

Final CRR Assessment

In respect of the Transaction “**Red & Black Auto Lease France 2**”
(TEMSYS SA (ALD Automotive (France)))

27 June 2023



Authorization of SVI as third party

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

Mandating of SVI and verification steps

On 16 March 2023, SVI has been mandated by the Originator (TEMSYS SA (ALD Automotive (France))) ("ALD France") to verify compliance with Article 243 (2) of the CRR for the securitisation transaction "**Red & Black Auto Lease France 2**" (the "Transaction").

As part of our verification work, we have met with representatives of ALD France to conduct a virtual due diligence on 14 March 2023. 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
- 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 22 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 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 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 ANNEX 1 “GLOSSARY” in the Prospectus.

ALD France	Temsys SA is the French branch of ALD SA, the brand name used is ALD Automotive, usually referred as ALD France
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
Closing Date	27 June 2023
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
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
ESMA	European Securities and Markets Authority
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	Red & Black Auto Lease France 2
LCR	Liquidity Coverage Requirements
Originator	ALD France
Prospectus	Prospectus dated 21 June 2023
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
Seller	ALD France
Servicer	ALD France
SSPE	Securitisation Special Purpose Entity or Issuer
Standardised Approach	The regulatory capital requirements according to Part 3, Title II, Chapter 2 of the CRR
STS Criteria	Articles 19 to 26e of the Securitisation Regulation, setting out criteria for simple, transparent and standardised securitisations



Transaction	The securitisation of auto lease receivables and the related residual value receivables together with the related ancillary rights involving Red & Black Auto Lease France 2 as Issuer
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#	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 "LEGAL AND REGULATORY", Subsection 4.4 "STS designation impacts on regulatory treatment of the Class A Notes" 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	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>At the time of inclusion in the securitisation, the total amount of Purchase of Eligible Receivables assigned hereunder resulting from Lease Agreements with one and the same debtor will not exceed 2% of the Notes Outstanding Amount in respect of any single Debtor as at the Cut-Off Date and any Interest Determination Date.</p> <p>Furthermore, ALD France confirmed that there is no group of connected clients with leases which exceeds 2% of the Notes Outstanding Amount. In addition, Schedule 1 "ELIGIBILITY CRITERIA AND GLOBAL PORTFOLIO CRITERIA", Part B "GLOBAL PORTFOLIO CRITERIA", Item 1. of the MRTA confirms that 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 the top 1 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.</p> <p>The underlying exposures represent auto Lease Agreements does include residual leasing values. However, the Seller has given a legally enforceable commitment to repurchase the relevant Transferred Receivables, thereby not exposing those values to refinancing or resell risk, please refer to Clause 16.2 of the MRTA. Hence, Article 243 (2) (a) 2nd Paragraph of the CRR is not applicable to the Transaction.</p>

#	Criterion Article 243 (2) (b)	CRR Assessment
3	Maximum risk weight under the Standardised Approach	<p><u>Verification Method:</u> Legal (Prospectus), 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 Lease Agreements have been entered into exclusively with debtors, which are having its registered office in metropolitan France or a natural person acting for business purposes who is resident in metropolitan France and the debtors are not credit-impaired, please refer to Section "THE LEASE AGREEMENTS AND THE RECEIVABLES", Subsection "ELIGIBILITY CRITERIA", Items (ii) and (vi) in the Prospectus.</p> <p>The portfolio contains Lease Agreements that have been entered with debtors that fall into the 'retail exposure' category of Article 243(2) (b) (iii) as, according to Article 123 of the CRR,</p> <ul style="list-style-type: none"> a) each exposure is to natural persons or to an SME, see Cover Page of the Prospectus and as confirmed in the Due Diligence b) each exposure is one of a significant number of exposures with similar characteristics, see #11-13 of the Final Verification Report and c) the total amount owed by each obligor client or group of connected clients does not exceed EUR 1 million. <p>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)</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease Receivables under auto Lease Agreements – therefore, residential or commercial mortgage loans do not form part of the portfolio, please refer to the Cover Page and to Section “THE LEASE AGREEMENTS AND THE RECEIVABLES”, Subsection “ELIGIBILITY CRITERIA” in the Prospectus.</p>
#	Criterion Article 243 (2) (d)	CRR Assessment
5	Maximum loan-to-value for RMBS	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease Receivables under auto Lease Agreements – therefore, residential or commercial mortgage loans do not form part of the portfolio, please refer to the Cover Page and to Section “THE LEASE AGREEMENTS AND THE RECEIVABLES”, Subsection “ELIGIBILITY CRITERIA” in the Prospectus.</p>



As a result of the verifications documented above, we confirm to **TEMSYS SA (ALD Automotive (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 2**".

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