

LCR ASSESSMENT

FCT CA LEASING 2023-1



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

15 November 2023

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It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

15 November 2023

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PRIME COLLATERALISED SECURITIES (PCS) LCR Assessment

Individual(s) undertaking the assessment	Mark Lewis
Date of Verification	15 November 2023
The transaction to be verified (the "Transaction")	FCT CA LEASING 2023-1
Issuer	FCT CA LEASING 2023-1
Originator/STS Originator	LixxBail / Crédit Agricole Leasing & Factoring
Lead Manager	Crédit Agricole Corporate and Investment Bank
Transaction Legal Counsel	Orrick Herrington & Sutcliffe (Europe) LLP
Rating Agencies	Fitch and DBRS
Stock Exchange	Regulated market of Euronext in Paris (Euronext Paris)
Closing Date	15 November 2023

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

Legislative Text and LCR Criteria (Note 1)

Note 1: see Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 and 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 (...).

1a	LCR Criteria 1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied: (a) the designation 'STS' or 'simple, transparent and standardised', or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council and is being so used;	Meets Criteria? YES
	PCS Comments PCS is advised that the transaction FCT CA LEASING 2023-1 is to be designated STS.	
1b	LCR Criteria 1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied: (b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.	Meets Criteria? YES
	PCS Comments PCS has ticked the questions below as "yes". See the disclaimer above for a fuller analysis of the limitations of PCS's LCR assessment	
2a	LCR Criteria 2. The securitisation position and the exposures underlying the position shall meet all the following requirements: (a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;	Meets Criteria? YES
	PCS Comments See Prospectus' cover page: PCS notes that the Class A Notes are expected to be rated on closing: <ul style="list-style-type: none">• AAA sf by Fitch• AAA (sf) by DBRS	

2b	<p>LCR Criteria</p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(b) the position is in the most senior tranche or tranches of the securitisation and possesses the highest level of seniority at all times during the ongoing life of the transaction. For these purposes, a tranche shall be deemed to be the most senior where after the delivery of an enforcement notice and where applicable an acceleration notice, the tranche is not subordinated to other tranches of the same securitisation transaction or scheme in respect of receiving principal and interest payments, without taking into account amounts due under interest rate or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of Regulation (EU) No 575/2013;</p>	
	<p>PCS Comments</p> <p>PCS confirms that, based on the indications contained in the Prospectus, the Class A Notes meet the required attributes.</p> <p>See:</p> <p>Priority of Payments</p> <p>(i) "Priority of Payments during the Normal Redemption Period" and</p> <p>(ii) "Priority of Payments during the Accelerated Redemption Period",</p> <p>which confirm the status of the Class A Notes as most senior tranche.</p> <p>See also the definition of "Most Senior Class of Notes" and Terms and Conditions of the Notes, 4.</p>	
3	<p>LCR Criteria</p> <p>(g) the securitisation position is backed by a pool of underlying exposures and those underlying exposures either all belong to only one of the following subcategories or else they consist of a combination of residential loans referred to in point (i) and residential loans referred to in point (ii):</p> <p>(i) residential loans secured with a first-ranking mortgage granted to individuals for the acquisition of their main residence, provided that one of the two following conditions is met:</p> <ul style="list-style-type: none"> – the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013 (); – the national law of the Member State where the loans were originated provides for a loan-to-income limit on the amount that an obligor may borrow in a residential loan, and that Member State has notified this law to the Commission and EBA. The loan-to-income limit is calculated on the gross annual income of the obligor, taking into account the tax obligations and other commitments of the obligor and the risk of changes in the interest rates over the term of the loan. For each residential loan in the pool, the percentage of the obligor's gross income that may be spent to service the loan, including interest, principal and fee payments, does not exceed 45 %; 	<p>Meets Criteria?</p> <p>YES</p>

- (ii) fully guaranteed residential loans referred to in Article 129(1)(e) of Regulation (EU) No 575/2013, provided that the loans meet the collateralisation requirements laid down in that paragraph and the average loan-to-value requirement laid down in point (i) of Article 129(1)(d) of Regulation (EU) No 575/2013
- (iii) commercial loans, leases and credit facilities to undertakings established in a Member State to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium- sized enterprises at the time of issuance of the securitisation, and none of the borrowers is an institution as defined in Article 4(1)(3) of Regulation (EU) No 575/2013; ()
- (iv) auto loans and leases to borrowers or lessees established or resident in a Member State. For these purposes, auto loans and leases shall include loans or leases for the financing of motor vehicles or trailers as defined in points (11) and (12) of Article 3 of Directive 2007/46/EC of the European Parliament and of the Council, agricultural or forestry tractors as referred to in Regulation (EU) No 167/2013 of the European Parliament and of the Council, two-wheel motorcycles or powered tricycles as referred to in Regulation (EU) No 168/2013 of the European Parliament and of the Council or tracked vehicles as referred to in point (c) of Article 2(2) of Directive 2007/46/EC. () Such loans or leases may include ancillary insurance and service products or additional vehicle parts, and in the case of leases, the residual value of leased vehicles. All loans and leases in the pool shall be secured with a first-ranking charge or security over the vehicle or an appropriate guarantee in favour of the SSPE, such as a retention of title provision;
- (v) loans and credit facilities to individuals resident in a Member State for personal, family or household consumption purposes.

PCS Comments

G (iii) applies

See Applicable STS criteria under Article 20, Article 21 and Article 22 of the EU Securitisation Regulation, Article 20 (Requirements relating to simplicity) of the EU Securitisation Regulation, (8):

See also STATISTICAL INFORMATION RELATING TO THE POOL OF RECEIVABLES

Eligibility Criteria of the Lessee

(i) The Lessee is resident and/or incorporated in metropolitan France, to the exclusion of any overseas department, region or collectivity (département, région ou collectivité d'outre-mer).

(ii) The Lessee is (i) a private commercial company or (ii) a natural person acting for business purposes and entering into the Lease Agreement within the framework of her/his business activity (meaning that the corresponding Lessee is not a consumer (consommateur) within the meaning of the French consumer code (Code de la consommation)).

See Seller's Receivables Warranties

(o) at least 80.0 per cent of the aggregate Principal Outstanding Balance of the Purchased Receivables as of the Cut-off Date preceding the Issue Date is owed by Lessees which are small and medium enterprises;

	(p) the Lessee is not an “institution” as defined in Article 4(1)(3) of the EU CRR.	
4	<p>LCR Criteria</p> <p>10. The underlying exposures shall not have been originated by the credit institution holding the securitisation position in its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with that credit institution.</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>The investor should confirm that it is not a group entity of the Originator to meet this point. We have ticked this point positive but ultimately it is the investors responsibility to confirm.</p>	
5	<p>LCR Criteria</p> <p>11. The issue size of the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency).</p>	<p>Meets Criteria?</p>
	<p>PCS Comments</p> <p>The final prospectus indicates the size of the senior tranche is in excess of the minimum threshold required. This requirement is therefore satisfied.</p>	
6	<p>LCR Criteria</p> <p>12. The remaining weighted average life of the tranche shall be 5 years or less, which shall be calculated using the lower of either the transaction's pricing prepayment assumption or a 20 % constant prepayment rate, for which the credit institution shall assume that the call is exercised on the first permitted call date.</p>	<p>Meets Criteria?</p>
	<p>PCS Comments</p> <p>See Section “WEIGHTED AVERAGE LIFE OF THE LISTED NOTES AND ASSUMPTIONS” which confirms the requirement is met.</p>	
7	<p>LCR Criteria</p> <p>13. The originator of the exposures underlying the securitisation shall be an institution as defined in Article 4(3) of Regulation (EU) No 575/2013 or an undertaking whose principal activity is to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU.</p>	<p>Meets Criteria?</p> <p>YES</p>
	<p>PCS Comments</p> <p>Seller’s Receivables Warranties -</p> <p>(c) each Lease Receivable derives from a Lease Agreement which:</p>	

	<p>(iii) relates to a lease and has been originated in France in the ordinary course of the Seller’s business pursuant to underwriting standards for leases that are no less stringent than those that the Seller applied at the time of origination to similar receivables that are not securitised;</p> <p>Seller - LixxBail, a société anonyme à directoire et conseil de surveillance, is licensed as a credit institution (établissement de crédit) in France with the status of specialised credit institution (établissement de crédit spécialisé) by the ACPR, incorporated under the laws of France, whose registered office is at 12 place des Etats-Unis 92120 Montrouge (France), registered with the Trade and Companies Register of Nanterre under number 682 039 078</p>	
<p>8</p>	<p><u>LCR Criteria</u></p> <p>Article 37 Transitional provision for securitisations backed by residential loans</p> <p>1. By derogation from Article 13, securitisations issued before 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2), shall qualify as Level 2B assets if they meet all the requirements set out in Article 13 other than the loan-to-value or loan-to-income requirements set out in that point (g)(i) of Article 13(2).</p> <p>2. By derogation from Article 13, securitisations issued after 1 October 2015, where the underlying exposures are residential loans as referred to in point (g)(i) of Article 13(2) that do not meet the average loan-to-value or the loan-to-income requirements set out in that point, shall qualify as Level 2B assets until 1 October 2025, provided that the underlying exposures include residential loans that were not subject to a national law regulating loan-to-income limits at the time they were granted and such residential loans were granted at any time prior to 1 October 2015.</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>Points 1 and 2 are not applicable.</p>	