

Final Verification Report

In respect of the Transaction „Red & Black Auto Germany 6“
(Bank Deutsches Kraftfahrzeuggewerbe GmbH)



21 November 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 17 July 2019, SVI has been mandated by the Originator (Bank Deutsches Kraftfahrzeuggewerbe GmbH) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "Red & Black Auto Germany 6" (the "Transaction").

As part of our verification work, we have met with representatives of Bank Deutsches Kraftfahrzeuggewerbe GmbH ("BDK") to conduct an onsite due diligence meeting in Hamburg on 26 July 2019. In addition, we have discussed selected aspects of the Transaction with BDK and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of BDK and the underlying transaction documentation.

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

- Final offering circular ("Final OC")
- German Legal Opinion ("LO")
- Receivables Purchase Agreement ("RPA")
- Servicing Agreement ("Servicing Agreement")
- Swap Agreement ("Swap Agreement")

- Account Bank Agreement (“Account Bank Agreement”)
- Transaction Definitions Agreement (“Transaction Definitions Agreement”)
- Due Diligence Presentation by BDK (“Due Diligence Presentation”)
- Investor Presentation by BDK (“Investor Presentation”)
- Agreed-upon Procedures (“AuP”)
- Latest version of the liability cash flow model (“CF-Model”)
- Data Package received by BDK (“Data Package”)
- Draft Investor Report received from BDK (“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 based on the 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: www.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 based on 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 OC.

AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
CF-Model	Cash Flow-Model
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 OC	Final Offering Circular dated 19 November 2019
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	Red & Black Auto Germany 6 UG (haftungsbeschränkt)
Originator / Servicer / Lender	Bank Deutsches Kraftfahrzeuggewerbe GmbH
Red & Black Auto Germany 6	Red & Black Auto Germany 6 UG (haftungsbeschränkt)
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	Bank Deutsches Kraftfahrzeuggewerbe GmbH
Servicer	Bank Deutsches Kraftfahrzeuggewerbe GmbH
SPV	Special Purpose Vehicle or Issuer
Transaction	The securitisation of auto loan receivables involving Red & Black Auto Germany 6 as Issuer

#	Criterion Article 20 (1)	Verification Report
1	Assignment or transfer of ownership of the risk positions takes place by means of a true sale 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 valid assignment of title to the Purchased Receivables and with respect to the valid security transfer of title of the Vehicles (all subject to customary qualifications).</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 and legally binding obligations enforceable by the respective parties to the relevant German Documents in accordance with their respective terms, with respect to the valid assignment of the Purchased Receivables, with respect to the valid security transfer of title of the Vehicles and with respect to the creation of a valid, legally binding and enforceable security interest in favour of the Trustee (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. Only regular claw-back risks under German insolvency laws and customary qualifications as to the re-characterisation as a secured loan occur.</p> <p>The Legal Opinion does cover the review of the Standard Forms of the Loan Agreements with respect to any restrictions on assignment. The Receivables Purchase Agreement contains in Section 10.2 representations and warranties by the Seller as of the signing date regarding the compliance of the Purchased Receivables with the Eligibility Criteria which include under (i) (b) and (k) criteria concerning the legally valid, binding and enforceable nature of the Loan Agreement (which term includes by definition the general terms and conditions) under which the relevant Receivable arises, its assignability and its compliance with applicable consumer financing laws.</p>
2	Requirements for the external legal opinion	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>The LO is provided by Linklaters LLP, an internationally operating law firm with well-known 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 claw-back risks : 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 under 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 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> <p>To mitigate against this, Section 10.1 (i) and (j) of the RPA provides for representations and warranties of the Seller as of the signing date to the effect that it is not insolvent and no steps have been taken or are intended by itself or (to its knowledge) by any other person for its insolvency. In addition, the Seller has to provide to the Lead Manager and the Issuer under Section 13.1 (j) of the Subscription Agreement a solvency certificate, dated the Closing Date as a condition precedent for the subscription of the Notes. Such representation and warranty on the signing date and the provision of the solvency certificate to the Lead Manager on the Closing Date may be used by the SPV to demonstrate its non-knowledge of the Seller's insolvency.</p>
#	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 intermediate sales 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 Red & Black Auto Germany 6, the sale and transfer takes place directly between the Seller (who is the original lender) and the SPV acting as Issuer, i.e. without any intermediate sale taking place.</p>

#	Criterion Article 20 (5)	Verification Report
6	If the transfer of receivables takes place at a later stage , 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 21 November 2019), i.e. there will be no transfer of receivables at a later stage.</p>
#	Criterion Article 20 (6)	Verification Report
7	Representations and warranties of the seller with regard to the legal condition of the goods	<p><u>Verification Method</u>: Legal (Receivable purchase agreement)</p> <p>The Seller (who is the original lender) warrants that the underlying Purchased Receivables are legally valid, binding and enforceable Loan Agreements and that, to the best of its knowledge, the Purchased Receivables 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, see section "OVERVIEW", subsection "Eligibility Criteria" items (i) (b) and (iii) (a) of the Final OC and above under #3. The legal opinion confirms that none of the standard Loan Agreements in use by the seller contains any restrictions to assign the Receivables.</p>
#	Criterion Article 20 (7)	Verification Report
8	Clear selection criteria (' eligibility criteria ') and no active portfolio management (I / III)	<p><u>Verification Method</u>: Legal (Receivable purchase agreement)</p> <p>The underlying exposures transferred from the Seller to the SPV are selected according to predetermined, clear and documented eligibility criteria, see subsection "Eligibility Criteria" in the Final OC.</p> <p>The transaction is amortising and does not feature a revolving period and / or a term take-out.</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 ('eligibility criteria') 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 a Purchased Receivable did not fulfil the Eligibility Criteria on the Cut-Off Date, the Originator may (at its sole discretion) remedy any non-compliance with the Eligibility Criteria at no cost to the Issuer so that, following such remedy, the relevant Purchased Receivable meets the Eligibility Criteria. If such remedy is not possible or not made within ten Business Days the Originator will repurchase (in whole but not in part) each such Non-Eligible Receivable (including the Related Claims and Rights) at the Repurchase Price. Such repurchase shall be made at the latest on the Calculation Date immediately following such event by entering into a Repurchase Agreement. In this respect, the relevant Repurchase Price payable by the Originator to the Issuer has to be equal to the sum of the Outstanding Principal Amount of such Purchased Receivable, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Receivables Purchase Agreement", there the chapter about "Representations and Warranties of the Originator, Repurchase Obligation for Non-Eligible Receivables" as well as definition of "Repurchase Price" in the Transaction Definitions Agreement. 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 homogeneous portfolio in terms of asset classes (I / III)	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>According to Art. 1 (a) (v) of the EBA Final RTS on Homogeneity of the underlying exposures the underlying exposures correspond to the asset type auto loans and leases.</p> <p>The Originator has chosen the homogeneity factor according to Art. 2 (4.) (b) of the EBA Final RTS on Homogeneity of the underlying exposures, i.e. jurisdiction, whereby the pool shall consist of underlying exposures relating to Obligors with residence in one jurisdiction (Germany) only, see section "OVERVIEW", subsection "Eligibility Criteria" item (ii) (a) of the Final OC.</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. The processes assure that only Obligors 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>
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 "Geographical Location of the Obligor" and through the check of the specific eligibility criteria "The Debtor of such receivable has its registered office or is resident in the Federal republic of Germany" part of the Eligibility Criteria Verification as further described in #39. The loan contracts have been entered into exclusively with Obligors resident in Germany, see section "OVERVIEW", subsection "Eligibility Criteria" item (ii) (a) of the Final OC.</p>
14	The underlying exposures contain obligations that are contractually binding and enforceable	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>Section "OVERVIEW", subsection "Eligibility Criteria item (i) (b) of the Final OC contains warranties by the Seller as to the legally valid, binding and enforceable nature of the underlying exposures, i.e. the Loan Agreements under which the relevant Purchased Receivables arises. Please also refer to #1.</p>
15	The underlying exposures have defined periodic payment streams and do not include transferable securities 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 auto loan agreements originated by BDK in respect of private and corporate borrowers. For the purposes of the transaction, three contract types form part of the securitised portfolio:</p> <ol style="list-style-type: none"> 1. Loan type "Classic Financing" with linear (i.e. fully amortising with equal instalments) form of financing, and 2. loan type "Balloon Financing" with equal instalments and a balloon payment at the end of term, as well as

		<p>3. loan type "3-Way-Financing" with equal instalments, a balloon payment at the end of term and an additional put option with the dealer in respect to the vehicle. The client is under all circumstances obliged to repay the 3-Way Financing loan.</p> <p>Apart from these variations, the three loan types do not differ structurally in terms of payment streams (with the exception of the final instalment), as discussed and verified in the Due Diligence.</p> <p>As presented during the Due Diligence, the underlying exposures have defined periodic payment streams relating to principal, interest and insurance-related payments, or to any other right to receive income from assets supporting such payments. The Loan Receivables derive from Loan Agreements which provide for regular monthly instalments resulting in full amortisation and/or regular monthly instalments plus one higher Balloon Instalment at the end of the contract term. The amortisation occurs on a monthly basis and results in monthly instalment payments consisting of principal and interest. Please also refer to section "OVERVIEW", subsection "Eligibility Criteria" item (i) (h) of the Final OC.</p> <p>The eligibility criteria restrict the underlying exposures to Loan Receivables originated under a loan contract. The compliance of the provisional pool with the eligibility criteria has been verified through the Eligibility Criteria Verification (see #39).</p>
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#	Criterion Article 20 (9)	Verification Report
16	Are there any securitisation positions 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 Receivables originated under a loan 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 Originator and not permitted under the Originators' underwriting policy.</p>

#	Criterion Article 20 (10)	Verification Report
17	Origination of underlying exposures in the ordinary course of business 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>BDK is the second largest non-captive car financing bank in Germany, active in Germany since 1999. Organisation and business processes have been developed over decades. BDK is subject to the supervision of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) in accordance with the German Banking Act (Kreditwesengesetz) (please also refer to the website of BDK: https://www.bdk-bank.de/unternehmen/impressum/ and to section "THE ORIGINATOR / SERVICER / LENDER" of the Final OC).</p> <p>As presented and discussed in the Due Diligence, the well-developed, highly professional and reasonably automated organisation of BDK's business procedures is in line with the volume and quantity of business transactions. Sales partners for automotive financial services are loan brokers. BDK co-operate actively with about 4,000 car dealers in the auto loan business.</p>

		<p>BDK's business procedures assure that securitised exposures have been originated in the ordinary course of business and in accordance with uniform standards, as reflected in the Credit and Collection Policy, see in this regard section "OVERVIEW", subsection "Eligibility Criteria", item (i) (c) of the Final OC. Deviations from the Credit and Collection 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 loan contracts in the asset type "auto loans and leases" (see definition of "similar exposures" in the EBA Guidelines) 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>
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#	Criterion Article 20 (10)	Verification Report
18	Underwriting standards 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 Originator or sales staff of loan brokers 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>

#	Criterion Article 20 (10)	Verification Report
19	Assessment of the borrower's creditworthiness 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>Bank Deutsches Kraftfahrzeuggewerbe GmbH (BDK) is a financial institution (Kreditinstitut) according to § 1 German Banking Act. As such, the Originator is supervised by BaFin as competent national supervisory authority. BDK performs the assessment of the borrower's creditworthiness with respect to loan contracts with consumers in accordance with Article 8 of Directive 2008/48/EC.</p>

#	Criterion Article 20 (10)	Verification Report
20	Originator's experience (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 ORIGINATOR / SERVICER / LENDER" of the Final OC.</p>
#	Criterion Article 20 (11)	Verification Report
21	The underlying exposures are transferred without undue delay after selection	<p><u>Verification Method</u>: Legal (Transaction documents)</p> <p>The date of the preliminary and final pool cuts are 30 September 2019 and 31 October 2019, respectively. Transfer of the final pool will occur at closing (scheduled for 21 November 2019), i.e. without undue delay.</p>
#	Criterion Article 20 (11)	Verification Report
22	The underlying exposures do not include any defaulted exposures or to debtors/guarantors with impaired creditworthiness	<p><u>Verification Method</u>: Regulatory (suitable proof incl. Imprint Website) / Legal (Transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The Originator is an institution subject to Regulation (EU) 575/2013. As presented in the Due Diligence and confirmed in the Final OC the Loan Receivables are transferred to the Issuer after selection without undue delay and do not include, at the time of selection and to the best of the Originator's knowledge, exposures in default within the meaning of Article 178 (1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor (see section "OVERVIEW", subsection "Eligibility Criteria", items (iii) (g) and (k) of the Final OC).</p> <p>Furthermore, the underlying exposures will not include Loan Receivables relating to credit-impaired Obligor or guarantors who have (1) 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) was, at the time of origination, on a public credit registry of persons with adverse credit history; or (3) 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 receivables held by the Originator which are not securitised (see section "OVERVIEW", subsection "Eligibility Criteria", item (iii) (k) of the Final OC).</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 An Obligor or guarantor is credit-impaired, that it has obtained information (1) from the Obligor on origination of the exposures, (2) in the course of BDK's servicing of the exposures or BDK's risk management procedures, or (3) from a third</p>

		party, see section "OVERVIEW", subsection "Eligibility Criteria", item (iii) (k) of the Final OC as well as section "CREDIT AND COLLECTION POLICY" of the Final OC. This is in line with the 'best knowledge' standard stipulated in the EBA Guidelines.
		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.

#	Criterion Article 20 (11)	Verification Report
23	The risk positions do not have a credit assessment or a credit score 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 private and corporate 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 debtor has paid at least 1 instalment	<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 one instalment in full has been paid in respect of each relevant Receivable, see section "OVERVIEW", subsection "Eligibility Criteria", item (ii) (b) of the Final OC.</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)), covers the above mentioned eligibility criteria.</p>

#	Criterion Article 20 (13)	Verification Report
25	The repayment of the securitisation position should not be predominantly dependent on the sale of assets collateralising the underlying exposures	<p><u>Verification Method</u>: Legal (Transaction document) / Due Diligence / Data</p> <p>As presented and discussed in the Due Diligence, the Transaction has been structured to not be predominantly dependent on the sale of the cars or other assets securing the Purchased Receivables. The repayment is entirely linked to the repayment of the Performing Receivables; the repayment of the Performing Receivables in turn is not contingent and does not depend on the sale of the vehicles which serve as collateral for the Purchased Receivables. As demonstrated during the Due Diligence, the Originator's underwriting focuses on the creditworthiness of its debtors rather than on the recoveries derived from the sale of the cars or other assets securing the Purchased Receivables in the case of default.</p>
#	Criterion Article 21 (1)	Verification Report
26	Risk retention (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: BDK as the Originator, see section "RISK RETENTION", subsection "EU Risk Retention Requirements" of the Final OC.</p> <p>Type of risk retention: in accordance with Article 6 (3) (c) of Securitisation Regulation, see section "RISK RETENTION", subsection "EU Risk Retention Requirements" of the Final OC. The Originator will for the life of the Transaction retain a material net economic interest of not less than 5 per cent in relation to the Transaction. The Originator will retain, on an ongoing basis until the earlier of the redemption of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in full and the Final Maturity Date, an interest in randomly selected similar exposures. The number of potentially securitised exposures will not be less than 100 at origination.</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 "RISK RETENTION", subsection "EU Transparency Requirements", item (d) (iii) of the Final OC).</p> <p>The legal obligation of the Originator to hold the risk retention during the lifetime of the transaction is entered into according to section "RISK RETENTION", subsection "EU Risk Retention Requirements" of the Final OC.</p>
#	Criterion Article 21 (2)	Verification Report
27	Appropriate hedging of interest rate and currency risks,	<p><u>Verification Method</u>: Due Diligence</p> <p>Since the Purchased Receivables are fixed rate and the Class A to Class D 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>

	no derivatives as underlying risk positions (I / II)	<p>The Purchased Receivables bear interest at fixed rates while the Class A to Class D Notes will bear interest at floating rates based on 1-M-EURIBOR. Interest rate risks for the Class A to Class D Notes are hedged appropriately with a fixed-floating interest rate swap. Under the Swap, the Issuer undertakes to pay to the Swap Counterparty on each Payment Date a fixed rate equal to the product of the relevant Swap Notional Amount, the relevant Swap Fix Rate and the Day Count Fraction. In return, the Swap Counterparty undertakes to pay to the Issuer on each Payment Date a floating rate equal to the product of the relevant Swap Notional Amount, EURIBOR plus relevant margin in case of the Class A to Class D Swap and the Day Count Fraction, provided that if, in respect of a particular Payment Date under the Swap, the relevant floating amount payable by the Swap Counterparty is a negative number, then the floating amount will be deemed to be zero.</p> <p>No further risks in addition to interest rate risks are hedged under the interest rate hedge agreement.</p>
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#	Criterion Article 21 (2)	Verification Report
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 instrument used by the Issuer to hedge interest rate risks is the Swap Agreement for the Class A to Class D Notes, see in this regard section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The swap" of the Final OC.</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 section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The swap" of the Final OC.</p> <p>The requirements for eligible swap counterparties are market standard in international finance, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The swap" of the Final OC.</p>

#	Criterion Article 21 (3)	Verification Report
29	Generally used reference rates 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 Notes will bear interest at floating rates based on 1-M-EURIBOR, see section "OVERVIEW", subsection "THE NOTES" and there the definition of „Interest Rate" in the Final OC as well as the definition of "EURIBOR" in the Transaction Definitions Agreement, constituting a market standard reference rate.</p> <p>No reference rates apply to the Cash Accounts. The interest for the Cash Accounts will 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	Requirements in the event of an enforcement or delivery of an acceleration notice	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>After the Enforcement Conditions have been fulfilled:</p> <ul style="list-style-type: none"> no cash will be retained with the Issuer, see section "TERMS AND CONDITIONS OF THE NOTES", clause 9.3 "Priorities of Payments - Post-Enforcement Priority of Payments" of the Final OC. 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 NOTES", clause 9.3 "Priorities of Payments - Post-Enforcement Priority of Payments" of the Final OC. all creditors of a class of notes will be served equally. 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. no automatic liquidation or sale of risk positions or assets is provided for.
#	Criterion Article 21 (5)	Verification Report
31	Sequential repayment as fall-back in the event of a deterioration in portfolio quality for Transactions that feature a non-sequential priority of payments	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The transaction starts to amortise on a sequential basis until a Pro-Rata Trigger Event occurs. A Pro-Rata Trigger Event occurs, once the subordination (calculated as the difference of 1 minus the Aggregate Outstanding Note Principal Amount of the Class A Notes divided by the Aggregate Outstanding Portfolio Principal Amount) on the Class A Notes has reached the target value of 11 %. Following a Pro-Rata Trigger Event, the amortisation of the Class A - Class D Notes switches to pro rata until a Sequential Payment Trigger Event occurs. This happens, if (i) the Cumulative Net Loss Ratio of the securitized Portfolio exceeds 1.1% or (ii) the Class E Principal Deficiency Sub-Ledger is fully debited or (iii) the Aggregate Outstanding Portfolio Principal Amount is less than 10% of the initial Aggregate Outstanding Portfolio Principal Amount on the Cut-Off Date. Upon occurrence of a Sequential Payment Trigger Event the amortisation switches back to sequential. The occurrence of a Sequential Payment Trigger Event is not reversible, see the definitions of "Sequential Payment Trigger Event" and "Pro-Rata Trigger Event" in section "TRANSACTION DEFINITIONS" as well as section "TERMS AND CONDITIONS OF THE NOTES" in the Final OC. As a result of the above, SVI is convinced that the amortisation mechanism complies with Art. 21 (5) of the Securitisation Regulation.</p>

#	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	Clear rules 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 Servicing Agreement 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 Downgrade Event with respect to the Servicer, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Servicing Agreement" of the Final OC or the Servicing Agreement as well as the definition of "Servicer Required Rating" in the Transaction Definitions Agreement.
		Similar provisions for the obligations, duties and responsibilities are provided for the following parties, see the respective descriptions in the Final OC: <ul style="list-style-type: none"> Trustee (see section "THE TRUSTEE" as well as section "THE TRUST AGREEMENT" of the Final OC)

		<ul style="list-style-type: none"> • Cash Administrator / Interest Determination Agent (see section "THE CASH ADMINISTRATOR / INTEREST DETERMINATION AGENT" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Cash Administration Agreement" of the Final OC) • Paying Agent / Account Bank (see section "THE PAYING AGENT / ACCOUNT BANK" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsections "The Account Bank Agreement" and "The Agency Agreement" of the Final OC) • Data Trustee (see section "THE DATA TRUSTEE" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Data Trust Agreement" of the Final OC) • Funding Entity (see section "THE FUNDING ENTITY" of the Final OC) • Corporate Administrator (see section "THE CORPORATE ADMINISTRATOR" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Corporate Administration Agreement" of the Final OC) <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 does not meet the requirements for the "Required Rating" as set out in in section "OVERVIEW OF TRANSACTION DOCUMENTS", subsections "The Account Bank Agreement" in the Final OC as well as the definition of "Required Rating" in the Transaction Definitions Agreement.</p> <p>Also, detailed provisions exist for the obligations, duties and responsibilities of the Swap counterparty (see sections "THE SWAP COUNTERPARTY" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Swap" in the Final OC).</p>
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#	Criterion Article 21 (8)	Verification Report
34	Experience of the Servicer (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>BDK is a financial institution (Kreditinstitut) according to § 1 German Banking Act. As such, the Originator is supervised by BaFin as competent national supervisory authority.</p> <p>The Final OC contains information on the experience of BDK as a servicer, see section "THE ORIGINATOR / SERVICER / LENDER" of the Final OC.</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, BDK as servicer is deemed to have the relevant expertise as an entity being active as servicer of loan receivables and as servicer of loan receivables securitisations for more than five 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), BDK 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 servicing of non-performing exposures , specification of the priorities of payment	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The credit and collection policy of BDK (see section "CREDIT AND COLLECTION POLICY" of the Final OC) which must be complied in respect of the servicing of the Loan Receivables and the Loan Collateral by the Servicer in accordance with the Servicing Agreement (as summarised in section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Servicing Agreement" of the Final OC) contains a description of procedures related to:</p> <ul style="list-style-type: none"> • Service Center Acceptance • Service Center – Debt Management (incl. a detailed description of the processes with regard to the servicing of non-performing exposures) • Used Car Sales Department (incl. a detailed description of the collection and sale of vehicles from terminated loan contracts) • Internal Audit • Auditors <p>The loss definition used in the transaction refers to the term „Defaulted Receivable“ which means a Receivables in respect of which the Servicer has terminated the related Loan Agreement in accordance with the Credit and Collection Policy of the Servicer. According to BDK’s loan conditions and the German law a loan contract may be term innated by BDK if the following is true</p> <p>(a) For commercial Debtors:</p> <ul style="list-style-type: none"> • two consecutive instalments are not paid; or • an amount equal to at least two instalments is past-due for more than two due dates. <p>(b) For private Debtors with a contract term up to 36 months:</p> <ul style="list-style-type: none"> • two consecutive instalments are not paid in full or in part and the total past due amount is at least equal to 10 % of the nominal amount of the loan (i.e. net loan amount plus cost also covered by the loan); and • the private Debtor was granted a term to pay together with the notification that after the lapse of this term the entire loan amount will be due for repayment. <p>(c) For private Debtors with a contract term more than 36 months:</p>

		<ul style="list-style-type: none"> two consecutive instalments are not paid in full or in part and the total past due amount is at least equal to 5 % of the nominal amount of the loan (i.e. net loan amount plus cost also covered by the loan), and the private Debtor was granted a term to pay together with the notification that after the lapse of this term the entire loan amount will be due for repayment. <p>This definition is consistently used in the Final OC.</p> <p>The procedures presented and discussed in the Due Diligence correspond to the description in the Final OC and no contrary findings could be observed.</p>
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#	Criterion Article 21 (10)	Verification Report
37	Clear rules in the event of conflicts between the different classes of noteholders	<p><u>Verification Method</u>: Regulatory / Legal (Transaction documents)</p> <p>The notes are issued on the basis of the German Bonds Act (Schuldverschreibungsgesetz), see section "OVERVIEW", description "Resolutions of Noteholders" as well as section "TERMS AND CONDITIONS OF THE NOTES" of the Final OC, enabling noteholders to take resolutions within one class of notes. In addition, the Trust Agreement provides for clear instructions for the trustee as regards the treatment of the interests of different classes of notes and their ranking in line with the applicable Priority of Payments (see section "4. Conflict of Interest" of the Trust Agreement).</p>

#	Criterion Article 22 (1)	Verification Report
38	Provision of historical performance data 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> <ol style="list-style-type: none"> Gross defaults (i.e. losses before recoveries) in static format (covering the period from Q1 2012 until Q1 2019), separate for the total retail loan portfolio as well as for the sub-portfolio private clients and the sub-portfolio commercial clients. Recoveries in static format (covering the period from Q1 2012 until Q1 2019), separate for the retail loan portfolio as well as for the sub-portfolio private clients and the sub-portfolio commercial clients. Delinquencies measured as monthly delinquency rate (covering the period from January 2012 until March 2019). Annualised prepayments measured as monthly prepayment rate (covering the period from January 2012 until March 2019). <p>The data history, provided prior to pricing, covers a period of at least 5 years required under Article 22 (1) of the Securitisation Regulation, see section "HISTORICAL PERFORMANCE DATA" in the Final OC.</p>

#	Criterion Article 22 (2)	Verification Report
39	Performance of an asset audit 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 Seller has mandated a qualified and experienced audit firm to perform the asset audit followed by the audit firm. The asset audit and the AuP include both of the following:</p> <ul style="list-style-type: none"> a) a verification of the compliance of the underlying exposures in the portfolio with the key eligibility criteria (the "Eligibility Criteria Verification"); and b) verification that the data disclosed to investors in the Preliminary Prospectus in respect of the underlying exposures is accurate (the "Prospectus Data Verification"). <p>The sample drawn for the Eligibility Criteria Verification is representative of the securitised portfolio, based on a provisional pool cut dated 31 July 2019. This is ensured by a sufficiently large sample and random selection, applying a 99 % confidence level. The final report prepared by the audit firm with regards to the Eligibility Criteria Verification has been made available to SVI on 13 September 2019. The final report confirms that the Eligibility Criteria Verification has occurred and that no significant adverse findings have been found.</p> <p>The Prospectus Data Verification has been performed by the audit firm based on the provisional pool cut dated 30 September 2019. This verification has been based on all underlying exposures (loan level data) and the scope comprises information in the stratification tables (see section "DESCRIPTION OF THE PORTFOLIO", subsection "Information Tables Regarding the Portfolio") correspond to the provisional pool cut. The final report prepared by the audit firm with regards to the Prospectus Data Verification has been made available to SVI on 14 October 2019. The final report confirms that the Prospectus Data Verification has occurred and that no deviations between the loan file of the provisional pool cut as at 30 September 2019 and the stratification tables have been found.</p>
#	Criterion Article 22 (3)	Verification Report
40	Provision of a precise liability cash flow model 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><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence (Cash flow model)</p> <p>Cash flow models have been prepared by Intex and Bloomberg on behalf of the Seller as web-based tools. SVI has been granted access to the Intex CF-Model for the Red & Black Auto Germany 6 transaction in order to perform the steps necessary to verify the compliance under Article 22 (3) of the Securitisation Regulation. It should be noted that the statements below do reflect the result of SVI's review of the functionality of the CF-Model and can be considered as a check of plausibility, however, no assurance can be given that the CF-Model calculates correctly in each and every scenario.</p> <p>SVI has verified the CF-Model provided by Intex, which accurately reflects the contractual relationships and cash flows from the securitised portfolio, cash accounts, swap counterparties, Classes A to E Notes and the Originator/Servicer.</p>

		<p>A wide range of different scenarios can be modelled, including but not limited to prepayments, delinquencies, defaults (gross losses), recoveries and swap payments. Both size as well as timing of payments or defaults can be varied. Also, digital scenarios such as the exercise of call options (yes/no) can be considered. As a result, both base case scenarios for pricing as well as stress scenarios for credit analysis purposes can be modelled.</p> <p>The CF-Model has been made available on 14 October 2019 and hence has been provided before pricing on 24 October 2019. The Originator undertakes to provide potential investors with the CF-Models.</p>
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#	Criterion Article 22 (4)	Verification Report
41	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><u>Verification Method:</u> Legal (Transaction documents, Due Diligence)</p> <p>The Originator has confirmed that information on the environmental performance of the assets financed by such underlying exposures (in this case: auto loans) is intended to be provided once available. The information is intended to be made available as part of the information on the underlying exposures as per Article 7 (1) (a) of the Securitisation Regulation and as applicable.</p>

#	Criterion Article 22 (5)	Verification Report
42	Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding Transparency) 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 OC (see section "RISK RETENTION", 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"> - Art. 7 (1) (a): Loan level data will be made available for the first time on the payment date one month after closing (scheduled for 21 November 2019) and then on a monthly basis. - Art. 7 (1) (b): The relevant transaction documentation has been made available prior to pricing. - Art. 7 (1) (c): Not applicable. - 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 not later than 15 days after closing. - Art. 7 (1) (e): The investor report will be made available for the first time on the payment date one month after closing (scheduled for 21 November 2019) and then on a monthly basis. - Art. 7 (1) (f): Ad hoc announcements will be published as soon as they need to be published under the MAR. - Art. 7 (1) (g): If a "Significant Event" occurs, investors will be informed immediately. <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 prior to the Securitisation Regulation Reporting Effective Date in the Transparency Report which is in line with the level of information typically provided to noteholders of European structured finance instruments backed by auto loans in the period immediately prior to 1 January 2019.</p>

As a result of the verifications documented above, we confirm to BDK 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 “**Red & Black Auto Germany 6**” 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
michael.osswald@svi-gmbh.com

Marco Pause
Associate Director
STS Verification International GmbH
Mainzer Landstrasse 61
60329 Frankfurt am Main
+49 69 8740 344-43
marco.pause@svi-gmbh.com