

LCR ASSESSMENT
CARS ALLIANCE AUTO LEASES FRANCE V
2023-1



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

23rd October 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.

23rd October 2023

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PRIME COLLATERALISED SECURITIES (PCS) LCR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	23 October 2023
The transaction to be verified (the "Transaction")	CARS ALLIANCE AUTO LEASES FRANCE V 2023-1
Issuer	CARS ALLIANCE AUTO LEASES FRANCE V 2023-1
Originator/Seller/STS Originator for STS purposes	DIAC
Joint Lead Manager(s)	Crédit Agricole CIB, BNP Paribas, Société Générale
Transaction Legal Counsel	Allen & Overy
Rating Agencies	Moody's and S&P
Stock Exchange	Luxembourg Stock Exchange
Closing Date	23 October 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 CARS ALLIANCE AUTO LEASES FRANCE V 2023-1 is expected 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. Expected ratings Moody's: Aaa (sf) S&P Global Ratings: AAA (sf) <i>PCS notes that the Class A Notes are rated Aaa/AAA.</i>	

2b	<p><u>LCR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p><i>PCS confirms that, based on the indications contained in the Prospectus, the Class A Notes meet the required attributes.</i></p> <p>See the Priority of Payments set out in Section “OPERATION OF THE ISSUER”, which specifies different priorities, respectively, for the “Revolving Period”, the “Amortisation Period” and the “Accelerated Amortisation Period”. In each scenario, the Class A Notes rank higher than the other Classes.</p> <p>See also “Terms and Conditions of the Notes – 3. STATUS AND RELATIONSHIP BETWEEN THE NOTES”.</p> <p><i>The Class A Notes are the most senior tranche.</i></p>	
3	<p><u>LCR Criteria</u></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>(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</p>	<p><u>Meets Criteria?</u></p> <p>YES</p>

(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

Paragraphs (g)(iv) only applies.

See Prospectus, *THE AUTO LEASE CONTRACTS AND THE RECEIVABLES*.

The Transferred Receivables, the ownership of which is assigned to the Issuer on each Transfer Date, are based on a portfolio of French law-governed Auto Lease Contracts originated by the Seller for the lease of Cars.

AUTO LEASE CONTRACTS

The Auto Lease Contracts (contrats de location avec option d'achat) are entered into between one or two Lessees (each being a person acting for private purposes and resident in France) and the Seller in respect of one car of any brands of the Renault Group or Nissan (if the car is a New Car) or of any other brand (if the car is a Used Car).

ELIGIBILITY CRITERIA

The Seller represents and warrants to the Issuer and the Management Company under the Master Receivables Transfer Agreement that each Series of Lease Receivables to be transferred to the Issuer, together with the related Lessees, Cars and the underlying Auto Lease Contracts, shall, on the Cut-Off Date immediately preceding the relevant Transfer Date satisfy the Eligibility Criteria, set out below:

(a) in respect of the Car to which such Series of Lease Receivables relates:

(iii) the Seller has acquired full title to such Car and such Car is not subject to any security interest or equivalent right in favour of third parties (other than the Cars Pledge Agreement);

(c) the relevant Lessee(s):

(ii) is (are) resident in metropolitan France;

ADDITIONAL REPRESENTATIONS AND WARRANTIES

(b) the Seller has full title to the relevant Cars and each such Car is not subject to any pledge, attachment, claim, or encumbrance of whatever type (including any retention of title) other than to the benefit of the Issuer;

As to the nature and composition of the Receivables:

See Prospectus, ANNEX 1 – GLOSSARY.

Receivable means any receivable being part of a Series of Receivables.

Series of Receivables means, with respect to any Car subject to a Designated Auto Lease Contract, the corresponding Series of Lease Receivables and Series of RV Receivables.

Series of Lease Receivables means, with respect to any Car subject to a Designated Auto Lease Contract and on any date:

- (a) the relevant Lease Receivables; and
- (b) any Other Receivables (but only up to an amount equal to the then-applicable Lease Receivable Portion).

Series of RV Receivables means with respect to any Car subject to a Designated Auto Lease Contract and on any date:

- (a) the relevant RV Receivables; and
- (b) any Other Receivables but only up to an amount equal to the then-applicable RV Receivable Portion.

Lease Receivables means the Instalments payable by the Lessee in respect of a Car under an Auto Lease Contract (excluding VAT).

Other Receivables means, with respect to an Auto Lease Contract and the relevant Car:

- (a) any Car Sale Receivables;
- (b) any Termination Indemnity Receivables;
- (c) any Replacement Value Receivables;
- (d) any Insurance Receivables; and
- (e) any Original Car Purchase Receivables,

provided that, with respect to an Auto Lease Contract, the Issuer will purchase Other Receivables up to an amount equal to the relevant Lease Receivable Portion.

Lease Receivable Portion shall have the meaning given to such term in the Intercreditor Agreement.

RV Receivables means all amounts (excluding VAT) resulting from the sale of a Car at or after the scheduled contractual maturity of the relevant Auto Lease Contract (a) from the relevant Lessee(s) following the exercise of the corresponding Final Purchase Option under the relevant Auto Lease Contract or (b) from the

	<p>relevant Dealer (under the relevant Dealer Car Buy-Back Contract) or (c) from any third party under an applicable sale agreement following the return of the Car from the Lessee on or about the scheduled contractual maturity, in any case in relation to a Performing Auto Lease Contract.</p> <p>RV Receivable Portion has the meaning given to this term in the Intercreditor Agreement.</p>	
4	<p><u>LCR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></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><u>LCR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus.</p> <p>Initial Principal Amount</p> <p>Class A Notes: €700,000,000.00</p> <p><i>PCS notes that the senior tranche is greater than EUR 100 million.</i></p>	
6	<p><u>LCR Criteria</u></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><u>Meets Criteria?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>EXPECTED WEIGHTED AVERAGE LIFE OF THE RATED NOTES.</i></p> <p>Weighted Average Life Table</p>	

The weighted average life of the Class A notes ranges from 2.22 years to 2.03 years based on CPRs ranging from 0% to 20%.

7

LCR Criteria

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.

Meets Criteria?

YES

PCS Comments

See Prospectus, *DESCRIPTION OF THE SELLER*.

See Prospectus, *RISK FACTORS*.

Specific status of the Seller and Servicer

DIAC being licensed by the ACPR as an établissement de crédit (credit institution) in France, pursuant to the terms of the French Monetary and Financial Code, is required to comply with specific rules of organisation, reporting requirements and regulatory ratios.

See Prospectus, *THE AUTO LEASE CONTRACTS AND THE RECEIVABLES*.

Confirmations of the Seller

For the purposes of Article 5 of the EU Securitisation Regulation, the Seller has made available the following information (or has procured that such information is made available):

(a) confirmation that the Seller was a credit institution as defined in points (1) and (2) of Article 4(1) of the CRR at the time of origination of the Auto Lease Contracts related to the Receivables to be transferred to the Issuer on the Closing Date;

The Seller is a credit institution (établissement de crédit).

8

LCR Criteria

Article 37 Transitional provision for securitisations backed by residential loans

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).

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.

Meets Criteria?

YES

PCS Comments

Points 1 and 2 are not applicable.