MOODY'S INVESTORS SERVICE

CREDIT OPINION
21 October 2021

New Issue

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RevoCar 2021-2 UG (haftungsbeschraenkt)

New Issue – Bank11 issues tenth auto loan transaction in Germany

Capital structure

Exhibit 1

Definitive ratings

Series	Rating		Amount (million)	% of assets	Legal final maturity	Coupon	Subordination[1]	Reserve fund[2]	Total credit enhancement[3]
Class A	Aaa	€	460.70	92.14%	Sep-36	1mE + 0.35%	7.86%	0.50%	7.86%
Class B	Aa3	€	25.50	5.10%	Sep-36	0.90%	2.76%	0.00%	2.76%
Class C	Baa2	€	7.50	1.50%	Sep-36	2.25%	1.26%	0.00%	1.26%
Class D	Ba1	€	3.80	0.76%	Sep-36	3.75%	0.50%	0.00%	0.50%
Class E	NR	€	2.50	0.50%	Sep-36	6.50%	0.00%	0.00%	0.00%
Total		€	500.00	100.00%					

(1) At close.
(2) There is a liquidity reserve fund available to cover Class A notes' interest and senior expenses, in the event the servicer fails to transfer collections following a servicer termination event. This liquidity reserve will be fully funded at closing at 0.5% of the initial portfolio balance, and subsequently the target balance will be equal to 0.5% of the outstanding portfolio balance. Since the liquidity reserve fund will not be available to cover losses, it provides no credit support.
(3) No benefit attributed to excess spread.
Sources: RevoCar 2021-2 UG (haftungsbeschränkt) prospectus, Moody's Investors Service

Summary

RevoCar 2021-2 UG is a two-year revolving cash securitisation of auto loan receivables extended by Bank11 für Privatkunden und Handel GmbH (NR) (Bank11) mainly to private obligors residing in Germany.

Our analysis focused, among other factors, on (1) an evaluation of the underlying portfolio of receivables; (2) historical portfolio performance data on defaults and recoveries from March 2016 to June 2021; (3) the credit enhancement provided by subordination; (4) the liquidity support available in the transaction by way of principal to pay interest, the cash reserve for Tranche A upon trigger breach, and excess spread; and (5) the legal and structural aspects of the transaction.

Our cumulative default expectation for the asset pool is 1.7%, the recovery rate is 30.0% and portfolio credit enhancement (PCE) is 9.0%.

Credit strengths

» ***Granular portfolio composition:*** The securitised portfolio is highly granular, with the largest borrower representing 0.03% of the portfolio value and the 10 largest borrowers representing 0.21%. It also benefits from good geographical diversification. (See "Asset description - Asset as of the cut-off date")

» ***Performance of previous transactions:*** The five transactions from the same originator previously rated by Moody's have performed generally in line with expectations. (See "Asset analysis - Comparables - Prior transactions of the seller/servicer")

» ***Experienced originator and servicer:*** Bank11, acting as originator and servicer in the transaction, has a number of years of securitisation experience in originating and servicing auto loans in Germany. (See "Asset description - Originator and Servicer")

» ***Interest rate swap:*** A "band swap" structure is in place to mitigate interest rate risk arising from fixed rate paying assets and one-month Euribor-based Class A Notes provided by UniCredit Bank AG (A2/P-1 deposit rating; A1(cr)/P-1(cr)). (See "Securitisation structure description - Detailed description of the structure - Interest rate mismatch")

Credit challenges

» ***Operational risk:*** Bank11 is an unrated entity acting as both originator and servicer in the transaction. There are mitigants in place. (See "Securitisation structure description - Detailed description of the structure")

» ***Revolving structure:*** The structure includes a two-year revolving period, where new assets will be purchased. Subject to certain eligibility and concentration limits, this feature creates more uncertainty and volatility in the pool performance and was considered in our analysis. There are also triggers in place to stop the purchase of new receivables if performance deteriorates. (See "Asset description - Revolving period and replenishment criteria")

» ***High LTVs***: The pool has a relatively high original loan-to-value (LTV) ratio of 88.2%. There are 85.4% of loans above 70% LTV and 71.4% of the loans above 80%. (See "Asset description - Asset as of the cut-off date")

» ***Clean-up call option:*** The originator can exercise its clean-up call when the aggregate principal balance is less than 10% of the initial aggregate principal balance as of the initial cut-off date. Performing receivables will be repurchased at par, whereas both delinquent and defaulted receivables will be repurchased at a price estimated by an independent appraiser. Additional losses to the portfolio may occur in case delinquent loans are repurchased below the outstanding balance. (See "Securitisation structure analysis - Additional structural analysis - Repurchase of non-performing assets")

» ***European High Court ruling on German auto loans:*** On 9 September, the Court of Justice of the European Union issued a ruling that will facilitate cancellations by German borrowers of their auto loans. In light of potential indemnity payments for usage and wear and tear of the car, we expect cancellation rates to be low. Auto loan borrowers will consider potential indemnity payments and other factors such as their ability to refinance more cheaply or to retroactively claim back additional payments made during the course of the financing. Contract cancellations in the securitized portfolio will trigger a repurchase obligation for the seller to cover possible losses, but will expose the securitisation to higher counterparty risk toward the seller. The current credit strength of the seller is therefore a partial mitigant to this risk.

ESG considerations

We consider overall environmental, social, and governance (ESG) risk to be moderate for securitizations backed by auto loans. Our credit analysis of the transaction, which considers ESG risk, includes the risks to vehicles' recovery values from changes in carbon emissions regulations, the social and demographic trends that affect the obligors in ABS backed by auto loans, and the low exposure to severe weather events or other environmental factors. In addition, governance risk is largely mitigated by the structure of the transaction and our consideration of the transaction parties. Please refer to our Cross-Sector Rating Methodology: General Principles for Assessing Environmental, Social and Governance Risks, 19 October 2021, which explains our general principles for assessing ESG risks in our credit analysis globally.

- ***Environmental:*** This transaction has moderate exposure to meaningful environmental risks; however, the potential consequences, mitigated by the short transaction tenor, are not likely to be material to the credit quality of the notes. (See "Asset analysis - Additional asset analysis — ESG - Environmental considerations")
- ***Social:***The social risk is generally low in auto ABS transactions. Technological obsolescence, shifting demand patterns and changes in government policy mean that some segments will experience greater volatility in auto sales, recovery levels, and residual values, but the short tenor of the transaction mitigates the risk from long term trends. In addition, the geographical and demographical diversity of the obligors in loan pools should help protect the transaction from the risk of any one region or industry downturn. (See "Asset analysis - Additional asset analysis — ESG - Social considerations")
- ***Governance:*** Governance risks for this transaction are low based on the presence of transaction features such as risk retention, comprehensive agreed upon procedures (AUPs) report, servicing oversight, and R&W enforcement. (See "Securitisation structure analysis - Additional structural analysis - ESG - Governance considerations")

Key characteristics

The exhibit below describes the main asset characteristics of the securitised portfolio. WA and WAL stand for weighted average and weighted average life, respectively.

Exhibit 2

Asset characteristics

As of September 30, 2021

Seller/originator:	Bank11 für Privatkunden und Handel GmbH (Bank11; NR)
Servicer(s):	Bank11 (NR)
Receivables:	Loans granted to individuals residing in Germany to finance the purchase of new and used vehicles
Total amount:	€ 499,999,793.7
Length of revolving period in years:	2 years
Number of obligors	N/A
Number of loans	31,381
New vehicle (as % of total pool):	37.2%
Used vehicle (as % of total pool):	62.8%
Private borrower (as % of total pool):	97.1%
Balloon loans (as % of total pool)	59.9%
Average size of balloon payment (as % of initial pool balance):	35.3%
WA remaining term in years:	4.3
WA seasoning in months:	6.2
WAL of portfolio in years (excl. prepayments):	2.8
WA portfolio interest rate:	3.1%
Delinquency status:	No delinquent loans
Cumulative default rate observed:	Whole book cumulative average vintage value between March 2016-June 2021: approx. 1.1%
Recovery rate observed:	Whole book cumulative average vintage value between March 2016-June 2021: approx. 47.8%
Delinquencies:	Average monthly delinquencies between March 2016 - June 2021: 0.2% (31-60 days)
Cumulative default rate (modelled):	1.7%, in line with the peer group in the EMEA Auto ABS market
Recovery rate (modelled):	30.0%, in line with the peer group in the EMEA Auto ABS market
Aaa portfolio credit enhancement (PCE):	9.0%, in line with the peer group in the EMEA Auto ABS market (equals a coefficient of variation of 62.8%)

Sources: Bank11, Moody's Investors Service

The exhibit below shows the counterparties associated with the transaction. N/A stands for those counterparties that do not apply to the transaction.

Exhibit 3
Securitisation structure characteristics

Transaction parties	At closing
Issuer:	RevoCar 2021-2 UG (haftungsbeschränkt)
Back-up servicer(s):	N/A
Back-up servicer facilitator(s):	Wilmington Trust SP Services (Frankfurt) GmbH (NR)
Cash manager:	BNP Paribas Securities Services S.C.A. (Aa3/P-1 deposit rating) acting through Luxembourg Branch
Back-up cash manager:	N/A
Calculation agent/computational agent:	BNP Paribas Securities Services S.C.A. (Aa3/P-1 deposit rating) acting through Luxembourg Branch
Back-up calculation/computational agent:	N/A
Swap counterparty:	UniCredit Bank AG (A2/P-1 deposit rating; A1(cr)/P-1(cr))
Issuer account bank:	BNP Paribas Securities Services S.C.A. (Aa3/P-1 deposti rating) acting through Frankfurt Branch
Collection account bank:	BNP Paribas Securities Services S.C.A. (Aa3/P-1 deposti rating) acting through Frankfurt Branch
Paying agent:	BNP Paribas Securities Services S.C.A. (Aa3/P-1 deposit rating) acting through Luxembourg Branch
Note trustee:	Wilmington Trust SP Services (Dublin) Limited (NR)
Issuer administrator/corporate servicer provider:	Wilmington Trust SP Services (Frankfurt) GmbH (NR)
Arranger:	UniCredit Bank AG (A2/P-1 deposit rating; A1(cr)/P-1(cr))
Lead manager(s):	UniCredit Bank AG (A2/P-1 deposit rating; A1(cr)/P-1(cr))
Senior co-manager:	N/A
Custodian:	N/A
Liabilities, credit enhancement and liquidity	
Annualized excess spread at closing:	Approx. 1.5% (weighted average stressed asset yield minus stressed senior costs, and coupons on Classes A-E notes)
Credit enhancement/reserves:	1.5% annualized stressed excess spread at closing Subordination of the notes
Form of liquidity:	Excess spread, liquidity reserve for Class A, principal to pay interest mechanism
Number of Interest payments covered by liquidity:	Approx. 3 months for Class A. The cash reserve is not available for the remaining tranches.
Interest payments:	Monthly in arrears on each payment date
Principal payments:	Pass-through on each payment date
Payment dates:	21st calendar day of each month First payment date: 22 November 2021
Hedging arrangements:	Fixed-floating interest rate swap for Class A

Sources: Bank11, Moody's Investors Service

Asset description

The securitised assets are made up of monthly paying auto loans that Bank11 has granted mainly to private individuals (97.1%) or to commercial borrowers (2.9%), resident or registered (as the case may be) in Germany.

The loan products to be securitised are classical fully amortising loans (EvoClassic) at 40.1% of the pool balance and balloon loans (EvoSmart) at 59.9% of the pool balance.

Assets as of the cut-off date

Pool characteristics

The portfolio balance of the definitive portfolio amounts to €499,999,793.7 for a total of 31,381 loans. The portfolio is collateralised by 37.2% new cars and 62.8% used cars. The portfolio is very granular, with the largest and 10 largest obligor concentrations accounting for 0.03% and 0.21% of the portfolio balance, respectively.

As is common for German auto loan contracts, the seller, as the lender, assigns the security title registration of the vehicle to the issuer, but the vehicle is registered under the name of the borrower. Further characteristics can be summarised as follows:

» The loan agreement provides for the payment of fixed equal monthly instalments (except for the last instalment as the case may be).

» Prepayments are possible for loans; a prepayment penalty will be applied.

The exhibit below summarises additional information about the portfolio.

Exhibit 4

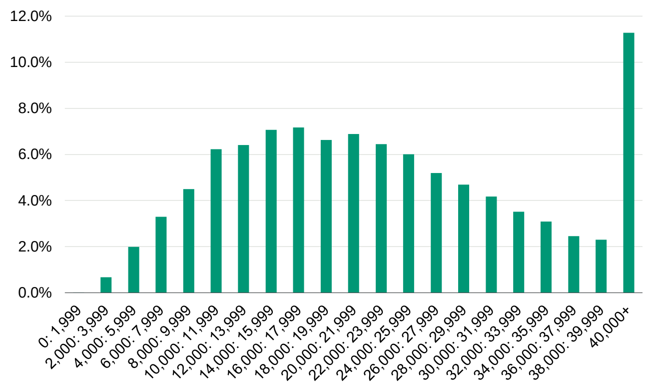
Additional information on asset characteristics

Average outstanding loan principal balance	€ 15,933.2
Number of dealers	4,113
Geographic concentration	
Largest region	North Rhine-Westphalia (21.0%)
2nd largest region	Bavaria (17.2%)
3rd largest region	Baden-Württemberg (13.2%)
Manufacturer distribution	
1st largest manufacturer	10.9%
2nd largest manufacturer	9.2%
3rd largest manufacturer	7.2%
Obligor concentration	
Single obligor (group) concentration	0.03%
Top 5 obligor (group) concentration	0.11%
Top 10 obligor (group) concentration	0.21%

Source: Bank11

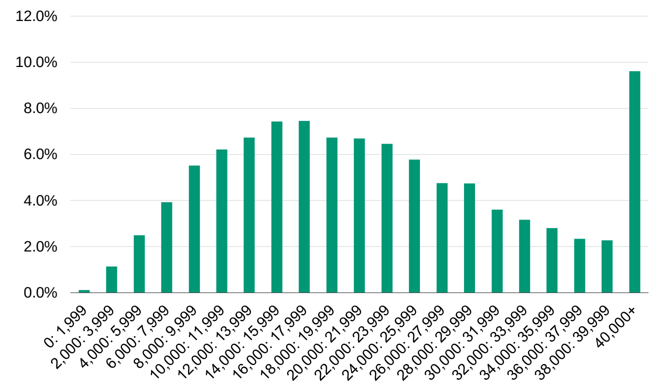
The exhibits below describe the distribution of the portfolio based on the following characteristics:

Exhibit 5
Portfolio breakdown by original balance (in euros)



Source: Bank11

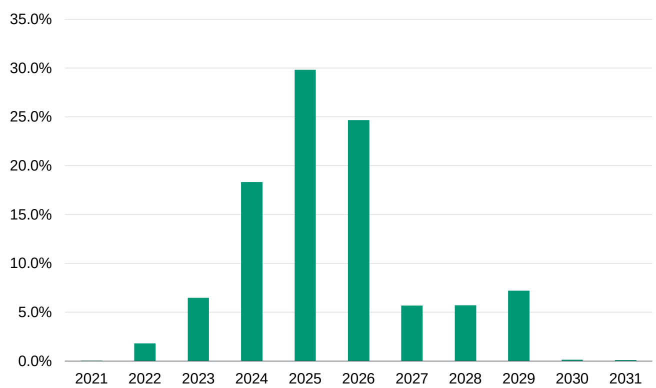
Exhibit 6
Portfolio breakdown by outstanding balance (in euros)



Source: Bank11

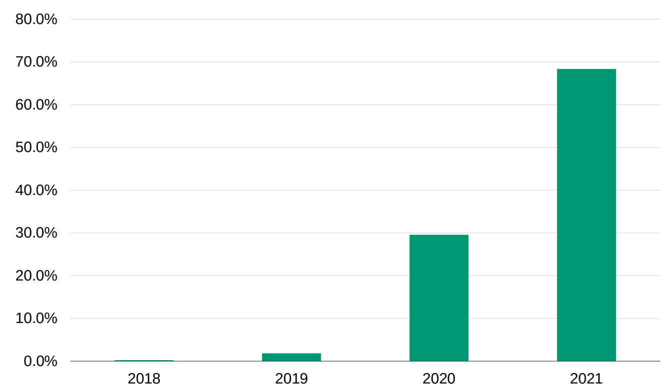
The exhibits below show the breakdown by maturity and origination year.

Exhibit 7
Portfolio breakdown by maturity year



Source: Bank11

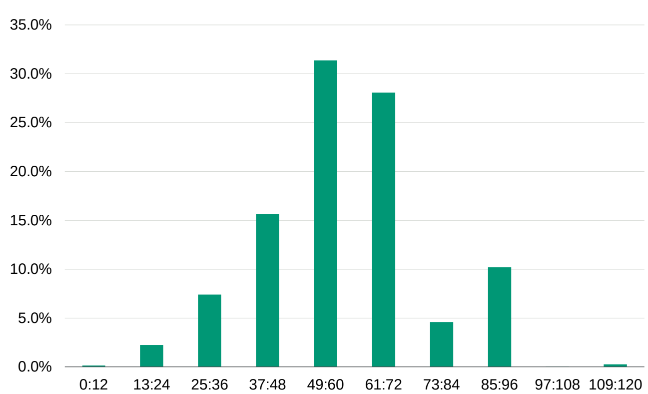
Exhibit 8
Portfolio breakdown by origination year



Source: Bank11

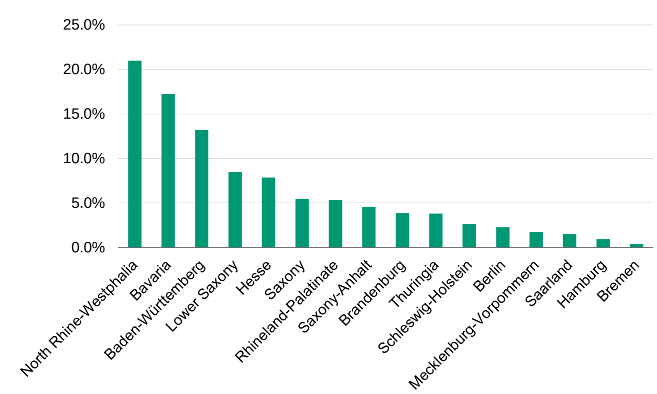
The exhibits below show the portfolio breakdown by original term and regional concentration.

Exhibit 9
Portfolio breakdown by original term (in months)



Source: Bank11

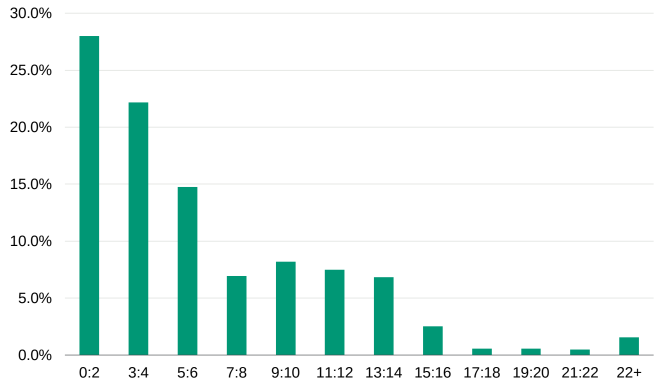
Exhibit 10
Portfolio breakdown by regional concentration



Source: Bank11

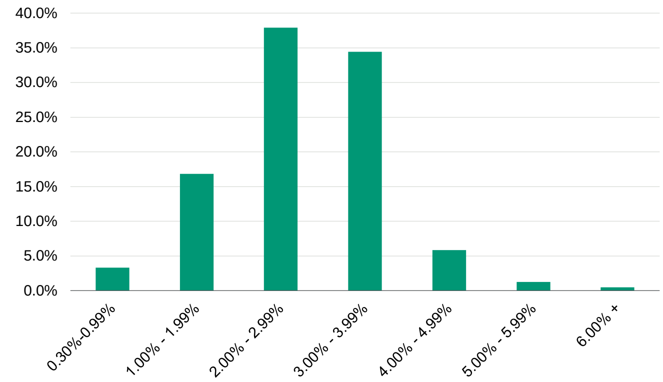
The exhibits below show the breakdown by seasoning in months and by interest rate.

Exhibit 11
Portfolio breakdown by seasoning (in months)



Source: Bank11

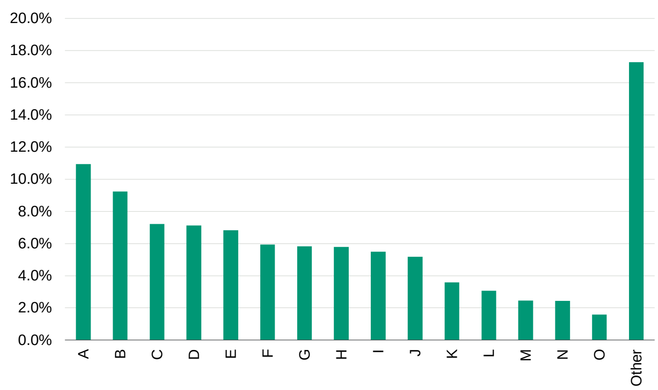
Exhibit 12
Portfolio breakdown by interest rate



Source: Bank11

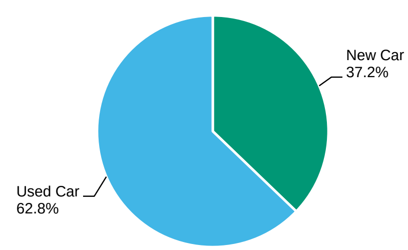
The exhibits below show the breakdown of the portfolio by brand name and type of vehicle. The brand name corresponding to each bucket has not been disclosed.

Exhibit 13
Portfolio breakdown by vehicle brand



Source: Bank11

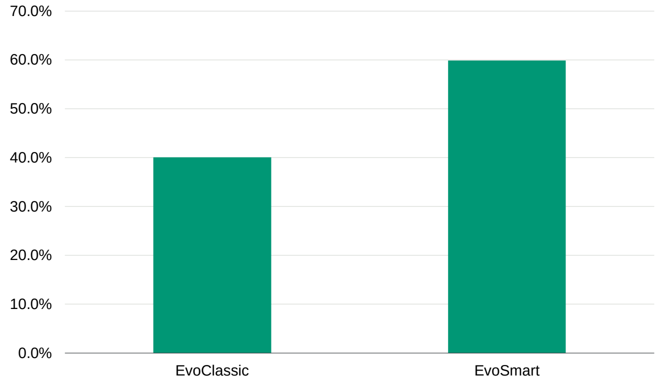
Exhibit 14
Portfolio breakdown by vehicle type



Source: Bank11

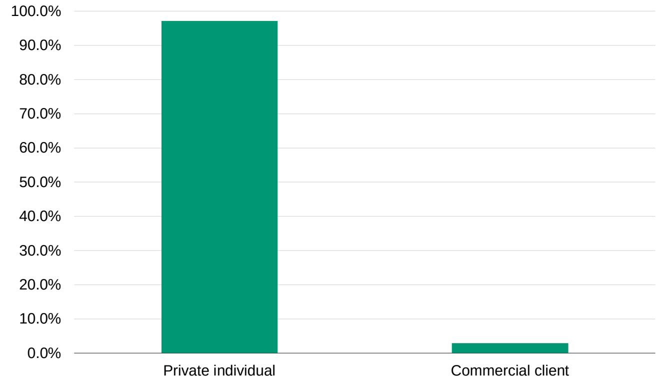
The exhibits below show the portfolio breakdown by loan and borrower type.

Exhibit 15
Portfolio breakdown by loan contract type



Source: Bank11

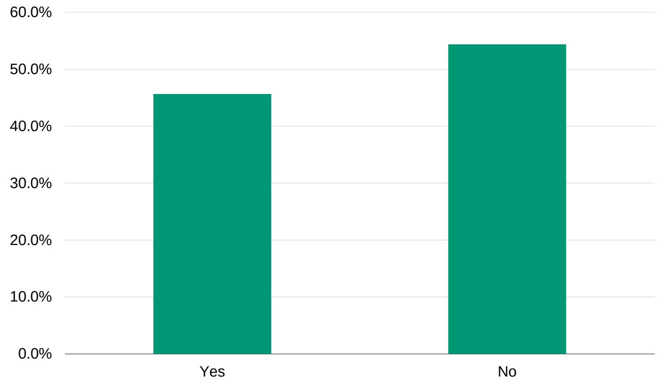
Exhibit 16
Portfolio breakdown by borrower type



Source: Bank11

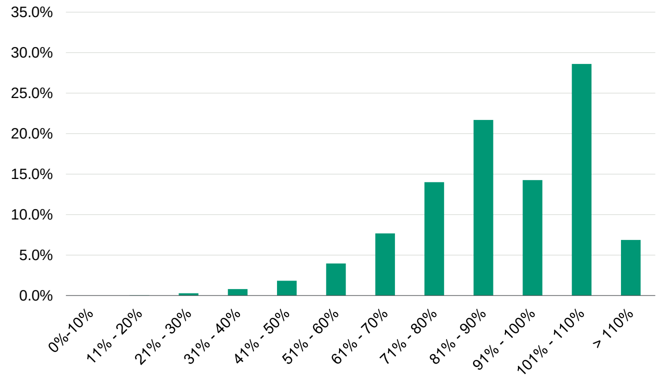
The exhibits below show the portfolio breakdown by payment protection insurance (PPI) and original loan to car value (LTV).

Exhibit 17
Portfolio breakdown by PPI



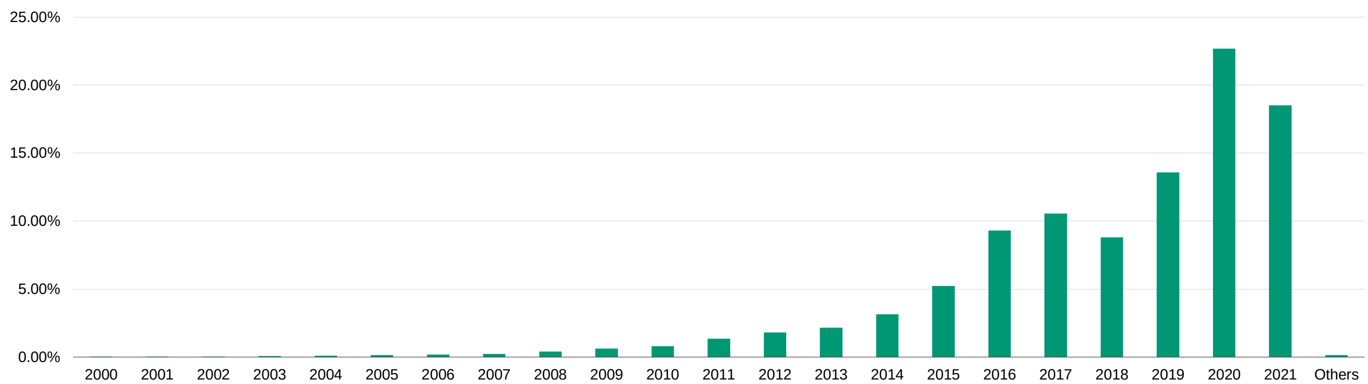
Source: Bank11

Exhibit 18
Portfolio breakdown by original LTV



Source: Bank11

Exhibit 19
Portfolio breakdown by year of registration



Source: Bank11

Eligibility criteria

The key eligibility criteria are as follows:

1. The receivable provides for an original term not more than 120 months in case of the fully amortising loan and not more than 61 months in case of the loan with a balloon payment;
2. Denominated and payable in euros;
3. Not subject to any right of revocation or counterclaim of the debtors (other than defences related to Statutory Revocation Rights Instructions);
4. Non-delinquent;
5. The receivable provides for a remaining term of at least 2 months;
6. At least one instalment has been paid;
7. Has been created in compliance with applicable German law, rules and regulations (in particular with respect to consumer protection) – whereby the compliance with the requirements set out for Statutory Revocation Rights Instructions, in particular with respect to the interpretation of the Consumer Credit Directive by the ECJ are excluded – and all required consents, approvals and authorisations have been obtained in respect thereof and the Originator is not in violation of any such law, rule or regulation;
8. Due from a non-insolvent debtor and no proceedings for the commencement of insolvency proceedings are pending in any jurisdiction;
9. The debtor is not an employee of the seller or its affiliates;
10. Payable in monthly loan instalments;
11. Instalments payable by direct debit;
12. The balloon payment is not more than 90% of the vehicle sale price;
13. Loan agreement for which the LTV does not exceed 150%;
14. Maximum exposure to a single borrower €150,000.

Originator and servicer

In March 2021, we met with Bank11 für Privatkunden und Handel GmbH (NR) (Bank11), a wholly owned subsidiary of Wilh. Werhahn KG (NR). Bank11 acts as both the originator and servicer in this transaction.

Bank11 has a banking licence under the German regulatory framework and has recorded rapid growth in the German non-captive car financing market since its operations started in early 2011. In its first year, Bank11 reported a loan origination volume of €117 million and 20,000 clients. As of year-end 2020, Bank11 had 335,000 clients and a new origination volume of €2.7 billion.

The products offered are mainly car loans marketed through a network of 14,708 German car dealers to private individuals. Bank11 provides car dealers with financing products to support the dealers' business and, in return, originates retail car loans. Bank11 also offers protection plan insurance, GAP insurance and warranty products in combination with the loan contracts.

The origination process is highly automated for private and commercial loans.

Different scoring systems are in place for each borrower type (private/commercial) to assess the borrower's credit risk, which takes into consideration, among other things, (1) credit bureau information; (2) income and employment information (for private borrowers only); (3) the customer's debt history; and (4) fraud information. The underwriting process is in line with the market standard.

Bank11 has a total of 350 employees in Germany, with around 18 of them in the collections management team.

Collection management is organised centrally from an internal collection centre. The collection process and early arrears management are highly automated, with reminder letters sent automatically by the system. Separate collection activities such as telephone calls and individual letters start in parallel. If a customer is not able to pay, the car will be repossessed and sold after termination by Bank11's car management department.

Vehicle repossessions are outsourced to two external agencies and litigations are processed by external lawyers. In addition, collection of titled claims is done by external agencies.

The historical performance between 2016 and 2021 compares favourably with its peer group of German auto loan ABS transactions: an average of 0.49% for 1-30 days missed instalment, 0.21% for 31-60 days missed instalments and 0.11% for 61-90 days missed instalments. The observed cumulative default and recovery rates are around 1.1% and 47.8%, respectively.

The exhibit below summarises the main characteristics of the originator's background.

Exhibit 20

Originator profile, servicer profile and operating risks

Date of operations review:	9-Mar-21
Originator background	**Bank11 für Privatkunden und Handel GmbH (Bank11)**
Rating:	Not rated entity
Financial institution group outlook for sector:	Negative
Ownership structure:	Fully owned by Wilh. Werhahn KG (NR)
Asset size:	Approx. EUR 5.1bn in auto loans as of September 2021
% of total book securitized:	54%
Transaction as % of total book:	10%
% of transaction retained:	At least 5.0% as required by article 6(3)(c) of the Securitisation Regulation
Servicer background	**Bank11 für Privatkunden und Handel GmbH (Bank11)**
Rating:	Not rated entity
Regulated by:	Bafin (German Bank Regulator)
Total number of auto loans serviced:	Approx. 321,000 as of September 2021
Number of staff:	350

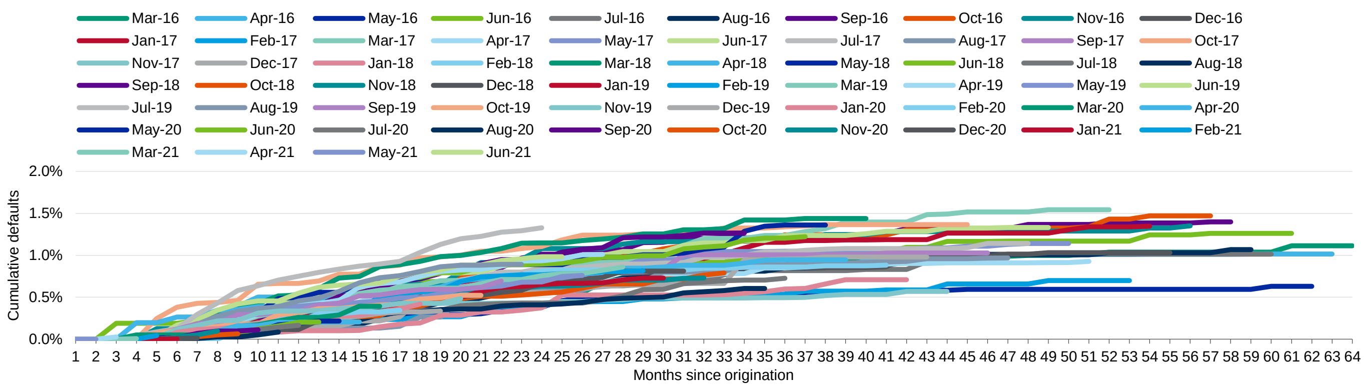
Source: Bank11

The originator provided us with performance data on its whole auto loan portfolio. Default data and recovery data covers the period from March 2016 to June 2021. Dynamic delinquency data was also provided for the same period. In our view, the quantity and quality of data received is adequate compared with transactions that have achieved high-investment-grade ratings in this sector in other European countries. The WA original contractual term of the loans is about 4.8 years, with a maximum of 10 years. Of the securitised pool, 10.5% has an original term of more than seven years.

The exhibits below show cumulative defaults since loan origination and cumulative recoveries since loan default for loans granted to private and commercial borrowers.

Exhibit 21

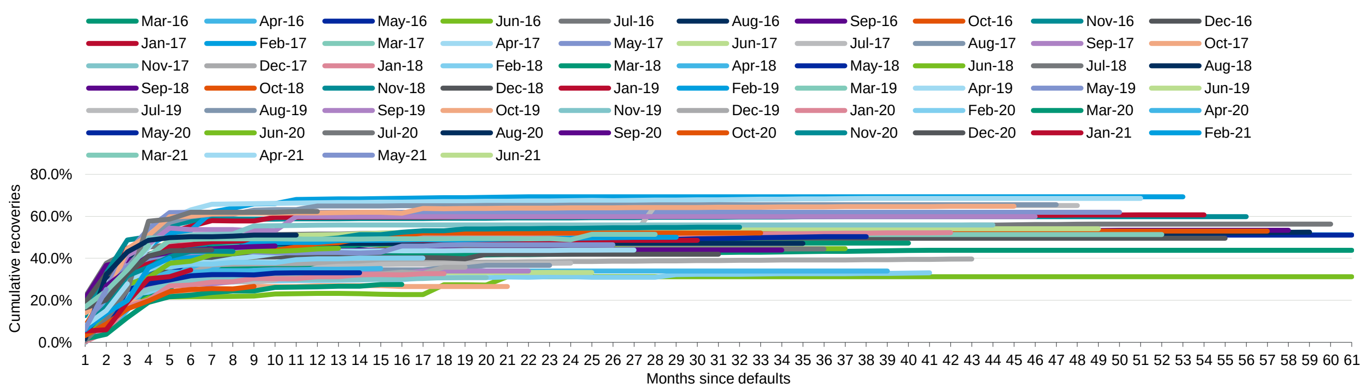
Total book vintage default data for the period from March 2016 to June 2021 (below representative number of monthly observations)



Source: Bank11

Exhibit 22

Total book vintage recovery data for the period from March 2016 to June 2021 (below representative number of monthly observations)



Please note that the historical recovery data has improved as compared to the previous RevoCar 2021-1 transactions we recently rated, due to the change in the data capturing by Bank11. The data capturing has now been changed to include bad debt proceeds, which had not been captured before due to technical limitations.

Source: Bank11

Revolving period and replenishment criteria

The transaction has a revolving period of two years, during which the issuer will use principal redemptions from the auto loans to purchase additional portfolios from the seller. The addition of loans can expose noteholders to additional risk.

In addition to the original eligibility criteria, the following replenishment criteria apply to the whole securitised portfolio and partly mitigate the additional risk of adding new loans to the pool:

- » the WA loan interest rate in relation to all purchased receivables is at least equal to 2.85% p.a.;
- » the portion of the aggregate principal balance of additional loans that relates to financed new vehicles is at least equal to 30%;
- » the WA remaining term of all loan agreements does not exceed 60 months;
- » the portion of the aggregate principal balance of all loans that relates to private customers is at least equal to 90%;
- » the portion of the aggregate principal balance of all loans that relates to Evo classic receivables (amortizing loans) is at least equal to 30%;

Asset analysis

Primary asset analysis

Our analysis of the credit quality of the assets includes an examination of the loan default distribution of the securitised pool, based on our assumptions and historical data.

Loan default distribution

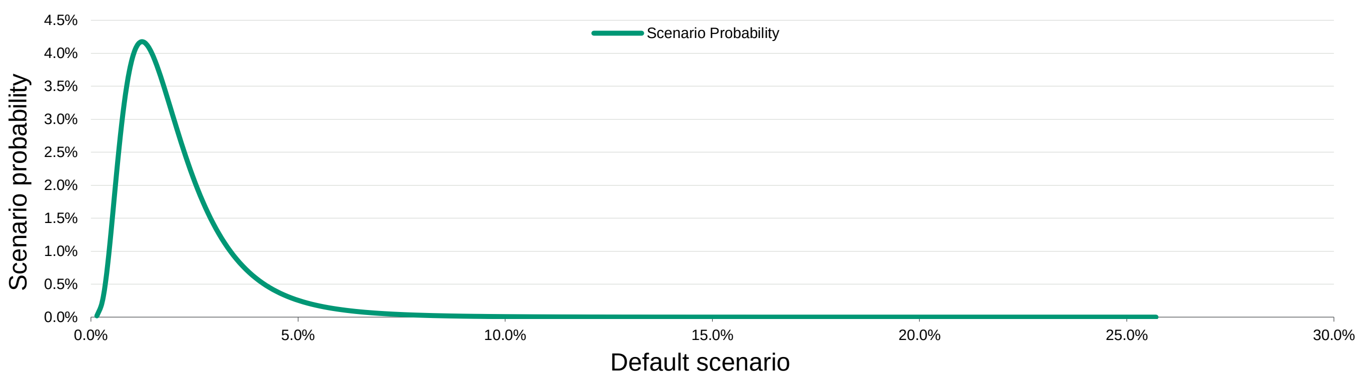
The first step in the analysis was to define a default distribution of the pool of loans to be securitised. Because of the large number of loans, we used a continuous distribution to approximate the default distribution: the lognormal distribution. The probability default distribution associates a probability with each potential future default scenario for the portfolio. This distribution has hence been applied to numerous default scenarios on the asset side to derive the level of losses on the notes.

Two main parameters determine the shape of the default distribution: the mean default and the PCE. The expected default captures our expectations of performance considering the current economic outlook, while PCE captures the loss we expect the portfolio to suffer in the event of a severe recession scenario. We generally derive these parameters from the historical data; we may make adjustments based on further analytical elements such as performance trends, differences in portfolio composition or changes in servicing practices among others.

The exhibit below shows the lognormal default distribution of the portfolio.

Exhibit 23

Lognormal default probability distribution



Source: Moody's Investors Service

Derivation of loan default rate expectation

Portfolio expected default of 1.7% is in line with the EMEA auto loan ABS average and is based on our assessment of the lifetime expectation for the pool.

We primarily based our analysis on the historical cohort performance data that the originator provided for a portfolio that is representative of the securitised portfolio. We also evaluated (1) other European market trends, (2) benchmark auto loan transactions, and (3) other qualitative considerations with respect to the originator's experience in the asset class.

Derivation of recovery rate assumption

Portfolio expected recoveries of 30.0% are in line with the EMEA auto loan ABS average and are based on our assessment of the average lifetime recovery rate expectation for the pool.

We have made assumptions for recoveries on the basis of (1) historical recovery vintages received for this transaction, and (2) benchmarking with other transactions on the German auto loan market.

Derivation of portfolio credit enhancement

The PCE of 9.0% is in line with the EMEA auto loan average. The PCE has been defined following analysis of the data variability, as well as by benchmarking this portfolio with past and similar transactions. Factors that affect the potential variability of a pool's credit losses are (1) historical data variability, (2) quantity, quality and relevance of historical performance data, (3) originator quality and servicer quality, (4) certain pool characteristics, such as asset concentration, and (5) certain structural features.

Commingling risk

All scheduled payments under the loans in the portfolio are collected by way of direct debit. Collections received via direct debit are transferred on the same business day. The obligors' payments concentrated on the first day of the month are 62.0% and on the 15th day of the month are 38.0%. If the servicer enters into insolvency proceedings, a certain proportion of one month's collections could be lost.

Set-off risk

Bank11 sells, along with loan contracts, various types of insurance acting as broker. The insurance contracts are predominantly underwritten by Rheinland Versicherungen (NR). Around 50.1% of loan contracts in the securitised portfolio benefit from such insurance contracts. Under German law, the borrower has the right to set off any unsatisfied claims he/she has under a connected contract against his/her loan agreement and to reclaim any unused premium if the insurer becomes insolvent. The risk to the issuer of unmitigated set-off would occur when both the originator and the insurance provider become simultaneously insolvent.

At closing, the securitised pool bears no deposit set-off risk, because the obligors in the pool do not hold any deposits at Bank11. Employee contracts of the seller are also excluded from the securitised loan portfolio.

Comparables

Prior transactions

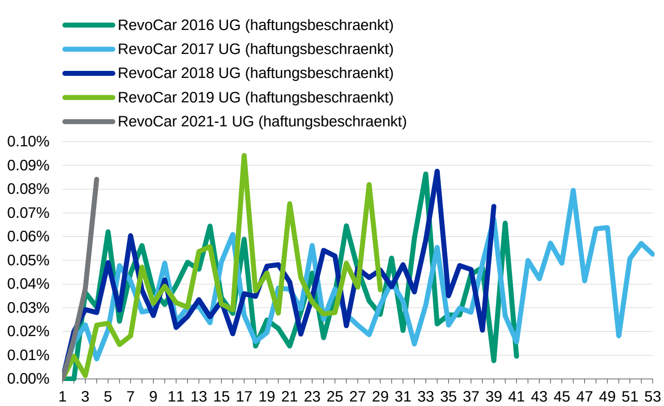
Precedent transactions' performance

The performance of the originator's precedent transactions in this sector are within Moody's expectations.

The exhibits below show the performance of the five outstanding precedent transactions originated by Bank11 on a standalone basis.

Exhibit 24

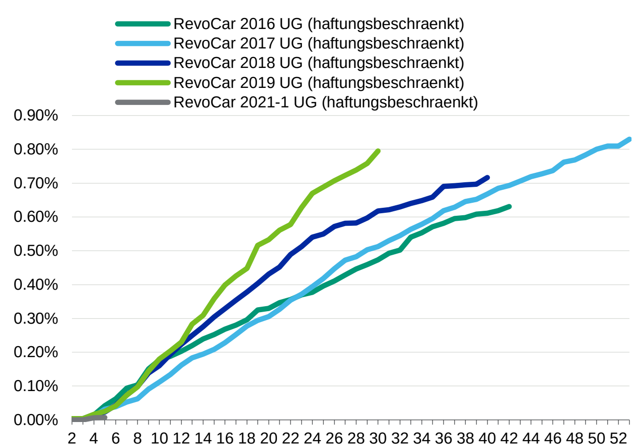
Bank 11's precedent German auto loan transactions' performance (60 days delinquencies as a percentage of current balance)



Sources: Moody's Investors Service, Moody's Performance Data Service, periodic investor/ servicer reports

Exhibit 25

Bank 11's precedent German auto loan transactions' performance (cumulative defaults as a percentage of original balance)



Sources: Moody's Investors Service, Moody's Performance Data Service, periodic investor/ servicer reports

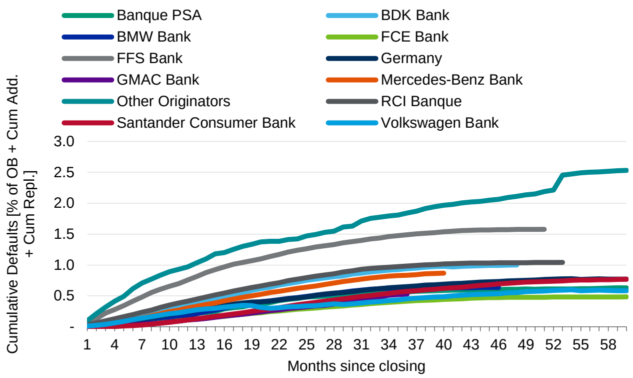
Transactions of other seller/servicers

For benchmarking purposes, the charts below include cumulative defaults in German auto loan ABS that we rate. Please note, however, that the performance shown can be affected by several factors, such as the seasoning of the securitised loans, the age of the transaction, pool-specific characteristics and the length of the revolving period.

The exhibits below show the performance of comparable transactions among originators in Germany.

Exhibit 26

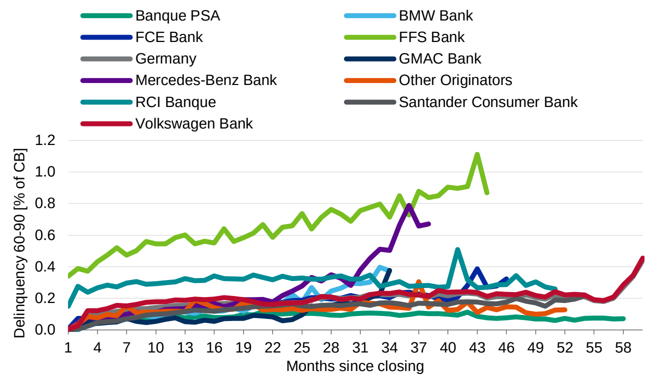
German auto loan ABS cumulative defaults



Sources: Moody's Investors Service, Moody's Performance Data Service, periodic investor/ servicer reports

Exhibit 27

German auto loan ABS 60-90 days delinquency



Sources: Moody's Investors Service, Moody's Performance Data Service, periodic investor/ servicer reports

The exhibits below show a benchmark table including portfolio characteristics of comparable transactions in Germany.

Exhibit 28

Comparable transactions - Asset characteristics

Deal name	RevoCar 2021-2 UG	RevoCar 2021-1 UG	RevoCar 2019 UG	RevoCar 2018 UG	RevoCar 2017 UG	Red & Black Auto Germany 6 UG (haftungsbeschränkt)	SC Germany S.A., Compartment Mobility 2020-1
Country	Germany	Germany	Germany	Germany	Germany	Germany	Germany
Closing date or rating review date (dd/mm/yyyy)	October-21	May-21	April-19	May-18	March-17	November-19	October-20
Currency of rated issuance	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Rated notes volume (excluding NR and equity)	500,000,000.0	690,900,000.0	395,900,000.0	396,100,000.0	449,982,580.0	990,000,000.0	3,200,000,000.0
Originator/servicer	Bank11	Bank11	Bank11	Bank11	Bank11	Bank Deutsches Kraftfahrzeuggewerbe GmbH (BDK)	Santander Consumer Bank AG
Captive finance company?	No	No	No	No	No	No	No
Long-term/short term rating	NR	NR	NR	NR	NR	NR	A3/P-2
Securitised pool balance ("total pool")	499,999,793.7	699,999,984.0	399,989,205.0	399,999,517.1	449,982,580.0	1,000,000,000.0	3,199,999,999.7
Average principal balance	15,933.2	15,196.6	11,563.4	10,886.7	13,801.0	11,300.0	11,996.3
WA loan to value ("LTV")	88.2%	88.5%	83.1%	83.2%	85.7%	88.8%	100.0%
Share of total pool >90% LTV	49.7%	50.9%	51.5%	52.3%	52.9%	55.9%	68.4%
Auto loan receivables %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Auto lease receivables %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RV receivables %	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%
Portion of (fully) amortising contracts %	40.1%	40.9%	84.2%	87.3%	39.0%	40.8%	63.3%
Portion of bullet / balloon contracts %	59.9%	59.1%	15.8%	12.7%	61.0%	59.2%	36.7%
Portion of pure bullet / balloon payments %	35.3%	56.9%	51.5%	51.9%	32.6%	47.4%	19.3%
Direct debit (minimum payment)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%
WA initial yield (total pool)	3.1%	3.0%	3.5%	3.6%	3.1%	3.6%	3.8%
Minimum yield for additional portfolios p.a.	Min. 2.85% (combined pool)	Min. 2.6% (combined pool)	Min. 3.25% (combined pool)	N/A	Min. 2.6% (combined pool)	N/A	3.00%
WAL of total pool initially (in years)	2.8	2.8	2.8	2.7	2.7	2.4	2.6
WA original term (in years)	4.8	4.9	5.5	5.5	4.8	4.9	5.6
WA seasoning (in years)	0.5	0.6	0.5	0.6	0.5	1.1	1.3
WA remaining term (in years)	4.3	4.3	5.0	4.9	4.2	3.8	4.4
No. of contracts	31,381	46,063	34,591	36,742	32,605	88,492	266,748
No. of obligors	N/A	N/A	34,268	36,401	32,299	87,749	N/A
Single obligor (group) concentration %	0.03%	0.02%	0.0%	0.0%	0.0%	0.0%	0.0%
Top 5 obligor (group) concentration %	0.11%	0.08%	0.2%	0.1%	0.1%	0.1%	N/A
Top 10 obligor (group) concentration %	0.21%	0.15%	0.3%	0.3%	0.3%	0.1%	0.1%

Deal name	RevoCar 2021-2 UG	RevoCar 2021-1 UG	RevoCar 2019 UG	RevoCar 2018 UG	RevoCar 2017 UG	Red & Black Auto Germany 6 UG (haftungsbeschränkt)	SC Germany S.A., Compartment Mobility 2020-1
Private obligors %	97.1%	96.9%	96.4%	96.1%	96.1%	88.8%	81.5%
Name largest manufacturer / brand	N/A	N/A	N/A	N/A	N/A	Ford	Not disclosed
2nd largest manufacturer / brand	N/A	N/A	N/A	N/A	N/A	Hyundai	Not disclosed
3rd largest manufacturer / brand	N/A	N/A	N/A	N/A	N/A	Opel	Not disclosed
Size % largest manufacturer / brand	10.9%	10.2%	10.7%	9.9%	9.1%	28.1%	11.2%
2nd largest manufacturer / brand	9.2%	9.6%	9.5%	8.6%	7.1%	20.2%	10.0%
3rd largest manufacturer / brand	7.2%	7.5%	6.6%	6.4%	6.4%	19.5%	9.7%
New vehicles %	37.2%	40.0%	36.7%	40.8%	57.3%	21.1%	21.0%
Name largest region	North Rhine-Westphalia	North Rhine-Westphalia	North Rhine-Westphalia	North Rhine-Westphalia	North Rhine-Westphalia	Nordrhein-Westfalen	North Rhine-Westphalia
2nd largest region	Bavaria	Bavaria	Bavaria	Bavaria	Bavaria	Bayern	Bavaria
3rd largest region	Baden-Württemberg	Baden-Württemberg	Baden-Württemberg	Baden-Württemberg	Baden-Württemberg	Baden-Wuerttemberg	Lower Saxony
Size % largest region	21.0%	21.0%	21.7%	21.5%	19.2%	16.7%	20.8%
2nd largest region	17.2%	16.5%	14.6%	13.8%	17.6%	16.6%	11.9%
3rd largest region	13.2%	13.3%	13.9%	11.6%	12.2%	12.9%	10.8%

Sources: Bank11, Moody's Investors Service

Exhibit 29

Comparable transactions - Asset assumptions

Deal name	RevoCar 2021-2 UG	RevoCar 2021-1 UG	RevoCar 2019 UG	RevoCar 2018 UG	RevoCar 2017 UG	Red & Black Auto Germany 6 UG (haftungsbeschränkt)	SC Germany S.A., Compartment Mobility 2020-1
Gross default / net loss definition in this deal	More than 3 months	More than 3 months	More than 3 months	More than 3 months	More than 3 months	4 months	4 months
Default definition captured by data?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Data available for each subpool?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Period covered by vintage data (in years)	5.3	5.0	6.0	5.0	11.0	7.0	11.0
Type of default / loss distribution	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal	Lognormal
Model running on defaults/losses	Defaults	Defaults	Defaults	Defaults	Default	Default	Defaults
Mean gross default/net loss rate - initial pool	1.7%	1.7%	2.0%	2.3%	2.50%	2.2%	3.8%
Mean gross default/net loss rate - replenished pool	1.7%	1.7%	2.0%	N/A	2.50%	N/A	3.8%
Mean net loss rate (calculated or modelled)	1.2%	1.3%	1.4%	1.5%	1.6%	1.3%	2.4%
CoV (implied)	62.8%	60.2%	60.0%	56.6%	57.0%	60.7%	45.6%
Default timing curve	Sine(3-17-50)	Sine(3-18-51)	Sine(3-17-54)	Sine(3-14-51)	Sine(3-16-47)	Sine (4-15-46)	Sine (4-16-49)
Mean recovery rate	30%	25%	30%	35%	35%	40%	35%
Recovery lag	WA recovery lag of 1.6 years	WA recovery lag of 1.6 years	WA recovery lag of 1.6 years	WA recovery lag of 1.6 years	WA recovery lag of 1.6 years	WA recovery lag of 19 months	WA recovery lag of 1.6 years
Aaa PCE	9.0%	9.0%	10.0%	10.0%	11.0%	10.0%	12.0%
Prepayment rate	7.5% first 18 months; 12.5% thereafter	7.5% first 18 months; 12.5% thereafter	7.5% first 18 months; 12.5% thereafter	10% first 18 months; 15% thereafter	10% first 18 months; 15% thereafter	10% first 18 months; 15% thereafter	10.5% first 18 months; 15.5% thereafter
Seasoning as modelled (in months)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stressed fees modelled	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Assumed portfolio yield p.a. - initial pool	3.0%	2.8%	3.3%	3.3%	2.9%	3.4%	3.6%
Assumed portfolio yield p.a. - additional pool	2.9%	2.6%	3.3%	N/A	2.4%	N/A	2.7%
Index rate assumed in 1st period	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RV risk modelled?	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RV haircut (Aaa (sf))	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Moody's Investors Service

Origination/servicing quality

The main strengths of the originator and servicer in this transaction are Bank11's experienced management team and its fully licensed bank in Germany. The main challenges are the young operational track history and its small market share in the auto loan market.

Bank11 is an unrated entity. The presence of an independent cash manager and a back-up servicer facilitator appointed at closing are mitigants to this arrangement. The back-up servicer facilitator will use reasonable commercial endeavours to find a back-up servicer in case of a servicer insolvency or another servicer termination event. (See "Securitisation structure description - Detailed description of the structure" for additional information.)

Additional asset analysis

ESG - Environmental considerations

The environmental risk for ABS backed by auto loans is moderate. Our analysis of the transaction, which considers ESG risk, includes the risks to vehicles' recovery values from changes in carbon emissions regulations. The risk is somewhat mitigated, however, by the short tenor of the transaction. Most auto loan pools can withstand severe weather events such as hurricanes and tornados because the obligors are spread over a large geographic footprint resulting in very low exposure to any one severe weather event.

ESG - Social considerations

Social risk is generally low in Auto ABS transactions. Technological obsolescence, shifting demand patterns and changes in government policy mean that some segments will experience greater volatility in auto sales, recovery levels, and residual values, but the short tenor of the transaction mitigates the risk from long term trends. In addition, the geographical and demographical borrower diversification of the pool should mitigate the risk of any one region's or industry's economic decline. (See "Credit challenges")

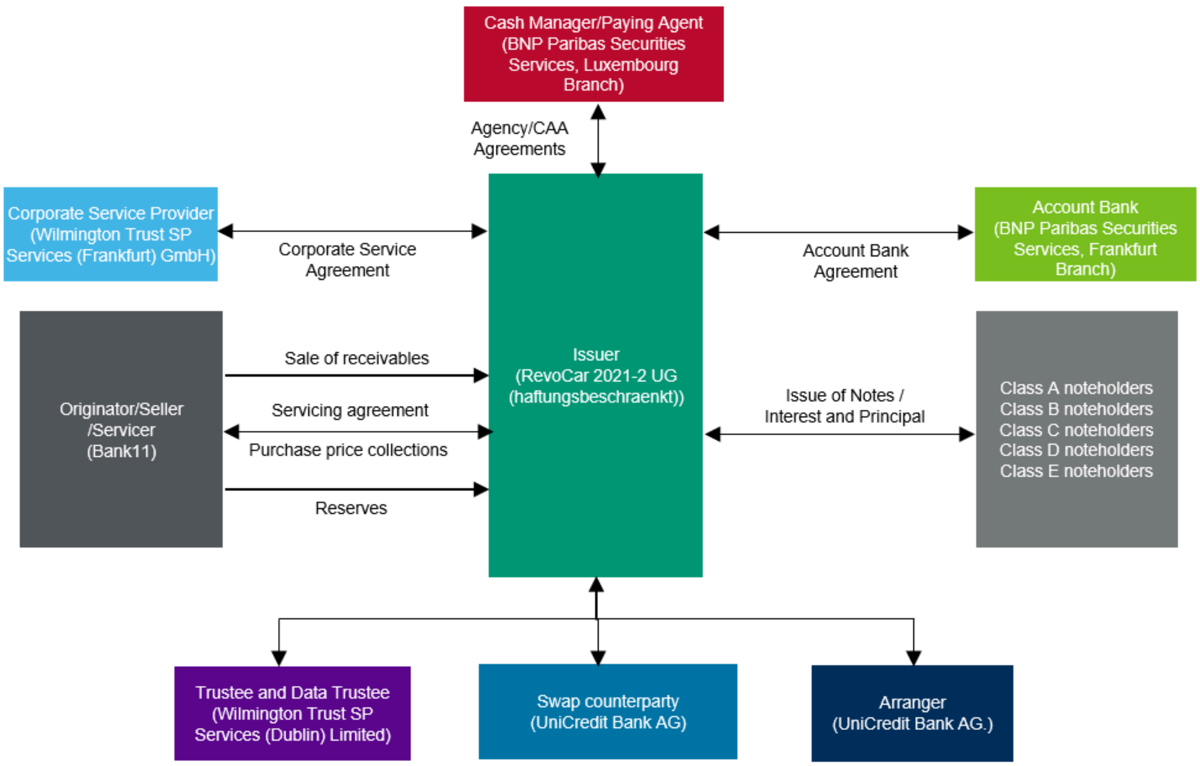
Securitisation structure description

The issuer is a special purpose vehicle incorporated under the laws of Germany. Interest on the notes is paid monthly.

Structural diagram

Below is a structural diagram for the transaction, illustrating the relationship between the issuer, RevoCar 2021-2 UG, and the other transaction parties.

Exhibit 30
RevoCar 2021-2 UG



Source: RevoCar 2021-2 UG (haftungsbeschränkt) prospectus

Detailed description of the structure

The transaction structure is a senior subordinated structure with interest deferral triggers linked to principal deficiency events.

Credit enhancement

Credit enhancement in the transaction includes excess spread and subordination of the notes.

Allocation of payments/waterfall

On each payment date, the issuer's available funds (that is, collections and recoveries received, payments from the swap counterparty and the reserve fund, if applicable, upon the occurrence of servicer termination event) will be applied in the following simplified order of priority:

1. Senior expenses including the servicing fee;
2. Payment to swap counterparty;
3. Interest on Class A;
4. Interest on Class B if no Class B principal deficiency event is occurring;
5. Interest on Class C if no Class C principal deficiency event is occurring;
6. Interest on Class D if no Class D principal deficiency event is occurring;
7. Interest on Class E if no Class E principal deficiency event is occurring;
8. During the replenishment period, the purchase price for additional receivables, if any;
9. During the replenishment period, the replenishment shortfall amount, if any;
10. Principal redemption on Class A;
11. Interest on Class B if Class B principal deficiency event is occurring;
12. Principal redemption on Class B;
13. Interest on Class C if Class C principal deficiency event is occurring;
14. Principal redemption on Class C;
15. Interest on Class D if Class D principal deficiency event is occurring;
16. Principal redemption on Class D;
17. Interest on Class E if Class E principal deficiency event is occurring;
18. Principal redemption on Class E;
19. Replenishment of the commingling reserve;
20. Replenishment of the set-off reserve;
21. Swap termination payments if payable to the swap counterparty;
22. Additional servicing fees to the servicer;
23. Transaction gain to the issuer.

Allocation of payments/PDL-like mechanism: The definition of the notes required amortisation amount ensures that excess spread and recoveries will be applied towards reducing defaults of the period and previous periods.

Liquidity reserve

» At close: EUR 2.5 million or 0.5% of the initial portfolio balance

» On any other payment date after closing is 0.5% of the outstanding portfolio balance

» The reserve is only available for Class A notes interest payments, swap payments and the senior expenses in the waterfall upon liquidity reserve transfer event

» Liquidity reserve transfer event means the servicer fails to transfer collections to the issuer in the event of a servicer termination event

Commingling reserve

The commingling reserve is funded at closing at EUR 4.6 million and will be adjusted each month in accordance with the expected collections: on any payment date, as long as the Class D notes are not fully redeemed, the commingling reserve will cover 60.0% of the schedule interest and principal collections minus the commingling reserve reduction amount. The commingling reserve can also be used for liquidity even before a servicer termination event.

Commingling reserve reduction amount on the relevant payment date following the determination date is the product of

(a) the aggregate principal balance on the relevant determination date (or the closing date), and

(b) the difference, if positive, of A less B, whereby (on the relevant determination date (or the closing date))

» (A) is:

- (i) the aggregate principal balance minus the aggregate note principal amount of the Class A notes (for the avoidance of doubt, taking into account the relevant principal redemption amount on the relevant payment date), divided by
- (ii) the aggregate principal balance; and

» (B) 7.86%.

Performance triggers

The revolving period will end if

1. the cumulative loss ratio exceeds
   a. 0.3% during the first year;
   b. 0.6% during the second year;
2. the amount of purchase shortfall account is larger than 10% of the initial aggregate note balance of all classes of notes on three consecutive payment dates;
3. the aggregate note balance of all classes of notes less aggregate principal balance less balance on the purchase shortfall account is larger than 0;
4. either servicer termination event, issuer event of default or originator event of default occurs.

Principal deficiency events

» Class B principal deficiency event: EUR 19,700,000

» Class C principal deficiency event: EUR 6,900,000

» Class D principal deficiency event: EUR 1,900,000

» Class E principal deficiency event: EUR 800,000

Originator/servicer/cash manager-related triggers

The appointment of the servicer is terminated if the following events occur:

- Insolvency of the servicer;
- Failure to perform material obligations, if not remedied;
- Failure to make payments due, if not remedied.

The appointment of the cash manager is terminated if the following events occur:

- Insolvency of the cash manager
- Failure to perform material obligations that is not remedied within the grace period

Other counterparty rating triggers

The issuer account bank will be replaced if its short-term bank deposit rating falls below P-1 or A2.

Excess spread

All assigned receivables will be purchased at par. The WA portfolio interest rate of the portfolio is 3.1%. After considering multiple default and prepayment scenarios and deducting stressed senior fees and coupon payments on all classes from a stressed portfolio yield, we model an annualised stressed excess spread of 1.5%. This represents the first layer of credit enhancement as well as a limited liquidity buffer to the transaction. Such excess spread will, however, vary depending on definitive costs, portfolio amortisation, prepayment rates and default levels as well as on a potential portfolio rate compression as the underlying loan contracts redeem/ prepay.

Interest rate mismatch

All of the assets backing the transactions are fixed-rate (WA rate of 3.1%) auto loans and all the notes also bear a fixed interest rate except for the Class A note. As a result, the issuer is subject to a fixed-floating interest rate mismatch and hence has entered into hedging arrangements with UniCredit Bank AG (A2/P-1 deposit rating; A1(cr)/P-1(cr)).

Under the swap agreement:

- The issuer pays the fixed rate and the swap counterparty pays one-month Euribor;
- The issuer pays the swap rate of -0.005% p.a.;
- The swap notional amount will be lower of 1) the upper bound (the expected Class A notes amortisation schedule assuming 0.0% CPR p.a., no defaults and no delinquencies) 2) maximum of the outstanding Class A notes and the lower bound (the expected Class A notes amortisation schedule assuming 16.5% CPR p.a., no defaults and no delinquencies).

Asset transfer/true sale/bankruptcy remoteness

The purchase of the asset portfolio is financed by the issuance of the notes. The purchase is a true sale of the loan receivables under German law, vehicles and ancillary rights to the issuer for the benefit of the noteholders.

The issuer is a special purpose vehicle incorporated under the laws of Germany as an UG (a company with limited liability).

Cash manager

BNP Paribas Securities Services S.C.A.(Aa3/P-1 deposit rating) acting through Luxembourg Branch, acts as independent cash manager in the transaction. The cash manager's main responsibilities are the preparation and publication of the investor report, calculating amounts due and instructing respective payments according to the waterfall and drawing on the cash reserve and other sources of liquidity. The cash manager will make cash flow calculations on each monthly payment date. Events that could lead to termination of the cash manager include insolvency and a failure to perform that the cash manager does not remedy within the grace period.

There is no back-up cash manager appointed at closing.

Replacement of the servicer

At closing, the transaction will appoint a back-up servicer facilitator, Wilmington Trust SP Services (Frankfurt) GmbH (NR). The back-up servicer facilitator will use reasonable commercial endeavours to find a back-up servicer in case of a servicer insolvency or another servicer termination event. In the event of servicer insolvency or another event, the transaction will have available the principal to pay interest, the cash reserve and excess spread.

Securitisation structure analysis

Primary structural analysis

We base our primary analysis of the transaction structure on the default distribution of the portfolio to derive our cash flow model.

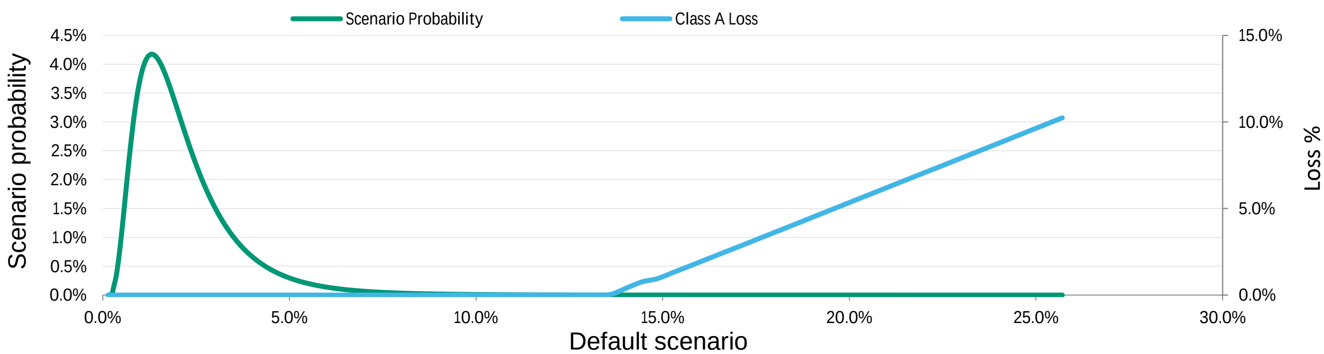
Tranching of the notes

We used a lognormal distribution to describe the default distribution of the portfolio. We used this distribution in the cash flow model to ultimately derive the level of losses on the notes under each default scenario.

The chart below presents the default distribution (green line) that we used in modelling loan defaults.

Exhibit 31

Lognormal loan default probability distribution including Class A losses and PDL as a percentage of the initial notes amount



Source: Moody's Investors Service

We considered the allocation to each of the parties within the transaction of the cash flows that the collateral generates and the extent to which the structural features of the transaction might themselves provide additional credit protection to investors, or alternatively act as a further source of risk in addition to the intrinsic risk of the loan assets. For example, we analysed the strength of early amortisation triggers.

As a first step towards determining the theoretical rating of the notes, we used an expected- loss methodology that reflects the probability of default for the notes multiplied by the severity of the loss expected for the notes.

To allocate losses to the notes in accordance with their priority of payment and relative size, we used a cash-flow model (ABSROM) that reproduces most of the deal-specific characteristics.

We have already described above the main input parameters of the model. The result of weighting the loss severity and the average life of the notes in each loss scenario output (the result of inputting each default scenario into ABSROM) with its probability of occurrence is the expected loss and the expected average life of the notes, respectively.

We then compare both values to Moody's Idealised Expected Loss table.

Timing of defaults

We have tested different timings for the default curve to assess the robustness of the ratings. In the base-case scenario, the timing of defaults curve assumed is a sine, with the first default occurring with a three-month lag (according to the transaction definition), the peak at month 17 and the last default at month 50.

Default definition

A loan is defaulted if the loan contract is terminated by the servicer in accordance with its credit and collection policy. Normally, the servicer terminates a contract if it is more than three instalments overdue.

Exhibit 32

Comparable transactions - Structural features

Deal name	RevoCar 2021-2 UG	RevoCar 2021-1 UG	RevoCar 2019 UG	RevoCar 2018 UG	RevoCar 2017 UG	Red & Black Auto Germany 6 UG (haftungsbeschränkt)	SC Germany S.A., Compartment Mobility 2020-1
Revolving period (in years)	2 years	4 years	1 year	Static	2	Static	3 years
Size of credit RF ongoing (as % of rated notes)	0.50%	0.25%	0.71%	0.66%	0.00%	0.5%	1.0%
RF amortisation floor (as % of initial total pool)	N/A	N/A	N/A	N/A	N/A	Non amortising	N/A
Set-off risk?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Set-off mitigant	Yes – reserve to cover deposit set-off	Yes – reserve to cover deposit set-off	Yes – reserve to cover deposit set-off	Yes – reserve to cover deposit set-off	Yes – reserve to cover deposit set-off	Set-off modelled	Set-off modelled
Commingling risk?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Commingling mitigant	Reserve funded at closing, daily sweep	Reserve funded at closing, daily sweep	Reserve funded at closing, daily sweep	Reserve funded at closing, daily sweep	Reserve funded at closing, daily sweep	Reserve funded upon trigger breach	No
Back-up servicer appointed if servicer rated below	N/A	N/A	N/A	N/A	N/A	Baa3	Baa3
Back-up servicer name	No BUS	No BUS	No BUS	No BUS	HOIST Finance	No BUS	No BUS
Back-up servicer facilitator	Wilmington Trust SP Services (Frankfurt) GmbH	Wilmington Trust SP Services (Frankfurt) GmbH	Wilmington Trust SP Services (Frankfurt) GmbH	Wilmington Trust SP Services (Frankfurt) GmbH	Wilmington Trust SP Services (Frankfurt) GmbH	Wilmington Trust SP Services (Frankfurt) GmbH	Circumference FS (Luxembourg) S.A.
Swap in place?	Yes	No	Yes	Yes	No	Yes	No
Swap counterparty Long-term rating	A1(cr)	N/A	A1(cr)	A1(cr)	N/A	A1(cr)	N/A
Short-term rating	P-1(cr)	N/A	P-1(cr)	P-1(cr)	N/A	P-1(cr)	N/A
Type of swap	Fixed-floating	N/A	Fixed-floating	Fixed-floating	N/A	Fixed-floating	N/A
Size of Aaa(sf) rated class	92.1%	91.8%	91.5%	91.0%	86.0%	93.0%	-
Aa1(sf) rated class	-	-	-	-	-	-	92.8%
Aa2(sf) rated class	-	4.6%	-	-	7.2%	-	-
Aa3(sf) rated class	-	-	-	-	-	-	-
A(sf) rated class	5.1%	1.2%	4.7%	5.1%	1.8%	4.0%	-
Baa(sf) rated class	1.5%	1.0%	1.0%	0.7%	2.1%	1.5%	-
Ba(sf) rated class	0.8%	-	1.8%	2.2%	-	1.0%	-
B(sf) rated class	-	-	-	-	-	-	-
NR class	0.5%	1.3%	1.0%	1.0%	2.9%	0.5%	7.3%
Equity	-	-	-	-	-	-	-
Initial over-collateralisation	-	-	-	-	-	-	-
Annualised net excess spread as modelled	1.5%	1.7%	2.0%	0.7%	0.3%	2.0%	2.6%

Source: Moody's Investors Service

Additional structural analysis

Asset transfer, true sale and bankruptcy remoteness

We consider the purchase of the loan receivables an effective true sale under German law and the issuer a bankruptcy-remote entity. Our assessment is based on the analysis of the transaction documentation and takes into account the legal opinion provided by the transaction counsel.

Repurchase of non-performing assets

The originator can exercise its cleanup call when the aggregate principal balance is less than 10% of the initial aggregate principal balance as of the initial cut-off date. Performing receivables will be repurchased at par, whereas both delinquent and defaulted receivables will be repurchased at a price estimated by an independent appraiser. Additional losses to the portfolio may occur in case delinquent loans are repurchased below the outstanding balance.

Delinquent receivable means a receivable that is overdue by more than 30 calendar days but is not a defaulted receivable.

Commingling risk

Commingling risk mitigated by

» the automatic termination collection authority upon the insolvency of the originator

» a daily transfer of received SEPA collections to the issuer account and

» a commingling reserve funded at closing at EUR 4.6 million, which will be adjusted monthly in order to cover 60% of the scheduled interest and principal collections minus the commingling reserve reduction amount.

Insurance set-off risk

Set-off risk mitigated by:

» The originator is obliged to buy back any receivables where the debtor has declared set-off or compensate the issuer for the set-off amount.

Deposit set-off risk

Set-off risk is mitigated by:

» Eligibility criteria exclude Bank11 deposit holders.

» Set-off reserve only when exposure arises. The reserve will then be held at a dedicated ledger on the issuer account to cover any set-off exposure on a 1:1 basis.

» If Bank11 fails to pay the set-off exposure coverage via the deemed collection mechanism, a borrower notification event will be triggered.

ESG - Governance considerations

This securitization's governance risk is low and is typical of other auto ABS in the market. Strong ABS governance relates to transaction features that promote the integrity of the operations of the transaction for the benefit of investors as well as the data provided to investors. The following are some of the governance considerations related to the transaction:

» ***Risk retention:*** This transaction is subject to the European risk retention requirements, which require the sponsor to hold at least 5% of the credit risk of the transaction.

» ***Agreed upon procedures (AUPs):*** An independent due diligence firm reviewed a sample of the portfolio and provided an agreed upon procedures (AUP) report for data integrity matters. This increases our confidence that the data that we and investors relied on is accurate.

» ***Servicing oversight:*** The servicer (not rated) is a fully regulated bank under the supervision of the national bank regulator and has to adhere to certain standards in terms of independent control and audit functions as well as internal credit policies and servicing procedures in relation to the granting of Auto loans.

» ***Bankruptcy remoteness:*** We received legal opinions to the effect that in the event of a bankruptcy or insolvency proceeding with respect to key transaction parties, the securitized auto loans would not be treated as part of the estate of such party. Also, the SPV is a special purpose entity and is independently owned and managed. SPV directors are not incentivized by applicable bankruptcy law to file for bankruptcy. (See "Securitisation structure analysis - Additional structure analysis - Asset transfer, true sale and bankruptcy remoteness").

Methodology and monitoring

We will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Data quality: The issuer will provide a finalised investor report and discuss it with us. This report will include all necessary information for us to monitor the transaction.

Data availability: The transaction documentation will set out a timeline for the investor report. The investor report will be published monthly and the frequency of the interest payment date is monthly. Investor reports will be publicly available on a website.

Modelling assumptions

Sensitivity to variation in some of the modelling assumptions may have been considered in the analysis.

Exhibit 33

Modelling assumptions

Expected loss:	1.7%
PCE:	9.0%
Coefficient of variation (CoV):	62.8%
Timing of defaults/losses:	Sine(3-17-50)
Recovery rate:	30.0%
Recovery lag:	5% after 3 months; 15% after 6 months; 20% after 12 months; 20% after 18 months; 20% after 24 months; 20% after 36 months
Conditional prepayment rate (CPR):	7.5% first 18 months; 12.5% thereafter
Fees (as modelled):	1.0%, with a floor of EUR 150,000
PDL definition:	Defaults
Amortization profile:	Scheduled amortisation of the assets
Country ceiling:	Aaa
Margin compression:	50% of CPR applied to highest yielding loans
Interest on cash:	Yes
Commingling risk modelled?	No
Excess spread (model output)*:	1.5%

* Annualized excess spread in a zero default scenario based upon the first payment period value using Moody's stressed asset yield and fees assumptions.
Source: Moody's Investors Service

Moody's related publications

For a more detailed explanation of our approach to this type of transaction as well as similar transactions, please refer to the following reports:

Methodology used:

» Moody's Global Approach to Rating Auto Loan- and Lease-Backed ABS, September 2021

New issue reports:

» RevoCar 2021-1 UG, May 2021

» SC Germany S.A., Compartment Mobility, October 2020

» Red & Black Auto Germany 6 UG, November 2019

» RevoCar 2019 UG, April 2019

» RevoCar 2018 UG, May 2018

» RevoCar 2017 UG, March 2017

» RevoCar 2016 UG, March 2016

Special comments:

» Structured Finance – Global, 2021 Outlook – Speed and extent of recovery will vary by asset class and region, with pandemic weighing on performance, December 2020

» Structured Finance – Europe, 2021 Outlook, December 2020

» Auto ABS – Global, Performance risks will increase as coronavirus lockdowns resume and payment moratoriums expire, November 2020

Data report:

» Auto loan and lease ABS - EMEA: Performance Update, August 2021

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Summary of the originator's underwriting policies and procedures

Exhibit 34

Originator Ability	At closing
Sales and Marketing Practices	
Origination Channels:	Approx. 85% Point of Sale business, approx. 15% Cooperation
Origination Volumes:	As per 2020: 2.7 bn € (including Auto Loans, Dealer Floorplan and Direct Loans)
Average Length of Relationship Between Dealer and Originator:	Not disclosed
Underwriting Procedures	
% of Loans Automatically Underwritten:	89% (final decision)
% of Loans Manually Underwritten:	11% (final decision)
Ratio of Loans Underwritten per FTE* per Day:	Not disclosed
Average Experience in Underwriting or Tenure with Company:	Not disclosed
Approval Rate:	Not disclosed
Percentage of Exceptions to Underwriting Policies:	Not disclosed
Underwriting Policies	
Source of Credit History Checks:	Core Banking System (Bank11), Schufa Holding AG (Bureau Information)
Methods Used to Assess Borrowers' Repayments Capabilities:	Internal and external debts, Debt/Income, Disposible Income (Budget Calculation)
Income Taken into Account in Affordability Calculations:	Net monthly income and other sources like rental income or pension payments after verification
Other Borrower's Exposures (i.e. other debts) Taken in Account in Affordability Calculations:	All outstanding and information received from credit agencies with respect to external repayment obligations
Method Used for Income Verification:	Copy of salary slips of last 2 month or access to look at customer's current account (with exceptions for customers with excellent score and positive bureau information)
Maximum Loan Size:	Covered by credit competency scheme
Average Deposit Required:	Not disclosed
Credit Risk Management	
Reporting Line of Chief Risk Officer:	The CRO is a member of the executive board
FTE: Full Time Employee	

Originator Stability:	At closing
Quality Controls and Audits:	
Responsibility of Quality Assurance:	Risk management validates scoring system, budget calculation and efficiency of policy rules on a regular basis
Number of Files per Underwriter per Month Being Monitored:	Not disclosed
Management Strength and Staff Quality	
Average Turnover of Underwriters:	Not disclosed
Training of New Hires and Existing Staff:	Standard training course, fraud prevention trainings and ongoing training on the job
Technology	
Frequency of Disaster Recovery Plan Test:	Not disclosed

Source: Bank11

Appendix 2: Summary of the servicer's collection procedures

Exhibit 35

Servicer Ability	At closing
Loan Administration	
Entities Involved in Loan Administration:	Centralised at the head office
Early Stage Arrears Practices	
Entities involved in Early Stage Arrears:	Call Center / Dedicated collection staff at head office
Definition of Arrears	
1-2 days past due:	Contact call
7-10 days past due:	Special direct debit will be drawn
14 days past due:	Dunning letter
85 days past due:	Final legal dunning letter and threat of termination
	Face to face visits by external field agents
	Repossesion of the vehicle if necessary
Data Enhancement in Case Borrower is Not Contactable:	Use of credit bureaus, electronic phone books, investigation agencies ("Delta Vista"), Information given by neighbours/landlords
Loss Mitigation and Asset Management Practices	
Transfer of a Loan to the Late Stage Arrears Team:	After 90 days past due or in case of customer insolvency
Entities Involved in Late Stage Arrears:	Legal, field agents outsourced to third parties ("EOS"); staff at centralised head office
Ratio of Loans per Collector (FTE):	Not disclosed
Time from First Default to Litigation /Sale:	Approx. 4-5 months from first default to litigation
Average Recovery Rate (on Vehicle):	Not disclosed
Channel Used to Sell Repossessed Vehicles:	External vehicle auction company BCA
Average Total Recovery Rate (after vehicle sale):	Not disclosed

Servicer Stability	At closing
Management and Staff	
Average Experience in Servicing or Tenure with Company:	Senior servicing staff has more than 20 years of experience; average tenure is 6.5 years
Training of New Hires Specific to the Servicing Function (i.e. excluding the company induction training):	Work with experienced collector/servicer as a mentor/mentee system, learning on the job
Quality Control and Audit	
Responsibility of Quality Assurance:	Internal control system by department head
IT and Reporting	
Frequency of Disaster Recovery Plan Test:	Not disclosed

Source: Bank11

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

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