

Preliminary LCR Assessment

In respect of the Transaction "**CARS ALLIANCE AUTO LOANS
FRANCE V 2022-1**" (DIAC S.A.)

20 April 2022



Authorization of SVI as third party

STS Verification International GmbH ("SVI") has been authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as the competent authority pursuant to Article 29 of the Securitisation Regulation, to act in all EU countries as third party pursuant to Article 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 19 to 26e of the Securitisation Regulation ("STS Verification"). Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) ("CRR Assessment"), (ii) Article 270 (senior positions in STS on-balance sheet securitisations) of the CRR ("Article 270 Assessment"), (iii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions ("LCR") ("LCR Assessment"), and (iv) the STS Criteria, in respect of existing securitisations and potential deficiencies regarding compliance with the STS Criteria ("Gap-Analysis"). These additional services are carried out after notification to and in agreement with BaFin.

Mandating of SVI and verification steps

On 15 December 2022, SVI has been mandated by the Seller (DIAC S.A.) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "CARS ALLIANCE AUTO LOANS FRANCE V 2022-1".

As part of our verification work, we have met with representatives of DIAC and RCI Banque to conduct a virtual due diligence meeting on 25 January 2022. In addition, we have discussed selected aspects of the Transaction with DIAC, RCI Banque and legal counsel and obtained

additional information on the transaction structure, the underwriting and servicing procedures of DIAC and the underlying transaction documentation.

For the purposes of this Preliminary LCR Assessment, we have reviewed the following (draft) documents and other information related to the Transaction:

- Prospectus
- Master Receivables Transfer Agreement
- Additional information received by e-mail, such as confirmations, comments, etc.

Verification Methodology

The fulfilment of each verification point in this Preliminary LCR Assessment provided to the Originator is evaluated based on the three fulfilment values (traffic light status):

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| Criterion is fully met | |
| Criterion is mostly met, but with comments or requests for missing information | |
| Criterion not (yet) met based on available information | |

Disclaimer of SVI

SVI grants a registered verification label “verified – STS VERIFICATION INTERNATIONAL” if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation (“STS Requirements”). The same registered verification label is used by SVI in the context of a CRR Assessment, Article 270 Assessment, LCR Assessment and Gap-Analysis. The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the STS verification performed by SVI does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation or set out in the CRR, LCR and other relevant regulations, respectively. Notwithstanding confirmation by SVI, which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the issuer or the notes concerned other than as set out in this Preliminary LCR Assessment and disclaims any responsibility for monitoring the issuer’s continuing compliance with these standards or any other aspect of the issuer’s activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

SVI is not a legal advisor and nothing in the Preliminary LCR Assessment shall be regarded as legal advice in any jurisdiction.

Accordingly, the Preliminary LCR Assessment is only an expression of opinion by SVI after application of its verification methodology and not a statement of fact. It is not a guarantee or warranty that ECB, any of the ESAs or national competent authorities, courts, investors or any other person will accept the STS status of the relevant securitisation or its status under the LCR and/or the CRR. Therefore, no person



should rely on the Preliminary LCR Assessment in determining the STS status but must perform its own analysis and reach its own conclusions.

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons or parties to SVI or in any of the documents are true, not misleading and complete. SVI shall have no liability for any loss of any kind suffered by any person as a result of a securitisation where the Preliminary LCR Assessment indicated that it met, in whole or in part, the STS Requirements, certain CRR or SRT requirements being held for any reason as not so meeting the relevant requirements or not being able to have lower capital allocated against it save in the case of deliberate fraud by SVI. SVI shall also not have any liability for any action taken or action from which any person has refrained from taking as a result of the Preliminary LCR Assessment.

LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Preliminary LCR Assessment in capital spelling, please refer to the defined terms in the Annex 1 "GLOSSARY" in the Prospectus.

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| ACPR | Autorité de Contrôle Prudentiel et de Résolution (the French prudential supervision and resolution authority) |
| AMF | Autorité des Marchés Financiers (the French financial markets authority) |
| BaFin | Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) |
| CAALF V 2022-1 | CARS ALLIANCE AUTO LOANS FRANCE V 2022-1 |
| Closing Date | [24] May 2022 |
| CMBS | Commercial Mortgage-Backed Securitisation |
| CRR | Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2021/558 of 31 March 2021 |
| DBRS | DBRS Ratings Limited |
| Due Diligence Presentation | Due Diligence Presentation dated January 2022 |
| EBA | European Banking Authority |
| EBA Guidelines | Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018 |
| ECAI | External credit assessment institution |
| ECB | European Central Bank |
| ESMA | European Securities Markets Authority |
| FCT | Fonds commun de titrisation |
| HQLA | High Quality Liquid Assets |
| Issuer | CARS ALLIANCE AUTO LOANS FRANCE V 2022-1 |

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| LCR | Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions |
| Level 2B Securitisations | Asset-backed securities as referred to in Article 12(1)(a) of the LCR that fulfil the requirements of Article 13 of the LCR |
| Moody's | Moody's Investors Service Limited |
| MRTA | Master Receivables Transfer Agreement |
| Originator | DIAC S.A. |
| Preliminary Verification Report | Preliminary Verification Report prepared by SVI in respect of the Transaction |
| Prospectus | Prospectus dated [20] April 2022 |
| RCI Banque | RCI Banque S.A. |
| RMBS | Residential Mortgage-Backed Securitisation |
| RTS on Homogeneity | Commission Delegated Regulation (EU) 2019/1851 dated 28 May 2019 supplementing the Securitisation Regulation with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation |
| Securitisation Regulation | 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, as amended by Regulation (EU) 2021/557 of 31 March 2021 |
| Seller | DIAC S.A. |
| Servicer | DIAC S.A. |
| SPV | Special Purpose Vehicle or Issuer |
| STS Criteria | Articles 18-26 of the Securitisation Regulation, setting out criteria for simple, transparent and standardised securitisations |
| Transaction | The securitisation of auto loan receivables involving CARS ALLIANCE AUTO LOANS FRANCE V 2022-1 as Issuer |

| # | Criterion Article 13, Paragraph 1 of the LCR | LCR Assessment |
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| 1 | Qualification of the securitisation position as STS securitisation and fulfilment of additional criteria | <p><u>Verification Method:</u> Legal (Prospectus) / Regulatory (STS Notification, STS Verification Report)</p> <p>The Transaction and therefore also the Securitisation Position will be notified according to Article 27 (1) of the Securitisation Regulation by the Originator to ESMA as meeting the requirements of Articles 19 – 22 of the Securitisation Regulation in respect of non-ABCP securitisations, see Section “OVERVIEW OF THE SECURITISATION TRANSACTION”, Subsection “Simple, Transparent and Standardised (STS) Securitisation” in the Prospectus. Please also refer to the Preliminary Verification Report prepared by SVI in respect of the Transaction.</p> <p>The additional criteria laid down in paragraph 2 and paragraphs 10 to 13 of Article 13 of the LCR are met, please refer below to #2-8.</p> |
| # | Criterion Article 13, Paragraph 2 (a) of the LCR | LCR Assessment |
| 2 | Credit Rating of the securitisation position | <p><u>Verification Method:</u> Legal (Prospectus), Due Diligence (Rating report)</p> <p>The Class A Notes to be issued by the Issuer are expected to be assigned a [Aaa(sf)] and [AAA(sf)] long-term ratings by Moody’s and DBRS, respectively. Both Moody’s and DBRS have the status of a nominated ECAI. Hence, the Securitisation Position will be assigned a credit assessment of credit quality step 1 (AAA or equivalent) by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013.</p> |

| # | Criterion Article 13, Paragraph 2 (b) of the LCR | LCR Assessment |
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| 3 | Most senior tranche of the securitisation | <p><u>Verification Method:</u> Legal (Prospectus)</p> <p>The Securitisation Position is the most senior tranche issued by the Issuer under the Transaction and possesses the highest level of seniority at all times during the ongoing life of the Transaction, see Section "TERMS AND CONDITIONS OF THE NOTES", of the Prospectus.</p> <p>The Class A Notes represent the most senior tranche given that, following the occurrence of an Accelerated Amortisation Event, the Class A Notes are not subordinated to other tranches (in particular the Class B Notes or Class C Notes) of the Transaction in respect of receiving principal and interest payments. The Transaction Documents clearly specify the Priority of Payments (Revolving Period Priority of Payments, Amortisation Period Priority of Payments and Accelerated Amortisation Period Priority of Payments), see section "OPERATION OF THE ISSUER", Subsection "Priority of Payments" of the Prospectus, and the event which trigger changes in such Priority of Payments, see Definition of "Accelerated Amortisation Event" in Annex 1 "GLOSSARY" in the Prospectus.</p> |
| # | Criterion Article 13, Paragraph 2 (g) of the LCR | LCR Assessment |
| 4 | Homogeneity requirements | <p><u>Verification Method:</u> Legal (Offering Circular), Data</p> <p>The Securitisation Position is backed by a pool of homogeneous underlying exposures, which all belong to only one subcategory, namely 'auto loans and leases to borrowers or lessees established or resident in a Member State (France)', please refer to Article 13, paragraph 2 (g) (iv) of the LCR. The requirement that all loans in the pool shall be secured with a first-ranking charge or security over the vehicle is deemed to be fulfilled as the Originator either benefits from (i) a retention of title over the vehicle (this is the case in respect of all loan contracts with professional Borrowers), (ii) or a pledge over the vehicle for a share of the loan contracts with non-professional Borrowers, or (iii) in all other cases the loan contracts provide for the contractual possibility for the Originator to register a pledge over the vehicles when deemed necessary by the Originator.</p> |

| # | Criterion Article 13, Paragraph 10 of the LCR | LCR Assessment |
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| 5 | Securitisation position not held by the credit institution or group company that originated the underlying exposures | <p><u>Verification Method:</u> Legal (Offering Circular), Due Diligence (explicit confirmation by the originator)</p> <p>The underlying exposures have been originated by DIAC S.A., acting as Originator. For the purpose of compliance with this requirement it is assumed that the credit institution holding the Securitisation Position in its liquidity buffer is not the Originator, any of its subsidiaries, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with the Originator.</p> |

| | Criterion Article 13, Paragraph 11 of the LCR | LCR Assessment |
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| 6 | Requirement regarding Tranche Size | <p><u>Verification Method:</u> Legal (Offering Circular)</p> <p>The Nominal Amount of the Class A Notes is expected to amount to EUR [>100 million], hence the issue size of the tranche amount is at least EUR 100 million (or the equivalent amount in domestic currency).</p> |

| # | Criterion Article 13, Paragraph 12 of the LCR | LCR Assessment |
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| 7 | Requirements regarding Weighted Average Life of the securitisation position | <p><u>Verification Method:</u> Legal (Offering Circular), Data (Cashflow Model)</p> <p>Under all Prepayment Rate assumptions for the Transaction (0% to 20%), the remaining weighted average life of the Class A Notes is in each case less than 5 years, see Section "EXPECTED WEIGHTED AVERAGE LIFE OF THE RATED NOTES" of the Prospectus.</p> |

| # | Criterion Article 13, Paragraph 13 of the LCR | LCR Assessment |
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| 8 | Requirements regarding the Originator | <p><u>Verification Method:</u> Legal (Offering Circular), Due Diligence (explicit confirmation by originator)</p> <p>DIAC S.A. is a credit institution (as defined in Article 4(3) of Regulation (EU) No 575/2013) which is licensed as an établissement de crédit (credit institution) by the ACPR under the French Monetary and Financial Code.</p> |
| # | Criterion Article 37 of the LCR | LCR Assessment |
| 9 | Transitional provisions for RMBS | <p><u>Verification Method:</u> Legal (Offering Circular)</p> <p>The securitised exposures consist exclusively of auto loan receivables, hence the exceptions for residential mortgages regarding loan-to-value or loan-to-income requirements do not apply.</p> |

As a result of the verifications documented above, we confirm to DIAC S.A. that the requirements pursuant to Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions, have been fulfilled for the transaction “**CARS ALLIANCE AUTO LOANS FRANCE V 2022-1**”.

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