

Final LCR Assessment

In respect of the Transaction “**SC Germany S.A., Compartment Leasing 2023-1**” (Santander Consumer Leasing GmbH)

13 December 2023



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 Article 29 of the Securitisation Regulation, to act in all EU countries as third party pursuant to Article 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 18 to 26 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) ("CRR Assessment"), (ii) Article 270 (senior positions in synthetic SME 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"). These additional services are carried out after notification to and in agreement with BaFin.

Mandating of SVI and verification steps

On 5 June 2023, SVI has been mandated by the Seller (Santander Consumer Leasing GmbH) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "SC Germany S.A., Compartment Leasing 2023-1" (the "Transaction").

As part of our verification work, we have met with representatives of Santander Consumer Leasing GmbH and Santander Consumer Bank AG to conduct a virtual due diligence meeting on 25 July 2023. In addition, we have discussed selected aspects of the Transaction with



Santander Consumer Leasing GmbH, Santander Consumer Bank AG and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of Santander Consumer Leasing GmbH 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
- Lease Receivables Purchase Agreement
- Incorporated Terms Memorandum
- 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):

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| 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 22 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 Final 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. In particular, SVI has relied on statements made in the offering circular or other legal documentation of the Transaction and based its analysis on information provided directly or indirectly by the Originator or Sponsor of the Transaction. Investors should therefore not evaluate their investment in securitisation positions based on this Final LCR Assessment.

SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

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.



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 defined terms in SCHEDULE 1 “DEFINITIONS” in the Prospectus.

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| AuP | Agreed-upon Procedures |
| BaFin | Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) |
| BDSG | Bundesdatenschutzgesetz |
| CF-Model | Cash Flow-Model |
| Closing Date | 13 December 2023 |
| 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 |
| GDPR | General Data Protection Regulation |
| InsO | Insolvenzordnung (German Insolvency Code) |
| Issuer | SC Germany S.A., acting on behalf and for the account of its Compartment Leasing 2023-1 |
| ITM | Incorporated Terms Memorandum |
| LO | German Legal Opinion |
| LRPA | Lease Receivables Purchase Agreement |
| MAR | Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) |
| Originator | Santander Consumer Leasing GmbH |
| Prospectus | Prospectus dated 11 December 2023 |
| 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 |



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| Santander Consumer Leasing | Santander Consumer Leasing GmbH |
| SC Germany S.A., Compartment Leasing 2023-1 | SC Germany S.A., acting on behalf and for the account of its Compartment Leasing 2023-1 |
| 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 | Santander Consumer Leasing GmbH |
| Servicer | Santander Consumer Leasing GmbH |
| SSPE | Securitisation Special Purpose Entity or Issuer |
| Transaction | The securitisation of auto Lease Receivables involving SC Germany S.A., Compartment Leasing 2023-1 as Issuer |
| Union | The European Union or "EU" |

| # | Criterion Article 13, Paragraph 1 of the LCR | LCR Assessment |
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| 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 “EU Transparency Requirements” 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)</p> <p>The Class A Notes to be issued by the Issuer are expected to be rated AAA(sf) by DBRS and Aaa(sf) by Moody's, see the table on page 9 of the Prospectus. DBRS 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 |
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| 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", Subsection 2. "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, Class C Notes, Class D Notes, the Class E Notes and the Class F Notes) of the Transaction in respect of receiving principal and interest payments, see the Post-Enforcement Priority of Payments following the occurrence of an Issuer Event of Default (please refer to Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 2. "STATUS AND PRIORITY" and Section "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT", Subsection 23. "Post-Enforcement Priority of Payments" of the Prospectus).</p> |
| # | 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 'auto loans and leases to borrowers or lessees established or resident in a Member State (Germany)', please refer to Article 13, paragraph 2 (g) (iv) of the LCR. Furthermore, each Purchased Lease Receivables is secured by the security transfer (<i>Sicherungsübereignung</i>) of legal title to the relevant Vehicle to the Issuer, please refer to Section "ELIGIBILITY CRITERIA", Item (21) of the Prospectus.</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 Leasing acting as Originator / 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 / Seller, any of its subsidiaries, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with the Originator / Seller.</p> |

| # | Criterion Article 13, Paragraph 11 of the LCR | LCR Assessment |
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| 6 | Requirement regarding Tranche Size | <p><u>Verification Method</u>: Legal (Prospectus)</p> <p>The initial Aggregate Outstanding Note Principal Amount of the Class A Notes amounts to EUR 624.7 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 (Cash Flow Model)</p> <p>Under all assumed rates of prepayment of the Purchased Lease Receivables for the Transaction (0% to 11%), 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 (Prospectus), Due Diligence (explicit confirmation by originator)</p> <p>Santander Consumer Leasing GmbH is not a credit institution as defined in Article 4 (3) of the CRR, but pursues one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU, namely 'Financial Leasing' (point 3).</p> |
| # | Criterion Article 37 of the LCR | LCR Assessment |
| 9 | Transitional provisions for RMBS | <p><u>Verification Method</u>: Legal (Prospectus)</p> <p>The securitised exposures consist exclusively of fixed automotive Lease Receivables and the Related Lease Collateral, 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 Leasing GmbH** 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, have been fulfilled for the Transaction "**SC Germany S.A., Compartment Leasing 2023-1**".

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