

Final LCR Assessment

In respect of the Transaction “**SC Germany S.A., Compartment Consumer 2022-1**” (Santander Consumer Bank AG)



27 October 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 – 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 March 2022, SVI has been mandated by the Seller (Santander Consumer Bank AG) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "SC Germany S.A., Compartment Consumer 2022-1" (the "Transaction").

As part of our verification work relating to the previous transaction "SC Germany S.A., Compartment Consumer 2021-1" and the preparation therefor, we have met with representatives of Santander Consumer Bank AG to conduct a virtual due diligence meeting on 12 July 2021. We have also obtained an updated Due Diligence Presentation as of April 2022 relating to the Transaction "SC Germany S.A., Compartment Consumer 2022-1". In addition, we have discussed selected aspects of the Transaction with Santander Consumer Bank AG and legal counsel



and obtained additional information on the transaction structure, the underwriting and servicing procedures of Santander Consumer Bank AG and the underlying transaction documentation.

For the purposes of this Final LCR Assessment, we have reviewed the following documents and other information related to the Transaction:

- Prospectus
- Receivables Purchase Agreement
- Additional information received by e-mail, such as confirmations, comments, etc.

Verification Methodology

The fulfilment of each verification point in this Final LCR Assessment 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	

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 same registered verification label is used by SVI in the context of a CRR Assessment, Article 270 Assessment, LCR Assessment and Gap-Analysis. 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 or set out in the CRR, LCR and other relevant regulations, respectively. 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 LCR Assessment and disclaims any responsibility for monitoring the Issuer’s continuing compliance with these requirements 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 Final LCR Assessment shall be regarded as legal advice in any jurisdiction.

Accordingly, the Final LCR Assessment 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 or its status under the LCR and/or the CRR. Therefore, no person should rely on the Final LCR Assessment 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 to SVI or in any of the documents are true, not misleading and complete.

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 Final LCR Assessment 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 Final LCR Assessment.

LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final LCR Assessment in capital spelling, please refer to the defined terms in Schedule 1 “DEFINITIONS” in the Prospectus.

BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
Closing Date	27 October 2022
CMBS	Commercial Mortgage-Backed Securitisation
CRR	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
Due Diligence Presentation	Due Diligence Presentation dated April 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
Fitch	Fitch Deutschland GmbH
ECAI	External credit assessment institution
ESMA	European Securities Markets Authority
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction.
HQLA	High Quality Liquid Assets
Issuer	SC Germany S.A., acting on behalf and for the account of its Compartment Consumer 2022-1
LCR	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
Level 2B Securitisations	Asset-backed securities as referred to in Article 12(1)(a) of the LCR that fulfil the requirements of Article 13 of the LCR
Moody's	Moody's Investors Service Limited
Originator	Santander Consumer Bank AG
Prospectus	Prospectus dated 24 October 2022
RMBS	Residential Mortgage-Backed Securitisation

RTS on Homogeneity	Commission Delegated Regulation (EU) 2019/1851 dated 28 May 2019 supplementing the Securitisation Regulation with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation
Securitisation Regulation	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended by Regulation (EU) 2021/557 of 31 March 2021
Seller	Santander Consumer Bank AG
Servicer	Santander Consumer Bank AG
SPV	Special Purpose Vehicle or Issuer
STS Criteria	Articles 19 - 26e of the Securitisation Regulation, setting out criteria for simple, transparent and standardised securitisations
Transaction	The securitisation of consumer loan receivables involving SC Germany S.A., Compartment Consumer 2022-1 as Issuer

#	Criterion Article 13, Paragraph 1 of the LCR	LCR Assessment
1	Qualification of the securitisation position as STS securitisation and fulfilment of additional criteria	<p><u>Verification Method</u>: Legal (Prospectus) / Regulatory (STS Notification, STS Verification Report)</p> <p>The Transaction and therefore also the Securitisation Position will be notified according to Article 27 (1) of the Securitisation Regulation by the Seller to ESMA as meeting the requirements of Articles 20 – 22 of the Securitisation Regulation in respect of non-ABCP securitisations, see Section “THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS”, Subsection “Reporting under the Securitisation Regulation” in the Prospectus. Please also refer to the Final Verification Report prepared by SVI in respect of the Transaction.</p> <p>The additional criteria laid down in paragraph 2 and paragraphs 10 to 13 of Article 13 of the LCR are met, please refer below to #2-8.</p>
#	Criterion Article 13, Paragraph 2 (a) of the LCR	LCR Assessment
2	Credit Rating of the securitisation position	<p><u>Verification Method</u>: Legal (Prospectus), Due Diligence (Rating report)</p> <p>The Class A Notes to be issued by the Issuer are expected to be assigned a AAA(sf) and Aaa(sf) long-term ratings by Fitch and Moody’s, respectively. Both Fitch and Moody’s have the status of a nominated ECAI. Hence, the Securitisation Position will be assigned a credit assessment of credit quality step 1 (AAA or equivalent) by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013.</p>
#	Criterion Article 13, Paragraph 2 (b) of the LCR	LCR Assessment
3	Most senior tranche of the securitisation	<p><u>Verification Method</u>: Legal (Prospectus)</p> <p>The Securitisation Position is the most senior tranche issued by the Issuer under the Transaction and possesses the highest level of seniority at all times during the ongoing life of the Transaction, see Section “TERMS AND CONDITIONS OF THE NOTES”, Subsections “STATUS AND PRIORITY” of the Prospectus.</p> <p>The Class A Notes represent the most senior tranche given that, following the occurrence of an Issuer Event of Default, the Class A Notes are not subordinated to other tranches (in particular the Class B Notes) of the Transaction in respect of receiving principal and interest payments. The Transaction Documents clearly specify the Priorities of Payment (Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments), see</p>

		Schedule 1 "DEFINITIONS", definition of "Priorities of Payment" of the Prospectus and the event which trigger changes in such Priority of Payments, see Section "OUTLINE OF THE TRANSACTION", Subsection "Issuer Event of Default" of the Prospectus.
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#	Criterion Article 13, Paragraph 2 (g) of the LCR	LCR Assessment
4	Homogeneity requirements	<p><u>Verification Method:</u> Legal (Prospectus), Data</p> <p>The Securitisation Position is backed by a pool of homogeneous underlying exposures, which all belong to only one subcategory, namely 'loans and credit facilities to individuals resident in a Member State (Germany) for personal, family or household consumption purposes', please refer to Article 13, Paragraph 2 (g) (v) of the LCR.</p>

#	Criterion Article 13, Paragraph 10 of the LCR	LCR Assessment
5	Securitisation position not held by the credit institution or group company that originated the underlying exposures	<p><u>Verification Method:</u> Legal (Prospectus), Due Diligence (explicit confirmation by the originator)</p> <p>The underlying exposures have been originated by Santander Consumer Bank AG acting as Originator and Seller. For the purpose of compliance with this requirement it is assumed that the credit institution holding the Securitisation Position in its liquidity buffer is not the Originator, any of its subsidiaries, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with the Originator.</p>

#	Criterion Article 13, Paragraph 11 of the LCR	LCR Assessment
6	Requirement regarding Tranche Size	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>The Nominal Amount of the Class A Notes amounts to EUR 756 million, hence the issue size of the tranche amount is at least EUR 100 million (or the equivalent amount in domestic currency).</p>

#	Criterion Article 13, Paragraph 12 of the LCR	LCR Assessment
7	Requirements regarding Weighted Average Life of the securitisation position	<p><u>Verification Method:</u> Legal (Prospectus), Data (Cashflow Model)</p> <p>Under all Prepayment Rate assumptions for the Transaction (0.0 % to 35.0 %), the remaining weighted average life of the Class A Notes is in each case less than 5 years, see Section "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS" of the Prospectus.</p>
#	Criterion Article 13, Paragraph 13 of the LCR	LCR Assessment
8	Requirements regarding the Originator	<p><u>Verification Method:</u> Legal (Offering Circular), Due Diligence (explicit confirmation by originator)</p> <p>Santander Consumer Bank AG is a credit institution ("Kreditinstitut") according to §1 German Banking Act (as defined in Article 4(3) of Regulation (EU) No 575/2013) which is regulated by the BaFin as competent national supervisory authority in co-operation with the German central bank (Bundesbank) and by the European Central Bank.</p>
#	Criterion Article 37 of the LCR	LCR Assessment
9	Transitional provisions for RMBS	<p><u>Verification Method:</u> Legal (Offering Circular)</p> <p>The securitised exposures consist exclusively of Receivables relating to credit facilities provided to individuals for personal, family or household consumption purposes (Consumer Loans), hence the exceptions for residential mortgages regarding loan-to-value or loan-to-income requirements do not apply.</p>



As a result of the verifications documented above, we confirm to Santander Consumer Bank AG that the requirements pursuant to 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 for HQLA as Level 2B Securitisations, have been fulfilled for the transaction **“SC Germany S.A., Compartment Consumer 2022-1”**.

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