

Final CRR Assessment

In respect of the Transaction “**Red & Black Auto Lease France 1**”
(ALD France)

27 October 2021



Authorization of SVI as third party

STS Verification International GmbH ("SVI") has been authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht "BaFin", as the competent authority pursuant to Article 29 of the Securitisation Regulation) to act in all EU countries as third party pursuant to Article 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to the Articles 19 to 26e of the Securitisation Regulation ("STS Verification"). Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by Regulation (EU) 2021/558 of 31 March 2021) ("CRR Assessment"), (ii) Article 270 (senior positions in synthetic SME securitisations) of the CRR ("Article 270 Assessment"), (iii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions ("LCR") ("LCR Assessment"), and (iv) the STS Criteria, in respect of existing securitisations and potential deficiencies regarding compliance with the STS Criteria ("Gap-Analysis"). These additional services are carried out after notification to and in agreement with BaFin.

Mandating of SVI and verification steps

On 26 May 2021, SVI has been mandated by the Seller ALD Automotive to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "Red & Black Auto Lease France 1" (the "Transaction").

As part of our verification work, we have met with representatives of ALD France to conduct a virtual due diligence meeting on 26 May 2021. In addition, we have discussed selected aspects of the Transaction with ALD France and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of ALD France and the underlying transaction documentation.

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

- Prospectus
- Master Receivables Transfer Agreement
- Additional information received by e-mail, such as confirmations, comments, etc.

Verification Methodology

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

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



Disclaimer of SVI

SVI grants a registered verification label “verified – STS VERIFICATION INTERNATIONAL” if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation (“STS Requirements”). The same registered verification label is used by SVI in the context of a CRR Assessment, Article 270 Assessment, LCR Assessment and Gap-Analysis. The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the STS verification performed by SVI does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation or set out in the CRR, LCR and other relevant regulations, respectively. Notwithstanding confirmation by SVI, which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the issuer or the notes concerned other than as set out in this Final CRR Assessment and disclaims any responsibility for monitoring the Issuer’s continuing compliance with these requirements or any other aspect of the issuer’s activities or operations. In particular, SVI has relied on statements made in the offering circular or other legal documentation of the Transaction and based its analysis on information provided directly or indirectly by the Originator or Sponsor of the Transaction. Investors should therefore not evaluate their investment in securitisation positions based on this Final CRR Assessment.

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

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

LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final CRR Assessment in capital spelling, please refer to the defined terms in the Annex 1 “GLOSSARY” in the Prospectus.

ALD France	Temsys is the French branch of ALD, the brand name used is ALD Automotive, usually referred as ALD France
AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
CF-Model	Cash Flow-Model
Closing Date	27 October 2021
CMBS	Commercial Mortgage-Backed Securitisation
CRR	Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2021/558 of 31 March 2021
Due Diligence Presentation	Due Diligence Presentation dated 26 May 2021
EBA	European Banking Authority
EBA Guidelines	Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018
ECAI	External credit assessment institution
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	Red & Black Auto Lease France 1
LO	French Legal Opinion
MRTA	Master Receivables Transfer Agreement
Originator	ALD France
Prospectus	Prospectus dated 20 October 2021
RMBS	Residential Mortgage-Backed Securitisation
Securitisation Regulation	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended by Regulation (EU) 2021/557 of 31 March 2021

Seller	ALD France
Servicer	ALD France
SPV	Special Purpose Vehicle or Issuer
Standardised Approach	The regulatory capital requirements according to Part 3, Title II, Chapter 2 of the CRR
STS Criteria	Articles 18-26 of the Securitisation Regulation, setting out criteria for simple, transparent and standardised securitisations
Transaction	The securitisation of auto lease receivables together with the related ancillary rights involving Red & Black Auto Lease France 1 as Issuer

#	Criterion Article 243 (2)	CRR Assessment
1	Qualification of the securitisation position as STS securitisation	<p><u>Verification Method:</u> Legal (Prospectus) / Regulatory (STS Notification, STS Verification Report)</p> <p>The Transaction and therefore also the Securitisation Position will be notified according to Article 27 (1) of the Securitisation Regulation by the Originator to ESMA as meeting the requirements of Articles 20 – 22 of the Securitisation Regulation in respect of non-ABCP securitisations, see Section "REGULATORY ASPECTS", subsection "INFORMATION AND DISCLOSURE REQUIREMENTS" in the Prospectus. Please also refer to the Final Verification Report prepared by SVI in respect of the Transaction.</p>

#	Criterion Article 243 (2) (a)	CRR Assessment
2	Granularity of the securitised portfolio in terms of single obligor concentrations (measured on the basis of a group of connected clients)	<p><u>Verification Method:</u> Legal (Prospectus, Receivables Purchase Agreement)</p> <p>At the time of inclusion in the securitisation, the aggregate Discounted Balance of the Series of Receivables within the Issuer Portfolio Receivables which have been originated from Lease Agreement(s) entered into with each Lessee or Lessee Group (in terms of sums due in relation to such Lease Agreement(s)) does not exceed 1.5% of the aggregate Discounted Balance of the Issuer Portfolio Receivables as at the immediately preceding Cut-Off Date, please refer to Section "THE LEASE AGREEMENTS AND THE RECEIVABLES", Subsection "ADDITIONAL REPRESENTATIONS AND WARRANTIES", Paragraph "Global Portfolio Criteria" of the Prospectus.</p> <p>Thus, the requirement that at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor (basis: group of connected clients) does not exceed 2% of the pool of underlying exposures is fulfilled.</p> <p>The underlying exposures represent solely the finance portion (itself comprising a claim against the Lessees in respect of the lease interest component and the lease principal component) paid by the Lessee during the term of the Lease Agreement. In contrast to this, the residual values do not form part of the underlying exposures.</p>

#	Criterion Article 243 (2) (b)	CRR Assessment
3	Maximum risk weight under the Standardised Approach	<p><u>Verification Method</u>: Legal (Prospectus, Receivables Purchase Agreement), Due Diligence (explicit confirmation by Originator)</p> <p>None of the underlying exposures are secured by residential mortgages or commercial mortgages, therefore Article 243(2) (b) (i) and (ii) are not applicable.</p> <p>The underlying Auto Lease Agreements have been entered into exclusively with lessees who are private legal entities or natural persons acting for business purposes. Each of them is a private legal entity having its registered office in metropolitan France or a natural person acting for business purposes who is resident in metropolitan France at the time of the signing of the relevant Auto Lease Agreement and none of them is - to the best of the Seller's knowledge - a credit-impaired lessee, please refer to Section "THE LEASE AGREEMENTS AND THE RECEIVABLES", Subsection "ELIGIBILITY CRITERIA", Item (d)(i) of the Prospectus.</p> <p>The portfolio contains only Auto Lease Agreements that have been entered with Lessees that fall into the 'retail exposure' category of Article 243(2) (b) (iii) as (i) the exposure is to a natural person or to an SME, (ii) the exposure is one of a significant number of exposures with similar characteristics, and (iii) the total amount owed by the obligor client or group of connected clients does not exceed EUR 1 million, see Article 123 of the CRR. As a result, these retail exposures would have a risk weight of 75% under the Standardised Approach.</p> <p>The portfolio contains Lease Agreements that have been entered with Lessees that represent 'exposures to corporates' according to Article 122 of the CRR and hence fall into the 'other exposure' category of Article 243(2) (b) (iv). The Seller is not an 'institution' according to Article 4 (1) point 3 of the CRR and is not using a credit assessment by a 'nominated ECAI' according to Article 4 (1) point 99 of the CRR. Hence, the underlying exposures for which such a credit assessment is not available shall be assigned the higher of (i) a 100% risk weight or (ii) the risk weight of the jurisdiction in which the corporate is incorporated (=France), see Article 122 (2) of the CRR. The risk weight of the jurisdiction in which the corporates are incorporated (=France) is 0% given that France is assigned a Credit Quality Step of 1, see Article 114 (2) of the CRR.</p> <p>Therefore, the underlying exposures meet the conditions for being assigned under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 100 % for other (=corporate) exposures in accordance with Article 122 (2) and equal to or smaller than 75% for retail exposures in accordance with Article 123 of the CRR, on an individual exposure basis.</p>

#	Criterion Article 243 (2) (c)	CRR Assessment
4	Inclusion of loans secured by lower ranking security rights for RMBS and CMBS	<p><u>Verification Method:</u> Legal (Prospectus, Receivables Purchase Agreement)</p> <p>The Eligibility Criteria restrict the underlying exposures to Receivables originated under an Auto Lease Agreement – therefore, residential mortgage loans do not form part of the portfolio, see Section “THE LEASE AGREEMENTS AND THE RECEIVABLES”, Subsections “LEASE AGREEMENTS” and “ELIGIBILITY CRITERIA” of the Prospectus.</p>
#	Criterion Article 243 (2) (d)	CRR Assessment
5	Maximum loan-to-value for RMBS	<p><u>Verification Method:</u> Legal (Legal opinion, Receivable purchase agreement)</p> <p>The Eligibility Criteria restrict the underlying exposures to Receivables originated under an Auto Lease Agreement – therefore, residential mortgage loans do not form part of the portfolio, see Section “THE LEASE AGREEMENTS AND THE RECEIVABLES”, Subsections “LEASE AGREEMENTS” and “ELIGIBILITY CRITERIA” of the Prospectus.</p>

As a result of the verifications documented above, we confirm to ALD France that the requirement pursuant to Article 243 (2) of Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, have been fulfilled for the transaction **“Red & Black Auto Lease France 1”**.

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