RevoCar 2021-2 UG (haftungsbeschraenkt)

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Closing occurred on 21 October 2021. The transfer of the portfolio to the issuer occurred on 21 October 2021. The ratings assigned above are based on the portfolio information as of 30 June 2021 and updated as of 30 September 2021, provided by the originators.

Ratings are not a recommendation to buy, sell or hold any security. The prospectus and other material should be reviewed prior to any purchase.

Representations, Warranties and Enforcement Mechanisms Appendix

Capital Structure

Class	Rating	Outlook	Amount (EURm)	CE (%)	Interest Rate (%)	Legal Final Maturity
A	AAAsf	Stable	460.7	7.86	1m Euribor + 0.35	September 2036
B	Asf	Stable	25.5	2.76	0.90	September 2036
C	BBBsf	Stable	7.5	1.26	2.25	September 2036
D	BBsf	Stable	3.8	0.5	3.75	September 2036
E	NRsf	Stable	2.5	n/a	6.50	September 2036
Total			**500.0**			

Notes: Credit enhancement (CE) consists of overcollateralisation based on a total asset pool of EUR 500 million. In addition, the structure benefits from lifetime excess spread of 4.3%-5.3% that may be used to cure defaults as they occur

RevoCar 2021-2 UG (haftungsbeschraenkt) (RevoCar 2021-2) is the latest of several past public securitisations of German auto loan receivables under the RevoCar brand. The receivables are granted to private and commercial customers by Bank11 für Privatkunden und Handel GmbH (Bank11) and may contain balloon portions. Additional receivables will be purchased during the two-year revolving period.

Key Rating Drivers

Default Expectations Anticipate Recovery: Fitch Ratings has assigned a default base case at 1.9%. It incorporates Fitch's expectation of a continued economic recovery from the coronavirus pandemic and an expected slight shift towards a larger 'balloon' loan share during replenishment. The risks resulting from balloon payments and the revolving period motivate our 6.25x multiple at 'AAA'.

NPL Sales Improve Recovery Expectations: Recovery data provided for RevoCar 2021-2 reflected proceeds from NPL sales, which were excluded in previous data deliveries. We assigned a 5pp higher recovery base case at 45% compared to RevoCar 2020, the most recent Fitch-rated RevoCar transaction, and maintained the haircut of 50%.

Combined Waterfall And Strictly Sequential Amortisation: The transaction benefits from a combined waterfall for interest and principal receipts, which means that excess spread and principal receipts are available to cover timely payment obligations (senior fees and class A interest). The notes are amortised sequentially, so all available funds are used to redeem the senior notes before any junior notes receive funds for redemption.

Limited Pool Migration Potential: Fitch views the potential for adverse portfolio migration to be limited over the two-year revolving period. Most replenishment criteria are close to initial pool attributes. Fitch considers the performance triggers adequate to stop the revolving period in case of higher-than-expected losses or insufficient excess spread.

Prepayments Exposed to Commingling: All scheduled payments are remitted to the issuer's accounts daily, but prepayments are transferred monthly. A reserve does not fully cover the risk of commingling these collections. We incorporated potential loss from commingled collections by deducting the exposed amount (0.5% initial balance) from the receivables balance at closing.

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Highlights

Highlights

Effect	Highlight
+	**Only standard loans securitised:** In some prior RevoCar securitisations, the majority of the pool consisted of 'EvoSuperSmart' balloon loans, which had additional optionality for borrowers. The product is no longer offered by Bank11 and will not be eligible for inclusion in the pool. This decreases the default assumption compared to past RevoCar transactions as EvoSuperSmart loans performed slightly worse than the loan types securitised in RevoCar 2021-2.
Neutral	**Losses from revocations limited:** Recent court rulings on the validity of consumer loan contracts have reiterated already existing legal concerns. In our understanding, losses in the car value resulting from executed revocations are usually largely offset by the requirement that the borrower pays the originator for the use of the vehicle before revocation. Given limited economic incentives and operational hurdles when revoking the contract, we do not expect a material number of attempts for revocations during the transaction's life. This view is also backed by data from Bank11 that shows the limited number of revocations the bank received among all its borrowers since 2017. Ultimately, as long as the seller is solvent, loans subject to legally effective revocations will be repurchased via deemed collections according to the transaction documents.
Neutral	**Swap as mitigant for class A floating rate:** Prior Fitch-rated RevoCar securitisations had entirely fixed-rate assets and liabilities and no swaps. The class A tranche in this deal has a floating rate coupon linked to Euribor, the risk of which is mitigated through a swap transaction.

Source: Fitch Ratings

The transaction is exposed to Euribor discontinuation, as notes pay a floating rate. The mismatch to fixed-rate assets is covered through swaps. We consider the replacement language provided in swap documentation an acceptable mitigant of the risk of discontinuation.

Euribor Exposure

Assets	Rated Notes	Hedges
Fixed-rate	Class A is a floating rate note referencing one-month Euribor, subject to a floor of zero.	SPV pays a fixed rate and receives one-month Euribor, floored at -0.35%.

Source: Fitch Ratings, RevoCar 2021-2 UG

Key Transaction Parties

Key Transaction Parties

Role	Name	Fitch Rating
Issuer	RevoCar 2021-2 UG (haftungsbeschränkt)	Not rated
Originator, servicer and seller	Bank11 für Privatkunden und Handel GmbH	Not rated
Account bank	BNP Paribas Securities Services, Frankfurt Branch	A+/Stable/F1
Paying agent and cash administrator	BNP Paribas Securities Services, Luxembourg Branch	A+/Stable/F1
Swap counterparty	UniCredit Bank AG	BBB/Negative/F2
Arranger	UniCredit Bank AG	BBB/Negative/F2
Trustee	Wilmington Trust SP Services (Dublin) Limited	Not rated
Corporate services provider, substitute servicer facilitator	Wilmington Trust SP Services (Frankfurt) GmbH	Not rated

Source: Fitch Ratings, Bank11

Key Rating Driver (Negative/Positive/Neutral)

Rating impact	Key rating driver
Neutral	Default Expectations Anticipate Recovery
Positive	NPL Sales Improve Recovery Expectations
Positive	Combined Waterfall And Strictly Sequential Amortisation
Positive	Limited Pool Migration Potential
Positive	Commingling Exposure Partially Mitigated

Source: Fitch Ratings

Applicable Criteria

Global Structured Finance Rating Criteria (March 2021)

Consumer ABS Rating Criteria (November 2020)

Exposure Draft: Structured Finance and Covered Bonds Counterparty Rating Criteria (September 2021)

Exposure Draft: Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (September 2021)

Structured Finance and Covered Bonds Interest Rate Stresses Criteria (September 2021)

Related Research

European Consumer ABS Maintains Strong Performance Ahead of Support Phase-Out (June 2021)

Global Structured Finance Coronavirus Performance Report: 3Q21 (July 2021)

ECJ Ruling Heightens Legal Uncertainties in German Auto ABS (September 2021)

Global Economic Outlook (September 2021)

Transaction Comparisons

Transaction Comparison

	RevoCar 2021-2	RevoCar 2020	RevoCar 2019-2	Red&Black Auto Germany 8 UG	Globaldrive Auto Receivables 2021-A B.V.
Closing	October 2021	June 2020	October 2019	October 2021	March 2021
Country of assets	Germany	Germany	Germany	Germany	Germany
Seller	Bank11 für Privatkunden und Handel GmbH	Bank11 für Privatkunden und Handel GmbH	Bank11 für Privatkunden und Handel GmbH	Bank Deutsches Kraftfahrzeug-gewerbe GmbH	Ford Bank GmbH
Static/revolving/pre-funded	Revolving (24 months)	Revolving (24 months)	Revolving (48 months)	Static	Static
Issuance volume (EURm)	500	800	500	1,000	546.5
Capital structure					
Class	A	A	A	A	A
Rating	AAAsf	AAAsf	AAAsf	AAA(EXP)sf	AAAsf
Credit enhancement (%)	7.9	10.3	8.4	6.7	9.0
Class	B	B	B	B	
Rating	Asf	A+sf	A+sf	AAA(EXP)sf	
Credit enhancement (%)	2.8	6.0	3.9	4.2	
Class	C	C	C	C	
Rating	BBBsf	A-sf	BBB+sf	A+(EXP)sf	
Credit enhancement (%)	1.3	4.0	2.1	1.7	
Class	D	D	D	D	
Rating	BBsf	BBB-sf	BBsf	A-(EXP)sf	
Credit enhancement (%)	0.5	2.6	1.2	0.7	
Portfolio summary at closing					
Type of receivables	Auto loans	Auto loans	Auto loans	Auto loans	Auto Loans
Largest obligor type (portfolio %)	Individuals (96.8)	Individuals (97.0)	Individuals (96.4)	Individuals (100)	Individuals (90.5)
Portfolio balance (EURm)	500	800	500	1,000	546.5
Number of receivables	31,381	53,837	32,614	81,532	27.501
Average outstanding balance (EUR)	15,933	14,860	15,331	12,265	19,872
Remaining term (weighted average, months)	51	47	45	46	39
Seasoning (weighted average, months)	6	10	10	12	6
Balloon portion	40.1	38.8	45.0	30.9	56.5
Assets					
New cars (%)	37	50	54	48	91
Used cars (%)	63	50	46	52	9
Highest rating scenario assumptions (%)					
Defaults	11.9	12.7	12.1	9.5	10.8
Recovery	22.5	20.0	20.0	30.3	41.3
Loss from defaults	11.9	10.1	8.8	6.6	6.3
Base-case assumptions (%)					
Defaults	1.9	2.2	1.7	1.4	2.0
Recovery	45.0	40.0	40.0	55.0	75.0
Loss from defaults	1.0	1.3	1.0	0.6	0.5
Prepayments	11.0	11.0	11.0	12.0	10.0

Notes:
Source: Fitch Ratings, transaction documents

Sector Risks: Additional Perspective

Key Sector Risks

Sector or asset outlook	Fitch's 2021 asset outlook for the consumer ABS is worsening. The ratings outlook for German Auto ABS is stable.
Macro or sector risks	We are still closely monitoring the pandemic's effect on unemployment in Germany, as this is the key driver for consumer loans' performance. We expect it to increase slightly. The short-time work scheme ("Kurzarbeit") keeps many private German borrowers employed and a strong social security net cushions performance against increasing unemployment. As Germany lifts its restrictions and restarts the leisure and entertainment sectors, jobs will be opened for some of those most affected by the pandemic, while fiscal support measures are extended to the end of 2021. Overall, this supports ABS performance. We expect the auto market to undergo substantial transformation in the medium to long term, as demand and supply turn away from internal combustion engines, which dominate auto ABS portfolios. Used car prices for internal combustion engine vehicles may decline, potentially causing a material reduction in recoveries.
Relevant Research	GDP shrank by 4.6% in 2020. Fitch expects GDP growth of 3.6% in 2021 followed by 4.2% in 2022 and 2.0% in 2023. We expect unemployment to increase to stay at 3.9% during 2021 before decreasing to 3.5% in 2023 (see Global Economic Outlook – September 2021). A shortage in supply of new cars and pent up demand have slightly increased used car prices. We do not consider these increases substantial enough to affect our recovery expectation, while the auto market's transformation is unlikely to affect used car prices over the transaction's lifetime (see German Auto ABS Likely to Show Delayed Performance Deterioration).

Source: Fitch Ratings

Asset Analysis

Portfolio Stratification

Borrowers in the portfolio are private individuals that financed a new, newly used or used car. The portfolio is granular and not exposed to any particular region in Germany.

All assets were originated in line with Bank11's credit policy and are serviced according to its standard procedures. Fitch reviewed Bank11's origination and servicing processes in a virtual meeting in August 2021 and considered them adequate and in line with standard market practice (see Appendix 1 for details on the originator and its practices).

Key Portfolio Characteristics (Final Pool as of 30 September 2021)

Outstanding amount (EURm)	500
Number of loan contracts	31,381
Average outstanding balance (EUR)	15,933
Outstanding balloon amount (% of outstanding amount)	35.3
Weighted average original loan-to-value	88.2
Amortising loans (as % of outstanding amount)	40.1
Balloon loans (as % of outstanding amount)	59.9
New vehicles (as % of outstanding amount)	37.2
Used vehicles (as % of outstanding amount)	62.8
Weighted average original term (months)	57.5
Weighted average remaining term (months)	51.3
Weighted average seasoning (months)	6.2
Weighted average nominal interest rate (%)	3.09
Exposure to top 15 borrowers (as % of outstanding amount)	0.3

Source: Fitch Ratings, Bank11

Key Asset Eligibility Criteria

Receivable	Has been originated in accordance with the originator's credit and collection policy
	Is neither defaulted nor in arrears
	If it is a balloon loan, the balloon instalment is equal to or lower than 90% of the vehicle sale price
	Does not exceed 150% of the initial vehicle sale price at origination
	Must comply with applicable German law, rules and regulation whereby requirements on revocation rights of borrowers set out by the European Court of Justice might not be met
Debtor	Is a EU resident in Germany
	Has paid at least one instalment
	Is not employed by the originator or any affiliates
	Is not insolvent and no insolvency proceedings have been started

Source: Fitch Ratings, Bank11

Loan Revocation Rights

The latest European Court of Justice (ECJ) ruling on consumer rights in German loan agreements heightens legal uncertainty regarding information that needs to be included in contracts. As explained in Fitch's recent publication ECJ Ruling Heightens Legal Uncertainties in German Auto ABS, on 9 September the ECJ found mandatory information on revocation rights by borrowers to be missing from applicable German loan documentation. It also found limitations in arguments used by lenders to counter borrowers' attempts to revoke contracts.

If a borrower chooses to revoke the loan contract, the purchase agreement is also unwound and the vehicle must be returned. Fitch understands from various auto loan originators that in many cases resulting losses in the car value have been largely offset by the requirement that the borrower pays the originator for the use of the vehicle before revocation. Given limited economic incentives and operational hurdles to revoke the loan, we do not expect a material number of attempts for revocations during the transaction's life.

If enforceability of compensation payments for usage became uncertain, losses could substantially increase, as would the borrowers' incentive to revoke as they would have used the cars for free.

Ultimately, as long as the seller is solvent, loans subject to legally effective revocations will be repurchased via deemed collections according to the transaction documents. As shown above, eligibility criteria narrow the scope of the seller's repurchase obligations. That is, the assets' alignment with applicable laws and regulation is attenuated with regard to the wording used for the revocation instruction in the contract. If Bank11 failed to pay deemed collections (e.g. due to insolvency), the replenishment period would end. Such an early end would then limit the potential for further pool migration. It would also increase credit enhancement for the senior notes due to starting notes' amortisations.

Fitch will remain alert to trends in rulings, borrower behaviour, developments in transaction documentation and originators' adaptation of loan contracts to evolving regulation as part of its German ABS analysis.

Assumptions

Defaults

Fitch assigned a 1.9% default base case.

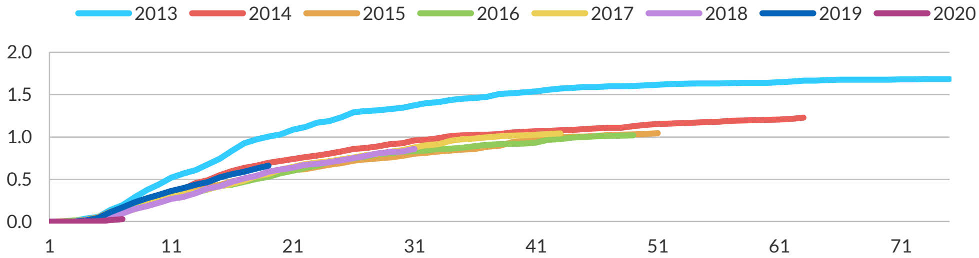
We expect the performance to be in line with historical vintages and observed default rates in Bank11's past auto loan transactions. This reflects our expectation of a continued strong recovery in Germany.

Fitch sees limited risk of adverse portfolio migration during the revolving period with replenishment limits set reasonably close to initial pool attributes. The low share of loans for new cars with material balloon amounts is understood to be driven by the current lack of available new cars in the market generally, due to parts and computer chip shortages. A recovery in new car supply during the revolving period might lead to an increasing share of balloon loans accordingly. We have factored this possibility into our default rate estimate.

Fitch applies a 'AAA' multiple of 5.25x and 6.75x to amortising and balloon sub-portfolios, respectively. Based on the revolving period limits Fitch has determined a combined 'AAA' multiple of 6.25x. These stress multiples reflect that for both products historical data are available only for a benign economic environment. The applied stresses also account for the risks associated with a two-year revolving period.

Default Vintages

As % of originated amount



Source: Fitch Ratings, Bank11 für Privatkunden und Handel GmbH

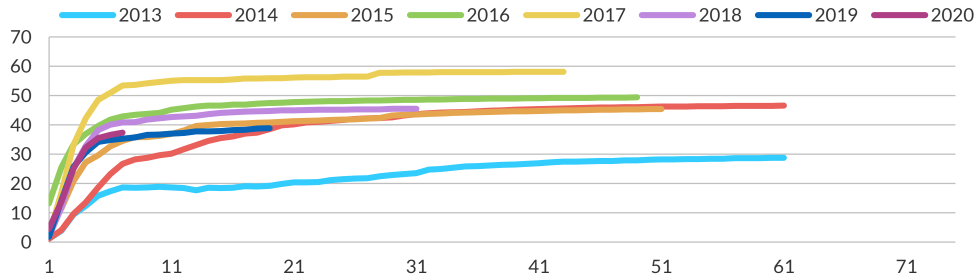
Recoveries

We assigned a 45% recovery base case. This is supported by historical performance, but still lies below the level assumed in other German auto loan securitisations, but in line with other non-captive portfolios. Compared to previous transactions of this series, Fitch now gives an additional small credit to recoveries on remaining loan parts after the sale of the car collateral. This is due to historical data provided that substantiate making this additional assumption.

To determine the 'AAA' recovery rate assumption we used a 50% haircut, which is unchanged from prior transactions of this series.

Recovery Vintages

as % of defaulted amount



Source: Fitch Ratings, Bank11 für Privatkunden und Handel GmbH

Fitch Stressed Assumptions

Rating scenario	Rating default rate (%)	Rating recovery rate (%)	Rating loss rate (%)
AAA	11.9	22.5	9.2
A	7.1	31.5	4.9
BBB	5.1	34.9	3.3
BB	3.6	38.3	2.2
Base case	1.9	45.0	1.0

Source: Fitch Ratings

Prepayments

Historical prepayment rates have been stable. Fitch applied a base-case prepayment rate of 11% a year based on historical observations, which we stress in line with our *Consumer ABS Rating Criteria*. For example, high and low prepayments in a 'AAA' scenario are 16.5% and 5.5%, respectively (see *Cash Flow Analysis* for details).

Cash Flow Analysis

Fitch used its proprietary cash flow model to test the asset pool's ability to make interest and principal payments due under the rated notes. On the asset side, we incorporated the stressed default, recovery and prepayment assumptions and the scheduled amortisation profile into our model. For the liability side, we replicated the capital structure, note margins and priority of payments with pro rata amortisation periods.

We assume a weighted average (WA) asset yield of 2.85%. We modelled the swap implicitly, by reducing the class A coupon by the negative swap fixed rate. We used the stressed senior fees, as a percentage of performing and defaulted asset balance, as defined in our *Consumer ABS Rating Criteria*, because the contractual fees of 0.5% are lower than our criteria fees of 0.7% in 'B' to 1.0% in 'AAA'.

We determined the default timing from the 28-month WA life, which we calculated by applying the base case prepayment assumption (11%) to the provided amortisation schedule (see *Consumer ABS Rating Criteria*). Defaults were then applied using the determined timing and two months as the default definition.

Fitch determined a recovery timing vector from the historical recovery timing. We assumed that 55% of recoveries are collected in the first five months after default, 25 additional percentage points in the following three months and the full amount after 50 months.

Fitch tested the transaction's sensitivity to combinations of front-, evenly and back-loaded default distributions, high or low prepayments and rising, decreasing or stable interest rates.

Prepayments and default timing affect the transaction mostly by changing the amount and use of excess spread. High prepayments are more stressful than low prepayments, because they reduce the asset balance and with it excess spread, which could have been used to redeem the notes. The back-loaded default timing pushes defaults into the transaction's tail, which means that defaults each period make up a larger fraction of excess spread available to cover for them. This affects the junior classes C and D more than the senior notes A and B, because by the time this effect materializes most of the senior notes have already amortised. Classes A and B are more affected by the front-loaded default timing, because it reduces excess spread and principal receipts more during the time they are outstanding.

The transaction is fairly insensitive to interest rate stresses because the floating-rate notes are hedged. Potential cash outflows can only come from negative interest charged on the issuer's accounts, which is a small amount under most assumptions.

According to transaction documentation, non-payment of interest only constitutes an issuer event of default on the most senior notes outstanding. The agency tested for timely payment of interest on the most senior note outstanding and ultimate payment of principal by final maturity in its cash flow modelling. Fitch found that class A and B interest is never deferred in the respective rating scenarios.

Expected Rating Sensitivity

Rating Sensitivity to Less Stressful Assumptions

	Class A	Class B	Class C	Class D
Original Rating	AAAsf	Asf	BBBsf	BBsf
-10% default rate	AAAsf	A+sf	BBB+sf	BBsf
-25% default rate	AAAsf	AA-sf	A-sf	BB+sf
-50% default rate	AAAsf	AA+sf	A+sf	BBB+sf
+10% recovery rate	AAAsf	Asf	BBBsf	BBsf
+25% recovery rate	AAAsf	A+sf	BBB+sf	BB+sf
+50% recovery rate	AAAsf	A+sf	A-sf	BBB-sf
-10% default rate and +10% recovery rate	AAAsf	A+sf	BBB+sf	BB+sf
-25% default rate and +25% recovery rate	AAAsf	AAsf	Asf	BBBsf
-50% default rate and +50% recovery rate	AAAsf	AAAsf	AA-sf	Asf

Source: Fitch Ratings

Rating Sensitivity to More Stressful Assumptions

	Class A	Class B	Class C	Class D
Original Rating	AAAsf	Asf	BBBsf	BBsf
+10% default rate	AA+sf	A-sf	BBB-sf	BB-sf
+25% default rate	AA+sf	BBB+sf	BB+sf	B+sf
+50% default rate	AA-sf	BBBsf	BBsf	Bsf
-10% recovery rate	AA+sf	A-sf	BBB-sf	BB-sf
-25% recovery rate	AA+sf	A-sf	BBB-sf	B+sf
-50% recovery rate	AA+sf	BBB+sf	BB+sf	Bsf
+10% default rate and -10% recovery rate	AA+sf	A-sf	BBB-sf	B+sf
+25% default rate and -25% recovery rate	AAsf	BBBsf	BBsf	B-sf
+50% default rate and -50% recovery rate	Asf	BB+sf	B+sf	NR

Source: Fitch Ratings

The Rating Sensitivity section provides insight into the model-implied sensitivities the transaction faces when one assumption is stressed, while holding others equal. The modelling process uses the estimation and stress of these variables to reflect asset performance in a stressed environment. The results below should only be considered as one potential outcome, as the transaction is exposed to multiple dynamic risk factors. It should not be used as an indicator of possible future performance.

- No change or positive change
- Negative change within same category
- -1 category change
- -2 category change
- -3 or larger category change

See report for further details

Transaction Structure

The transaction uses a combined waterfall for interest and principal payments. The available distribution amount comprises interest, principal, recoveries, and interest earned on the issuer's accounts.

In addition, a liquidity reserve can be drawn in case of a servicer default to the extent necessary to cover any shortfalls in senior costs and class A note interest. The commingling and set-off reserves will only be drawn to the extent collections are commingled with Bank11's insolvency estate or if Bank11 has not reimbursed the issuer for deposit set-off claims.

Before an issuer event of default, payments will be made on each monthly payment date in accordance with the priority of payments shown below.

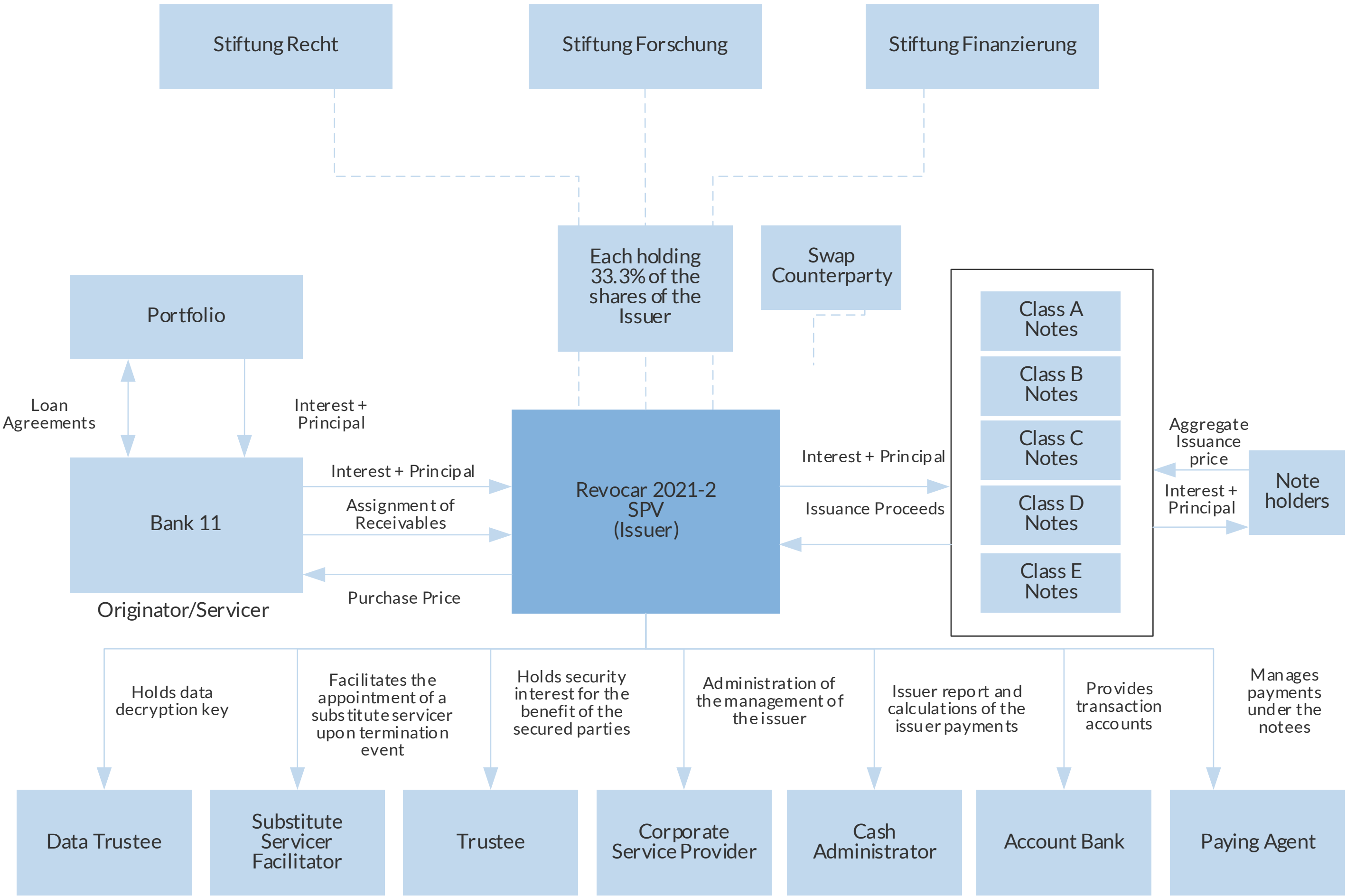
Simplified Priority of Payments (Pre-Enforcement)

1	Senior expenses
2	Servicing fees
3	Swap payments (except in default or failure of counterparty)
4	Class A interest
5	Class B interest (if no PDE)
6	Class C interest (if no PDE)
7	Class D interest (if no PDE)
8	Class E interest (if no PDE)
9	During the revolving period, purchase of additional receivables
10	During the revolving period, payment to the replenishment shortfall account
11	Class A principal
12	If class B PDE is occurring, class B notes interest amount
13	Class B principal
14	If class C PDE is occurring, class B notes interest amount
15	Class C principal
16	If class D PDE is occurring, class B notes interest amount
17	Class D principal
18	If class E PDE is occurring, class B notes interest amount
19	Class E principal
20	Commingling reserve replenishment up to the required amount
21	Set-off risk reserve replenishment up to the required amount
22	Termination payments to the swap counterparty in case of failure or default
23	Excess to the issuer/its shareholders

PDE – Principal deficiency event
Source: Fitch Ratings, Bank11

During the revolving period, principal collections and excess spread will be used to purchase eligible loan receivables or fund the replenishment shortfall account. This way the excess spread covers defaulted receivables' principal balances in a given period.

Structure Diagram



Source: Fitch Ratings, RevoCar 2021-2 UG

The issuer is incorporated under the laws of Germany to issue the notes and uses the proceeds to purchase the receivables. The issue will consist of class A to E notes. Subordination provides CE to classes A to D. In addition, the transaction benefits from excess spread between 4.3% and 5.3% of the initial asset balance, depending on the rating scenarios and class of notes considered.

Issuer's Balance Sheet

Assets	Amount (EURm)	Liabilities	Amount (EURm)	Size in % of receivables
Receivables	500.0	Class A	460.7	92.1
		Class B	25.5	5.1
		Class C	7.5	1.5
		Class D	3.8	0.8
		Class E	2.5	0.5
Total	500.0		500.0	100.0

Source: Fitch Ratings, RevoCar 2021-2 UG

At closing, Bank11 will sell eligible loan receivables and their related collateral to the issuer. All receivables include the monthly payments due from the borrowers. Balloon loans also include the larger payment due at maturity. Borrowers are responsible for making the balloon payments, so the issuer is not directly exposed to residual value risk.

Euribor Fall-Back Provisions

Assets	Rated notes	Derivatives
All fixed assets	If Euribor is discontinued interest on the class A notes will be adjusted in line with the swap.	Follows the ISDA 2002 Master Agreement and Benchmarks Supplement process for determining a new base rate.

Source: Fitch Ratings, RevoCar 2021-2 UG

Principal Deficiency Event Trigger

During the amortisation phase, the structure foresees PDE triggers which change the priority of payments. A PDE occurs if, on any payment date following the application of the available distribution amount on such payment date, the aggregate note amount exceeds the outstanding asset balance (excluding defaults) by a pre-defined trigger level, shown below. For example, when a class B PDE occurs, interest payments on class B to E notes become subordinated to class A principal, as shown in the priority of payments above.

PDE Trigger Levels (EURm)

Class B PDE	Class C PDE	Class D PDE	Class E PDE
19.7	6.9	1.9	0.8

Source: Fitch Ratings, Bank11

Notes Amortisation

After the revolving period, the notes amortise sequentially and any subordinate class of notes will only start to amortise after the senior class notes have been repaid in full.

On each payment date the target redemption amount is such that the aggregate outstanding note balance will be aligned with the non-defaulted asset balance. This allows excess spread to be used to cure defaults.

Interest Deferral

According to transaction documentation, unpaid interest on the class B to E notes can be deferred to the next payment dates. Non-payment of class B to E notes interest would only constitute an issuer event of default on the legal final maturity date. Interest does not accrue on the interest shortfalls. The agency tested for timely payment of interest on the class A notes and ultimate payment of interest on the rated class B to D notes in its cash flow modelling.

Since there is no cash reserve for class B to D notes and payment interruption risk is therefore not mitigated for them, the rating for those notes is capped at 'A+sf'.

Early Amortisation Triggers

The triggers detailed below are designed to terminate the revolving period early in case of performance deterioration. In addition, the revolving period is terminated automatically upon insolvency of the originator, a servicer termination event or an issuer event of default.

Cumulative Loss Trigger

The revolving period will be terminated early if the cumulative loss ratio exceeds pre-defined trigger levels:

- 0.3% in months 1-12 after closing;
- 0.6% in months 13-24 after closing.

The cumulative loss ratio takes defaults into account in its numerator (see *Default Risk* for details on default definition). Incoming recoveries reduce the trigger level. The trigger's denominator is the total purchased asset balance currently performing.

Fitch compared the trigger levels with expected losses in 'B' and 'BB' scenarios based on criteria default timing and found that the triggers would be breached sufficiently early to protect the transaction from significant performance deterioration. Fitch also assessed whether the originator has the ability to impede trigger effectiveness by buying back or restructuring receivables. The agency regards these possibilities as limited.

Replenishment Shortfall Account Trigger

During the revolving period, the available distribution amount may be used to purchase additional eligible assets. Any excess available distribution amount is trapped in the replenishment shortfall account. Early amortisation will be triggered if for three consecutive months the amounts on the replenishment shortfall account exceed 10% of the initial aggregate note balance of all classes.

Asset-Liability Mismatch Trigger

If the note principal amount of all classes of notes exceeds the sum of the performing portfolio balance including the amount on the replenishment shortfall account, the revolving period will be terminated. This situation may arise if excess spread does not suffice to purchase new assets in an amount equivalent to defaulted receivables. In Fitch's view, this trigger ensures that the initial credit enhancement levels are maintained throughout the revolving period.

Liquidity Reserve

At closing, the transaction benefits from a EUR2 million liquidity reserve. It will form part of the available distribution amount only upon a servicer termination event. Among other situations this would occur if the servicer becomes insolvent or fails to comply with its payment obligations. It therefore provides liquidity to cover shortfalls on senior expenses and class A note interest in a servicer disruption scenario, but no CE or coverage for a liquidity shortfall due to payment holidays.

The reserve starts amortising after the end of the replenishment period and will be equal to 0.25% of the outstanding collateral balance. Any released amounts will be paid back to the originator outside the priority of payments. The initial liquidity reserve provides sufficient liquidity to cover any senior costs and interest payments on class A notes for at least three months, assuming the criteria 'B' servicing fee of 0.7%. Overall, Fitch considers payment interruption risk sufficiently addressed by the liquidity reserve.

Hedging

The mismatch between fixed rate assets and the floating rate note (class A) is hedged through an interest rate swap with UniCredit Bank AG (BBB/Negative/F2/BBB+(dcr)).

The swap relates to the rated class A note. The issuer will pay a fixed rate and receives one-month Euribor floored at -35 bp, i.e. in line with class A's coupon (EURIBOR + 0.35% floored at 0). The notional amount is linked to the respective notes' balance.

Clean-Up Call

The seller will have the option to repurchase all outstanding purchased receivables once the outstanding principal amount of the receivables (excluding defaulted receivables) falls below 10% of the initial pool balance. Such a repurchase can be undertaken subject to the requirement that the repurchase price is equal to the then-outstanding performing receivable balance, plus any accrued interest on these receivables plus the value of defaulted and delinquent receivables. This value is determined by an independent appraiser.

The clean-up call exposes the noteholders to the risk of a loss, because it can be exercised whether the repurchase price is sufficient to repay the notes or not. To evaluate this risk, the agency tested in its cash-flow model whether in each note's most stressful scenario the portfolio balance outstanding repays that note and all notes senior to it. Due to the sequential amortisation and back-loaded nature of the risk, the notes were able to pass with only minimal credit to any recovery for the defaulted and delinquent receivables.

Disclaimer

Fitch relies in its credit analysis on legal and/or tax opinions provided by transaction counsel for the avoidance of doubt. Fitch has always made clear that it does not provide legal and/or tax advice or confirm that the legal and/or tax opinions, or any other transaction documents, or any transaction structures, are sufficient for any purpose. The disclaimer at the foot of this report makes it clear that this report does not constitute legal, tax and/or structuring advice from Fitch, and should not be used or interpreted as legal, tax and/or structuring advice from Fitch. Should readers of this report need legal, tax and/or structuring advice, they are urged to contact relevant advisers in the relevant jurisdictions.

Counterparty Risk

Fitch assesses the counterparty risk under its Structured Finance and Covered Bonds Counterparty Rating Criteria to be in line with the ratings assigned based on the documentation provisions and analytical adjustments described in the following table.

Counterparty Risk Exposures

Counterparty and risk type	Counterparty name	Minimum ratings under criteria	Minimum ratings and remedial actions under documents	Analytical adjustments
Account bank (primary risk)	BNP Paribas Securities Services, Frankfurt Branch	Issuer Default Ratings: A or F1	Minimum deposit ratings of 'A' or 'F1'; replacement or guarantee within 60 calendar days of downgrade below both minimum ratings	Minimum ratings and remedial actions in line with criteria for eligible accounts
Swap counterparty (secondary risk)	UniCredit Bank AG	Derivative counterparty rating: 'BBB-' or Short-Term Issuer Default Rating: 'F3' with valid flip clause	Trigger 1: 'A' or 'F1'. Collateral or guarantee within 14 calendar days upon downgrade below Trigger 1. Trigger 2: 'BBB-' or 'F3'. Replacement within 60 calendar days or take other actions that will result in the ratings being maintained upon downgrade below Trigger 2.	Minimum ratings and remedial actions in line with criteria for eligible swap providers
Servicer (immaterial risk)	Bank11	Servicer not rated	There is no minimum rating for the servicer	Servicer continuity risk has been assessed to be mitigated in accordance with Fitch's counterparty criteria, because of the back-up servicer facilitator in place.

Source: Fitch Ratings, [Entity name].

Criteria Application, Model and Data Adequacy

Criteria Application

See page 2 for the list of Applicable Criteria.

Fitch applies the *Consumer ABS Rating Criteria* as its sector-specific criteria under the overarching framework provided by the Global Structured Finance Rating Criteria, which is the master criteria for the sector. The remaining criteria listed under Applicable Criteria are cross-sector criteria that outline Fitch's approach to counterparty risk and interest rate change vulnerability that are relevant for the ratings.

Fitch has analysed the risk of borrower default and has set its default, recovery and prepayment assumptions in accordance with its *Consumer ABS Rating Criteria*.

Models

The model below was used in the analysis. Click on the link for the model for a description of the model.

Multi-Asset Cash Flow Model

Data Adequacy

The following information was provided by Bank11 to support Fitch's collateral analysis.

Data Analysed

Data	Vintages	Period	Frequency	Type	Notes
Default and recoveries	March 2016-June 2021	March 2016-June 2021	Monthly	Static	By loan type, LTV buckets, origination channel and vehicle age
Origination volumes	March 2016-June 2021	March 2016-June 2021	Monthly	Dynamic	By customer type, loan type and vehicle age
Delinquency	March 2016-June 2021	March 2016-June 2021	Monthly	Dynamic	By monthly buckets
Prepayments	March 2016-June 2021	March 2016-June 2021	Monthly	Static	By loan type

Source: Fitch Ratings

In addition, the agency received portfolio stratifications and the amortisation profile. The data received were of sufficient quality and quantity to assign ratings. Fitch also took into account the performance data for the preceding German auto loan transactions originated by Bank11, as they are comparable in many instances to this transaction.

Overall, Fitch's assessment of the asset pool information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

Use of Third-Party Due Diligence Pursuant to SEC Rule 17g-10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

Surveillance

Throughout the life of the transaction, Fitch will monitor the performance of the collateral and any changes at the servicer, or with the structure, that may influence the ratings of the notes.

Fitch will receive monthly investor reports detailing the performance of the portfolio. These will provide the basis for the agency's surveillance of the transaction's performance against base-case expectations and the performance of the industry. The agency expects to assign an Issuer Report Grade of four stars to the investor reporting in line with previous German auto loan transactions originated by Bank11, as the standards of reporting are expected to remain comparable.

Where appropriate, Fitch may ask to monitor further data from the originator or the servicer. The ratings of the transaction will be reviewed by a committee at least once every 12 months, or when considered appropriate (e.g. if there is a deterioration in performance, an industry-wide development, or a change at the originators or the servicer that may influence the transaction).

Fitch's quantitative analysis will focus on monitoring the key performance parameters (delinquencies, defaults, recoveries and prepayments) against the base-case assumptions. Fitch will further monitor the market developments regarding diesel-powered vehicles.

Fitch's structured finance performance analytics team ensures that the assigned ratings remain an appropriate reflection of the issued notes' credit risk. Details of the transaction's performance are available to subscribers at www.fitchratings.com.

Appendix 1: Origination and Servicing

Bank11

The originator, Bank11, is an experienced lender that began operating from headquarters in Neuss, Germany in 2011. It is part of Wilh. Werhahn KG, which operates in building materials, consumer goods and financial services. Bank11's business has experienced double-digit year-on-year growth since its foundation, which led its balance sheet to approach EUR4 billion. Bank11 has more than 300 employees, providing loans and deposits to 291,000 customers. Its management is experienced in auto loan financing.

Bank11 is one of the largest German non-captive financing companies. It specialises in auto loans to primarily private clients for financing new and used cars. The bank has three marketing channels: an established, well-diversified dealer network (more than 13,000 dealers), car-focused institutions acting as cooperation partners, and a newer direct marketing channel.

Bank11 follows a simple business model offering a limited number of loan products to ensure cost efficiency. Bank11 sees its main competitive advantages in a highly diversified mix of car brands, its efficient processes and standardised products.

Fitch conducted a remote originator review in August 2021. Overall, the agency considers the underwriting and servicing capabilities of Bank11 to be in line with market standards.

Loan Products

Bank11 offers financing for new and used cars produced by all car manufacturers. The loans are originated via a diversified dealer network and a new direct marketing channel. They are granted to private and commercial customers. The following loan products are securitised in the transaction:

- **EvoClassic:** This is a fully amortising loan with a fixed interest rate. The loan is amortised in equal monthly instalments. The usual tenor ranges between 12 and 120 months.
- **EvoSmart:** This is a market-standard balloon loan. The loan is typically amortised over 13 to 61 months, while prepayment is possible. When the balloon becomes due, the borrower is usually offered the option to finance the balloon amount or a new car.

Origination and Underwriting

Loans are originated through the large dealer network with support from Bank11, through Bank11's direct marketing channel autowunsch.de or through its cooperation partners. The underwriting process is highly automated and needs only the loan application, customer profile and information on the vehicle to be financed. This is either forwarded by the dealer or entered by the customer directly on the bank's website.

Upon receipt of all required documentation, the credit department makes the credit decision swiftly, usually automatically. It is evaluated against Bank11's proprietary scorecard, which augments information provided for the application with internal customer information (e.g. on income and employment, previous payment history) and external data (e.g. Schufa Banken-score).

Once the components have been evaluated, loan applications will be categorised as 'green', 'yellow' or 'red'. If 'green', the credit application will be automatically approved. The loan will be granted, subject to verification of the documentation, and the final decision will be transmitted electronically to the dealer or customer. If 'yellow', the risk underwriting group will review the application and make a manual decision, in accordance with predefined rules. In case of a 'red' result, the automatic credit decision is negative. However, under certain conditions, monitored by risk management, a 'red' application may be manually approved.

The evaluation also determines whether the applicant is one of the few requested to post additional security (e.g. higher downpayment or guarantee). An approved application is then checked for accuracy and the amount disbursed directly to the dealer or debtor, depending upon the origination channel.

Balloon Setting Policy

Bank11 considers the expected vehicle price and loan tenor for determining maximum balloon rates. The shorter the term of the loan, the higher the maximum balloon rate allowed. Maximum balloon rates are embedded in the system used by dealers in the loan application process.

Servicing and Collections

Clients have to pay by direct debit. If the scheduled monthly payment is not received on the payment date, a special direct debit run takes place seven to 14 days after the due date. About 60% of the initial delinquencies can be cured with this special direct debit run. If the direct debit fails again, the client is contacted by phone. In addition, automatic reminders are sent by mail every 14 days.

On average, Bank11 terminates delinquent accounts after three missed instalments. In limited cases, e.g. borrower insolvency, Bank11 is legally allowed to terminate earlier than 90 days. This is in line with the termination practices of other originators.

After termination, the originator enforces the receivables, assisted by sub-contractors. This includes foreclosing the financed vehicle in instances where it was not returned voluntarily. After the vehicle is repossessed, its value is assessed and sold through car auction platforms, which dealers throughout Germany access. Following contract termination and vehicle sale but prior to loan write-off, Bank11 may sell the defaulted loans to bad debt collection agencies. Its proceeds will be credited in full against the corresponding loan account.

Appendix 2: ESG Relevance Score

FitchRatings **RevoCar 2021-2**

SF ESG Navigator
ABS - Auto

Credit-Relevant ESG Derivation

RevoCar 2021-2 has 5 ESG potential rating drivers

- RevoCar 2021-2 has exposure to macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

Overall ESG Scale

key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	5	issues	2
	4	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	2	Regulatory risks, fines, or compliance costs related to emissions, energy consumption and/or related reporting standards	Asset Quality; Surveillance	5
Energy Management	2	Assets' energy/fuel efficiency and impact on valuation	Asset Quality; Surveillance	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Asset, operations and/or cash flow exposure to extreme weather events and other catastrophe risk, including but not limited to flooding, hurricanes, tornadoes, and earthquakes	Surveillance	1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular asset class. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the transaction's or program's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the transaction's or program's credit rating. The three columns to the left of the overall ESG score summarize the transaction's or program's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the transaction's or program's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the Sustainability Accounting Standards Board (SASB).

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	2	Compliance with consumer protection related regulatory requirements, such as fair/transparent lending, data security, and safety standards	Operational Risk; Surveillance	4
Labor Relations & Practices	2	Labor practices, pension obligations and related litigation	Surveillance	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior	Asset Quality; Surveillance	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Rule of Law, Institutional and Regulatory Quality	3	Jurisdictional legal risks; regulatory effectiveness; supervisory oversight; foreclosure laws; government support and intervention	Asset Isolation and Legal Structure; Asset Quality; Rating Caps; Surveillance	5
Transaction & Collateral Structure	3	Asset isolation; resolution/insolvency remoteness; legal structure; structural risk mitigants; complex structures	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Rating Caps; Surveillance	4
Transaction Parties & Operational Risk	3	Counterparty risk; origination, underwriting and/or aggregator standards; borrower/lessee/sponsor risk; originator/servicer/manager/operational risk	Asset Quality; Financial Structure; Operational Risk; Rating Caps; Surveillance	3
Data Transparency & Privacy	3	Transaction data and periodic reporting	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Surveillance	2
				1

CREDIT-RELEVANT ESG SCALE - DEFINITIONS

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant; a key transaction or program rating driver that has a significant impact on an individual basis.
4	Relevant to transaction or program ratings; not a key rating driver but has an impact on the ratings in combination with other factors.
3	Minimally relevant to ratings; either very low impact or actively mitigated in a way that results in no impact on the transaction or program ratings.
2	Irrelevant to the transaction or program ratings; relevant to the sector.
1	Irrelevant to the transaction or program ratings; irrelevant to the sector.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

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