

Preliminary Verification Report

In respect of the Transaction “**Red & Black Auto Germany 9**”
(Bank Deutsches Kraftfahrzeuggewerbe GmbH)

5 September 2022



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) 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 Articles 19 to 26e of the Securitisation Regulation (“STS Verification”). Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by Regulation (EU) 2021/558 of 31 March 2021) (“CRR Assessment”), (ii) Article 270 (senior positions in STS on-balance sheet securitisations) of the CRR (“Article 270 Assessment”), (iii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions (“LCR”) (“LCR Assessment”), and (iv) the STS Criteria, in respect of existing securitisations and potential deficiencies regarding compliance with the STS Criteria (“Gap-Analysis”).

Mandating of SVI and verification steps

On 28 June 2022, 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 9” (the “Transaction”).

As part of our verification work, we have met with representatives of Bank Deutsches Kraftfahrzeuggewerbe GmbH to conduct a virtual due diligence meeting on 2 August 2022. We have also obtained an updated Due Diligence Presentation from 2 August 2022 for the Transaction “Red & Black Auto Germany 9”. In addition, we have discussed selected aspects of the Transaction with Bank Deutsches

Kraftfahrzeuggewerbe GmbH and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of Bank Deutsches Kraftfahrzeuggewerbe GmbH and the underlying transaction documentation.

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

- Prospectus
- German Legal Opinion
- Receivables Purchase Agreement
- Servicing Agreement
- Swap Agreement
- Account Bank Agreement
- Due Diligence Presentation by Bank Deutsches Kraftfahrzeuggewerbe GmbH
- Agreed-upon Procedures Report
- Latest version of the liability cash flow model
- Data Package received by Bank Deutsches Kraftfahrzeuggewerbe GmbH
- Additional information received by e-mail, such as confirmations, comments, etc.

Verification Methodology

The fulfilment of each verification point in this Preliminary 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 based on 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. 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 26e 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 STS verification performed by SVI 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 Preliminary 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.

SVI is not a legal advisor and nothing in the Preliminary Verification Report shall be regarded as legal advice in any jurisdiction.

Accordingly, the Preliminary Verification Report is only an expression of opinion by SVI after application of its verification methodology and not a statement of fact. It is not a guarantee or warranty that ECB, any of the ESAs or national competent authorities, courts, investors or any other person will accept the STS status of the relevant securitisation. Therefore, no person should rely on the Preliminary Verification Report in determining the STS status but must perform its own analysis and reach its own conclusions.

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 or parties to SVI or in any of the documents are true, not misleading and complete. SVI shall have no liability for any loss of any kind suffered by any person as a result of a securitisation where the Preliminary Verification Report indicated that it met, in whole or in part, the STS Requirements, certain CRR or SRT requirements being held for any reason as not so meeting the relevant requirements or not being able to have lower capital allocated against it save in the case of deliberate fraud by SVI. SVI shall also not have any liability for any action taken or action from which any person has refrained from taking as a result of the Preliminary Verification Report.

LIST OF ABBREVIATIONS/DEFINITIONS

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

AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
BDK	Bank Deutsches Kraftfahrzeuggewerbe GmbH
CF-Model	Cash Flow-Model
Closing Date	19 October 2022
Due Diligence Presentation	Due Diligence Presentation dated 2 August 2022
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
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
ESAs	European supervisory authorities (EBA, EIOPA and ESMA)
ESMA	European Securities and Markets Authority
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	Red & Black Auto Germany 9 UG (haftungsbeschränkt)
LO	German Legal Opinion
Originator	Bank Deutsches Kraftfahrzeuggewerbe GmbH
Preliminary Verification Report	Preliminary Verification Report prepared by SVI in respect of the Transaction
Prospectus	Preliminary Offering Circular dated 5 September 2022
Red & Black Auto Germany 9	Red & Black Auto Germany 9 UG (haftungsbeschränkt)
RPA	Receivables Purchase Agreement
RTS on Homogeneity	Commission Delegated Regulation dated 28 May 2019 supplementing the Securitisation Regulation regarding to regulatory technical standards on the homogeneity of the underlying exposures in securitisation

RTS on Risk Retention	EBA Final Draft Regulatory Technical Standards specifying the requirements for originators, sponsors and original lenders relating to risk retention pursuant to Article 6(7) of Regulation (EU) 2017/2402
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, as amended by Regulation (EU) 2021/557 of 31 March 2021
Seller	Bank Deutsches Kraftfahrzeuggewerbe GmbH
Servicer	Bank Deutsches Kraftfahrzeuggewerbe GmbH
SRT	Significant risk transfer
SSPE	Securitisation Special Purpose Entity or Issuer
STS Requirements	The requirements for simple, transparent and standardised securitisation in respect of a non-ABCP transaction as set out in Articles 19 to 22 of the Securitisation Regulation
Third Country	A country that is not part of the Union
Transaction	The securitisation of auto loan receivables involving Red & Black Auto Germany 9 UG (haftungsbeschränkt) as Issuer
Union	The European Union or "EU"

Structure Overview and Reference to Article 18 of the Securitisation Regulation

The Transaction provides for a transfer of fixed rate auto loan receivables and related security rights ("Purchased Receivables") from BDK ("Originator" and "Servicer", established in Germany) to Red & Black Auto Germany 9 ("Issuer"), a registered SSPE incorporated under the Laws of Germany. The securitisation transaction will be financed by the issuance of Class A to Class E Notes.

As described above, the Originator and SSPE involved in the Transaction are established in the Union. Hence, the requirement that the originator and the SSPE involved in the Transaction are established in the EU as stipulated in Article 18 of the Securitisation Regulation, is fulfilled for the Transaction.

#	Criterion Article 20 (1)	Verification Report
1	Transfer of title to the underlying exposures by means of a true sale and enforceability of such true sale	<u>Verification Method:</u> Legal (Legal opinion, Prospectus) / Due Diligence
		The LO 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).
		Furthermore, the LO 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).
		The LO 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.
		The LO does cover the review of the Standard Forms of the Loan Agreements with respect to any restrictions on assignment. The RPA contains in Clause 10.2 representations and warranties by the Seller as of the signing date regarding the compliance of the Purchased Receivables with the Eligibility Criteria, as stated in the Prospectus, which include under Items (i) (b) and (j) 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.
#	Criterion Article 20 (1)	Verification Report
2	Requirements for the external legal opinion	<u>Verification Method:</u> Legal (Legal opinion) / Due Diligence
		The LO is provided by Linklaters LLP, an internationally operating law firm with well-known expertise in the securitisation field.
		The LO comes into force at the Closing Date of the Transaction and is therefore up to date.
		The LO is made available to SVI as third-party verification agent and to competent supervisory authorities.

#	Criterion Article 20 (2)	Verification Report
3	Specification of severe claw-back provisions : Are there any provisions in the respective national insolvency law, which could allow the insolvency administrator to invalidate the transfer of the underlying exposures?	<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, Clause 10.1, Items (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 Clause 13.1, Item (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	Clarification that certain provisions in the national insolvency laws do not constitute severe claw-back provisions	<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 SSPE 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 9, the sale and transfer take place directly between the Seller (who is the original lender) and the SSPE acting as Issuer, i.e. without any intermediate sale taking place, see Section "OVERVIEW" and Section "TRANSACTIONS DEFINITIONS", Paragraphs "Lender" and "Originator" in the Prospectus.</p>

#	Criterion Article 20 (5)	Verification Report
6	If the transfer of receivables and the perfection take 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 19 October 2022, see Section "THE NOTES", Paragraph "Closing Date"), i.e. there will be no transfer of receivables at a later stage, see Clause 2 of the RPA.</p>
#	Criterion Article 20 (6)	Verification Report
7	Representations and warranties of the seller regarding to the legal condition of the underlying exposures	<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 Clause 10.2, Item (c) and (d) of the RPA in connection with Section "OVERVIEW", Subsection "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Items (i) (b),(iii) (a) and (vi) (a), (b) of the Prospectus and above under #3. The LO confirms that none of the standard Loan Agreements in use by the Originator contains any restrictions to assign the Receivables.</p>
#	Criterion Article 20 (7)	Verification Report
8	Predetermined, clear and documented selection criteria (' eligibility criteria ') (I/II)	<p><u>Verification Method:</u> Legal (Receivable purchase agreement)</p> <p>The underlying exposures transferred from the Seller to the SSPE are selected according to predetermined, clear and documented Eligibility Criteria, see Section "OVERVIEW", Subsection "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria" of the Prospectus.</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 SSPE after the closing of the Transaction (see #6).</p>

#	Criterion Article 20 (7)	Verification Report
9	Predetermined, clear and documented selection criteria ('eligibility criteria') (II / II)	<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 #40 for a summary of the scope of the asset audit.</p>
#	Criterion Article 20 (7)	Verification Report
10	No active portfolio management	<p><u>Verification Method:</u> Legal (Transaction documents)</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 (10) 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 Clause 11 "Obligations of the Originator in Case of Non-Eligible Receivables", Subclause 11.1 "Repurchase Obligation in case of Non-Eligible Receivables" of the RPA in connection with the Section "Transaction Definitions", Paragraph "Repurchase Price" in the Prospectus. There will, however, be no substitution of the ineligible receivable with a new receivable.</p> <p>In addition, the Transaction features a Clean-Up Call Option in case of a Clean-Up Call Event. The Originator may upon at least five Business Days prior written notice to the Issuer exercise its option to repurchase all of the Purchased Receivables on the Payment Date following such notice as soon as on any Determination Date, the Aggregate Outstanding Portfolio Principal Amount represents less than 10% of the Aggregate Outstanding Portfolio Principal Amount as at the Cut-Off Date (see Section 12 "Early Redemption – Illegality and Tax Call Event and Clean-Up Call Event" in connection with "TRANSACTION DEFINITIONS", Paragraph "Clean-Up Call Event of the Prospectus).</p> <p>The above-described instances that allow for a repurchase of underlying exposures due to a breach of any of the loan warranties or the Clean-Up Call option are part of the individual techniques listed in the EBA Guidelines that should not be considered active portfolio management (i. e. breach of representation or warranties and clean-up call option). No further substitution or repurchase features are included in the RPA.</p> <p>Generally, the above described repurchase mechanism used in the Transaction (a) does not make the performance of the securitisation dependent on both the performance of the underlying exposures and on the performance of the portfolio</p>

		management, and (b) is not performed for speculative purposes aiming to achieve better performance, increased yield or other purely financial or economic benefit.
		As a result of the above, the criterion "no active portfolio management" is fulfilled.

#	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>The underlying exposures fall into the asset type according to Art. 1 (a) (v) of the Commission Delegated Regulation (EU) 2019/1851 on Homogeneity (i.e. auto loans and leases), see Prospectus.</p> <p>The Originator has chosen the homogeneity factor according to Art. 2 (4.) (b) of the Commission Delegated Regulation (EU) 2019/1851 on the 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 "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (ii) (a) of the 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 and #18, see also Section "CREDIT AND COLLECTION POLICIES" in the Prospectus. No distinction is made between securitised and 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>

#	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 "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 (to the best knowledge of the Originator)" part of the Eligibility Criteria Verification as further described in #40. The Loan Agreements have been entered into exclusively with Debtors having their registered office in Germany</p>

		or resident in Germany, see Section "OVERVIEW", Subsection "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (ii) (a) of the Prospectus.
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#	Criterion Article 20 (8)	Verification Report
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 "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (i) (b) of the Prospectus 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>

#	Criterion Article 20 (8)	Verification Report
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 with private customers. 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 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 Debtor is under all circumstances obliged to repay the 3-Way Financing loan. <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 "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (i) (g) of the Prospectus.</p> <p>The Eligibility Criteria restrict the underlying exposures to Loan Receivables originated under a loan agreement, see Section "OVERVIEW", Subsection "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (i). The compliance of the provisional pool with the Eligibility Criteria has been verified through the Eligibility Criteria Verification (see #40).</p>

#	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 Purchased Receivables to Receivables which derive from a Loan Agreement, 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 #40).</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. Additionally, the securitised portfolio is based on Purchased Receivables which are originated under a Loan Agreement (see #15).</p>
#	Criterion Article 20 (10)	Verification Report
17	Origination of underlying exposures in the ordinary course of business of the originator or the original lender	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence (Underwriting and Servicing Policy)</p> <p>Bank Deutsches Kraftfahrzeuggewerbe GmbH 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 (<i>Bundesanstalt für Finanzdienstleistungs-aufsicht</i>) in accordance with the German Banking Act (<i>Kreditwesengesetz</i>) (please also refer to the website of BDK: https://www.bdk-bank.de/unternehmen/impressum/ and to Section "THE ORIGINATOR / SERVICER / LENDER" of the Prospectus). As presented and discussed in the Due Diligence, the well-developed and highly professional organisation of BDK's business procedures is in line with the volume and quantity of business transactions. BDK co-operate actively with a large number of 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 "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (i) (c) of the Prospectus. Deviations from the Credit and Collection Policy are only permissible in well-defined and documented instances, as discussed in the Due Diligence. The underlying exposures are selected for securitisation using a random selection process.</p> <p>The underlying exposures are similar to the non-securitised loan agreements in the asset type "auto loans and leases" (see the Definition of "similar exposures" in Clause 22 (a) (iv) in the EBA Guidelines) due to the 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	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	Where the underlying exposures are residential mortgage loans , does the portfolio include loans that have been self-certified by the loan applicants?	<p><u>Verification Method:</u> Due Diligence</p> <p>The Eligibility Criteria restrict the underlying exposures to Receivables under auto loan agreements – therefore, residential mortgage loans do not form part of the portfolio.</p>

#	Criterion Article 20 (10)	Verification Report
20	Assessment of the borrower's creditworthiness performed in accordance with certain EU Directives on credit agreements for consumers or on credit agreements for consumers relating to residential immovable property or, if applicable, the analogous provisions of a third country	<p><u>Verification Method:</u> Regulatory / Legal / Due Diligence / Data</p> <p>BDK is a financial institution (<i>Kreditinstitut</i>) 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 agreements with consumers in accordance with Article 8 of Directive 2008/48/EC by using – among others – personal data, income, employment, experience from previous business relationship, car related data and credit bureau information as main criteria for the credit assessment. In case of the amendment of the loan agreement in accordance with Article 8, Item 2 of Directive 2008/48/EC, a new credit assessment is executed. The credit assessment process was discussed during the Due Diligence and is shown in detail in the Due Diligence Presentation.</p>

#	Criterion Article 20 (10)	Verification Report
21	Originator's experience (as an entity or through management and senior staff) in origination of similar risk positions	<p><u>Verification Method:</u> Regulatory (suitable proof incl. Website) / Due Diligence</p> <p>BDK started to build up its own credit portfolio in 2003. The business model of financing auto loans did not change substantially since then. Hence, as an institution, the Originator does have at least 5 years of experience in origination and underwriting of exposures like those securitised. The relevant information is published in Section "THE ORIGINATOR / SERVICER / LENDER" of the Prospectus.</p>

#	Criterion Article 20 (11)	Verification Report
22	The underlying exposures are transferred without undue delay after selection	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The date of the final pool cut is 30 September 2022. Transfer of the final pool will occur at closing (scheduled for 19 October 2022), i.e. without undue delay.</p>

#	Criterion Article 20 (11)	Verification Report
23	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 Prospectus, 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 "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Items (iii) (g) and (iii) (k) of the Prospectus).</p> <p>Furthermore, the underlying exposures will not include Receivables relating to credit-impaired Debtors or guarantors who have (A) 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 Closing Date; (B) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history, or where there is no such public credit registry, another credit registry that is available to the Originator; or (C) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Originator which are not securitised (see Section "OVERVIEW", Subsection "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (iii) (k) of the 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 an Obligor or guarantor is credit-impaired, that it has obtained information (1) from the Obligor on origination</p>

	<p>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 party, see Section "CREDIT AND COLLECTION POLICY" of the Prospectus. This is in line with the 'best knowledge' standard stipulated in the EBA Guidelines (e. g. Section "To the best of the originator's or original lender's knowledge", Item 42 (b) of the EBA Guidelines).</p> <p>The compliance of the provisional pool with the Eligibility Criteria has been verified through the Eligibility Criteria Verification (see #40).</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>
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#	Criterion Article 20 (11)	Verification Report
24	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 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 random selection process.</p> <p>On this basis, it can be reasonably assumed that – in comparison to non-securitised exposures – 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
25	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 "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (ii)(b) of the 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 #40, Article 22 (2)), covers the above-mentioned Eligibility Criteria.</p>
#	Criterion Article 20 (13)	Verification Report
26	The repayment of the securitisation position should not be predominantly dependent on the sale of assets securing the underlying exposures	<p><u>Verification Method:</u> Legal (Transaction documents) / 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> <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 single Debtor does not exceed 2% of the aggregated receivables balance, see in this regard table "2.9 Concentration of Top 20 Debtors" in Section "DESCRIPTION OF THE PORTFOLIO" of the Prospectus.</p>

#	Criterion Article 21 (1)	Verification Report
27	<p>Risk retention (Art. 6.1 of the Securitisation Regulation), usually by the Originator</p>	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>BDK as the Originator will act as holder of the risk retention (Retention Holder) and retain on an ongoing basis a material net economic interest of not less than 5% of the securitised exposures, see Section "RISK RETENTION", Subsection "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Paragraph 1 "EU Risk Retention Requirements" of the Prospectus.</p> <p>In accordance with Article 6(3)(c) of Securitisation Regulation and specified in more detail in Article 8 of the RTS on Risk Retention, BDK (as Retention Holder) will retain, in its capacity as Originator within the meaning of the Securitisation Regulation, on an ongoing basis for the life of the transaction, such material net economic interest of not less than 5% in relation to the Transaction, see Section "RISK RETENTION", Subsection "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Paragraph "1. EU Risk Retention Requirements" of the Prospectus. 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>Information and thereof confirmation regarding the continued holding of the risk retention by the Originator will be set out in an Investor Report (at least quarterly), as confirmed by the Originator (see Section "RISK RETENTION", Subsection "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Paragraph "2. EU Transparency Requirements", Item (d) (iii) of the Prospectus).</p> <p>The Originator confirms to hold the risk retention on an ongoing basis in accordance with Article 6 of the Securitisation Regulation, see Section "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Paragraph 1 "EU Risk Retention Requirements" of the Prospectus.</p>

#	Criterion Article 21 (2)	Verification Report
28	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (I / II)	<u>Verification Method:</u> Due Diligence
		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 (see general information in the Prospectus).
		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 and the Day Count Fraction (see Section "OVERVIEW OF TRANSACTION DOCUMENTS", Subsection "The Swap").
		No further risks in addition to interest rate risks are hedged under the Swap Agreement.
		The securitised portfolio only includes Receivables which are originated under a Loan Agreement, therefore the securitised portfolio does not include derivatives (see Section "OVERVIEW", Subsection "THE ASSETS AND RESERVES", Paragraph "Eligibility Criteria", Item (i) of the Prospectus).
#	Criterion Article 21 (2)	Verification Report
29	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (II / II)	<u>Verification Method:</u> Legal (Transaction documents)
		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 Prospectus.
		The agreement considers any potential asset liability mismatch by referencing to the outstanding notes balance, and the agreement is based on the ISDA Master Agreement as established market standard, see Section "OVERVIEW OF TRANSACTION DOCUMENTS", Subsection "The Swap" of the Prospectus.
		The requirements for eligible swap counterparties are market standard in international finance (e. g. obligation to post collateral or provide guarantees when hitting certain rating triggers), see Section "OVERVIEW OF TRANSACTION DOCUMENTS", Subsection "The Swap" of the Prospectus.

#	Criterion Article 21 (3)	Verification Report
30	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 Class A – Class D 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 Prospectus as well as the Definition of “EURIBOR” in the Section “Transaction Definitions” in the Prospectus, 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 €STR.</p> <p>The interest rate hedge (the Swap) is based on fixed rates and floating rates based on 1-M-EURIBOR. Currency hedges are not provided for in the transaction structure.</p> <p>Alternative Benchmarks are included in the Prospectus which may be applied if the EURIBOR ceased to be a eligible interbank rate (see Section “THE TRUST AGREEMENT”, Clause 24 “Base Rate Modification” of the Prospectus).</p>

#	Criterion Article 21 (4)	Verification Report
31	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 the priority of payments will change from “Pre-Enforcement Principal Priority of Payments” to “Post-Enforcement Priority of Payments”, please refer to the Section “The Notes”, Paragraph “Limited Recourse” in Connection with Section “TERMS AND CONDITIONS OF THE NOTES”, Subsection 9 “Priority of Payments”, Items 9.1 “Pre-Enforcement Interest Priority of Payments”, 9.2 “Pre-Enforcement Principal Priority of Payments” and 9.3 “Post-Enforcement Priority of Payments” of the Prospectus. The following conditions will apply following the Enforcement Conditions have been fulfilled according to the Transaction documentation:</p> <p>a) No cash will be retained with the Issuer, see Section “TERMS AND CONDITIONS OF THE NOTES”, Subsection “9 Priorities of Payments”, Clause 9.3 “Post-Enforcement Priority of Payments” of the Prospectus. Transaction gains only can arise after fulfilling all obligations against the Noteholder and other liabilities and are paid out to the shareholder of the Issuer. See Section “TERMS AND CONDITIONS OF THE NOTES”, Subsection 9 “Priorities of Payments”, Item 9.3 “Post-Enforcement Priority of Payments” (v) of the Prospectus.</p> <p>According to the Prospectus there will be a difference between the Purchase Price and the Aggregate Outstanding Note Principal Amount of Class A to Class E Notes, which will remain on the accounts of the Issuer. This amount will be considered in the Pre-Enforcement Available Distribution Amount on the first Payment Date. Hence, it will be not retained in the SSPE, see Section “USE OF PROCEEDS” in the Prospectus.</p>

	<p>b) 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", Subsection "9 Priorities of Payments", Items 9.3 "Post-Enforcement Priority of Payments" (g), (i), (k), (m), (o) of the Prospectus.</p> <p>c) Interest and principal payments are first made for the Class A Notes and then sequentially for the subsequent Class B-E Notes. Hence, repayments are not reversed with regard to their seniority, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection "9 Priorities of Payments", Item 9.3 "Post-Enforcement Priority of Payments" of the Prospectus.</p> <p>d) No automatic liquidation or sale of risk positions or assets is provided for.</p>
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#	Criterion Article 21 (5)	Verification Report
32	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 10% (i. e. it is equal or higher 10 %). 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 1.5% or (ii) the Principal Deficiency Sub-Ledgers are debited with an amount equal to or higher than 1% of the Aggregate Outstanding Note Principal Amount of the Notes as of the Closing Date 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.</p> <p>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 Prospectus. Trigger (i) and (ii) are performance-based triggers, as they consider the ratio or amount of cumulative losses and open payments. As a result of the above, the amortisation mechanism complies with Art. 21 (5) of the Securitisation Regulation.</p>

#	Criterion Article 21 (6)	Verification Report
33	Early amortisation provisions or triggers for termination of the revolving phase to include at least the following:	<u>Verification Method:</u> Legal (Transaction documents)
		The requirements in relation to the early amortisation provisions do not apply to the Transaction as the Transaction does not feature a revolving period.
	a) deterioration in the credit quality of the underlying exposures below a predefined threshold	Not applicable.
	b) insolvency-related events in relation to the Originator or the Servicer	Not applicable.
	c) decline in value of the underlying exposures below a predefined threshold	Not applicable.
	d) failure to generate sufficient new underlying exposures for replenishments under revolving Transactions	Not applicable.

#	Criterion Article 21 (7)	Verification Report
34	<p>Clear rules in the Transaction documentation regarding obligations, tasks and responsibilities of the Servicer, trustees and other ancillary service providers</p>	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>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 the Servicing Agreement as well as the Definition of "Servicer Required Rating" in Section "TRANSACTION DEFINITIONS" of the Prospectus.</p> <p>Similar provisions for the obligations, duties and responsibilities are provided for the following parties, see the respective descriptions in the Prospectus:</p> <ul style="list-style-type: none"> • Trustee (see Section "THE TRUSTEE" as well as Section "THE TRUST AGREEMENT" of the Prospectus) • Cash Administrator / Interest Determination Agent / Paying Agent (see Section "THE PAYING AGENT / CASH ADMINISTRATOR / INTERESTDETERMINATION AGENT" and Section "The Agency Agreement" of the Prospectus as well as the Cash Administration Agreement) • Account Bank (see Section "ACCOUNT BANK" as well as Section "OVERVIEW OF TRANSACTION DOCUMENTS", Subsections "The Account Bank Agreement" of the Prospectus) • Data Trustee (see Section "THE DATA TRUSTEE" as well as Section "OVERVIEW OF TRANSACTION DOCUMENTS", Subsection "The Data Trust Agreement" of the Prospectus) • Funding Entity (see Section "THE FUNDING ENTITY" of the Prospectus) • Corporate Administrator (see Section "THE CORPORATE ADMINISTRATOR" as well as Section "OVERVIEW OF TRANSACTION DOCUMENTS", Subsection "The Corporate Administration Agreement" of the Prospectus) <p>The Servicer is replaced in case of a Servicer Termination Event, which is triggered by the insolvency or default of the Servicer (see Section "TRANSACTION DOCUMENTS", Paragraph "Downgrade Event" and "Servicer Termination Event" of the Prospectus). In case of such event, the Corporate Administrator replaces the Servicer within 90 days (see Clause 4.2 "Substitute Servicer Facilitator" of the Corporate Administrator Agreement).</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 does not meet the requirements for the "Required Rating" as set out in Clause 10 of the Account Bank Agreement in connection with the Definitions of "Required Rating" and "Downgrade Event" in Section "TRANSACTION DEFINITIONS" of the Prospectus.</p> <p>In addition, 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 Prospectus).</p>

#	Criterion Article 21 (8)	Verification Report
35	Experience of the Servicer (management and senior staff) in the servicing of exposures of a similar nature to those securitised	<u>Verification Method:</u> Regulatory (suitable proof) / Legal (Transaction documents) / Due Diligence
		Bank Deutsches Kraftfahrzeuggewerbe GmbH is a financial institution (<i>Kreditinstitut</i>) according to § 1 German Banking Act. As such, the Originator is supervised by BaFin as competent national supervisory authority.
		The Prospectus contains information on the experience of BDK as a servicer, see Section "THE ORIGINATOR / SERVICER / LENDER" of the Prospectus.
		The experience and expertise of the management and the senior staff has been confirmed during the Due Diligence.
		As a result, BDK as the 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.
#	Criterion Article 21 (8)	Verification Report
36	Appropriate and well documen- ted risk management and service policies , procedures and controls	<u>Verification Method:</u> Regulatory (suitable proof) / Due Diligence
		As a result of the regulatory status (see #35 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.
#	Criterion Article 21 (9)	Verification Report
37	Clear and coherent definitions, regulations and possible measures with regard to the servicing of non-performing exposures , specification of the priorities of payment	<u>Verification Method:</u> Legal (Transaction documents) / Due Diligence
		The Credit and Collection Policy of BDK (see Section "CREDIT AND COLLECTION POLICY" of the Prospectus) 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 Prospectus) contains a description of procedures related to: <ul style="list-style-type: none"> • Service Center Acceptance (incl. a detailed description of the loan application process) • Service Center – Collections (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 agreements) • Internal Audit • Auditors

The loss definition used in the Transaction Documents refers to the term "Defaulted Receivable" which means a Receivable 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 agreement may be terminated by BDK if the following is true

(a) For private Debtors with a contract term up to 36 months:

- 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.

(b) For private Debtors with a contract term more than 36 months:

- 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.

This definition is consistently used in the Prospectus.

The Transaction documentation clearly specifies the priorities of payment (Pre-Enforcement Interest Priority of Payments, Pre-Enforcement Principal Priority of Payments and Post- Enforcement Priority of Payments), see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 9 "Priorities of Payments" of the Prospectus, and the events which trigger changes in such priorities of payment, see the Definitions of "Pro Rata Trigger Event", "Sequential Payment Trigger Event" and "Issuer Event of Default" in Section "TRANSACTION DEFINITIONS" of the Prospectus, #31 and #32.

The obligation of the Issuer to report the events of Early Redemption for Default or of Repurchase upon occurrence of an Illegality and Tax Call Event or a Clean-Up Call Event (see Section "TERMS AND CONDITIONS OF THE NOTES", Subsections 11 "Early Redemption for Default" and 12 "Early Redemption – Illegality and Tax Call Event and Clean-Up Call Event" of the Prospectus) to the Noteholders without undue delay is clearly documented in the Prospectus, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsections 15 "Investor Notifications" and 16 "Form of Notices" in the Prospectus.

Pro Rata Trigger Events or Sequential Payment Trigger Events are not reported with an ad-hoc notification to the Noteholders since they do not constitute an event of default. However, both trigger events only can occur on a Payment Date (see Section "TRANSACTION DEFINITIONS", Paragraphs "Pro Rata Trigger Event", "Sequential Payment Trigger Event" of the Prospectus). Hence, they are reported within the Investor Reports (see Section "RISK RETENTION", Subsection "EU Transparency Requirements", Item (d) (ii)) granting the notification of the investors without undue delay.

#	Criterion Article 21 (10)	Verification Report
38	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 (<i>Schuldverschreibungsgesetz</i>), see Section "OVERVIEW", description "Resolutions of Noteholders" as well as Section "TERMS AND CONDITIONS OF THE NOTES", Subsection "19 Resolutions of Noteholders" of the Prospectus, enabling the 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 "THE TRUST AGREEMENT", Subsection "4 Conflict of Interest" of the Prospectus).</p>
#	Criterion Article 22 (1)	Verification Report
39	Provision of historical performance data before pricing	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence / Data</p> <p>The historical performance data provided by the Originator include the following areas:</p> <ul style="list-style-type: none"> a) Gross defaults (i.e. losses before recoveries) in static format (covering the period from Q1 2004 until Q2 2022), for the total BDK retail private customer loan portfolio. b) Recoveries in static format (covering the period from Q1 2004 until Q2 2022), for the total BDK retail private customer loan portfolio. c) Delinquencies measured as monthly delinquency rate (covering the period from January 2004 until June 2022), for the total BDK retail private customer loan portfolio. d) Annualised prepayments measured as monthly prepayment rate (covering the period from January 2004 until June 2022), for the total BDK retail private customer loan. <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 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 #24, 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
40	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> Data (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 30 June 2022. 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 4 August 2022. 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 preliminary pool cut dated 31 July 2022. 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 2 "Information Tables Regarding the Portfolio") which correspond to the preliminary pool cut. The final report prepared by the audit firm with regards to the Prospectus Data Verification has been made available to SVI on 29 August 2022. The final report confirms that the Prospectus Data Verification has occurred and that no deviations between the loan file of the preliminary pool cut as of 31 July 2022 and the stratification tables have been found.</p>

#	Criterion Article 22 (3)	Verification Report
41	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>A CF-Model has been prepared by Intex on behalf of the Originator. The Intex model is provided as web-based tool and can be accessed via http://www.intex.com (subscription model) under the ticker "RBALG9". SVI has been granted access to the website and the CF-Model for the Red & Black Auto Germany 9 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 does calculate correctly in each and every scenario.</p> <p>SVI performed a plausibility check of the CF-Model provided by Intex, which reflects the contractual relationships and cash flows from and to the securitised portfolio, Classes A to E Notes, the Originator and the Servicer as well as other parties involved (summarised as senior expenses). A range of different scenarios can be modelled, including but not limited to prepayments, delinquencies, defaults (gross losses), recoveries and senior expenses.</p> <p>The CF-Model has been made available prior to the pricing of the Transaction. The Originator undertakes to provide potential investors with the CF-Model upon request.</p>
#	Criterion Article 22 (4)	Verification Report
42	For residential mortgage loan and auto loan/auto 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) will be provided. The information will 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
43	Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding Transparency) is the responsibility of the Originator or Sponsor	<p data-bbox="642 363 1370 392"><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p data-bbox="642 411 2042 560">For the purposes of Article 7(2) of the Securitisation Regulation, the Issuer has been designated as the entity responsible for compliance with the requirements of Article 7 of the Securitisation Regulation and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf by the Servicer. In this regard the Issuer confirms in Section "RISK RETENTION", Subsection "EU Transparency Requirements" of the Prospectus that it will fulfil the provisions of Art. 7 of the Securitisation Regulation as follows:</p> <ul data-bbox="658 584 2033 1034" style="list-style-type: none"> <li data-bbox="658 584 2033 651">• Art. 7 (1) (a): Loan level data will be made available prior to pricing and will be made available on the first Payment Date in November 2022 and then at least on a quarterly basis. <li data-bbox="658 659 2033 726">• Art. 7 (1) (b): The relevant transaction documentation in draft form will be made available prior to pricing and will be made available in final form not later than 15 days after the Closing Date. <li data-bbox="658 734 2033 793">• Art. 7 (1) (c): Not applicable. <li data-bbox="658 801 2033 868">• Art. 7 (1) (d): In accordance with the RTS for notification, the notification will be provided to investors in draft form prior to pricing and in final form on or around the Closing Date via the Securitisation Repository. <li data-bbox="658 876 2033 943">• Art. 7 (1) (e): The Investor Report will be made available for the first time on the payment date in November 2022 and thereafter at least on a quarterly basis. <li data-bbox="658 951 2033 994">• Art. 7 (1) (f): Ad hoc announcements will be published as soon as they need to be published under the MAR. <li data-bbox="658 1002 2033 1034">• Art. 7 (1) (g): If a "Significant Event" occurs, investors will be informed immediately.

As a result of the verifications documented above, we confirm to Bank Deutsches Kraftfahrzeuggewerbe GmbH 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 9**” have been fulfilled.

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