MOODY'S
INVESTORS SERVICE

# Rating Action: Moody's upgrades rating of Mezzanine Note in Bee First Finance S.A., Compartment Edelweiss 2013 - 1

**Global Credit Research - 06 Feb 2018**

London, 06 February 2018 -- Moody's Investors Service ("Moody's") has today upgraded the rating of Class C Notes to Aaa (sf) from Aa2 (sf) in Bee First Finance S.A., Compartment Edelweiss 2013 - 1. The rating action reflects better than expected collateral performance and the increased levels of credit enhancement for the affected notes. Moody's affirmed the ratings of the Class A and B Notes that had sufficient credit enhancement to maintain current rating on the affected notes.

Bee First Finance S.A., Compartment Edelweiss 2013 - 1 is a cash securitisation of a portfolio of auto lease receivables including residual value extended to private and corporate obligors located in Austria.

....EUR 232.5M Class A Notes, Affirmed Aaa (sf); previously on Mar 28, 2017 Affirmed Aaa (sf)

....EUR 18.4M Class B Notes, Affirmed Aaa (sf); previously on Mar 28, 2017 Upgraded to Aaa (sf)

....EUR 9.3M Class C Notes, Upgraded to Aaa (sf); previously on Mar 28, 2017 Upgraded to Aa2 (sf)

RATINGS RATIONALE

Today's upgrade primarily reflects deleveraging since closing and the better-than-expected collateral performance.

Revision of Key Collateral Assumptions :

As part of the rating action, Moody's reassessed its default probability and recovery rate assumptions for the portfolio reflecting the collateral performance to date.

For Bee First Finance S.A., Compartment Edelweiss 2013 - 1, the current default probability is 3.2% of the current portfolio balance, translating into a DP assumption of original balance of 2% compared to 2.3% as at March 2017. Moody's left the recovery rate assumption unchanged at 50%. Moody's has decreased the CoV to 53.1% from 54.4% , which, combined with the revised key collateral assumptions, corresponds to a portfolio credit enhancement of 12%.

Increase in Available Credit Enhancement

Sequential amortization led to the increase in the credit enhancement available in this transaction. The credit enhancement available to Class C increased from 3.8% to 23.2% since closing. Credit enhancement takes the form of subordinated notes as well as a fully funded reserve fund.

The principal methodology used in these ratings was "Moody's Global Approach to Rating Auto Loan- and Lease-Backed ABS" published in October 2016. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Factors that would lead to a downgrade of the ratings:

Factors or circumstances that could lead to a downgrade of the ratings include (1) an increase in sovereign risk (2) performance of the underlying collateral that is worse than Moody's expected, (3) deterioration in the notes' available credit enhancement and (4) deterioration in the credit quality of the transaction counterparties.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows. Moody's weights the impact on the rated instruments based on its assumptions of the likelihood of the events in such scenarios occurring.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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