

Provisional
LCR ASSESSMENT
Citizen Irish Auto Receivables Trust 2023 DAC



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

14th September 2023

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This is a Provisional LCR Assessment.

This LCR Assessment covers the LCR rules and guidelines as at the date of this document.

This Provisional LCR Assessment must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the draft materials received by PCS as at the date of this document. Any references in this document are to the preliminary prospectus unless otherwise stated.

This Provisional LCR Assessment is not the final LCR assessment and it based on the draft documents and information provided to PCS by or on behalf of the originator as of the date of this assessment. It is anticipated at the date of this Provisional LCR Assessment that a Final LCR Assessment will be made available at or around closing of the transaction (i.e. when the contractual amendments are executed and the Supplement is published). However, such Final LCR Assessment will be based upon the final materials received by PCS and will only be made available on a fully ticked basis if no material adverse changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would not adversely change our analysis. Therefore, no guarantees can be provided that such Final LCR Assessment will be made available on a fully ticked basis.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. Note that all comments on the disclaimer relate to both Provisional LCR Assessments and Final LCR Assessments.

14th September 2023

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Equally, by completing (either positively or negatively) any LCR status assessment of certain instruments, no statement of any kind is made as to the value or price of these instruments or the appropriateness of the interest rate they carry (if any).

In the provision of any LCR Assessment, PCS has based its decision on information provided directly and indirectly by the originator or sponsor of the relevant securitisation. Specifically, it has relied on statements made in the relevant prospectus or deal sheet, documentation and/or in certificates provided by, or on behalf of, the originator or sponsor in accordance with PCS’ published procedures for the relevant PCS verification or assessment. You should make yourself familiar with these procedures to understand fully how any PCS service is completed. These can be found at <https://pcsmarket.org/> (the “PCS Website”). Neither the PCS Association nor PCS UK nor PCS EU undertake their own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any LCR Assessment is not a confirmation or implication that the information provided to it by or on behalf of the originator or sponsor is accurate or complete.

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When entering any of the “Transaction” sections of the PCS Website, you will be asked to declare that you are allowed to do so under the legislation of your country. The circulation and distribution of information regarding securitisation instruments (including securities) that is available on the PCS Website may be restricted in certain jurisdictions. Persons receiving any information or documents with respect to or in connection with instruments (including securities) available on the PCS Website are required to inform themselves of and to observe all applicable restrictions.

PRIME COLLATERALISED SECURITIES (PCS) Provisional LCR Assessment

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Verification	14 September 2023
The transaction to be verified (the "Transaction")	Citizen Irish Auto Receivables Trust 2023 DAC
Issuer	Citizen Irish Auto Receivables Trust 2023 DAC
Originator(s)/Seller	First Citizen Finance DAC
Lead Manager(s)	Deutsche Bank AG
Transaction Legal Counsel	Mathesons LLP
Rating Agencies	Moody's and S&P
Stock Exchange	Irish Stock Exchange plc
Target Closing Date	[...] 2023

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

A summary of the checklist points by article is set out in the table of contents on the next page together with a reference to the respective article contents. To examine a specific article from the list below, please click on the article description to be taken directly to the relevant section of the checklist.

Within the checklist, the relevant legislative text is set out in grey introductory boxes with specific criteria for our verification listed underneath.

Legislative Text and LCR Criteria (1)		
1a	<p>LCR Criteria</p> <p>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:</p> <p>(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;</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p><i>PCS is advised that the transaction. Citizen Irish Auto Receivables Trust 2023 DAC is expected to be designated STS.</i></p>	
1b	<p>LCR Criteria</p> <p>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:</p> <p>(b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met.</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p><i>PCS has ticked the questions below as "yes". See the disclaimer above for a fuller analysis of the limitations of PCS's LCR assessment</i></p>	
2a	<p>LCR Criteria</p> <p>2. The securitisation position and the exposures underlying the position shall meet all the following requirements:</p> <p>(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;</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>Refer to Prospectus, cover page, Expected Ratings (S&P / Moody's)</p>	

¹ 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, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

	<p>Class A Notes [●]</p> <p><i>PCS is advised that the Class A notes are expected to be rated Aaa / AAA by Moody's and Fitch, respectively. The final prospectus will confirm the details</i></p>	
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><u>Meets Criteria?</u></p> <p>YES</p>
	<p>PCS Comments</p> <p>See Prospectus,</p> <p>TERMS AND CONDITIONS OF THE NOTES</p> <p>3 Status and Priority</p> <p>(b) (1) Prior to the delivery of a Note Acceleration Notice, the obligations of the Issuer under the Class A Notes rank pari passu without any preference among themselves in respect of security, in accordance with the Pre-Acceleration Priority of Payments. Following the delivery of a Note Acceleration Notice, the obligations of the Issuer under the Class A Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Post-Acceleration Priority of Payments. (2) The obligations of the Issuer under the Class B Notes rank pari passu among themselves in respect of security prior to the delivery of a Note Acceleration Notice. Following the delivery of a Note Acceleration Notice, the obligations of the Issuer under the Class B Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class C Notes and the Class D Notes in accordance with the Post-Acceleration Priority of Payments. (3) The obligations of the Issuer under the Class C Notes rank pari passu among themselves in respect of security prior to the delivery of a Note Acceleration Notice. Following the delivery of a Note Acceleration Notice, the obligations of the Issuer under the Class C Notes rank ahead of all other current and future obligations of the Issuer in respect of the Class D Notes in accordance with the Post-Acceleration Priority of Payments. (4) The obligations of the Issuer under the Class D Notes rank pari passu among themselves in respect of security prior to the delivery of a Note Acceleration Notice</p> <p><i>PCS confirms that the senior tranche meets the required attributes based on the preliminary prospectus that has been reviewed.</i></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><u>Meets Criteria?</u></p> <p>YES</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:
- 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 %;
- (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

Overview of Portfolio and Servicing

Purchased Receivables

Title to each Financed Object will remain with the Seller until it is transferred to the relevant Obligor in accordance with the corresponding Receivables Agreement or sold by the Servicer following repossession of such Financed Object from the relevant Obligor. Please see the section entitled "OVERVIEW OF THE TRANSACTION DOCUMENTS – Receivables Sale Agreement" below.

No transfer of title to Financed Objects

	<p>In relation to Receivables Agreements in respect of which the Seller retains title to the vehicle, the Issuer will not obtain title to the Financed Objects nor will it have any direct right to repossess a Financed Object if an Obligor defaults. The Seller will execute a Financed Object Declaration of Trust pursuant to which it shall declare a trust over all of its right, title, benefit and interest in and to the Financed Objects and all amounts received or to be received in respect of the Relevant Financed Objects including, in particular, the Financed Object Proceeds and all of its right, title, benefit and interest in and under any Financed Object Sale Contracts upon trust absolutely for the Issuer.</p> <p>DESCRIPTION OF THE PORTFOLIO</p> <p>ELIGIBILITY CRITERIA</p> <p>Compliance with Eligibility Criteria set out in the Transaction Documents</p> <ol style="list-style-type: none"> 1. the Receivable was originated in Ireland by the Seller to finance a Financed Object in the ordinary course of the Seller's business; 3. the Receivable must relate to the relevant Receivables Agreements consisting of consumer and non-consumer hire purchase contracts, acquisition leases and hire drive contracts; 5. the related Receivables Agreement must have been entered into to finance the purchase of a new or used Financed Object which is either a passenger vehicle or a light commercial vehicle; 7. each Obligor (i) if it is a corporate entity, has a branch, agent or trading presence in Ireland or (ii) if it is an individual, has its place of residence in Ireland; 	
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? YES</p>
	<p>PCS Comments</p> <p><i>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.</i></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? YES</p>
	<p>PCS Comments</p> <p><i>PCS is advised that the tranche shall be at least EUR 100 million (or the equivalent amount in domestic currency). The final prospectus will confirm the details</i></p>	
6	<p>LCR Criteria</p>	<p>Meets Criteria? Yes</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>PCS Comments</p> <p>See Prospectus.</p> <p>WEIGHTED AVERAGE LIFE OF THE NOTES.</p> <p>"Clean-Up Call Option" means the Seller's option as set out in [Clause 8.1 (Clean-Up Call Option) of the Receivables Sale Agreement];</p> <p><i>The average life of the Class A Notes ranges from 1.65 years to 1.22 years at CPR between 0% and 20% assuming the Clean Up Call Option is exercised</i></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>See Prospectus, THE SELLER AND THE SERVICER.</p> <p>Following a successful application, First Citizen Finance DAC was authorised by the Central Bank, on 20 September 2013, as a retail credit firm acting as a person who holds itself out as carrying on a business of, and whose business consists wholly or partly of, providing credit directly to relevant persons. "Credit" in this regard is defined under the Markets In Financial Instruments and Miscellaneous Provision Act, 2007 as cash loans and by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to small and medium-sized Enterprises) Regulations 2015 as a deferred payment, cash loan or other similar financial accommodation, including hire purchase, invoice discounting and the letting of goods. Consequently, the products offered by First Citizen Finance DAC which are regulated by the Central Bank are term lending products and hire purchase and leasing arrangements to the SME sector. This authorisation allowed First Citizen Finance DAC to commence lending in all of the sectors that it wished to operate in. Additionally, First Citizen Finance DAC meets all other compliance requirements (principally data protection and Anti-Money Laundering Laws</p> <p>Point 2 of Annex 1 to Directive 2013/36/EU is applicable</p>	
8	<p>LCR Criteria</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>Meets Criteria?</p> <p>YES</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.

PCS Comments

Points 1 and 2 are not applicable.