

# Final Verification Report

In respect of the Transaction „**SC Germany S.A., Compartment Consumer 2023-1**“ (Santander Consumer Bank AG)

24 August 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 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 10 May 2023, 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 2023-1” (the “Transaction”).

As part of our verification work, we have met with representatives of Santander Consumer Bank AG to conduct a virtual due diligence meeting on 30 May 2023. 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 our analysis, we have reviewed the following documents and other information related to the Transaction:

- Prospectus
- German Legal Opinion
- Receivables Purchase Agreement
- Incorporated Terms Memorandum
- Servicing Agreement
- Swap Confirmations
- Transaction Security Agreement
- Account Agreement
- Data Trust Agreement
- Agency Agreement
- Corporate Services Agreement
- Due Diligence Presentation by Santander Consumer Bank AG
- Agreed-upon Procedures Report
- Liability cash flow model
- Additional information received by e-mail, such as confirmations, comments, etc.

## Verification Methodology

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

Criterion is fully met	
Criterion is mostly met, but with comments or requests for missing information	
Criterion not (yet) met 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](http://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 Final Verification Report and disclaims any responsibility for monitoring the issuer’s continuing compliance with these standards or any other aspect of the issuer’s activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

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

Accordingly, the Final 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 Final 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 Final 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 Final Verification Report.

## LIST OF ABBREVIATIONS/DEFINITIONS

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

AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
BDSG	Bundesdatenschutzgesetz
CF-Model	Cash Flow-Model
Closing Date	24 August 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
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
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 Consumer 2023-1
ITM	Incorporated Terms Memorandum
LO	German Legal Opinion
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 Bank AG
Preliminary Prospectus	Preliminary Prospectus dated 10 July 2023
Prospectus	Prospectus dated 21 August 2023
RPA	Receivables Purchase Agreement
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
Santander Consumer Bank	Santander Consumer Bank AG
SC Germany S.A., Compartment Consumer 2023-1	SC Germany S.A., acting on behalf and for the account of its Compartment Consumer 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 Bank AG
Servicer	Santander Consumer Bank AG
SSPE	Securitisation Special Purpose Entity or Issuer
Transaction	The securitisation of consumer loan receivables involving SC Germany S.A., Compartment Consumer 2023-1 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 consumer loan receivables and related ancillary rights ("Purchased Receivables") from Santander Consumer Bank AG ("Originator" and "Servicer", established in Germany) to SC Germany S.A., acting on behalf and for the account of its Compartment Consumer 2023-1 ("Issuer"), a registered securitisation company incorporated under the Laws of Luxembourg. The securitisation transaction will be financed by the issuance of Class A to F Notes.

As described above, the Originator and SSPE involved in the Transaction are established in the Union. Hence, the requirement that the originator, sponsor and 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 <b>true sale</b> and <b>enforceability</b> of such true sale	<p><u>Verification Method:</u> Legal (Legal Opinion, RPA)</p> <p>The transfer of title to the underlying exposures occurs between the Originator and the Issuer through a sale and assignment of the Receivables at the Closing Date (scheduled for 24 August 2023) and each additional Purchase Date.</p> <p>The LO confirms, pursuant to the terms of the RPA, upon fulfilment of the pre-conditions specified therein, the assignment of the Purchased Receivables will be an effective assignment of legal title to such Purchased Receivables from the Seller to the Issuer, which will be recognised by the courts of Germany as being an effective transfer of legal title to such Purchased Receivables from the Seller to the Issuer, and will be binding on any creditors of the Seller, and neither the Seller nor an insolvency administrator of the Seller nor any of its creditors will be able to successfully contest the validity of such transfer. In insolvency proceedings brought against the Seller, following the assignment of the Purchased Receivables pursuant to the terms of the RPA, the Issuer would have a right to segregate (<i>aussondern</i>) the Purchased Receivables from the insolvency estate of the Seller.</p> <p>The LO expressly confirms the enforceability of the Opinion Documents.</p> <p>The LO discusses the applicable avoidance (clawback) rules under German law. These rules cannot be considered as "severe" in the context of the Securitisation Regulation.</p> <p>The LO does not cover the legality, validity and enforceability of the Loan Agreements. However, the Seller represents and warrants (see Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (H) "Existence of Loan Contracts" and SCHEDULE 2 "ELIGIBLE RECEIVABLES", Paragraph 8. Of the RPA) that all Loan Agreements are legally valid, binding and enforceable and the Receivables originated thereunder are assignable.</p>
2	Requirements for the external <b>legal opinion</b>	<p><u>Verification Method:</u> Legal (Legal Opinion)</p> <p>The LO is provided by Jones Day, as German legal advisor to the Seller. Jones Day is a well-known law firm with expertise in the area of securitisation. The LO is given as per the Closing Date of the Transaction</p> <p>The LO has been available on a non-reliance basis to SVI as third-party verification agent and may be disclosed to the competent authorities referred to in Article 29 of Regulation (EU) 2017/2402.</p> <p>The exception from the requirement to provide a legal opinion (repeat issuances in standalone securitisation structure or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same) would apply to the Transaction, but is not used for the Transaction.</p>

#	Criterion Article 20 (2)	Verification Report
3	Specification of <b>severe claw-back provisions</b> : 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, RPA)</p> <p>The relevant jurisdiction whose insolvency laws are relevant for the Transaction as identified in the LO is Germany.</p> <p>The LO does not contain a specific confirmation that the assignment will not be subject to severe claw-back provisions (see above #1).</p> <p>The LO contains standard insolvency related qualifications. Those are mitigated by a no-insolvency representation by the Seller (see Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (D) "No Proceedings" of the RPA). For the purposes of the LO Hogan Lovells International LLP has made no investigation as to the insolvency of the Issuer or any other of the Parties (as defined in the LO).</p>
#	Criterion Article 20 (3)	Verification Report
4	Clarification that certain provisions in the national insolvency laws <b>do not constitute severe claw-back provisions</b>	<p><u>Verification Method</u>: Legal (Legal Opinion)</p> <p>The LO includes customary qualifications and exemptions as to provisions in the applicable German insolvency laws which allow for the invalidation of the transfer of the underlying exposures in the case of fraudulent transfers, unfair prejudice to creditors or transfers intended to improperly favour particular creditors over others, or other circumstances that do not constitute severe claw-back provisions (see also above under #3 for severe claw-back provisions).</p>
#	Criterion Article 20 (4)	Verification Report
5	If the sale and transfer is not taking place directly between the seller and the SPV but <b>intermediate sales</b> take place, is the true sale still fulfilled?	<p><u>Verification Method</u>: Legal (Legal Opinion, RPA)</p> <p>Under the transaction structure used by SC Germany S.A., Compartment Consumer 2023-1, 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.</p>

#	Criterion Article 20 (5)	Verification Report
6	If the <b>transfer of receivables and the perfection take place at a later stage</b> , are the trigger events in relation to the seller's credit quality standing sufficiently defined?	<p><u>Verification Method:</u> Legal (Legal Opinion, RPA)</p> <p>The transfer of the initial Receivables will occur on the Closing Date of the Transaction (scheduled for 24 August 2023) and during the Replenishment Period (please also refer to ##8, 17, 32) the transfer of the Additional Receivables will occur on each additional Purchase Date. As described, there are no circumstances in which the transfer of the underlying exposures will be performed by means of an assignment and perfected at a later stage than at each Purchase Date.</p>
#	Criterion Article 20 (6)	Verification Report
7	<b>Representations and warranties</b> of the seller regarding to the legal condition of the underlying exposures	<p><u>Verification Method:</u> Legal (Prospectus, RPA)</p> <p>The Seller (who is the original lender) represents and warrants that the Purchased Receivables are legally valid, binding and enforceable Loan Contracts and the Related Collateral and that, to the best of its knowledge, the Purchased Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect, see Section "ELIGIBILITY CRITERIA", Items (8), (13) and (14) of the Prospectus and above under #3.</p>
#	Criterion Article 20 (7)	Verification Report
8	Predetermined, clear and documented selection criteria (' <b>eligibility criteria</b> ') (I / II)	<p><u>Verification Method:</u> Legal (Prospectus, RPA)</p> <p>The underlying exposures transferred from the Seller to the SSPE are selected according to predetermined, clear and documented Eligibility Criteria, see Section "ELIGIBILITY CRITERIA" of the Prospectus.</p> <p>A Replenishment Period is provided for in the transaction structure. Under the RPA and subject to certain requirements (see Clause 2 "OFFER" of the RPA), the Seller may offer to sell Additional Receivables up to the Replenishment Available Amount to the Issuer on any subsequent Offer Date during the Replenishment Period. In the offer, the Seller must represent that certain representations and warranties with respect to the relevant Receivable were true and correct on the relevant Purchase Date. To be eligible for a sale to the Issuer under the RPA, each Receivable and any part thereof will have to meet the Eligibility Criteria set out in Section "ELIGIBILITY CRITERIA" of the Prospectus. As a consequence, consistent Eligibility Criteria apply on the Closing Date and each Purchase Date thereafter which falls into the Replenishment Period.</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, amongst others, 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 (RPA) / Due Diligence</p> <p>The underlying exposures in the preliminary and the final pool are selected based on a well-established, random selection process, see Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (Q) "Asset Representations and Warranties" Items (1) and (2) of the RPA.</p> <p>In case a Purchased Receivable did not fulfil the Eligibility Criteria on the relevant Purchase Date, the Seller will be obliged to repurchase the relevant Receivables and any ancillary right for an amount equal to the sum of the Outstanding Principal Amount of the affected portion of any Purchased Receivable and any reduction of the Outstanding Principal Amount of any Purchased Receivable or any other amount owed by a Debtor due to (i) any set-off against the Seller due to a counterclaim of the Debtor or any set-off or equivalent action against the relevant Debtor by the Seller or (ii) any discount or other credit in favour of the Debtor, in each case as of the date of such reduction for such Purchased Receivable, see Schedule 1 "DEFINITIONS", definition of "Deemed Collection" of the Prospectus. There will, however, be no substitution of the ineligible Receivable with a new Receivable during the amortisation period.</p> <p>In addition, the Transaction features a Clean-up Call option. The Seller shall have the right to repurchase all Purchased Receivables (together with any Related Collateral) which have not been sold to a third party on any Payment Date on or following which the Aggregate Outstanding Portfolio Principal Amount has been reduced to less than 10% of the initial Aggregate Outstanding Portfolio Principal Amount as of the first Cut-Off Date, see Clause 21.3 of the RPA.</p> <p>The above-described instances that allow for a repurchase of underlying exposures fall under the individual techniques of portfolio management listed in the EBA Guidelines that should not be considered active portfolio management (e.g. breach of representations or warranties and the exercise of Clean-Up Call options).</p> <p>Generally, the above described repurchase mechanism used in the Transaction (a) does not make the performance of the Transaction dependent both on the performance of the underlying exposures and on the performance of the portfolio management, and (b) is not performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns</p>

		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 <b>homogeneous</b> portfolio in terms of asset classes (I / III)	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>The underlying exposures fall into the asset type according to Article 1 (a) (iii) of the Commission Delegated Regulation (EU) 2019/1851 on Homogeneity (i.e. 'credit facilities provided to individuals for personal, family or household consumption purposes'), see Section "ELIGIBILITY CRITERIA", Item (9) of the Prospectus</p> <p>There is no separate homogeneity factor required according to Article 2 of the Commission Delegated Regulation (EU) 2019/1851 on Homogeneity of the underlying exposures, as credit facilities provided to individuals for personal, family or household consumption purposes fall under the asset classes that are deemed sufficiently homogeneous as asset types, see Recital 5 of the Commission Delegated Regulation (EU) 2019/1851 on the Homogeneity of the underlying exposures.</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> Legal (RPA) / Due Diligence (Credit and Collection Policy)</p> <p>The underlying exposures have been originated in accordance with consistent underwriting standards, as presented in the Due Diligence and further described in #17. No distinction is made between securitised and non-securitised receivables. Please refer also to Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (Q) "Asset Representations and Warranties", Item (4) of the RPA.</p> <p>The same applies to the Credit and Collection Policy, with the underlying exposures being serviced using consistent standards and no distinction being made between securitised and non-securitised receivables. Please refer also to Clause 12.1 "COVENANTS", Paragraph (H), Item (3) of the RPA</p> <p>Please also refer to #35 and #36 for more details on the servicing procedures.</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>There is no separate homogeneity factor required for the asset type 'credit facilities provided to individuals for personal, family or household consumption purposes'. Thus, no requirements in connection with the Eligibility Criteria Verification (as further described in #40) exist.</p>
#	Criterion Article 20 (8)	Verification Report
14	The underlying exposures contain <b>obligations that are contractually binding and enforceable</b>	<p><u>Verification Method</u>: Legal (Legal Opinion, Prospectus)</p> <p>Section "ELIGIBILITY CRITERIA", Items (8), (13) and (14) 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 Contracts under which the relevant Receivables arises. Please also refer to #1.</p>

#	Criterion Article 20 (8)	Verification Report
15	The underlying exposures have <b>defined periodic payment streams</b> and do not include <b>transferable securities</b> other than unlisted corporate bonds	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence / Data (AuP Report)</p> <p>The underlying exposures for the transaction represent standard retail consumer loan receivables originated by Santander Consumer Bank in respect of retail customers that include private individuals and self-employed individuals, see Section "ELIGIBILITY CRITERIA", Item (20) of the Prospectus. For the purposes of the transaction, the Receivables which will be purchased by the Issuer derive from annuity loans with constant monthly instalments during the life of each loan (except for the first instalment or the final instalment). Each instalment is comprised of a portion allocable to interest and a portion allocable to principal under such loan. In general, the interest portion of each instalment under annuity loans decreases in proportion to the principal portion over the life of such loan whereas towards maturity of such loan a greater part of each monthly instalment is allocated to principal. Payments by the Debtors under the Purchased Receivables are due on a monthly basis. Please also refer to Section "ELIGIBILITY CRITERIA", Items (1) and (6) of the Prospectus.</p> <p>As presented during the Due Diligence, the underlying exposures have defined periodic payment streams relating to principal and interest. The Purchased Receivables derive from Loan Contracts which provide for regular monthly instalments resulting in full amortisation. The amortisation occurs on a monthly basis and results in monthly instalment payments consisting of principal and interest. Please also refer to Section "CREDIT STRUCTURE", Subsection "Loan Interest Rates" and Schedule 1 "DEFINITIONS", Definition of "Collections" of the Prospectus.</p> <p>The Eligibility Criteria restrict the underlying exposures to Receivables originated under a Loan Contract. Thus, transferable securities are not 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>
#	Criterion Article 20 (9)	Verification Report
16	Are there any <b>securitisation positions</b> in the portfolio?	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence / Data (AuP Report)</p> <p>The Eligibility Criteria restrict the underlying exposures to Receivables originated under a Loan Contract, thereby assuring that no securitisation position may become part of the portfolio. The compliance of the provisional pool with the Eligibility Criteria has been verified through the Eligibility Criteria Verification (see #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 Seller and not permitted under the Seller's underwriting policy.</p>



#	Criterion Article 20 (10)	Verification Report
17	<b>Origination of underlying exposures in the ordinary course of business</b> of the originator or the original lender	<p><u>Verification Method:</u> Legal (Prospectus, RPA) / Due Diligence (Credit and Collection Policy)</p> <p>Founded in 1957 Santander Consumer Bank AG serves around 3.8 million customers by providing consumer loans for cars (mobility), durable goods (consumer financial services) and retail customers in Germany. Organisation and business processes have been developed over decades. Santander Consumer Bank is subject to the supervision of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) in co-operation with the German Central Bank (Bundesbank) and the European Central Bank in accordance with the German Banking Act (Kreditwesengesetz) (please also refer to Section "THE SELLER", Subsection "Business Activities" of the Prospectus).</p> <p>As presented and discussed in the Due Diligence, the well-developed, highly professional and reasonably automated organisation of Santander Consumer Bank's business procedures is in line with the volume and quantity of business transactions. Sales are made via the 189 branches in Germany as well as through the bank's website and by using dealer partners as a sales channel (direct business), see Section "THE SELLER" of the Prospectus.</p> <p>Santander Consumer Bank's business procedures assure that securitised exposures have been originated in the ordinary course of business and in accordance with uniform standards. The underlying exposures are selected for securitisation using a random selection process. Please refer also to Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (Q) "Asset Representations and Warranties" Items (1) und (4) of the RPA.</p> <p>The underlying exposures are similar to the non-securitised loan contracts in the asset type "credit facilities provided to individuals for personal, family or household consumption purposes" (see definition of "similar exposures" in the EBA Guidelines) due to the strictly random selection process.</p> <p>The Seller confirms that there have been no material changes from prior underwriting standards since the origination of the Purchased Receivables. This was confirmed in the Due Diligence Presentation by Santander Consumer Bank. Furthermore, the Seller shall not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Purchaser, the Servicer (if different) and where such amendment is, in the reasonable opinion of the Seller, expected to result in a loss (<i>Schaden</i>) for the holders of the then outstanding Classes, the Transaction Security Trustee have consented to such amendment in writing, see Section "ELIGIBILITY CRITERIA", Item (1) of the Prospectus together with Clause 12.1 "COVENANTS", Paragraph (H) "Credit and Collection Policy", Item (4) of the RPA.</p>

#	Criterion Article 20 (10)	Verification Report
18	<b>Underwriting standards</b> for securitised exposures are no less stringent than those applied to non-securitised exposures	<p><u>Verification Method:</u> Legal (RPA) / Due Diligence</p> <p>As shown in the Due Diligence Presentation, 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). Please refer to Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (Q) "Asset Representations and Warranties", Item (4) of the RPA.</p> <p>Employees of the Seller or sales staff of car dealers involved in the underwriting do not know whether a risk position currently being processed for application will be securitised at a later stage or not.</p>
19	Where the underlying exposures are <b>residential mortgage loans</b> , does the portfolio include <b>loans that have been self-certified</b> by the loan applicants?	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>The Eligibility Criteria restrict the underlying exposures to Receivables relating to credit facilities provided to individuals for personal, family or household consumption purposes – therefore, residential mortgage loans do not form part of the portfolio.</p>
20	<b>Assessment of the borrower's creditworthiness performed in accordance with certain EU Directives</b> 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 (Prospectus) / Due Diligence</p> <p>Santander Consumer Bank is a credit institution ("Kreditinstitut") according to §1 German Banking Act. As such, the Seller is supervised by BaFin as competent national supervisory authority in co-operation with the German central bank (Bundesbank) and by the European Central Bank. Santander Consumer Bank performs the „Assessment of the borrower's creditworthiness" with respect to Loan Contracts with consumers in accordance with Article 8 of Directive 2008/48/EC.</p>

#	Criterion Article 20 (10)	Verification Report
21	<b>Originator's experience</b> (as an entity or through management and senior staff) in origination of similar risk positions	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>As an institution, the Seller does have substantially more than 5 years of experience in origination and underwriting of exposures similar to those securitised. This has been confirmed in the Due Diligence Presentation. Please also refer to Section "THE SELLER" of the Prospectus and to Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (Q) "Asset Representations and Warranties", Item (5) of the RPA</p>
#	Criterion Article 20 (11)	Verification Report
22	The underlying exposures are <b>transferred without undue delay</b> after selection	<p><u>Verification Method:</u> Legal (Transaction Documents)</p> <p>The dates of the preliminary and final pool cuts are 31 May 2023 and 31 July 2023, respectively. Transfer of the final pool will occur at closing (scheduled for 24 August 2023), i.e. without undue delay. Due to the revolving character of the Transaction, the transfer of the Additional Receivables will occur on each additional Purchase Date.</p>

#	Criterion Article 20 (11)	Verification Report
23	<p>The underlying exposures do not include <b>any defaulted exposures</b> or to <b>debtors/guarantors with impaired creditworthiness</b></p>	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence (Credit and Collection Policy)</p> <p>The Seller is an institution subject to Regulation (EU) 575/2013. As shown in the Due Diligence Presentation and confirmed in the Prospectus the Purchased 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 Seller’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 “ELIGIBILITY CRITERIA”, Item (23) of the Prospectus).</p> <p>Furthermore, the underlying exposures will not include Purchased Receivables relating to a credit-impaired borrower or guarantor who to the best of the Seller’s knowledge (1) has 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 respective Purchase Date; (2) was, at the time of origination, 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 Seller; or (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised (see Section “ELIGIBILITY CRITERIA”, Item (23) of the Prospectus).</p> <p>The Seller represents, with regards to the question which sources of information it has used to identify defaulted exposures and to determine if a borrower or guarantor is credit-impaired, that it has obtained information (1) from the Seller on origination of the exposures, (2) in the course of Santander Consumer Bank’s servicing of the exposures or Santander Consumer Bank’s risk management procedures, or (3) from a third party. Please refer to the Section “CREDIT AND COLLECTION POLICY”, Subsection 1. “CREDIT POLICIES” of the Prospectus. This is in line with the ‘best knowledge’ standard stipulated in the EBA Guidelines.</p> <p>As demonstrated in the Due Diligence Presentation, the Seller has IT systems in place to ensure that defaulted exposures or exposures to debtors/guarantors with impaired creditworthiness are excluded from the Eligible Receivables.</p>

#	Criterion Article 20 (11)	Verification Report
24	The risk positions do not have a <b>credit assessment or a credit score</b> that allows a significantly higher default risk to be expected than for non-securitised risk positions	<p><u>Verification Method:</u> Due Diligence</p> <p>The most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio are the profiles of the retail customers (a distinction is made between private individuals and self-employed individuals), credit agencies' information and financial information as well as past payment behaviour. All of these factors have an impact on the credit score.</p> <p>These factors are the same for securitised and non-securitised exposures due to the strictly random selection process.</p> <p>On this basis, it can be reasonably assumed that – 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 Seller 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 Seller.</p>
#	Criterion Article 20 (12)	Verification Report
25	At the time of the transfer, the <b>debtor has paid at least 1 instalment</b>	<p><u>Verification Method:</u> Legal (Transaction Documents) / Data (AuP Report)</p> <p>The Seller warrants that at least one due Loan Instalment has been fully paid for each Receivable prior to the Cut-Off Date relating to the respective Purchase Date, see Section “ELIGIBILITY CRITERIA”, Item (18) 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 <b>not be predominantly dependent on the sale of assets</b> securing the underlying exposures	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</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 Consumer Loans or any Related Collateral securing the Purchased Receivables. The repayment is entirely linked to the repayment of the Receivables; the repayment of the Receivables in turn is not contingent and does not depend on the sale of the Related Collateral which secure the Receivables. As shown in the Due Diligence Presentation, the Seller's underwriting focuses on the creditworthiness of its debtors rather than on the recoveries derived from the sale of the Related Collateral or other assets securing the Receivables in the case of default.</p>
#	Criterion Article 21 (1)	Verification Report
27	<b>Risk retention</b> (Art. 6.1 of the Securitisation Regulation), usually by the Originator	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>Santander Consumer Bank as the Seller will act as holder of the risk retention and retain for the life of the Transaction a material net economic interest of not less than 5% of the securitised exposures, see Section "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Subsection "EU Risk Retention Requirements" of the Prospectus.</p> <p>Santander Consumer Bank - in its capacity as "originator" within the meaning of the EU Securitisation Regulation - will retain on an ongoing basis for the life of the transaction, a material net economic interest in accordance with Article 6(3)(c) of the EU Securitisation Regulation through an interest in randomly selected exposures of not less than 5% of the securitised exposures. Please refer to Section "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Subsection "EU Risk Retention Requirements" of the Prospectus.</p> <p>The Monthly Reports will also set out monthly confirmation as to the Seller's continued holding of the risk retention, as confirmed by the Servicer (see Section "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Subsection "Reporting under the Securitisation Regulation" of the Prospectus).</p> <p>The legal obligation of the Seller to hold the risk retention during the lifetime of the transaction is entered into according to Section "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Subsection "EU Risk Retention Requirements" of the Prospectus.</p>

#	Criterion Article 21 (2)	Verification Report
28	<b>Appropriate hedging</b> of interest rate and currency risks, no derivatives as underlying risk positions (I / II)	<p><u>Verification Method:</u> Legal (Prospectus / Swap Agreement)</p> <p>Since the Receivables are fixed rate and the Class A to Class F Notes are floating rate, interest rate risks arise from such mismatch. Both assets and liabilities of the Issuer are EUR denominated hence no currency risk occurs.</p> <p>The Receivables bear interest at fixed rates while the Class A to Class F Notes will bear interest at floating rates based on 1-M-EURIBOR. Interest rate risks for the Class A to Class F Notes are hedged appropriately with a fixed-floating interest rate swap. To ensure that the Issuer will not be exposed to any material interest rate discrepancy, the Issuer and the Interest Swap Counterparty have entered into a Swap Agreement under which the Issuer will make payments by reference to a fixed rate and the Interest Swap Counterparty will make payments by reference to EURIBOR under the Swap Agreement, in each case calculated with respect to the notional amount as determined under the Swap Agreement. Please refer to Section "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS", Subsection "Swap Agreement" of the Prospectus.</p> <p>No further risks in addition to interest rate risks are hedged under the interest rate hedge agreement.</p>

#	Criterion Article 21 (2)	Verification Report
29	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (II / II)	<p><u>Verification Method:</u> Legal (Prospectus / Swap Agreement)</p> <p>The legal instrument used by the Issuer to hedge interest rate risks is the Swap Agreement for the Class A to Class F Notes, see in this regard Section "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS", Subsection "Swap Agreement" of the Prospectus.</p> <p>The agreement considers any potential asset liability mismatch by referencing to the outstanding notes balance, and the agreement is based on the 2002 ISDA Master Agreement as established market standard, see Schedule 1 "DEFINTIONS", Definition of "Swap Agreement" of the Prospectus.</p> <p>The requirements for eligible swap counterparties are market standard in international finance, see Section "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS", Subsection "Swap Agreement" of the Prospectus.</p>

#	Criterion Article 21 (3)	Verification Report
30	Generally used <b>reference rates</b> for interest payments	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>No reference rates apply to the Receivables which bear fixed interest rates.</p> <p>The Class A to Class F Notes will bear interest at floating rates based on 1-M-EURIBOR, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 6.3 "Interest Rate" in the Prospectus as well as Schedule 1 "DEFINITIONS", definition of "EURIBOR" of the Prospectus, constituting a market standard reference rate.</p> <p>The interest for the Accounts of the Issuer will be based on €STR, also constituting a market standard reference rate.</p> <p>Currency hedges are not provided for in the transaction structure as both the Receivables and the Notes are denominated in EUR.</p>
#	Criterion Article 21 (4)	Verification Report
31	<b>Requirements in the event of an enforcement</b> or delivery of an acceleration notice	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>After the occurrence of an Issuer Event of Default the Priorities of Payment will change from "Pre-Enforcement Priority of Payments" to "Post-Enforcement Priority of Payments", please refer to the Section "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT", Subsection 19 "PAYMENTS UPON OCCURRENCE OF AN ISSUER EVENT OF DEFAULT" of the Prospectus. The following conditions will be fulfilled following an Issuer Event of Default according to the Transaction Documents:</p> <p>(a) No cash will be retained with the Issuer, see Section "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT", Subsection 22 "POST-ENFORCEMENT PRIORITY OF PAYMENTS" of 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 "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT", Subsection 22 "POST-ENFORCEMENT PRIORITY OF PAYMENTS" of the Prospectus.</p> <p>(c) interest and principal payments are first made for the Class A Notes and then interest and principal payments are made for the subsequent Notes, hence repayments are not reversed with regard to their seniority, see Section "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT", Subsection 22 "POST-ENFORCEMENT PRIORITY OF PAYMENTS" of the Prospectus.</p> <p>(d) no automatic liquidation or sale of risk positions or assets is provided for, see Section "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT", Subsection 22 "POST-ENFORCEMENT PRIORITY OF PAYMENTS" of the Prospectus.</p>



#	Criterion Article 21 (5)	Verification Report
32	<p><b>Sequential repayment as fall-back</b> in the event of a deterioration in portfolio quality for Transactions that feature a <b>non-sequential priority of payments</b></p>	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>On each Payment Date following the expiration of the Replenishment Period, before the occurrence of a Sequential Payment Trigger Event, the Notes (other than for Class F Notes) shall be redeemed in accordance with the Pre-Enforcement Principal Priority of Payments on a pro rata basis, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 7.2 "Amortisation" of the Prospectus.</p> <p>The Transaction Documents clearly specify performance triggers that ensure if and to what extent a pro-rata amortisation can occur, see Schedule 1 "DEFINITIONS", definition of "Sequential Payment Trigger Event" of the Prospectus. The Sequential Payment Trigger Event include, inter alia, the following triggers:</p> <ul style="list-style-type: none"> <li>• the Payment Date on which the Cumulative Net Loss Ratio is greater than the Cumulative Net Loss Trigger;</li> <li>• the Payment Date on which the Principal Deficiency Ledger has a debit balance in an amount equal to or higher than EUR 16,000,000;</li> <li>• the Payment Date on which the Three Months Rolling Average Dynamic Net Loss Ratio is greater than 0.42%;</li> </ul> <p>Hence, such Triggers include the deterioration in the credit quality of the underlying exposures below a predetermined threshold.</p> <p>Following the occurrence of a Sequential Payment Trigger Event and as set forth in the Pre-Enforcement Principal Priority of Payments, the Notes will be subject to redemption in accordance with the Pre-Enforcement Principal Priority of Payments sequentially in the following order: first, the Class A Notes until full redemption, second, the Class B Notes until full redemption, third, the Class C Notes until full redemption, fourth, the Class D Notes until full redemption, fifth, the Class E Notes until full redemption and sixth, the Class F Notes until full redemption, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 7.7 "Pre-Enforcement Principal Priority of Payments" and there "after the occurrence of a Sequential Payment Trigger Event" of the Prospectus.</p> <p>The occurrence of a Sequential Payment Trigger Event is not reversible, see for instance Schedule 1 "DEFINITIONS", definition of "Class A Notes Principal" of the Prospectus.</p> <p>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:	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>The Issuer will only be allowed to purchase Additional Receivables within the Replenishment Period which is defined as follows: The period commencing on the Closing Date and ending on (i) the Payment Date falling in August 2024 (inclusive) or, if earlier, (ii) the date on which an Early Amortisation Event occurs (exclusive), see Schedule 1 "DEFINITIONS", definitions of "Replenishment Period" and "Early Amortisation Event" of the Prospectus. Thus, the Replenishment Period will end either (i) on the Payment Date falling in August 2024 or (ii) upon the occurrence of an Early Amortisation Event. The following events trigger an Early Amortisation Event:</p>
	a) deterioration in the credit quality of the underlying exposures below a predefined threshold	A deterioration in the credit quality of the Purchased Receivables, measured by the Cumulative Loss Ratio to or above a predefined threshold (as set out in Schedule 1 "DEFINITIONS", definition of "Early Amortisation Event", Item (a) of the Prospectus).
	b) insolvency-related events in relation to the Originator or the Servicer	The occurrence of an insolvency-related event with regard to the Servicer (as set out in Schedule 1 "DEFINITIONS", definition of "Early Amortisation Event", Item (c) of the Prospectus).
	c) decline in value of the underlying exposures below a predefined threshold	The value of the Purchased Receivables held by the Issuer falls below a predetermined threshold (as set out in Schedule 1 "DEFINITIONS", definition of "Early Amortisation Event", Item (d) of the Prospectus).
	d) failure to generate sufficient new underlying exposures for replenishments under revolving Transactions	A failure to generate sufficient new Purchased Receivables that meet the predetermined Replenishment Criteria (as set out in Schedule 1 "DEFINITIONS", definition of "Early Amortisation Event", Item (b) of the Prospectus).

#	Criterion Article 21 (7)	Verification Report
34	<p><b>Clear rules</b> 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 Servicer Termination Event, see the Servicing Agreement.</p> <p>Similar provisions for the obligations, duties and responsibilities of other ancillary service providers are provided for the following parties, see the respective descriptions in the Transaction Documents:</p> <ul style="list-style-type: none"> <li>• Transaction Security Trustee (please refer to the Transaction Security Agreement)</li> <li>• Account Bank (please refer to the Account Agreement)</li> <li>• Data Trustee (please refer to the Data Trust Agreement)</li> <li>• Principal Paying Agent, Interest Determination Agent, Cash Administrator and Calculation Agent (please refer to the Agency Agreement)</li> <li>• Corporate Administrator (please refer to the Corporate Services Agreement)</li> </ul> <p>The Transaction Documents 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 (please refer to Section 11 "ACCOUNTS TERMINATION" of the Account Agreement) in case of an Account Bank Event, as set out in Schedule 1 "DEFINITIONS", definitions of "Account Bank Event" and "Account Bank Required Rating" of the Prospectus.</p> <p>Also, detailed provisions exist for the obligations, duties and responsibilities of the Interest Rate Swap Counterparty (see Sections "THE INTEREST RATE SWAP COUNTERPARTY" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Swap Agreement" as well as "CREDIT STRUCTURE – Interest Rate Swap" of the Prospectus).</p>

#	Criterion Article 21 (8)	Verification Report
35	<b>Experience of the Servicer</b> (management and senior staff) in the servicing of exposures of a similar nature to those securitised	<p><u>Verification Method:</u> Legal (Prospectus, Servicing Agreement, RPA) / Due Diligence</p> <p>Santander Consumer Bank is a credit institution (Kreditinstitut) according to §1 German Banking Act. As such, the Seller is supervised by BaFin as competent national supervisory authority in co-operation with the German Central Bank (Bundesbank) and by the European Central Bank.</p> <p>Santander Consumer Bank as the Servicer of the Transaction has well documented and adequate policies, procedures and risk-management controls relating to the servicing of the Receivables originated under the respective underlying Loan Contracts in place.</p> <p>The Prospectus contains information on the experience of Santander Consumer Bank as a Seller and Servicer, see Section "THE SELLER" as well as Section "CREDIT AND COLLECTION POLICY" of the Prospectus together with Clause 6 "Covenants, Representations and Warranties of the Servicer and the Purchaser", Paragraph 6.2 (h) of the Servicing Agreement.</p> <p>In addition, the experience and expertise of the management and the senior staff has been confirmed in the Due Diligence Presentation and in the RPA, see Clause 11.1 "REPRESENTATIONS AND WARRANTIES", Paragraph (Q) "Asset Representations and Warranties", Item (5) of the RPA.</p> <p>As a result, Santander Consumer Bank as Servicer is deemed to have the relevant expertise as an entity being active as Servicer of loan receivables for decades and as Servicer of loan receivables securitisations since 1997, and no contrary findings were observed in the Due Diligence.</p>
36	Appropriate and well documented <b>risk management and service policies</b> , procedures and controls	<p><u>Verification Method:</u> Due Diligence</p> <p>As a result of the regulatory status (see #35 above), Santander Consumer Bank has well established procedures with regard to risk management, servicing and internal control systems in place, and no contrary findings were observed in the Due Diligence.</p>

#	Criterion Article 21 (9)	Verification Report
37	<p>Clear and coherent definitions, regulations and possible measures with regard to the <b>servicing of non-performing exposures</b>, specification of the <b>priorities of payment</b></p>	<p><u>Verification Method</u>: Legal (Prospectus, Servicing Agreement) / Due Diligence</p> <p>The Credit and Collection Policy of Santander Consumer Bank (see Section "CREDIT AND COLLECTION POLICY" of the Prospectus) which must be complied in respect of the servicing of the Loan Contracts and the Purchased Receivables by the Servicer in accordance with the Servicing Agreement contains a description of procedures related to:</p> <ul style="list-style-type: none"> <li>• Reminders and Modification Procedures</li> <li>• Collection Activities</li> <li>• Sustainable Cure of Delinquent Customers</li> <li>• Enforcement</li> </ul> <p>The loss definition used in the transaction refers to the term "Defaulted Receivables" which means, as of any date, any Purchased Receivable (which is not a Disputed Receivable) which has been declared due and payable in full in accordance with the Credit and Collection Policy.</p> <p>This definition is consistently used in the Prospectus.</p> <p>The Transaction Documents clearly specify the Priorities of Payment (see the "Pre-Enforcement Priority of Payment" and "Post-Enforcement Priority of Payment"), please refer to Section "CREDIT STRUCTURE", Subsection "Pre-Enforcement Priority of Payment" as well as Section "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT", Subsection 22 "POST-ENFORCEMENT PRIORITY OF PAYMENTS" of the Prospectus, and the events which trigger changes in such Priorities of Payment, see Section "OUTLINE OF THE TRANSACTION", Subsection "Issuer Event of Default" of the Prospectus.</p> <p>The procedures presented and discussed in the Due Diligence correspond to the description in the Prospectus and no contrary findings could be observed.</p>

#	Criterion Article 21 (10)	Verification Report
38	<b>Clear rules in the event of conflicts</b> between the different classes of noteholders	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>The Notes will be issued on the basis of the German Act on Debt Securities of 2009 (Schuldverschreibungsgesetz – SchVG), see for instance Section "OUTLINE OF THE TRANSACTION", Subsection "Resolution of Noteholders" as well as Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 12. "RESOLUTION OF NOTEHOLDERS AND MODIFICATIONS" of the Prospectus, providing for clear rules in the event of conflicts between the different classes of Noteholders.</p>
#	Criterion Article 22 (1)	Verification Report
39	Provision of <b>historical performance data</b> before pricing	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>The historical performance data provided through the Arranger relates to the total direct loans originated by the Seller and includes the following areas:</p> <ul style="list-style-type: none"> <li>a) <b>Delinquencies</b> as a monthly delinquency rate for the ageing buckets 1-30 days, 31-60 days, 61-90 days, 91-120 days, 121-150 days and more than 150 days past due (covering the period from January 2014 until March 2023) for the Total Portfolio</li> <li>b) <b>Annualised Prepayments</b> as a monthly prepayment rate (covering the period from January 2014 until March 2023) for the Total Portfolio</li> <li>c) <b>Gross Losses</b> (i.e. before recovery proceeds) in static format on a quarterly basis (covering the period from Q2 2006 until Q1 2023) for the Total Portfolio</li> <li>d) <b>Recoveries</b> (based on customer payments) in static format on a quarterly basis (covering the period from Q2 2006 until Q1 2023) for the Total Portfolio</li> </ul> <p>The data history, which is provided prior to pricing, covers a period of at least 5 years as required under Article 22 (1) of the Securitisation Regulation, see Section "HISTORICAL DATA" in of 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 <b>asset audit</b> based on 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 Originator 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> <p>a) a verification of the compliance of the underlying exposures in the portfolio with the key eligibility criteria (the "<b>Eligibility Criteria Verification</b>"); and</p> <p>b) a verification that the data disclosed to investors in the Preliminary Prospectus in respect of the underlying exposures is accurate (the "<b>Prospectus Data Verification</b>")</p> <p>The sample drawn for the Eligibility Criteria Verification is representative of the securitised portfolio, based on the provisional Portfolio as at 31 May 2023. This is ensured by a sufficiently large sample and random selection, applying a 95% confidence level. The final report prepared by the audit firm with regards to the Eligibility Criteria Verification has been made available to SVI on 5 July 2023. 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 was performed by the audit firm based on the provisional Portfolio as at 31 May 2023. The final report to be prepared by the audit firm on this subject has been made available to SVI on 5 July 2023. This verification is based on a plausibility check in reference to 13 specified stratification tables per preliminary Cut-Off Date 31 May 2023, which comprised a comparison and recalculation of data shown in the Data Tape (containing loan level data) with the information given in the stratifications. The 13 stratification tables are part of the Preliminary Prospectus respectively (please refer to Section "INFORMATION TABLES REGARDING THE PORTFOLIO" of the Prospectus).</p> <p>As a result of the Preliminary Prospectus Data Verification, it can be stated that for each of the stratification tables all numbers shown in the respective stratification table were found to be in agreement with the results of the recalculations. The Preliminary Prospectus Data Verification did not reveal any discrepancies.</p>

#	Criterion Article 22 (3)	Verification Report
41	<p>Provision of a precise <b>liability cash flow model</b> to the investors prior to pricing by the Originator;</p> <p>"precise" refers to the possibility for the investor to calculate the amortisation rate and, based on this, the pricing of the securitisation position</p>	<p><u>Verification Method:</u> 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 <a href="http://www.intex.com">http://www.intex.com</a> (subscription model) under the ticker "SCGMC231". SVI has been granted access to the website and the CF-Model for the SC Germany Compartment Consumer 2023-1 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 F 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 will be made available to potential investors prior to the pricing. The Originator undertakes to provide potential investors with the CF-Model upon request.</p>
#	Criterion Article 22 (4)	Verification Report
42	<p>For residential mortgage loan and auto loan/auto leasing portfolios: publication of information on the <b>environmental performance of the assets</b> financed by such underlying exposures (energy performance certificates)</p>	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>Information on the environmental performance of the assets financed by such underlying exposures (energy performance certificates) are not required for the asset class "credit facilities provided to individuals for personal, family or household consumption purposes".</p>



#	Criterion Article 22 (5)	Verification Report
43	Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding <b>Transparency</b> ) is the responsibility of the Originator or Sponsor	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>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 "THE EU RISK RETENTION AND EU TRANSPARENCY REQUIREMENTS", Subsection "Reporting under the Securitisation Regulation" of the Prospectus that it will fulfil the provisions of Art. 7 of the Securitisation Regulation as follows:</p> <ul style="list-style-type: none"> <li>• Art. 7 (1) (a): Loan level data have been made available prior to pricing and will be made available at the latest one month after the Note Issuance Date (scheduled for 24 August 2023) and then on a monthly basis.</li> <li>• Art. 7 (1) (b): The relevant Transaction Documents in draft form have been made available prior to pricing on the website of the European DataWarehouse at <a href="http://www.eurodw.eu">www.eurodw.eu</a>. The Transaction Documents will be available in final form on and after the Closing Date on the same website.</li> <li>• Art. 7 (1) (c): Not applicable.</li> <li>• Art. 7 (1) (d): In accordance with the RTS for notification, the notification has been provided to investors in draft form prior to pricing and will be provided in final form not later than 15 days after closing.</li> <li>• Art. 7 (1) (e): The investor report will be made available for the first time at the latest one month after the first Payment Date and then at least on a quarterly basis.</li> <li>• Art. 7 (1) (f): Ad hoc announcements will be published as soon as they need to be published under the MAR.</li> <li>• Art. 7 (1) (g): If a "Significant Event" occurs, investors will be informed immediately.</li> </ul>

As a result of the verifications documented above, we confirm to Santander Consumer Bank AG 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 “**SC Germany S.A., Compartment Consumer 2023-1**” have been fulfilled.

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