

1st May, 2021

XYZ Limited
Street address
City
Postcode
Country XYZ
Attention: Recipient's Name

Re: Rating Evaluation Service for for ABC SPV

Dear Sir:

Thank you for requesting that S&P Global Ratings provide you with feedback through its Rating Evaluation Service (RES) on the indicative ratings for the securitization scenarios of ABC SPV. S&P Global Ratings has reviewed the specific scenarios you have provided and the following is a summary analysis reflecting our RES committee response.

Scenarios Presented and Indicative Rating Conclusions:

Scenario 1:

| Class | Indicative Rating | Balance (€) | Credit Enhancement | Coupon |
|-------|-------------------|-------------|--------------------|--------------------|
| A | AAA (sf) | 300,000,000 | 22.6% | Euribor 1M + 0.5% |
| B | AA (sf) | 24,600,000 | 16.1% | Euribor 1M + 0.8% |
| C | A- (sf) | 22,000,000 | 10.3% | Euribor 1M + 1.25% |
| D | BBB (sf) | 12,900,000 | 6.9% | Euribor 1M + 1.85% |
| E | NR | 26,200,000 | - | 4% |

Scenario 2:

| Class | Indicative Rating | Balance (€) | Credit Enhancement | Coupon |
|-------|-------------------|-------------|--------------------|--------------------|
| A | AA+ (sf) | 308,000,000 | 22.5% | Euribor 1M + 0.5% |
| B | AA- (sf) | 22,600,000 | 14.6% | Euribor 1M + 0.8% |
| C | BBB+ (sf) | 20,000,000 | 9.3% | Euribor 1M + 1.25% |
| D | BBB- (sf) | 10,900,000 | 6.4% | Euribor 1M + 1.85% |
| E | NR | 24,200,000 | - | 4% |

Supporting Rationale

The indicative ratings assigned by S&P Global Ratings based on the hypothetical portfolio provided, reflect the following factors:

Strengths

- None of the loans are in arrears;
- The portfolio is granular;
- 25% of the borrower are civil servant and 10% are retired;
- 40% of the auto loan benefit from a pledge;
- There is no residual value risk;
- The priority of payment is sequential; and
- There is a fully funded reserve fund on day 1, which benefits to the senior items of the revenue waterfall and class A, B, C and D notes interests.

Weaknesses

- The portfolio is highly geographically concentrated;
- There is a revolving period of one year, however we sized a worst pool;
- The commingling risk is not mitigated in this transaction.

Credit Analysis

Credit Assumptions Made by S&P Global Ratings:

The key portfolio limits to be applied during the 12 months revolving period are as follows:

- Minimum weighted average interest rate: 5%
- Maximum lease receivable exposure: 45%
- Minimum commercial lease exposure: 18%
- Maximum commercial loan exposure: 7%
- Maximum retail lease exposure: 20%
- Maximum exposure to guarantee deposits: EUR 300,000
- Maximum exposure to large corporation: EUR 10M

Pool Stratification Based on the Credit Assumptions You have Provided to:

| | |
|-------------------------------------|-------------------|
| Asset Country | Country XYZ |
| Type of Assets | Auto loan & lease |
| Transaction Type | Revolving |
| Pool Cut Off (date) | 30/06/2019 |
| Pool Volume (in million EUR) | 378.5 |
| Number of Loans | 23,590 |
| Average Loan Size (EUR) | 17,736 |
| Max. Loan Size (EUR) | 235,031 |
| Discount Rate or WA Yield | 5.30% |
| WA Original Term (months) | 61 |
| WA Remaining Term (months) | 50.9 |
| WA Seasoning (months) | 10.3 |

| | |
|----------------------------------|---------|
| Origination Vol. per Year | |
| 2013 | 0.06% |
| 2014 | 0.07% |
| 2015 | 0.25% |
| 2016 | 1.01% |
| 2017 | 10.97% |
| 2018 | 58.29% |
| 2019 | 29.36% |
| Contract Type | |
| Amortizing | 100.00% |
| Balloon | - |

Borrower Concentration

| | |
|------------|-------|
| Largest | 0.38% |
| Largest 20 | 2.87% |

Customer Type

| | |
|------------------|--------|
| Private/Consumer | 76.89% |
| Commercial | 23.11% |

Financed Vehicle

| | |
|-----------------|--------|
| Car | 88.98% |
| Bus | 1.03% |
| Truck | 1.01% |
| Utility Vehicle | 8.33% |
| Motorcycle | 0.65% |

Vehicle Type

| | |
|------|-----|
| New | 84% |
| Used | 16% |

Vehicle Make

| | |
|----|------------------|
| #1 | Brand 1 (17.39%) |
| #2 | Brand 2 (11.26%) |
| #3 | Brand 3 (9.55%) |

Geographic Conc.

| | |
|----|-----------------|
| #1 | Region #1 (44%) |
| #2 | Region #2 (30%) |
| #3 | Region #3 (15%) |

Credit Assumption Made by S&P Global Ratings:

Gross loss base case:

| Product | Gross Loss Base Case | Weight* |
|------------------------|----------------------|---------|
| Retail Loans | 5.5% | 48% |
| Retail Leases | 9% | 20% |
| Commercial Loans | 6% | 7% |
| Commercial Leases | 6% | 25% |
| WA GL Base Case | 6.4% | - |

*Worst-case pool derived from the portfolio criteria.

Stressed recovery base case:

| Product | Recovery Rate | Weight* |
|----------------------------------|---------------|---------|
| Retail Loans | 30.0% | 48.00% |
| Retail Leases | 40.0% | 20% |
| Commercial Loans | 25.0% | 7% |
| Commercial Leases | 25.0% | 25.00% |
| WA Stressed Recovery Rate | 30.4% | - |

*Worst-case pool derived from the portfolio criteria.

Multiple:

| | |
|------|-------|
| AAA | 4.75x |
| AA+ | 4.25x |
| AA | 3.75x |
| AA- | 3.42x |
| A+ | 3.25x |
| A | 2.75x |
| A- | 2.46x |
| BBB+ | 2.31x |
| BBB | 1.88x |
| BBB- | 1.79x |
| BB+ | 1.75x |
| BB | 1.63x |
| BB- | 1.54x |
| B+ | 1.50x |
| B | 1.38x |

Stressed Worst Case Net Loss:

| | Gross Loss Worst Case | Multiple | Stressed Gross Loss Worst Case | Stressed Worst Case Recovery | Stressed Worst Case Net Loss |
|-----|-----------------------|----------|--------------------------------|------------------------------|------------------------------|
| AAA | 6.36% | 4.75 | 30.21% | 30.4% | 21.0% |
| AA | 6.36% | 3.75 | 23.85% | 30.4% | 16.6% |
| A | 6.36% | 2.75 | 17.49% | 30.4% | 12.2% |
| BBB | 6.36% | 1.88 | 11.96% | 30.4% | 8.3% |
| BB | 6.36% | 1.63 | 10.37% | 30.4% | 7.2% |
| B | 6.36% | 1.38 | 8.78% | 30.4% | 6.1% |

Cash Flow Analysis

Cash flow assumptions you have provided to us:

Closing Date:

October 28, 2020.

Legal Final Maturity:

October 30, 2054.

Payment Frequency:

- Notes – Quarterly
- Assets – Monthly

Reserve Fund:

The reserve required amount means 2% of the Principal Amount of the Rated Notes.

- Day one: 7,200,000€
- Amortizing: yes
- Floor: 1,000,000€
- Available for: unpaid items: (1), (2), (3), (4), (6), (8) and (10) of the revenue waterfall.

Any excess amount shall be release as principal available funds to amortize the notes.

Hedging (Interest Rate Swap):

- Notional: Class A to D outstanding amount at closing
- Start date: Closing date
- End date: 24 August 2037
- Fixed interest rate paid by the issuer: -0.368%

Swap Termination Payment due from the Issuer to the Interest Rate Swap Provider are subordinated in payment ranking.

Revenue Waterfall (Simplified)

| | Item | Interest Funds | Principal Funds | General Reserve Fund |
|----|--|----------------|-----------------|----------------------|
| 1 | Senior fees (management company + senior expenses) | Y | Y | Y |
| 2 | Servicing fee | Y | Y | Y |
| 3 | Swap payment | Y | Y | Y |
| 4 | Class A notes interest | Y | Y | Y |
| 5 | Class A PDL | Y | N | N |
| 6 | Class B notes interest | Y | Y | Y |
| 7 | Class B PDL | Y | N | N |
| 8 | Class C notes interest | Y | Y | Y |
| 9 | Class C PDL | Y | N | N |
| 10 | Class D notes interest | Y | Y | Y |
| 11 | Class D PDL | Y | - | - |
| 12 | Reserve top up amount | Y | - | - |
| 13 | Class E PDL | Y | - | - |
| 14 | Junior collection fees | Y | - | - |
| 15 | Class E note interest | Y | - | - |
| 16 | Remaining amount to the residual unitholder | Y | - | - |

Principal Waterfall (Simplified)

| | Item | Principal Funds |
|---|--|-----------------|
| 1 | Unpaid items (1), (2), (3), (4), (6), (8) & (10) of the Revenue waterfall, if not paid via the reserve | Y |
| 2 | Top up of reserve | Y |
| 3 | Class A notes principal amount | Y |
| 4 | Class B notes principal amount | Y |
| 5 | Class C notes principal amount | Y |
| 6 | Class D notes principal amount | Y |
| 7 | Class E notes principal amount | Y |
| 8 | Remaining amount to the Residual Unitholder | Y |

Replacement Floating Fee

We have modelled a stressed floating fee of 1.24%.

Fixed Fees

€185,000 per annum

Cash Flow Assumptions Made by S&P Global Ratings:

| Cash Flow Assumptions | |
|------------------------------|---|
| Recession Start | Closing |
| Length of recession | WAL (27 months) |
| Recovery lag | 18 months |
| Delinquency | Two-thirds of credit losses recovered 6 months later* |
| Prepayments (High/Low) (%) | 24/0.5 |
| Initial WAC (%) | 5 |
| Relative WAC Compression (%) | 2.854 |
| Commingling stress | One month of collections as loss |
| Set off losses | None |

*Calculations are according to S&P Global Ratings' methodology. WAL—Weighted average life WAC—Weighted average coupon

Important Qualifications

The indicative rating is based on preliminary information. Due to the fact that certain key points addressed in our traditional credit rating analysis are not known at this time, the final conclusions may differ significantly. For example, the following key areas of analysis have not been presented or fully addressed and many of these key areas could have a significant impact on S&P Global Ratings' conclusions:

- Legal and tax analysis review;
- Review of final documentation and legal opinions;
- Review of the representations and warranties provided by each transaction party;
- Review of a third-party audit report (AuP) on the securitized portfolio;
- Identity of all transaction participants, including any credit support providers;
- Review of interest rate hedging agreement;
- Review of any permitted investments;
- Our assessment of counterparty risks; and
- Our assessment of operational risk associated with key transaction parties that provide an essential service to the transaction, including the servicer.

Criteria

- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | ABS: Methodology And Assumptions For European Auto ABS, Oct. 15, 2015
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities – December 22, 2020
- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance – October 18, 2019
- Criteria | Structured Finance | General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- Criteria | Structured Finance | General: Principles Of Credit Ratings – February 16, 2011
- Criteria | Structured Finance | General: Credit Stability Criteria, May 3, 2010

This evaluation is both preliminary and confidential. It is preliminary in that it is based on hypothetical information presented to us by you. You understand that S&P Global Ratings will not review, modify or surveil this evaluation. Subsequent information or changes to the information previously provided could result in final conclusions that differ from the preliminary proposed conclusions. Please note the conclusions provided herein are based on assumptions you and your team have provided to us. To the extent that these assumptions, our criteria or other factors change, the rating implications could also change. You understand and agree that we are not financial advisors to you and that in performing the RES, S&P Global Ratings is providing indicative rating opinions on the scenarios presented; it is not endorsing or advocating any particular course of action. Nothing in this report is intended to create, or should be construed as creating, a fiduciary relationship between you and us and recipients of the indicative rating opinions. We have not consented to and will not consent to being named an “expert” under applicable securities laws. Neither S&P Global Ratings’ RES or any indicative rating set out herein is a credit rating, nor is it a recommendation to buy, hold or sell any financial obligation of an issuer. This letter is subject to the Terms and Conditions attached to the Engagement Letter applicable to the RES (the “applicable T&Cs”).

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Should you have questions, please do not hesitate to contact me.

Sincerely,

Analytical Manager

S&P Global Ratings, acting through
S&P Global Ratings Europe Limited

Analytical contact: