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Press Release

Creditreform Rating has assigned ratings to German auto lease securitisation VCL 25

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Creditreform Rating (CRA) has assigned ratings to the Class A and Class B Notes of VCL Multi-Compartment S.A., acting for and on behalf of its Compartment 25 (VCL 25), as follows:

EUR Floating Rate Asset Backed notes:

Class	Amount	Rating
Class A	1,500,000,000	AAA_{sf}
Class B	34,500,000	$A+_{sf}$

The transaction is a securitisation of German auto lease receivables, originated by Volkswagen Leasing GmbH (VWL). To size the credit risk of the portfolio and derive base case assumptions about loss rates and expected recovery performance, Creditreform Rating used data provided by VWL as well as internal data bases. VCL 25 is a static pool and securitises only the finance portion of the leases; residual values are not securitized by the Issuer. A combination of subordinated loan, overcollateralization and a cash reserve will provide credit enhancement to the rated Class A Notes (7.20%) and Class B Notes (5.04%).

VWL will credit to the Cash Collateral Account certain amounts which will be available to mitigate commingling risks, trade tax and VAT tax risks, and cover the Issuer´s exposure to VWL.

Downgrade collateral and replacement provisions mitigate counterparty risk exposures with respect to the Swap counterparty and Account Bank. Risks related to the

Issuer are limited, the compartment structure being ring-fenced and with limited recourse to other creditors of the Issuer.

In order to assess the portfolio's credit risk and to estimate base case assumptions regarding loss rates and expected recovery performance, Creditreform Rating used data provided by VWL as well as internal data-bases. Following the analysis of historical data, CRA set the base case gross loss rate at 2.29% and the base case recovery rate at 65%. Furthermore, the CRA Portfolio and Benchmark Analysis showed a similar level of portfolio credit risk.

CRA selects default multiples at x4.80 (AAAsf) and x3.55 (A+sf). Moreover, CRA set recovery haircuts at 44.25% (AAAsf) and 35.45% (A+sf), taking into account transaction-specific features such as observed volatility and established recovery procedures, as well as potential market value risks caused by the manipulation of EA189 diesel emissions. This resulted in total expected net losses of 7.00% (AAAsf) and 4.71% (A+sf). These scenario-specific assumptions were tested in CRA's proprietary cash flow model, which was tailored to reflect the structure of VCL 25 and to assess the issuer's ability to service its debt in a full and timely manner.