

# Final LCR Assessment

In respect of the Transaction **“TREVA Equipment Finance S.A., acting in respect of its Compartment 2021-1”**  
(PEAC (Germany) GmbH)

17 November 2021



## **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 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) ("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 11 August 2021, SVI has been mandated by the Seller (PEAC (Germany) GmbH) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "TREVA Equipment Finance S.A., Compartment 2021-1" (the "Transaction").

As part of our verification work, we have met with representatives of PEAC (Germany) GmbH to conduct a virtual due diligence meeting on 10 November 2020. In addition, we have discussed selected aspects of the Transaction with PEAC (Germany) GmbH and the legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of PEAC (Germany) GmbH and the underlying transaction documentation.



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

- Offering Circular
- Additional information received by e-mail, such as confirmations, comments, etc.

### Verification Methodology

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

Criterion is fully met	
Criterion is mostly met, but with comments or requests for missing information	
Criterion not (yet) met based on available information	



## **Disclaimer of SVI**

SVI grants a registered verification label “verified – STS VERIFICATION INTERNATIONAL” if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26 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 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 LCR Assessment.

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

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons to SVI or in any of the documents are true, not misleading and complete.

## LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final LCR Assessment in capital spelling, please refer to the defined terms in the Section “Master Definitions Schedule” of the OC.

BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
CF-Model	Cash Flow-Model
Closing Date	17 November 2021
CMBS	Commercial Mortgage-Backed Securitisation
CRR	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
DBRS	DBRS Ratings GmbH
Due Diligence Presentation	Due Diligence Presentation prepared by PEAC
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
ECAI	External credit assessment institution
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Fitch	Fitch Deutschland GmbH
LCR	Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions
Level 2B Securitisations	Asset-backed securities as referred to in Article 12(1)(a) of the LCR that fulfil the requirements of Article 13 of the LCR
LO	German Legal Opinion
Issuer	TREVA Equipment Finance S.A., Compartment 2021-1
OC	Offering Circular dated 15 November 2021
Originator	PEAC (Germany) GmbH
PEAC	PEAC (Germany) GmbH
Preliminary Verification Report	Preliminary Verification Report prepared by SVI in respect of the Transaction

RMBS	Residential Mortgage-Backed Securitisation
Securitisation Position	In respect of the Transaction and for the purposes of fulfilment of the requirements for HQLA/Level 2B Securitisations, the Class A Notes issued by the Issuer
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	PEAC (Germany) GmbH
Servicer	PEAC (Germany) GmbH
SME	Small or medium-sized enterprise
SPV	Special Purpose Vehicle or Issuer
Transaction	The securitisation of commercial lease and hire purchase receivables involving TREVA Equipment Finance S.A., acting in respect of its Compartment 2021-1 as Issuer
TREVA Equipment Finance S.A.	TREVA Equipment Finance S.A., acting in respect of its Compartment 2021-1

#	Criterion Article 13, Paragraph 1 of the LCR	LCR Assessment
1	Qualification of the securitisation position as <b>STS securitisation and fulfilment of additional criteria</b>	<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 19 – 22 of the Securitisation Regulation in respect of non-ABCP securitisations, see Section "COMPLIANCE WITH EU STS REQUIREMENTS" in the OC. 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	<b>Credit Rating</b> of the securitisation position	<p><u>Verification Method</u>: Legal (Prospectus), Due Diligence (Rating report)</p> <p>The Class A Notes to be issued by the Issuer have been assigned a AAA (sf) and AAAsf long-term ratings by DBRS and Fitch, respectively. Both DBRS and Fitch have the status of a nominated ECAI. Hence, the Securitisation Position has been assigned a credit assessment of credit quality step 1 (AAA or equivalent) by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013.</p>

#	Criterion Article 13, Paragraph 2 (b) of the LCR	LCR Assessment
3	<b>Most senior tranche of the securitisation</b>	<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 9. "Applicable Priority of Payments" of the OC.</p> <p>The Class A Notes represent the most senior tranche given that, following the occurrence of an Enforcement Event, the Class A Notes are not subordinated to other tranches (in particular the Class B Notes) of the Transaction in respect of receiving principal and interest payments, see the Post-Enforcement Priority of Payments (please refer to Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 9. "Applicable Priority of Payments", Paragraph 9.2 "Post-Enforcement Priority of Payments" of the OC).</p>

#	Criterion Article 13, Paragraph 2 (g) of the LCR	LCR Assessment
4	<b>Homogeneity requirements</b>	<p><u>Verification Method:</u> Legal (Offering Circular), Data</p> <p>The Securitisation Position is backed by a pool of homogeneous underlying exposures, which – as warranted by PEAC (please refer to Section "DESCRIPTION OF THE PORTFOLIO AND OF THE LEASE COLLATERAL", 1. "Eligibility Criteria", Items (b) and (m) and 2. "Seller Receivables Warranties", Item (b) of the OC) - all belong to only one subcategory, namely commercial loans, leases and credit facilities to undertakings established in a Member State (Germany) to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium-sized enterprises at the time of issuance of the securitisation, and none of the borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013, see Article 13, paragraph 2 (g) (iii) of the LCR.</p>



#	Criterion Article 13, Paragraph 10 of the LCR	LCR Assessment
5	Securitisation position <b>not held by the credit institution or group company that originated the underlying exposures</b>	<p><u>Verification Method</u>: Legal (Offering Circular), Due Diligence (explicit confirmation by the originator)</p> <p>The underlying exposures have been originated by PEAC (Germany) GmbH acting as Originator. 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 one of the Originator, any of their subsidiaries, their parent undertaking, a subsidiary of their parent undertaking or any other undertaking closely linked with the Originator.</p>

#	Criterion Article 13, Paragraph 11 of the LCR	LCR Assessment
6	Requirement regarding <b>Tranche Size</b>	<p><u>Verification Method</u>: Legal (Offering Circular)</p> <p>The nominal amount of the Class A Notes is expected to amount to approximately EUR 320,000,000, 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 <b>Weighted Average Life</b> of the securitisation position	<p><u>Verification Method</u>: Legal (Offering Circular), Data (Cashflow Model)</p> <p>Under all Prepayment Rate assumptions for the Transaction (0% to 20%), the remaining weighted average life of the Class A Notes is in each case less than 5 years, please refer to the Section "EXPECTED MATURITY AND AVERAGE LIFE OF RATED NOTES AND ASSUMPTIONS" of the OC.</p>

#	Criterion Article 13, Paragraph 13 of the LCR	LCR Assessment
8	Requirements regarding the <b>Originator</b>	<p><u>Verification Method</u>: Legal (Offering Circular), Due Diligence (explicit confirmation by originator)</p> <p>The Originator is a credit institution as defined in Article 4 (3) of the CRR which is regulated by the German Federal Financial Supervisory Authority (BaFin).</p>

#	Criterion Article 37 of the LCR	LCR Assessment
9	<b>Transitional provisions for RMBS</b>	<p><u>Verification Method</u>: Legal (Offering Circular)</p> <p>The securitised exposures consist exclusively of commercial lease and hire purchase receivables, 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 PEAC (GERMANY) 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 for HQLA as Level 2B Securitisations, have been fulfilled for the transaction **“TREVA Equipment Finance S.A., Compartment 2021-1”**.

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