ROOF AT S.A., Compartment 2021

Vehicle leasing ABS – Austria

Ratings

Tranche	Rating	Notional (EUR m)	Notional (% assets)	CE (% assets)	Coupon	Legal Final Maturity
Class A	AAA_{SF}	462.8	86.0	16.0	3M Euribor + 0.7%	15 July 2034
Class B	NR	75.0	14.0	2.0	3M Euribor + 1.5%	15 July 2034
Sub-loan	NR	10.9	2.0			
Total rated notes		462.8				

Scope's quantitative analysis is based on the final portfolio dated 1 March 2021 and the transaction's replenishment criteria, provided by the arranger. Scope's Structured Finance Ratings constitute an opinion about relative credit risks and reflect the expected loss associated with the payments contractually promised by an instrument on a particular payment date or by its legal maturity. See Scope's website for the Scope Ratings Rating Definitions.

Transaction details

Purpose	Liquidity/Funding
Issuer	ROOF AT S.A., Compartment 2021
Originators and servicers	Raiffeisen-Leasing Österreich GmbH, UNIQA Leasing GmbH, Raiffeisen-Leasing Fuhrparkmanagement GmbH, JDRL Landmaschinen Vermietungs GmbH
Arranger	Raiffeisen Bank International AG
Closing date	25 March 2021
Payment frequency	Monthly, 15th day of each month

The transaction is a true-sale securitisation of a three-year revolving portfolio of vehicle lease receivables worth EUR 538.0m on the closing date. The assets consist of leases primarily granted to Austrian small- and medium-sized enterprises and private individuals to finance new and used vehicles. The transaction closed on 25 March 2021.

Rating rationale (summary)

The rating reflects: i) the legal and financial structure of the transaction; ii) the quality of the underlying collateral in the context of the Austrian macroeconomic environment; iii) the ability of the originators and servicers that are members of the Raiffeisen Banking Group; and iv) the counterparty credit risk exposure to Bank of New York Mellon as the account bank and paying agent.

The rating of Class A notes benefits from substantial credit enhancement, 16.0% from subordination and cash reserves, further supported by available excess spread. The strictly sequential amortisation in combination with a fast-amortising portfolio after a revolving period of three years reflects positively on the Class A notes. Excess spread is available to provision for defaults during the revolving period and accelerates the amortisation of the notes thereafter.

Residual value risk in the transaction is immaterial. For partially amortising leases, the issuer benefits from direct recourse to the lessees, which are liable for any payment shortfall if the vehicle's net liquidation proceeds are below the final contractual balloon payment. The transaction is not exposed to the residual value risk of operating lease contracts, as only monthly lease instalments are securitised and the residual value part is excluded.

The rating takes into account the higher risk from the portfolio's revolving nature. The group of the servicers has a significant track record as well as well-established procedures and risk analysis principles, which ensure the consistency of the contracts originated during the revolving period.

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Related Methodologies

General Structured Finance Rating Methodology, December 2020

Consumer and Auto ABS Rating Methodology, March 2021

Methodology for Counterparty Risk in Structured Finance, July 2020

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The ratings reflect the transaction's counterparty risk exposure to the servicers and Bank of New York Mellon (Frankfurt and London Branches). We assessed the credit quality of the counterparties through a rating on Raiffeisen Bank International AG, Austria, and public information on the Bank of New York Mellon Group.

Rating drivers and mitigants

Positive rating drivers

Credit enhancement. The class A notes benefit from 16.0% credit enhancement provided by the subordination of the class B notes and the cash reserves.

Solid track record of the originator. Raiffeisen has been active in the leasing market for 50 years. Its business benefits from seasoned processes, experienced staff and a very granular marketing network. The same procedures and risk-analysis principles are applied by all originators.

Turbo amortisation. After the replenishment period, excess spread will be used for principal repayment, which allows the notes to redeem faster. During the revolving period, the structure traps excess spread available from the asset portfolio to cure undercollateralisation from defaulted leases.

Hedged interest risk. The structure is hedged against the interest rate mismatch between the assets and liabilities. The notes are referenced to three-month Euribor, while part of the assets (around 17% of the initial portfolio) pay fixed rates. This mismatch is fully mitigated through an interest rate swap whose notional is aligned with the share of the outstanding fixed-rate assets.

Simple and transparent structure. The deal features a strictly sequential structure, two classes of notes and a subordinated loan, combined priority of payments, and adequately sized cash reserves.

Negative rating drivers and mitigants

Revolving portfolio. The portfolio will be replenished over three years after the closing date. The portfolio's characteristics and credit quality could migrate during this period, though this is mitigated by asset-eligibility criteria and amortisation triggers.

No servicer-replacement triggers. The four servicers are unrated entities, and the structure has no triggers for their replacement. This is mitigated by the fact that assets are originated and serviced by four different entities, lowering the impact of single-servicer defaults. Servicing risk is mitigated by the appointment of Raiffeisen Bank International AG as back-up servicer.

Covid-impaired economy. The pandemic has had a severe impact on the Austrian economy, though the effects have been mitigated by governmental support. We believe there is still significant uncertainty regarding the total impact. We reflect this in our analytical assumptions. The Covid-induced reduction in vehicle use may reflect positively on vehicle values due to the reduced wear-and-tear and mileage.

Upside rating-change drivers

Improvements in the macroeconomic environment would enhance the support for the rated tranches.

Downside rating-change drivers

Worse-than-expected asset performance, reflected in higher-than-expected defaults or lower-than-expected recoveries upon asset default, may negatively impact the ratings.

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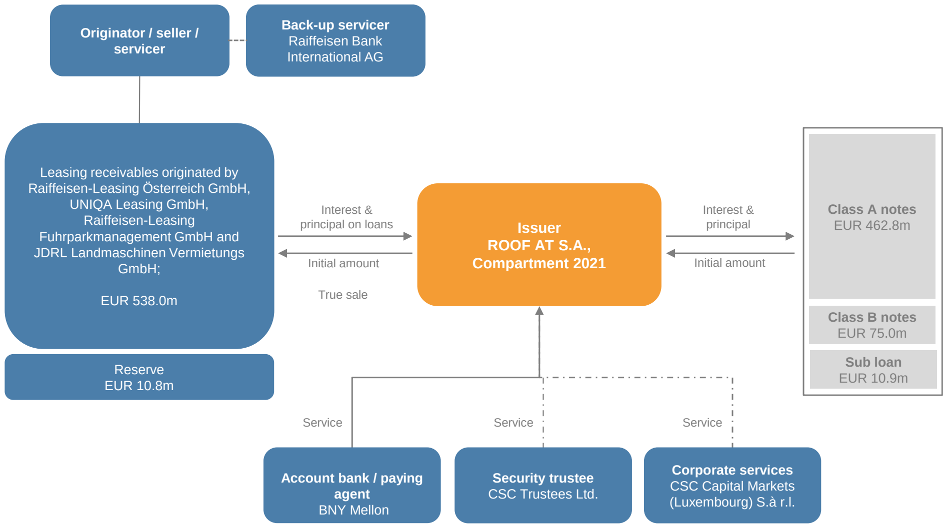
1. Transaction summary

Figure 1: Transaction diagram



Source: Transaction documents and Scope.

The transaction is a cash flow securitisation of leasing receivables worth EUR 538.0m on the closing date. This is the second vehicle lease ABS related to originators from the Raiffeisen Banking Group that we have publicly rated. The transaction consists of 28,103 lease receivables and features a three-year replenishment period subject to performance and asset-eligibility covenants. The assets finance new and used vehicles, primarily for small and medium-sized enterprises (SMEs) and private individuals in Austria.

2. The credit environment in Austria

The lessees benefit from the still stable macroeconomic environment in Austria. The impact of the Covid-19 pandemic on SMEs and households was limited overall, due to government intervention and the supportive policies of financial institutions. The country's macroeconomic prospects are positive. The rise in the unemployment rate to 6.8% during 2020 is expected to reverse already in 2021. GDP growth is also expected to rebound to 4.5% in 2021 from -6.6% in 2020.

The Austrian government has supported households and companies to soften the financial impact of the Covid crisis and help people to remain current on their payment obligations. Leasing companies generally grant payment holidays to keep customers and avoid repossessing vehicles in an uncertain market.

Leasing companies across Europe also benefit from stable used-vehicle markets. Following the general European pattern, used-vehicle prices in Austria declined for a few months after lockdowns started in March 2020, then quickly recovered and even rose. Now, they are even higher in early 2021 than from a year before. This supports residual values and reduces losses in case of early terminations.

Moreover, the reduced need for business-related vehicle-use leads to lower wear-and-tear and mileage, which also reflects positively on vehicle values.

Figure 2: Price index of used vehicles between February 2020 and 2021 (February 2020=100)

Country	Price index
United Kingdom	102.4
Poland	102.1
Italy	101.7
Spain	101.5
Sweden	101.3
Austria	101.1
France	101.0
Portugal	100.0
Netherlands	99.8
Germany	99.6

Source: Indicata, Scope

3. Asset analysis

3.1. Securitised assets

The portfolio[1] mainly consists of financial leases on vehicles (88.7%) completed by operating leases (7.7%) and a small share of hire purchase transactions (3.6%). Financing is granted for the acquisition of new (72.4%) and used (27.6%) vehicles by SMEs (62.7%), private individuals (28.7%) and other entities (8.6%).

The portfolio is seasoned (1.5 years) with a low weighted average remaining time to maturity of 3.3 years. The lease receivables in the portfolio were originated between 2013 and 2021, and 90% were originated in 2018 or later.

Lease receivables in the portfolio have at least one paid instalment and mature up to 84 months after their respective purchase date. The receivables are either fully amortising (including hire purchase) or partially amortising (including operating leases). Partially amortising receivables, except for operating leases, have lower monthly instalments, but have a balloon payment at maturity.

Lease product characteristics

The receivables can be grouped into four main product types: i) partially amortising finance leases; ii) fully amortising finance leases; iii) operating leases; and iv) hire purchase. See Figure 3 for a summary.

The receivables exclude amounts owed under or in connection with the lease agreements other than the lease instalments. In other words, portions relating to VAT and services are not securitised.

Partially and fully amortising finance leases

Partially and fully amortising finance leases are contracts under which all risks and rewards relating to ownership are transferred to the lessee along with the asset.

For partially amortising finance leases, the lessee has the option to buy the vehicle at maturity or turn the vehicle in. The latter allows the servicer to sell the vehicle on the market. The issuer has full recourse to the lessees. The lessee must pay for any shortfall

[1] Portfolio shares shown in this section represent shares with regards to the *outstanding balance* of the leases.

if the vehicle's liquidation proceeds net of liquidation costs are below the contractual balloon payment or residual value (i.e. the lessee bears 100% of the loss).

For fully amortising finance leases, the final payment on the vehicle's residual value is priced at the level of other constant instalments under the contract and is included in the ordinary payment schedule.

Lessees can make down-payments to reduce instalment amounts and/or reduce the balloon payment. Lessees can also deposit cash to reduce the residual-value payment when the contract matures (fixed deposit) or the monthly lease instalments over the term of the contract (decreasing deposit). The finance lease contracts limit cash deposits at 50% and down-payments at 30% of the vehicle's value.

Operating leases

Operating leases typically cover only a small part of the vehicle's economic life. The transaction is not exposed to the residual value risk of operating lease contracts as only monthly lease instalments are securitised. The interest rates and maturities of operating leases can be modified. Only permitted variations can be made to contracts in the portfolio; non-permitted variations will result in the contract being classified as a deemed collection.

Hire purchase

Hire purchase contracts are lease agreements under which vehicle ownership passes automatically to the lessee after the last instalment is paid. The lessee is also required to make an initial down-payment, which can be as high as 75% of the vehicle's value.

Figure 3. Summary of lease products, characteristics and portfolio distribution

Product type	Characteristics	Portfolio share	Residual-value risk
Partially amortising finance lease	• Down-payments of up to 30% and deposits of up to 50% reduce lease instalments over the term or the balloon payment at maturity. • The asset is sold at residual value after contract termination. • Full recourse to lessees, who are liable for any losses from the realisation of the residual value.	65.2%	No
Fully amortising finance lease	• Down-payments of up to 30% and deposits of up to 50% reduce lease instalments over the term or the balloon payment at maturity.	23.5%	No
Operating lease	• Only regular monthly instalments are securitised. • Leases can be modified with respect to instalments or maturity date. • Residual value risk lies with the lessor (this part is not securitised).	7.7%	No
Hire purchase contracts	• Originator acquires the vehicle and hires it out over a specific term. • Legal ownership automatically passes to lessee after last instalment is paid. • First rate of up to 75% reduces lease instalments over term. • Full amortisation.	3.6%	No

3.2. Portfolio characteristics

Our analysis is based on the final portfolio as of 1 March 2021.

Four Raiffeisen Banking Group entities originate the leases for the portfolio (see Figure 4). They have the same processes and risk principles, ensuring the credit quality of contracts is consistent.

Portfolio mostly exposed to the credit risk of SMEs

The portfolio is mostly exposed to the credit risk of SMEs (62.6%) and private individuals (28.7%). 8.7% of the portfolio ('Others' in Figure 5) is exposed to large corporates, public institutions, public authorities and other organisations. Portfolio covenants limit the 'Other' share to 10% of the total balance, and the share of SMEs in the portfolio must remain between 55% and 70%.

Figure 4: Portfolio by originator

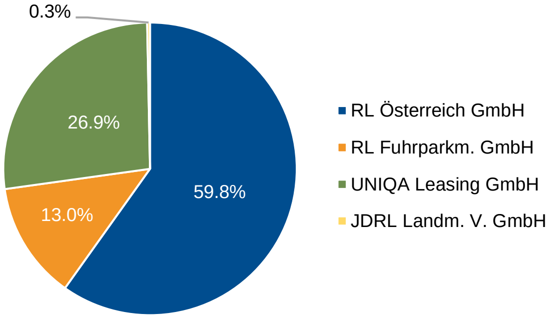
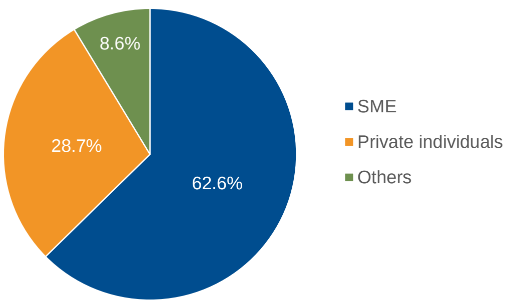


Figure 5: Portfolio by obligor type



Most vehicles leased are classified as 'New', which suggests a strong lessee base

Most of the vehicles leased are classified as 'New' (72%), which suggests a stronger lessee base. Only 28% of the portfolio relates to 'Used' vehicles.

Figure 6: Portfolio segments and distribution by vehicle condition

Portfolio composition	Covenanted share	Current portfolio share	Type
New vehicles	Unlimited	72.4%	Passenger cars, station wagons, trucks <3.5t, trucks >3.5t, minivans, small buses <3.5t, special vehicles (such as forklifts, lawn mowers), tractors, trailers, buses >3.5t, caravans
Used vehicles	35%	27.6%	
Private	Unlimited	28.7%	
SME	55% to 70%	62.7%	
Other	Max. 10%	8.6%	

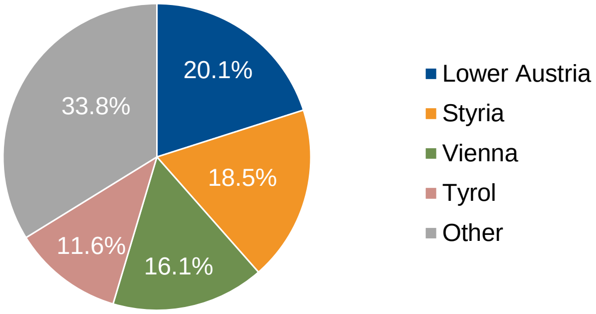
Raiffeisen has provided good-quality vintage data, which details the individual performance of nine portfolio segments, i.e. split by obligor type ('Private', 'SME' or 'Other' and vehicle condition ('New', 'Used' or 'Other'). The 'Other' vehicle condition refers to demonstration cars, whose share in the final portfolio is marginal. Based on the portfolio composition, our analysis was conducted using five representative segments: 'Private – New', 'Private – Used', 'SME – New', 'SME – Used' and 'Other'.

3.2.1. Regional distribution

Geographical distribution is a good reflection of the originators' solid countrywide footprint

The geographical distribution of exposures in this transaction is a good reflection of the economic relevance of the different Austrian regions, and the originators have a solid countrywide footprint. Figure 7 shows the four largest regions, which account for 66.2% of the portfolio.

Figure 7: Regional distribution



3.2.2. Obligor concentration

The portfolio is highly granular. The portfolio-eligibility criteria do not allow individual obligors to account for more than 1% of the portfolio and the top 10 obligors to account for more than 7%. Current obligor concentration metrics fulfil the criteria, with the largest obligor accounting for 0.99% and the top 10 obligors for 4.76% of the portfolio.

3.2.3. Excess spread

The senior notes benefit from excess spread available in the transaction. The latest portfolio yields 1.50% over the weighted average cost of the liabilities at the current three-month Euribor rate of -0.54%[2] and accounts for senior fees, taxes and expenses. Excess spread is available to provision for defaults during the revolving period and to accelerate the sequential amortisation of liabilities during the amortisation phase. The replenishment criteria ensure a minimum excess spread of 0.60% during the revolving period.

Our modelling incorporated margin and interest rate stresses

Our modelling of the transaction has incorporated margin and interest rate stresses to address a potential gradual reduction in excess spread from replenishment with lower-yielding leases. We have assumed the minimum allowed asset-liability spread of 0.60%.

3.2.4. Fast and homogeneous amortisation

We expect fast amortisation in the portfolio once the revolving period ends

The portfolio is likely to maintain its risk characteristics as all portfolio segments have similar amortisation characteristics. Additionally, we expect relatively fast amortisation of the portfolio once the revolving period ends. Fast amortisation benefits the senior notes because it implies a short exposure to risks and performance uncertainties.

The current portfolio has a weighted average seasoning of 1.5 years, weighted average remaining time to maturity of 3.3 years, and a weighted average life of 2.3 years (see Figure 8 and Figure 9).

[2] Three-month Euribor from 16 March 2021

Figure 8: Portfolio origination profile

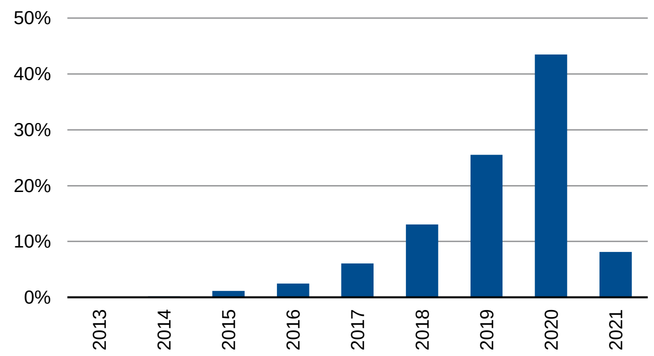


Figure 9: Portfolio maturity profile

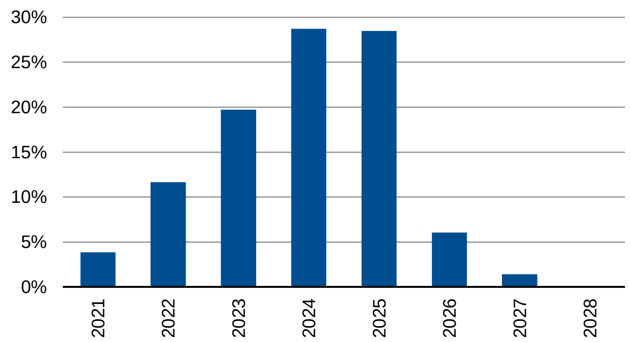
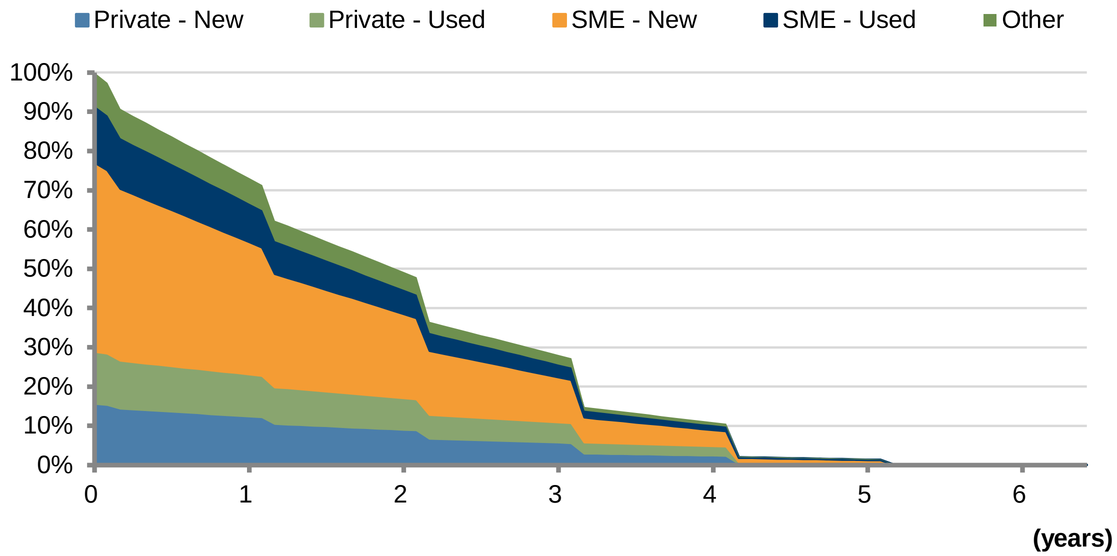


Figure 10 shows our estimate of the current portfolio's amortisation profile including the significant amount of balloon payments, which are part of the contractual payments.

Figure 10: Amortisation of the portfolio under 0% constant prepayment rate and 0% default rate



3.3. Revolving risk and post-replenishment portfolio characteristics

Portfolio characteristics may change significantly over the replenishment period

The portfolio's fast amortisation suggests that the portfolio's characteristics could change significantly over the replenishment period. This is nevertheless substantially mitigated by the concentration limits and eligibility criteria. We do not expect significant regional concentrations, even though replenishment covenants do not prevent this.

3.3.1. Portfolio- and asset-level covenants

The transaction's covenants can adequately limit a migration of portfolio characteristics and prevent concentration risk during the replenishment period.

Figure 11: Main asset-level replenishment covenants

Risk factor	Restriction
Obligor nature	Lessees cannot be affiliates of the originator or the servicer agent
Contract purpose	Contracts must have vehicles (new and used) as leased objects
Maturity	Maximum maturity is 84 months at purchase date
Interest rate	Contracts yield floating rates indexed to three-month Euribor or have a fixed interest rate
Payment frequency	Assets are amortising, payable monthly and denominated in euros

Risk factor	Restriction
Overdue contracts	No delinquent, defaulted or terminated contracts
Originators	Raiffeisen-Leasing Österreich GmbH, UNIQA Leasing GmbH, Raiffeisen-Leasing Fuhrparkmanagement GmbH, and JDRL Landmaschinen Vermietungs GmbH.
Lessee residence	Place of business or residence in Austria only
Contract types	Fully/partially amortising financing leases, operating leases (partial amortisation) and hire purchase
Governing law	Lease agreements are governed by Austrian law
Set-off	Not subject to any right of revocation, set-off or counter-claim by debtors

Figure 12: Main portfolio-level replenishment covenants

Risk factor	Restriction
Segment concentration	Portfolio segments cannot represent more than the following maximum concentrations: • SME: 70% (but more than 55%) • Other: 10% • Used: 35%
Vehicle-brand concentration	The three largest vehicle brands cannot represent more than 35% ('Other' bucket is not considered).
Lessee concentration	The largest lessee group cannot exceed 1%. The 10 largest lessee groups combined cannot exceed 7%.
Industry concentration	The largest industry cannot represent more than 20% ('Private' bucket is not considered).
Maximum weighted average balloon share	The aggregate discounted balance of final balloon payments on lease receivables offered by sellers is limited to 45% (on average) of the purchase price of the vehicles.
Fixed-rate contracts	The aggregate discounted balance of fixed-rate-paying receivables cannot exceed 31% of the total balance.

Scope accounts for the risks of portfolio deterioration and changes to portfolio characteristics

We analysed this revolving transaction, accounting for the risks of portfolio deterioration and changes to portfolio characteristics, all within reasonable (feasible) limits that comply with portfolio- and asset-level covenants. The risk of deviation beyond these limits is captured by our stressed assumptions.

We built our expectation of the post-replenishment portfolio by: i) increasing the share of 'Used' vehicles to the covenant maximum of 35%; ii) increasing the 'Other' segment share to 10%; and iii) increasing the 'SME' segment share to 70%.

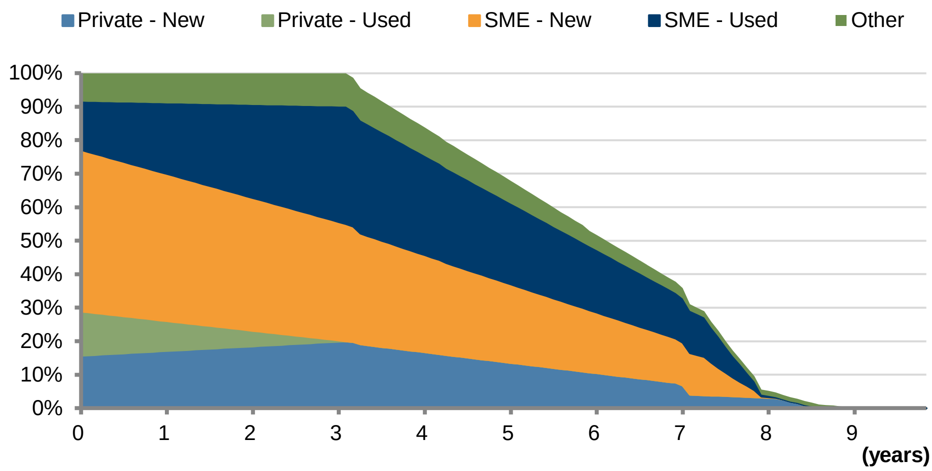
The change in portfolio-segment weights reflects the migration to obligor and vehicle segments that we consider to be riskier, following our analysis of default and recovery vintage data.

Figure 13: Current and post-replenishment portfolio-segment weights

Segment	Current portfolio		Post-replenishment portfolio
Private – New	15.7%	increased to	20.0%
Private – Used	13.0%	reduced to	0.0%
SME – New	48.4%	reduced to	35.0%
SME – Used	14.2%	increased to	35.0%
Other	8.6%	increased to	10.0%
Total	**100.00%**		**100.0%**

Figure 14 shows our assumption of portfolio-segment amortisation and the effect of the replenishment period on segment concentrations.

Figure 14: Expected amortisation of the portfolio with replenishment period, under 0% constant prepayment rate and 0% default rate



The senior notes' credit risk reflects the fast deleveraging after replenishment, which results from the assets' generally amortising nature.

3.4. Portfolio modelling assumptions

We derived our assumptions by analysing vintage data from the originators over the 2010-20 period, reflecting gross loss and recoveries on the Private, SME and Other customer segments as split by the status of the leased vehicle (new and used). See Appendix II for details.

Figure 15: Portfolio modelling assumptions for the expected portfolio at the end of the revolving period

	Portfolio	Private – New	Private – Used	SME – New	SME – Used	Other
Current share in the portfolio	100.0%	15.7%	13.0%	48.4%	14.2%	8.6%
Share in portfolio at start of amortisation period	100.0%	20.0%	0.0%	35.0%	35.0%	10.0%
Mean default rate	3.7%	2.0%	2.5%	3.5%	5.0%	3.5%
Coefficient of variation	51.7%	40.0%	40.0%	45.0%	55.0%	70%
Base case (B level) recovery rate	69.5%	70.0%	65.0%	70.0%	65.0%	90.0%
AAA rating-conditional recovery rate	40.0%	42.0%	39.0%	42.0%	39.0%	36%
Constant prepayment rate, low	0.0%	0.0%	0.0%	0.0%	0.0%	0%
Constant prepayment rate, high	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%

3.4.1. Default rate

We assumed a mean lifetime '90 days past due' default rate of 3.7% on the portfolio and a coefficient of variation of 51.7% (Figure 15). This default rate considers the concentrations and individual default rates of the five segments in the post-replenishment portfolio when the revolving period ends. The longer life of the post-replenishment portfolio is also captured in our default rate assumptions for all segments. Figure 15 shows the five portfolio segments we considered and the model's mean default rates and coefficients of variation, reflecting a risk horizon of seven years and no seasoning (current portfolio: 3.3 years remaining until maturity and 1.5 years of seasoning).

Replenishments assumed to lead to a significant expansion of the portfolio's life

Our assumption on the portfolio's lifetime default rates addresses the risk that replenishments will lead to the portfolio's life significantly exceeding that of the current portfolio. We assume that, over the replenishment period, 100% of the initial portfolio will be replaced with new assets, resulting in the portfolio migrating towards lower seasoning and a longer remaining time to maturity. Our default assumptions conservatively assume an unseasoned portfolio with a maximum remaining term of seven years.

We derived our default rate assumptions by analysing historical gross loss vintage data, which consists of objective and subjective defaults from 2010 to the first half of 2020. We considered the vintage data to be adequate because of its good granularity, except for the smallest segments, which were aggregated.

3.4.2. Recovery rate

Issuer has full economic ownership of purchased receivables and beneficial ownership of the vehicles

The issuer has full economic ownership of the purchased receivables and beneficial ownership of the vehicles. Transaction documents state that the issuer is entitled to receive the vehicles' liquidation proceeds. There is a security over the vehicles, and the issuer has a secured claim against the originators' insolvency estate if they default.

The servicers' strategy is to avoid an immediate repossession of the vehicles. Instead, the recovery department works with stressed or distressed obligors to identify how to normalise the situation. The objective is to achieve a long-term solution that ensures obligations are paid on time, even if this involves temporarily or permanently restructuring the contract's instalment schedule, with the lessee's agreement and commitment.

A managed exit solution or a liquidation strategy is preferred only when recovery risk exists for the originators, lessees are uncooperative, or a recovery process is costly.

We analysed the recovery vintage data and derived recovery rate assumptions for each portfolio segment: 70% for 'Private – New' and 'SME – New', 65% for 'Private - Used' and 'SME – Used' and 90% for the 'Other' segment. Our assumptions considered recoveries achieved in the three years after a default. We have modelled times to recovery (i.e. recovery lags) of 23 months for 'Other' and 17 months for all other segments, based on vintage data analysis.

We have stressed our recovery assumptions by applying rating-conditional haircuts (see Figure 16). We increased the recovery haircuts for the segment 'Other' to address its lower vintage data granularity.

Figure 16: Rating-conditional recovery rates and recovery lags

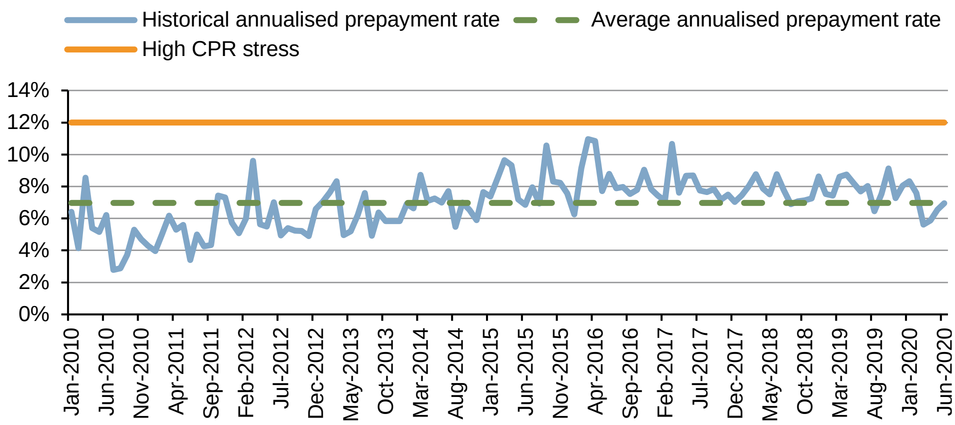
Segment	AAA	AA	A	BBB	BB	B	Lag (month)
Private – New	42.0%	47.6%	53.2%	58.8%	64.4%	70.0%	17
Private – Used	39.0%	44.2%	49.4%	54.6%	59.8%	65.0%	17
SME – New	42.0%	47.6%	53.2%	58.8%	64.4%	70.0%	17
SME – Used	39.0%	44.2%	49.4%	54.6%	59.8%	65.0%	17
Other	36.0%	46.8%	57.6%	68.4%	79.2%	90.0%	23

3.4.3. Prepayment analysis

Senior notes are most sensitive to high prepayment rates

We tested the structure under two constant prepayment rate (CPR) assumptions: 0% for the low prepayment scenarios and 12% for the high prepayment scenarios, five percentage points higher than the observed historical values (see Figure 17).

Figure 17: Annualised monthly constant prepayment rates



4. Financial structure

4.1. Capital structure

The capital structure features the rated senior class A notes, which are supported by the strict subordination of the class B notes and the subordinated loan.

The four originators hold the first-loss piece of the capital structure

Proceeds from the class A and class B notes were used to purchase the receivables. The subordinated loan is used to fund i) a EUR 3.2m liquidity reserve; ii) the purchase reserve of EUR 7.5m; and iii) the initial asset-liability mismatch of EUR 164,000. The four originators have granted the subordinated loan and collectively retain the class B, meaning they hold the first-loss piece of the capital structure.

The notes pay interest monthly, referenced to three-month Euribor plus a margin. The notes will start to amortise when the revolving period ends, which is three years after the closing date or earlier if triggered by asset performance. The amortisation is strictly sequential. The class B will receive no principal until the senior notes are fully amortised. During the amortisation period, the class B will also receive no interest as long as the class A is outstanding. All funds that are not needed to pay senior costs or class A interest or to refund the cash reserve will be used to repay class A principal until it is fully repaid.

The rating of the senior liability only considers the issuer in place at the closing of the transaction i.e. ROOF AT S.A., Compartment 2021.

4.2. Priority of payments

Combined priority of payments is the main protection against payment interruption

The structure features a combined priority of payments, which materially protects against payment interruption. Principal collections from assets can be used to pay timely interest on the senior notes. The priority of payments traps excess spread to cover principal losses due to defaults.

Figure 18: Available funds and simplified priorities of payments

	Priority of payments
Available funds	• Amounts in cash reserve • Amounts in replenishment fund • Any collections received by the servicers during the monthly period • Any tax paid to the issuer by the sellers/servicers in accordance with the lease receivables purchase agreement and/or the servicing agreement (during the monthly period) • Any interest earned on the issuer account (during the monthly period)
Replenishment period	**Monthly notes' payment dates:** 1) Taxes, senior fees and expenses 2) Swap net cash flow payable to the swap counterparty 3) Class A interest 4) Cash reserve up to required amount 5) Replenishment fund up to the target amount 6) Class B interest 7) Any amount due to the swap counterparty upon termination of the swap agreement due to downgrade/default of the swap counterparty 8) Interest subordinated loan 9) Excess to the sellers
Amortisation period	**Monthly notes' payment dates:** 1) Taxes, senior fees and expenses 2) Swap net cash flow payable to the swap counterparty 3) Class A interest 4) Cash reserve up to the required amount 5) Class A principal 6) Class B interest (only after class A notes fully redeemed) 7) Class B principal (only after the class A notes fully redeemed) 8) Any amount due to the swap counterparty upon the termination of the swap agreement due to downgrade/default of the swap counterparty 9) Interest subordinated loan 10) Principal subordinated loan (after class B notes fully redeemed) 11) Excess to the sellers
Post-enforcement	The post-enforcement priority of payments is triggered by the issuer's default on its obligations with respect to the highest-ranking class of notes outstanding. **Monthly application of all funds available:** 1) Taxes, senior fees and expenses 2) Swap net cash flow payable to the swap counterparty 3) Class A interest 4) Class A principal 5) Class B interest (only after class A notes fully redeemed) 6) Class B principal (only after class A notes fully redeemed) 7) Any amount due to the swap counterparty upon the termination of the swap agreement due to downgrade/default of the swap counterparty 8) Interest subordinated loan 9) Principal subordinated loan (after all notes are redeemed in full) 10) Excess to the sellers

4.3. Cash reserve

Fully funded reserve fund provides 0.7% credit enhancement to class A notes

The cash reserve funded by the subordinated loan provides liquidity for the timely payment of senior expenses and interest on senior notes over the life of the transaction. Upon a servicer event, it ensures timely payment for about six payment periods.

The cash reserve provides credit enhancement to the notes at maturity as it can pay principal shortfalls when the transaction is liquidated or reaches maturity.

In addition, excess spread can restore the cash reserve if it falls under the target level. The cash reserve is limited in trapping excess spread due to its amortising nature.

The cash reserve must be 0.7% of the outstanding balance of class A notes and amortises to an absolute floor of EUR 400,000.

4.4. Default and delinquency definitions

The structure establishes prudent definitions of default and delinquency. Definitions match the originator's practices and allow the timely management of asset credit events during servicing and monitoring.

The transaction defines defaults as contracts that were terminated because the delinquent period exceeded 90 days – or less in cases of a subjective default i.e. the lessee's insolvency – in accordance with the originators' credit and collection policy.

Delinquent assets are non-defaulted assets for which an amount of at least one instalment is overdue for more than 30 calendar days.

Our analysis does not use any cure rate assumption as the structure's default definition matches the definition used when producing the vintage data.

4.5. Amortisation and provisioning

Strictly sequential amortisation protects senior noteholders

The strictly sequential amortisation between the class A and class B notes protects senior noteholders, ensuring proper collateralisation during the revolving period and accelerated amortisation during the amortisation phase. These mechanisms are captured in our modelling and reflected in our ratings.

During the replenishment period, no principal is distributed to the notes. Instead, available funds and excess spread are used to acquire new assets, up to the target replenishment amount. Any remaining funds will be used to pay class B interest and further subordinated items.

The amortisation of the senior notes is accelerated during the amortisation period, making use of the excess spread trapped, and used to repay liabilities.

4.6. Replenishment mechanisms

Replenishment covenants protect collateralisation of the rated notes

The structure uses the collected principal to acquire new assets and covers any shortfall with excess spread and the 1.4% purchase reserve. The replenishment period will end three years after closing or earlier if triggered by events.

The maximum replenishment amount on each replenishment date is the difference between the outstanding balance of the notes (EUR 538.0m) and the outstanding balance of the non-defaulted portfolio. This definition means that besides regular principal repayments, defaulted assets reduce the relevant balance, which will lead to new assets being acquired using available excess spread.

The remainder of the purchase reserve at the end of the revolving period can be used to repay the class A notes.

4.6.1. Early-amortisation triggers

Replenishment covenants protect collateralisation of the rated notes

The transaction is protected against risks inherent to revolving transactions: portfolio-quality migration and portfolio-performance deterioration. We consider the single-asset and portfolio covenants as well as those on portfolio performance to be effective at protecting the transaction from negative portfolio migration arising from replenishments and portfolio underperformance. Non-compliance with these covenants would prevent the acquisition of additional assets and may lead to the portfolio amortising early.

The amortisation phase starts if originators breach any representations and warranties relating to the assets' eligibility or the portfolio's concentration limits, or if the servicers cannot originate enough eligible assets to maintain collateralisation, i.e. the maximum allowed collateralisation in cash is 15%. This is possible if the originators' strategy changes significantly over the replenishment period.

Underperformance of the assets also triggers the amortisation phase. The structure defines several triggers for this (see Figure 19 for a summary).

Replenishment covenants protect collateralisation of the rated notes

We have considered the structure's trigger mechanisms and reduced the effective notional of performing assets to account for weak assets in the portfolio after the replenishment period. We deducted 1.5% from the effective balance at the end of the revolving period, derived from the 2.5% delinquency trigger considering the AAA rating-conditional recovery rate. We believe the other triggers will not result in the same level of stress because at the time of their activation, some of the stress will be offset with excess spread.

The structure would also enter the amortisation phase upon illegality (including fraud), and upon tax or regulatory events relating to the issuer. It will also enter accelerated amortisation upon enforcement events (e.g. the issuer's insolvency or default on obligations in respect of the highest-ranking outstanding liabilities).

Figure 19: Early-amortisation triggers relating to assets or originators

Trigger	Description
Cumulative net loss	Amortisation starts when the cumulative net loss ratio exceeds on any cut-off date: i) 1.2% before the sixth payment date ii) 1.6% between the sixth (inclusive) and 12th payment dates iii) 2.0% between the 12th (inclusive) and 18th payment dates iv) 2.4% between the 18th (inclusive) and 24th payment dates v) 2.7% on or after the 24th payment date Cumulative net loss ratio is defined as i) the sum of all defaulted assets minus the sum of all recoveries divided by ii) the sum of all purchased assets.
Gross loss	Amortisation starts when, on the cut-off date, i) the gross loss ratio exceeds 1.5%; or ii) the three-month rolling average of the gross loss ratios exceeds 1.2%. The gross loss ratio is defined as the ratio of defaulted assets and the outstanding portfolio.
Delinquencies	Amortisation starts if i) '30+ days past due' delinquencies exceed 2.5% of the currently outstanding portfolio; or ii) the three-month rolling average of '30 days past due' delinquencies exceeds 2.1%.
Replenishment fund	Amortisation starts if the amount deposited in the replenishment fund exceeds 15% of the outstanding portfolio. Amortisation starts if the amount available in the replenishment fund (after applying the pre-enforcement priority of payments) is lower than the replenishment target amount.
Excess spread	Amortisation starts if excess spread is less than 0.6% on any cut-off date.

4.7. Hedging of interest rate risk

Interest type and payment frequency are suited to the liabilities, supported by a swap

Interest rate risk is limited due to the natural hedge created by the floating rates on the liabilities and the majority of the assets, referenced to three-month Euribor. The risk arising from fixed interest rates paid on part of the portfolio is also fully hedged.

Replenishment criteria permit fixed-rate contracts to account for up to 31% of portfolio volume, which, however, is addressed through a fixed-floating interest rate swap with Credit Agricole Corporate and Investment Bank. The issuer will receive the higher of three-month Euribor plus 0.7% and zero on the outstanding balance of fixed-rate receivables and pays a fixed rate in return. Given the current three-month Euribor rate, we assume the issuer will remain a net payer under the swap over the transaction's life.

4.8. Issuer accounts

The issuer holds all its accounts with Bank of New York Mellon, Frankfurt Branch. The issuer accounts include the operating account, the cash reserve account, the replenishment fund account and the back-up servicing account. The accounts yield interest at the euro short-term rate (€STR) minus 165bps, with a 0% floor.

If any invested funds have a negative interest rate or are subject to fees, the account bank would charge the issuer the euro short-term rate minus 15bps.

Any loss from negative carry is covered by available excess spread and credit enhancement

The account represents a source of negative carry as its yield is lower than the weighted average coupon of the notes. Any loss from negative carry is covered by available excess spread and credit enhancement.

We have not stressed the account's yield in our analysis because the contractual rate for this transaction already represents a market reference that, in our opinion, would not be modified materially if the account bank is replaced.

4.9. Clean-up call

The issuer has a discretionary call option requiring the full repayment of liabilities.

Our analysis excludes the option that allows the originators and sellers to terminate the transaction before final legal maturity if the assets' balance is less than 10% of the original portfolio balance after closing date.

5. Originator, seller and servicer

We believe the business of Raiffeisen Leasing is based on sound foundations

We believe the businesses of the originators that are part of the Raiffeisen Banking Group are based on sound foundations and benefit from seasoned processes, experienced staff and a very granular marketing network. The banking group's Austrian leasing business, Raiffeisen Leasing (RL) has operated in the Austrian market for 50 years and focuses on the vehicle, equipment and real estate segments. Its portfolio of vehicle leases is the third largest in Austria.

5.1. Business positioning

RL is among the top three in Austria for vehicle leases

RL is among the top three in Austria for vehicle leases (fourth with respect to new business in 2019) and is focusing on growing in the retail segment with lower ticket sizes. It will continue to focus on vehicle leasing and will make use of the distribution channels in Raiffeisen's entire network.

Margins are steady – albeit low – due to the strong price competition in the Austrian leasing market. RL's main competitive advantages are its granular sales network, with over 1,500 points of sale, and its position as a universal leasing company, which allows it to originate leases not only on vehicles of any brand, but also in other segments like equipment leasing (cross-selling). This transaction does not securitise equipment or real estate leasing contracts.

5.2. Origination and underwriting

RL controls the contracts' quality throughout the underwriting process, even when different origination channels are involved. Lease receivables in this securitisation are originated through four alternative channels: i) Raiffeisen-Leasing Österreich GmbH; ii) UNIQA Leasing GmbH; iii) Raiffeisen-Leasing Fuhrparkmanagement GmbH; and iv) JDRL Landmaschinen Vermietungs GmbH.

All lease applications from any of the four origination channels arrive at the same interface office at RL. This ensures that the quality of contracts is consistent, as the same procedures and risk-analysis principles are applied. For example, the same policies are used to prevent origination in economic sectors barred by the sector heat map of

Raiffeisen Bank International AG. Anti-fraud policies are also common to all origination channels.

Workflows for sanctioning and executing lease applications help to reduce credit risk

The workflows for sanctioning and executing lease applications help to reduce credit risk given the competitive environment and the originators' low risk appetite. RL's directives follow those of Raiffeisen Bank International AG, focusing on the customer rating, the verification of suppliers and assets, the evaluation of collateral and the transaction terms/risk.

Internal ratings are used to assist in sanctioning. The system differentiates between customer groups with a total exposure of less than EUR 200,000 and SMEs with an exposure larger than EUR 200,000 and escalates decision-making authority for customer groups with an exposure larger than EUR 1m. Private individuals are rated based on scorecards developed by using RL's retail applications; for SMEs with a low total exposure, credit scores are produced through the group's corporate rating models.

Sanctioning considers the exposure and risks of a potential new contract within limits set for the client. The sanctioning power is segmented and delegated so that smaller contracts are less scrutinised. However, no automatic underwriting is performed. The underwriting process has more sanctioning power as the size of the contract becomes bigger. Credit risk management becomes involved when exposures exceed EUR 200,000. A special credit committee is needed to approve exposures greater than EUR 1m, with the occasional involvement of the advisory board.

RL sets exposure limits adjusted to the risk of group-connected customers with a total exposure larger than EUR 200,000. These limits are updated annually and depend on the customer's credit quality, total revenues and industry sector.

Defaulted customers cannot be approved by account management and credit risk management. Also, customers formerly rejected by credit risk management cannot be approved by account management. Only the divisional head of account management can decide on black-listed customers and on assets with weighted collateral value of 0%.

RL relies on collateralisation to limit the risk on leasing contracts, supporting the high recovery rates

RL relies on collateralisation to limit the risk of leasing contracts, which support its high recovery rates on defaulted contracts. Standard forms of collateral include ownership of the vehicles, the assignment of receivables from insurers, corporate guarantees or guarantees from private individuals (e.g. shareholder of the lessee), bank guarantees and buy-back guarantees from suppliers.

RL has a prudent approach for calculating residual values. Residual values have discounts applied that are derived from: i) data gathered by RL in its re-sale/liquidation platform, through which around 1,000 cars are sold each year; ii) EUROTAX values (one of Austria's most reliable market indicators); iii) industry research; and iv) vehicle appraisals in some instances. A specific residual-value committee must authorise any changes to calculations or assumptions on the residual values of newly launched vehicles. This committee reviews and adjusts residual values twice a year, if necessary.

Each quarter, a sample of contracts, weighted more towards riskier cases, is audited internally. Additionally, all processes are linked to key ratios and indicators that can be monitored easily.

5.3. Servicing and recovery

Collections are mainly performed through direct debits on the lessees' accounts, which reduces the operational risk

Collections are performed through direct debits (94.1% in the initial portfolio) on the lessees' accounts, which reduce the operational risk around identifying and assigning payments. RL may modify contractual terms (e.g. risk costs or refinancing spreads) over its life as part of the lease servicing.

The beneficial ownership of the vehicles is transferred to the special purpose vehicle along with the leasing contracts. We consider for our analysis the provided recovery rate data, which embeds the proceeds from asset sales.

Monitoring is proactive to anticipate and reduce obligor default

RL has implemented an early-warning system that identifies potentially problematic leases during the monitoring process. This system applies to all exposures of RL's entities, which is based on automatically calculated and manually entered signals, with the worst signal determining the status. For group-connected customers with higher exposures, limit reviews and rating updates are performed periodically.

RL aims to help stressed or distressed obligors to become performing again

RL's strategy is to prevent the immediate recovery of vehicles and aims to identify solutions that would help stressed or distressed obligors to become performing again. This is to ensure payment obligations are met in the long term and to motivate customers to pay future/outstanding instalments through a newly agreed payment scheme. RL would only seek a managed exit solution or liquidation strategy when a cure is not possible. This strategy is aimed at minimising recovery risks and improving both customer friendliness and the returns on handling fees and interest on arrears.

RL has set up effective processes to recover defaulted contracts

Contracts are terminated, and the full amount is due shortly before it is three months past due. Terminating the contract triggers the recovery process, which includes the repossession of vehicles. In the normal course of business, outstanding debt is set off against the proceeds from selling the vehicles. Any marginal claim is then recovered from the lessee, via legal proceedings if necessary.

RL has its own platform to liquidate repossessed vehicles

RL relies on its own sales platform to liquidate repossessed vehicles. On this platform, around 400 car dealers are registered and more than 1,000 cars are sold yearly. Sales proceeds are reported at 20% higher than the residual value (on average).

6. Quantitative analysis

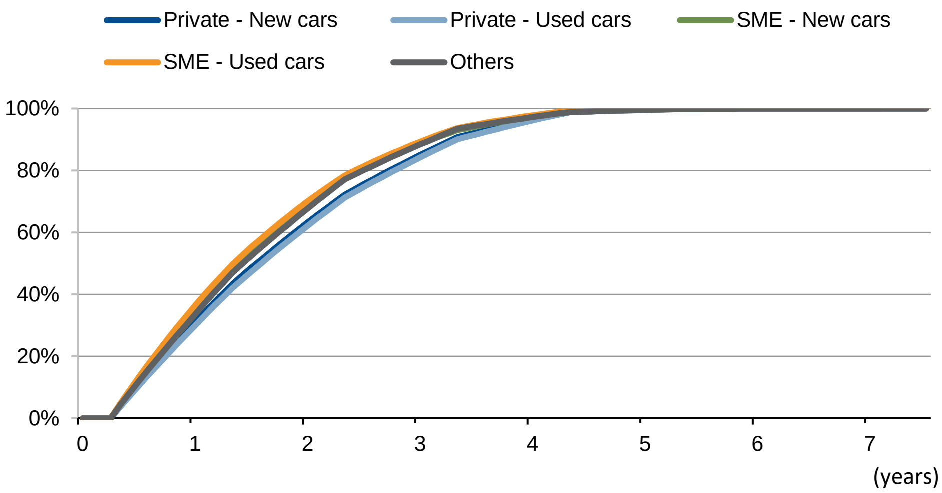
We have analysed the transaction with a cash flow tool combined with the portfolio default distribution (inverse Gaussian) to calculate the probability-weighted loss and expected weighted average life of the rated tranche.

Scope has considered a front-loaded default-timing term structure

We have assigned a AAA_{SF} rating to the senior notes based on our cash flow analysis. This result incorporates the currently uncertain macroeconomic conditions and displays the strong support provided to the senior notes by the transaction's credit enhancement mechanisms and the subordination of the class B.

We have considered a front-loaded default-timing term structure. Back-loaded default scenarios are not as severe owing to credit enhancement build-up and the effect of seasoning on the portfolio. The default-timing assumptions (Figure 20) represent the assumed default timings for the portfolio segments at the end of the replenishment period. These assumptions imply the front-loading of delinquencies, starting on the first month of the life of the transaction. The defaults are classified as 90 days past due, in line with the credit and collection policy of the originators.

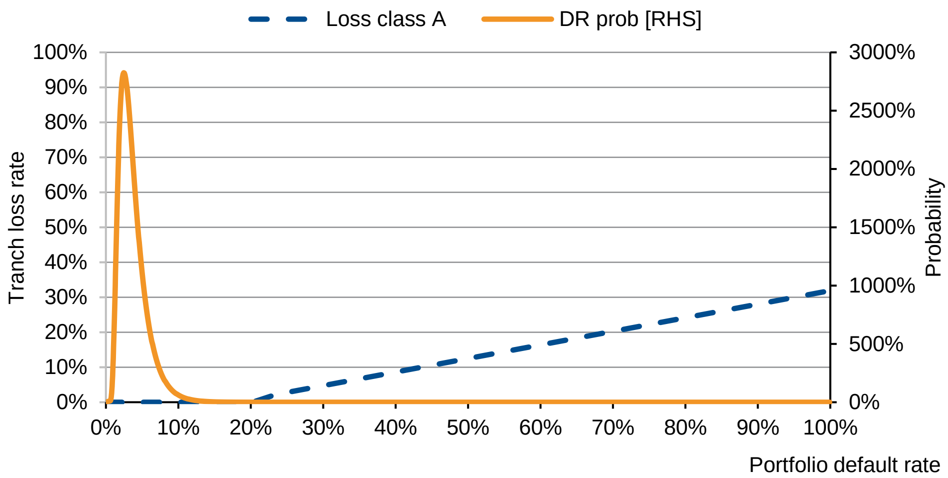
Figure 20: Cumulative default-timing assumptions for the portfolio segments



Excess spread and recoveries explain why the senior notes can withstand default rate scenarios beyond credit enhancement from subordination

Figure 21 shows the losses of the senior notes at all portfolio default rates. The chart shows how credit enhancement and excess spread protect the senior notes, as well as recovery in case of default.

Figure 21: Tranche losses for all portfolio default rates



7. Rating stability

7.1. Rating sensitivity

We have tested for deviations in the main input parameters: i) the mean default rate; ii) the base case recovery rate; and iii) the coefficient of variation. This analysis has the sole purpose of illustrating the sensitivity of the rating to input assumptions and is not indicative of expected or likely scenarios. For the class A notes, the following shows how the results change compared to the assigned credit rating in the event of:

- an increase of the mean default rate by 50%: minus one notch;
- a decrease of the recovery rate by 50%: zero notches;
- an increase of the coefficient of variation by 50%: minus one notch.

7.2. Break-even analysis

Senior notes: no loss at portfolio default rates of 11.9% or lower under a zero recovery-rate assumption

The resilience of the senior notes' rating is even better illustrated in the break-even default rate analysis. Senior notes would not experience any loss at portfolio default rates of 11.9% or lower, under a zero recovery-rate assumption. This break-even default rate is 3.2 times higher than our base case default rate for the portfolio. The senior notes would not suffer any losses at portfolio default rates of 19.7% or lower under the AAA recovery-rate assumption for this portfolio (i.e. 40.0%).

Figure 22: Break-even default rate as a function of prepayments and recovery rates

Prepayments	0% constant prepayment rate		12% constant prepayment rate	
Portfolio recovery rate	40.0% (AAA level assumption)	0.0%	40.0% (AAA level assumption)	0.0%
Break-even default rates	**19.7%**	**11.9%**	**20.2%**	**12.2%**

Note: All results incorporate the stress that we apply for weak obligors at the end of the revolving period and servicer commingling. We assumed a 1.7% upfront discount on the performing balance.

8. Sovereign risk

Sovereign risk does not limit the rating

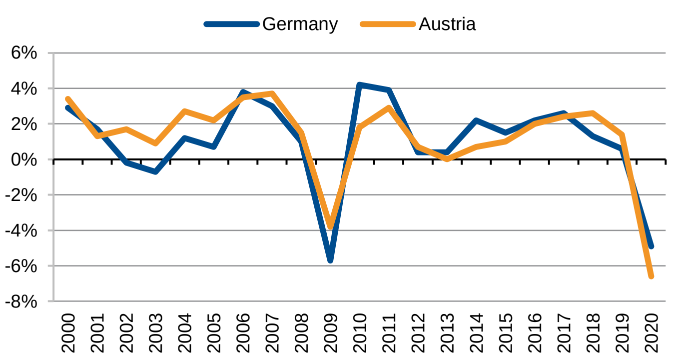
Sovereign risk does not limit the rating on the senior notes given the Austrian economic environment. We completed our most recent monitoring review for the Republic of Austria on 11 March 2021, which resulted in no action on the assigned AAA/Stable and S-1+/Stable ratings.

The AAA rating is supported by Austria's euro-area membership, its wealthy, diversified and internationally competitive economy, robust economic growth potential, commitment to medium-run fiscal consolidation, favourable public debt profile, low private sector debt, and resilient banking system. The impact of the Covid-19 shock poses near-term economic and fiscal challenges, while Austria's ageing society presents medium-to-long-term risks to public expenditures and growth. Additional challenges include a complex federal fiscal structure as well as Austria's labour-unfriendly taxation system.

In our view, the risks Austria faces remain manageable given the economy's inherent credit strengths. We expect the repayment abilities of Austrian consumers to remain stable. We expect 4.5% real GDP growth for 2021 following a drop of 6.6% in 2020, which was in line with that of the euro area.

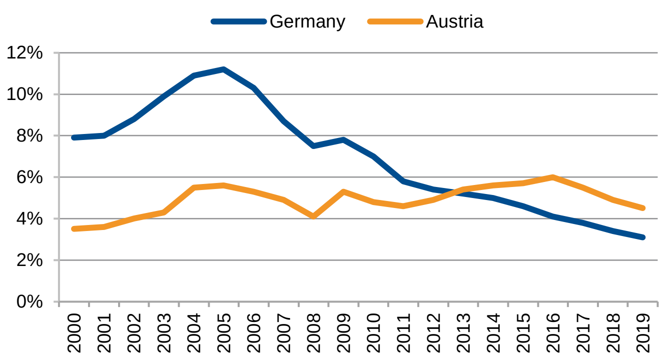
Challenges to Austria's performance do not affect the credit strength of the senior notes, due to the short expected weighted average life during the amortisation period, which would be triggered if macroeconomic impacts significantly affect transaction performance.

Figure 23: GDP growth



Source: Eurostat, Scope

Figure 24: Unemployment



Source: Eurostat, Scope

9. Counterparty risk

The credit strength of the counterparties and the appointment of a back-up servicer mitigate counterparty risk in this transaction. We have taken into account the credit strength of the key counterparties in order to factor counterparty risk into our ratings.

We maintain a rating on Raiffeisen Bank International AG, the parent bank of the servicers, and assessed Bank of New York Mellon and Crédit Agricole Corporate Investment Bank based on public information.

None of the counterparty exposures are excessive (i.e. crystallisation of counterparty risk would not prompt downgrades of six notches or more to the notes).

Figure 25: Counterparties

Role	Counterparty
Issuer	ROOF AT S.A., Compartment 2021
Originators/servicers	Raiffeisen-Leasing Österreich GmbH, UNIQA Leasing GmbH, Raiffeisen-Leasing Fuhrparkmanagement GmbH, and JDRL Landmaschinen Vermietungs GmbH
Back-up servicer	Raiffeisen Bank International AG
Account bank	Bank of New York Mellon, Frankfurt Branch
Paying agent/calculation agent/cash administrator	Bank of New York Mellon, London Branch
Swap counterparty	Crédit Agricole Corporate Investment Bank
Data trustee	CSC Capital Markets (Ireland) Limited
Security trustee	CSC Trustees Limited
Corporate services provider	CSC Capital Markets (Luxembourg) S.à.r.l.
Subordinated creditors	Raiffeisen-Leasing Österreich GmbH, UNIQA Leasing GmbH, Raiffeisen-Leasing Fuhrparkmanagement GmbH, and JDRL Landmaschinen Vermietungs GmbH

9.1. Operational and commingling risk from servicer

A disruption of the servicer function when performed by the originators is a possible – yet unlikely – risk

We believe that a disruption of the servicer function when performed by the originators is a possible – yet unlikely – risk in this transaction. Nevertheless, and despite the likely continuity in operations and the interpretation of the current legal framework in Austria, we believe the commingling of collections from the portfolio with the insolvency estate of the servicers is still possible.

We have assumed the expected contribution of servicer commingling losses to credit losses from the portfolio to be 0.2% over the transaction's life. The expected servicer commingling loss calculation considers a probability of default of the servicers and the exposure to commingling risk. The stressed probability of servicer default assumes servicer credit quality to be three notches lower than the level in the unstressed case, while the commingling exposure is assumed to be two times the monthly collections from the assets.

The servicers perform a direct debit on 94.1% of collections. The moneys are transferred to the account bank on the second business day after the first calendar day of each month. Direct debits reduce the risk of loss from servicer commingling. Additionally, the servicers will advance the expected remaining monthly collections to the issuer account in accordance with the payment schedule, excluding expected residual-value payments and prepayments. Commingling risk is reduced further as the servicers have pledged the different collection accounts to the issuer.

The originators and servicers are not resolvable financial institutions and, consequently, severe financial losses could theoretically trigger their liquidation and default on obligations under the servicer agreement.

Raiffeisen Bank International AG has been appointed as back-up servicer at closing. We believe that the succession of Raiffeisen Bank International AG as back-up servicer would likely occur seamlessly – probably with the same staff and systems currently involved in the servicing – because the servicers and back-up servicer are all part of the RBI Group, which is well-established in Austria and includes resolvable financial institutions.

The back-up servicer does not perform the role of data trustee. An independent third party holds the encryption key for granting the back-up servicer access to data (such as lessee contracts) it would need to intervene as servicer.

9.2. Commingling risk from account bank and paying agent

Immaterial risk of commingling losses from the account bank and the paying agent for the senior notes

We consider the risk of commingling losses from the account bank and the paying agent to be immaterial for the senior notes. The structure provides for the substitution of the account bank upon the loss of a minimum rating of BBB or equivalent credit quality as assessed by Scope.

9.3. Set-off risk from originator

We do not believe set-off risk from the originators is material in the context of this transaction. The lessees are not entitled to set off their claims against the originators with payments under the receivables, as set forth in the terms of the receivables – unless required by law.

10. Legal structure

10.1. Legal framework

This securitisation is governed by four different legal regimes. Receivables are originated and transferred under Austrian law. The issuer is incorporated in Luxembourg and is therefore subject to its local laws. Conditions of the notes and the bank account agreement are governed by German law. The nature and purpose of the vehicle and the legal structure of the issuer effectively result in tax efficiencies; the effect of tax is therefore immaterial. There is no loss of value or cash flows from taxation in Austria and Luxembourg. Documents related to the interest rate swap are governed by English law.

The transaction represents the true sale of the assets to a bankruptcy-remote vehicle, represented by the trustee.

10.2. Asset replacement

The sellers will replace or repurchase any asset in the portfolio that does not comply with eligibility criteria in the documentation or that is subject to non-permitted variations. Only standard, performing leasing receivables can be transferred to the portfolio at the closing of the transaction and during the replenishment period. We believe the risk that weaker assets are transferred to the final portfolio is covered by our mean default rate assumption for the portfolio.

10.3. Use of legal and tax opinions

We reviewed the legal and tax opinions produced by the legal advisers of the originator: i) opinion on German law by Clifford Chance Partnerschaft mit beschränkter Berufshaftung; ii) opinion on Austrian law by Schönherr Rechtsanwälte GmbH; iii) opinion on Luxembourg law by Clifford Chance, Luxembourg; and iv) opinion on English law by Clifford Chance LLP.

The transaction conforms to international securitisation standards and supports our general legal analytical assumptions (see 'Legal Risks in Structured Finance – Analytical Considerations', available on www.scoperatings.com).

11. Monitoring

We will monitor this transaction based on performance reports from the servicers as well as all other available information. The ratings will be monitored continuously and reviewed at least once a year, or earlier if warranted by events.

Scope analysts are available to discuss all the details surrounding the rating analysis, the risks to which this transaction is exposed and the ongoing monitoring of the transaction.

12. Applied methodology and data adequacy

For the analysis of this transaction, we applied our General Structured Finance Rating Methodology (14 December 2020), Consumer and Auto ABS Rating Methodology (3 March 2021) and Methodology for Counterparty Risk in Structured Finance (8 July 2020). All of the methodologies are available on www.scoperatings.com.

Raiffeisen Leasing provided us with default and recovery data, segmented by monthly vintage of origination, referring to a '90 days past due' default definition. The default rate data covers a period from 2010 to 2020 and is generally very granular, except for the 'Other' segment. The recovery data also covers a period from 2010 to 2020, referring to all recoveries during that period. Due to limited defaults, the recovery data is less granular.

I. Summary of portfolio characteristics

The table shows the summary of portfolio characteristics considered in our analysis. The portfolio cut-off date is 1 March 2021.

Key features	Final portfolio as of 1 March 2021
Originator (% of balance)	Raiffeisen-Leasing Österreich GmbH (59.8%); UNIQA Leasing GmbH (26.9%); Raiffeisen-Leasing Fuhrparkm. GmbH (13.0%); JDRL Landmaschinen Verm. GmbH (0.3%)
Closing date	25 March 2021
Portfolio balance (EUR m)	538.0
Number of assets	28,103
Minimum asset size	54
Average asset size (EUR)	19,143
Maximum asset size (EUR)	539,385
Private obligors (#)	10,328
SME obligors (#)	13,611
Other obligors (#)	4,164
Segment: Private – New	**15.7%**
Segment: Private – Used	**13.0%**
Segment: SME – New	**48.4%**
Segment: SME – Used	**14.2%**
Segment: Other	**8.6%**
Largest obligor	0.99%
Top 10 obligors	4.76%
Top 100 obligors	15.40%
Largest region	20.1%
Top 3 regions	54.6%
Largest sectors	Wholesale and retail trade; repair of motor vehicles and motorcycles
(% of balance)	(12.4%)
Top 3 sectors	32.4%
Weighted average life (0% default rate and 0% CPR) (years)	**2.2**
Current weighted average coupon	**2.6%**

II. Vintage data from the originators

Figure 26 and Figure 27 show the granularity of the originators' vintage data. The data refers to gross loss data, which includes objective defaults at 90 days past due and subjective defaults, which matches the default definition in the structure.

Coverage and granularity of gross loss vintage data used in our analysis

	Private – New	Private – Used	SME – New	SME – Used	Other
Total origination (EUR m)	418	274	1,280	362	188
Series	120	120	127	127	72
Series period (months)	1	1	1	1	1
Period covered	2010 to 2019	2010 to 2019	2010 to 2020	2010 to 2020	2010 to 2020

Coverage and granularity of recovery vintage data used in our analysis

	Private – New	Private – Used	SME – New	SME – Used	Other
Total defaults (EUR m)	5.3	4.5	28.9	4.4	6.4
Series	125	125	125	125	125
Series period (months)	1	1	1	1	1
Period covered	2010 to 2020	2010 to 2020	2010 to 2020	2010 to 2020	2010 to 2020

The following figure shows the vintage data used in our analysis.

Figure 26: Vehicle leasing book – 90dpd delinquency vintage data presented by Raiffeisen Banking Group for Austria

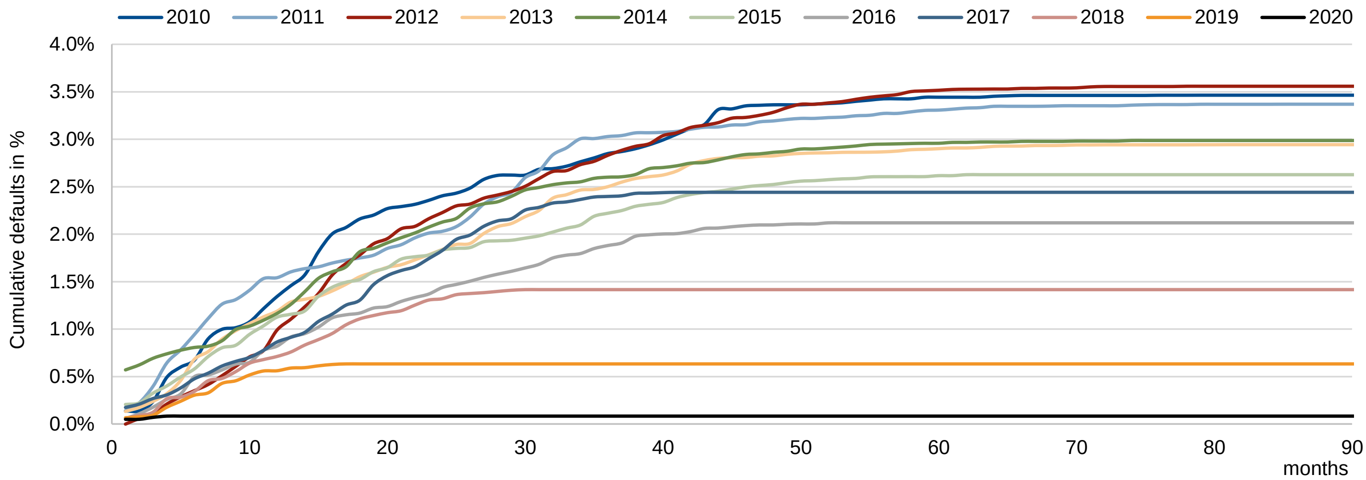
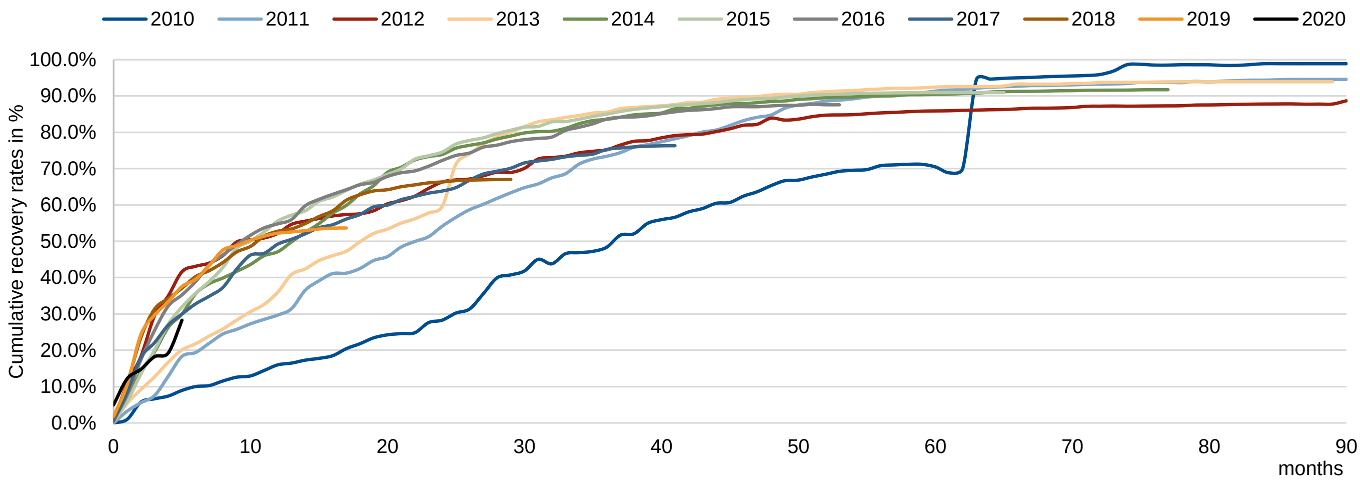


Figure 27: Vehicle leasing book – 90dpd recovery vintage data presented by Raiffeisen Banking Group for Austria



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