

Final CRR Assessment

In respect of the Transaction "**SC Germany S.A., Compartment Consumer 2024-1**" (Santander Consumer Bank AG)

23 May 2024



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 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) (“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”).

Mandating of SVI and verification steps

On 1 February 2024, SVI has been mandated by the Seller (Santander Consumer Bank AG) to verify compliance with Article 243 (2) of the CRR for the securitisation transaction “SC Germany S.A., Compartment Consumer 2024-1” (the “Transaction”).

As part of our verification work for the previous SC Germany S.A., Compartment Consumer 2023-1 transaction, we have met with representatives of Santander Consumer Bank AG to conduct a virtual due diligence meeting on 30 May 2023 and received an updated Due Diligence Presentation as of February 2024. 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 CRR 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 CRR 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 18 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 Final CRR 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 CRR Assessment shall be regarded as legal advice in any jurisdiction.

Accordingly, the Final CRR 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 CRR 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 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 CRR 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 CRR Assessment.

LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final CRR 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)
CF-Model	Cash Flow-Model
Closing Date	23 May 2024
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
Due Diligence Presentation	Due Diligence Presentation dated February 2024
EBA	European Banking Authority
EBA Guidelines	Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
ESAs	European supervisory authorities (EBA, EIOPA and ESMA)
ESMA	European Securities and Markets Authority
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	SC Germany S.A., acting on behalf and for the account of its Compartment Consumer 2024-1
ITM	Incorporated Terms Memorandum

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
Prospectus	Prospectus dated 21 May 2024
RPA	Receivables Purchase Agreement
RTS on Homogeneity	Commission delegated Regulation (EU) 2024/584 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/1851 as regards the homogeneity of the underlying exposures in simple, transparent and standardised securitisations dated 7 November 2023
RTS on Risk Retention	Commission delegated Regulation (EU) 2023/2175 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying in greater detail the risk retention requirements for originators, sponsors, original lenders, and servicers dated 7 July 2023
Santander Consumer Bank	Santander Consumer Bank AG
SC Germany S.A., Compartment Consumer 2024-1	SC Germany S.A., acting on behalf and for the account of its Compartment Consumer 2024-1
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, as amended by Regulation (EU) 2021/557 of 31 March 2021
Seller	Santander Consumer Bank AG
Servicer	Santander Consumer Bank AG
SSPE	Securitisation Special Purpose Entity or Issuer
Standardised Approach	The regulatory capital requirements according to Part 3, Title II, Chapter 2 of the CRR
STS Requirements	The requirements for simple, transparent and standardised securitisation in respect of a non-ABCP transaction as set out in Articles 19 to 22 of the Securitisation Regulation

Transaction	The securitisation of consumer loan receivables involving SC Germany S.A., Compartment Consumer 2024-1 as Issuer
Union	The European Union or "EU"

#	Criterion Article 243 (2)	CRR Assessment
1	Qualification of the securitisation position as STS securitisation	<p><u>Verification Method</u>: Legal / Regulatory</p> <p>The Transaction and therefore also the Securitisation Position will be notified according to Article 27 (1) of the Securitisation Regulation by the Originator 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>

#	Criterion Article 243 (2) (a)	CRR Assessment
2	Granularity of the securitised portfolio in terms of single obligor concentrations	<p><u>Verification Method</u>: Legal</p> <p>At any time during the Replenishment Period, the sum of the Outstanding Principal Amount of the Receivable and the aggregate Outstanding Portfolio Principal Amount of any other Receivable to be purchased on the same Purchase Date and all Purchased Receivables owed by the same Debtor does not exceed EUR 200,000, as confirmed in Section "ELIGIBILITY CRITERIA", Item (19) (c) of the Prospectus. It should also be noted that the top 25 Debtors represent 0.2075% of the Current Principal Balance of all Receivables of the Portfolio as of 30 April 2024, please refer to Section "INFORMATION TABLES REGARDING THE PORTFOLIO", Table 3 "Borrower Concentration" of the Prospectus.</p> <p>Furthermore, the Seller confirms that there is no group of connected clients with an aggregate outstanding principal balance which exceeds 2% and is able to monitor compliance with such limit on the Closing Date, during the Replenishment Period and during the amortisation period of the Transaction.</p> <p>The underlying exposures represent Loan Agreements and/or Related Security and do not include any securitised residual leasing values. Hence, Article 243 (2) (a) 2nd Paragraph of the CRR is not applicable to the Transaction.</p>

#	Criterion Article 243 (2) (b)	CRR Assessment
3	Maximum risk weight under the Standardised Approach	<p><u>Verification Method</u>: Legal / Due Diligence</p> <p>None of the underlying exposures are secured by residential mortgages or commercial mortgages, therefore Article 243(2) (b) (i) and (ii) are not applicable.</p> <p>The underlying Loan Agreements have been entered into exclusively with Debtors who are individuals (private individuals or self-employed individuals). Each of them is a resident in Germany at the time of the signing of the relevant Loan Agreement and none of them is - to the best of the Seller's knowledge - a credit-impaired debtor, please refer to Section "ELIGIBILITY CRITERIA", Items (20) and (23) of the Prospectus.</p> <p>The portfolio contains Loan Agreements that have been entered with Debtors that fall into the 'retail exposure' category of Article 243(2) (b) (iii) of the CRR as (i) the exposure is to a natural person, (ii) the exposure is one of a significant number of exposures with similar characteristics, and (iii) the total amount owed by the obligor client or group of connected clients does not exceed EUR 1 million, see Article 123 of the CRR. As a result, these retail exposures would have a risk weight equal to or smaller than 75% under the Standardised Approach.</p> <p>Therefore, the underlying exposures meet the conditions for being assigned under the Standardised Approach and, taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 75% on an individual exposure basis for retail exposures in accordance with Article 123 of the CRR.</p>

#	Criterion Article 243 (2) (c)	CRR Assessment
4	Inclusion of loans secured by lower ranking security rights for RMBS and CMBS	<p><u>Verification Method</u>: Legal</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 (Consumer Loans) – therefore, residential mortgage loans do not form part of the portfolio, see Section "ELIGIBILITY CRITERIA", Item (20) of the Prospectus.</p>

#	Criterion Article 243 (2) (d)	CRR Assessment
5	Maximum loan-to-value for RMBS	<p><u>Verification Method</u>: Legal</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 (Consumer Loans) – therefore, residential mortgage loans do not form part of the portfolio, see Section “ELIGIBILITY CRITERIA”, Item (20) of the Prospectus.</p>

As a result of the verifications documented above, we confirm to **Santander Consumer Bank AG** that the requirement pursuant to Article 243 (2) of Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, have been fulfilled for the transaction "**SC Germany S.A., Compartment Consumer 2024-1**".

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