Asset Backed Notes Rating Report for Driver China thirteen Auto Loan ABS (Black Pool)

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Rating

Asset Backed Notes	Ratings	Amount (RMB 10,000)	Percentage of Issuance Amount （%）	Percentage of Aggregate ODRB（%）	Interest Rate Type	Expected Maturity Date	Legal Maturity Date
Class A Notes	AAA_{sf}	713,600.00	89.65	89.20	Fixed	Jul. 26,2024	Dec. 26,2028
Subordinated Notes	NR	82,400.00	10.35	10.30	--	Jul. 26,2024	Dec. 26,2028
Issuance Amount	--	**796,000.00**	**100.00**	**99.50**	--	--	--
Overcollateralisation	--	4,003.13	--	0.50	--	--	--
Total	--	**800,003.13**	--	**100.00**	--	--	--

Important Notice：The CCXI rating report is issued based on the information on and before [] [] 2021.CCXI may adjust the rating opinion according to the actual situation of issuance.

Notes：Class A Notes are collectively referred to as "Senior Notes" or "Senior Asset Backed Notes"

Rating Opinion： CCXI gives the following rating to the Senior Asset Backed Notes of Driver China thirteen based on information obtained on and before [] [], 2021. The rating addresses the expected loss of senior asset backed notes posed to investors by Legal Final Maturity. Meanwhile, it shows the possibility that interest and principal of senior asset backed note can be fully paid timely as prescribed by the transaction documents on or before Legal Final Maturity. Our report does not provide any suggestions to investors to buy or hold any above asset backed notes.

We assigned provisional ratings of AAA_{sf} to the Class A Notes. Such provisional ratings are based on：

- Credit quality of the asset pool;
- Credit enhancement provided by the senior/subordinate pro rata mechanism;
- Structural features of the transaction, which include the Order of Priority, the switch of the Order of Priority following the Foreclosure Events and Back-up Servicer, etc;
- Credit quality of Volkswagen Finance (China) Co., Ltd. and its experience and capacity as a Servicer.

Transaction Summary

Initial Cut-Off Date	Oct. 31, 2021
Issue Date	【Nov. 17, 2021】
Asset Pool	Auto loans originated by the Originator
Aggregate Outstanding Discounted Receivables Balance (ODRB)	RMB 8,000.03million
Originator	Volkswagen Finance (China) Co., Ltd. ("VWFC")
Trust Company	CITIC Trust Co., Ltd. ("CITIC Trust")
Servicer	VWFC
Account Bank	China Construction Bank Corporation, Beijing Branch ("CCB Beijing Branch")

Initial portfolio characteristics（As of Initial Cut-Off Date）[1]

Outstanding Aggregate Principal Amount	RMB 7,975,724,754.27
Aggregate Original Loan Principal Balance	RMB 11,309,441,081.81
Aggregate ODRB	RMB 8,000,031,348.34
Number of Loan Contracts	105,931
Number of Borrowers	103,679
Highest ODRB	RMB 3,074,948.36
Average ODRB	RMB 75,521.15
Lowest /Highest Contract Rate	0.00%/15.39%
Weighted Average Contract Rate	4.49%

Strengths

■ **Credit enhancement provided by the senior/subordinate pro rata mechanism, overcollateralisation and cash collateral amount.** The repayment of interest and principal follows the senior/subordinate pro rata payment structure. Overcollateralisation can also provide credit enhancement for Senior Notes. On the ODRB basis, Class A Notes benefit from 10.80% of credit enhancement. In addition, the issuer shall establish and maintain the cash collateral account. On the issue date, the issuer shall deposit an amount of RMB 96,000,000.00 into the cash collateral account, which serves as the initial cash collateral amount. The cash collateral amount can also provide credit enhancement for Senior Notes.

■ **Well diversified asset pool.** The asset pool consists of 105,931 auto loans originated by the originator. The average ODRB is RMB 75,521.15. The largest 50 ODRB accounts for 0.88% of the aggregate ODRB. The asset pool is highly diversified.

■ **Credit quality of VWFC and its experience and capacity as a Servicer.** The Originator and Servicer is a wholly-owned subsidiary of Volkswagen Finance Services ("VWFS"). VWFC holds a very important strategic position in VWFS. Relying on the extensive experience of VWFS in automobile finance management and operations, VWFC is highly competitive in serving dealers and customers.

Concerns

■ **Risk of purchase of additional receivables.** During the revolving period, the originator shall provide the eligible assets as candidates of

[1] Weighted Average by Outstanding Discounted Receivables Balance

Shortest/Longest terms of loans	12 months/60 months
Shortest/Longest remaining terms to maturity of loans	6 months /58 months
Weighted average remaining terms to maturity of loans	28.17 months
Range of Vehicle price	RMB 28,600 - RMB 5,300,000
Range of Borrower Age	18 ~83 years
Geographic distribution of loans	Widely distributed in 31 provinces, municipalities and autonomous regions of China
Weighted average LTV	63.71 %
Weighted average Cut-off LTV	49.00%

评级模型

Methodology	CCXI Rating Method and Model of Auto-loan ABS
Results	Class A Notes：AAA_{sf}

the additional assets. The uncertainty of the quality of additional assets and the lack of eligible assets will have influence on the quality of the asset pool.

■ **Risk related to collateral rights registration.** Under the current transaction arrangement, all auto loan receivables will be transferred to the trust without modifying the mortgage registration (change of mortgagee). Therefore a risk arises that the mortgage would not be upheld against bona fide third party claims.

■ **Limitation of the historical data provided by originator.** Some data have already shown the whole loan cycle, however, the time span is relatively short and does not reflect a complete economic cycle. As such, utility of the historical performance in forecasting the future performance of the asset pool is limited.

■ **Industry and COVID-19 risks.** In recent years, the production and sales of domestic automobile market have declined and the market competition has intensified, which may have an impact on the loan policy in the future. In addition, there are many uncertainties about the COVID-19 and the economic environment. The foundation for domestic economic recovery is not yet solid, and the various derivative risks brought by the epidemic cannot be ignored. The risks of the above factors still need to be continuously focused.

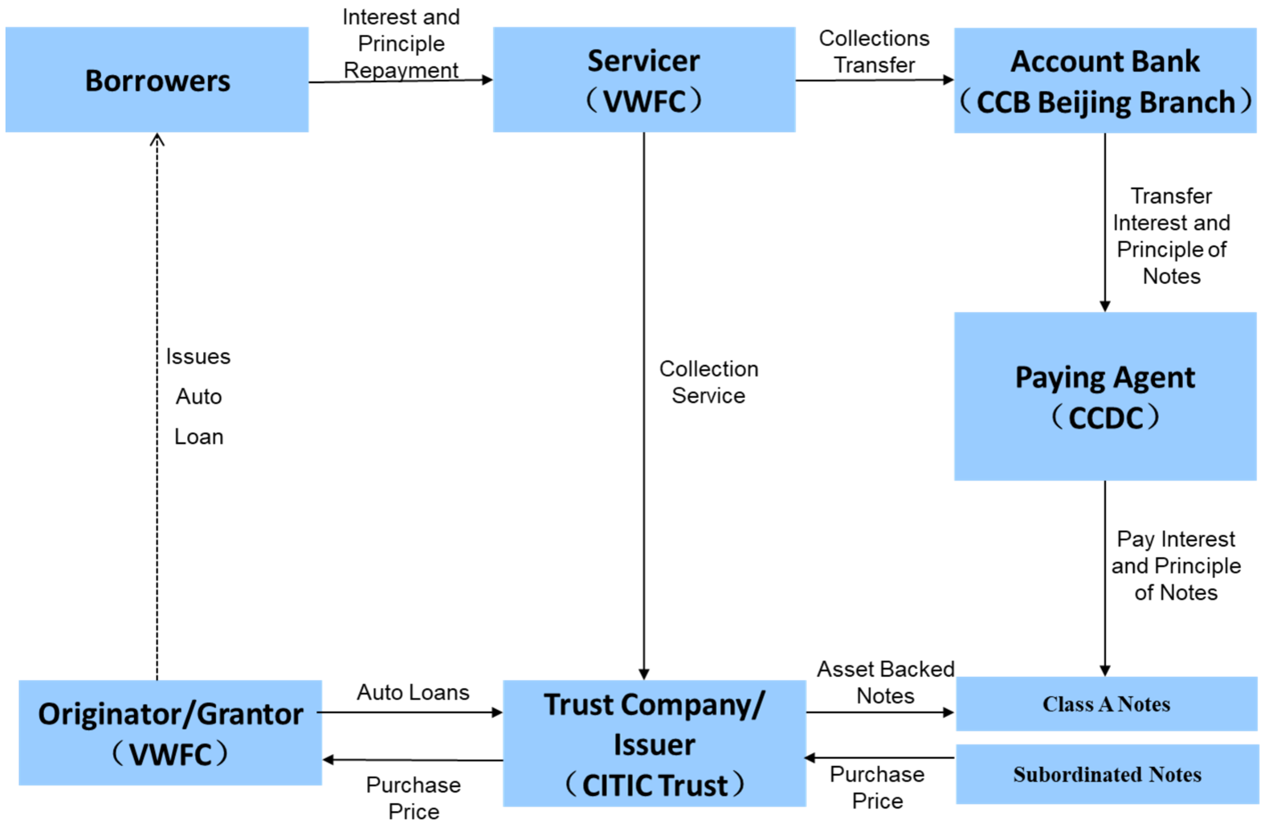
Transaction Structure

Transaction Structure and Parties

The Originator VWFC entrusts eligible auto Loan Receivables (“underlying assets” or “underlying loans”) to CITIC Trust Co., Ltd, and sets up “Driver China 13 Trust (the “Trust”). The Trust issues Senior Notes and the Subordinated Notes backed by the underlying assets. The Senior Notes are issued to institutional investors in the interbank bond market. The Subordinated Notes are held by the Originator entirely.

As the servicer of this transaction, VWFC provides maintenance, daily management, collection and disposal services for trust property; CCB Beijing branch, as the account bank, provides account management and fund transfer services for the transaction. In addition, CCDC is the Registry for these notes. Please refer to Figure 1 for details.

Figure 1: Transaction Structure



Asset Backed Notes

The Asset Backed Notes issued by the Trust are backed by a specific portfolio of Trust Assets. The holders of notes are entitled to the Trust Beneficiary Interest arising from the special purpose trust.

The aggregate ODRB of the asset pool as of the Cut-Off date is RMB 8,000.03 million. Such amount is calculated by discounting the scheduled principal and interest cash flows by a discount rate of 5.0952%. The size of Class A notes is RMB 7,136.00 million, the size of Subordinated Notes is RMB 824.00 million. Overcollateralisation equals to aggregate ODRB as of the cut-off date minus the aggregate nominal amounts of the Class A notes and subordinated notes. Overcollateralisation provides additional credit support to the transaction.

The cash flow is allocated according to the Order of

Priority. During the revolving period[2], the Available Distribution Amount is first to pay the interest of Class A notes, next to replenish the Cash Collateral Account, then to continuous purchase. After the revolving period, please see Cash flow payment mechanism for details.

Cash flow payment mechanism

Order of Priority prior to the occurrence of a Foreclosure Event

Prior to the occurrence of a Foreclosure Event, any balance will, on each Payment Date, be distributed (other than repayments due to the Originator in accordance with the reimbursement) according to the following Order of Priority:

first, amounts payable by the Issuer in respect of taxes (if any) in relation to the Trust;

second, the Servicer Fee payable to the Servicer;

third, on a pari passu basis, (1) the Trust Company Fee and Expenses payable to the Trust Company, (2) the Expenses payable to the Servicer (or replacement Servicer), including those Expenses in relation to the performance of the notification obligations referred to in Clause 7.4 of Trust Agreement, (3) the Custodian Fee and Expenses payable to the Account Bank, (4) the Paying Agent Fee and Expenses payable to the Paying Agent, (5) the Rating Agencies Fee and Expenses payable to the Rating Agencies, and (6) the Auditor Fee payable to the Auditor;

fourth, amounts payable in respect of (1) interest accrued during the immediately preceding Interest Period plus (2) Interest Shortfalls (if any) on the Class A Notes;

fifth, to the Cash Collateral Account to the extent needed to replenish and maintain the credit balance of the Cash Collateral Account at a level equal to the Specified Cash Collateral Account Balance[3];

sixth, on a pro rata and pari passu basis, (1) the Class A Amortisation Amount and (2) an amount equal to the Class A Accumulation Amount (which, during the Revolving Period, shall be credited to the Accumulation Account for the purposes of acquiring Additional Receivables);

seventh, amounts payable in respect of accrued and unpaid interest on the Subordinated Notes (including, without limitation, overdue interest);

eighth, on or after the expiration of the Revolving Period, (i) prior to the satisfaction of Clean-Up Call Conditions or in the case that the Clean-Up Call Conditions are satisfied but the Originator does not exercise a Clean-Up Call, to the Subordinated Noteholders for repayment of outstanding principal amounts of Subordinated Notes on condition that the outstanding principal amounts of Subordinated Notes after repayment is no less than 5% of the then outstanding principal amount of the Notes; or (ii) after the satisfaction of Clean-Up Call Conditions and the Originator choose to exercise a Clean-Up Call, to the Subordinated Noteholders, for repayment of outstanding principal amounts of Subordinated Notes until it has been reduced to zero; and

ninth, to pay all remaining excess to the Originator by way of final success fee.

Adjustment of Order of Priority prior to the occurrence of a Foreclosure Event

[2] Revolving Period: means the period from (and including) the Closing Date and ending on (and including) the earlier of (i) the Payment Date in February 2022 and (ii) the occurrence of an Early Amortisation Event.

[3] "Specified Cash Collateral Account Balance" means during the Revolving Period the Initial Cash Collateral Amount and, on each Payment Date after the expiration of the Revolving Period the greater of (a) 1.2 per cent. of the Aggregate Discounted Receivables Balance as of the end of the Monthly Period, and (b) the lesser of (i) RMB 80,000,000.00 and (ii) the aggregate outstanding principal amount of the Class A Notes as of the end of the Monthly Period.

Before the occurrence of a Foreclosure Event and during the Revolving Period, the principal of the Class A Notes shall not be distributed. After the end of Revolving Period, an aggregate amount for any Payment Date which is equal to the amount necessary to reduce the outstanding principal amount of the Class A Notes to the Class A Targeted Note Balance. Class A Targeted Note Balance means (a) except in the case of (b) below, an amount equal to the excess of the Aggregate Discounted Receivables Balance as at the end of the Monthly Period over the Class A Targeted Overcollateralisation Amount, or (b) zero, if the Aggregate Discounted Receivables Balance as at the end of the Monthly Period is less than 10 per cent of the Aggregate Cut-Off Date Discounted Receivables Balance or if a Servicer Replacement Event occurs. Class A Targeted Aggregate Discounted Receivables Balance means (a) the Note Principal Amount Outstanding of all Class A Notes divided by (b)(i) 100 per cent. minus (ii) the Class A Targeted Overcollateralisation Percentage. Class A Targeted Overcollateralisation Percentage is defined as follows:

Condition	Class A Targeted Overcollateralisation Percentage
During the Revolving Period until a Credit Enhancement Increase Condition[4] is in effect;	20%
After the end of the Revolving Period until a Credit Enhancement Increase Condition is in effect; and	23%
If a Credit Enhancement Increase Condition is in effect.	100%

Adjustment of Order of Priority following the occurrence of a Foreclosure Event

first, amounts payable by the Issuer in respect of taxes (if any) in relation to the Trust;

second, the Servicer Fee payable to the Servicer;

third, on a pari passu basis, (1) the Trust Company Fee and Expenses payable to the Trust Company, (2) the Expenses payable to the Servicer (or replacement Servicer), including those Expenses in relation to the performance of the notification obligations referred to in Clause 7.4 of Trust Agreement, (3) the Custodian Fee and Expenses payable to the Account Bank, (4) the Paying Agent Fee and Expenses payable to the Paying Agent, (5) the Rating Agencies Fee and Expenses payable to the Rating Agencies, and (6) the Auditor Fee payable to the Auditor;

fourth, amounts payable in respect of (1) interest accrued during the immediately preceding Interest Period plus (2) Interest Shortfalls (if any) on the Class A Notes;

fifth, to the holders of the Class A Notes in respect of principal until the Class A Notes are redeemed in full;

sixth, amounts payable in respect of accrued and unpaid interest on the Subordinated Notes (including, without limitation, overdue interest);

seventh, (i) prior to the satisfaction of Clean-Up Call Conditions or in the case that the Clean-Up Call Conditions are satisfied but the Originator does not exercise the Clean-Up Call, to the Subordinated Noteholders for repayment of outstanding principal amounts of Subordinated Notes on condition that the outstanding principal amounts of Subordinated Notes after repayment is no less than 5% of the then outstanding principal amount of the Notes; or (ii) after the satisfaction of Clean-Up Call Conditions and the Originator choose to exercise the Clean-Up Call, to the Subordinated Noteholders, for repayment of outstanding principal amounts of Subordinated Notes

[4] "Credit Enhancement Increase Condition" shall be deemed to be in effect if the Cumulative Gross Loss Ratio exceeds (a) 1.2 per cent. for any Payment Date prior to or during September 2022; or (b)1.6 per cent. for any Payment Date from October 2022 but prior to or during May 2023; or (c)2.0 per cent. for any Payment Date.

until it has been reduced to zero; and

eighth, to pay all remaining excess to the Originator by way of final success fee.

Account Settlement and Fund Transfer

The Account Bank opened a sole bank account in the name of the Trust Company, including its three sub-accounts Accumulation Account, Cash Collateral Account and the Distribution Account, which are managed and reconciled by the Account Bank independently in terms of accounting treatment. The Accumulation Amount was credited with the Accumulation Account, the General Cash Collateral Amount was credited with the Cash Collateral Account, the Collections were credited with the Distribution Account.

According to the transaction arrangement, VWFC will act as the Servicer. After the sale of assets to the trust, the Borrowers of the loans in the pool will still make payment to VWFC, and VWFC will consolidate these Collections and make a single deposit of such monthly Collections into the Distribution Account no later than the sixth Business Day before each Payment Date. The Account Bank will make payment of various taxes, expenses and compensation to relevant institutions according to the instruction of the trust company, and transfer the payable interest and principal of notes to CCDC, which will make payment of the principal and interest.

If VWFC's long term credit rating fails to satisfy the Servicer Required Rating[5], no later than thirty (30) calendar days after the first day on which the Servicer Required Rating has not been satisfied (the "Monthly Collateral Start Date"), the Servicer shall:

(a) advance an amount into the Distribution Account, equal to sum of the Monthly Collateral[6] Part 1 and the Monthly Collateral Part 2 for the Monthly Period in which the Monthly Collateral Start Date falls plus, if the Monthly Collateral Start Date falls on a date prior to the sixth (6th) Business Day prior to the Payment Date falling in such Monthly Period, an amount equal to sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 in respect of the preceding Monthly Period;

(b) for any subsequent Monthly Period in which the Servicer continues to fail to satisfy the Servicer Required Rating (save in respect of any Monthly Collateral posted under paragraph (a) above):

(i) on the fifteenth (15th) calendar day of the preceding Monthly Period, determine the amount representing the Monthly Collateral Part 1 in respect of the Monthly Period, and transfer the Monthly Collateral Part 1 to the Distribution Account to be retained until the sixth (6th) Business Day prior to the Payment Date relating to such Monthly Period;

(ii) on the first (1st) calendar day of such Monthly Period, determine the amount representing the Monthly Collateral Part 2 in respect of the Monthly Period, and transfer the Monthly Collateral Part 2 to the Distribution Account to be retained until the sixth (6th) Business Day prior to the Payment Date relating to such Monthly Period.

In addition, following the occurrence of a Servicer Replacement Event, the Servicer undertakes to promptly notify the Borrowers to pay the Purchased

[5] "Servicer Required Rating" means, (a) in relation to the CCXI rating system, A and higher credit rating; (b) in relation to the CBR rating system, [A-] and higher credit rating.

[6] "Monthly Collateral" means the Monthly Collateral Part 1 and the Monthly Collateral Part 2. "Monthly Collateral Part 1" means the amount of, determined by the Servicer, the expected Collections for the period from (and including) the first (1st) through (and including) the fourteenth (14th) calendar day of each Monthly Period. "Monthly Collateral Part 2" means the amount of the Collections determined by the Servicer for the period from (and including) the fifteenth (15th) calendar day of a Monthly Period through (and including) the last calendar day of such Monthly Period.

Receivables to a bank account as indicated in the relevant Rights Perfection Notice. The bank account normally refers to the bank account opened by Trust Company.

Purchase of Additional Receivables

The Originator agrees to entrust and assign the Additional Receivables to the Trust Company in accordance with the terms of Trust Agreement on each Additional Purchase Date during the Revolving Period, and the Trust Company accepts the entrustment.

Additional Receivables Purchase Price equals to:

In respect of Additional Receivables, an amount equal to the Replenished Additional Discounted Receivables Balance multiplied by one (1) minus the Replenished Receivables Overcollateralisation Percentage[7]. The Additional Receivables Purchase Price shall be free of VAT and shall be debited at the Additional Purchase Date from the Accumulation Account (if not already netted).

Cash Collateral Account

The transaction sets up the Cash Collateral Account. The issuer shall on the Issue Date deposit an amount of RMB 96,000,000.00 in to the Cash Collateral Account, which serves as the Initial Cash Collateral Amount. According to the transaction mechanism, Cash Collateral Amount shall always lager the Specified Cash Collateral Account Balance. Specified Cash Collateral Account Balance means during the Revolving Period the Initial Cash Collateral Amount and, on each Payment Date after the expiration of the Revolving Period the greater of (a) 1.2 per cent. of the Aggregate ODRB as of the end of the Monthly Period, and (b) the lesser of (i) RMB 80,000,000.00 and (ii) the aggregate outstanding principal amount of the Class A Notes as of the end of the Monthly Period.

Distribution shall be made from the Cash Collateral Account on any Payment Date prior to the occurrence of a Foreclosure Event, if and to the extent the General Cash Collateral Amount exceeds the Specified Cash Collateral Account Balance and no Credit Enhancement Increase Condition is in effect, according to the following Order of Priority:

first, to the Subordinated Noteholders, amounts payable in respect of accrued and unpaid interest on the Subordinated Notes (including, without limitation, overdue interest); and

second, on or after the expiration of the Revolving Period, (i) prior to the satisfaction of Clean-Up Call Conditions or in the case that the Clean-Up Call Conditions are satisfied but the Originator fail to exercise a Clean-Up Call, to the Subordinated Noteholders for repayment of outstanding principal amounts of Subordinated Notes on condition that the outstanding principal amounts of Subordinated Notes after repayment is no less than 5% of the then outstanding principal amount of the Notes; or (ii) after the satisfaction of Clean-Up Call Conditions and the Originator choose to exercise a Clean-Up Call, to the Subordinated Noteholders, for repayment of outstanding principal amounts of Subordinated Notes until it has been reduced to zero; and

third, all remaining excess to the Originator by way of final success fee.

Upon (i) the Legal Maturity Date; or (ii) all then outstanding Notes have been fully redeemed and repaid respectively, or (iii) upon an exercise of the Clean-Up Call, the Cash Collateral Account shall be closed and the Originator shall be entitled to the sums remaining in the Cash Collateral Account together with the

[7] Replenished Receivables Overcollateralisation Percentage means 1.7 per cent.

interests accrued thereof.

Credit Enhancement

Credit enhancement provided by the senior/subordinate pro rata mechanism, overcollateralisation and cash collateral amount.

The repayment of interest and principal follows the senior/subordinate pro rata payment structure. Overcollateralisation can also provide credit enhancement for Senior Notes. On the ODRB basis, Class A Notes benefit from 10.80% of credit enhancement. In addition, the issuer shall establish and maintain the cash collateral account. On the issue date, the issuer shall deposit an amount of RMB 96,000,000.00 into the cash collateral account, which serves as the initial cash collateral amount. The cash collateral amount can also provide credit enhancement for Senior Notes.

Risk and Mitigants

Commingling risk related to the Servicer

If the credit quality of the Servicer deteriorates or the servicer becomes insolvent, the Collections may be commingled with other funds of the Servicer, hence causing potential losses to the Trust Assets.

According to the arrangement of the transaction after receiving the Collections, after receiving the Collections, the Servicer shall make a single deposit of such monthly Collections into the Distribution Account no later than the sixth Business Day before each Payment Date. If the credit rating of the Servicer fails to satisfy the Servicer Required Rating, the payment frequency shall be adjusted, and the Monthly Collateral Account shall apply. When the Servicer is replaced, Borrowers and/or Security Providers will be requested to make payment directly to the Trust.

Considering the good credit quality of VWFC as the Servicer, Monthly Collateral Account and Cash Collateral Account mechanism, we believe the commingling risk related to the Servicer is minimal.

Lack of Back-up Servicer

The transaction does not designate a Back-up Servicer at closing date. If the credit rating of the Servicer fails to satisfy the Servicer Required Rating, no later than thirty calendar days after the first day on which the Servicer Required Rating has not been satisfied, the Servicer shall promptly nominate a back-up Servicer which shall be acceptable to the Issuer by notifying the Issuer in writing. Upon the occurrence of a Servicer Replacement Event, the Issuer shall be entitled to dismiss the Servicer by written notification and to appoint a replacement Servicer.

Based on our assessment of VWFC (see the following section of “Servicer”) and its current credit profile, we believe the probability of the occurrence of the Servicer Replacement Event is low during the life of the transaction. In addition, according to the Servicing Agreement, if VWFC as a Servicer is replaced, it shall execute transfer plans properly. We believe the lack of Back-up Servicer at the beginning of the transaction does not have a negative impact on the target rating of the notes.

Risk of Purchase of Additional Receivables

During the revolving period, the originator shall provide the eligible assets as candidates of the additional assets. The uncertainty of the quality of additional assets and the lack of eligible assets will have influence on the quality of the asset pool.

The Originator warrants the qualifications of the Initial Receivables as of the Initial Cut-Off Date and the Additional Receivables as of the Additional Cut-off Date. In addition, the transactions sets up the Early Amortisation Event with related to the quality of asset pool and the sufficiency of the Additional Receivables. On the occurrence of an Early Amortisation Event, the revolving period will be ended. Considering VWFC's good operating condition and continued growth of the business in recent years, CCXI believes the risk of purchase of additional receivables is limited.

Liquidity risk

Liquidity risk will occur when the Collections are not enough to pay for the interest of Senior Notes and the various kinds of taxes, fees and expenses before the repayment of interest for Senior Notes.

We measure liquidity risk by the possibility of interest default. Considering the quality of the underlying assets, the transaction arrangement and the distribution of principal and interest repayment, the possibility of interest default is within the range required by the rating of Senior Notes based on our simulation.

Meanwhile, a Servicer replacement will bring risks to the trust. During the period of replacing the Servicer, it is necessary to pay for the replacement and take-over fees and the fees for the Rights Perfection Notice. According to the arrangement of the transaction, the trust asset will bear the notice costs. Meanwhile, the replacing Servicer shall agree to indemnify and hold harmless the Issuer from all procedures, claims, obligations and liabilities as well as all related costs, fees, damages claims and expenditures which it may incur, arising out of, in connection with or based upon any negligence, breach of contractual duties or any other omission or action of the dismissed Servicer. Considering the good credit quality of VWFC, we believe the possibility for it to be discharged is small, and meanwhile, the Cash Collateral Account will mitigate the risk to some extent.

Overall, we believe the good credit quality of the Assets in the pool, the distribution pattern of the principal and interest collection and the high credibility of VWFC have effectively mitigated the liquidity risk of the transaction. During the life of the Senior Notes, we will monitor the asset quality of the pool and the credit profile of VWFC, and will make adjustments accordingly if any deterioration of asset quality or credit profile leads to higher liquidity risk which affects the credit rating of the Senior Notes.

Risk related to collateral rights registration

The underlying assets are auto loans. According to relevant arrangement, the underlying assets are transferred to the trust, but the mortgage registration will not be updated. Meanwhile, among the assets in the pool, there are loans in relation to which the mortgage has not been registered. As a result of the foregoing, the mortgage may not be upheld against bona fide third party. This may impose certain negative impact on the trust interests.

We took into consideration such potential adverse effect in our recovery assumptions.

Legal and Regulatory Aspects

According to King & Wood Mallesons：

The qualification of main transaction entity: VWFC is a limited liability corporation validly existing according to the PRC Laws and has the full capacity for civil rights and civil conducts to execute, deliver and perform the Transaction Documents to which it is a party according to the PRC Laws.

The legality of the transaction of the underlying assets: VWFC has obtained, pursuant to its articles of association and other relevant constitutional documents, all necessary internal authorizations for the execution, delivery and performance of the Transaction Documents of this Project. The execution, delivery and performance of the Transaction Documents of this Project do not violate the PRC Laws applied to VWFC and its articles of association and other relevant constitutional documents.

The authenticity, legality, ownership and burden of rights of the underlying assets: The Trust is effectively established after filing with CBIRC and obtaining approval from PBOC in regard to this Project, the legal and effective execution and delivery of Transaction Documents of this Project by the parties and transfer of the specific collateral loan claims to be securitized from VWFC to the Trust Company according to the Trust Agreement. During the Revolving Period, CITIC Trust will purchase the collateral loan claims, subordinated mortgage and other subordinated security interests which are listed in the schedule (ASSET LIST OF ADDITIONAL RECEIVABLES) of Notice of Sale for Additional Receivables by using Accumulation Amount as consideration. Trust Assets shall include the additionally purchased collateral loans. Trust Assets are separated from the other assets of VWFC. When VWFC is dissolved, revoked or declared bankrupt according to law, under the circumstance that VWFC is not the sole beneficiary of the Trust, the Trust would remain existing and the Trust Assets shall not be regarded as liquidation property, but only the trust beneficiary interest of subordinated Asset Backed Notes held by VWFC will be regarded as its liquidation property; under the circumstance that amounts payable of Senior Asset Backed Notes have been fully paid and VWFC as the holder of subordinated Asset Backed Notes is the sole beneficiary, then the Trust shall be terminated and the Trust Assets shall be its liquidation property. Trust Assets are also separated from the assets owned by the Trust Company. If the Trust Company is dissolved, revoked or declared bankrupt according to law, the Trust Assets shall not be regarded as its liquidation property.

The legality of the transaction documents: the transfer of the specific collateral loan claims by VWFC shall have legal effect between VWFC and the Trust Company after filing with CBRC and obtaining approval from PBOC in regard to this Project, the legal and effective execution and delivery of Transaction Documents by the parties of this Project. If any event takes place under which Right Perfection Notice shall be delivered according to the Trust Agreement, the transfer of creditor’s right shall have legal effect to the borrower after a notice of the transfer of creditor’s right in the form of Right Perfection Notice has been given to the borrower.

Our legal review of the transaction is based on the aforementioned legal opinions. We will keep track of any changes and new development.

Asset Pool and Pooled Assets

Overview of Asset Pool

Qualification of purchased Loan Receivables

The Originator represents and warrants, with respect to the Initial Receivables as of the Initial Cut-Off Date and the Additional Receivables as of the Additional Cut-off Date:

(a) the Loan Contracts constitute legal, valid, binding and enforceable agreements;

(b) the Purchased Receivables are assignable, and the Loan Contracts require monthly payments;

(c) it is entitled to dispose of the Receivables free from rights of third parties;

(d) the Purchased Receivables are free of defences, whether peremptory or otherwise, for the agreed term of the Loan Contracts as well as free of rights of third parties and that the Borrowers in particular have no set-off claim thereto or thereunder or the status and enforceability of the Purchased Receivables is not impaired by set-off rights;

(e) no Purchased Receivable is overdue;

(f) the status and enforceability of the Purchased Receivables is not impaired due to warranty claims or any other rights of the Borrowers;

(g) none of the Borrowers is an affiliate of Volkswagen AG or an employee of the Originator;

(h) according to the Originator's records, no termination of any Loan Contract has occurred;

(i) the Loan Contracts shall be governed by the laws of China and have not been concluded prior to January 2008;

(j) the Loan Contracts have been entered into exclusively with the Borrowers which, if they are corporate entities have their registered office in China or, if they are individuals have their place of residence in China;

(k) on the Cut-Off Date, at least two contractual instalments (which include interest payments) have been paid in respect of each of the Purchased Receivables and that each Purchased Receivable requires monthly payments to be made within sixty (60) months of the date of origination of each Loan Contract and may also provide for a final balloon payment;

(l) each of the Purchased Receivables will mature no earlier than six (6) months and no later than fifty-eight (58) months after the Cut-Off Date;

(m) the total outstanding amount of Purchased Receivables entrusted hereunder pursuant to the Loan Contracts with one and the same Borrower does not exceed RMB 4,000,000 in respect of any single Borrower;

(n) the Loan Contracts which are subject to the provisions of PRC law on consumer financing, comply in all material respects with the requirements of such provisions;

(o) according to the Originator's records, no insolvency proceedings have been initiated against any of the Borrowers during the term of the relevant Loan Contract up to the Cut-Off Date;

(p) each Loan Contract under which the relevant Receivables arise provides for a mortgage of the relevant Financed Object;

(q) the Purchased Receivables are "normal" loans according to CBIRC's "5-category" loan classification method;

(r) the Purchased Receivables are denominated in RMB;

(s) at the time each Loan Contract was entered into, the Receivable under such Loan Contract was approved by the Originator in the ordinary course of the Originator's business; and

(t) the maximum delinquent days of each Purchased

Receivable were historically no more than 60 days.

Portfolio Attributes

According to the above criteria, the collateral portfolio as of the Initial Cut-off Date has the following characteristics:

- Nature of Loans：Auto Loan;
- Range of the ODRB：RMB 3,366.98 to RMB 3,074,948.36;
- Interest Rate: 0.00% to 15.39%, all loans in the asset pool are fixed rate loans;
- Five-category loan classification: "Normal Asset" according to China Banking and Insurance Regulatory Commission (CBIRC)'s 5 –category loan classification standard.

Characteristics of the asset pool

Interest rate distribution

The type of the interest rate is fixed rate. The lowest interest rate in the portfolio is 0.00% and the highest is 15.39%. The weighted average interest rate is 4.49%. The distribution of the interest rate is as follows:

Interest rate	ODRB %	Number of Loans %
0%	25.23%	45.65%
0%~5%（incl. 5%）	22.56%	21.48%
5%~10%（incl.10%）	51.08%	31.88%
>10%	1.13%	0.99%
Total	**100.00%**	**100.00%**

ODRB

The largest ODRB of single loan is RMB 3.07 million, and the smallest ODRB is RMB 3,317.50, with the average being RMB 75,521.15. The top 50 largest ODRB loans account for 0.88% of the aggregate ODRB. The distribution of the ODRB is as follows:

ODRB	ODRB %	Number of Loans %
<=RMB 50,000.00	20.19%	46.15%
RMB 50,000.00～RMB 100,000（incl. RMB 100,000）	31.95%	34.09%
RMB 100,000.00～RMB 150,000（incl. RMB 150,000）	16.18%	10.05%
RMB 150,000.00～RMB 200,000（incl. RMB 200,000）	10.78%	4.72%
RMB 200,000.00～RMB 250,000（incl. RMB 250,000）	6.23%	2.12%
>RMB 250,000.00	14.67%	2.87%
Total	**100.00%**	**100.00%**

Remaining Term of the loans

The shortest remaining term of the loan is 6 months and the longest is 58 months. The weighted average Remaining Term is 28.17 months. The distribution of the Remaining Term is as follows:

Remaining Term	ODRB %	Number of Loans %
<= 12 months	7.70%	17.28%
12 months ～24 months（incl. 24 months）	38.30%	50.11%
24 months ～36 months（incl. 36 months）	34.48%	22.25%
36 months ～48 months（incl. 48 months)）	5.15%	3.29%
>48 months	14.37%	7.07%
Total	**100.00%**	**100.00%**

Seasoning of the loans

The shortest Seasoning is 2 months and the longest is 52 months; the weighted average seasoning is 8.05 months. The distribution of the Seasoning is as follows:

Seasoning	ODRB %	Number of Loans %
<= 6 months	45.80%	34.76%
6 months ～12 months (incl. 12 months）	39.88%	43.35%
12 months ～18 months (incl. 18 months）	9.84%	14.42%
18 months ～24 months (incl. 24 months）	3.25%	4.71%
> 24 months	1.23%	2.76%
Total	**100.00%**	**100.00%**

Geographic distribution of the loans

The loans are distributed across 31 provinces, autonomous regions and municipalities in China. Shandong Province is the only region accounts for more than 10% of aggregate ODRB. Geographic distribution is as follows:

Regions	ODRB %	Number of Loans %

Shandong Province	10.95%	11.11%
Hebei Province	5.36%	7.42%
Zhejiang Province	6.85%	7.37%
Henan Province	6.40%	6.87%
Jiangsu Province	4.56%	5.53%
Guangdong Province	6.01%	5.47%
Sichuan Province	4.99%	5.29%
Yunan Province	4.18%	3.75%
Shaanxi Province	4.69%	3.61%
Liaoning Province	3.98%	3.47%
Hunan Province	3.21%	3.43%
Anhui Province	2.81%	3.24%
Jilin Province	3.57%	3.17%
Fujian Province	3.20%	3.07%
Hubei Province	2.72%	3.02%
Beijing	3.36%	2.69%
Tianjin	2.19%	2.55%
Guizhou Province	2.88%	2.46%
Shanxi Province	2.34%	2.41%
Xinjiang Uygur	2.50%	2.38%
Heilongjiang Province	2.78%	2.36%
Inner Mongolia	2.08%	1.93%
Chongqing	1.74%	1.65%
Jiangxixi Province	1.60%	1.63%
Gansu Province	1.57%	1.24%
Guangxi Zhuang	1.27%	1.10%
Shanghai	0.62%	0.61%
Qinghai Province	0.66%	0.46%
Ningxia Hui	0.50%	0.43%
Hainan	0.30%	0.20%
Tibet Autonomous Region	0.13%	0.08%
Total	**100.00%**	**100.00%**

Borrower Age

The youngest individual borrower is 18 years old, and the eldest is 83 years old. The age distribution is as follows:

Age	ODRB %	Number of Loans %
<=20	0.81%	0.94%
20～30（incl. 30）	28.95%	30.31%
30～40（incl. 40）	40.43%	39.55%
40～50（incl. 50））	20.25%	19.92%
>50	9.56%	9.28%
Total	**100.00%**	**100.00%**

Borrower Annual Income

The Borrower Annual Income is mainly concentrated between RMB 100,000 and RMB 200,000. The distribution of the Borrower Annual Income is as follows:

Borrower Annual Income	ODRB %	Number of Loans %
<=RMB 100,000.00	20.75%	30.98%
RMB 100,000.00～RMB 200,000（incl. RMB 200,000）	37.92%	43.91%
RMB 200,000.00～RMB 300,000（incl. RMB 300,000）	16.95%	13.72%
RMB 300,000.00～RMB 400,000（incl. RMB 400,000）	8.93%	5.30%
RMB 400,000.00～RMB 500,000（incl. RMB 500,000）	3.20%	1.54%
> RMB 500,000	12.25%	4.55%
Total	**100.00%**	**100.00%**

Borrower Occupation

In respect of the borrower occupation, the employee and managers accounted for a higher proportion. The distribution of Borrower Occupation is as follows:

Borrower Occupation	ODRB %	Number of Loans %
Employee	28.74%	34.79%
Manager	26.34%	19.89%
Self Employeed	14.50%	14.94%
Worker	11.08%	14.30%
Legal Representative	7.25%	3.81%
Civil Servant	4.70%	4.47%
Professional (Doctors, Teachers)	4.96%	5.29%
Freelancer	1.24%	1.29%
Professional Registrar	0.25%	0.23%
Other	0.94%	0.99%
Total	**100.00%**	**100.00%**

Brand

All the loans are mortgage loans. The collateral is mainly Volkswagen, the number of the loans accounted for 70.47%. Volkswagen has a high level of production technology and long running times. The distribution of the Brand is as follows:

Brand	ODRB %	Number of Loans %
Volkswagen	54.71%	70.47%

Audi	30.90%	15.33%
Jetta	4.77%	7.95%
Porsche	3.55%	0.61%
Volkswagen Import	2.66%	0.98%
Skoda	2.40%	3.97%
Bentley	0.49%	0.02%
Other	0.45%	0.67%
Lamborghini	0.07%	0.00%
Total	**100.00%**	**100.00%**

LTV

The lowest LTV is 15% and the highest is 80%, the weighted average LTV is 63.71%. The weighted average contract term of the loans is 36.22 months, far below expected servicing life of vehicles, the relative low LTV provides a sufficient buffer against the decline of the collateral value. The distribution of LTV is as follows:

LTV	ODRB %	Number of Loans %
<=40%	3.65%	4.57%
40%～50%(Incl. 50%)	13.25%	16.11%
50%～60%(Incl. 60%）	22.37%	30.24%
60%～70%（Incl. 70%）	34.23%	31.74%
>70%	26.50%	17.34%
Total	**100.00%**	**100.00%**

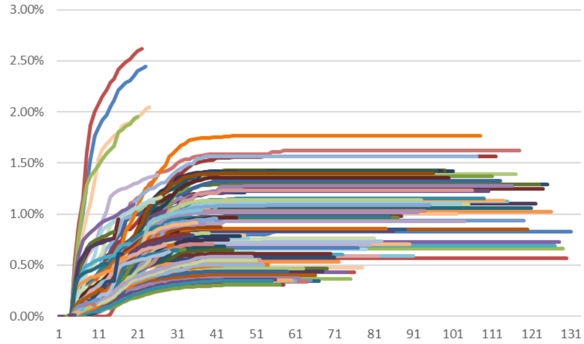
As of the Cut-Off Date, the weighted average Cut-Off LTV is 49.00%. The distribution of the Cut-Off LTV is as follows:

Cut-Off LTV	ODRB %	Number of Loans %
<=40%	29.49%	48.65%
40%～50%（Incl. 50%）	22.57%	21.58%
50%～60%（Incl. 60%）	21.07%	15.53%
60%～70%（Incl. 70%）	16.98%	9.44%
>70%	9.90%	4.80%
Total	**100.00%**	**100.00%**

Credit Quality

Based on the historical data of the static portfolio provided by the Originator, the figure below shows the default rate proxy (as of Jun 2021) of the loans originated by VWFC from Aug 2010 to May 2021:

Figure 2: Default rate of loans originated by VWFC from January 2014 to June 2020



Note: default rate = OPB of 90-day overdue loans /initial OPB when originated

Credit Analysis, Repayment Cash Flow Analysis and Stress Test

Auto-loan ABS Methodology

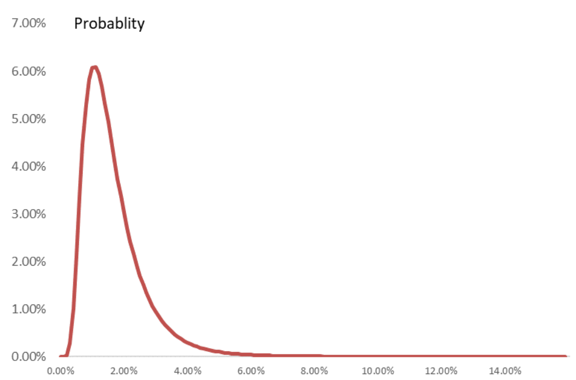
The pooled assets are loans issued by auto finance companies to individuals for the purchase of passenger cars, and credit analysis of this product is conducted by CCXI in accordance with < CCXI Rating Method and Model of Auto-loan ABS >. CCXI's rating reflects the expected loss on Senior Notes and the possibility that interest and principal of each senior asset backed note can be fully paid timely as prescribed by the transaction documents on or before Legal Final Maturity.

First, according to the main risk characteristics of Auto-loan ABS, CCXI constructs the default distribution of asset portfolio by using statistical model and assumes that auto-loan loss rate is in lognormal distribution). By analyzing the historical data of static and dynamic pools provided by the Originator and combining with the characteristics of the pooled assets, credit policy changes, macroeconomic and industrial policy changes, we calculate the default rate and default volatility of the pooled assets, so as to obtain the default probability density function of the pooled assets; Secondly, according to cash flow payment mechanism, the transaction cash flow model is prepared. Thirdly, according to each default scenario obtained by the joint default model of the pooled assets, the cash flow model is applied to calculate the loss rate and term of the Senior Notes in this scenario, and then the expected loss rate and term of the Senior Notes are calculated by combining the probability of each default scenario obtained by the default model to obtain the model analysis results. Fourth, analyze the main risks and mitigants of the transaction, credit status of transaction parties to comprehensively evaluate the credit status of the Senior Notes, and finally evaluate the credit rating results of the Senior Notes by the Credit Rating Committee.

Credit Analysis

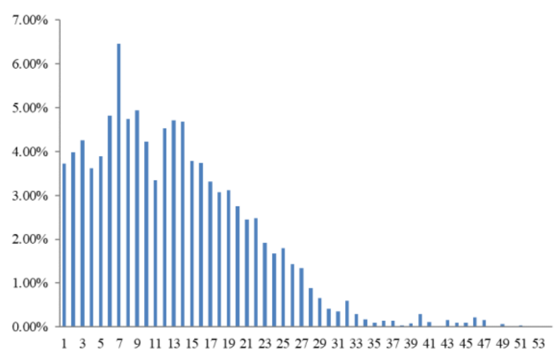
Based on the default rate proxy of the loans originated by VWFC from Aug 2010 to May 2021 provided by the Originator, CCXI adjust default rate distribution parameters together with features of the assets in the pool, credit policy, macroeconomic conditions and industrial trends, and obtain the loss probability density function distribution of the pooled assets. Below is the result：

Figure 3: The Expected Loss PDF Curve in Normal Situation



Depending on the characteristics of pooled assets and historical data, CCXI assumes the base default timing distribution as follows：

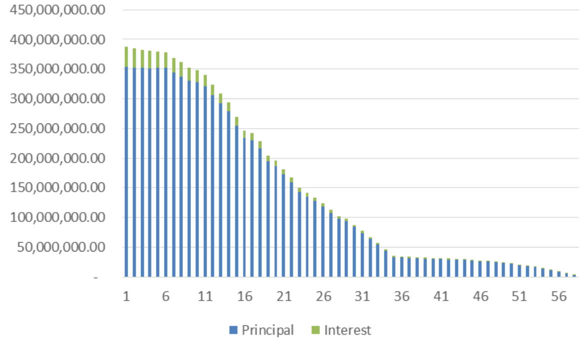
Figure 4: The Default Timing Curve In Normal Situation



Repayment Cash Flow Analysis

According to the agreement of pooled assets, the distribution of cash flow of principal recovery payment of pooled assets from the initial accounting date is shown in the figure below:

Figure 5: Repayment cash flow of the asset pool in normal scenario (0% prepayment and 0% default)



Stress Test

In the stress test combined with the target rating, CCXI simulates the combination of pressure conditions, such as reduced recovery rate, preposition of default time distribution and decline of interest rate spread, to analyze the required credit enhancement level of Senior Notes under different pressure combinations. It should be noted that, the increase of prepayment rate will 1) avoid the occurrence of defaults and reduce the loss of assets; 2) reduce the excess spread and mitigate the support of excess spread; 3) accelerate the repayment of assets and shorten the maturity of products. Due to the fact that the change of e prepayment rate does not have a one-way effect on the expected loss rate and expected maturity of the senior asset backed notes, the prepayment rate is generally not taken as a pressure parameter by CCXI. The assumptions for normal situation and stress test are as follow:

	Normal situation	Stress Test
Recovery rate	10.00%	0.00%
Recovery time	18 months	24 months
Default Timing	Basic Distribution	Front loaded in the first 10 terms

The required credit enhancement levels of Senior Notes under different pressure combinations are as follow:

Stress Testing Results of Required Credit Enhancement for the Senior Notes rating AAA_{sf}

	Expected Interest Rate Increase	
	20BP	50BP
Recovery rate decreases to 10%	AAA_{sf}	AAA_{sf}
Recovery time extends to 24 months	AAA_{sf}	AAA_{sf}
Default timing front loaded in the first 10 terms	AAA_{sf}	AAA_{sf}

Important participants

Originator/Servicer

Volkswagen Finance China Co, Ltd ("VWFC" or the Company) was established on August 30, 2004 as a fully-funded subsidiary of Volkswagen Financial Services AG ("VWFS"). As a non-bank financial institution subject to the jurisdiction of CBRC, the company had RMB 0.5 billion as its initial registered capital. During several times of increasing the registered capital, as of end of 2020, the registered capital of company had reached RMB 8.20 billion. The business scope of VWFC includes extending automobile loans to residents and institutions permanently or temporarily residing in China (e.g. taxi companies and driving schools); providing purchase loans to automobile dealers etc.

With the growth of VW automobiles in Chinese market, the company's auto finance business has been growing rapidly. VWFC has cooperated closely with Shanghai Volkswagen, Faw-Volkswagen and Volkswagen Group Import (China) Co., Ltd (VGIC), etc., and has applied services for VW, Audi, Skoda, Porsche, Scania, Seat, Bentley, Lamborghini and Man etc. major brands. At the end of 2020, VWFC's retail business has covered 329 cities in China, and with cooperation relation with 3,377 auto dealers. By the end of 2020, VWFC's total assets increased to RMB 85.37 billion, the total amount of loans and advances is RMB 43.27 billion. During the 2020, the operating revenue totaled RMB 2.52 billion, the net profit was RMB 0.41billion. Meanwhile, VWFC has controlled its risk strictly, at the end of 2020, the non-performing loan ratio of VWFC is 0.38%.

The retail business refers to the car purchase loan business which were provided to the natural person or legal entities. By the end of 2020, the market penetration of the company's retail business is 15.90%.

In terms of product structure, the retail business is divided into new car credit and used car credit; and new car credit are further divided into several sub-categories (i.e. classic loan, balloon credit, exquisite easy loan, enjoyable balance loan and used car classic loan) to meet different needs of consumers. There is a steady increase in the retail business of VWFC during the past 3 years. As of end of 2020, the number of retail loan contracts reached 1,266 thousand, increasing 32% from last year, and the number of new contracts in 2020 was 612 thousand. As of end of 2020, the balance of loans for retail business reached RMB 69.66 billion, increasing 9.40% from last year.

The company has set up the Board of Directors, but without shareholder meetings or a Board of Supervisors. The Board of Director is responsible for all business-related decision making and supervision. The Board of Management and other managers are responsible for the day-to-day operation management. The business units of the Company are divided into Front, Middle and Back offices. Front Office includes Retail Sales, Wholesale Sales, Marketing & Communication, Business Strategy & Product Development, Treasury Front Office, Government Relationship and Brand Relationship & Corporate Strategy department; Middle Office includes Customer Care, Retail Sales Care and Operation Planning & Excellence; Back Office includes Risk Management, Wholesale Back Office, Accounting & Treasury Back Office, HR & Administration, Controlling, Purchasing department, IT & Project Management departments and Legal & Compliance.

The Company has been strengthening risk management since establishment, and has set up a risk management framework comprised of decision making system, execution system, supervision system. Specifically, the decision-making body is the Board of Directors; the execution system is comprised of various business units led by Risk Management Department; and the supervision system is comprised of Legal & Compliance Department and Internal Audit Department. The Risk Management department is further divided into three working groups, respectively taking charge of risk assessment, overdue loan collection, and wholesale stock management.

For credit risk management, the company has established a standard loan business process centering on retail business. (1)The dealer will input the application information into the system online; (2)and the scoring system will generate a credit score to the applications based on the customer’s personal credit data in PBOC’s system; (3)Based on score results, the application will be automatically accepted/rejected. Currently, over 70% applications are automatically approved/rejected. The remaining applications will be reviewed manually; (5) Telephone interview may be arranged and additional documents may be requested (individual applicants may be required to provide proof of employment, property ownership certificate, bank statement and driver's license; Non-individual applicants may be required to provide financial statements, bank statements, tax receipts, and business contracts) to help evaluate the application; (6) If these documents are insufficient to evaluate, site visit will be arranged to assess the borrower’s living condition and family situation; (7)According to the result of assessment, a credit officer with appropriate approval authority may request an adjustment in the down payment ratio or the term of the loan application

In respect of post-loan management, the overdue loan collection team of the Risk management Department shall collect overdue loans. The specific collection actions are as follows:

Overdue days	Collection action
<=3 days	SMS reminder Wechat reminder Reminder Letter
4-30 days	Reminder Call Reminder Letter SMS reminder External service provider collection
31-90 days	External service provider collection On-site collection Reminder Call with strict warning Terminate the contract
>91 days	External service provider collection Transfer the case to the litigation team

The IT & Project Management Department is responsible for information management. There are six working teams respectively taking charge of infrastructure, project management, system development, IT compliance, application management system and IT service desk. The Company allocates much budget for IT operations. Currently VWFC invested in Data Center Capabilities (primary and 2nd location) within China to be fully compliant and to provide performed /reliable IT services for the market China.

CCXI believes VWFC has good credibility, and its business process, risk control and information systems can properly satisfy the needs of loan servicing in this transaction.

Trust Company

CITIC Trust is the Trust Company of the transaction. CITIC Trust (or "The Company" in this section) was established in 1988 as CITIC Industrial Trust Investment, which was renamed CITIC Trust Company Limited in 2007. By the end of 2020, the registered capital of the company is RMB 11.28 billion. The largest shareholder is China CITIC Co., LTD. (hereinafter referred to as "China CITIC"), with a shareholding of 82.26%, and CITIC Industrial Investment Group Co., LTD., a wholly-owned subsidiary of China CITIC, has a shareholding of

17.74%.

In terms of business scope, company's business scope includes trust business, investment banking business, wealth management business, service trust business, inherent business, asset management business of specialized subsidiaries, etc.

In terms of business scale and supervisory indicators, as for Proprietary assets, by the end of 2020, the total assets of CITIC Trust were RMB 47.11 billion, the equity was RMB 33.58 billion, the operating income was RMB 8.75 billion, and the net profit was RMB 3.86 billion. In terms of trust assets, by the end of 2020, the size of the company's trust assets was RMB 1,224.66 billion, and the operating income of trust projects was RMB 100.38 billion. In terms of supervisory indicators, by the end of 2020, the net capital of the company is RMB 22.00 billion, the total risk assets of various businesses are RMB 11.0 billion, the net capital/total risk assets of various businesses is 200%, and the net capital/net assets is 72%. All indicators meet the regulatory requirements.

In terms of asset securitization, the company vigorously expanded its asset securitization business in 2020. On the basis of having the first batch of non-financial corporate debt financing instruments underwriter qualification and exchange asset securitization business manager qualification, the company obtained the entrusted management qualification of non-financial corporate debt financing instruments. By the end of 2020, the trust scale of the company's asset securitization business was RMB 87.4 billion.

In terms of risk management, CITIC Trust has established fire walls and risk control frameworks according to CBRC requirement.

According to the above, CCXI believes CITIC Trust as the Trust Company for the transaction can properly provide the required service of trust asset management and trust related affair handling.

Account Bank

China Construction Bank Corporation, Beijing Branch acts as the Issuer Account Bank for the transaction. China Construction Bank Corporation (hereinafter referred to as CCB) was founded in October 1954. It is a leading domestic and internationally renowned large-scale joint-stock commercial bank. It was listed on the Stock Exchange of Hong Kong in October 2005 and Shanghai Stock Exchange in September 2007. By the end of March 2021, The top five common shareholders of CCB -- Central Huijin Investment Co., Ltd., Hong Kong Central Clearing (Agents) Co., Ltd., China Securities Finance Co., Ltd., State Grid Co., Ltd. and Yijia Investment Co., LTD hold 57.11 percent, 37.55 percent, 0.88 percent, 0.64 percent and 0.34 percent respectively.

After years of operation, CCB has formed a relatively complete product system and a wide range of distribution channels, and in many business areas to maintain a strong competitive advantage. At present, CCB's main business scope includes corporate and personal banking, capital business, and provides asset management, trust, financial leasing, investment banking, insurance and other financial services. By the end of 2020, China Construction Bank had a total of 14,741 business institutions, including 14,708 domestic institutions, including head office, 37 first-level branches, 361 second-level branches, 14,117 sub-branches, 191 sub-branch outlets and 1 professionally operated head office credit card center, and 33 overseas institutions. By the end of the same period, CCB had 19 major subsidiaries with a total of 595 institutions, including 422 domestic institutions and 173 overseas institutions.

By the end of 2020, the total assets of CCB were RMB 28.13 trillion, up 10.60% year on year; Total debt reached RMB 25.74 trillion, up 9.28% year on year; For the whole year, the operating revenue reached RMB 755.86 billion, including net interest income of RMB 575.91 billion, net fee and commission income of RMB 114.58 billion and net profit of RMB 273.58 billion. By the end of 2020, CCB had a non-performing loan balance of RMB 260.72 billion, a non-performing loan ratio of 1.56 percent, a provision coverage ratio of 213.59 percent, a capital adequacy ratio of 17.06 percent, a tier one capital adequacy ratio of 14.22 percent and a core tier one capital adequacy ratio of 13.62 percent. In addition, by the end of March 2021, the total assets of CCB are RMB 29.38 trillion and total liabilities are RMB 26.91 trillion. From January to March in 2021, CCB achieved an operating income of RMB 236.52 billion, including a net income of RMB 147.71 billion from interest, a net income of RMB 41.08 billion from commissions and a net profit of RMB 83.02 billion. By the end of March 2021, CCB had a non-performing loan balance of RMB 274.25 billion, a non-performing loan ratio of 1.56%, a provision coverage ratio of 219.94%, a capital adequacy ratio of 16.71%, a Tier 1 capital adequacy ratio of 14.01% and a core Tier 1 capital adequacy ratio of 13.43%, all of which met regulatory requirements.

In terms of asset custody business, China Construction Bank is one of the earliest and largest-scale custodian banks in China to carry out asset custody business. CCB is entrusted with the "One Belt And One Road" economic construction project of the state-owned assets management platform, actively participates in the exchange-traded fund (ETF) project of the reform of state-owned enterprises in Sichuan, and promotes the connection of insurance funds with the construction of important national infrastructure such as roads and Bridges. At the same time, CCB leads the industry in the number of fund trustees on the science and innovation board and the bid winning rate of state-owned enterprises in enterprise annuity. It is the first group to carry out the custodian business of global depositary receipts cross-border conversion brokerage and the custodian business of Sino-Japanese ETF mutual exchange fund. By the end of 2020, the custodial scale of CCB reached RMB 15.25 trillion; In the current period, the revenue of custody business reached RMB 5.53 billion, up 17.92% year-on-year.

In terms of risk management, China Construction Bank has established a relatively perfect risk control system for the development of its own business, and strengthened the management of expected risks while strengthening the current risk management. The risk management structure of CCB consists of the board of directors and its special committees, senior management and its professional committees, and risk management departments. The board of directors has a risk management committee, which is responsible for formulating risk strategies, supervising the implementation, and regularly evaluating the overall risk situation. The Board of Supervisors is responsible for supervising the construction of the comprehensive risk management system and the performance of the responsibilities of the Board of Directors and senior management of the comprehensive risk management. The senior management is responsible for implementing the risk strategy established by the board of directors and organizing and implementing the overall risk management of the group. The senior management has a chief risk officer to assist the president in organizing the corresponding risk management work. At the same time, the risk management department is set up as the lead department of overall risk management. The credit risk, liquidity risk, market risk and operational risk are respectively responsible by the corresponding professional management departments.

According to our credit assessment, we believe China Construction Bank Corporation, Liaoning Branch can properly provide the required service as the Issuer Account Bank for the transaction.

Conclusion

We assigned provisional ratings of AAA_{sf} to the Senior A Notes issued by Driver China thirteen. Such provisional ratings are based on：

- Credit quality of the asset pool;
- Credit enhancement provided by the senior/subordinate pro rata mechanism;
- Structural features of the transaction, which include the Order of Priority, the switch of the Order of Priority following the Foreclosure Events and Back-up Servicer, etc;
- Credit quality of Volkswagen Finance (China) Co., Ltd. and its experience and capacity as a Servicer.

Monitoring

CCXI will monitor the ratings on the Senior Asset Backed Notes while they are outstanding, which means CCXI will constantly monitor the performance of the underlying assets and the credit quality of the Servicer, the Trustee and the Issuer Account Bank before all the outstanding Senior Asset Backed Notes have been fully paid to investors. CCXI will provide monitoring reports of the follow-up ratings on the outstanding transactions by every 31st July after the Asset Backed Notes have been issued (not including first year). If there are any subsequent changes in the ratings, we will notice the Trust Company and publicly announced the results on CCXI's website.

China Chengxin International Credit Rating Co., Ltd

【】.【】, 2021

Appendix1：Key Event Definition

Event	Definition
Early Amortisation Event	(a) the occurrence of a Servicer Replacement Event; (b) the Accumulation Balance on two consecutive Payment Dates exceeds fifteen (15) per cent. of the Discounted Receivables Balance; (c) on any Payment Date falling after three (3) consecutive Payment Dates following the Issue Date, the Class A Actual Overcollateralisation Percentage is determined as being lower than 10.80 per cent.; (d) the Originator ceases to be an Affiliate of Volkswagen Financial Services AG or any successor thereto; (e) the Originator fails to perform its repurchase obligations under Clause 3 of the Trust Agreement; (f) a Credit Enhancement Increase Condition is in effect; or (g) the occurrence of a Foreclosure Event.
Foreclosure Event	(a) with respect to the Issuer an Insolvency Event occurs; or (b) the Issuer defaults in the payment of any interest on the Controlling Notes then outstanding when the same becomes due and payable, and such default continues for a period of ten (10) Business Days (or such longer period as approved at a Controlling Noteholders’ Meeting); or (c) the Issuer defaults in the payment of principal of any Note on the Legal Maturity Date,
Servicer Replacement Event	(a) any unremedied failure (and such failure is not remedied within five (5) Business Days of notice of such failure being given) by the Servicer to duly observe or perform in any material respect of any other of its covenants or agreements which failure materially and adversely affects the rights of the Issuer or the Noteholders; (b) the Servicer suffers a Servicer Insolvency Event; (c) CBIRC imposes sanctions against the Servicer pursuant to Article 29 of the Measures for Administration of Auto-Finance Companies; (d) the Servicer is dissolved by CBIRC pursuant to Article 30 of the Measures for Administration of Auto-Finance Companies; provided, however, that a delay or failure of performance referred to under paragraph (a) above for a period of 150 days will not constitute a Servicer Replacement Event if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of god or other similar occurrences.
Insolvency Event	With respect to the Originator, the Servicer, the Trust Company or the Issuer, as the case may be, each of the following events: (i) the making of an assignment, conveyance, composition or marshalling of assets for the benefit of its creditors generally or any substantial portion of its creditors; (ii) the application for, seeking of, consents to, or acquiescence in, the appointment of a receiver, custodian, trust, liquidator or similar official for it or a substantial portion of its property; (iii) the initiation of or consent to any case, action or proceedings before any court or Governmental Authority against it under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same; (iv) the levy or enforcement of a distress or execution or other process upon or sued out against the whole or any substantial portion of its undertaking or assets and such possession or process (as the case may be) shall not be discharged or otherwise shall not cease to apply within sixty (60) days; (v) an order is made against it or an effective resolution is passed for its winding-up; and

	(vi) it is deemed unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (provided that, for the avoidance of doubt, any assignment, charge, pledge or lien made by the Trust Company for the benefit of the Noteholders under the Trust Agreement shall not constitute an Insolvency Event in respect of the Trust Company).

Appendix 2: Cash flow payment mechanism

Order to Priority Prior to the occurrence of a Foreclosure Event

	Trust Account
1	amounts payable by the Issuer in respect of taxes (if any) in relation to the Trust;
2	the Servicer Fee payable to the Servicer;
3	on a pari passu basis, (1) the Trust Company Fee and Expenses payable to the Trust Company, (2) the Expenses payable to the Servicer (or replacement Servicer), including those Expenses in relation to the performance of the notification obligations referred to in Clause 7.4 of Trust Agreement, (3) the Custodian Fee and Expenses payable to the Account Bank, (4) the Paying Agent Fee and Expenses payable to the Paying Agent, (5) the Rating Agencies Fee and Expenses payable to the Rating Agencies, and (6) the Auditor Fee payable to the Auditor;
4	amounts payable in respect of (1) interest accrued during the immediately preceding Interest Period plus (2) Interest Shortfalls (if any) on the Class A Notes;
5	to the Cash Collateral Account to the extent needed to replenish and maintain the credit balance of the Cash Collateral Account at a level equal to the Specified Cash Collateral Account Balance;
6	on a pro rata and pari passu basis, (1) the Class A Amortisation Amount and (2) an amount equal to the Class A Accumulation Amount (which, during the Revolving Period, shall be credited to the Accumulation Account for the purposes of acquiring Additional Receivables);
7	amounts payable in respect of accrued and unpaid interest on the Subordinated Notes (including, without limitation, overdue interest);
8	on or after the expiration of the Revolving Period, (i) prior to the satisfaction of Clean-Up Call Conditions or in the case that the Clean-Up Call Conditions are satisfied but the Originator does not exercise a Clean-Up Call, to the Subordinated Noteholders for repayment of outstanding principal amounts of Subordinated Notes on condition that the outstanding principal amounts of Subordinated Notes after repayment is no less than 5% of the then outstanding principal amount of the Notes; or (ii) after the satisfaction of Clean-Up Call Conditions and the Originator choose to exercise a Clean-Up Call, to the Subordinated Noteholders, for repayment of outstanding principal amounts of Subordinated Notes until it has been reduced to zero; and
9	to pay all remaining excess to the Originator by way of final success fee.

Order to Priority Following the occurrence of a Foreclosure Event

	Trust Account
1	amounts payable by the Issuer in respect of taxes (if any) in relation to the Trust;
2	the Servicer Fee payable to the Servicer;
3	on a pari passu basis, (1) the Trust Company Fee and Expenses payable to the Trust Company, (2) the Expenses payable to the Servicer (or replacement Servicer), including those Expenses in relation to the performance of the notification obligations referred to in Clause 7.4 of Trust Agreement, (3) the Custodian Fee and Expenses payable to the Account Bank, (4) the Paying Agent Fee and Expenses payable to the Paying Agent, (5) the Rating Agencies Fee and Expenses payable to the Rating Agencies, and (6) the Auditor Fee payable to the Auditor;
4	amounts payable in respect of (1) interest accrued during the immediately preceding Interest Period plus (2) Interest Shortfalls (if any) on the Class A Notes;
5	to the holders of the Class A Notes in respect of principal until the Class A Notes are redeemed in full;
6	amounts payable in respect of accrued and unpaid interest on the Subordinated Notes (including, without limitation, overdue interest);；

7	(i) prior to the satisfaction of Clean-Up Call Conditions or in the case that the Clean-Up Call Conditions are satisfied but the Originator does not exercise the Clean-Up Call, to the Subordinated Noteholders for repayment of outstanding principal amounts of Subordinated Notes on condition that the outstanding principal amounts of Subordinated Notes after repayment is no less than 5% of the then outstanding principal amount of the Notes; or (ii) after the satisfaction of Clean-Up Call Conditions and the Originator choose to exercise the Clean-Up Call, to the Subordinated Noteholders, for repayment of outstanding principal amounts of Subordinated Notes until it has been reduced to zero; and
8	to pay all remaining excess to the Originator by way of final success fee.

Appendix 3: Rating classes and definitions

Rating classes	Definitions
AAA_{sf}	The ABS noteholder is highly likely to be repaid on time and in full amount for the principal and interest, basically immune from any adverse economic condition, subject to minimum expected loss.
AA_{sf}	The ABS noteholder is very likely to be repaid on time and in full amount for the principal and interest, relatively insensitive to adverse economic condition, subject to very low expected loss.
A_{sf}	The ABS noteholder is quite likely to be repaid on time and in full amount for the principal and interest, but sensitive to adverse economic condition, subject to low expected loss.
BBB_{sf}	The ABS noteholder has moderate likelihood of being repaid on time and in full amount for the principal and interest, very sensitive to adverse economic condition, subject to moderate expected loss.
BB_{sf}	The ABS noteholder has low likelihood of being repaid on time and in full amount for the principal and interest, extremely sensitive to adverse economic environment change, subject to relatively high expected loss.
B_{sf}	The ABS noteholder's likelihood of being repaid on time and in full amount for the principal and interest is dependent on the availability of positive economic condition, subject to major uncertainties and high expected loss.
CCC_{sf}	The ABS noteholder's likelihood of being repaid on time and in full amount for the principal and interest is highly dependent on the availability of positive economic condition, subject to significant uncertainties and very high expected loss.
CC_{sf}	The ABS noteholder's likelihood of being repaid on time and in full amount for the principal and interest is low, subject to extreme uncertainties and extremely high expected loss.
C_{sf}	The ABS noteholder cannot be repaid for the principal and interest, and suffers full or partial loss of principal.

Note: Except for AAA_{sf} and below CCC_{sf} ratings (incl. CCC_{sf}), each rating class can be modified with "+" or "-", indicating the rating is slightly higher or lower than such rating class.