

NEW ISSUE REPORT

RevoCar 2024-1 UG (haftungsbeschraenkt)

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RevoCar 2024-1 UG (haftungsbeschraenkt) is the 14th public securitisation of German auto loan receivables under the RevoCar platform. The receivables will be granted to private and commercial customers by Bank11 für Privatkunden und Handel GmbH (Bank11) to finance new and used vehicles. The portfolio is static. An interest rate swap will cover the mismatch between fixed-rate assets and floating-rate notes. Performance Deterioration Reflected: Fitch Ratings assumes a default base case of 1.5% above most recent historical vintages factoring in moderate performance deterioration in Bank11's book as evidenced by increased arrears and defaults over the past two years. Bank11's stricter underwriting from 2022, a robust labour market with real wage growth in Germany, as well as the strong records of previous RevoCar transactions are expected to support performance. Fitch applies a 'AAA' multiple of 6.25x. Ample Excess Spread: The weighted average (WA) pool yield of 6.1% reflects the repricing of the originator's assets. Interest in excess of the issuer's expenses can be used to align the liability balance with the non-defaulted asset balance. In our base scenario modelling, a useable lifetime excess spread of 2.2% of initial asset balance is available to cover defaults. It adds to the CE provided by overcollateralisation (OC).