

Final CRR Assessment (non-ABCP)

In respect of the Transaction “**VCL MASTER RESIDUAL VALUE S.A.,
Compartment 2**” (Volkswagen Leasing GmbH)

25 September 2024



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 18 to 26 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 synthetic SME 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").

Mandating of SVI and verification steps

On 19 September 2022, SVI has been mandated by the Originator (Volkswagen Leasing GmbH) to verify compliance with Article 243 (2) of the CRR for the securitisation transaction "**VCL MASTER RESIDUAL VALUE S.A., Compartment 1**" (the "Transaction").

As part of our verification work, we have met with representatives of Volkswagen Leasing GmbH ("VWL") and Volkswagen Financial Services AG ("VWFS") to conduct an onsite due diligence meeting in Braunschweig on 7 May 2024. In addition, we have discussed selected aspects of the Transaction with VWL, VWFS and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of VWL and the underlying transaction documentation.

For the purposes of this Final CRR Assessment, we have reviewed the following documents and other information related to the Transaction:

- Base Prospectus
- Expectancy Rights Purchase Agreement
- Additional information received by e-mail, such as confirmations, comments, etc.

Verification Methodology

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

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 22 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 Final CRR Assessment and disclaims any responsibility for monitoring the Issuer’s continuing compliance with these requirements or any other aspect of the issuer’s activities or operations. In particular, SVI has relied on statements made in the offering circular or other legal documentation of the Transaction and based its analysis on information provided directly or indirectly by the Originator or Sponsor of the Transaction. Investors should therefore not evaluate their investment in securitisation positions based on this Final CRR Assessment.

SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

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 to SVI or in any of the documents are true, not misleading and complete.

LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final CRR Assessment in capital spelling, please refer to the defined terms in Annex B “MASTER DEFINITIONS SCHEDULE” in the Base Prospectus.

BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
Base Prospectus	Base Prospectus dated 23 September 2024
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
Due Diligence	Due Diligence Meeting in Braunschweig on 7 May 2024
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
ESMA	European Securities Markets Authority
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	VCL Master S.A., acting with respect to its Compartment 1
LCR	Liquidity Coverage Requirements
Originator	Volkswagen Leasing GmbH
Preliminary Verification Report	Preliminary Verification Report prepared by SVI in respect of the Transaction
Renewal Date	25 September 2024
RMBS	Residential Mortgage-Backed 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	Volkswagen Leasing GmbH
Servicer	Volkswagen Leasing GmbH
SPV	Special Purpose Vehicle or Issuer

Standardised Approach	The regulatory capital requirements according to Part 3, Title II, Chapter 2 of the CRR
STS Criteria	Articles 18-26e of the Securitisation Regulation, setting out criteria for simple, transparent and standardised securitisations
Transaction	The securitisation of Expectancy Rights and Final Payment Receivables involving VCL Master RV C2 as Issuer
VCL Master C1	VCL Master S.A., acting with respect to its Compartment 1
VCL Master RV C2	VCL Master Residual Value S.A., acting with respect to its Compartment 2
VWFS	Volkswagen Financial Services AG
VWL	Volkswagen Leasing GmbH
VW Bank	Volkswagen Bank GmbH

#	Criterion Article 243 (2)	CRR Assessment
1	Qualification of the securitisation position as STS securitisation	<u>Verification Method</u>: Legal / Regulatory 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 “Securitisation Regulation” in the Base Prospectus. Please also refer to the Final Verification Report prepared by SVI in respect of the Transaction.

#	Criterion Article 243 (2) (a)	CRR Assessment
2	Granularity of the securitised portfolio in terms of single obligor concentrations	<u>Verification Method</u>: Legal At the time of inclusion in the securitisation, the total amount of Purchased Lease Receivables assigned hereunder resulting from Lease Contracts with one and the same Lessee will not exceed 0.5% of the Aggregate Discounted Receivables Balance in respect of any single Lessee as at the Cut-Off Date, please refer to Section “DESCRIPTION OF THE PORTFOLIO”, Sub-Section “Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights and Final Payment Receivables”, 2nd Paragraph, Item (a) of the Base Prospectus. Furthermore, VW Bank confirmed that there is no group of connected clients with an Aggregate Discounted Receivables Balance which exceeds 0.5%. The underlying exposures for the Transaction consist of Expectancy Rights and Final Payment Receivables. In relation to the Expectancy Rights, the requirements of Article 243 (2) (a) 2nd Paragraph of the CRR are fulfilled as those values are not exposed to refinancing or resell risk due to a legally enforceable obligation of VWL to repurchase the Leased Vehicles under the Repurchase Agreement between the Seller and the Issuer for every car returned from a lessee, please refer to Clause 2 “Repurchase of Leased Vehicles” of the Repurchase Agreement. VWFS as parent undertaking of VWL is, as “other corporate entity” according to Article 201 (1) (g) of the CRR, a third party eligible under Article 201 (1) of the CRR because VWFS has a credit assessment by three ECAs (Fitch, Moody’s and S&P Global), see Article 201 (1) (g) (i) of the CRR.

#	Criterion Article 243 (2) (b)	CRR Assessment
3	Maximum risk weight under the Standardised Approach	<u>Verification Method</u>: Legal / Due Diligence None of the underlying exposures are secured by residential mortgages or commercial mortgages, therefore Article 243(2) (b) (i) and (ii) are not applicable. The underlying exposures represent the residual value portion of the Lease Contracts which have been entered into exclusively with Lessees which, if they are corporate entities have their registered office or, if they are individuals have their place of residence in Germany and the Lessees are not credit-impaired, please refer to Section "DESCRIPTION OF THE PORTFOLIO", Subsection "Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights and Final Payment Receivables", Item (m) and 2nd Paragraph, Item (d)(ii) of the Base Prospectus. The portfolio contains Lease Contracts that have been entered with Lessees that fall into the 'retail exposure' category of Article 243(2) (b) (iii) as (i) the exposure is to a natural person or to an SME, (ii) the exposure is one of a significant number of exposures with similar characteristics, and (iii) the total amount owed by the obligor client or group of connected clients does not exceed EUR 1 million, see Article 123 of the CRR. As a result, these retail exposures would have a risk weight of 75% under the Standardised Approach. The portfolio contains Lease Contracts that have been entered with Lessees that represent 'exposures to corporates' according to Article 122 of the CRR and hence fall into the 'other exposure' category of Article 243(2) (b) (iv). The Seller is not an 'institution' according to Article 4 (1) point 3 of the CRR and is not using a credit assessment by a 'nominated ECAI' according to Article 4 (1) point 99 of the CRR. Hence, the underlying exposures for which such a credit assessment is not available shall be assigned the higher of (i) a 100% risk weight or (ii) the risk weight of the jurisdiction in which the corporate is incorporated (=Germany, see Article 122 (2) of the CRR. The risk weight of the jurisdiction in which the corporates are incorporated (=Germany) is 0% given that Germany is assigned a Credit Quality Step of 1, see Article 114 (2) of the CRR. Therefore, the underlying exposures meet the conditions for being assigned under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 100 % for other (=corporate) exposures in accordance with Article 122 (2) and equal to or smaller than 75% for retail exposures in accordance with Article 123 of the CRR, on an individual exposure basis.

#	Criterion Article 243 (2) (c)	CRR Assessment
4	Inclusion of loans secured by lower ranking security rights for RMBS and CMBS	<u>Verification Method</u>: Legal The Eligibility Criteria restrict the underlying exposures to Expectancy Rights and Final Payment Receivables under auto Lease Contracts – therefore, residential or commercial mortgage loans do not form part of the portfolio, please refer to the Section “DESCRIPTION OF THE PORTFOLIO”, Subsection “Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights and Final Payment Receivables” of the Base Prospectus.

#	Criterion Article 243 (2) (d)	CRR Assessment
5	Maximum loan-to-value for RMBS	<u>Verification Method</u>: Legal The Eligibility Criteria restrict the underlying exposures to Expectancy Rights and Final Payment Receivables under auto Lease Contracts – therefore, residential or commercial mortgage loans do not form part of the portfolio, please refer to the Section “DESCRIPTION OF THE PORTFOLIO”, Subsection “Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights and Final Payment Receivables” of the Base Prospectus.

As a result of the verifications documented above, we confirm to **Volkswagen Leasing GmbH** that the requirement pursuant to Article 243 (2) of the CRR have been fulfilled for the transaction **“VCL MASTER RESIDUAL VALUE S.A., Compartment 2”**.

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