft RTS for notification, the notification has been provided to investors in draft form prior to pricing and will be provided in final form at the latest 15 days after closing of the Transaction.</li> <li>- Art. 7 (1) (e): The Investor Report will be made available for the first time on the payment date one month after closing and then on a monthly basis.</li> <li>- Art. 7 (1) (f): Ad hoc announcements will be published as soon as they need to be published under the MAR.</li> <li>- Art. (1) (g): If a "Significant Event" occurs, investors will be informed immediately.</li> </ul> <p>Until the RTS on Art. 7 has entered into force, the information according to Art. 7 (1) (a) and Art. 7 (1) (e) according to Art. 43 (7) will be provided on the basis of the CRA3 templates.</p>



As a result of the verifications documented above, we confirm to Deutsche Sparkassen Leasing GmbH & Co. KG that the STS criteria pursuant to Article 19 to 22 of the European Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 for the transaction "**Limes 2019-1**" have been fulfilled.

**SVI contact details:**

Michael Osswald  
Managing Director  
STS Verification International GmbH  
Mainzer Landstrasse 61  
60329 Frankfurt am Main  
+49 69 8740 344-10  
[verification@svi-gmbh.com](mailto:verification@svi-gmbh.com)