

CRR ASSESSMENT
VCL MULTI-COMPARTMENT S.A.
“VCL 38”



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

27th March 2023

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27th March 2023

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Dr Martina Spaeth
Date of Verification	27 th March 2023
The transaction to be verified (the "Transaction")	VCL 38
Issuer	VCL Multi-Compartment S.A., (acting for and on behalf of its) Compartment VCL 38
Originator/Seller	Volkswagen Leasing GmbH ("VWL")
Arranger	BofA Securities Europe S.A.
Transaction Legal Counsel	Hogan Lovells International LLP, Germany
Rating Agencies	Moody's and S&P Global
Stock Exchange	Bourse Luxembourg
Closing Date	27 th March 2023

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

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

Legislative Text		
Article 243 ⁽¹⁾ 2. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:		
1a	CRR Criteria (a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor.	Meets Criteria? YES
	PCS Comments See Prospectus, <i>Warranties and Guarantees in relation to the Sale of the Purchased Lease Receivables</i> (m) that 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;	
1b	CRR Criteria In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1);	Meets Criteria? YES
	PCS Comments <i>Not applicable.</i>	
2	CRR Criteria (b) at the time of their inclusion in the securitisation, 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: (i) 40 % on an exposure value-weighted average basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in point (e) of Article 129(1); (ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;	Meets Criteria? YES

¹ REGULATION (EU) 2017/2401 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

	(iii) 75 % on an individual exposure basis where the exposure is a retail exposure ⁽²⁾ ; for any other exposures, 100 % on an individual exposure basis;	
	<p>PCS Comments</p> <p><i>PCS has received due diligence material from VWL confirming that the assets at their time of inclusion meet the conditions for being assigned a risk weight under the standardised approach of 75% for the Lessees that are Individuals and of 100% for the Lessees that are corporates.</i></p>	
3	<p>CRR Criteria</p> <p>(c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on that asset are also included in the securitisation;</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>Not applicable</p>	
4	<p>CRR Criteria</p> <p>(d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1).</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p>Not applicable.</p>	

² See article 123, "Retail exposures" of the Regulation (EU) No 575/2013; for Consumer loans see the amendments to article 123 in (59) REGULATION (EU) 2019/876 and REGULATION (EU) 2020/873, article 2 (1) (a). In particular, pursuant to the amendments to Article 123, under Regulation (EU) 2019/876:
See article 501 on "Adjustment of risk-weighted non-defaulted SME exposures for "SME Loans" of the Regulation (EU) No 575/2013, as amended in Regulation (EU) 2019/876 and Regulation 2020/873 in (19) and Article 2.1(b).